

GRILLO-Werke AG

Sustainable Development Q4 2024



SUSTAINABLE DEVELOPMENT AT GRILLO

In this issue, we would like to take a closer look at how GRILLO complies with its due diligence obligations in the supply chain.

The background to this is the German Supply Chain Due Diligence Act (LkSG), which came into force on January 1, 2023. Since January 2024, it has also applied to GRILLO as a company with at least 1,000 employees.

It aims to strengthen the responsibility of companies to comply with human rights and environmental standards along their supply chains. It primarily serves to protect basic human rights, such as the prohibition of child and forced labor and the promotion of fair working conditions. It also aims to prevent environmental degradation, especially when this is linked to human rights violations, such as the contamination of drinking water. Companies should thus contribute to a socially and environmentally sustainable economy and make their global business practices more transparent and responsible.

Since 2023, the law has initially applied to companies with at least 3,000 employees.

So what do we do?

Risk management system

The introduction of a risk management system to identify and assess human rights and environmental risks in the supply chain is one of the key due diligence obligations. GRILLO has defined procedures for this and uses software specifically designed to support these purposes, which provides significant support in the risk analysis of all suppliers and service providers active in the past financial year.

Code of conduct for suppliers

To ensure that suppliers know exactly what conduct we expect in a mutual business relationship, we have drawn up a corresponding code of conduct, compliance with which is a mandatory component when placing orders.

Declaration of Principles Human Rights

We have also published a policy statement that forms the basis for implementing preventive measures with direct suppliers and taking remedial action in the event of violations.

Whistleblower system

As a further measure, we offer all affected parties the opportunity to submit complaints via our whistleblower system, which are then examined in absolute confidence.

Regular reporting

Finally, we report annually on compliance with our due diligence obligations to the Federal Office of Economics and Export Control (BAFA), which monitors implementation, and publish the relevant documents.

Although the law implies increased organizational effort for GRILLO, it also offers opportunities to improve our reputation and minimize legal and financial risks. The Supply Chain Act is therefore an important step in our further development of sustainable and responsible business practices.

INTERVIEW

- One year GRILLO

He has been with GRILLO for a year now - Bastian Bach, our Group Officer for Sustainable Development. But what does sustainable development actually mean to him, what sustainability projects is he currently managing at GRILLO and what goals does he want to achieve in the future? The communication team asked him!

What does sustainable development mean to you and how does it relate to GRILLO?

Bastian: For me, sustainable development is best described as intergenerational justice, as defined in a 1987 report by the World Commission on Environment and Development. In terms of content, this means for me, according to far-sighted Indian wisdom, that we have not inherited the earth from our parents, but have borrowed it from our children - and what you have borrowed, you give back intact. This way of thinking is fully compatible with the GRILLO corporate philosophy and the GRILLO guideline, which I am very happy about.

What is GRILLO doing for sustainable development? What are specific sustainable development projects?

Bastian: GRILLO produces innovative and high-quality products and solutions to promote the sustainable development of the environment and society. Sustainable development is therefore at the heart of our vision and mission, is recognized by the management and is therefore part of our strategy and the individual business models in the companies. This can be seen not least in the numerous test marks, awards and certificates. In concrete terms, most of our ambitions are currently focused on climate protection through energy saving and energy efficiency and on strengthening the circular economy.

What else will come in the future?

Bastian: The future will be exciting and challenging - with the upcoming mandatory sustainability reporting, which will be similar to financial reporting in terms of its binding nature, we will have unprecedented transparency of data for various aspects of sustainable development. This can serve as the basis for a refined strategy in the areas of the environment, social affairs and corporate governance and enable us to implement corresponding programs backed by targets in order to continue to improve holistically and make the most of the balance between duty and choice.

What was the biggest challenge in terms of sustainable development this year? What do we still want to work on overall?

Bastian: One of the biggest challenges is certainly the culture and understanding of sustainable development. After all, it is a cross-cutting issue that ultimately every function and every employee must regularly, if not always, contribute to through their activities and behavior. We are on the right track by regularly reporting on the topics, explaining the content and encouraging cooperation

What are your goals as Sustainable Development Manager for GRILLO?

Bastian: The aim is to make the company fit for the future by purposefully implementing all the upcoming transformation topics to create sustainable added value for our customers, employees and society as a whole, despite all the resistance and effort involved. In all these processes, this also means paying particular attention to our profitability, which is what makes implementation possible in the first place.

How was the first year in your role for you? What expectations did you have and were they met?

Bastian: My expectations were very positively confirmed in that I did not have to rebuild the topic of sustainable development. Even though the function was newly created in its current form, it is (and perhaps always has been) part of GRILLO's self-image. This has often made it easier for me to address current and future issues, as I have found open ears and a high level of willingness to collaborate.

As an outlook: What do you think are the most important goals for sustainable development in the coming years?

Bastian: They are certainly to be found within the three global crises in the areas of climate, biodiversity and environmental pollution - we will also have to face up to these and make positive contributions. Although this is still some way off, there is already talk of humanity, and therefore industry, becoming "regenerative" and "restorative". After all, this fulfills the main purpose of sustainable development, namely to enable us all to continue to live a safe and healthy life in our shared environment.

What are your favorite products from an environmental point of view?

Bastian: I can't give a general answer to that, because we have so many exciting products and solutions that serve different aspects of sustainable development - whether they support the expansion of renewable energies, serve animal welfare, promote the circular economy, etc., etc., etc...

THANK YOU!

NEWS



Nov. 24 — **Closing the Metals Loop: GRILLO gives presentation at International Zinc Recycling Conference**

Our Head of Sustainable Development, Dr. Bastian Bach, gave a presentation at the International Zinc Recycling Conference in Nashville. From November 13-15, the second International Zinc Recycling Conference and Zinc Metal Roundtable 2024 took place at the JW Marriott in Nashville. The event consisted of two parts: In the first part, the latest developments and technologies in zinc recycling were presented with an outlook on the market for zinc recycling as well as the innovations in recycling technology. The aim is to promote zinc as part of the circular economy. Our Head of Sustainable Development, Dr. Bastian Bach, gave a presentation at this part of the event on Wednesday, November 13. The topic of this presentation was "Closing the Metals Loop: Recycling Zinc from Copper Production Flue Dusts". In particular, he highlighted our certified sustainable material flow, the verified carbon footprint of our product and the process itself. In the second part, the focus was on the metal markets. The zinc metal part of the event concentrated on the dynamics of zinc metal supply in 2025 and the new market trends.



Nov. 24 — **Presentation at the Ruhr Uni Bochum**

As part of the CEIT Practitioner Series, Dr. Bastian Bach gave an insight into the sustainability management and transformation of GRILLO-Werke AG at the Ruhr University Bochum. He explained how GRILLO successfully integrates sustainability strategies into its business processes and what measures are being taken to align the company towards a more sustainable future. He also addressed the challenges that arise during implementation and the opportunities that arise from dealing with current trends and technologies in order to achieve a positive impact on the environment.



Oct. 24 — **Sustainable Finance Day am 16. Oktober**

Der Verband der Chemischen Industrie veranstaltete einen Workshop in Frankfurt, an welchem Akteure verschiedener Unternehmen zusammengekommen sind. Der Workshop thematisierte die vorher definierten Ziele in Bezug auf Vernetzung und politische Ausrichtung der Sustainable-Finance-Gremien. Wichtige Erkenntnisse des Workshops umfassen Folgendes: Die Anforderungen der Nachhaltigkeitsberichterstattung sollten reduziert werden. Die EU-Taxonomie soll freiwillig bleiben, mit einem Fokus auf das Wesentlichkeitsprinzip. Bei der CSRD/ESRS sind viele Datenpunkte unklar und zu zahlreich, was Datenschutzprobleme verursacht. Transition Finance benötigt keine weiteren gesetzlichen Regelungen, da diese bereits durch die CSRD abgedeckt sind. Auch GRILLO hat bei dem Workshop seine Meinung eingebracht.



Questions or suggestions?

Bastian Bach and Nadine Hoffmann look forward to hearing from you via Teams, e-mail, Viva Engage or telephone.