

# OPERATING SUSTAINABLY, REPORTING WITH TRANSPARENCY

Sustainable corporate governance is firmly anchored within the strategy for the overall Feintool Group. The company has been publishing an annual Sustainability Report since 2019 to communicate the impacts of its business activities on people and the environment as well as sustainability targets and performance. These reports align closely with the current guidelines of the Global Reporting Initiative (GRI).

The Swiss Code of Obligations was the authoritative framework for non-financial reporting during the fiscal year 2023, covering January 1st to December 31st, 2023 (see Index, p. 42). This year's report is again based on the GRI Standards 2021 (see Index, pp. 40/41), aligning with the group of consolidated companies outlined in the Annual Report 2023. Governance and corporate strategy have a dedicated section within this report. Additionally, the risk assessment of steel's upstream and downstream value chains is elaborated in compliance with the legally mandated due diligence obligations. Sourcing and processing of steel remain pivotal aspects of the Feintool Group's business model.

Feintool also complies with the ESG (environmental, social, governance) requirements of the capital market. Ratings from external assessments provide transparency on a company's material ESG risks, aiding investors' decision-making process. In 2023, the Group underwent evaluation by Morningstar Sustainalytics. The results were strong. With a rating of "17.7, Low Risk", Feintool is starting out with a very strong initial assessment, positioning it in the top 19 percent among its peers.

Feintool will revise the assessment of key issues for non-financial reporting within the context of double materiality in 2024. This Sustainability Report reflects the most recent materiality analysis concerning stakeholder interests, conducted in 2019 (see list at right). Feedback from the previous report has been integrated into the current one. Feintool maintains an ongoing dialogue with its stakeholders, with a particular focus on customers and employees, throughout the year (see p. 7).

The company's diverse ESG initiatives contribute to advancing the UN's Sustainable Development Goals (SDGs). These efforts are focused on four key areas: clean energy, decent work, innovation, and responsible consumption. Each of these areas corresponds to its respective sections in the report.

## Key reporting areas

- ▶ Business performance
- ▶ Anti-corruption
- ▶ Customer health and safety
- ▶ Energy consumption
- ▶ Emissions
- ▶ Use of materials
- ▶ Waste
- ▶ Employment conditions
- ▶ Occupational health and safety
- ▶ Vocational and advanced training
- ▶ Diversity and equal opportunity
- ▶ Nondiscrimination
- ▶ Protection of customer data



# STAKEHOLDER DIALOGUE

Stakeholder	Requirements/expectations	Communication channel	Frequency	Responsibility
<b>Shareholders</b>	High dividends, rising market value, good image, legal compliance	- Investor relations: - General Assembly - Annual Report - Roadshow - Guided plant tours - Media relations - Public relations - Digital Communications	- annual - annual - biannual - ongoing - ongoing - ongoing - ongoing	- FIH
<b>Customers</b>	Qualitative, innovative just-in-time products and services at a price in line with the market, good image in the community, legal compliance, Code of Conduct  Sustainability strategy/ targets and evidence of implemented standards, training and key figures in the context of human rights, occupational health and safety, environmental protection, and ethics – internally as well as on supplier side.	- Key account management - Exhibitions/events/conventions - Media relations - Public relations - Digital Communications  - Sustainability platforms such as SAQ, Ecovadis, customer-specific questionnaires	- ongoing - per activity plan - ongoing - ongoing - ongoing  - situational, sometimes annual	- per segment and region - FIH - FIH - FIH - FIH  - usually site-related or per company
<b>Partners/Suppliers</b>	Reliable partnership, continuity, prices in line with the market, good image, legal compliance	- Supplier visits and evaluations - Exhibitions	- ongoing - ongoing	- per company and across the Group
<b>Employees</b>	Attractive and secure workplace, good image and commitment to sustainability and future viability, market-based remuneration, opportunities for development, legal compliance	- Employee magazine - Notice board - Intranet - Management and employee events - Employee campaigns	- biannual - ongoing - ongoing - biannual - according to demand	- FIH - per company - per company - per company - per company/FIH
<b>Legislator/Authorities</b>	Legal compliance, attractive tax payer, creating jobs	- Applications/Approvals - Reporting	- according to demand - according to demand	- per company/FIH - per company
<b>Neighbors (residents, neighboring companies)</b>	No interference (such as traffic, emissions, landscape), open culture of discussion, cooperation, legal compliance	- Media relations (local media) - Digital Communications - Personal contacts	- according to demand - ongoing - according to demand	- per company - FIH - per company
<b>Society</b>	Attractive employer and trainer in the region, good image, sustainability, legal compliance	- Media relations (local media) - Events (e.g., plant tours, open houses) - Public relations (e.g., membership of local chamber of industry and commerce) - Digital Communications	- according to demand - according to demand - according to demand ongoing	- per company - per company - per company/FIH per company
<b>Associations</b>	Adherence to obligations	- Events - Digital Communications	- according to demand - ongoing	- per company - FIH

\* FIH: Feintool International Holding AG