Sustainability Report 2024

WILKA Schließtechnik GmbH

Velbert, Mettmanner Str. 58-64 und 82

VSME

(Basic and comprehensive module)

Foreword

WILKA Schließtechnik GmbH, located in Velbert, Germany, presents itself:

The company began with its founding by Wilhelm Karrenberg, who in 1865, in his home “Am Schnorrbeutel” in Velbert, started his self-employment with just a few files and small craft tools.

Four years later, he acquired a half-timbered house with a small workshop (forge) and moved to the site “Heidefeld,” approximately 200 meters from today’s location. His three sons joined and together they developed the company under the group name Wilhelm Karrenberg GmbH & Co. KG with its manufacturing plant WILKA Schließtechnik GmbH into what it is today.

Even today, all shareholders of the company descend from the three children of Wilhelm Karrenberg and his wife Wilhelmine.

WILKA is proud to be a family-run company now in its sixth generation, with a history of around 160 years, charting its own course.

Sustainability is not a short-term trend for WILKA but an integral part of the corporate strategy. Already in 2023, we published our first sustainability report according to the German Sustainability Code (DNK) and prepared a CO_2 footprint for the Velbert location based on Scope 1 and 2 emissions.

Against the background of legal developments—such as the omnibus package—we consciously decided in 2025 to voluntarily report on our sustainability activities according to the extended VSME standard. With this, we create transparency, demonstrate responsibility, and emphasize our commitment to future-oriented corporate management.

Our report goes beyond basic corporate figures: We account for emissions along the entire value chain (Scope 1-3), present concrete measures to reduce CO_2, and explain our sustainability goals. In addition, we provide insights into the assessment of climate-related risks—for our company and our supply chains.

WILKA is convinced: Those who take responsibility today secure success for tomorrow—for customers, partners, employees, and future generations.

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B1 – Basis for preparation

The sustainability report is prepared for the individual company WILKA Schließtechnik GmbH located in Velbert.

With this report, we provide a comprehensive overall picture of WILKA's sustainability and report on both the basic module and the extended module (OPTION B) of the VSME.

We will not provide product-specific details in this report.

The following data is disclosed:

Legal form: Limited Liability Company

Possible NACE code: Manufacture of locks and fittings made of base metals (NACE code C25.72)

Balance sheet total: 45.435.146 €
Revenue: 38.982.606,36 €
Number of employees: 299 (headcount as of 31.12.2024)
Headquarters: Germany, site in Velbert, Mettmanner Str. 58-64, 42549 Velbert
Geolocation of the site: 51.33162, 7.04985
WILKA Velbert does not hold any sustainability certificates or labels.

C1 – Strategy: Business Model and Sustainability – Related Initiatives

Our main product groups include locking cylinders, locks (AP and RR), electronic cylinders and fittings, as well as semi-finished parts, assemblies, and related accessories. The primary markets we focus on are in the B2B sector, particularly Germany, Austria, Switzerland, and the Benelux countries.

We distribute our products exclusively through specialist hardware retailers, authorized locksmiths, and door manufacturers. Our customers serve end clients, metalworkers, carpenters, DIY stores, and public institutions with our products.

For the manufacture of our products, we predominantly require and procure metals (brass, steel in various qualities), various springs, plastic components, and other electronic parts for our locks, cylinders, and other mechanical and electronic locking systems. While most products are manufactured in-house, we also source purchased goods, thereby complementing our portfolio.

To ensure high quality and reliability, we work with a total of 239 active suppliers. These suppliers come from various industries and sectors, including the metal and steel industry, plastics industry, electronics sector, surface finishing, mechanical engineering, as well as logistics and transportation. Geographically, our suppliers are spread across several countries, including Germany, Poland, Spain, Italy, China, India, and Taiwan. This diverse and internationally oriented supply chain enables us to respond flexibly and sustainably to market demands. Our suppliers are carefully selected and integrated on a project basis. They are fully informed about the requirements for purchased parts in terms of demanded quality and needs. A continuous exchange takes place to ensure that expectations are met.

Moreover, suppliers are encouraged to continuously improve their processes and also to contribute to climate protection by integrating sustainability into their business strategies.

WILKA Velbert Sustainability Strategy

We aim to make a significant contribution to combating climate change and to produce our products as CO_2-neutral as possible. In this context, we focus on the entire value chain—from our suppliers through our manufacturing facility to our customers and their end users.

At WILKA, we decided in 2024 to integrate the topic of sustainability into our corporate policy, thereby expressing that top management places the utmost importance on the following “Sustainable Development Goals” (SDGs).

We fundamentally see it as our responsibility to ensure that the following fields of action are taken into account:

We respect human rights:

- Compliance with our Code of Conduct
- Adherence to compliance regulations
- Compliance with the Equal Treatment Act for employees

We take sustainability seriously:

- Optimization of our recycling processes
- Consistent waste separation
- Careful use of available resources
- Ongoing transition of our company vehicle fleet to e-mobility

We strive tob e an attractive employer:

- Leasing of e-bikes
- Water dispenser throughout the company
- Clothin for employees
- Employee offers – corporate benefits
- Subsidizing daily food supplies (e.g. bread rolls)

B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy &

C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy

We have always been aware that sustainability is an important topic for the future. However, the reporting obligation envisaged for 2025 under the CSRD according to ESRS has led us to place an even stronger focus on this issue and accelerate our efforts.

A sustainability working group was established, consisting of representatives from quality management, purchasing, maintenance and facility management, as well as human resources. This working group is tasked with advancing sustainability within our company. Thanks to the expertise from the various departments, it is ensured that the topic is addressed comprehensively.

Furthermore, all WILKA managers have been trained accordingly to create a solid foundation for sustainable actions across all departments and to raise awareness in this regard.

The recommendations for action developed within the respective departments and teams contribute to a more sustainable everyday working routine in these areas.

The sustainability working group began by developing a sustainability strategy for WILKA, initially assessing which sustainability topics are relevant to us as a company.

An overview of these topics can be found in the following table (see Table B2).

Table B2:

Sustainability topic	Inclusion in our sustainability strategy
Climate change	Yes
Environmental pollution	Yes
Water and marine resources	No
Biodiversity and ecosystems	No
Circular economy	Yes
Own workforce	Yes
Workforce in the value chain	Yes
Affected communities	No
Consumers and end users	Yes
Corporate Governance	Yes

1 Relevance of sustainability issues for WILKA Velbert

The working group team dedicated themselves intensively every two weeks to the ESRS requirements and various sustainability topics. In this context, we conducted a double materiality analysis to determine the relevance of sustainability topics for WILKA and its stakeholders (employees, customers, suppliers, banks). Our stakeholders were involved in this process and subsequently confirmed our assessments.

In developing the double materiality concept, we considered both the positive and negative impacts of our company and the upstream value chain on the environment (inside-out perspective), as well as the opportunities and risks from environmental factors that may affect us (outside-in perspective).

To determine relevance, we established threshold values. If the result of the internal or external weighting exceeded these thresholds, we deemed the topic material and developed corresponding measures, which we report on in the sustainability report of WILKA Schließtechnik GmbH. Below, we have summarized the relevant points:

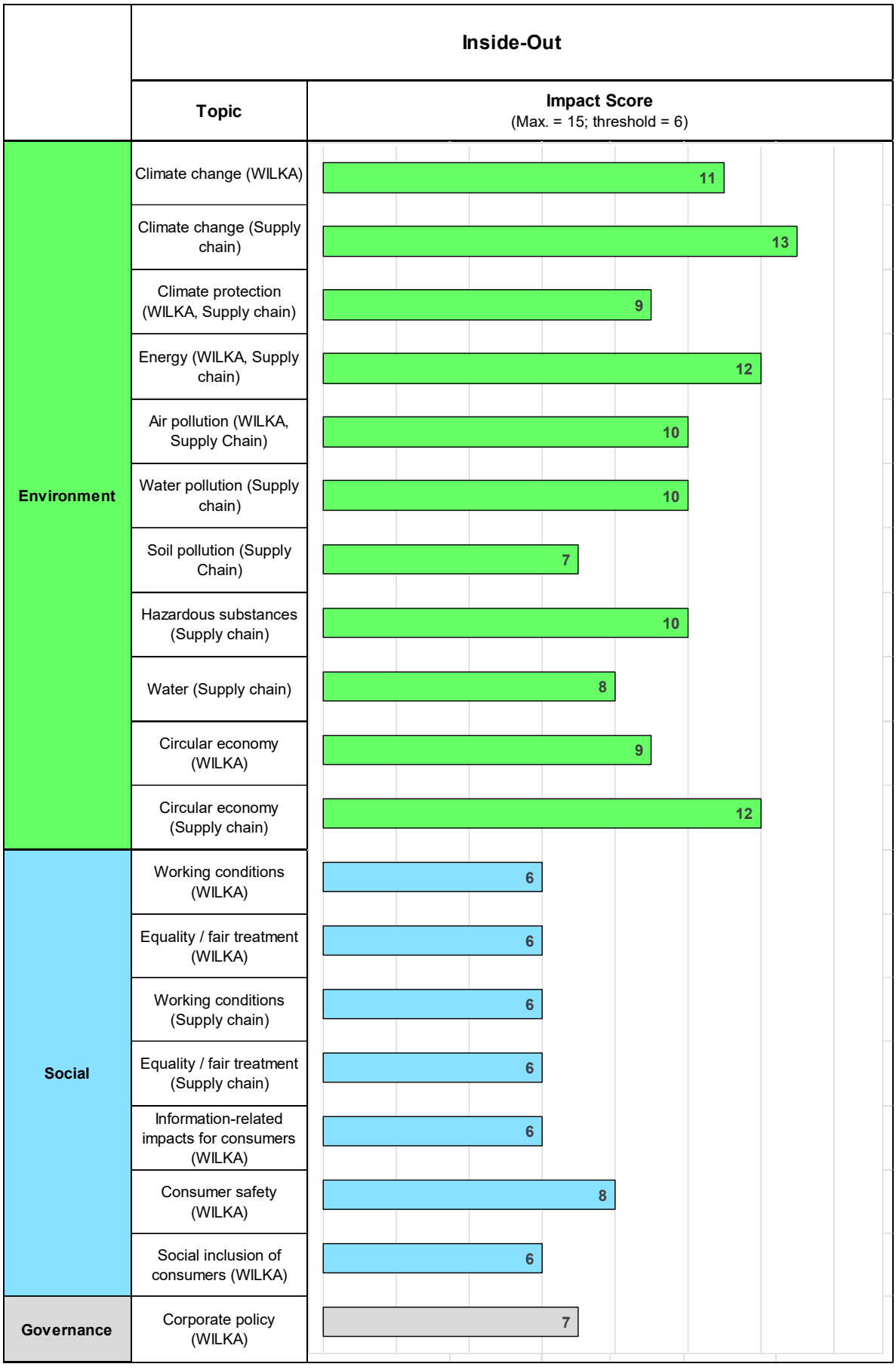
Inside-Out:

	Topic	Impact
Environment	Climate Change (WILKA)	CO_2 emissions from metal processing
	Climate Change (Supply Chain)	CO_2 emissions from metal extraction and production
	Climate Protection (WILKA, Supply Chain)	Sealed surfaces, waste heat from machinery
	Energy (WILKA, Supply Chain)	Energy consumption
	Air Pollution (Supply Chain)	Emission of fine dust
	Soil Pollution (Supply Chain)	Harmful emissions from metal extraction
	Water Pollution (Supply Chain)	Water pollution from ore extraction
	Hazardous Substances (Supply Chain)	Release into the environment
	Water (Supply Chain)	High water consumption in ore extraction
	Circular Economy (WILKA)	Production & packaging waste
	Circular Economy (WILKA)	Production & packaging waste
Social	Working Conditions (WILKA)	Ergonomic and socially compliant
	Equality / Fair Treatment (WILKA)	Compliance with AGG (German law) and whistleblower protection law
	Working Conditions (Supply Chain)	CoC, supplier self-assessment, on-site audit
	Equality / Fair Treatment (Supply Chain)	CoC, supplier self-assessment, on-site audit
	Information-related Impact on Consumers (WILKA)	Information availability (website/trade fairs)
	Consumer Safety (WILKA)	Instructions, product inspections before market entry
	Social Inclusion of Consumers (WILKA)	Access for all
Governance	Corporate Policy (WILKA)	Communicated internally and externally

Outside-In:

Environment	Risk	Opportunity
Climate Change (WILKA, Supply Chain)	Energy cost surcharge	Improved purchasing strategy
Climate Protection (WILKA, Supply Chain)	Costs: filter technology, alternative technology	Fuel consumption reduction
Energy (WILKA, Supply Chain)	Dependence on energy supply	Energy savings and recovery
Air Pollution (Supply Chain)	Increased purchasing costs	Supplier diligence law
Soil Pollution (Supply Chain)	Sanctions by legislators	Selection of environmentally friendly suppliers
Water Pollution (Supply Chain)	Disposal costs	Reduction in demand for new ores through recycling processes
Water (Supply Chain)	Water scarcity	Reduction in demand for new ores through recycling processes
Circular Economy (WILKA, Supply Chain)	Disposal and reprocessing	Efficient resource use, less waste, recycling
Social	**Risk**	**Opportunity**
Working Conditions (WILKA)	Non-compliance with legal requirements	Promote employee satisfaction/well-being, safe work environment
Equality / Fair Treatment (WILKA)	Individual violations	Promote employee satisfaction/well-being
Information-related Impacts for Consumers (WILKA)	Lack of information maintenance, new developments	Customer acquisition/retention
Consumer Safety (WILKA)	Lack of information maintenance, new developments	Customer acquisition/retention
Social Inclusion of Consumers (WILKA)	Insufficient marketing, trade fair appearances, consulting	Customer acquisition/retention
Governance	**Risk**	**Opportunity**
Corporate Policy (WILKA)	No risk	Trust and loyalty

2 Double materiality analysis WILKA Velbert



3*: Evaluation Inside-Out WILKA Velbert*

	Outside-In		
	Topic		**Risk/Opportunity Score** (Max. = 5; threshold = 1,5)
Environment	Climate change (WILKA, Supply chain)	Risk	2
		Opportunity	1,5
	Climate protection (WILKA, Supply chain)	Risk	2
		Opportunity	1
	Energy (WILKA, Supply chain)	Risk	0,75
		Opportunity	1,5
	Air pollution (Supply Chain)	Risk	1,5
		Opportunity	1
	Water pollution (Supply chain)	Risk	1
		Opportunity	1,5
	Soil pollution (Supply Chain)	Risk	0,75
		Opportunity	1,5
	Hazardous substances (Supply chain)	Risk	2
		Opportunity	1,5
	Water (Supply chain)	Risk	1
		Opportunity	1,5
	Circular economy (WILKA, Supply chain)	Risk	2,25
		Opportunity	2,25
Social	Working conditions (WILKA)	Risk	0,75
		Opportunity	1,5
	Equality / fair treatment (WILKA)	Risk	0,75
		Opportunity	1,5
	Information-related impacts for consumers (WILKA)	Risk	1
		Opportunity	2,25
	Consumer safety (WILKA)	Risk	1
		Opportunity	2,25
	Social inclusion of consumers (WILKA)	Risk	1
		Opportunity	2
Governance	Corporate policy (WILKA)	Risk	
		Opportunity	3

4: Evaluation Outside-In WILKA Velbert

Afterwards, the WILKA sustainability team developed a sustainability strategy, which was then approved by executive management and the management board.

Based on the sustainability strategy and the results of the double materiality analysis, long-, medium- and short-term sustainability targets were defined and communicated to employees. The sustainability team steers and monitors the achievement of these targets and supplements them if, after a positive evaluation, corresponding proposals are made by staff.

To involve employees in sustainability at WILKA, ongoing discussions are held between managers and employees within the departments. All resulting findings and updates on the topic are continuously published via our company intranet.

We have summarized our sustainability targets in the following table:

Topic	Strategy	Target	Action	Responsibility
Climate change	Improve energy efficiency and reduce GHG-emissions	Switch electricity consumption to 100% green electricity (purchased) by 2030	Change existing electricity supply contract; compare current electricity costs with the costs of switching while considering the company's economic development	Management board in cooperation with the Sustainabilty Working Group
		Increase share of e-mobility in the vehicle fleet to over 50%	Before ordering a new vehicle: perform a cost/benefit assessment of an electric drive	
		Implement heat recovery in Plants 1 & 2	Procure and install additional compressors	
		Feasibility (cost/benefit) assessment of installing a photovoltaic (PV) system	Request quotes and engage external service providers	
		Ensure that new machines, technical systems and other electronic devices include energy monitoring where possible and are energy-efficient	When purchasing new machinery, require energy monitoring and energy control/regulation features	
		Identify heat loss in factory buildings and then optimize heat loss	Measurements with a thermal imaging camera, followed by renovation/replacement of facades, windows and roofs in all buildings by 2030 (where necessary)	
		Centralize energy and heat supply across all buildings	Create infrastructure for centralized heat supply	
		Determine lighting energy use by 2025 and then develop/formulate reduction targets	Contact service providers to determine lighting energy usage; then gradually install occupancy sensors to control lighting on/off and reduce energy use	
		After identifying pressure losses from leaks, derive reduction targets	Measure and/or eliminate pressure fluctuations/pressure losses	
		Convert lighting to LED	Gradually replace current lighting with LED	
Circular economy	More efficient use of resources	Reduce spare parts inventory by at least 30% (25% per year)	Spare-parts analysis followed by implementation of a maintenance software that supports preventive maintenance planning and enables resource-efficient spare parts stocking	Management board in cooperation with the Sustainabilty Working Group
		Reduce paper consumption in administration by at least 50% and implement paperless production	Gradual digitalization	

Own workforce	Promotion/ensuring the health and wellbeing of employees	Gradual improvement of workplace ergonomics for employees	Identification through workplace inspections by the works council, company physician and occupational safety specialist, and via surveys	Management board in cooperation with the Sustainabilty Working Group
		Continuous increase of employee satisfaction	Determine the current status via surveys (at regular intervals). Measures: flexible working hours, mobile working, water dispensers throughout the company, etc.	
Workers in the value chain	Raise supplier awareness to strengthen sustainability in the upstream supply chain	Determine the current status of suppliers on sustainability – audit suppliers on site	Supplier survey, Code of Conduct, on-site audits at suppliers	Quality management (QM) and purchasing management
Corporate governance	Develop a sustainability strategy at WILKA	Establish a sustainability working group with ongoing support from a working student	Compose the group from representatives of Quality Management, Purchasing, Maintenance & Facility Management (and HR); hold regular exchanges on sustainability matters	Management board in cooperation with the Sustainabilty Working Group
		Raise awareness and involve employees and suppliers regarding sustainability topics	Issue action recommendations/information to employees and ask managers to advance the topic in their teams; communicate regular successes and updates via the intranet; collect employee feedback/suggestions through surveys	
		Identify continuous improvement opportunities (CIP) related to sustainability	Continuous exchange within the working group and inclusion of employee/supplier suggestions	
		Sustainability reporting	Review requirements, prepare for reporting (data collection), create/update a VSME report for WILKA Schließtechnik Velbert	
		Annual CO_2 accounting	CO_2 accounting considering Scope 1, 2 & 3	

5 Sustainability goals WILKA Velbert

Environment

B3 – Energy and greenhouse gas emissions
C3 – GHG reduction targets and climate transition
C4 – Climate risks
B4 – Pollution of air, water and soil
B5 – Biodiversity
B6 – Water
B7 – Resource use (metals), circular economy and waste management

B3 – Energy and greenhouse gas emissions

B3 supplemented by Scope 3 emissions

Energy is a central resource for our work processes and has a significant impact on the environment and on economic performance. Conscious and efficient use of energy helps conserve resources, reduce costs and lower CO2 emissions. Therefore, optimizing our energy consumption is an important element of sustainable action and of WILKA's long-term business success. All data listed below are from NON-renewable energy sources.

Our energy consumption from the sources electricity, oil and gas in 2024 was:

Consumption	Data
Electricity	2.653.257 kWh
Oil	55.887 liters x 10 ≙ 558.870 kWh
Gas	1.665.312 kWh
Vehicle fleet (diesel)	5.599,57 liters x 10 ≙ 55.995,7 kWh
Vehicle fleet (gasoline)	48.322,03 liters x 8,53 ≙ 412.186,916 kWh
Energy consumption (total)	5.363.528,72 kWh **≈ 5,346 GWh**

6 Energy consumption WILKA Velbert (2024)

As part of the sustainability report under the German Sustainability Code (DNK), we performed GHG accounting for Scope 1 and 2 for the first time in 2024, covering the 2023 financial year. In 2025 we additionally began to capture our Scope 3 emissions (for 2024).

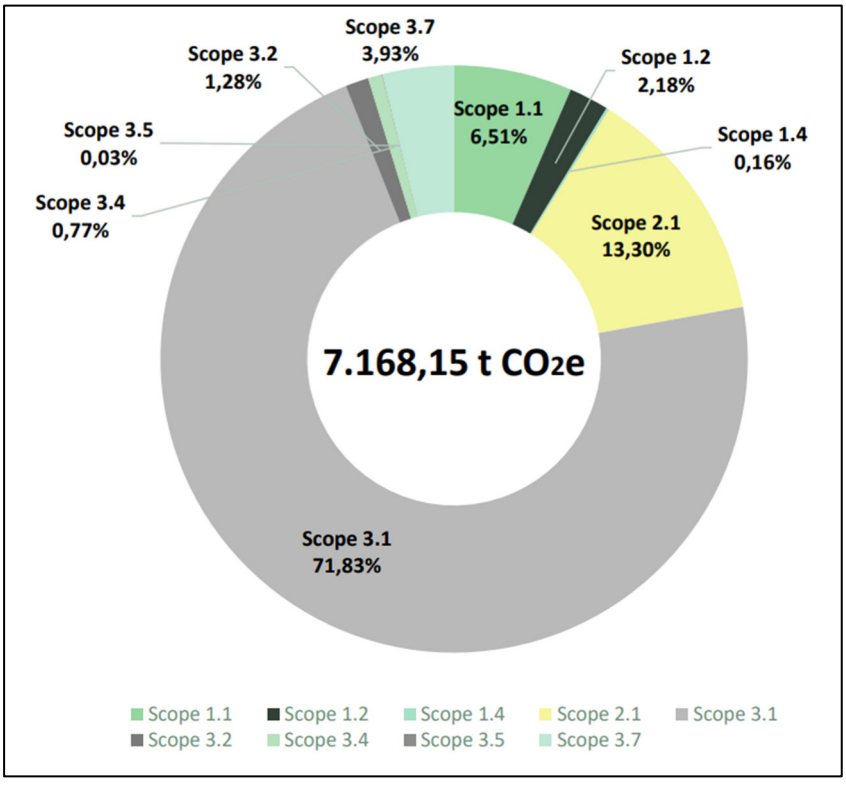
- **Scope 1** comprises all direct emissions from our own or controlled sources, such as the combustion of fossil fuels in production equipment, heating systems or company-owned vehicles.
- **Scope 2** covers indirect emissions from the generation of purchased energy, in particular electricity and district heating, used in our production processes.
- **Scope 3** covers all other indirect emissions along the value chain, e.g. the production of purchased raw materials (such as steel, brass), logistics and transport services, or employee commuting.

Calculating our GHG inventory provides a transparent view of our carbon footprint and forms the basis for reduction targets and measures. Our focus is on energy-intensive metal processing, optimising internal processes, switching to green electricity and collaborating with our suppliers. By addressing all three scopes, we support the transition to a lower-emission future.

For our Velbert site (Mettmanner Str. 56–64 & 82 and Heidestr. 11, 42549 Velbert) we prepared a GHG inventory for the 2024 financial year covering Scope 1, 2 and 3.
We used the control-based consolidation approach. This means the inventory includes emissions from all activities that fall within WILKA's operational control and defined system boundaries.

Below we disclose both an overview of our total emissions by Scope 1–3 and a detailed breakdown of emission sources.

Total GHG-Emissions (Scope 1 to 3) of WILKA Schließtechnik GmbH (Velbert) in 2024:



7 GHG balance sheet WILKA Velbert (2024)

The following table provides a detailed breakdown of the emissions generated in the 2024 financial year:

Scope	Categories according to GHG Protocol	Emissions in kg CO2e
1	1.1 Combustion emissions in stationary installations	466,748.61
	1.2 Combustion emissions in mobile sources	156,502.18
	1.4 Fugitive emissions of greenhouse gases	11,484.00
	Total Scope 1 emissions in kg CO2e	**634,734.79**
2	2.1 Electricity	953,570.91
	Total Scope 2 emissions in kg CO2e	**953,570.91**
3	3.1 Purchased goods and services	5,149,100.27
	3.2 Capital goods	91,964.30
	3.4 Transport and distribution (upstream)	54,995.67
	3.5 Waste (on-site)	2,407.51
	3.7 Employee commuting	281,376.74
	Total Scope 3 emissions in kg CO2e	**5,579,844.50**
1 - 3	**Total emissions for all Scopes in kg CO2e**	**7,168,150.20**

8 Breakdown of emission sources

Our Scope 2 emissions are reported on a market-based basis (per our agreement with the electricity supplier). In financial year 2024 our total market-based Scope 2 emissions were 953,570.91 kg CO2e, while location-based Scope 2 emissions were 870,081.91 kg CO2e.

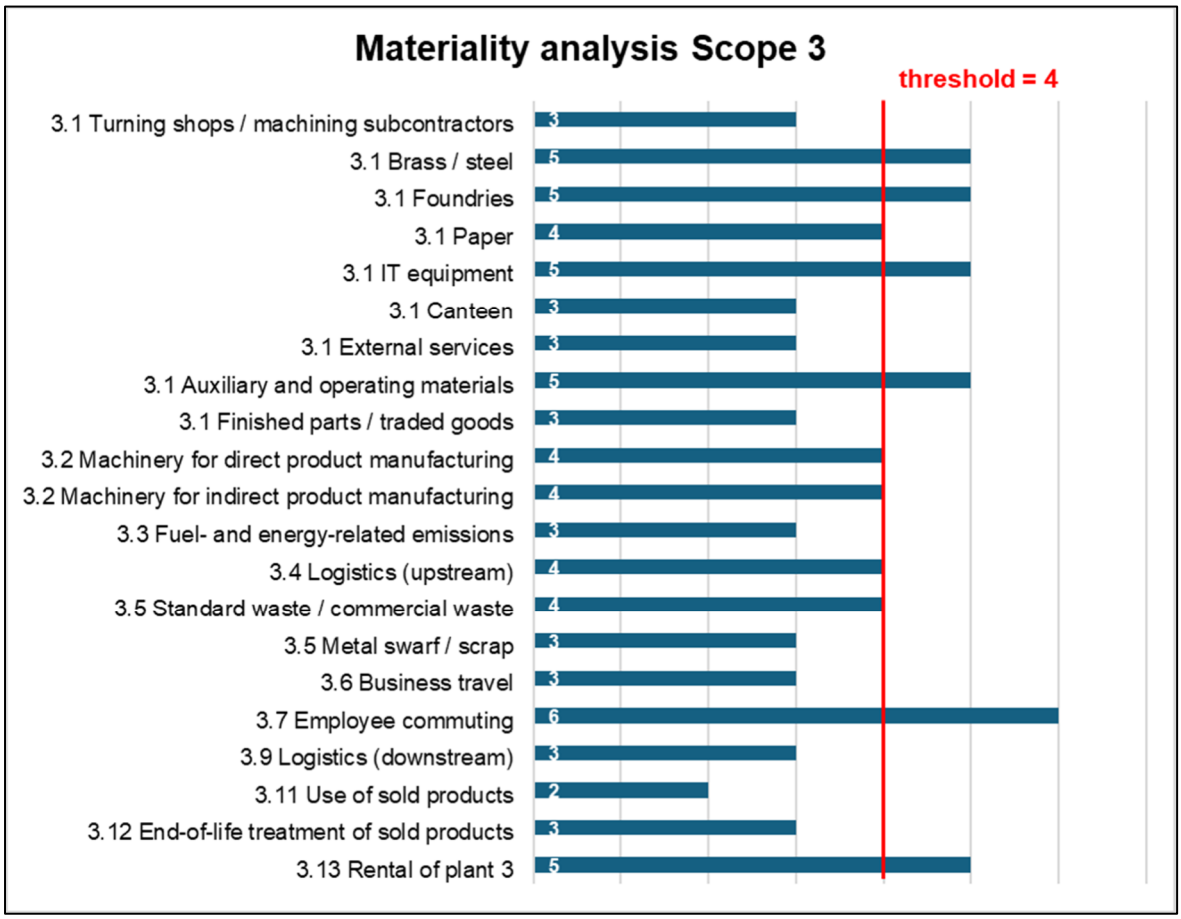
From the results of our calculation we derive an **emissions intensity** of 183.88 kg CO2e per €1,000 of revenue.

A materiality analysis was carried out to identify the relevant Scope 3 topics. The different emission factors were assessed using emission magnitude (1 = low to 3 = high), influenceability (1 = low to 3 = high) and data availability (0 = not available, 1 = available). If the sum of these scores is 4 or greater, the category is considered material for us.

Topics that were excluded from the outset due to lack of applicability are:

- 3.8 Upstream Leased Assets
- 3.10 Processing of Sold Products
- 3.14 Franchises
- 3.15 Investments

The following table shows which sub-topics of the Scope 3 categories were classified as material:



9 Scope 3 materiality analysis WILKA Velbert

Based on the results of this analysis, the necessary data were then collected and a Scope 3 inventory was carried out. As these emissions were recorded for the first time, the data quality is still partly in need of improvement. We are working to improve data quality over the next years.

C3 – GHG reduction targets and climate transition

GHG reduction targets

The emission data for the 2023 financial year serve as the baseline for our reduction targets. At present we focus solely on emissions reduction targets for Scope 1 and 2. Reduction targets for Scope 3 will be developed and described in the coming years.

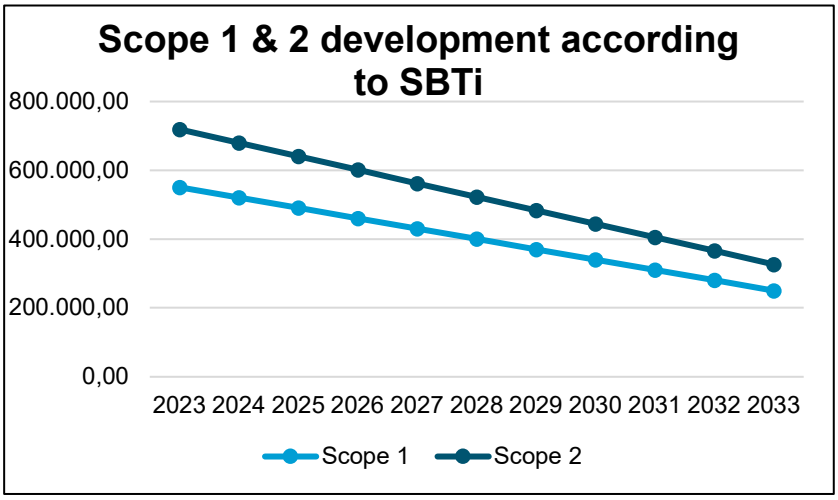
Based on the 2023 GHG inventory and in alignment with the Science Based Targets Initiative (SBTI), we have defined an overarching target for reducing our Scope 1 and 2 emissions that is consistent with the UN 1.5°C goal:

By 2033 we aim to reduce our GHG emissions from Scope 1 and 2 to below 576,000 kg (54,6% less compared to base year 2023) CO2e.

To align with the UN 1.5 °C goal, we used the Science Based Targets initiative (SBTi) to model the required trajectory of our Scope 1 and Scope 2 emissions for 2023–2033. Using 2023 as the base year, the SBTi-derived pathway shows a continuous decline in our emissions (see table and chart).

	2023	2028	2033
Scope 1+2 emissions (in kg CO2e)	1,269,596.59	922,996.72	576,396.85

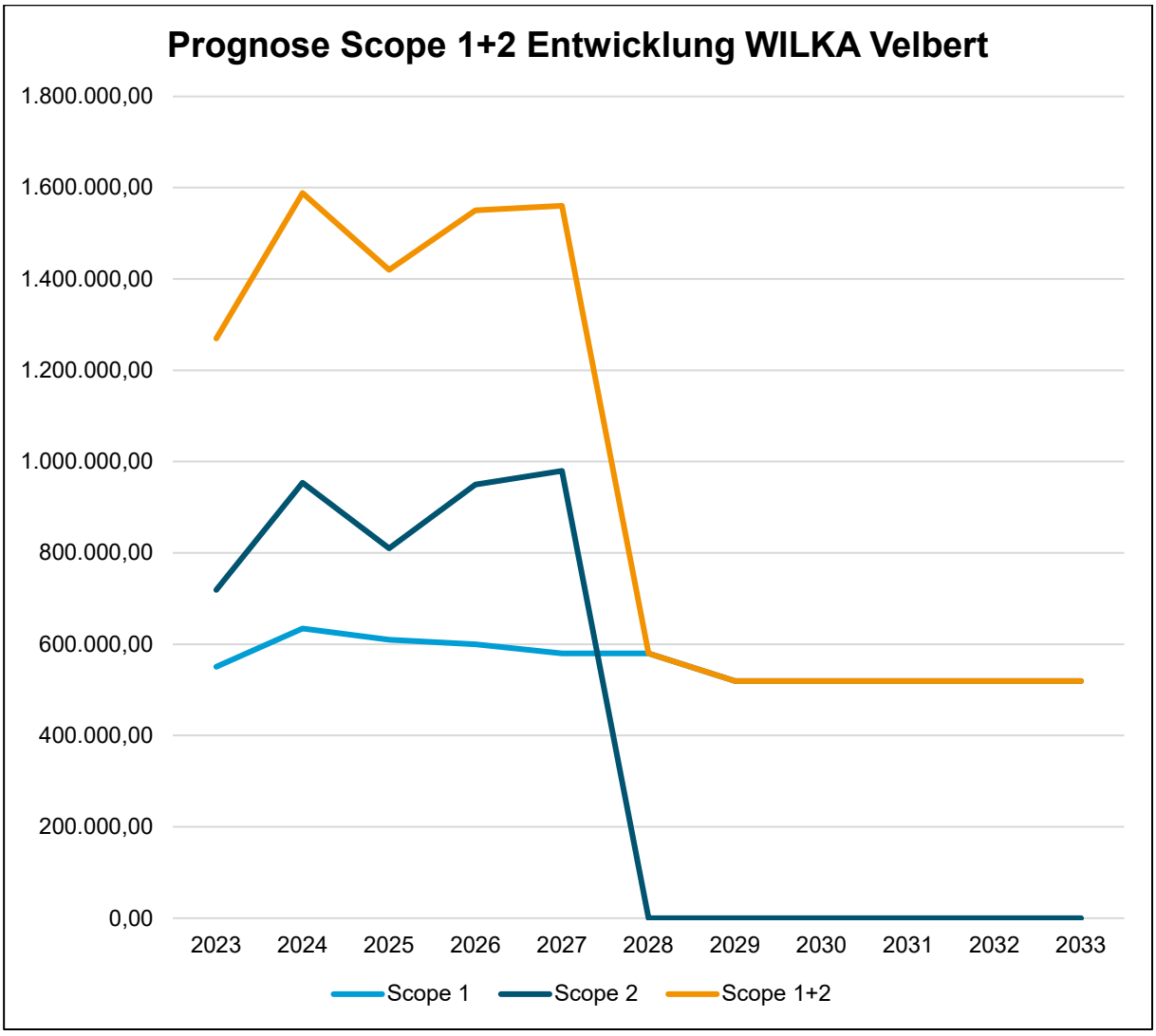
10 Scope 1 & 2 development in line with the 1,5-degree-goal of the United Nations



	Scope 1 (in kg CO2e)	Scope 2 (in kg CO2e)
2023	550,534.72	719,061.87
2024	520,475.52	679,801.09
2025	490,416.33	640,540.31
2026	460,357.13	601,279.54
2027	430,297.94	562,018.76
2028	400,238.74	522,757.98
2029	370,179.55	483,497.20
2030	340,120.35	444,236.42
2031	310,061.15	404,975.65
2032	280,001.96	365,714.87
2033	249,942.76	326,454.09

11 Scope 1 & 2 development in line with the 1,5-degree-goal of the United Nations

Based on our planned business developments for the next few years, we anticipate a reduction in GHG emissions as illustrated in the table and chart below:



12 Forecast of Scope 1 & 2 development WILKA Velbert

Year	Scope 1	Scope 2	Scope 1 & 2	Justification of the change
2023	550,534.72	719,061.87	1,269,596.59	Base year
2024	634,734.79	953,570.91	1,588,305.7	Good business year **Scope 1:** Higher, as work on establishing a new site has begun (Werk 3) **Scope 2:** Higher due to improved order situation (more shift work) and commissioning of a new machine -> more electricity consumption
2025	610,000	810,000	1,420,000	Business year like 2023: worse order situation **Scope 1:** Slightly lower than 2024; heat recovery will be expanded by year-end. **Scope 2:** Less electricity consumption due to fewer shifts (worse order situation) -> lower than in 2024.
2026	600,000	950,000	1,550,000	**Scope 1:** Commissioning of Plant 3: higher gas/oil consumption due to increased heating demand -> additional radiators, but year-round heat recovery -> Scope 1 slightly lower than 2025. **Scope 2:** More electricity consumption from a new machine-> Scope 2 higher than in 2025.
2027	580,000	980,000	1,560,000	**Scope 1:** Similar heating demand as 2026, but emissions from mobile sources (vehicle fleet) will be reduced by stepwise switch to e-mobility -> Scope 1 slightly lower than 2026. **Scope 2:** Likely new machine, therefore higher electricity consumption -> Scope 2 higher than 2026.
2028	580,000	0	580,000	**Scope 1:** Similar heating demand as 2027, hence stable Scope 1 emissions. **Scope 2:** Expiring electricity contract = switch to green electricity -> Scope 2 emissions = 0
2029	520,000	0	520,000	**Scope 1 & 2** as in previous years; however it is expected that CO2 emissions from oil combustion can be reduced by at least 10% through environmentally friendly alternatives.
2030	520,000	0	520,000	see 2029
2031	520,000	0	520,000	see 2029
2032	520,000	0	520,000	see 2029
2033	520,000	0	520,000	see 2029

13 Justification of forecast for Scope 1 &2 development

As part of our sustainability strategy, we pursue sub-targets with concrete measures to reach the overarching target; these are allocated across the different scope categories.

For **Scope 1** (direct emissions from our own sources), key levers are electrifying our vehicle fleet and identifying and reducing energy losses in our equipment.

For **Scope 2** (indirect emissions from purchased electricity) our focus is switching to green electricity, since our electricity consumption accounts for more than 50% of our total emissions. By switching to green electricity we can directly reduce our Scope 2 emissions to zero; this measure alone would align us with the UN 1.5°C target. In addition, the installation of a photovoltaic (PV) system is being evaluated and further measures are planned to reduce our electricity consumption.

The largest share of our **Scope 3** emissions comes from the production and procurement of steel and brass. Because our influence on those emissions is limited, we will continue to improve our internal recycling processes. We are also in dialogue with our suppliers about their plans to produce more environmentally friendly in the future. Furthermore, our sustainability working group is examining measures to reduce emissions from necessary business trips and employee commuting. No emissions reduction targets for these Scope 3 items have been defined yet.

The table below provides an overview of all sub-targets and measures, including their relative contributions to target achievement, broken down by scope, that will help reduce our carbon footprint.

Scope	Sub-target	Actions to achieve the target
1	Heat recovery in Plants 1 + 2	Procurement and installation of additional compressors
	Increase share of e-mobility in the vehicle fleet to over 50%	Before ordering a new vehicle: carry out a cost/benefit assessment of an electric drive
	Consideration of energy monitoring and efficiency when purchasing machines and technical systems	Take these requirements into account in the procurement process
	Identify heat loss of factory buildings and then optimize heat loss	Measurements using a thermal imaging camera, followed by renovation/replacement of facades, windows and roofs in all buildings by 2030 (where necessary)
	Centralize energy and heat supply across all buildings	Create infrastructure for a centralized heat supply
	After identifying pressure losses from leaks, derive reduction targets	Measurement and/or elimination of pressure fluctuations/pressure losses
2	Switch to 100% green electricity	Contact electricity suppliers; obtain offers
	Feasibility (cost/benefit) assessment of installing a photovoltaic (PV) system	Obtain quotes and engage external service providers
	Determine lighting energy use by 2025 and then develop/formulate reduction targets	Contact service providers to determine lighting energy use; then progressively install occupancy sensors to control switching and reduce energy consumption
	Convert lighting to LED	Gradually replace current lighting with LED equivalents

14 Goals and practices for emission reduction

Transition plan WILKA Velbert

As a result of the VSME requirements, we have defined the full set of activities and measures in a transition plan. Our transition plan summarizes planned and already implemented measures that are intended to help us systematically achieve our sustainability targets (in alignment with 1.5-degree-goal). Responsibility for this lies with the executive management and the management team. The sustainability working group reports to them regularly and monitors the progress toward the targets.

Climate change

Our main focus is on improving our energy efficiency and reducing greenhouse gas emissions — central steps in our efforts to make an active contribution to addressing climate change.

Key sub-targets include switching our electricity supply to 100% green electricity by 2030. After the expiry of our current electricity contract in 2027, we will carry out a comprehensive review and decide, based on the company's economic situation at that time, on the framework conditions for switching to green electricity.

We intend to increase the share of e-mobility in our vehicle fleet to over 50%. From now on, every new vehicle purchase will include an assessment of whether an electric vehicle is suitable for the intended daily use (cost/benefit assessment).

Improving energy efficiency of our buildings is essential for us. We will reduce heat losses through targeted measurements and optimizations and, where sensible, renovate façades, windows and roofs. We will gradually expand heat recovery in our plants and use the recovered heat. Our goal is to step-by-step create a centralized infrastructure for energy and heat supply.

The installation of a photovoltaic system on our company parking area will be evaluated in terms of efficiency and cost, taking into account any permitting requirements. We also aim to reduce lighting energy consumption by converting existing lighting to LED technology and continuously analysing and optimising light usage.

When investing in new machines and technical systems, we ensure they meet high energy efficiency standards and include their own energy monitoring where possible, enabling targeted control of energy use. To avoid pressure losses, the entire piping system is regularly inspected and technically optimised as needed.

Our actions are designed as a dynamic process that is regularly reviewed and further developed to ensure continuous progress toward greater sustainability.

Circular economy

In terms of circular economy we focus on more efficient resource use. A central objective is to reduce spare-parts inventories by at least 30% per year. Spare-parts stocks will be analysed regularly and organised using maintenance software to support preventive maintenance and more efficient stocking. At the same time, paper consumption should be reduced by at least 50%. We want to drive forward digitalisation across the company in order to reduce paper use.

Own workforce

Promoting employee health and wellbeing is one of our company's most important goals. We will progressively improve workplace ergonomics. Ongoing workplace inspections by the company doctor and the occupational safety specialist play a decisive role in assessing workstations and implementing ergonomic improvements.

Employee satisfaction surveys will help us identify strengths and improvement needs. By offering flexible working hours, mobile working, company bicycle leasing ("Jobrad"), water dispensers and other measures, we aim to continuously increase employee satisfaction and keep WILKA an attractive workplace.

Workers in the value chain

We want to integrate our upstream value chain into our sustainability strategy and initiatives. In this context we hold dialogues with suppliers, carry out on-site audits and assess them. By requiring adherence to our supplier "Code of Conduct", we ensure that adequate working conditions are created and maintained. We also raise awareness in the upstream value chain through a continuous exchange.

Corporate Governance

Our management aims to establish and continuously expand WILKA's sustainability strategy. The sustainability working group continuously advances sustainability at WILKA and in the upstream value chain. We actively sensitize and involve our stakeholders (employees, suppliers, customers and banks) on sustainability topics through direct conversations and surveys. The identification and implementation of continuous improvement processes (CIP) related to sustainability are regularly reviewed and further developed.

We report regularly, both internally and externally, on sustainability topics and on maintaining the currency of the VSME report. With annual CO_2 accounting across Scope 1–3, we aim to increase transparency and pave the way to climate neutrality, thereby contributing to the UN 1.5-degree-goal.

C4 – Climate risks

Summary of climate risks

We conducted a climate scenario analysis for our site and our upstream value chain. We evaluated a range of climate risks for the period 2020–2100 under four different scenarios (global warming of about 1.6–1.8°C; 2.4–2.7°C; 3.6°C; and >4°C) for the Velbert location. We found that the frequency of the events listed below increases with rising global temperatures.

Risk assessment for the Velbert site

- **Acute severe frost:**
  At present, severe frost is the highest-rated risk and remains high throughout the entire time horizon considered.

- **Storms and tornadoes:**
  These wind events are currently of medium intensity and probability. They are expected to remain at least a medium risk in the long term.

- **Heavy precipitation:**
  Intense rainfall events currently occur with medium frequency and remain a consistently moderate risk over the whole period.

- **Soil erosion:**
  Although it is currently a low risk, the risk increases from around mid-century.

- **Long-term temperature change (chronic):**
  Over time the risk of long-term temperature change rises; from about mid-century it is rated as a medium risk and, depending on the magnitude of warming, may reach high or very high by the end of the century.

- **Heat stress:**
  Currently still a low risk, which increases somewhat later in the century (especially toward the end of the century).

- **Temperature variability:**
  The volatility of temperature fluctuations increases over time to a medium risk level.

Conclusion:

At present, the main risks for our site are severe frost and moderate storm and heavy-rain events — independent of the future climate pathway.

Looking ahead, however, heat stress increases, accompanied by rising drought and temperature-change risks, particularly in higher-warming scenarios.

In our assessment of soil risks from erosion we found that sealed/paved areas on site have rather low relevance.

Threats to assets and operations at WILKA and in the upstream value chain

WILKA Velbert

For our assets, especially buildings, storm and tornado events pose a risk that can cause physical damage to roof coverings or building structures.

Severe frost can damage both buildings and technical equipment (for example through frost burst in pipes or building facades) and can also cause operational disruptions.

Heavy rainfall events, when runoff capacity of the drainage system and sealed surfaces is exceeded, can lead to local water damage (e.g., in basements).

Heat and high temperatures primarily stress employee operations, machines and technical equipment. High temperatures can reduce employee performance and increase health risks. At the same time, the risk of technical failures or overheating of machinery rises, which can lead to productivity losses.

Suppliers

In our climate risk analysis we considered not only our own site but also supplier locations in southern Germany, Poland, northern Spain, northern Italy, as well as in India, China (Wuhan, Guangzhou and Ningbo) and Taiwan. We focused on heat stress, heavy precipitation, flood risk and frost until the year 2100. For this assessment we considered only two climate scenarios: a best-case (≈1.6–1.8°C global warming) and a worst-case (>4°C global warming).

For the Asian supplier locations we identified notable risks related to heat, heavy precipitation and resulting flood hazards. In the European regions the main risks were predominantly heavy precipitation and frost; heat plays a role there only under higher degrees of warming – mainly in Spain. Overall, risks in Europe are significantly lower compared with Asia. For our WILKA site in Poland we see the lowest likelihood of disruptive risks due to its geographic location.

Time horizons of the risks

Short to medium term (to approx. 2050): Acute severe frost and risks from storms, tornadoes and heavy precipitation dominate. Temperature change, heat stress and soil erosion remain mostly low to moderate.

Long term (to 2100): Temperature changes and their consequences (heat stress, temperature variability) increase significantly and reach medium to high risk levels by the end of the century in some scenarios. Severe frost tends to decline but remains high until around mid-century. Soil erosion rises to a medium risk. Wind and precipitation risks remain at medium levels.

Scenario: SSP1-/ RCP2.6					
Hazard	Currently	2030	2040	2050	2100
Temperature (acute)					
Cold frost	4 - high	4 - high	4 - high	4 - high	4 - high
Temperature (chronic)					
Temperature change	not applicable	2 - low	2 - low	3 - medium	3 - medium
Heat stress	2 - low	2 - low	2 - low	2 - low	2 - low
Temperature variability	2 - low	2 - low	3 - medium	3 - medium	3 - medium
Wind (acute)					
Storm	3 - medium	Scenario/year not available	Scenario/year not available	Scenario/year not available	Scenario/year not available
Tornado	3 - medium	Scenario/year not available	Scenario/year not available	Scenario/year not available	Scenario/year not available
Water (acute)					
Drought	2 - niedrig	Scenario/year not available	Scenario/year not available	Scenario/year not available	Scenario/year not available
Heavy precipication	3 - medium	3 - medium	3 - medium	3 - medium	3 - medium
Solid masses (chronic)					
Soil erosion	2 - low	Scenario/year not available	Scenario/year not available	3 - medium	3 - medium

Scenario: SSP2-/ RCP4.5					
Hazard	Currently	2030	2040	2050	2100
Temperature (acute)					
Cold frost	4 - high	4 - high	4 - high	4 - high	4 - high
Temperature (chronic)					
Temperature change	not applicable	2 - low	3 - medium	3 - medium	4 - high
Heat stress	2 - low	2 - low	2 - low	2 - low	3 - medium
Temperature variability	2 - low	2 - low	3 - medium	3 - medium	3 - medium
Wind (acute)					
Storm	3 - medium	Scenario/year not available	Scenario/year not available	Scenario/year not available	Scenario/year not available
Tornado	3 - medium	Scenario/year not available	Scenario/year not available	Scenario/year not available	Scenario/year not available
Water (acute)					
Drought	2 - low	2 - low	2 - low	3 - medium	3 - medium
Heavy precipication	3 - medium	3 - medium	3 - medium	3 - medium	3 - medium
Solid masses (chronic)					
Soil erosion	2 - low	Scenario/year not available	Scenario/year not available	3 - medium	3 - medium

Scenario: SSP3-/ RCP7.0					
Hazard	Currently	2030	2040	2050	2100
Temperature (acute)					
Cold frost	4 - high	4 - high	4 - high	4 - high	4 - high
Temperature (chronic)					
Temperature change	not applicable	2 - low	3 - medium	3 - medium	5 - very high
Heat stress	2 - low	2 - low	2 - low	2 - low	3 - medium
Temperature variability	2 - low	2 - low	2 - low	2 - low	3 - medium
Wind (acute)					
Storm	3 - medium	Scenario/year not available	Scenario/year not available	Scenario/year not available	Scenario/year not available
Tornado	3 - medium	Scenario/year not available	Scenario/year not available	Scenario/year not available	Scenario/year not available
Water (acute)					
Drought	2 - low	Scenario/year not available	Scenario/year not available	Scenario/year not available	Scenario/year not available
Heavy precipication	3 - medium	3 - medium	3 - medium	3 - medium	3 - medium
Water (chronisch)					
Variability of precipication	2 - low	2 - low	2 - low	2 - low	3 - medium
Solid masses (chronic)					
Soil erosion	2 - low	Scenario/year not available	Scenario/year not available	Scenario/year not available	Scenario/year not available

Scenario: SSP5-/ RCP8.5					
Hazard	Currently	2030	2040	2050	2100
Temperature (acute)					
Cold frost	4 - high	4 - high	4 - high	4 - high	2 - low
Temperature (chronic)					
Temperature change	not applicable	2 - low	3 - medium	3 - medium	5 - very high
Heat stress	2 - low	2 - low	2 - low	2 - low	3 - medium
Temperature variability	2 - low	2 - low	3 - medium	3 - medium	3 - medium
Wind (acute)					
Storm	3 - medium	Scenario/year not available	Scenario/year not available	Scenario/year not available	Scenario/year not available
Tornado	3 - medium	Scenario/year not available	Scenario/year not available	Scenario/year not available	Scenario/year not available
Water (acute)					
Drought	2 - low	3 - medium	3 - medium	3 - medium	4 - high
Heavy precipication	3 - medium	3 - medium	3 - medium	3 - medium	3 - medium
Water (chronisch)					
Variability of precipication	2 - low	2 - low	2 - low	2 - low	3 - medium
Solid masses (chronic)					
Soil erosion	2 - low	Scenario/year not available	Scenario/year not available	3 - medium	3 - medium

15 Here are shown all climate risks with medium risk at least once

Resilience

Our resilience strategy is specifically oriented to the identified climate hazards and the resulting risks to our assets and operational processes.

Preventive actions

To minimize potential damage from heavy precipication and flooding, we have installed a retention basin at plant 3 that reliably captures large volumes of water during intense rain events. Regular cleaning of the gullies also ensures rapid drainage of rainwater. Two pumps are installed at Plant 2 to ensure effective water management in the event of flooding.

In view of increasing heat and rising temperatures, we align our building maintenance in a way that good air circulation and targeted shading protect interiors from overheating. Targeted use and optimisation of air-conditioning systems, together with improved building insulation, help reduce heat ingress in summer and save heating energy in winter. This keeps office and production environments comfortable and energy-efficient even as temperatures rise. To support employee health and performance, we have installed decentralised water dispensers throughout our site to ensure hydration and help counteract potential performance declines.

We aim to increase the reliability of our equipment by improving energy-related measures such as insulation, thereby providing better protection against frost damage to buildings and machinery.

Finally, we are comprehensively insured against natural events/damage.

A detailed emergency plan supports rapid and coordinated responses to climate-related events.

We also want to inform our suppliers about the identified climate risks through ongoing dialogue and encourage them to build corresponding resilience. We support our suppliers in finding preventive solutions and maintain awareness through continuous exchange. Furthermore, we will require second-source suppliers for all strategically important parts to ensure supply security.

Within the sustainability working group we continuously review the implementation of planned measures and identify new fields of action and options.

B4 – Pollution of air, water and soil

Based on our double materiality analysis, we do not report on environmental pollution in detail in this VSME report, because we are not legally required to publish such reports to authorities and because we do not observe significant pollution in our own production processes.

However, pollution can occur in our upstream value chain—for example, high water pollution associated with ore extraction. By purposefully separating the metal scrap generated in our manufacturing processes, we greatly increase the share that can be recycled. Our products can be almost completely recycled, which significantly reduces the need for newly extracted raw materials and contributes to lowering the aforementioned water pollution.

B5 – Biodiversity

We will also not address biodiversity in the VSME report, as the double materiality analysis found no material relevance for our site. Our location is not near biodiversity-sensitive areas.

Therefore, we currently see no material need to treat biodiversity aspects in detail in this report. At the same time, we recognise that preserving biodiversity is important for ecological sustainability, which is why we continuously review our operational processes with regard to environmental protection and resource conservation and will continue to take this into account.

B6 – Water

We use small amounts of water in our manufacturing processes. The water used is continuously cleaned and returned to the process. A full exchange is carried out only in exceptional cases when required.

Accordingly, our water consumption is mainly limited to sanitary use, which is proportionately low for a company of our size and type. We do not draw water from areas under elevated water stress.

Our water consumption amounted to 2,276 m^3 in the 2024 financial year.

B7 – Resource use (metals), circular economy and waste management

WILKA has established a process in its production to ensure that all metals used and the resulting scrap are fed back into recycling. This includes the sorted separation of different material grades. Paper, wood, glass and film wastes are also fed into the recycling process.

Other hazardous wastes (oils, dusts, batteries etc.) as well as generated commercial waste are collected separately by certified disposal companies and processed in an environmentally sound manner.

WILKA continuously works to manufacture its products in an environmentally friendly way. In this context, the components used are optimized during development for durability, modularity and ease of maintenance. Our goal is for products to be able to enter the recycling process at nearly 100%.

Below we provide an overview of WILKA's total waste generation in 2024.

Waste type	**Waste generation WILKA**			
	EWC (= European Waste Catalogue) - number	Quantity	Recycled / reused	Disposal / treatment
Non-hazardous waste (total = 275.271 t)				
Construction waste	17 01 07	71.64 t	Material recycling	
Concrete / bricks	17 01 07	13.88 t	Material recycling	
HBCD-free wood	17 09 04	2.17 t	Thermal recovery	
Mixed municipal/settlement waste	20 03 01	24.16 t	Thermal recovery	
Glass	20 01 02	1.2 t	Material recycling	
Paper and cardboard	15 01 01 / 20 01 01	18.34 t	Material recycling	
Aluminium packaging / wood	15 01 03	9.89 t	Material recycling	
Mixed scrap	17 04 05	18.27 t	100%	
Steel scrap (various types)	12 01 02	102.23 t	100%	
V2A scrap (stainless steel)	12 01 04	12.29 t	100%	
Electronic scrap (incl. monitors and printers)	20 01 36	0.601 t	80-90%	
Commercial waste	15 01 06	0.6 t		100%
Hazardous waste (total = 3.278 t)				
Absorbents and filter materials	15 02 02	2.515 t		100%
Used honing and grinding materials containing hazardous substances	12 01 20	0.763 t		100%
Fluorescent tubes	20 01 21	0.084 pieces	90-95%	5-10%
Total waste generation = 278.549 t				

16 Waste generation WILKA Velbert (2024)

Mass flow WILKA Velbert

In the following table we provide an overview of WILKA's material flow for 2024. Only key materials are considered. For certain items (wall readers and controllers, traded goods) data are currently unavailable. These data gaps will be closed in future reports.

Material/Component	Quantity	Unit
Brass	617	Tonnes
Steel	264.9	Tonnes
Elektronic cylinders	7.39	Tonnes
Wall readers + controllers	No data	
Trade goods (locks, fittings & accessories)	No data	
Total	**889.29**	**Tonnes**

17 Mass flow WILKA Velbert (2024)

Social

B8 – Workforce – General characteristics
C5 – Additional (general) workforce characteristics
C6 – Additional own workforce information – Human rights policies and processes
C7 – Severe negative human rights incidents
B9 – Workforce – Health and safety
B10 – Workforce – Renumeration, collective bargaining and training

B8 – Workforce – General characteristics

Our employees play a decisive role in our company and contribute substantially to the success of WILKA. We place great value on a corporate culture that promotes diversity, equal opportunity and personal development. Through continuous further training, safe working conditions and fair working practices we create an environment in which every employee can develop and contribute. Within our sustainability strategy, responsible treatment of our workforce is a central element for long-term success.

Below we disclose all information about our employees.

Contract type	**Number of employees (headcount)**
Fixed-term contract	25
Permanent contract	274
Total employees	**299**
Gender	**Number of employees (headcount)**
Male	179
Female	120
Total employees	**299**

18 Information about employees of WILKA Velbert (2024)

The turnover rate for the 2024 financial year was **8.44%**.

C5 – Additional (general) workforce characteristics

Management level

Our management level is divided into strategic, tactical and operational managers. The strategic management level (executive management & management board) consists of three men and one woman; the tactical management level comprises six men and two women; the operational management level comprises fourteen men and ten women. In total there are 15 women and 25 men at management level. The resulting ratio is 40/60 (= 0.667).

In the 2024 financial year no self-employed persons worked exclusively for WILKA.

Twelve temporary agency workers were employed on a temporary basis, primarily to support manufacturing.

C6 – Additional own workforce information – Human rights policies and processes

Our company is committed to protecting human rights and has established a Code of Conduct, the “General Act on Equal Treatment” (“Allgemeines Gleichbehandlungsgesetz” – AGG) and the WILKA handbook (“WILKA Fibel”) as binding policies. The Code of Conduct is binding for us and for our suppliers. These documents cover key topics such as child labor, forced labor, human trafficking, discrimination and accident prevention, as well as commitments to environmental protection and compliance with fair wages and working hours. We also promote respectful behavior and equal treatment of all employees. The female/male ratio on management level reported under C5 is based solely on qualification and suitability for the respective responsibilities. Positions were not filled on the basis of gender.

A complaints management system under the “Whistleblower Protection Act” is available for reporting grievances, providing a confidential, anonymous and secure channel for submitting concerns.

C7 – Severe negative human rights incidents

There have been no confirmed incidents of child labor, forced labor, human trafficking, discrimination or other human rights violations within our company. Therefore, no remedial measures were required.

With our Code of Conduct agreed with suppliers, we ensure that the issues mentioned above do not occur in the supply chain and that appropriate preventive measures for subcontractors are in place. To date we are not aware of any violations in the supply chain or among consumers and end users.

B9 – Workforce – Health and safety

Workplace safety is a top priority for us. Targeted training has raised awareness among our managers. They actively promote preventive measures to design safe workplaces and working environments and to ensure the best possible health protection for employees. In addition, we are supported by an external occupational safety specialist who conducts inspections of the respective work areas together with a company physician. Corresponding ergonomic and safety recommendations are taken up and implemented where possible. We continuously work to optimize workplaces at WILKA to prevent accidents and illnesses and thereby promote employee health. Workplace-related safety briefings for employees are carried out annually.

Nevertheless, accidents cannot be ruled out completely. In 2024 WILKA recorded two reportable work accidents — one commuting accident and one workplace accident. The resulting frequency rate is **0.64** (calculation: work accidents / total hours worked × 200,000; 2 / 620,724 × 200,000). There were no fatalities due to work-related accidents in the 2024 financial year.

B10 – Remuneration, collective bargaining and training

WILKA is not a member of an employers' association and is therefore not bound by collective agreements. Accordingly, the share of employees paid according to a collective agreement is 0%. Nevertheless, we align our remuneration with industry standards and the ERA classification in the metal industry. We pay our employees according to their role, qualification and position and, most important, always above the statutory minimum wage. In addition, various employer benefits are provided to employees. We do not make gender-based distinctions in job-related pay; however, on average more men occupy higher-paid positions at present. This results in a current pay gap of 17.5%.
In general, job-related training is offered to all employees and provided as needed. Training planning is the responsibility of the manager in coordination with the Human Resources department.

In the 2024 financial year, a total of 864 training hours were documented: 664 hours for male employees and 200 hours for female employees. This results in training time per person of 664 / 179 = 3.71 hours for male employees and 200 / 120 = 1.67 hours for female employees. The reported hours are based on training records held by HR. It is, however, to be expected that the actual number of training hours is higher. For 2025 we have therefore redefined and optimized the training recording process to significantly improve data quality going forward.

Governance metrics

B11 – Convictions and fines for corruption and bribery
C8 – Revenues from certain sectors and exclusion from EU reference benchmarks
C9 – Gender diversity ratio in the governance body

B11 – Convictions and fines for corruption and bribery

With a compliance policy we have defined how to deal with corruption, bribery and similar issues. This policy must be observed by all employees. Violations would have employment law consequences. All employees are required to report such violations immediately.

In the 2024 financial year there were, as expected, no convictions or fines for corruption or bribery.

C8 – Revenues from certain sectors and exclusion from EU reference benchmarks

We generate no revenues from critical sectors such as controversial weapons, tobacco cultivation or production, fossil fuels such as coal, oil or gas, or from chemical productions (specifically pesticides or agrochemicals). Therefore we are not subject to the related disclosure obligations. Under the criteria of Article 12 of Commission Delegated Regulation (EU) 2020/1818, we are not excluded from the EU reference benchmarks.

C9 – Gender diversity ratio in the governance body

Our governing body (executive management & management board) consists of three men and one woman. The gender split is therefore 75% men and 25% women.