Sustainability report

2023 - 2024

green responsible social

# ZINKPOWER® —— SUSTAINABLE WORLD

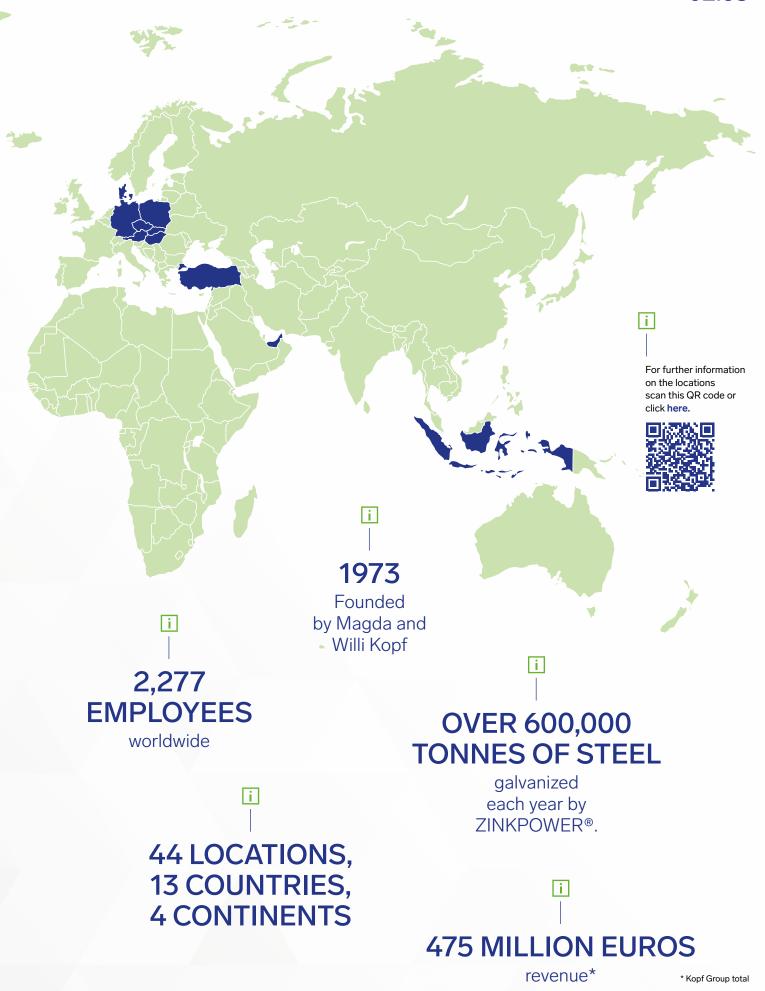
ZINKPOWER® THE WORLD OF GALVANIZING

# ZINKPOWER® THE WORLD OF GALVANIZING

The ZINKPOWER® Group is part of the Kopf Group and one of the world's leading hot-dip galvanizing groups. We operate under the ZINKPOWER® brand with 44 hot-dip galvanizing plants and eleven coating plants in 13 countries across four continents: Europe, North America, South America and Asia. This report focuses exclusively on the hot-dip galvanizing plants. Our global network enables us to respond to our customers' requirements flexibly and in a versatile way, regardless of where they operate or are located.

We are also known for the flexibility and versatility of our installations as well as high-quality, durable corrosion protection. From the smallest screw to steel girders, a wide range of components in our Group while maintaining the highest quality standards. This flexibility ensures we can offer our customers tailored solutions that meet their requirements precisely.

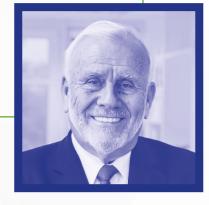
However, our commitment extends far beyond technical capabilities. Sustainability has been one of the cornerstones of our corporate philosophy since our company was formed. We are aware of the responsibility we have to the environment and to future generations. Continually integrating the areas of cost-efficiency, ecology and social responsibility at the core of our business gives us an opportunity to stay fit for the future and to tackle our current challenges.



"Cost-efficiency, ecology and social responsibility have been core to our business for over 50 years, and will continue to be so in the future."

#### \_ WILLI KOPF

Founder of the company, Managing partner





"We promote a corporate culture that embeds sustainability in all of its processes in order to achieve long-term success."

#### CHRISTINE MARIN

Managing partner

"The durability, reusability and recyclability of hot-dip galvanized steel make it a valuable basis for sustainable industry."



#### MARTIN KOPF

Managing partner

Editorial

### Dear readers,

as managing partner of the Kopf Group, I am delighted to present our first sustainability report\*. For us, sustainability means creating long-term value — ecologically, socially and economically. This report not only documents our corporate philosophy, which has had sustainability at its core since the company was founded. It also provides a comprehensive and transparent overview of the environmental impacts of our business activities. This is how we achieve ongoing progress — we look to the future on a sound basis.

At the Kopf Group, we see sustainability as a commitment spanning the generations. Our commitment is evident at every step and is firmly embedded in our corporate DNA. We are convinced that economic success and sustainable action must go hand in hand. And we do all we can to embrace this connection.

A key element of our strategy is our "Way to Zero", which sets the guiding principles for a zero-emission future. Our efforts are focussed on reducing emissions in our production processes, expanding renewable energies and promoting energy and resource efficiency in our production sites.

This report shows our commitment to a sustainable future and the measures we are taking to achieve our goals. Sustainability is an ongoing process — and we are endeavouring to constantly learn and improve.

We hope you enjoy reading our report.

Mustine Clavin

\* in accordance with the Global Reporting Initiative Standards

**Christine Marin** 

**Contents** 



#### **Contents**

- 02 The world of galvanizing
- 05 Editorial

## PAGE 08 SUSTAINABILITY AT ZINKPOWER®

- 10 Sustainability management
- 12 Value chain
- 14 Materiality analysis
- 17 Strategy and goals

#### **PAGE 20**

#### **ENVIRONMENT: SETTING NEW STANDARDS**

- 22 Materials
- 25 Circular economy
- 26 Energy and emissions

#### **PAGE 32**

#### SOCIAL: SOCIAL RESPONSIBILITY

- 35 Employment
- 37 Training and education
- 39 Social commitment

#### **PAGE 42**

#### **GOVERNANCE: SUSTAINABLE MANAGEMENT**

- 44 Responsible corporate governance
- 48 Code of Conduct
- 50 Appendix: GRI content index

# ESG -

ENVIRONMENT SOCIAL GOVERNANCE

# SUSTAINABILITY AT ZINKPOWER®

Corrosion protection of the highest quality is our core competence. As a traditional family business with an eye for innovation, we have embraced our value-based and pioneering philosophy since we were founded and adhere to this in our external activities.

Our priority is continuous improvement — whether we are dealing with our employees, protecting our environment or developing our company. Sustainability is a key aspect which we take into account at all times in all our existing and future actions.

## Designed for the future

Sustainability — ecological, cost-efficient and socially responsible — has now formed part of the mission statement of ZINKPOWER® for five decades. We work continuously on efficient and strategic sustainability management for the benefit of our stakeholders and with the aim of making our contribution to achieving the global sustainability goals. As part of this, we review our entire value chain based on a materiality analysis.

#### SUSTAINABILITY MANAGEMENT

Our sustainability management is firmly rooted in our corporate culture and philosophy and is based on our values. Its key points are environmentally conscious behaviour, social responsibility and transparent corporate governance. The aim is to ensure long-term success and sustainable growth. For this, we are guided by the Paris Climate Agreement and the United Nations Sustainable Development Goals (SDGs) to help us contribute to global climate protection and a more sustainable society.

i — Our values	
□ p.:	
1 Reliable	4 Open minded
2 Proven sustainable	5 Socially committed
3 Family-oriented	6 Respectful

#### Our ambition

At ZINKPOWER® we combine economic efficiency with ecological and social responsibility. Our commitment to protecting the environment and to the well-being of society is reflected in continuous process improvements and the internal commitment of our entire company. Our internal attitude and constant aim to improve drive us to act sustainably and responsibly.

#### Our approach: responsible and future-oriented

Our sustainability management is guided by our values and is based on the following core principles:



- Social responsibility: Creating a fair and inclusive working environment and a respectful corporate culture for our employees.
- **Economic responsibility**: Ensuring sustainable growth and economic stability through ethical and transparent behaviour.

#### Our strategy: holistic and future-oriented

Our sustainability strategy is based on long-term goals and measures for achieving ecological, social and economic responsibility.

For us, ecological responsibility means reducing our emissions and constantly optimising our circular economy. Socially, we endeavour to promote the well-being of our employees and the community by means of transparent and responsible corporate governance. Economically, we focus on sustainable growth and long-term value creation which are in line with our values.

By firmly establishing our aspiration "Act responsibly – Sustainable. Future-orientedd. Family-run." in all areas of the ZINKPOWER® Group, we create values that last.

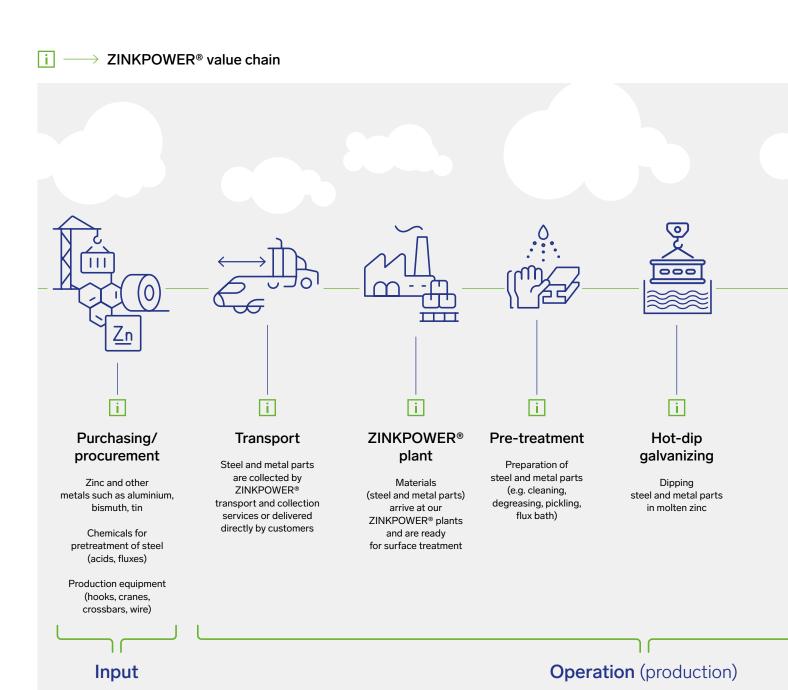
#### Together towards a sustainable future

With this responsible and future-oriented approach, we at ZINKPOWER® are determined to shape a sustainable future. By continuously developing our strategy and consistently implementing this within our corporate culture, we create sustainable value for future generations.

#### Sustainability at ZINKPOWER®

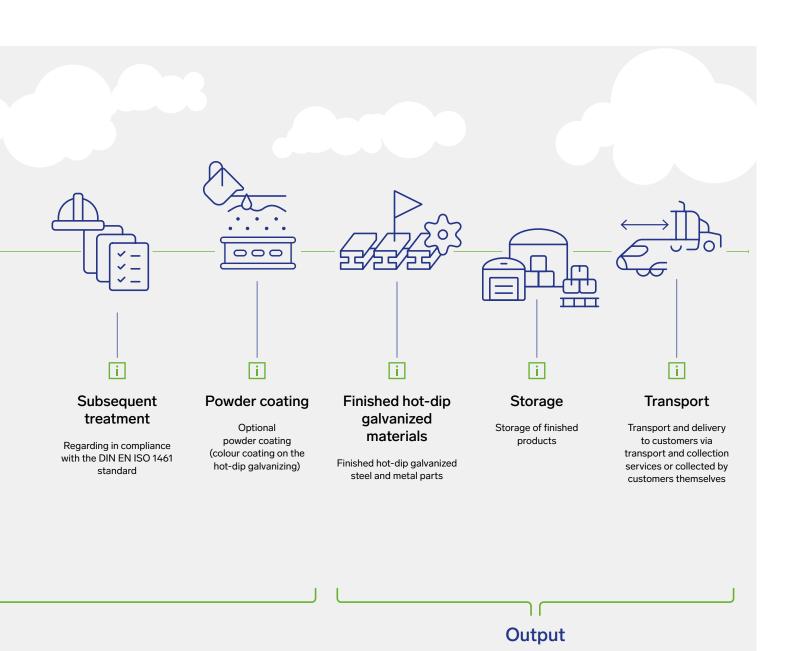
#### **VALUE CHAIN**

The value chain of our hot-dip galvanizing process comprises several key steps, accompanied by numerous supporting activities. In the remainder of this report, we will highlight how we integrate sustainability into all areas of our value chain.



#### i --- Other value-added activities

- ightarrow Marketing
- $\rightarrow$  Sales
- ightarrow Technical advice
- Quality management and quality assurance
- ightarrow Technological development
- $\rightarrow$  Human resources management
- ightarrow Finance and controlling
- ightarrow IT support and infrastructure



#### Sustainability at ZINKPOWER®

#### **MATERIALITY ANALYSIS**

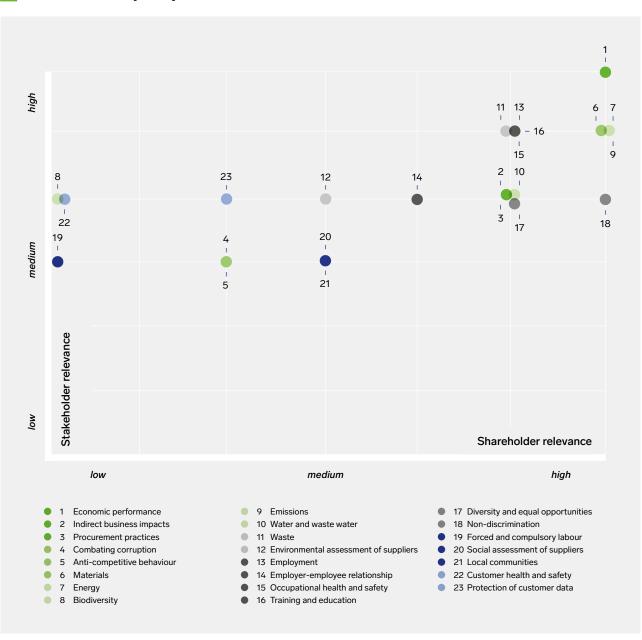
In 2023, we carried out a comprehensive materiality analysis to identify and assess the key sustainability issues for ZINKPOWER®. To this end, we initially defined our stakeholders and, since then, have continuously evaluated their relevance to our company.

#### i → Stakeholders at ZINKPOWER®

Owner	Employees	Customers	Suppliers	Financial institutions	Policymakers/ associations
Environmentally- friendly investment  Long-term sustainability strategies  Conservation of resources  Energy efficiency	Working conditions  Further development  Equality  Flexible working hours  Training courses on sustainable practices	Environmentally-friendly products  Sustainable supply chains  Carbon footprint	Sustainable procurement practices Reduction of ecological footprint Conservation of resources	Sustainability reporting Sustainable investment strategies Compliance with environmental standards	Environmental policy Climate protection measures Sustainability regulations Support for sustainable projects

In the next step, we carried out a comprehensive materiality analysis on the basis of the stake-holders identified. This is based on the principles of the Global Reporting Initiative (GRI). The results of the analysis show that environmental issues such as climate protection, energy management, environmentally-friendly products and resource efficiency are of particular relevance. Fair working conditions and social and ecological standards in the supply chain are also a high priority for us. These findings reflect our strategic focus in the area of sustainability and form the basis of this report.

#### i → Materiality analysis for ZINKPOWER®



#### Sustainability at ZINKPOWER®

#### Risks and opportunities associated with climate change

As part of our materiality analysis, we considered the risks and opportunities of climate change for the hot-dip galvanizing industry. Climate change brings with it physical challenges such as extreme weather events which can cause production interruptions and higher maintenance costs. Regulatory risks arise from stricter environmental regulations which require investment in environmentally-friendly technologies. At the same time, the ongoing trend towards sustainable construction and the increasing demand for durable, corrosion-resistant products provide opportunities for sales growth, despite initial investment costs.

Without targeted measures, physical risks could cause financial losses due to production downtime. Regulatory risks could result in higher operating costs. We are meeting these challenges by diversifying our raw material sources and developing environmentally-friendly processes. We also adapt flexibly to regulatory changes and take action at an early stage.

#### STRATEGY AND GOALS

Our sustainability strategy is based on long-term goals and measures which enable us to fulfil our ecological, social, and economic responsibilities. In specific terms, we have set ourselves measurable and ambitious sustainability targets for 2030, in particular in six areas: We are seeking to make improvements by decarbonising our business activities as part of the transformation to a circular economy and by developing environmentally-friendly products. We have also set targets for improving occupational health and safety, promoting diversity and inclusion and expanding sustainable procurement.

We are also actively preparing for the new EU reporting obligations under the Corporate Sustainability Reporting Directive (CSRD). In this context, we are working on carrying out a double materiality analysis to ensure that our reporting complies with regulatory requirements and fully considers the material, environmental and social impacts of our business activities.

#### i ---- Decarbonisation targets



#### Sustainability at ZINKPOWER®

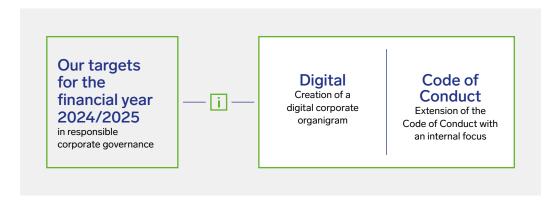
#### i — Targets relating to the circular economy



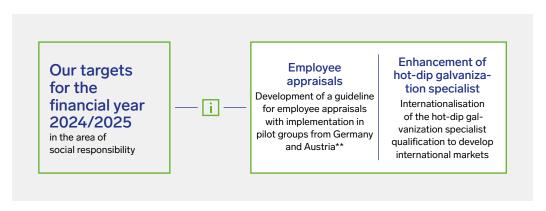
#### ightarrow Targets relating to the supply chain



#### i — Targets relating to governance



#### i ----- Goals relating to social responsibility



<sup>\*</sup> Compared to the 2021/2022 financial year

<sup>\*\*</sup> in the pilot groups, an employee appraisal will be conducted with at least 75 per cent of the active employees during the pilot period.

**Environment** 

## SETTING NEW STANDARDS

Durable, circular and on the way to net zero carbon emissions: Hot-dip galvanizing enables ZINKPOWER® to actively contribute to the industry's ecological sustainability.

<sup>\*</sup> Annual average from savings measures to date (electric and biogas-powered systems, green electricity, Green Zinc)

<sup>\*\*</sup> In the 2022/2023 financial year compared to the previous year from the use of electric and biogas-powered systems

<sup>\*\*\*</sup> Annually from the purchase of green electricity in Germany and Austria

<sup>\*\*\*\*</sup> In the 2022/2023 financial year compared to the previous year from the use of low carbon zinc and the annual savings from  $SUZI^{\circledcirc}$  zinc



Scope 1 savings

2,233 t CO<sub>2</sub>e\*\*

Scope 2 savings

3,642 t CO<sub>2</sub>e\*\*\*

Scope 3 savings

6,651 t CO<sub>2</sub>e\*\*\*\*



0/0\*

TOTAL EMISSIONS SAVINGS

# Supporting a sustainable future: on the way to net zero

ZINKPOWER® contributes to greater ecological sustainability in many ways. Our hot-dip galvanizing service ensures robust, durable and maintenance-free steel products which remain fit for operation and use for many years or even decades. In our production process, we are also focussed on energy efficiency and renewable energy sources. And we are adapting our value chain to the requirements of a sustainable circular economy. This is how we are making progress towards net zero carbon emissions.

#### **MATERIALS**

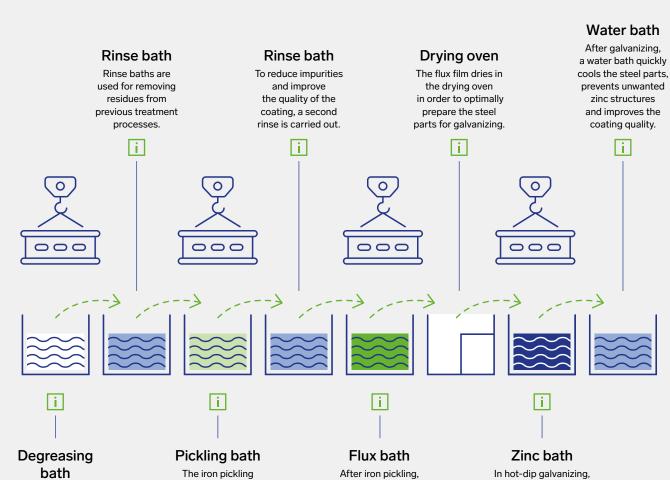
Hot-dip galvanized steel combines the materials of steel and zinc, both of which have impressive durability and recyclability. This combination is not only relevant for the future but is also an example of sustainable material utilisation in the industry.

A feature of steel — one of the world's most widely used materials — is an almost 100 percent closed cycle. This means that steel can be recycled indefinitely without losing its basic properties.

The corrosion protection of steel, which is achieved via hot-dip galvanizing, is a key factor in the long-term use of steel structures. The formation of a zinc-iron alloy reliably protects steel from rust and significantly extends its service life. Zinc also has the advantage that it can be recycled multiple times without any loss of quality. This means that hot-dip galvanizing not only helps to extend the service life of steel but also contributes to the resource-efficient and sustainable use of both materials.

Hot-dip galvanized steel offers optimum corrosion protection which can extend the service life of steel structures to more than 50 years — and usually without the need for maintenance. This sustainable approach means that durable and robust buildings can be created that will continue to fulfil the requirements of environmental protection and resource efficiency in the future.

#### → Use of materials at ZINKPOWER®



#### bath

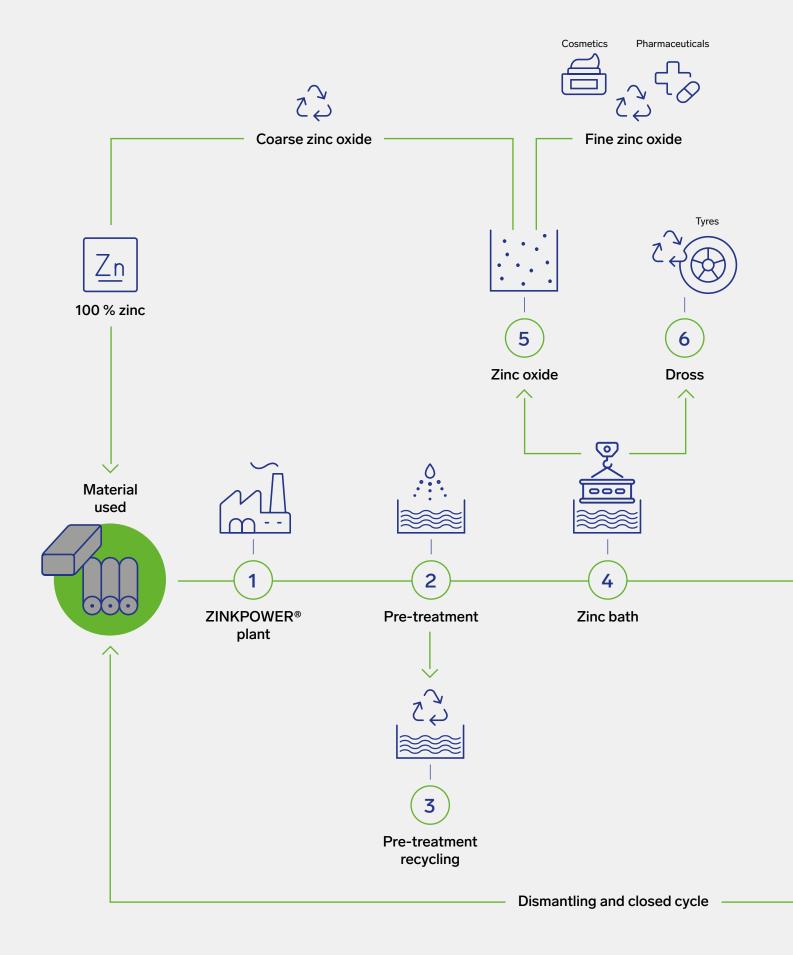
The first step in pre-treatment is degreasing the steel in acidic or alkaline liquids. After use, these are handed over to waste disposal companies for thermal recovery.

process removes oxide layers from the steel and ensures it is prepared for further processing under optimum conditions.

pre-treatment takes place in a flux bath. This is an aqueous solution of zinc chloride and ammonium chloride. Here, steel parts are prepared for the actual galvanizing process. The pickled and rinsed product is dipped into and bathed in the flux so that the molten zinc can react with the iron in the steel.

steel parts are dipped in a hot zinc bath at 450 °C. This forms a protective iron-zinc alloy that prevents corrosion.

#### **Environment**



#### CIRCULAR ECONOMY

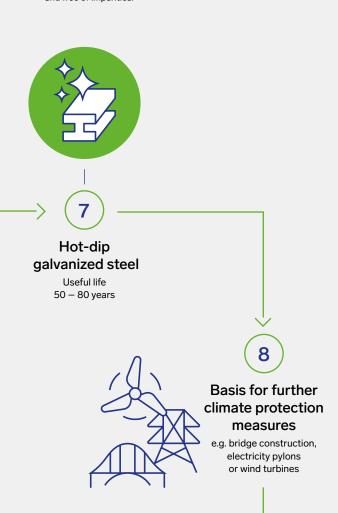
ZINKPOWER® relies on a comprehensive circular economy to minimise waste and to ensure the efficient use of resources. Every step in the hot-dip galvanizing process is designed to reuse valuable materials and reduce the ecological footprint. At the heart of this sustainable cycle is our hot-dip galvanizing process.

#### (1) ZINKPOWER® plant

Customers deliver steel and metal parts themselves or use our transport and collection services. In some cases our haulage companies also use environmentally-friendly e-trucks to ensure efficient and sustainable transport.

#### 2 Pre-treatment

Before the steel can be hot-dip galvanized, rust, grease, oil and foreign impurities have to be removed to achieve optimum results. This pre-treatment involves several important steps for ensuring that the steel surface is clean and free of impurities.



#### Pre-treatment recycling

#### 3.1 Acid treatment plant

In one of our US plants, a recycling facility which uses oxalic acid to recover hydrochloric acid from iron pickle is being run as a pilot project. The resulting filter cake can be safely disposed of, while the recycled hydrochloric acid is returned to the pickling bath.

#### 3.2 Wet scrubber

The wet scrubber cleans the air from the enclosed pre-treatment. The recovered acid is fed back into the pre-treatment process.

#### 3.3 Dust collection system

Dust collection systems in the galvanizing plants capture and clean dust particles from our enclosed zinc kettles. The fine dust obtained is passed on to disposal companies for further processing.

#### 3.4 Flux treatment system

Iron is removed from the flux in flux treatment systems developed in-house. This step reduces the number of transports of hazardous goods and our dependence on suppliers. This also improves the quality of the surface of the galvanized goods.

#### 4 Zinc bath

Following preparation in the flux bath, steel is dipped into molten zinc at around 450 °C. This forms a resistant zinc-iron layer which protects the steel effectively from corrosion and ensures its longevity.

#### (5)Ashes

Zinc ash is produced as a by-product of the reaction between molten zinc and the steel surface. This zinc ash is regularly skimmed off the zinc bath and collected.

In the recycling plant, we extract our SUZI® zinc from the ash, which we reuse in the galvanizing process. The fine ash is used by companies to produce zinc oxide, which is then used in pharmaceuticals, tyre production, as a paint pigment and in the semiconductor industry.

#### 6 Dross

We recycle dross externally. It is then used as a secondary raw material for zinc oxide production.

#### 7 Hot-dip galvanized steel

Hot-dip galvanized steel is corrosion-resistant and durable – these are ideal requirements for use in a range of demanding environments.

#### (8) Basis for further climate protection measures

Hot-dip galvanized steel is a key enabler for numerous infrastructure and climate protection projects. This is because it plays a key role in the realisation and sustainability of these projects thanks to its superior corrosion resistance and durability.

**Environment** 

#### **ENERGY AND EMISSIONS**

Under the motto "ZINKPOWER® Way to Zero", our strategic goal is to reduce our emissions, and the associated environmental impact, down to zero. This includes minimising our greenhouse gas emissions, using renewable energy sources and implementing resourceefficient processes.

#### Carbon footprint

As part of our "ZINKPOWER® Way to Zero" programme, we attach particular importance to detailed documentation and analysis of our carbon footprint. This section clearly sets out the ecological impact of our operational activities, including our upstream and downstream value chain. It also illustrates our commitment to systematically reducing our greenhouse gas emissions.

#### Our carbon footprint includes:

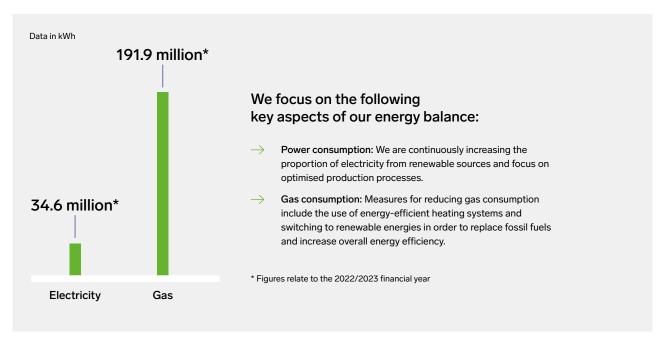
- **Energy consumption:** We record the total energy consumption of our sites from a range of sources in order to increase our efficiency and maximise the use of renewable energy.
- → Emissions: A comprehensive analysis of direct and indirect greenhouse gas emissions - including our scope 1, scope 2 and scope 3 emissions - highlights the areas where we are making progress and are targeting improvements.
- Reduction strategies: We explain the specific measures and initiatives we are taking to minimise our emissions – from the implementation of energy-efficient technologies to the use of renewable energies.

This detailed presentation allows us to make our progress towards achieving our environmental goals transparent and to document our continuous improvement process. Our aim is not only to reduce the ecological footprint of ZINKPOWER®, but also to contribute to the global climate goals.

#### **Energy consumption**

Our total energy consumption includes electricity, natural gas and renewable energies. To promote transparency and efficiency, the analysis of our energy consumption is broken down by energy type. Our aim is to produce in a more energy-efficient way, to increase the proportion of renewable energies and to reduce the use of fossil fuels.

#### i → Energy consumption at ZINKPOWER®



#### **Emissions**

Our emissions include the direct and indirect release of greenhouse gases produced as part of our business activities. This includes operational emissions (scope 1), emissions resulting from the use of energy (scope 2) and from upstream and downstream activities in the value chain (scope 3). The key aspects are:

#### 

Scope 1 covers all direct greenhouse gas emissions from sources owned or controlled by the company. These include emissions from burning fossil fuels in our own plants and vehicles, emissions from industrial processes and fugitive emissions, for example due to leaks when using refrigerants.

#### i — Scope 2: indirect emissions from energy

Scope 2 covers indirect greenhouse gas emissions resulting from the energy a company purchases and consumes. These include emissions from electricity generation and from purchased heat, cooling and steam.

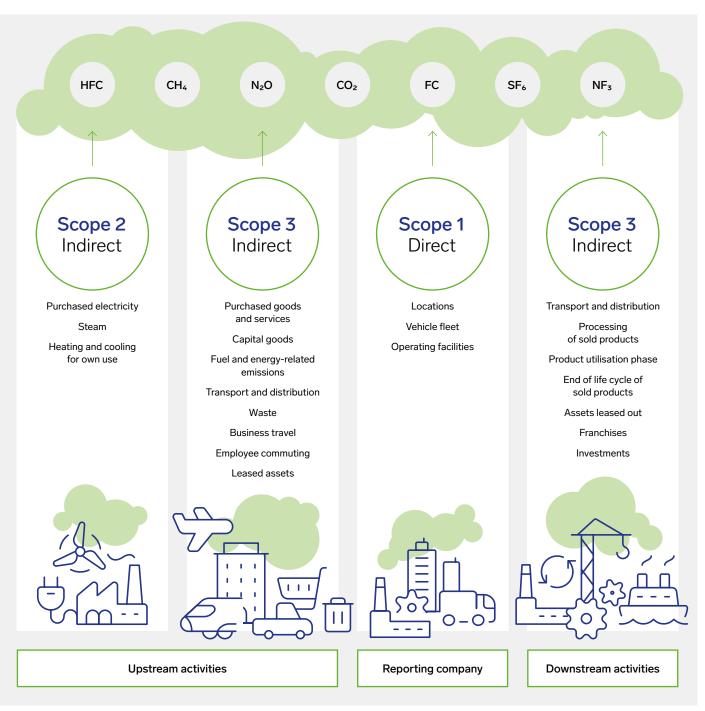
ZINKPOWER®

#### **Environment**

#### 

Scope 3 includes all other indirect emissions that occur along a company's value chain. These include emissions from purchased goods and services, logistics, business travel, waste disposal, the use of products by customers and their disposal.

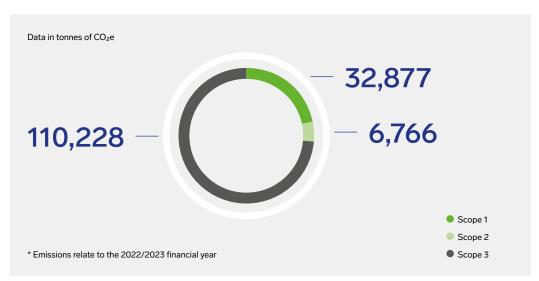
#### i — Scope 1, 2, 3 overview according to the Greenhouse Gas Protocol (GHG Protocol)



#### Status quo

In order to provide a clear picture of our greenhouse gas emissions, we give a detailed overview of the current distribution of emissions the areas of scope 1, 2 and 3 below. This illustration shows which emission sources currently have the greatest impact on the environment and forms the basis for targeted emission reduction strategies.





#### **Environment**

#### Objective: measures to reduce emissions

In order to achieve our ambitious reduction targets, we focus on a targeted strategy to minimise our carbon footprint. A key component of this strategy is the **decarbonisation of our plants.** Here we are pressing ahead with the transition from gas-powered systems to electric solutions. We are also investing in **expanding the use of green electricity** in order to further increase the proportion of renewable energies in our energy portfolio. We are also working on **expanding our low-carbon zinc purchasing** in order to sustainably reduce emissions in our supply chain. These measures are key steps on the path to a more climate-friendly future.

#### i ---- Emission reduction targets



<sup>\*</sup> Financial year 2024/2025

<sup>\*\*</sup> Compared with the 2021/2022 financial year

#### Sustainable highlights

#### i ----- Example 1: Transformation of our plants

As part of our "ZINKPOWER® Way to Zero" programme, we are setting new standards in the galvanizing industry with a project in Styria which is generating a great deal of interest. Since the beginning of 2023, Austria's largest zinc kettle at ZINKPOWER® Sinabelkirchen GmbH has been heated electrically — we previously used gas. The switch has been made by using carbon-neutral electricity from hydropower.

This innovative measure will enable us to reduce our site's  $CO_2$  emissions by an impressive 1,549 tonnes in the 2023/2024 financial year compared to the 2022/2023 financial year. With transformations like these, our aim is to significantly reduce the ecological footprint of our production sites and in doing so make a significant contribution to environmental protection.

#### 

As a pioneer in the galvanizing industry, we have been using low-carbon zinc for galvanization since the beginning of 2022. To underline our sustainability focus, we use the name "Green Zinc" for this raw material. This zinc is produced by Boliden. The Norwegian company is the first manufacturer in the world to exclusively use renewable energy from hydro and wind power. Green Zinc allows us to reduce our  $CO_2$  emissions by three kilogrammes per kilogramme of zinc as it is produced using less than one kilogramme of  $CO_2$  per kilogramme of zinc.\*\*\* As a comparison, according to the International Zinc Association, the production of one kilogramme of conventional zinc generates around four kilogrammes of  $CO_2$ . This innovative approach supports our vision of a more environmentally-friendly future and is setting new standards in the industry.

#### i ----- Example 3: SUZI® zinc

We produce zinc by processing zinc ash at our European sites in Brunn (Austria) and Neumünster (Germany) as well as in Indonesia, Mexico, Brazil, the US and the United Arab Emirates. The process begins with zinc ash being ground in a ball mill. A sieve separates metallic raw zinc and fine ash. We then melt the raw zinc in a furnace at 450 degrees Celsius and separate it from the ash it still contains. At the site in Brunn, we use biogas as a source of energy. We feed the remelted zinc obtained in this way back into the galvanizing process as SUZI®-Zinc.



OF THE TRAINING AND EDUCATION COURSES WERE SUCCESSFULLY COMPLETED.\*

Social

## SOCIAL RESPONSIBILITY

Our corporate culture is based on respect, reliability and social cohesion – the basis for sustainable success. We provide a safe and fair working environment with development opportunities and embrace social responsibility beyond what is legally required. As a reliable employer in 13 countries, we are committed to our employees and to the communities in which we operate.

Social

# Supporting a shared sustainable future together: fair and socially responsible

Social sustainability is important to us - that is why we are committed not only to training and education, but also to equal opportunities. ZINKPOWER® is committed to its employees as well as to the regions in which the company operates.

ZINKPOWER® operates globally – this is also reflected in our employee numbers. At our sites in numerous countries, we provide secure jobs for 2,277 employees worldwide. This international presence underlines our global social responsibility as well as our commitment to intercultural exchange and sustainability in the area of corrosion protection.

#### i → Total number of employees per country\*



#### **EMPLOYMENT**

ZINKPOWER® attaches great importance to having a responsible and sustainable personnel policy based on regulations under collective labour agreements and to ensuring the equal treatment of all employees. Our principles cover the following areas:

#### 1 ---- Equal treatment and fair pay

Based on the provisions under collective labour agreements, we ensure that men and women receive the same pay for work of equal value. This applies to all areas and positions within our company. The regulations laid down in the collective agreements serve as the basis for our remuneration structures and guarantee fair pay regardless of gender. Our commitment to equality and to combating discrimination of any kind is reflected in a transparent and fair remuneration structure.

#### 2 Minimum wage and social security

We exceed the statutory minimum wage in the countries in which we operate. In doing so, we are seeking to ensure a decent livelihood for our employees. Even in regions where the minimum wage is not a heavily debated topic or has not been enshrined in law, we are actively committed to ensuring fair pay and exemplary working conditions. In Indonesia, for example, we not only ensure compliance with the minimum wage but also provide comprehensive health insurance for all permanent employees.

#### 3 ---- Stability through permanent employment

The high quality of our services is largely a result of the excellent qualifications and exceptional motivation of our employees. That is why we rely mainly on permanent employees. Their long-term commitment to our company ensures a consistently high level of performance and reliability, from which our customers also benefit. We reject the outsourcing of our production processes to contract work companies — this does not meet our high quality standards or our social responsibilities. Instead, we focus on promoting stable employment relationships and creating long-term development prospects for our employees.

ZINKPOWER

Social

working environment.

#### Employee retention, supporting development

In 2024, we set ourselves ambitious targets for further strengthening our employee retention and promoting a culture of continuous growth and of appreciation. Our focus here is on the introduction of systematic employee appraisals, the implementation of our "myZINKPOWER®" communication platform and the promotion of a corporate culture of appreciation by means of targeted feedback measures.

- Introduction of systematic development discussions and employee appraisals

  The personal and professional development of our employees is a key concern for us. In the 2024/2025 financial year, the plan is to develop internal guidelines to support systematically structured employee appraisals and to initially introduce these in pilot groups in Germany and Austria. The aim is for at least 75 per cent of active employees in these pilot groups to receive an appraisal during the test period. These meetings will provide a clear framework for defining individual career goals, creating development plans and ensuring continuous feedback. Over the long term, the aim is to establish this model at all ZINKPOWER® locations in order to promote the professional development and well-being of our employees.
- → Implementation of a central communication platform
  ZINKPOWER® introduced a new communication platform in autumn 2024 in order to improve internal communication and the transfer of knowledge. Not only will this make it easier for employees to share information and promote collaboration across locations and departments, but it will also strengthen employee satisfaction and retention. Easier communication and better access to information means employees can now work together more effectively, access relevant data more quickly and get more involved in projects. This contributes to employees' personal and professional development by facilitating the exchange of ideas and best practice and by accelerating the integration of new employees. This platform therefore supports the sustainable development of the company over the long term by means of increased efficiency and a positive

### TRAINING AND EDUCATION

Comprehensive training and education is critically important to ZINKPOWER® as it forms the basis for the quality of our work and the ongoing development of our workforce. We attach great importance to giving our employees – regardless of their formal training and education pathways – the opportunity to broaden their skills and to develop themselves professionally in our company over the long term.

### → Hot-dip galvanizing specialist:

In spring 2021, we launched a ground-breaking initiative in close cooperation with the "Industrieverband Feuerverzinken" (German Galvanizers Association): training to become a hot-dip galvanizing specialist. This initiative fulfils a critical requirement in the hot-dip galvanizing industry, which until now has had no specific training of its own. By developing a customised training programme, which we are successfully using to train our employees, we are making an important contribution to professional development in our sector.

In production, in particular, we employ many committed employees who do not have a formal school-leaving qualification. In order to provide them with the opportunity for thorough training and for professional development, we have created a comprehensive training programme. Our employees complete different stages within the company, allowing them to acquire a wide range of knowledge and skills. In this way, we ensure that even employees without previous formal qualifications can obtain a high-quality professional qualification and realise their full potential.

### → Surface coater:

A central component of our training initiatives is the profession of surface coater, which we offer at multiple locations. In the 2022/2023 financial year, three trainees successfully completed their qualification in this area. During the training, participants acquire comprehensive knowledge of various coating processes, material science and control of production facilities. In addition, they receive intensive training in quality control and in the planning and monitoring of production processes.

**ZINKPOWER** 

Social

### → Commercial training and dual study programme:

In order to strengthen the expertise of our commercial departments over the long term, we offer training as an industrial management assistant. In addition to this, we have established the dual study programme as an integral part of our training offer in order to ensure practice-oriented academic training.

In the 2022/2023 financial year, two students successfully completed their dual study programme, and a further student completed in the 2023/2024 financial year. One graduate also completed his training as an industrial management assistant in 2022/2023. These successes illustrate our ongoing commitment to promoting future-oriented training pathways. We are also preparing our junior staff specifically for the complex demands of the modern business world.

### → Training courses:

Our commitment to continuing education extends beyond formal professional training and includes numerous training offers for our employees, clients, suppliers and universities. In the 2022 to 2024 financial years, we successfully ran a total of 23 internal training courses on various topics such as production processes, quality management and sales. We also offered 86 external training courses which specifically focussed on the requirements of our external partners and on the further development of our network. These initiatives not only promote continuing professional education and training, but also strengthen the sharing of knowledge and experience within and outside our company.

Particularly worthy of note is our **ZINKPOWER®** Ranger programme. This is a comprehensive training offer which extends beyond pure production work. This programme comprises twelve modules and covers topics such as pre-treatment, production control, quality assurance, hot-dip galvanizing, costing and sales. The programme also has a unit on mindset development and motivation training. Another highlight is the final lecture, in which the participants present a topic of their own choice related to the plant. The programme runs for one year and not only provides participants with technical knowledge, but also supports their personal and communication skills. Generally there are between 10 and 15 participants each year. We had to temporarily pause the programme due to the coronavirus pandemic. However, it will be fully resumed and continued in the 2024/2025 financial year.



### SOCIAL COMMITMENT

As part of its commitment to social responsibility, ZINKPOWER® specifically supports social projects that bring about positive change in different communities. These initiatives reflect our efforts to actively tackle social challenges and to make a sustainable contribution to social and community development at our locations.

One outstanding example of this is the "Starkes Kirchheim" [Strong Kirchheim] project. It was initiated in 2009 by committed Kirchheim citizens in response to the injustices documented in a poverty report. This report revealed that 13 per cent of children in Kirchheim (971 in total) were living below the poverty line. To improve equal opportunities for the children concerned, the social welfare department produced an action report. The authority estimated the cost of implementing the measures listed at around 80,000 euros per year.

In the first three years, ZINKPOWER® founder Willi Kopf provided 50,000 euros of the funds required to provide the initial impetus for the necessary measures. This support enabled the projects to begin and encouraged the entire community to get involved. This gave rise to the "Starkes Kirchheim" campaign group, an association of 15 committed individuals who have been working to promote and support disadvantaged children ever since. Christine Marin, General Manager of Kopf Holding, has headed the campaign group since the beginning.

**ZINKPOWER** 

Social





The "Starkes Kirchheim" campaign group is committed to a comprehensive approach in addressing the effects of poverty on families and children. **The projects initiated include:** 

- → **Lunch for children:** A project in which children in schools receive a hot meal at lunchtime for a contribution of just one euro. In the first year, 12,000 meals were served.
- Introduction of the city pass: The city pass, formerly the social pass, was renamed on the initiative of the "Starkes Kirchheim" campaign group to make it more positive and accessible. This social project specifically supports children and their families on low incomes and enables them to participate more fully in community life with discounts and additional offers. The programme's services are aimed exclusively at children with a city pass as the targeted support for socially disadvantaged families is the focus of our commitment.
- Deducational support: These educational programmes offer children a wide range of opportunities for personal and academic development. These include reading projects, a communal breakfast and a tutoring project intended to provide long-term support. Dedicated mentors are on hand to support the children and encourage them individually on their educational pathway.
- → "Respect and community": The project, which was launched in 2024, supports participants' social skills.
- "Digital learning" project: Digital learning was introduced at Freihof Realschule [Freihof intermediate-level secondary school] during 2024. Pupils from year 8 onwards receive an iPad, which is funded by parents or, for young people with a city pass, by "Starkes Kirchheim". They can use the iPads both at school and in their free time. The introduction of the project involved two years of training for teachers as preparation.



### → "Starkes Kirchheim" campaign group

The "Strong Kirchheim" campaign group meets on a monthly basis to discuss new projects, to prepare public relations activities and to acquire new donors.

Each year, the Willi Kopf Foundation contributes to the project funding with donations. To support the campaign group, an annual cycling night is organised each year. This is a charity cycling race where participants find sponsors prepared to donate money for each lap completed. Around 100 cycling fans take part in this event every year and contribute to the different projects.

# SUSTAINABLE MANAGEMENT

At ZINKPOWER®, responsible corporate governance is the key to sustainable success. Our governance approach ensures that we act transparently, ethically and in a compliant manner.

We foster a respectful management culture and an inclusive working environment. Our corporate values guide all our decisions.

# 

OF OUR HIGH-RISK SUPPLIERS WILL BE EXPECTED TO COMPLETE A SPECIFIC RISK ANALYSIS IN 2025.

# Supporting good and fair framework conditions

We make our contribution to a sustainably successful economy and society — and are guided in this at all times by our corporate values. As a family-run company, acting responsibly is an important part of this set of values.

# RESPONSIBLE CORPORATE GOVERNANCE

### Intention

At the core of its business activities, ZINKPOWER® is focussed on fair and sustainable business practices and high quality standards. As part of the international Kopf Group, ZINKPOWER® is committed to complying with legal regulations and respecting international human rights as well as labour and environmental protection regulations at its own sites and along the entire supply chain.

### Ambitions and goals

The corporate philosophy of ZINKPOWER® is based on ethical principles which are strictly adhered to by both employees and business partners. These principles are set out in the corporate values and a Code of Conduct.

ZINKPOWER® strives to fulfil the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG) and the EU regulation on conflict minerals. The fulfilment of corporate due diligence obligations is not only an ethical requirement but also a key competitive factor in meeting customer requirements and remaining competitive over the long term.

### Identifying impacts in the value chain

ZINKPOWER® conducts a comprehensive risk analysis to identify and assess social and ecological risks in the value chain. We use qualitative and quantitative analyses based on external sources and expertise to prioritise risks and assign these to specific suppliers. This enables us to take targeted measures to effectively minimise risk. The procedure we use is as follows:

### i Relevance analysis and risk identification:

A qualitative assessment of the purchased raw materials, goods and services is carried out at the start in order to identify risk areas. The relevance analysis prioritises sectors in terms of the risk factor. This assessment takes a risk-based approach and draws on expertise, legal requirements and reports.

### i — Abstract risk analysis:

The abstract risk analysis utilises external sources such as the EU Commission's CAHRA list (Conflict-affected and high-risk areas) and the CSR Risk Check to identify and assess social and ecological risks in relation to raw materials, countries and processes. We categorise and document risks according to probability of occurrence and severity.

### 

We assign identified risks to the respective suppliers and review them using questionnaires and audit reports. The purpose of this analysis is to identify actual risks and, if necessary, to define corrective measures.

### 

The risk assessment is based on a range of parameters such as severity, probability of occurrence and influence. This provides a solid basis for prioritization and enables targeted risk-reduction measures to be taken.

### Our approach to sustainable risk management

ZINKPOWER® adopts a comprehensive approach to the recognition and mitigation at an early stage of ecological, social and ethical risks. Sustainability is firmly embedded within our business processes and comprises communication of our corporate values, the assessment of risks in the value chain and the gradual implementation of a sustainable procurement strategy. Our aim is to achieve long-term positive effects for the environment and for society using clear measures.

### Value-orientated communication: Code of Conduct and 3TG policy

At ZINKPOWER®, we are focussed on value-oriented corporate management that provides clear guidelines for ethical and legally compliant behaviour. Our Code of Conduct forms the core of this strategy and promotes awareness of integrity and transparency in all business areas. In addition to the internal compliance structure, we support the responsible handling of conflict minerals by implementing the 3TG policy. This is how we ensure that tin, tantalum, tungsten and gold do not come from conflict-affected regions. We provide our employees and partner companies with a whistleblower system which enables potential violations to be reported anonymously. This helps us to proactively identify risks and act accordingly.

# Assessment of risks along the value chain: supplier audits and whistleblower system

To ensure sustainable and responsible business practices along our value chain, we rely on regular assessments of our suppliers. These are carried out by means of systematic questionnaires and audits which identify ecological and social risks. Our established whistleblower system can be used to report potential violations — committed either by employees or partner companies — anonymously. These reports are a valuable source for recognising systematic weaknesses at an early stage and initiating targeted measures. At ZINKPOWER®, transparency and accountability are our top priorities when it comes to securing our supply chains.

### Responsible procurement:

### sustainability in supplier selection and training for employees

Our procurement strategy is strongly focussed on sustainability. In future, we want to ensure that, in addition to economic aspects, social and ecological criteria are increasingly taken into account at every stage of the purchasing process. A key objective of ZINKPOWER® is to evaluate suppliers according to defined sustainability criteria. Aspects such as resource consumption and respect for human rights will be a particular focus. Our plan over the long term is to develop training programmes for our purchasing department. This will allow us to ensure that employees are fully informed regarding these sustainability requirements and that these requirements are considered in decision-making processes. In this way, we at ZINKPOWER® foster a thorough understanding of sustainable procurement practices and firmly establish their relevance to our corporate goals and the environment.

### Minimisation of negative impacts: action plans and consequences

The continuous improvement of our ecological and social performance is a top priority at ZINKPOWER®. We therefore regularly develop detailed action plans for reducing potential negative impacts. These include specific targets for minimising our ecological footprint ranging from reducing carbon emissions to improving working conditions along the value chain. In the event of violations or insufficient implementation of these measures, we resort to sanction mechanisms. Depending on the degree of severity, these range from internal training courses to the termination of business relationships. This allows us to ensure that compliance with our high standards is actively enforced.

### Compliance

At ZINKPOWER® we attach great importance to transparency and to the handling of complaints and information with integrity. To ensure that all concerns are dealt with promptly and appropriately, we have established a clearly structured and easily accessible process:

- Reporting system: Employees, customers, suppliers and other stakeholders can send complaints and information to us via various channels. The following channels are available:
  - → Email: Complaints and information can be sent to an email address set up specifically for this purpose and which is regularly monitored. This address is also publicly accessible and is listed on our website.
  - → Online form: For internal complaints, there is an online form on our communication platform which employees can use to submit complaints and information anonymously.
- Contact point: All reports are forwarded to our compliance department which is responsible for checking and processing. This ensures that all submissions are treated confidentially and processed in accordance with internal guidelines.
- Checking process: We systematically record incoming complaints and information and check them using a standardized procedure. This includes:
  - → Initial assessment: The issue is initially assessed to determine its relevance and urgency.
  - → Investigation: If necessary, a detailed investigation is started in order to fully clarify the situation.
  - → Measures: Based on the results of the investigation, appropriate measures are taken. These can range from internal corrective action to external legal action.
- Feedback and transparency: The parties concerned are informed about the status of the processing and the results. In this way we ensure that the process is transparent and open to scrutiny without jeopardising the confidentiality of those involved.
- Protection from reprisals: Whistleblowers are protected from possible reprisals. Persons making complaints or reports in good faith will not be disadvantaged or discriminated against.
- Review and improvement: We regularly review our reporting system and adapt it as required to ensure it complies with current legal requirements and best practice.

These comprehensive measures ensure that complaints and information are taken seriously and processed efficiently. This is how we maintain the integrity and ethical standards of our company.

### **CODE OF CONDUCT**

At ZINKPOWER®, our Code of Conduct provides the foundation for ethical behaviour and integrity in all business areas. This Code of Conduct serves as a comprehensive guideline for all employees, managers and business partners. It ensures that our actions are in line with the highest ethical standards and legal requirements. Our Code of Conduct is based on international standards such as the Ten Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises and the guidelines of the International Labour Organization (ILO). These standards serve as the basis for our policies and practices. In this way, we ensure that we always act in a responsible and transparent manner.

### i — Our Code of Conduct is based on the following core principles



### Ethical behaviour and integrity:

We are committed to ethical behaviour in all our business dealings and personal matters. This includes the prevention of bribery, corruption and unethical business practices. Our actions are always transparent and honest.



### → Respect for human rights:

We are committed to respecting human rights both internally and along our value chain and to ensuring that all business practices comply with international standards.



### ightarrow Respect and equal treatment:

We foster a respectful and inclusive working environment. There is no place for discrimination, harassment and bullying in our company.

We respect the rights and dignity of all employees and business partners.



### ightarrow Sense of responsibility and sustainability:

We are committed to acting responsibly and strive for sustainable solutions in all business areas. Our aim is to minimise environmental impacts and use resources efficiently.



### → Health and safety:

The health and safety of our employees is our top priority. We ensure compliance with all necessary safety measures and that a healthy working environment is created.



### → Confidentiality and data protection:

We protect confidential information and respect the data privacy rights of all persons we are in contact with. Data will be used only for legitimate business purposes and treated in accordance with applicable data privacy laws.



### → Legal and regulatory compliance:

We comply with all applicable legal and regulatory requirements and ensure that our business practices are in line with legal provisions.

### Implementation and training

We plan to introduce regular training courses to ensure compliance with our Code of Conduct and its practical implementation. These training courses are aimed directly at employees and are intended to cover topics such as anti-corruption, data protection, ethical behaviour in the workplace and legal requirements. We provide new employees with comprehensive information about the Code of Conduct as part of their induction programme. We are currently preparing the implementation of these training measures to ensure an effective and ongoing learning process.

### **Dealing with violations**

We take violations of the Code of Conduct seriously and investigate them immediately. If we identify violations, we take appropriate measures. These range from training courses to disciplinary measures. Our aim is to ensure that all employees and business partners adhere to the same high standards and that any shortcomings are addressed immediately.

**Appendix** 

# **Appendix**

## **GRI CONTENT INDEX**

Important note: This report was prepared in accordance with the GRI Standards. The following table of contents indicates which GRI disclosures have been taken into consideration and refers to the corresponding sections in the report.

GRI 2-1	Organisational profile – <b>ZINKPOWER Group</b> (pages 02, 03)
GRI 2-6	Activities, value chain and other business relationships (pages 12, 13)
GRI 201-1	Economic value – <b>revenue</b> (pages 02, 03)
GRI 201-2	Financial implications of climate change — risks and opportunities (pages 16, 17)
GRI 201-3	Defined benefit plan obligations — Reference to management report
GRI 201-4	Financial assistance received from the public sector — Reference to management report
GRI 301-1	Materials used by weight or volume (pages 22, 23)
GRI 301-2	Recycled input materials used – <b>circular economy</b> (pages 24, 25)
GRI 301-3	Reclaimed products – Circular economy (pages 24, 25)
GRI 302-1	Energy consumption within the organisation (pages 26, 27)
GRI 302-4	Reduction of energy consumption — <b>Emission reduction</b> (pages 30, 31)
GRI 305-1	Direct GHG emissions – <b>Scope 1</b> (pages 28, 29)
GRI 305-2	Energy indirect GHG emissions — <b>Scope 2</b> (pages 28, 29)
GRI 305-3	Other indirect GHG emissions — <b>Scope 3</b> (pages 28, 29)
GRI 305-5	Reduction of GHG emissions <b>Emission reduction</b> (pages 30, 31)
GRI 404	Training and education (pages 36, 37)
GRI 413	Local communities and support programme — (pages 38)  Social commitment (pages 38, 39)
GRI 2-23	Declaration of commitment to principles and practices – <b>Code of Conduct</b> (pages 48, 49)
GRI 2-25	Processes to remediate <b>negative impacts</b> – <b>Dealing with violations</b> (pages 46, 47)
GRI 2-26	Mechanisms for seeking advice and raising concerns — Whistleblowing system (pages 46, 47)





### Kopf Holding GmbH

Heinkelstr. 25

D-73230 Kirchheim/Teck

Head office: Kirchheim

Stuttgart District Court, HRB 727710

VAT no: DE 813377204

Phone + 49 (0) 70 21 / 9755 - 50

info@zinkpower.com www.zinkpower.com

Managing Directors:

Willi Kopf, Martin Kopf, Christine Marin