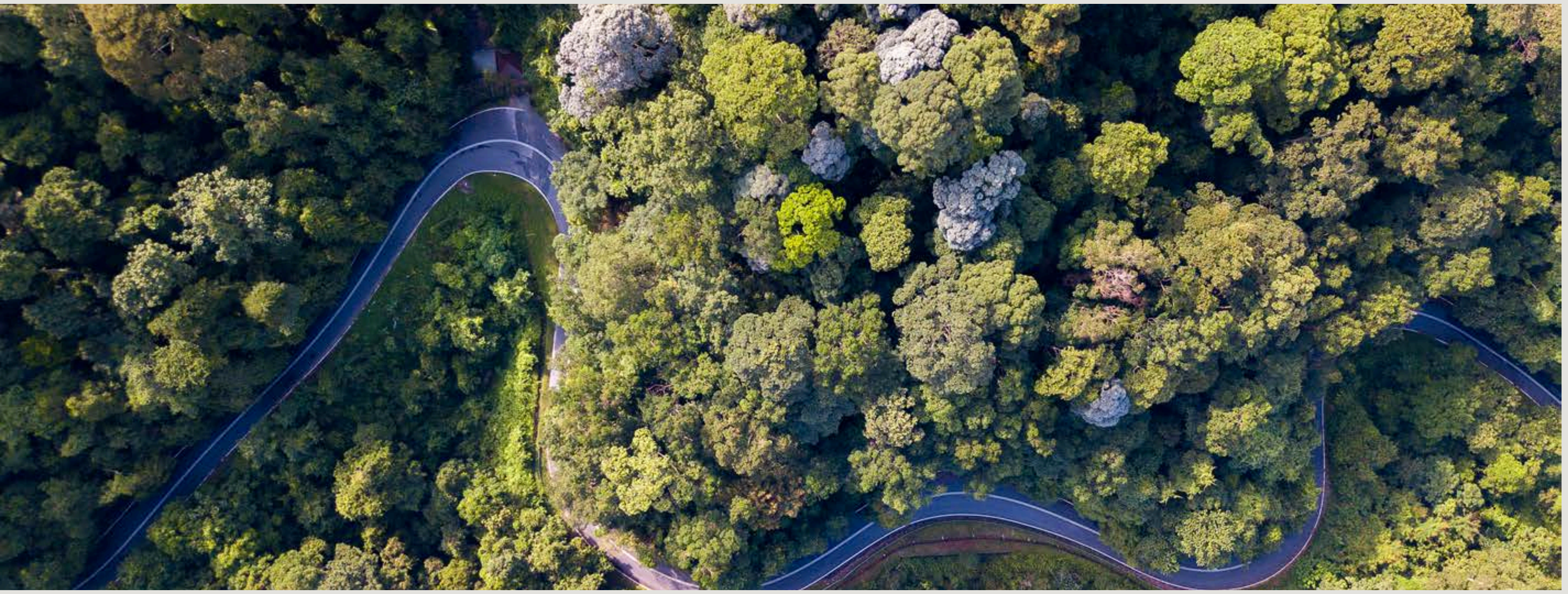
# Materiality Report 2025

FerroDuo

**Voluntary reporting based on ESRS and the double materiality analysis**

→ Our company is certified according to international standards for Environmental Management (DIN EN ISO 14001), Quality Management (DIN EN ISO 9001) and Occupational Health and Safety (DIN ISO 45001), and Energy Management System (DIN EN ISO 50001)

# REPORT HIGHLIGHTS



**01** ESG DATABASE ESTABLISHED

**02** MATERIALITY ANALYSIS UPDATED

**03** CIRCULAR ECONOMY AS CORE STRENGTH

**04** DECARBONISATION ASSESSED ON DATA BASIS FOR THE FIRST TIME

**05** EMPLOYEE DATA RECORDED QUARTERLY

**06** WASTE MANAGEMENT AT STABLE LEVEL

**07** SUPPLY CHAIN MANAGEMENT AS PRIORITY

**08** DECARBONISATION REMAINS KEY TOPIC

**09** MATERIAL TOPICS REMAIN STABLE

**10** FOCUS 2026: IMPLEMENTATION

# INTRODUCTION

This Materiality Report 2025 builds on the structures of the double materiality analysis (DMA) established in previous years and aims to transparently present the sustainability-related impacts, risks and opportunities of Ferro Duo GmbH.

For the first time, structured ESG key figures were collected and evaluated on a quarterly basis. The material sustainability topics remain unchanged in the areas of climate protection, circular economy, employees, supply chain and corporate governance.

# KEY FIGURES AT A GLANCE

Ferro Duo GmbH | Financial Year 2025

| COMPANY KEY FIGURES | |
|---|---|
| Revenue 2025 | **20,2 million EUR** |
| Employees | **37** |
| Locations | **5 Production + 2 Administration** |
| Industry | **Plant Engineering / Process Industry** |
| Legal Form | **GmbH** |
| Year of Foundation | **2002** |
| Management | **Marcus Cleff, Alexander Kehrmann** |

| SUSTAINABILITY KEY FIGURES | |
|---|---|
| Total Waste | **437.666 kg** |
| Hazardous Waste | **1.069 kg (0,24 %)** |
| CO2 Emissions (Scope 1-3) | **2.337,20 t $CO_2e$** |
| Energy Consumption | **Recording from Q1 2025** |
| Water Consumption | **per ESG recording 2025** |
| Work Accidents (LTI) | **0** |
| ESG-Governance | **Under Development** |

All figures refer to the financial year 2025 (Q1-Q4). Data collection on a quarterly basis.

# REPORTING DEVELOPMENT 2023 - 2025

**2023**

ESG topics systematically recorded for the first time
First materiality analysis conducted
Focus on environment and circular economy
First sustainability targets defined

**2024**

Materiality analysis further developed
Mapping to ESRS topics
Concretisation of measures
Improved documentation and assessment

**2025**

ESG database established
Quarterly ESG key figures available
Materiality analysis updated
ESG governance under development
Supply chain management under development

**The material sustainability topics have not fundamentally changed since 2023.**

**The most significant development lies in the increasing systematisation of sustainability management and the first-time use of structured ESG key figures.**

**The focus is thus shifting from the identification of material topics towards data-driven management, implementation and further development of concrete measures.**

# STRATEGIC SUSTAINABILITY PRIORITIES

The sustainability strategy of Ferro Duo GmbH focuses on the material topics with the greatest impact on the environment, society and business success.


Circular economy and decarbonisation as core environmental strategy


Strengthening social responsibility in our projects


Transparent and ethical corporate governance

# FOREWORD FROM THE MANAGEMENT

The Materiality Report 2025 documents the continuous development of our sustainability management. Building on the priority topics identified in previous years, we were able to collect and evaluate structured ESG key figures on a quarterly basis for the first time in the reporting year.
The improved data basis creates transparency regarding our environmental, social and corporate sustainability performance and enables more informed management of our activities. At the same time, the analysis confirms the high importance of climate protection, circular economy, responsible corporate governance and sustainable supply chains for the future development of Ferro Duo GmbH.

The coming years will focus on the consistent implementation of our strategy, the further development of our ESG governance and important investments in the future viability of our company.

Markus Cleff & Alexander Kehrmann
The Management of Ferro Duo GmbH

# DOUBLE MATERIALITY ANALYSIS

| Topic | Impacts | Status 2025 |
|---|---|---|
| **Decarbonization** | Reduction of emissions and energy consumption | In progress |
| **Circular Economy** | Resource conservation and valorization of by-products | Established |
| **Supply Chain** | Transparency and risk minimization | In progress |
| **Employees** | Secure employment and skills development | In development |
| **Governance** | ESG management and compliance | In progress |
| **Waste** | Environmentally responsible disposal | Stable |
| **Water** | Resource efficiency | Stable |

The materiality analysis 2025 considers both the impacts of business activities on the environment and society as well as the financial risks and opportunities of Ferro Duo GmbH.

The assessment is based on ESG data 2025, quarterly reports, the Materiality Report 2024/2023, the management review and regulatory requirements.

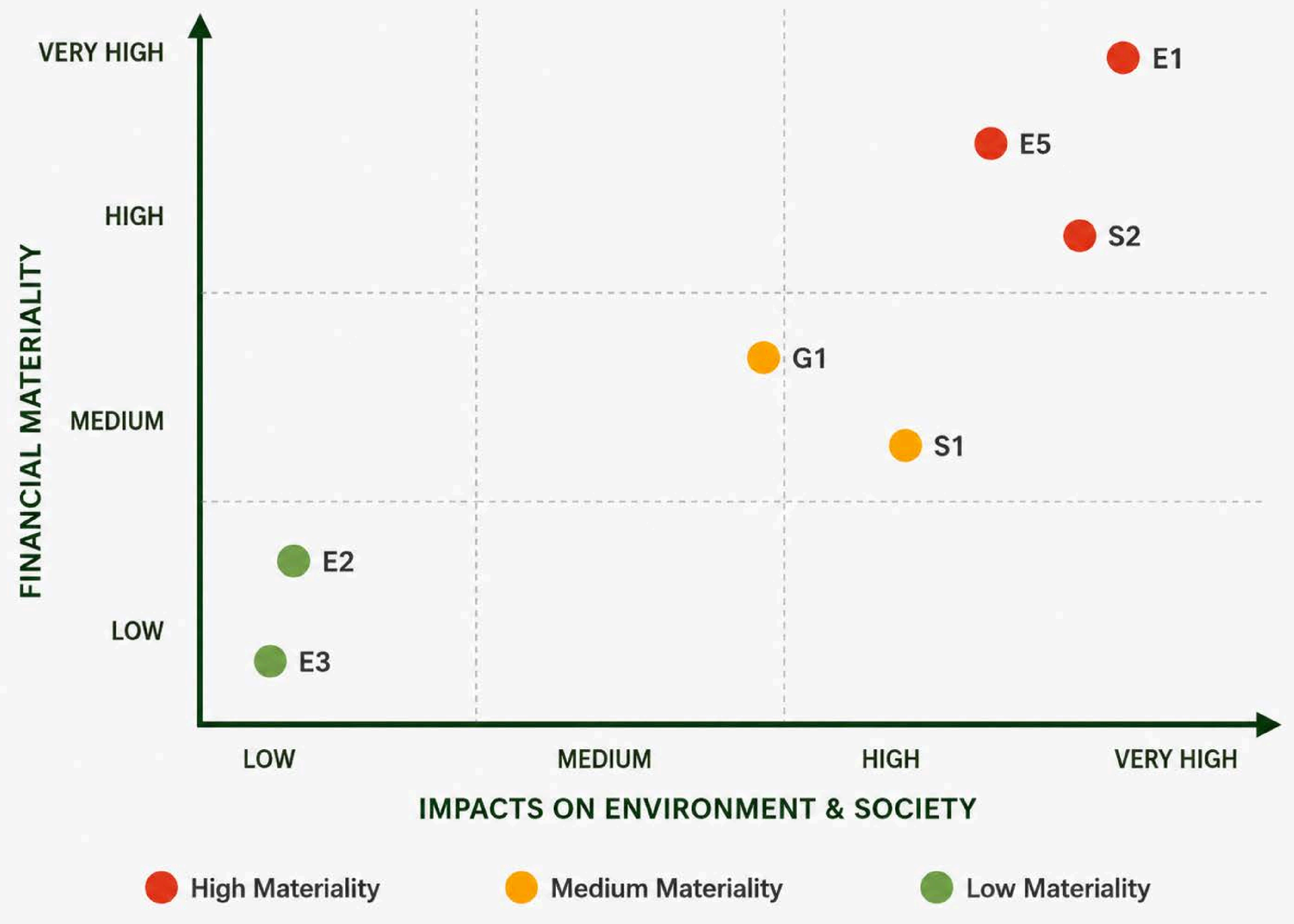
# Materiality Matrix

**High Materiality**
Decarbonisation (E1)
Circular Economy (E5)
Supply Chain (S2)

**Medium Materiality**
Governance (G1)
Employees (S1)

**Low Materiality**
Pollution / Waste (E2)
Water Resources (E3)

The materiality analysis 2025 confirms the long-term strategic relevance of decarbonisation, circular economy and supply chain management for Ferro Duo GmbH. The classification is based on the 2025 ESG data, the $CO_2$ balance and the results of the double materiality analysis.



# E1

# CLIMATE CHANGE AND DECARBONISATION

The reduction of greenhouse gas emissions remains one of the central sustainability topics for Ferro Duo GmbH.

Strategic climate targets were already defined in previous years:

$CO_2$ reduction of 20% by 2030

$CO_2$ reduction of 50% by 2035

Climate neutrality by 2050

The first-ever complete recording of greenhouse gas emissions enables a well-founded assessment of the current emissions situation and creates the basis for future management of decarbonisation measures.

## Development of Greenhouse Gas Emissions

| Emissions Source | 2025 |
|---|---|
| Scope 1 | 1,500.61 t $CO_2e$ |
| Scope 2 | 548.60 t $CO_2e$ |
| Scope 3 | 287.99 t $CO_2e$ |
| **Total** | **2,337.20 t $CO_2e$** |

## Climate Targets

| 2025 | 2030 | 2035 | 2050 |
|---|---|---|---|
| Status today | -20 % $CO_2$ | -50 % $CO_2$ | Climate neutrality |

## Development Compared to Previous Year

| Metric | Change |
|---|---|
| Scope 1 | -18.3 % |
| Scope 2 | +9.0 % |
| Scope 3 | -35.0 % |
| **Total** | **-16.1 %** |

Total emissions could be reduced by approximately **447 t $CO_2e$** compared to the previous year. The largest emission sources remain in **Scope 1**, underscoring the high relevance of decarbonization for Ferro Duo GmbH.

## Key Insights

**Overall reduction:** Total emissions decreased by **16.1 %** compared to the previous year.

**Main driver:** The significant reduction in **Scope 3** emissions (-35.0 %) was the key contributor to the overall decrease.

**Focus area:** Scope **1** remains the largest emissions source. Continued focus on decarbonization in this area is essential to achieve long-term climate targets.

# E2

## POLLUTION AND WASTE

Ferro Duo GmbH operates its facilities in compliance with applicable environmental and emission regulations. As part of the sustainability report, waste streams for the 2025 financial year were systematically recorded and evaluated.

The following waste volumes were documented for 2025:

| | |
|---|---|
| Total waste: | 437,666 kg |
| Hazardous waste: | 1,069 kg |
| Share of hazardous waste: | 0.24% |

The analysis confirms a stable waste structure and a very low share of hazardous waste. From the perspective of the materiality analysis, waste does not currently represent a material risk for Ferro Duo, but remains part of continuous environmental monitoring and regulatory oversight.

| IMPACT MATERIALITY | FINANCIAL MATERIALITY | MATERIALITY | STATUS 2025 |
|---|---|---|---|
| **Low to Medium** | **Low** | **Low** | **Stable** |

**01**

### Low Water Dependency

The analysis of water consumption confirms the low water dependency of Ferro Duo's business activities.

**02**

### Stable Development

Water is predominantly integrated into the products. The data shows stable development without significant fluctuations.

**03**

### Minor Materiality

Due to its low significance for the value chain, the topic of water continues to be classified as of minor materiality.

Water plays a minor role in Ferro Duo's value chain and is predominantly integrated into the products.

# E3 WATER RESOURCES

# E5 CIRCULAR ECONOMY

Circular Economy as the Core of the Business Model

The circular economy represents the central sustainability focus of Ferro Duo GmbH. The use of industrial by-products, secondary raw materials and mineral residues is an integral part of the business model and contributes significantly to the conservation of natural resources.

Resource Conservation and Value Creation

By utilising by-products, primary raw materials are replaced and material cycles are closed. The circular economy thus makes a significant contribution to resource conservation, waste reduction and the long-term securing of economic value creation.

**The circular economy is not only a sustainability topic but an essential part of the value creation and business model of Ferro Duo GmbH. With the planned construction of the SCM plant from 2026 and the intended commissioning in 2027, Ferro Duo is investing specifically in expanding its recycling capacities.**

# S1 EMPLOYEES

Ferro Duo GmbH offers secure and long-term employment. For the reporting year 2025, structured HR key figures are available on a quarterly basis for the first time. This significantly improved transparency regarding employee development.

## Secure and Long-Term Employment

The data confirms an overall stable employment situation with long-term employment relationships and high continuity within the workforce.

## Improved Transparency

For the first time, structured HR key figures were collected and evaluated on a quarterly basis. This significantly improved transparency regarding employee development.

## Further Development of HR Management

The collected key figures form the basis for a more systematic management of personnel-related sustainability goals in the future.

# S2 SUPPLY CHAIN

Ferro Duo GmbH has established initial processes for assessing and engaging suppliers regarding sustainability, compliance and due diligence requirements.

These include in particular a Supplier Code of Conduct, conducting supplier surveys on LKSG requirements, and collecting information on $CO_2$ emissions within the supply chain.

## Outlook

The focus in the coming years is on further systematisation and integration of these processes into a structured supplie and risk management system.

This includes in particular:
Assessment of key suppliers
Consideration of sustainability requirements

Improving transparency along the supply chain

Introduction of risk-based supplier monitoring

# G1 GOVERNANCE

Sustainability aspects are increasingly being integrated into corporate governance.

However, the materiality analysis shows that the operational anchoring of ESG key figures and systematic management need to be further developed.

Governance topics therefore remain a key area of development.

Governance forms the foundation for the long-term anchoring of sustainability in corporate management and is gaining further importance with increasing regulatory requirements.

**GOVERNANCE 2025**

**Already Established**
**✓ Materiality Analysis**
**✓ ESG Reporting**
**✓ Quarterly ESG Monitoring**

**In Development**
**✓ ESG KPI Management**
**✓ Sustainability Processes**
**✓ Supplier Management**

**Next Steps**
**✓ ESG Target System**
**✓ Regular Management Reporting**
**✓ Integration into Corporate Governance**

# OUTLOOK 2026–2027

Ferro Duo GmbH is focusing in the coming years on the further development of its sustainability and growth strategy.

1. **Construction of the New SCM Plant**
   Start of the investment phase in 2026 to expand production and recycling capacities.

2. **Commissioning 2027**
   Planned start of plant operations in 2027 to strengthen the circular economy and resource efficiency.

3. **Implementation of Initial Decarbonisation Measures**
   Further development of the data basis and identification of concrete $CO_2$ reduction measures.

4. **Further Development of Supply Chain Management**
   Gradual establishment of a structured supplier and risk management system.

5. **Expansion of ESG Governance**
   Integration of ESG key figures into corporate management and management reporting.

# SUMMARY & CONCLUSION

The key findings of the Materiality Report 2025 at a glance.

**1** **Circular Economy & Resource Efficiency**
Ferro Duo already recycles 95% of input materials. With the new SCM plant (commissioning 2027), capacity will be further expanded.

**2** **Decarbonisation & Climate Protection**
$CO_2$ emissions were reduced by 16%. Further measures for energy efficiency and renewable energies are being planned.

**3** **Supply Chain & Governance**
Gradual establishment of structured supplier management and integration of ESG key figures into corporate governance.

**Conclusion: Ferro Duo GmbH established a solid foundation for its sustainability strategy in 2025. The focus is now on the consistent implementation of identified measures in the areas of circular economy, climate protection and responsible corporate governance.**

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