SUSTAINABILITY REPORT

2023

KUHN INDUSTRIE HOLDING

CONTENTS

Publisher:
Kuhn Industrie Holding GmbH
Otto-Hahn-Straße 12-14
42477 Radevormwald
Germany

GENERAL

Foreword from the shareholders

Andre Kuhn

Andreas Willim

Calvin Kuhn

Here it is – the second edition of our Group's sustainability report, the report for 2023. We are gradually approaching the requirements of the comprehensive ESG reporting that will be mandatory from 2025 in accordance with CSRD. This year, for example, we have also included points from the "Social" area for the first time and will continue to supplement the report in this area as well as in the "Environment" and "Governance" aspects in the coming years. A materiality analysis is currently being carried out to fully determine all reportable information and data points.

To be clear: we consider this comprehensive, highly bureaucratic EU requirement for complete ESG reporting to be hugely excessive. The effort involved is enormous. A group of companies like ours has to reckon with at least one additional person to do all the work relating to data collection and reporting – in addition to all the other regulations and reporting obligations that are stepped up every year. What is even more serious in our view is that this bureaucracy distracts from the essential content: our contribution to climate protection and the progress we want to make here from year to year.

Climate change is real. We must continue to focus on reducing our CO_2 emissions worldwide. We also have to learn to deal with the consequences. We want to look to the future to solve the problems. Instead of reducing our impact on climate change by scaling back and doing without certain things, we are pursuing the path of making a better world possible for us humans today and tomorrow through innovation and progress. After all, sustainability is not just about climate protection, but consists of a large number of objectives, which are set out in the UN's Sustainable Development Goals, among others. Key sustainability goals in this respect are:

- reducing poverty and hunger,
- education,
- women's rights,

and many other issues. So how do we manage to achieve the various sustainability goals and the associated human, social and economic development while at the same time advancing climate protection?

We are a country of engineers. We are – still – a technology nation. We should be aiming to find solutions that are economically viable and yet still make a contribution to climate protection. We would like to make a contribution to this with our energy-intensive group of companies in Germany and report on this.

As an energy-intensive company with two production sites in Germany, our vision is to achieve climate-neutral production. It is not always big steps that we can take from year to year. However, as a family-run business, we think in terms of generations. A continuous path will lead to success if you know where you are heading and do not leave the path.

We, the shareholders of Kuhn Group, hope that you find this sustainability report stimulating once again and would be very pleased to receive both positive and constructive feedback on these topics. Together we look positively towards our future and thank our employees, partners and customers for their many great ideas and suggestions as well as their commitment along the way!

Radevormwald, July 2024

2023 in figures

2 GIFA exhibition stands

In addition to Kuhn Special Steel, kuhn.innovation also had its own stand at the world's most important trade fair for the foundry industry, GIFA in Düsseldorf, for the first time in 2023.

28,000 kWh of electricity

is what M. Jürgensen consumes on average during a night shift. This is roughly equivalent to the annual consumption of ten households. On 18 November 2023, NDR showed *an interesting report* on this in the Schleswig-Holstein Magazin.

1,408,049 kWh of solar power

were generated by the photovoltaic system on the roofs of Kuhn Special Steel in 2023.

51.75 GWh

was the total consumption of all energy sources used within Kuhn Industrie Holding.

15 years of EINBLICK

Towards the end of 2008, the first issue of the employee magazine EINBLICK was published by M. Jürgensen. The magazine celebrated its anniversary in 2023 with the 59th issue.

8,455 kW

annual peak load drawn from the grid at M. Jürgensen.

(up to) 120 times the acceleration of gravity

is what our materials experience while they solidify in the moulds, the gravity dies, after casting. In 2023, 22,437 tonnes were cast across the Group using the centrifugal casting process.

45 years

One Kuhn Special Steel employee celebrated this work anniversary - also the longest period of employment in the company's history - in 2023.

3 generations of Kuhn

With Calvin Kuhn joining the company as a passive shareholder on 1 January 2023, the third generation has entered the group of companies.

8,325 single-family homes

each with four residents could have been supplied with the total electricity consumption of Kuhn Industrie Holding in 2023.
(with an assumed annual consumption of 4,000kWh)

3,480 kW

maximum annual load drawn from the power grid at Kuhn Special Steel.

Code of Conduct | Group values

Jointly defined values and guidelines are the foundation of our group of companies. They form the basis and directive for our actions. We see our values as a kind of "mirror" – they are not normative, but are meant to give an impression of how we think and act. On the basis of shared values, good cooperation is of great importance to us. Historically, the idea of a company arose from the need for collaboration between people – it was only through more complex tasks that could no longer be managed alone that the "idea of a company" arose, in which people work together to perform a service for a customer.

The basis of our daily work is our management philosophy, which focuses equally on both people and results. We can only achieve top performance when everyone cooperates effectively. Trust can grow through dependable focus on our values. At the core, we are about being successful together as entrepreneurs. To achieve this, we have defined the following values as the core of our cooperation:

Presentation of the group

Kuhn Industrie Holding is a group of experienced companies whose core competencies lie in the areas of material development, centrifugal casting and machining technology.

With the complete value chain, from development and raw casting to ready-to-install key components, the breadth of our product range sets us apart from global competition.

The group of companies has over 600 employees worldwide, has two production sites in Germany and is also present in Asia and the USA with local distributors.

Key figures of the Group

Number of subsidiaries:	6
Group sales 2023:	93.3 million EUR[1]
Employees 2023 (Group-wide):	657 employees
Casting tonnage 2023 (Group-wide):	22,437 tonnes

[1] consolidated sales of Klaus Kuhn Edelstahlgießerei GmbH, Zerspanungstechnik Kuhn Edelstahl GmbH, M. JÜRGENSEN GmbH & Co KG, Kuhn Innovation GmbH, Kuhn Special Steel Asia Limited, Kuhn Special Steel Taiwan Corp., Kuhn Special Steel North America, Inc.

Klaus Kuhn Edelstahlgießerei GmbH & Zerspanungstechnik Kuhn Edelstahl GmbH

Kuhn Edelstahl
High Performance Key Components

Founding year:	1960
Production site: Radevormwald, Germany	
Sales 2023:	49.7 million EUR[1]
Workforce:	306 employees
Total area:	52,360 m²
Foundry:	7 induction ovens, 15 centrifugal casting machines
CNC machines:	> 50
conventional lathes:	> 15
max. outer diameter:	1,200 mm (horizontal) / 2,300 mm (vertical)
max. length	8,000 mm
max. casting weight	5,000 kg

[1] consolidated sales of Klaus Kuhn Edelstahlgießerei GmbH and Zerspanungstechnik Kuhn Edelstahl GmbH

M. Jürgensen GmbH & Co KG

M. JÜRGENSEN
A Promise Kept

Founding year:	1937
Production site: Sörup, Germany	
Sales 2023:	43 million EUR
Workforce:	296 employees
Total area:	60,000 m²
Foundry:	10 induction ovens, 12 centrifugal casting machines
CNC machines:	> 40
conventional lathes:	> 30
max. outer diameter:	820 mm (horizontal)
max. length	1,700 mm
max. casting weight	5,000 kg

Kuhn Innovation GmbH

Founding year: 2020

Location:
Radevormwald, Germany

Workforce: 7 employees

Advice and technical implementation, among other things, for: the automation of existing production facilities, the collection and evaluation of production, quality and machine data (e.g. with existing or newly installed sensor technology).

Kuhn Special Steel Asia Ltd.

Founding year: 2012

Location: Hong Kong, China

Sales 2023: 752,000 EUR

Distribution company

Kuhn Special Steel North America, Inc.

Founding year: 2016

Location: Chicago, North America

Sales 2023: 1,8 million EUR

Distribution company

Reference

This sustainability report takes into account the Group's production sites, namely

- Klaus Kuhn Edelstahlgießerei GmbH (consolidated with Zerspanungstechnik Kuhn Edelstahl GmbH) and
- M. Jürgensen GmbH & Co KG.

Certificates

The companies of Kuhn Industrie Holding continuously optimise their processes by implementing quality, environmental and/or energy management systems. The internationally applicable management systems are continuously audited by accredited certification bodies.

Kuhn Special Steel

Quality management in accordance with ISO 9001:2015

Valid from: 01.04.2021
Valid until: 31.03.2024
Initial certification: 2003

Energy management in accordance with ISO 50001:2018

Valid from: 01.12.2022
Valid until: 30.11.2025
Initial certification: 2013

M. Jürgensen

Quality management in accordance with ISO 9001:2015

Valid from: 01.02.2023
Valid until: 31.01.2026
Initial certification: 1999

Environmental management in accordance with ISO 14001:2015

Valid from: 01.02.2023
Valid until: 31.01.2026
Initial certification: 2002

Energy management in accordance with ISO 50001:2018

Valid from: 18.12.2023
Valid until: 17.12.2026
Initial certification: 2011

ENVIRONMENT

As foundries, Kuhn Special Steel and M. Jürgensen are among the most energy-intensive companies in Germany. Important energy sources are electricity, natural gas, district heating, diesel, heating oil and bottled gas. The primary goal for the next few years is to reduce the consumption of each energy source and whilst simultaneously improving energy efficiency. Every kilowatt hour saved also means that CO_2 emissions are avoided.

The long-term goal is to achieve carbon-neutral production at both of Kuhn Industrie Holding's production sites. The project "Our Way to Climate Neutrality" was initiated in 2021 and already showed initial success within a very short period of time. A permanently assembled project team defined the initial strategy and started its consistent implementation, which was closely accompanied by the management. The basis for this are the carbon footprints for the companies Kuhn Special Steel and M. Jürgensen, which were prepared retroactively from 2019 and from which valuable insights into corporate emissions were gained. Optimisation potential was derived from these findings which led to initial results as early as 2022 in the form of reductions in CO_2 emissions.

In 2022, our strategy on "Our Way to Climate Neutrality" supported us greatly in preventing a possible shortage of natural gas in our supply. Significant price increases on the energy markets quickly resulted from the war that broke out in Ukraine in February 2022. These were primarily driven by an impending shortage of natural gas. In a worst-case scenario, a situation in which natural gas supplies would be completely stopped even had to be assumed. While there is no direct dependence on natural gas at M. Jürgensen, it would hardly have been possible to maintain production at Kuhn Special Steel over the long term.

We were also able to further reduce CO_2 emissions in both Radevormwald and Sörup in 2023. Some of the investments made in 2022 or in the course of 2023 showed initial positive effects on energy consumption. The falling energy prices in 2023 ensured that the energy costs of both companies remained below the previous year's level. Among other things, the companies were able to benefit from the fact that some tranches of electricity and natural gas were purchased on the spot market. Compared to the years before the energy price crisis, however, our Group's energy costs are still higher.

The after-effects of 2022 were also felt through a number of laws passed to mitigate the energy price crisis. The obligations arising from laws such as the *electricity price brake*, the *natural gas and heating price brake* or the *ordinance on securing the energy supply via medium-term effective*

measures, as well as the associated administrative work, tied up considerable personnel capacities. In some cases, the level of bureaucratisation could only be managed with additional external advice.

The *Green Conditionality* that has been linked to the Energy Financing Act since 2023, with the obligation to provide evidence of ecological compensatory measures, as well as the new Energy Efficiency Act passed in November, are also causing additional work and are putting increased focus on the topics of energy management and energy efficiency from now on. As both Kuhn Special Steel and M. Jürgensen have been operating an energy management system certified to DIN EN ISO 50001 for many years, the basic requirements have already been met. Energy-intensive companies that have not yet been certified will have to catch up with this in the near future. Developments in the field of energy policy show us that we as a group of companies took the right path early on and that our proactive approach gives us a head start over many other energy-intensive companies and competitors. We want to make the most of this head start in the coming years to show that energy-intensive foundries can continue to operate successfully in Germany as a production location. Relocating production abroad is not an option for us.

The reduction of energy consumption and the associated improvement of energy efficiency are important, but not the only measures on the way to climate neutrality. The companies of Kuhn Industrie Holding have included three further fields of action in their climate strategy. These are the use of renewable energies, the substitution of fossil fuels and the compensation of unavoidable CO_2 emissions.

Despite all the energy efficiency measures, Kuhn Special Steel and M. Jürgensen will remain energy-intensive companies in the future. This is where the second field of action on the way to climate neutrality

comes in. Energy used in production processes that cannot be saved should in future come exclusively from renewable sources. The first thing we want to do is turn this vision for the electricity demand into reality. In 2022, a first step towards achieving this goal was taken by constructing a photovoltaic system at the Radevormwald site. The electricity quantities exceeding own generation will continue to be purchased from external energy suppliers. The corresponding contracts are to be converted to green electricity step by step. In addition, the companies of Kuhn Industrie Holding are in exchange with providers of Power Purchase Agreements in order to weigh up the options for purchasing electricity from regional renewable energy plants.

In future, fossil fuels such as natural gas, diesel or heating oil are to be avoided as far as technically and economically possible. We currently see the electrification of combustion processes as the first alternative here. Ideas for the use of hydrogen at one of the sites will not be pursued further for the time being. In addition to the non-existent infrastructure in Radevormwald and Sörup, which is also unlikely to be planned in the medium term, the sufficient availability of green hydrogen would be a key criterion for us. Switching from natural gas to conventional, grey hydrogen would even lead to a deterioration in terms of emissions.

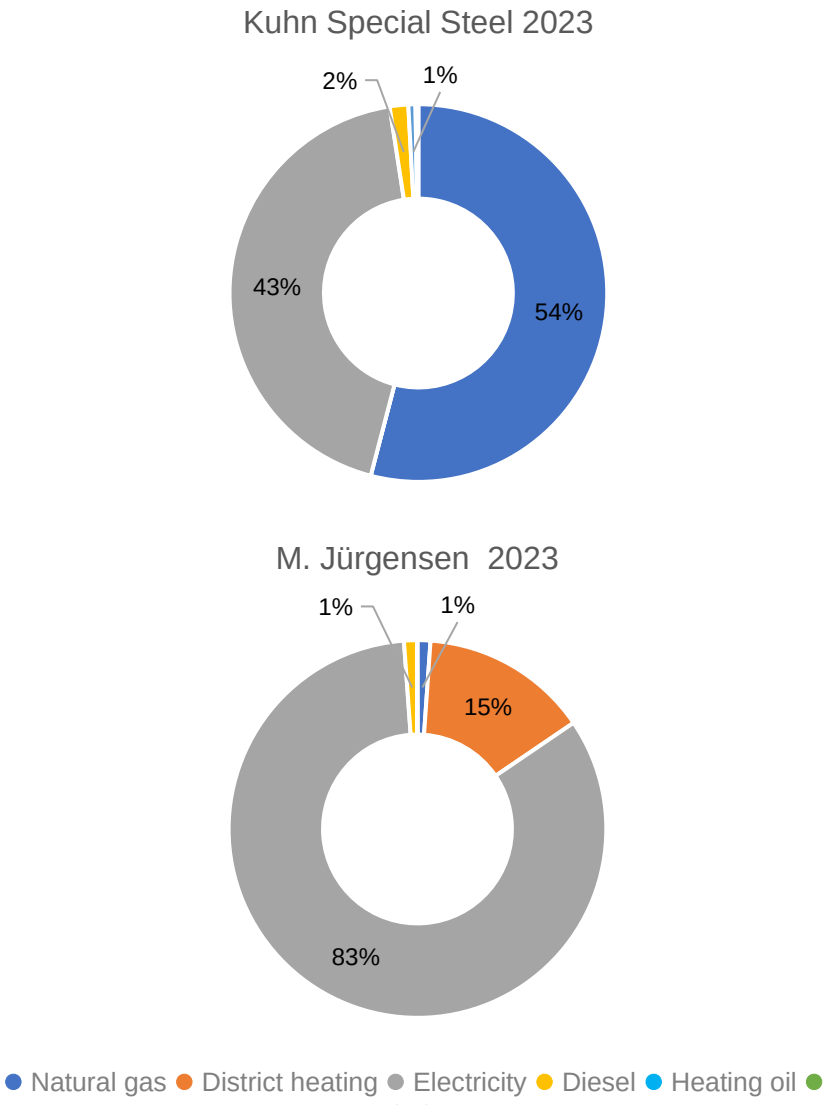
Investments in external measures and projects to offset unavoidable CO_2 emissions have been included in our Group's sustainability strategy, but have not yet been made. We currently see no need for this, as the potential savings on CO_2 to be achieved in the coming years through internal measures are still high.

Energy sources

Table 1: Energy sources used in gigawatt hours [GWh]

	2021	2022	2023
Natural gas ●	**16.0**	**14.8**	**13.6**
Kuhn Special Steel	15.7	14.5	13.3
M. Jürgensen	0.3	0.3	0.3
District heating ●	**3.8**	**3.6**	**3.9**
Kuhn Special Steel	0.0	0.0	0.0
M. Jürgensen	3.8	3.6	3.9
Electricity ●	**31.7**	**34.0**	**33.3**
Kuhn Special Steel	11.0	11.0	10.7
M. Jürgensen	20.7	23.0	22.6
Diesel ●	**0.70**	**0.72**	**0.69**
Kuhn Special Steel	0.42	0.42	0.39
M. Jürgensen	0.28	0.30	0.30
Heating oil ●	**0.24**	**0.18**	**0.15**
Kuhn Special Steel	0.24	0.18	0.15
M. Jürgensen	0.00	0.00	0.00
Bottled gas ●	**0.11**	**0.08**	**0.07**
Kuhn Special Steel	0.10	0.07	0.06
M. Jürgensen	0.01	0.01	0.01

Energy mix per site in % (2023)



Kuhn Industrie Holding's total energy consumption in 2023 was 51.75 GWh. Compared to 2022, this corresponds to a decrease of 1.7 GWh. With a 64% share of total consumption, electricity was once again the most important source of energy for our Group. Natural gas was in second place with a share of 26%. The decisive factor here is Kuhn Special Steel's enormous consumption of natural gas, which even exceeds electricity consumption at the Radevormwald site. Processes such as the heat treatment of the cast components, the preheating of gravity dies and casting ladles, the baking of metal chips and the heating of the production halls and office buildings are done almost entirely by burning natural gas. At M. Jürgensen, on the other hand, only the gravity dies are preheated with natural gas.

Kuhn Special Steel was able to reduce its natural gas consumption by 1.2 GWh in 2023 compared to the previous year. In addition to a slight decline in production, these savings are largely due to successfully implemented energy efficiency measures. Investments made are discussed in more detail in the section on CO_2 saving measures. However, significant savings were also achieved through organisational measures. For instance, before the winter of 2022/2023, all heating systems on the company premises were serviced and reset by an external specialist company. This measure already showed initial success over the course of the winter. In summer 2023, individual facilities were finally switched off, temporarily reducing their natural gas consumption completely. The facilities were put back into operation before the start of the next winter. In total, the heating gas savings in 2023 amounted to around 600,000 kWh.

District heating consumption in Sörup recorded an increase of around 0.3 GWh in 2023. As the heating degree days used as a reference value did not increase from 2022 to 2023, this is to be assessed as an unexpected increase in consumption. M. Jürgensen has not yet implemented any significant energy efficiency measures for district heating as an energy source. These are now to be examined for the coming years and implemented if necessary.

The decreases in electricity consumption of 0.3 GWh in Radevormwald and 0.4 GWh in Sörup are also due to energy efficiency measures at both locations, in addition to the slight production decreases already mentioned.

A saving of 3,140 litres of diesel, the equivalent of around 0.03 GWh, compared to the previous year is an initial result of replacing five diesel-powered forklift trucks with five electric forklift trucks. While a conventional diesel forklift truck burns around three litres in one hour of operation and emits 10 kg of CO_2, an electric forklift truck consumes just under 7 kWh in the same period. This corresponds to around 4 kg of CO_2. Other advantages

include the exhaust fumes avoided in the production halls and the cost benefits of using electricity instead of diesel. Over the next few years, further appliances across the Group are to be converted from diesel to electricity.

Heating oil no longer has a place in our Group's sustainability strategy. As a fossil fuel, it is to be substituted in the coming years. Several external specialist companies have already been contacted to investigate the possibilities of a heating supply without heating oil. A service and conversion of the existing boiler meant almost 3,400 litres of oil was able to be saved in 2023.

On-site renewable energy generation

From an economic and environmental point of view, the use of renewable energies is steadily gaining in importance, especially for energy-intensive companies. For this reason, 2 million euros were invested in a photovoltaic system at the Radevormwald site in 2022.

PV system Radevormwald		
Generator area:	10,000	m²
Number of solar modules:	5,000	units
Installed maximum power:	2	MWp
On-site consumption rate:	approx. 80	%

An audit in 2021 showed that a large part of the roof area of the production and office buildings would be suitable for the installation of a photovoltaic system. After a 14-month project and construction phase, the system was put into operation in August 2022. Since then, Kuhn Special Steel has consumed about 80% of the solar power it generates itself. This leads to a reduction in energy costs and improves the carbon footprint of the site. The energy surplus, especially on production-free weekends and public holidays, is fed into the public grid of the town of Radevormwald via direct marketing. This marketing model has not yet resulted in any significant financial income for our company, partly due to the low to negative electricity market prices at weekends. One alternative would be to use an electricity storage system. This would store the surplus solar power at weekends and release it for the company's own consumption when required. Use cases for this would be the reduction of grid electricity consumption in periods with high spot market prices, or the reduction of peak loads in order to save on grid charges. However, a profitability analysis carried out in 2023 led to the realisation that the use of an electricity storage system would not be an economically attractive investment under the current conditions.

The investment in a photovoltaic system is to be understood as a clear statement for the goal of climate-neutral production at the site. In addition, independence from the increasingly volatile energy markets could be established. With its maximum output of 2 MWp, the system can cover up to 20% of the total electricity demand of the Radevormwald site. Table 2 shows the self-generated energy over the years and its share of the total electricity purchased by Kuhn Special Steel.

Table 2: Annual volumes and share of green energy

	Green energy [GWh]	Share of total electricity consumption	CO_2- savings [t]
2021	0	0%	0
2022	0.3	3%	165
2023	1.2	11%	696

In 2023, the system generated a total of 1,408,049 kWh of green electricity. 1,124,618 kWh of this was consumed directly by the company itself. The remaining 283,431 kWh were fed into the grid.

In the medium to long term, investments are also to be made in a photovoltaic system at the Sörup site. The roof areas available there offer a potential that would once again be significantly higher than the system output at the sister site.

In addition to photovoltaics, the group of companies is considering investing regionally in wind power in the future. Initial contacts have already been made. However, due to the high costs and the project durations of several years for such plants, there are currently no concrete plans or timelines in this matter.

Environmental impact

Foundry processes are associated with multi-layered environmental impacts. On the input side, they are energy and resource intensive. The high process temperatures, especially in melting as well as heat treatment of steels, are the main consumers of the annual volumes of natural gas and electricity listed in the Energy Resources chapter. In addition, the wide range of alloys offered to customers by Kuhn Special Steel and M. Jürgensen requires a high input of raw materials such as pig iron, alloying elements and scrap. On the output side are the process emissions in the form of combustion gases, residual heat, dust, noise, scrap and other waste.

Our companies are aware of their impact on the environment and have established suitable processes and taken measures to monitor and manage them. Since 2002, M. Jürgensen has operated an environmental management system certified in accordance with DIN EN ISO 14001. This contributes to the continuous improvement of the company's environmental impact. Kuhn Special Steel does not currently operate a certified environmental management system. Nevertheless, environmental protection is a high priority. Employees charged with and trained in environmental protection ensure that this is guaranteed at all times.

Foundry plants are subject to authorisation in accordance with Section 4 of the Federal Immission Control Act (BImSchG). All Kuhn Industrie Holding plants that fall under the scope of the BImSchG have been authorised by the relevant district or regional authorities. The ancillary provisions imposed have been or are being continuously complied with. Plants subject to periodic inspection are inspected internally or by external specialist companies at the prescribed intervals.

Annual reports required by law are submitted to the competent authorities in due time. Hazardous substances are stored in accordance with the Technical Rule for Hazardous Substances (TRGS) 510. Substances hazardous to water are only used and stored in facilities that comply with the Ordinance on Facilities Handling Substances that are Hazardous to Water (AwSV). The recurring inspection obligations mentioned are complied with and fulfilled by external specialist companies. The disposal of any waste is carried out professionally by certified disposal companies. Disposal certificates are available.

Changes to individual plants that lead to a change in the approved status are notified to the responsible authorities in a timely manner via a notification in accordance with Section 15 BImSchG or an approval procedure in accordance with Section 16 BImSchG.

In 2023, the investment in an electric heat treatment furnace eliminated an authorised and source of emissions requiring recurring measurements at the Radevormwald site. The natural gas-fuelled furnace previously connected to this source was taken out of operation, dismantled and disposed of properly. At another emission source, the previously connected natural gas-fuelled heat treatment furnace was replaced by a new, also gas-fired furnace with a lower combustion capacity. These changes were notified to the responsible regional administration of Cologne in accordance with Section 15 BImSchG. After examining the documents submitted, it was decided that the projects did not require an authorisation procedure in accordance with Section 16 (1) BImSchG, as it could be assumed that no adverse effects on objects of protection could be caused.

Carbon footprints

The greenhouse gas balances (carbon footprints) of Kuhn Special Steel and M. Jürgensen map the corporate carbon footprint (CCF) of both companies. The balancing is based on the guidelines of the *Greenhouse Gas Protocol* (GHG Protocol). Scope 1, Scope 2 and Scope 3 emissions caused by business activities are taken into account within the respective balancing period. A footprint balancing period covers the financial year being depicted, from 1 January to 31 December. The balancing framework includes direct and indirect emissions at the respective site as well as indirect emissions from upstream processes that fall under Scope 3 (cradle-to-gate). Supporting processes and cross-sectional technologies are taken into account as well as centrifugal casting and machining processes. As upstream processes, externally procured goods and services (category 1), fuel and energy-related activities (category 3), waste generated in operations (category 5) and employee travel to and from work (category 7) are accounted for.

Definition of Scopes	
Scope 1	Direct greenhouse gas emissions from the combustion of primary energy sources at the site. *Examples: Natural gas, diesel, heating oil, technical gases*
Scope 2	Indirect greenhouse gas emissions resulting from the generation of externally purchased energy. *Examples: Electricity, PV electricity, district heating*
Scope 3	Other indirect greenhouse gas emissions resulting from upstream or downstream external processes. *Examples: Purchased metals and other auxiliary materials, employee travel, water, waste disposal*

Both companies attach great importance to the five basic principles of greenhouse gas balancing according to the *GHG Protocol* in the accounting and reporting of their greenhouse gas emissions: relevance, completeness, consistency, transparency and accuracy. For this reason, the database is continuously reviewed and adjusted, updated or expanded if required. In addition, a

safety margin of 5% is incorporated in the footprint balance. The carbon footprints form the basis for deriving measures to reduce the greenhouse gas emissions of our companies. Since 2019, when the balancing process began, CO_2 savings of around 1,600 tonnes per year have already been achieved across all sites. Some of the measures and projects implemented for this purpose are presented in the CO_2 savings chapter.

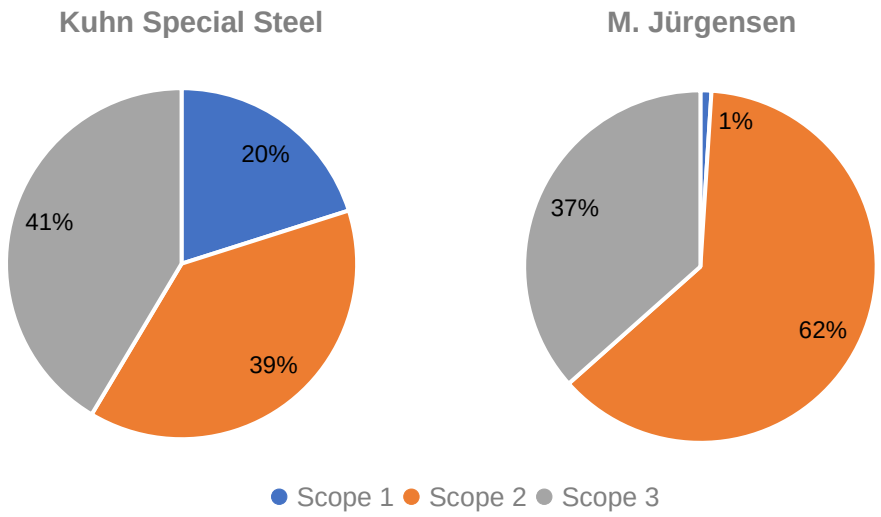
The greenhouse gas balance, which has so far been based on site level, will be further specified and broken down to more detailed levels in the coming years. The aim is to be able to submit an offer to our customers with their enquiry, which shows the CO_2 emissions associated with the product.

The direct Scope 1 emissions and the indirect Scope 2 emissions generated by Kuhn Special Steel and M. Jürgensen differ fundamentally in their origin. While Scope 1 emissions at Kuhn Special Steel were responsible for 20% of the overall balance in 2023, their share at M. Jürgensen was only 1%. This is due to the fact that there is almost no combustion of natural gas at the Sörup site. Heat is largely obtained from the local district heating network of the town of Sörup. Excess process heat is in turn fed into the district heating network. The heat treatment of the cast articles, which is responsible for almost 40% of the natural gas consumption in Radevormwald, is done by electrically operated bell furnaces in Sörup.

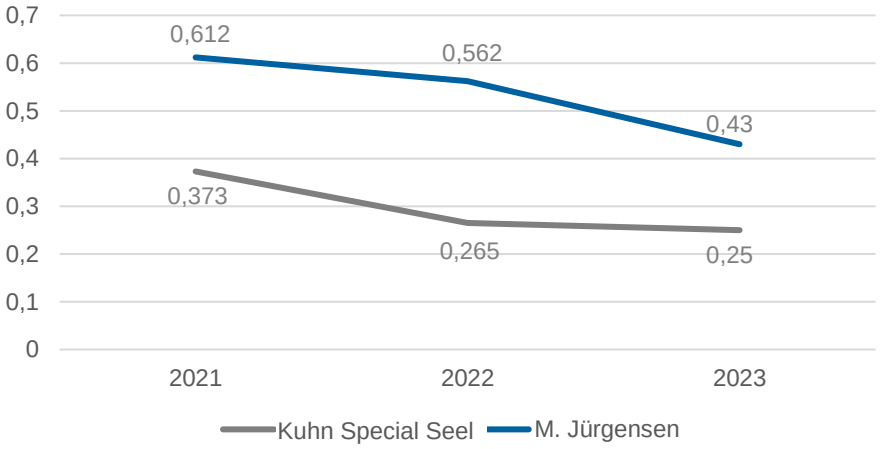
Table 3: CO_2 emissions in tonnes (t)

	2021	2022	2023
Total emissions (Scope 1-3)	**37,880**	**39,288**	**37,482**
Kuhn Special Steel	16,131	15,882	14,779
M. Jürgensen	21,750	23,407	22,702
Scope 1 ●	**3.741**	**3.495**	**3.239**
Kuhn Special Steel	3,541	3,280	3,011
M. Jürgensen	200	215	229
Scope 2 ●	**20,599**	**21,050**	**19,935**
Kuhn Special Steel	6,955	6,640	5,762
M. Jürgensen	13,644	14,411	14,173
Scope 3 ●	**13,540**	**14,743**	**14,308**
Category 1	**12,787**	**13,929**	**13,388**
Kuhn Special Steel	5,316	5,617	5,587
M. Jürgensen	7,471	8,312	7,802
Category 3	**0**	**17**	**85**
Kuhn Special Steel	0	17	85
M. Jürgensen	0	0	0
Category 5	**36**	**36**	**34**
Kuhn Special Steel	22	20	18
M. Jürgensen	14	16	16
Category 7	**718**	**761**	**801**
Kuhn Special Steel	298	309	318
M. Jürgensen	421	453	483

CO_2 emissions per site in % (2023)



CO_2 emissions related to added value (in kg)



In 2023, M. Jürgensen's electricity consumption of 22.6 GWh was more than double that of Kuhn Special Steel (10.7 GWh). This is reflected in the proportional ratio of Scope 2 emissions. While these accounted for 39% of the total balance in Radevormwald in 2023, the share in Sörup was a full 62%. However, in this respect it should be noted that approximately 1.1 GWh of emission-free photovoltaic electricity was added to the total consumption of the Radevormwald site. However, the Scope 3 emissions of both companies are almost identical in terms of percentage. At 37% at M. Jürgensen and 41% at Kuhn Special Steel, they were once again one of the largest CO_2 emitters at both locations in 2023. Scope 3 emissions in the two foundries are largely attributable to the metals used. The emission factors of some alloying agents are so high that they can quickly be responsible for several thousand tonnes of CO_2 emissions in relation to their annual consumption. Although these emissions, as per the Scope 3 definition, were already produced during the extraction of the respective metal, they are, according to the *GHG Protocol* guidelines, to be attributed to the upstream, indirect emissions of the user companies. According to the Federal Environment Agency's ProBas database, conventional pig iron, for example, is valued at 1.81 kg of CO_2 equivalents per kilogramme. An extreme example is the alloying element chromium, which, according to the database of the Federal Office of Economics and Export Control, is responsible for 27.35 kg of CO_2 equivalents per kilogramme.

Reducing Scope 3 emissions is one of the biggest challenges on our way to climate neutrality. One tried and tested means is the increased use of recycled metals, i.e. scrap metal. Steel scrap only accounts for a few grammes of CO_2 equivalents. In addition, resources are conserved through the use of scrap. M. Jürgensen was able to successfully increase the scrap content in one of its materials in 2023 by converting a charging installation, thereby saving 200 tonnes of pig iron. In addition to the financial savings, almost 300 tonnes of CO_2 emissions were avoided as a result. The chapter on the circular economy deals with this topic in detail and shows the developments in recent years. However, it can already be stated at this point in time that a complete use of scrap will not be possible even in the distant future due to the quality characteristics of the products made by our Group that have to be achieved. This fact illustrates one of the key basic characteristics of Scope 3 emissions. Producing companies rely on raw materials, consumables and supplies to conduct their business activities. As a result, the impact on the Scope 3 emissions to be accounted for is the lowest compared to the Scope 1 and Scope 2 emissions.

Total emissions at Kuhn Special Steel were able to be reduced by around 1,100 tonnes in 2023. This corresponds to a decrease of 7% compared to the previous year. At M. Jürgensen, CO_2 emissions were reduced by approximately 700 tonnes. In relation to 2022, this means a drop of 3%.

In order to be able to demonstrate the path taken by the companies of Kuhn Industrie Holding to climate-neutral production using a suitable, meaningful indicator, the Scope 3 emissions are not initially included for the reasons mentioned in the previous section. The CO_2 equivalents of Scope 1 and Scope 2 emissions in kilogrammes, in relation to the value added achieved in euros (kg CO_2e/€AV), were defined as the key indicator. We consider value added to be a more meaningful benchmark than, for example, turnover or casting or sales tonnage, as it more accurately reflects the product and process diversity of our companies. Kuhn Special Steel was able to improve this indicator from 0.265 kg CO_2e/€AV in 2022 to 0.250 kg CO_2e/€AV in 2023. At M. Jürgensen, the indicator improved from 0.562 kg CO_2e/€AV to 0.430 kg CO_2e/€AV.

CO_2 saving measures

In order to reduce our energy consumption and thereby cut our energy costs and CO_2 emissions, energy efficiency measures were also implemented at both production sites in 2023. In general, every investment in new process engineering and technologies is made with a view to energy efficiency. An example of this is the lighting. At both Kuhn Special Steel and M. Jürgensen, the old light sources in production or office buildings have been replaced step by step with more energy-efficient lighting systems over the course of several years. Table 4 shows the main measures implemented over the past three years.

The ongoing energy price crisis since 2022 forced Kuhn Special Steel to take measures to ensure its ability to act. One important endeavour was to hedge against a possible natural gas shortage. Without natural gas, it would be impossible to carry out some production processes. A concrete example is the gas-intensive heat treatment. This was carried out entirely using natural gas until 2022. To limit the risk of a production stoppage, an investment was made in an electrically operated heat treatment furnace. This would ensure emergency operation at the site in future, even without natural gas. In addition, the furnace can be operated at weekends using surplus electricity from the photovoltaic system, which also results in lower CO_2 emissions due to the use of grid electricity as well as in energy cost savings. Another notable investment in 2022 was the aforementioned installation of the photovoltaic system on the roofs of Kuhn Special Steel. At M. Jürgensen, the replacement of old office lighting with energy-efficient LED panels continued in 2022. The savings potential here is over 50% per lamp. The replacement of 38 lamps will save over 3,000 kWh per year in future.

The purchase of four new ladle and gravity die heaters was originally planned at Kuhn Special Steel for the 2022 financial year. However, due to a lengthy planning process and delivery times, commissioning was delayed until December 2023. Put simply, these heaters are large gas burners that are used to heat the casting ladles and gravity dies. Without pre-heating of these two components, the molten steel would cool down too much on contact, which can negatively affect the material properties and thus the quality. Due to their age, the ladle heaters previously used provided no way of being operated in a regulated manner. They switched on as soon as a casting ladle was positioned in front of the burner and switched off again as soon as the ladle was removed by an employee. In the meantime, natural gas was consumed throughout. The new ladle heaters are automatically adjustable. They monitor the ladle temperature during heating and turn the gas demand down when the target temperature is reached. In this way, up to 549 MWh of natural gas can be saved annually. These savings will not have an impact on gas consumption and CO_2 emissions until 2024. A new gas-powered heat treatment furnace was put into operation in September 2023. This now replaces an old furnace, which had poor energy efficiency due to outdated firing technology and inadequate thermal insulation. With expected gas savings of approximately 30%, 329 MWh of natural gas and therefore 66 tonnes of CO_2 emissions can be saved here every year in future.

The replacement of lighting across all locations in 2023 will result in annual electricity savings of 54 MWh across the Group. In addition to further office spaces at M. Jürgensen, the entire exterior lighting on the Kuhn Special Steel premises was converted to LED technology. M. Jürgensen also replaced the drive motor on a large extraction system. With a connected load of 110 kW, its annual consumption was over 560 MWh. Due to its age, the motor was categorised in efficiency class IE1, which is no longer up-to-date. Since the replacement in June 2023, a new motor with efficiency class IE3 has been used. With an identical connected load, the energy efficiency is around 2.6% higher than that of the old motor. This energy efficiency measure is therefore expected to result in electricity savings of 15 MWh in the coming years. Converted into CO_2 emissions, this would be 9 tonnes less per year.

Table 4: Energy efficiency measures

	Company	Electricity [MWh]	Natural gas [MWh]	CO_2 [t]
2021		**4**	**0**	**2**
Automatic shut down mechanism Chip con-	Kuhn Special Steel	4		2
2022		**1,364**	**0**	**807**
Investment in photovoltaic system	Kuhn Special Steel	1,361		805
More energy-efficient lighting systems	M. Jürgensen	3		2
2023		**69**	**878**	**226**
New heat treatment furnace	Kuhn Special Steel		329	66
New ladle and gravity die heaters	Kuhn Special Steel		549	121
More energy-efficient lighting systems	Both sites	54		30
Replacement of drive motors	M. Jürgensen	15		9
Total savings		**1,437**	**878**	**1,035**

Water management

Water is the basis of all life on earth. Conscientious and above all economical use of this resource is of great importance for the environment as well as for society. The energy intensity of foundries is also apparent in water consumption. The melting and heat treatment processes, with process temperatures of up to 1,500°C, are accompanied by a large demand for cooling water. While quenching tanks have a long service life, centrifugal casting is continuously cooled with running water. At the Radevormwald site, most of this is taken from a well. The rest of the site's water demand is covered by municipal water. The well water is also circulated internally. In the process, it is filtered in the meantime and then reintroduced into the production process. High water losses occur during casting and quenching due to evaporation. At the Sörup site, all the water is drawn from the municipal pipes and then fed into the sewerage system. Here, water consumption is much higher than in Radevormwald.

Table 5: Water consumption per site in m³

	2021	2022	2023
Municipal water	**51,328**	**57,625**	**57,392**
Kuhn Special Steel	3,712	3,981	4,250
M. Jürgensen	47,616	53,644	53,142
Well water	**7,610**	**8,503**	**6,703**
Kuhn Special Steel	7,610	8,503	6,703
M. Jürgensen	0	0	0
Total water consumption	**58,938**	**66,128**	**64,095**
Kuhn Special Steel	11,322	12,484	10,953
M. Jürgensen	47,616	53,644	53,142

The goal for the coming years is to continuously reduce water consumption at Kuhn Special Steel and M. Jürgensen.

At M. Jürgensen, a water circulation system is also planned to be installed in the foundry in the medium term. In this case, similar to the well water in Radevormwald, the mains water would be purified after the cooling process, cooled and then used again for cooling purposes in the casting process. Corresponding planning work has already been started.

Circular economy

Many raw materials are only available in limited quantities and cannot renew themselves or grow back. However, humanity's demand for raw materials is steadily increasing. Resource scarcity is already an issue in many areas today. It is accompanied by rising raw material prices and supply shortages. In the long term, this problem can only be counteracted by a consistent circular economy. Foundries can make a significant contribution to this with their processes. Active recycling is carried out by melting down scrap. Some scrap dealers already offer well presorted and thus high-quality scrap. Large amounts of greenhouse gas emissions can also be prevented through increased use of scrap.

Kuhn Special Steel and M. Jürgensen operate a circular economy in two respects. Firstly, scrap is purchased externally and added to the charges of the materials. Secondly, internal recycling is carried out. The metal chips produced in the machining processes are collected by type, processed and then remelted as an admixture. Residual or faulty castings as well as quality failures are also processed internally and in this way re-enter the cycle.

Table 6: Scrap and recycling quota

	2021	2022	2023
Kuhn Special Steel			
Scrap quota	24.2%	24.5%	25.6%
Recycling quota	53.6%	55.5%	53.4%
M. Jürgensen			
Scrap quota	16.3%	18.4%	18.4%
Recycling quota	66.0%	57.6%	65.1%

The efficiency of the circular economy is monitored and controlled by means of a recycling quota and a scrap quota. These put the annual tonnage of recycling material used or scrap purchased externally in relation to the total cast tonnage of the respective year.

Table 7: Recycled material in tonnes (t)

	2021	2022	2023
Internal chip processing	**12,423**	**12,293**	**13,026**
Kuhn Special Steel	3,087	3,131	2,849
M. Jürgensen	9,336	9,163	10,177
Internal leftover pieces prepara-	**1,450**	**1,345**	**1,680**
Kuhn Special Steel	124	119	203
M. Jürgensen	1,326	1,226	1,478
Use of scrap	**4,078**	**4,758**	**4,764**
Kuhn Special Steel	1,448	1,439	1,463
M. Jürgensen	2,630	3,319	3,301

Waste management

Different types of waste are produced in almost every business process. The companies of Kuhn Industrie Holding have implemented processes that guarantee that all types of waste are sent to the correct disposal routes. A waste officer ensures the correct implementation of the waste concepts at each site. These employees have the necessary qualifications, which are regularly refreshed and enhanced through external seminars.

Any waste produced is strictly separated according to its properties and disposed of by specialist disposal companies. The disposal routes are fully documented and prepared annually in the form of a waste balance sheet. Disposal certificates for hazardous waste or special waste are available.

Mobility transition

The companies of Kuhn Industrie Holding want to actively promote the mobility transition in Germany. For this reason, 20 charging points (11 kW) for hybrid and electric vehicles were installed at the Radevormwald site in spring 2023. The electricity is available there free of charge to a group of authorised employees. Across all charging points, 10,463 kWh were already charged in 2023, which is roughly equivalent to the energy content of 1,200 litres of petrol. On sunny days the charging stations are supplied with electricity during the day from the company's own photovoltaic system and the employees' trips by car are completely climate neutral. The installation of eight charging points is also planned for the Sörup site in 2024.

The composition of our company's fleet has already changed markedly in recent years. The share of pure combustion engines fell by more than 20% between 2020 and 2023. Two fully electric vehicles were added to the fleet for the first time in 2023. However, there are currently no specifications from company management regarding a specific type of drive when selecting a company vehicle. The established charging infrastructure should nevertheless motivate more employees to purchase a fully or partially electrically powered vehicle in the future.

For some years now, every employee at Kuhn Special Steel and M. Jürgensen has had the opportunity to take out a leasing contract for a company bike. Since then, the offer has been well received and around 80 employees are currently taking advantage of the bike leasing option. In some cases, the company bike is also used for the daily commute to work.

In addition, in 2023 Kuhn Special Steel entered its own team in the nationwide *STADTRADELN* competition once again. The fundamental concept of the competition is to make everyday journeys by bike instead of by car. Employees who are keen cyclists cover as many kilometres as possible on their bikes within 21 days. Team *Kuhn Special Steel* again competed against other teams registered in Radevormwald. The team was able to significantly improve on its already good result from 2022. While 17 Kuhn Special Steel employees covered a total of 5,381 km when they first took part, 32 employees completed 9,127 km in 2023. With this performance, the team once again achieved third place in the city kilometre rankings. There was also an award for the largest team in Radevormwald. The kilometres travelled correspond to the equivalent of 1,478 kg of CO_2 emissions avoided.

SOCIAL ISSUES

While environmental aspects were already included in our first sustainability report for the 2022 financial year, this report is the first to describe the topic of social issues. The *Corporate Sustainability Reporting Directive* (CSRD), which came into force on 5 January 2023, obliges our manufacturing companies to publish a sustainability report that complies with the *European Sustainability Reporting Standards* (ESRS) for the first time for the 2025 financial year. This involves a total of twelve reporting standards on the topics of general, environmental, social and governance aspects. Due to the large number of data points to be reported, we have decided to continuously expand our sustainability report year by year, starting from the 2022 financial year, until it contains all the key criteria for the companies of Kuhn Industrie Holding for the 2025 financial year. The new aspects included in this reporting year are based on the reporting standard *ESRS S1 – Own Workforce*. In future sustainability reports, the reporting requirements of *ESRS S2 - Workers in the Value Chain*, *ESRS S3 - Affected Communities* and *ESRS S4 - Consumers and End Users* will also be included in this section of the report.

Own workforce

Our employees form the heart of our organisations. Without well-trained specialists and managers, but also without motivated trainees and work placement students as well as reliable support staff, no company can survive on the market in the long term. At the same time, it is becoming increasingly difficult to find and recruit precisely these people for our companies. We firmly believe that the better people work together in a company, the better its performance can be. Our aim is therefore to create working conditions that ensure that more and more employees in our organisations take greater pleasure in their work, enjoy working together and that we continue to develop together – always with our customers in mind, of course.

Benefits for our employees

Anyone who provides a service for a company should receive appropriate compensation in return. Based on this conviction, we want to offer our employees the greatest possible added value both during and outside working hours. This starts with the standard 30 days of annual leave for full-time employees as well as the optional payment of holiday pay and performance-related special payments. In addition, we offer shift allowances for employees working in shifts and flexible working hours for employees in office jobs.

We also offer our employees numerous benefits outside of working hours. We regularly organise company events in which either the entire workforce, individual departments or a selection of employees can take part. In addition to the standard departmental events, highlights in 2023 included the family day at M. Jürgensen, the Kuhn Special Steel Christmas party and a visit to a handball cup match featuring SG Flensburg-Handewitt by employees of both companies who were drawn by lot. We also offer bike leasing, company sports, child day-care subsidies and participation in the corporate benefit system. There is also the option of a company car for selected positions. In order to expand our employees' specialist knowledge, we support their participation in further education and training opportunities. At Kuhn Special Steel, the cross-qualification model has proven its worth here among other things. Employees are given the opportunity to familiarise themselves with the activities of another department. The resulting flexibility for deployment within the company pays off for employees in the form of additional remuneration. Various models of company pension schemes and capital-forming benefits are offered and supported for post-employment security.

FAMILY DAY AT M. JÜRGENSEN

After several years of interruption due to Covid, M. Jürgensen was finally able to reopen its doors to employees' families on 30 September 2023. As it is not possible for outsiders to access the production areas during ongoing operations, the factory tours offered on this day enjoyed great popularity. Of course, all visitors were well catered for and the younger guests were entertained.

Trainees at Kuhn Industrie Holding

Our trainees are the skilled workers and managers of tomorrow. Training is therefore a matter close to our hearts. Both Kuhn Special Steel and M. Jürgensen are certified training companies of their respective chambers of industry and commerce. Every year, we offer various commercial and technical apprenticeships at both sites. Each site has a fully equipped technical training centre where both the company's own junior staff and

trainees from partnerships with external companies can learn practical skills and prepare for their final examinations. A few years ago, we launched the initiative SEI DU! BEI UNS. (BE YOU! WITH US.) With this initiative, we want to target young people from the immediate catchment areas of the towns of Radevormwald, in the Bergisches Land region, and Sörup, by the sea in the Angeln region. In addition to an exchange with the respective sister company, we offer many other benefits such as trainee vehicles, trainee laptops, 30 days' holiday with holiday pay, payment of capital-forming benefits, company and support training and trainee events. At Kuhn Special Steel in Radevormwald, there is also the opportunity to attend the private vocational college in the town of Hückeswagen. In addition to the activities on the website and on social media, our companies are regularly represented at regional training fairs or open their doors to interested parties as part of school projects or campaign days, such as the "Training Day".

In 2023, we welcomed a total of 16 new trainees to our Group. Nine of them started their careers at Kuhn Special Steel in Radevormwald and seven at M. Jürgensen in Sörup.

The fact that trainees from our companies are regularly invited to the best-of-the-year awards presented by the respective chambers of industry and commerce confirms our commitment to preparing young people for their professional future in the best possible way. We can also proudly claim that numerous former trainees have already become long-term employees at one of our companies.

Leadership according to the coach philosophy

In many companies, knowledge is becoming more and more specialised and distributed among many employees. Managers are no longer automatically the best experts, but must rely on the specialist knowledge of the employees. Added to this are rapidly changing markets and framework conditions. Employees are better trained and rightly have higher expectations when it comes to developing and implementing their own ideas and solutions. According to Maslow, more and more people in industrialised countries are looking for opportunities to at least partially fulfil themselves at work. This requires a further development of cooperation and the understanding of "leadership". The change in management philosophy is not only beneficial for companies, but is also urgently needed in modern industrialised countries in order to be efficient and attractive for highly qualified

employees. Organisations position themselves faster, better and more flexibly when they promote independence, support decentralised decisions and delegate tasks according to competence.

For these reasons, among others, we have been dealing with the topic of "leadership according to the coach philosophy" for over 25 years. Dieter Heitsch developed practice-orientated training courses for implementation in day-to-day business, which still form the basis of our internal management training today. In our Group, leadership training courses are offered to all managers by an internal trainer trained according to the Heitsch methodology and are continuously developed on the basis of feedback from participants and new findings. The consistently positive feedback from participants reinforces our faith in this philosophy. In addition, the shared understanding of the basic principles of a participative management style is growing in our group of companies and makes an important contribution to our corporate culture and to the possibility of achieving better performance and better results than the competition on the basis of good cooperation.

Continuous development of employees

Kuhn Industrie Holding attaches great importance to the continuous development of its employees. Annual appraisals, in conjunction with a performance evaluation by the respective manager, have been established at our sites for many years. In addition to the aforementioned cross-qualification of individual employees within a plant, there is a constant exchange of experience between Kuhn Special Steel and M. Jürgensen. Since the merger of the two companies in 2017, numerous employees have already worked at the other location. These exchanges took place over a period ranging from a few days to several months. In addition, cross-plant working groups have been formed, which meet several times a year at one of the plants or at a neutral location. Further and advanced training in all areas is generally supported. Our company history has already shown in several cases that it is possible to progress from trainee to specialist and from there even to manager through continuous development.

Pay and social security

In 2023, 97% of M. Jürgensen's employees were remunerated under an in-house collective agreement negotiated by IG-Metall. The wages and salaries are firmly defined therein and are above the statutory minimum wage. All employees at Kuhn Special Steel are also paid at least the statutory minimum wage. There is no collective wage agreement for the Radevormwald site. In order to mitigate the ongoing extraordinary day-to-day financial burdens on our employees, inflation compensation bonuses were also paid out in 2023.

The applicable statutory regulations on working hours are complied with and these are monitored and documented using digital working time recording systems. The production areas at both sites are expected to work 24 hours a day, seven days of the week, in three shifts. In recent years, however, weekends have only been fully used for production purposes in exceptional cases. In the office departments, full-time employees usually work 38 to 40 hours per week. Part-time work is also possible. In many areas, employees can also organise their working hours flexibly and work from home at times.

In addition to statutory health, nursing care and unemployment insurance, our employees are also covered by company accident insurance. There is also the option of opting into a company pension scheme. As part of maternity leave or parental leave, employees concerned receive maternity or parental allowance via state benefits.

Equal treatment of all employees

None of our Group's employees may be discriminated against on the basis of race, ethnic origin, gender, religion or ideology, disability, age, sexual identity or any other reason. In our view, good and successful cooperation is only possible with mutual respect and due regard for each individual. In 2023, there were no known cases of discrimination of any kind within Kuhn Industrie Holding.

Workforce development and key figures

Over the past two decades, our companies have registered steady growth in terms of personnel. Milestones for Kuhn Special Steel include the one hundredth employee in 1997, the two hundredth in 2005 and the three hundredth in 2013. Since 2020, the number of employees at both Kuhn Special Steel and M. Jürgensen has been around 300. These are divided into full-time and part-time employees, who are employed directly by an organisation of Kuhn Industrie Holding, and temporary workers, who are provided by external agencies for temporary support. In addition, services such as cleaning work or the maintenance of rental equipment are carried out by employees of external companies.

The gender distribution (male to female) at Kuhn Special Steel was 89% to 11% in 2023. For M. Jürgensen it was 92% to 8%. According to *Statista*, these are normal distributions for the metal production and processing sectors.

Employment of people with disabilities

Our many years of experience show that working with a disability is possible in a company with a wide range of activities. Anyone who manages with a disability in their day-to-day life is able to work for us both in production and in the office. We also welcome trainees with severe disabilities. In preliminary discussions, we weigh up how we can best integrate the employee into everyday working life.

From conversion measures to the purchase of special tools, many things are possible. For example, we were able to purchase an air-conditioned forklift truck for an employee with multiple sclerosis, which prevents any deterioration to health due to fluctuating temperatures. Another employee with a walking disability was provided with an e-scooter for the long distances across the company premises. Special lifting desks, handling devices for lifting objects or digital callipers are further practical examples of how people with physical disabilities or severe visual impairments can carry out their jobs with us quite normally.

A total of 25 people with disabilities worked at Kuhn Special Steel in 2023. This corresponded to 8.2% of the total workforce. 25 people with a disability were also employed at M. Jürgensen, which corresponded to a percentage of 8.4%.

Social commitment

Social commitment is a matter close to the heart for the companies of Kuhn Industrie Holding. The focus here is on supporting local organisations and projects.

Many years ago, Kuhn Special Steel launched the *Donations Instead of Gifts* campaign. Since 2003, the company has been asking its business partners to donate money instead of Christmas presents. The money generated in this way is then doubled by the company and donated to kindergartens and schools in the region on an annual rotation basis. In 2023, 29 companies supported the campaign, raising a total of €6,600. After Kuhn Special Steel doubled the donation, a total of €13,200 was passed on to nine schools in the Radevormwald region.

M. Jürgensen presented three kindergartens in and around Sörup with a donation of €500 each.

In the past, youth teams from sports or social clubs in the Radevormwald area have repeatedly been delighted to receive a new set of shirts with the Kuhn logo or other forms of support. The fire brigades in the Schleswig-Flensburg district and surrounding area are financially supported by M. Jürgensen through adverts in the *fire brigade information sheet*.

Individual employees also regularly get in on the action and make a social contribution. M. Jürgensen took part e.g. with its works running team, the MJ Runners, in the *Lauf ins Leben 2023* charity sporting event in Flensburg, in aid of the cancer society, *Schleswig-Holsteinische Krebsgesellschaft e.V.* In addition to their sporting participation, donations were also made to the organisation.

Kuhn Special Steel has been collecting returnable bottles for good causes for several years now. In this way, €415 was collected in around 20 months up to December 2023. This amount was donated to the WDR2 radio station's Christmas campaign.

The Wish on a Star campaign organised by *Radevormwalder Kinder- und Jugendring e.V.* has also been supported at Christmas time since 2021. Employees fulfil the long-held Christmas wishes of socially disadvantaged children between the ages of four and ten, which the children have previously written down on a paper star. Every year, children's eyes light up anew when the presents are ceremoniously handed over at our company.

Occupational safety

Foundry processes are associated with a variety of risks and hazards. In addition to the heat of the molten or glowing metal, with temperatures of up to 1,500° C, employees are exposed to noise, dust and other emissions. Accidents at work can easily lead to serious injuries or even fatalities. Year after year, Kuhn Industrie Holding goes to great lengths to ensure occupational safety for every employee. In addition to the greatest possible risk minimisation at the workplaces, safety concepts and personal protective equipment (PPE) are indispensable basic requirements for safe working.

At both the Radevormwald and Sörup sites, specially trained occupational safety specialists are tasked with drawing up and implementing occupational safety concepts. Their areas of responsibility include carrying out risk assessments of work areas, facilities and materials, deriving corresponding work instructions and passing on the content through occupational safety instructions. The effectiveness of the concepts is monitored at regular intervals as part of internal occupational safety audits and any deviations that come to light are documented and rectified. Relevant topics are discussed in occupational health and safety committees that meet quarterly at Kuhn Special Steel and M. Jürgensen. Thanks to the range of services offered by kuhn.innovation, expertise in machine safety and CE certifications is also at hand within the holding company.

Safety shoes must be worn in our production halls, away from the walkways. Safety goggles must also be worn in work areas. In the foundries, it is also mandatory to wear a jacket to protect against heat and flames. Special casting equipment consisting of full-face helmets and heat protection clothing must be worn in the immediate casting area.

INDIVIDUAL PPE

In cooperation with external specialist companies, every employee has the option of having their safety goggles or hearing protection customised. The companies in our Group bear the majority of the costs for this PPE.

Where space permits, walkways and vehicle lanes are separated from each other in all production areas. Nevertheless, forklift truck traffic poses a risk to employees. To increase safety, all forklift trucks are equipped with a safety light or an audible reversing signal.

Mandatory, prohibition and warning signs are displayed in all operating areas and must be observed.

Table 8: Accidents at work and occupational illnesses

	2021	2022	2023
Registered accidents at work	**29**	**36**	**31**
Kuhn Special Steel	17	15	18
M. Jürgensen	12	21	13
Number of fatal accidents	**0**	**0**	**0**
Kuhn Special Steel	0	0	0
M. Jürgensen	0	0	0
Number of registered occupational ill-	**12**	**11**	**14**
Kuhn Special Steel	4	5	4
M. Jürgensen	8	6	10

The number of registered work accidents fell by 14% across the Group in 2023. This is primarily due to a significant reduction in the number of work accidents at M. Jürgensen, from 21 to 13. At Kuhn Special Steel, the number of registered work accidents rose from 15 to 18.

No fatal work accidents have been recorded in any of our companies to date. We will continue to create all the conditions to ensure that this does not change in the future.

The number of registered occupational illnesses has fallen within similar ranges since 2021.

INDEX OF KEYWORDS

LEGAL NOTICE

Publisher:
Kuhn Industrie Holding GmbH
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Germany

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As at:
01 August 2024

Preparation:
The collection and preparation of the database through suitable sensor measurements as well as the preparation of the sustainability report is a service provided by Kuhn Innovation GmbH. If you are interested, please contact info@kuhn-innovation.com.