



GÜHRING

Sustainability report of Gühling KG

Financial year 2024



About this report

Gühning is a leading company in the field of precision tools that has anchored sustainability as a central component of its corporate strategy. This report presents the values, performance and goals that contribute to the sustainable alignment of the company and documents its commitment to a responsible global economy.

The reporting is based on the guidelines of the Global Reporting Initiative (GRI) and has been prepared in accordance with the GRI standards. The main topics are divided into four fields of action: "Strategy & Management", "Products & Customers", "Environment" and "Employees & Society". The key figures required by GRI are taken into account in order to make Gühning's sustainability performance measurable. The reporting topics are selected according to the principles of "materiality", "sustainability context", "completeness", "balance" and "stakeholder engagement". There are no significant changes compared to the previous report. The last sustainability report for 2023 was published in December 2024.

The GRI index is included in the appendix to the report and provides an overview of all relevant information for compliance with the GRI indicators. Unless otherwise stated, all data refers to the 2024 financial year (1 January 2024 – 31 December 2024) of Gühning KG.

The CSR report of Gühning KG is published annually in German and English. In case of doubt, the German version is authoritative. If you have any questions or comments, please contact the sustainability officers at nachhaltigkeitsbeauftragter@guehring.de.

The main topics from the GRI index and the contents determined by the materiality analysis in consultation with stakeholders define the focus of the report and the reporting boundaries. This report is not subject to external review.

For better readability, either the masculine or feminine form is used in personal references. This is solely for the purpose of simplifying the language and does not imply any discrimination against either gender.

GRI 1, GRI 2-3, GRI 2-4, GRI 3

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Introduction to the Gühling organisation

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Introduction Gühring organisation

Message from the Executive Board
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**Dear Sirs and Madams,
Dear business partners,**

For Gühring KG and the entire metal industry, 2024 was a year of change and economic challenges. This makes innovation, sustainability and even closer cooperation with our customers and partners even more important. That is why it is essential to combine economic success with ecological and social responsibility. This sustainability report summarises how we are fulfilling this responsibility – transparently, measurably and with a clear view to the future.

Above all, this requires a clear vision. We want to do more than just develop tools with a high level of performance and innovation: we want to create products for a sustainable future. We see the introduction of the Gühring Tool Circle in 2024 as a key instrument in making this vision a reality.

By buying back worn out tools and other carbide scrap, which we then feed into our own recycling process, we can recover and reuse almost 100 % of the raw materials. This conserves natural resources such as tungsten and cobalt and ensures their sustainable use. At the same time, we are reducing energy consumption and emissions, as we save up to 65 % CO₂ compared to carbide production using primary raw materials.

Sustainability should be worthwhile – for our customers and for ourselves. That is why we never lose sight of the clear added value in the Tool Circle: with the Gühring bonus model, customers who use various Gühring services receive up to 15 % on top of the market scrap price, which is available as a credit note for the purchase of new tools. In this way, the Gühring Tool Circle becomes a holistic concept that combines sustainability, innovation and mutual success.

We would like to thank all our employees, customers and partners who are joining us on this journey – for the sake of our environment, our society and the people who place their trust in us.

Best regards
Oliver Gühring



GRI 102-14

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GÜHRING

0

fatalities or serious injuries



2287

employees
at Gühring KG

Certifications



DIN EN ISO 9001
DIN EN ISO 14001
DIN EN ISO 45001
DIN EN ISO 50001
VDA 6.4
FGMA

110,000

articles in the standard range



144

apprentices
and trainees

Assuming regional responsibility
means setting ourselves up for
the future.

P.32 / Employees and society

Environmental thinking and action
and the associated assumption
of responsibility are fundamental
elements of Gühring's corporate policy.

P.26 / The environment



79.1 %

of procurement budget
allocated to local suppliers

78 %

of employees
covered by
collective wage
agreements

**New
carbide
grade**

Made from

100 %
recycled material



78 %

of our strategic
suppliers have signed our
sustainability policy

22 %

of employees
not covered by
collective wage
agreements

Strategy & management

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Strategy & management

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Gühring has been manufacturing twist drills since 1898. Today, Gühring is one of the world's largest manufacturers of cutting tools and carbides of all kinds.

1.1 Company profile

Gühring KG, hereinafter referred to as Gühring, is one of the world's leading manufacturers of precision rotary cutting tools. For decades, the company has been growing at an above-average rate compared to the market. Founded in Albstadt in 1898 as a manufacturer of twist drills, Gühring has developed into one of the largest suppliers of cutting technology. The company is now in its fourth generation of owner-management.

With 2,287 employees, Gühring develops, produces and distributes innovative cutting tools and is represented in all major markets and key industries. Customers in areas such as the automotive industry, aerospace, mechanical engineering and the medical sector rely on the technologically leading tools, which are manufactured worldwide to the highest standards of quality. The flat hierarchies within the company enable quick decision-making and long-term value creation.

The product range includes:

- Drilling tools
- Milling tools
- Threading tools
- Reaming tools
- Grooving systems
- Countersink and deburring tools
- Deep hole drills
- PCD and PCBN tools
- Clamping systems
- Multi-function tools
- Extraction programmes
- Dispensing systems
- Services

Gühring's headquarters are located in Albstadt-Ebingen. The company also operates three other production facilities in the Swabian Alb region, as well as additional sites in Wehingen, Mindelheim, Ramstein, Langenhagen and Markt Erlbach.

Gühring's leadership structure is as follows:

- Executive Board
- Division management
- Plant and department management
- Area and team management

The Executive Board is responsible for the company's objectives, policies and the monitoring of management processes. The implementation of operational processes is delegated to the division management, with responsibilities clearly defined in the organisational charts.

Gühring's economic stability is secured by its broad presence in various industries. In addition to key accounts in the automotive, aviation and mechanical engineering sectors, the company adapts flexibly to new market requirements – for example, with solutions for electromobility or the transition to new energy technologies. Gühring's differentiated product and service strategy enables it to adapt optimally to market developments.

GRI 2-1, GRI 2-2, GRI 2-6, GRI 2-9

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1.2 Company policy

As a leading global manufacturer of precision rotary tools, Gühring accepts responsibility – both towards its employees and business partners and towards the environment and society. This sense of responsibility is firmly anchored in the company's policy. Gühring pursues two central goals: a zero-defect strategy and sustainable environmental protection. These objectives are based on the following eleven core values:

- 01 | Quality
- 02 | Product / process development
- 03 | Responsibility
- 04 | Suppliers / services
- 05 | Resources
- 06 | Legal regulations
- 07 | Occupational safety, environmental protection and quality
- 08 | Employees
- 09 | Public / public authorities
- 10 | Code of conduct
- 11 | Energy management

Code of Conduct

Gühring is committed to the ten principles of the United Nations' Global Compact. These principles underline not only our commitment to complying with all applicable laws, but also the shared responsibility of all employees to actively promote responsible behaviour.

The company is committed to respecting the dignity and personal rights of every individual – both towards its employees and towards all parties affected by its activities, business relationships or products. The protection of human rights is firmly anchored in corporate responsibility and is ensured by internal management systems. Gühring

respects freedom of association and recognises the right to collective bargaining. Any form of forced or child labour is strictly rejected, as is any form of discrimination in connection with the recruitment or employment of employees.

Gühring's approach to the environment is based on the precautionary principle. At the same time, environmental awareness is continuously strengthened within the organisation, while the development of environmentally friendly technologies is actively promoted. The focus is on protecting natural resources through responsible use of resources, waste avoidance and recycling.

Gühring also expects from its suppliers to adhere to comparable environmental standards.

Together with its suppliers, the company is committed to creating fair working conditions and promoting diversity and equal opportunities. The recognition of employee representatives and trade unions is an integral part of corporate governance. Corruption, extortion and bribery are consistently rejected by both parties. Regular internal audits at Gühring ensure that the highest ethical standards are maintained and fair competition is guaranteed.

By implementing its Code of Conduct, Gühring aligns itself with the United Nations Global Compact and thus supports the world's largest initiative for responsible corporate management. In this way, the company is already making an active contribution to promoting an inclusive and sustainable global economy – for the benefit of people, communities and markets.

GRI 407, GRI 408, GRI 409

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1.3 Corporate governance & compliance

Acting responsibly and in compliance with the law is a central component of Gühring's corporate policy. Compliance management focuses on ensuring legal compliance and integrity in all company activities. Unrestricted compliance with applicable laws and regulations is a matter of course for Gühring.

The compliance policy aims to ensure a high level of integrity and reliability within the company. It defines basic behavioural requirements for all employees and serves as a guideline for dealing with challenges in an ethically and legally correct manner and for avoiding potential conflicts of interest. This policy is binding for all organisational units.

The guidelines for mutual cooperation and collaboration at Gühring are based on central principles that form the foundation of our corporate culture. Diversity and equal opportunities are actively promoted in order to create an inclusive working environment. In addition, we place particular emphasis on workplace safety and health protection, which is ensured by safe and healthy working conditions. Respectful working relationships and the recognition of the rights of employee representatives and trade unions are firmly anchored in our corporate practices.

The guideline sets out basic requirements for acting with integrity and responsibility within the company. These include regulations for avoiding conflicts of interest, protecting sensitive information and assets, and complying with data protection and security standards.

In the field of social responsibility, Gühring is committed to respecting human rights and consistently rejects child and forced labour. The company respects the rights of minorities and indigenous communities. At the same time, Gühring is committed to sustainable production processes by consistently implementing environmental and energy management principles.

Cooperation with business partners is based on fair competition principles, strict rejection of corruption and bribery, and transparent processes. This includes clear rules for dealing with gifts, invitations and donations, as well as the dual control principle in decision-making processes. In addition, legal requirements for combating money laundering are consistently observed, whistleblowing is actively supported and protection against retaliation is ensured.

GRI 2-23

Whistleblowing system

If employees or other parties find themselves in a situation where they wish to report possible misconduct that is not in accordance with the company's guidelines or the law, there are various ways of bringing this to the company's attention. Gühring has a system for recording complaints, reports and information. Since 2023, Gühring has set up a complaint management system on its website that allows complaints to be submitted anonymously or confidentially in accordance with supply chain due diligence obligations (human rights violations and violations of environmental agreements) or the Whistleblower Protection Act. The legal department or the immediate superior is the correct contact for reporting misconduct. The matters are thoroughly investigated at Gühring and appropriate measures are taken in the event of justified violations. Retaliatory actions of any kind will not be tolerated. All reports and related information will be treated as strictly confidential and, if requested, anonymously, and will be stored confidentially.

Tax policy

Gühring does not have a written tax concept. The Finance and Accounting department is responsible for compliance with tax laws in close consultation with the appointed tax advisors. This applies in particular to income and earnings taxes (in this case: trade tax) and VAT. For other types of tax (e.g. payroll tax or customs duties), other divisions of the company are primarily responsible.

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As part of the tax strategy, it should be noted that business decisions are not generally made based on tax considerations. If there is scope for discretion within the scope of options, this is generally used in such a way that it is advantageous for Gühring in accordance with the applicable laws (e.g. declining balance depreciation, waiver of capitalisation of components of manufacturing costs that are not subject to capitalisation).

Legally permissible leeway is discussed internally under the above-mentioned conditions and, if deemed applicable, is closely coordinated with the tax advisors responsible for preparing the tax return.

After the tax returns have been prepared by the tax advisors, they are checked for accuracy and plausibility by employees in the finance and accounting department. Written approval from the management is required before they are submitted to the tax office.

The principle of tax honesty is very important at Gühring. Employees in finance and accounting and other areas of the company regularly participate in training events and are encouraged to openly communicate any potential areas for improvement or even errors to their respective department heads or directly to the Executive Board. Special cases or cases of doubt are reviewed for possible tax consequences and coordinated with tax advisors.

GRI 207

1.4 Sustainability management

Organisational anchoring of sustainability in the company

The consideration of diverse sustainability aspects has long been an integral part of Gühring's corporate policy. Sustainability is a central issue that runs through all areas of the company and is continuously adapted to legal and social requirements. In order to meet these requirements, responsibility for sustainability is anchored in the "Administration" division within the "Legal & Compliance" department.

To raise employee awareness of sustainability issues, a training course was recorded in the form of a video and made available on the internal training portal. This allows flexible participation for a large number of employees.

The training covers key topics such as sustainability and compliance, sustainable opportunities and risks, environmental and energy aspects, CO₂ accounting and human rights. The training is completed via the internal training portal.

Gühring's approach to sustainability

The principle of sustainability has long been anchored in Gühring's corporate policy. Economic, ecological and social aspects are an integral part of the compliance guidelines, which are based on the ten principles of the Global Compact.

The sustainability strategy places particular emphasis on the responsible use of resources and the environment. Gühring's successful business model is geared towards creating opportunities without compromising the foundations of future generations. Sustainable management encompasses all areas of the company – from environmental protection and social responsibility to legal and economic aspects.

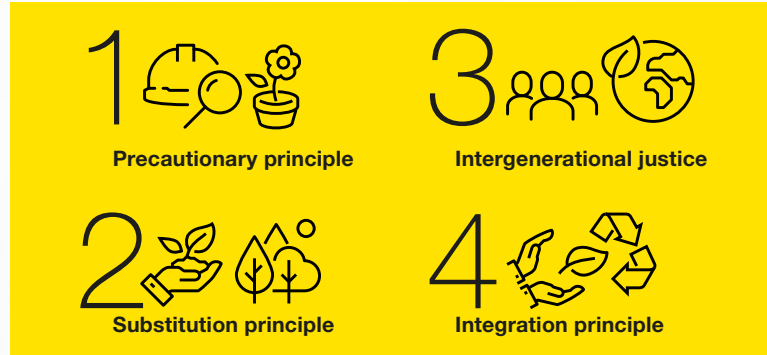
By defining concrete sustainability principles, Gühring is taking another step towards global sustainability development. These principles form the basis for a future-oriented and sustainable corporate strategy.

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Gühring's four principles of sustainability



1| Precautionary principle

Potential burdens and damage to the environment and people should be avoided at an early stage or reduced as far as possible. Gühring is guided by this principle in its approach to environmental and health issues. Potential risks are evaluated and assessed through comprehensive analysis. Even if complete certainty about the nature and extent is often lacking, damage can be prevented in a preventive manner. This precautionary approach serves as the decisive basis for decisions on business activities.

2| Substitution principle

For non-renewable resources and environmentally harmful materials, the principle of always considering environmentally friendly alternatives and implementing them wherever possible applies. Gühring has been following this principle for a long time: wherever hazardous substances or environmentally harmful materials can be replaced by more sustainable options, this approach is consistently pursued.

3| Intergenerational justice

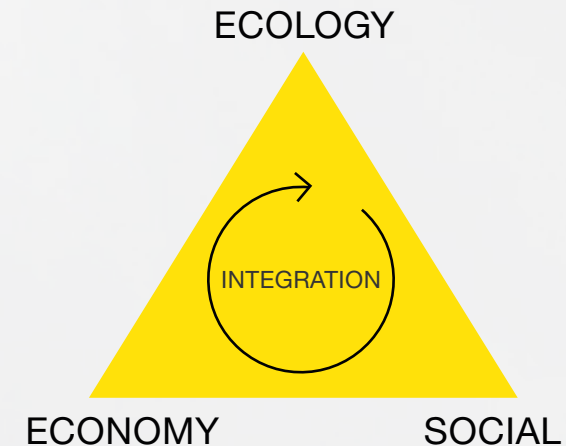
Preserving the quality of the global ecosystem for future generations is essential. Through the principle of intragenerational justice, Gühring ensures that it acts responsibly so that future generations also

have the same opportunities to enjoy an intact and functioning ecosystem.

4| Integration principle

Environmental management aspects are incorporated into the planning and implementation of economic measures, while social and economic factors are taken into account in environmental measures. This principle shapes all decisions within the company. Gühring lives the concept of sustainability, which combines the three dimensions of ecology, economy and social responsibility. Only through the holistic integration of these fields can the other principles be adhered to and an effective contribution made to sustainable development.

Gühring's understanding of sustainability is therefore based on the following integrated sustainability triangle:



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The integrated sustainability triangle implies three dimensions

- Economic sustainability: economic performance
- Ecological sustainability: protection of natural resources
- Social sustainability: social responsibility

The integrative character arises from the close interaction and interdependence of all dimensions, which are linked in many ways. Therefore, the goal of a sustainable strategy is always to combine, integrate and simultaneously consider all three dimensions.

GRI 2-11, GRI 2-14, GRI 205-2, GRI 412-2

1.5 Materiality process & stakeholder management

Gühring is in regular dialogue with its stakeholders, which is why it is essential to identify and take into account their expectations and requirements. As part of the materiality process, the company first identified the relevant stakeholders and defined the appropriate communication. This was followed by a materiality analysis, which identified key issues for the company and presented them in an overview.

Gühring's process for identifying material topics is based on three steps.



GRI 3

Stakeholder groups of Gühring KG

GÜHRING				
↕	↕	↕	↕	↕
Company	Customers & business partners	Government & politics	Social Interest groups	Capital market / financial market
Employees	Customers	Public authorities and certification bodies	Residents & neighbourhood	Investors & analysts
Director/ shareholder	Suppliers & service providers	Lawmakers	Family	Banks
Advisory	Associations & Networks	Professional associations	Applicants	Insurance
Company doctor	Auditors & certification bodies		Company / public	Health insurance
Works council Trade unions	Subsidiaries		Universities & schools	

Stakeholder dialogue

Gühring is in constant dialogue with a large number of stakeholders and stakeholder groups, as shown in the figure "Stakeholder groups of Gühring KG". While some of these groups are directly affected by the company's activities, others actively influence internal processes. Gühring uses messenger services to ensure efficient and direct communication with customers. These enable employees to process enquiries quickly and easily. Specific requests are forwarded to application technicians so that individual requirements can be met optimally.

Another important communication channel is the Gühring newsletter, which interested parties can subscribe to free of charge. Twice a month, they receive the latest information on company developments and product news by email. In addition, the "Gühring News & Press" website (<https://guehring.com/en/about-us/news/>) regularly offers exciting insights into customer experiences, innovations and company news.

Gühring also uses various social media platforms such as Facebook, Instagram, Xing and LinkedIn to communicate with customers and business partners. Within the company, employees are provided with relevant news and important information via the "Intrex" intranet.

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In addition to these communication channels, Gühring is committed to active stakeholder dialogue, particularly in the field of sustainability. The company is in direct contact with relevant interest groups via platforms such as the Supplier Assurance (SAQ), EcoVadis and Integrity Next. This open exchange enables Gühring to present its sustainability strategy transparently, receive valuable feedback and continuously develop its corporate goals in line with sustainability.

The attached graphic provides a visual representation of stakeholder communication.



GRI 2-29

In addition to the stakeholders mentioned above, communication with associations and interest groups as well as with external initiatives is particularly important. Gühring therefore supports many initiatives and organisations.

List of the key memberships and associations

- DIN e.V.
- VDMA Verlag GmbH
- REFA Bundesverband e.V.
- FGMA Maschinenbau e.V.
- IHK (German Chambers of Industry and Commerce)
- The German-speaking SAP User Group (DSAG) e.V.
- Handelsblatt GmbH
- VPP Office
- VDMA (German Engineering Federation)
- GFE Society for Manufacturing Technology and Development Schmalkalden e.V.
- Scherer Advertising GmbH
- PLM User Group e.V.
- Zukunftsorientierte Zerspanung e.V.
- tekomp Germany e.V.
- Technology Mountains e.V.
- INPLAS Competence Network e. V.
- CIRP
- The German Association of Corporate Treasurers (VDT) e.V.
- Friends of the AMB Faculty Association e.V.
- Association of German Mould and Mould Makers e.V.
- Förderverein Fakultät AMB e.V.
- Microsoft Business User Forum e. V.
- SAS hagmann GmbH & Co. KG

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Identification of key topics

A comprehensive materiality analysis was conducted to identify the central topics for the sustainability report. This was reviewed and confirmed by all departments during the reporting period, forming the basis for the contents of the current report.

The analysis took into account both internal company requirements and the expectations of various interest groups. The focus was on the views of stakeholders in order to evaluate relevant topics in a targeted manner. The main objective was to identify key fields of action and key topics and to weight them according to their importance. This prioritisation serves not only to strategically control the topics, but also to structure the content of the sustainability report.

Results of the materiality analysis

In the course of the analysis and through internal review and coordination, four central fields of action were defined based on the core issues identified. The graphical representation of the materiality assessment illustrates how these material aspects were perceived and evaluated by the stakeholders involved. The core topics derived from this serve as the structural basis for this report and enable a targeted examination of the relevant sustainability aspects.

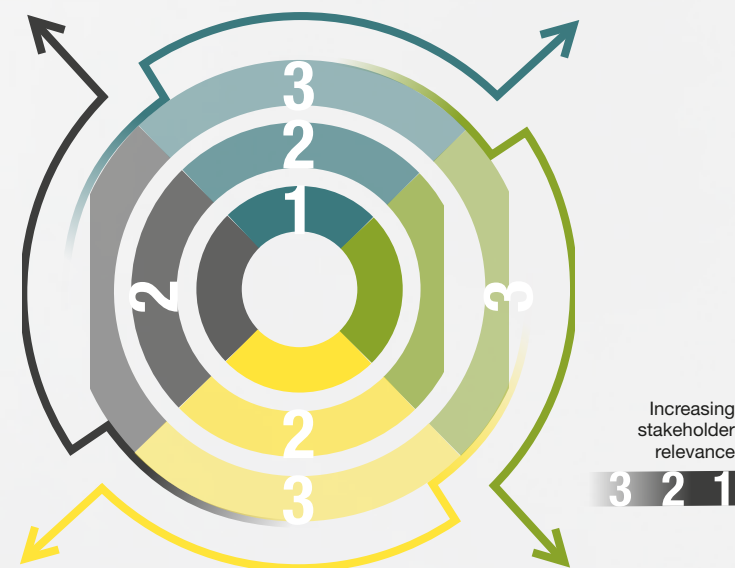
GRI 3

Strategy & management

- 1 Not relevant
- 2 Corporate governance and compliance; stakeholder management; risk and opportunity management
- 3 Not relevant

Products & customers

- 1 Product quality & customer satisfaction
- 2 Supply chain responsibility
- 3 Sustainable products



Employees and society

- 1 Not relevant
- 2 Training and education; occupational safety standards and health protection
- 3 Diversity and equal opportunity; regional employers; social responsibility

The environment

- 1 Not relevant
- 2 Not relevant
- 3 Environmental management; use of resources; waste and recycling

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1.6. Risk management

The Gühring Group has established a comprehensive risk management system to identify risks at an early stage, which covers the entire Group. All risks that arise are identified by all primary functions along the value creation chain and the associated cross-functional units and reported on a regular basis. Risk management thus offers the opportunity to influence risks in a timely and active manner.

Every business activity involves risks. Risk management therefore permeates and optimises ordering processes, structures information and initiates the flow of information. The aim of risk policy is to secure the company's existence, optimise the costs of dealing with risks and ensure the company's success. This is achieved through the optimal design of the risk portfolio.

At Gühring, strategic planning covers a period of 10 years. The specialist departments assess the core risks annually to ensure that these risks are dealt with proactively. The risks are summarised in a risk report, which enables the management to assess the risk situation comprehensively and in a timely manner.

The identification and control of risks at Gühring follow the principle of decentralisation. Risks are recorded and controlled where they arise or are caused, namely by the risk managers in the various functional areas. Gühring continuously identifies and controls risks in the specialist departments. The decentralised structure and the involvement of departmental managers and operational levels in the risk management processes ensure that there is a consistent awareness of risk-relevant activities or events. This creates a strong awareness of the potential negative and positive consequences of business activities.

The risk controller initiates and evaluates a risk inventory at regular intervals. This also includes the identification and management of cross-functional risks or those of a "global" nature, such as political risks. As a

matter of principle, the aim is not only to identify obvious risks, but also to detect weak signals that could develop into more serious risks over time, in the sense of an early warning system. The risk controller monitors and evaluates the risk control measures in terms of their effectiveness and cost-effectiveness. During the risk inventory, risk managers are required to record and evaluate the risks and to propose appropriate control measures. Measures that are not expected to be effective or cost-effective must be identified by the risk controller.

Risks are controlled primarily in the specialist departments through targeted measures. Corporate Controlling monitors the implementation and effectiveness of these measures. Risks that pose an existential threat or could have a significant impact on Gühring's financial strength, reputation, delivery and performance must be reported separately. Serious changes must be reported to the management immediately. Environmental aspects and risks associated with the effects of climate change (such as storm damage, storms or location-specific situations) are also queried and taken into account.

Risks with serious consequences or that could threaten the company's existence are monitored continuously throughout the year by the risk managers. Changes in the probability of occurrence and/or the amount of damage must be documented and, if necessary, communicated immediately to the corporate controlling department and the management. In the event of imminent or acute damage, employees in their respective areas of responsibility are required to take risk control measures immediately.

Gühring's risk management is subject to ongoing monitoring and review. As an integral part of this, an internal audit system has been installed to monitor compliance with guidelines and legal regulations in all operational processes throughout the company.

In the future, Gühring plans to realise opportunities more effectively through targeted efficiency projects in the respective departments.

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The identification and utilisation of opportunities will be more firmly anchored in the operating units, with the implementation and realisation of efficiency projects making a significant contribution. This approach not only promotes the integration of sustainable practices into Gühring's daily ordering processes, but also strengthens company-wide responsibility for identifying and implementing positive development opportunities. By focusing on efficiency projects as part of its opportunity management, Gühring is helping to promote a sustainable and responsible corporate culture.

GRI 2-13

Significant opportunities and risks for future development

The Gühring Group has established a comprehensive risk management system to identify risks at an early stage, which covers the entire Group. All risks that arise are identified by all primary functions along the value creation chain and the associated cross-functional departments and reported on a regular basis. Risk management thus offers the opportunity to influence risks in a timely and active manner.

As an integral part of risk management, an internal audit system has been installed which monitors the operational processes of the entire Gühring Group for compliance with guidelines and legal regulations.

The trend towards replacing HSS tools with carbide tools continued in 2024, and we expect this to continue in the future. Nevertheless, thanks to its production technology (complete machining of tools), the Gühring Group is able to maintain its market share for HSS tools. The share of sales accounted for by "super-hard tools" (carbide and PCD) has risen steadily in recent years, making the Group increasingly independent of the market shift from HSS tools to "super-hard tools". The fact that the Gühring Group manufactures its own carbide material opens up opportunities to gain further market share in this field through quality and cost advantages.

The automotive market will continue to be a growth market in the future, particularly due to rising prosperity, especially in populous

regions such as China, India and Africa. In our opinion, the shift away from pure combustion engines towards a predicted drive mix of combustion, hybrid and electric motors opens up new potential for machining. The machining volume for hybrid engines is higher than that for combustion engines. Thanks to the combination of the market growth we expect and the composition of the drive mix, we can assume that the share of machining will grow in the coming years, despite significantly lower machining volumes for pure electric motors.

Other relevant industries such as the aviation industry and the medical sector are also growth markets. In order to further diversify the Gühring Group and thus increase its independence from the automotive industry, the other industries will be expanded in a targeted manner and the product range expanded accordingly.

Risks include the ongoing economic uncertainty, particularly in Europe, which could lead to investment restraint in the automotive and mechanical engineering industries.

High material, personnel and energy costs can increase the production costs of our tools. There is a risk of supply bottlenecks due to increasing geopolitical conflicts and corresponding measures such as customs duties. To reduce this risk, the Gühring Group is investing in recycling capacities.

Global competition in the field of precision tools is also increasing, particularly from suppliers in Asia. Price and margin pressure can affect profitability if continuous product innovation and efficiency improvements are not achieved. Here too, the Gühring Group is making high investments to remain a technological leader.

The prices for tungsten and cobalt on the raw materials market continue to pose a risk. The price of ammonium paratungstate, which is the precursor for the main raw material tungsten carbide, rose very quickly in several steps from 305 USD/mtu to 355 USD/mtu between April and June 2024, before falling again to 328 USD/mtu by December.

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Cobalt, the binding material required for carbide production alongside tungsten carbide powder, recorded the opposite price curve, falling by almost a further 20% in USD terms in the first nine months and has since stagnated at this historically low level.

Most of the world's tungsten deposits are located in China. The Gühring Group is striving to minimise its purchases of ammonium paratungstate from China and thus achieve a certain degree of independence from the Chinese raw materials market.

The modification of hard and soft scrap (secondary raw materials) from Gühring tool production has already been established in the past and was continued consistently in 2024.

The recycling of secondary raw materials is also becoming increasingly important from both an economic and an ecological point of view. In this context, our concept of a circular economy was implemented in the 2024 financial year:

We presented the "Gühring Tool Circle" to our end customers and thus began to establish a sustainable circular economy beyond company boundaries. We take back worn-out carbide tools and, with our newly created recycling capacities, can recover the carbide powder for the production of new bars. This brings economic and, above all, ecological advantages for both the Gühring Group and our end customers: The Institute for Applied Sustainability has confirmed that recycling carbide at Gühring saves 64.8 % CO₂ compared to using commercially available carbide powder from primary materials.

In 2024, the overall price for high-speed steel (HSS/HSCO) fluctuated moderately. In the first half of the year, the average price fell by 3 %, which was mainly due to declining prices for the alloying elements molybdenum, vanadium and cobalt. In the second half of the year, however, the price rose again by 2 % due to higher costs for molybdenum and tungsten and the appreciation of the US dollar against the euro.

Due to the weak employment situation, base prices for high-speed steel are expected to fall in 2025. An unknown risk factor remains the price development of alloying elements, in particular cobalt, which is currently at a low level.

To minimise interest rate risks from loans to finance ordinary working capital requirements, hedging transactions with different runtimes were concluded with various banks. In this respect, Gühring KG is responding to the identifiable risks at an early stage and to a comprehensive extent.

Furthermore, foreign exchange hedging transactions were concluded for incoming foreign currencies.

GRI 201-2



Products & customers

- 2.1 Sustainable products
- 2.2 Product quality and customer satisfaction
- 2.3 Responsibility in the supply chain
- 2.4 Information security and data protection

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Products & customers

- 2.1 Sustainable products
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2.1 Sustainable products

Conserving resources and using materials responsibly are essential components of Gühring's sustainability strategy. In the carbide field in particular, the company consistently pursues a sustainable recycling management system in order to use raw materials efficiently, minimise waste and reduce environmental impact.

Recycling and reuse of carbide

Carbide is a valuable raw material whose extraction requires a high input of energy and resources. To reduce this input, Gühring pursues a comprehensive recycling concept known as zinc recycling. Worn out tools, production residues and carbide scrap are collected separately and sent for recycling. Modern recycling processes enable the tungsten, cobalt and other valuable metals contained in the scrap to be recovered and used in the manufacture of new tools.

Gühring pursues the principle of closed material cycles by integrating recycled carbide into production.

This not only saves primary raw materials but also reduces CO₂ emissions and energy consumption during raw material extraction.

According to the Institute for Applied Sustainability, Gühring saves 64.8 % CO₂ by recycling carbide compared to using conventional carbide powder from primary raw materials. Thanks to state-of-the-art processing methods, the recycled carbide achieves a quality comparable to new material, so that there is no loss in the level of performance of the tools.

Partnerships and responsibility

Gühring works closely with suppliers and customers to ensure an efficient circular economy. Gühring offers its customers the option of buying back worn tools, recycling them and manufacturing new tools from the raw materials. To ensure that customers also benefit from



carbide recycling, Gühring offers them a bonus on new purchases if they sell their carbide to Gühring and have their tools reground. This makes it possible to close the entire cycle of a carbide tool and ensure environmentally friendly recycling. This sustainable strategy not only reduces environmental impact but also offers economic advantages for everyone involved.

Contribution to sustainable development

By implementing a consistent recycling management system, Gühring actively contributes to conserving natural resources and makes an important contribution to environmental protection. The reduction in waste volumes, lower energy consumption and reduction in the CO₂ footprint underline the company's commitment to sustainable production processes.

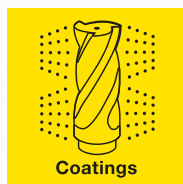
With this strategy, Gühring proves that technological innovation and environmental awareness can go hand in hand – for a sustainable and resource-efficient industry.

Products & customers

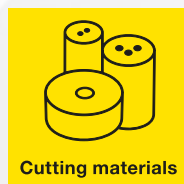
- 2.1 Sustainable products
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2.2 Product quality and customer satisfaction

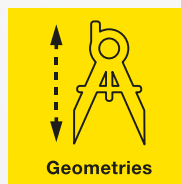
In the pursuit of maximum product quality, the "zero defect" strategy is the primary goal. Gühring achieves this outstanding product quality in particular through a depth of production that is unique in the industry and contributes significantly to the company's success. All the expertise required for tool manufacturing is bundled under one roof at Gühring.



Coatings



Cutting materials



Geometries



Plant and machine construction

Gühring's certified quality assurance system guarantees reliable processes and error-free products and services. At the same time, it defines the labelling and traceability of products and the associated documentation. Gühring prevents product risks by drawing on its experience, carrying out incoming material tests, utility value analyses, drilling tests, commercial and technical feasibility studies, and by only using approved suppliers, the latest technical documentation, qualified personnel and constantly calibrated measuring instruments.

To ensure that all legally required product and service information and corresponding markings are provided to customers, Gühring has established detailed guidelines for handling information and markings in one of its processes. The company strictly adheres to these guidelines for all products to ensure that all regulations and laws are complied with. In this way, Gühring not only prevents possible violations in this context, but also ensures the safe use of its products.

No violations relating to product information or labelling were identified during the reporting period. Similarly, no violations relating to marketing and communication became known during the reporting period.

GRI 417-1, GRI 417-2, GRI 417-3

Customer satisfaction is significantly influenced by the concept of "quality" in the minds of customers. Since the company was founded, it has therefore strived to achieve an outstanding level of quality for its products. By consistently pursuing this goal, Gühring has achieved a leading market position in the field of cutting tools.

The company is actively committed to a quality management system that meets the high standards of its products. This quality management system is a continuously evolving system in which employees and management drive forward constant improvements in line with the principles of continuous improvement. Gühring's systems are certified according to ISO 9001/ VDA 6.4/ ISO 14001/ ISO 45001 and ISO 50001. Customer requirements are also successfully met in other fields such as automotive and aviation. This is reflected in the first-class ratings given by customers.

Through the application of quality testing specifications, an error rate is determined internally from the totality of all tools manufactured. If customers nevertheless have cause for complaint, Gühring records all customer problems in detail, analyses the underlying cause and initiates efficient continuous improvement measures using the 8D method.

Customer satisfaction index

The customer satisfaction index, which is determined annually, provides relevant information on customer-specific indicators. This index includes, for example, customer evaluations of suppliers, the complaint rate, training for external customers, delivery reliability and the offer success rate. The percentage improvements in recent years demonstrate the company's positive alignment with customer satisfaction and the market. This customer satisfaction is also repeatedly reflected in awards and other recognition from customers.

Customer proximity

Thanks to a close-knit network of commercial and technical sales representatives and locations, Gühring guarantees first-class support and fast reaction times. The company has its own sales network of sales representatives and product managers. The tool solutions consist

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not only of the standard range, but also of complex tools, individually manufactured according to customer requirements.

2.3 Responsibility in the supply chain

Gühring KG is committed to respecting human rights and protecting the environment. It is the declared goal of the company management to respect, protect and promote human rights and the environment along the entire value creation chain.

The principles of the human rights and environmental strategy apply throughout Gühring's entire business and must be observed by the management and employees in the performance of their duties. Gühring expects all business partners to comply with human rights and environmental obligations. Respect for and observance of human rights and environmental obligations is a basic prerequisite for cooperation with Gühring.

Taking social and ecological aspects into account in the supply chain is not only in accordance with national and international laws, but also a central objective that is anchored in Gühring's sustainability policy. All strategic suppliers are requested to acknowledge and confirm these guidelines to us.

Supplier management

Gühring KG is committed to sustainable action and social responsibility, particularly within the framework of the Supply Chain Due Diligence Act (LkSG). The company has taken comprehensive measures to actively combat human rights violations, environmental pollution and opaque supply chains. The implementation of the LkSG is not only a legal obligation, but also a central component of corporate responsibility.

Effective risk management, clear responsibilities and the appointment of a human rights committee form the cornerstones of the strategy.

Gühring conducts comprehensive risk analyses regarding compliance with human rights and environmental obligations within its own business and among its direct suppliers.

Preventive measures are systematically defined and implemented, while the human rights strategy provides clear guidelines.

Sustainability is a long-term strategic success factor not only for Gühring, but also for its suppliers. The company is committed to establishing a common performance standard for responsible business operations. At Gühring, sustainability is not just a commitment, but a central element of our corporate identity and strategy. This is based on ethical values such as integrity, honesty and respect.

The sustainability guidelines for suppliers, the policy statement on human rights strategy and the general terms and conditions of purchase set clear requirements for cooperation. International human rights, the rejection of forced labour and child labour, the prevention of corruption and a sustainable approach to the environment and employees are fundamental principles. Gühring encourages suppliers to disseminate these guidelines throughout their supply chain and to actively promote compliance with them.

Gühring KG remains committed to further improving its sustainable practices and is committed to transparent and ethically responsible supply chain management. These efforts are not only a response to legal requirements, but an integral part of the company's culture and strategy for long-term business success.

Supplier audits are conducted regularly to verify compliance with the criteria and requirements of the LkSG. In addition, a software solution for ongoing risk assessment has been introduced to support central purchasing in complying with the above-mentioned issues. Furthermore, a complaint management system has been set up, which is available on our homepage, to report violations anonymously.

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In addition to the evaluation of suppliers, various criteria are also checked for every purchase or procurement of capital goods. For example, when procuring plant, machines and equipment, data on criteria such as energy and water consumption, emissions and recycling options are obtained from. When procuring construction services, attention is paid to environmentally friendly construction methods. When purchasing new vehicles, information on consumption and emissions is also obtained.

In addition to evaluating suppliers on environmental criteria, Gühring also tries to support local suppliers wherever possible. In the reporting period, 79.1 percent of the total procurement budget was covered by local suppliers. As we have numerous production sites throughout Germany, suppliers from Germany are considered local suppliers.

Year	2022	2023	2024
Share of expenditure on local suppliers in %	74.9 %	77.9 %	79.1 %

No serious negative environmental or social impacts in the supply chain became known during the reporting period.

Gühring also attaches great importance to compliance with human rights and awareness of these issues in relation to service providers. For example, all security personnel assigned to Gühring KG's operating sites are trained by the respective external company on human rights policy and procedures. The training of security personnel is intended to help ensure appropriate behaviour towards third parties in various situations, particularly regarding the use of force. In addition, all external companies are obliged to apply the occupational health and safety and environmental protection guidelines for external companies and to train their own employees in the contents of these guidelines.

Reach

The handling of chemicals at Gühring is regulated in compliance with the REACH Regulation. This regulation governs the introduction, ma-

nufacture and application of all chemicals at European level and serves to protect human health and the environment.

Conflict minerals

The issue of conflict minerals in the supply chain is one that the company has been addressing for a long time. In supply chains, especially in the metal industry, this is a significant social risk. At Gühring, the purchase of tungsten as a conflict mineral is affected. The mining of this mineral can lead to risks such as human rights violations, corruption and money laundering, or contribute to the financing of armed forces. To ensure that these risks do not arise, Gühring only sources its raw materials from suppliers approved by the RMI (Responsible Minerals Initiative), who guarantee mining without these risks. To this end, written confirmation has been obtained from suppliers stating that all raw materials are free of conflict minerals, comply with OECD guidelines and meet the requirements of Article 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Recycled raw materials used

A wide variety of materials are used in the manufacture of Gühring products. The largest proportion of the carbide used in the production of tools is tungsten and cobalt powder or granules. To ensure social, economic and ecological sustainability, Gühring is increasingly relying on recycled raw materials. In addition, attention is paid to sustainable packaging materials. A large proportion of the plastic packaging is already made from recycled materials.

Repurchase of carbide

During the refurbishment of used carbide tools, these are converted into reusable powder through various processes. Used end products are thus made usable again as raw materials and recycled. Every year, Gühring buys back carbide, which is recycled during refurbishment and reused for new products. In addition, agreements have been made with customers to close the material cycle for these carbide products.

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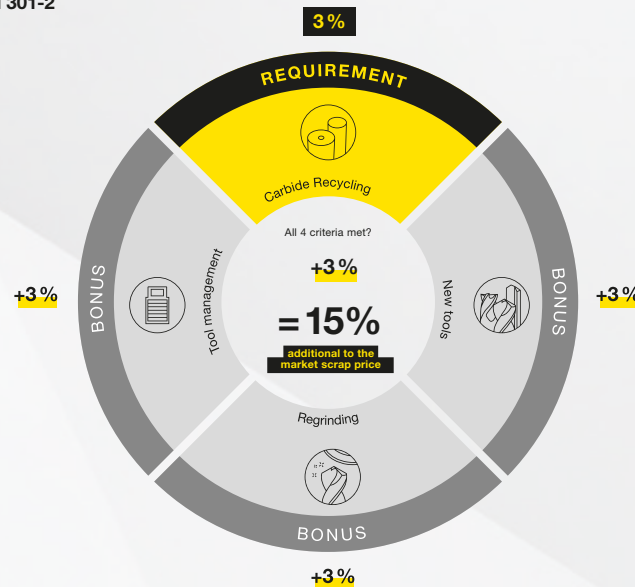
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However, before the recycling process step is carried out, Gühring offers its customers the option of refurbishing tools in service centres, thereby extending the service life of the products. Recycling is therefore only used at a later stage. Customers do not have to worry about a thing. A collection and delivery service ensures punctual logistics. Refurbishment to original quality and subsequent recoating ensure maximum cost-effectiveness.

In addition, Gühring offers its customers a comprehensive bonus programme as part of the *Gühring Tool Circle*. This programme rewards customers who use various Gühring services with additional discounts. Customers who, for example, recycle carbide at Gühring, purchase new tools, have their tools refurbished and use Gühring's Tool Management can save up to 15% on the purchase price of new tools. This integrated system not only promotes resource conservation but also offers economic advantages for customers.

GRI 301-2



2.4 Information security and data protection

Information and data are extremely valuable. In order to protect this value adequately, information security and data protection are becoming increasingly important at Gühring. While information security covers the protection of all information assets (data on employees, customers, know-how, etc. in digital and analogue form), data protection focuses on the protection of personal data and thus overlaps with the area of information security. In addition, IT security, which involves protecting the IT infrastructure, is a key focus in order to ensure the security of all data through technical and organisational measures. Due to the interconnection of these topics, they are managed in a coordinated management system in order to exploit synergy effects.

Various information is exchanged between Gühring and its customers and suppliers. An information security management system is used to ensure that this information is protected. The Chief Information Security Officer (CISO) is responsible for coordinating and implementing the information security management system. The CISO has the right to report directly to the management and prepares an annual report on the activities carried out in the previous financial year. This enables Gühring to fulfil the essential protection objectives: availability, integrity and confidentiality. Supplementary IT risk analyses enable adequate protection through proactive measures of both a technical and organisational nature. The corporate guideline for information security anchors internal principles and structures. The guideline for information security is reviewed on an ongoing basis and updated as necessary.

Technical and organisational measures alone are no longer sufficient to guarantee information security. A company's employees are the last line of defence and are therefore of vital importance and require special attention. For this reason, Gühring regularly conducts phishing campaigns and security training for all employees.

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Alongside information security, data protection is another key issue that Gühring addresses. With the increasing digitalisation of the world's economy, but also within our own company, the right of every individual to self-determination regarding information is becoming an increasingly important focus. This applies to employees as well as customers and suppliers. Technical and organisational measures have been taken to adequately protect personal data and to comply with the legal requirements, which have been renewed and, in some cases, significantly changed with the General Data Protection Regulation. The internal data protection guidelines define the processes, responsibilities and structures of the data protection management system. They also provide information on the rights of data subjects, including the right to access and delete stored data. These guidelines are reviewed on an ongoing basis and updated as necessary. The data protection guidelines represent the minimum standard. The implementation of the data protection management system is coordinated by the central Group Data Protection Officer.

In addition to maintaining the processes, the Group Data Protection Officer ensures the further development of data protection with all associated measures and advises organisational units and specialist departments. The Data Protection Officer reports directly to the management. Employees are contractually obliged to comply with data protection and the confidential handling of personal data and information. Gühring also offers its employees web-based e-learning training on data protection. Participation in the training is mandatory. Personal data is not passed on to third parties as a matter of principle. If personal data is transmitted, this is done exclusively based on a corresponding legal basis. Gühring's privacy policy provides transparent information on this.

In the reporting year, there were no enquiries or complaints from customers or competent supervisory authorities regarding violations of data protection. There were no data leaks, cases of data theft or data loss. All employees are required to report any violations or anomalies to the designated departments. Future incidents will be ana-

lysed and processed in accordance with defined processes, and the requesting department will be informed of any events and measures taken.

GRI 418-1



Environment

3.1 Environmental management

3.2 Use of resources

3.3 Waste management and recycling

Environment

- 3.1 Environmental management
- 3.2 Use of resources
- 3.3 Waste management and recycling

The integration of environmental thinking and action and the associated assumption of responsibility is a fundamental element of Gühring's corporate policy. When aligning its business practices, Gühring attaches particular importance to taking environmental protection aspects into account when designing new products. The company is committed to complying with all national and international environmental regulations.

3.1 Environmental management

The environmental management system (EMS) at Gühring KG is certified according to ISO 14001, thus demonstrating that it has implemented an effective environmental management system (EMS) that meets the requirements of the standard. The certification confirms that processes and measures for environmental performance are continuously improved and that legal requirements are met.

The guidelines are regularly reviewed through audits and inspections carried out by the internal environmental management team. Any deviations are recorded and documented in an audit report, and corrective measures are initiated immediately. All employees and managers are familiar with the environmental protection policy through training courses and information notices.

Employees have the opportunity to pursue personal development in various fields, both through the internal learning management system (training portal) and the Gühring Academy. This training portfolio includes a training course on sustainability, which also covers aspects of environmental management. Separate training in environmental management is also offered individually as required. Gühring attaches particular importance to communicating the practical relevance of environmental management (in accordance with ISO 14001) in everyday operations. The aim is to promote a comprehensive understanding of this management system and the key success factors for its implementation.

No violations of environmental protection laws or regulations have become known during the reporting period.

GRI 307-1

3.2 Use of resources

Prioritising the responsible use of resources is a top priority at Gühring, as many of these resources are limited. The sustainable use of natural resources in particular represents a major challenge. The company is fully aware of this responsibility and therefore places particular emphasis on efficient energy management and measures to reduce greenhouse gas emissions.

Energy management**“Reducing energy consumption, increasing energy efficiency”**

Gühring strives to achieve this goal throughout the company and across all certified business areas. Whether at the workplace, in the procurement of goods, in our own services, in the distribution of products or in the design of plants. This is why we strive to ensure a long-term reduction in energy consumption and thus guarantee an improvement in energy-related performance. The company primarily pursues this objective in production through production planning, maintenance and servicing, the procurement of materials, products, services and energy, as well as in the design of systems and internal transport. It is also pursued through the personal behaviour of all employees.

The applicable laws, regulations, official requirements and other requirements must always be observed. When it comes to technical solutions for increasing energy efficiency, Gühring is guided at least by the current state of the art.

To implement these principles, an energy management system in accordance with DIN EN ISO 50001 is maintained for the headquarters. The necessary information and appropriate media are provided to achieve the energy targets. This is continuously monitored, evaluated and improved as necessary. Furthermore, regular checks are carried out to ensure that the necessary financial and structural conditions and resources are in place to achieve the specified targets.

In summary, this means that Gühring meets the sustainability requirements of its customers and its own targets, reduces energy costs

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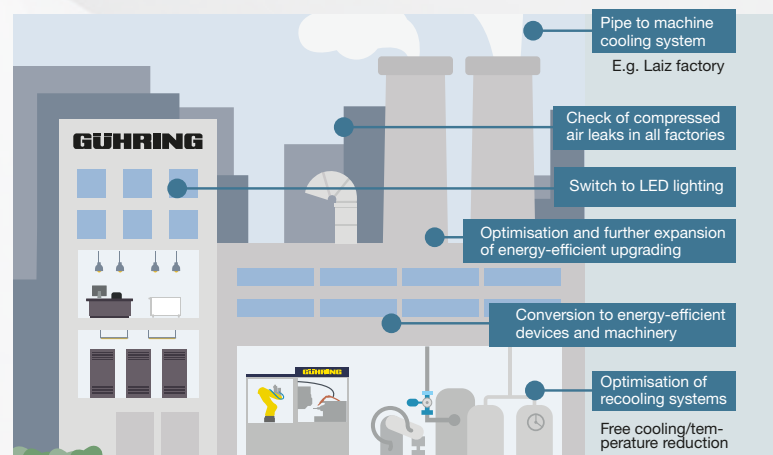
Environment

- 3.1 Environmental management
- 3.2 Use of resources
- 3.3 Waste management and recycling

and also reduces CO₂ emissions. The company is therefore particularly focused on targets and measures for improving energy efficiency in this area. These measures include, for example, regular checks for leaks in the compressed air systems in all plants and the conversion to LED lighting systems in production halls and offices. The optimisation and further expansion of energy-efficient refurbishment are also continuously reviewed. Gühring is therefore focusing, for example, on converting energy-efficient devices, systems and machines and optimising building technology such as compressors, refrigeration systems, heating systems, etc. At the Laiz site, for example, measures such as a central process cooling system and heat recovery for the compressors have been implemented in recent years, resulting in considerable energy savings and thus also CO₂ savings. Best practice examples such as these are then evaluated at other sites and implemented where appropriate.

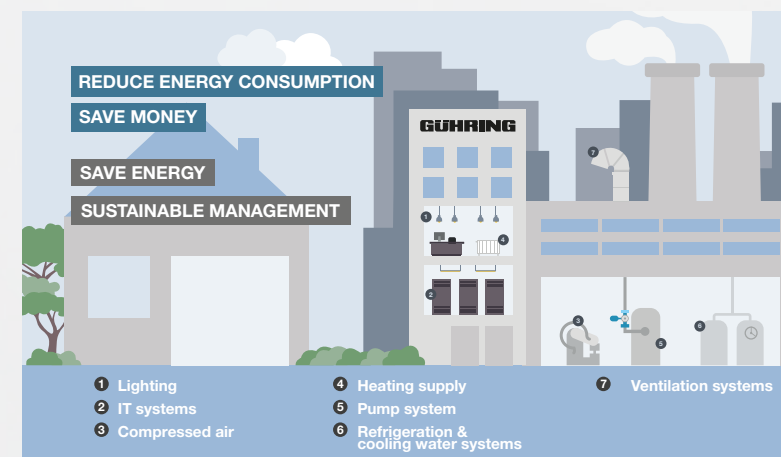
Our in-house mechanical engineering offers the decisive advantage of being able to design our systems precisely to meet requirements and optimise them continuously – for example, through the targeted use of air-free glass scales, speed-controlled pumps and energy-efficient components that meet the highest technical standards.

GRI 302-4



Another example of how Gühring is tackling the reduction of its energy consumption is a concept for energy-efficient driving. Journeys in company cars are a particularly relevant energy factor at Gühring. For this reason, new company car owners are made aware of energy-efficient driving when they are assigned their vehicles. There is a motivational sticker in the vehicles themselves. In order to further embed the topic of energy saving within the company, training courses on this topic are offered to employees on an ongoing basis and are being expanded. A training video is available on the internal e-learning portal to train employees more efficiently.

It is important to Gühring to convey that all employees can contribute to saving energy and increasing energy efficiency. To this end, knowledge about energy saving must be passed on and incentives created to motivate employees. The energy team has designed a comprehensive package of communication measures to continuously draw attention to this important topic and also to impart knowledge. In addition to a training video, flyers, mailings, brochures and newsletters, this topic is already included in the induction plan for new employees. Targeted communication ensures that all employees are reached.



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Environment

- 3.1 Environmental management
- 3.2 Use of resources
- 3.3 Waste management and recycling

Energy consumption in kWh ¹	2022	2023	2024
Electricity	42,482,991	40,597,509	36,877,887
Natural gas	7,823,751	7,168,530	7,694,020
Heating oil	453,721	433,461	471,304
Fuel	13,153,289	12,126,870	11,255,678
Total	63,913,752	60,326,370	56,298,889

¹Only the energy consumption of the parent company Gühring KG is shown here

GRI 302 – 1

Emissions – CO₂ balance

Since the 2020 financial year, Gühring has been disclosing its CO₂ emissions and is committed to full transparency by publishing these figures annually in its sustainability report. The company's long-term goal is to continuously record emissions and reduce them in a targeted manner. In doing so, Gühring is guided by the ambitious climate targets of the EU Commission and the United Nations: Europe is to become the first CO₂-neutral continent by 2050, while global warming must be kept below the 2°C limit by 2030.

When recording and accounting for greenhouse gases, Gühring makes a precise distinction between direct and indirect emissions and classifies them into three "scopes" in accordance with the GHGP (Green House Gas Protocol). Since 2023, Scope 3 emissions in the field of transport and distribution have been recorded. This includes the downstream transport of goods sold and business travel. Since 2024, Scope 3 emissions in the field of waste have been recorded. This addition emphasises Gühring's commitment to comprehensive and detailed accounting of CO₂ emissions and demonstrates its ongoing commitment to continuously advancing the determination of Scope 3 emissions and including additional areas. This continuous improvement process underlines the company's ambition to expand the scope of its sustainability efforts.

- Scope 1:** Direct greenhouse gas emissions (e.g. from production processes, vehicle fleet)
- Scope 2:** Indirect energy-related greenhouse gas emissions (e.g. purchased electricity)
- Scope 3:** Indirect greenhouse gas emissions from the upstream and downstream value chain (e.g. purchased goods and services, use of sold products)

CO₂ balance*

Scope 1: Direct greenhouse gas emissions

CO₂ emissions in kg

	2022	2023	2024
Heating oil	142,468	136,107	126,357
Natural gas	1,572,574	1,440,875	1,404,159
Diesel	3,849,742	3,759,330	3,582,519
Total emissions Scope 1	5,564,784	5,336,312	5,113,035

Scope 2: Indirect greenhouse gas emissions

CO₂ emissions in kg

	2022	2023	2024
Electricity	15,548,775	14,858,688	12,132,825
Total emissions Scope 2	15,548,775	14,858,688	12,132,825

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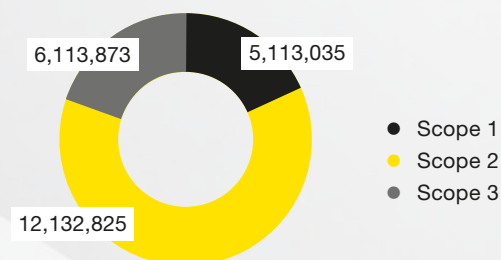
Scope 3: Indirect greenhouse gas emissions

CO₂ emissions in kg

	2022	2023	2024
Downstream transport of goods sold	-	5,613,630	5,620,135
Business travel	-	559,511	448,087
Waste generated by operations – Solid waste	-	-	5,651
Total emissions Scope 3		6,173,141	6,113,873
Total emissions Scope 1, 2 & 3	21,113,559	26,368,141	23,359,733

*Individual values have been corrected due to new recording methods.

CO₂ emissions in 2024 (in kg):



GRI 305-1, GRI 305-2

Emissions in the logistics sector

At Gühring, the goals of reducing emissions and minimising costs in logistics are in harmony. In the field of transport/logistics, economic and ecological goals do not conflict with each other, but can be achieved together, in Gühring's view. Slower shipments cause fewer emissions and are cheaper. A few large shipments are cheaper than several small ones and also cause less CO₂.

The majority of standard parcels sent by Gühring are CO₂-neutral. For example, the shipping service provider is increasingly relying on electric vehicle drives, sustainable buildings and a switch to 100 percent green electricity. Unavoidable CO₂ emissions are offset. This is achieved through efficient afforestation with fast-growing trees. By choosing this service provider, we also ensure that we save emissions in downstream processes and protect the environment. At the same time, standard parcels are cheaper than express parcels.

In addition to all these measures, we still keep one thing in mind: the products ordered must arrive at the customer on the agreed date.

Water and wastewater

Water is a resource that is needed both at Gühring's sites and in the manufacture of products. We therefore strive to keep water consumption to a minimum wherever possible.

Water consumption in m ³	2022	2023	2024
Fresh water	18,193	13,079	17,207
Waste water	18,193	12,345	15,402

GRI 303-3, GRI 303-4

3.3 Waste management and recycling

Waste and recycling are two related topics at Gühring. The waste management system ensures that all waste is disposed of properly in accordance with legal requirements. However, in order to keep the amount of waste generated as low as possible – both internally and at customer sites – the company has been focusing on recycling for many years.

Environment

- 3.1 Environmental management
- 3.2 Use of resources
- 3.3 Waste management and recycling

Waste

Only qualified partners are used for waste disposal. At all locations mentioned, this corresponds to certified waste disposal companies. The waste management officer is responsible for checking that waste is disposed of properly. This ensures that changes in legislation are identified and implemented in accordance with the law. Internal procedures require that waste be avoided in the first instance and recycled in the second instance. The aim is to minimise environmental impact as far as possible.

Gühning is guided by the following principles:

Waste that is not produced does not have to be disposed of at great expense. We strive to prevent waste from being produced by continuously improving our processes and production technology. Where state-of-the-art waste-free processes are not available in the production process, we work to reduce the amount of waste. For waste that cannot be avoided and has already been reduced to the technically and economically feasible residual amount, we ensure that it is recycled/disposed of in a legally compliant and environmentally friendly manner. Waste is collected separately in containers of different colours and labelled in accordance with local regulations. Each employee is responsible for the correct disposal and separate collection of the individual waste fractions (waste types). The department/division managers have a supervisory role for the separate and proper collection of waste in their areas of responsibility. This is also checked in SOS audits and, if necessary, retraining is provided.

Waste balance of the Gühning KG company

The annual report of the waste management officer includes non-hazardous waste, hazardous waste, ongoing projects and new construction plans in connection with waste management in order to identify trends and developments and, if necessary, initiate measures.

Waste generation and disposal [t]	2022	2023	2024
hazardous	321.663	520.316	518.95
dangerous projects/new construction	0.15	8.739	1.9
not dangerous	414.128	507.925	440.126
not dangerous projects/ new construction	38.714	39.3	136.28
Total	774.655	1076.28	1097.256

GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-5

We fulfil our legal obligation to take back transport and sales packaging through cooperation with a service provider. This service is designed to close the loop. Packaging that would otherwise end up in normal waste is collected from customers on request. This ensures that the packaging is recycled and returned to the cycle.

The service provider collects the transport packaging from customers on request. In the field of the "dual system", for example, it contributes to the costs of collecting yellow bags or bins for sales packaging from customers who dispose of them via these systems.

GRI 306-4

Sustainable packaging

Packaging plays a central role in Gühning's sustainability strategy, as its production is often associated with high resource consumption. The manufacture of cardboard packaging requires a lot of water. For reasons of environmental compatibility, mineral oil-based printing inks should also be avoided wherever possible.

In order to use more environmentally friendly alternatives, Gühning is increasingly turning to packaging made of wood. These are made from renewable raw materials and can be reused several times. An example of this sustainable approach is the recycling of wood packaging from PCD (polycrystalline diamond) manufacturing.

03

Environment

3.1 Environmental management

3.2 Use of resources

3.3 Waste management and recycling

Customers have the option of returning used wooden packaging so that it can be refurbished and reused. The high quality of the wooden packaging allows it to be used multiple times, which not only conserves valuable resources but also reduces the amount of waste generated by customers.

Since 2019, wooden packaging crates for finished tools have been systematically collected, refurbished and reused. Through this closed loop, Gühring actively contributes to waste reduction and improves the environmental balance of its packaging concept.

Protecting high-quality cutting tools during transport is essential for Gühring. Plastic packaging offers the best possible protection against damage and unwanted chemical reactions. At the same time, there is a responsibility to focus on ecological aspects.

In order to master the balancing act between product protection and environmental protection, Gühring is increasingly relying on packaging made from 100 % recycled plastic. The basis for this is so-called post-consumer recycled material (PCR), which comes from household waste such as the yellow bag or deposit packaging.

With this step, Gühring is actively contributing to reducing primary plastics and saving CO₂ emissions. The new solution combines maximum functionality with a clear commitment to conserving resources – an important contribution to the company's sustainable alignment.

GRI 301-1

The background of the slide is a photograph of an industrial setting. Two young men, likely workers or students, are looking intently at a robotic arm. The man in the foreground is wearing a grey t-shirt and a high-visibility yellow safety vest. The man behind him has dark curly hair and is also wearing a safety vest. The robotic arm is white and blue, with various cables and mechanical components visible. The lighting is bright, suggesting an indoor industrial environment.

Employees & society

- 4.1 Employees
- 4.2 Training and further education
- 4.3 Diversity and equal opportunities
- 4.4 Occupational safety standards and health protection
- 4.5 Social responsibility



Employees & society

- 4.1 Employees
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Gühring sees itself as having a responsibility towards its employees and society. As a regional employer, the company is committed not only to the promotion and development of its employees, but also to the positive development of the region. For Gühring, sustainable human resources management means more than just attracting and retaining quality specialists. The company creates attractive working conditions, promotes individual training opportunities and is committed to a future-oriented working environment. Gühring pursues the goal of combining economic success with social responsibility. Through targeted measures, the company not only strengthens its own competitiveness, but also contributes to the long-term development of the region.

4.1 Employees

A company's most important resource is its qualified employees. Gühring KG currently employs 2,287 people. Personal development opportunities, a healthy working environment and the opportunity to combine work and family life are just some of the factors that Gühring considers important in its dealings with its employees.

Overview of employee structure:

	2022	2023	2024
 Female:	497	516	499
Temporary:	6	5	4
Permanent:	491	511	495
 Male:	1819	1906	1788
Temporary:	24	35	21
Permanent:	1795	1871	1767
Total number of employees:	2316	2422	2287

In order to analyse employee satisfaction as accurately as possible, Gühring adjusts its employee satisfaction index (MI) annually. This makes it possible to track the development of employee satisfaction precisely and compare it with previous years.

Various criteria are included in the evaluation, including company service, sickness rates, investments in occupational safety and the number of exempt works council members. The continuous improvement of the MI in recent years clearly shows that Gühring attaches great importance to the well-being of its employees and actively works to create a positive working culture.

Employee satisfaction is also reflected in a stable turnover rate. The turnover rate has been stable for years and ranges between 4 % and 6 %. In the reporting period, it was 6.32 %.*

* The turnover rate is calculated according to the BDA formula.

GRI 401-1

Every year, Gühring encourages its employees to actively participate in sporting events such as the AOK company run, the Albstadt Bike Marathon, the City Race Bobbycar race and the Späh Business Run. Gühring also offers a special holiday programme for employees' children to give them an introduction to technology, design and the world of STEM professions. These initiatives promote team spirit, health and a good work-life balance. Participating together not only strengthens cohesion within the workforce, but also contributes to physical and mental health. At the same time, this commitment underlines Gühring's role as a responsible employer that actively integrates social, health and family aspects into everyday working life.

Gühring offers its employees a wide range of attractive additional benefits. These include, among others, subsidies for convalescent leave, meal allowances, shopping vouchers and discounts, teleworking options and the provision of company housing.

All available benefits can be accessed quickly and easily via the Gühring Corporate Benefits app or a web browser. There is no difference between full-time and part-time employees when it comes to company benefits, so that all employees can benefit equally from these advantages.

GRI 401-2

Remuneration policies

At Gühring, remuneration is based on the applicable collective agreement or individual contractual agreements. New hires and transfers are informed of their remuneration and receive information about any changes to their salary.

The granting of non-statutory allowances is voluntary and can be revoked at any time, converted into a performance-related allowance or offset in part or in full against pay scale or pay scale group increases. All bonuses are paid in accordance with the applicable collective bargaining provisions and company agreements.

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- 4.5 Social responsibility

Percentage of employees covered by collective agreements:

	2022	2023	2024
Employees covered by collective agreements	78 %	78 %	78 %
Employees not covered by collective agreements	22 %	22 %	22 %

GRI 2-19 GRI 2-20

Remuneration is in accordance with the collective agreement, which is above the minimum wage.

GRI 202-1

If operational changes that could be significant for Gühring employees are pending, the statutory and collective agreement deadlines apply.

GRI 402-1

Parental

At Gühring, both female and male employees have the opportunity to apply for parental leave. The company ensures that the provisions of the Federal Parental Allowance and Parental Leave Act are applied. During the reporting period, 93 employees were on parental leave.

GRI 401-3

4.2 Training and further education

Gühring attaches great importance to high-quality training and further education. The company offers 14 different technical and commercial apprenticeships, including industrial mechanic, precision tool me-

chanic, industrial clerk and IT specialist with various specialisations. With the advance of digitalisation, new training opportunities are constantly emerging. In 2019, for example, training for e-commerce clerks was introduced. Since 2022, a dual study programme in media design has also been offered, with technical informatics to be added in 2024.

As of 1 January, Gühring employed a total of 144 trainees and dual students in 14 different training and study programmes.

Number of trainees in January by field	2022	2023	2024
Commercial (5 apprenticeship professions)	24	21	18
Technical (3 apprenticeship professions)	118	116	107
Study (6 dual study programmes + combination study course)	21	22	19
Total	163	159	144

In addition to excellent training in Germany, trainees also have the opportunity to spend part of their training at a foreign location.

Furthermore, trainees benefit from additional advantages. At various locations, they have access to so-called "Azubi Flitzer" – company vehicles that can be used for trips to other locations or for business purposes as part of their training. In addition, Gühring organises various team events and celebrations every year to strengthen team spirit and a sense of community.

Another offer is in-house foreign language lessons, which give trainees the opportunity to expand their language skills and prepare themselves optimally for an international career.

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Employees & society

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The company offers school pupils and students the opportunity to complete internships or write their final theses at various locations. In 2024 for example, two master's theses were written on the topics of product carbon footprint calculation and double materiality analysis. This work helped to deepen understanding and expertise in these subject areas.

The regional connection is particularly important when it comes to attracting new trainees. Gühring therefore participates in all major trade fairs in the vicinity of its training locations. With a booth and a team of several trainees from various professions and courses of study, Gühring provides potential applicants with direct, personal information and dialogue about the opportunities available at the company. Gühring also goes directly to schools and presents the training opportunities and courses of study during a lesson. The proximity to Albstadt University, which is located in the immediate vicinity of the main plant in Albstadt-Ebingen, also offers many opportunities for mutual exchange and cooperation.

Employee development

Not only training, but also employee development is essential at Gühring. The topics of further education/qualification and training coordination via the Learning Management System (LMS) are part of human resources development at Gühring. Gühring pursues the following goals in human resources development:

- Maintaining and further training the qualifications of employees
- Securing the supply of skilled workers and managers and identifying and preparing potential candidates for key positions
- Ensure and increase employee motivation/satisfaction in order to retain them for the company
- Improve efficiency and cost-effectiveness within the company

Gühring relies on the following components of personnel development:



In order to improve the skills of its employees, Gühring offers internal training courses via its LMS, which are mainly delivered by internal trainers. The LMS is available to all employees with SAP access. For example, it is used for onboarding events, product training, compulsory training and presentations of individual departments.

In addition, Gühring naturally offers its employees the opportunity to pursue external training. The company is happy to provide advice on advanced training or language courses in order to support its employees individually and precisely in their qualification efforts. By bundling orders, internal training courses with external speakers are also planned on a regular basis. These include management training and sales training courses. A total of 10,431 external training hours were completed during the reporting period.

In order to provide employees with feedback on their performance and professional development, annual appraisals and/or annual reviews are held for all employees. This is regulated by the Industrial Union of Metalworkers (IG Metall) collective agreement and by company agreements, among other things.

GRI 404-1, GRI 404-2, GRI 404-3

Employees & society

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4.3 Diversity and equal opportunities

Diversity is a key factor in a company's success. Gühring promotes an open and inclusive work culture in which all people are valued regardless of their cultural and ethnic background, religion, worldview, disability, gender identity, sexual orientation or age. This diversity enriches our daily work and strengthens the company as a whole.

Gühring regularly participates in the nationwide Girls' Future Day to inspire girls to pursue technical careers. On this day, schoolgirls gain practical insights into various industrial and technical apprenticeships, such as industrial mechanic, precision tool mechanic and mechatronics engineer, and get to know the world of work in an industrial environment. The aim is to break down barriers at an early stage, spark interest and, in the long term, attract more young women to technical training programmes. Participation in Girls' Day underlines Gühring's commitment to equal opportunities and the promotion of young talent.

Regardless of individual differences, all employees are entitled to fair and equal treatment, free from discrimination and harassment. A corporate culture based on fairness, respect and mutual trust is the foundation for successful cooperation – today and in the future. Every employee is responsible for a cooperative and non-discriminatory working atmosphere that requires openness, tolerance and integrity.

At Gühring, the General Equal Treatment Act (AGG) is consistently implemented to protect all employees from discrimination in the workplace. The prohibition of discrimination applies both to the employer and to the interaction between colleagues.

Any form of discrimination or harassment in connection with a discriminatory characteristic or sexual harassment is prohibited.

Harassment occurs when unwanted behaviour that refers to a discriminatory characteristic or is sexually motivated violates the dignity of the person concerned and creates a hostile environment.

The respective supervisors, the Human Resources department, the Compliance Officer or the Works Council are available as contacts for complaints or concerns. Complaints can also be submitted anonymously via the online complaint management system.

Classification of Gühring employees into age groups and vulnerability:

Age structure	Total number of employees	Number of employees requiring protection
U30 male	279	1
U30 female	77	1
30-50 male	938	23
30-50 female	269	8
50+ male	571	52
50+ female	153	8

GRI 405-1

There were no incidents of discrimination of any kind during the reporting period.

GRI 406-1

4.4 Occupational safety standards and health protection

Occupational safety and health protection are very important at Gühring. The Environment, Health and Safety department is responsible for occupational safety standards and the Human Resources department is responsible for health management. Safe workplaces and the promotion of health are therefore an integral part of the company.

Compliance with legal requirements and standards on occupational safety ensures safe work processes. Occupational safety management (OSM) at Gühring is certified according to ISO 45001, thus

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demonstrating that an effective OSM is in place. Through the OSM, occupational safety standards are continuously improved at all locations within the framework of annual occupational safety inspections.

Risk assessments are used to identify all relevant hazards to which employees may be exposed. Appropriate measures are taken and implemented to identify these hazards at an early stage and to prevent accidents and impairments. The safety officers are responsible for this in cooperation with the medical service and the managers.

At Gühring, protective measures are generally taken in accordance with the STOP principle:

S = substitution

T = technical measures

O = organisational measures

P = personal measures

During the procurement process, checks are carried out to determine whether hazardous substances can be replaced by less critical substances. If this is not possible, technical protective measures to prevent hazards are examined and implemented where possible. The complete elimination of any remaining hazards through organisational measures and personal measures are the final two steps in providing employees with a healthy and safe working environment. All employees take part in the annual occupational safety training sessions. The person responsible is the manager, who keeps a training log for the measures and checks how well they work. Quarterly workplace safety committee meetings are also held in the field of occupational safety, which are mandatory for companies with more than 20 employees in accordance with Section 11 of the Occupational Safety Act (ASiG). These meetings are used to discuss and advise on a wide range of workplace safety and accident prevention issues. The prevention of hazards and risks is also reviewed in annual internal audits.

The development over the past few years shows that the frequency of accidents is steadily decreasing. This underlines the effectiveness

of the various measures implemented by Gühring KG in the field of workplace safety, such as training and raising employee awareness.

	2022	2023	2024
fatalities	0	0	0
injuries with serious consequences	0	0	0
work-related injuries	28	43	30
accidents per 1,000 employees	13.6	21.2	16
comparison with companies in the same risk category	26.9	25.1	24.9
accidents per 1 million working hours	9.1	14.1	10.5
comparison with companies in the same risk category	18.1	16.8	16.4

Hazardous situations

An extended alarm concept has been rolled out in case a hazardous situation or emergency arises within a production facility. All plants have a comprehensive management system with a central emergency plan based on standardised organisational structures for every type of emergency. Gühring thus ensures that there is a fast and systematic response in emergencies. Thanks to disciplined and coordinated organisation in the event of an unusual incident, there is no hectic or chaotic situation in the event of an alarm. This ensures the greatest possible safety for all employees.

Occupational health management

Gühring provides a wide range of health measures, including medical care, company sports programmes to improve physical performance, workplace design measures and initiatives to promote mental health. In this context, various sports groups, discounts for gyms and other support measures are offered to promote health. In addition, regular fruit days are organised in the canteen to promote healthy eating.

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Employees can also take advantage of preventive medical examinations provided by the medical service.

The following aspects are anchored in Gühring's health management:

- Health promotion
- Illness statistics
- Mental health/mental stress

Medical service:

Prevention is a key issue in occupational health and safety. Establishing a solid culture of prevention enables people to think and act preventively and helps to ensure that safety and health are taken for granted in operations and incorporated into everyday activities. This leads to increased motivation and satisfaction, fewer accidents at work and better quality of work. Gühring therefore works with a competent contact who advises the company on all matters relating to workplace safety and health care. In addition to providing advice on all matters relating to occupational health and safety, the medical service assists with accident prevention, planning occupational safety measures, designing workplaces, the working environment, work processes and work organisation. The medical service also provides support in organising first aid in the company, selecting and testing personal protective equipment, and carrying out preventive medical check-ups and vaccinations. Gühring attaches particular importance to consultations on the interaction between individual employees' work and their health.

GRI 403

During the reporting period, no violations of laws and regulations in the social and economic sphere became known.

GRI 419**4.5 Social responsibility**

For decades, Gühring has pursued the vision of a socially responsible, economically viable company that is characterised by the employment of people with disabilities.

For example, the Berlin site works in partnership with workshops for people with disabilities. In total, the site works with eight different workshops. The employees' tasks include packaging and labelling, unpacking, machine operation, charging, canteen service and sorting tools. Since 2024, Gühring has been working with a ninth workshop that manufactures prism attachments. A total of approximately 300 employees work for Gühring in the individual workshops and on the factory premises. The high support staff ratio also enables employees to achieve a high level of quality. The topic of inclusion plays a particularly important role for Gühring. The integration of people with disabilities is therefore a matter of course for the company.

However, as Gühring does not only outsource work but also has a workshop for disabled people directly within its own factory, the company attaches great importance to the design of these workplaces. As a result, the Mosaik workshop for disabled people was relocated and expanded in 2020. Around 100 employees from the workshops work at the site itself. Mosaik manufactures all larger wooden boxes that are used for external shipping and overseas.

The move to the new premises, which now cover approx. 1,200 square metres, has doubled capacity. The disabled-friendly workplaces have been refurbished and new disabled-friendly changing rooms and sanitary facilities have been created. This investment in the expansion of the workshop is therefore not only essential for the company, but also for the employees of the Mosaik workshop for disabled people.

For years, Gühring has also been cooperating with Mariaberg e.V. in Gammertingen, a diaconal company that enables people with disabilities to work in workshops.

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Since 2011, adjustments and repairs to internal transport racks have been carried out by Mariaberg employees. Since 2019, the wooden packaging for PCD tools (polycrystalline diamond) has been refurbished there by people with disabilities.

This means that the packaging can be reused and people from the region can be supported.

The successes of this way of thinking and acting include the award of the Integration Prize of the City of Berlin, which is presented for outstanding commitment to the integration of people with disabilities into working life, and the award of the Federal Cross of Merit to Dr Jörg Gühring.

GRI 203, GRI 413-1

General standard informationOrganisational profile

2-1	Organisational profile Chapter 1.1 Company profile
2-2	Entities included in the organisation's sustainability report Chapter 1.1 Company profile
2-3	Reporting period, reporting frequency and point of contact About this report
2-4	Correction or restatement of information About this report
2-5	External assurance About this report
2-6	Activities, value chain and other business relationships Chapter 1.1 Company profile
2-7	Salaried employees Chapter 4.1 Employees
2-8	Non-salaried employees N/A
2-9	Management structure and composition Chapter 1.1 Company profile
2-10	Nomination and selection of the highest governance body Chapter 1.4 Sustainability management
2-11	Chair of the highest governance body N/A
2-12	Role of the highest governance body in overseeing the management of impacts N/A
2-13	Delegation of responsibility for impact management Chapter 1.6 Opportunities and risk management
2-14	Role of the highest governance body in sustainability reporting Chapter 1.4 Sustainability management
2-15	Conflicts of interest N/A
2-16	Communication of critical concerns Chapter 1.3 Corporate governance and compliance
2-17	Knowledge accumulated by the highest governance body Chapter 1.4 Sustainability management
2-18	Evaluation of the performance by the highest governance body N/A

2-19	Remuneration policy Chapter 4.1 Employees
2-20	Process for determining remuneration Chapter 4.1 Employees
2-21	Annual total compensation ratio N/A
2-22	Statement on sustainable development strategy Message from the Executive Board
2-23	Policy commitments Chapter 1.3 Corporate governance and compliance
2-24	Embedding policy commitments Chapter 1.5 Materiality process and stakeholder management
2-25	Processes to remediate negative impact Chapter 1.3 Corporate governance and compliance
2-26	Mechanisms for seeking advice and raising concerns Chapter 1.3 Corporate governance and compliance
2-27	Compliance with laws and regulations Chapter 1.3 Corporate governance and compliance
2-28	Membership of associations Chapter 1.5 Materiality process and stakeholder management
2-29	Approach to stakeholder engagement Chapter 1.5 Materiality process and stakeholder management
2-30	Collective bargaining agreements Chapter 4.1 Employees
3-1	Process for defining key topics Chapter 1.5 Materiality process and stakeholder management
3-2	List of material topics Chapter 1.5 Materiality process and stakeholder management
3-3	Management of key topics Chapter 1.5 Materiality process and stakeholder management

Economic performance indicators

Economic performance

- 201/103 **Management approach disclosures**
 201-2 **Financial implications and other risks and opportunities due to climate change**
 Chapter 1.6 Opportunity and risk management

Market presence

- 202/103 **Management approach disclosures**
 Chapter 4.1 Employees
 202-1 **Ratios of standard entry level wage by gender compared to local minimum wage**
 Chapter 4.1 Employees
 202-2 **Proportion of senior management hired from the local community**
 100% of the senior management comes from the country of the operations within Gühring.

Indirect economic impacts

- 203/103 **Management approach disclosures**
 203-2 **Significant indirect economic impacts**
 Chapter 4.5 Social responsibility

Procurement practices

- 204/103 **Management approach disclosures**
 Chapter 2.3 Supply chain responsibility
 204-1 **Proportion of spending on local suppliers**
 Chapter 2.3 Supply chain responsibility

Anti-corruption

- 205/103 **Management approach disclosures**
 205-1 **Operations assessed for risks related to corruption**
 Gühring's operations are not audited
 205-2 **Communication and training about anti-corruption policies and procedures**
 Part of the sustainability training programme
 205-3 **Confirmed corruption incidents and actions taken**
 There were no known incidents during the reporting period.

Anti-competitive behaviour

- 206/103 **Management approach disclosures**
 Chapter 2.3 Supply chain responsibility
 206-1 **Legal actions for anti-competitive behaviour anti-trust, and monopoly practices**
 There were no known incidents during the reporting period.

Taxes

- 207/103 **Management approach disclosures**
 Chapter 1.3 Corporate governance and compliance
 207-1 **Approach to tax**
 Chapter 1.3 Corporate governance and compliance
 207-2 **Tax governance, control, and risk management**
 Chapter 1.3 Corporate governance and compliance
 207-3 **Stakeholder engagement and management of concerns related to tax**
 Chapter 1.3 Corporate governance and compliance
 207-4 **Country-by-country reporting**
 As the Group's parent company, Gühring KG is required to make country-by-country reporting available to the German tax authorities. Gühring KG naturally fulfils this obligation to the extent required by law.

Environmental performance indicators

Materials

- 301/103 **Management approach disclosures**
 Chapter 2.3 Supply chain responsibility
 301-1 **Materials used by weight or volume**
 Chapter 2.3 Supply chain responsibility
 301-2 **Recycled input materials used**
 Chapter 2.3 Supply chain responsibility
 301-3 **Reclaimed products and their packaging materials**
 Chapter 3.3 Waste management and recycling

Energy

- 302/103 **Management approach disclosures**
 Chapter 3.2 Use of resources
 302-1 **Energy consumption within the organisation**
 Chapter 3.2 Use of resources
 302-4 **Reduction of energy consumption**
 Chapter 3.2 Use of resources

Water

- 302/103 **Management approach disclosures**
Chapter 3.2 Use of resources
- 303-5 **Water consumption**
Chapter 3.2 Use of resources

Biodiversity

- 304/103 **Management approach disclosures**
- 304-1 **Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas**
During the planning and execution of construction projects, measures that may result from the respective requirements and classifications of protected areas for the particular project are closely coordinated with the relevant environmental and regulatory authorities during the construction permit process.
- 304-2 **Significant impacts of activities, products and services on biodiversity**
See previous comment
- 304-3 **Habitats protected or restored**
See previous comment
- 304-4 **IUCN Red List species and national conservation list species with habitats in areas affected by operations**
Not applicable to Gühring KG.

Emissions

- 305/103 **Management approach disclosures**
Chapter 3.2 Use of resources
- 305-1 **Direct (Scope 1) GHG emissions**
Chapter 3.2 Use of resources
- 305-2 **Energy indirect (Scope 2) GHG emissions**
Chapter 3.2 Use of resources

Waste

- 306/103 **Management approach disclosures**
Chapter 3.3 Waste management and recycling
- 306-1 **Waste generation and significant waste-related impacts**
Chapter 3.3 Waste management and recycling
- 306-2 **Management of significant waste-related impacts**
Chapter 3.3 Waste management and recycling

- 306-3 **Waste generated**
Chapter 3.3 Waste management and recycling
- 306-4 **Waste diverted from disposal**
Chapter 3.3 Waste management and recycling
- 306-5 **Waste directed to disposal**
Chapter 3.3 Waste management and recycling

Environmental compliance

- 307/103 **Management approach disclosures**
Chapter 3.1 Environmental management
- 307-1 **Non-compliance with environmental laws and regulations**
Chapter 3.1 Environmental management

Supplier environmental assessment

- 308/103 **Management approach disclosures**
Chapter 2.3 Supply chain responsibility
- 308-1 **New suppliers that were screened using environmental criteria**
Chapter 2.3 Supply chain responsibility
- 308-2 **Negative environmental impacts in the supply chain and actions taken**
Chapter 2.3 Supply chain responsibility

Social performance indicators

Employment

- 401/103 **Management approach disclosures**
Chapter 4.1 Employees
- 401-1 **New employee hires and employee turnover**
Chapter 4.1 Employees
- 401-2 **Benefits provided to full-time employees that are not provided to temporary or part-time employees**
Chapter 4.1 Employees
There is no distinction between part-time and full-time employees.
- 401-3 **Parental leave**
Chapter 4.1 Employees

Labour/management relations

- 402/103 **Management approach disclosures**
Chapter 4.1 Employees

- 402-1 **Minimum notice periods regarding operational changes**
Chapter 4.1 Employees

Occupational safety and health protection

- 403/103 **Management approach disclosures**
Chapter 4.4 Occupational safety standards and health protection
- 403-1 **Management system for occupational safety and health protection**
Chapter 4.4 Occupational safety standards and health protection
- 403-2 **Hazard identification, risk assessment, and incident investigation**
Chapter 4.4 Occupational safety standards and health protection
- 403-3 **Occupational health services**
Chapter 4.4 Occupational safety standards and health protection
- 403-4 **Worker participation, consultation, and communication on occupational safety and health protection**
Chapter 4.4 Occupational safety standards and health protection
- 403-5 **Worker training on occupational safety and health protection**
Chapter 4.4 Occupational safety standards and health protection
- 403-6 **Promotion of worker health**
Chapter 4.4 Occupational safety standards and health protection
Voluntary services are not offered to non-salaried employees.
- 403-7 **Prevention and mitigation of the occupational safety and health protection impacts directly linked by business relationships**
Chapter 4.4 Occupational safety standards and health protection
- 403-8 **Workers covered by an occupational health and safety management system**
Chapter 4.4 Occupational safety standards and health protection
- 403-9 **Work-related injuries**
Chapter 4.4 Occupational safety standards and health protection
- 403-10 **Work-related ill health**
Chapter 4.4 Occupational safety standards and health protection

Training and education

- 404/103 **Management approach disclosures**
Chapter 4.2 Training and education
- 404-1 **Average hours of training per year per employee**
Chapter 4.2 Training and education
- 404-2 **Programs for upgrading employee skills and transition assistance programs**
Chapter 4.2 Training and education

- 404-3 **Percentage of employees receiving regular performance and career development reviews**
Chapter 4.2 Training and education

Diversity and equal opportunity

- 405/103 **Management approach disclosures**
Chapter 4.3 Diversity and equal opportunity
- 405-1 **Diversity of governance bodies and employees**
Chapter 4.3 Diversity and equal opportunity
- 405-2 **Ratio of basic salary and remuneration of women to men**
No distinction, as remuneration is based on job description and evaluation.

Non-discrimination

- 406/103 **Management approach disclosures**
Chapter 4.3 Diversity and equal opportunity
- 406-1 **Incidents of discrimination and corrective actions taken**
Chapter 4.3 Diversity and equal opportunity

Freedom of association and collective bargaining

- 407/103 **Management approach disclosures**
Chapter 1.2 Corporate policy
- 407-1 **Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk**
There was no violation of the right to freedom of association and collective bargaining during the reporting period.

Child labour

- 408/103 **Management approach disclosures**
Chapter 1.2 Corporate policy
- 408-1 **Operations and suppliers at significant risk of incidents of child labour**
There were no incidents of child labour or forced or compulsory labour during the reporting period.

Forced or compulsory labour

- 409/103 **Management approach disclosures**
Chapter 1.2 Corporate policy

- 409-1 **Operations and suppliers at significant risk for incidents of forced or compulsory labour**
There were no incidents of child labour or forced or compulsory labour during the reporting period.

Security practices

- 410/103 **Management approach disclosures**
Chapter 2.3 Supply chain responsibility
- 410-1 **Security personnel trained in human rights policies or procedures**
Chapter 2.3 Supply chain responsibility

Rights of indigenous peoples

- 411/103 **Management approach disclosures**
- 411-1 **Incidents of violations involving rights of indigenous peoples**
There were no incidents in the reporting period in which the rights of indigenous peoples were violated.

Human rights assessment

- 412/103 **Management approach disclosures**
- 412-1 **Operations that have been subject to human rights reviews or impact assessments**
As our operations are located in Germany, observance of human rights is regulated by law.
- 412-2 **Employee training on human rights policies or procedures**
Human rights policy is part of our sustainability training
- 412-3 **Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening**
No agreements known.

Local communities

- 413/103 **Management approach disclosures**
Chapter 4.5 Social responsibility
- 413-1 **Operations with local community engagement, impact assessments and development programs**
Chapter 4.5 Social responsibility

Supplier social assessment

- 414/103 **Management approach disclosures**
Chapter 2.3 Supply chain responsibility
- 414-1 **New suppliers that were screened using social criteria**
Chapter 2.3 Supply chain responsibility
- 414-2 **Negative social impacts in the supply chain and actions taken**
Chapter 2.3 Supply chain responsibility

Public policy

- 415/103 **Management approach disclosures**
- 415-1 **Political contributions**
This point is not relevant for Gühring KG. Only occasional, small donations are made to political parties.
In 2023, 5,000 euros were donated to political parties.

Customer health and safety

- 416/103 **Management approach disclosures**
Chapter 2.2 Product quality and customer satisfaction
- 416-1 **Assessment of the health and safety impacts of product and service categories**
Chapter 2.2 Product quality and customer satisfaction
- 416-2 **Incidents of non-compliance concerning the health and safety impacts of products and services**
During the reporting period, there were no breaches of regulations or voluntary codes of conduct related to the impact of products and services on the health and safety of our customers.

Marketing and labelling

- 417/ 103 **Management approach disclosures**
Chapter 2.2 Product quality and customer satisfaction
- 417-1 **Requirements for product and service information and labelling**
Chapter 2.2 Product quality and customer satisfaction
- 417-2 **Incidents of non-compliance concerning product and service information and labelling**
Chapter 2.2 Product quality and customer satisfaction
- 417-3 **Incidents of non-compliance concerning marketing and communications**
Chapter 2.2 Product quality and customer satisfaction

Customer privacy

418/ 103 **Management approach disclosures**

Chapter 2.4 Information security and data protection

418-1 **Substantiated complaints concerning breaches of customer privacy and losses of customer data**

Chapter 2.4 Information security and data protection

Socio-economic compliance

418/ 103 **Management approach disclosures**

Chapter 4.4 Occupational safety and health protection

419-1 **Non-compliance with laws and regulations in the social and economic area**

Chapter 4.4 Occupational safety and health protection

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The sustainability report is available on the Gühring website at:

<https://guehring.com/ueber-uns/unternehmen/nachhaltigkeit-bei-guehring/>.

Disclaimer

We have taken great care in collecting and processing the data contained in this report. Nevertheless, errors cannot be completely ruled out. Insofar as, in addition to retrospective considerations, this report also contains statements on future developments, these emanate from the information currently available and assumptions based on current forecasts. Even though the latter have been prepared very carefully, a variety of factors that are currently unforeseeable can lead to deviations. Any forward-looking statements in this report are therefore not to be taken as guaranteed.