SUSTAINABILITY REPORT 2025

KGM Kugelfabrik GmbH & Co. KG

Johannisstraße 35

36041 Fulda

[Graphic generated by AI using Microsoft Designer]

I

Dear readers,

The 2025 Sustainability Report for KGM Kugelfabrik GmbH & Co. KG provides you with an informative overview of all relevant figures, facts and projects from the past financial year.

The sustainable development of our company is important to us, as we are aware of the responsibilities entailed by the Paris Climate Agreement (2015). As a company, we therefore wish to continue operating in such a way that our grandchildren and great-grandchildren too can enjoy a future worth living. We have been contributing to climate protection for decades – we have been using hydropower since 1919 and are deeply committed to the use of renewable energies.

As a medium-sized company, we face major challenges in maintaining our competitiveness despite a massive rise in energy costs, whilst decarbonising our processes and products to meet climate protection targets. We are continuing along this path, thereby safeguarding our business location and providing our customers with added value in achieving their climate protection goals.

We hope you enjoy reading this

Matthias Richter Stefan Steinmetz Jörg Eberhard

Table of Contents

List of Figures

1 Overview of VSME data points

Basic Module*	Comprehensive Module*

General-

B1 – Basic information	C1 - Business Model and Sustainability
B2 – Sustainability practices and policies	C2 - Description of sustainability practices & policies

Environment

B3 – Energy and greenhouse gas emissions	B3 – Inclusion of Scope 3
B4 – Air, water and soil	C3 – GHG reduction targets and climate transition
B5 – Biodiversity	C4 - Climate risks
B6 – Water consumption and abstraction	
B7 - Resource use, circular economy and waste management	

Social

B8 – Own workforce	C5 - Additional information on the workforce
B9 - Occupational health and safety	C6 - Policies and practices regarding human rights
B10 – Remuneration, collective bargaining, training	C7 - Serious human *Basic Module = Basic module scope in accordance with the EU VSME standard

*Basic Module = Basic scope of reporting in accordance with the EU VSME standard
**Comprehensive Module = Extended reporting scope in accordance with the EU VSME standard

1.1 Company policy

B11 - Convictions and fines for corruption and bribery	C8 - Revenue from critical sectors
	C9 - Gender diversity at management level

2 The company

2.1 About KGM Kugelfabrik GmbH & Co. KG

KGM Kugelfabrik GmbH & Co. KG (hereinafter “KGM”), based in Fulda, manufactures and distributes high-quality precision balls for a wide range of industrial sectors, such as the automotive industry, general mechanical engineering, the pharmaceutical industry, the chemical industry and robotics. Our corporate philosophy focuses on customer satisfaction, the highest product and service quality, and sustainability. From raw material procurement through production to sales, these priorities form the backbone of our successful 113-year history, which is characterised by a medium-sized, family-run corporate structure and culture.

2.2 General information

2.2.1 B1 / Basic Information

Module selection	Basic and Comprehensive Modules
Report format	Individual reporting
Legal form	GmbH
NACE code	25.93; Manufacture of wire products, chains and springs
Total assets	EUR 18.5 million
Turnover	EUR 24.0 million
Employees (FTE)	199
Country and locations	Germany, Fulda
Geodata	50°32’37.15”N, 9°40’13.16”E
Certifications	ISO 14001, ISO 9001, IATF 16949

2.2.2 C1 / Business model and sustainability

The following information on strategy and business model helps to situate the sustainability strategy within the context of the company’s operations.

Products and services	KGM develops, manufactures and distributes precision balls made from metallic materials, cemented carbide, plastics and ceramic materials. KGM advises customers on the application-oriented selection of suitable materials and product designs. KGM produces product and process documentation in accordance with customer requirements.
Markets	KGM operates exclusively in the B2B sector.

Business relationships	KGM maintains long-standing business relationships with large corporations (OEMs), companies in the supply industry (Tier X) and small and micro-enterprises in the sectors.
Sustainability	Section 3 of the current KGM corporate policy states: “Sustainability, environmental protection, consideration of climate change, a safety-first mindset and risk awareness for our customers – and thus also for us – are the key factors for success in global competition.”
Products and services	KGM develops, manufactures and distributes precision balls made from metallic materials, cemented carbide, plastics and ceramic materials. KGM advises customers on the application-oriented selection of suitable materials and product designs. KGM prepares product and process documentation in accordance with customer requirements.

2.2.3 B2 / Sustainability Practices, Policies and Initiatives

This section outlines the company’s existing measures to promote sustainable development. These include operational practices, formalised policies and planned initiatives that pursue environmental, social or corporate ethical goals. The information provides transparency regarding the current sustainability strategy and demonstrates the extent to which the company pursues specific goals and systematically measures progress.

Topic	Practices/initiatives in place or planned	Public	Goals
Climate change	Yes	Yes	Yes
Circular economy	Yes	No	Yes
Own workforce	Yes	Yes	Yes
Business practices	Yes	Yes	Yes

2.2.4 C2 / Description of sustainability practices & policies

This section describes the environmental measures already implemented within the company and the specific steps planned. The aim is to demonstrate how the company actively contributes to environmental sustainability – whether through operational routines, internal guidelines or strategic projects.

Topic	Description of practices/initiatives	Responsible level
Climate change	Risk management to address climate change, In-house electricity generation (hydroelectric power, solar power, combined heat and power plant) accounted for 17.8% of total electricity consumption in the reporting year Decisions for the next two years: 1. Investment in an extension of the PV system by 75 kWp (from 11/2025), 2. 100% green electricity procurement (from 01/26)	Senior Management
Circular economy	Use of steel semi-finished products with a high recycled content, Direct sale of wastepaper for recycling to the paper industry (since 10/25), Use of recycled materials in sales packaging	Middle Management
Own workforce	Equal pay through collective agreement pay scales, mandatory training	Senior Management
Business Conduct	KGM Code of Conduct, implemented since 2017	Senior Management

3 Environment

3.1 B3 / Energy and Greenhouse Gas Emissions

The following information is based on the methods of the GHG Protocol Corporate Standard, an internationally recognised framework for the measurement and reporting of greenhouse gas emissions. Greenhouse gases (GHGs) are gaseous substances that contribute to global warming. They are summarised on a standardised basis using a uniform unit of measurement, CO_2 equivalents (CO_{2e}). A distinction is made between direct emissions from own sources (Scope 1, see Figure 2, page 10) and indirect emissions from purchased energy (Scope 2, see Figure 2 , page10). The latter are reported in accordance with the VSME standard using the location-based approach; market-based values may be presented in addition. Furthermore, within the framework of the Comprehensive Module, upstream and downstream GHG emissions along the value chain can be reported under Scope 3 (seeFigure 2, page 10).

The calculation is carried out in accordance with the five principles of the GHG Protocol: relevance, completeness, consistency, transparency and accuracy. These ensure the traceability of emissions data and promote trustworthy, comparable reporting for both internal management and external requirements.

3.1.1 Energy consumption

KGM's energy consumption is divided almost exclusively between electricity (63%) and natural gas (34%). Fuel consumption, at 3%, is negligible (*see* Figure 3 on page 11 andFigure 4 on page 12). The focus on decarbonisation is clearly on electricity and gas. KGM does not generate any biogenic CO_2 emissions.

Energy source	Renewable [MWh]	Fossil [MWh]	Total [MWh]
Electricity	0	4,530	4,530
Gas	0	2,666	2,341
Fuels	0	82	82
Total	0	7,278	7,278

Scope 1 & Scope 2

The Scope 1 and Scope 2 analyses for the financial year yielded the following figures:

Scope	emissions [t CO_2e]
Scope 1	560
Scope 2 (market-based, actual emission factors)	1,255
Total	1,815

Figure 1 : 1,815 t CO_2e correspond to around 204 trips around the world in a passenger car (assuming petrol fuel, consumption 8 l/100 km). [Graphic is AI-generated using Microsoft Designer]

3.1.2 Greenhouse gas intensity

Turnover-based greenhouse gas intensity indicates how many tonnes of CO_2-equivalents a company generates per euro of turnover (t CO_2e/EUR). It shows how emission-intensive the business activity is in relation to economic performance. KGM Kugelfabrik generates 64 g CO_2e per euro of turnover and thus has a very low carbon footprint by comparison.

GHG intensity	0.0756176 t CO_2e/EUR = 76 g CO_2e per euro of turnover generated

3.1.3 Supplementary information

The data on energy and greenhouse gas emissions (Module B3) reported above was recorded and analysed as part of a comprehensive Corporate Carbon Footprint (CCF). This CCF maps all relevant emission sources along the upstream and downstream value chain – structured according to the categories of the GHG Protocol Scope 3 Standard. All results and methodological details are documented in a separate CO_2-report. This enables an in-depth analysis of the emissions structure and provides an important basis for setting targets and planning measures.

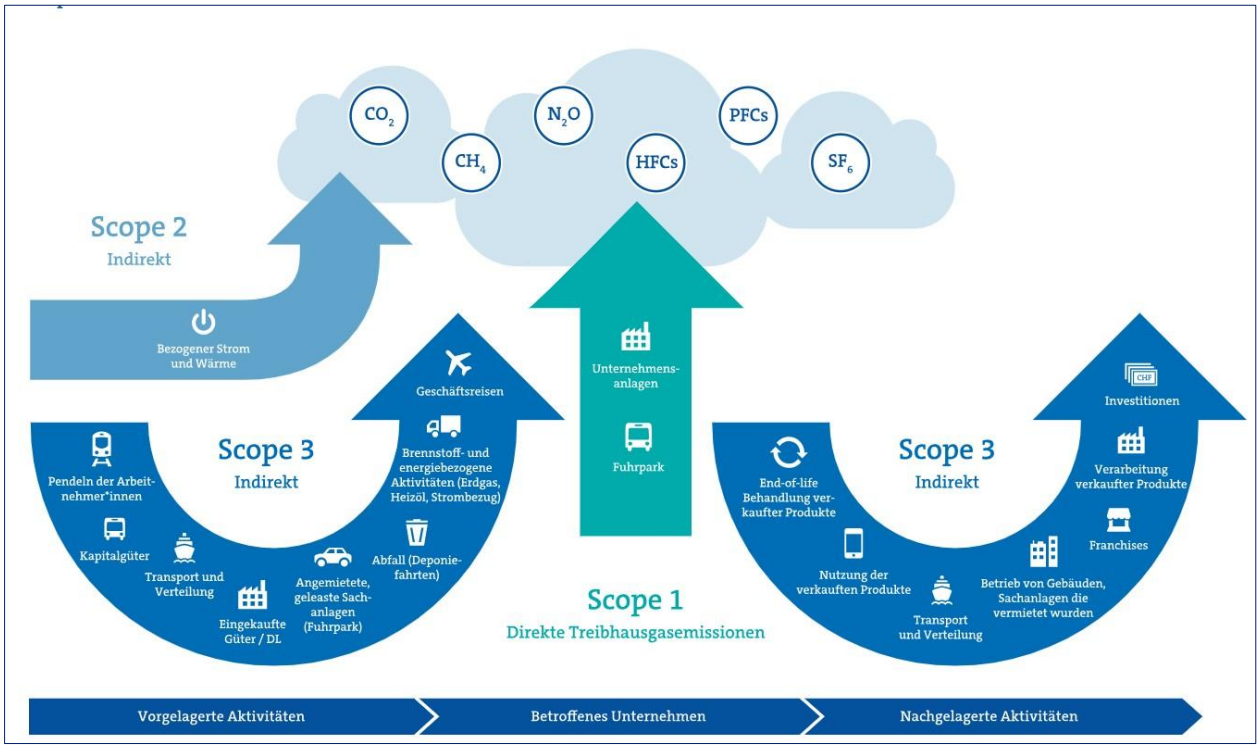

Figure 2: Illustration of the classification of greenhouse gas emissions from Scope 1 to Scope 3 according to the GHG Protocol [Source: GHG Protocol].

This two-part structure meets the requirements for transparency and traceability without compromising the clarity of the VSME report.

To determine Scope 3 emissions, a materiality analysis was carried out to identify relevant emission sources along the upstream and downstream value chain and subsequently quantify them. The following table provides an overview of the individual categories from Scope 1 to Scope 3.

Scope 3 (upstream)	Scope 2	Scope 1	Scope 3 (downstream)
1. Purchased goods & services	1. Electricity consumption	1. Stationary combustion	9. Logistics
2. Capital goods	2. Refrigeration & Heat Supply	2. Mobile incineration	10. Processing of products sold
3. Upstream fuel supply	3. Steam supply	3. Volatilisation	11. Use of sold products
4. Logistics		4. Process emissions	12. Disposal of sold products
5. Waste			13. Leased fixed assets
6. Business travel			14. Franchise
7. How to get here Staff			15. Investments
8. Leased Property, plant and equipment			

3.1.4 Total Scope 1 and Scope 2 emissions

The following pie chart illustrates the total CO_2 emissions for Scope 1 and Scope 2 in tonnes of carbon dioxide equivalent.

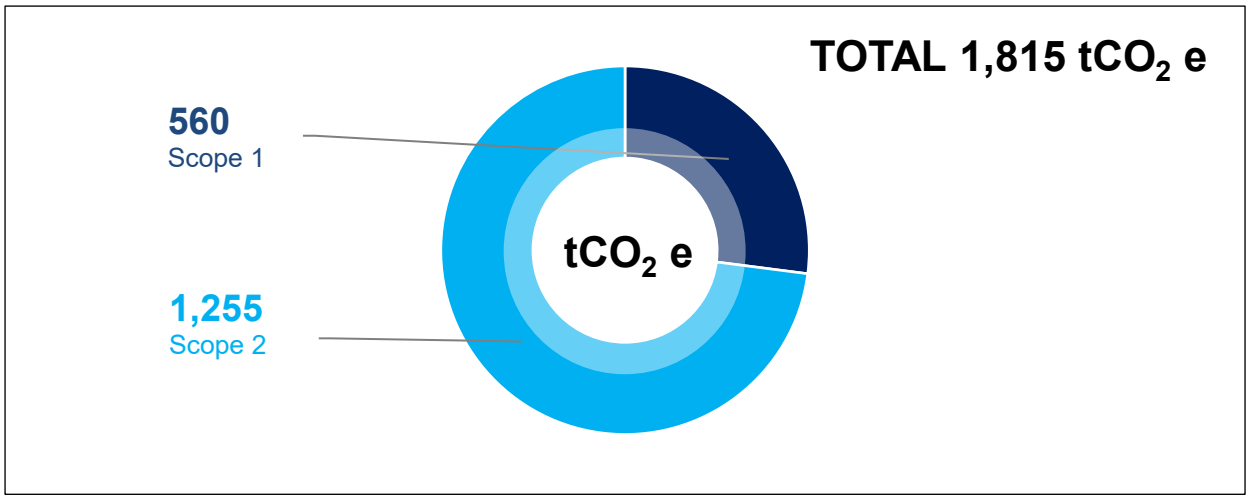

Figure 3 : Comparison of the volume of tonnes of CO_2 equivalents from Scope 1 (direct emissions) to Scope 2 (purchased energy).

The pie chart below shows the percentage distribution of Scope 1 and Scope 2 emissions in megawatt hours by energy source.

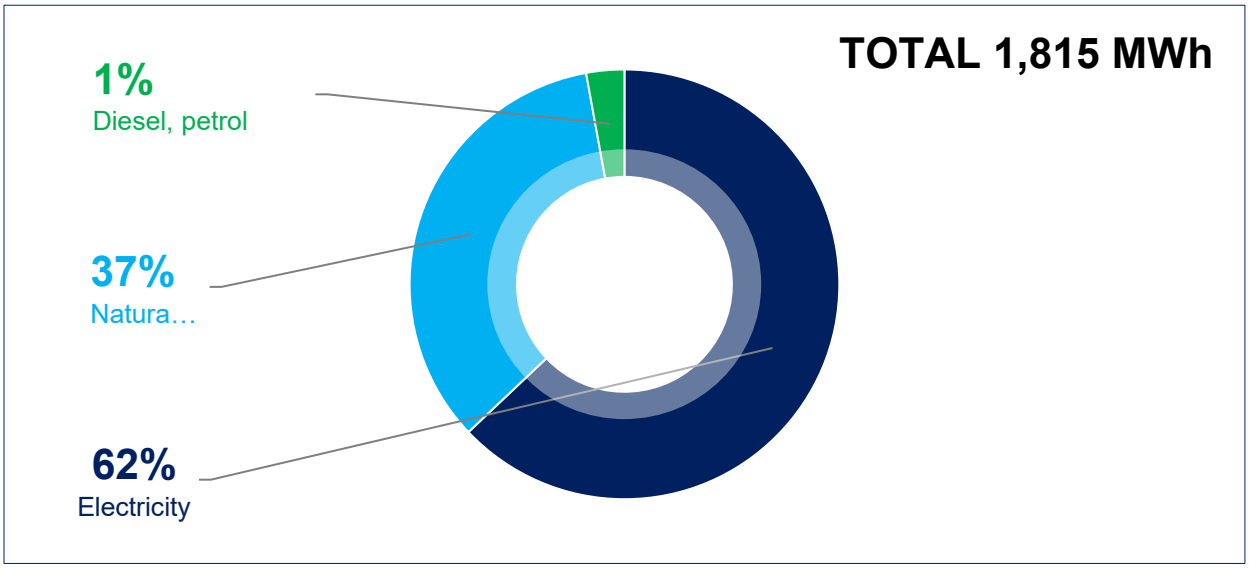

Figure 4: Percentage distribution of fossil fuels at KGM Kugelfabrik and total volume in megawatt hours.

3.1.5 Overall overview of Scope 1 to Scope 3 following a materiality analysis

The following table lists the Scope categories identified through an internal materiality analysis. Due to the different data units and a database that is not entirely complete across all categories, the following calculation methods were applied in accordance with the GHG Protocol: *Supplier-Based, Hybrid, Average-Data, Spend-Based, Waste-Type-Specific* and *Distance-based* methods. The emission factors used are taken from the EcoInvent database, version 3.12 (11/2025).

Scope 3	Scope 2	Scope 1
1. Purchased goods & services	1. Electricity consumption	1. Stationary combustion
2. Capital goods	2. Cooling & heating	2. Mobile combustion
3. Upstream fuel supply	3. Steam supply	3. Volatilisation
4. Logistics (upstream)		4. Process emissions

3.1.6 Detailed overview of Scope 2

Category		Emissions
2.1 Electricity procurement	Market-based	1,255 t CO_2e
2.2 Cooling and heating procurement		Not applicable
2.3 Steam procurement		Not applicable

3.1.7 Scope 2 energy flow

Energy consumption (see

Figure *5*) Energy flow can be recorded, presented in detail and analysed using the energy management software implemented at KGM.

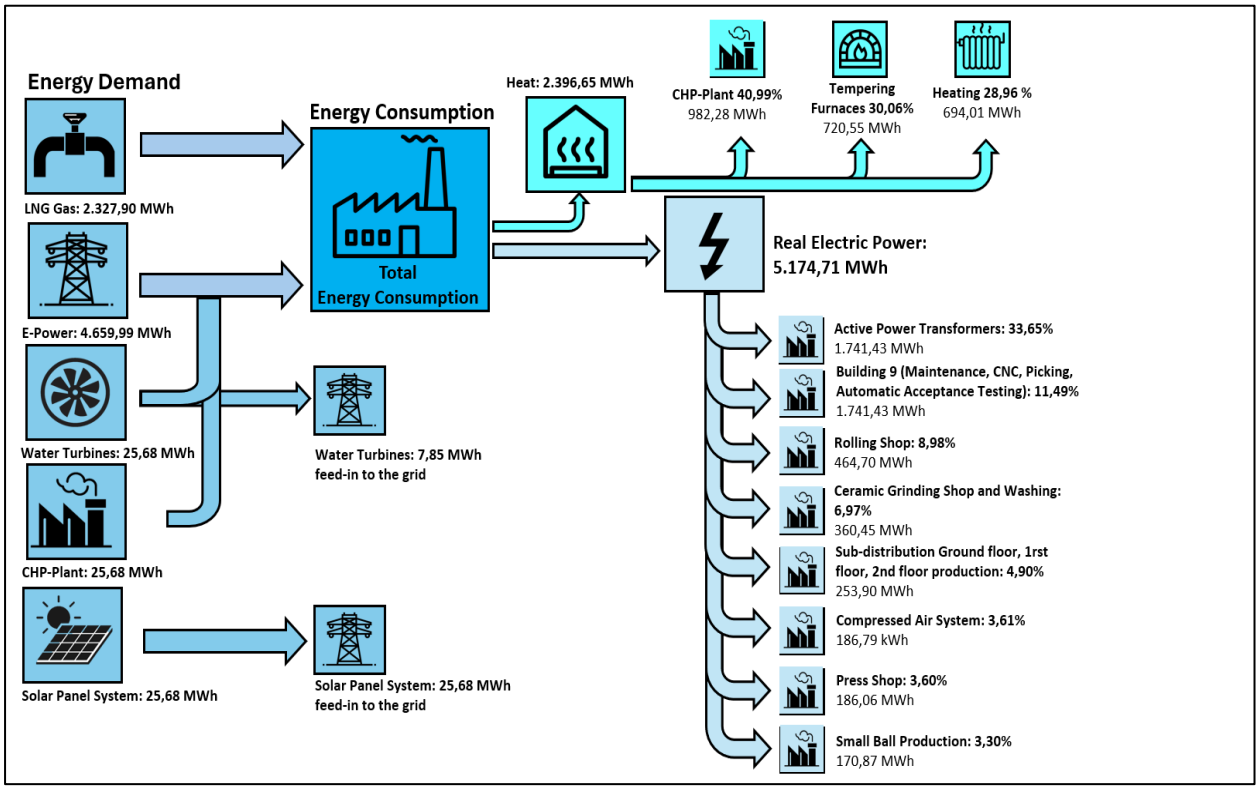

Figure 5: Sankey energy flow diagram of the KGM ball factory showing energy input, energy output and internal distribution.

3.1.8 Scope 3 overview

Category		Emissions [t CO_2 e]
3.1	Purchased goods & services	5,226
3.2	Capital goods	127
3.3	Upstream fuel sector	822
3.4	Logistics (upstream)	827
3.5	Waste	594
3.6	Commuting by staff	307
3.9	Logistics (downstream)	902
3.12	End-of-life treatment of products sold	87
	Total	**8,893**

Figure 6 shows the percentage breakdown of Scope 1 (direct emissions), Scope 2 (emissions from purchased energy) and Scope 3 (indirect emissions) in the corporate carbon footprint (CCF) of KGM Kugelfabrik, Fulda.

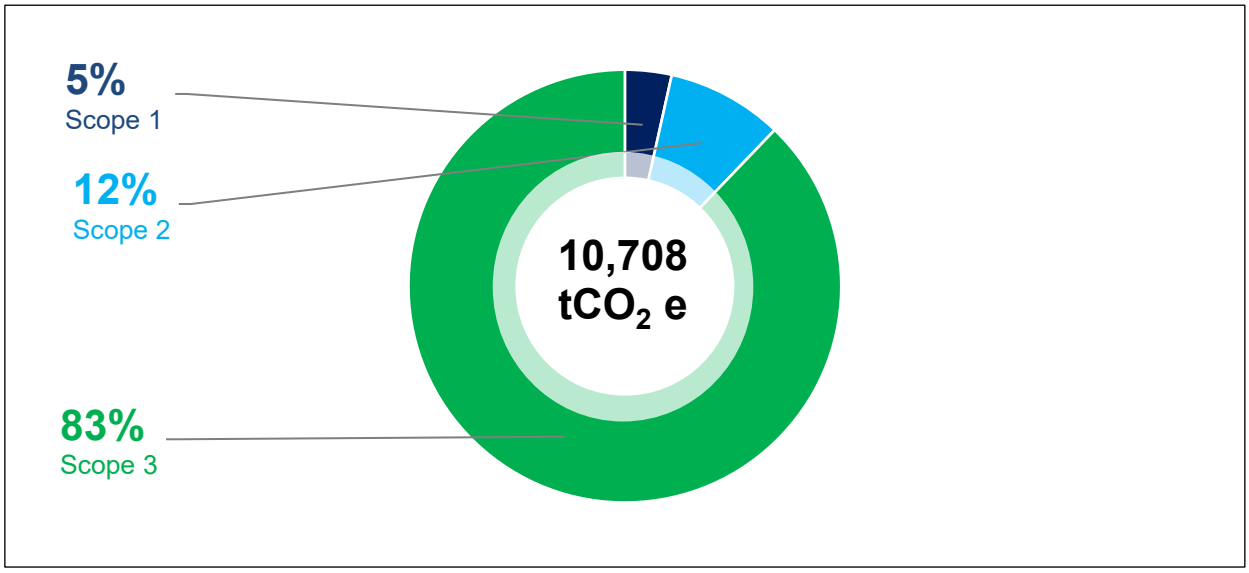

Figure 6: Percentage breakdown of Scopes 1, 2 and 3 in the corporate CO_2 footprint (Corporate Carbon Footprint (CCF)) of KGM Kugelfabrik, Fulda.

The dominant share of Scope 3 is clear; at 88%, it is approximately seven times larger than Scopes 1 and 2 combined.

Scope 2 accounts for 9% of the carbon footprint. Scope 1 accounts for 3% of the total footprint.

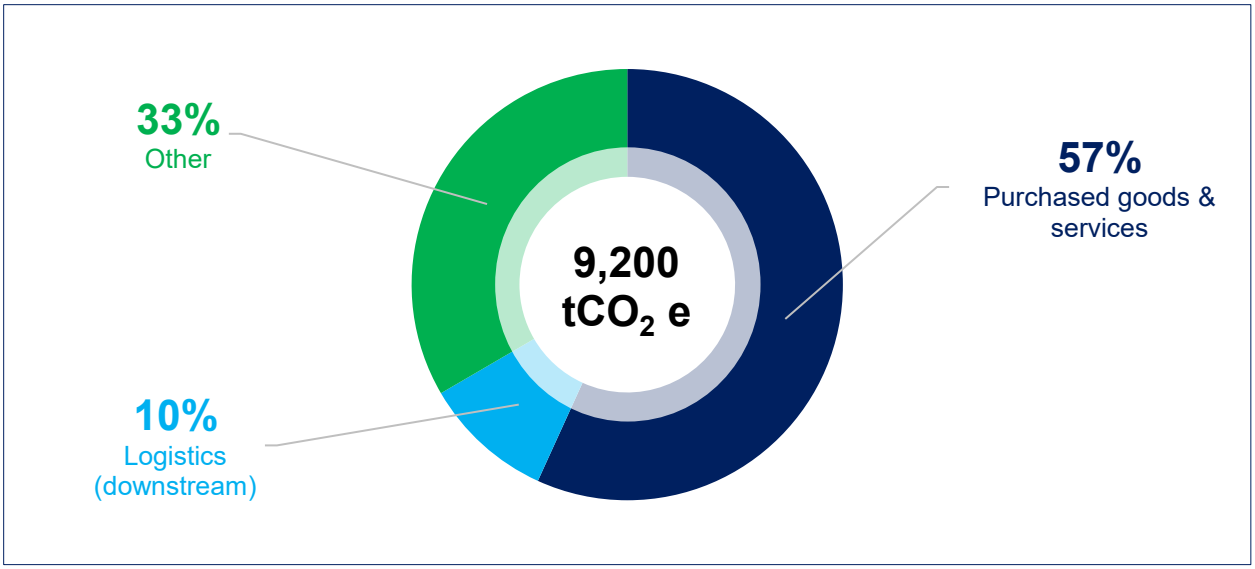

Figure 7: Percentage distribution of Scope 3 categories (indirect emissions).

The strategic lever with the greatest CO_2-reduction effect for the coming years will be the significant reduction in Scope 3 emissions.

Projects	Reduction potential	Potential already [t CO_2e]	Potential (Real Case) [t CO_2e]	Best-case potential [t CO_2e]
1	More sustainable packaging	23		5
2	More climate-friendly Wire production			222
3	Grinding oil consumption minimise		294	979
4	Improve the proportion of recycled material in the crude steel for wire	1,715	214	429
5	Improve supplier order cycle improve	68		
	Total [t CO_2e]	**1,806**	**508**	**1,635**

3.1.9 C3 / GHG Reduction Targets and Climate Transition

This section sets out specific targets for reducing greenhouse gas emissions. It also describes measures for achieving these targets within the individual scopes.

We intend to have our reduction targets reviewed and verified on a science-based basis. We intend to do this through the SBTi (Science Based Targets Initiative).

Scope 1 and Scope 2

A scenario analysis is carried out based on the SBTi target pathway, using 2023 as the base year. This is back calculated to 2020, the starting year of the underlying agreement, and forms the basis for the detailed formulation of our sustainability strategy. This will be fully adopted in the 2025 reporting year.

Below is an overview of the scenario analysis as at the 2025 reporting year.

The following figure shows the provisional reduction targets for Scope 1 and Scope 2. It presents both the absolute emissions and the relative emission reduction targets compared to the base year.

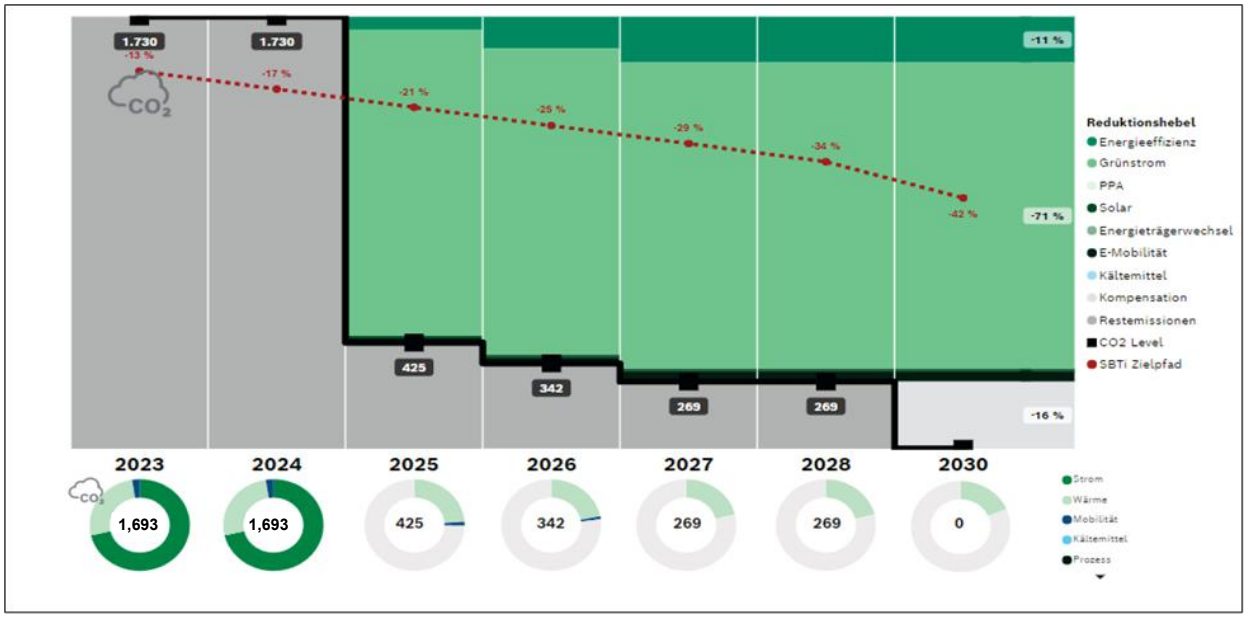

Figure 8: Potential transition pathway for CO_2 emissions to net zero by 2030 for Scope 1 (direct emissions) and Scope 2 (emissions from purchased energy sources).

By switching its electricity supply to 100% green electricity (from 01/26), KGM has an extremely effective means of drastically reducing its CO_2 emissions (approx. -71%) in Scope 2.

Further reductions will result from the continuation and expansion of energy efficiency measures (Scope 1) at the site (approx. -11%).

In the context of mobility, the switch of the company car fleet to e-mobility (Scope 3) makes a small but meaningful contribution (approx. -2%).

Scope 3

The following diagram shows the reduction targets for Scope 3 in accordance with the SBTi target pathway, with a reduction of 2.5% t CO_2 per annum from 2020 onwards. Furthermore, based on the economic forecast of 3% annual company growth and no changes to the portfolio of KGM Kugelfabrik. Both absolute emissions and relative emission reduction targets compared to the base year 2023 are shown. In 2025, the CO_2 footprint stood at a total of 10,708 tCO_2 e, which is 734 tCO_2 e slightly higher than in the previous year 2024, but at 1,874 tCO_2 e significantly below the target value of 12,582 tCO_2 e (see*Figure 9*).

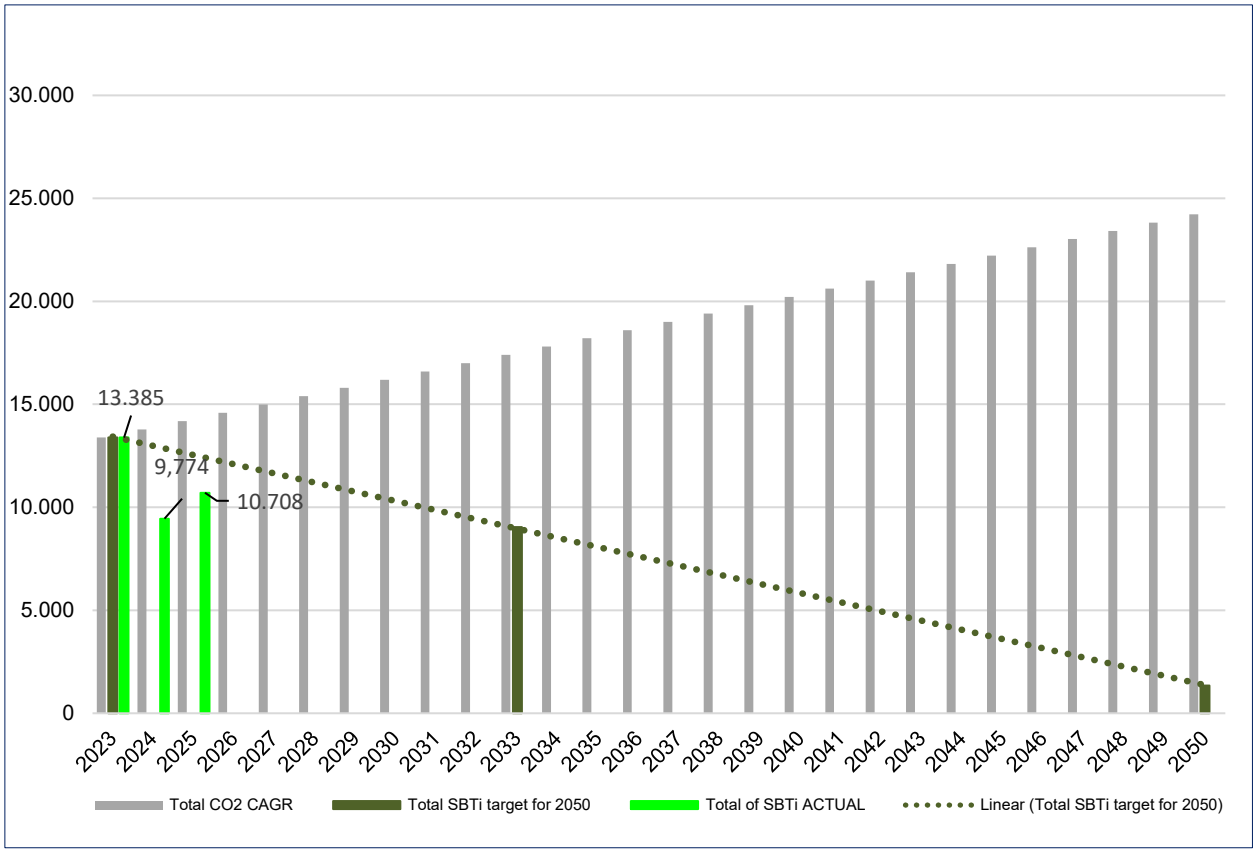

Figure 9: Transformation of CO_2 emissions from Scope 3 (indirect upstream and downstream emissions) up to 2050 based on the SBTi targets with a 2.5% reduction per year (base year 2020).
CAGR = Compound Annual Growth Rate

Scope	Measures for 2025
Scope 2	▪ Commissioning of a 75 kWp PV system for on-site electricity generation and consumption (since Nov 2025)
Scope 2	▪ Switch to 100% green electricity supply (from 01/26)
Scope 3	▪ Incentive schemes for the mobility transition among employees ▪ Supplier development in the area of sustainability ▪ Increasing the proportion of recycled materials in raw material procurement

3.1.10 C4 / Climate risks

This section discloses risks arising from climate change for the company. These may include both physical risks (e.g. extreme weather events, heat, flooding) and transition risks (e.g. new regulations, carbon pricing, market changes).

It describes the potential impacts on companies whose operations and supply chains are exposed to these risks, and the measures planned for adaptation or risk mitigation.

The aim is to demonstrate the resilience of the business model to climate-related challenges. Here, we are following the announced extensions to the standard requirements under ISO 9001 and IATF 16949.

Description	Risk	Time horizon	Impact	Measures
Heatwaves	High	Medium term	Production losses during periods of high temperatures (human, machinery and IT)	Modernise refrigeration and air-conditioning systems, Employees receive free mineral water
Flood	Medium	Medium term	Soil contamination, sewer contamination, water contamination caused by coolant; grinding oil; machine oil, petroleum	None (flood protection barriers, sluice gates to the Fulda and lift pumps in place)
CO_2 pricing	High	Medium term	Increased operating costs and competitive disadvantages	Reduce emissions and increase energy efficiency
Regulation	Medium	Short term	Increased administrative burden, higher costs	KGM Sustainability Team initiated, Create an additional post within the company in the medium term

3.1.11 B4 / Air, water and soil pollution

This section provides information on emissions to air, water and soil, as well as the release of pollutants.

The aim is to ensure transparency regarding direct or indirect environmental impacts resulting from business activities. With a wastewater volume of 8,316 m³ and compliance with the limit values set out in the indirect discharger notice, the company has no significant environmental impact. The wastewater is regularly sampled independently and analysed in an accredited laboratory.

Pollutant	Emissions [m³]	Release medium
Wastewater	6,723	Water

3.1.12 B5 / Biodiversity

This chapter covers the company’s impact on biodiversity and natural habitats.

Relevant information relates to the proximity to or location within protected areas or ecologically sensitive areas, direct or indirect impacts on ecosystems, and measures to protect or restore biodiversity.

The listed, nearest nature reserves are not in the immediate vicinity of the company. The relevant environmental impacts therefore do not extend into these sensitive areas.

Site	Area [km²]	Sensitive area [km²]	Specification
Germany, Fulda	104	1.76	near biodiversity-sensitive areas: ▪ "Fuldatal bei Lüdermünd" nature reserve (5.2 ha) ▪ Nature Reserve "Haimberg near Mittelrode" (66.2 ha) ▪ Zeller Loch Nature Reserve (4.8 ha) ▪ Special Area of Conservation "Ziegeler Aue" (40 ha) ▪ Special Area of Conservation "Horaser Wiesen" (60.5 ha)

3.1.13 B6 / Water consumption and abstraction

This chapter deals with water consumption and the potential impacts of business activities on water resources and marine ecosystems.

In addition to water consumption, abstraction and discharges, this section may cover the type and quantity of water sources used, as well as risks of water scarcity or pollution and measures to protect water quality and availability.

As already mentioned in Chapter 3.1.11, the proportion of water consumption and the abstraction of drinking and river water have no significant impact on the Fulda receiving water body or the local water supplier and its drinking water extraction. In general, the company is not located in any area with officially designated water scarcity.

Location	Water abstraction [m³]	Water consumption [m³]
Fulda	10,619	10,619
Sites in areas with water stress	-	-

3.1.14 B7 / Resource use, circular economy and waste management

This chapter describes how efficiently the company uses materials and raw materials and to what extent circular economy principles are implemented.

It outlines which raw materials are used, the proportion of renewable (i.e. renewable raw materials) or recycled materials, and the strategies in place for waste prevention, reuse or recycling. It also explains the measures the company has taken to increase resource efficiency throughout the product life cycle and reduce environmental impact.

Resource use

Used packaging materials (total) [t]	41.29
of which recycled* materials [t]	29.85
of which renewable** materials [t]	31.67
Proportion of recycled* materials [%]	72.29
Proportion of renewable** materials [%]	76.70

* *Recyclable materials: packaging made from plastics, paper, cardboard and aluminium*
** *Renewable materials (= renewable raw materials): packaging made from wood and paper*

Waste management

Total waste generated [t]	594
of which recycled (recycling processes) [t]	584
Recycling rate [%]	98.3

The company has a very high recycling rate (R methods) of 98% for its waste (non-hazardous and hazardous waste types). Only 2% was sent to landfill (D methods).

Non-hazardous waste, in accordance with the European Waste Directive (EWD)

Waste type Description	Waste type Quantity [t]	Recycling [t]	Landfilling [t]
EWC 150103 (wooden packaging)	6.5	6.5	
EWC 150101 (paper and cardboard packaging)	14.3	14.3	
EWC 150106 (mixed packaging)	14.9		
EWC 170405 (Iron and steel)	48.2	48.2	
EWC 200201 (biodegradable waste)	1.4	1.4	

EWC 200301 (municipal waste)	21.5	21.5	
Other	0.5		0.5
Total	**107.3**	**106.8**	**0.5**

Hazardous waste, in accordance with the European Waste Regulation (EWR)

Waste type	Waste Total [t]	Recycling [t]	Landfill [t]
EWC# 120107* (halogen-free mineral oil-based machining oils (excluding emulsions and solutions))	118.1		
EWC 120109* (halogen-free machining emulsions and solutions)	12.0		
EWC 120118* (oil-containing metal slurries (grinding, honing and lapping slurries))	233.7		
EWC 130508* (Mixed waste from grit chambers and oil/water separators)	9.5		9.5
EWC 140603* (other solvents and solvent mixtures)	3.6		
EWC 150202* (Absorbent and filter materials (including oil filters**), wiping cloths and protective clothing)	1.6		

Waste type	Waste Total [t]	Recycling [t]	Landfill [t]
EWC 190205* (sludges from physical-chemical treatment containing dangerous substances)	9.6		
EWC 160209* Transformers and capacitors containing PCBs (polychlorinated biphenyls)	0.2		
EWC 160601* (Lead-acid batteries)	0.1		
EWC 190207* (oil and concentrates from separation processes)	97.6		
Total	**486.9**	**477.5**	**9.5**

#EWC = European Waste Code; ## n.e.s. = waste not elsewhere specified

Resource efficiency measures

Description of key projects or initiatives to improve resource efficiency.

Initiative / Measure	Description
100% green electricity procurement	Procurement of 100% certified green electricity from the local electricity supplier RhönEnergie (from 01/2026)

Own electricity generation from hydropower	Operation of two Francis hydroelectric turbines on the Fulda Canal with a total capacity of 75 kW and 300 MWh of self-generated electricity per year from renewable hydropower
In-house electricity generation from solar energy	Operation of a 99 kWp PV system for electricity generation from renewable solar energy. A further PV system for in-house electricity generation with a capacity of 75 kWp is planned (from November 2025).

Circular economy initiatives

Description of processes or partnerships aimed at promoting closed material cycles.

Initiative / Measure	Description
Waste paper disposal	Baling of wastepaper and direct sale to the paper industry for recycling, without transport for disposal (from 10/25)
Treatment and dewatering of rolling sludge	Dewatering of the ball mill slurry produced: This reduces the volume of waste and the resulting CO_2 and NOx emissions from lorries CO_2 /NO_x emissions caused by disposal transport
CNC chips	Compacting of metal chips and recovery of cooling lubricant during CNC milling. This reduces the volume of waste generated and results in fewer CO_2-intensive disposal transport

4 Social

We develop and manufacture our products in an environmentally friendly and cost-effective manner. As a product with no end-of-life, we minimise the environmental impact of our precision balls throughout their entire life cycle, including recycling and disposal.

Our processes are defined with due regard for economic efficiency, human health and safety. Environmental impacts should be kept to a minimum. We are prepared for environmental risks. Our processes are regularly reviewed.

Every KGM employee has a duty to prevent hazards to people and the environment. Laws and regulations on health and environmental protection must be complied with. It is the responsibility of management to identify hazards and take appropriate measures. We regularly review our practices.

Impacts on the environment and on people are continuously measured. This reveals potential for optimisation, which is incorporated into an environmental programme and occupational safety programmes.

We align our actions with economic and ecological principles and our responsibility to the community, whilst also considering future generations. It is therefore a fundamental corporate principle to safeguard human health and safety, use resources sparingly and maintain a clean environment.

4.1 B8 / Own workforce

Data on the workforce can be expressed either in terms of full-time equivalents (FTE), i.e. a figure calculated by converting actual working hours to full-time positions, or the number of people employed, regardless of the extent of their working hours, in the form of the so-called headcount.

4.1.1 By contract type

Contract type	Number of employees	Proportion
Fixed-term contract	2	1%
Permanent contract	197	99%
Total	**199**	**100%**

4.1.2 By gender

Gender	Number of employees	Proportion
Female	47	24%
Male	152	76%
Miscellaneous / Other	0	0%
Not specified	0	0%
Total	**199**	**100%**

4.1.3 By employee's country of origin

Country of employment contract	Number of employees	Proportion
Germany	191	96%
Afghanistan	1	0.5%
Kazakhstan	1	0.5%
Romania	1	0.5%
Serbia	1	0.5%
Spain	1	0.5%
Turkey	2	1%
Ukraine	1	0.5%
Total	**199**	**100%**

4.1.4 Staff turnover rate

The turnover rate indicates the proportion of employees who have left a company within a specific period. It is an important indicator of staff stability and can provide insights into the working atmosphere, leadership or external factors.

The turnover rate is calculated using the formula defined in the VSME standard.

Turnover rate	3.4%

4.2 B9 / Occupational health and safety

4.2.1 Accident rate

The accident rate describes the frequency of reportable occupational accidents in relation to the workforce, based on 100 employees (Full-Time Equivalent = FTE). It serves as a key performance indicator for occupational safety within the company. The rate of reportable occupational accidents is calculated using the formula defined in the VSME standard.

Accident rate per 100 FTE	2.7

4.2.2 Fatalities

The number of fatalities indicates how many employees died during the reporting period because of a work-related accident or work-related health impairment. It is a key indicator for assessing the company's safety and health culture.

Fatalities resulting from work-related accidents	0
Fatalities resulting from work-related illnesses	0

4.3 B10 / Remuneration, collective agreement, training

4.3.1 Remuneration

Proportion of employees receiving remuneration below the statutory minimum wage.

Wages below the minimum wage	0%

Percentage difference in pay between female and male employees.

Gender pay gap	0

Percentage of employees covered by collective agreements.

Collective bargaining coverage	approx. 92%

Average number of training and development sessions conducted (in hours per year per employee)

Training	10.0 h

5 Company policy

For many years, KGM Kugelfabrik has had a formalised **company policy**, which is handed out to every new employee before they start work for the company. It is a controlled document that is regularly checked for completeness and validity.

In addition, KGM Kugelfabrik has a **code of conduct**, which is also available to every employee.

Both documents are supplemented by a series of **notices displayed on the premises**.

5.1 B11 / Convictions and fines for corruption and bribery

5.1.1 Corruption and bribery

Cases of corruption or bribery cover reported or proven breaches of applicable anti-corruption guidelines within the company – e.g. unlawful payments, granting of advantages or bribery.

The key performance indicator is used to assess the integrity of corporate business practices.

Cases of corruption or bribery	0

5.1.2 Fines

Fines refer to mandatory monetary penalties imposed because of breaches of anti-corruption or anti-bribery laws. They are imposed by courts, authorities or public bodies.

Stating the number of fines in euros serves to ensure transparency regarding legal consequences and potential reputational risks.

Fines imposed	0

6 Conclusion and outlook

The sustainability report was prepared on a consolidated basis in accordance with the requirements of the VSME standard.

There are no subsidiaries that are excluded from annual or consolidated reporting under the VSME standard. All entities included in the financial report have also been included in the sustainability report. KGM Kugelfabrik GmbH & Co. KG has ensured that both upstream and downstream value chains are comprehensively covered in the sustainability report. In doing so, particular emphasis was placed on the precise recording and analysis of all material ESG aspects along the value chain – including the direct and indirect impacts of our business activities. To achieve this, processes were established to identify and evaluate all relevant data from the various areas of the value chain.

We are convinced that comprehensive and transparent reporting on all relevant sustainability aspects is crucial not only for compliance with the requirements of the VSME standard, but also for our stakeholders' trust in our company's business practices.

Furthermore, in accordance with the VSME standard, our company makes use of the option to exclude certain information relating to intellectual property, know-how or innovation outcomes. This serves to protect competitive advantages and the confidentiality of sensitive business information.

Our company attaches great importance to the continuous development of sustainability reporting. To this end, a systematic process has been established to regularly review the data collection methods used and to ensure that these remain in line with evolving reporting standards in the future. This also includes the use of technologies for data collection and processing to increase the efficiency of reporting. In addition, the company works closely with internal and external experts to ensure that no material information is overlooked.

KGM Kugelfabrik GmbH & Co. KG

Johannisstraße 35
36041 Fulda
Tel: +49.661.1094-0

info@kgm-kugeln.de
www.kgm-kugeln.de