SUSTAINABILITY REPORT 2025

CRONIMET

METALS ARE OUR PASSION

CONTENT

This report has been developed with reference to the European Sustainability Reporting Standards (ESRS) but also includes a summary highlighting key achievements and KPIs. Although CRONIMET is not yet legally bound to report externally on its sustainability activities for the year 2025, adopting this approach is the best way to shape our processes and anticipate potential gaps.

SUMMARY 2025

MESSAGE FROM THE CEO

Dear friends,

Reflecting on 2025, the year posed considerable challenges for the CRONIMET Group as well as for the global economy. Economic and geopolitical uncertainties weighed on our industry, and, like many others, we were affected by these developments. Despite these headwinds, our commitment to sustainable growth and innovation has never been stronger. It is at the heart of our newly developed Strategy 2030, which you will read about in this report.

Throughout this year, we have continued to adapt and improve our processes and operations in our core business. We reduced our CO2 emissions in line with our externally verified science-based CO2-reduction targets and optimized our stock management. These adjustments strengthen our foundation and create new opportunities for sustainable growth in the future. Furthermore, we continue to broaden our portfolio by expanding in ferroalloy production, cored-wire manufacturing and battery recycling. Our focus on critical raw materials, such as tungsten, has enhanced our global market position and increased our resilience. This diversification ensures we are well-positioned for long-term success.

As a pioneer in the circular economy, we uniquely combine sustainable materials, operations and economic success. Building on the trust we have among each other and our partners enables us to navigate uncertain times while maintaining robust financial performance and remaining committed to our values and long-term goals. We invite all our stakeholders to join us on this journey, as we contribute to a stronger, fairer and more sustainable society.

Sincerely,
Jürgen Pilarsky
CEO CRONIMET Holding GmbH

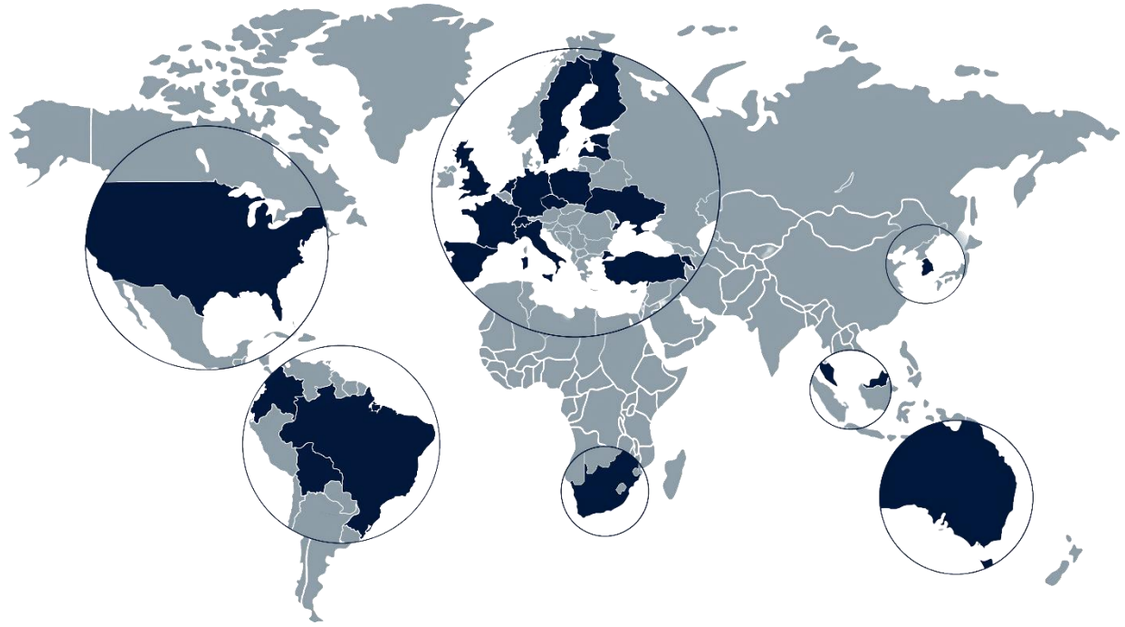
A PIONEER OF THE CIRCULAR ECONOMY

CRONIMET is a global specialist in stainless steel recycling and ferroalloy production, headquartered in Karlsruhe, Germany, with locations in 24 countries across six continents. Since 1980, we have been creating and expanding possibilities to return metals to the materials cycle through recycling and processing.

#1
IN THE WORLD FOR STAINLESS STEEL RECYCLING

100%
FAMILY OWNED

Establishing a circular economy is a crucial task of our time, given diminishing resources and the need to protect the environment. The CRONIMET business model has been aligned with the principles of the circular economy from the very beginning. The complex processes required for this are based on a simple idea: the more metal we recycle, the more secondary metal is returned to the material cycle, resulting in both economic and environmental benefits. Metals can be recycled infinitely without loss of quality. This reduces related CO2 emissions and is more cost-efficient than the use of primary material. Furthermore, recycling reduces potential environmental and social damage from mining and is essential for the stability of the supply chain. Our contribution focuses on the responsible use of a wide range of metal groups, including stainless steels, high-speed and tool steels, super and special alloys, ferroalloys, as well as ferrous and non-ferrous metals.



24
COUNTRIES

55
SUBSIDIARIES

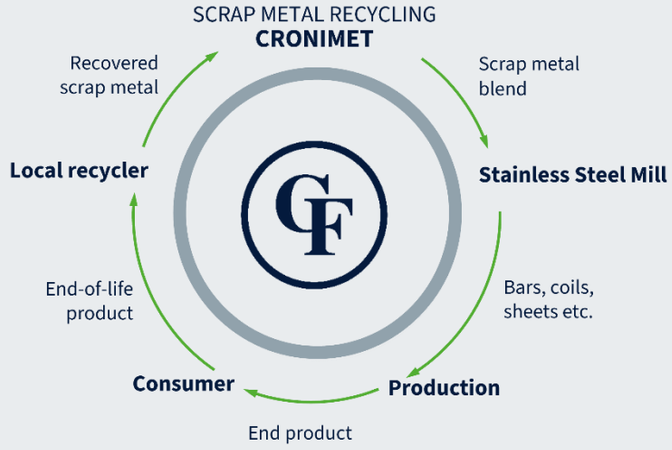
59
YARDS THAT HANDLE MATERIAL

As a family-owned company, we do not rest on the fact that our business model is sustainable by nature. We are strongly committed to reducing our overall environmental impact, taking care of our employees and local communities and fostering ethical business relationships.

ONE COMPANY – TWO CORPORATE DIVISIONS

Within our corporate division **Recycling**, we leverage our material expertise and global network to drive the sustainable transformation of the metal industry, with a particular focus on stainless steel. We recycle secondary metals with a wide range of chemical specifications and physical compositions such as solid scrap, turnings and soft scrap.

Our well-established internal value chain ensures that we optimally meet our customers' demands. We source stainless steel scrap through a broad network of local recyclers and the metal manufacturing industry; we negotiate with suppliers and ensure precise receipt and verification of goods. Scrap is then separated by material type using visual, chemical and haptic testing to be stored efficiently. Through sophisticated blending, we can reintroduce material into the recycling cycle that otherwise would remain unused. Our logistical expertise ensures reliable supply and high-quality service to steel mills and foundries. This expertise puts us in a key position to enable circularity within the stainless-steel industry.



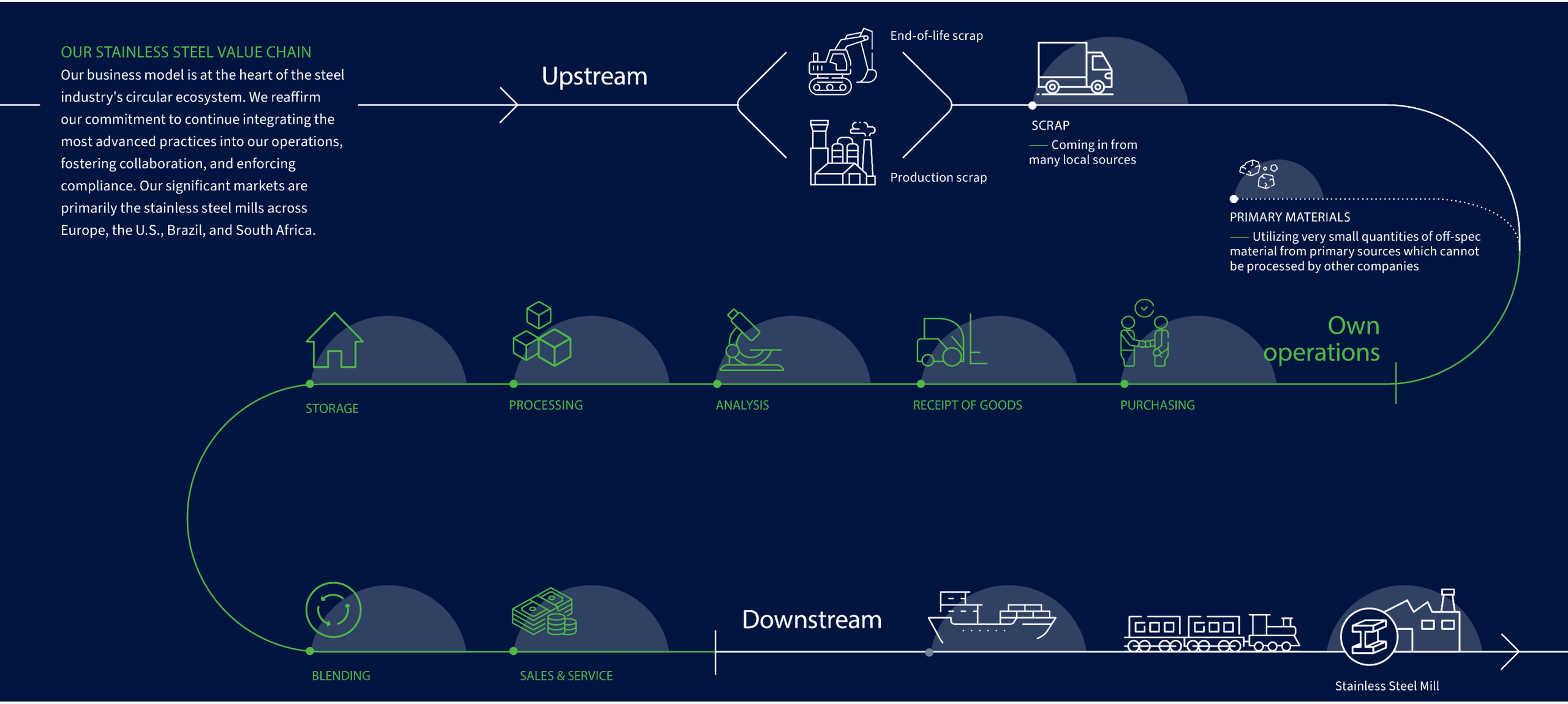
1.8
MILLION TONS SOLD
CORPORATE DIVISION RECYCLING

>24
THOUSAND TONS SOLD
CORPORATE DVISION PRIMARY MATERIALS

Our corporate division **Primary Materials** enhances our offering to steel mills with a portfolio of ferroalloys tailored to our customers' needs. We have developed innovative processing and separation methods, such as pressing, crushing and briquetting, to efficiently recover valuable metal. In addition, metallurgical processing is carried out to produce ferroalloys at different locations globally. In our ferroalloy production in Brazil, we use an aluminothermic reduction process to produce ferrotungsten and ferromolybdenum from concentrates. In 2024, we expanded our portfolio by producing ferrotitanium completely from scrap. To further increase value creation, we have established an in-house cored wire production of various ferroalloys. This enables our customers to efficiently add alloying elements to liquid steel. Additionally, in our ambition to reduce the environmental impact of our ferroalloy production, we have set up a slag treatment line which not only recovers any residue but also reprocesses the slag for use in other industries such as the cement industry.

OUR STAINLESS STEEL VALUE CHAIN

Our business model is at the heart of the steel industry's circular ecosystem. We reaffirm our commitment to continue integrating the most advanced practices into our operations, fostering collaboration, and enforcing compliance. Our significant markets are primarily the stainless steel mills across Europe, the U.S., Brazil, and South Africa.



OUR TARGETS ALIGNED WITH MATERIAL TOPICS AND SDGS

Our strategic goals go hand in hand with our professional sustainability management, which is aligned with the European Corporate Sustainability Reporting Directive (CSRD). Both perspectives clearly contribute to the United Nations Sustainable Development Goals (SDGs).

ENVIRONMENT

CLIMATE CHANGE
Mitigation, Adaption and energy

CIRCULAR ECONOMY
Resource inflows

SOCIAL

OWN WORKFORCE
Working conditions: secure employment and health & safety

GOVERNANCE

BUSINESS CONDUCT
Corporate Culture and Management of relationships with suppliers

OUR EFFORTS EXTERNALLY RECOGNIZED

Many of our subsidiaries have implemented integrated management systems covering quality, environment, energy and health and safety. We hold internationally recognized certifications according to DIN EN ISO 9001, 14001, 50001 and 45001, ensuring that our processes meet the relevant standards. Furthermore, our activities in Brazil are recertified by the Responsible Minerals Initiative (RMI), demonstrating our commitment to purchasing non-conflict materials.
We are particularly proud to have achieved external recognition for our sustainability efforts through the internationally recognized EcoVadis rating. In 2025, CRONIMET Brasil maintained its silver medal, CRONIMET Ferroleg. received a gold medal from EcoVadis, while CRONIMET Raw Materials received a platinum medal. These recognitions position these companies among the top 15%, 5% and 1% of companies.

CLIMATE ACTION

ON OUR PATH TO NET ZERO BY 2050 WE WORK TOWARDS KEY MILESTONES IN 8 YEARS:

SCOPE 1 AND 2

-60%[1] BY 2034 FROM BASE YEAR 2021

SCOPE 3

-35% BY 2034 FROM BASE YEAR 2023

THESE ARE THE REDUCTIONS WE WERE ABLE TO ACHIEVE BY THE END OF 2025:

SCOPE 1 AND 2

-27%[1] SINCE OUR BASE YEAR 2021

SCOPE 3

-7%[2] SINCE OUR BASE YEAR 2023

[1] *The target boundary includes land-related emissions and removals from bioenergy feedstocks.*
[2] *Data quality is not yet sufficient to rely on this number, because key information from value chain partners is unavailable or subject to high uncertainty.*

Key resources established to secure target achievement

- Our Sustainability Management department with expertise in climate-related matters. It tracks emissions, monitors progress and coordinates climate action across subsidiaries and departments worldwide.
- A central expert group with experience in electric machinery and infrastructure transformation. It advises subsidiaries in the process of decarbonization and assesses the economic effects for our financial planning.
- Management-level oversight for the decarbonization of our business divisions.
- Our Leadership Team is committed to dedicating substantial financial resources to decarbonization, which will pay off through lower costs and more energy independence.
- Key elements of our climate action plan — electrification and the switch to non-fossil electricity — were incorporated into our group's 2030 strategy.

Progress achieved towards electrifying our machinery and fleet

- Our European scrap yards have further refined their plans to electrify their operations. Infrastructure changes are underway to enable us to switch to all-electric machinery. In 2025, developments started in the USA.
- More mobile fossil-fueled machines were replaced by electric alternatives. Stationary machines are already mostly electric.

36% FORKLIFTS +3% in 2025

6% EXCAVATORS +1% in 2025

27% SHUNTERS +2% in 2025

3% LOADERS

- We continued to electrify our fleet of company cars and increased our charging stations to 121 (+23 in 2025). E-Trucks were considered in purchasing decisions but did not yet meet our requirements.

35% CARS + 4 % in 2025

0% Trucks

Progress achieved in switching to non-fossil electricity

- More subsidiaries switched their electricity contracts to non-fossil sources.

26 of 59 yards & plants purchase only non-fossil electricity

>54% of our overall electricity consumption was fossil-free (+4% in 2025)

- We continue to invest in photovoltaics on our yards across 4 continents.

22 solar plants are in operation at CRONIMET locations (+ 5 in 2025)

2.4 GWH is the amount of self-produced power we consumed (+75 % in 2025)

OUR CULTURE – OPEN AND COLLABORATIVE

Our success is a direct result of our exceptionally skilled employees and the dedication of our highly experienced management team. Our employees possess excellent material and market expertise, enabling us to effectively and safely buy, handle and process our materials while continuously adapting and improving our processes. At CRONIMET, we believe that teams with diverse backgrounds are more successful. Our workforce is spread across more than 20 countries and represents more than 40 nationalities. We actively promote female representation in our management teams and encourage internal mobility between different departments.

We are convinced that our values and leadership principles enable us to continue building an environment characterized by supportive leadership, engaging and meaningful work, positive team spirit and well-being in the entire group. Our twelve Leadership Principles describe how we want to treat one another and our employees now and in the future. These principles cover the fields of action, openness, learning, care and progress and are centered around mutual trust, which is the foundation of our company. Our aim is to ensure that the Leadership Principles improve everyday work and drive success. They apply at all times and throughout our whole organization and, together with our corporate values, shape our corporate culture. Their effectiveness is clearly reflected in our global average tenure of eight years, with many subsidiaries exceeding the national average and our impressive Net Promoter Score, that is, how likely our employees are to recommend CRONIMET as an employer.

1755
EMPLOYEES

20%
WOMEN IN THE WORKFORCE

18%
WOMEN IN MANAGEMENT

8
YEARS
AVERAGE TENURE

4.3
NET PROMOTER SCORE (SCALE 1-5)

HEALTH AND SAFETY

Working with metallic scrap can be physically demanding and poses specific risks.
Therefore, employees' health and safety are always our top priority. Our professional occupational health and safety system is manifested in our DIN EN ISO 45001 certifications, which are in place at many of our operational sites. As part of this system, we use various processes to identify and evaluate workplace hazards and risks. Routine processes include safety inspections, risk assessments and accident and incident documentation and analysis. Our employees are equipped with protective clothing and are trained in relevant safety procedures.

19.23
LTIFR

59
NUMBER OF ACCIDENTS

18
YARD WITH ISO 45001

33%
OF EMPLOYEES AT YARDS WITH ISO 45001

0
FATALITIES WITHIN OWN WORKFORCE

MAKING A DIFFERENCE BEYOND BUSINESS

With operations on six continents, we see ourselves as active members of society and take our responsibility very seriously. We have been working with organizations and initiatives dedicated to education, culture, health, the environment, poverty reduction, combating discrimination, as well as supporting children and young people. Our social engagement includes volunteering our time and expertise, partnering with other organizations, providing aid in natural and humanitarian disasters and supporting standalone campaigns that can make a difference in people's lives. In 2025, the CRONIMET Group contributed more than €100,000 to local, national and international organizations and projects.

ACTING RESPONSIBLY AND DOING THE RIGHT THING

Responsible and ethical conduct is essential to the CRONIMET way of doing business. We know that every employee contributes to responsible business conduct. Therefore, every new employee receives training on our Code of Conduct as well as a printed hard copy of the Code of Conduct in their native language. The Code of Conduct embodies our core values and principles by which we act as a company and serves as a guide for our employees.

WOULD YOU LIKE TO MAKE A REPORT?

Our Whistleblower System allows anonymous and secure reporting via a dedicated portal. Those people wanting to raise concerns are assured protection and confidentiality to prevent any fear of discrimination.

https://cronimet.whistleblowernetwork.net

WHAT IS IMPORTANT TO US?

— **Good Business Practice:**
We comply with all the national and international laws applicable to our industry.

— **Respect and Tolerance:**
We respect our employees, customers and suppliers regardless of their gender, skin color, age, ethnic background, religious orientation or sexual identity, and treat them fairly and with respect. We protect the personal dignity of the individual.

— **Environmental Protection:**
We make careful use of resources such as water and energy, and wish to contribute to creating a safe and secure future for generations to come.

— **Honest Business Relationships:**
We pursue exclusively honest business relationships, and implement all the measures available to us to prevent and eradicate any form of corruption and bribery from CRONIMET and the corporate environment.

— **Fair Competition:**
We act fairly in our business dealings and do not use methods such as price fixing, market manipulation, or other unfair business practices.

— **Financial Transparency:**
We are committed to complying with all legal requirements against money laundering and funding terrorism, taking decisive action to combat them in all their forms.

SUSTAINABILITY STATEMENT

GENERAL DISCLOSURES

BASIS FOR PREPARATION

GENERAL BASIS FOR PREPARATION

BP-1, BP-2

Our sustainability statement has been prepared on a consolidated basis in alignment with the financial consolidation scope and is based on a double materiality assessment considering impacts, risks and opportunities for our own operations and the main upstream and downstream elements. The statement is prepared voluntarily as CRONIMET is not within the scope of the Corporate Sustainability Reporting Directive for the year 2025 and references the European Sustainability Reporting Standards (ESRS).

TIME HORIZONS

If not defined differently within the topical chapters, we follow the time horizons proposed by ESRS 1 paragraph 6.4 when analyzing impacts, risks and opportunities. Our strategic targets are defined for fixed years, such as 2030 for our internal strategy process and 2034 for SBTi's near-term target.

REPORTING ERRORS IN PRIOR PERIODS

During the further development of the CO2 accounting processes, CRONIMET has identified discrepancies in prior periods due to extended reporting scopes and minor incorrect consumption values. We provide corrections for each prior period included in this sustainability statement, with relevant updates disclosed in E1.

PHASING IN REQUIREMENTS

True to its commitment to transparency, CRONIMET published annual sustainability information before being legally obliged to do so. Some disclosure requirements, particularly those subject to phasing in, cannot be published yet as the relevant analysis and controlling systems are still being developed.

GOVERNANCE

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

GOV-1, GOV-2

Our Leadership Team is the highest management body within the company. It consists of five non-independent executive members, one of whom is female (equivalent to 20% of the Board's composition). The members possess expertise in critical areas, including supply chain management with an emphasis on environmental sustainability, finance, human resources, IT and extensive experience in the scrap business as well as in processing metals. Each member of the Leadership Team also contributes to the oversight of impacts, risks and opportunities within a responsibility matrix that assigns clear roles for various topics, including all sustainability-related matters.

To determine whether appropriate skills and expertise are available, the members of the Leadership Team continuously engage with:

- Industry associations and events related to sustainability, circular economy, finance and HR.
- Internal and external stakeholders, including employees, local managing directors, customers, suppliers, financial partners and regulatory authorities.
- Internal expert briefings to support ongoing learning.

Furthermore, all of our sustainability activities are monitored centrally by the Sustainability Team, which has the mandate of the Leadership Team to oversee impacts, risks and opportunities. Our Head of Sustainability Management reports directly to the Leadership Team. Besides the central Sustainability Team, we have also established a global sustainability network with dedicated points of contact, as the management of specific impacts, risks and opportunities is assigned to Managing Directors of Subsidiaries, Heads of Departments or other non-executive positions. This way, we make sure that every topic is handled by the appropriate experts.

ROLES AND RESPONSIBILITIES OF THE LEADERSHIP TEAM

Leadership Team member	Sustainability expertise	Material impacts responsibility
Jürgen Pilarsky (CEO)	Long-term experience in the scrap business, stakeholder management, supply chain expertise and strategic planning focused on long-term environmental sustainability.	E5 – Circular Economy G1 – Corporate Culture
Annette Gartner (CIO/CHRO)	Specialist in human resources and IT, with a strong focus on social responsibility.	S1 – Own Workforce (HR Expert)
Bernhard Kunsmann (CFO)	Finance and corporate governance expert, with a deep understanding of global economic impacts.	G1 – Responsible Supply Chain Management
Marijo Zeljko (COO)	Extensive experience in scrap business operations, scrap and metal markets and yard electrification technologies.	E1 – Climate Change E5 – Circular Economy S1 – Own Workforce (Occupational Health & Safety and ISO Expert)
Leandro Campos (CTO)	Expert in ferroalloy production, metallurgy and process optimization	E5 – Circular Economy

This approach has enabled us to create the needed transparency and is the foundation for working toward meeting our sustainability goals and compliance with the Corporate Social Responsibility Directive (CSRD).
In 2025, the Leadership Team developed strategic targets for the period up to 2030. During the target setting process, relevant internal experts were involved in defining the targets and key measures to ensure that these targets address the material impacts, risks and opportunities. Progress will be monitored via defined KPIs for each measure. Details about the targets can be found in the MDR-T chapter of the topical standards.
Our management body is regularly informed about material impacts, risks, opportunities and the implementation and effectiveness of related policies, actions, metrics and targets. There is an ongoing exchange between internal sustainability experts and the board members responsible for each topic. Additionally, there is a formal reporting process at least once a year, with more frequent updates if required.

The mechanisms also include Jour Fixes updates on impact management, with ad-hoc reports as needed and the supervision and approval of newly identified impacts and their management processes.
The Leadership Team considers impacts, risks and opportunities in evaluating our operational scenarios, significant transactions and risk management processes.
This includes active stakeholder engagement to gather insights that inform decision-making, thus influencing strategic directions and risk assessments.

INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES
GOV-3, E1 GOV-3

Currently, there is no company-wide sustainability-related incentive scheme. Where applicable, individual sustainability-related targets can be set as part of the existing incentive scheme.

STATEMENT ON DUE DILLIGENCE
GOV-4

Core elements of due diligence	Pages in the sustainability statement
Embedding due diligence in governance, strategy and business model	Present in GOV-2, GOV-3 and SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	Present in GOV-2, SBM-2, IRO-1 and applicable MDR-Ps
Identifying and assessing adverse impacts	Present in IRO-1 and SBM-3
Taking actions to address those adverse impacts	Present in applicable MDR-As and in topical standards that discuss actions and action plans
Tracking the effectiveness of these efforts and communicating	Present in applicable MDR-Ms and topical ESRS regarding metrics and targets

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING
GOV-5

The risk management and internal control processes related to sustainability reporting are structured within the Internal Control System (ICS). They include the identification of high-risk processes within departments, the definition of process risks and the identification or establishment of appropriate controls. Each control is documented in a specialized software, including details on cause, objective, responsibility, description, control frequency and control evidence. For sustainability reporting purposes, the focus of the ICS lies in the data collection, calculations and compliance with ESRS standards.

We have identified the following key risks, mitigation strategies and controls to ensure the quality and compliance of our disclosures:
Risk of inaccurate calculations and analyses: We address this risk by providing training and briefings to our internal colleagues who supply the relevant data. As a control, we perform a plausibility check of quantitative reporting data by comparing it with figures from previous years.
Risk of noncompliance with ESRS standards: To mitigate this risk, we ensure our Sustainability Management Department is trained in the relevant standards. Additionally, we carry out a plausibility check with a focus on ESRS standards, applying the four-eyes principle to ensure compliance.
Risk of failing to represent current and future CRONIMET requirements:
To build up expertise and learn best practice, we involved external consultants when creating our first sustainability reports and the related initial materiality analysis. We review the Double Materiality assessment periodically and event-driven as needed. These reviews are carried out in collaboration with specialist departments and follow the four-eyes principle.

STRATEGY

STRATEGY, BUSINESS MODEL AND VALUE CHAIN
SBM-1

The CRONIMET Holding Group, headquartered in Karlsruhe, Germany, is a global specialist in stainless steel scrap and ferroalloys, focusing on returning metallic scrap to the materials cycle through recycling and processing. This approach contributes to securing raw resources and enhancing their efficiency. We recover material from a diverse spectrum, including stainless steels, high-speed and tool steels, super and special alloys, ferroalloys, as well as ferrous and non-ferrous metals.
Our own expertise within the Recycling Division lies in separating, sorting, analyzing and blending secondary metallic materials. Upstream in our value chain, we have established trustworthy business relationships with many smaller scrap dealers through our global trade network, ensuring supply chain stability. A few big customers, mainly steel mills, form our downstream value chain, connected via our central and local sales teams. We don’t maintain direct business relationships with end-user customers. The significant markets we serve are primarily the stainless steel mills across Europe, the USA, Brazil and South Africa.
We also engage in various processing activities to produce, among others, ferromolybdenum, ferrotitanium and ferrotungsten. Our ferrotungsten production in Brazil is supported by processes and policies in accordance with the Responsible Minerals Initiative (RMI) and EU regulations. Tungsten is considered a conflict material in some jurisdictions; thus, we work diligently to ensure compliance.
Furthermore, in line with our strategy to increase penetration into sustainability-driven markets, we have set up a dedicated company revomet GmbH, which specializes in recycling end-of-life batteries of electric vehicles and production-related waste from the battery industry. Using advanced technologies and efficient processes, valuable raw materials are recovered and returned to the circular economy. The state-of-the-art site in Bitterfeld-Wolfen, Germany, is dedicated to the environmentally friendly treatment of lithium-ion batteries.
The activities in our Recycling Division can be mapped to the ESRS sector “E 38.21 Material Recovery” within the Water and Waste Sector. The revenue derived from this activity represents the largest share within our revenue streams. On the other hand, our processing activities fall under “C 24.10 Manufacture of basic iron and steel including ferroalloys” within the Metal Processing sector.

INTERESTS AND VIEWS OF STAKEHOLDERS
SBM-2, S1 SBM-2

We engage actively with our key stakeholders to ensure their views and interests are integrated into our strategy and business model. Key stakeholders include customers, employees, banks, shareholders, suppliers and service providers.
We consider our employees’ interests, views and rights particularly significant; hence their acceptance is a key criterion in strategic decision-making.

Members of the Leadership Team and internal experts maintain regular contact with key stakeholders in their respective areas of responsibility. This direct engagement ensures that stakeholder views regarding sustainability-related impacts are continuously communicated and integrated into the decision-making process, supporting alignment with our sustainability strategy and objectives.

INTERESTS AND VIEWS OF STAKEHOLDERS

Engagement	Views and interests	Influence on strategy and business model
Customers		
Business with our European customers is managed through the Central Sales Department, complemented by regular online meetings, site visits and strategic partnerships with key accounts. These efforts aim to build trustful business relationships and ensure stable sales.	Customers emphasize the need for materials that reduce their CO2 footprint and favor cost-effective solutions.	The feedback and requirements from customers directly influence our strategy, as we continuously seek to support them in meeting their needs.
Employees		
Employees are considered the company's most valuable asset, and their engagement involves direct visits from management, employee surveys, annual feedback reviews and internal communication tools such as the oneCRONIMET App. These activities provide opportunities to exchange information, share ideas and identify areas for improvement.	Employees prioritize secure employment relationships, regular income and meaningful work.	Employee feedback is a critical factor in evaluating strategic options, as their acceptance of decisions is essential for implementation.
Banks		
Banks are engaged through annual meetings, monthly reports and regular exchanges with the CFO and Corporate Finance Department. These interactions ensure stable financing for the company.	They focus on investing in sustainable companies while ensuring compliance with regulatory and anti-financial crime standards, all subject to a reasonable credit risk.	The feedback supports the adoption of best practices.
Shareholder		
The majority shareholder, who is also the CEO and a member of the Leadership Team.	The shareholder aims for long-term sustainable success and to contribute to a fair and sustainable life.	The majority shareholder is deeply involved in strategy formulation, particularly concerning sustainability and corporate culture. His perspective sets the direction of the company's long-term goals.
Suppliers		
Suppliers and service providers are engaged through personal contact via the global trader network, integrated into daily business operations. This engagement ensures trustworthy relationships and secures scrap sourcing.	They highlight the importance of transparency, fair pricing, regional partnerships and CRONIMET's sustainability-driven leadership.	Feedback is incorporated into routine business practices.

INTERACTION OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES WITH STRATEGY AND BUSINESS MODEL AND FINANCIAL EFFECTS

SBM-3

A description of the material IROs, including time horizon and value chain, can be found in the topical chapters. As a key player in the circular economy and due to our numerous actions and initiatives to address the material IROs, we expect our strategy and business model to be resilient to any upcoming challenges. To further strengthen our resilience, we developed our Strategy 2030, which sets the course for the next 5 years.

MINIMUM DISCLOSURE REQUIREMENT FOR TARGETS

MDR-T

As part of our Strategy 2030, we have defined seven clear targets that shall guide us – aligning our efforts both domestically and globally. These targets are divided into two categories: There are four Business Targets, which define both our ambitions for strengthening our core business of stainless steel recycling and our commitment to diversification and innovation. Furthermore, there are three organizational targets defining how we work together, driving efficiency and resilience, fostering collaboration and agility and providing robust structures and processes.

All Strategy 2030 targets apply group-wide to all CRONIMET subsidiaries and have a common target year of 2030.

Each target is supported by multiple key measures for which we are in the process of defining measurable KPIs including target values for 2030, which will be tracked over time. They are linked to our material impacts, risks and opportunities and are implemented through policies and action plans described in the respective topical chapters.

As each target addresses multiple impacts, risks and opportunities, these are detailed within this section for all topical standards.

OUR BUSINESS TARGETS:

STRONG STAINLESS - We are the strongest and most valuable partner for every flat stainless steel mill in Europe, the US, South Africa and Brazil: Our business model is closely linked to the sourcing and use of stainless steel scrap and other secondary raw materials. By increasing scrap usage in the stainless steel industry, we contribute to E1 - Climate Change, as the use of scrap results in lower overall CO2 emissions compared to the use of primary materials. At the same time, these activities foster circular material flows and efficient resource use, supporting E5 - Circular Economy. As a key partner to mills and suppliers, we also place great emphasis on responsible supplier relationship management. This includes fair contractual practices and a long-term, partnership-based approach, which underpins our contribution to G1 - Business Conduct.

FERROALLOYS FORWARD - We are a leading company in the production of FeTi, FeMo and FeW: Where possible, we integrate secondary materials into our ferroalloy value chains, most prominently in our production of ferrotitanium, which is solely based on ferrotitanium from secondary sources. This helps to reduce the carbon footprint associated with primary extraction and processing and thus contributes to E1 - Climate Change. At the same time, being a reliable supplier of these, in some cases, critical materials from sustainable sources supports more circular business models in line with E5 - Circular Economy. The expansion of our ferroalloys business into new regions and the establishment of production facilities abroad require robust and responsible supplier and customer relationships. Our approach to building these partnerships, including appropriate due diligence and ethical business practices, supports G1 - Business Conduct.

TUNGSTEN MOMENTUM - We are the largest player in tungsten outside of China: By further developing production processes that use tungsten scrap and other secondary raw materials, we reduce the need for primary raw material extraction and lower lifecycle emissions. This directly supports E1 - Climate Change and E5 - Circular Economy by combining CO2 savings with high-value recycling and resource efficiency. In addition, our strategy includes long-term cooperation with mines and other partners. These partnerships are built on responsible sourcing practices, contractual clarity and business partner due diligence, contributing to G1 - Business Conduct.

PARTNERSHIP WINS - We create new business opportunities through strong partnerships with our business partners. By expanding our activities in battery recycling, we promote the recovery and reuse of critical materials and extend product life cycles. In doing so, we support E5 - Circular Economy by keeping valuable resources in circulation and reducing waste.

This target is inherently partnership-driven: joint ventures, collaborative purchasing structures and shared service models require clear governance standards, transparent collaboration and responsible partner selection. Our approach in this area strengthens our contribution to G1 - Business Conduct.

OUR ORGANIZATIONAL TARGETS:

FINANCIAL FREEDOM - We make investment decisions independently, free from restrictions imposed by banks: A solid and diversified financing structure is an important enabler for long-term investments in

recycling, circular business models and low-carbon technologies. In this sense, the target supports E5 - Circular Economy, as it secures our ability to expand and finance circular economy activities. At the same time, transparent engagement with banks and financial markets, prudent financial management and responsible communication form part of our corporate governance framework. These elements contribute to G1 - Business Conduct, particularly in relation to ethical, compliant and transparent business conduct in our financial relationships.

RUN FOR EFFICIENCY: We continuously reduce operational costs and improve efficiency through process and technology optimization. Improved resource and energy efficiency helps us lower our energy consumption and associated greenhouse gas emissions. This directly contributes to E1 - Climate Change, as we reduce our carbon footprint through more efficient operations. While this target mainly addresses cost and productivity, its climate relevance is clear: by doing more with less energy and fewer resources, we support climate change mitigation across our operations.

SUSTAINABLE ORGANIZATION - We are a sustainable company living our corporate values and making a difference through authentic ESG practices: This target brings together our overarching environmental, social and governance ambitions. By increasing electrification, phasing out fossil-based electricity in our operations, we systematically reduce greenhouse gas emissions and contribute to E1 - Climate Change. Our global standards for environmental management and efficient resource use further support E5 - Circular Economy by promoting continuous improvement and more circular use of materials.

We also focus on our people. Initiatives to improve employee satisfaction and occupational health and safety are central to this target and reflect our contribution to S1 - Own Workforce.

Finally, we are rolling out a group-wide mandatory training system to ensure compliance and efficient governance, which directly supports G1 - Business Conduct.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

IRO-1

Our materiality assessment was conducted in 2021, using the GRI methodology through workshops with internal experts and external consultancy support. In 2023, the study was expanded to include double materiality, incorporating interviews with internal and external stakeholders. In 2024, to ensure future ESRS compliance, prior findings were mapped to ESRS 1 AR16 sub-topics and further detailed and evaluated with internal experts according to the EFRAG implementation guidance for Material Assessments. As such, impacts, risks and opportunities (IROs) related to our operations and our upstream and downstream value chain were evaluated. The views of our stakeholders were considered either through interviews conducted in the past with their representatives or via internal experts as proxy stakeholders. Each IRO was mapped to the value chain area and the relevant time horizon.

The analysis mainly involved European stakeholders and experts active in global operations. Given the similarity of recycling business processes worldwide, it can be assumed that the result reflects the global picture. No specific areas were excluded from the Materiality Assessment. However, there was a focus on the core business of recycling, particularly with regard to the impact assessment. We are considering extending the assessment to include a specific review of processing activities during the next full materiality review. In 2025, a partial review was conducted to incorporate new insights gained for existing IROs, the latest risk management processes and to ensure alignment with our 2030 Strategy.

Once developed by the Sustainability Management team, in collaboration with stakeholders and internal experts, the materiality assessment is presented to the board. As for the internal control system, we apply the four-eyes principle between sustainability management and our internal experts.

The risk manager is closely involved in the Materiality Assessment to ensure consistency between the Materiality Assessment and the general Risk Management process. From 2025, climate-related risks will be integrated into the annual risk workshop discussions.

1. Defining Impact Materiality:

The criteria in the table below have been considered when evaluating impact severity on people and the environment. An ESRS subtopic is selected if at least one impact is considered material. Impacts are considered material if they exceed a predefined threshold for impact severity.

		Impact type			
Criteria	**Scoring system**	**Actual positive**	**Actual negative**	**Potential positive**	**Potential negative**
Scale	very low (1) to very high (5)	X	x	x	x
Scope	very low (1) to very high (5)	X	x	x	x
Remediability	very low (1) to very high (5)		x		x
Likelihood	very unlikely (0.1) to very likely (0.9)			x	x

2. Defining Financial Materiality:
As for the financial effects, the risk and opportunity assessment follows the CRONIMET Group's existing risk management framework, thus ensuring consistency. The assessment methodology is based on experience and expert judgment, integrating previous risk assessments with input from our risk manager. The thresholds from the Risk Management System are applied consistently. To assess the financial materiality, the likelihood is scaled from very unlikely to very likely, and the magnitude is measured on a range from 1 to 5 depending on the financial impact. An ESRS subtopic is considered relevant if at least one risk or opportunity is considered material. A risk or an opportunity is considered material from a financial perspective if it exceeds a predefined threshold for Financial Materiality.

3. Establishing Double Materiality:
If there are both material impacts and risks or opportunities, the topic meets double materiality.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND DISCLOSURE REQUIREMENTS INCLUDED IN THE SUSTAINABILITY STATEMENT

IRO-2

Based on our double materiality assessment, the topics listed in the table below have been considered material. Please refer to the topical chapters for a description of the IROs. The complete ESRS Index Table with the disclosures covered in this sustainability statement is available on page 44.

Topic	Financial Materiality	Impact Materiality
Climate change - Climate change adaptation	x	
Climate change - Climate change mitigation	x	x
Climate change - Energy	x	
Circular economy - Resource inflows, resource use	x	x
Own workforce - Working conditions - Health and safety		x
Own workforce - Working conditions - Secure employment	x	
Business conduct - Corporate Culture	x	x
Business conduct - Management of relationships with suppliers	x	

ENVIRONMENT

E1 CLIMATE CHANGE

STRATEGY

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND INTERACTION WITH STRATEGY AND BUSINESS MODEL

SBM-3 E1 SBM-3

Climate change adaptation

Physical climate risk: While there are very limited physical climate risks in our own operations, we identified an increased risk in our supply chain in case of heat waves as low water levels impact the transport of our material on waterways. This can result in additional transport costs. To manage these risks, we monitor water levels closely to be able to react as soon as possible and switch to other means of transportation.
This is a risk in our value chain.

Climate change mitigation

Opportunities due to climate-related regulations: The Carbon Border Adjustment Mechanism (CBAM) strengthens the business case for our circular stainless steel which uses scrap during production. It incentivizes accelerated emissions reductions and deeper collaboration with low-carbon suppliers. While this can also result in additional costs when importing certain raw materials into the EU, we expect this to be an overall transitional opportunity in our own operations within our core business “Recycling”.

Reduction of GHG emissions in the steel industry: Reprocessing recycled material reduces the need for mining and processing primary raw materials in the steel industry, lowering energy consumption and greenhouse gas emissions. The impact positions CRONIMET as a critical enabler of emission reductions in the steel industry.
This is an actual positive impact in our upstream and downstream value chain.

Emitting GHG through own operations and our value chain: About 80% of the energy from fuel and electricity used in our operations still originates from fossil energy sources. The emissions contribute to global warming and the consequences of climate change. Electrification and the switch to non-fossil electricity have been identified as the key solutions to reduce this impact.
Within our value chain, the following activities generate significant GHG emissions, contributing to climate change: purchasing primary metals, material transport and the processing of material sold at our customers. Addressing these emissions requires a collaborative approach, integrating supply chain optimization, green logistics and sustainable production methods.
This is an actual negative impact in our own operations as well as in our upstream and downstream value chain.

Cost of electrification of the operation: Significant investments are needed to achieve the electrification of our operations. The financial effects of material risks and opportunities for climate change mitigation remain under evaluation as detailed investment planning is ongoing. Relevant cost-related risk considerations are addressed in E1-1.
This is a risk in our own operations, as well as in our upstream and downstream value chain.

Energy

Costs for energy transition: Uncertain development of energy costs regarding both fossil and non-fossil sources is impacting the transition from conventional energy to renewable sources. We are investing in the production of renewable energy at our sites to increase our resilience.
This is a risk in our own operations.

CLIMATE CHANGE ADAPTATION AND THE INTERACTION WITH STRATEGY AND BUSINESS MODEL

A detailed, comprehensive analysis regarding climate-related risks was performed as detailed in E1 IRO-1. The assessment of the different levels of risks yielded the following results thus far:
Physical climate-related risks on our own operations: Based on current information, we are confident that our business operations and overall business model are not significantly impacted by chronic climate risks as well as acute climate risks and remain resilient in the face of evolving environmental challenges. This is partly because stainless steel scrap, due to its chemical composition, and our machinery are resistant to extreme weather conditions such as flooding, heavy rain and storms. In addition, most of our yards only have limited exposure to risks resulting from changing climate conditions due to their geographical location.

Physical climate-related risks in our value chain: Extreme heat waves combined with low river levels pose a risk to our supply chains. Low water levels are a risk that is well known within our company and results in additional transportation costs. These costs occur when the capacity of the booked vessels cannot be fully utilized, meaning less material can be transported, resulting in higher costs per metric ton. In some cases, less cost-effective modes of transport, e.g., trains or trucks, must be used, resulting in higher costs per metric ton.

We identified potential financial impacts from higher CO2 pricing, which can potentially increase operational costs. CRONIMET activities do not fall into the energy-intensive sectors, so our exposure to such pricing mechanisms is limited to our purchasing decisions from these sectors. Moreover, considering the critical role of scrap-based stainless steel in producing many transition-enabling products, we view this transition more as a market opportunity than a significant risk. Likewise, an emerging focus on climate-friendly innovations can be a potential opportunity for CRONIMET, benefiting our sustainable recycling business.

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

E1 IRO-1

We conducted an analysis of climate-related risks at three levels: physical risks to our own operations, physical risks to our value chain and transitional risks.

PHYSICAL RISKS TO OUR OWN OPERATIONS

A systematic analysis of climate change related impacts, risks and opportunities was performed for all operational sites in 2025.

1. Hazard identification: The process started with the identification of relevant climate-related hazards. We used the classification of climate-related hazards from the EU Commission delegated regulation 2021/2139 as a basis for the risks to consider and how to classify them. The following were identified as the most relevant, while to date, others were considered to play a minor role:
    - Heat waves, acutely affecting our workers (temperature-related, acute)
    - Heat stress, through an increasing number of consecutive days with extreme heat (temperature-related, chronic)
    - Wildfires (temperature-related, acute)
    - Temperature variability, such as cold conditions affecting our workers (temperature-related, chronic)
    - Hurricanes (wind-related, acute)
    - Floods (water-related, acute)
    - Heavy precipitation (water-related, acute)
    - Drought (water-related, chronic)
2. Hazard quantification incl. scenario analysis: The risks were then quantified for all operational sites of CRONIMET. Sites with less than 5 employees that only do office work were excluded from the assessment. The assessment was conducted using different open-source models. In line with the present regulatory requirements, different warming scenarios and time horizons were considered.

    Warming scenarios: Representative concentration pathways (RCP) were used to consider the development of the concentration of greenhouse gas emissions in the atmosphere. The scenarios RCP 2.6, RCP 4.5 and RCP 8.5 are frequently used scenarios. The number in each case indicates how much more energy, measured in W/m^2, the earth will absorb in the year 2100 compared to pre-industrial levels due to greenhouse gases, aerosols, or other factors. The RCPs were developed by the international climate research community and adopted by the Intergovernmental Panel on Climate Change (IPCC) for models and reports. The 5^{th} IPCC Assessment Report states that the RCPs correspond to the following warming scenarios, comparing temperatures in 1850-1900 with those expected for 2100:

    - RCP 2.6: 1.5-1.7 °C (range of 1.0-2.8 °C)
    - RCP 4.5: 2.3-2.9 °C (range of 1.5-4.5 °C)
    - RCP 8.5: 4.1-4.8 °C (range of 2.8-7.8 °C)

    The width of the range of probable temperature outcomes reflects the complexity of predicting how strongly the concentration of greenhouse gases in the atmosphere will impact the global average temperature by the year 2100. Details can be found in chapter 6.3.2.6 of the IPCC report.

    CRONIMET chose the RCP as scenarios because they span the breadth of likely developments considered by state-of-the-art climate science. RCP 8.5 is considered a “high emission scenario”. Although in theory worse scenarios are possible, it can be considered suitable for a conservative, pessimistic projection at this time. Thus, if we find no risk under this scenario, relevant negative impacts are very unlikely.

Many, but not all the models used employ the RCP scenarios. In some cases, the risks are instead expressed as probabilities of certain events occurring within specific time horizons or, in the case of water scarcity, as the expected percentage reduction.

Time horizons: The development of most of the hazards was assessed until 2070 and beyond, depending on the model. However, for the consideration of negative impacts and required actions, 2050 was defined as the “long term”. The period defined as “medium term” deviates between models as well but encompasses the time from 2010/-15 until 2030/-44. 2030 was chosen as a common denominator. The “short term” is defined as the next year.

3. Hazard classification: Operational sites with an increased risk level for specific hazards were highlighted to be addressed to the local management. They were discussed using the model results as part of annual risk workshops at each subsidiary. The local management’s knowledge of on-site conditions was included in the final risk assessment as well as experience gained, e.g., local topography for floods and heavy precipitation. Furthermore, measures already taken were recorded.
4. Risk management: The decision of the necessity to take measures beyond those already taken was discussed with each respective local management. This process is ongoing. In 2025, it encompasses the sharing of best practices between affected subsidiaries, relating to the adaptation to acute and prolonged extreme heat periods.

PHYSICAL RISKS IN THE SUPPLY CHAIN

The assessment of our climate-related physical risks also extended to elements of our value chain. These risks have been identified and assessed via internal stakeholder consultation. The most frequently mentioned risk identified relates to logistics management in times of lower water levels in rivers, which has already been experienced by several CRONIMET subsidiaries in the past. The occurrence of such events increases due to longer periods with high temperatures and low precipitation. The related costs can be assessed based on the additional costs and efforts which occurred in similar situations in the past.

TRANSITION EVENTS AND TRENDS

Regulatory changes:

Regulatory changes are monitored via a quarterly external analysis of relevant regulatory changes which is shared with the relevant parties responsible within the company. This process is complemented by a monthly Jour Fixe of the extended Governance team including Compliance, Internal Control Systems, Legal, Risk Management, Regulatory Affairs, Supply Chain Due Diligence and Sustainability Management. This team validates new regulations and trends and initiates measures where needed.

A significant recent regulatory change for our industry was the introduction of the Carbon Border Adjustment Mechanism. In this case, the initial analysis of the regulation and the associated risks was done within Sustainability Management. Due to the cross-functional impact of this regulation, this was included in the discussions at the annual Global Management Meeting via a dedicated workshop.

A potential regulatory change addressed in our investment planning was changes in CO2 pricing of fossil fuels. It was included as one of the factors in the sensitivity analysis relating to the long-term financial impact of the electrification of our machinery. The cost difference between non-fossil electricity and diesel is the determining factor regarding how long the investments take to pay off financially. We continuously monitor changes in CO2 pricing to update our calculations.

Insurance cost and coverage

The assessment of physical climate-related risks to our own operations shows that we are exposed to potential risks at some of our locations. One of the ways we manage these risks is through insurance. Our research shows that in some areas of the world which are at particularly high risk, e.g., of flooding and/or wildfires, insurance coverage was discontinued by the providers. Although this has not happened to us, we monitor this risk as losing insurance at a yard would be a potentially significant financial risk.

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

E1-1

Our mitigation efforts are guided by a climate action plan, realized through dedicated resources and owned by our leadership team. Compatibility of our strategy and business model with the transition to a sustainable economy is a core element of our corporate values and business strategy. This encompasses limiting global warming to 1.5°C as per the Paris Agreement and achieving climate neutrality by 2050. The near- and long-term targets we set were approved by the Science-Based Targets Initiative (SBTi).

Our main emission drivers are yard machinery and processing plants. Others include the operation of our fleet and office buildings. Our primary levers to reduce GHG emissions are electrification, the switch to non-fossil electricity and efficiency measures. By the beginning of 2034, we want to have reduced the emissions in our own operations by 60% compared to 2021, before reaching net-zero in 2050. As of this year, we have achieved reductions of 27% and find ourselves on track for target achievement. Organizational structures, expertise and management-level oversight have been established to drive the necessary changes. The main levers of decarbonization have been embedded in our 2030 group strategy.
Our progress thus far has primarily been achieved through purchasing and self-producing non-fossil electricity. We expect to be able to mostly phase out fossil electricity by 2028. The electrification of our yard machinery, including the necessary adaptation of our infrastructure, has also started. We expect to see this reflected in visible emission reductions as the exchange accelerates from 2028 onwards. By our near-term target in 2034, we want to have switched to mostly electric machinery. The same goes for our fleet of cars and trucks. The remainder will encompass machines and vehicles with no electric alternatives, few operating hours or with lacking charging infrastructure.

We are willing to invest significant financial resources into the transformation. Beyond our contribution to climate change mitigation, we also expect increased competitiveness through lower operating costs and resilience to volatile energy prices. Both will further increase our financial stability and make us more attractive to our refinancing partners on both the equity and debt side. This outlook is based on current energy prices and the assumption that non-fossil electricity will continue to get cheaper or stagnate while diesel and natural gas prices increase in comparison or stagnate. As renewable electricity is the cheapest energy to produce, the main uncertainty underlying our assumption relates to political forces protecting the fossil sector in the short and medium term in some of the regions we operate in.
However, there is substantial investment required when switching to electricity as the main source of energy, both due to higher acquisition costs and required infrastructure changes. The planning of these investments is subject to ongoing review to reflect the latest developments of technological progress, energy prices, interest rates, refinancing possibilities and government funding opportunities.
The decarbonization of our processing plants, which consume large amounts of natural gas, is more challenging. With our new ferrotitanium production in Brazil, we managed to set up a processing plant operating exclusively on electricity. This shows that decarbonization is possible. However, most existing facilities cannot be easily converted. Their operation thus produces locked-in emissions. We continue to assess possibilities to decarbonize them. Yet, in most cases, this will likely be possible only in the long term - thus in line with our 2050 net-zero goal.

Based on our calculations, our own operations made up 1.4% of the emissions in our value chain in 2025. The remaining 98.6% originate from the activities of other companies upstream and downstream. Around 80% stem from the processing of our material by our customers, which are mostly steel mills. Achieving net-zero emissions will only be possible with technological advances in the melting processes. We support our customers wherever possible, but ultimately have little control in this field. A further 9% comes from the purchase of primary metals, where mitigation efforts require producers to decarbonize their operations and reduce their environmental impact. In addition, around 8% of emissions stem from logistics. Their reduction requires the broad use of trains and electric trucks as well as the decarbonization of ships. The development of these emission sources depends on the progress made by our customers and suppliers. Consequently, so does the achievement of our reduction goal of 35% until the beginning of 2034. For the value chain emissions, which we have more control over, we have already established mitigation measures. These relate to waste, business travel and employee commuting. However, they make up only around 0.4% of value chain emissions. We have measured that since our base year 2023, our total value chain emissions have decreased by around 7%. Due to the high degree of uncertainty regarding parts of the data used to calculate this number, interpreting it at this time is not recommended. We are working to increase the quality of data from our value chain partners to be able to track our progress more reliably. At the same time, we are already working to reduce emissions in the fields we can directly control.

Most importantly, we will continue to be a reliable partner supplying high-quality scrap. A high scrap ratio is a key decarbonization lever for our customers. According to a study[1] by the Fraunhofer Institute, using scrap instead of primary metals comes with savings ranging between 3.7 and 4.7 tons of carbon emissions per ton of stainless steel, depending on the alloying elements included. As a scrap supplier, we thus drive the climate change mitigation efforts of the entire metal industry and its value chain.

[1] Fraunhofer Institute For Microstructure Of Materials And Systems: Pothen, et. al. (2020): Scrap Bonus – External costs and fair competition in the global value chains of steelmaking. Halle (Saale).

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

E1-2 MDR-P

CLIMATE CHANGE MITIGATION

Several policies have been put into place to guide employee behavior, purchasing decisions and operational practices towards reducing greenhouse gas emissions. Their scope encompasses our subsidiaries, employees and our upstream and downstream value chain.

OUR CORPORATE IDENTITY

Our Code of Conduct, as well as our corporate values underlying it, prioritize our objective of minimizing environmental impact and adhering to environmental protection laws.

Our Policy Statement on Respect for Human Rights and the Environment documents our unconditional commitment to human rights and environmental protection, which extends to our supply chain and operations. It also reflects our commitment to the 2015 Paris Climate Agreement.

SWITCH TO NON-FOSSIL ELECTRICITY

Our Purchasing Policy for non-fossil electricity, enacted in 2022, mandates that all electricity contracts be renewed with non-fossil energy sources. Where the availability of non-fossil electricity from the grid is limited, capacities for self-production ought to be maximized.

EFFICIENCY MEASURES

Our Energy Policy outlines principles for reducing energy use. It is part of our integrated management handbook, which applies to all subsidiaries and is aligned with ISO 50001 standards for energy management.

Our environmental policy specifies our understanding that energy and raw materials are to be used as sparingly as possible. The policy is part of our integrated management handbook, which applies to all subsidiaries. It emphasizes avoiding environmental impacts such as emissions, noise, waste and wastewater and, where this is not feasible, minimizing them as much as possible. It applies to all subsidiaries and is aligned with the ISO 14001 standard for environmental management.

PREFERENCE FOR LOW-EMISSION ALTERNATIVES IN PURCHASING DECISIONS

Our Travel Policy for German subsidiaries, introduced in 2023, encourages employees to prioritize ecological and economic considerations when planning trips, favoring rail travel over road and air travel and adopting cost-effective, low-emission accommodations.

ELECTRIFICATION

Our Purchasing Policy for Machinery and Vehicles, introduced in 2024 by executive management order, ensures that the default for all purchasing/leasing decisions for new machinery is electric machines. Exceptions require management approval.

Our Mobility Policy, launched in 2024, mandates the purchase of electric vehicles for company use and promotes public transportation and bike leasing. It applies specifically to German subsidiaries and will be rolled out to further countries as charging opportunities extend.

DECARBONIZATION ALONG THE VALUE CHAIN

Our established Quality Assurance processes continue to ensure adherence to the requirements of our customers, allowing them to use our scrap in their production instead of primary metals.

CLIMATE CHANGE ADAPTATION

Due to the local differences in how the physical effects of climate change will impact our yards and plants, responsibility for managing the adaptation lies with local management. Knowledge is shared within the group from subsidiaries that are already experienced with hazards and manage them successfully. The heat-illness prevention plan of our subsidiaries in the USA, developed by their safety management team, supplements the existing safety and health programs to ensure employees recognize heat stress hazards and act appropriately to address those hazards.

ACTIONS AND RESOURCES RELATED TO CLIMATE CHANGE POLICIES

E1-3 MDR-A

RESOURCES DEDICATED TO CLIMATE ACTION

- Our Sustainability Management department, with expertise in climate-related matters, was established in 2022. It has worked to extend the possibilities of monitoring emissions and tracking our progress while developing and promoting our Climate Action Plan and driving its execution. In 2025, it also conducted the climate change risk analysis and scenario analysis described in E1-2.
- Our central expert group, “Team Technics”, has been tasked since 2021 to help subsidiaries across Europe with the decarbonization of scrap yards. It has since developed and refined customized solutions in cooperation with the local management and assessed the economic advantages of electric yard machinery across the group. In 2025, they started sharing their processes and technology know-how with the colleagues responsible for decarbonizing our scrap yards in the USA.
- Consideration of climate-related risks has been integrated by our risk management department into annual risk workshops with local subsidiary management.
- Our Leadership Team is committed to dedicating financial resources to decarbonizing CRONIMET’s operations across business divisions. Multiple analyses were conducted to assess anticipated financial effects from material physical and transition risks and potential climate-related opportunities by central departments and subsidiaries alike.
- Presentations of our targets, progress and alignment on measures relating to climate action have become a regular part of our communication efforts, from intranet articles to our Global Management Meeting.
- Management-level oversight has been established for the decarbonization of our business divisions. Our COO pushes the topic of electrifying operations within our Recycling Division, and our CTO oversees the decarbonization of the Primary Materials Division, sharing insights from electric processing in Brazil.
- The Safety Management of subsidiaries in the USA developed a heat-illness prevention plan, which has since been shared with other subsidiaries affected by heat as best practice.

ACHIEVEMENTS TO DATE

Scope 1: -12.6% since our base year 2021
In 2025, 44% of these Scope 1 savings were due to the use of HVO diesel as part of the preference for low-emission alternatives in purchasing decisions. The rest was due to a mix of increases and decreases in activity at different subsidiaries. Electrification and efficiency measures played a minor role.

Scope 2: -59.5% since our base year 2021
Most of this reduction was due to the switch to non-fossil electricity contracts. The rest was achieved through the consumption of solar electricity we self-produced at locations that have not yet switched to non-fossil contracts. In 2025, self-produced electricity was the reason for about 12% of the Scope 2 savings.
Scope 3: -6.8% since our base year 2023
Data quality is not yet sufficient to rely on this number, because key information from value chain partners is unavailable or subject to high uncertainty.

MITIGATION ACTIONS TAKEN TO DATE BY DECARBONIZATION LEVER

ELECTRIFICATION

- “Big Pictures” were developed for the electrification of all European yards. In the reporting year, their implementation progressed. Infrastructure transformations were initiated to increase the readiness for all electric yard machinery. This will reduce diesel consumption in the future.
- Many yards have started to exchange fossil-fueled machines for electric alternatives to work toward emission-free operations. For stationary machinery, electric power has been established as the standard for many years. The switch to electric forklifts in Europe has been continuously pursued for about a decade, resulting in a share of 67% electric forklifts in this region. In contrast, the market launch of electric excavators, shunters and loaders that meet our requirements is a recent development. We have continued to test market innovations among these machines since 2022 and share experiences across the group. This is our status and progress at the end of the reporting year:
    - 96% stationary machines (+0%)
    - 36% forklifts (+3%)
    - 27% shunters (+2%)
    - 6% excavators (+1%)
    - 3% loaders (+0%)
    - 0% trucks (+0%)
- We continued to electrify our company car fleet, which decreased our Scope 1 emissions. At the end of 2025, 35% of our company cars were electric (hybrids were counted as being 50% electric). This is a 4% increase compared to the previous year.
- Electric trucks were considered in purchasing decisions, though in 2025 the decisions still fell towards diesel-powered ones due to lacking range, charging infrastructure and technical problems during testing.

- 23 new on-site charging stations for cars were set up in 2025, encouraging our employees to choose electric vehicles. This will decrease emissions from business travel and commuting in company cars and private vehicles. Those additions bring the total number of charging stations to 121.
- Of all the locations that need temperature control systems, 49% now use non-fossil options such as heat pumps and district heat. This is a 7% increase compared to 2024 and lowered oil and natural gas consumption.

SWITCH TO NON-FOSSIL ELECTRICITY

- Subsidiaries and yards continue to switch their electricity contracts to non-fossil sources. This is the main driver of our emission reduction achievements to date. At the end of 2025, 26 out of 59 yards and plants had switched to purchasing non-fossil electricity. The share of non-fossil electricity within our overall consumption was more than 54% (+4% compared to 2024). The actual share is likely much higher, as we conservatively assume 100% fossil sources when suppliers do not report their energy mix.
- Investments in photovoltaics continue. We now have 22 solar plants operating at CRONIMET locations (+5 compared to 2024). The amount of self-produced power we consumed increased by 75% to more than 2.4 GWh. Particularly important is the ongoing expansion in South Africa, where there is no possibility of purchasing non-fossil electricity from the grid. In 2025, the use of self-produced electricity saved 695 t CO_2e at yards that have not yet switched to purchasing non-fossil electricity.

EFFICIENCY MEASURES

- In the spirit of our quality management principle of continuous improvement, we constantly work on making processes more efficient, reducing our consumption of energy and material. Initiatives include monitoring, awareness campaigns and training. 35 operational sites currently hold ISO 14001 certification, resulting in coverage of 59% of our yards and plants.

PREFERENCE FOR LOW-EMISSION ALTERNATIVES IN PURCHASING DECISIONS

- The use of HVO biodiesel instead of conventional fossil diesel increased at some of our subsidiaries. In total, the use of this biofuel led to 1,235 t CO_2 savings compared to conventional diesel.

DECARBONIZATION ALONG THE VALUE CHAIN

- We will seek additional ways of contributing to the overall decarbonization of our industry in close cooperation with our customers and other partners.
- We continue collaborating with machinery producers to ensure electric alternatives meet our needs.

MITIGATION ACTIONS PLANNED FOR THE FUTURE BY DECARBONIZATION LEVER

ELECTRIFICATION

- We will continue to exchange our fossil-fueled yard machinery with electric alternatives. This will reduce our consumption of diesel and LPG.
- We will continue to exchange our fossil-fueled cars with electric alternatives, where such options and the necessary public charging infrastructure are available. The same goes for trucks, where, thus far, the available charging infrastructure is not sufficient. These measures will decrease diesel and gasoline consumption.
- We will continue to exchange the remaining oil and gas heaters with non-fossil alternatives.
- We will continue to assess the possibilities of decarbonizing our processing facilities to reduce our consumption of natural gas.
- We will continue to follow the developments in the field of electric trucks and prioritize them in purchasing decisions whenever they meet our requirements for operation.

SWITCH TO NON-FOSSIL ELECTRICITY

- We will continue to change all electricity contracts to non-fossil sources where such options are available on the market. We will maximize our electricity production for South Africa, where no such contracts are available at present.
- We keep investing in the self-production of electricity to increase the share of renewable electricity with long-term, predictable costs.

EFFICIENCY MEASURES

- In line with our Strategy 2030 field “Sustainable Organization” we will implement globally binding standards for environmental management encompassing energy consumption and emission reductions.
- In line with our Strategy 2030 field “Run for Efficiency” we will increase the efficiency of our machines and processing facilities. This will result in energy consumption and emission reductions.
- We will also continue to avoid and minimize environmental impacts in our value chain in the fields of waste production and business travel, as well as the consumption of water and primary metals.

PREFERENCE FOR LOW-EMISSION ALTERNATIVES IN PURCHASING DECISIONS

- For waste and business travel that cannot be avoided, we prioritize low-emission alternatives.
- We’re working to establish a company-wide standard for documenting logistics emissions. As information about emission intensity of transport becomes available and we have sufficient transparency and comparability, we plan to include it in the purchasing decisions.

- We will continue to request supplier-specific emission factors for the primary metals we purchase where such purchases cannot be avoided. We aim to increase the share of materials with supplier-specific emission factors and gain experience assessing their reliability and comparability. Where sufficient options are available, we will consider emission intensity in purchasing decisions.
- We will establish a group-wide policy around the use of HVO diesel, a biofuel based on hydrotreated vegetable oil. We aim to use it for machines for which no suitable electric alternatives will become available. This policy will entail purchasing requirements ensuring the HVO products are low in upstream emissions.

DECARBONIZATION ALONG THE VALUE CHAIN

- We will prepare for a growing demand from our customers, which is expected to increase globally as a high scrap ratio is a key decarbonization lever for our customers and decarbonizes the industry overall.
- We will continue to strengthen our partnerships to identify and implement emission reduction opportunities across the value chain.
- We will intensify the cooperation between our own yards, subsidiaries and logistics partners, which should contribute to the reduction of our logistics emissions.

ADAPTATION ACTIONS TAKEN TO DATE

HEAT STRESS

Subsidiaries employing workers frequently exposed to high outside temperatures and direct sunlight implement measures such as heat breaks, isotonic drinks, sun protection and adapted daily working schedules to avoid working in the afternoon. Some subsidiaries have summertime closures, which reduces exposure to heat for workers during the hottest time of the year.

METRICS AND TARGETS

TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

E1-4 MDR-T

Our emission reduction targets were developed using the cross-sector guidance and tools for near-term and net zero targets provided by the SBTi. They align with the Paris Agreement pathway for limiting global warming to 1.5°C above pre-industrial levels. Targets were approved internally by the Leadership Team and externally by the SBTi. They apply to the entire CRONIMET group.

Our current and planned measures to reach the targets and progress thus far are described in E1-3. Progress is measured through annual GHG accounting.

NEAR-TERM

- CRONIMET Holding GmbH commits to reduce absolute scope 1 and 2 GHG emissions by 60% by 2034 from a 2021 base year.*
- CRONIMET Holding GmbH commits to reduce absolute scope 3 GHG emissions by 35% by 2034 from a 2023 base year.

NET ZERO

- CRONIMET Holding GmbH commits to reaching net-zero greenhouse gas emissions across the value chain by 2050.
- CRONIMET Holding GmbH commits to reducing absolute scope 1 and 2 GHG emissions by 90% by 2050 from a 2021 base year.
- CRONIMET Holding GmbH commits to reducing absolute scope 3 GHG emissions by 90% by 2050 from a 2023 base year.*

The target boundary includes land-related emissions and removals from bioenergy feedstocks. Scope 2 is defined and calculated using the market-based method. In setting our targets, we made assumptions about future developments and conditions regarding both technological progress and the development of energy prices. While some uncertainties around delays in technological progress were accounted for when defining our targets, others might threaten their achievement.

Our SBTi-approved emission reduction targets are also reflected in our 2030 strategy, which includes seven different targets in total. As all targets address multiple ESRS topics, these are detailed in a dedicated MDR-T chapter within the General Disclosure on page 17.

CRITICAL ASSUMPTIONS UNDERLYING TARGET ACHIEVEMENT

When setting our targets, we made different assumptions relating to the future development of technological progress, local infrastructure and energy costs. They are crucial to our progress and our timeline.

ELECTRIFICATION

- Suitable electric options for yard machinery are available in all major categories and geographies.
- There will be suitable electric cars and trucks in most countries we operate in, as well as sufficient public charging infrastructure and/or possibilities to set up on-site charging stations to operate them.
- Local authorities and, where applicable, landlords, permit us to implement the required infrastructure changes for yard machinery electrification on-site, e.g., transformer setup and power outlet installation.
- There is sufficient power available from the grid at our subsidiaries' locations to switch to electricity as the primary power source.
- We work under the assumption that electrification offers mid-term and long-term economic benefits. Operating with non-fossil electricity is becoming cheaper than operating with fossil fuels, which is vital to ensure competitiveness while we are decarbonizing. Besides technological progress, the development of energy costs depends on politics and legislation. Due to their strategic relevance for our business, the development of operational costs in the European Union (EU) and the United States (US) are of particular importance for us. In the EU, the CO2 pricing mechanism was designed to have a steering effect toward making electrified operations more economical, alongside other elements of the EU Green Deal. In the US, intentions to promote non-fossil energy over fossil fuels are not apparent as of the time of this report. Observations of these developments will affect our activities and decisions.
- We expect to be able to secure the necessary funds to finance the initially higher investment costs for electric machinery and the related infrastructure projects required to enable fully electric yard operations.

PREFERENCE FOR LOW-EMISSION ALTERNATIVES IN PURCHASING DECISIONS

- Emission intensity in freight logistics decreases, particularly for road and sea logistics.
- The emission intensity of primary metals decreases and purchasing them in the required specifications and volume is possible.
- Sufficient availability of certified HVO diesel to power machines for which there are no electric alternatives available, as well as backup generators.

SWITCH TO NON-FOSSIL ELECTRICITY

- Except for South Africa, we can buy non-fossil electricity in all countries where we operate subsidiaries.

DECARBONIZATION ALONG THE VALUE CHAIN

- New technologies and enough scrap enable our customers to decarbonize their operations.

ENERGY CONSUMPTION AND MIX (MWH) E1-5

Breakdown of total energy consumption of own operations	2021	2023	2024	2025
(1) Fuel consumption from coal and coal products	0	0	0	0
(2) Fuel consumption from crude oil and petroleum products	51,326	46,240	47,379	46,858
(3) Fuel consumption from natural gas	43,763	47,731	22,484	35,099
(4) Fuel consumption from other fossil sources	0	0	0	0
(5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources [1]	21,086	18,276	11,649	12,544
(6) Total fossil energy consumption (calculated as the sum of lines 1 to 5) [1]	**116,175**	**112,247**	**81,513**	**94,501**
Share of fossil sources in total energy consumption (%) [1]	**99%**	**94%**	**85%**	**83%**
(7) Consumption from nuclear sources [1]	**387**	**388**	**772**	**843**
Share of nuclear sources in total energy consumption (%) [1]	**0%**	**0%**	**1%**	**1%**
(8) Fuel consumption from renewable sources, including biomass (also comprising industrial & municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0	1,008	3,329	4,390
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources [1]	723	5,463	9,393	11,421
(10) The consumption of self-generated non-fuel renewable energy	154	734	1,387	2,424
(11) Total renewable energy consumption (calcul. as the sum of lines 8 to 10) [1]	**877**	**7,205**	**14,109**	**18,235**
Share of renewable sources in total energy consumption (%) [1]	**1%**	**6%**	**15%**	**16%**
Total energy consumption (calculated as the sum of lines 6, 7 and 11)	**117,439**	**119,840**	**96,393**	**113,578**

[1] In line with the ESRS requirements, a conservative assumption was made that when the source of electricity is unknown, it is 100% fossil. The source is unknown if the utility provider does not publish information on its energy mix. The same goes for public charging stations for electric cars in most countries. The share of energy consumption from electricity, heat, steam and cooling from unknown sources in the reported years was as follows: 2021: 18%; 2023: 15%; 2024: 10%; 2025: 10%. These amounts are at least partly from renewable and nuclear sources. In 2021 and 2023, information on the energy mix of purchasing contracts of conventional electricity was not yet collected for all subsidiaries. Therefore, the share of unknown electricity is higher in these years.

GROSS SCOPE 1, 2, 3 GHG EMISSIONS (T CO2E) E1-6

	2021	2023	2024	2025	Progress since base year [1]
Scope 1 & 2 GHG emissions					
Total Gross market-based Scope 1 and 2 GHG emissions	32,157	27,971	22,108	23,472	-27.0%
Scope 1 GHG emissions					
Gross Scope 1 GHG emissions	22,303	21,539	17,146	19,486	-12.6%
Therein biogenic emissions	0	27	123	243	
Percentage from regulated emission trading schemes	0%	0%	0%	0%	
Scope 2 GHG emissions					
Gross location-based Scope 2 GHG emissions	7,590	7,972	7,163	6,699	-11.7%
Gross market-based Scope 2 GHG emissions	9,853	6,432	4,962	3,986	-59.5%
Significant Scope 3 GHG emissions [2]					
Total Gross indirect (Scope 3) GHG emissions		1,786,312	1,727,493	1,664,813	-6.8%
Upstream					
1 Purchased goods and services		265,298	251,120	156,518	-41.0% [3]
3 Fuel & energy-related activities (outside Scope 1 & 2)		8,798	7,380	8,112	-7.8%
4 Upstream transportation and distribution		128,375	146,113	134,255	+4.6% [3 4]
5 Waste generated in operations		4,809	3,272	4,301	-10.6%
6 Business travel		542	569	413	-23.8%
7 Employee commuting		1,702	1,688	1,618	-4.9%
Downstream					
9 Downstream transportation		10,087	10,142	8,486	-15.9% [3 4]
10 Processing of sold products		1,366,701	1,307,209	1,351,110	-1.1% [3]

GHG EMISSIONS INTENSITY (TCO2E PER TON OF MATERIAL SOLD)

	2021	2023	2024	2025
Scope 1 and 2 (market-based)	0.01258	0.01399	0.01213	0.01269
Scope 1	0.00873	0.01077	0.00941	0.01054
Scope 2 (market-based)	0.00386	0.00322	0.00272	0.00216
Scope 3 [4]		0.89358	0.94803	0.90014
Scope 3 Upstream [4]		0.20498	0.22508	0.16503
Scope 3 Downstream [4]		0.68861	0.72294	0.73511

[1] Base-year for Scope 1 and 2 is 2021. Base-year for Scope 3 is 2023. The progress value compares 2025 with the respective base year.

[2] The following categories have been excluded in line with the SBTi requirements: all Purchased goods and services apart from primary metals, Capital goods, End-of-life treatment of sold products and Investments. The following categories have been excluded as they are not applicable for CRONIMET: Upstream leased assets, Downstream leased assets, Franchises and Use of sold goods.

[3] When interpreting the year-on-year change in the emissions in these categories, tonnages need to be considered as these emissions correlate very closely with tonnages purchased and sold.

[4] Tracking logistics emissions across 30 subsidiaries, all continents and transportation via road, rail and water is a complex task. We are working to standardize our database and optimize our methodology and use of tools. The numbers are based on conservative assumptions and in some cases estimates. Data quality is not yet sufficient to allow for year-on-year emissions comparison.

EMISSIONS: SOURCES OF ESTIMATION AND OUTCOME UNCERTAINTY BP-2

Category	Primary Activity Data Source	Emission Factors Used	Sources of Uncertainty
Purchased goods	Tonnage of primary metals purchased	If available, supplier-specific emission factor, otherwise Ecoinvent standard emission factors. Proxies if neither is availab.	Availability, comparability and credibility of supplier-specific data. Limited transparency regarding off-spec material
Fuel- and energy-related activities	Fuel and electricity consumption; distance traveled by fleet	Standard emission factors	—
Upstream and downstream transportation	Tonnage of incoming/ outgoing materials; distances based on supplier/customer & CRONIMET locations (calculated with Bing Maps, SeaRates and Ecotransit)	Standard emission factors per transport mode (truck >32 t, sprinter < 3.5 t, bulk ship, container ship, train).	Use of assumptions when primary data is missing (mode of transport, route). Data completeness and comparability between years. Upstream/ downstream distinction
Waste	Tonnage and type of waste; treatment type	Standard emission factors	—
Business travel	Distances or cost related to travel by plane, train or car	Standard emission factors	—
Employee commuting	Number of employees and their working days (excluding remote work)	Standard emission factors	—
Processing of sold goods	Tonnage delivered to customers	If available, customer-specific emission factors, otherwise average from World Stainless Forum with a safety margin adder	Lack of customer-specific emission data, limited availability of material-specific standard factors

DATA QUALITY ASSURANCE AND LIMITATIONS

To ensure that the standard emission factors we use are suitable, accurate and up to date, we took advantage of the expertise of the IFEU (Institute for Energy and Environmental Research Heidelberg). They consulted us on all analysis methods and calculations and provided guidance on which values to use from publicly accepted databases. The sources we use include EcoInvent, IPCC, state authorities like the German Federal Ministry of the Environment, DEFRA or EPA and AIB.

For our two largest value chain categories – purchased primary metals and processing of sold goods – we use primary data on emission intensity, whenever such data is available. Emissions in these categories vary greatly. Standard emission factors are often not available and, due to the high variability, would likely not be adequate. To date, data published by primary metal suppliers holds a degree of uncertainty of completeness and comparability. The same is true for our customers in the metal processing industry. Emissions may be calculated with different approaches and external validation of the data is rare. We hope and expect that this will improve over time. We will continue to work on improving the accuracy of our data across scopes. As better data becomes available, we apply it to previous years as well, to ensure comparability. We are reporting updated historical data in this report as a service to our suppliers and customers, so they get the most up-to-date information on our development when assessing their value chain emissions and don't have to use outdated information from previous reports.

GHG REMOVALS AND MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

E1-7

Currently, we don't develop or contribute to GHG removal or storage projects within our operations or value chain. Additionally, no climate change mitigation projects have been financed outside the value chain. If future measures to achieve the net-zero target beyond gross GHG emission reduction goals include the purchase of carbon credits, those will be from trustworthy and effective sources that align with the SBTi standards.

INTERNAL CARBON PRICING

E1-8

At present, we have no internal carbon pricing.

EU TAXONOMY REGULATION

The EU taxonomy reporting obligation requires companies to disclose the proportion of their revenue, capital expenditure (CapEx) and operating expenditure (OpEx) linked to the economic activities that qualify as environmentally sustainable under Articles 3 and 9 of the Taxonomy Regulation. The framework aims to clarify how companies contribute to environmental goals by aligning their operations with sustainability criteria. At CRONIMET, the implementation process for taxonomy reporting is underway. A dedicated team from the Finance and Sustainability Management departments has been established to ensure compliance with these requirements. The first step involved screening all our economic activities to assess their eligibility under the taxonomy framework. Three key revenue-generating activities supporting climate change mitigation were identified as taxonomy-eligible.

5.9 Material Recovery from non-hazardous waste: This category reflects our core business of metal recycling.

3.9 Manufacture of Basic Iron and Steel (including Ferroalloys): Classified as a transitional activity, this is linked to our processing operations for ferroalloys such as ferromolybdenum, ferrotungsten and ferrotitanium across various regions.

3.4 Manufacture of Batteries and Accumulators (Battery Recycling): This is classified as an enabling activity and represents our planned expansion into battery recycling.

We are currently setting up a group-wide reporting system to quantify all relevant KPIs. In parallel, we will formalize additional assessments, including the substantial contribution criteria, Do No Significant Harm (DNSH) checks and minimum safeguards, to ensure full taxonomy alignment.

E5 CIRCULAR ECONOMY

STRATEGY

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

Resource inflows, including resource use

Our circular economy business model

Our primary business is dedicated to recycling stainless steel scrap, which is sustainable as it keeps valuable raw materials in the cycle. We thereby provide added value for the future and limit the need for primary materials extraction and processing. Due to our expertise, the ratio of recycled material can be maximized, although, to date, certain economic viability limits still exist. We remain committed to keeping circular economy practices as the core of our business model.

This is an actual positive impact in our own operations as well as in our upstream and downstream value chain.

Secondary material as a macro trend

The circular economy is recognized as a long-term trend with a substantial environmental impact through resource efficiency and reduced mining needs. It is also perceived positively by society. Therefore, demand for stainless steel using secondary raw materials is an opportunity for our business model.

This is an opportunity in our downstream value chain.

Customer requirements

The increase in customers' requirements can require additional resources to meet their evolving demands. Our high dependency on a small number of customers limits our ability to influence them, increasing the challenge of adaptation.

This is a risk in our downstream value chain.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

E5-1 MDR-P

As global specialists in stainless steel scrap and ferroalloys, we support the transition from primary resources by returning metallic raw materials to the materials cycle and facilitating sustainable sourcing in the metal industry.

With the circular economy at the core of our business model and throughout our upstream and downstream value chain, we do not require specific policies on the topic. Moreover, since metals are not renewable by definition, we are committed to reducing reliance on primary metals.

ACTIONS AND RESOURCES IN RELATION TO RESOURCE USE AND CIRCULAR ECONOMY

E5-2 MDR-A

As the circular economy is the basis of our business model, all business activities support efficient resource use and the circular economy. On top of our core business areas of recycling and production of primary metals, we are actively pursuing new business areas to enable recycling of other metallic materials. For example, we have established a dedicated subsidiary "Revomet" to deal with the future requirements for battery recycling caused by the electromobility sector. Revomet has designed processes to treat both end-of-life batteries and waste from battery production and to gain valuable black mass. After further treatment, this material will be used as input material during the production of new batteries. While the first processes are already in operation, further process steps are under development.

METRICS AND TARGETS

TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

E5-3 MDR-T

We achieve our business objective through recycling and processing as outlined in SBM-1

As the CRONIMET business model is centered around enabling recycling, our economic business targets regarding tonnages are directly linked to the circular economy principles. They are focused on the profitable

maximization of absolute tonnage, ensuring that purchasing, analyzing, sorting, processing and blending various secondary metallic materials contribute to an increased recycling efficiency.
These are complemented by our newly developed 2030 strategy, which includes seven different targets in total. As all targets address multiple ESRS topics, these are detailed in a dedicated MDR-T chapter within the General Disclosure on page 17.

RESOURCE INFLOWS

E5-4

The predominant key materials used at CRONIMET are secondary metals of different physical and chemical composition. For some activities, CRONIMET also uses limited amounts of primary metals.
At CRONIMET, we process critical and strategic raw materials such as tungsten and titanium. We use our unique position within the metal industry to contribute to the efficient and resilient supply of these materials.

BREAKDOWN OF KEY MATERIALS

Purchase by weight (tons)	2025	2024
Secondary metals	1,686,565	1,748,213
Primary metals	32,611	47,987
TOTAL	**1,719,176**	**1,796,200**
Percentage of recycled materials	98.1%	97.3%

Note: These figures give an overview of the metals we have sourced from our suppliers. The discrepancy between this figure and the data given on the amount of material sold reflects changes in inventory. The data provided is estimated and sourced from the goods in material controlling, which either directly accesses the central ERP system or receives reported figures from subsidiaries. Due to stock fluctuations, this data is considered an estimate.
Methods used for this estimation include additional reports from subsidiaries, especially when the current controlling report lacked specific information.

SOCIAL

S1 OWN WORKFORCE

STRATEGY

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

Working conditions: health and safety
Risk of injury when working with scrap The possibility of injury when working with scrap has a material impact on our workforce due to the hazards of handling materials, including puncture wounds, cuts, flying fragments, crushing injuries and potentially unrecognized radioactivity from scrap. This is an actual negative impact in our own operations.
Working conditions: secure employment
Loss of know-how The loss of know-how due to an aging workforce presents a challenge in securing the right talent for CRONIMET, which is a global issue, but particularly significant in certain regions, including our headquarters. The risk is driven by the shortage of skilled and unskilled workers, demographic changes and increasing competition for talent. The risk is addressed in our recruitment and employee development processes. This is a risk in our own operations.
Shortage of staff We face a risk of staff shortages as demographic change currently is faster than automation in the industry. The risk is addressed in our recruitment and employee development processes. This is a risk in our own operations.

INTERACTION WITH STRATEGY AND BUSINESS MODEL

S1 SBM-3

The risk of injury is particularly significant for workers handling materials with specific physical and chemical characteristics. This impact is considered systemic within our operational environments. We implement occupational health and safety measures, such as ISO 45001 certifications and hazard risk assessments, to mitigate this risk. Operational workers face higher exposure to risks compared to office-based employees. As such, CRONIMET considers physical conditions, such as age and capability, when assigning tasks.
We face risks related to an aging workforce and increasing competition for talent. However, we have actively addressed these challenges through succession planning, employer branding and training programs for key positions. Our corporate values and leadership principles foster a safe, inclusive work environment that encourages professional development, making CRONIMET an attractive employer in our industry.

There are no operations with risks of forced or child labor, nor have any geographic regions been identified as high-risk for such practices within our activities.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

POLICIES RELATED TO OWN WORKFORCE

S1-1 MDR-P

We continuously strengthen our policies and engagement strategies to ensure that human rights, diversity, inclusion and workplace safety remain integral to our corporate culture. The outlined policies apply globally to all CRONIMET employees and underline our commitment to a responsible and ethical work environment. When revising or developing policies, we consider the interests of affected stakeholders either through direct consultation or internal proxies.
The Corporate Values, Leadership Principles, Code of Conduct and Policy Statement for Human Rights and the Environment address all material IROs, whereas the Occupational Health and Safety Policy has a particular focus on the risk of injury.

The CRONIMET **Corporate Values** are the foundation of our culture and define, characterize and motivate us in equal measure. They give us a clear orientation of what the Holding Management's expectations are regarding our behavior.

We have developed 12 **Leadership Principles** that describe how we want to deal with each other and with our employees. We aim to use these leadership principles to improve our day-to-day work and promote success. They apply to all situations and everywhere in our company and — based on our values — emphasize our corporate culture.

The CRONIMET **Code of Conduct** embodies the core values and principles by which we want to act as a company: Respectful, entrepreneurial, learning, cooperative and responsible. The Code of Conduct serves as a guideline and it is intended to help us always make the right decisions and to act responsibly.

The **Occupational Health and Safety Policy** aims to maintain and continuously improve occupational health and safety in compliance with all relevant and current legal standards. It underlines our OHS culture and is specifically related to the material impact of the risk of injury when working with scrap. It applies globally and forms the formal basis of the OHS system at the sites which are certified according to ISO 45001.

The **Policy Statement on Respect for Human Rights and the Environment** reflects CRONIMET's commitment to ethical business practices and continuous improvement in human rights, environmental stewardship and corresponding supply chain due diligence. The statement addresses practices related to our employees, our own group of companies, suppliers and business partners, focusing on universal human rights and internationally recognized environmental rights.

The statement condemns any form of violence, human trafficking, forced labor and child labor.
At CRONIMET, we respect all internationally recognized human and environmental rights and direct our business practices accordingly. We are committed to complying with the following legal regulations, standards, conventions, guidelines and related organizations:
The United Nations (UN):

- Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of all Forms of Discrimination Against Women
- UN Sustainable Development Goals

International Labour Organization (ILO):

- Declaration on Fundamental Principles and Rights at Work
- Core Labour Standards

Organization for Economic Cooperation and Development (OECD):

- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

Other environmental and climate protection conventions:

- Minamata Convention on Mercury
- Stockholm Convention on Persistent Organic Pollutants
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal
- Paris Climate Agreement of 2015

Regarding human rights, our Code of Conduct mandates respect for all employees regardless of gender, ethnicity, age, religion, or sexual identity, emphasizing fair treatment and protection of personal dignity. The Policy Statement on Respect for Human Rights and the Environment underscores our responsibility to uphold them across our own workforce and the workers in the supply chain, ensuring fair wages, equal treatment and safe working conditions.

PROCESSES FOR ENGAGING WITH OWN WORKFORCE ABOUT IMPACTS AND TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS TO RAISE CONCERNS

S1-2, S1-3

GENERAL ENGAGEMENT WITH OWN WORKFORCE

CRONIMET actively engages with the workforce to ensure our employees' perspectives are incorporated into decision-making processes, particularly in managing actual and potential impacts. The engagement occurs through multiple channels, including the oneCRONIMET intranet, regular company meetings, annual employee feedback interviews, surveys, ad hoc feedback sessions and direct communication. Workers' representatives, where applicable, also play a key role in discussions, ensuring collective input is considered in strategic planning.
These platforms facilitate continuous dialogue at group and local levels.

On a group level, company-wide surveys and management meetings provide broad insights, while at the site or project level, targeted discussions and focus groups address specific operational concerns. Information from local engagement is centralized and shared with the senior management to ensure alignment with broader corporate strategies.
All employees worldwide (white- and blue-collar) have access to our intranet, which covers all relevant information about the company as well as engagement processes. To support the accessibility of information in all languages spoken at CRONIMET, the intranet has an ad hoc translation feature.
By maintaining transparency, we aim to foster a culture of participation and ensure employees see tangible results from their engagement.

CHANNEL TO RAISE CONCERNS

There are multiple confidential and accessible channels for employees to raise concerns or grievances, ensuring that all workforce members can report issues safely and without fear of retaliation. These channels include a whistleblower system, the General Equal Treatment Act Trust Center in Germany, staff meetings, town hall meetings and works councils, where applicable. The whistleblower system offers an anonymous online reporting platform managed by the compliance team, allowing employees to submit concerns at any time. It operates 24/7, ensuring confidentiality and professional case management. Unionized employees can raise concerns through trade unions and works councils. At the same time, non-unionized workers can engage directly with managers and HR representatives.
Our structured process to address and remediate negative impacts on our workforce includes investigating reported concerns, gathering relevant information from affected employees, reviewing documentation and consulting workers' representatives where applicable. Once the impact is understood, a tailored remedy plan is developed, which may include workplace adjustments, additional support services, or policy changes to prevent future occurrences. To evaluate effectiveness, follow-up procedures are in place to monitor outcomes and gather employee feedback to ensure the issue has been fully addressed.
We track and monitor the reported issues through a structured case management system within the whistleblower system, ensuring concerns are recorded, assessed and promptly resolved.
Our whistleblower system meets the effectiveness criteria for grievance mechanisms as outlined in the UN Guiding Principles on Business and Human Rights, Principle 31. Stakeholders from our own workforce are involved in evaluating the effectiveness of reporting channels. We are continuously refining these processes to ensure that our response mechanisms remain effective and aligned with our employees' needs.

ACTIONS ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

S1-4 MDR-A

SECURE EMPLOYMENT

A quarterly global HR forum enables information sharing about relevant HR topics with the whole group. It provides a platform for proactive identification of actual and potential impacts, risks and opportunities. All HR professionals worldwide are engaged in this initiative, including managing directors, local HR teams and the People & Organization department at the headquarters. In 2025, the HR Forum focused on the topics Motivation & Crisis Management, HR Controlling, including KPIs and Standards, Generation Z and Leadership Training.
In 2025, to foster a positive work environment, we again promoted initiatives beyond compliance requirements, including sports events, World Cleanup Days and team-building activities. These activities enhance employee engagement and contribute to a sense of community within the organization.
Furthermore, regular global succession planning for critical positions has been in place since 2017. We also offer vocational training and study programs to develop future talent.
While no significant negative workforce impacts have been identified due to the transition to a greener, climate-neutral economy, we remain committed to monitoring potential challenges and taking proactive measures if necessary.
The People & Organization and Environment, Quality and Safety (EQS) departments, along with local HR representatives in each subsidiary, are responsible for managing workforce-related impacts and their effectiveness is monitored through the targets detailed in S1-5 MDR-T.

HEALTH AND SAFETY

Our structured approach to preventing and mitigating material negative impacts on our workforce strongly emphasizes occupational health and safety. Over the last few years, we have secured ISO 45001 certification for many of our yards, with eight additional yards being certified for the first time in 2025. In addition, we implemented a knowledge exchange platform on workplace accidents, which includes the introduction of ad hoc reporting and analysis, allowing subsidiaries to share lessons learned and implement risk mitigation measures.
Comprehensive occupational health and safety measures have been implemented across our operational yards. The effectiveness of these actions is tracked through external ISO 45001 audits and ongoing OHS hazard analysis. In cases where employees have experienced negative impacts, remediation efforts are

initiated and monitored to ensure risks are reduced and conditions are improved in alignment with national laws and regulations. At the same time, CRONIMET's corporate values guide our approach to supporting affected employees. Those who face workplace injuries are provided with the necessary assistance, ensuring compliance with legal requirements and internal commitments to worker well-being. We recognize that employee health and safety contribute to business profitability, and thus, we prioritize compliance with all relevant legal standards.

For the future, we plan to further strengthen information sharing about work safety via regular safety calls with responsible colleagues. As part of our 2030 strategy, we are also analyzing possibilities to further standardize our health and safety management across all operational sites worldwide.
Those actions contribute to achieving the objectives of our policies by promoting a culture of safety, continuous learning and knowledge-sharing.

METRICS AND TARGETS

TARGETS FOR OWN WORKFORCE

S1-5 MDR-T

As part of our Strategy 2030, we defined seven different targets in total. As all targets address multiple ESRS topics, these are detailed in a dedicated MDR-T chapter within the General Disclosure on page 17.

The strategy specifically addresses the negative impact "Risk of injury when working with scrap".
The target "**Sustainable Organization:** We are a sustainable company living our corporate values and making a difference through authentic ESG practices." We defined the following key measure: We develop and implement globally binding CRONIMET standards for environmental management and work safety. This key measure will be supported by measurable KPIs to enable progress tracking. The 2030 Strategy is the result of intensive collaborative work by the Leadership Team with support and input of key players of the respective organizational units to ensure appropriate representation of different stakeholder groups.

CHARACTERISTICS OF OUR EMPLOYEES

S1-6

Data about our employees is reported from subsidiaries to CRONIMET Holding on a quarterly basis, considering applicable national and international data protection laws. Further consolidation and analysis are performed within the Holding departments. The numbers reflect the headcount at the end of the reporting period and include employees and managing directors. This number also differs from the financial statement due to the inclusion of managing directors of subsidiaries.

HEADCOUNT BY GENDER, INCLUDING CONTRACT TYPES

	2025			2024
Contract Type	**Men**	**Women**	**Total**	**Total**
Permanent	1372	346	**1,718**	**1,729**
Temporary	22	15	**37**	**94**
Total	1394	361	**1,755**	**1,823**

Notes:
1. No employee was reported as "other" or did not report any gender.

EMPLOYEE TURNOVER[1]

	2025	2024
Employees who left the company	342	424
Rate of employee turnover	20.30%	23.26%

*[1] Rate of employee turnover in the reporting period is calculated as: (number of employees who left the company / average headcount) * 100 and represents the number of employees leaving as a share of the workforce.*

COUNTRIES WITH 50 OR MORE EMPLOYEES

	2025			2024
Country	**Men**	**Women**	**Total**	**Total**
Germany	346	145	**491**	**511**
US	288	32	**320**	**320**
Armenia	170	29	**199**	**232**
Brazil	156	42	**198**	**203**
Poland	87	24	**111**	**125**
South Africa	67	9	**76**	**75**
Czech Republic	47	11	**58**	**57**
Italy	40	17	**57**	**58**
Estonia	42	8	**50**	**55**

HEALTH AND SAFETY METRICS[1] S1-14

	2025	2024
Percentage of people in CRONIMET's own workforce who are covered by its health and safety management system based on ISO 45001	38.21%	35.16%
Number of fatalities as a result of work-related injuries in our own workforce	0	0
Number of fatalities as a result of work-related accidents of other workers on CRONIMET's sites	1	0
Number of recordable work-related accidents [2]	59	49
Rate of recordable work-related accidents [2]	19.23	15.71 [3]
Number of days lost due to work-related injuries	1156	731

Notes:

[1] Currently, we do not have a group-wide overview of our work-related ill health subject to legal restrictions on the collection of data. According to the ESRS, this information is subject to the phasing-in provision.

[2] The number of work-related accidents considers accidents in which the injured person is absent for at least one day. The rate is based on 1,000,000 hours worked. The data refers to CRONIMET employees and it has been collected and managed at a subsidiary level and reported to the central department for further analysis and consolidation.

[3] The rate of recordable work-related accidents for 2024 has been corrected compared to the sustainability report 2024 due to new information about the number of hours worked.

The fatal accident occurred at one of our operational sites in Brazil during roofing work that was conducted by an external company. This accident happened despite all relevant safety procedures having been followed. After the accident, a detailed investigation was conducted together with the involved external company. This also included root cause analysis, definition of measures, responsibilities and deadlines.

INCIDENTS OF DISCRIMINATION AND OTHER HUMAN RIGHTS INCIDENTS

S1-17

During the reporting period, we documented zero cases related to discrimination at work and zero cases of human rights incidents connected to our own workforce. Likewise, no noncompliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises was identified. As no severe human rights incidents occurred, there were no cases where we played a role in securing remedies for affected individuals. Consequently, no fines, penalties and compensation payments related to human rights incidents were recorded.

GOVERNANCE

G1 BUSINESS CONDUCT

STRATEGY

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

Corporate Culture

Ethical business conduct

Our corporate values “Entrepreneurship, Learning, Respect, Partnership and Responsibility” form the foundation of our actions and contribute to an honest and trusting work environment for our colleagues and business partners. Furthermore, our commitment to honest business conduct fosters sustainable business relationships, strengthens our company’s and our industry’s reputation.
This is a positive impact in our own operations and our upstream and downstream value chain.

Corruption and bribery

There is a risk of financial and reputational damage in case of active or passive forms of bribery involving CRONIMET employees. Furthermore, corruption and bribery undermine trust in democratic institutions and in our organization and can result in loss of business. They are illegal and contrary to our values.
This is a risk in our own operations.

Management of relationships with suppliers

Global network of traders

Our global network of traders fosters eye-to-eye collaboration and establishes personal contact with our suppliers. It allows us to purchase materials efficiently, ensuring a good understanding of supplier requirements and strengthening supply chain reliability. To further capitalize these effects, we have been closing geographical gaps to expand and reinforce our sourcing capabilities. This opportunity is closely linked to our business model.
This is an opportunity in our own operations and our upstream value chain.

Extended due diligence commitment for the supply chain

Although we won’t be within the scope of the EU Corporate Sustainability Due Diligence Directive (CSDDD), we are proactively implementing measures to enhance compliance and transparency in our supply chain. The decision reflects the importance of embedding sustainability in our business model, while also reducing risks along the way. Moreover, this initiative is expected to strengthen relationships with key customers, foster partnerships and improve our market position.
This is an opportunity in our upstream and downstream value chain.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

POLICIES RELATED TO BUSINESS CONDUCT

G1-1 MDR-P

Our communications with our suppliers and customers are based on open, result-oriented dialogue and these relationships take place at multiple levels, particularly with the largest or most strategic ones. Engagement includes direct communication, compliance discussions and sustainability initiatives. We have a set of policies and commitments that guide us through this process. The policies outlined apply globally to all CRONIMET employees.

Our **Corporate Values** reinforce our dedication to quality, reliability and trust-based partnerships, with openness and tolerance for individual, social and cultural differences. This is manifested through the development of solutions for current and future challenges together with our business partners, reacting quickly and in a goal-oriented manner.

The CRONIMET **Code of Conduct** directly expresses the CRONIMET values and a set of essential guidelines for action in our transactions with customers, partners, governments, societies and general cooperation. It outlines our commitments to ethical business practices, emphasizing honest business relationships, fair competition and transparent dealings, implementing all the measures available to prevent and eradicate any form of corruption and bribery.

Our **Supplier Code of Conduct** details our expectations towards our suppliers and is integrated into our contractual structures. It mandates that suppliers establish due diligence processes, disclose

their sustainability practices upon request and comply with audits if required. We expect our suppliers to uphold the human rights and environmental standards set out in this document, which are part of our contracts and influence contract award decisions. Suppliers are also expected to pass these requirements or equivalent standards on to their business partners and upstream suppliers to support compliance throughout global supply chains.

The **Policy Statement on Respect for Human Rights and the Environment** sets clear expectations for our business partners to uphold international standards and regulatory frameworks. We jointly bear the corporate responsibility regarding these commitments along the shared supply and value chain. The policy also details our supply chain due diligence and supplier screening procedures.

The **Whistleblowing Policy** details CRONIMET's Whistleblower process and is intended to ensure adequate consideration of the legitimate interests of all potential recipients of this policy. Furthermore, it is intended to ensure that information on violations of laws, the Code of Conduct or corporate guidelines can be received in accordance with the requirements of data protection and data security and can be processed, saved and archived with the necessary confidentiality. The policy covers both technical and organizational perspectives.

Our **Anti-Bribery Policy** sets out clear rules for acceptance and granting of benefits regarding our business partners. It fosters appropriate behavior with our business partners, especially customers and suppliers, and guarantees necessary transparency inside CRONIMET and prevents corruption. The functions and roles at most risk with respect to corruption and bribery are Management and trading employees.
The Anti-Bribery Policy is consistent with the United Nations Convention against Corruption.

These policies, which relate to one or multiple material IROs for this topic, apply to all CRONIMET subsidiaries and affect all employees and our upstream supply chain. Through implementing these policies, CRONIMET commits to respecting several important international third-party standards and initiatives, as listed in S1-1.

The objectives of the policies are driven by the interests of the key stakeholders, as defined in SBM-2. Proxies of the key stakeholders are included in the approval process for new policies and their iterative development.

All policies are available internally on the CRONIMET Intranet and externally on the website and may be directly shared with stakeholders.

ACTIONS ON MANAGING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

G1-2, G1-3 MDR-A

CORPORATE CULTURE

We have implemented a structured framework to prevent, detect, investigate and respond to corruption and bribery risks. To reduce such risks, we maintain a comprehensive internal control system (ICS), do not use intermediaries and do not conduct business involving payments to third parties. In addition, we apply performance-based compensation to limit incentives for unethical behavior. An approval process for gifts has been established across the group to ensure transparency and compliance with our standards. All employees participate in a group-wide Code of Conduct training, which includes content on anti-corruption and anti-bribery. For the future, we are planning to develop this training program to provide tailored content for different employee groups and functions most at risk.
If an allegation or incident related to corruption or bribery is reported, a structured process is in place: Compliance, in cooperation with the Legal team, conducts an internal investigation and, where necessary, involves external expertise. If the concern is confirmed, appropriate remedial and disciplinary actions are taken and the relevant authorities are involved as required. These measures and key actions are designed to continuously strengthen our control environment, reduce corruption and bribery risks over time and support the effective implementation of our compliance and integrity policy objectives.

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

CRONIMET has established comprehensive supply chain due diligence processes. One core element is our Business Partner Check which we conduct before accepting new suppliers or signing contracts to identify, among other topics, human rights and environmental risks. Furthermore, since 2024, we use AI-supported software to continuously monitor all direct suppliers regarding human rights and the environment. The software draws on a wide range of sources such as recognized indices, databases, media reports and additional sources recommended by competent authorities.
To ensure that these procedures are effective and meet relevant external requirements, one of our biggest subsidiaries (CRONIMET Ferroleg. GmbH) successfully conducted a check with an external auditor to confirm

compliance with corporate due diligence obligations to prevent human rights violations in supply chains in accordance with the German Supply Chain Due Diligence Act (LkSG).
In 2025, we took further actions to strengthen our processes by completing our first phase of the group-wide training program on human and environmental rights and the associated due diligence obligations for traders, procurement managers, back-office personnel, logistic managers, as well as managing directors with a participation rate well above 90%.
While we currently do not have a formal process to consider specific ESG performance factors in the selection of suppliers, we are confident that our existing Business Partner Check and software tool meets all critical criteria. Moreover, our scrap trading and processing business naturally procures materials locally to reduce transportation emissions and support regional economic development.
In addition, our global network of traders is in regular personal contact with our suppliers, including regular on-site visits. In 2025, we were able to further expand our trade coverage by installing dedicated traders in South America (outside Brazil) and Asia.

For the future, we plan to continue and expand our training program on human and environmental rights and formalize the sustainable procurement process, which will include clear guidelines for supplier selection.

These key actions ensure that we have the required processes in place to achieve the objectives of our policies, such as ethical business conduct taking into account human rights and environmental standards both within our own operations and supply chain.

METRICS AND TARGETS

TARGETS RELATED TO BUSINESS CONDUCT

MDR-T

As part of our Strategy 2030, we defined seven different targets in total. As all targets address multiple ESRS topics, these are detailed in a dedicated MDR-T chapter within the General Disclosure on page 17.

INCIDENTS OF CORRUPTION OR BRIBERY

G1-4 MDR-T

In 2025, there were no convictions or sanctions for violation of anti-corruption and anti-bribery laws. Also, no fines were imposed on CRONIMET for violating anti-corruption or anti-bribery laws.

WOULD YOU LIKE TO MAKE A REPORT?

Our Whistleblower System allows anonymous and secure reporting via a dedicated portal. Those people wanting to raise concerns are assured protection and confidentiality to prevent any fear of discrimination.

https://cronimet.whistleblowernetwork.net

APPENDIX

CONTENT INDEX OF ESRS DISCLOSURE REQUIREMENTS

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G1-3	Prevention and detection of corruption and bribery	42	
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G1-6	Payment practices		Omitted as payment practice not material

LIST OF DATA POINTS THAT DERIVE FROM OTHER EU LEGISLATION

IRO-2

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL/ NOT MATERIAL	LOCATION
GOV-1 21 (d) : Board's gender diversity	x		x		Material	13
GOV-1 21 (e) : Percentage of board members who are independent			x		Material	13
GOV-4 30 : Statement on due diligence	x				Material	14
SBM-1 40 (d) i : Involvement in activities related to fossil fuel activities	x	x	x		Not Material	
SBM-1 40 (d) ii : Involvement in activities related to chemical production	x				Not Material	
SBM-1 40 (d) iii : Involvement in activities related to controversial weapons	x				Not Material	
SBM-1 40 (d) iv : Involvement in activities related to cultivation and production of tobacco					Not Material	
E1-1 14 : Transition plan to reach climate neutrality by 2050				x	Material	22
E1-1 16 (g): Undertakings excluded from Paris-aligned Benchmarks		x			Not Material	
E1-4 34: GHG emission reduction targets	x	x			Material	27
E1-5 38: Energy consumption from fossil sources disaggregated by sources	x				Material	29
E1-5 37: Energy consumption and mix	x				Material	29
E1-5 40 to 43: Energy intensity associated with activities in high climate impact sectors	x				Material	29
E1-6 44: Gross Scope 1, 2, 3 and Total GHG emissions	x				Material	30
E1-6 53 to 55: Gross GHG emissions intensity	x				Material	30
E1-7 56: GHG removals and carbon credits				x	Material	31

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL/ NOT MATERIAL	LOCATION
E1-9 66: Exposure of the benchmark portfolio to climate-related physical risks					Material	Not reported
E1-9 66 (a) (c): Disaggregation of monetary amounts by acute and chronic physical risk Location of significant assets at material physical risk					Material	Not reported
E1-9 67 (c): Breakdown of the carrying value of its real estate assets by energy-efficiency classes					Material	Not reported
E1-9 69: Degree of exposure of the portfolio to climate-related opportunities					Material	Not reported
E2-4 28: Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	x				Not Material	
E3-1 9: Water and marine resources	x				Not Material	
E3-1 13: Dedicated policy	x				Not Material	
E3-1 14: Sustainable oceans and seas	x				Not Material	
E3-4 28 (c): Total water recycled and reused	x				Not Material	
E3-4 29: Total water consumption in m3 per net revenue on own operations	x				Not Material	
SBM-3 E4 16 (a) i:	x				Not Material	
SBM-3 E4 16 (b):	x				Not Material	
SBM-3 E4 16 (c):	x				Not Material	
E4-2 24 (b): Sustainable land/agriculture practices or policies	x				Not Material	
E4-2 24 (c): Sustainable oceans/seas practices or policies	x				Not Material	
E4-2 24 (d): Policies to address deforestation	x				Not Material	
E5-5 37 (d): Non-recycled waste	x				Not Material	
E5-5 39: Hazardous waste and radioactive waste	x				Not Material	
SBM-3 S1 14 (f): Risk of incidents of forced labour	x				Material	35
SBM-3 S1 14 (g): Risk of incidents of child labour	x				Material	35
S1-1 20: Human rights policy commitments	x		x		Material	36
S1-1 21: Due diligence policies on ILO Conventions					Material	36
S1-1 22: Measures to prevent trafficking in human beings	x				Material	36
S1-1 23: Workplace accident prevention policy	x				Material	36
S1-3 32 (c) : Grievance mechanisms	x				Material	37

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL/ NOT MATERIAL	LOCATION
S1-14 88 (b)(c): Number of fatalities and accident rates	x		x		Material	39
S1-14 88 (e): Days lost to accidents/illness	x				Material	39
S1-16 97 (a): Unadjusted gender pay gap	x		x		Not Material	
S1-16 97 (b): Excessive CEO pay ratio	x				Not Material	
S1-17 103 (a): Incidents of discrimination	x				Not Material	
S1-17 104 (a): Non-respect of UNGPs and OECD guidelines	x		x		Not Material	
SBM-3 S2 11 (b): Significant risk of child or forced labour in value chain	x				Not Material	
S2-1 17: Human rights policy commitments	x				Not Material	
S2-1 18: Policies related to value chain workers	x				Not Material	
S2-1 19: Non-respect of UNGPs and OECD guidelines	x		x		Not Material	
S2-1 19: Due diligence policies on ILO Conventions	x		x		Not Material	
S2-4 36: Human rights issues and incidents in value chain					Not Material	
S3-1 16: Human rights policy commitments					Not Material	
S3-1 17: Non-respect of UNGPs, ILO, OECD guidelines			x		Not Material	
S3-4 36: Human rights issues and incidents					Not Material	
S4-1 16: Policies related to consumers and end-users					Not Material	
S4-1 17: Non-respect of UNGPs and OECD guidelines			x		Not Material	
S4-4 35: Human rights issues and incidents					Not Material	
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G1-1 10 (d): Protection of whistle-blowers					Not Material	
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G1-4 24 (b): Anti-corruption and anti-bribery standards					Material	43

WE ARE WORKING ON A RECYCLING ECONOMY THAT CONNECTS RAW MATERIAL DEMAND AND RESOURCES PROTECTION

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CRONIMET

METALS ARE OUR PASSION