



SUSTAINABILITY  
REPORT  
2022

## HIGHEST CORROSION PROTECTION WITH LOWEST CO<sub>2</sub> EMISSIONS

For 150 years, the name Wuppermann has stood for quality in the processing and finishing of steel. Since its founding in 1872, the medium-sized family business has pursued a strategy of long-term, sustainable growth and consistent value creation in the interests of its customers, employees, and shareholders. Today, Wuppermann is the innovation leader in strip galvanising and offers the highest corrosion protection with the lowest CO<sub>2</sub> emissions. From 2025 onwards, we aim to achieve CO<sub>2</sub>-neutral production.

Across Europe, the Wuppermann Group has more than 800 employees at five production sites in the Netherlands, Austria, Poland, and Hungary as well as in holding and sales companies in Germany, Austria, France, Sweden, and Romania. It is managed by Wuppermann AG as a holding company based in Leverkusen, which is 100 % family-owned.

The product portfolio includes surface-treated flat steel products with zinc and zinc-magnesium coatings and pickled surfaces, as well as tubes, profiles, and tube components with the same surface types. Wuppermann products are used in a wide range of industries: construction, furniture and the automotive industries, solar and energy technology, as well as in the transport sector.

As an independent family-owned company, we want to continuously develop Wuppermann through sustainable and future-oriented action and position ourselves as a specialised company with excellent customer service in the steel industry.

# // MISSION STATEMENT

## Striving for long-term growth and financial stability

As a medium-sized family business with tradition, quality is our top priority. This applies in particular to the cooperation with our customers and suppliers as well as to our products.

We aim for long-term growth and financial stability.

Our goal is to achieve the position of the leading manufacturer of hot-dip galvanised hot-rolled strip in Europe - as the problem solver for the highest corrosion protection requirements on a strip steel basis without CO<sub>2</sub> emissions. In addition, the niche position as a steel tube and profile producer is to be strengthened.



Reduce CO<sub>2</sub>

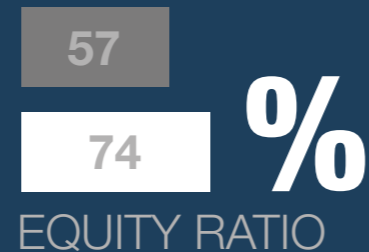
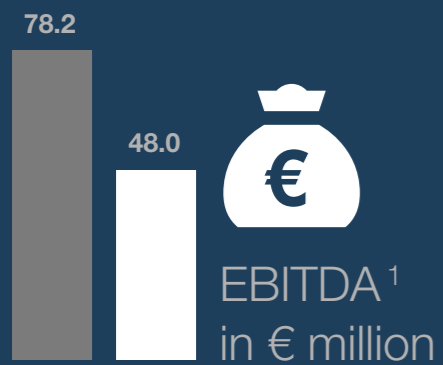


PROTECTION is the unifying element of our two core concerns, which we express in our mission statement: PROTECTION and thus durability of STEEL through our top-quality galvanising. PROTECTION and thus preservation of the ENVIRONMENT, because our process emits far less CO<sub>2</sub> than is usual on the market.

Avoid CO<sub>2</sub>

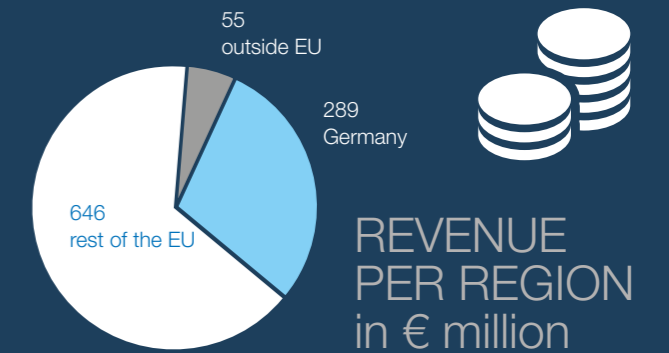
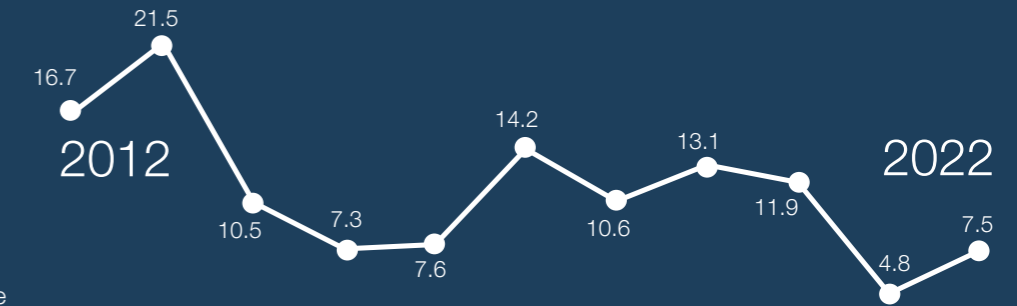
# // WUPPERMANN AT A GLANCE

## 2021 | 2022



### OCCUPATIONAL SAFETY LTI RATE

Occupational accidents with a loss of time of more than one shift per 1 million hours worked



### PRODUCTION SITES



1) Earnings Before Interest, Taxes, Depreciation and Amortisation  
 2) 1A & declassified, without scrap and intercompany  
 3) Total active & inactive employees (heads) as of 31.12.

# // SUSTAINABILITY REPORT

As a family business with 150 years of tradition, we feel a special obligation to the generations to come. At Wuppermann, we understand sustainability as a form of ecological and economic action that ensures comparable or better living conditions for present and future generations. Since 2019, we have regularly reported on the goals, measures and implementation status of our sustainability strategy as part of the annual report. At present, the Wuppermann Group is not covered by any non-financial reporting requirements, but we will continue to follow the structure of the draft European Sustainability Reporting Standards (ESRS). Consequently, the report is divided into the areas of environment & climate, social affairs and corporate governance. Furthermore, we are guided by the double materiality principle. Accordingly, we focus on reporting on sustainability aspects on which Wuppermann's corporate actions have an impact, or which have an impact on Wuppermann's corporate actions.

## Environment & Climate

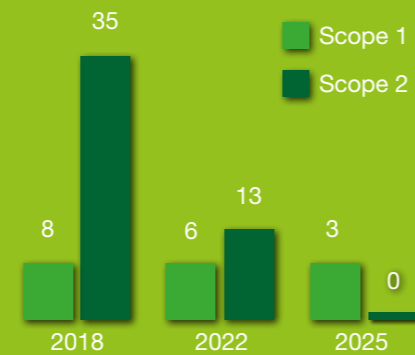
### CLIMATE CHANGE

Wuppermann produces around one million tonnes of strip galvanised steel a year using the so-called "heat-to-coat" process. In 2022, the Fraunhofer Institute UMSICHT was commissioned with a renewed comparative test of this process in comparison to conventional galvanising processes based on fossil energies. As a result, the measures taken in recent years are having an effect. In the 2018 survey, the advantage of Wuppermann Staal Nederland B.V. (WSN) was 31 percent, in the current survey it is already 54 percent. The usual cold strip galvanising processes require the steel strip to be annealed to a temperature of 750 °C in a large annealing furnace fired with natural or metallurgical gas. Its combustion product is CO<sub>2</sub>, which is released into the atmosphere. Subsequently, the strip must then be

cooled to galvanising temperature. Wuppermann's heat-to-coat process uses an inductively - i.e. electrically - heated strip heating oven that heats the steel strip to the galvanising temperature of 460 to 480 °C in seconds. With electricity as the main energy source, the electricity mix is therefore the main lever for us to achieve CO<sub>2</sub>-neutral production.

The Wuppermann Group has set itself the target of reducing all Scope 1 and Scope 2 emissions attributable to the production process to 0 by 2025. All other Scope 1 and Scope 2 emissions are to be eliminated by 2030. Scope 1 emissions are the CO<sub>2</sub> emissions that are generated directly on site at the Wuppermann Group's operating sites through the combustion of fossil fuels. In our case, these are essentially

natural gas in the production process and, in addition, diesel or petrol for company vehicles. Scope 2 emissions are CO<sub>2</sub> emissions that occur in the generation of the electricity we use. We consider 2018 as the base year and report all progress accordingly in relation to the 2018 base year.



### Progress and forecast of CO<sub>2</sub> reduction:



## Locations procuring green power



Wuppermann Metalltechnik GmbH, Altmünster, Austria



Wuppermann Austria GmbH, Judenburg, Austria



Wuppermann Staal Nederland B.V., Moerdijk, Netherlands

### Key measures to avoid Scope 1 and Scope 2 emissions are:

- // Use of electricity from renewable sources,
- // Reduction of energy consumption per tonne,
- // Realisation of a gas-free production process and
- // Replacement of gas heating systems.

### installed nominal power (2022):

approx. **2,800** kWp/p.a.

### self-generated electricity

approx. **2,500** MWh/p.a.

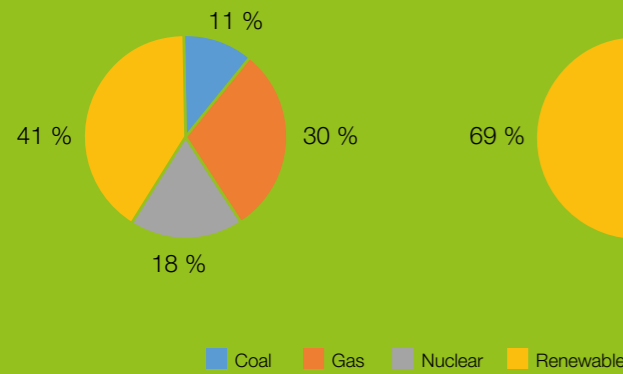
The use of electricity from renewable sources is the biggest lever for reducing CO<sub>2</sub> emissions in the group. Significant progress was made here in 2022 with the conversion of electricity purchasing from European wind power in Moerdijk and the installation and commissioning of photovoltaic plants in Altmünster, Judenburg and Győr. The installed nominal power of the three systems was approx. 2,800 kWp in 2022 and a total of approx. 2,500 MWh of electricity was generated. In the fourth quarter of 2022, the construction of the photovoltaic plants at the Malomice and Moerdijk sites was started. By the turn of the year, the hall roofs had been prepared for assembly, the cabling installed and the construction for the solar modules erected. From January 2023, the solar panels will be installed at both sites, with power generation scheduled to start in February. This means that all Wuppermann sites will then have

photovoltaic systems - with a total installed nominal output of more than 4,000 kWp.

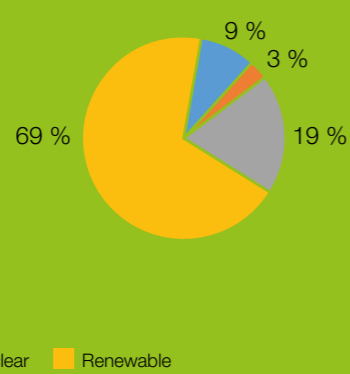
The main burden of CO<sub>2</sub> emissions arises in the steel-producing industry, but this is also where most of the value is added in the supply chain. At 1,950 kilotonnes, these Scope 3 emissions generated in the production of our primary materials exceed the emissions caused directly by Wuppermann many times over. Because Wuppermann is a steel processing company. In this respect, it is essential for Wuppermann to influence companies in the upstream stages of the value chain to also pursue ambitious sustainability goals. Therefore, Wuppermann has developed a Code of Conduct based on the UN Guiding Principles on Business and Human Rights for agreement with suppliers. Due to the greater complexity of steel manufacturing processes, compared



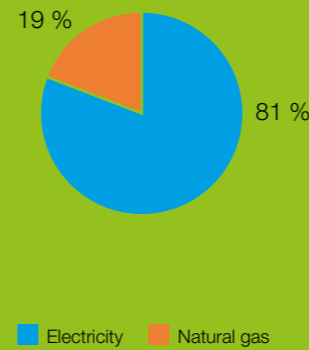
## Electricity mix 2018



## Electricity mix 2022



## Primary energy 2022



to Wuppermann's processing operations, reducing Scope 3 emissions will take longer than completely eliminating Scope 1 and 2 emissions. Currently, the supply of CO<sub>2</sub>-reduced steel in Europe is still very limited and subject to high surcharges. Wuppermann is in regular discussion with suppliers on the progress of the measures. At the same time, Wuppermann regularly informs selected customers about existing opportunities to reduce the carbon footprint of its products. The first pilot projects are planned for 2023, which envisage products with an overall carbon footprint of only around a quarter of the current market standard.

### WATER AND SEA RESOURCES

Healthy rivers, seas and coasts ensure our survival and sustain the livelihoods of all people. The many challenges in the protection and sustainable use of the oceans lie in renaturation. The threat is posed by all types of pollution that are discharged into water bodies by industrial companies in the form of wastewater. Water is needed in industry in very large quantities, especially for cooling or cleaning purposes.

The "heat-to-coat" process at Wuppermann requires water primarily to cool the strip temperature. When discharging into bodies of water, Wuppermann takes strict care to comply with the legally required framework conditions. To be able to guarantee this, our galvanising sites have high-performance water treatment plants and analysis systems. The water treatment plant of Wuppermann Staal Nederland B.V. was extensively modernised in 2022.

### RESOURCES AND CIRCULAR ECONOMY

Raw materials such as ore, steel, and zinc are scarce resources that are extracted at great expense. This makes it all the more important to use these resources sparingly and to return them to the material cycle. It helps that steel is 100 per cent recyclable. But we also keep an eye on all process-relevant raw materials, consumables and supplies. Because we have the goal that all materials that are not delivered to our customers as a product are completely recycled. Already today, the recycling rate at the two large galvanising sites is over 99 percent. The remaining waste is systematically examined for its recyclability on a recurring basis.

## Social

In 150 years of entrepreneurship, responsible action towards our employees has become anchored in our corporate culture. They are an essential basis for the long-term success of our company. We have therefore documented the following voluntary commitments in our Code of Conduct:

- // Exclusion from forced labour
- // Prohibition of child labour
- // Fair pay
- // Fair working hours
- // Freedom of association
- // Prohibition of discrimination
- // Health protection; safety at work
- // Establishment of complaints mechanisms
- // Avoidance of conflict minerals

The Code of Conduct is based on national laws and regulations as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on Children's Rights and Business Conduct, the United Nations Guiding Principles on Business and Human Rights, the International Labour Standards of the International Labour Organization and the United Nations Global Compact.

### OWN EMPLOYEES

Furthermore, Wuppermann AG has signed the Diversity Charter. By signing the agreement, Wuppermann is making a voluntary commitment to diversity management, which is to be lived out in everyday corporate life. The aim of the Diversity Charter Association is to create a working environment for employees in which everyone is valued and promoted equally, regardless of nationality, ethnic origin, gender

identity, religion or belief, disability, age and sexual orientation.

The employee survey conducted in our group of companies in the middle of the year shows that many participants perceive the working environment at Wuppermann as inclusive and safe, and that this strengthens their good bond with the company.

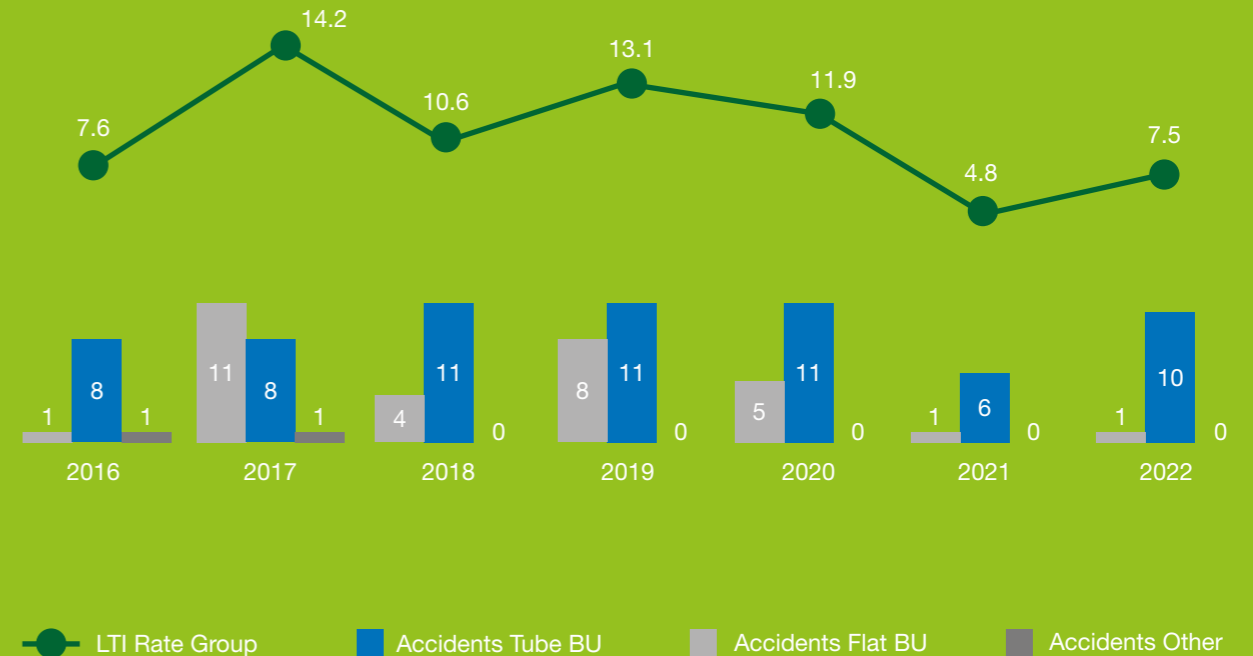
Health protection or safety at work, i.e. the integrity of our employees, has top priority. We therefore see it as our duty to continuously improve our occupational safety and reduce our accident rate to zero. The business units and each operating company of the Wuppermann Group are responsible for occupational safety. We measure occupational safety with the help of the so-called LTI rate. LTI stands for Lost Time Injury and describes occupational accidents with a time loss of more than one shift per

1 million hours worked. The LTI rate is one of three strategic indicators we use to manage our group of companies. The strategic target is an LTI rate of 0.

### EMPLOYEES IN THE VALUE CHAIN

As the Wuppermann Group, we expect all our suppliers to behave in the same way and to meet the same high standards in their dealings with their employees. Suppliers are manufacturers and dealers as well as their upstream suppliers of goods and services of all kinds and logistics service providers. The voluntary commitments that Wuppermann has set for itself are also supported by our suppliers. All major suppliers have now either signed the Wuppermann Group's Code of Conduct or submitted a similar voluntary commitment of their own.

## LTI rate



# Corporate governance

Corporate governance at Wuppermann AG stands for responsible and value-creating corporate management and control in the long term and applies across the board to all corporate companies. It serves as the basis for transparent corporate action and thus also for the confidence of shareholders, employees, business partners, and the public in the company. Wuppermann AG is a family business, but also a public limited company with high legal requirements regarding the principles of corporate governance. In addition, for Wuppermann, the traditions, values and interests of the entrepreneurial family - which is currently not operationally active in the company - are an integral part of its entrepreneurial actions and corporate identity.

## ORGANISATION OF THE FAMILY OF SHAREHOLDERS

The Wuppermann family of shareholders currently consists of 101 shareholders. Members of the shareholder family are all natural persons who are shareholders, as well as their life partners, descendants (including by adoption) and children who have a parental relationship with a shareholder or shareholder's wife. According to the definition in the Articles of Association of Wuppermann AG, family members are the descendants (also by adoption) of Heinrich Theodor Wuppermann. The basis of the actions of the shareholder family and the executive bodies of Wuppermann AG is cross-generational sustainability in the economic, ecological, and social sense. The focus here is particularly on environmental protection. In the medium term, the company wants to operate on a climate-neutral basis. However, the aim is also to sustainably secure and increase the community's asset value in the long term. The

shareholder family exercises its shareholder rights at the annual general meeting. In a family charter and in the articles of association of Wuppermann AG, the entrepreneurial family sets out its values, its self-image and its relationship to the company. In 2010, a Family Shareholder Council (FAR) was created. This acts as a communicative link between the shareholders themselves and between the shareholders on the one hand, and the official bodies of Wuppermann AG on the other. A new election of the FAR was held in May 2022. Currently, the board consists of ten members of the Wuppermann family.

## COMPOSITION OF THE BODIES

The shareholders authorise a nomination committee to draw up proposals for the composition of the Supervisory Board. If members of the shareholder family are active in the Management Board, the majority of the Supervisory Board will be non-family members. The shareholder family must be represented on the Supervisory Board by at least one person. If the Management Board is composed exclusively of non-family members - which has been the case since 2019 - a family member should be elected chairman of the Supervisory Board if possible. The Chairman of the Supervisory Board shall discuss possible candidates in the Supervisory Board in good time before a meeting of the Nomination Committee and submit corresponding proposals to the Nomination Committee for discussion. The Supervisory Board currently consists of six members. Three new Supervisory Board members were elected in 2021, two of whom stood for re-election. The members are each appointed for five years. The Management Board is appointed by the Supervisory Board, as is customary for public limited

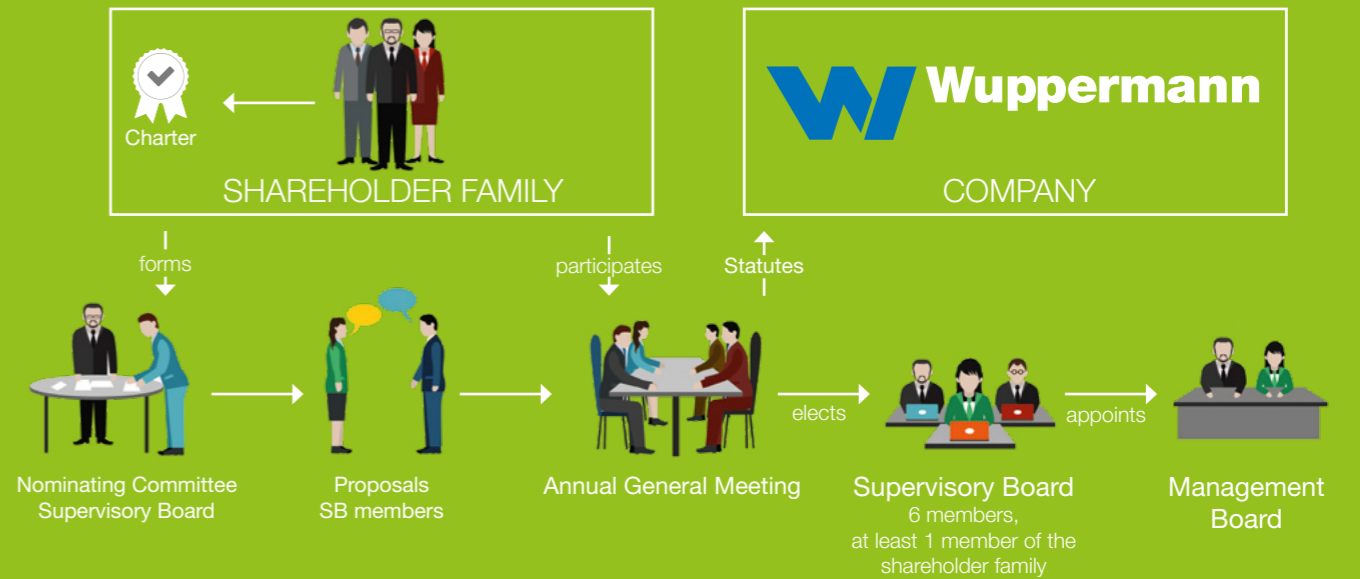
companies. The decision on the appointment or dismissal of a family member to the Management Board shall be made by the non-family members of the Supervisory Board together with the Chairman of the Supervisory Board. If a member leaves the Management Board, he or she may move directly to the Supervisory Board, but may not stand for election as Chairman until two years have elapsed.

## INFORMATION FROM THE FAMILY SHAREHOLDERS

Written information is provided to the shareholders by Wuppermann AG on a regular basis, at least quarterly. Comprehensive reporting takes place at the Annual General Meeting and once a year at a family shareholders' day. At this information event, the Management Board reports on the current economic situation, plans and strategic orientation, as it does at the Annual General Meeting.

## WORKING METHODS OF THE SUPERVISORY BOARD

The minimum number of meetings of the Supervisory Board is determined by Article 110 of the German Stock Corporation Act. In addition, the Supervisory Board must be convened if this appears necessary in the interests of the Company or the Management Board of a Supervisory Board members requests one in writing stating the purpose and reasons for convening it. Five Supervisory Board meetings were held in the 2022 financial year.



## WORKING METHODS OF THE MANAGEMENT BOARD

Board meetings are held regularly, if possible fortnightly, as meetings or video conferences. In the 2022 financial year, 21 board meetings were held. The Management Board is represented vis-à-vis the public and the shareholders by the Spokesman of the Management Board. Regular reporting to the shareholders and the Supervisory Board is usually done jointly by the Management Board. The Management Board uses the following main instruments to manage and control the business units, subsidiaries and holding companies:

- // Monitor risks using a structured risk management system that takes into account the level of probability of occurrence and the potential economic impact of individual risks,
- // Development of the group's strategy,
- // Establish a Continuous Improvement Programme,
- // Regulation of the reporting obligations and approval requirements of the group companies,

- // Issuing and implementing (group-wide) guidelines, in particular on compliance, data protection, information security, accounting and employee matters such as company cars and teleworking,
- // Definition of the group's management principles,
- // Commitment of all group companies to annual planning concerning sales, profit and loss account, balance sheet, investments, cash flow and personnel,
- // Conducting monthly performance reviews of all operational group companies, taking control measures as required,
- // Revision of the planning of the current business year twice a year in the so-called 1st revision. forecast and 2nd forecast
- // Agree targets and set a performance-related remuneration component for the managing directors and senior executives of the group companies.

## CORPORATE COMPLIANCE

The Management Board achieves compliance with and implementation of the relevant statutory provisions and internal corporate guidelines within the scope of the entrepreneurial activities of the Wuppermann Group and its companies, in particular by:

- // Issuing and implementing the compliance policy as well as regularly reviewing and, if necessary, adapting it to changes in legal provisions as well as compliance training,
- // Establish a chain of information from the employee to supervisors, managing directors and the group compliance officer,
- // Possibility for all employees to address the compliance officer directly,
- // Increasing the willingness of employees to report through confidential handling of concerns and provision of an internal compliance reporting address, as well as
- // regular analysis of compliance risks in the group.

The Compliance Officer is the Spokesman of the Management Board.



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