

Creating value for generations

The Wieland Group at a glance

Wieland is one of the world's leading suppliers of semi-finished products made of copper and copper alloys, as well as components and system solutions. We stand out with our global presence and broad portfolio of products, technologies, and services. Wieland's expertise is highly sought-after in a large number of sectors in areas such as electromobility, digitalization, and refrigeration and air conditioning technology. This allows us to make a significant contribution to sustainable business in the B2B sector. With our sustainability program, we have charted the course leading towards carbon neutrality, among other goals. We use innovations to drive our ambitious sustainability agenda in key fields of the future such as the circular economy.



1820

established in Ulm



84

locations



9,265

employees



6.7

billion euros in sales



714

thousand tons in sales quantities



120

million euros invested in tangible fixed assets

Preface

Dear Readers,

Sustainability requires milestones and advancements in efficiency in all areas. In the recently completed 2021/22 fiscal year, we were able to achieve and even expand our ambitious sustainability targets. In this report, we provide you with information on developments within our six strategic focus fields, as well as on other environmental, social, and governance-related success stories.

We place particular emphasis on the decarbonization of our business. We are currently building innovative recycling centers at several sites, expanding our portfolios to focus on sustainable products, and systematically electrifying our production processes.

Our activities are guided by applicable frameworks as well as international initiatives. This is why we had our greenhouse gas reduction targets validated by the renowned Science Based Targets initiative (SBTi) in the reporting year. By 2030, we aim to have reduced our Scope 1 & 2 and Scope 3 emissions by 46.2 % in each case, i.e., almost cutting them in half. These targets are consistent with the 1.5 °C target set out in the Paris Agreement and the related goal of limiting global warming.

Our decarbonization roadmap underscores Wieland's pioneering role in the industry for greater climate protection and sustainable transformation. This is also confirmed by the ratings awarded by independent rating agencies. The Carbon Disclosure Project (CDP) has awarded us a B grade for our very first rating, certifying our active management of our environmental and climate impact. The EcoVadis platform has awarded us a silver medal and ranks us among the top quarter of all companies evaluated.

With this strong foundation, we are able to drive our transformation forward while creating sustainable growth. This requires a lot of engagement from our employees. I would like to thank everyone who demonstrates commitment to our sustainability goals day in, day out, helping us to live up to our ambition of leading the way as an industry pioneer.

Dr. Erwin Mayr – CEO



Sustainability strategy and management

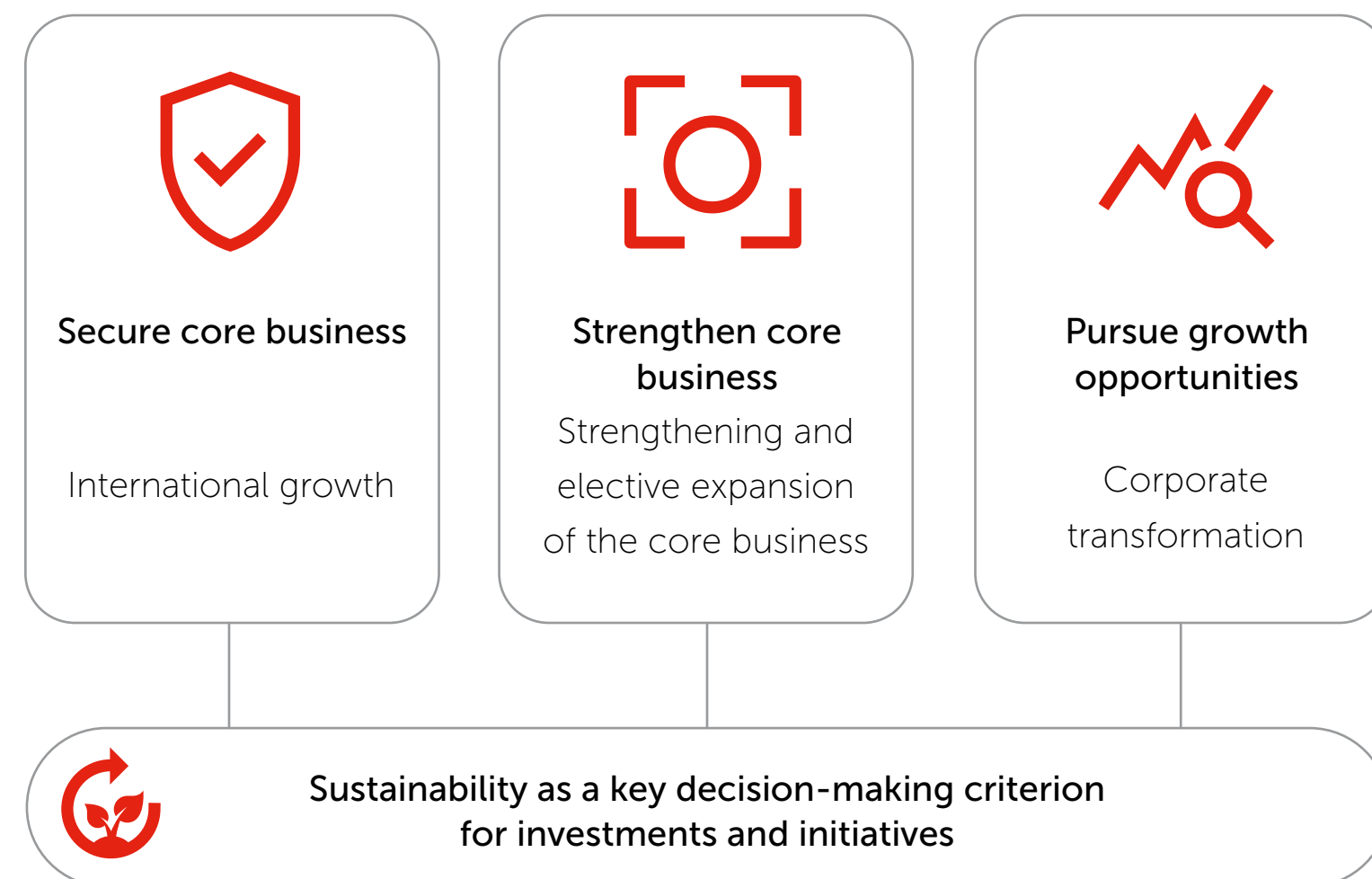
Our strategy

Creating value for generations – this is the motto we want to use to shape the process of transformation towards a sustainable economy. We are rising to this challenge from a position of strength. To achieve this goal, we have developed an integrated corporate strategy that is aligned with the expectations of our stakeholders as well as with our Wieland culture. Sustainability is increasingly permeating our processes, technologies, investments, and strategic decisions as a key pillar of business development.

Sustainability ambition

Here at the Wieland Group, we focus on the opportunities that the ecologically necessary process of change opens up, because for us, sustainable action and economic success are two sides of the same coin. To achieve this, we integrate sustainability aspects into our day-to-day business by revamping processes and developing innovative products. Our activities focus on resource-efficient production, the durability of our semi-finished products, and high levels of technological efficiency. We aim to use a sophisticated product portfolio to support our customers in their own transformation processes.

The sustainability strategy is defined by the Executive Committee of the Wieland Group, working in close cooperation with the Sustainability department. The latter manages the implementation of the strategic targets and the continuous improvement of ESG performance on the basis of defined key performance indicators (KPIs). To this end, it acts as a cross-disciplinary function, maintaining constant dialogue with other corporate functions. Together, the central functions support the individual Business Units in driving forward the goals and measures in the various regions. When it comes to setting priorities, we are guided by six strategic focus fields identified based on a materiality analysis conducted in 2020. This abridged report serves to present the progress made in these six focus fields until the next full sustainability report is published.



Our six strategic focus fields





1 Protecting ecosystems

Here at the Wieland Group, we pursue the goal of protecting our ecosystems in various areas. As part of this quest, we are constantly reducing our environmental impact, investing heavily in expanding the circular economy, and developing more eco-friendly products. At the same time, we are reducing our greenhouse gas emissions in the long term, the aim being to achieve climate-neutral operations by 2045.



Decarbonization

When it comes to the strategy and corporate management of the Wieland Group, active climate protection plays a central role. With this in mind, reduction targets for greenhouse gases are a firm component of our corporate strategy. Wieland aims to use the stringent implementation of these targets to achieve net-zero emissions by 2045, making our entire business operations climate-neutral.

„Net zero“ by 2045

In the reporting year, the Wieland Group developed a roadmap for further decarbonization for both direct and indirect emissions. At the same time, Wieland has increased its reduction targets for Scope 1 & 2 and Scope 3, and aims to have slashed emissions by 46.2 % in each case by 2030. For each of the three emission categories, we have defined measures to help us operate in a more environmentally-friendly way. To reduce our Scope 1 emissions, we are focusing on the systematic electrification of our gas-fired plants. This has the potential to increase our Scope 2 emissions, which will, in turn, be minimized through improved energy efficiency, significantly greater use of green power, and generation of our own renewable energy. The biggest lever at our disposal for reducing our Scope 3 emissions is the further expansion of our recycling activities to reduce the share of primary metals with high emission values.

Targets for 2030



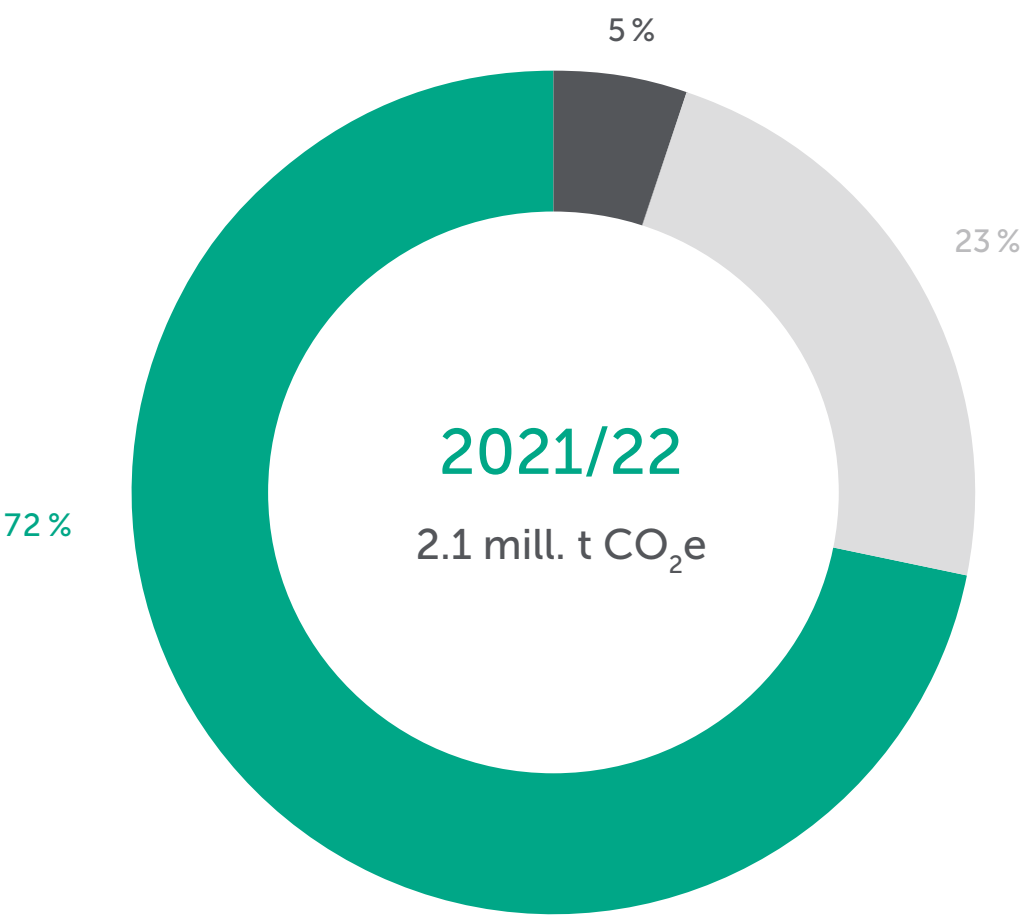
–46.2 %¹
Scope 1 & 2 + 3

Target for 2045



Net zero
along the value chain

Group-wide carbon footprint²



Emissions in the reporting year

Compared to the previous year, GHG emissions increased by approximately 19 % in 2021/22 fiscal year, based on a similar sales volume (–0.04 %). This change is primarily attributable to the fact that the data available to us was more accurate and complete. In the reporting year, we were able to make increased use of primary data, particularly for the purposes of calculating Scope 3 emissions. Specifically, the change in Scope 1 was: –0.4 % (–0.5 kt of CO₂e), for Scope 2: +9.0 % (+39 kt of CO₂e), and for Scope 3: +23.8 % (+284 kt of CO₂e).

SBTi validation

Any effective reduction in the greenhouse gases that are harmful to our climate has to be based on a sound scientific foundation. This is why Wieland has had its targets for further decarbonization by 2030 validated by the Science Based Targets initiative (SBTi). In this context, the 2030 reduction target for Scope 3 was also increased significantly from –12 % to –46.2 %. This means that the targets for further decarbonization of the business model are backed by scientific model calculations and are consistent with the 1.5 °C target set out in the Paris Agreement.

¹ Compared to base year 2018/19.

² Group-wide GHG emissions are calculated using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards (GHG Protocol). The values refer to the main production sites (the definition can be found at "About this report" section of the 2020/21 Sustainability Report.). A complete list of the Scope 3 categories included can be found in the „Decarbonization“ section of the [2020/21 Sustainability Report](#), p. 19.

³ Full inclusion of purchased semi-finished metal products and purchased metal accessories beginning in the 2021/22 fiscal year.

⁴ Starting in the 2021/22 fiscal year, the Scope 3 category "Disposal of products sold at end of life" is included; previous values have been adjusted retroactively. The carbon emissions from the upstream transport and distribution category have also been adjusted retroactively due to improved data quality.

		2020/21	2021/22
Scope 1		107 kt	107 kt
Scope 2	market based	437 kt	476 kt
	local based	401 kt	436 kt
Scope 3	Purchased metals (purchased goods and services)	880 kt	858 kt
	Purchased semi-finished metal products and metal accessories (purchased goods and services)	(103 kt ³)	361 kt ³
	Other categories	212 kt ⁴	261 kt

Regenerative energies

Efficient energy management and the procurement of green energy are key factors in the quest to reduce Scope 1 and Scope 2 emissions. We therefore plan to cover more than one-third of the electricity needs of our European and US sites through long-term green power purchase agreements (PPAs) from fiscal year 2024/25.

In addition to purchasing, the Wieland Group is continuing to expand its own electricity production. In the year under review, for example, photovoltaic systems were connected to the grid at our sites in Ulm (Germany) (0.75 MWp) and Singapore (2.2 MWp). Across the Group, Wieland intends to expand electricity production using photovoltaics up to 50 MWp in the coming years. In addition, wind energy projects are to contribute to our self-sufficiency in terms of energy supply. In addition, the Vöhringen (Germany) plant is investigating the technical framework for generating green hydrogen for its own use.



Circular economy

As a producer of semi-finished products made of copper and copper alloys as well as components and system solutions, the Wieland Group processes a wide range of materials. In addition to copper, these include nickel, tin, and zinc. All these metals are increasingly sought-after due to the global challenges facing us. As a task for society as a whole and a future field of action within the context of the European Green Deal, the Wieland Group sees the circular economy as one of its most important growth drivers. We are already able to achieve a share of recycled material in our semi-finished products of well over 90 % in some cases, depending on the material.



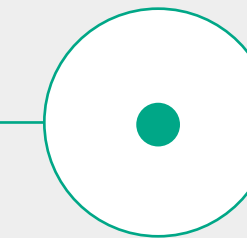
Expand recycling for our own production as well as for our customers

At the Wieland Group, we pursue a recycling strategy and are continuously expanding our production capacities for the circular economy. In the year under review, we were able to increase the recycled content in our Group-wide product portfolio to 75.6 %. By 2030, we are aiming to achieve a recycled content of over 90 %. In parallel, we developed a [White Paper](#) with a differentiated calculation system for recycled content in the year under review. This is part of our endeavor to work towards an industry-wide standard for the uniform calculation and reporting of recycled content. Starting in the 2022/23 reporting year, we will be reporting our recycled content on the basis of the calculation system explained in the white paper.

$$1 - \frac{\text{Primary proportion of: purchased metals + master alloys + sheets}}{\text{Delivery quantity}^1 + \text{metal loss}}$$

We also develop solutions for our customers' closed-loop processes in order to optimize their manufacturing processes. Via our subsidiary Wieland Metalix (Switzerland), for example, we accept returns of metal chips or scrap in order to reuse them in our processing operations.

¹ From the 2022/23 reporting year, the foundry will be defined as the system boundary for defining the delivery quantity. Details can be found in the [White Paper](#).



Recycling centers in Europe and the US

Wieland is currently planning a European recycling center for copper scrap at its Vöhringen site (Germany). Smart links between metallurgy and semi-finished product production create potential for efficiency gains in the use of resources and energy consumption. An international, cross-divisional project team is responsible for the implementation of this project.

In June 2022, Wieland held the groundbreaking ceremony for its new recycling center in Shelbyville, Kentucky (USA), which will act as a hub for the circular economy and a refining center for third-party scrap. The investment amounts to approximately USD 100 million and will create up to 75 jobs in the region. The production facility is being built on a site spanning approximately 30 hectares and is scheduled to start operations at the end of 2023. Various forms of copper scrap can be melted or recycled there, before being used as secondary raw materials by customers across North America and in our own manufacturing processes. The carbon footprint is expected to amount to only 25 % of the global average for conventionally produced copper cathodes.

GreenCircle certification

In the reporting year, the Business Unit Wieland Chase was awarded GreenCircle certification for three alloys (ECOBASS C69300 Alloy, ECOBRONZE C87850 Alloy, and Water Armor ECOBRASS increased to 75.6 % recycled raw materials C69300 Alloy). Accordingly, each of the three alloys consists of 57 % production waste and 36 % used metals. The total share of recycled material for all three alloys is 94 %. The GreenCircle certification process comprises nine steps, including an on-site visit to the production plant in Montpelier (USA). Third-party partners support Wieland in further developing and marketing recyclable products. Recertification is planned for the current fiscal year.



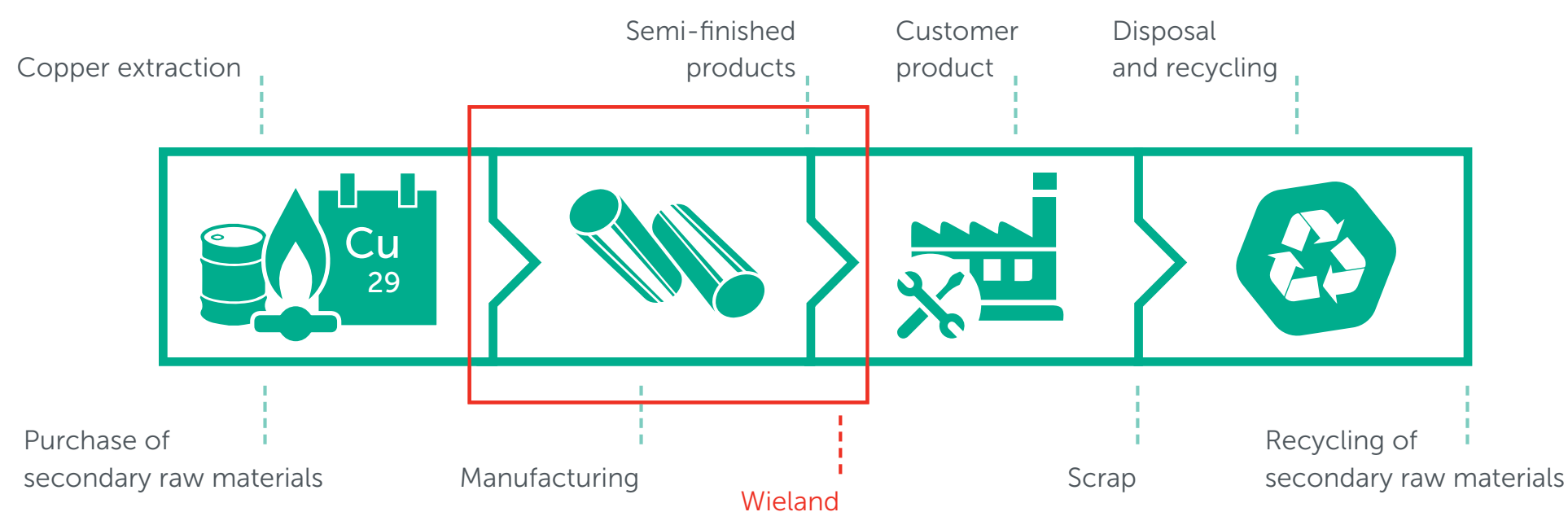
Eco-friendly products

The Wieland Group sees itself as an industry pioneer that helps shape the markets through its innovative strength. With our transformation process, we are seeking to assume a pioneering role in the development of a sustainable product portfolio of copper, copper alloys, components, and system solutions. This involves determining the environmental impact of our products and solutions. At the same time, we pursue the very highest standards in terms of energy efficiency, environmental protection, and recyclability.

Industry benchmark for eco-friendly products

For the Wieland Group, progress consists of both innovative technologies and environmentally and climate-friendly solutions. Our products allow us to support our customers in improving their sustainability performance.

In the year under review, the Wieland Group developed a concept for more eco-friendly products. This involves various approaches in order to reduce the environmental impact as much as possible. These include evaluating carbon emissions, the proportion of secondary raw materials, recyclability, a product's durability, and the proportion of toxic and critical materials or conflict minerals (TCC). In the year under review, Wieland already forged ahead with various activities to make its product portfolio more eco-friendly. This is part of our quest not only to reduce our own direct environmental impact, but also to have a positive effect on the upstream and downstream value chain.



For a lead-free future

The Wieland Group has not developed any new leaded alloys for decades now. The absolute use of lead in the product portfolio, primarily in alloys, is on a constant downward trend. In the reporting year, 256 t¹ of lead was saved as against the previous year. By 2030, the use of lead in Wieland's foundries is to be reduced by 30 %. At the North American site in East Alton, Illinois (USA), Wieland Rolled Products North America has already succeeded in completely eliminating the use of lead in the year under review.

Our Product Carbon Footprint

The Product Carbon Footprint (PCF) provides information on how many tons of CO₂e are generated per ton of product. All steps in the upstream value chain are taken into account and all three scopes of CO₂ emissions are included. Wieland uses a methodology based on the cradle-to-gate approach. Based on this approach, our product-specific carbon footprint (based on 2018/19 data) was verified by the technical inspection agency TÜV Nord Cert. In the current reporting year, our PCF has formally increased from 2.4 (2020/21) to 2.9 tons of CO₂e per ton of product (including a 5 % uncertainty allowance). This is due primarily to an improvement in data quality with regard to the use of primary data. In the reporting year, we were able to make increasing use of raw data from our metal suppliers, e.g., for primary copper, in particular for the calculation of Scope 3 emissions. In addition, emissions data for purchased semi-finished products are now included in the calculation in full. The PCF is to be understood as an average value for all Wieland products. The next steps will involve gradually expanding the application of the PCF methodology to cover all product groups and Business Units. Wieland is also looking at various methodological approaches for a more detailed product life cycle assessment.



Saving CO₂ using innovative high-performance tubes

For the new generation of evaporator tubes (GEWA-B) in the Business Unit Thermal Solutions, GHG emissions were analyzed in detail for the very first time within the cradle-to-gate system boundary and for the use phase. The modeling of product carbon footprint was based on the Greenhouse Gas Protocol. Various scenarios show significantly lower GHG emissions for energy consumption, the use of refrigerants, and the procurement of raw materials. For example, a comparison of two different generations of shell-and-tube heat exchangers with the same efficiency resulted in a 50 % reduction in CO₂ emissions in material procurement (Scope 3).

¹ Due to an expanded calculation variable in the data collection, an adjustment has been made compared to the 2020/21 fiscal year, which is also the baseline.

Environmental and energy management

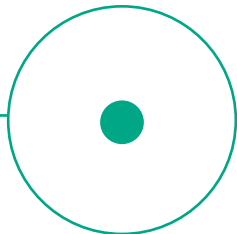
Here at the Wieland Group, we take our responsibility towards the environment seriously. Therefore, we have implemented an environmental management system based on the international ISO 14001 standard. The certification level for our sites is 82 %¹. At the same time, we are reducing our energy consumption using an energy management system with corresponding certification in accordance with ISO 500011 (certification level: 47 %).

Ensuring good air quality

Wieland strives to reduce air emissions to the greatest extent possible. Since the year under review, emissions data has been recorded for this purpose at all plants throughout the Group and will be reported in a standardized manner going forward. Emissions are mainly generated during the smelting and further processing of metals. In addition to greenhouse gases, air pollutants such as dust or nitrogen oxides (NOx) are also released. During the year under review, nitrogen oxide emissions from pickling processes using nitric acid at the Vöhringen plant in Germany were eliminated in full.

Water and water protection

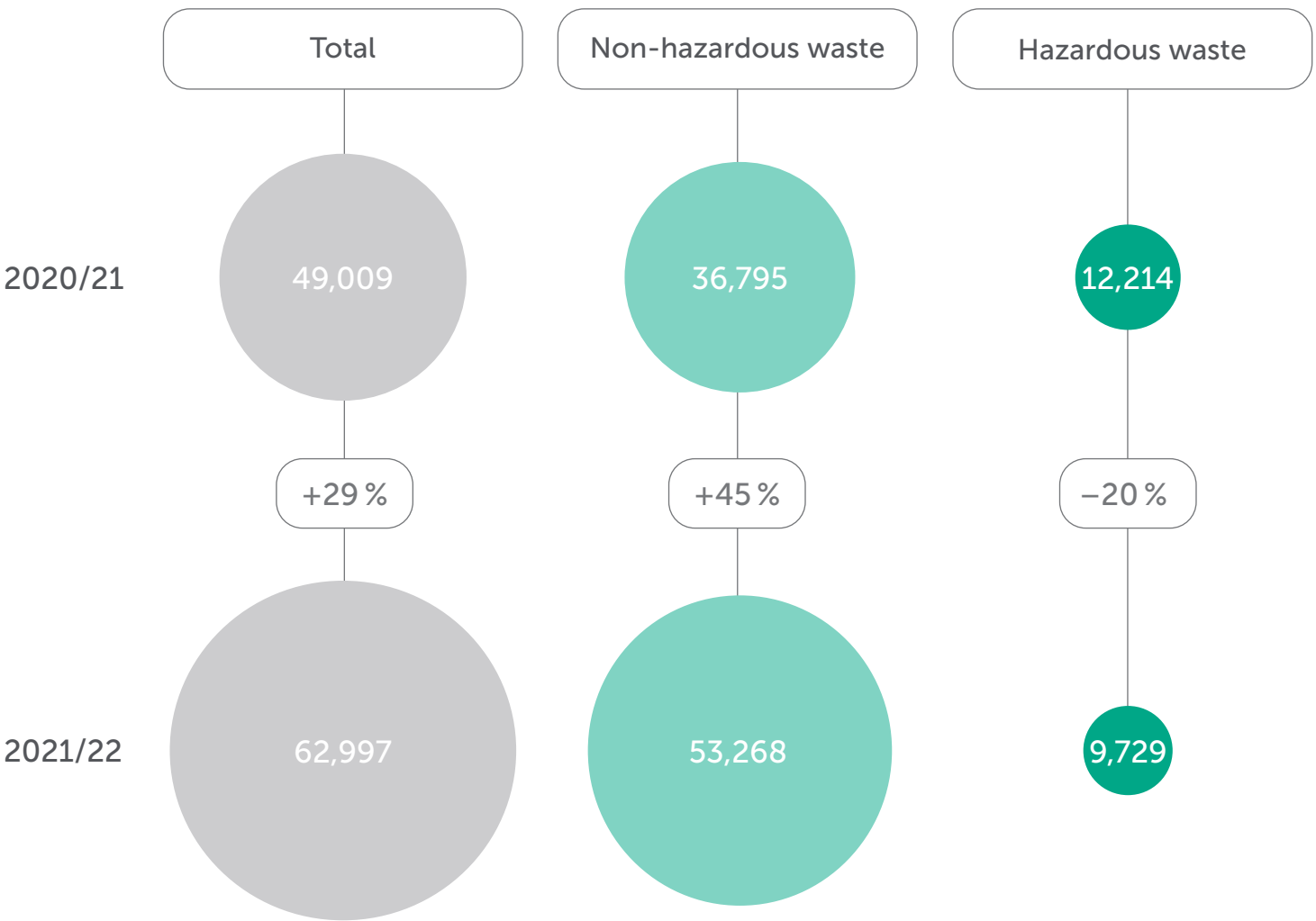
Water is of key importance for the Wieland Group’s production processes, especially for cooling and surface treatment. At the same time, wastewater has to be protected from metal emissions. Here at the Wieland Group, we have set ourselves the goal of avoiding the discharge of pollutants into bodies of water or the sewage system. In the year under review, an additional sludge dewatering facility was retrofitted for this purpose at the Vöhringen site (Germany). At the Pine Hall site in North Carolina (USA), a final cleaning stage was set up, equipped with a selective ion exchange system to filter out heavy metals such as copper, zinc, and nickel.



Avoiding waste

Effective waste management is another component of corporate environmental protection at Wieland. We follow the two principles of „avoidance before recycling” and „recycling before disposal”. The relevant waste quantities are currently being calculated individually for all sites. The aim is to use this data to set up a central waste database for the entire Wieland Group in the future.

Total waste in tons



The total waste generated by the Wieland Group in the 2021/22 fiscal year came to 62,997 tons. The year-on-year increase is mainly due to an improvement in data availability. Compared with the previous year, we were able to reduce the volume of hazardous waste by 20 % to 9,729 tons.

Systematic energy management

Efficient energy use in production has been a priority for Wieland for many years now. In the past fiscal year, we managed to save a total of 15,733 MWh^{1,2} in energy. The efficiency gains were achieved using a variety of measures, such as switching off a gas furnace or modernizing our control technology. As a result, our annual savings target has been lifted from 2 % to 4 % (year-on-year), which entails higher investments and measures on a larger scale.

The effects of energy management are also having a positive impact on our decarbonization roadmap. By way of example, heat recovery processes reduce the need for primary energy for heat generators. This increases energy efficiency on the one hand and translates into reduced Scope 1 emissions on the other.

¹ Based on the 17 relevant production sites.
The definition can be found at “About this report” section of the [2020/21 Sustainability Report](#).
² Based on electricity, natural gas, and steam as energy sources.



2

Empowering People

For Wieland, social responsibility is a core element of sustainable corporate governance. Enjoying a fair share in the company's success is just as much a part of this as healthy, safe working conditions and a working environment based on respect. Wieland also supports charitable projects near its sites beyond its own company boundaries.

Health and safety



Health and safety are a top priority in the Wieland Group and are being strengthened on an ongoing basis with the help of various measures and preventative programs. We strive to ensure a working environment that is free of accidents, injuries, and illnesses or health complaints. This applies to everyone working for us, be it directly or indirectly. To this end, we have worked with our employees to establish a safety architecture based on firm fundamental principles and clear rules of conduct.

Safe work

Our vision is to ensure that everyone goes home safe every day. With this ambition in mind, we are pursuing the long-term target of reducing the lost time incident rate (LTI rate) by 90 % by 2030 compared with the 2019/20 fiscal year. In the reporting year, the LTI rate improved to 1.6 (2020/21: 1.7).

Wieland is strengthening its safety organization with the newly-created position of Vice President Safety within the Occupational Safety (OS) central function. We have also launched the “Safety Awards” campaign. This recognizes sites and employees who, over a period of several years, have shown prudent and exemplary behavior to ensure a safe working environment. 50 % of the sites received Safety Awards because they reported no lost time accidents in one or several fiscal years in a row.

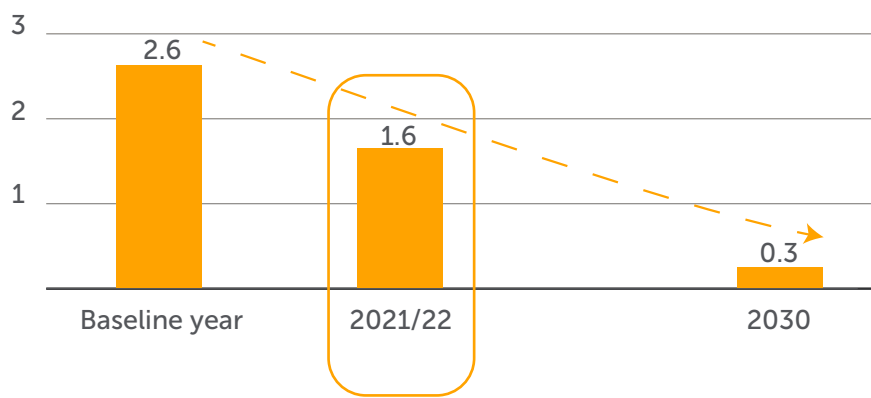
Rate of work-related fatalities involving lost time

	Baseline year	2021/22	Change in %
LTI rate ¹	2.6	1.6	–40.0

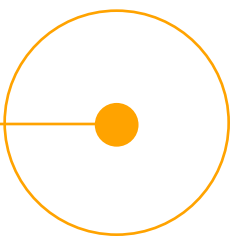
Sick day rate²

	Baseline year	2021/22	Change in %
Blue-collar employees	7.4	10.1	+36.5
White-collar employees	3.1	3.8	+22.6

Strategic target for 2030



¹ Accidents with time lost of at least one complete shift, related to 1 million working hours.
² Based on employees of Wieland-Werke AG.
³ Compared to base year 2019/20.



Management tool for safe work

A digital monitoring tool was made available to all sites in the reporting year. The platform allows every employee worldwide to document incidents directly and independently. In addition, automated data analyses and status reports can be generated, which can be used to share best practices. By reporting near misses and critical incidents, employees are able to easily point out potential health and safety risks as a preventative measure. This allows health hazards to be addressed before employees are harmed.

Safety training

As part of a pilot project, Wieland introduced a new form of safety training in the year under review. The combination of theoretical and hands-on training is intended to further raise risk awareness among all employees. In the current fiscal year, the safety training will be established in one of our biggest Business Units. This will involve a total of 1,000 employees, including all executives up to and including the management team. This means that 10 % of our entire workforce is involved in this pilot project.

Health – prevention and assistance

In the year under review, the sick day rate increased for both blue-collar employees (10.1 %²) and white-collar employees (3.8 %²). In the long term, the Wieland Group is pursuing the goal of reducing the sick day rate to 4.0 %² (blue-collar employees) and 2.0 %² (white-collar employees). In order to achieve this, Wieland offers, among other things, a comprehensive health program covering areas such as healthy eating, exercise, and mental health. In addition, a health campaign comprising five modules will be launched in the 2022/23 fiscal year, two of which will initially be tested as pilot projects at the Villingen site (Germany). The company’s health management system also includes services such as workplace exercise (Vitalwerkstatt), psychosomatic counseling, the medical service, health promotion measures, health days, and various online courses.

Diversity and inclusion



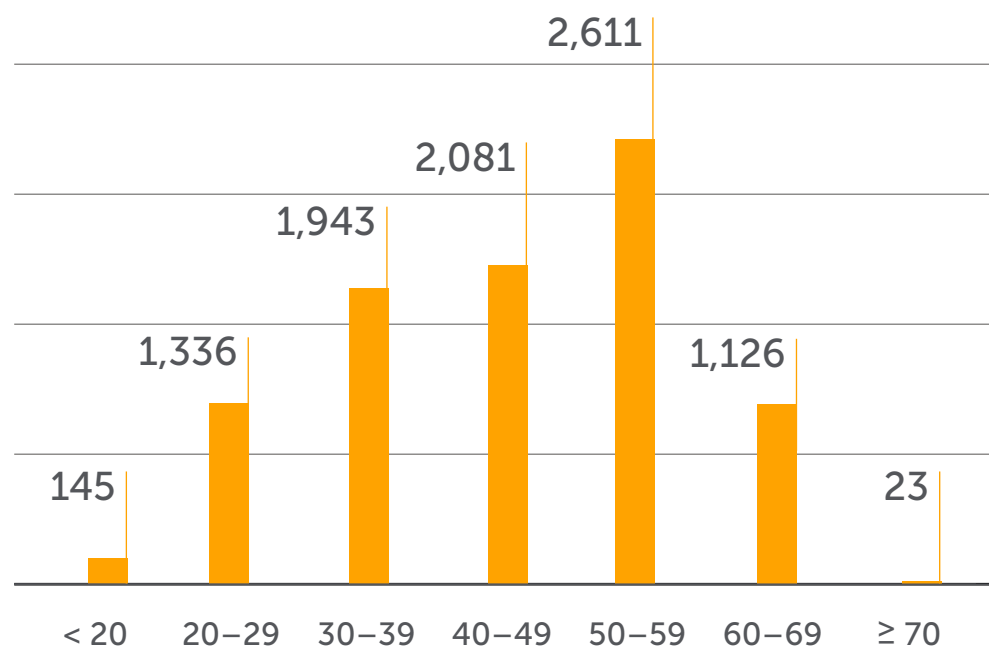
Wieland sees diversity and inclusion as part of its corporate culture. We treat our employees equitably, regardless of their religious beliefs, cultural or ethnic background, political views, sexual orientation, age or gender, health conditions, or possible mental or physical limitations. To reflect our increasingly pluralistic society, we are striving to increase diversity in our workforce and do even more to promote inclusion.

Promote diversity and inclusion in the company

A workforce that is as diverse as possible is a competitive factor for Wieland. Looking at the company’s locations as a whole, 75 different nationalities already work at the Wieland Group. This variety of perspectives promotes problem-solving skills and leads to better innovation. In addition, appreciation for the individual increases each employee’s commitment within the organization. This is why it is important for Wieland to make diversity and inclusion visible in the company. Managers have a special function as role models in this regard.

Age structure

in years



Average length of service



15.1 years



–11.2 %¹

Average age



44.3 years



–1.6 %¹

Concept for diversity and inclusion

As part of the HR strategy process, Wieland is currently developing a concept and a catalog of measures for the structural promotion of diversity and inclusion in the company. This is intended to firmly establish both factors as essential components of the future HR strategy. Interdisciplinary teams are developing the first set of measures at Group level to take into account various aspects of diversity. In the medium to long term, the measures are expected to have a positive impact on talent density, making them an important lever in the future success of the Wieland Group.

Promoting women in leadership roles

One of our sustainability goals is to enable more women to advance to senior management positions. That is why we are now doing even more to support them throughout their entire employee life cycle. The Wieland Group offers training and provides space for personal development. In the year under review, Wieland increased both the number and the proportion of female managers throughout the Group.

¹ Compared with the previous year.



Chief Officers²

Male 2
Female 0



Top-Management²

Male 10
Female 0



Management²

Male 625
Female 148



Employees with management responsibilities²

Male 308
Female 28

2021/22



Target for 2030



Measures in North America

In North America, Wieland already promotes diversity, equal opportunities, and inclusion across all sites by taking several specific measures. These relate to the recruitment process, for example, which targets underrepresented groups. Intercultural workshops, team-building activities, and recognition of special days of observance make diverse lifestyles part of the corporate culture. An annual workplace mood barometer has also been introduced.

² Excluding employees of Schwermetall Halbzeugwerk GmbH & Co. KG.

³ Including employees of Schwermetall Halbzeugwerk GmbH & Co. KG.

Social responsibility

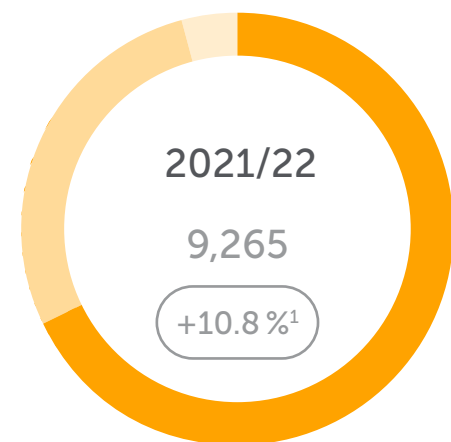


For Wieland, responsible HR management starts with vocational training and spans an employee's entire career. We are also committed to social causes beyond the boundaries of our company and support initiatives for the common good.

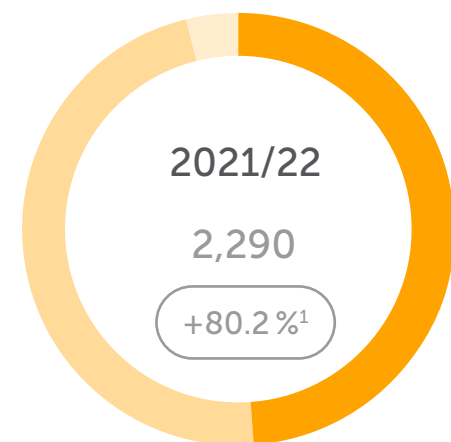
Workforce development

The number of employees increased by 10 % in the reporting year and amounted to 9,265 as of September 30, 2022. The increase is mainly due to the acquisitions of Provides and Total Metal Recycling. Both acquisitions contribute to Wieland's sustainability strategy with their respective product portfolios. In total, the Wieland Group hired 2,290 new employees during the year under review. The staff turnover rate across all regions was 13 % (previous year: 12.3 %).

Number of employees by region



Number of new hires employees by region



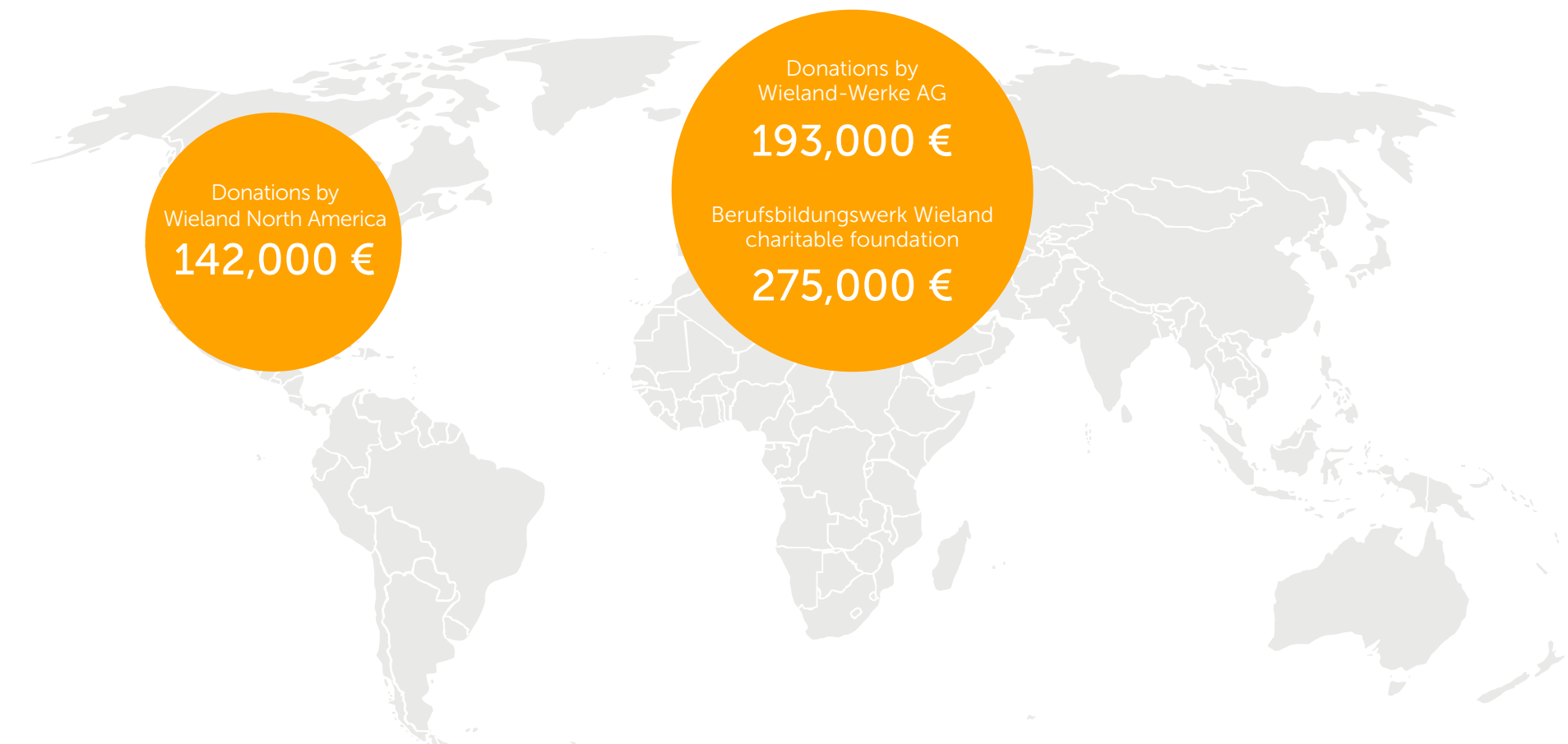
- In total
- Europe
- North America
- Asia

Focus on the greater good

Wieland supports non-profit organizations on the basis of the [Code of Conduct](#) and a Donations and Sponsorship Policy. This includes many civil society projects in the various regions, but excludes political parties. Through its Berufsbildungswerk Philipp Jakob Wieland charitable foundation, Wieland financed 28 recipients of Deutschlandstipendium scholarships in the year under review and supported four employees in their full-time master's studies. Wieland North America initiated a new scholarship program together with Scholarship America to support employees' children during their studies. As in the previous reporting year, our employees also showed strong solidarity with sites affected by natural disasters. At a fundraiser for the site in Puerto Rico, which was hit by a hurricane, employees donated to help their colleagues.

¹ Compared with the previous year.

"Wieland cares – globally and locally"



Values in Action Award

At the Wieland Group, we use the "Values in Action Award" to recognize activities of employees who bring our core values of safety, health & environment, ambition, respect, reliability, diversity, optimism, and entrepreneurial spirit to life. Out of 49 stories submitted, the Executive Committee, acting as a panel of judges, selected three entries to receive the Values in Action Award. Special recognition was given to the commitment shown by employees at the Langenberg site (Germany), as well as the site fire departments and the repair teams dispatched following the flood disaster in the Ahr Valley. Showing ambition, reliability, and optimism, the entire team managed to repair the damage after only four months and gradually ramp up production capacity again at the end of 2021.



3

Strengthening Governance

We see corporate governance as an all-embracing task both for our own business and for upstream and downstream supply chains. We use our Risk Control System to manage our risks and compliance with applicable laws and our own policies. In addition, we are expanding our due diligence process for procurement in line with the German Supply Chain Act (LkSG).



Sustainable procurement

Responsible procurement is one of the core issues of corporate governance that is founded on the principle of integrity for the Wieland Group. This concerns both compliance with environmental and social standards and the efficient use of natural resources. In these areas, we are continuously developing and promoting more sustainable supply chains hand-in-hand with our suppliers.

Establishment of sustainable procurement processes and ESG assessment of suppliers

We have defined sustainability requirements for our own field of business, based on which we assess our environmental and social impact. We place the same demands on our suppliers. Our Supplier Code of Conduct sets out minimum requirements for compliance with internationally applicable human rights and environmental standards. In addition, we survey our strategic suppliers of new metal and shapes on sustainability criteria using a standardized questionnaire (Self-Assessment Questionnaire, SAQ). We also boost transparency within the supply chain by requiring these suppliers to disclose their emissions data and recycled content.

German Supply Chain Act (LkSG)

Here at the Wieland Group, we have always taken our social and environmental responsibilities seriously and are now implementing the German Supply Chain Act (LkSG requirements), which came into force on January 1, 2023. We apply internationally applicable human rights and corresponding environmental standards as a basis for our own business operations and those of our suppliers.

The Wieland Group will now be reviewing these requirements both at regular intervals and on an ad hoc basis. We use an AI-based software solution for supplier analysis and have defined objective performance criteria. Our [Code of Conduct](#) and our Human Rights and Working Conditions Policy serve as a guide in this regard. The risk analysis of the company's own field of business has been incorporated into the compliance risk assessment. In accordance with the requirements set out in the German Supply Chain Act, a mission statement has been published and a human rights officer appointed in the current fiscal year. We will also be developing appropriate preventative and corrective measures for suppliers with a high risk profile. The Wieland Group will be publishing a report on the fulfillment of its due diligence obligations no later than four months after the end of the current fiscal year (October 1, 2022 to September 30, 2023).



Sustainable procurement

Establishment of sustainable procurement processes and ESG assessment of suppliers

- Include a clause on acceptance of the Supplier CoC in at least 90 % of all new framework agreements with strategic suppliers of new metal and shapes by 2022
- 42 % ● Increase purchasing volume from certified¹ or audited new metal suppliers to 100 % by 2030
- Introduce a global business partner screening tool for all key suppliers from 2022 onwards
- ESG evaluation of 90 % of strategic suppliers of primary metals and shapes by 2022

Legend: ○ in preparation ● ongoing % status 2021/22 ● completed

¹Based on verification by The Copper Mark and RMI (Responsible Minerals Initiative).



Responsible corporate governance

In our view, the value of our company can only be safeguarded and increased through responsible governance. The key instrument used to achieve this is an integrated Risk Control System, which combines Risk Management (RM), the Internal Control System (ICS), and the Compliance Management System (CMS).

Our Compliance Management System (CMS)

Compliance is an integral part of the corporate culture at Wieland. In our recently revised [Code of Conduct](#), we make an explicit commitment to promoting compliant behavior and sanctioning non-compliant behavior. This applies both within the company and in our dealings with business partners.

As part of the Risk Control System, the Compliance Management System (CMS) is designed to ensure that all employees behave in a legally compliant manner and in line with Wieland's corporate values. The aim is to prevent possible violations and negative consequences, recognize them at an early stage, and remedy them. A new, Group-wide compliance risk assessment helps to identify and evaluate potential risks for the Wieland Group in advance and to identify adequate measures for continuous improvement.

The CMS focuses in particular on the topics of corruption, antitrust and money laundering prevention, export control, data protection, and supply chain compliance. By 2025, the CMS is to be certified Group-wide in accordance with ISO 37301 (for the parent company and the German companies, certification is to be achieved in as early as the 2023/24 fiscal year).

Wieland's „Integrity Portal“ is an important tool for identifying compliance violations both in the Wieland Group and in our supply chain. The whistleblower platform has been implemented Group-wide and is available in all languages spoken throughout the Wieland Group. The Integrity Portal can be used by employees, business

partners, and other third parties to submit reports by telephone or using a web-based form. Group-wide harmonized case management ensures that all reports are investigated.

In order to make employees sufficiently aware of the various compliance obligations, Wieland revised its training program in the year under review. Extended training courses on all relevant topics are offered via a training platform that has also been implemented as a new feature. This includes dedicated training on the new Human Rights and Working Conditions Policy.



Internal control system

The internal control system (ICS) at Wieland uses effective monitoring tools to ensure that key business processes and activities run as efficiently and smoothly as possible. Among other things, this relates to the statutory due diligence duties and the obligation to furnish evidence for the management and the Supervisory Board, the reliability of financial information and accounting, compliance obligations based on legislation, internal standards and regulations, and also the prevention of misuse and any resulting damage. The ICS is being expanded on an ongoing basis and reviewed step-by-step via internal audits conducted throughout the Wieland Group.

Financial compliance

One key topic in the area of financial compliance relates to the definition of arm's-length transfer price corridors for transactions between affiliated companies. To ensure compliance with the methodology, Advance Pricing Agreements (APA) are being concluded with various foreign tax authorities. In addition, the certified tax compliance management system (see information on the compliance management system) is being enhanced with regard to VAT with the aid of software-supported automation of control processes.

About this report

In this Sustainability Report, the Wieland Group is publishing non-financial information on its business activities for the third time, acknowledging the mounting importance of ecological, economic, and social sustainability in the corporate sector. We provide information on how we deal with material sustainability topics, take stock of how we have progressed in the year under review, and explain the impacts associated with our business activities.

The reporting period corresponds to the 2021/22 fiscal year and extends from October 1, 2021 to September 30, 2022. The editorial deadline was March 24, 2023.

The report covers all Business Units of all corporate entities belonging to the Wieland Group as of the balance sheet date of September 30, 2022, unless otherwise stated. In this context, we also include production-related majority shareholdings that are controlled by the Wieland Group in operational or financial terms. This report was prepared on behalf of the Executive Board and with the approval of the Supervisory Board and was reviewed and approved by the Executive Board.

Principles for data collection and presentation

In some cases, appropriate estimates/projections have to be made when preparing the report in order to fully cover the entire survey period. These estimates/projections are documented within the company. Actual values may differ from these estimates. If necessary, these deviations are corrected in the following year's report. Methodological and structural changes in data collection are corrected as a matter of principle. Deviations exceeding 5 % are also commented on accordingly. Differences may occur due to rounding of amounts and percentages.

In deviation from the above-mentioned principles, employee data is generally the data as of the reporting date of September 30, 2022. The term „employee“ in this report refers to all permanently employed individuals who have a valid employment contract with a company of the Wieland Group. This also includes temporary staff, trainees, and interns. Agency employees and employees whose employment relationship is suspended are not included. The scope of consolidation of the key employee figures refers to the entire Wieland Group, including all production locations, service companies, and administrative units.

Energy consumption is used as the benchmark for consolidating environmental and energy indicators and GHG emissions. Accordingly, the reporting relates to the 17 main production locations of the Wieland Group. These correspond to the majority of energy consumption and emissions. In the 2018/19 to 2021/22 fiscal years, they were responsible for more than 99 % of the Group's total energy consumption. An overview of the 17 main production locations can be found in the [🔍 2020/21 Sustainability Report](#) in the section “About this report”.

Forward-looking statements in the report

This Sustainability Report contains certain forward-looking statements based on current assessments of future developments and the assumptions and forecasts that are currently available. These statements are always subject to a number of risks and uncertainties, meaning that assumptions may prove to be incorrect and actual developments may differ from those presented in this report. The Wieland Group assumes no liability for, and does not intend to update, these forward-looking statements to reflect future events or developments.

Imprint

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