

Sustainability Policy

Table of content

1. Introduction	3
1.1 Purpose and Scope	3
1.2 Rationale for Sustainability	3
1.3 Policy Objectives	3
1.4 Relevant Reporting Frameworks	3
2. General Sustainability	4
2.1 Sustainability Vision and Mission	4
2.2 Materiality Assessment	4
2.3 ESG Risk Assessment	5
2.4 Sustainability Strategy	5
2.5 Stakeholder Engagement	6
2.6 Continuous Improvement and Innovation	6
3. Environmental Sustainability	7
3.1 Climate Change	7
3.2 Pollution	7
3.3 Circular Economy	8
3.4 Water Usage and Conservation	8
3.5 Biodiversity	9
4. Social	10
4.1 Own Workforce	10
4.2 Workers in the Value Chain	11
4.3 Community Engagement	11
4.4 Safety of End-Users	11
5. Governance	11
5.1 Board Oversight and Structure	12
5.2 Business Conduct and Compliance	12

1. Introduction

In today's rapidly evolving world, the integration of sustainable practices into business operations is not just an ethical decision, it is also a strategic one. As an industry leader in metal processing, BENTELER recognizes the profound impact our activities have on the environment, society, and the economic landscape. With a vision to ensuring a better tomorrow, we believe that our responsibilities extend beyond our production floors, touching the lives of our employees, the communities we operate in, and the global ecosystem.

1.1 Purpose and Scope

The purpose of this sustainability policy is to serve as a guiding document, illuminating the path forward as we continuously integrate sustainability into our business. It is designed to be guiding employees, partners, and stakeholders involved in our processes. By establishing clear expectations and actionable goals, we aim to weave sustainability into the very fabric of our organizational culture.

1.2 Rationale for Sustainability

Sustainable practices are the bedrock upon which future-ready businesses are built. They ensure the longevity and resilience of operations, help in managing and reducing potential risks, and position us as champions for positive societal and environmental impact. Sustainability is no longer just about 'doing good'; it's about doing well by doing right.

1.3 Policy Objectives

This policy underlines our commitment to environmental, social, and governance (ESG) factors, offering clear guiding principles and robust actions to address them. Through this policy, we affirm our commitment to responsible business practices that not only meet but aim to exceed global standards.

1.4 Relevant Reporting Frameworks

BENTELER's commitment to transparency is unwavering. We pledge to align our operations with acknowledged global frameworks such as the UN SDGs, the GRI Standards and CSRD. Moreover, we dedicate ourselves to delivering comprehensive, CSRD-compliant reports annually (beginning in 2025), ensuring stakeholders have a clear view of our sustainability journey.

At BENTELER, we envision a future where business growth and sustainability go hand in hand, driving innovation, fostering inclusive development, and ensuring a harmonious balance with the environment. Through this policy, we invite our stakeholders to join us on this transformative journey. Together, we will redefine the boundaries of what's possible in the metal processing industry.

2. General Sustainability

In the dynamic landscape of the 21st century, sustainability is no longer a mere supplementary component of business; it is a critical determinant of long-term success and viability. For BENTELER, deeply embedded in the metal processing industry, our approach to sustainability extends beyond cursory compliance—it defines our commitment to shaping a better future, where mobility is both safer and environmentally responsible.

2.1 Sustainability Vision and Mission

Vision: "WE MAKE MOBILITY SAFER AND MORE SUSTAINABLE."

Embedded within this vision is our promise to stakeholders, communities, and the environment. As urbanization expands and demands on transportation grow, our role is pivotal in ensuring that the vehicles and systems moving people and goods do so efficiently, safely, and sustainably. The same aspiration we pursue with our products for industrial applications.

Mission: At BENTELER, we strive to responsibly integrate sustainability into our production processes, value chain and business activities. Our goal is to consistently manufacture metal components that align with industry standards, while continuously seeking opportunities for improvement. We are also committed to fostering a positive and inclusive work environment, supporting our local communities, and promoting fair and ethical business practices. In doing so, we aim to contribute to safer and more sustainable mobility for all.

2.2 Materiality Assessment

The journey towards genuine sustainability begins with recognizing and addressing the most pertinent issues for BENTELER. For this purpose, a materiality assessment is used in accordance with the double materiality principle of CSRD. Based on this assessment all material sustainable matters are identified and the scope for sustainability reporting is defined. The materiality assessment process consists of six steps:

1. **Preparation of workshops:** In the first step sustainability matters for the following assessment process are defined. The definition of matters is based on the ESRS standards and an environmental analysis of further relevant frameworks. Each sustainability matter is briefly described in a template which is also the foundation for the identification of impacts, risks and opportunities.
2. **Identification of impacts, risks and opportunities per sustainability matter:** In multiple workshops with different stakeholders (or internal representatives of external stakeholders) impacts, risks and opportunities are identified. In the first step, this is based on a brainwriting by all participants to identify impacts, risks and opportunities per sustainability matter. In the second step, all identified impacts, risks and opportunities are discussed by the whole group to agree on a list with impacts, risks and opportunities.
3. **Assessment of impacts, risks and opportunities:** All identified impacts, risks and opportunities are assessed on given assessment scales by the Sustainability Office. All participants need to agree on one assessment.
4. **Review of impact, risk and opportunity assessment:** The assessment of all impacts, risks and opportunities is sent to the stakeholders, represented by the participants of the workshops. These stakeholders need to review the assessment and have the option to propose corrections, which is reviewed by the Sustainability Office in the following.

5. **Analysis – Identification of material matters and impact on reporting:** Based on the assessment of the impacts, risks and opportunities, material sustainability matters are derived. Each matter with a related impact, risk or opportunity with an assessment above a certain threshold is material. Based on the list of material matters, the relevant datapoints for reporting are derived from the ERS standards.
6. **Final validation and release of results:** The results are presented to the management board. The board needs to validate and release the results. It also has the option to overrule the results and change the assessment.

Details regarding the materiality assessment process, like the assessment scales, are defined in an internal process handbook. The current results of the assessment can be found in the latest annual report.

2.3 ESG Risk Assessment

In the future, BENTELER will regularly integrate climate-related physical and transitional risks into the group's risk reporting. The reported risks are adopted from the materiality assessment.

Physical risks are those that arise when the effects of climate change can no longer be contained. Here, a distinction is made between acute risks (storms, floods, droughts, wildfires, etc.) and chronic risks (heatwaves, rising sea levels, soil erosion, etc.).

Transitional or transitory risks (transition risks) are those that occur in the context of transformation. Here, a distinction is made between transitory risks (political and legal risks, changes in markets and technologies, etc.) and transitory opportunities (new markets and products, etc.).

Relevant ESG risks can be found in the sustainability part of the latest Annual Report.

2.4 Sustainability Strategy

To manage our ESG risks and deeply root sustainability in our organization, a sustainability strategy is required. Therefore, we have developed a sustainability strategy process, that is performed in regular intervals:

1. **Definition of sustainability vision and mission:** Based on our corporate vision, we derive a sustainability vision and mission, which also considers our ambition level.
2. **Materiality Assessment:** The materiality assessment is an integral part of our sustainability strategy process. For further details, please see chapter 2.2.
3. **Identification of focus areas:** Based on the materiality assessment, the number of IROs per sustainability matter is analyzed. Hotspots are aggregated and defined as focus areas for the sustainability strategy.
4. **Definition of targets and goals per focus area:** In our quest for sustainability, we map our focus areas with broader global objectives, particularly the United Nations Sustainable Development Goals (SDGs). Moreover, we define BENTELER specific targets for each focus area.
5. **Definition of strategy per focus area:** To ensure the achievement of our targets, we define strategy elements for each focus area of the sustainability strategy. These elements describe the path and direction, in which we want to develop BENTELER in the future.
6. **Implementation of strategy:** The strategy of each focus area is implemented by concrete measures and initiatives. Therefore, actions are defined in the last step and measurable KPIs are derived, to monitor the implementation progress.

The results of our sustainability strategy process can be found in the sustainability part of the latest Annual Report.

2.5 Stakeholder Engagement

Our sustainability journey is collective, anchored in collaborative endeavors with our stakeholders. The core of our engagement with stakeholders is the materiality assessment process (see chapter 2.2). This process is designed to understand the aspirations, concerns, and potential of relevant stakeholder groups, forging a synergy that drives mutual growth.

Besides the materiality assessment, we maintain a two-way communication channel with our stakeholders, ensuring our strategies are enriched by diverse perspectives.

2.6 Continuous Improvement and Innovation

In the dynamic landscape of the metal processing industry, BENTELER's commitment to sustainability is intertwined with our pursuit of continuous improvement and innovation. Our global stature as a metal processing specialist propels us to be at the forefront of crafting solutions that align with the evolving demands of both the market and the environment.

2.6.1 Research and Development

Our R&D initiatives are the lifeblood of our sustainability endeavors. Dedicated teams work relentlessly to explore and harness novel methodologies in metal processing that reduce environmental impact without compromising on quality. This not only involves the exploration of new and lightweight materials but also the refinement of existing processes to maximize efficiency and minimize required resources. Collaborative efforts with academia, industry peers, and research institutions further enhance our R&D pursuits, keeping us abreast of emerging trends and technologies.

One important trend we pursue is the shift towards e-mobility, which we want to support with our products and services. This also allows us to reduce our downstream scope 3 emissions. To further reduce our scope 3 emissions, life cycle assessments are part of our R&D efforts. This enables us to identify carbon-intensive hotspots in the value chain and to address these hotspots.

2.6.2 Embracing Technology for Sustainable Operations

Leveraging technology is pivotal in our journey toward sustainable operations. By integrating advanced automation and Industry 4.0 related technology into our operations, we optimize energy consumption, reduce emissions, and enhance waste management protocols. These technologies also empower us to monitor and assess our environmental footprint, ensuring we remain compliant with global standards and responsive to any discrepancies.

BENTELER's commitment to sustainability is a dynamic journey. Through continuous improvement, relentless R&D, and the embracing of cutting-edge technologies, we aim to redefine what it means to be a sustainable leader in the metal processing domain. Every innovation and technological advancement propel us closer to our vision of a greener, more responsible, and transparent industry.

3. Environmental

Within the context of our operations, BENTELER fully acknowledges the environmental responsibilities that come with being a key player in the metal processing industry. Our dedication to safeguarding the environment is unwavering, and we're committed to implementing the most effective strategies to ensure a sustainable and green future.

3.1 Climate Change

In the modern era, climate change is undeniably one of the most pressing global challenges. Our approach to this global issue is dual-faceted, focusing on Climate Change Mitigation and Climate Change Adaptation.

3.1.1 Climate Change Mitigation

Within our mitigation efforts, we concentrate on substantially decreasing our carbon footprint throughout our operations and supply chain. Investing in cleaner, energy-efficient technologies is a cornerstone of our approach, allowing us to minimize CO₂ emissions inherent in the metal processing domain. Substitution of fossil fuels by electrification, biogas and use of green hydrogen are key elements to reduce our scope 1 emissions. Simultaneously we are shifting our electricity portfolio to renewable electricity by PPAs, self-generations and certificates of origin. In order to achieve our green electricity transformation we are cooperating with global sustainably energy suppliers and looking to expand our regional/local partnerships at the same time. Moreover, understanding the extended reach of our carbon impact, we actively engage with suppliers and partners to install sustainability practices down the entire value chain and reduce our scope 3 emissions.

3.1.2 Climate Change Adaptation

With the recognition that we are already facing some irreversible impacts of climate change, our strategy is also centered on resilience and adaptability. Continuous risk assessments allow us to identify potential challenges to our worldwide operations, ranging from rising sea levels and extreme weather events to transportation disruptions. Guided by these insights, we are taking proactive steps to reinforce our infrastructure. Facilities, especially those in areas identified as high-risk, are undergoing modifications to counteract anticipated climate-related challenges.

For BENTELER, the climate challenge is a call to innovate, drive efficiency, and lead within the metal processing industry. By intertwining rigorous mitigation with strategic adaptation, we aim to coexist harmoniously with our environment, paving the way for a sustainable and resilient future.

3.2 Pollution

In our commitment to a cleaner, sustainable future, BENTELER, as a global leader in metal processing, recognizes the paramount importance of addressing pollution in its manifold forms.

Air quality is a global concern that affects all, from our employees to the communities we operate in. As a metal processing specialist, the byproducts of our operations can contribute to airborne pollutants. Thus, we continually invest in innovative technologies and practices to reduce emissions and ensure that our processes are as clean as possible. This encompasses everything from the machinery we use to the ways in which we refine and handle materials.

But our responsibility doesn't stop at the air. The soil we stand upon and the water we utilize are vital resources, and their protection is essential. We adhere to stringent guidelines to

prevent soil contamination and actively employ water treatment solutions to deter any adverse impact on freshwater sources.

Substances of concern, often a byproduct of industrial processes, are rigorously monitored and managed within our facilities. Our global teams are trained and equipped to handle, store, and dispose these substances responsibly, ensuring they don't become pollutants.

3.3 Circular Economy

At BENTELER, our dedication to sustainability is deeply rooted in our belief in the Circular Economy. As a globally recognized metal processing specialist, we envision a world where resources are utilized with utmost efficiency, creating a closed loop that minimizes waste and optimizes value. Our strategy focuses on pivotal aspects of this circular approach: Resource Inflows, Resource Outflows, and Waste.

3.2.1 Resource Inflows

Our journey begins with the careful consideration of the resources we bring into our operations. Ethical and sustainable sourcing is at the forefront of our procurement strategies, ensuring that we start our processes with materials that meet the standards of environmental and ethical practices. Beyond sourcing, our research and development teams work tirelessly to ensure each resource input is used efficiently, optimizing our processes to reduce redundancy and wastage. Our partnerships are also a vital component of this phase. By fostering strong collaborative ties with our suppliers, we can create a shared vision for sustainability, ensuring a seamless and responsible inflow of resources.

3.2.2 Resource Outflows

As we send our products into the world, we're ever-conscious of their life beyond our facilities. The goal is to design products that not only serve their immediate function but do so for extended periods, reducing the need for frequent replacements.

3.2.3 Waste

In the realm of a circular economy, waste isn't just discarded material—it's a potential resource waiting to be tapped. With our ambitious drive towards a zero-waste model, our facilities are geared towards not just reducing waste generation but also exploring innovative ways to repurpose or recycle any waste that arises. Waste, be it hazardous or non-hazardous is treated with the utmost care, segregated, and processed in a manner that aligns with global best practices. Investing in cutting-edge technologies, we're continually looking for ways to transform waste into valuable resources, further emphasizing the principles of circularity.

By weaving the Circular Economy principles into our operations, BENTELER is not just addressing environmental concerns but is also crafting a resilient, sustainable, and innovative path forward in the metal processing supply domain.

3.4 Water Usage and Conservation

Water is a foundational element of life, essential to our operations and the communities in which we operate. At BENTELER, as a globally recognized metal processing specialist, we are acutely aware of our responsibility to safeguard this precious resource. Our strategy is designed around two pivotal aspects of water management: Water Withdrawal and Water Use.

3.3.1 Water withdrawal

Drawing water responsibly is the first step in our comprehensive water stewardship approach. We have implemented monitoring and tracking systems to ensure that our

water sourcing does not adversely impact local water tables or ecosystems. Recognizing that water scarcity is a pressing global challenge, we are committed to accessing only our fair share, especially in regions facing water stress. Therefore, we collaborate with regulatory bodies to ensure our withdrawal practices are sustainable and considerate of the broader needs of the ecosystem and its inhabitants.

3.3.2 Water use

Our commitment to water extends beyond its extraction. Through advanced technologies and innovative practices, we continuously optimize our metal processing techniques to be water-efficient, reducing our overall consumption. Reuse and recycling are foundational to our approach, with state-of-the-art systems in place to treat and recycle water within our operations. Additionally, our teams are trained to recognize the value of water, ensuring that our decisions, from equipment cleaning to cooling, are made with conservation in mind.

Embracing a holistic approach to water management, BENTELER is not just ensuring its sustainable operations but is also contributing to the larger vision of a world where water is revered, respected, and responsibly managed. Our endeavors championing transparency, responsibility, and a forward-thinking approach to sustainability in the metal processing industry.

3.5 Biodiversity

At BENTELER, our global presence as a leading metal processing specialist brings with it an elevated responsibility towards the planet's diverse ecosystems. We firmly believe that industrial progress should not come at the cost of our natural environment, and this philosophy guides our approach to biodiversity.

We acknowledge the intricate web of life that our planet houses, from microorganisms in the soil to large mammals, all of which play a pivotal role in maintaining ecological balance. Our operations, spread across various geographical terrains, are meticulously planned to minimize disturbances to local habitats.

We also engage in restoration initiatives, aiming to replenish and rejuvenate any habitats that may have been previously impacted. Collaborating with local environmental agencies and NGOs, we invest in projects that promote flora and fauna conservation. Through these endeavors, BENTELER aspires to be a beacon of industrial harmony with nature, ensuring that as we drive forward innovation, we leave behind a world teeming with life and vitality.

4. Social

4.1 Own Workforce

At the heart of BENTELER's global success in metal processing industry lies our most valuable asset: our employees. Recognizing the paramount importance of safeguarding their rights and ensuring their welfare, our sustainability strategy is deeply rooted in fostering a conducive, equitable, and secure environment for our workforce. Therefore, the most important aspects are described in this chapter. Further details can be found in the separate *Global HR Governance Policy*.

4.1.1 Working Conditions

As a responsible employer with a vast global footprint, we ensure that our facilities across the world adhere to relevant standards of working conditions. Health and safety are aspects that form the core of our effort in this area (see 4.1.2). Comfortable, ergonomic workspaces, flexible working hours, and a clear delineation of roles and responsibilities ensure that our employees feel valued and motivated. Regular feedback sessions provide a platform for employees to voice their concerns and suggestions, reinforcing our commitment to continuous improvement in creating an optimum work environment.

4.1.2 Health and Safety

The nature of metal processing requires meticulous attention to health and safety protocols. Comprehensive safety guidelines, periodic drills, and safety equipment ensure that our employees are shielded from potential hazards. Beyond physical safety, our initiatives also focus on mental well-being, offering counselling services and promoting work-life balance to ensure holistic health for our team.

4.1.3 Training and Capacity Building

Understanding the rapid advancements in the metal processing sectors, we prioritize the continuous upskilling of our workforce. Through workshops, seminars, and collaborative programs with industry experts, our employees are constantly trained. This not only boosts their personal growth trajectories but also ensures that BENTELER remains at the cutting edge of the industry.

4.1.4 Diversity

Inclusivity is a core principle at BENTELER. Embracing the diverse backgrounds, experiences, and perspectives of our employees is not just an ethical mandate but a strategic one. It fosters creativity, broadens our worldview, and drives innovation. Our hiring policies are free from biases, and we celebrate the multicultural tapestry that our global operations weave, ensuring equal opportunities for all, regardless of gender, ethnicity, age, or disability.

4.1.5 Human and Labor Rights

Our alignment with global labor conventions ensures that we're respecting our employees' rights. This commitment extends beyond the standard rights, emphasizing the importance of both minimum and living wages, ensuring not just compliance but genuine welfare. We take a staunch stand against practices like child labor and forced labor. Through regular audits and ongoing dialogues with employee representatives, we ensure that potential concerns are addressed.

In conclusion, BENTELER's dedication to sustainability transcends our operational practices. It resonates deeply within our organizational ethos, placing our employees at the forefront of our efforts.

4.2 Workers in the Value Chain

For BENTELER, sustainability is not confined within the walls of our operations but extends across our vast value chain. Our position as a global leader in metal processing mandates a holistic approach to ensure the rights and welfare of employees who play a role in our supply chain. Recognizing their contribution, we've established rigorous guidelines for our partners, suppliers, and third-party contractors, that are written down in our Supplier Code of Conduct (publicly available).

We collaborate only with entities that share our commitment to fair working conditions, equitable wages, and a staunch stand against exploitative practices. Through regular audits, on-the-ground assessments, and dialogues, we continuously monitor the well-being of workers in our value chain. Training and capacity-building initiatives are also extended to our partners, ensuring that standards of health, safety, and ethical practices are ubiquitously maintained.

As BENTELER continues to pioneer advancements in the metal processing industry, the well-being of workers throughout our value chain remains central to our sustainability ethos. Our commitment to this ensures not only the integrity of our products but also the realization of a vision where business growth and social responsibility coalesce seamlessly.

4.3 Community Engagement

In the intricate fabric of BENTELER's operations, our connection with the communities we operate in holds a significant thread. As a globally recognized metal processing specialist, we believe our responsibilities extend beyond business objectives to playing an active role in community upliftment. By fostering open dialogues with local leaders and residents, we've cultivated a deeper understanding of community needs and aspirations. Our initiatives range from educational programs and infrastructural support to cultural preservation and local environmental projects. Collaborative efforts with community-based organizations amplify our impact. For BENTELER, sustainable growth is synonymous with ensuring the communities we touch thrive alongside us, echoing our belief that a truly successful business is one that uplifts and supports the very roots from which it blossoms.

4.4 Safety of End-Users

At the core of BENTELER's endeavors as a leading global metal processing specialist is an unwavering commitment to the safety of our end-users. Our products are imbued with high standards of precision, quality, and integrity, ensuring that those who rely on our components do so with complete confidence. Recognizing the immense trust placed in us, we invest in cutting-edge research, advanced testing protocols, and continuous feedback mechanisms. Collaborating closely with our customers, we work to anticipate potential safety challenges, innovating solutions that not only meet but often exceed regulatory standards. For BENTELER, the journey of sustainability is intrinsically linked with our dedication to safeguarding individuals who interact with the products birthed from our expertise.

5. Governance

At BENTELER, a global forerunner in metal processing, our governance framework embodies our dedication to sustainable excellence. As we navigate the complexities of worldwide operations, our governance principles act as a beacon, ensuring ethical practices align with our industry aspirations. It's not just about leadership structure but about infusing sustainability into our decisions, forging a future where business growth and ethical commitment walk hand in hand.

5.1 Board Oversight and Structure

Within the complex dynamics of BENTELER, our global stature in the metal processing industry is fortified by a robust board structure committed to sustainability. Recognizing the pivotal role of governance in shaping our sustainability trajectory, our board actively engages in overseeing, guiding, and ensuring the alignment of our strategic actions with our sustainability goals. As BENTELER continues its sustainability journey, the cohesive synergy between our board's oversight and our operational endeavors underpins our ambition: to lead not just in business, but in setting standards for responsible, sustainable advancements in the metal processing industry.

5.2 Business Conduct and Compliance

At the heart of BENTELER's success as a global metal processing authority lies our unwavering dedication to impeccable business conduct. This commitment ensures our operations, partnerships, and innovations are characterized by ethics, transparency, and a sense of purpose that goes beyond mere profitability. This is also stated in our Code of Conduct (publicly available).

5.2.1 Corporate Culture

Our corporate culture is the bedrock of our ethical endeavors. Rooted in values of integrity, respect, and accountability, it frames our decisions, from the boardroom to the factory floor. Through consistent training, dialogue, and engagement, we reinforce these values, creating an ecosystem where ethical considerations stand paramount.

5.2.2 Whistleblower Protections

We are aware of the potential challenges posed by our global operations and have embedded strict whistleblower protection mechanisms in our B-AWARE system. These mechanisms not only enable our stakeholders to raise concerns without fear of retaliation, but also underscore our commitment to transparency and integrity.

5.2.3 Anti-Bribery and Corruption

In the network of our global commitments, our stance against bribery and corruption is an essential part of our business policy. Our strict internal policies, combined with continuous training and awareness campaigns, ensure that our employees understand, internalize and comply with our anti-corruption policy. This commitment also extends to our partners to ensure a high level of integrity throughout our value chain.

5.2.4 Management of Supplier Relationships

Lastly, our management of supplier relationships is characterized by a delicate balance of commercial pragmatism and ethical rigidity. We engage suppliers who echo our sustainability ambitions, and through regular assessments, audits, and collaborative discussions, we ensure that our shared journey towards sustainability is marked by mutual growth, respect, and commitment to the greater good. This is also underlined in our Supplier Code of Conduct, which is publicly available.

In sum, BENTELER's approach to business conduct is not just a reflection of our dedication to best practices. It is a testament to our belief that the future of the metal processing industry lies in the hands of businesses that operate with integrity, accountability, and an unwavering commitment to a more equitable, sustainable world.

Salzburg, 23.10.2023

Benteler International AG