Sustainability report
2021

KMD Connectors Stolberg GmbH

KMD
GROUP
STOLBERG

“Tradition, Precision and Innovation since 1575“

Stolberg, German plant

Sustainability report **2021**

KMD Connectors Stolberg GmbH

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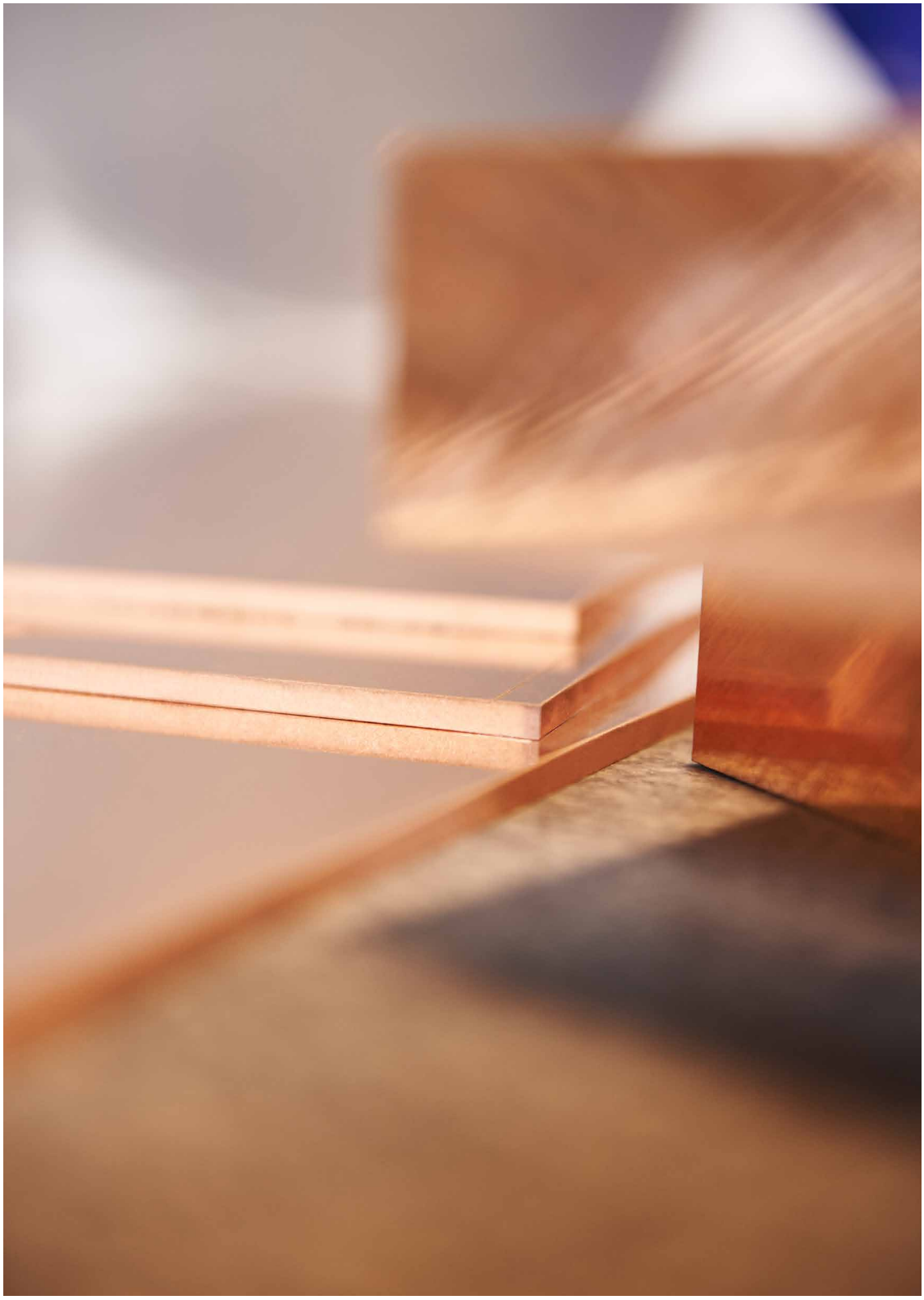
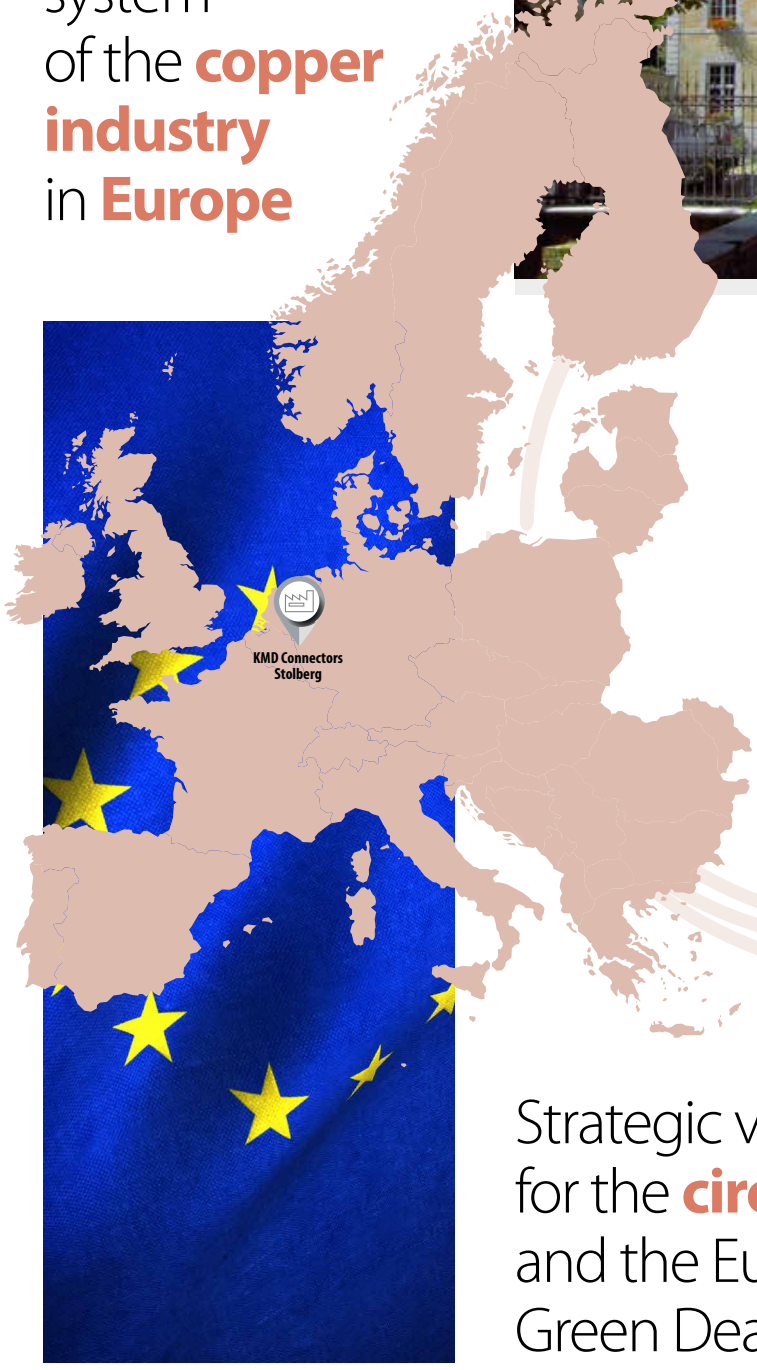


KMD Connectors Stolberg GmbH

An integrated system of the **copper industry** in **Europe**



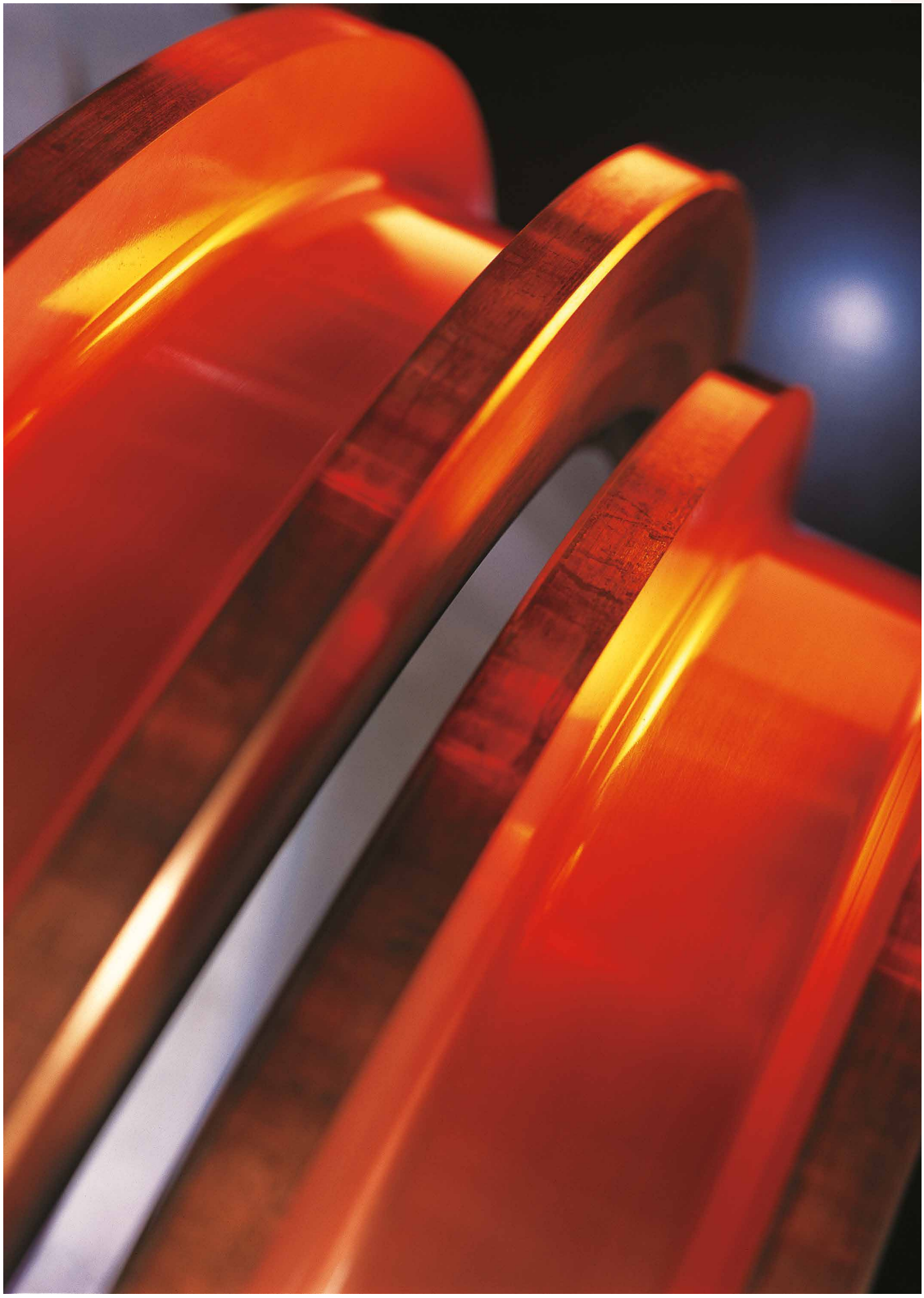
Sales
17,161 tons

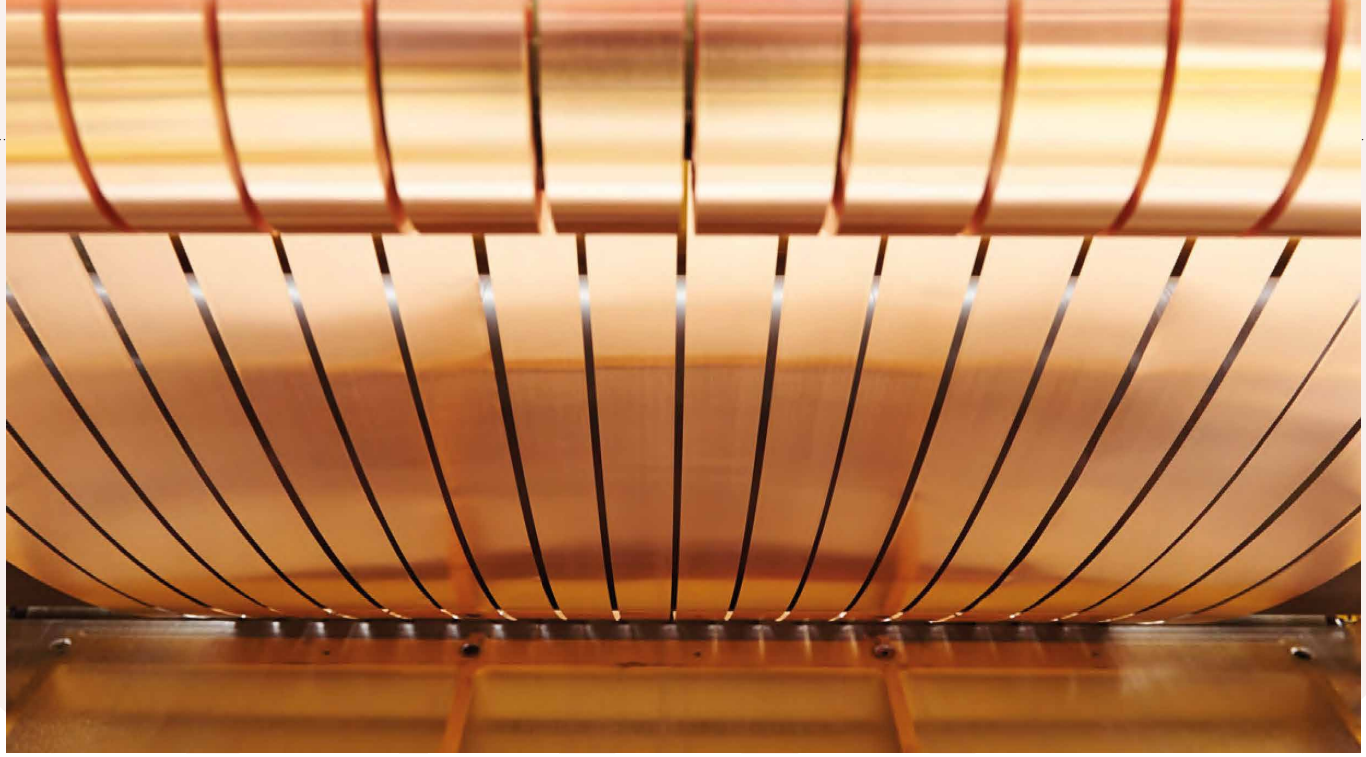
Employees
216

Turnover
253.7 million euro

Strategic value for the **circular economy** and the European Green Deal

1 Report guidance





KME Group reports

The first report, five years ago, only covered the KME Italy plant in Fornaci di Barga. The second included the service centres in Besançon in France and Barcelona in Spain. The third year saw the report of KME Mansfeld GmbH and then, since last year, the Osnabrück KME Germany plant. From this year, the sustainability reports will also extend to the Serravalle (Italy) and KMD Stolberg (Germany) plants, while the Brescia service centre will also be included in the KME Italy report. This is a further step towards more and more extensive reporting for the entire KME Group.

For this reason, already in this edition the reports are structured somewhat differently from previous years. In fact, in addition to the individual reports that account for the activities of the plants, there is also a general document that provides an overview of the KME Group and the context in which it operates.

A voluntary act of transparency and social responsibility

The decision to produce and publish a Sustainability Report is not a legal obligation for KMD Stolberg GmbH, but an expression of a strong strategic focus on corporate social responsibility (CSR) and ESG criteria, as well as a concrete commitment to the ecological transition and the circular economy.

KMD Connectors Stolberg GmbH present his first sustainability report as a voluntary act of **transparency** and **social responsibility**.

The report has been prepared on the basis of the guidelines of the **Global Reporting Initiative** (GRI), an independent international organization recognized by the UN and the main reference for *sustainability reporting* activities worldwide.

The report uses 4 sets of indicators related to the GRI standards:

1. **general**, regarding the governance of the company;
2. **environmental indicators**, in particular concerning energy, materials, water, waste, emissions;
3. **social indicators**, concerning personnel, training, safety, equal opportunities, human rights, relations with the local community.
4. **economic indicators**, concerning the main economic results* and the added value distributed to the main stakeholders.

**Complete data can be found in the company's economic balance sheet*

REPORT GUIDANCE

** Stakeholders and company management were asked to assign a priority level from a minimum of 0 (not relevant) to a maximum of 100 points(very relevant) to the various aspects being reported on. The evaluations make up the "materiality matrix".*

In order to further illustrate the company's activities and strategies, in addition to the reporting carried out on the basis of GRI guidelines and standards, a special chapter of the report also uses **circularity indicators** to measure the company's performance in relation to the objectives connected with the **transition to a circular economy**.

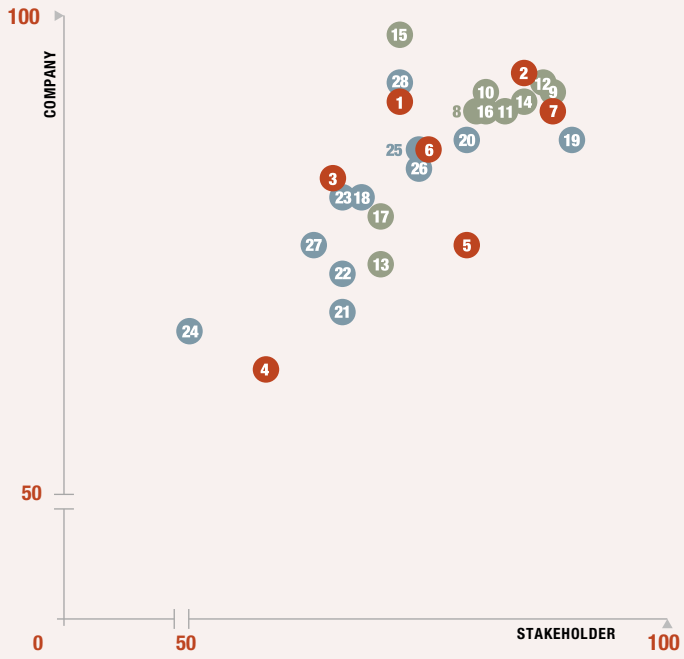
Reporting

This sustainability report covers the year **2021**. Data for 2019 and 2020 are also reported to allow for an assessment of the performance of key indicators over the last three years.

Materiality matrix

The most relevant issues to be reported in the report were identified through discussion with **management** and key **stakeholders** (employees, shareholders, institutions, local community, trade associations, research bodies, etc.). The tool used to select the most interesting indicators is the "**materiality matrix**", which measures the degree of importance attributed to the various aspects subject to reporting*.

Materiality matrix



1 CORPORATE DEVELOPMENT

2 HEALTH PROTECTION AND OCCUPATION AL SAFETY

3 PARTICIPATION OF EMPLOYEES AND INCLUSION OF THEIR INTERESTS

4 COMPANY CONTRIBUTION TO THE DEVELOPMENT OF INFRASTRUCTURE AND THE RELATIONSHIP WITH THE REGION

5 SUSTAINABLE SUPPLY CHAINS (E.G. REGIONAL PARTNER COMPANIES, TRANSPORT ROUTES)

6 EQUAL OPPORTUNITIES FOR ALL

7 PROTECTION OF HUMAN RIGHTS

8 WASTE MANAGEMENT

9 USE OF RAW MATERIALS/ RECYCLING/ CIRCULAR ECONOMY

10 WATER USE: USE / RECYCLING / WASTE WATER

11 PROTECTION OF SOIL AND GROUNDWATER

12 CLIMATE PROTECTION MEASURES

13 SAFEGUARDING BIODIVERSITY (BIOLOGICAL DIVERSITY)

14 AIR QUALITY: EMISSION OF AIR POLLUTANTS/ ODOUR EMISSIONS

15 NOISE EMISSIONS

16 ENERGY EFFICIENCY MEASURES AND USE OF RENEWABLE ENERGIES

17 TRANSPORT ROUTES / ACCESS TO THE COMPANY/ TRANSPORT LINKS

18 CREATING INTEGRATED ADDED VALUE

19 COMPLIANCE WITH LAWS

20 ETHICS / VALUES

21 DEALING WITH PUBLIC AND PRIVATE INSTITUTIONS

22 PARTICIPATION OF ALL STAKEHOLDERS AND CONSIDERATION OF THEIR INTERESTS

23 INDUSTRIAL GROWTH TAKING INTO ACCOUNT REGIONAL CONDITIONS

24 REMUNERATION POLICY AND SYSTEM FOR EVALUATING THE PERFORMANCE OF TOP MANAGEMENT

25 CONSIDERATION OF THE ELEMENTS OF SUSTAINABILITY IN CORPORATE MANAGEMENT

26 RISK MANAGEMENT TAKING INTO ACCOUNT SUSTAINABILITY ASPECTS

27 ASSESSMENT OF THE SUSTAINABILITY OF INVESTMENTS IN REPORTS TO THE FINANCIAL PARTNER

28 TECHNOLOGY AND INNOVATION IN BUSINESS PROCESSES

Sustainability goals
Corporate activities and performances are reported by also with reference to the sustainability goals of the UN 2030 Agenda.

Our **commitment**

Responsibility and improvement (KVP)
KMD managers embrace the goals of this policy with as much vigor as other business objectives. Not just managers, but all employees are responsible for improving the company's occupational safety and health protection, environmental protection, and energy efficiency.

We are committed to continuously improving workplace safety, our environmental performance and our energy efficiency, by implementing our management systems. We also undertake to comply with all legal requirements and official obligations that apply to our company.

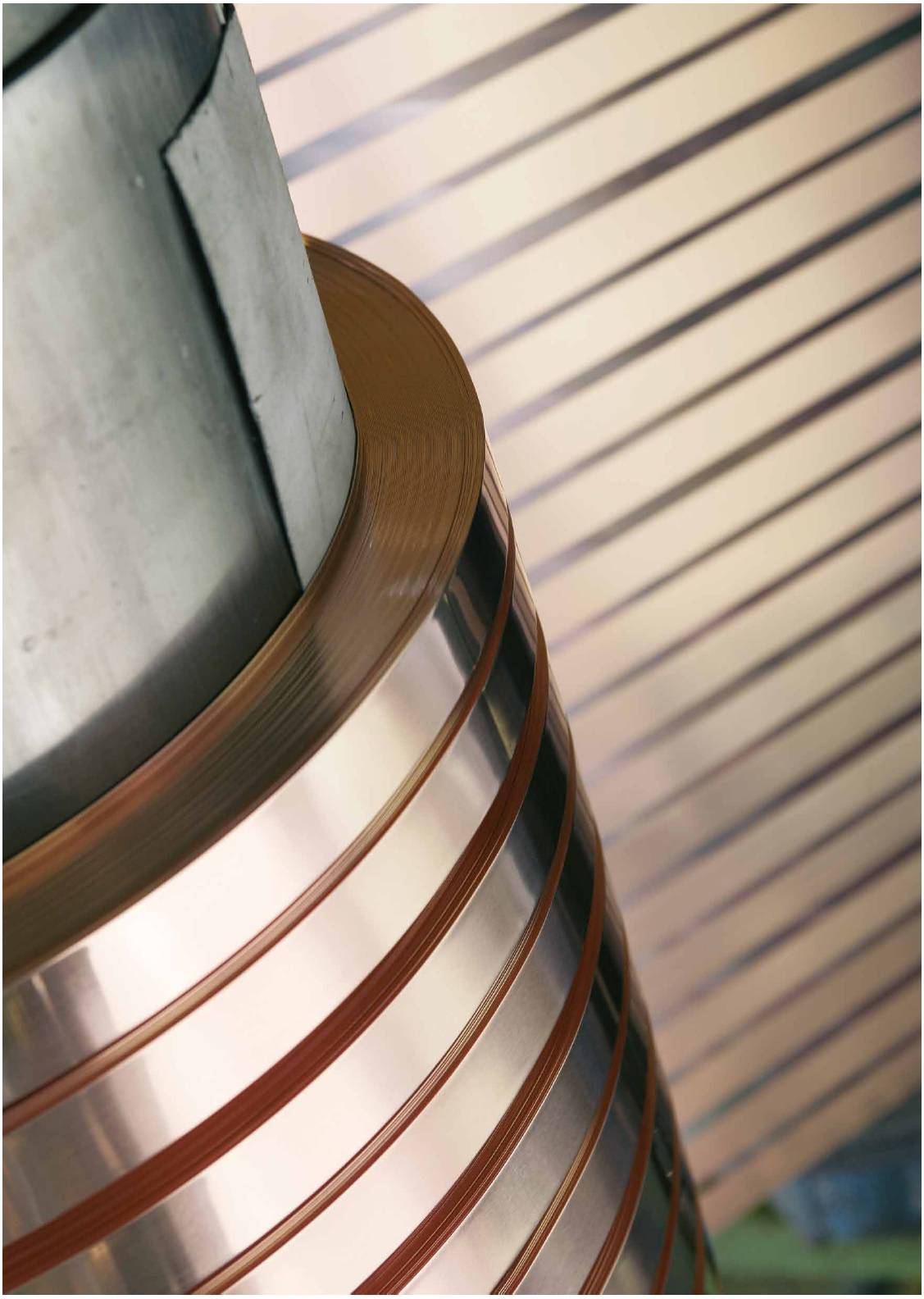
Occupational health and safety, environmental protection and energy efficiency within the company
Responsible use of natural resources and the core topic of occupational health and safety are taken into particular account in all essential processes and activities of our company.
When designing the processes and operating our technical equipment, we endeavor to reduce our materials and energy usage. We seek long-term improvement in the environment and energy-related performance of our business activities and to guarantee the safety of our employees by optimizing our use of resources, by using state-of-the-art production technology and by applying internal recycling measures. Besides this, we take every opportunity to avoid, reduce or recycle all types of waste.

Less pollutant and noise emissions
The main focus is on pollution and noise emission, which should be prevented or reduced, and also on the most efficient use of energy and raw materials. When designing company processes, we prefer to purchase and use auxiliary material/operating supplies and production methods with the highest possible energy efficiency. Regarding occupational health and safety, we follow the philosophy of a "zero accident company" in connection with the objective of eliminating work-related illness.

Responsibility
We are one of the world's leading manufacturers of semi-finished copper and copper-alloy products. Our code of conduct sets out the fundamental principles of cooperation with business partners, customers, colleagues, agents, competitors and the public. As our reputation depends upon each and every employee, it is important that they - whatever their position or role - maintain our code of conduct at work.

- Clear customer focus during product and process design.
- Strict compliance with the group-wide company code of conduct.
- "Zero Accident" culture with the provision of a safe and healthy work environment for our colleagues, visitors and contractors.
- Continuous risk assessment relating to operational procedures and future activities.
- Proactive compliance with legal requirements, customer expectations and other standards.
- Implementation and support of the best available techniques and methods to continuously improve our processes.
- Implement strategies to prevent pollution and accidents, to ensure the long-term viability of KMD Group.
- Efficient use of materials and energy during the manufacture and provision of our products and services.
- Manufacture products that fulfill the three key requirements of:
  - *safety*
  - *energy efficiency*
  - *recyclability*
- Open dialogue with our neighbors, authorities and any other interested parties.
- Promote a culture where all colleagues share this commitment.

2 Company

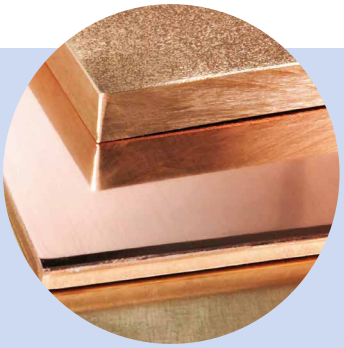


2.1 Who we are

KMD Connectors Stolberg GmbH
The factory, founded in 1575, is in Stolberg, a city of 56,377 inhabitants in North Rhine-Westphalia, Germany. Stolberg belongs to the government district of Koln and the urban region of Aachen.
The plant occupies an area of about 16,000 m².

OUR VISION

To be the best partner in future technology



OUR MISSION

We focus on improving and developing our products to provide our target customer the advanced material solution

KMD Precise Connector Strips GROUP

As a joint venture of KME SE, the Golden Dragon Precise Copper Tube and the Chongqing Wanzhou Economy Technology Development Co., Ltd. KMD Group is one of the world market leaders in the production of high-performance copper and copper alloy rolled products.

1 **KMD (HK) Holdings Ltd.**
35/F Central Plaza,
18 Harbour Road
Wanchaiw
Hong Kong

2 **KMD Connectors Stolberg GmbH**
Frankentalstraße 5
D-52222 Stolberg
Deutschland

3 **KMD Precise Copper Strip Henan Ltd**
No. 282 West Renmin Road
Xinxiang
Henan - P.R. China

4 **KMD Precise Copper Strip (Henan) Co., Ltd. Shanghai Branch**
Manpo International Business Center, Room 310A
XinHua Road 644,
Changning District 200052,
Shanghai - P.R. China

5 **Sales Amerika**
KMD Connectros Stolberg GmbH
- Chicago
1000 Jorie Boulevard,
Suite 111 USA

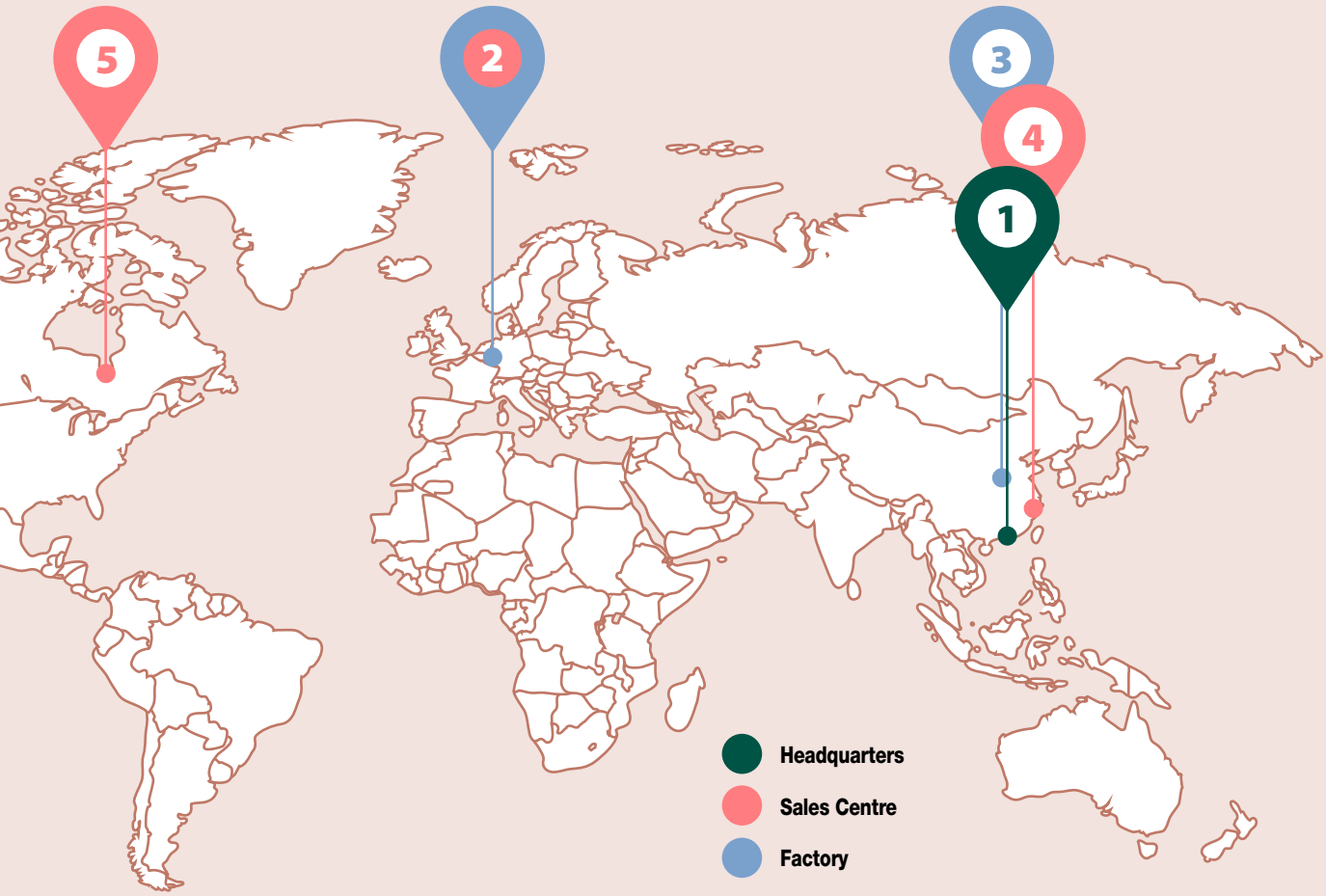
KMD **Group**

KMD Group is one of world's leading high performance copper and copper alloy new material manufacturer. We inherited more than 400 years of German copper alloy patent manufacturing technology. Our headquarters is located in Hong Kong, and we have production bases and sales companies in Europe, Asia Pacific and North America.
The KMD produce a wide range of alloys specifically to the requirements of connector manufacturing, used in electrical and electronic components, and other high-end applications. Our products are sold in Europe, USA and Asia. Our advanced copper alloy materials are widely used in high-tech fields such as new energy vehicles, artificial intelligence, 5G and the Internet of things.

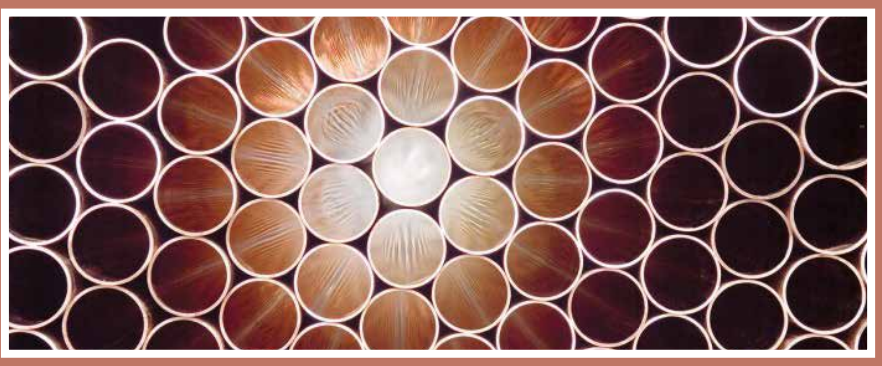
The KMD Group has emerged as a joint venture of European KME Group (50%) and Golden Dragon Precise Copper Tube Group Inc.(50%).This Joint Venture combines technological strength with great expertise and experience of manufacturing rolled products.

Production takes place in Europe - in the 'copper city' of Stolberg (once Stolberger Metallwerke) - and in China, in the city of XinXiang, Henan Province.

Locations
As a major producer of high-performance copper alloys for terminals and connectors, it is essential that we have an international presence. This means we can offer our customers bespoke product solutions worldwide; one of our particular strengths is quick and practical turnaround. We are currently at five different locations: our parent company in Hong Kong, our Asia Pacific sales center in Shanghai, our North American sales center in Chicago and our two production sites in Germany (Stolberg) and China (Xinxiang).



2.2 Our history



1575
Leonhard Schleicher built the first copper yard in Stolberg and becomes the founder of the brass industry

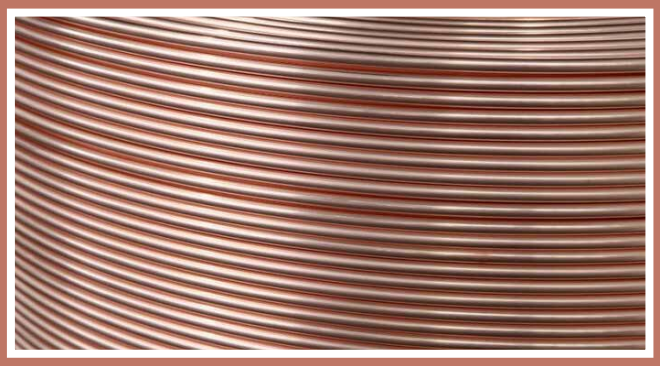
In the **17 century** Stolberg got world-famous because of his high qualitative production of brass. There from comes the name "copper city, which will be used till today

1933
Stolberg Metallwerke GmbH (SMW) was born out of a merger between Schleicher and von Asten & Lynen

1969
(Kabelmetal) in Hannover acquires 49% shares of the Stolberger Metallwerke (SMW)

1987
Kabelmetal hold 100% of SMW shares

KMD



1988
Acquisition of Kabelmetal by the Italian SMI group

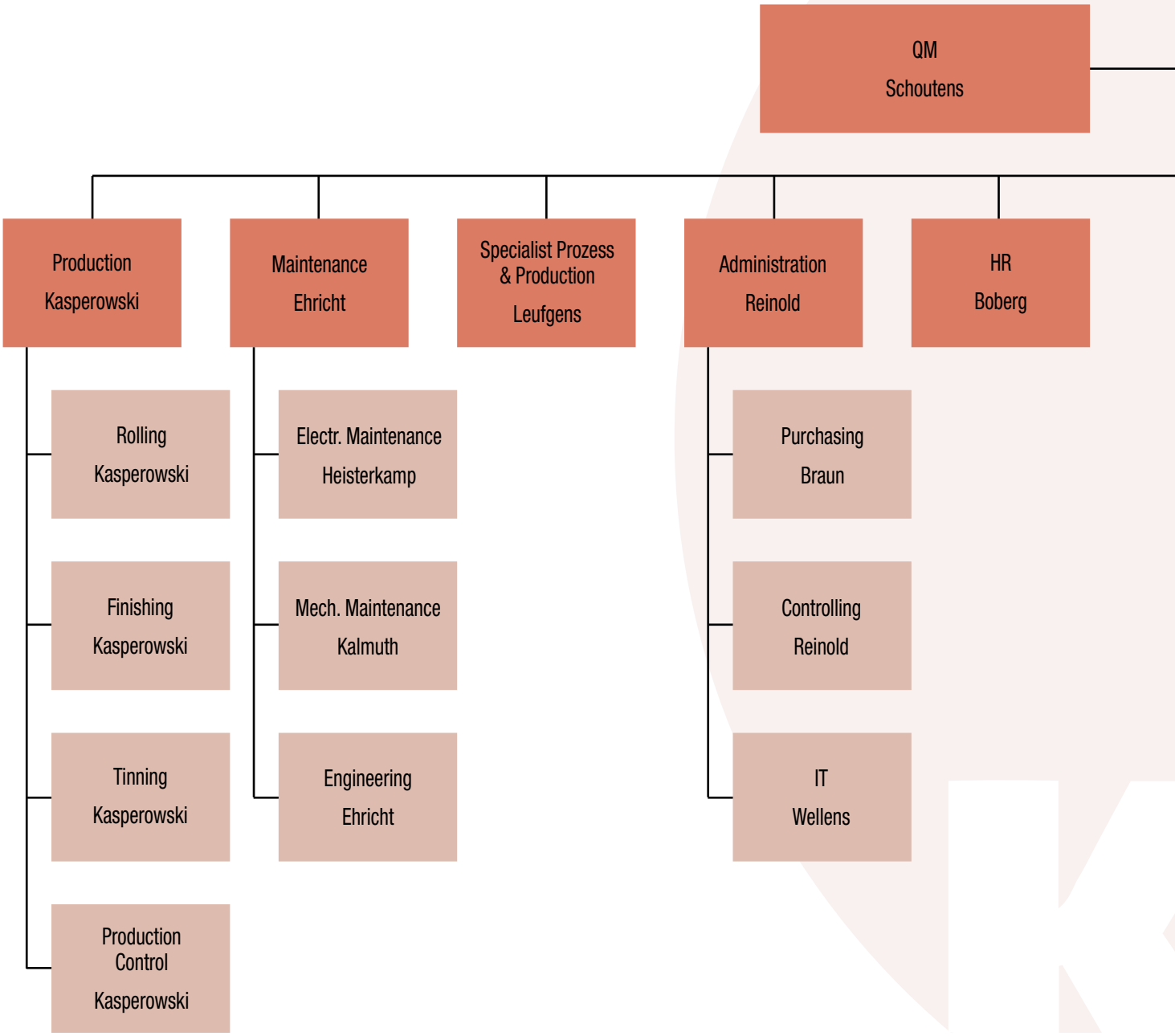
1995
The Italian -French-German KM-Europe Metal AG (KME) is created through mergers

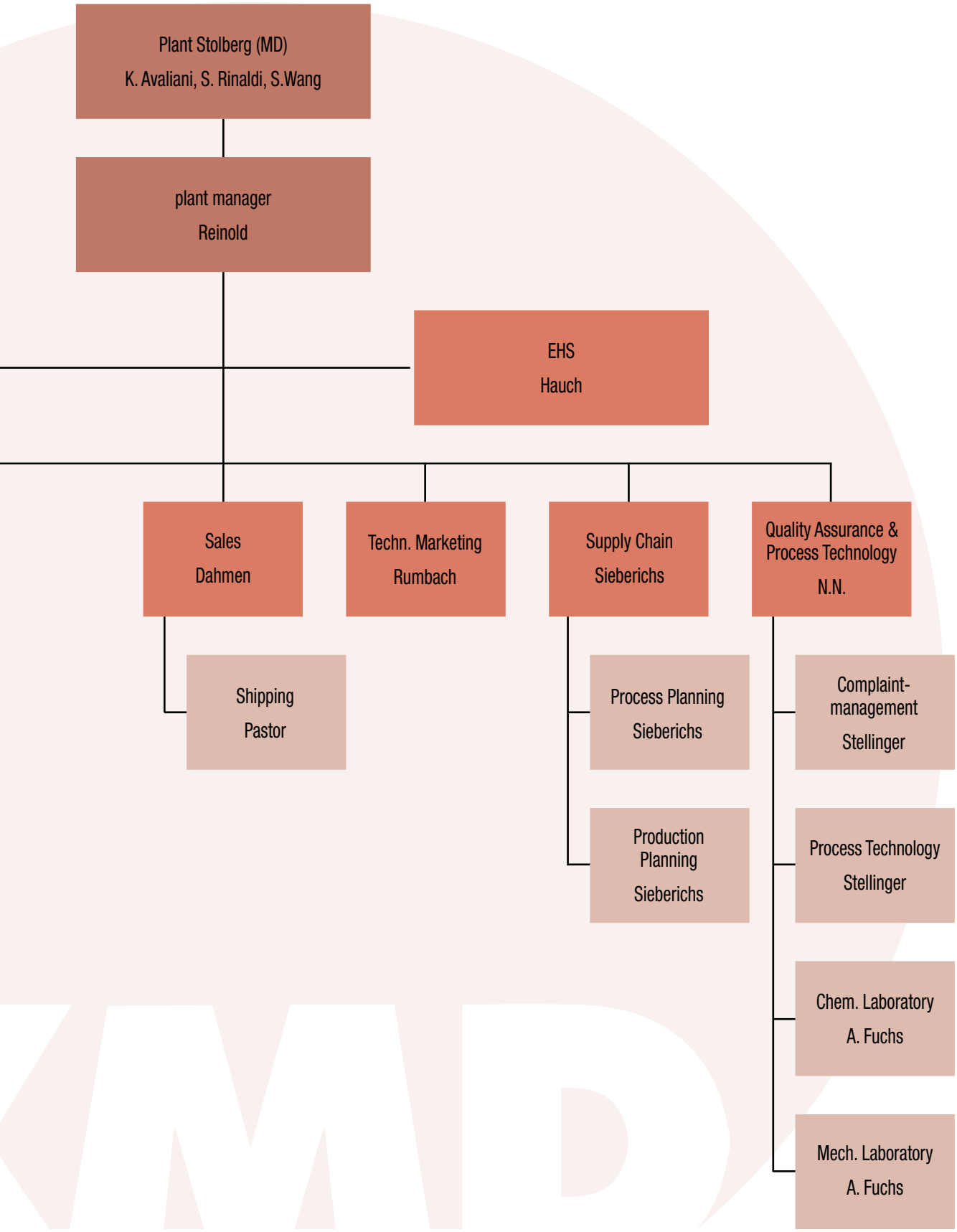
2003
SMW becomes fully integrated into ther KME Group, its name is KME Stolberger Metallwerke

2014
KME Stolberger Metallwerke is contributed to the KMD Group JV, belonging 100% to KMD Group Hong Kong

2.3 Governance

Organigramm KMD Connectors Stolberg GmbH




Plant Stolberg (MD)
K. Avaliani, S. Rinaldi, S.Wang
plant manager
Reinold
EHS
Hauch
Sales
Dahmen
Techn. Marketing
Rumbach
Supply Chain
Sieberichs
Quality Assurance & Process Technology
N.N.
Shipping
Pastor
Process Planning
Sieberichs
Production Planning
Sieberichs
Complaint-management
Stellinger
Process Technology
Stellinger
Chem. Laboratory
A. Fuchs
Mech. Laboratory
A. Fuchs

2.4 Supply chain and products

Production Planning:

- Ordering the prematerial from Osnabrück and Fornaci di Barga.
- Supervising the order management.
- Adjusting production dates in CEMT due to customer demand and production possibilities.
- Managing production priorities.
- Managing production of samples, e.g. define whether a sample can be diverged from a running order.

Production Control:

- Generating new articles in CEMT and SAP.
- Control customer specifications due to product ability.
- Managing packaging specifications.
- Control of production capacities in SAP.

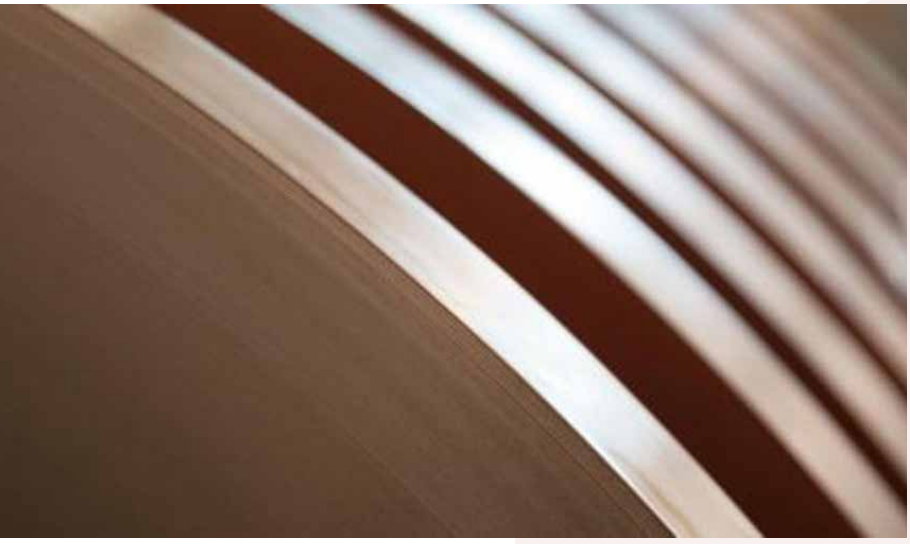
Process Planning:

- Starting the production.
- Control of production.
- Handling of priorities in the production.

Handling external process steps, e.g. electrolytic plating

Products

KMD produce a wide range of alloys specifically to the requirements of connector manufacturing, used in electrical and electronic components, and other high-end applications. The main brand is the production of our high-performance copper alloys (STOL®). Overview of our products: Plain Strip, Alloys, Hot-Dip tinned Strip



OUR PRODUCTS RANGE

From strip for terminals and connectors through to stamped parts, our wide range of differing materials and surface finishes is appreciated all over the world and used by the main connector manufacturers in Europe, America and Asia. We guarantee always to provide you with user-oriented solutions tailored to your specific requirements. Building on our main cornerstones of function, appearance and reliability, we have proven ourselves and achieved absolute customer satisfaction year after year via exceptional conductivity, excellent corrosion resistance and good workability.

Chief advantages of KMD high-performance alloys:

- High electrical conductivity
- Good relaxation resistance – even at operating temperatures reaching 200°C
- High mechanical strength combined with good formability
- Good tooling life
- Good recyclability of stamping scraps, a valuable contribution to protecting the environment and reducing waste
- Materials with tensile strength up to 900 MPa

PLAIN STRIP

Use our plain strip as the basis for electrical and electronic applications in the automotive industry, as well as for communications and power supply. STOL® high-performance alloys offer an unparalleled combination of electrical conductivity with strength and formability. The corson alloys STOL® 76, STOL® 76M and STOL® 94 also have particularly high resistance to stress relaxation.

ALLOYS

For many years, we have produced differing high-performance semi-finished products for our customers in highly diverse industries, such as automotive, communications and electronics. Following our guiding principles, top quality has always remained our highest priority. This has helped us grow into a major global supplier of high-quality precision strip.

HOT-DIP TINNING

Cost-effective protection against corrosion and reduced mating / unmating force of contacts – this is what our hot-dip tinned finishes offer you. Furthermore, we can adjust the tinned surface to yield additional specific desirable properties.

THE COMPANY

SUPPLY FORMATS

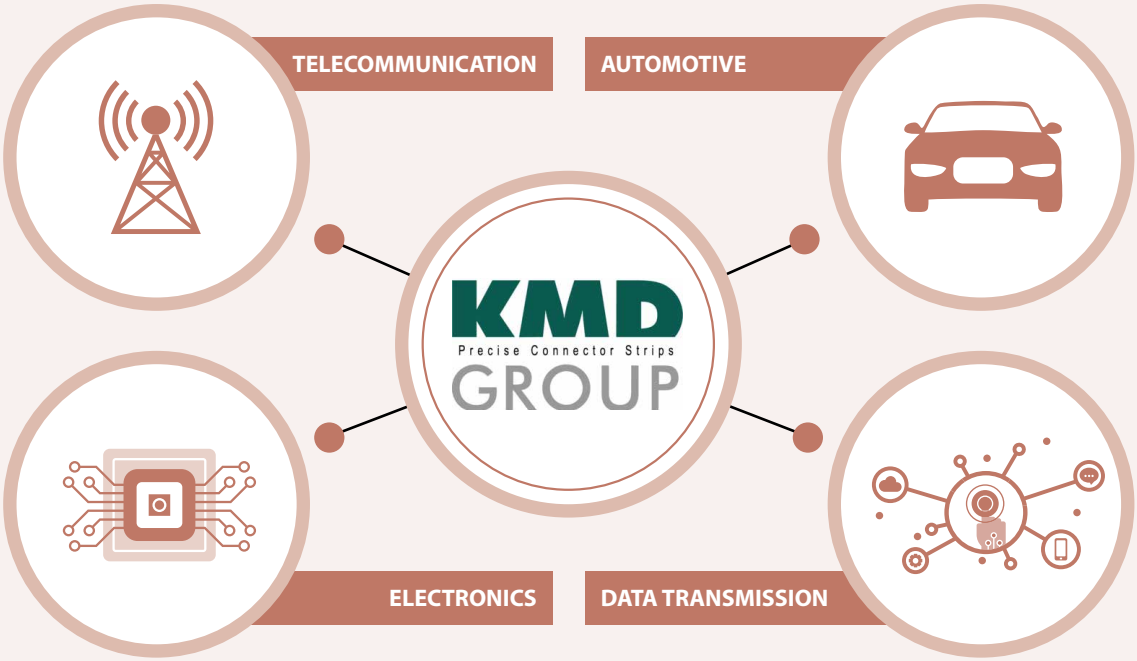
We offer different types of supply formats:

- Vertical axis (“eye to sky”) pancake coils
- Horizontal axis (“eye to wall”) pancake coils
- Traverse wound coils
- TECSTRIP® Multilayer

Our **products**

THE VALUE CHAIN

Our **market**



Our **advantage**

MARKET ADVANTAGE

- Rich cooperation experiences with key players in global connector industry
- Replace Imported HPAs (High performance Alloys) from Europe and Japan
- One of the widest HPAs suppliers in the world

PRODUCT ADVANTAGE

- Focus on HPAs for future technologies

TECHNOLOGY ADVANTAGE

- More than 400 years Know-How from Germany copper city
- New plant / Most advanced equipment and Lab Instruments/ IATF 16949 quality system
- Sustainable R&D development for future
- Advanced recycle technology

ENVIRONMENT ADVANTAGE

- We can protect the environment due to short transport distances
- The material copper is 100% recyclable

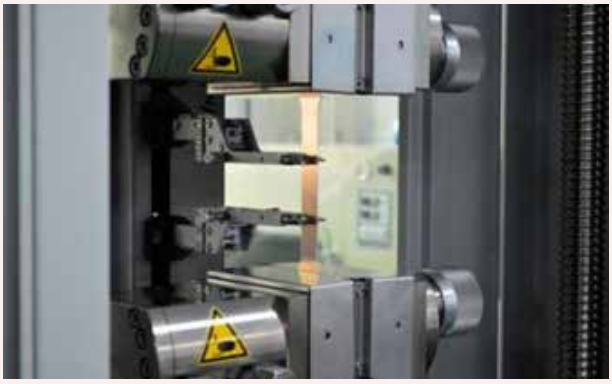
LOCATION ADVANTAGE

- Quick response to customer requirement

Our **commitments**

RESEARCH & DEVELOPMENT

- We constantly develop new and improved materials to meet the highest standards of customers in various application fields
- Our comprehensively equipped laboratory and development center are certified by IATF 16949

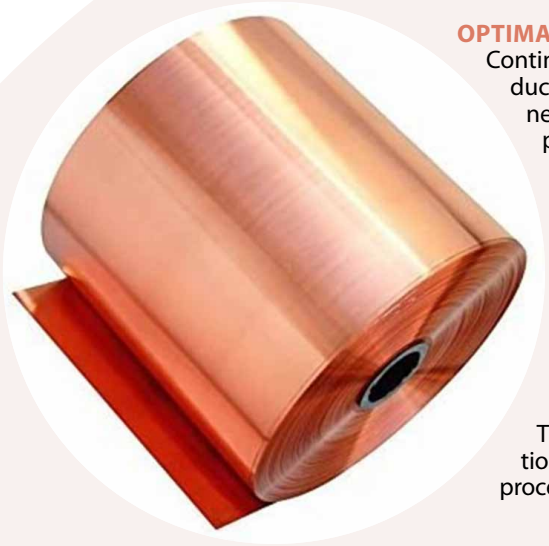


SOCIAL RESPONSIBILITY AND ENVIRONMENTAL PROTECTION

- The safety and physical well-being of our employees is one of our top priorities
- We believe in mutual respect
- We strive to maintain our code of conduct in every aspect of our daily work
- We embrace a strong sense of environmental responsibility and expect the same from our partners
- Our strict material recycling policy helps us contribute towards a sustainable economy

Quality

Continuous improvement of our internal processes and investment in modern quality systems means we can spot potential defects early and take appropriate corrective action. We have an integrated quality management system that covers all stages of production: from raw materials in the foundry right through to the finished product.



OPTIMAL PROCESS CONTROL

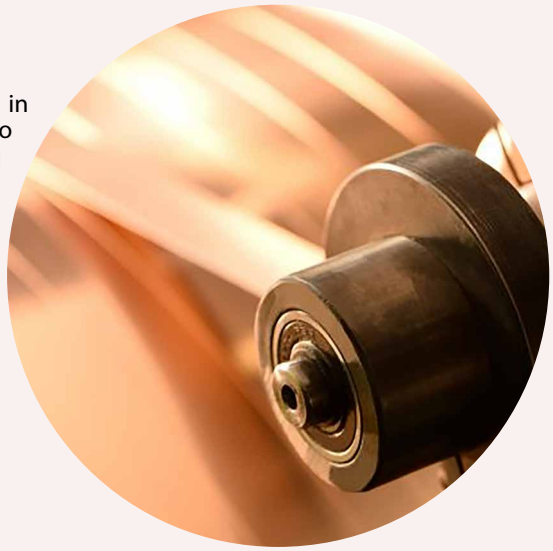
Continuous monitoring and electronic control at every production step, as well as the use of modern rolling and annealing equipment, are characteristic of our production process which enables us to fulfill our customers' particular demands. ISO/TS 16949 certification since 2003, and its renewal every year testifies to our success.

TOTAL QUALITY AND ENVIRONMENTAL RESPONSIBILITY

A strong quality ethos is integral to our company, because being prepared to improve ourselves is essential if we are to meet our customers' needs.
We are dedicated to solving our customers' problems. This includes mutual development of user-oriented solutions as well as continuous improvement of our production processes.

INNOVATION

Innovation at the KMD Group is not only reflected in the continuous development of its products, but also in futuristic thinking. We strive for forward-looking planning and development. Only in this way can we always be one step ahead and provide you with the right products for the future markets.



5G

5G or "The Fifth Generation" describes a mobile radio standard of the new generation. With data rates up to 20 Gbit / s and real-time transmission, a new age of digital networking is heralded. This requires our products such as STOL® 75 and C70250, whose properties are perfectly adapted to the needs of the projects.

ARTIFICIAL INTELLIGENCE
Artificial Intelligence is a topic in higher computer science that deals with automation and machine learning. Our products, such as our high-performance STOL® alloys, are perfectly suited to the needs in this area.

INTERNET OF THINGS
Internet of Things describes the various new technologies in a global infrastructure of information and communication technologies. IoT allows virtual and physical things to communicate with each other. Our strips, such as Stol® 76M or bronze alloys with a particulary microstructure are predestined for this area.

NEW ENERGY VEHICLES
The new drives of the future are not yet clearly defined. You vary between hybrid and electric drive, pure battery operation and or fuel cells. But no matter what will prevail one thing is clear: With our products it does work! As in the pure combustion engines, a lot of copper material is use. Our alloys such as Stol® 95 (CuCr based) or Stol® 76M (CuSn based) are highly suitable for these applications.

2.5 Code of conduct

With the Code of Conduct for the KMD Connectors Stolberg GmbH (KMD), the KMD determines the fundamental principles of collaboration with business partners, customers, colleagues, competitors and the public. As the reputation of KMD is very strongly influenced by the manner and behaviour of each individual employee, it is important that all employees – regardless of their function or task – adhere to this Code of Conduct whilst performing their work.

All employees are obliged to obey applicable laws and corporate guidelines. Although it is not possible for all conceivable circumstances to be included in the Code of Conduct, unethical conduct of any kind whatever which is not expressly regulated in this document, is not permissible under any circumstances. Infringements of the law are obviously to be avoided under all circumstances.

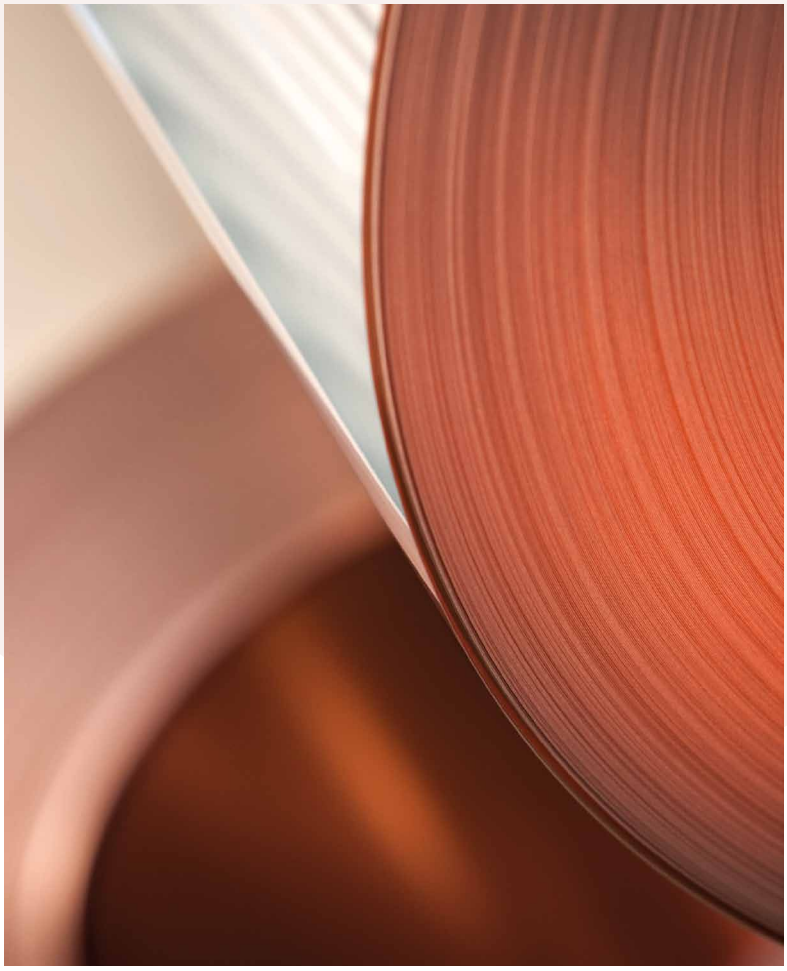
Employees who breach the principles of this Code of Conduct face severe sanctions, including termination of employment. No employee who breaches these rules can claim to have been acting in the interests of the company because every infringement of rights has a damaging effect on the company. The Code of Conduct raises KMD employees' awareness of current legal provisions and obliges them to adhere to the ethical rules and provisions in their daily business.

The Code of Conduct, however, also encourages the employees to pro-actively seek advice in cases of doubt because, in the case of breaches of the law, ignorance provides no protection against possible consequences within the scope of criminal law, civil law and employment law. In cases of doubt, employees can contact their supervisor or the Legal Department.

In addition, every employee has the right to point out circumstances that indicate a violation of laws or internal rules. This possibility should be used in the best interests of KMD and its employees. Thus KMD has appointed an external lawyer of trust (so called "Ombudsman") to whom employees can report such irregularities, if necessary also anonymously. Every employee giving a notice in good faith is protected. All information is followed in professional manner while respecting the rights of all those involved.

KMD Principles of Business Conduct

1. Fair competition, anti-trust Law and trade regulations
2. Anti-corruption and Anti-money-laudering
3. Environment, health & safety
4. Prohibition of child labour
5. Respect for human rights
6. No infringement of property rights
7. No conflicts of interest
8. Handling of information
9. Data protection
10. Dealing with gifts and other benefits



2.6 Certifications

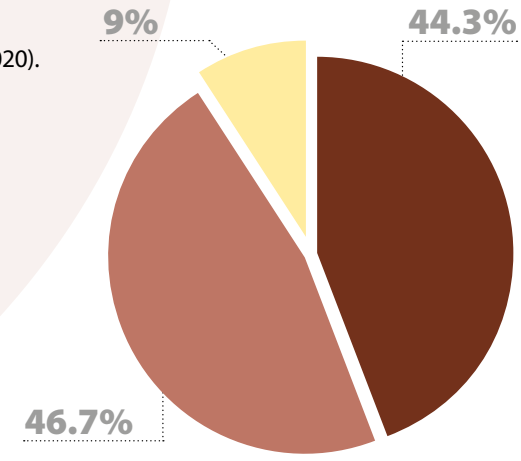
KMD Connectors Stolberg GmbH has the following certifications:

- ISO 9001
- ISO 14001
- ISO 50001
- IATF 16949
- ISO 45001

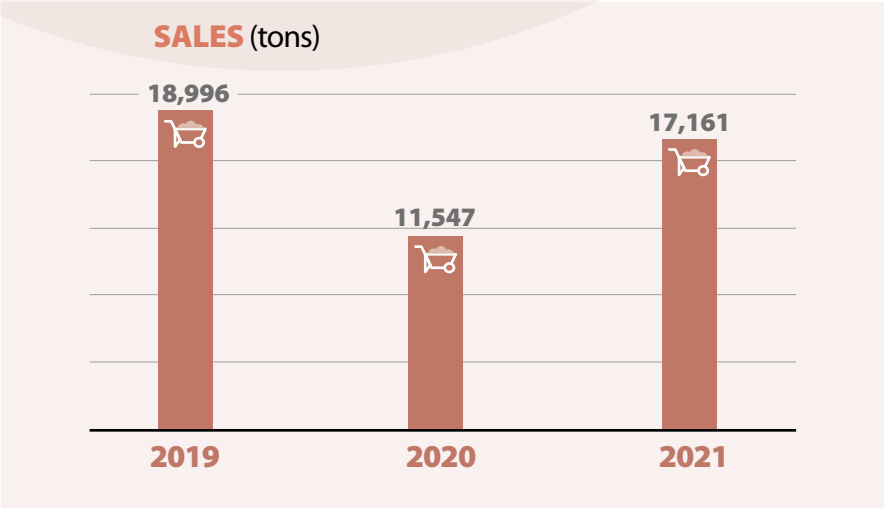
2.7 Sales

In 2021 sales amounted to **17,161 tons** (+48,6% compared to 2020).

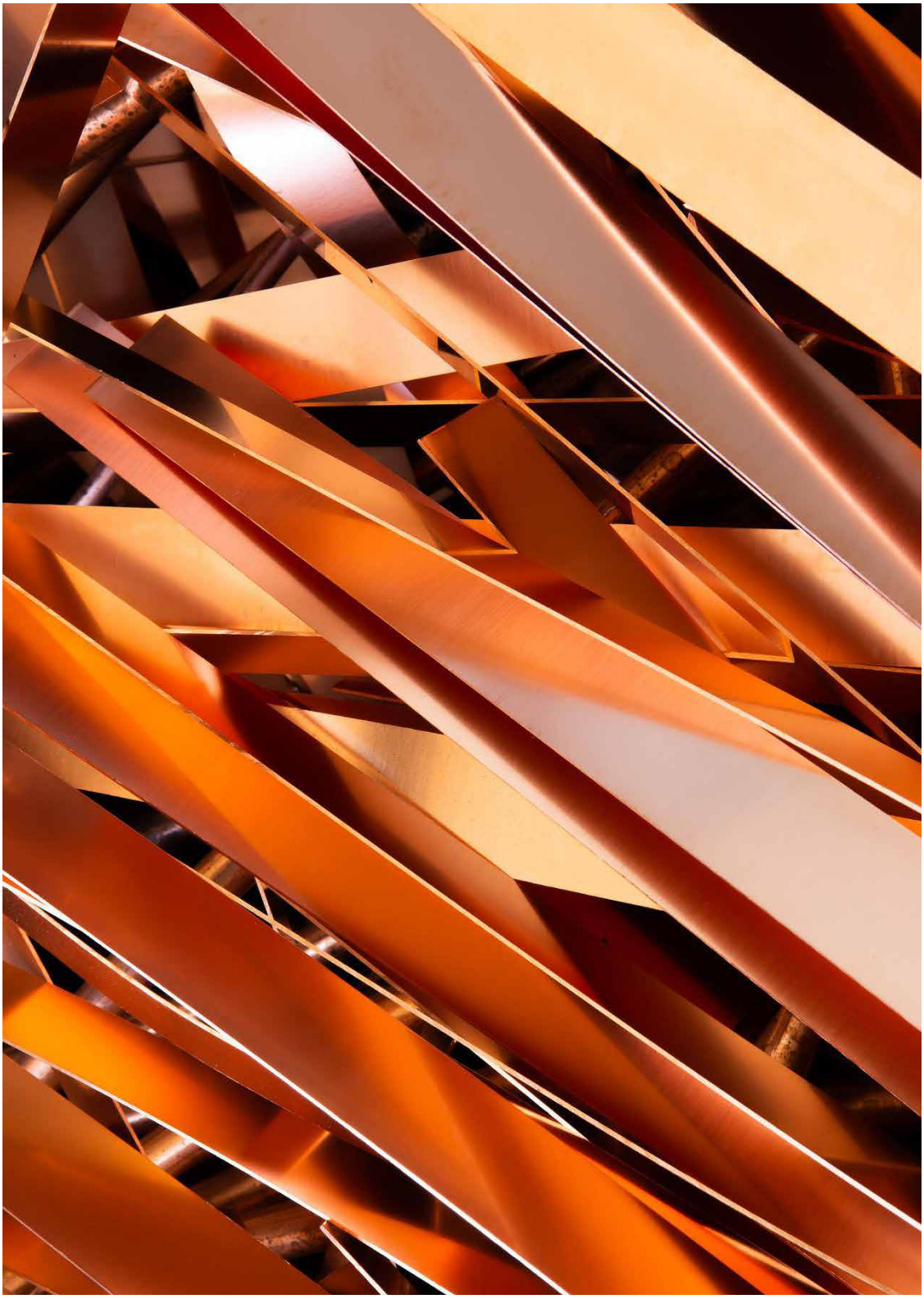
Sales (tons)	2019	2020	2021
Germany	7,304	4,627	9,212
Europe	9,724	5,921	6,633
Other Countries	1,967	999	1,316
Total	18,996	11,547	17,161



44.3% of sales were in Germany, 46.7% in other EU countries, 9% in rest of the world.



3 Environmental sustainability



-9.8%

Energy consumption per unit of product in the last year

37.2%

Recycled materials on total materials used

KMD

Connectors Stolberg GmbH

-17.3%

CO_2 emissions per unit of product in the last year

79.3%

Recycling on total water used

Methodological **note**

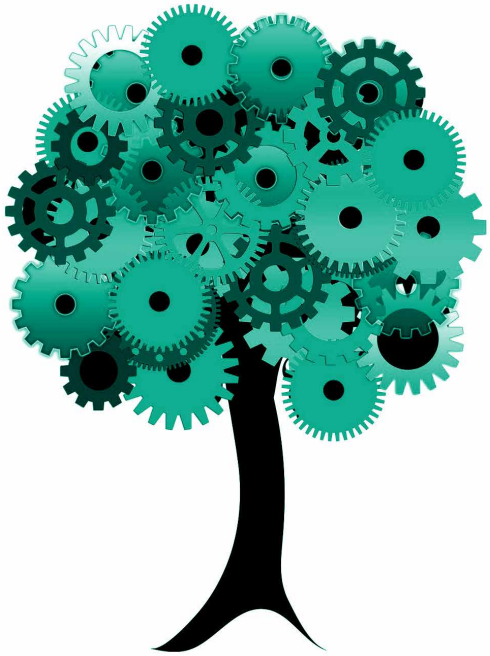
To calculate the specifica indicators per unit of products, reference was made to the official company figures for sales. It means that production corresponds to sales. Change in inventory is not taken in account.

3.1 Environmental management system

Strong quality awareness is intrinsic to every part of the company and this is reflected in an even stronger sense of environmental responsibility. Balancing economy with ecology in a meaningful way is one of the primary tasks within KMD Group. Responsible use of resources such as raw materials and energy as well as workplaces is an integral part of our corporate strategy.

KMD has a long history of processing copper to make and distribute copper and copper-alloy products. The conversion processes - which include rolling, annealing and surface treatment, coating and other mechanical processes - from raw material right through to finished product are energy-intensive and inevitably consume resources.

By implementing and maintaining our management systems according to ISO 14001, ISO 45001, ISO 50001, we strive for continuous improvement of the core content of all three of these systems. The management pledge to provide any resources that this requires.



Reach

We are fully aware of our responsibility and meet all requirements of the European REACH chemicals regulation. We are also focussed on the issue of "Conflict minerals".
We supply copper and copper-alloy products as cold-rolled strip and stamped components. REACH classifies these as products. All substances contained in the products have been registered or pre-registered, respectively, by us or an upstream agent in the supply chain.
We are a downstream user of the substances contained in the copper and copper-alloy products. These substances are registered as phase-in substances.
Their use in our production is taken into consideration in the REACH registration process. In this way, we undertake a chemical safety assessment of articles in accord with the registration process.
Our products and packaging do not contain any dangerous substances in concentrations exceeding 0.1% (w/w).

KMD Connectors Stolberg GmbH

15.10.2021

Confirmation for the Implementation of REACH

The KMD Connectors Stolberg GmbH, hereinafter referred to as KMD, supply products made of copper and/or copper alloys in the form of hot and cold rolled bands and sheets, pressed and drawn tubes. Within the meaning of REACH it is a question here of products.

- *KMD is aware of REACH European regulation and has been acting since the Regulation was issued, on all actions needed to fulfil REACH obligations applicable to its industrial and commercial activities.*
- *KMD acts as a downstream user of the substances which are contained in the products made of copper and copper alloys. Their use for the production of products of copper and copper alloys is taken into consideration in the REACH registration process.*
- *All substances contained in the products have been registered, respectively pre-registered by KMD or an upstream actor in the supply chain.*
- *KMD will assure that all substances contained in the products are registered by KMD or by an upstream actor according to the time schedule for registration which is defined by REACH legislation. We are in close contact with our suppliers and REACH-compliance of materials relevant to our processes is a fundamental part of our supplier qualification procedure.*
- *All products and packaging of KMD do not contain any of the particularly alarming substances (SVHC) mentioned in the SVHC-candidate list for authorization in concentrations of more than 0,1% (w/w).*

3.2. Energy

Reducing energy consumption is a very important objective for the copper industry. First of all from an environmental point of view, to contribute to the reduction of greenhouse gas emissions. But it is also important from an economic point of view to reduce production costs.

Energy efficiency to protect the climate

Copper is potentially climate friendly. According to calculations published by the Eco Institute in Freiburg, its **global warming potential** per kilogram of primary metal is 2 kg of CO_2 equivalent. In comparison, one kilogram of gold has a global warming potential of 18,000 kg of CO_2 equivalent. The cumulative energy consumption of gold per kg of primary metal is also 8,700 times that of copper. However, the energy expenditure in copper production is still high.

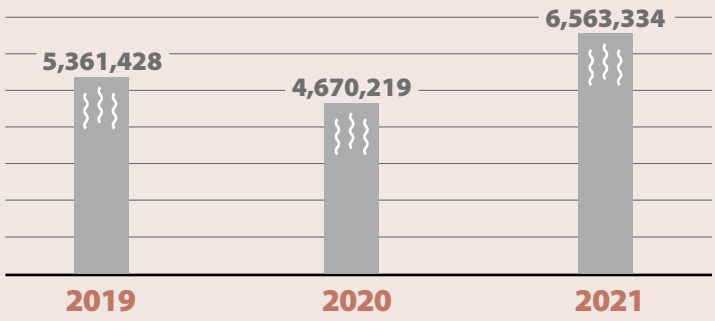
Because the energy used to obtain copper from recycled materials is up to 90% less than that required to obtain copper from ore, we uses recycled copper in addition to copper from ore. And the companies pay close attention to **energy conservation**, taking a wide range of measures to significantly increase its energy efficiency. We have an **energy management system** based on the international standard ISO 50001:2018, which it applies consistently and successfully.

Energy consumption

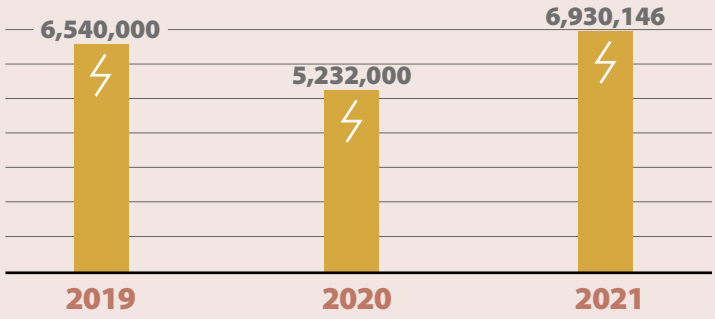
The factory uses **natural gas** and **electricity**.
Electricity consumption amounted to **6,930,146 kWh**, while those of natural gas amounted to **6,563,334 MJ.** The total energy consumption in 2021 was **8,753,294 kWh eq**. Compared to 2020 there was an increase of 32.4%.

ENERGY CONSUMPTION	2019	2020	2021
Natural gas (MJ)	5,361,428	4,670,219	6,563,334
Electricity (kWh)	6,540,000	5,232,000	6,930,146
TOTAL (kWh eq)	8,029,286	6,529,283	8,753,294

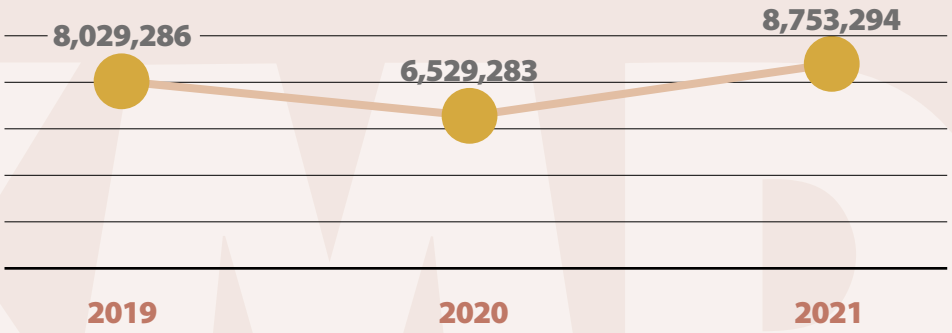
NATURAL GAS (MJ)



ELECTRICITY (kWh)



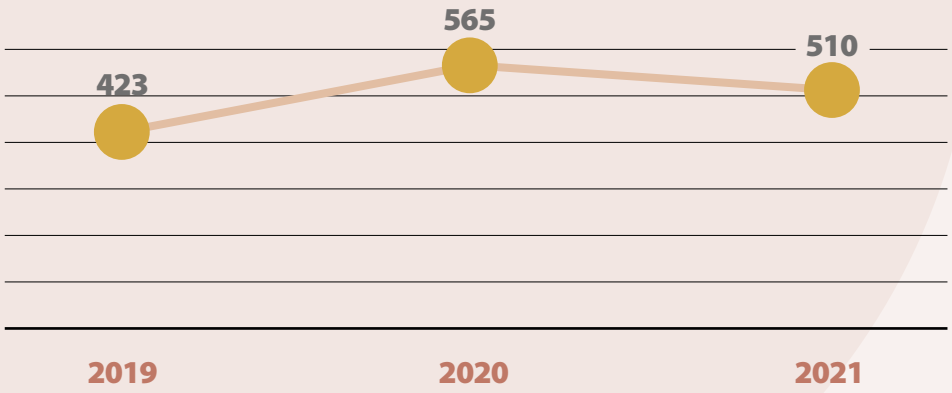
TOTAL ENERGY CONSUMPTION (kWh eq.)



Energy intensity

However, the absolute value of consumption does not help to fully understand efficiency levels, because they obviously depend on the production volume.
The most significant figure for measuring efficiency is **energy intensity**, i.e. **specific consumption per unit of product**.
510 kWh eq. was consumed per ton of product in 2021. Compared to 2020 there was a reduction of 9.8%.

ENERGY CONSUMPTION PER UNIT OF PRODUCT
(kWh eq/ton)

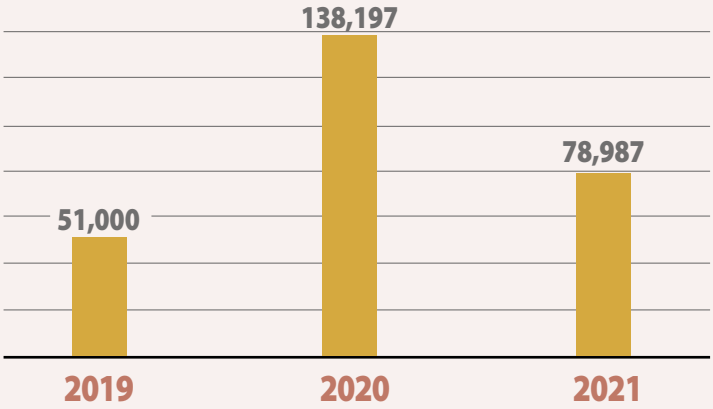


Energy efficiency measures

Some data highlight the results achieved through energy efficiency measures and energy savings (hall lighting replaced, higher-level control system for compressed air network, new air compressor with regulated drive.):

- In 2021, through measures related to electricity and gas consumption, **the savings were 78,987 kWh** eq. It is a saving corresponding to approximately 1.1% of the energy used by the factory.
- Over the three-year period (2019–2021), interventions in natural gas and electricity **use have saved 268,184 kWh** eq.

ENERGY SAVING THANKS TO ENERGY EFFICIENCY MEASURES
(kWh eq.)



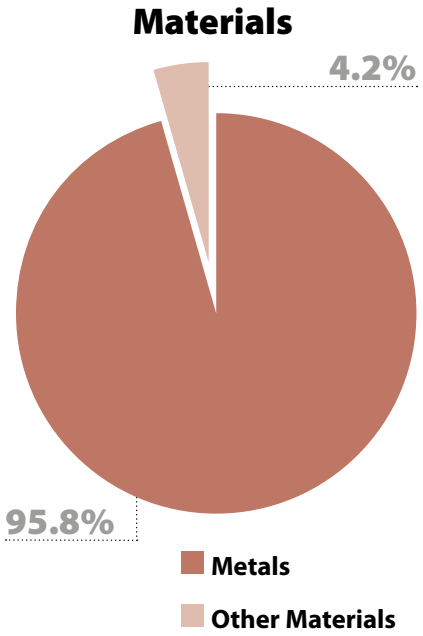
3.3 Materials

Efficiency in the use of material resources and the **use of recycled materials** are very important elements for the environmental sustainability of the industry. Those who produce copper and copper alloys, from this point of view, can leverage the fact that copper is a so-called "permanent" material, potentially infinitely recyclable.
The factory uses **copper scraps**.

Materials used

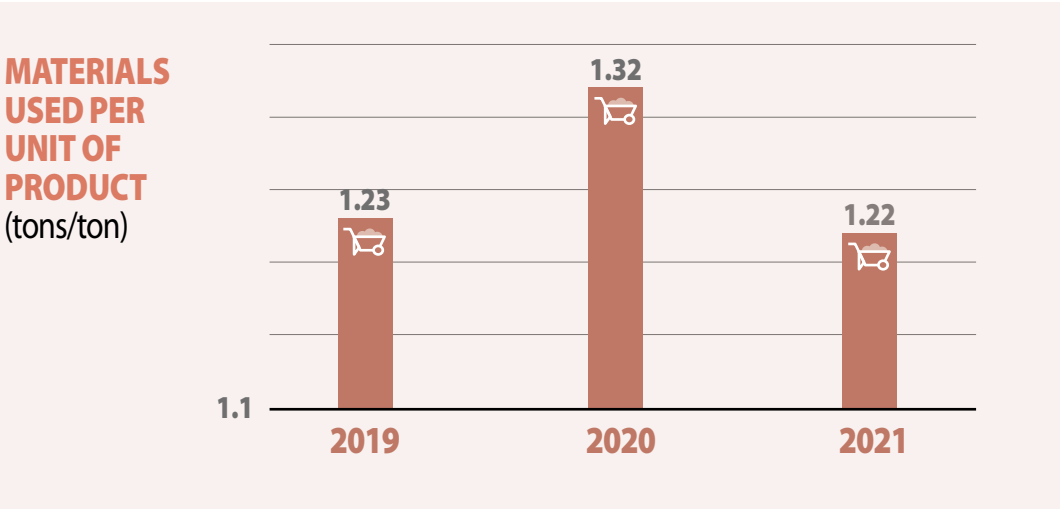
21,015 tons of materials (raw metal materials, scraps, process materials, dpi, tools, paper, etc) were bought and used for the production of finished products in 2021.
The materials used are **95.8% metals** (new metal and semi-finished produced with scraps).

MATERIALS	tons
New metal (copper, zinc, tin, nickel, silverin cathods, ingots, etc.)	211
Scraps	-
Semi-finished (produced with new metal)	12,177
Semi-finished (produced with metal scraps)	7,743
TOTAL METALS (t)	20,131
OTHER MATERIALS (t)	884
TOTAL (t)	21,015

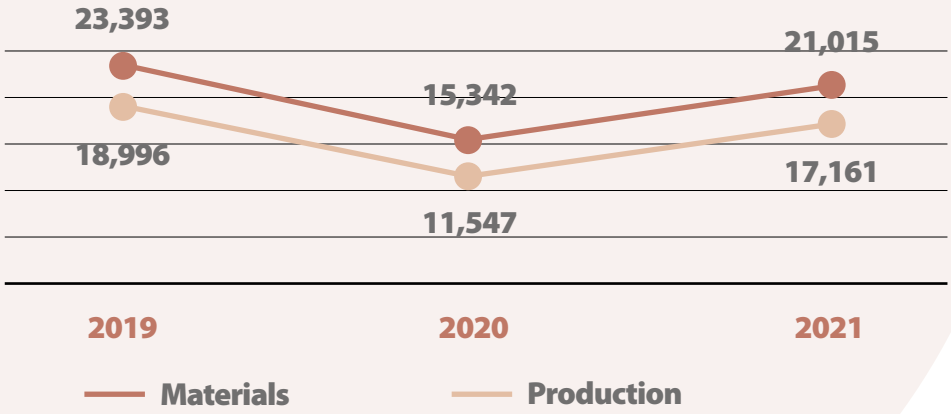


Materials used per unit of product

1.22 tons of materials were used in 2021 for every ton of product. Compared to previous year there is reduction of 7.5%.



MATERIALS AND PRODUCTION (tons)



Renewable raw materials

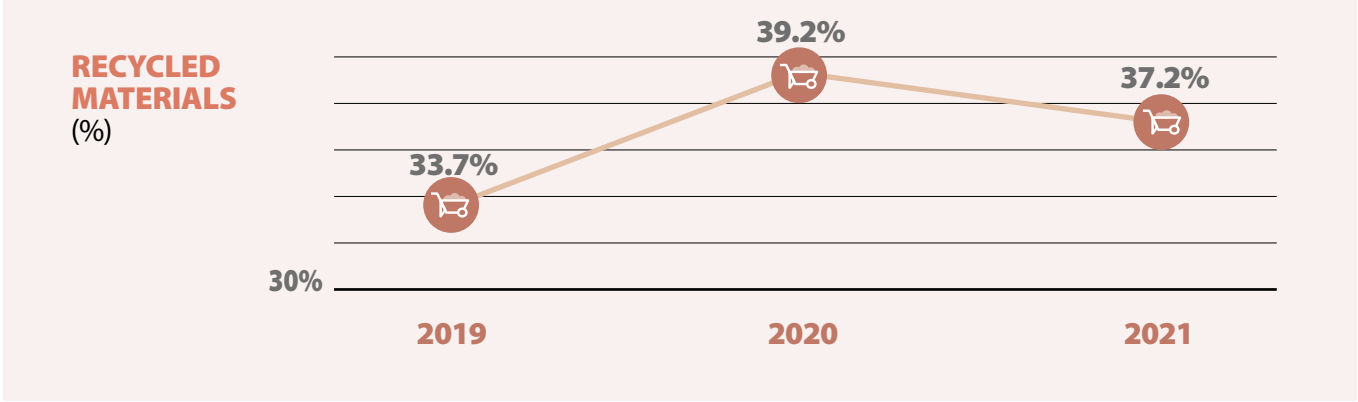
339 tons of materials used in 2021 (wood packaging) can be classified as **renewable raw materials**. Of the total materials used, they make up only 1.6%, but net of metals the percentage of renewable raw materials rises to 38.3%.

Renewable raw materials	2019	2020	2021
tons	231	189	339
Percentage of total materials	1%	1.2%	1.6%
Percentage of materials net of metals	30.2%	33.5%	38.3%

Recycled materials

In 2021, the plant used 7,743 tons of semifinished produced with **metal scraps**. Including the use of **recycled packaging** (76 tons), the total amount of **materials from recycling** is **7.819 tons**, corresponding to **37.2%** of total materials used.

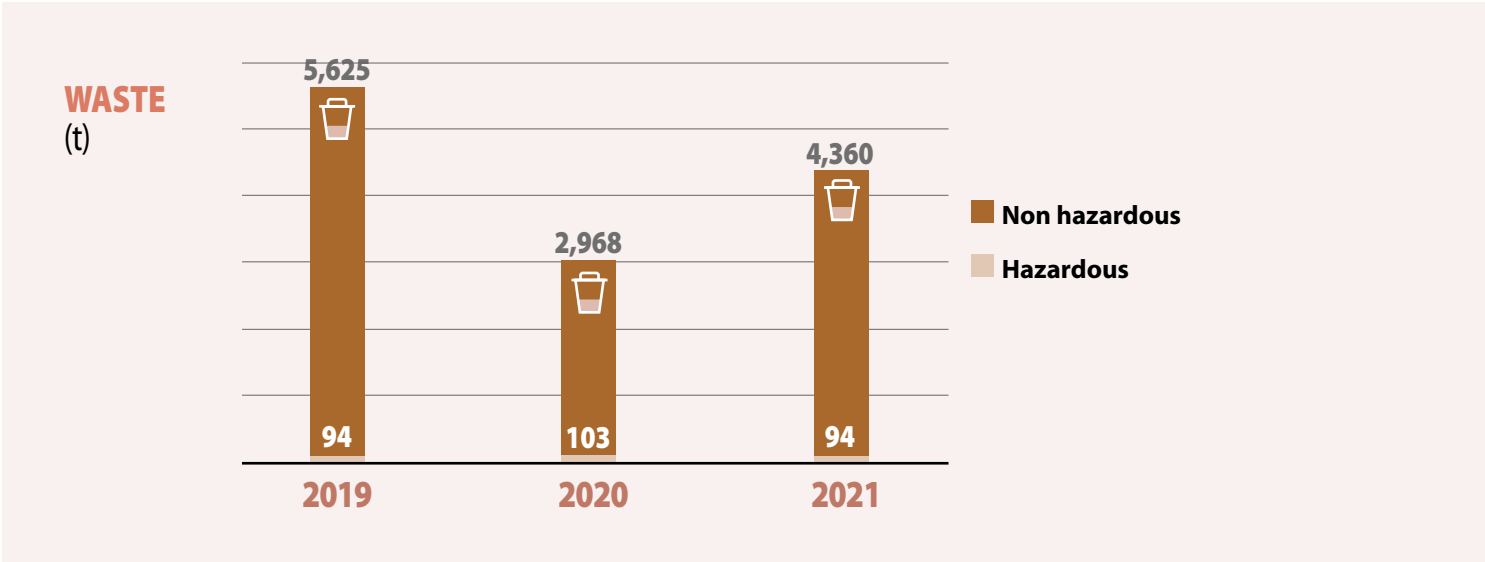
Recycled materials	2019	2020	2021
tons	7,900	6,021	7,819
Total recycled materials used / Total materials used	33.7%	39.2%	37.2%



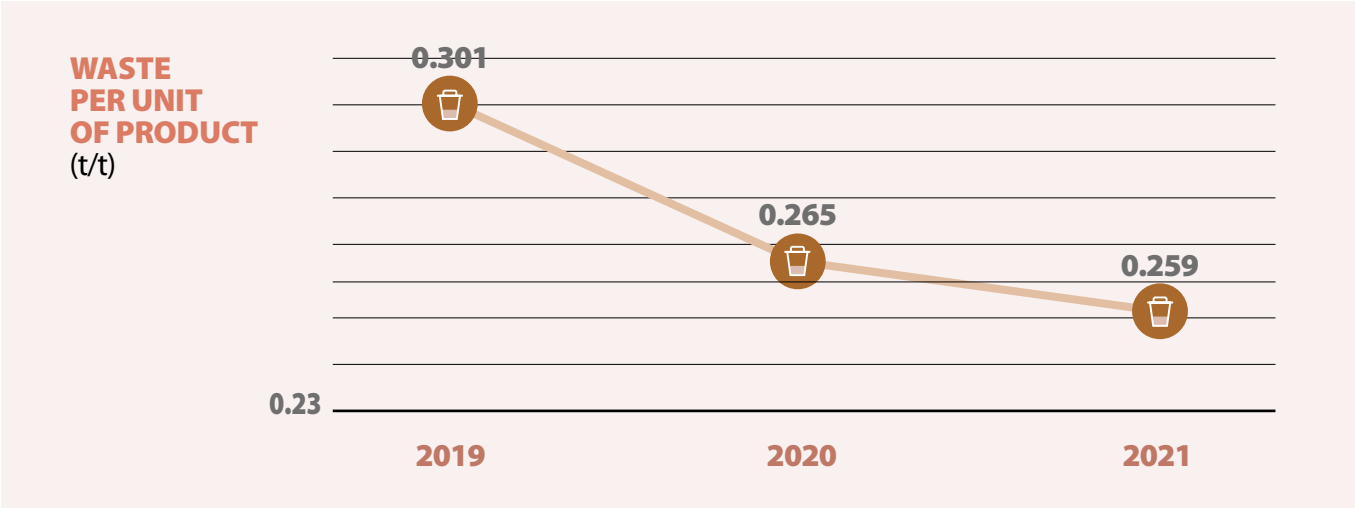
3.4 Waste

Waste production
The amount of waste produced by the plant amounted to 4,454 tons.

WASTE (t)	2019	2020	2021
- non hazardous	5,625	2,968	4,360
- hazardous	94	103	94
Total	5,719	3,071	4,454



Waste per unit of product
An important indicator is the amount of waste generated per unit of product.
In 2021 it is **0.259 t** per unit of product.

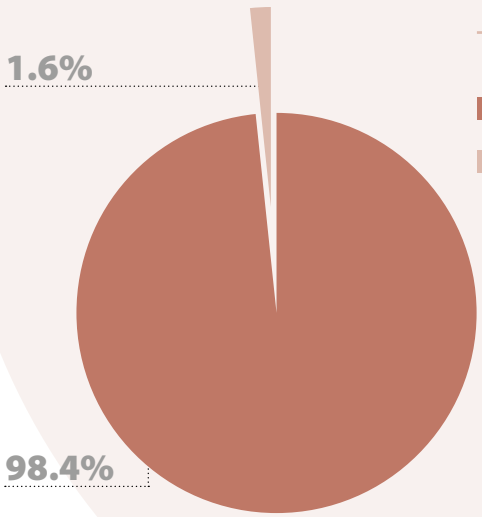


Waste Management
98.4% of the waste produced is sent for **recovery**.

HAZARDOUS WASTE (tons)		2020	2021
Recovery	36	46	25
Disposal	58	57	69

NON-HAZARDOUS WASTE (tons)	2019	2020	2021
Recovery	5,625	2,968	4,360
Disposal	-	-	-

Waste management



DANGEROUS WASTE TRANSPORTED (tons)

2019	2020	2021
94	103	94

3.5 Greenhouse gas emissions

Since 2013, copper-producing industries have been involved in the *Emission Trading Scheme (ETS)*, the main tool adopted by the European Union to achieve CO_2 reduction targets in major industrial sectors.

How greenhouse **gas emissions** are calculated

The calculation of GHG emissions is based on the GHG reporting system, which classifies GHG emissions into:

- direct emissions;
- Indirect emissions from the production processes of purchased and consumed energy;*
- other indirect emissions (e.g. from transport).

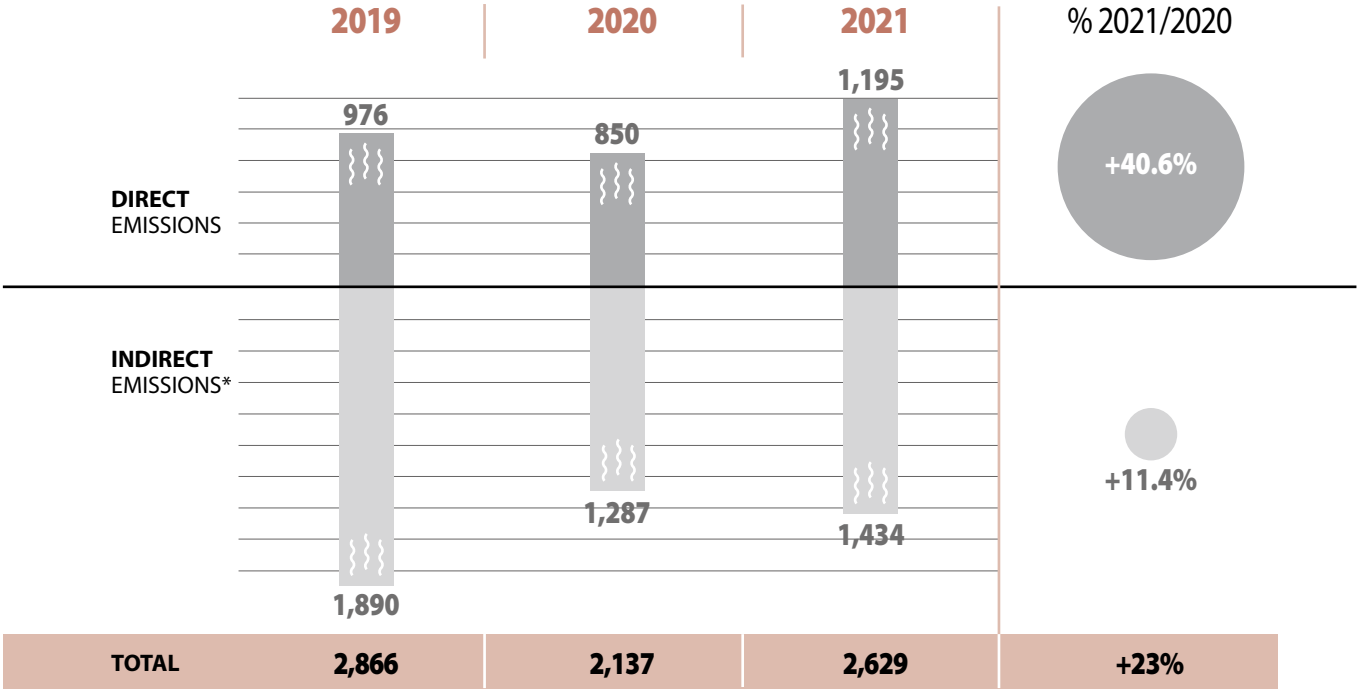
As information on the latter is not available, the calculation of emissions reported in this report concerns direct emissions and indirect emissions connected with the production of electricity purchased from the grid.

** The calculation of indirect emissions from electricity consumption is made with reference to the greenhouse gas emission factors of the energy mix.*

Total emissions

Adding together direct emissions (from production at the factory) and indirect emissions (related to the production of purchased and consumed electricity), **total emissions** in 2021 were **2,629 t CO_2 eq.**, with an increase of 23% compared to 2020 and a reduction of 8.3% compared to 2019.

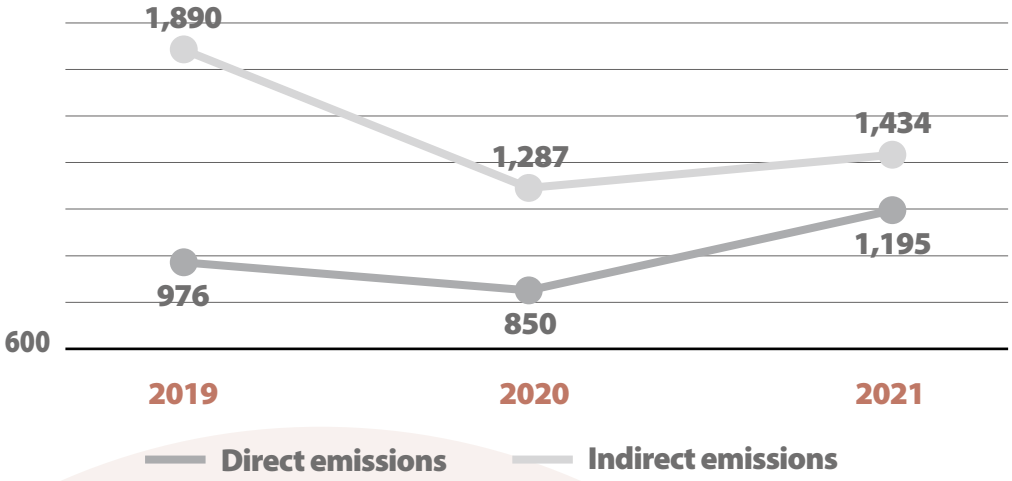
GREENHOUSE GAS EMISSIONS* CO_2 eq. (tons)



	2019	2020	2021	% 2021/2020
TOTAL	2,866	2,137	2,629	+23%

** change of supplier for electrical power at the end of 2018 allowed a reduction from 436 CO2eq/KWh to 289 g CO2eq/Kwh in 2019, 246 g CO2eq/Kwh in 2020 and 207 g CO2eq/Kwh in 2021*

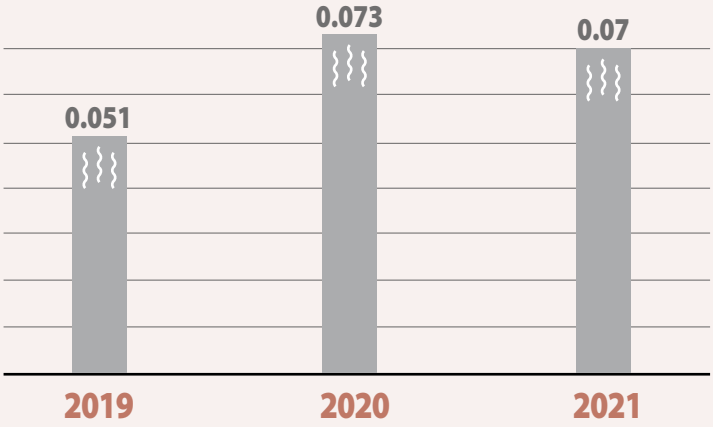
TOTAL EMISSIONS (tons CO_2 eq)



Emissions per unit of product

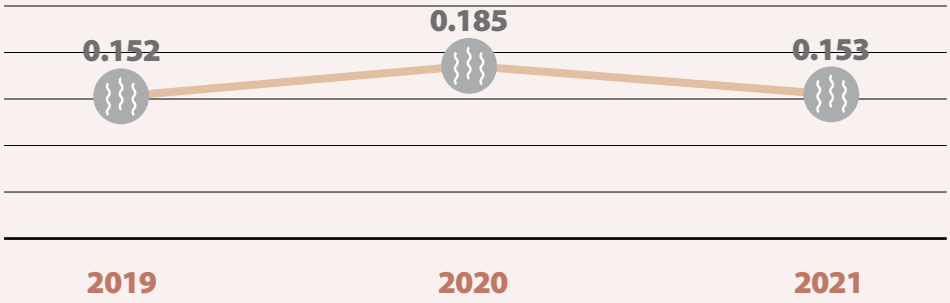
Direct greenhouse emissions per unit of product **decreased of 4%** compared to previous years.

DIRECT EMISSIONS PER UNIT OF PRODUCT (tons CO_2 eq/ ton)



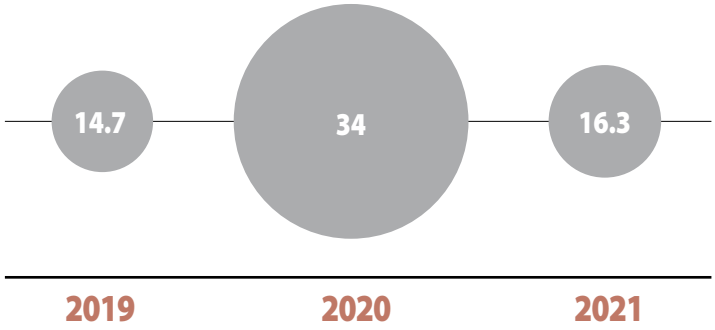
Total greenhouse emissions (direct plus indirect) **per unit of product decreased of 17.3%** compared to 2020. Indeed **0.153 tons** of CO_2eq. per unit of product was generated in 2021, while it was 0.185 in 2020 and 0.152 in 2019.

EMISSIONS PER UNIT OF PRODUCT
(tons CO_2 eq/ton)

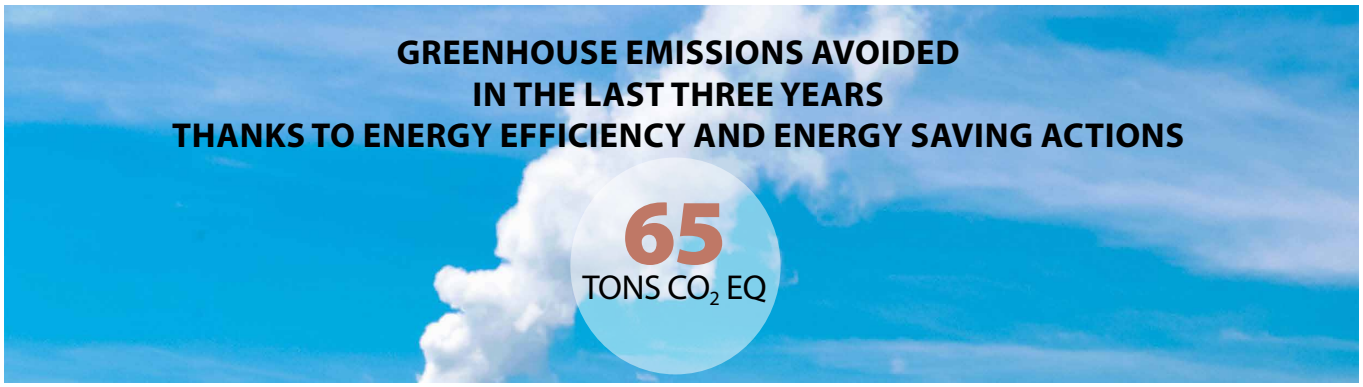


Avoided emissions
The measures taken to improve energy efficiency in the plant have significantly reduced greenhouse gas emissions: **16.3 tons of CO_2 eq.** were avoided in 2021.

AVOIDED EMISSIONS *(THROUGH ENERGY EFFICIENCY MEASURES)*
(tons CO_2 eq.)



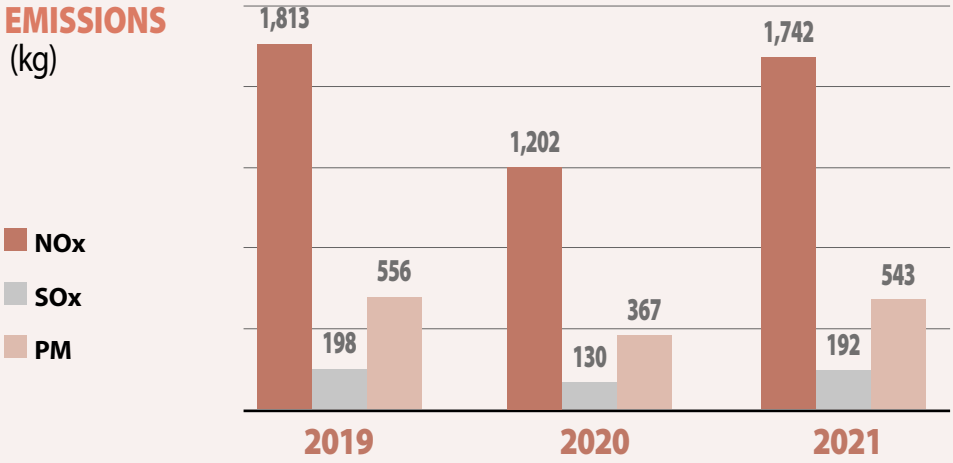
In the three-year period **2019-2021** were **avoided 65 tons** of CO_2 eq.



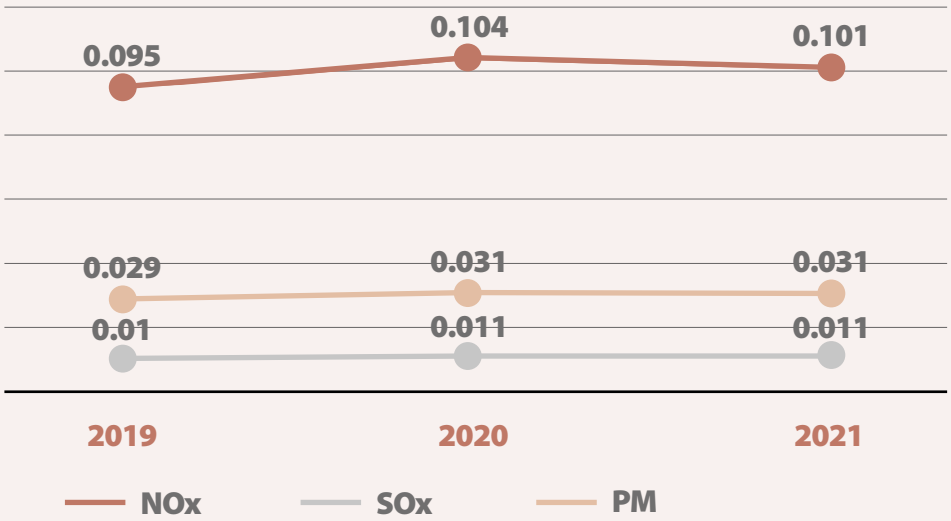
3.6 Other emissions

Emissions
The emissions generated by the activities of the plant concern in particular **nitrogen oxides (NO_x)**, **sulphur oxides (SO_x)** and **particulate matter (PM)**.
NO_x emissions were 1,742 kg; **SO_x** emissions were 192 kg (- 1.5%) and **PM** emissions were 543 kg.

EMISSIONS
(kg)



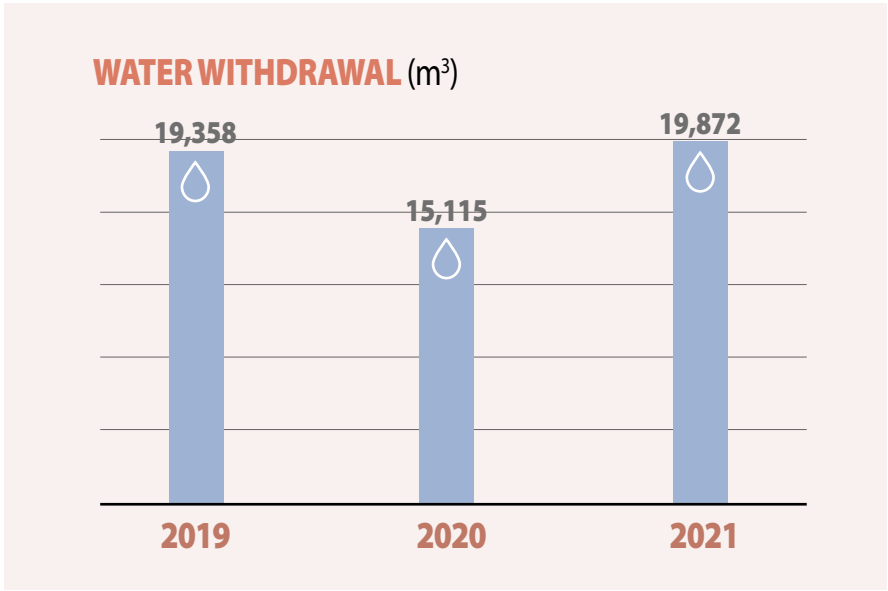
EMISSIONS PER UNIT OF PRODUCT
(kg/ton)



3.7 Water

19,872 m³ of water was withdrawn in 2021.

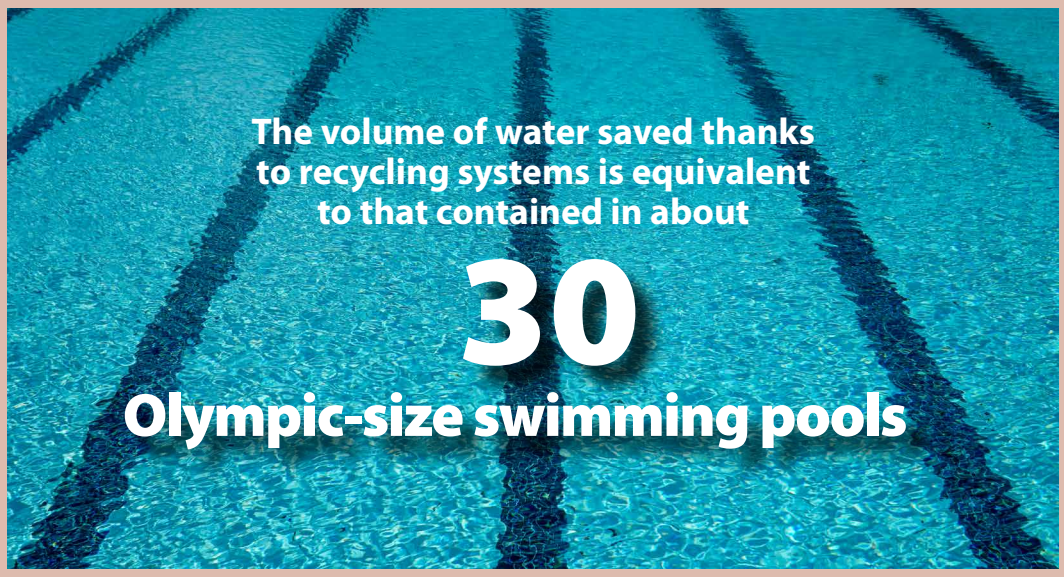
WATER (m³)	2019	2020	2021
Water Withdrawal	19,358	15,115	19,872
Water Discharge	14,365	10,575	14,462
Water Consumption	4,993	4,540	5,410



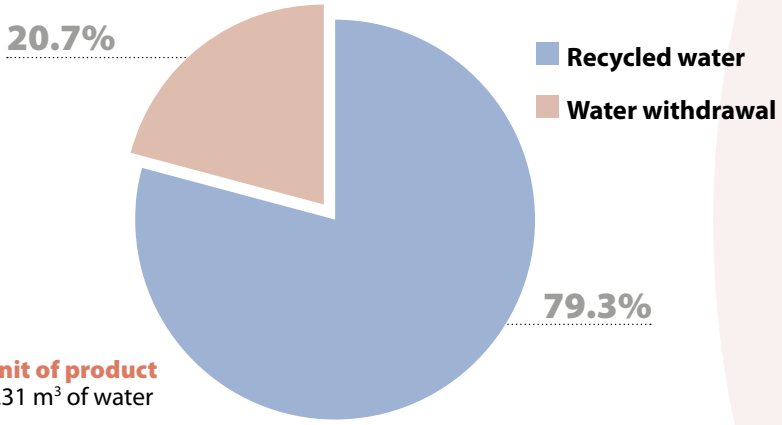
Recycling

Thanks to this virtuous system, a considerable amount of water is recycled and re-used in the industrial process. 76,359 m³ were recycled and reused in 2021. This means that the total volume of water required, without these recirculation systems, would have been 96,231 m³. The prevailing share of water used in the process comes from recycling: in the last year, this percentage was 79.3%.
So this system of recycling avoids the withdrawal of significant volumes of water.

WATER RECYCLING	2019	2020	2021
m³	75,887	77,056	76,359
RECYCLED WATER AS A PERCENTAGE OF TOTAL WATER USED	79.7%	83.6%	79.3%

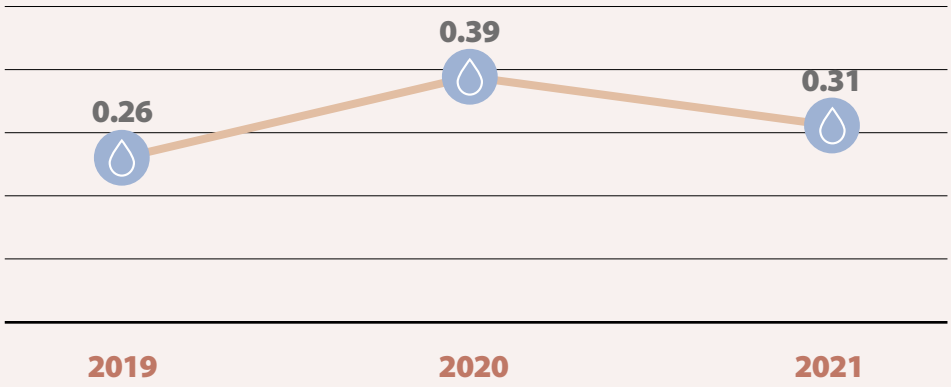


WATER USED (m^3)



Water consumption per unit of product
For every ton of products, 0.31 m^3 of water was consumed in 2021.

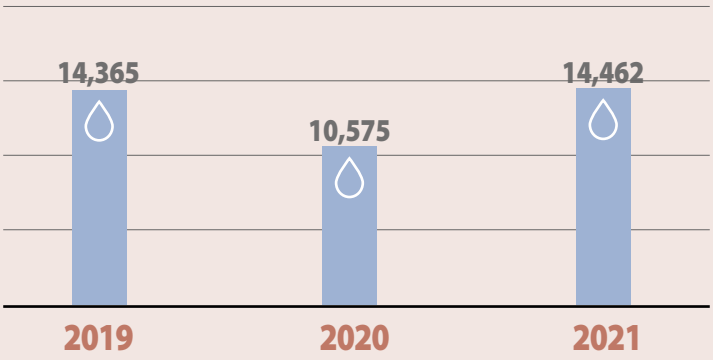
WATER CONSUMPTION PER UNIT OF PRODUCT (m^3 / ton)



3.8 Purification and water discharges

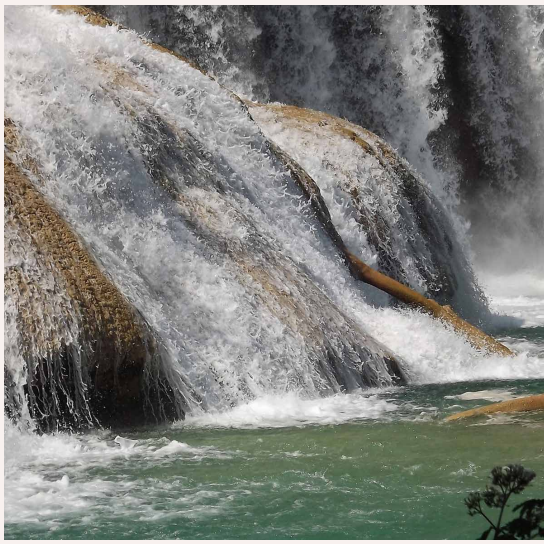
Following purification by chemical physical treatment with selective resins for heavy metals, sand filter and carbon filter, water are discharged into Municipal sewer.

WATER DISCHARGES (m^3)



The values of pollutants in the wastewater are well within the limits, according to federal acts.

POLLUTANTS (mg/l)	2019	2020	2021
AOX	0.20	0.10	0.05
Free chlorine HOCl	0.28	0.39	0.47
Cu	0.04	0.08	0.11
Ni	0.01	0.04	0.06
Zn	0.04	0.08	0.04
Sn	0.01	0.01	0.02
CSB	56.00	74.80	87.80

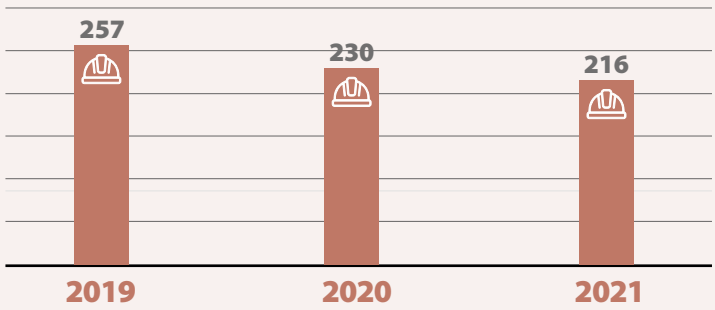


4 Social sustainability

4.1 Employees

As of December 31, 2021, KMD Stolberg had **216 employees**.

EMPLOYEES

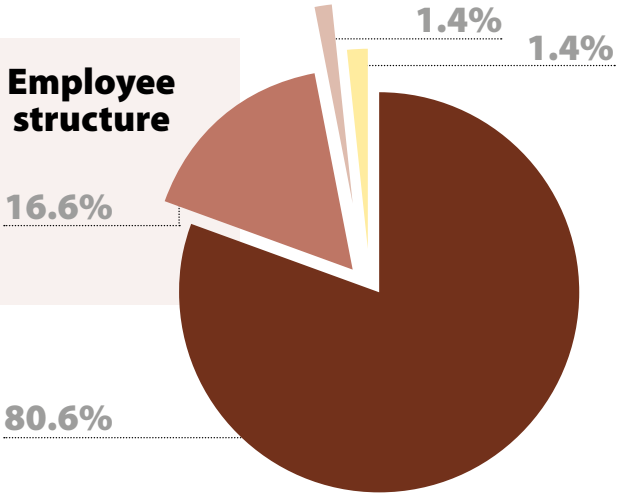


Regarding the contract, only 6 employees are fixed-term, all others are permanent.
The company's social benefits are the same for all employees, whether full-time or part-time. Among other things, the companies have a company pension scheme, an occupational health service, support for canteen meals, preventive health measures, etc.

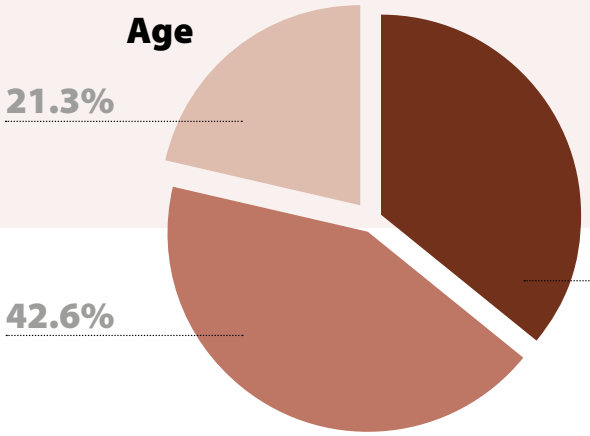
Employee structure and duties

- 174 blue collar
- 36 employees
- 3 management level 2
- 3 management level 1

Employee structure



Blue Collar
Employees
Management level 2
Management level 1



Age groups

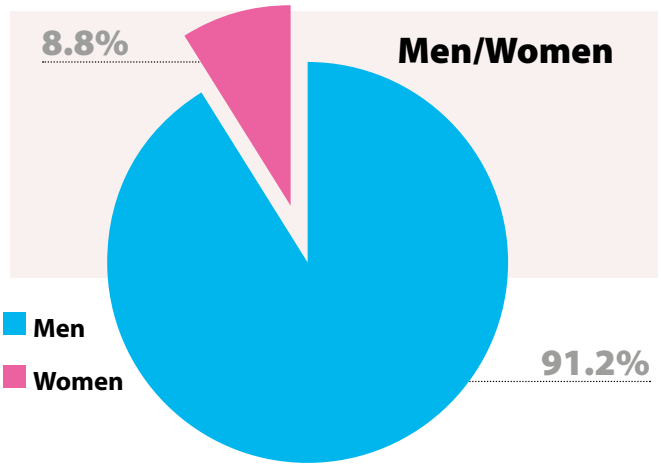
- 46 employees (21.3%) are under 30;
- 78 employees (36.1%) are between the ages of 30 and 50;
- 92 employees (42.6%) are over 50.

4.2 Equal opportunities

197 men (91.2%) and 19 women (8.8%) work at the factory.

Among 36 employees there are 16 women (44.4%). Among 174 blue collar there are 3 women (1.7%). There are non women among first and second level management.

No incidents of discrimination were detected or reported during the period examined.
According to the metal industry collective labor agreement, there is no difference in payment between men and women. Within the pay group, the basic salary is the same for all employees, regardless of gender.
During the last year 3 employees (1 men and 2 women) took parental leave, as provided for by law and the collective labor agreement.



4.3 Health and safety

Worker health and safety are key priorities. The main goal is to prevent accidents, work-related illnesses and inappropriate physical and mental exertion.
KMD Stolberg is subject to the regulations of the **German Occupational Health and Safety Act.**

Health and **safety** certification

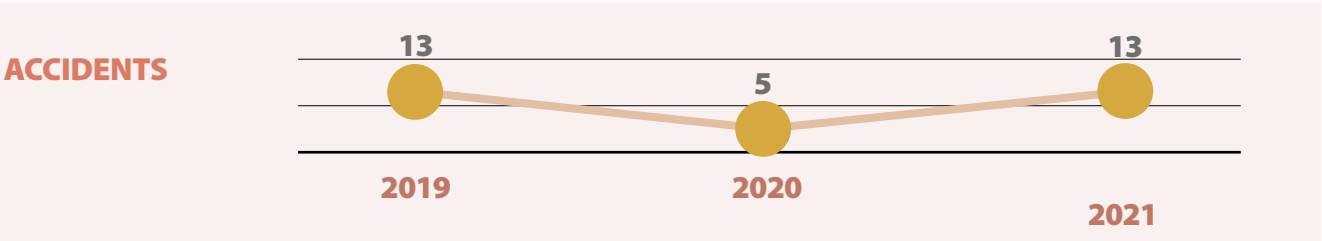
Health and safety are very important to us and our goal is to keep improving. Before undertaking new projects and activities, we assess their effects on the health and safety of our employees. We have developed a range of tools that help us to recognize and rectify potential workplace hazards. We minimize the risk of accidents and guarantee compliance with legal requirements, in order to improve overall safety.

This is confirmed by the ISO 45001 certification achieved by both of our Stolberg plant and Xinxiang plant. ISO 45001(which replaced OHSAS 18001) is an internationally recognized standard for occupational health and safety management systems. It deals with the following areas:

- The planning of hazard identification, risk assessment and risk control
- Structure and responsibility
- Training, awareness and competence
- Operative management
- Emergency preparedness and response
- Performance measurement, monitoring and improvement

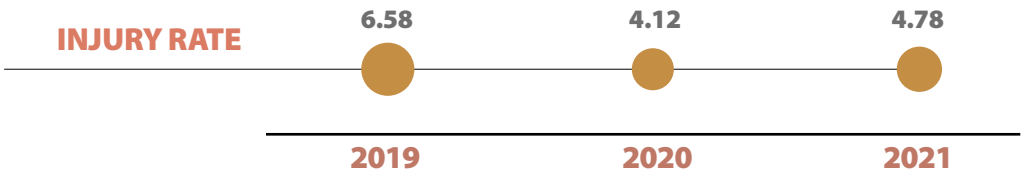
Accidents

There were 13 relevant accidents (causing absence > 1 day) during 2021.

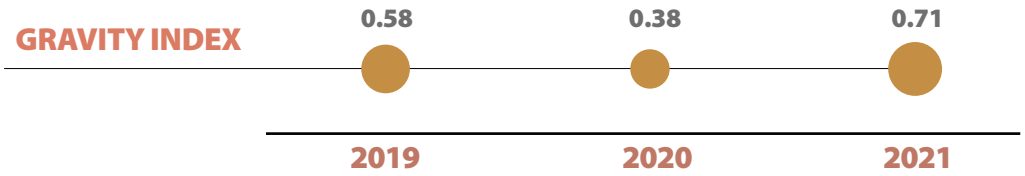


In 2021 the plant recorded:

- an **Injury Rate*** of 4.78 (+16%).



- an **Gravity Index**** of 0.71 (+87%).



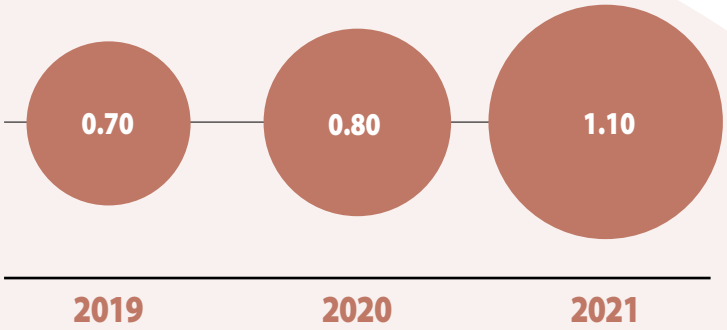
** Injury Rate: number of injuries with absence >1 day/number of hours worked x 200,00*

***Gravity Index: days of absence due to injury/number of hours worked x 1,000.*

4.4 Training

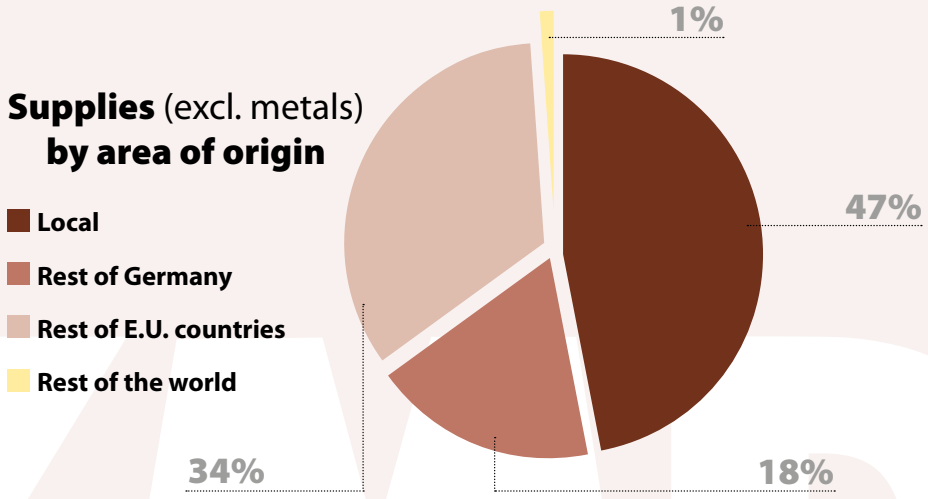
In 2021, hours dedicated to training averaged 1.10 per employee.

TRAINING
(Average hours per capita)



4.5 Suppliers

- Economic value of supplies of goods and services net of metal and taxes: € 10,993,580
- Total number of suppliers (net of metal): 470
  of which regional suppliers (North Rhine-Westphalia): 270
- Economic value of supplies (excl. metal and taxes) by area of origin:
  - *local (North Rhine-Westphalia): € 5,206,929*
  - *rest of Germany: € 2,012,357*
  - *rest of the E.U. countries: € 3,734,114*
  - *rest of the world: € 40,180*



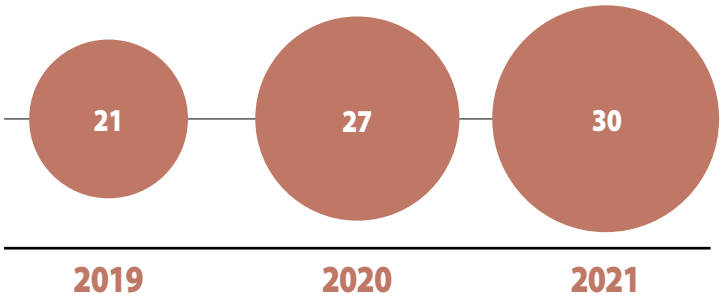
- Total economic value of supplies of goods and services including metals (excl. taxes) : € 220,539,544

ECONOMIC VALUE OF SUPPLIES *net of metals and taxes* (euro)

	2019	%	2020	%	2021	%
Local	3,686,702	32.0%	3,019,135	45.5%	5,206,929	47.4%
Rest of Germany	2,592,535	22.5%	1,717,882	25.9%	2,012,357	18.3%
Rest of EU countries	4,942,167	42.9%	1,860,804	28.1%	3,734,114	34.0%
Rest of the world	298,697	2.6%	32,256	0.5%	40,180	0.4%
Total	11,520,101		6,630,077		10,993,580	

Over the past three years, the economic value of supplies from local suppliers have increased, from 3,686,702 euro to 5,206,929 euro (+41.2%). The percentage of supplies from local suppliers also increased during the same period, from 32% to 47.4%. These data help to understand the induced economic effects on the local economy.

NUMBER OF SUPPLIERS ASSESSED FOR ENVIRONMENTAL IMPACTS



KMD Stolberg obtain all materials exclusively from well-known suppliers who have confirmed compliance with the Dodd-Frank Wall Street Reform and the Consumer Protection Act (Wall Street Reform Act). To this end, KMD conduct surveys on the origin of the materials at regular intervals.
Since all of the declarations made by KMD are based on statements from material suppliers, we cannot guaranty the liability for this.

4.6 Relations with local community

The companies promote social and cultural activities in favour of the local community and other external initiatives. The following initiatives implemented during last year are highlighted:

- participation in the training exchange in schools. (Presentation of the company and the apprenticeships offered at KMD)
- participation in the project "NIGHT OF TRAINING" (reception of pupils shortly before their graduation and presentation of the company and the training on offer).

5 Economic sustainability

Economic, financial and balance sheet data are published in the accounting documents and financial statements, which are drawn up in accordance with the law. Please refer to these for all detailed information. The sustainability report merely highlights some essential data and some information that is particularly relevant from the point of view of social sustainability, including the economic value provided to employees and the public administration. Particular attention is also paid to investments related to ecological transition and safety at work.

5.1 Results

In 2021 total turnover amounted to 253.7 million euro.

Turnover **net of the raw materials*** was **54.7 million** euro.

The economic value paid to **employees** as direct remuneration was **12.2 million** euro.

**This is particularly significant as it allows us to measure company performance without the effect of raw material price variability.*

5.2 Investments

The economic value of investments was in 2021 overall **842,000 euro**. These were the main ones:

- Vacuum roller and tension measurement brake level – 280,000 euro
- Tools steel ejector – 160,000 euro
- Hard and software update for OFI – 56,000 euro
- Steel ejector ring support scissor block – 50,000 euro

6 Circularity indicators

The new European Union's **Action Plan for the Circular Economy aims** to change production and consumption systems, for environmental, economic and geopolitical purposes. The main objective is to increasingly improve **efficiency in the use of resources** - through changes in the design of goods, production processes, technologies, the life cycle of products, waste management - to build environmentally sustainable development, while promoting economic competitiveness and employment.
In this context, KMD Connectors Stolberg aims to help accelerate the transition to a circular economy through the efficient use of materials and energy.

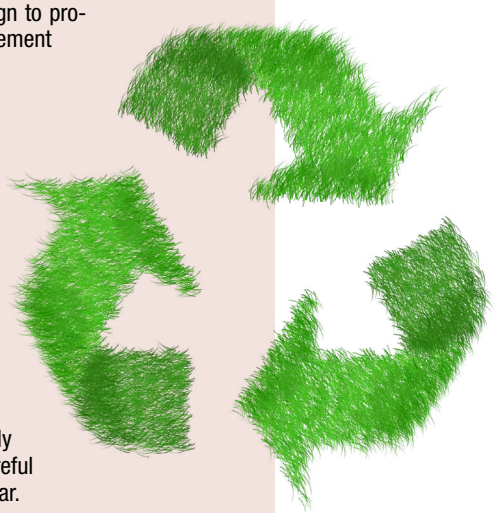
How to measure **"circularity"**

Accelerating the transition from linear economic models to a circular economy requires that every company be fully aware of its own positioning. Companies need to be able to measure their circularity performance at each stage of their production process and along the entire value chain, from design to procurement, from production to sales, from logistics to maintenance, to end-of-life management of products.

To this end, increasingly sophisticated tools for the detection and analysis of the main indicators of circularity are starting to spread, with the aim of providing companies not only with analytical tools, but also with information and solutions to improve the efficiency in the use of resources and the circularity of the production cycle.

How to measure "circularity"? To date, there are still no standardized and shared criteria and parameters. There are some examples of methods developed in recent years at the international level – first of all the Bellagio Charter drawn up by European Environmental Agency - but a standardized monitoring methodology is still being defined. .

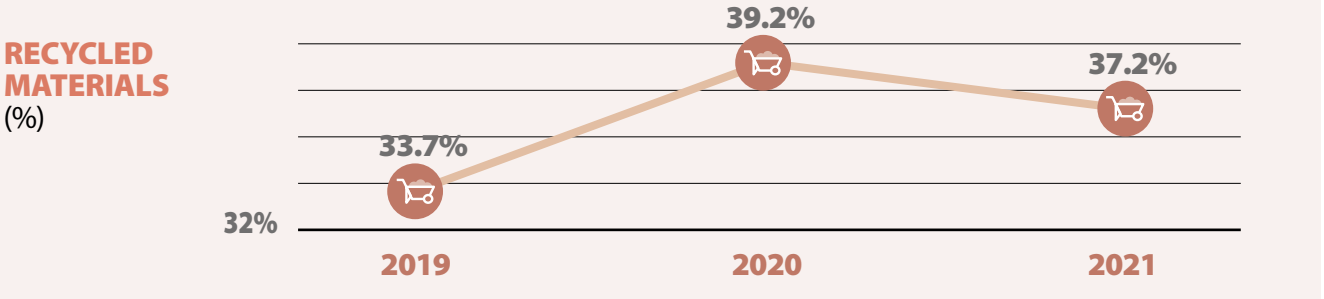
Using the methodology developed by Greening Marketing Italia, some circularity indicators are reported in the sustainability report. In this way, the company, which is already strongly committed to the circular economy, intends to set out on a path of even more careful evaluation of its efficiency in the use of resources and to monitor progress year after year.



Circularity rate

A first important indicator is the **circularity rate**, i.e. the percentage of recycled materials compared to the total materials used.
Recycled materials (mostly copper scrap, together with wooden packaging) are **37.2%** of total materials used in 2021.

37.2 %
OF THE MATERIALS USED COME FROM RECYCLING



Calculating the percentage of **metals** coming from **recycling** in relation to the metals used, the rate of circularity is **38.5**.

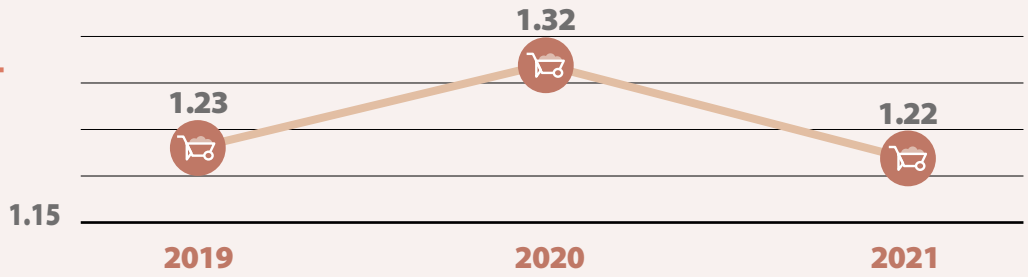
38.5 %
OF THE METALS USED COME FROM RECYCLING

RESOURCE PRODUCTIVITY INCREASED BY
7.5 %
IN LAST YEAR

Resource productivity

In order to measure the efficiency in the use of resources, an important indicator is the ratio between the amount of **materials used** and the **production output from the plant**. In 2021 it is equal to **1.22** tons/ton , with an important improvement compared to previous year.

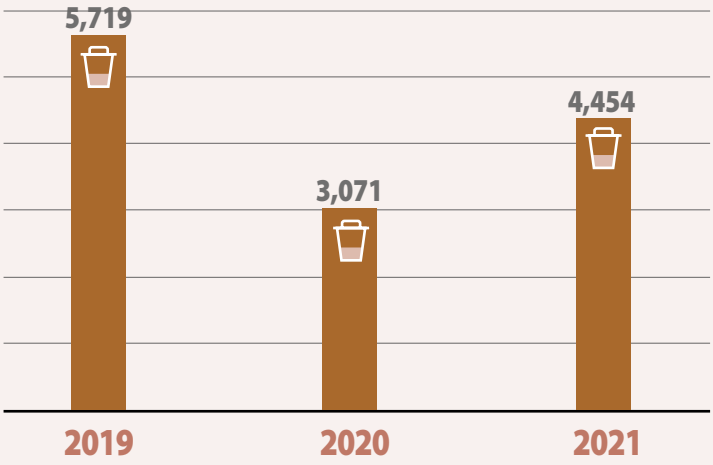
MATERIALS USED PER UNIT OF PRODUCT
(tons/ton)



Waste reduction

A circular economic model requires a progressive reduction of waste and an increase in material recovery, both within the production cycle and downstream of production.
The amount of waste produced is increased compared to 2020.

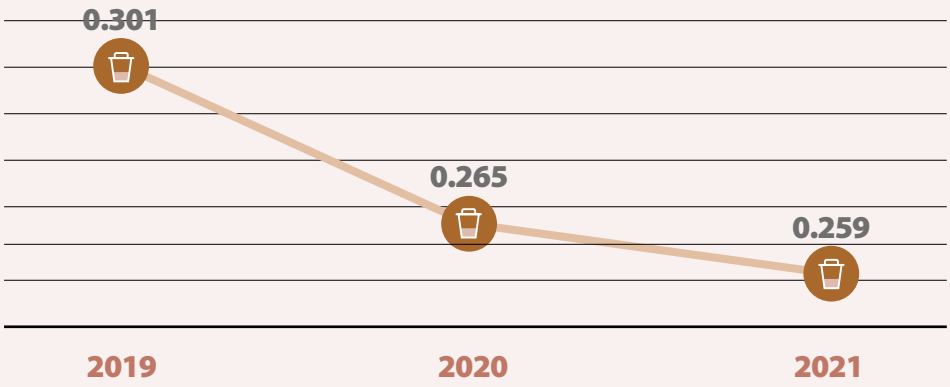
WASTE
(tons)



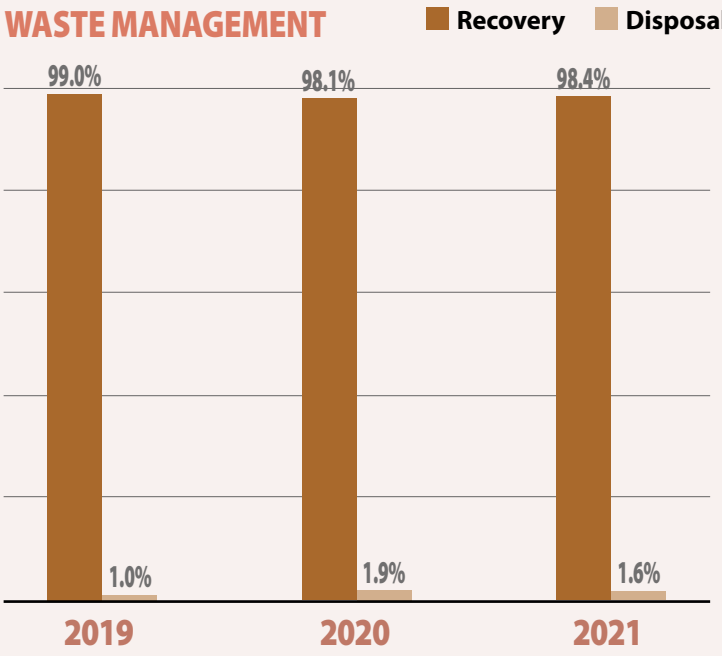
More significant is the figure for the **amount of waste per unit of product**: 0.259 tons of waste was generated per unit of product in 2021. From this point of view there is a progressive improvement.

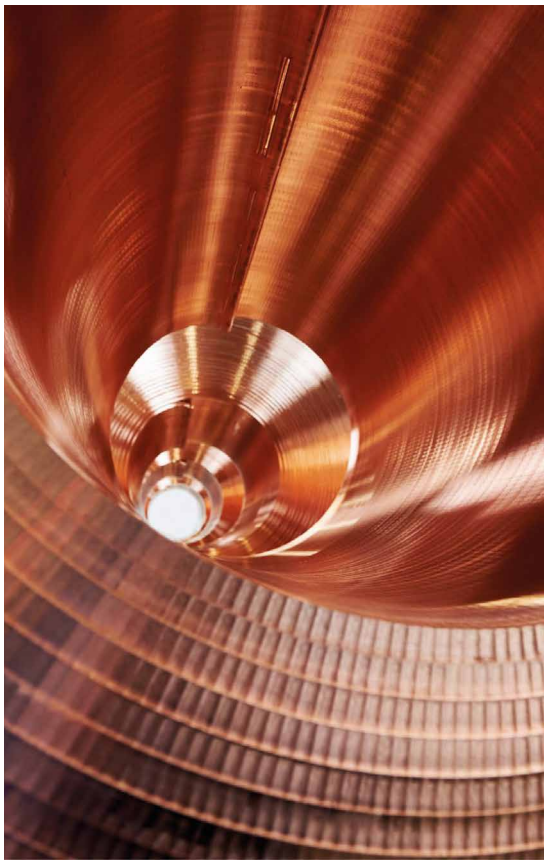
WASTE GENERATION PER UNIT OF PRODUCT IN 2021 REDUCED BY **14**% IN LAST THREE YEARS

WASTE PER UNIT OF PRODUCT (t/t)



Another relevant indicator is the percentage of waste sent for **recovery** instead of disposal. In 2021 it was **98.4%**, a very high percentage.





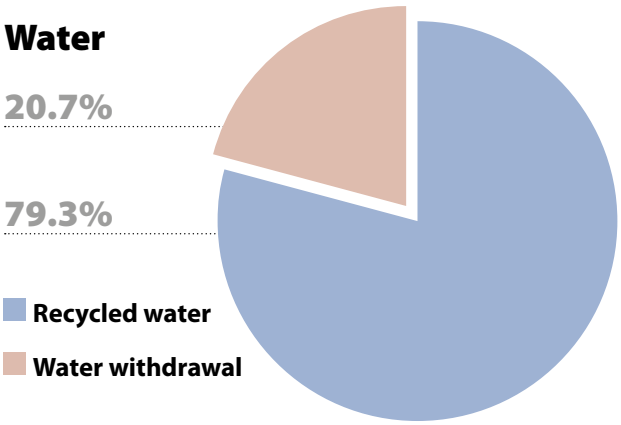
RECYCLED WATER IS
79.3 %
OF WATER USED

Efficient use of water resources

Even water, in a circular economy scenario, should be used as efficiently as possible, reducing consumption and increasing reuse within production cycles.

The plant uses a water recycling system that processed **76,359 m³** in 2021, thus significantly reducing the volume of water withdrawal required. Again, this is a principle of **circular economy** applied to an element, water, whose importance, also due to climate change, has grown and will grow in the future.

Recycled water is 79.3% of water used.



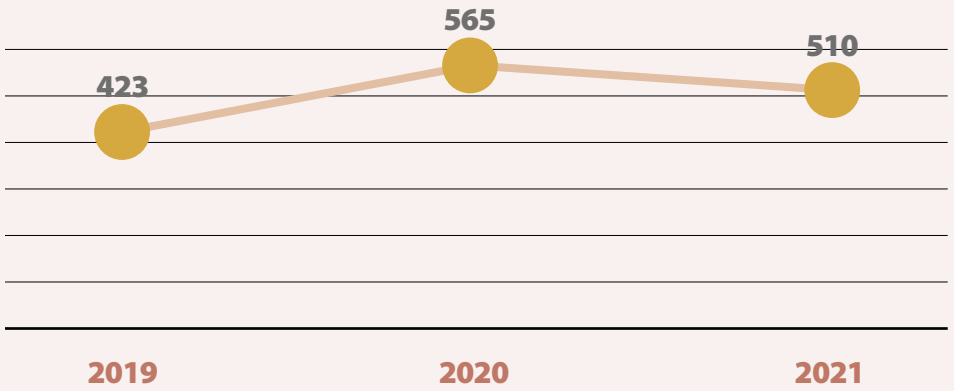
ENERGY CONSUMPTION PER UNIT OF PRODUCT REDUCED BY
9.8%
COMPARED TO PREVIOUS YEAR

Energy efficiency

In a circular economy model energy, like matter, must be used as efficiently as possible. All the more so in energy-intensive facilities such as metalworking plants. As mentioned in another chapter, the factory has already taken important steps to improve energy efficiency.

In terms of **specific consumption per unit of product**, 510 kWh eq. was consumed per ton of product, a reduction of 9.8% compared to the previous year.

ENERGY INTENSITY
(kWh eq/ton)



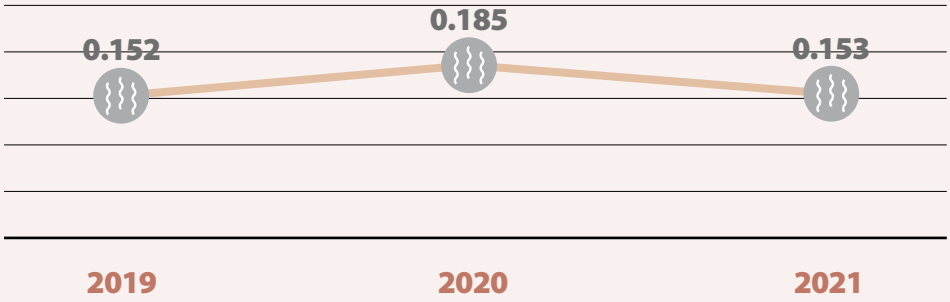
GREENHOUSE EMISSIONS PER UNIT OF PRODUCT REDUCED BY **38.5** % COMPARED TO PREVIOUS YEAR

Reducing greenhouse gas emissions

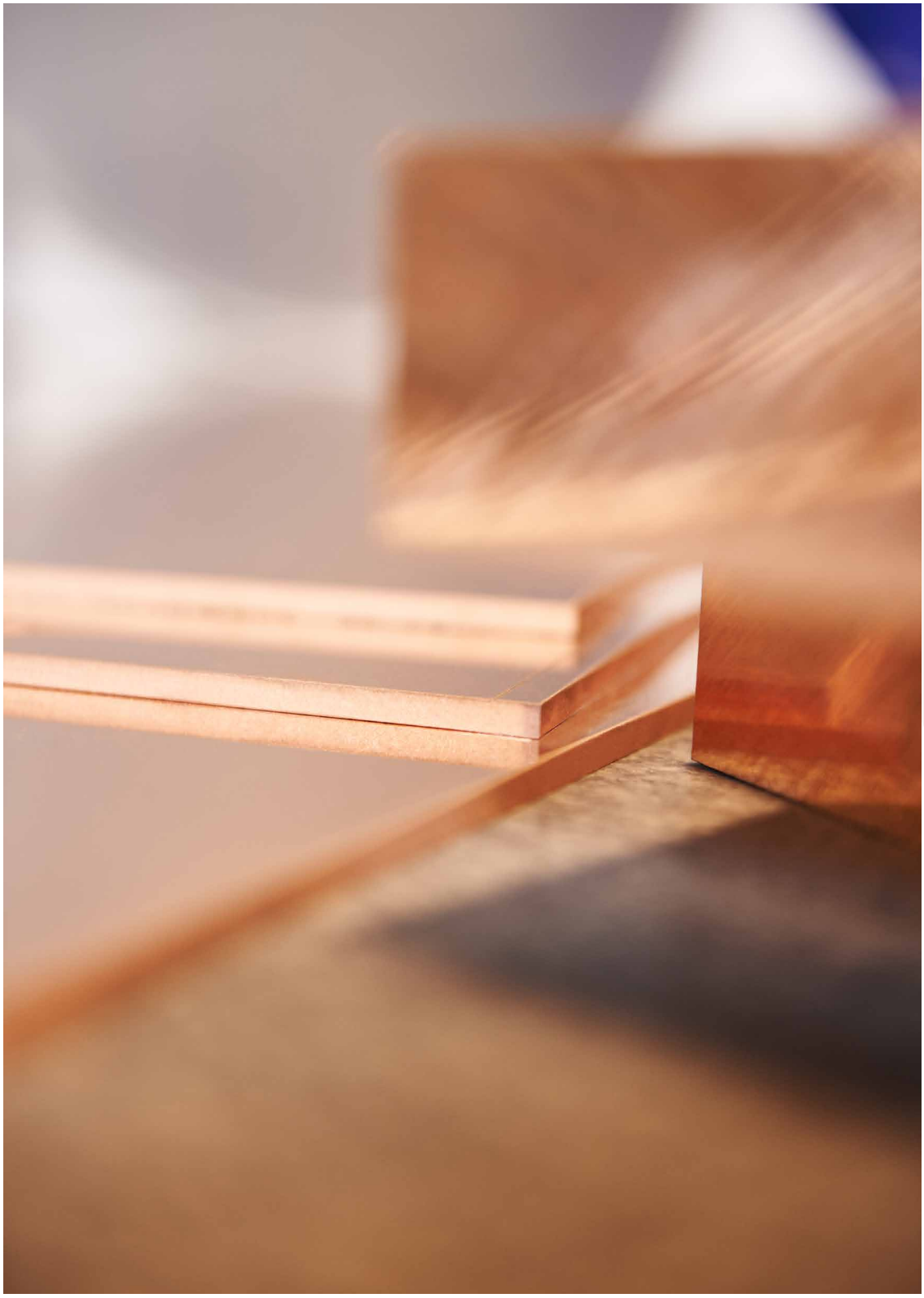
The increase in efficiency in the use of natural resources and the transition towards a circular economy model are closely related to the need to reduce greenhouse gas emissions in order to combat global warming. This is therefore also among the main objectives that a company must pursue on the path towards circularity.

The data show an improvement compared to the previous year. The specific emissions (direct and indirect), as measured in relation to the production, were down 17.3% compared to previous year.

EMISSIONS PER UNIT OF PRODUCT
(tons CO_2 eq/ton)



7 Appendix



7.1 Methodological note

The sustainability report was prepared in accordance with the Global Reporting Initiative GRI-G4 guidelines. GRI promotes the use of sustainability reporting as a tool to enable businesses and organizations to contribute to the sustainability of the global economy.

The report was prepared with the consultancy of Greening Marketing Italia (GMI).

Reporting period
The reporting period for this sustainability report is January 1 through December 31, 2021.
The report contains not only 2020 data but also data from the previous two years (2019 and 2020) in order to provide a more complete picture of the ongoing trends in the company's performance.

Principles of defining report content

Materiality: The information contained in the report and its level of detail take into account all significant impacts (economic, environmental and social) and all aspects that could substantially influence stakeholders' assessments and decisions.

Stakeholder inclusiveness: the report addresses all stakeholders, internal and external, who are involved or may be affected by the activities of the facility and the companies.

Sustainability context: the report describes the company's performance with respect to the objectives of sustainable development, taking into account both significant global impacts (such as climate change) and the specific characteristics of the territorial context in which the significant impacts of the industrial activity occur.

Completeness: the report describes the environmental, economic and social performance of the company using a system of indicators that describes all the main impacts of the activities carried out, and highlighting their evolution in the reference period.

Principles of relationship quality assurance

Balance: The report describes both the positive and negative aspects of the company's environmental, social and economic performance, providing qualitative information and quantitative data that allow the reader to make an independent and balanced judgment.

Comparability: the indicators developed in the report follow the methodologies indicated in the GRI guidelines, thus making it possible to compare the company's performance with that of other industries, as well as to assess its evolution over the reporting period.

Accuracy: each indicator developed in the report is developed according to a consistent pattern, reporting numerical data in tables, accompanying them with explanatory graphical representations and illustrating with a synthetic text the main evidence found. Tables and graphs indicate the units of measurement used.

Clarity: The report is drafted using language that is as simple as possible, avoiding overly detailed technical information. The structuring of the index and the table of correspondence with the GRI index help stakeholders identify issues of specific interest to them in the report. Graphics facilitate understanding of the data.

Verifiability: Information is provided in such a way that it can be verified over the years and possibly become the subject of external scrutiny.

Production data
The figure relating to the production is to be understood as the quantity of products leaving the plant (sales) during the year, while the figure relating to materials used refers to the quantity of materials entering (input) in the same period. The production figure may therefore include some quantities not actually produced during the year but already in stock.

7.2 GRI Correspondence table

GRI INDICATOR	DESCRIPTION	CHAPTER – PARAGRAPH*
	PROFILE	
	Organization profile	
102 – 1	Name of organization	2.1
102 – 2	Activities, brands, products and services	2.4
102 – 3	Location of management offices	2.1
102 – 4	Location of existing activities	2.1
102 – 5	Ownership and legal status	2.1-2.3
102 – 7	Order of magnitude of the organization	2.1
102 – 8	Information on employees and other workers	4.1
102 – 9	Supply chain	4.5
102 – 10	Significant changes in relations between the entity and its supply chain	
102 – 11	Precautionary Principle	2.5-3.1
102 – 12	External initiatives	4.6
102 – 13	Membership in associations	
	Strategy	
102 – 14	Declaration of top decision makers	Letter to Stakeholders
102 – 15	Main effects, risks and opportunities	
102 – 16	Values, principles, standards and rules of conduct	2.5
102 – 17	Ethics Advisory Mechanisms	
102 – 18	Governance Structure	2.3
102 – 19	Delegating process	2.3
102 – 20	Executive level for economic, environmental and social topics	2.3
102 – 21	Consultation with stakeholders on economic, environmental and social topics	Report guidance
102 – 22	Composition of governance at the highest levels	2.3
102 – 23	Chairing the highest level of governance	2.3
102 – 24	Apex nomination and selection	
102 – 25	Conflict of interest mechanisms	2.5
102 – 26	Role of senior governance figures in setting values and intentions	
102 – 27	Cognition of senior governance figures on individual topics	
102 – 28	Assessing the performance of senior governance	
102 – 29	Identification and management of economic, environmental and social impacts	
102 – 30	Effectiveness of risk management processes	
102 – 31	Monitoring of economic, environmental and social topics	2.3
102 – 32	Role of senior governance on the sustainability report	
102 – 33	Communication of critical issues	

** Where this is an indicator deemed not relevant or not available, no reference paragraph is given.*

GRI INDICATOR	DESCRIPTION	CHAPTER – PARAGRAPH*
102 – 34	Nature and number of critical aspects	
102 – 35	Remuneration policies	4.1
102 – 36	Compensation Determination Process	As per national collective agreement
102 – 37	Level of stakeholder involvement in the remuneration process	
102 – 38	Annual total compensation ratio	
102 – 39	Percentage increase in compensation ratio	
102 – 40	List of stakeholders involved	
102 – 41	Collective bargaining agreements	4.1
102 – 42	Identification and selection of stakeholders	Report guidance
102 – 43	Approach to stakeholder engagement	Presentation
102 – 44	Key themes	Report guidance
	Reporting	
102 – 45	Entities included in the financial statements	5.1
102 – 46	Defining report content and topic boundaries	
102 – 47	List of topics materials	
102 – 48	Information review	
102 – 49	Changes in reporting	
102 – 50	Reference period	2021
102 – 51	Date of most recent report	
102 – 52	Reporting cycle	Annual
	Management approach	
103 – 1	Explanation of the topic and its boundaries	
103 – 2	Reporting requirements	

ECONOMIC PERFORMANCE		
201 – 1	Direct economic value generated and distributed	5.1
201 – 2	Financial implications and other risks and opportunities due to climate change	
201 – 3	Significant financing received from the public administration.	
	Market presence	
202 – 1	Ratio of local minimum wage to average entry level wage	
202 – 2	Proportions of senior management hired from within the local community	
	Indirect economic impacts	
203 – 1	Investments in infrastructure and services	4.6-5.2
203 – 2	Significant indirect economic impacts	

GRI INDICATOR	DESCRIPTION	CHAPTER – PARAGRAPH*
	Procurement practices	
204 – 1	Proportion of spending with local suppliers	4.5
	Anti-Corruption	
205 – 1	Operations planned for corruption risks	2.5
205 – 2	Communication and training on anti-corruption procedures	2.5
205 – 3	Evidence of corruption and responses	
	Conduct detrimental to competition	
206 – 1	Legal action for anti-competitive behavior, anti-trust and monopolistic practices	

ENVIRONMENTAL PERFORMANCE		
	Materials	
301 – 1	Materials used, by weight or volume	3.3
301 – 2	Recycled materials used	3.3
301– 3	Reused products and their packaging materials	3.3
	Energy	
302 – 1	Energy Consumption	3.2
302 – 2	Energy consumption outside the organization	
302 – 3	Energy Intensity	3.2
302 – 4	Reduced energy consumption	3.2
302 – 5	Reductions in energy requirements for products and services	3.2
	Water	
303 – 1	Water withdrawal	3.7
303 – 2	Water sources significantly affected by withdrawal	3.7
303 – 3	Recycled and reused water	3.7
	Biodiversity	
304 – 1	Operational sites owned, leased, managed in, or adjacent to protected areas	
304 – 2	Significant impacts of activities, products and services	
304 – 3	Protected or restored habitats	
304 – 4	Species on the IUCN red list	
	Emissions	
305 – 1	Direct greenhouse gas emissions (scope 1)	3.5
305 – 2	Indirect greenhouse gas emissions (scope 2)	3.5

GRI INDICATOR	DESCRIPTION	CHAPTER – PARAGRAPH*
305 – 3	Other indirect greenhouse gas emissions (scope 3)	
305 – 4	Greenhouse gas emission intensity	3.5
305 – 5	Reduction of greenhouse gas emissions	3.5
305 – 6	Emissions of ozone-depleting substances	
305 – 7	Nitrogen oxides, sulfur oxides, and other significant air emissions	3.6
	Waste and discharge	
306 – 1	Final water discharge	3.7
306 – 2	Waste and disposal methodology	3.4
306 – 3	Spills	
306 – 4	Transportation of hazardous waste	
306 – 5	Water bodies affected by discharges and/or outflows	
	Environmental compliance	
307 – 1	Non-compliance with environmental laws and requirements	
	Supplier environmental assessment	
308 – 1	Reporting requirements	4.5
308 – 2	Negative environmental impacts in the supply chain	

SOCIAL PERFORMANCE		
	Workers	
401 – 1	Hiring new employees and employee turnover	4.1
401 – 2	Benefits reserved exclusively for full-time employees	
401 – 3	Parental leave	4.2
	Corporate labor relations	
402 – 1	Minimum notice periods for operational changes	As per contract national collective of work
	Health and safety	
403 – 1	Employee representation on joint management/employee health care committees	4.3
403 – 2	Injury types and percentage of injuries, work-related illnesses, absences, and work-related deaths	4.3
403 – 3	Workers with a high degree of injury or high risk of occupational disease	4.3
403 – 4	Health and safety issues covered by formal agreements with labor organizations	As per contract National workforce

GRI INDICATOR	DESCRIPTION	CHAPTER – PARAGRAPH*
	Training	
404 – 1	Average annual hours dedicated to training	4.4
404 – 2	Skills implementation and transition assistance programs.	
404 – 3	Percentage of performance and review	
	Equal opportunities	
405 – 1	Diversity of management bodies	4.2
405 – 2	Salary ratio man/woman	4.2
	Non-discrimination	
406 – 1	Incidents of discrimination and actions taken	4.2
	Freedom of association and collective bargaining	
407 – 1	Transactions and suppliers where there are association risks	-
	Child labor	
408 – 1	Operations and suppliers subject to child labor risk	2.5
	Forced labor	
409 – 1	Operations and suppliers at risk for forced labor	2.5
	Security practices	
410 – 1	Security personnel trained in human rights	2.5
	Rights of indigenous peoples	
411 – 1	Incidents involving violations of indigenous peoples' rights	
	Human rights assessment	
412 – 1	Operations subject to human rights controls	2.5
412 – 2	Human rights policy training	2.5
412 – 3	Investment agreements for the protection of human rights	2.5
	Local communities	
413 – 1	Activities involving local communities	4.6
413 – 2	Operations with significant impacts on communities	4.6
	Social evaluation of suppliers	
414 – 1	New suppliers screened using social criteria	4.5
414 – 2	Negative social impacts in the supply chain	4.5

GRI INDICATOR	DESCRIPTION	CHAPTER – PARAGRAPH*
	Public policy	
415 – 1	Public contributions	
	Consumer health and safety	
416 – 1	Assessment of safety and health impacts	2.6
416 – 2	Incidents of service and product non-compliance	
	Marketing and labeling	
417 – 1	Product disclosure and labeling requirements	2.6
417 – 2	Incidents related to non-compliance	
417 – 3	Incidents related to failure to communicate	
	Consumer privacy	
418 – 1	Reasoned complaints about invasion of privacy	
	Socioeconomic compliance	
419 – 1	Failure to comply with laws in the socioeconomic area	

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