



DRIVING PROGRESS SUSTAINABLY

The KEMPER Sustainability Report 2022





From left to right:
Dr. Michael Rehse,
Martin Thiel and Christian Küster

DRIVING PROGRESS SUSTAINABLY

Sustainability report as a central document of corporate activities for the future

As part of the implementation of our sustainability strategy we, Gebr. Kemper GmbH + Co. KG, present our updated 2022 Sustainability Report. Based on updated data, we look at the objectives defined in our report for the previous year in a variety of projects.

The report therefore continues to serve as a central document to describe the status quo with regard to sustainability activities within the company and publish objectives and actions for the future. This means shareholders, senior management, employees, business partners and external interested parties can gain a transparent overview.

Sustainable action will constitute one of the central challenges for the economy in general and medium-sized industrial enterprises in particular in the coming decades. The topic affects the company at many different levels. Sustainability is a social obligation, legal requirement

and central customer demand at the same time. The company's long-term future can only be secured if economic, environmental and social aspects are put into practice every day within the company.

Gebr. Kemper GmbH + Co. KG reports on its sustainability activities in accordance with the standards set out in the German Sustainability Code. The Global Reporting Initiative's key figures and performance indicators are used to do this. Even though the company is only legally obliged to issue a sustainability report for the reporting year 2025, Gebr. Kemper GmbH + Co. KG is already meeting the reporting requirements in accordance with a recognised standard.

Gebr. Kemper GmbH + Co. KG is synonymous with progress and quality. As a medium-sized innovative pioneer, the company also wants to lead the way in the field of corporate sustainability in the future. The company can make an important contribution to people's living comfort and health with its products and services.

Christian Küster
Managing Director,
Central Services

Dr. Michael Rehse
Managing Director,
Casting and Building Technology

Martin Thiel
Managing Director,
Rolled Products

FAMILY BUSINESS WITH OVER 150 YEARS OF HISTORY

Gebr. Kemper GmbH + Co. KG was established over 150 years ago. Since then, the Kemper family has been running and managing the family company for several generations. Now the company can look back on a moving and very successful history. Gebr. Kemper GmbH + Co. KG tells the South Westphalian success story of a hidden champion with tradition and regional roots, which has established itself in the global market as one of the leading manufacturers of valves and system technology as well as high-performance rolled copper production for the connector industry.

1899

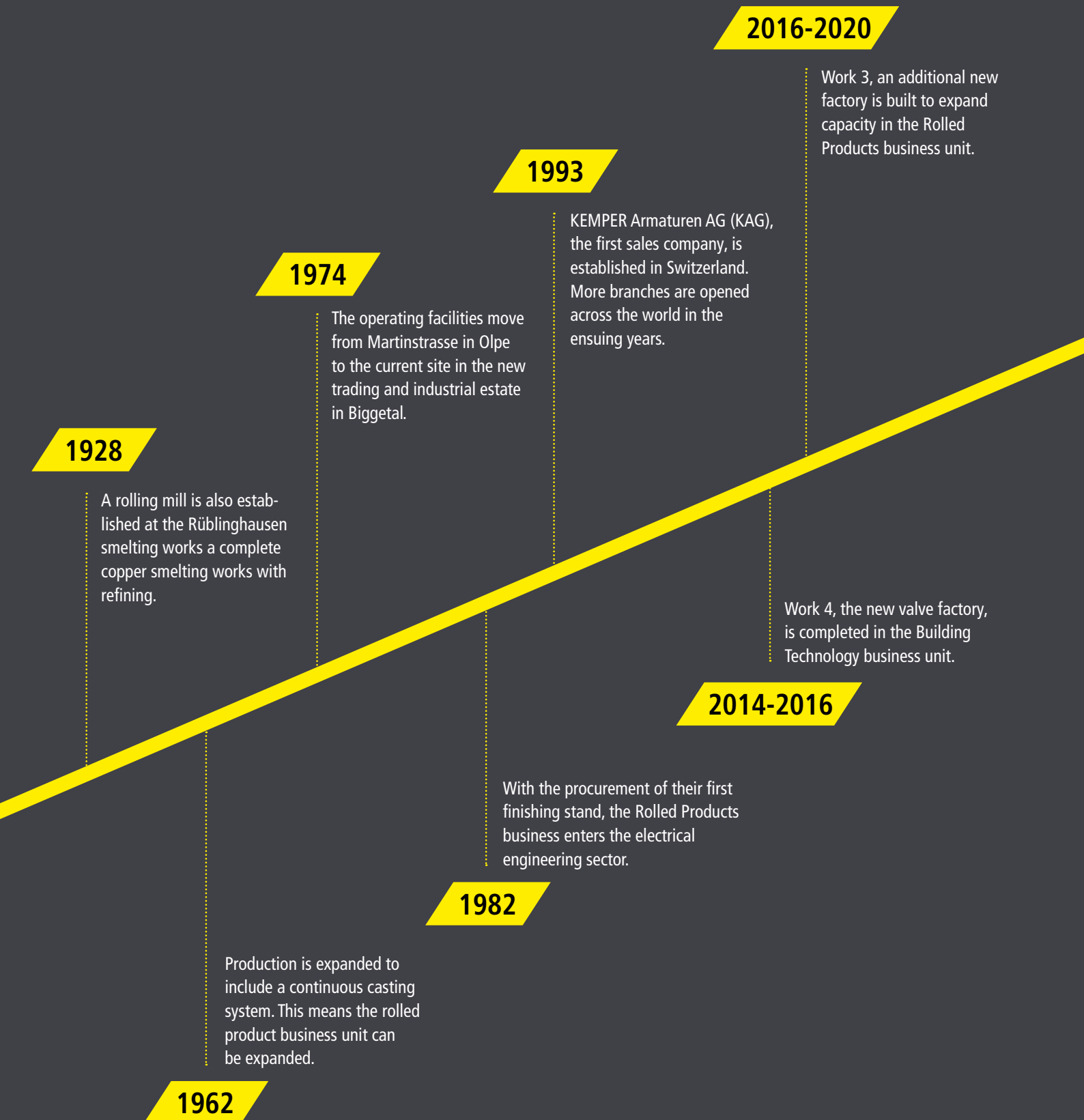
The site of the Rübblinghausen smelting works is transferred into the ownership of Gebr. Kemper. As a company, KEMPER intends to set up a copper rolling mill here, where they will manufacture bars, sheets and wires from brass and phosphor bronze.

1864

Town councillor Johann-Anton Kemper, landlord of the "Hotel zur Post", announced that he was going to open a hinge factory "Gebr. Kemper" with his younger brother, Eduard and create new jobs.

The company manufactures at three sites, in Rübblinghausen (rolling mill and wire drawing), Sassmicke (copper hammer mill) and Olpe (foundry and valve factory).

1904



1928

A rolling mill is also established at the Rübblinghausen smelting works a complete copper smelting works with refining.

1962

Production is expanded to include a continuous casting system. This means the rolled product business unit can be expanded.

1974

The operating facilities move from Martinstrasse in Olpe to the current site in the new trading and industrial estate in Biggetal.

1982

With the procurement of their first finishing stand, the Rolled Products business enters the electrical engineering sector.

1993

KEMPER Armaturen AG (KAG), the first sales company, is established in Switzerland. More branches are opened across the world in the ensuing years.

2014-2016

Work 4, the new valve factory, is completed in the Building Technology business unit.

2016-2020

Work 3, an additional new factory is built to expand capacity in the Rolled Products business unit.

RANGE OF SERVICES AND MARKETS

GLOBAL MARKET LEADER IN VARIOUS BUSINESS SEGMENTS

Gebr. Kemper GmbH + Co. KG is a world market leader operating on integrated global markets. To achieve this, the company has set up six domestic and nine international sales offices. These are in the Netherlands, Switzerland, Austria, Czech Republic, Denmark, the United Kingdom, the United States, China and Singapore. Customers from the three business units, Building Technology, Casting Technology and Rolled Products, are supported from these offices.

Furthermore, affiliated subsidiaries add to the core business of Gebr. Kemper GmbH + Co. KG. In the Rolled Products business unit, this is Profiltech GmbH in Kelttern, which manufactures high-precision profiled strip. The planning competency in the Building Technology area is enhanced by the software subsidiary, Dendrit GmbH in Dülmen.



BUILDING TECHNOLOGY

Valves and systems

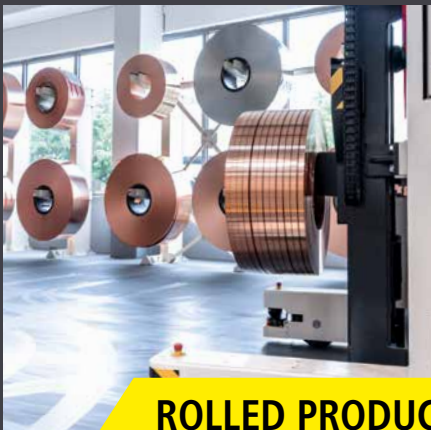
The building technology valves and systems to protect drinking water are synonymous with sustainability and the environment. Specialist wholesalers, designers, sanitary ware fitters and landlords of large public and private buildings put their trust in these branded valves. The wide range of products is characterised by the successful symbiosis of robust, corrosion-resistant installation valves and modern building technology systems. The company offers a holistic concept for establishing and maintaining drinking water hygiene with its innovative solutions. Smart building technology software components are also used for time and resource saving design.



CASTING TECHNOLOGY

Gunmetal parts - non-machined and machined

The company's products place them among the world's leading suppliers. A major contributor to this is their vast experience in casting copper alloys. KEMPER is a specialist when it comes to particularly demanding and durable products. Expertise and experience are the basis of exceptional quality. The company itself is the biggest individual customer: because the renowned KEMPER branded valves for drinking water installations are produced at the foundry. The gunmetal used is not only corrosion-resistant, it also meets the strict requirements of the German Drinking Water Regulation – and is even lead-free, now and in the future.



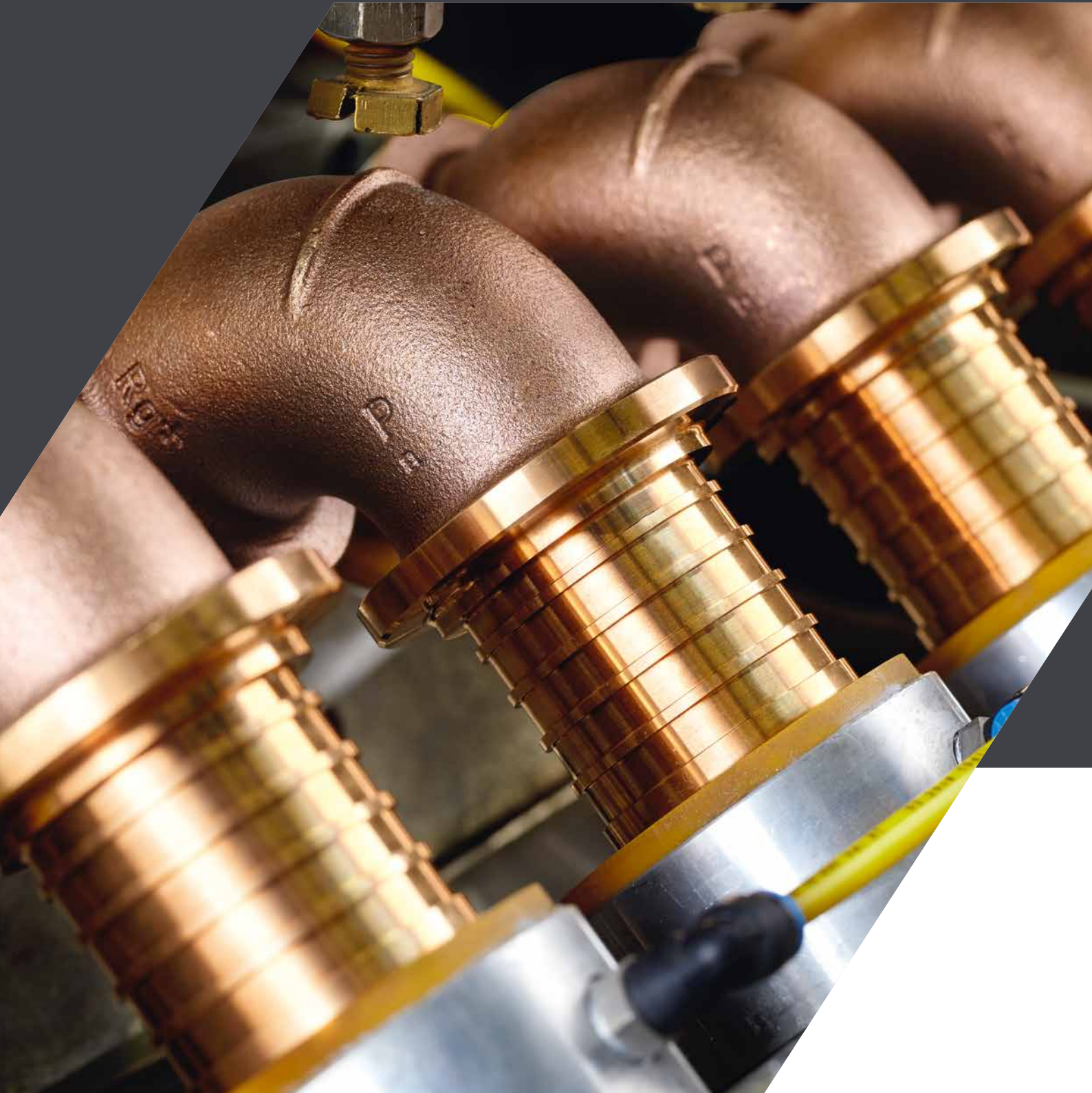
ROLLED PRODUCTS

Copper and copper alloy strips

KEMPER's rolled products place the company amongst the world leaders in the production of copper and alloy strips for the automotive and electronics industries. The high quality of the strips, which only a few companies worldwide are able to produce to this standard, is crucial when it comes to miniaturising electronic components. The growing pace of electrification, networking, smart technology and sensor technology will also ensure continued progress in this area for the future. Gebr. Kemper GmbH + Co. has the right solutions for all these sectors thanks to its classic bronze and high-performance alloys. The company's subsidiary, Profiltech Stufenbandprofile GmbH, finishes rolled strips by profiling them to customer specifications.

COMPETITIVENESS CONCERNS







Materiality

Central sustainability impacts on Gebr. Kemper GmbH + Co. KG

Factors and specifics in the corporate environment

The identification of external sustainability impacts on the company was carried out using a PESTEL analysis. While at the political level, the developments in climate policy were identified as highly relevant factors, on the economic side, the associated production costs in Germany must be noted as driving forces. From the social perspective, being considered to be "old economy" has an effect on the company's decisions for the future as does the lack of skilled workers. Technologically, the various facets of digitalisation and the topic of lead-free materials will open up new challenges and potentials for the company. The EU Supply Chain Law is a new regulatory element, which will also affect Gebr. Kemper GmbH + Co. KG indirectly. From the environmental perspective, the topics of carbon emissions and the circular economy are the most relevant factors.

Sustainability topics in future strategic considerations

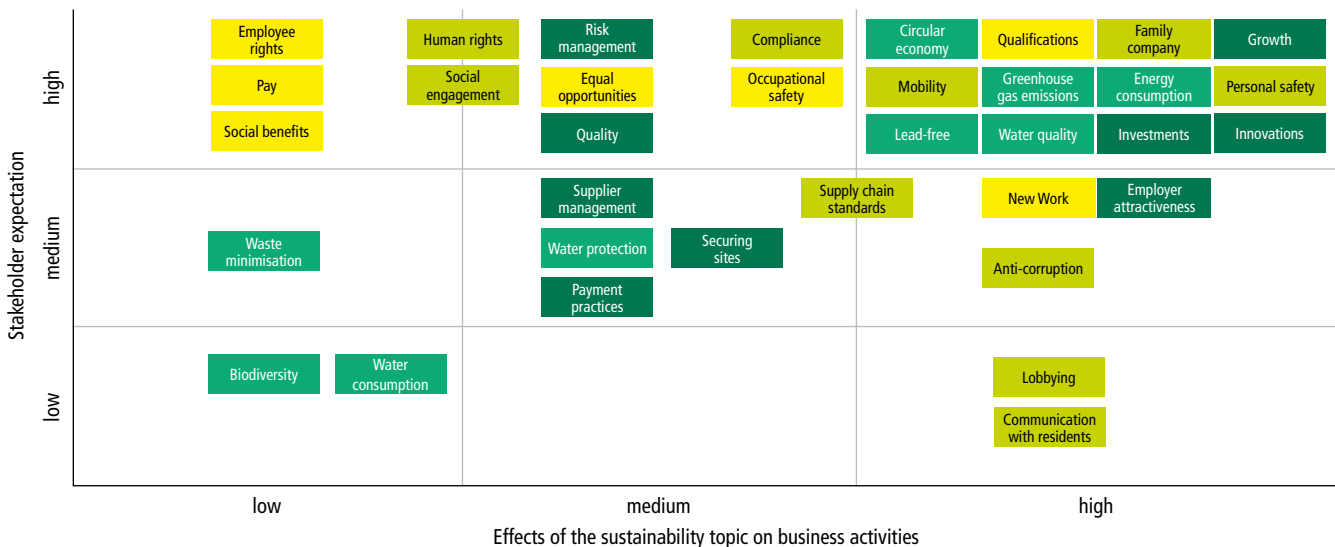
Gebr. Kemper GmbH + Co. KG's materiality matrix combines the external sustainability impacts with the specific factors affecting the company's existence. The identified sustainability topics are analysed with reference to stakeholder expectations and the impact the topic has on business activities. Stakeholder expectations describe the interests of shareholders, customers and employees in the subject area being examined.

Sustainability topics from the areas of environmental concerns, competitiveness concerns, social concerns and employee concerns are analysed. In total, five topic areas from the environmental area were each classified in the top category. As well as the challenges of lead-free products, greenhouse gases and the circular economy described above, energy consumption and the level of water quality in the Casting and Building Technology business unit were prioritised. To maintain and increase competitiveness, the materiality analysis identified the fields of corporate growth as well as innovation and investment as prioritised influencing factors.

Furthermore, changes in mobility have a big effect on the business activities in the Rolled Products business unit as a social topic. Moreover, there is a high expectation from customers and shareholders that the company will focus on the transformation in the mobility sector in the development of its business activities. Other social topics judged to be highly relevant both from the perspective of stakeholder expectations and in terms of the effect on business activities were responsibility as a family company and the aspect of personal safety. The most important topic area in the category of employee concerns is staff qualifications. Compared to the previous year, the aspects of risk management, payment practices, anti-corruption and personal safety were considered as key topics.

Materiality matrix

- Environmental concerns
- Competitiveness concerns
- Social concerns
- Employee concerns



Sustainability effects on business activities

The inside-out perspective describes the way in which the business activities of Gebr. Kemper GmbH + Co. KG influence sustainability topics. As a large employer in the South Westphalia region, the company secures jobs and prosperity at the Olpe site. The company therefore supports social stability in the region. As a value-orientated family business, the organisation pursues broad social engagement beyond normal business operations. At the same time, the business activities of a foundry are characterised by high energy intensity. This is reflected in higher greenhouse gas emissions that are typical of the industry.

The external factors described above demonstrate decisive effects on the business activities in the outside-in assessment. Regulatory sustainability requirements in the social and environmental areas require changes in operational and administrative areas. One such regulatory example to note is the move to climate neutrality within the scope of the climate protection law. At the same time, the company is affected by new customer and employee requirements. These must be taken into consideration in product development on the one hand and in the way in which work is organised on the other. Technological innovations from digitalisation and automation to material technology also influence the business activities of Gebr. Kemper GmbH + Co. KG to a considerable extent. These must be evaluated on a product, process and strategy level so that they can be effectively integrated into the organisation.

Opportunities and risks of sustainability developments



Opportunities

- // Opportunity to position as leader in the implementation of the sustainability strategy and associated topics
- // Opportunity to use new technical possibilities to satisfy customer needs
- // Opportunity to tap into additional market and customer potentials as a result of changed requirement profiles
- // Opportunity to drive and shape change as a major family business in the region



Risks

- // Risk of image loss through classification as energy-intensive "Old Economy"
- // Risk of cost burden due to investment needed to improve energy efficiency
- // Risk of extra organisational expense to fulfil regulatory and administrative obligations
- // Risk of volatile and dynamic environment with regard to statutory and customer-specific requirements

OUTLOOK AND AREAS OF ACTION



A project on the new materiality aspect concerning the topic of "holistic risk management" was launched.



Depth of the value chain

Sustainable entrepreneurship across all stages of value creation

Gebr. Kemper GmbH + Co. KG operates in three differentiated business segments and consequently maps different stages of value creation. The company is conscious of the environmental and social challenges at the individual stages of production and has already initiated a multitude of projects to exploit the existing potential for sustainability. As well as the sustainability

topics in its own area of business, the company also tries to have an impact on social and environmental aspects of the value chain. Gebr. Kemper GmbH + Co. KG communicates with its supplier companies and business partners on these matters, for example within the scope of annual meetings.

Value creation stages in the Casting Technology business unit

MATERIAL PURCHASING



Adherence to social standards is a big challenge in supplier management. Above all, the difficulty of traceability at indirect suppliers must be mentioned here. Gebr. Kemper GmbH + Co. KG looks for long-term business relationships with permanent partners in order to be able to ensure the greatest possible safety.

CORE MAKING



In the core making area, release agents are used to attain smooth surfaces. To reduce pollution, the company is trying to minimise the use of release agents in core production. Furthermore, Research and Development are testing the extent to which alcohol-based release agents can be substituted by water-based ones.

SMELTING AND CASTING



The foundry is characterised by high energy intensity. The smelting and holding temperatures are a lever for reducing consumption. However, quality must always be considered alongside energy efficiency here. In order to reduce material usage, Gebr. Kemper GmbH + Co. KG is striving towards a benefit-optimised wall thickness design.

CLEANING ROOM



The individual work steps in the cleaning room are carried out at various internal and external sites. The company aims for optimised management of capacity in order to minimise emissions generated during transportation. On the social side, standardised high-quality working conditions are the central sustainability topic.

MECHANICAL PROCESSING

The use of auxiliary and operating materials as an important environmental influence characterises the value creation stage of mechanical processing. In particular, the cooling lubricants used are being evaluated by the company so that the possibilities of minimising the use of cooling lubricants can be developed.



Value creation stages in the Building Technology business unit

When purchased goods and KEMPER products are despatched, a minimisation of packaging materials is being striven for. Here, the company has already introduced reusable crates for its suppliers. The use of plastic packaging is avoided wherever possible. Furthermore, the greatest possible utilisation of capacity is sought during transportation.

In assembly, the sustainability focus is on a healthy workplace layout. Here, the company has set standards with respect to ergonomics and automation. The physical burden for employees is reduced as a result. Furthermore, the assistance systems help ensure the work steps are carried out in line with quality requirements.

The finished systems are characterised by an especially long service life. The systems therefore support customers' sustainability endeavours. The company also offers product training for partners and customers to this end. This should ensure efficient commissioning and system usage, also actively supported by the company's own service team.

PURCHASING AND LOGISTICS



ASSEMBLY



FITTING, INSTALLATION AND USE



Value creation stages in the Rolled Products business unit

MATERIAL PURCHASING



In the Rolled Products business unit, input materials and alloy elements are bought in. The central sustainability aspects in this respect are regulatory requirements and compliance with social standards. Moreover, the company takes scrap from punching processes back from customers and reincorporates it into the production process.

SMELTING AND CASTING



In the smelting process, recycled materials are used for the most part. As a result, the company is preserving resource capacities. Depending on the alloy specifications, various metals and additives are used in the casting process. The range of products supplied by Gebr. Kemper GmbH + Co. KG also includes special materials.

ROLLING



The rolling process also has to be categorised as an energy intensive work step. Furthermore, large quantities of auxiliary and operating materials, in particular, rolling oil, are needed. The company is currently in the process of setting up detailed controlling in order to introduce additional measures to increase resource efficiency in the rolling process.



The subsequent annealing process is another production stage with high energy intensity. The company is progressively evaluating the possibilities of gains in efficiency through investment options. As an energy source of the future, hydrogen may be a starting point for reducing the environmental impact of production in the coming years.

Finishing is customer-dependent, which means the metal strips are customised in additional work steps. This includes cutting and where appropriate, finishing the metal strips. The aim in the finishing work is to keep scrap caused by quality and technology issues to the lowest possible level.

For example, metal strips are wound onto the coil cores before despatch. The company offers environmentally friendly wooden reels here. A wide range of transport means are used for transportation. The maximum utilisation of loads is sought in order to be able to keep transportation and traffic emissions to the lowest possible level.

The rolled products are used by punching firms all over the world. They produce punched products from the metal strip, such as connectors which are used in the automotive industry, for example. The scrap from the punching process is recycled. This is carried out at the rolled product manufacturers or at smelting companies.



ANNEALING



FINISHING



DESPATCH AND TRANSPORTATION



PUNCHING



Sustainability strategy and objectives

Holistic approach to sustainable corporate thinking

Principle of corporate sustainability

Gebr. Kemper GmbH + Co. KG has embedded the subject of sustainability in its overarching corporate strategy. Sustainability in a family business ensures the long-term cross-generational success of the company and associated prosperity and job security in its domestic location. In order to achieve this, the subject of sustainability must be approached strategically and holistically. Therefore, the company's sustainability strategy builds on the three pillars of sustainability. Only when environmental, social and economic aspects are treated equally in the corporate decision making process will it be possible to secure the cross-generational future of the company. The interdependencies between environmental, social and economic concerns in the corporate environment are also

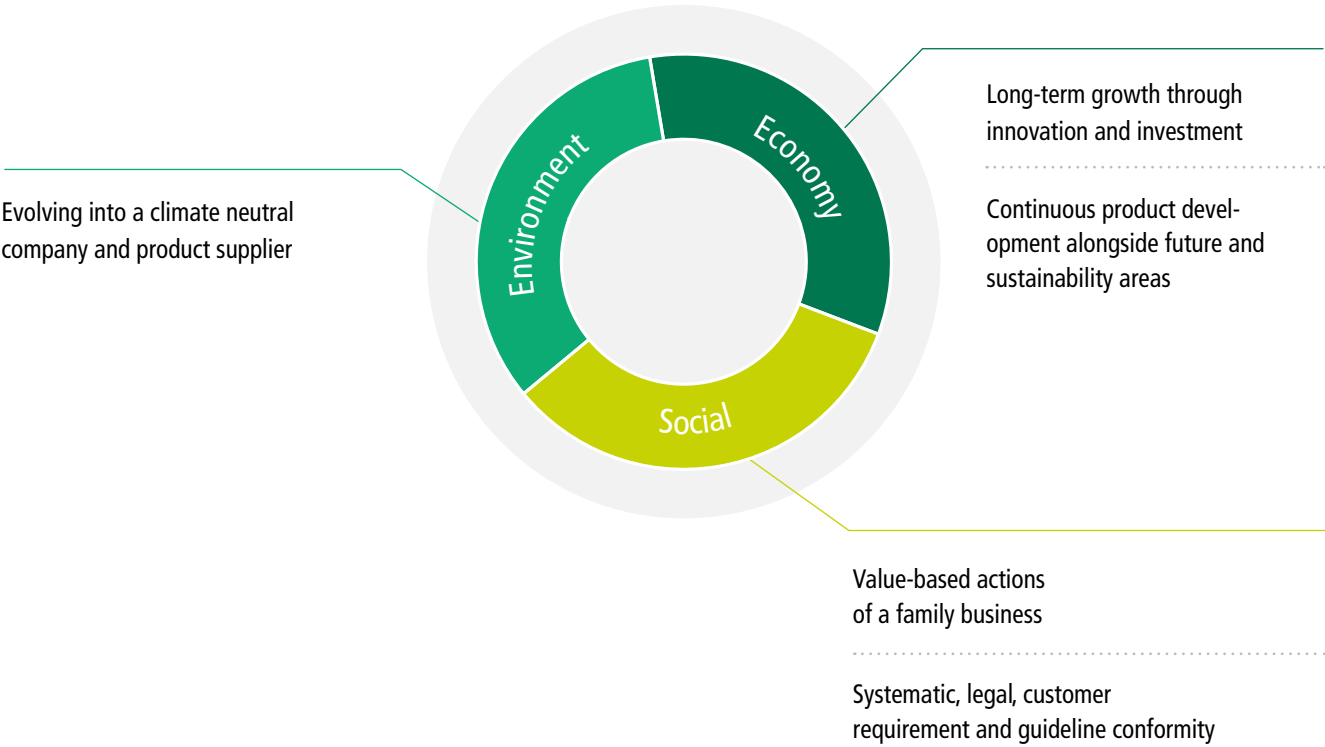
important here. At the same time, Gebr. Kemper GmbH + Co. KG understands corporate sustainability to be a continuous process. For example, entrepreneurial endeavours should constantly follow the given framework conditions and newly emerging challenges.

Areas of action in the sustainability strategy

Five overarching areas of action were identified within the scope of the sustainability strategy. These break down into the three sustainability pillars so that the company simultaneously develops environmental, social and economic topics. Gebr. Kemper GmbH + Co. KG has defined projects and actions that have already been derived for the five individual sustainability fields. The areas for action are being driven forward operationally at this project level.



Areas of action in the sustainability strategy



On the environmental side, the company creates the structures to be able to offer products and services in a climate neutral way. Two areas for action were defined in the economic pillar. As well as long-term corporate growth through innovation and investment, the topic of continuous product development should also be prioritised alongside future and sustainability areas. The social sustainability endeavours are clustered in the areas of action associated with the value-focused activities of a family business and the complex subject of compliance.

Orientation and compliance with sustainability standards

Gebr. Kemper GmbH + Co. KG's sustainability strategy is based on recognised norms and standards. For example, the ten principles of Global Compact and the sustainability goals of the United Nations are regarded as the fundamental guidelines. When reporting on sustainability activities, the company uses the German Sustainability Code for orientation, thereby also covering the criteria of the Global Reporting Initiative. As well as these superordinate sustainability standards, the activities of the company are also governed by general standards within the individual sustainability pillars and areas for action. For example, in the environmental area, Gebr. Kemper GmbH + Co. KG has an environment management system which is certified to ISO 14001. In the social area, the recognition of the core labour standards of the International Labour Organisation should be mentioned as a component of the underlying standards and norms.



Sustainable development goals

The company has agreed medium and long-term sustainable development goals in joint workshops attended by project managers and senior management. To achieve this, the topic focuses were also prioritised with reference to factors of urgency and feasibility. A next step aims to set out the sustainability goals with measurable indicators. This will also allow the achievement of the goals to be monitored.

Medium-term sustainable development goals

Environment

We are increasing the use of re-used raw materials in the production cycle.

Recycling rate

Target	62 %
Target date	2023



Environment

We are reducing energy consumption across the entire supply chain.

Energy efficiency

Target	3 %
Target date	2025



Social

We are pursuing integrated compliance management.

Confirmed cases of corruption

Target	0
Target date	annual



Social

We are ensuring the fulfilment of global product requirements.

Fines and sanctions

Target	€ 0
Target date	annual



Social

We are increasing our employee satisfaction and therefore their loyalty to KEMPER as a company.

Sickness absence rate

Target	7 %
Target date	2025



Social

We are taking into consideration and systematically meeting the concerns of our shareholders.

Fluctuation ratio

Target	3 %
Target date	2025



Economy

We are expanding the drinking water hygiene and digitalised product areas.

New products share of turnover

Target	10 %
Target date	2023



Economy

We are continuing to evolve as a provider in the areas of e-mobility and miniaturisation.

Proportion of strip thickness

< 0.2 mm of the total quantity

Target	3 %
Target date	2024



Economy

We are maintaining our independence through continuous strengthening of our equity.

Equity ratio

Target	35 %
Target date	2023



Economy

We are generating growth by securing our market shares in existing markets and entering new markets.

Growth in sales and turnover

Target	Rolled Products (sales):	+7.5 %
	Casting Technology (sales):	0 %
	Building Technology (turnover):	+15 %
Target date	2025	



Long-term sustainable development goals

Environment

We offer our products and services in a climate-neutral way.






Social

We meet all essential and relevant compliance requirements expected of the company.






Social




We are continuously developing our viable relationships with employees, customers, partners and shareholders.






Economy

We meet the needs of our customers and therefore maintain or increase people’s health, safety and comfort.

Economy

We are maintaining the KEMPER business as an independent family company for the long-term.





Initial measures and projects have already been started to achieve the defined goals. Within the scope of scheduled quarterly meetings, the current status of the achievement of the goals is reviewed and if necessary, additional or modified project measures are defined. At the same time, the effects of the external framework are constantly monitored. Depending on the legal, technological or social requirements, the formulation of goals must constantly be adjusted to the given area of action. Gebr. Kemper GmbH + Co. KG wishes to take up a leading role in the implementation of corporate sustainability in medium-sized enterprises.



Product and innovation management

Meeting customer needs with innovations and sustainable products

Social and environmental effects of product creation and use

Gebr. Kemper GmbH + Co. KG has both social and environmental impacts in the Casting and Building Technology business unit as well as Rolled Products. From the social perspective, the Olpe production site provides over 800 jobs in the region. With these employment contracts, which are subject to social insurance contributions, the company makes a considerable contribution to society in South Westphalia. In all of its functional departments, Gebr. Kemper GmbH + Co. KG ensures a high standard for its employees. This applies, for example, to areas such as occupational safety, ergonomics, environment, energy and equal opportunities. The measures undertaken by the company in this context are described in detail in the following sections.

The environmental effects are derived mainly from the energy-intensive casting and rolling activities at the company. These are examined in more detail in the following sections on environmental concerns and quantified within the scope of the corporate carbon footprint. In order to reduce the environmental impact of production, a screening procedure was created for production systems and equipment for buildings that need to be purchased. All new systems go through this screening process. With respect to the environmental factors, the screening requires new systems to prove a considerable improvement with regard to energy efficiency in relation to the production rate. The screening also covers other components such as the ergonomic level of workplace layout.

Among other things, products made by Gebr. Kemper GmbH + Co. KG in the Casting Technology and Building Technology divisions ensure the maintenance of drinking water hygiene. This makes a significant contribution to users' health. This is also achieved by preventing the release of lead into drinking water. In this respect, Gebr. Kemper GmbH + Co. KG is gradually switching to lead-free materials. This has already happened with exactly 25 percent of the production volume to date. In order to ensure these qualities in all products made by Gebr. Kemper GmbH + Co. KG, much importance is attached to quality. Gebr. Kemper GmbH + Co. KG's pursuit of quality is also acknowledged by customers.

Sustainability performance through innovation processes

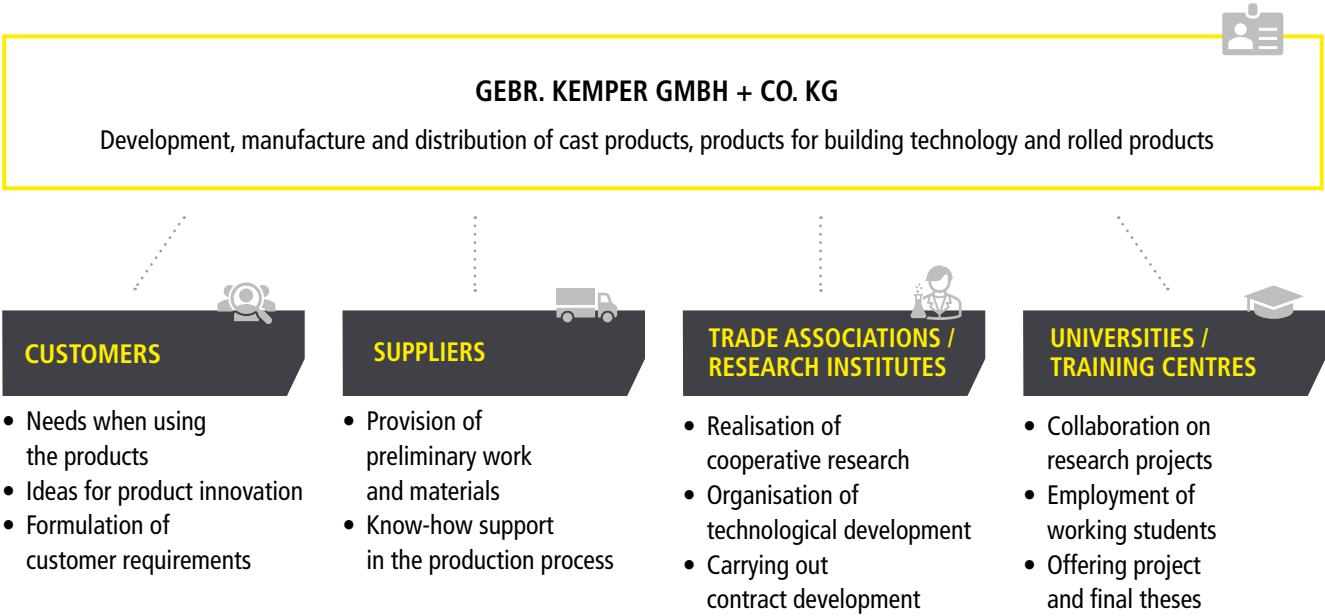
The company has a specialist department for research and development in each business segment. A total of 30 employees in these departments ensure that economic, environmental and social improvements are possible, both in product development and process optimisation for Casting and Building Technology and in the improvement of production processes for Rolled Products. These research and development departments take care of new and optimised products, processes and innovative materials. This is achieved together with many other specialist departments throughout the chain, from the initial idea to finished product. These solutions help Gebr. Kemper GmbH + Co. KG considerably with its own improvements. Major optimisation is taking place in the areas of customer benefits and the use of resources. To achieve this, all three pillars of sustainability are always taken into consideration.

Constant innovation management at Gebr. Kemper GmbH + Co. KG has led to ten percent of total turnover in 2022 being generated from products which have been introduced in the last seven years.

Regular customer surveys confirm the perception of Kemper as an innovation leader. Innovation energy and readiness are often placed in the top spot among key strengths.

Innovation cooperation along the value chain

Gebr. Kemper GmbH + Co. KG regards itself as an integrated component of a holistic value chain. For this reason, the company involves suppliers, customers and other partners in its innovation activities as well as product improvement.



Customers, suppliers, employees, research institutes, trade associations and organisations represent just a section of those cooperating on innovation. Work with universities must also be highlighted as four dual study placements have been incorporated into the research and development work alone. The company strives for holistic innovations, which can be systematically integrated into the various value chains. Here, it is a matter of optimising the overall value creation benefits with regard to economic, environmental and social aspects. Gebr. Kemper GmbH + Co. KG also demonstrates a high level of interest in participating in cross-company innovation efforts.

OUTLOOK AND AREAS OF ACTION



Continuous testing of the use of environmentally-friendly technology and materials.



Development of products to enable customers to save energy and resources.



Implementation of agile product development to improve innovative capacity.



Economic development

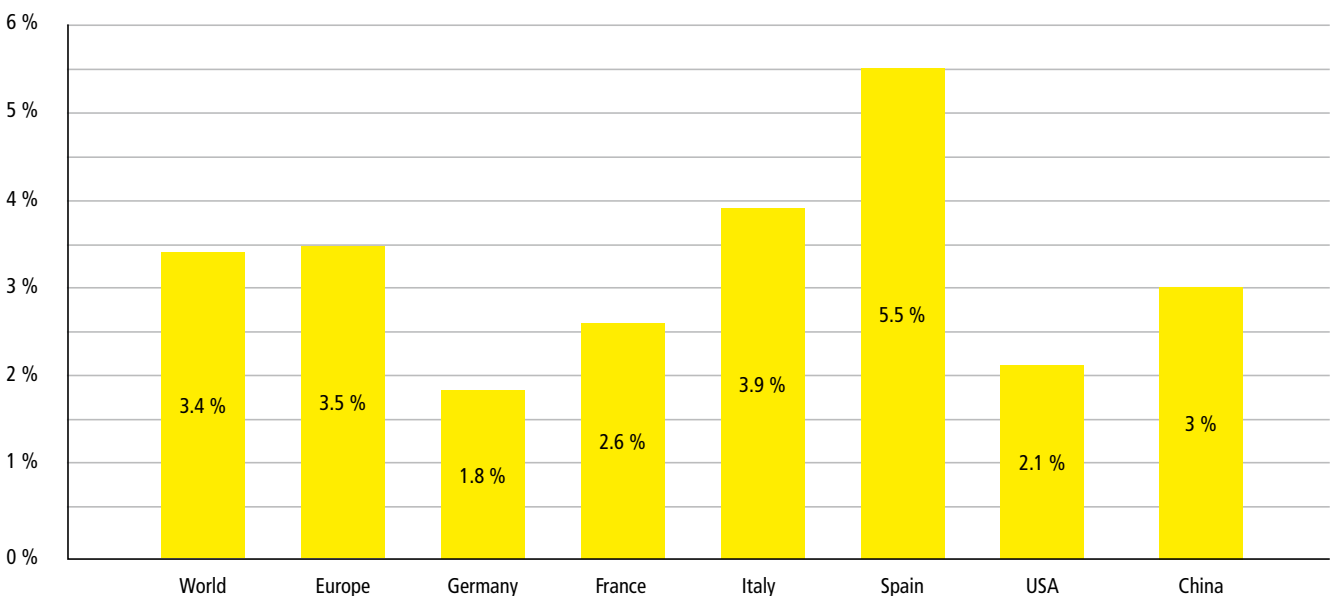
Securing the future of the company and jobs through economic growth

Economic basis for sustainability activities

Economic development describes the core of the economic sustainability pillar. Even though environmental and social aspects dominate the sustainability debate, economic growth forms a basic paradigm of entrepreneurship. Only when economic stability is guaranteed is it possible to secure the long-term future of the business. This also means that a solid financial base is a prerequisite for environmental and social activities. Challenges such as the transformation towards climate neutrality or the implementation of the duty of care along the supply chain are associated

with considerable investment needs. At the same time, no direct increases in turnover go hand in hand with such investments. Therefore, there is a need from an economic point of view for a business model that is viable in the long-term in order to be able to implement additional environmental and social requirements. Moreover, economic stability per se also constitutes a central stakeholder requirement in the corporate context. Internal interest groups (such as employees and shareholders) and external partners (such as banks, suppliers and customers) all expect sustainable economic security from companies.

Change in gross domestic product in 2022 by country



Trends in macroeconomic framework conditions

In 2022, the global economy recovered less than expected from the coronavirus pandemic. According to the IMF's calculations, gross domestic product (GDP) rose by 3.4 percent worldwide. This positive trend was recorded in Europe as well as the USA and China.

In 2022, the effects of the war in Ukraine and the interest rate resulting from high inflation in the eurozone dampened economic growth to 3.5 percent. GDP also rose accordingly in the big economies of the eurozone such as Germany (+1.8 percent),

Spain (+5.5 percent), Italy (+3.9 percent) and France (+2.6 percent). The slight rise in Germany is largely attributable to continuing supply shortages and the rise in energy prices.

GDP rose by 2.1 percent in the USA in 2022. This low growth resulted from the central bank, the Fed, raising interest rates and anticipated increases to tackle the high rate of inflation in the USA.

In China, GDP rose by 3.0 percent in 2022 and was therefore down on the previous year. The reason for this was the zero-COVID policy and resulting lockdowns.



Trends in industry-specific framework conditions

Despite stable demand, the international automotive markets declined slightly in 2022. The reasons for this were ongoing supply shortages in 2022, the effects of the war in Ukraine and the continuing COVID-19 measures in China. Registration figures for cars and light commercial vehicles fell worldwide by 4.3 percent compared to the previous year to 71.2 million vehicles. The European automotive markets likewise recorded a fall of 4.2 percent despite stable demand. As the biggest economy, Germany recorded a slight growth of 1.1 percent compared to the previous year. In Italy (-9.5 percent), France (-7.8 percent) and Spain (- 5.4 percent) registration figures fell significantly.

In 2022, the investment volume in the global construction industry rose by 3.3 percent in comparison to the previous year and amounted to a total of 6.6 billion euros according to estimates by S&P Global. The growth was spread across all construction sectors. A much lower volume of 0.7 billion euros was recorded in Europe. The trend in Germany was similar.

Business performance at Gebr. Kemper GmbH + Co. KG

The business units at Gebr. Kemper GmbH + Co. KG performed as follows:

In the Casting Technology business unit, an increase in sales of 0.5 was generated, which was significantly lower than expected. Because of the difficult general conditions for the construction industry – with high stock levels, significant increases in costs and high interest rates - sales fell, especially towards the end of the year. On the other hand, gunmetal sales revenue rose by 22.3 percent due to material price trends.

Business performance in the Building Technology business unit was likewise affected by the deteriorating general conditions for the construction industry in 2022. Turnover was at the same level as the previous year and likewise below expectations.

The Rolled Products business unit recorded a fall in sales of 4.0 percent like the global automotive markets, and was likewise not in line with expectations. Demand cooled off increasingly during the course of the year. Cost increases, particularly at upstream suppliers and for energy, became increasingly noticeable. Sales revenue rose by 10.3 percent due to copper and tin price trends.

As a result of the developments described above, the results for the business units were below expectations. However, considered as a whole, business performance was still sound in 2022.



Sustainability organisation

Embedding sustainable topics in the corporate activity structure

Responsibilities within the company

Gebr. Kemper GmbH + Co. KG has embedded the topic of sustainability in the organisation of the company. To do so, central responsibilities for various areas were defined. Senior management is responsible for defining the sustainability strategy. The uppermost tier of management developed the strategic approach and ensures that the subject of sustainability is also integrated into the superordinate strategy. Furthermore, senior management is responsible for communications about sustainability. This is based on a holistic communication strategy which includes a definition of content-related guidelines and the choice of communication channels. For example, employees who are involved with internal and external communications can orientate themselves using senior management's framework.

Project coordination and controlling is the responsibility of the Head of Occupational Safety, Environmental Management and Technical Training. They manage the operational implementation of projects, pursue the action plans and prepare reports for senior management. A project team has been installed for implementing projects. This comprises employees and managers from various parts of the business as well as functional departments. Solution paths to meet sustainability challenges are worked out within the project team. At the same time, the project team acts as an interface to staff.



Area of responsibility	Responsible office
Strategy	Senior management
Coordination	Head of Occupational Safety & Environmental Management
Controlling	Head of Occupational Safety & Environmental Management
Implementation	Sustainability project team
Communication	Senior management

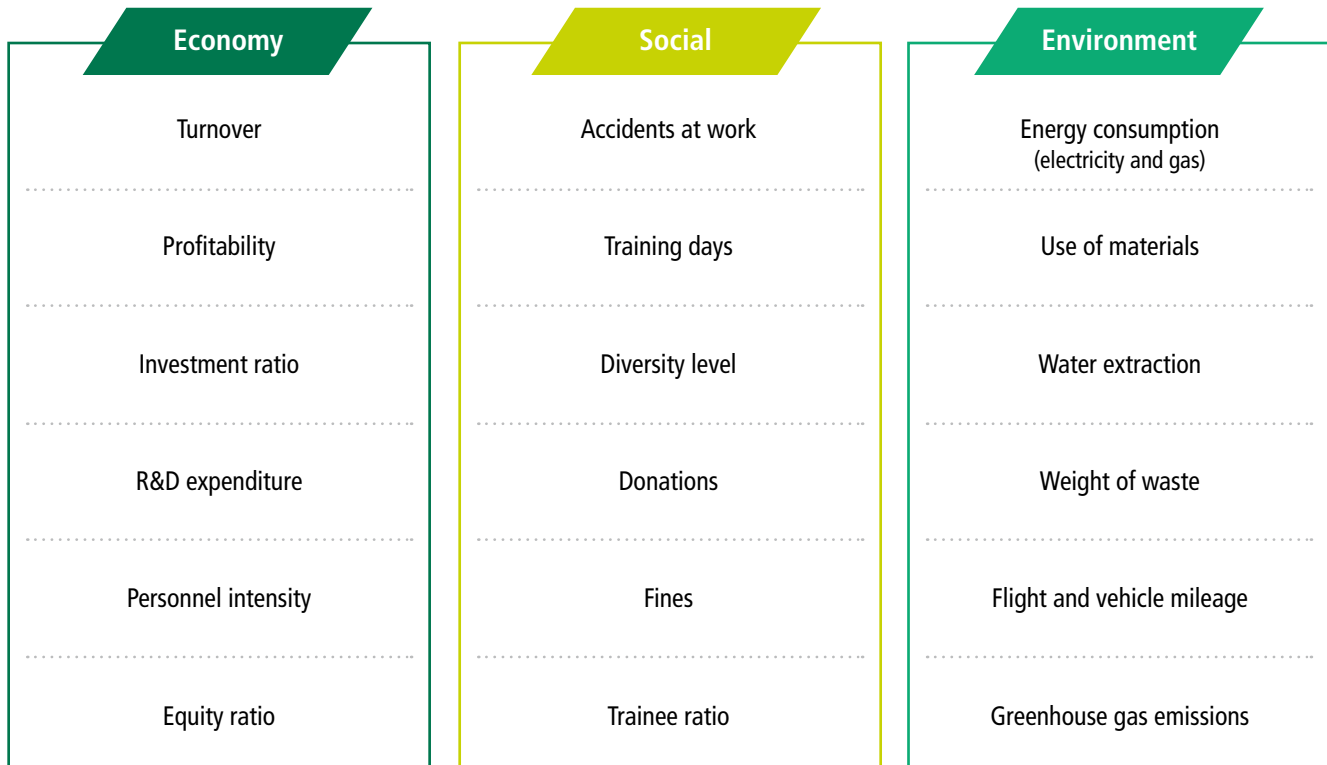
Rules and processes

The ultimate guiding principle is the value-based fundamental understanding of a traditional family business at Gebr. Kemper GmbH + Co. KG. The continuity and long-term nature of the entrepreneurial activity that goes hand in hand with this ensures that the organisation is necessarily shaped by sustainability-orientated management and working practices. Every measure and every project initiative should be in keeping with the company's social and environmental responsibility in the region.

In order to put the sustainability strategy into practice within the company, the process controls and standards embedded in the business should be used. The company is certified in accordance with the International Organisation for Standards in terms of quality (ISO 9001), environment (ISO 14001) and energy management (ISO 50001). Responsibilities in the area of management systems are defined in the organisation, whereby about 24 people are employed in quality alone. Moreover, there is a directory of procedures, which brings all the working instructions and process descriptions together in a central document. The entire workforce has access to this

so-called QM manual so the required descriptions can be looked up at any time. The structure of a process landscape defined here is also intended to be used for quality assurance relating to new activities in the field of corporate sustainability. Regular supplementary training sessions are held for employees via the "Auditor Online" tool. The conduct and passing of these training sessions is documented accordingly via the system. Depending on new sustainability needs, this can be expanded and supplemented.

In addition to the existing rules and process infrastructure, additional organisational measures are implemented to embed the sustainability initiatives within the company. Firstly, the definition of the responsibilities referred to above should be mentioned. Apart from this, a regular quarterly meeting dealing with the subject of sustainability will be introduced. The basic direction and project progress will be evaluated and agreements made with regard to outstanding fields of action. To accompany the regular meetings, an internal half-yearly sustainability report is prepared for senior management and the shareholders.



Sustainability controlling

Gebr. Kemper GmbH + Co. KG uses a broad spectrum of performance indicators to measure and evaluate the sustainability activities within the company. This is the only way to have a long-term quantitative assessment of the achievement of the sustainability goals. Controlling is undertaken with reference to key figures on the three sustainability pillars of economy, environment and social aspects. The relevant performance indicators are described in the individual sections on the various sustainability facets. The overview given above shows a selection of the key figures that are collected.

The company would like to organise the controlling of sustainability key figures centrally. Close cooperation between the project coordinators and the Controlling department is planned for this purpose. This means the databases and controlling infrastructure already in existence within the company can be used for the topic of sustainability. This will ensure a high standard with regard to data reliability and consistency. The key figures will be communicated internally via a report and externally by publishing the sustainability report. In this way, the company will transparently offer every stakeholder an insight into its sustainability endeavours.

OUTLOOK AND AREAS OF ACTION



A fixed quarterly meeting within the company on the subject of sustainability will be set up with the people concerned.



The existing code of conduct and supplier code is being extended in accordance with current requirements and standards.



In order to be able to ensure the reliability and consistency of the performance indicators, a central database of sustainability key figures will be established. Responsibilities will also be clearly set out and process instructions will be created with regard to data collection and analysis.



EMPLOYEE CONCERNS





Occupational safety and employee rights

Employee integration, appreciation and protection

Indicator	Company overall	Casting Technology	Building Technology	Rolled Products	Central Services
Sickness absence rate	8.4 %	7.4 %	9.8 %	9.1 %	4.4 %
Fluctuation ratio	3.5 %	2.2 %	5.6 %	2.9 %	2.5 %
Deaths due to work-related injuries	0	0	0	0	0
Work-related injuries with serious consequences	0	0	0	0	0
Documented accidents at work	35	19	1	15	0
Accidents at work rate per 1 m. working hours	29.1	37.3	11.1	20.2	0

Objectives and actions

The company attaches a great deal of importance to employee rights. The clearly formulated objective is to safeguard and protect the health and rights of its employees. The German Basic Law and labour law constitute the most important framework in this respect. The company is also committed to the core labour standards of the International Labour Organisation (ILO).

The company has been able to significantly reduce the accidents at work rate in the past year. The aim is to maintain this level in future and reduce it further if at all possible.

Gebr. Kemper GmbH + Co. KG is bound by the collective wage agreement of the metalworking and electronics industry. This guarantees employees an above-average level with regard to working conditions. Even outside of the collective agreement, the company makes every effort to offer employees an optimum working environment. The company's own process for handling accidents at work is intended to contribute to the prevention of work-related accidents and to continuously build on the level of protection. The company also has preventive measures to protect the health of its employees. For example, Gebr. Kemper GmbH + Co. KG organises various activities such as running groups, e-bike leases and aquafit classes for employees and also took part in the "town cycling" campaign in Olpe in 2022. The holistic range of health offers also includes corporate integration management and vaccination opportunities for employees. Employees in production and administration benefit from ergonomic workplace organisation with height-adjustable desks, user-optimised computer screen positioning and support aids such as lifting gear.

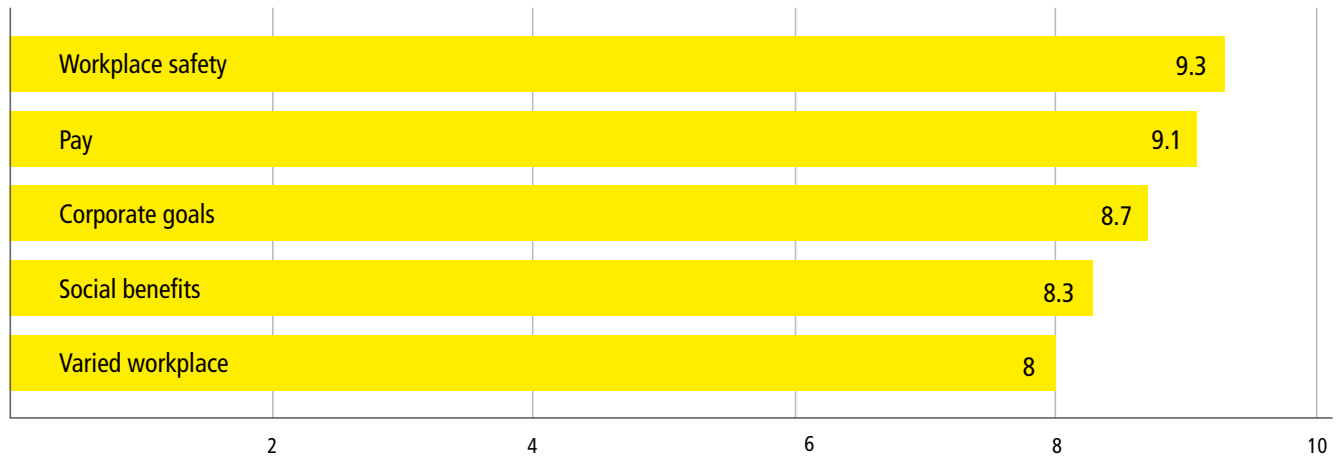
The company has installed a central office within the business for occupational safety. The HR department, direct managers and the legal department are all available if employees have any questions. This means employees always have the right person to talk to depending on the nature and extent of their concern. This also involves setting up a whistleblower role.

Gebr. Kemper GmbH + Co. KG regards communication with and participation of the workforce as key topics. The company ensures information is continuously available through the introduction of smartboards. Staff are also provided with information at works meetings and the company magazine "FLURFUNK", which is published twice a year. The company's own "KEMPER A-Z" helps employees find answers to their questions.

The strengths, weaknesses and competencies of Gebr. Kemper GmbH + Co. KG as an employer were identified in an employee survey. The results of the survey also show that the company has a high standard in terms of employee rights and health protection. Social competency was the most mentioned corporate value according to the employee survey. In the assessment of the employer profile for Gebr. Kemper GmbH + Co. KG, workplace safety scored the highest rating on a scale of 0 to 10.

No risks or negative impacts on employee rights were derived from business activities, business relations or the products on offer. Employees find Gebr. Kemper GmbH + Co. KG has a working environment that protects health and conforms with legal requirements.

The top 5 benefits as an employer (employee survey)



Employee participation

Works councils work to safeguard employee rights and employee participation in corporate matters. The Casting and Building Technology business unit and the Rolled Product business unit each have their own works council committees with 11 and 9 members respectively. So that employee concerns can be put into practice in conformity with the law, a wide range of company agreements have been concluded in recent years.

In order to integrate the entire workforce into the company's sustainability management, a special project team has been assembled with members from various functional departments and across four tiers of the hierarchy. The project members act here as multipliers. In this way, colleagues gain enthusiasm for the subject of sustainability and at the same time, employee concerns can be fed back to the project team.

Employee participation in the various sustainability aspects becomes clear in the social sphere through the establishment of an occupational safety committee. This meets on a quarterly basis for Casting and Building Technology and for Rolled Products. As well as the occupational safety officer, the committee comprises senior management, factory managers, department heads, maintenance, the works doctor and the works council. Other experts are called in whenever needed. The committee discusses current topics and challenges to do with occupational safety and health protection. By involving senior management and the works council, the committee's capacity for decision-making is ensured.

International sites

The company's production sites are in Germany. There are also sales offices abroad in European and non-European countries. Gebr. Kemper GmbH + Co. KG consistently complies with the respective national statutory provisions when drawing up employment contracts. To do so, the company works with local specialist law firms so that the relevant legal conformity can be ensured. The ILO core labour standards also apply internationally. Where possible, German labour standards are also put into practice in the foreign sales offices. No negative impact is known from international projects to date.

OUTLOOK AND AREAS OF ACTION



In order to meet increasing regulatory requirements, the set-up of an occupational safety management system is being reviewed.



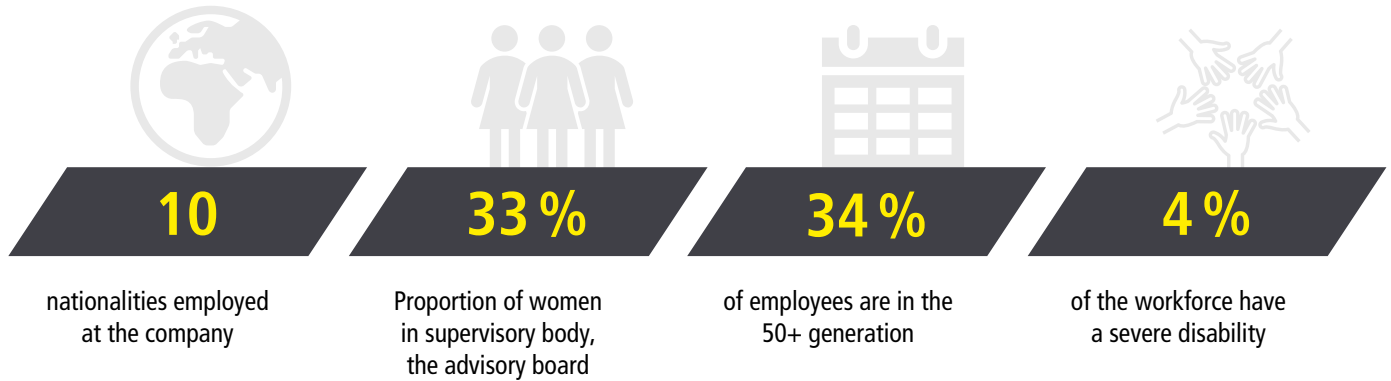
The company supports its employees and raises awareness through a range of training in nutrition.



Equal opportunities and diversity

Equality at all levels of the company

Key figures



Corporate equal opportunities

As a family business, Gebr. Kemper GmbH + Co. KG attaches special importance to the subjects of equality and anti-discrimination. All employees, partners and people outside of the company are treated equally regardless of gender, race, ethnic group, religion, ideology, disability, age or sexual identity. The company aims to promote equality at the company and in society. The personal dignity, personal privacy and rights relating to personality of every single person must be safeguarded. This is the only way that collaboration can take place, based on respect and partnership. The company will tackle any kind of discrimination, coercion, violence or the threat of violence using every legal means available. The duty of anti-discrimination has also been set out in the company's code of conduct. Shareholders and senior management are especially committed to this principle.

As a processing company, Gebr. Kemper GmbH + Co. KG is characterised by a lower proportion of women in its workforce, which is typical of the industry. The proportion of men among the employees is 83 percent due to the technical bias. The company has undertaken to strengthen equality between male and female employees in particular. Various measures have already been introduced to motivate women in favour of Gebr. Kemper GmbH + Co. KG as well. Special employer branding marketing campaigns have been carried out for this purpose.

The company also puts the topic of inclusion into practice. Some members of staff have physical or mental disabilities. As a family-orientated company, it is especially important to Gebr. Kemper GmbH + Co. KG that every employee can take part as much as possible in the day-to-day work, irrespective of any disabilities.

To achieve this, the company has arranged large parts of their business premises so they are accessible, for example. These employees are supported by representatives for employees with disabilities.

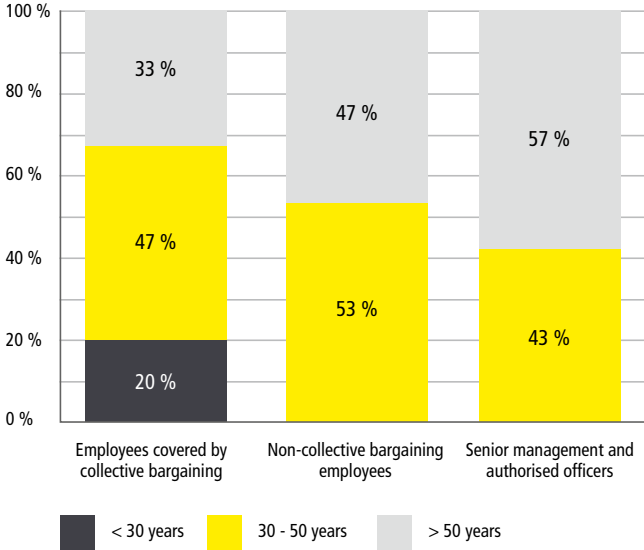
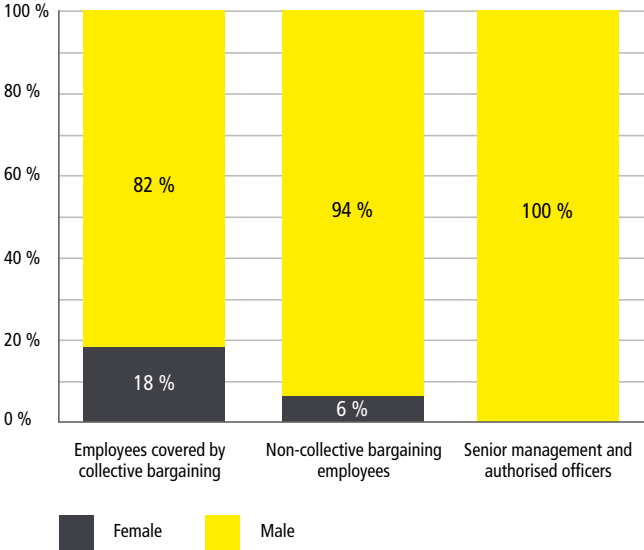
The company is committed to the integration of employees with a background of immigration. Ten different nationalities are now represented in the workforce at the headquarters in Olpe. The proportion of foreign employees is also increasing among those joining the company. This underlines the cultural open-mindedness of the company. In order to overcome potential language barriers when working together, Gebr. Kemper GmbH + Co. KG offers cross-departmental language courses.

The company connects the generations in the workforce. Therefore, employees are spread comparatively evenly across the various age groups. Close to one fifth of employees is under 30 years old. While 47 percent belong to the 30 – 50 age group, 34 percent are from the 50+ generation. The younger and older members of staff work together in every area of the business.

The works council is the contact for employees on the subject of equality. Altogether, the company has over 20 permanent works council members. However, employees can also contact the HR department directly at any time. No breaches in the context of equal opportunities or discrimination at the company are known. There have not been any cases in the past either and no fines or penalties have been handed out. Quite the opposite, the corporate culture is shaped by people working together on a trusting and cooperative basis.



Diversity at all levels of the company



Work-life balance

Gebr. Kemper GmbH + Co. KG supports its employees in their work-life balance. There is a need for practical solutions here, in order to be able to persuade women and men to work at an industrial firm. The offer of mobile working and variable working time models provide a great deal of flexibility in this context. Furthermore, employees benefit from the chance to change their holidays at short notice and take advantage of non-working shifts. The aim is to make it easier for mothers and fathers to return to work after their parental leave. The offer of part-time solutions has received especially positive feedback from staff. A job at Gebr. Kemper GmbH + Co. KG should be made attractive to employees at every stage of their lives. The high approval rate with regard to the conversion of supplementary pay from collective bargaining should also be highlighted here. In 2022, 52 percent of applications to convert to free days were approved. An additional company-specific collective agreement was concluded on this subject. Gebr. Kemper GmbH + Co. KG has won

an award for being a family-friendly business for the third time. The company is particularly proud to be able to offer practical solutions for a work-life balance as a medium-sized enterprise. The company started offering free care advice this year too.

The advisory board as a supervisory body

As the company’s supervisory body, the advisory board also reflects the company’s equality efforts. The advisory board comprises three people. The body is currently made up of two men and one woman. Ms Tessa Bertram acts as chair of the advisory board.

OUTLOOK AND AREAS OF ACTION

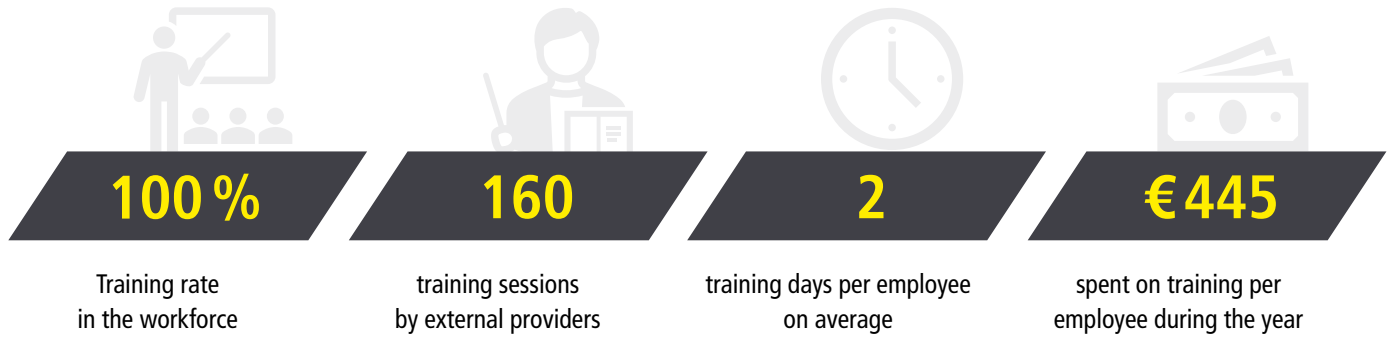
-  Offer of free care in the Easter and summer holidays
-  Review of extension of flexible working hours by setting up additional time accounts.



Qualifications

Training employees for changing requirements in working practices

Key figures



Necessity and requirement for qualifications

Gebr. Kemper GmbH + Co. KG has been confronted with lots of different transformation developments. Digitalisation and decarbonisation of the economy in particular impact on the business. Many different parts of the company are affected by this. As a result of the new legal, technological and customer-specific requirements, working practices and the processes in production and administration also change. Implementation of the transformation is conditional upon skills at all levels of the workforce especially.

Gebr. Kemper GmbH + Co. KG's objective is to master transformation jointly with the workforce. To achieve this, employees are prepared for the agreed framework conditions and skilled up accordingly. This needs to be reinforced by external and internal training. As an indicator of progress towards the goal, the aim is to achieve an effectiveness rate of 75 percent. In addition, the company is aiming to provide a training budget of € 330 for each employee in 2023. For the company, staff development constitutes a key element of being able to continue occupying the position of innovator and pioneer among medium-sized enterprises. The workforce must therefore always be at the cutting edge of technological development from a technical perspective. This is ensured by the training on offer. In relation to managers, it is a matter of strengthening interdisciplinary and social skills. The company also uses training instruments in order to be able to fill vacancies internally. Employees therefore receive further training for new areas of work.

Ensuring technical and interdisciplinary expertise

In 2022, a wide range of internal and external training measures were conducted by Gebr. Kemper GmbH + Co. KG. 160 training sessions were conducted by external providers alone, spread across the Central Services, Casting and Building Technology and Rolled Products areas of the business. A total amount of 359,404 euros was made available for employee training. This means there was a training sum of 445 euros available per employee for 2022. Two training days per employee were achieved on average.

The training portfolio can be divided into interdisciplinary and job-related qualifications. While job-related training is tailored to specific job profiles, interdisciplinary training is available to every employee when needed. One example of this are training sessions on Office applications. Employees can then also take advantage of project-related workshops. This is primarily the case when new systems are introduced. Gebr. Kemper GmbH + Co. KG also takes statutory continuing education and instruction obligations into account in its training efforts. For example, exercises are held regularly for voluntary firemen.

Gebr. Kemper GmbH + Co. KG has set up a holistic management staff programme for over 100 employees. The aim is to improve management skills and develop a common leadership culture. The programme will run for several years and cover various modules.

In the production area, the company strives to support polyvalent employees. As a result, employees can jump in to provide internal cover for short-notice staff shortages in various different jobs.

Internal training process

The company has implemented permanent processes to determine training needs, carry out further education and check the effectiveness of the measures. Primarily senior management, the HR department and department heads are involved as the responsible offices. The HR department initiates a request for what is needed in the specialist departments at the turn of the year. Heads of department identify the training options in discussions with the staff. These are reported back to the HR department via a training matrix. This is where the heads of department state the specific further education measures, training goals, costs and dates where possible. The HR department submits this overview to senior management. Approval for the measures is communicated to the department heads by senior management via the HR department. The department heads are then responsible for preparing and holding the agreed training. Once training has been completed, the heads of department carry out checks on effectiveness. The heads of department then send this and an attendance certificate to the HR department.

The quality management officer and occupational safety officer take on subject-related responsibilities in the training process. This relates to the preparation, conduct and checking of training to statutory provisions and management system requirements.

Apprenticeships at the company

Gebr. Kemper GmbH + Co. KG regards vocational training at the company as a basic element of training activities there. High-quality apprenticeships that are above all fit for the future therefore have high importance at the company. The company offers apprenticeships in the technical and commercial areas of the business each year. In order to be able to ensure a high level of

education, the company continually invests in infrastructure and equipment. For example, tablets with special teaching software have been purchased for training at the works. The apprentices can deepen and consolidate their knowledge using a digital learning platform. The company was also awarded the "Gütesiegel Ausbildung Südwestfalen" – South Westphalian Apprenticeship Seal – by the Chamber of Commerce in Siegen.

The apprenticeships available at the company are complemented by dual work placements. This is where young people have the opportunity to combine an academic degree with initial work experience at the company. This means the loyalty of highly qualified skilled employees to the company can also be established at any early stage.

Apprenticeship and further education cooperation

In order to be able to carry out the various apprenticeship and further education measures, Gebr. Kemper GmbH + Co. KG works with established, long-term partners. In the field of technical vocational training, the company works with a local training workshop. For dual work and study courses, focused cooperation has been set up with various universities. For example, the Building Technology business unit works with the South Westphalia University of Applied Sciences and the FH Muenster, which offers a course on supply engineering. While Siegen University is used for mechanical engineering and electronics subjects, cooperation within the business administration context has been set up with the Business School in Bergisch Gladbach. The company also works with various external providers and experts for the purpose of further education.

OUTLOOK AND AREAS OF ACTION



The intention is for the management staff programme to continue and be consolidated in 2023. Fixed dates for training and coaching sessions have already been arranged.



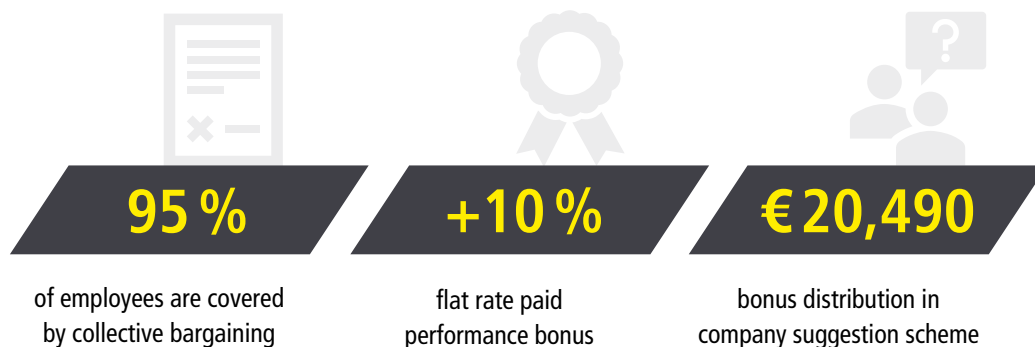
Gebr. Kemper GmbH + Co. KG is planning a new concept for English courses for its employees.



Pay, incentives and benefits

Fair and future-proof pay for employees

Key figures



Commitment to collective bargaining

Gebr. Kemper GmbH + Co. KG is a collective bargaining member of the employers' association for the Olpe region. This means the company is committed to fair pay for its employees and supports the principle of free collective bargaining. Employees' pay is in line with the framework pay agreement. Employees are grouped by job profile in the relevant pay scale and paid with reference to the pay rates set out by the collective bargaining parties. As well as their basic wages or salaries, employees receive a performance bonus of 10 percent. In addition, the company pays a Christmas bonus, holiday bonus, the additional pay agreed in collective bargaining and other company bonuses such as loyalty bonuses, anniversary bonuses and bonuses for flexibility according to the relevant company agreement. The employee groups who are entitled to do so also have the opportunity to convert some parts of their pay into free days. A total of 95 percent of employees are in an employment contract governed by collective bargaining.

The other five percent of staff are employees not covered by collective bargaining. Pay for employees not covered by collective bargaining is made up of a basic wage or salary and sometimes a variable portion. While the variable pay for field sales staff is based on a commission model, the variable pay is calculated on target agreements for other groups of employees. Individual performance goals are defined at the beginning of the year in such cases.

In the employee survey, 40 percent of those questioned highlighted that the company is especially characterised by social competencies. A fifth of employees named the pay and bonus system at Gebr. Kemper GmbH + Co. KG as a feature of the company. On questions regarding the company's performance profile as an employer, workplace safety as well as reasonable and fair pay were rated as the key performance indicators by the workforce.

Pay policy by employment group

	Employees covered by collective bargaining	Non-collective bargaining employees	Senior management and authorised officers
Basic salary	Yes	Yes	Yes
Variable pay	No	Yes	Yes
Above-collective bargaining rate bonuses	Yes	Yes	Yes
Old-age pension	Yes	Yes	Yes

Additional benefits

As well as basic pay, Gebr. Kemper GmbH + Co. KG offers its employees additional incentive schemes and benefits. For example, staff can use a company pension scheme and get special offers for bicycle leasing. As well as these financial aspects, the company also offers non-financial benefits. For example, employees can arrange flexible hours, provided their job allows it. There are also provisions for mobile working so a certain part of the monthly working hours can be worked outside of the business premises as well. Employees also profit from the corporate benefits on offer.

Overall, Gebr. Kemper GmbH + Co. KG promotes a team spirit. To achieve this, a wide range of leisure and health opportunities have been put together. For example, employees can take part in running groups, bike rides, the works choir or aquafit classes. In 2022, staff enjoyed an extra day's holiday. This is because the public holidays for the New Year fell on a weekend.

Company suggestion scheme

The company has created an additional incentive scheme so that employees can actively drive the constant improvement process forward in the business. The company suggestion scheme is aimed at economic efficiency topics as well as environmental and social aspects. There is an opportunity for employees to make suggestions outside of their core area of work. The optimisation projects submitted are assessed by a special committee. Each suggestion for improvement that is submitted is honoured with a flat rate payment of ten euros. Any bonus on top of that is based on the potential saving and optimisation potential of the submitted initiative for the company.

It has already been possible to identify numerous projects for cost reductions within the company through this company suggestion scheme. They relate, for example, to material savings, a more efficient use of machinery and a reduction in rejects. In 2022, bonuses amount to 20,490 euros were paid out by the company as rewards for submitted optimisation projects. As well as the aforementioned efficiency aspects, the suggestion scheme also covers environmental savings, in areas such as the use of resources or energy consumption. In terms of social concerns, improvement initiatives in the fields of industrial safety and health promotions should be highlighted.

Integration of sustainability goals

In the context of variable pay, the achievement of defined goals is checked in relation to senior management and employees not covered by collective bargaining. The goals which are set in the annual reviews are fixed in individual contracts. In the first stage, employees' line managers are responsible for checking the achievement of goals. The final authority to make a decision lies with senior management.

The achievement of goals by senior management is checked by the advisory board. This is carried out at an annual meeting on goal achievement and definition. Senior management's annual goals are already broken down into financial and non-financial goals. This means it is possible to embed various sustainability goals into the personal goals at management level. Currently, mainly economic and efficiency-related goals are agreed in this respect.

OUTLOOK AND AREAS OF ACTION



A review is currently underway to see if a digital payment system can be introduced.



An extension to the existing home office rules is under continuous review as is their adaptation to the needs of employees.

SOCIAL ENGAGEMENT CONCERNS







Stakeholder participation

Sustainability as a common concern for internal and external stakeholders

Methodology of stakeholder analysis

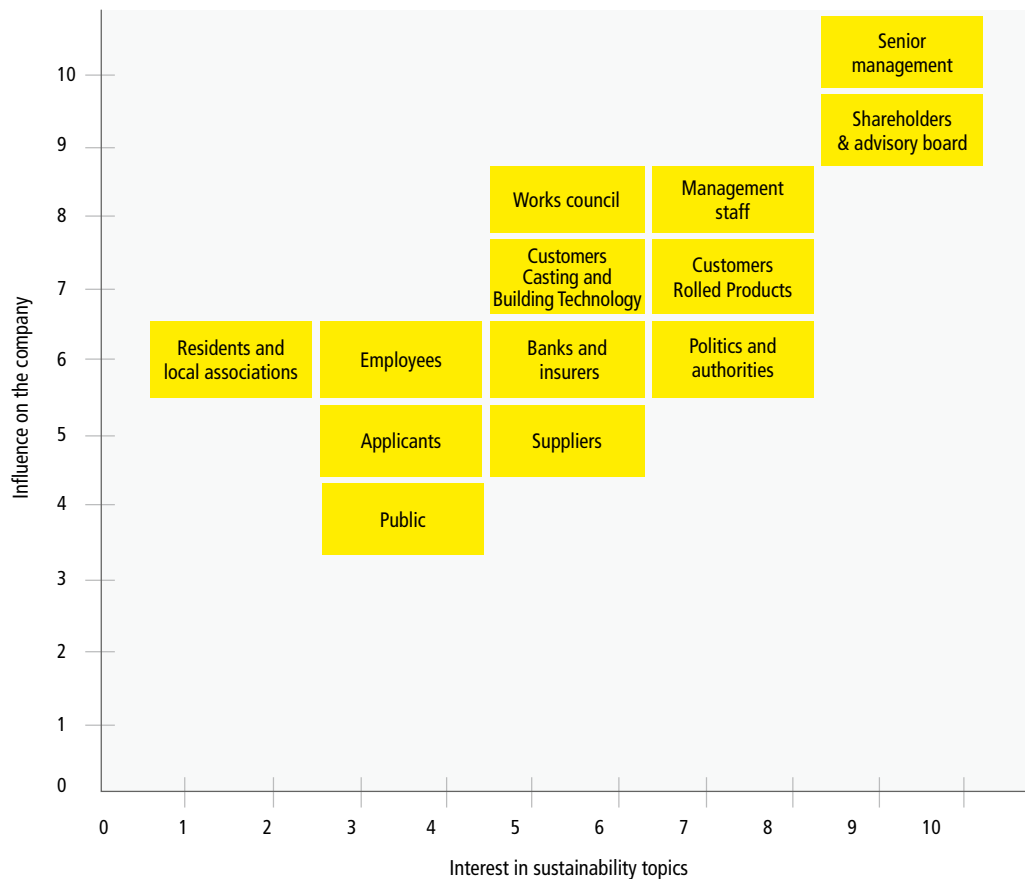
In order to identify the key stakeholder groups, a stakeholder analysis was carried out with respect to internal and external groups with an existing interest in Gebr. Kemper GmbH + Co. KG as a company. After compiling the relevant stakeholders, an assessment of the groups with reference to the criteria of proximity to the company, influence over the company and interest in the topic of sustainability was undertaken. They were then validated using a ten-point scale of 1 (very low) to 10 (very high).

Staff from the specialist departments, HR, Sales, Controlling, Occupational Safety and Environmental Management and senior management were involved in the stakeholder analysis. This meant the various perspectives relating to the stakeholders in the corporate environment could be depicted. In addition, findings from existing analyses, such as an assessment of interested parties from the environmental management field, were included in the sustainability focused stakeholder analysis.

Identification of stakeholders

Senior management and the shareholders and advisory board were identified as the most important stakeholder group with a high degree of influence and high level of interest in sustainability. They are joined by managers and the works council as employee representatives. The entirety of the workforce is also an important stakeholder group with corresponding influence on the company. Sustainability concerns are likewise of strategic importance to both employees and applicants. As a result of the alignment and tradition as a family business, every internal stakeholder group has a high level of influence on the business and an increased interest in sustainability. This is also reflected in the shared commitment in this field.





In terms of external stakeholder groups, the government and supervisory authorities were identified as the most relevant factors. Political decision-makers affect Gebr. Kemper GmbH + Co. KG's business activities through their regulatory competencies. The multitude of reforms in environmental and social legal requirements attest to the sustainability interest of political institutions. Similar interests can be seen on the part of insurance companies and banks. Individual customer segments address sometimes different sustainability topics to the company.

For example, those making enquiries from the rolled products sector already have more pressing sustainability requirements in comparison to the casting and building technology sector. At the same time, it can be seen that environmental and social concerns are brought to the company's attention to a greater extent by customers than by suppliers. As a family business, Gebr. Kemper GmbH + Co. KG regards the local public, residents and local associations to be important stakeholders in the vicinity. This is underlined by the company's local roots and its value-based self-image.

Stakeholder dialogue

Senior management is responsible for communications with the shareholders and advisory board. Communication in this respect is through a monthly report and regular quarterly meetings. As well as economic corporate success, the shareholders identified the role of the company in the region and the working conditions within the company as important areas of sustainability.

Stakeholder group	Communicator	Communication channels
Advisory board and shareholders	Senior management	Reporting and regular meetings
Employees	Managers, works council and HR	Regular meetings, smartboards and company meetings
Customers	Sales contact	Personal communication, trade fairs and contracts, sustainability report
Politics and authorities	Senior management	Work with associations and information offices, sustainability report
Banks and insurers	Senior management	Personal communication and reports, sustainability report



Managers, the HR department and the advisory board act as communicators to the workforce. In this respect, the company has introduced a wide range of communication media such as the intranet, a staff magazine and smartboards. There are also regular communication formats and company meetings. Above all, employees regard securing the future of the site and earnings security as central aspects of sustainability. In particular, the high inflation rate in 2022 caused uncertainty amongst the workforce. As well as the workforce, applicants are increasingly expressing their sustainability concerns to the company. Gebr. Kemper GmbH + Co. KG attaches great importance to taking employee concerns into account in the development of the company. For example, the sustainability issues mentioned by staff, for example those to do with workplace organisation or in regard to initiating an employer branding campaign, were taken into account.

The Sales department acts as the contact partner for the customer stakeholder group. Dialogue takes place at in-person visits, telecommunications and correspondence. Moreover, specialist trade fairs provide a platform for exchanging ideas with specific customer groups. The central sustainability topics for customers are the points concerning climate neutrality and duty of care with regard to human rights. These regulatory aspects are aimed at the company indirectly by the government and supervisory authorities via derived customer demands. Gebr. Kemper GmbH + Co. KG already puts comprehensive measures to achieve climate neutrality and compliance with social standards into practice. An overarching sustainability strategy brings these activities together and manages them.

OUTLOOK AND AREAS OF ACTION



Internally, information flows need to be developed further so that the contents of meetings in the stakeholder dialogue are shared up to management level. This means the information can be taken into account in the strategic sustainable development.



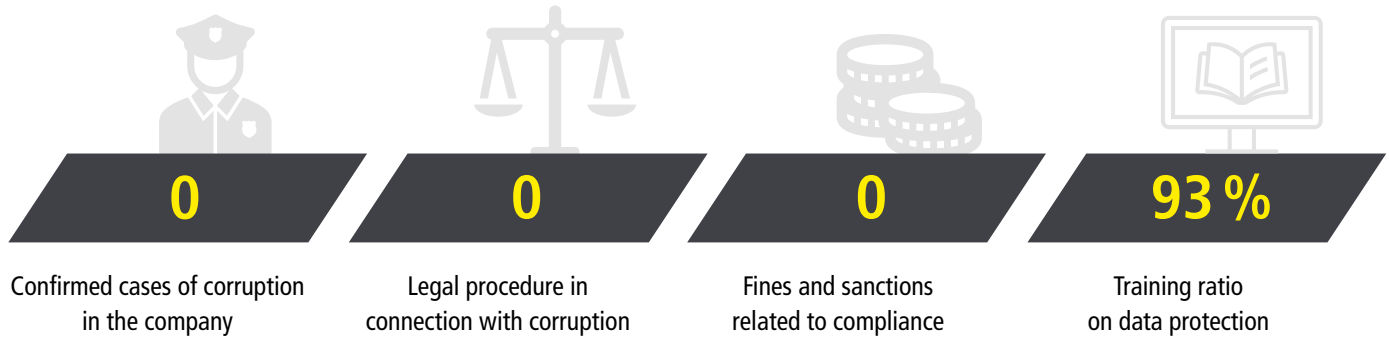
The company is planning to introduce an external whistleblower system whereby complaints can be lodged and breaches of binding obligations can be reported.



Legal and regulatory compliant conduct

Compliance with legal, directive-specific and voluntary requirements

Key figures



Responsibilities in compliance management

Gebr. Kemper GmbH + Co. KG attaches great importance to compliance with legal, directive-specific and voluntary requirements such that this topic was also identified as a strategic field of action for the future. The requirements of every interested party must be fulfilled as well as possible. In this respect, there is a strong focus on product-related compliance in the Casting and Building Technology business unit, which is dictated by the industry.

The overarching responsibility for compliance with all legal, directive-specific and voluntary requirements at Gebr. Kemper GmbH + Co. KG lies with senior management. They delegate tasks and if appropriate, give subordinate responsibilities to individual business units so that product requirements in particular are ensured by the relevant specialist areas. Beyond this, no responsible office for the subject of compliance has been appointed at the company yet. The company employs a permanent business lawyer. This means the company has a central member of staff responsible for implementing compliance within the company. Product management within the individual business units assists with product and industry-specific requirements.

Objectives and risks

Gebr. Kemper GmbH + Co. KG pursues the objective of meeting all legal, directive-specific and voluntary requirements that the company is subject to. The company wishes to ensure through organisational measures that there are no cases of corruption within the company. Fines and non-financial sanctions for non-compliance with laws or directives in the social and economic fields should be avoided. Since the subject of compliance is also being shaped increasingly by customer requirements, meeting customer-specific requirements, which are set out in agreements, constitutes an additional objective. In 2022, as in previous years, the company was able to meet the objective of full compliance.

The central compliance risks for Gebr. Kemper GmbH + Co. KG emerge from a failure to achieve the defined goals and therefore have different origins. The company has the structure of a classic medium-sized enterprise. The company's global business activities result in a fundamental compliance risk. In this respect, the company must observe the specific requirements that apply in the individual markets. In the Casting and Building Technology segment, additional application-specific regulations apply. In this respect, Gebr. Kemper GmbH + Co. KG has to comply with additional central guidelines, such as the German Drinking Water Regulation. Breaches of regulations may lead to adverse effects on drinking water hygiene and therefore negative health effects for consumers as well. A separate unit for standardisation and certification has been set up for this purpose.

Strategies and actions

Gebr. Kemper GmbH + Co. KG has already implemented a range of measures in order to be able to achieve its self-defined compliance objectives. Firstly, keeping a collection of the laws should be highlighted here. Overarching laws, which describe the framework conditions of every entrepreneurial action, are recorded centrally. Moreover, conformity in the individual business units is ensured by installing a register of laws. Alongside recording the legal and directive-specific requirements, keeping them up to date is also of high importance.

Compliance management also includes checking the legal aspect of contracts and agreements before contract conclusion. After contract conclusion, the entire process is documented in an archive for contracts and agreements for reasons of sustainability. This is the responsibility of the company's business lawyer.

The company has developed its own code of conduct. This code of conduct contains the essential rules and principles of conduct which apply to every employee. At the same time, the document aims to give staff a guide on how to handle fundamental legal and ethical requirements. Among other things, the code of conduct covers the subject areas of human rights, data protection, cartel law and fighting corruption.

Raising awareness and training

Employee training sessions on selected areas constitute the key measure to ensure legally and directive-specific compliant conduct at Gebr. Kemper GmbH + Co. KG. These aim to ensure employees are made aware of the fundamental topic and receive practical help to implement compliance in their everyday work. In 2022, the codes of conduct for the company and employees and for suppliers have been revised.

A high level of awareness is achieved by checking implementation in selected areas. This might involve pointing out existing obligations and the relevance of the topic including the need for action. In the future, this will be possible in the form of internal compliance audits, for example.

OUTLOOK AND AREAS OF ACTION



Establishment of a compliance management system.



Carrying out a production site audit according to a documented assessment procedure with regard to corruption risks.



Data protection

Technical and organisational protection of personal data

Organisation within the company

The protection of personal data is of high importance at Gebr. Kemper GmbH + Co. KG so data protection forms an elementary legal aspect in the business. Every person whose personal data is processed in a company context should be guaranteed the greatest possible protection. This relates to employees, business partners and external visitors to the website. Gebr. Kemper GmbH + Co. KG claims to fulfil the obligations of the pertinent data protection laws, in particular the General Data Protection Regulation. This fulfilment of the obligations is ensured by a data protection management system. The appointed internal data protection officer is responsible for looking after the management system and has overall responsibility for data protection.

The company undertakes to fulfil the principles of data protection such as the principle of lawfulness. Personal data is only processed if the relevant permission exists. For this reason, consent to data processing is obtained from the data subject, for example. Furthermore, the company keeps a record of processing activities in accordance with Art. 30 of the GDPR. If a data processing activity would be associated with a high risk to data subjects, then the company data protection officer carries out a data protection impact assessment before introducing the system. Gebr. Kemper GmbH + Co. KG describes all of the underlying data protection aspects transparently in the privacy policy on the company's website. The data protection officer ensures compliance with legal and internal company data protection regulations by using process-related audits.

KEMPER Privacy guidelines and KEMPER Data protection manual

The central documents for protecting personal data at Gebr. Kemper GmbH + Co. KG are the KEMPER Privacy guidelines and the KEMPER Data protection manual. These set out the organisation of data protection, the aims of data protection and all rights and duties concerning data protection within the company. The data protection manual in particular gives every employee a guide to handling personal data in their everyday work. Furthermore, the Kemper Privacy guidelines document the company's intentions to comply with data protection regulations and safeguard the data subject's informal self-determination. The data protection documents therefore also include a management commitment to implement the data protection manual. In terms of content, the documents cover all the aspects relevant to the subject matter from general definitions of terms and the rights of the data subject to practical advice on how to run training sessions, mobile working and data protection mechanisms.

Training and raising employee awareness

In order to be able to ensure the practical implementation of data protection in everyday work, awareness of the subject matter must be raised amongst the workforce and underpinned through specific training sessions. For example, a compact flyer on the subject of data protection was drawn up, which every employee is given when they are hired. This flyer gives information about data protection compliant conduct within the company and functions as the initial source of instruction for handling personal data. The document was designed together with the Foundation for Data Protection.

Employees who have a computer workstation and regularly use it to process personal data additionally receive regular training. The company uses various formats such as in-person events, webinars and virtual training sessions to carry out this employee training. Webinar participation in 2022 was 93 percent.

OUTLOOK AND AREAS OF ACTION



Preparation of an audit plan for the systematic review of data protection conformity in the specialist departments.

Human rights

Consideration of the concerns of everyone involved along the supply chain

Protection of human rights

As a traditional family business, Gebr. Kemper GmbH + Co. KG strives to guarantee high social standards. To do so, the company acknowledges the United Nations human rights and is committed to making a contribution to safeguarding and protecting them along the entire value creation chain. It should be emphasised here that human rights are universal, egalitarian, inalienable and indivisible. Article 1 of the UN Resolution reiterates that all human beings are born free and equal in dignity and rights.

Opportunities to influence and limitations

Due to its position in the supply chain, Gebr. Kemper GmbH + Co. KG only has a minor influence on human rights in global value creation. The company mainly sources its products from European suppliers. No risks, which could have a negative impact on human rights, emerge from the company's business activities or from business relations or the products. In the future, the German Supply Chain Due Diligence Act (LkSG) will be the essential regulatory framework for human rights in business. Due to its size, the company does not fall within the direct scope of the law. Nevertheless, Gebr. Kemper GmbH + Co. KG does undertake measures to make a contribution to the protection of human rights.

The company's voluntary commitment

Gebr. Kemper GmbH + Co. KG has explicitly adopted respect for human rights as a guiding principle in the Group's code of conduct. The firm also categorically rejects any form of child or forced labour. In relation to the trade of so-called conflict minerals/metals, the company cooperates with the authorities, non-governmental organisations and industry associations. This relates to trade in natural resources which are mined or traded in conflict-affected areas. Gebr. Kemper GmbH + Co. KG aims to ensure that these raw materials are not purchased or processed through diligent observation and monitoring of the supply chain.

Placing suppliers under obligation

Gebr. Kemper GmbH + Co. KG also tries to make a positive contribution to the protection of human rights in its collaboration with suppliers and business partners. For example, the company places its contracting partners on the supply side under obligation to comply with legal and ethical requirements. In this context Gebr. Kemper GmbH + Co. KG has also drawn up a supplier code. This bans suppliers from participating in actions that violate human rights. The ban also relates to all the different forms of slavery, forced and child labour. Furthermore, Gebr. Kemper GmbH + Co. KG also expresses the expectation that suppliers will additionally advocate respect for and protection of human rights at upstream stages of value creation too.

OUTLOOK AND AREAS OF ACTION



Production site audits on compliance with human rights in accordance with a documented assessment procedure.



Adoption of the ESG criteria in the assessment of suppliers and service providers.



Verification of implementation of requirements of the German Supply Chain Due Diligence Act.



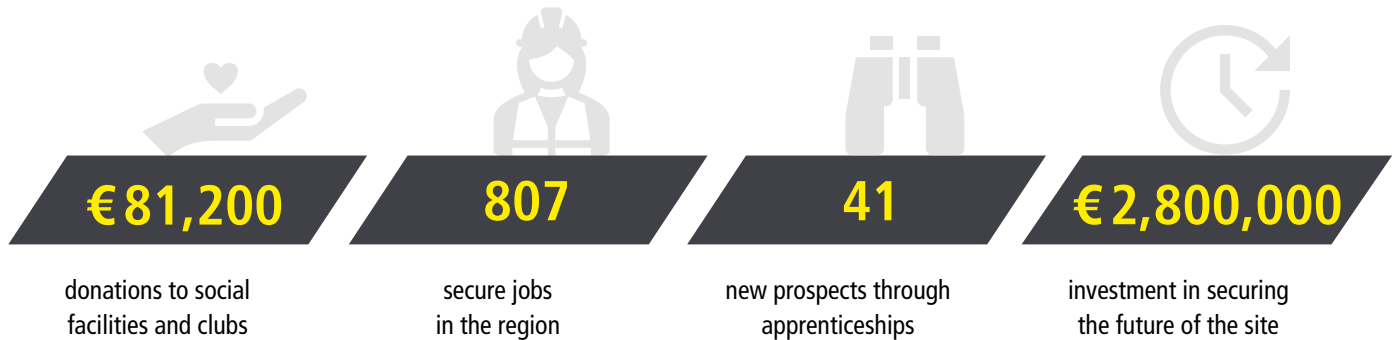
Adoption of human rights clauses in the contractual arrangements for investments made by the company.



Local community and social engagement

Supporting social initiatives in the region

Key figures



Support in the region

As a traditional family business, Gebr. Kemper GmbH + Co. KG is an important institution in South Westphalia. The company therefore also supports a large number of initiatives and clubs in the region. The business maintains a close relationship with facilities around its headquarters in Olpe in particular. For example, sports and music clubs receive financial donations in order to strengthen the community in the neighbouring districts. In 2022, social facilities and clubs were supported with donations totalling 81,200 euros. Furthermore, Gebr. Kemper GmbH + Co. KG strengthens the region with currently 807 secure jobs and 41 apprenticeships. To make the site secure and competitive for the future too, local investments in the sum of 2,800,000 euros have been undertaken.

DigiMath4Edu, Stiftung Familienunternehmen (Family Business Foundation) and the Deutsche Kinderhospizverein e.V. (German Association of Children’s Hospices) are three of the projects supported by the company. The DigiMath4Edu project aims to bring technology into the classroom at schools in the Siegen-Wittgenstein and Olpe districts. 3D printers, virtual reality and tablets are intended to help make teaching more sustainable and target-group orientated, for example. As well as donating to a project, Gebr. Kemper GmbH + Co. KG also gets actively involved with

the initiative by holding talks and workshops and supporting trade fair attendances. This collaboration will be strengthened further since the project has been designed to run for several years.

The not-for-profit Stiftung Familienunternehmen promotes academic research in the field of family businesses, throwing light on the special features of family businesses. To achieve this, the foundation supports the studies of scientists and research institutions. Furthermore, the initiative supports young people’s interest in family businesses and provides for networking at regional, national and international level.

Deutsche Kinderhospizverein e.V. provides assistance and support to children, adolescents and young adults with life-shortening diseases on their life’s journey as well as their parents and siblings. The association provides a forum where families affected can communicate with each other and network. It helps the families and strengthens their self-help. The association provides places for affected families to go for outpatient child and youth hospice services in over 30 locations across Germany. Education and meeting opportunities are provided via the Deutsche Kinderhospizakademie (German Children’s Hospice Academy).

OUTLOOK AND AREAS OF ACTION



Gebr. Kemper GmbH + Co. KG’s social engagement supports individual actions, institutions and projects. The company will be continuing its social engagement in the future and developing it more where needed.



The company is seeking to support a project in the field of “clean drinking water for everyone”.



Political engagement

Organisation of active work with associations and chambers

Organisation of association work

Gebr. Kemper GmbH + Co. KG's political engagement concentrates on active cooperation in various collective bargaining and industry associations. The company is a member of the Arbeitgeberverband für den Kreis Olpe e.V. (Employers' Association for the Olpe District), Wirtschaftsvereinigung Metalle e.V. (Metalworkers Trade Association), Kupferverband e.V. (Copper Association) and VDMA e.V. Fachverband Armaturen (German Engineering Association, Valve Trade Association). The company's senior management works with these interest groups in various capacities. This involves participating in collective bargaining committees and active board work, for example.

Association / institution	Body / function	Company representative
Arbeitgeberverband für den Kreis Olpe e.V.	Board Collective bargaining committee	Dr. Michael Rehse Christian Küster
Wirtschaftsvereinigung Metalle. e.V.	Board	Martin Thiel
Kupferverband e.V.	Deputy Chairman	Dr. Michael Rehse
VDMA e.V. Fachverband Armaturen	Board	Dr. Michael Rehse

Gebr. Kemper GmbH + Co. KG also uses trade association work to allow the company's position and that of the whole industry to have some influence on legislation. This is achieved among other things by participation in various bodies. The trade associations make the position of their member companies on draft legislation and current political discussions known to the relevant political officials.

In addition, Gebr. Kemper GmbH + Co. KG is involved with Siegen Chamber of Commerce and Industry. The company is represented at the general meeting there. Working with Siegen Chamber of Commerce and Industry helps the self-organisation of South Westphalian business.

At the moment, regulations to secure the energy supply via effective short and medium-term measures, the CSRD directive and other initiatives to achieve climate neutrality are the major legislative processes of interest to the company. This legislation all has drastic effects on business activities and will have a massive bearing on the company's future performance in terms of costs and staff development. Lobbying carried out by trade associations makes an important contribution in this respect so the corporate perspective is integrated into local legislative conditions in the political process.

No permanent process or list of criteria has been implemented at the company for selecting or prioritising the political or trade association-specific engagement. Rather, current political issues are continually assessed with respect to relevance and the extent of their impact on the company. Opinions are formed in this respect in coordination between senior management, the advisory board and shareholders. Communications with other interested parties and colleagues on the association boards also contribute to the formation of opinions.

Influence on political parties

Gebr. Kemper GmbH + Co. KG does not exert any direct influence on parties or individual political decision makers. The company does not donate to any political parties either. Therefore, no political initiatives receive support either in the form of financial or non-cash contributions. The company is neutral and independent of party politics. Rather, Gebr. Kemper GmbH + Co. KG's senior management strives to have a dialogue with all the democratic parties in the region. Factory tours or round tables are offered in this respect, for example. The company is firmly rooted in the region. Therefore, constant communication with the local community and political representatives forms part of the company's self-image.

ENVIRONMENTAL CONCERNS







Resource management

Managing the input factors used

Resource efficiency as an objective

Gebr. Kemper GmbH + Co. KG is particularly committed to protecting the climate and the environment and to using resources sustainably. These goals are given the highest priority right from the development stage of innovative products and systems. The company has also supported the Blue Responsibility initiative for the sustainable use of water and metals from the very start.

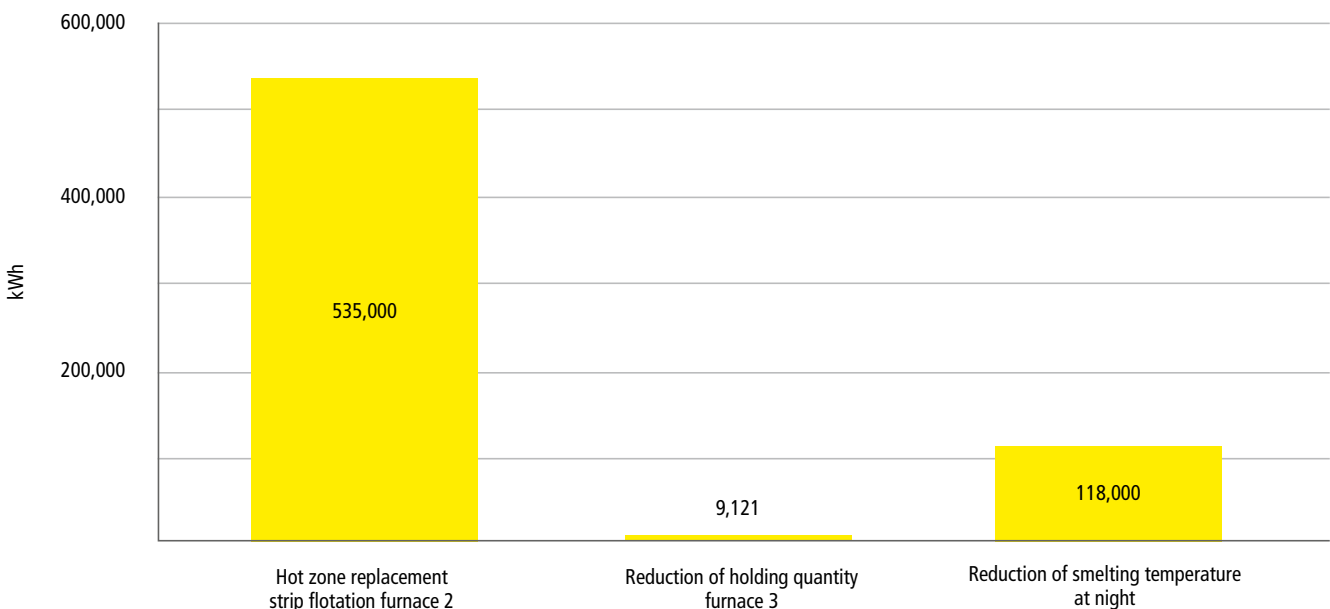
Gebr. Kemper GmbH + Co. KG uses fully recyclable materials and has its own internal environment and energy management system. As already discussed in the section on sustainability organisation, the management systems are regularly certified by the recognised and independent International Organisation for Standardisation (ISO). Targeted measures at every level of the business ensure work is constantly being undertaken on reducing the burden on the ecological environment. This also includes the introduction of new manufacturing methods and organisational processes. Potential impacts are already examined and assessed at the test stage of new manufacturing technology, taking account of environmental and social aspects. This ensures that the management and use of resources can already be organised efficiently at the early stages of development using the available technology.

Working closely with the relevant authorities, preventive safety procedures are implemented. As a result, foreseeable emissions, even those caused accidentally, can be reduced to a necessary minimum. Employees' environmental knowledge and awareness is continuously being increased through further education and training. Gebr. Kemper GmbH + Co. KG appeals to contractual partners to implement equivalent or comparatively high environmental standards.

As will become clear in the ensuing sections, the company has calculated its carbon footprint for 2022 on the basis of DIN EN ISO 14064-1:2019. The results give the company's current emissions. A distinction was made between direct emissions and indirect emissions in order to determine the impact of future reduction possibilities.

Reduction in energy consumption

The company is continually evaluating the possibilities of reducing energy consumption. This is documented and followed up accordingly in the energy management system in accordance with DIN EN ISO 50001. The aim is to continually identify and implement new potentials for reducing energy consumption as the project progresses. The following initiatives should be highlighted as examples of actions taken to reduce energy consumption:





Utilisation of natural resources

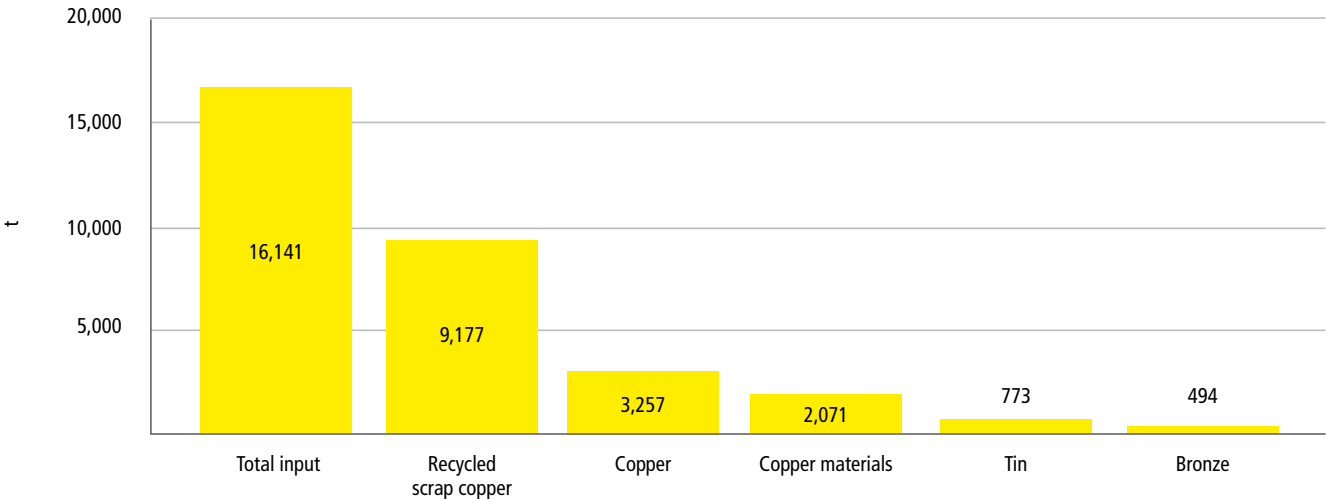
Efficient use of resources to produce and pack the products

Use of resources in the production process

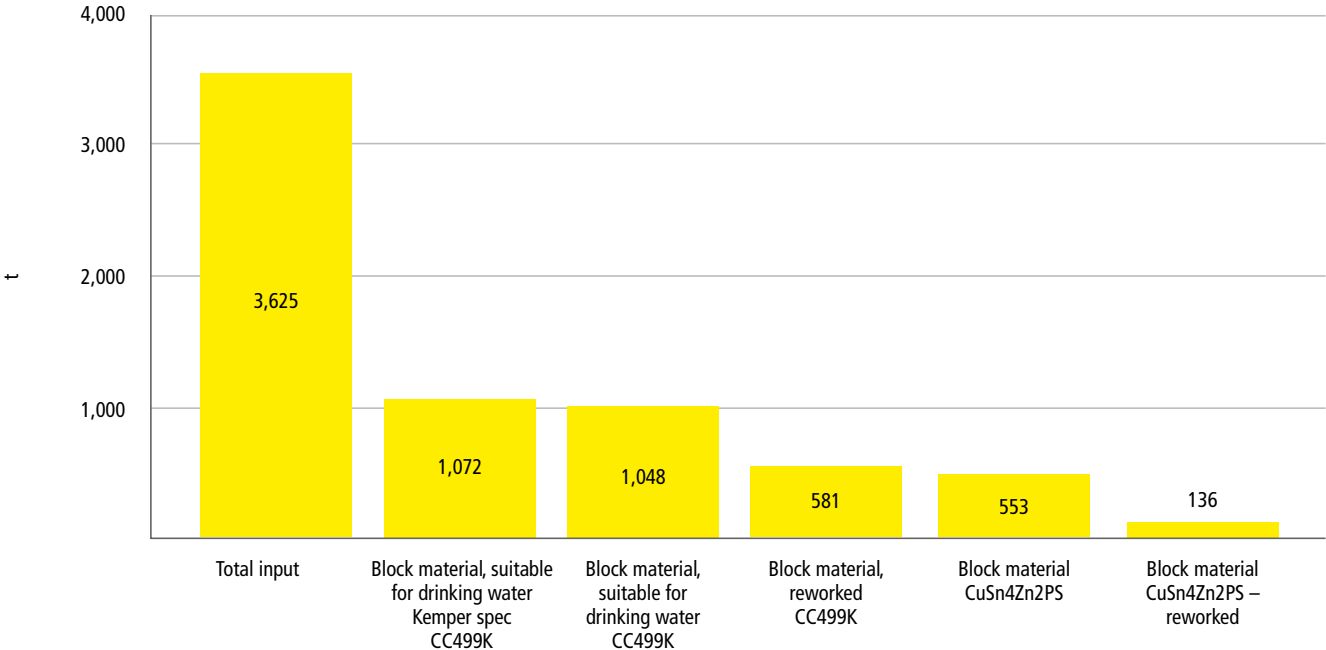
Gebr. Kemper GmbH + Co. KG generally makes a distinction between the three business units, Rolled Products, Casting Technology and Building Technology. The detailed value creation logic of the three business units was described in the section on the depth of the value chain. Overall, the company processes 19,766 tonnes of raw materials every year. The Rolled Products and Cast-

ing Technology business units are characterised by an intensive use of raw materials. As a consequence, large quantities of auxiliary and operating materials are also used for each strand of production. The five biggest groups of metals used in each of the Rolled Products and Casting Technology business units are shown below.

Rolled Products (2022)



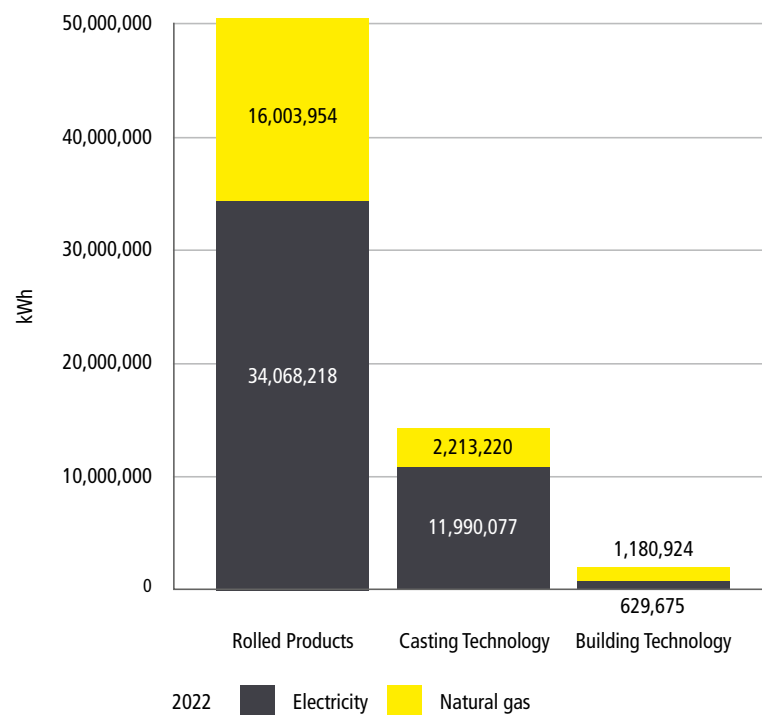
Casting Technology (2022)





Energy use at the company

The value creation processes in the Rolled Products business unit and in Casting Technology division are characterised by high energy intensity. This is due in part to the production stages of rolling, casting and annealing. These each need large amounts of energy to manufacture the products during the individual work steps.



Energy requirements at the company are broken down mainly into the energy sources of natural gas and electricity. In 2022, the energy requirements in the Rolled Products business unit were 34,068,218 kilowatt hours of electricity and 16,003,954 kilowatt hours of natural gas. The overall consumption for the year for the Rolled Products business unit was therefore 50,072,172 kilowatt hours.

In the Casting Technology division, the requirements in 2022 came to 11,990,077 kilowatt hours of electricity and 2,213,220 kilowatt hours of natural gas. The total consumption for the year was therefore 14,203,297 kilowatt hours.

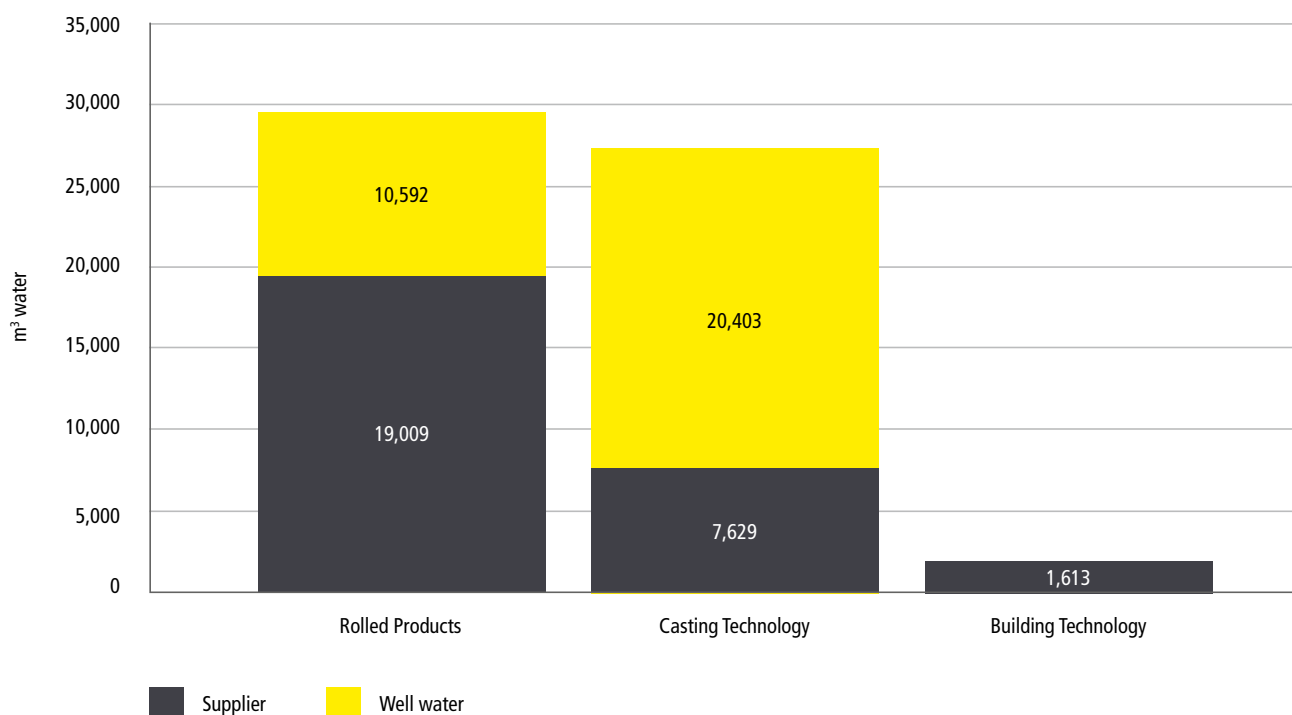
The consumption figures reported for the Building Technology business unit for 2022 were 629,675 kilowatt hours of electricity and 1,180,924 kilowatt hours of natural gas. The total consumption for the year was therefore 1,810,955 kilowatt hours.

Water abstraction

Gebr. Kemper GmbH + Co. KG obtains water from the local supplier, Bigge Energie, every year. Furthermore, well water is abstracted from a local stream. This means that costly and emission-intensive transportation can be avoided.

The water is used for the social rooms and for production processes. In production, the water is used, for example, for the indirect cooling of systems. The amount of water taken is again worked out specifically for each of the two divisions, Rolled Products and Casting and Building Technology. The company is likewise continually checking possibilities for reducing water requirements. Wherever possible, abstracted water is returned.

In 2022, 19,009 m³ water was purchased from the local supplier, Bigge Energie, for the Rolled Products division and 7,629 m³ water for the Casting Technology unit and 1,613 m³ water for the Building Technology business unit. 10,592 m³ well water was abstracted for the Rolled Products division and 20,403 m³ water for Casting Technology.



Waste and disposal

Gebr. Kemper GmbH + Co. KG has a certified environment management system. Consequently, extensive information is known about waste and its hazard classes. The company receives a waste balance showing quantities and types of waste from the local disposal company every year. The waste is subdivided according to division. The disposal company specifies the waste according to the waste classes below. The disposal service provider currently does not provide any information regarding the precise methods of disposal or emission data. The following summary shows the waste quantities for each business division.

Waste class	Rolled Products [t]	Casting Technology [t]	Building Technology [t]	Total [t]
Hazardous and recyclable	324	353	1	678
Hazardous and full disposal	958	1	0	959
Hazardous	0	0	0	0
Recyclable	812	1,225	56	2,093
Full disposal	90	2,689	0	2,779
Total waste 2022	2,184	4,268	57	6,509

In the Rolled Products business unit, total waste adds up to 2,184 tonnes. In the Casting Technology business unit, the total waste is 4,268 tonnes. For Building Technology, total waste of 57 tonnes is reported. Therefore, a total of 6,509 tonnes of waste is reported for the whole of Gebr. Kemper GmbH + Co. KG.



Climate-relevant emissions

Inventory and initiatives to reduce greenhouse gases

Framework parameters

In order to compile a greenhouse gas balance, the framework parameters must first be defined. The preparation of the greenhouse gas balance is based on DIN EN ISO 14064-1:2019, which defines the requirements for the quantification and reporting of greenhouse gas emissions. Furthermore, the standard defines principles for the removal of greenhouse gases at organisational level. The ISO 14064 series is GHG programme neutral. If a GHG programme is applicable, requirements of that GHG programme are additional to the requirements of the ISO 14064 series.

Gebr. Kemper GmbH + Co. KG has decided that the greenhouse gas balance should be applied to the single production site. This is located at Harkortstrasse 5 in 57462 Olpe, Germany. For further differentiation, the greenhouse gas balance is prepared separately for the three business units. This means that conclusions may be drawn with regard to the environmental impact at business unit level.

The defined greenhouse gas sources and greenhouse gas sinks are relevant to the greenhouse gas balances. Excluded greenhouse gas sources and greenhouse gas sinks are likewise visible in the greenhouse gas balances by referring to the materiality criteria.

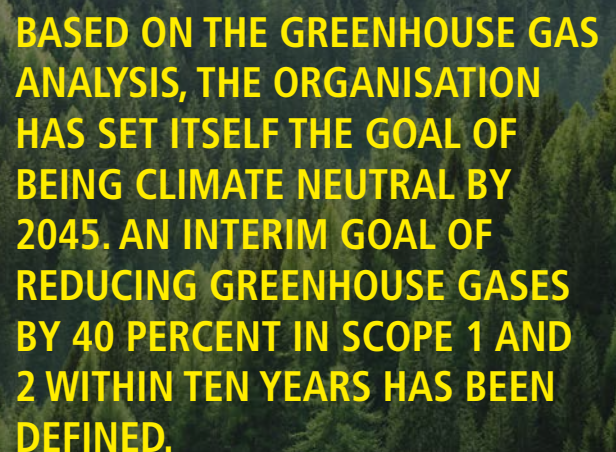
The organisation must set a base year for the comparison of greenhouse gas emissions, the removal of greenhouse gases and meeting the requirements of the greenhouse gas programme. When setting the base year, the use and message of the balance, external requirements of stakeholders and customers, internal requirements with regard to the corporate strategy as well as fundamental technical and organisational paradigms were taken into account.

The organisation has defined 2022 as its new base year because it will now be looked at as three business units. On the basis of the applied methods, which meet the provisions of DIN EN ISO 14064-1, the following years are to be compared to the base year. In this way, improvements can be calculated with reference to key figures and quantified. At the same time, the calculation methods and assumptions are taken over from the base year so there is a comparison.

Climate goals and strategy

By calculating greenhouse gas emissions, analysing them and preparing the greenhouse gas report, Gebr. Kemper GmbH + Co. KG has set itself the goal of acquiring knowledge of its contribution to global emissions. At goal and strategy level, the aim is to define and implement reduction potentials based on the analysis. This is how the organisation would like to make its contribution to reducing global greenhouse gas emissions.

As well as the internal parties, the organisation carried out a context analysis to allow the interests of external parties and topics to be included in the definition of the climate goals. Examples of external interested parties to mention in this respect include customers, competitors, banks, residents and applicants. The detailed results of the context analysis are described in the section on stakeholder participation.



BASED ON THE GREENHOUSE GAS ANALYSIS, THE ORGANISATION HAS SET ITSELF THE GOAL OF BEING CLIMATE NEUTRAL BY 2045. AN INTERIM GOAL OF REDUCING GREENHOUSE GASES BY 40 PERCENT IN SCOPE 1 AND 2 WITHIN TEN YEARS HAS BEEN DEFINED.

The company strives for a holistic strategy in order to reveal savings potentials and consequently to implement them as well. Actions at investment, process and organisational level are to be developed for this purpose. In the wording of its climate goal, Gebr. Kemper GmbH + Co. KG is in conformity with the Federal Government's objective of greenhouse gas neutrality by 2045. The climate protection intentions were legally enshrined by the amendment to the Climate Protection Act.

Organisational boundaries

The organisation must define its organisational boundaries. These boundaries may cover one or more facilities. The greenhouse gas emissions and removal of greenhouse gases at facility level will differ according to the following approaches (data compilation process):

Financial control approach

The organisation accounts for all greenhouse gas emissions and removed quantities of greenhouse gases from facilities over which they have financial control. The greenhouse gas emissions or removed quantities from business processes in which it is involved but has no financial control over, are not taken into account.

Operational control approach

The organisation accounts for all greenhouse gas emissions and removed quantities of greenhouse gases from facilities over which they have operational control. The greenhouse gas emissions or removed quantities from business processes in which it is involved but has no operational control over, are not taken into account.

Equity share approach

The organisation accounts for its share of greenhouse gas emissions and the removal of greenhouse gases from the facilities concerned. The equity share approach can be of use especially at multinational companies with business processes in a range of different legal systems who want to determine their greenhouse gas balance.

The organisation chooses the financial control approach because the only greenhouse gas emissions of interest are those it can influence financially.

Upstream emissions from the provision of materials are not included due to the financial control approach. However, the key figures relate to the whole output.

In choosing the financial control approach, the greenhouse gas balance for Gebr. Kemper GmbH + Co. KG is prepared for the sites and divisions mentioned at the beginning. The definitions of the greenhouse gas sources and sinks can be seen in the analysis of the greenhouse gas balance.

Report boundaries

As well as the organisational boundaries, the greenhouse gas report boundaries must also be defined and documented. In so doing, direct,

indirect and removed greenhouse gas emissions are defined and documented in the greenhouse gas balance.

The direct greenhouse gas emissions are identified in Scope 1 of the greenhouse gas balance. Energy sources purchased for burning at the company come under direct greenhouse gas emissions. These are fossil fuels such as gas, oil, diesel and petrol for heating and for business travel in the company's own vehicles.

The indirect greenhouse gas emissions are identified in Scope 2 and 3 of the greenhouse gas balance. The purchase of energy sources such as electricity and district heating (Scope 2) and the purchase of services and products by third parties such as raw, auxiliary and operating materials, business travel and services used (Scope 3) come under indirect greenhouse gas emissions. Scope 3 is divided into upstream and downstream emissions.

Data sources and emission factors

The emission factors are entered from DBEIS, ecocockpit and on the basis of information from manufacturers and suppliers. The data from ecocockpit is based on the GEMIS 4.94, GEMIS 4.95, GEMIS 5.0, ProBas, UBA, ENWG, EEW 2022 and EEW 2023 databases. The origins of the emission sources in the organisation and allocation to the emission factors are shown in detail in the greenhouse gas balance. The defined categories of emission sources are based on the standard and on the Greenhouse Gas Protocol. This ensures that an extensive selection of emission sources has been taken into account.

The organisation has used a standardised procedure for calculating the greenhouse gas emissions in CO₂ equivalents. This means

the required comparability can be ensured. The consumption data for CO₂ equivalents is derived from bills, meters and documentation. The exact origin and proof are included in the greenhouse gas balance and copies are kept. The underlying emission factors are calculated from the databases referred to and both the factor and the origin are shown in the greenhouse gas balance. Assumptions made in the calculation of CO₂ equivalents are also noted in the greenhouse gas balance. Furthermore, uncertainty additions are made for each emission source.

Gebr. Kemper GmbH + Co. KG takes the following emission sources into account in its greenhouse gas balance for each of the two divisions:

Direct emissions (Scope 1)	Emission source	Greenhouse gases
Direct emissions from stationary combustion	Natural gas, heating oil, diesel	CO ₂ CO ₂ eq
Direct emissions from mobile combustion	Business travel (electricity, diesel) Vans (diesel)	CO ₂ CO ₂ eq
Direct emissions of volatile gases	Anti-freeze, corrosion protection	CO ₂ CO ₂ eq
Process emissions	Argon, nitrogen and carbon dioxide	CO ₂ CO ₂ eq

Indirect emissions (Scope 2)	Emission source	Greenhouse gases
Indirect emissions from imported electricity	Electricity	
Indirect emissions from district heating / steam	Not relevant, no emission source available	

Direct emissions from stationary and mobile combustion are taken into account in Scope 1. This includes natural gas, electricity and diesel from business travel and diesel for vans as the emission sources. Direct emissions of volatile gases and process emissions are also covered by Scope 1. The type of greenhouse gas is only given for Scope 1.

Imported electricity is identified as a source of emissions from electricity in the Scope 2 indirect emissions. District heating and steam are not relevant for Gebr. Kemper GmbH + Co. KG's greenhouse gas balance since no emission sources are available.

Indirect GHG emissions (Scope 3)	(Excluded) emission source	Greenhouse gases
Purchased goods and services	Purchase of wood, paper, cardboard, plastics, metals, water, PC and auxiliary and operating materials	
Capital goods	Materiality assessment exclusion	
Fuels and energy-related emissions	Upstream natural gas Upstream electricity	
Transportation and distribution (upstream)	Materiality assessment exclusion	
Waste	Wastewater, wood, paper / cardboard, plastics, metals, industrial waste	
Business travel (external)	National and international flights	
Employee commuting	Car diesel fuel	
Upstream hired or leased assets	Materiality assessment exclusion	
Transportation and distribution (downstream)	Materiality assessment exclusion	
Processing of sold products	Materiality assessment exclusion	
Use of sold products	Materiality assessment exclusion	
End-of-life treatment of sold products	Materiality assessment exclusion	
Downstream hired or leased assets	Materiality assessment exclusion	
Franchises	Materiality assessment exclusion	
Investments	Materiality assessment exclusion	



In Scope 3, the greenhouse gas balance takes into account the indirect greenhouse gas emissions of purchased goods and services, fuels and energy-related emissions, waste, external business travel and employee commuting. Using a materiality assessment, the emissions resulting from capital goods, upstream and downstream transportation, upstream hired and leased assets and the processing or use of sold products are excluded. There is also an exclusion of emission sources from downstream hired and leased assets, franchises and investments. In the following section of the report, the materiality assessment including the exclusion criteria is documented.

Materiality assessment

Gebr. Kemper GmbH + Co. KG has defined materiality criteria in order to evaluate indirect emissions. These are used to exclude substantial quantities of indirect emissions or to avoid conformity obligations. The following materiality criteria were used:

- // Scale and volume of emissions
- // Degree of influence on source and sink
- // Access to information and accuracy of allocated data
- // Regulation, standards, sector-specific guidance and industry standards
- // Corporate strategy and employee motivation
- // Approaches to reduce and influence greenhouse gas emissions
- // Reputation
- // Risks or opportunities
- // The organisation's business opportunities
- // Relevance and interests of internal and external stakeholders
- // New technology

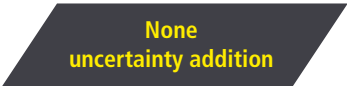


When analysing the indirect emissions in Scope 3, the following emission sources were excluded:

Indirect GHG emissions (Scope 3)	(Excluded) emission source	Greenhouse gases
Purchased goods and services	Secondary auxiliary and operating materials	Access to information and accuracy of data
Capital goods	Machines / systems / buildings / premises / grounds	Degree of influence on source / sink
Fuels and energy-related emissions	No exclusion	-
Transportation and distribution (upstream)	Suppliers' means of transportation	Degree of influence on source / sink
Waste	Partial exclusion of emission sources	Access to information and accuracy of data
Business travel (external)	No exclusion	-
Employee commuting	No exclusion	-
Upstream hired or leased assets	no emission source available	Scale / volume of emissions
Transportation and distribution (downstream)	Customers' means of transportation	Degree of influence on source / sink
Processing of sold products	no emission source available	Scale / volume of emissions
Use of sold products	no emission source available	Scale / volume of emissions

Indirect GHG emissions	(Excluded) emission source	Materiality criteria
End-of-life treatment of sold products	no emission source available	Scale / volume of emissions
Downstream hired or leased assets	no emission source available	Scale / volume of emissions
Franchises	no emission source available	Scale / volume of emissions
Investments	no emission source available	Scale / volume of emissions

Uncertainty assessment

An uncertainty addition is defined and substantiated in the greenhouse gas balance for each emission source by the responsible person. The following summary contains approaches to assessing data accuracy.

Uncertainty addition	Reasons
 <p>None uncertainty addition</p>	<p>Data sources for the consumption of the emission source and the associated emission factor are conclusive. For example, the information is set out in an invoice.</p>
 <p>5 %</p>	<p>Data sources for the emission source's consumption and associated emission factor are almost conclusive. For example, the information is calculated on the basis of invoices.</p>
 <p>10 %</p>	<p>Data sources for the emission source's consumption and the associated emission factor are incomplete. For example, the calculation was made on the basis of assumptions.</p>

As well as the uncertainty addition for each emission source, a flat rate uncertainty addition is added to the overall emissions. In this way, excluded emission sources can still be included. Gebr. Kemper GmbH + Co. KG has set the uncertainty addition at a figure of 5 percent, based on the exclusion of the sub-categories referred to and the emission sources in Scope 3.

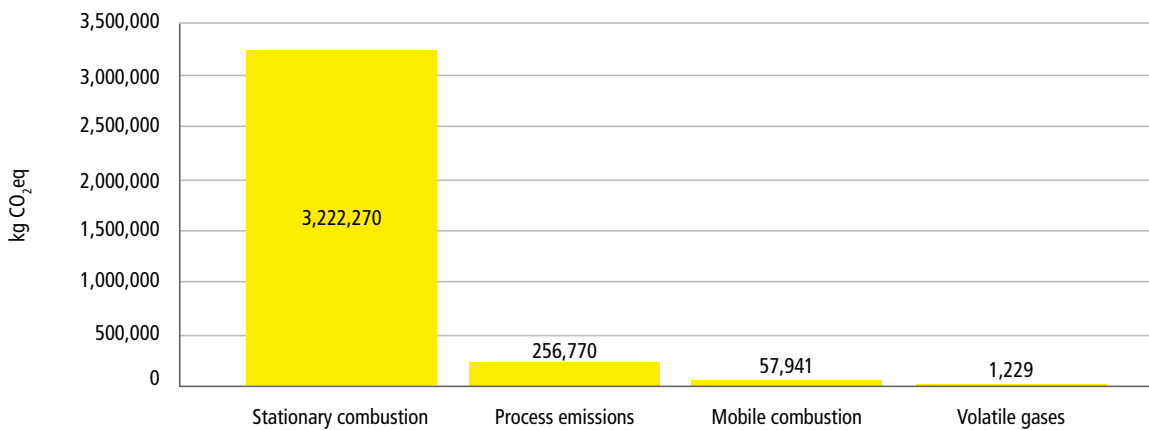
Greenhouse gas emissions in the Rolled Products business unit

Gebr. Kemper GmbH + Co. KG's greenhouse gas emissions in the Rolled Products business unit are shown below. The emissions are shown according to the four scope boundaries. In Scope 1, the company has four emission drivers. The direct emissions from stationary combustion come about primarily from the purchase of natural gas. At 91 percent, this source of emissions constitutes the biggest share of Scope 1 emissions. Direct emissions from processes were identified as the second source of emissions. At seven percent, direct emissions from processes only make up a small share of Scope 1 emissions. Other sources of emissions are mobile combustion and volatile gases. This includes emissions from fleet vehicles.

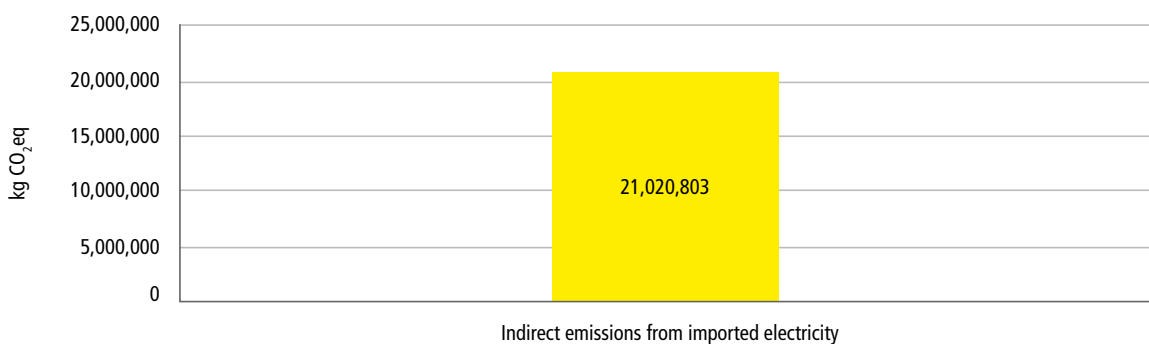
These run on diesel fuel. Overall, the total Scope 1 emissions in the Rolled Product business unit in 2022 were 3,538,209 kilograms of CO₂ equivalents.

One source of Scope 2 emissions at Gebr. Kemper GmbH + Co. KG is identified. Indirect emissions from imported electricity come from the purchase of electricity. Electricity requirements in 2022 were a good 34 million kilowatt hours. In the Rolled Products business unit, electricity is required for the energy-intensive smelting, casting and rolling processes. Overall, the Scope 2 emissions in this business unit in 2022 were 21,020,803 kilograms of CO₂ equivalents.

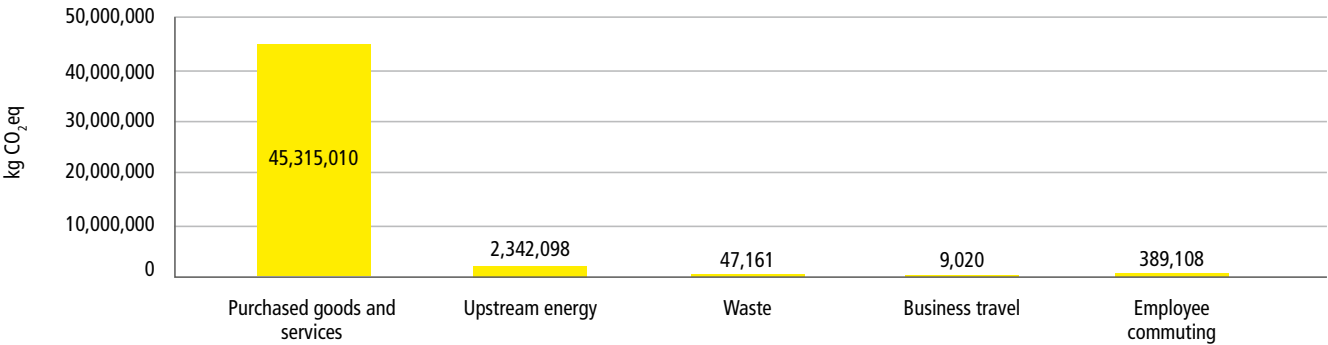
Scope 1



Scope 2

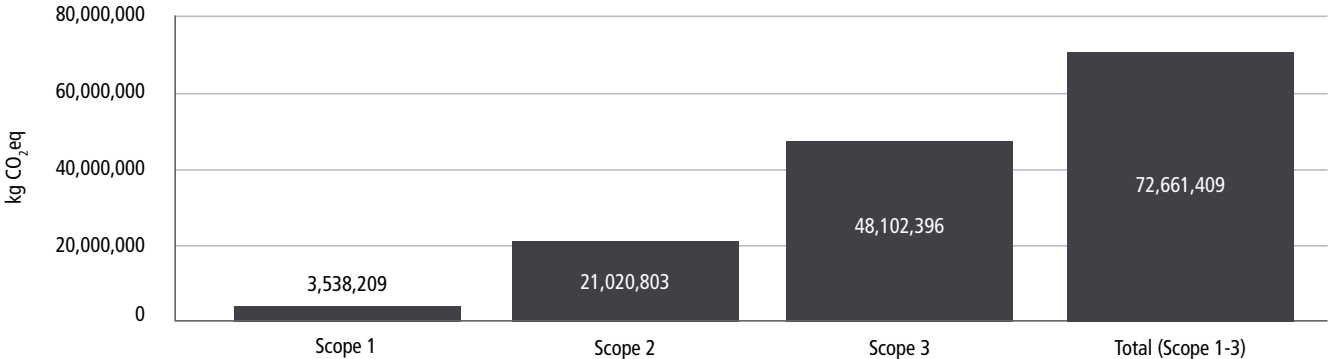


Scope 3



Gebr. Kemper GmbH + Co. KG has five Scope 3 emission drivers, which were quantified. Of these, the biggest emission drivers are purchased goods and services at 45,315 tonnes of CO₂ equivalents, which also make up about 62 percent of the total emissions in this business unit. Other indirect emissions come from the upstream energy chain, waste that is generated, business travel with external means of transport and employee commuting.

Total Rolled Products



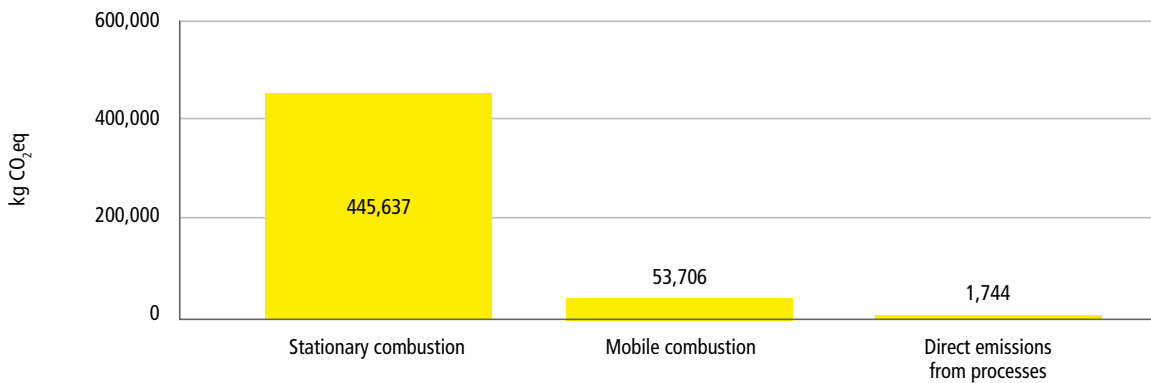
Greenhouse gas emissions in the Casting Technology business unit

Gebr. Kemper GmbH + Co. KG's greenhouse gas emissions in the Casting Technology business unit are shown below. Gebr. Kemper GmbH + Co. KG has three Scope 1 emission drivers. The direct emissions from stationary combustion come about primarily from the purchase of natural gas. At 89 percent, this source of emissions constitutes the biggest share of Scope 1 emissions. The second source of emissions is direct emissions from mobile combustion. Here too, this includes emissions from fleet vehicles and transportation. These emissions make up 11 percent of the Scope 1 emissions. The third source of emissions is the direct emissions from processes at 1,744 kilograms of CO₂ equivalents.

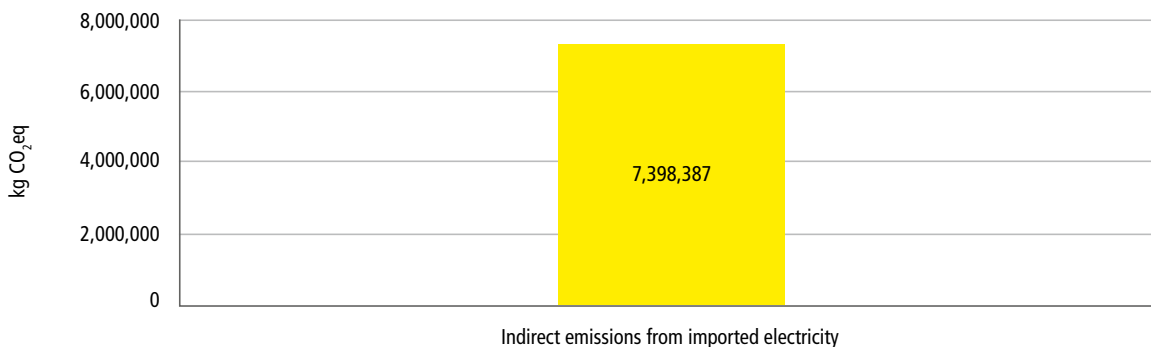
Overall, the Scope 1 emissions in this business unit in 2022 were 501,087 kilograms of CO₂ equivalents.

The Casting Technology business unit has one Scope 2 emission driver. Indirect emissions from imported electricity come from the purchase of electricity. Annual electricity requirements are close to 12 million kilowatt hours. In the Casting business, electricity is required for the energy-intensive casting and finishing processes. Overall, the Scope 2 emissions in this business unit in 2022 were 7,398,387 kilograms of CO₂ equivalents.

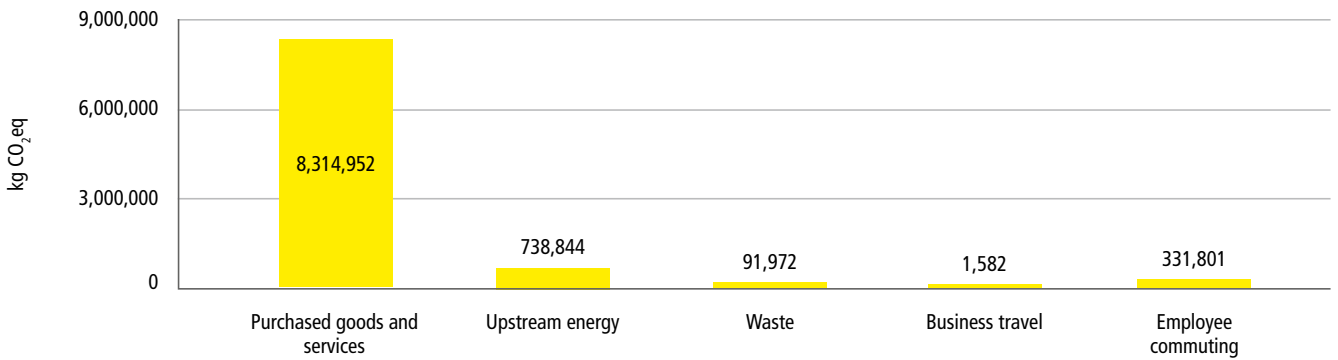
Scope 1



Scope 2

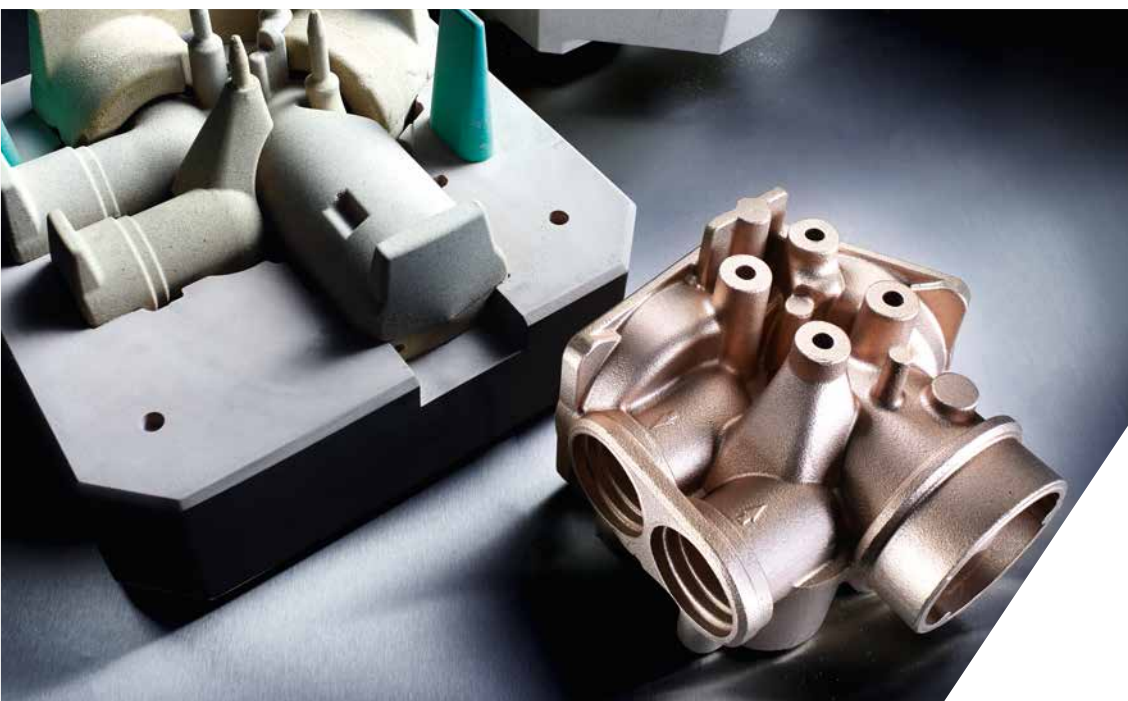
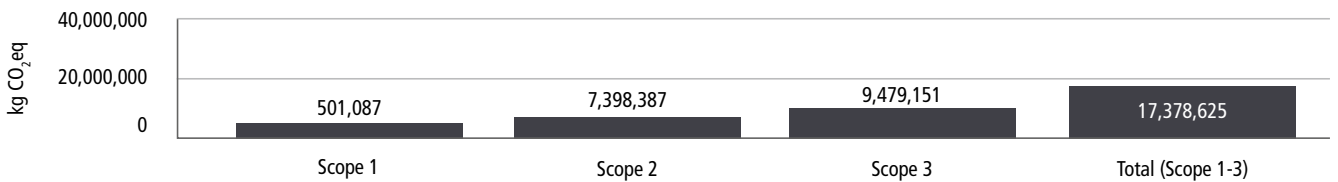


Scope 3



Gebr. Kemper GmbH + Co. KG has five Scope 3 emission drivers, which were quantified. Of these, the biggest emission drivers are purchased goods and services at 8,315 tonnes of CO₂ equivalents, which also make up about 48 percent of the total emissions in this business unit. Other indirect emissions come from the upstream energy chain, waste that is generated, business travel with external means of transport and employee commuting.

Total Casting Technology



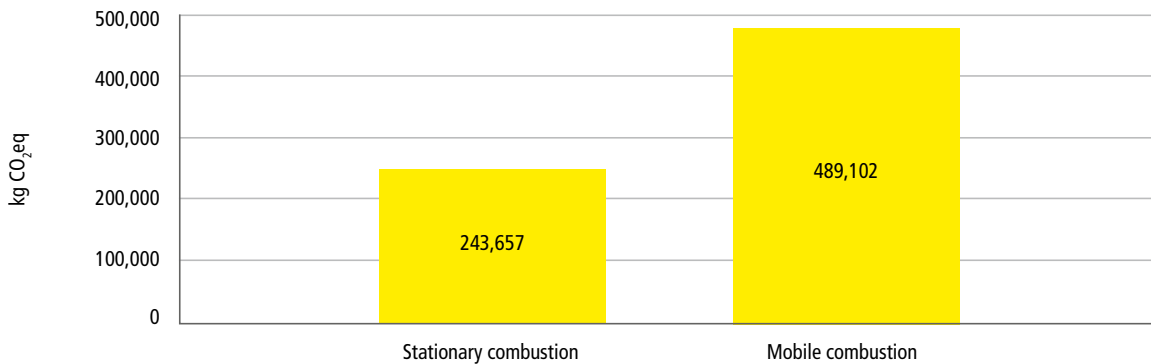
Greenhouse gas emissions in the Building Technology business unit

Gebr. Kemper GmbH + Co. KG's greenhouse gas emissions in the Building Technology business unit are shown below. The emissions are broken down into Scopes 1, 2 and 3. Two sources of Scope 1 emissions are identified. The direct emissions from mobile combustion come about primarily from emissions from fleet vehicles. These run on diesel fuel. Direct emissions from mobile combustion make up two thirds of the Scope 1 emissions. There are also direct emissions from stationary combustion.

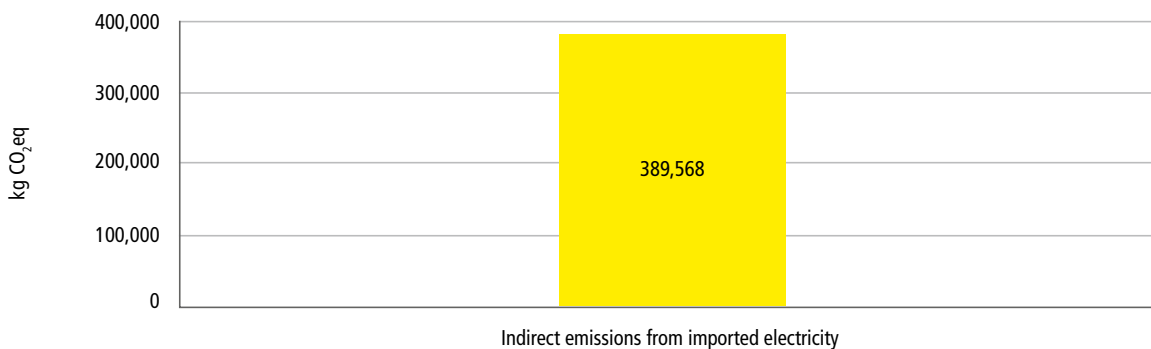
These come about from the purchase of natural gas and heating oil. Direct emissions from stationary combustion make up one third of the Scope 1 emissions. Overall, Scope 1 emissions in this business unit in 2022 were 732,759 kilograms of CO₂ equivalents.

One source of Scope 2 emissions at Gebr. Kemper GmbH + Co. KG is identified. Indirect emissions from imported electricity come from the purchase of electricity. Electricity requirements in 2022 in the Building Technology business unit were nearly 630,000 kilowatt hours. Consequently, total Scope 2 emissions of 389,568 kilograms of CO₂ equivalents in 2022 are identified.

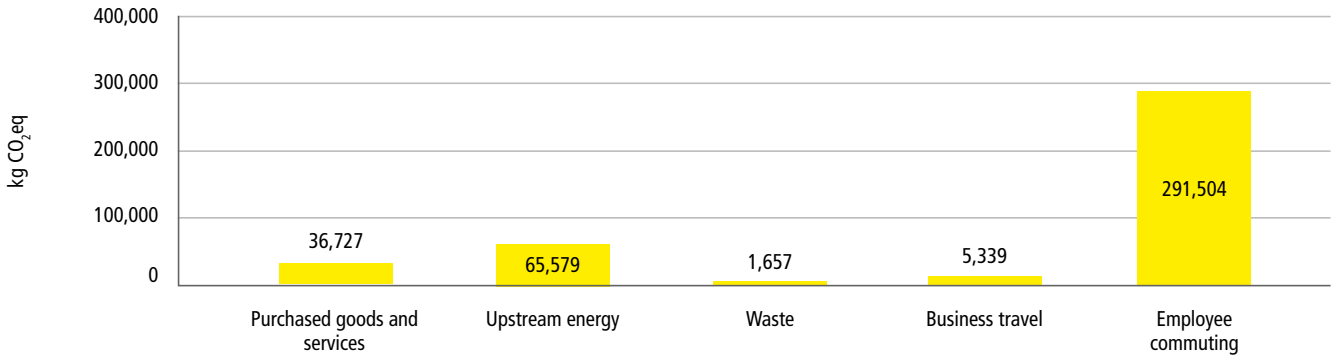
Scope 1



Scope 2

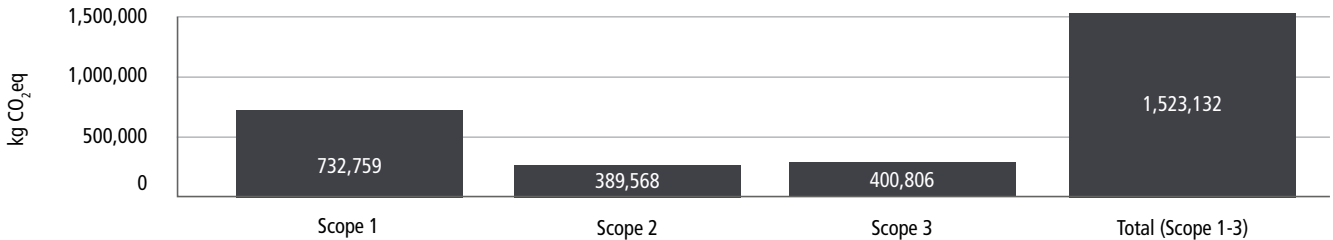


Scope 3



The Building Technology business unit has five Scope 3 emission drivers, which were quantified. Of these, the biggest emission driver is employee commuting at 291 tonnes of CO₂ equivalents, which also make up about 19 percent of the total emissions in this business unit. Other indirect emissions come from purchased products and services, the upstream energy chain, waste that is generated and business travel with external means of transport.

Total Building Technology



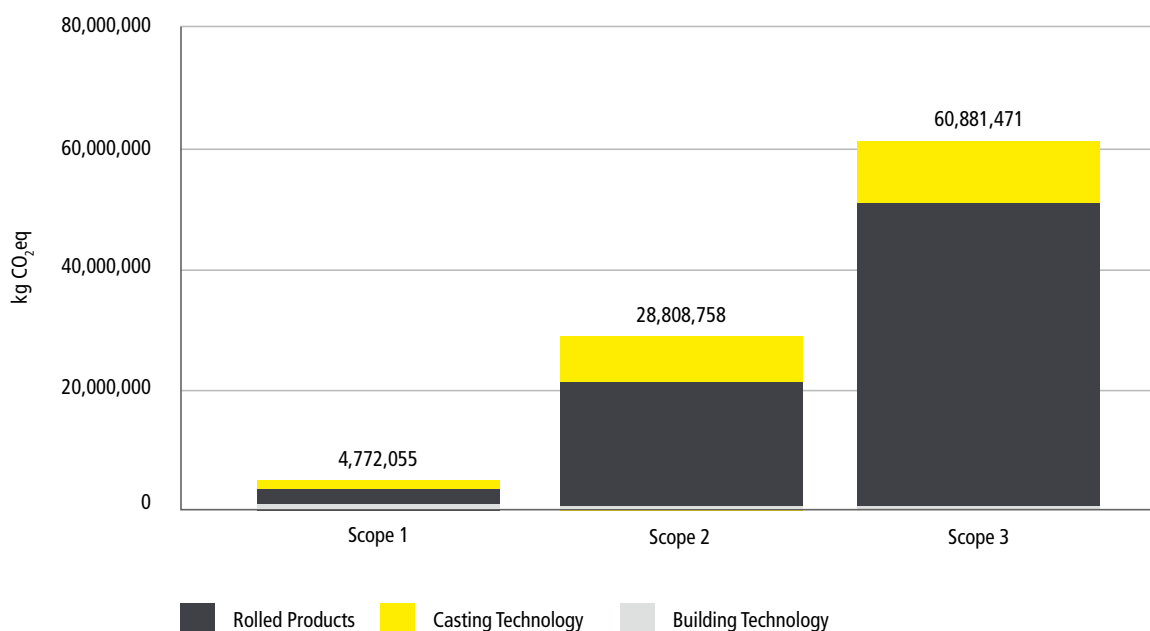
Greenhouse gas emissions across the whole company

The greenhouse gas balance for the whole of Gebr. Kemper GmbH + Co. KG is generated from the total of the individual balances for the three business units. The central company roles were already allocated pro rata to the business units.

Business unit	Scope 1 [kg CO ₂ eq / year]	Scope 2 [kg CO ₂ eq / year]	Scope 3 [kg CO ₂ eq / year] incl. uncertainty addition	Totals [kg CO ₂ eq / year]
Rolled Products	3,538,209	21,020,803	50,507,516	75,066,529
Casting Technology	501,087	7,398,387	9,953,109	17,852,582
Building Technology	732,759	389,568	420,846	1,543,173
Total company	4,772,055	28,808,758	60,881,471	94,462,284

Combining the whole corporate carbon footprint gives an emissions figure of 94,462 tonnes of CO₂ equivalents for reporting year 2022. Of this, 64 percent is attributable to Scope 3. This is due to the manufacturing of products in both the Rolled Products division and the Casting Technology segment being energy-intensive. Furthermore, the company purchases 19,766 tonnes of raw materials annually across the two divisions. These are predominantly non-ferrous metals.

It also becomes apparent that the Rolled Product business generates 79 percent of the emissions. Accordingly, a much higher quantity of material is processed in this division. This aspect is likewise reflected in Scope 1 and 2. Here too, a large share of the energy in the form of natural gas and electricity is required in the Rolled Products business unit.



Key figures

Additional key figures were generated in order to show the greenhouse gas balance in relation Gebr. Kemper GmbH + Co. KG's business activities. These key figures were calculated separately for the three business units. The key figures serve to analyse future savings and monitor the achievement of the climate neutrality goals by 2045.

Rolled Products business unit

Key figure	Unit	2022
Total emissions incl. uncertainty addition	kg CO ₂ eq	75,066,529
Scope 1	kg CO ₂ eq	3,538,209
Scope 2	kg CO ₂ eq	21,020,803
Scope 3 incl. uncertainty addition	kg CO ₂ eq	50,507,516
Figure per employee	kg CO ₂ eq / employee	247,200
Figure per kg finished products	kg CO ₂ eq / kg finished products	2.64

Casting Technology business unit

Key figure	Unit	2022
Total emissions incl. uncertainty addition	kg CO ₂ eq	17,852,582
Scope 1	kg CO ₂ eq	501,087
Scope 2	kg CO ₂ eq	7,398,387
Scope 3 incl. uncertainty addition	kg CO ₂ eq	9,953,109
Figure per employee	kg CO ₂ eq / employee	69,560
Figure per kg finished products	kg CO ₂ eq / kg finished products	8.80

Building Technology business unit

Key figure	Unit	2022
Total emissions incl. uncertainty addition	kg CO ₂ eq	1,543,173
Scope 1	kg CO ₂ eq	732,759
Scope 2	kg CO ₂ eq	389,568
Scope 3 incl. uncertainty addition	kg CO ₂ eq	420,846
Figure per employee	kg CO ₂ eq / employee	6,260
Figure per euro of turnover	kg CO ₂ eq / euro	0.012

In addition to the absolute figures for greenhouse gas emissions at Scope level, the figures per employee, per output, and per turnover are shown. This means the figures can be put into perspective in relation to corporate development.

Reduction initiatives across the whole company

Gebr. Kemper GmbH + Co. KG is planning to implement reduction initiatives so the emissions caused by the company are minimised. Initially, Scope 1 and Scope 2 emissions are to be reduced primarily, since the company has a direct influence on these emission sources. The measures to minimise greenhouse gas emissions, which are already being tested, are also shown in the following waterfall chart. Three potential reduction possibilities are shown in detail below.

1. Purchase of green electricity

The company is evaluating whether to purchase electricity from renewable sources in the future. This would mean that the purchase of electricity would be carbon neutral. By switching, an annual saving of approximately 27,343,818 kilograms of CO₂ equivalents would be anticipated in Scope 2.

2. Hot zone replacement + heat recovery

The company is replacing a hot zone of a strip flotation furnace with a modern one and integrating heat recovery. An annual saving of approximately 330,095 kilograms of CO₂ equivalents would be anticipated in Scope 1 as a result of this measure.

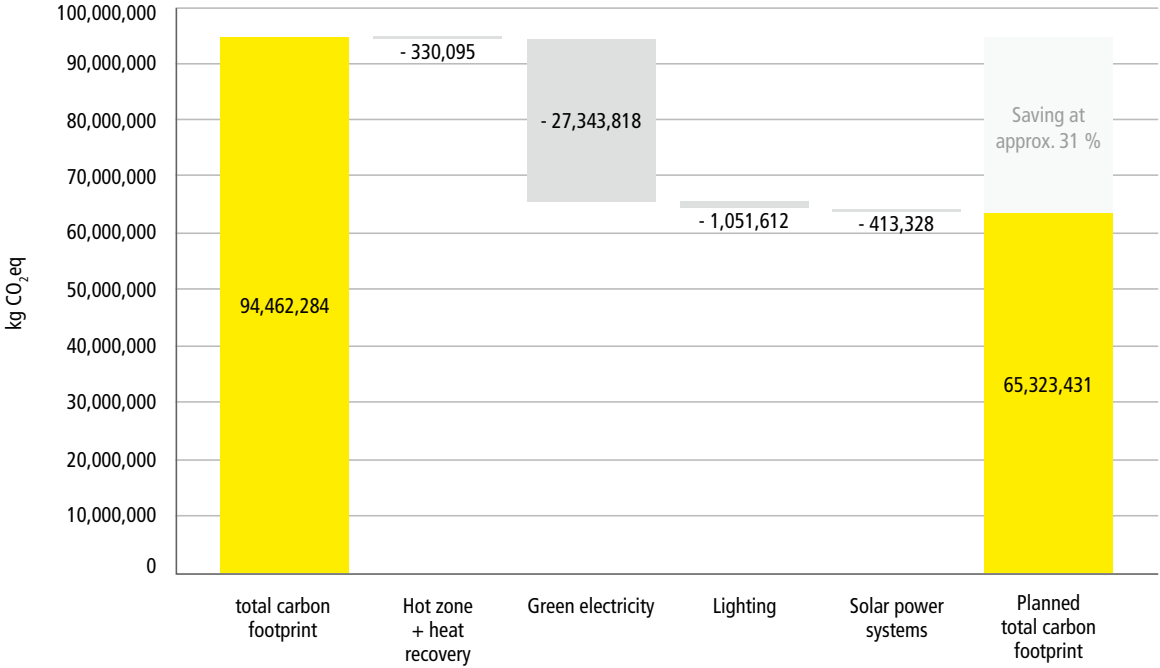
3. Replacing lighting

The company is evaluating replacing the existing lighting with the very latest LED technology including movement sensors and daylight control. This could result in 1,051,612 kilograms of CO₂ equivalents being saved.

4. Solar power systems

The company is also looking at installing solar power systems on the existing roof surfaces on Works 3 and 4. This measure would correspond to a reduction of 413,328 kilograms of CO₂ equivalents.

By implementing the reduction initiatives mentioned above, the company could save a total of 29,138,853 kilograms of CO₂ equivalents. Total greenhouse gas emissions would then be reduced by a good 31 percent.



The reduction initiatives described above cover the initial opportunities for action to reduce greenhouse gas emissions. The aim is to identify further measures as the project progresses. The company regards the inventory for the corporate carbon footprint as a starting point for drawing up an emissions strategy. The project team will analyse and assess various initiatives and subsequently implement them where possible.



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