BENTELER
makes it happen

ANNUAL REPORT 2024

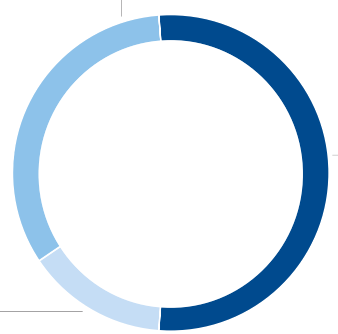
CONTENTS

KEY FIGURES 2024

FINANCIAL YEAR JANUARY 1 – DECEMBER 31

		2024	2023
External revenue	MILLION EUR	8,170	8,787
EBITDA	MILLION EUR	929	782
Adj. EBITDA	MILLION EUR	594	793
Working Capital	MILLION EUR	3	120
Investments	MILLION EUR	314	360
R&D budget	MILLION EUR	59	65
Equity	MILLION EUR	849	539
Equity ratio	%	17.6	11.3

REVENUE BY MARKET



~90
locations

>20,000
employees

535
trainees

>50%
electricity from renewable sources

-26%
Scope 1 and Scope 2 emissions

"HARD WORK, NO DRAMA"

The Executive Board of the BENTELER Group: Ralf Göttel (left), CEO, and Dr. Tobias Braun (right), CFO.

Dear Investors, Customers and Partners, dear Employees and Readers,

2024 challenged us. Our entire industry faced strong headwinds. At the same time, 2024 showed once again that we as a company know how to deal with these challenges. In a nutshell, the year for the BENTELER Group can be summed up as: "Hard work, no drama".

Not many of our market peers can say the same thing. Negative headlines from the automotive sector dominated the news last year. The European market – Germany especially – is facing major challenges. Naturally, these negative reports leave an impression on our employees, customers and partners.

At BENTELER, we are not immune to the challenges of the industry. In 2025, and this is no secret, we will have to continue to work hard. But we remain confident. And for good reason.

Robustly positioned with an evolved organizational design

At BENTELER, we adapted to the "new normal" in our industries early on: The global automotive market is no longer experiencing structural growth, while the steel tube market is grappling with strong economic fluctuations. Our capacities and cost structures have reflected these circumstances for several years. While this transformation hasn't always been enjoyable, the past year showed once again that it was unavoidable.

In 2024 we also became even more agile. We have consistently evolved our organizational structure: Away from the one-size-fits-all approach, to a group with four powerful divisions that address customer needs in their respective business areas with greater

“Realistically, we made the most out of 2024. This feat was only possible together. We sincerely thank our partners, customers and employees for this.”

autonomy. This brings us even closer to our automotive customers, allowing us to make more localized decisions, as many of them also do, in three geographic markets: Europe, Americas, and Asia Pacific. One year after the initial implementation, we can state that we've achieved our goals with the evolved organizational design. BENTELER is faster, more efficient and more resilient. Over the past few months, all divisions have demonstrated how effectively they can operate, even in challenging environments. Despite this autonomy, we remain a cohesive, strong group with shared values.

Profitable business in difficult markets

Thanks to our initiatives, we're ahead of the curve when compared to many other companies. Even in challenging markets, we can still operate profitably in our various business areas. The results from our divisions in 2024 are proof of this.

In the automotive business, we managed the year remarkably well. In 2024, global vehicle production fell for the first time since the post-COVID recovery. This led to a decline in volume and sales in our two divisions, BENTELER Automotive Components (BAC) and BENTELER Automotive Modules (BAM). Despite these difficult conditions and a decline in revenue of around €200 million compared to the previous year, the BAC division increased its EBITDA slightly to €363 million. In the module division, EBITDA stood at €100 million, slightly below the previous year's figure. Adjusted for non-operating one-off effects, our BAM division maintained the earnings level of the previous year. At more than 3%, the EBITDA margin remains above the industry benchmark, a remarkable achievement in view of the market environment.

The steel tube market showed considerable weakness last year. Consequently, our Steel/Tube division had to contend with significantly lower volumes and prices, both in the energy and industrial sectors in Europe, and in the OCTG market in North America. This resulted in a revenue decline of more than €300 million, with EBITDA at €132 million, approximately €200 million below the previous year's level. Nevertheless, we increased efficiency in this area and the difficult market conditions did not impact earnings as much as in comparable market situations prior to the COVID period. This is clearly reflected in the continued double-digit EBITDA margin of 11.1%. The Steel/Tube division thus remained our most profitable division in 2024 despite difficult market conditions. All this gives us cause for optimism.

Overall, our financial position as a group remains stable. Thanks to our ongoing efforts to improve efficiency, we achieved a satisfactory operating result with adjusted EBITDA of €594 million at group level. To be clear, this is below our ambitions. Nevertheless, it enables us to continue investing in growth markets and future-oriented topics, and maintain our successful course.

Realistically, we made the most out of 2024. This feat was only possible together. We sincerely thank our partners, customers and employees for this.

Successful strategy will be continued

Our solid performance in 2024 shows that our strategy is working. This is reflected in the many strategic successes we achieved in all areas of our company. A look at the Americas market – especially the US – makes this clear. We are expanding our production footprint with a new BAC division facility in the city of Wyoming, while at the same time strengthening existing sites in our BAM and Steel/Tube divisions through investments in Spartanburg and Shreveport. If we look to Asia, it becomes clear why customers will continue to rely on BENTELER in future. In 2024, we supported new players in the automotive market, such as Xiaomi and Nio, with their launches. A look at Europe also shows how we are driving forward the green transformation of our industry. In 2024, we concluded important agreements for the procurement of green energy in Southern and Eastern Europe. We also attracted new customers and partners for our sustainable CliMore© tubes.

The significant progress we made with our HOLON division is a prime example of the innovative strength within BENTELER. At the beginning of 2024, we secured a financially strong partner, TASARU Mobility Investments, for the development and industrialization of our autonomous mover. As the year progressed, we pushed ahead with planning for the first production site and successfully completed initial tests with the first prototype in November.

By executing our strategy, we're strengthening our core business, becoming even more efficient and offering our customers around the world top-quality solutions tailored to their needs. At the same time, we are tapping into new markets, such as autonomous driving, and leveraging potential for further profitable business.

We remain your reliable, strong partner

2024 showed that BENTELER is well positioned – even in times when industries are weak, and forecasts are gloomy. The uncertain market outlook for 2025 shows that we must continue to work with full commitment in the future. But there's no cause for alarm!

With our proven strategy and the tireless dedication of our employees, we are well-equipped to meet the upcoming challenges with determination. We will continue to operate with innovation and flexibility in a volatile market environment and approach 2025 with confidence.

We thank you for your continued support along the way and are confident that we will be successful together again this year.

Ralf Göttel, CEO   Dr. Tobias Braun, CFO

"The uncertain market outlook for 2025 shows that we must continue to work with full commitment in the future. But there's no cause for alarm!"

COMPANY PROFILE

Main entrance "An der Talle"
Paderborn, Germany

BENTELER is a global group of companies that develops, manufactures and sells innovative products, systems and services for the automotive, industrial and energy sectors. Our employees embody pioneering spirit, first-class engineering expertise, outstanding materials proficiency and total vehicle competence along the entire value chain.

BENTELER GROUP OVERVIEW

Over the past 150 years, BENTELER has grown from a small hardware store in Bielefeld into a global metal processing specialist. Today, our more than 20,000 employees at approximately 90 locations worldwide deliver outstanding manufacturing and distribution expertise – passionately and in close collaboration with our customers. Our values of courage, ambition, and respect guide us in everything we do.

CUSTOMER PROXIMITY

› For us, customer proximity means more than just geographical closeness - it's also a strategic mindset. Our goal is to provide innovative and customized solutions of the highest quality worldwide. Our global presence enables us to maintain direct contact with our customers at all times. At the same time, we continuously expand our portfolio with differentiated products, services and systems. Together with our customers, we rise to every challenge and develop solutions that ensure their success.

EXCELLENCE IN IMPLEMENTATION

› BENTELER combines outstanding manufacturing and sales expertise with a lean and efficient organization. We continuously improve our operational and administrative processes through consistent digitalization, standardization, and our global shared-service approach. This focus on efficiency enables us to deliver top performance at all times, even in a dynamic market environment.

STRONG CORPORATE CULTURE

› Our passion lies in developing the best solutions for our customers. We cultivate a performance-oriented culture characterized by entrepreneurial thinking, individual responsibility and flexibility. To ensure long term success, we invest not only in the continuous development of our employees, but also in optimizing our organization. Together, we are shaping the future - with innovative strength, team spirit and a clear focus on excellence.

OUR ORGANIZATION

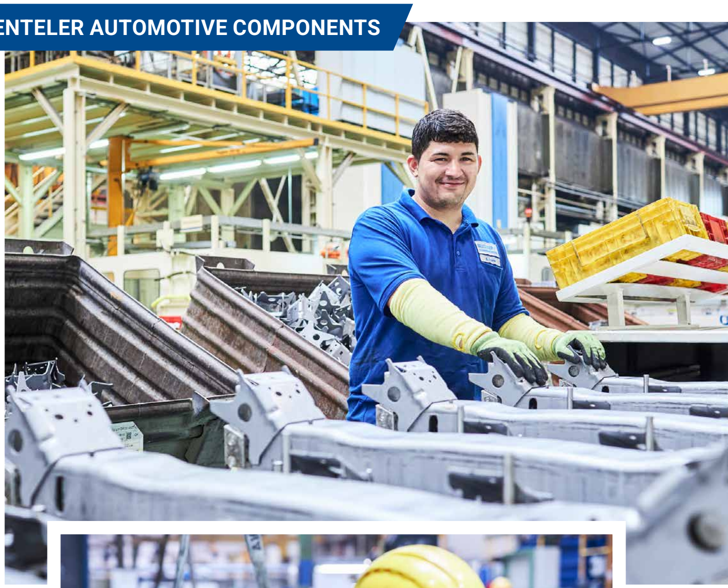
The BENTELER Group is organized into four divisions and managed by BENTELER International AG, based in Salzburg, Austria. In addition, Global Business Functions support all divisions by performing cross-divisional tasks.

BENTELER Automotive Components
consolidates our component manufacturing activities. As a development partner for the world's leading automotive manufacturers, we develop vehicle components for our customers in the areas of chassis, bodywork, engine and exhaust systems.

BENTELER Automotive Modules
is a full-service supplier completely focused on customers. The division specializes in the production and assembly of modules for the world's leading automotive manufacturers.

BENTELER Steel/Tube
specializes in seamless and welded quality steel tubes for the automotive, energy and industrial sectors. We offer customized tube solutions from material definition to process integration.

HOLON
is one of the first vehicle manufacturers for autonomous movers with the standards and scaling potential that we know from the automotive industry. With our platform technology, vehicle expertise and strong partner network, our goal is to redefine passenger transport.



The four divisions of the BENTELER Group.

OUR STRATEGY

Our goal is clear: We strive for sustainable and profitable growth. Together with our customers, we aim to make mobility safer and more sustainable. By constantly developing our future-oriented and agile business model, we focus on continuous improvement in all business areas.

BALANCED

› Our strategy is built on a balanced approach between risk diversification and opportunity participation. By maintaining a broad presence across different business areas, markets, customers and products, we minimize risks while capitalizing on growth opportunities. This is achieved through sectoral diversification, a global footprint, strategic partnerships and a dynamic acquisition strategy. Additionally, we continuously refine our future-oriented business portfolio, balancing it across the life cycles of different business models, to remain a reliable global partner to our customers in the long term.

RESILIENT

› Resilience is key in a market environment characterized by uncertainty. Thanks to our early transformation, we adapted to the "new normal" in our industries in good time. Adjustments to our production capacities and an agile organizational structure strengthen our efficiency and competitiveness. In addition, local production facilities and regional supply chains in our core markets ensure flexibility and independence, mitigating risks from protectionist trade strategies and geopolitical tensions. At the same time, we leverage the strengths of a global group, for example by compensating for market cycles in individual business areas.

FUTURE-ORIENTED

› We continuously strengthen our forward-looking business model by continuously developing innovative solutions at both the product and process levels. While product innovations help us stay relevant in the future, process innovations enhance the efficiency of our development, manufacturing, and administrative activities. At the same time, we are tapping into new markets, such as autonomous driving, and leveraging potential for further profitable business. Combined with our lean and agile structure, this positions us well for the future.

OUR CONTRIBUTION TO A SUSTAINABLE FUTURE

Megatrends such as shifts in mobility behavior, digitalization and networking are shaping our work as a company. Additionally, the global challenges of climate change have a significant influence on our actions. As an energy-intensive company, we recognize our responsibility – and we take it seriously.

Sustainability strategy

Sustainability is an integral part of our business operations. We have specifically linked the core elements of our corporate strategy with sustainability aspects. Our sustainability initiatives have been developed on the basis of a comprehensive materiality analysis. In this way, we are creating the basis for actively shaping a more sustainable future and at the same time creating long-term added value for our customers, partners and the environment.

BENTELER SUSTAINABILITY STRATEGY

CLIMATE CHANGE

- Improved energy efficiency
- Electrification and green hydrogen
- PPAs, self-generation and certificates of origin
- Consideration of the value chain

CIRCULAR ECONOMY

- Increasing the proportion of recycled materials
- Higher process efficiency
- Ensuring product recyclability

WATER

- Reduced water withdrawal through increased efficiency in water usage
- Reduced water pollution

EMPLOYEES & WORKING CONDITIONS

- Improved occupational safety
- Promotion of training and professional development
- Protection of human rights
- Promoting diversity and inclusion

BUSINESS CONDUCT

- Zero tolerance for corruption and bribery
- Protection of whistleblowers
- Sustainable supplier relation-ships
- Responsible tax practices

RELATED SDGs

SUSTAINABILITY GOALS AND PROGRESS

When developing current and future targets, we take into account the expectations of our stakeholders, regulatory requirements and developments on the financial markets, including the Corporate Sustainability Reporting Directive (CSRD). Our climate targets have been validated by the Science Based Targets Initiative (SBTi) since 2023.

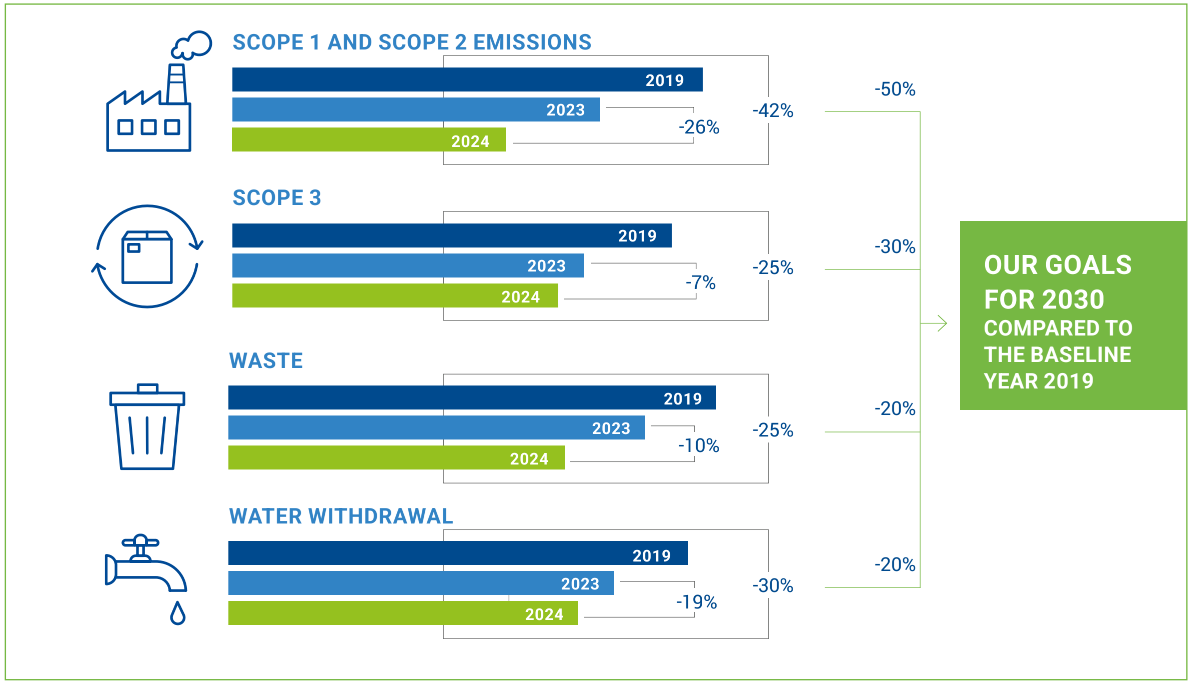
Operating in an energy-intensive industry, we have the opportunity to make a significant contribution to climate protection. That is why we focus on energy efficiency, electrification, and the substitution of fossil fuels. Decarbonizing our company is one of our key goals: By 2030, we aim to reduce production-related absolute Scope 1 and Scope 2 greenhouse gas emissions by 50% and Scope 3 emissions by 30% (compared to 2019). By 2040, we are targeting climate-neutral production, and by 2050, we strive to achieve net-zero emissions.

A functioning circular economy is essential for a sustainable future. We are committed to recycling, process efficiency and waste reduction. Our goal is a 20% reduction in waste by 2030 (compared to 2019).

Additionally, we attach particular importance to responsible management of water resources. By 2030, we plan to reduce absolute water withdrawal at locations in regions with high and very high water stress by 20 % (compared to 2019).

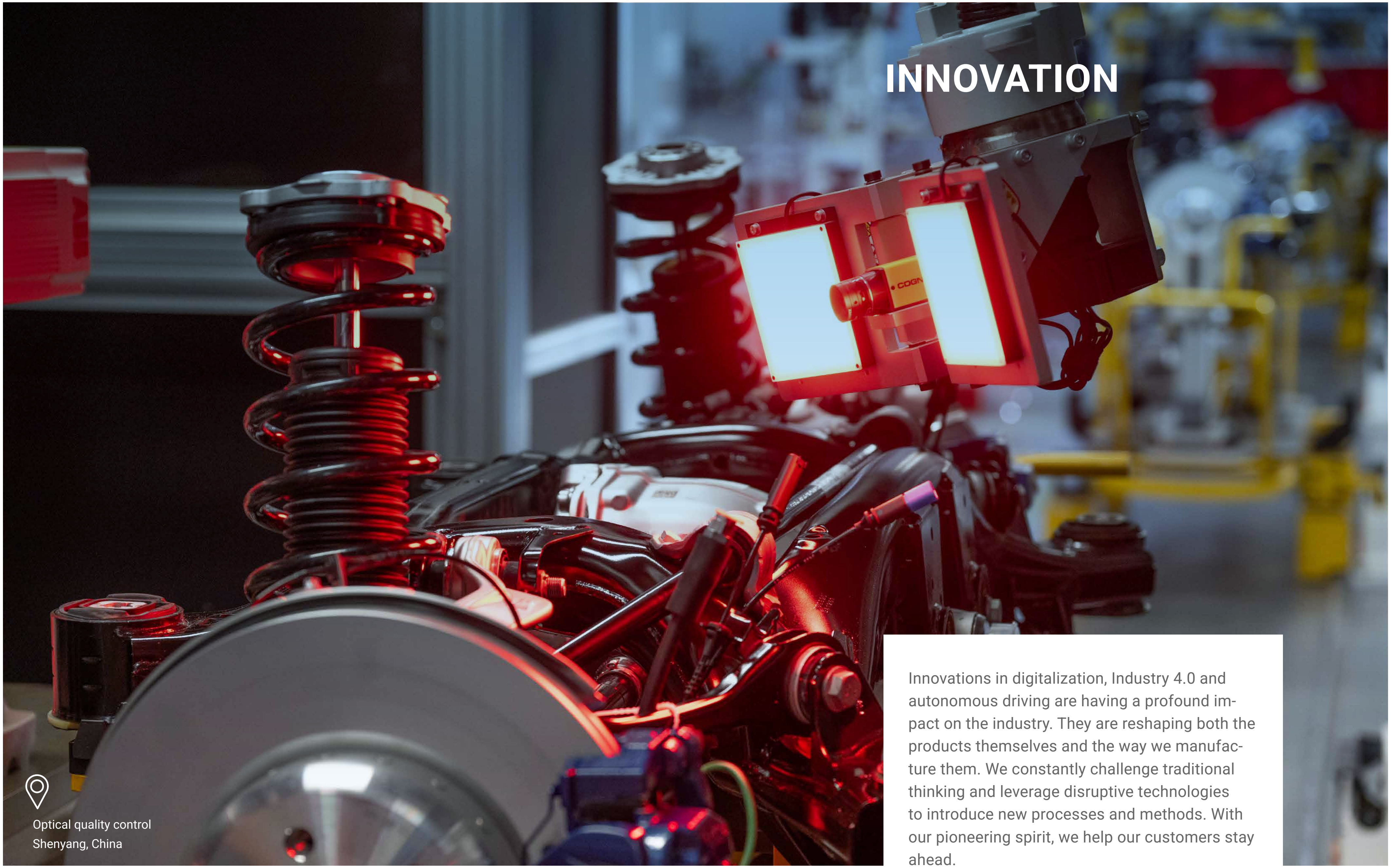
Our employees are the key to our success. By 2030, we aim to fill 25% of management positions with women and continuously improve occupational safety in order to get closer to our goal of zero workplace accidents.

OUR COMMITMENT TO SUSTAINABILITY AT A GLANCE



Further details on the topic of the environment can be found in our sustainability declaration starting on page 165.

INNOVATION



Optical quality control
Shenyang, China

Innovations in digitalization, Industry 4.0 and autonomous driving are having a profound impact on the industry. They are reshaping both the products themselves and the way we manufacture them. We constantly challenge traditional thinking and leverage disruptive technologies to introduce new processes and methods. With our pioneering spirit, we help our customers stay ahead.

DIGITALIZATION & INDUSTRY 4.0

BENTELER consistently advances digitalization and Industry 4.0 to enhance production efficiency and quality, and to develop innovative solutions for our customers. Our latest initiatives reflect our commitment to driving significant progress in the manufacturing industry through advanced technologies and intelligent systems.

SMART SCM project

As part of the SMART SCM project, conducted in collaboration with EXLA and the Automotive Technology Center of Galicia (CTAG), we are optimizing internal logistics at our Spanish plants in Valladares and Mos. The goal of the project is to implement lean processes in the movement and storage of raw materials, packaging and products. This initiative is financed with the support of the Galician government and European funds and aims to improve operational efficiency and material flows, benefiting the entire supply chain.

Our Smart Factory in Vigo uses automation and virtual control of processes to increase production efficiency.

BENTELER TubeEngineer

In our Steel/Tube division, we have developed the first digital product configurator specifically for the hydraulic industry. The BENTELER TubeEngineer is an online tube configurator that helps engineers find the optimum tube solutions for their machines and processes. The TubeEngineer combines co-engineering with digitalization, making it possible to quickly and easily select the right hydraulic and line pipes to meet the growing demands for pressure, reliability and environmental sustainability.

Self-diagnosis system for hot forming lines

With the support from the EU Recovery Plan and the Ministry of Economy and Digital Transformation, we have developed a self-diagnosis system for hot forming lines at our Burgos plant. This pilot project uses advanced data processing techniques and enables predictive fault detection, intelligent diagnostics, advanced energy management and improved productivity.

Zeiss GOM ARAMIS SRX measurement system

The Zeiss GOM ARAMIS SRX measurement system has been in use for a year in the automotive sector. This highly complex system enables 3D motion and deformation analysis with an accuracy of up to 1/1000 mm. It supports the analysis of surfaces and offers great potential for solving a wide range of tasks.

PRODUCT INNOVATIONS

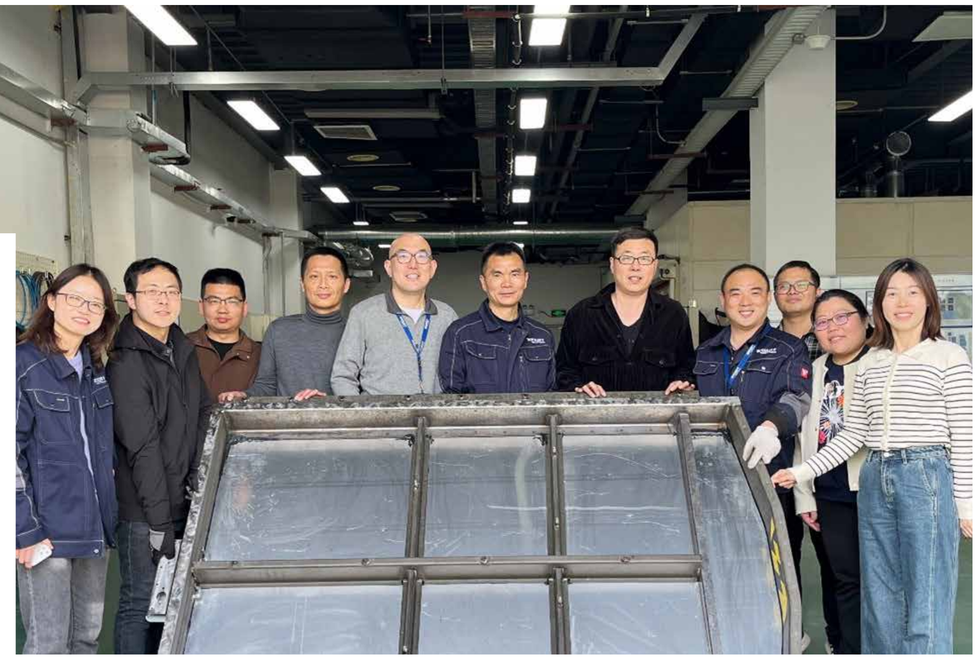
We are characterized by our pioneering spirit, which is aimed at keeping our customers ahead of the competition. Our product innovations help us provide our customers with even better solutions and inspire new customers.

Hot-formed battery trays

As a global pioneer in hot forming, we leverage our core technology to provide more effective and economical solutions for the growing electric vehicle sector. Our hot-formed steel battery trays are both cost-efficient and optimized for crash safety. This not only makes them attractive to our customers but also makes mobility safer.

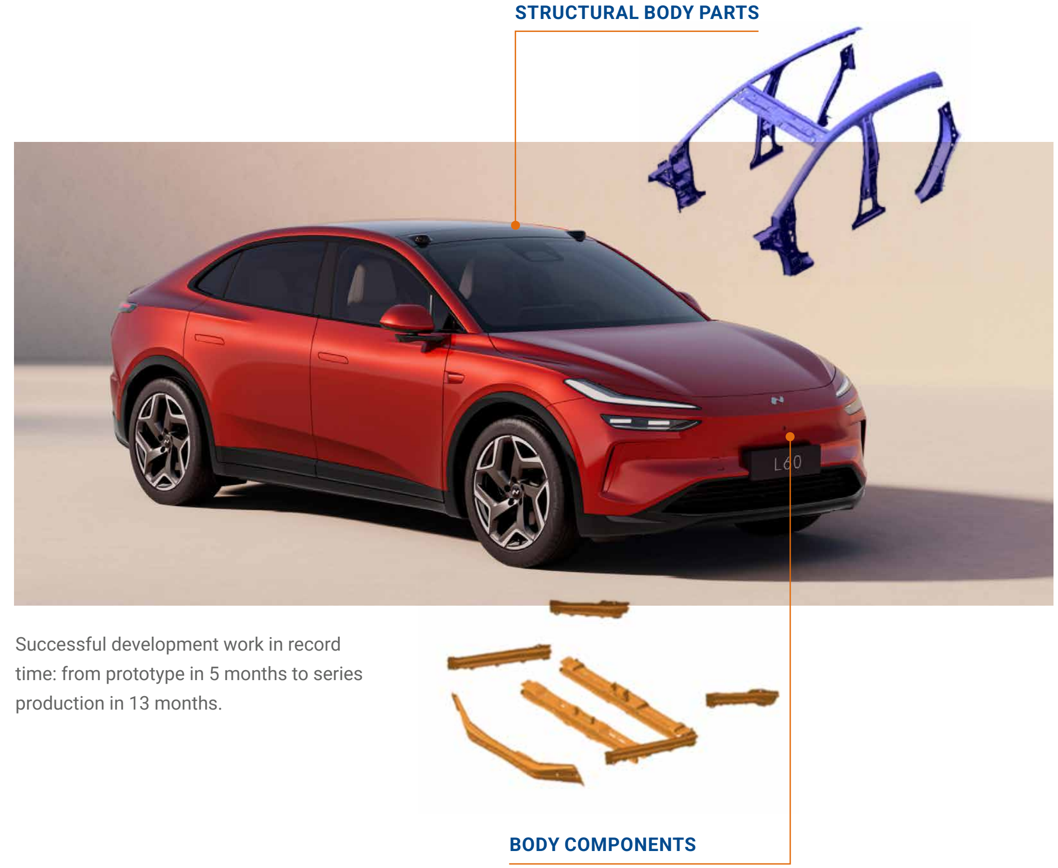
Improved corrosion protection: ZISTA® product family

With our new titanium galvanization process, we have increased the corrosion resistance of our proven ZISTA® product family by over 50 percent. Our line pipes now offer even better protection without the use of chromium VI, nickel, lead or PFAS.



Innovations in the automotive and steel/tube sectors optimize our broad product portfolio.

Components for an innovative vehicle concept – developed in a joint venture between BENTELER and Changan.



Successful development work in record time: from prototype in 5 months to series production in 13 months.

Innovative vehicle concept: Changan Qiyuan E07

The Changan Qiyuan E07, developed for the Chinese market, stands out with its new vehicle design and sliding tailgate. The model offers maximum safety and extended range thanks to a special chassis and a battery carrier that enables a range of over 1,000 km. Through our joint venture with Changan in Chongqing, we manufacture the aluminum components that make this unique driving experience possible.

Chassis components for Xiaomi SU7

The Xiaomi SU7 was presented in China on March 28. For this first electric car from Xiaomi, BENTELER is supplying important chassis components such as the front and rear subframes and control arms. Our engineering team worked intensively on the development to ensure optimum performance while keeping weight low. The components meet the highest standards for crash safety and acoustics (NVH: Noise, Vibration, Harshness).

ONVO L60: safety and efficiency for NIO's new brand

NIO recently introduced the new ONVO brand along with its first model, the ONVO L60. As the main supplier, BENTELER was involved in the development of the electric SUV from the outset. We supplied 14 assemblies and 7 components for the bodywork, including high-strength steel with 2000 MPa. These materials ensure greater safety and reduce weight.

AUTONOMOUS DRIVING GAINS MOMENTUM

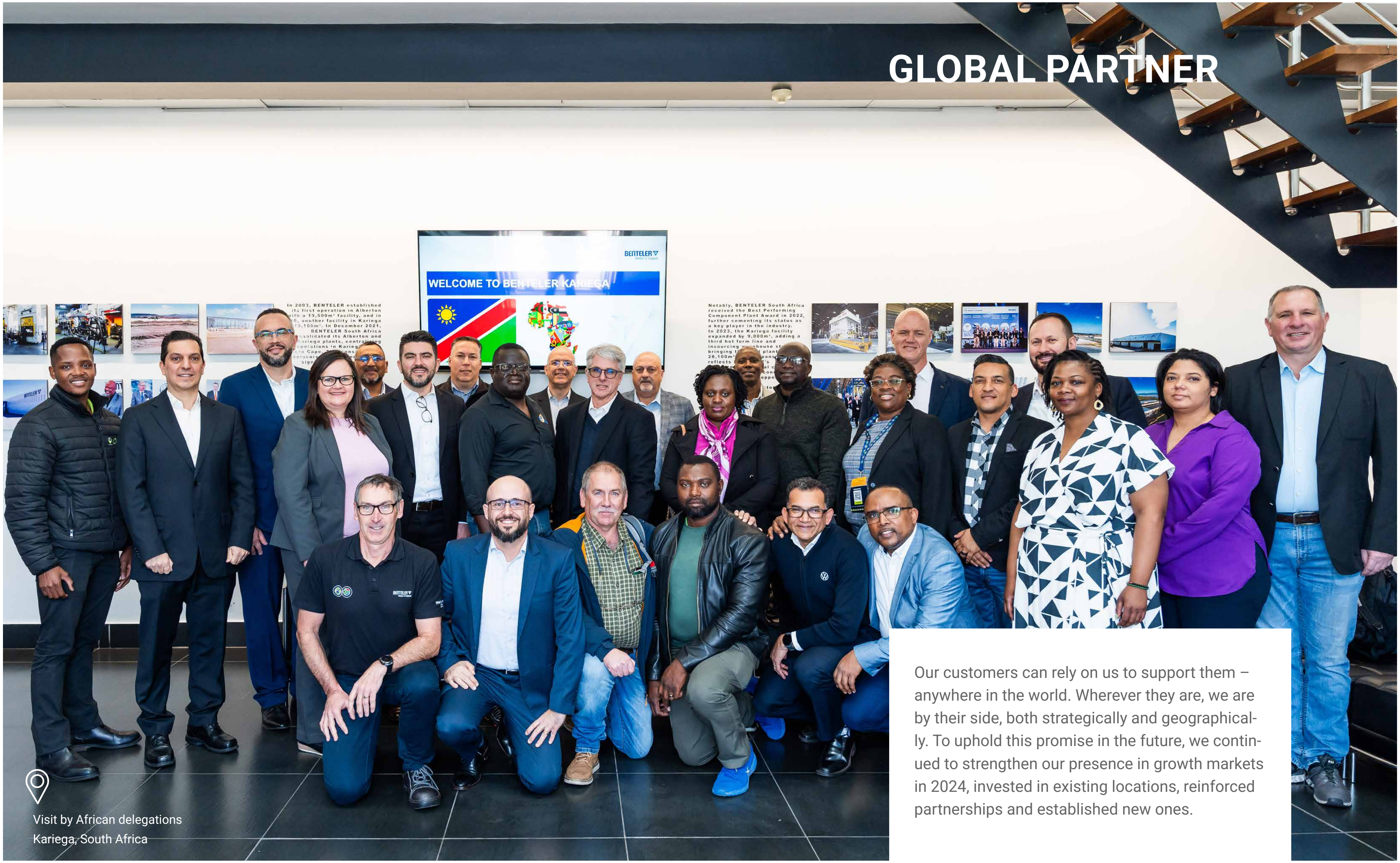
BENTELER is fully committed to the future of mobility and is driving the development of an autonomous mover forward with HOLON. The autonomous vehicle will not only revolutionize urban transport but also serve as a model for a sustainable and safe future in public transport.

Through a strategic partnership with TASARU Mobility Investments from Saudi Arabia, the HOLON mover, a fully electric and autonomous vehicle, has entered a new phase of series development and industrialization with a multi-million investment. The agreement concluded in February 2024 includes TASARU acquiring a minority stake in HOLON. The partnership has now been approved by the EU Competition Directorate and the German Federal Ministry for Economic Affairs and Climate Protection, enabling development of the HOLON mover to progress at full speed. Thanks to this investment, the final steps towards series production of the fully autonomous vehicle can be taken.

The first test drives of the HOLON mover have already successfully shown that the vision is becoming reality. The prototype has successfully completed the initial tests and is now being further optimized under various conditions. The next phase of development will be the integration of the Self Driving System (SDS) to make the HOLON mover a fully autonomous vehicle.

The prototype of the all-electric mover successfully completed its first test drives on the test track in November 2024 – and with flying colors.

GLOBAL PARTNER



Visit by African delegations
Kariega, South Africa

Our customers can rely on us to support them – anywhere in the world. Wherever they are, we are by their side, both strategically and geographically. To uphold this promise in the future, we continued to strengthen our presence in growth markets in 2024, invested in existing locations, reinforced partnerships and established new ones.

STRENGTHENING OUR GLOBAL PRESENCE: NEW BENTELER LOCATIONS

Over the past year, we further strengthened our presence in various key markets with openings, ground-breaking ceremonies and announcements of new plants in Europe and America.

Ground-breaking ceremony in Wyoming
A new BENTELER plant is under construction in **Wyoming (Michigan), USA**, set to begin EV component production in 2026. This project marks an important step in our growth strategy for the US market. The plant will initially create around 150 jobs and has expandable production space together with a state-of-the-art paint shop to improve component durability.

HOLON'S FORAY INTO THE US MARKET

Our HOLON subsidiary will build the first plant for autonomous shuttles in **Jacksonville (Florida), USA.** Spanning 45,000 square meters, the plant will drive forward emission-free and sustainable mobility solutions. Jacksonville offers ideal conditions for the introduction of autonomous vehicles thanks to its openness and regulatory support.

OPENING IN BRATISLAVA, SLOVAKIA

We opened a state-of-the-art plant in **Bratislava, Slovakia**, dedicated to rear axle production for Volkswagen. Thanks to the strategic location, just 1.5 kilometers from the customer, we benefit from close cooperation, increased production efficiency and reduced logistics costs. The flexible and scalable production lines are tailored for just-in-sequence production and diverse variants.

INVESTMENTS IN OUR LOCATIONS

We are consistently advancing our vision of efficient production. With targeted investments in locations around the world, we are creating state-of-the-art production capacities.

We are investing in our **Vitoria and Burgos** plants in **Spain** to produce suspension modules for a fully electric Mercedes-Benz model using cutting-edge manufacturing technology.

In **Schwandorf, Germany**, BENTELER is setting new standards for sustainability and quality with the inauguration of an energy-efficient cathodic dip coating line. The system significantly reduces energy and water consumption and can operate CO_2-neutrally. It will treat up to 7.8 million m² of surfaces annually, setting new quality standards, particularly in the premium segment.

In July 2024, we inaugurated our new tube and forming line for torsion profiles in **Pune, India**. The launch was marked by a traditional ceremony symbolizing the beginning of a promising future.

At the end of August, we completed a new warehouse in **Skultuna, Sweden** in record time – just five months. The project increases efficiency and is a further step towards optimized, sustainable production.

Across the Atlantic, we are sending a strong signal by investing in the modernization of production and assembly facilities in **Spartanburg, (South Carolina), USA.**

"With this facility we are getting closer to our customers and increasing our competitiveness."

Kai Christian Zimmermann,
Executive Vice President North America
at BENTELER Steel/Tube

In **Shreveport, Louisiana**, we set up a new state-of-the-art threading line. This expansion increases added value and reduces lead times for our customers.

PLANT ANNIVERSARIES: DECADES OF LOCAL COMMITMENT

BENTELER celebrates its long-standing presence at various locations worldwide and recognizes the exceptional achievements of its employees. These anniversaries are testament to both our successes and our strong commitment to our locations and the local communities.

10 years of the BENTELER plant in Shenyang:
Since its foundation in 2014, our plant in **Shenyang, China**, has developed rapidly and is now an important production site for the Chinese automotive industry. In July 2024, the site celebrated its 10th anniversary.

5 years of the Campinas Headquarters:
In January, our headquarters in **Campinas, Brazil**, celebrated its 5th anniversary. The anniversary day was celebrated with a traditional “Bolo de Coco”, which sweetened the day for the employees.

50 years of steel production in Lingen:
In April 2024, our electric steel plant in **Lingen, Germany**, celebrated its 50th anniversary. Since 1974, the facility has embodied the circular economy and sustainable steel production. Here, we produce CO_2-reduced steel using an electric arc furnace and recycling steel scrap.

“The Lingen plant has a special significance for BENTELER – not only in achieving our own sustainability goals but also in supporting our customers, who increasingly demand sustainably produced products.”

Thomas Michels, COO BENTELER Steel/Tube

60 years of the BENTELER plant in Kleinenberg:
Our plant in **Kleinenberg, Germany**, celebrated its 60th anniversary with a large family event, attended by around 850 guests. The plant has been a reliable partner to the region for six decades and has continuously evolved.

SUCCESSFUL TOGETHER

We drive the future of mobility through strategic partnerships, both in our core business and in the emerging field of autonomous mobility. Our collaborations at HOLON show how we rely on a network of the best partners to accelerate the transformation of public transportation.

The future of local public transport: New collaborations complement strong partner network

Our HOLON division established additional strategic partnerships in 2024. Together with Valtech Mobility, we have a clear goal in mind: To accelerate the digital transformation in public transport. The focus of this collaboration is the development of a cloud platform for HOLON's autonomous mover. This platform will act as a central hub and optimize communication between the various interfaces around the vehicle.

In addition, HOLON has entered into a pioneering partnership with the Rhein-Main-Verkehrsverbund (RMV). Both parties have signed a memorandum of understanding aimed at integrating autonomous shuttles into RMV. The goal of this collaboration is maximizing the potential of autonomous vehicles in local public transport and to offer an efficient, safe and sustainable transport solution.

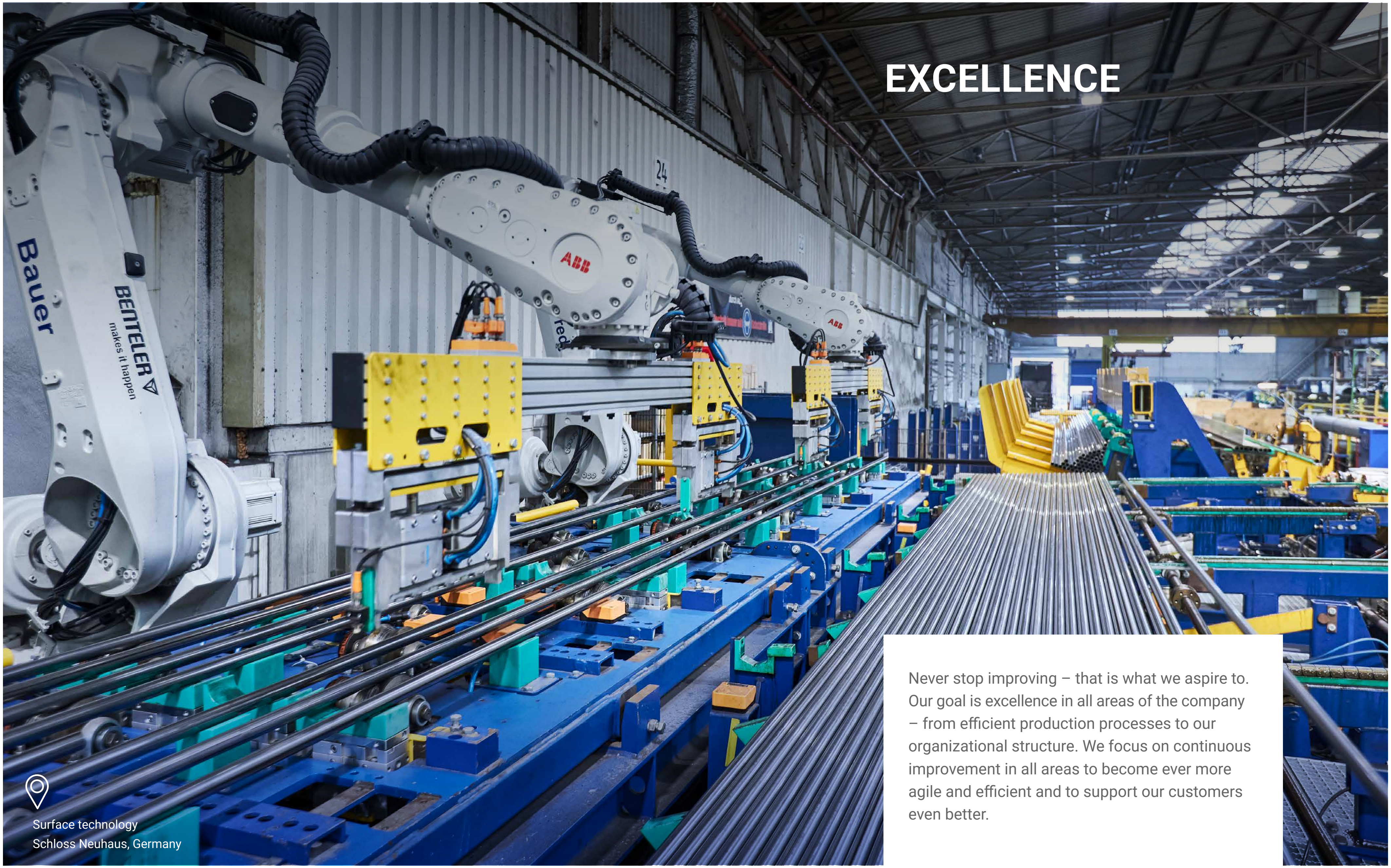
Both partnerships complement our existing network. Because that is precisely our approach – we team up with the best partners. Great people and companies are helping us get autonomous movers on the road.

Our partner network at HOLON also includes Pininfarina for the design, Mobileye for the autonomous driving system, Beep as operator and many more.

HOLON and Rhein-Main-Verkehrsverbund cooperate on autonomous mobility: The two companies aim to integrate autonomous shuttles into RMV.

Together with a broad partner network, HOLON is revolutionizing the future of local public transport.

EXCELLENCE



Surface technology
Schloss Neuhaus, Germany

Never stop improving – that is what we aspire to. Our goal is excellence in all areas of the company – from efficient production processes to our organizational structure. We focus on continuous improvement in all areas to become ever more agile and efficient and to support our customers even better.

BENCHMARKS IN OPERATIONAL EXCELLENCE

At BENTELER, we pursue the goal of offering our customers the best solutions worldwide with the highest precision and tireless dedication. Our continuous success in production and the milestones we have achieved at various locations are proof of our relentless pursuit of operational excellence and innovation.

Milestone in Tianjin: In August 2024, the 1,000,000th rear subframe came off the production line.

Production of the millionth rear subframe in Tianjin
The BENTELER component plant in Tianjin, China, celebrated a significant success with the production of its one millionth rear subframe. This achievement underscores the plant's commitment to continuously improving vehicle safety and performance as a reliable partner for premium OEMs.

"The plant in Tianjin has become a key pillar for premium OEMs. With this achievement, we will continue to drive innovation and deliver high-quality products."

Kevin Liao, Plant Manager, Tianjin

Milestone in Shreveport: 1 millionth ton of hot-rolled tube

What began in September 2013 as a greenfield project in Louisiana, USA, has become one of the most modern and efficient steel tube plants in North America.

At the start of 2024, our Shreveport plant produced its 1 millionth ton of hot-rolled tube. This major milestone marks another success in providing high-quality steel tube solutions for the oil and gas industry in the USA.

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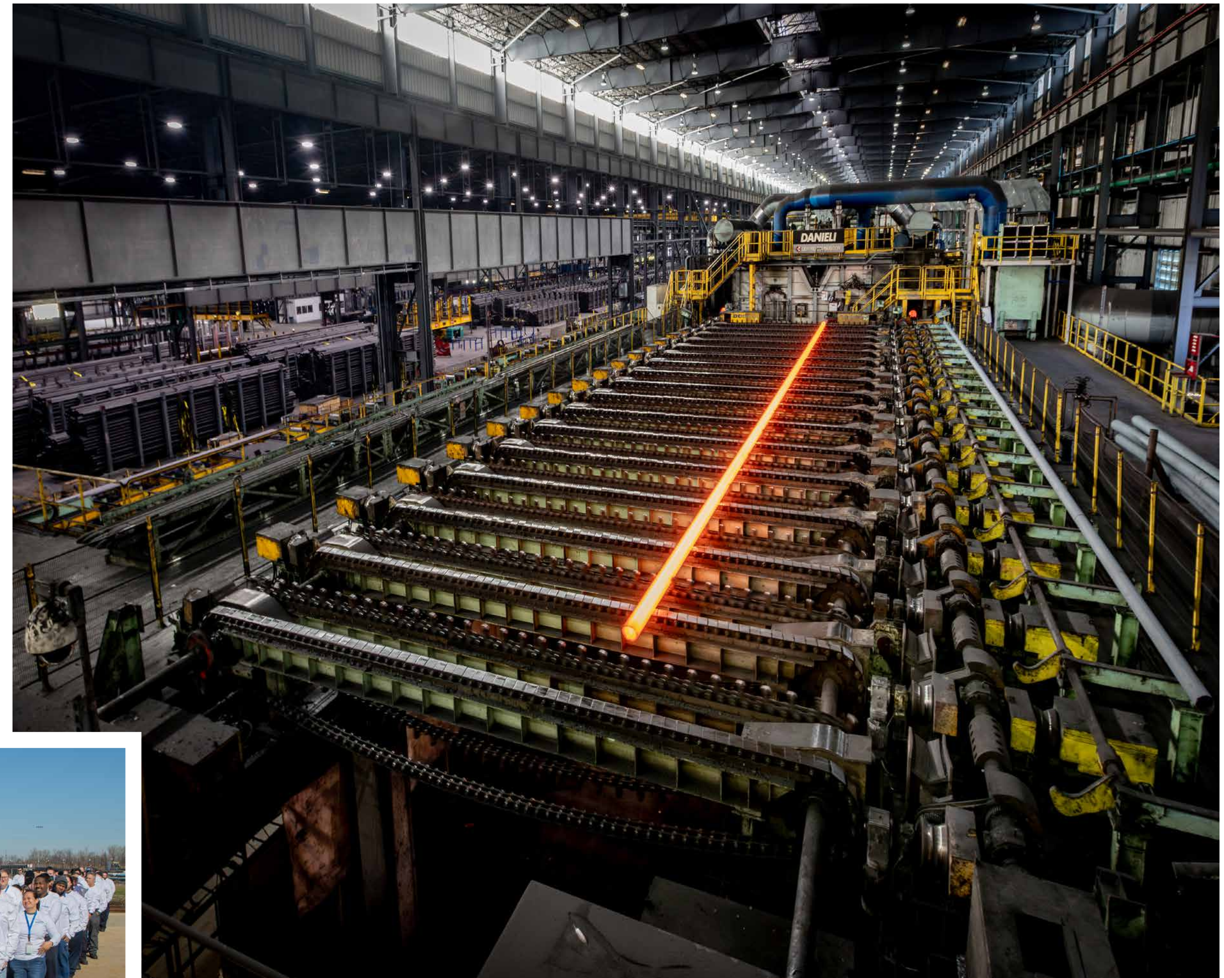

We've been producing pipes for the OCTG market in Shreveport for around 10 years – efficiently and to the highest quality standards.

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RECOGNITION FOR EXCELLENCE IN PARTNERSHIP

In 2024, BENTELER once again demonstrated that quality and partnership are at the core of our work. We have been recognized by leading automotive manufacturers and institutions for our outstanding performance in various fields. These awards demonstrate our continuous drive for innovation and customer satisfaction.

Volvo Excellent Supplier Award:
BENTELER Automotive Asia Pacific received Volvo's highest award for excellent quality and service at the 2024 Supplier Convention.

Quality Award from Jaguar Land Rover

Our plant in Warburg received the Quality Award from Jaguar Land Rover for years of outstanding delivery and quality.

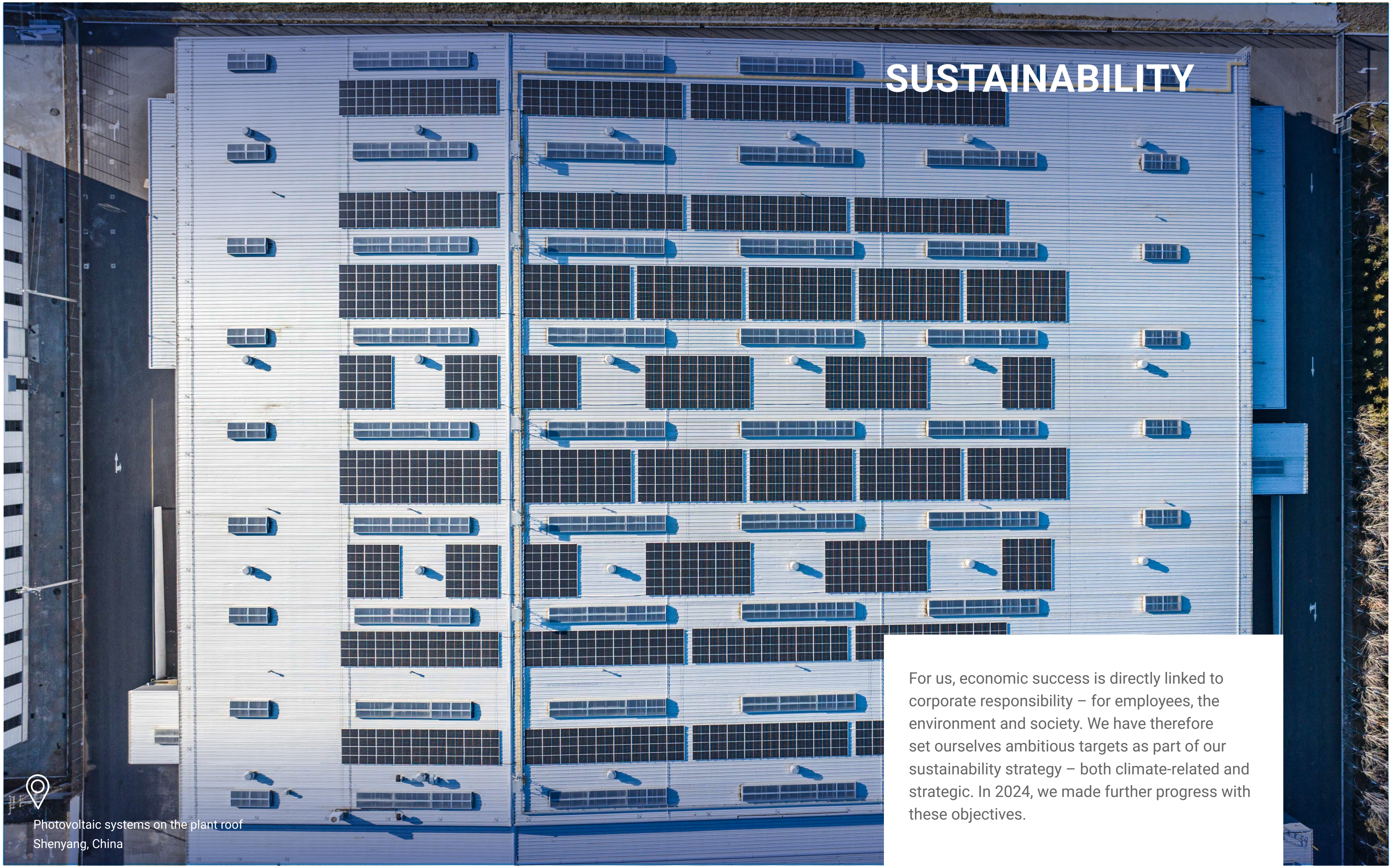
BBAC Star Quality Award

At the BBAC (Beijing Benz Automotive Co.) Supplier Conference in China, BENTELER was recognized for outstanding quality management and its strong partnership with Mercedes-Benz with the Star Quality Award.

Excellence Award from the German Chamber of Commerce in Spain

BENTELER received the Excellence Award for the “Most Cooperative Project”, in particular for our collaboration with vocational training centers and universities in Spain.

SUSTAINABILITY



Photovoltaic systems on the plant roof
Shenyang, China

For us, economic success is directly linked to corporate responsibility – for employees, the environment and society. We have therefore set ourselves ambitious targets as part of our sustainability strategy – both climate-related and strategic. In 2024, we made further progress with these objectives.

SUSTAINABLE PRODUCTS

BENTELER is advancing the development and production of sustainable products to meet the demands of modern mobility. Our latest initiatives and projects underline our commitment to an environmentally friendly future.

We are driving the green transformation of the industry with sustainable products and products for sustainable applications.

Sustainable automotive product portfolio

BENTELER keeps pace with the rapid transformation of the automotive industry by focusing, amongst other things, on lightweight design, material expertise, and the ongoing electrification of our portfolio. The majority of our revenue already comes from drivetrain-agnostic products. For around ten years, our portfolio has included a wide range of products specifically designed for electric vehicles, including battery trays and is constantly being expanded, for example to battery struts.

CliMore®: More sustainable steel tubes

In fall 2023, BENTELER Steel/Tube introduced the new CliMore® brand for more sustainable steel tubes. The first quantities of seamless tubes were successfully placed with European trading partners as early as the end of 2023. This was followed in 2024 by the first deliveries of welded CliMore® tubes in the "Ambition" category to customers such as the Stabilus Group and Ischebeck, a market leader in geotechnical applications. CliMore® tubes are produced from CO_2 reduced steel from the BENTELER electric steelworks in Lingen. With certified emission certificates, we provide our customers transparent and sustainable solutions for their construction and mobility projects.

SUSTAINABLE PROCESSES

As a company in an energy-intensive industry, we are committed to making our production more sustainable. To achieve this, we focus on energy efficiency, electrification and the responsible use of resources.

CO_2 savings through electric heating elements

A pilot project at our Talle plant in Paderborn, Germany, is replacing gas burners in a hot-forming furnace with electric heating elements, saving up to 150 tons of CO_2 per year. This project is an important step towards achieving our goal of climate-neutral production by 2040. The cross-divisional knowledge exchange and financing from a budget created specifically for energy efficiency measures emphasize the importance of this initiative.

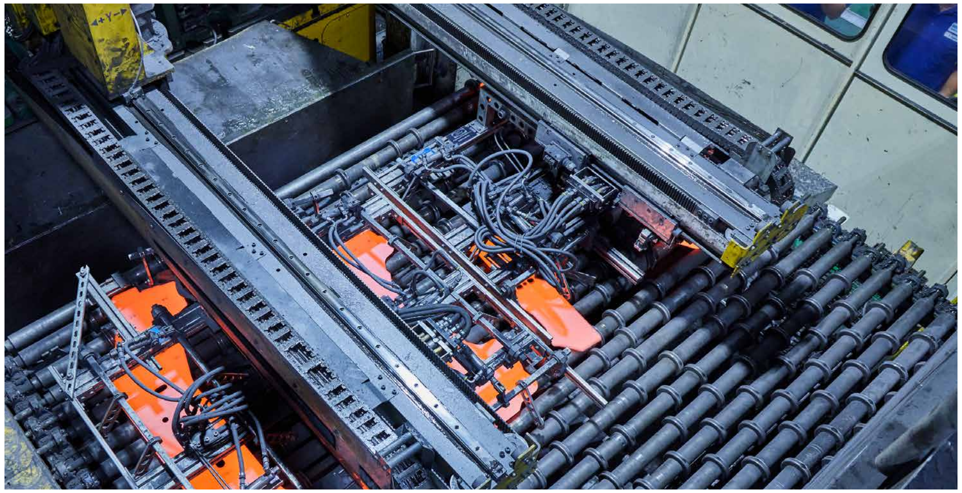
Photovoltaics in Vigo, Spain

In addition to purchasing green energy, local energy generation is a key element of our sustainability strategy. We have installed photovoltaic systems at some of our Spanish plants to promote energy independence and improve our ecological footprint.

Product life cycle assessments (LCA)

Since 2017, BENTELER has been carrying out product life cycle assessments in accordance with ISO 14040 and ISO 14044 to assess the carbon footprint of our products. This covers the entire manufacturing process.

Electrification of systems helps make energy-intensive processes, such as hot forming, more sustainable.



Certified Environmental Management

A key control element for environmental protection and resource efficiency of our production processes is our integrated management system, which meets the requirements of ISO 14001 and ISO 50001. All automotive production sites and European locations of the Steel/Tube division have certified environmental or energy management systems.

Critical raw materials and conflict materials

BENTELER requires all relevant suppliers to disclose the origin of their raw materials in accordance with the Dodd-Frank Act and the EU Conflict Minerals Regulation in order to ensure a conflict-free supply chain. Reporting of these minerals is done through Conflict Minerals Reporting (CMRT).

RECOGNITION FOR COMMITMENT TO SUSTAINABILITY

BENTELER is actively committed to sustainability and regularly recognized for its outstanding achievements in Corporate Social Responsibility (CSR). Our latest successes and ratings confirm that we are on the right track with our commitment to a sustainable future.

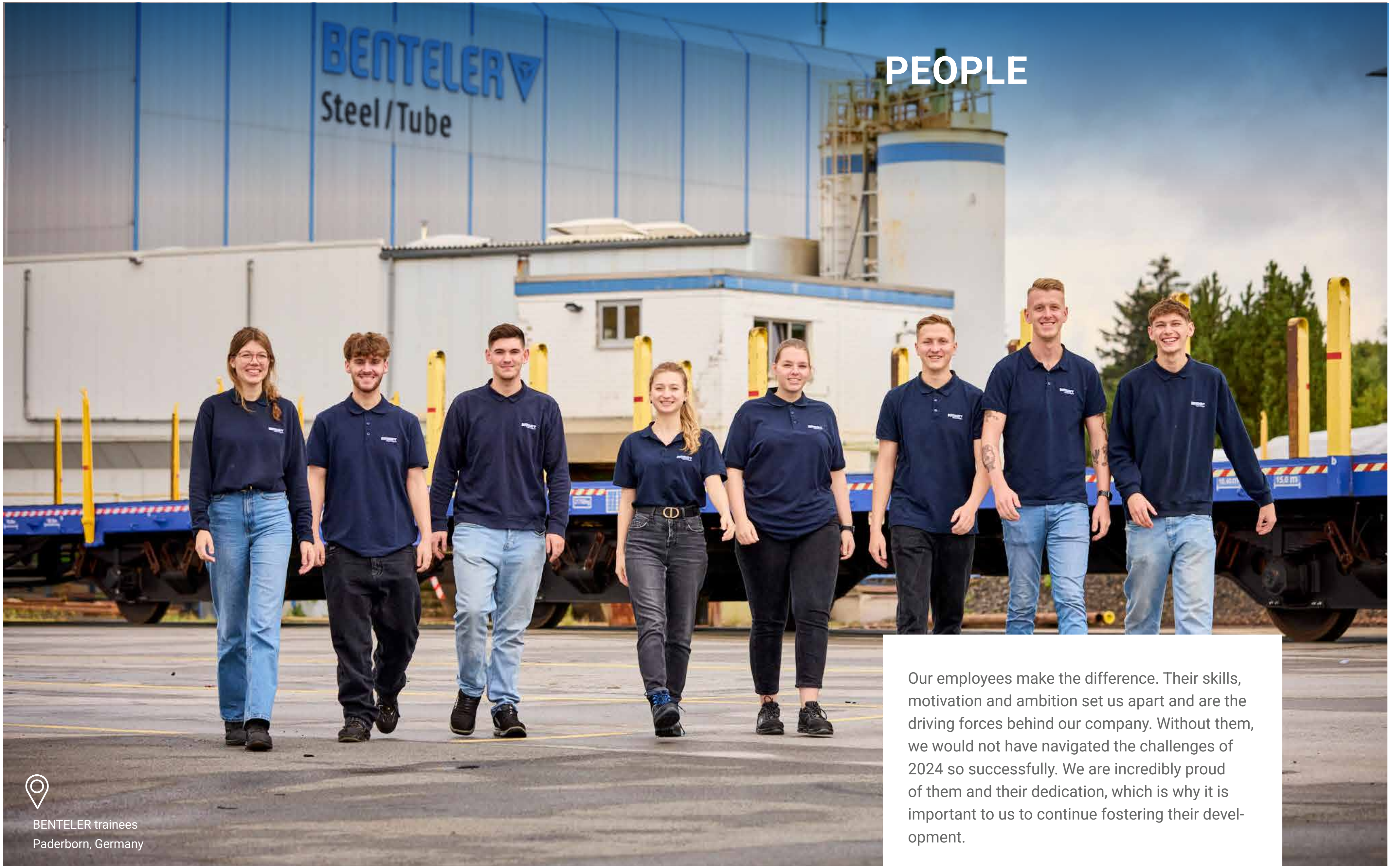
CDP Awards
In 2023, BENTELER achieved an "A" rating in the Climate Change category from the Carbon Disclosure Project (CDP). At the CDP Awards in Paris in April 2024, we were one of only 28 companies from the DACH region to receive this award.

Bronze medal from EcoVadis
Our commitment to greater sustainability was further acknowledged in 2024 when we received the bronze medal from EcoVadis. The award applies to the entire group and is presented to the best 35% of the companies assessed.

Nomination for the German Sustainability Award
CliMore® – our product brand for CO_2-reduced tubes – was nominated for the 17th German Sustainability Award. And that's not all: CliMore® was also one of the finalists in the "Climate" category. The nomination recognizes our innovative solutions that contribute to climate protection.

CliMore®
More for the climate.

PEOPLE



BENTELER trainees
Paderborn, Germany

Our employees make the difference. Their skills, motivation and ambition set us apart and are the driving forces behind our company. Without them, we would not have navigated the challenges of 2024 so successfully. We are incredibly proud of them and their dedication, which is why it is important to us to continue fostering their development.

A DIVERSE TEAM: THE ENGINE OF OUR SUCCESS

At BENTELER, our employees are the heart of our company. Their diversity, commitment and expertise drive our innovation and success. We therefore do everything we can to offer them an inspiring working environment that combines safety, fairness and development opportunities.

Flexibility and team spirit

Over 20,000 employees work for BENTELER worldwide. Flexible working hours, part-time options and remote working help reconcile work and private life. Parental leave is actively used.

Corporate values

Our corporate values – courage, ambition and respect – form the foundation of harmonious cooperation. The value of respect in particular unites our global team and promotes an inclusive corporate culture.

Diversity and equal opportunities

We uphold respect and equal opportunities, regardless of origin, gender or age. Gender-neutral assessments and fair remuneration promote diversity and inclusion. In 2024, people from around 140 nations worked at BENTELER. We reinforced the importance of diversity with a new e-learning course on “Diversity and Inclusion”.

We are a family of more than 20,000 people, as colorful as life itself, with very different talents.

Health and safety

The health of our employees is a top priority for us. With ISO 45001-certified standards, fitness programs and psychosocial counseling, we create a safe and healthy work environment. In the reporting year, for example, we expanded our offering to include subsidized bicycle leasing for our employees at our German locations. Over 1,000 employees took up this offer in 2024.

Human rights

We are committed to upholding human rights, strictly opposing exploitation, and investing in further training. This ensures that BENTELER remains a responsible and attractive employer.

INVESTING IN THE FUTURE – TRAINING AND FURTHER EDUCATION AT BENTELER

Strong training and further education are key to securing the future and actively combating the shortage of skilled workers. BENTELER's wide range of programs and initiatives highlight the importance of employee development for the company's success.

Training

In summer 2024, we set a 5-year record for the number of new apprentices at our German locations with 135 young talents. They started their training in metalworking, electrical, commercial and IT professions. Globally, around 535 young people were in training in 2024. Special programs for women in technical professions strengthen diversity.

A special highlight was the Open Day at the Paderborn training center on November 9, where around 1,800 visitors were given an insight into the world of training. Hands-on activities such as welding, turning, milling and programming brought the training to life.

Further education
In addition to attracting new talent, we focus on developing our existing workforce. A competency model and half-yearly focus meetings support individual career development and help fill key positions internally.

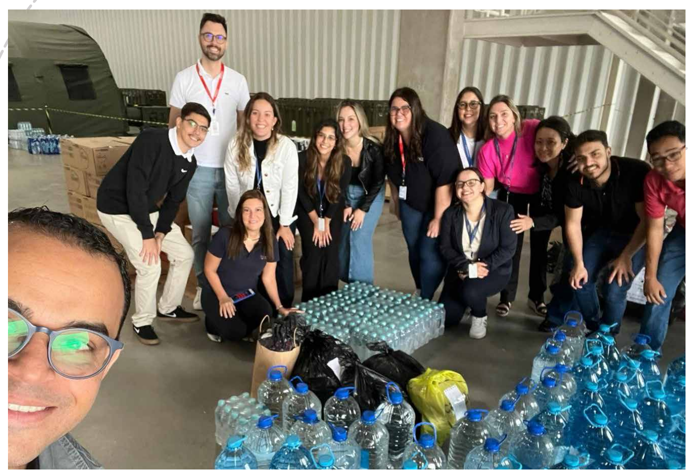
In addition to training at BENTELER, we also offer career opportunities through retraining. In collaboration with the employment agency and the job center, we also train people with work experience for roles as machine and plant operators, as well as process technologists every year.

A TOUR OF COMMITMENT AROUND THE GLOBE – HOW OUR EMPLOYEES MAKE AN IMPACT

Our employees are committed to social and sustainable projects worldwide. Their commitment shows how much we can achieve together - from Europe to South America and beyond.

USA: Charity on the golf course
The annual BENTELER Steel/Tube charity golf tournament took place in Shreveport, Louisiana, on April 26. $49,361 was raised for Providence House, an organization that supports homeless families. Denise Reynolds, Chair of the Tournament Committee, emphasized the dual impact of raising both funds and awareness.

Czech Republic: Helping those in need
In Prague, Třebíč and Liberec, a dedicated team shows how joint action works. They have been organizing monthly campaigns such as food and clothing collections and clean-up campaigns since 2023. In February 2024 alone, they collected 329 kg of food for the “Česká federace potravinových bank”, making a strong stand against food waste.



Brazil: Help after the flood
In May, southern Brazil was hit by one of the worst flood disasters in 80 years. Our employees collected 378 kg of food, 6,077 liters of water, 263 kg of pet food and many other relief supplies. BENTELER itself donated an additional 6,500 liters of water to support those affected.

Amazon region: Planting for sustainability
Together with the NGO Idesam, BENTELER plants trees in agroforestry systems in the Amazon. This project improves the living conditions of the local population and contributes to the restoration of destroyed forest areas.

Czech Republic and Slovakia: Cycling for a good cause
In September, 15 employees from various sites showed endurance and team spirit. During the ninth participation in the “BENTELER EPIC 2024” bicycle fundraising campaign, they collected donations for flood relief in the Czech Republic. Despite adverse weather conditions, they covered hundreds of kilometers.

Worldwide: World Cleanup Day
For several years, our employees have participated in the world’s largest waste collection campaign. Our new trainees also lent a hand again during their induction days.

CONCLUSION:
WE'RE ACTIVELY SHAPING THE MOBILITY OF THE FUTURE

› All the efforts described in the previous pages illustrate the BENTELER Group's primary goal: sustainable and profitable growth in order to make mobility safer and more sustainable together with our customers. We are progressively expanding our position as a leading specialist in metal processing. At the same time, our strategy puts us in a position to make the best possible use of market opportunities in the coming years and to successfully overcome external challenges through increased resilience. We are confident that we will continue the positive development of recent years in future.

WE MAKE IT HAPPEN!

MANAGEMENT REPORT

CONTENTS

BUSINESS AND GENERAL CONDITIONS

Moderate growth in the global economy in 2024

The global economy continued its moderate growth rate in 2024. According to the Kiel Institute for the World Economy (IfW Kiel)[1], global production – measured on the basis of purchasing power parities – increased by 3.2%, just slightly lower than the increase in the previous year (2023: 3.3%).

One of the most important factors having a negative impact on global growth in 2024 was ongoing global uncertainty, in particular due to current military conflicts and continued smoldering trade conflicts between the USA and China. At the same time, higher import duties and protectionist measures in the United States, as well as other regions, curbed global trade flows.

Inflation continued to abate slowly, posing ongoing challenges for the global economy. Significant drivers of inflation included increased prices for services and stubbornly high energy prices. Restrictive monetary policies, in particular in advanced economies, were loosened yet remained a factor hampering economic momentum. Despite these impacts, economic stabilization in many emerging economies such as India and parts of Latin America, contributed to global growth.

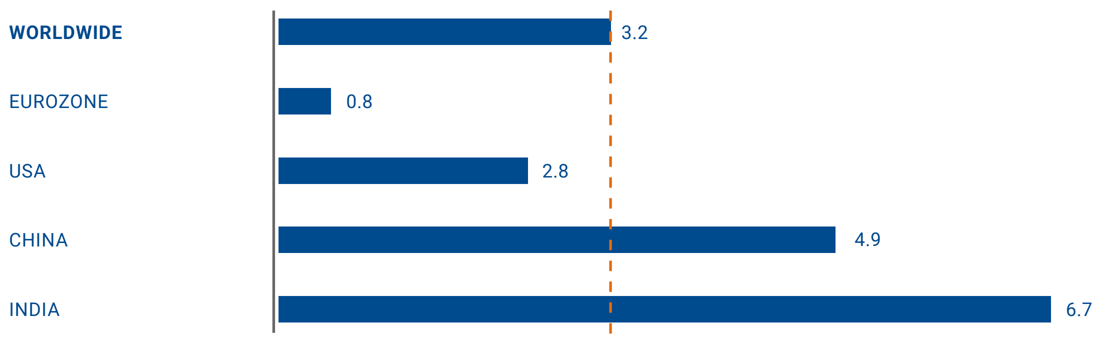
In the Eurozone, the economic situation improved slightly in 2024 with a growth of 0.8% over the previous year (2023: 0.5%). Economic recovery, however, remained modest and was shaped by structural weaknesses and ongoing uncertainty with regard to foreign trade. Weak demand in manufacturing sectors and growing geopolitical tensions continued to slow economic momentum. However, increases in real wages had a positive impact on private consumption, giving a slight boost to economic activity in the Eurozone.

In contrast, the US economy continued its growth in 2024, with an increase in overall economic production of 2.8% (2023: 2.9%). This ongoing strong momentum was supported in particular by robust private consumption, which benefited from increasing real wages and an improved income situation. Nevertheless, economic development is still impacted by political uncertainty, worsened in particular by trade policy tensions.

The 19 most important emerging economies recorded an increase in their overall economic production of 4.5% in 2024 (2023: 5.0%). The countries with the most growth were, once again, India with a robust increase of 6.7% (2023: 7.7%) and China with 4.9% (2023: 5.6%). While economic momentum in India was dampened by increasing consumer prices, growth in China remained modest due to unresolved structural problems in the real estate sector and low demand for exports.

GROWTH IN GROSS DOMESTIC PRODUCT 2024

IN %



Source: Kieler Konjunkturbericht Nr. 119 (2024/Q4)

[1] Kieler Konjunkturbericht Nr. 119 (2024/Q4), Institut für Weltwirtschaft, Kiel, Germany.

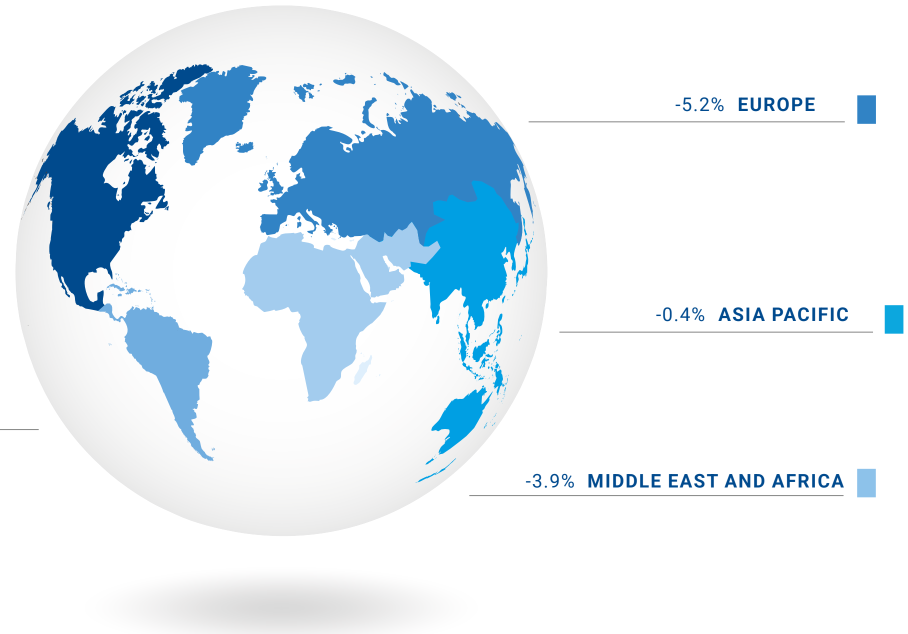
BENTELER Automotive Components/ BENTELER Automotive Modules market: Global automotive production under pressure

According to S&P Global Mobility[2], vehicle production in 2024 reached approximately 89.1 million units. The production level, therefore, was around 1.4 million vehicles, or 1.6%, below the previous year. This marked the first drop in production after the continuous growth that followed the pandemic-related slump in 2020.

Once again in 2024, Toyota, Volkswagen, and Hyundai-Kia were the world's largest automotive producers. Toyota led the rankings with 10.4 million vehicles, corresponding to a drop of 8.2%, followed by Volkswagen with 8.5 million units (drop of 5.2%). Hyundai-Kia took third place with 7.3 million vehicles produced (drop of 2.2%). Together, the three leading manufacturers produced around 26.2 million vehicles, making them responsible for about 29.5% of global vehicle production (2023: 30.7%).

DEVELOPMENT OF VEHICLE PRODUCTION PER REGION 2024

IN % VS. 2023



Source: S&P Global Mobility Light Vehicle Production Forecast (12/2024)

In Europe, around 17.0 million vehicles were produced in 2024. This corresponds to a drop of 5.2%. There were significant differences within Europe. Western Europe saw the largest drop with 8.6%. Germany, the largest single market by volume, saw a 1.5% reduction in manufacturing. Spain (4.1%), France (10.8%) and the United Kingdom (11.6%) saw significant, in some cases double-digit, drops in production. Vehicle production increased slightly in Eastern and Central Europe in 2024 by 0.4%. While the Czech Republic and Poland increased their production volumes by 2.4% and 2.1% respectively, Slovakia and Turkey saw significant drops of 8.3% and 7.5%.

North America also experienced a slowdown in production of 1.2% in 2024 compared to the previous year, corresponding to a volume of 15.5 million vehicles. North America's largest single market, the United States, likewise reported a drop of 1.4%, to around 10.2 million vehicles. While automotive production in Canada dropped significantly compared to the previous year by 16.8%, Mexico recorded an increase of 5.5%.

[2] S&P Global Mobility Light Vehicle Production Forecast (12/2024) and S&P Global Mobility Light Vehicle Powertrain Forecast (12/2024).

While all other markets recorded dips compared to the previous year, South America was the only market to increase its production volume by 1.6% to around 3.0 million vehicles. Brazil, which is responsible for over 80% of the regional production volume, saw an increase of 7.8% to a total of 2.4 million vehicles.

The Asia-Pacific region, the world's largest global automotive market, saw a drop in production of 0.4% in 2024 to a total of 51.4 million units. The region therefore accounts for more than 57% of global vehicle production. China maintained its position as the largest individual market with a production of 29.6 million vehicles, representing a growth of 3.0%. India also increased its vehicle production by 3.5% to 5.6 million units. In contrast, Japan and South Korea saw significant decreases of 8.2% and 2.7%, respectively. The drop in Thailand was particularly significant, with vehicle production falling by 19.4%.

BENTELER Steel/Tube market: Challenging economic environment in the steel tube market

The upstream sector of the US oil and gas industry was, once again, one of the key sales markets for BENTELER Steel/Tube last year. 2024 was an eventful year on the oil market: Despite extensive production cuts by OPEC+ and ongoing geopolitical tensions, the price of US West Texas Intermediate (WTI) crude oil was unable to sustain its good start to 2024 as the year progressed. A weakening global economy and the associated subdued demand for crude oil, particularly from China, new record oil production in the USA and the change of political power there were significant factors that put pressure on the price of oil.

Compared to 2023, the WTI oil price traded down USD 1 per barrel, or 1 percent, and settled at an annual average of USD 76.6 per barrel. The intensification of the conflict in the Middle East and a shortage in global oil supplies led to an annual high in the oil price of over USD 85 per barrel at the beginning of the year. While it initially looked as though there could be new price records on the oil markets, weak global economic data caused the situation to ease as the year progressed. In view of the increasing economic uncertainties towards the end of the year, the WTI oil price stabilized and closed the year at an average of USD 70 per barrel on average for the month of December [3].

The downward trend in the US Rig Count that began in the previous year continued unabated in 2024. At the end of the year, the number of active rigs was 589, 5% below the level at the beginning of the year. This development was primarily due to M&A activities among exploration and drilling companies. The multi-billion dollar mergers led to rationalization measures for operating and capital costs, and therefore to a decline in active rigs. Instead, the focus was on increasing efficiency and productivity, with advances in fracking technology and longer horizontal wells, for example, offsetting declines in productivity and the number of rigs. This in turn helped to cushion the decline in demand for steel pipes and tubes in the Oil Country Tubular Goods (OCTG) market. As a result, the rig consumption rate [4] increased by more than 2% from 626 in 2023 to 639 at the end of 2024.

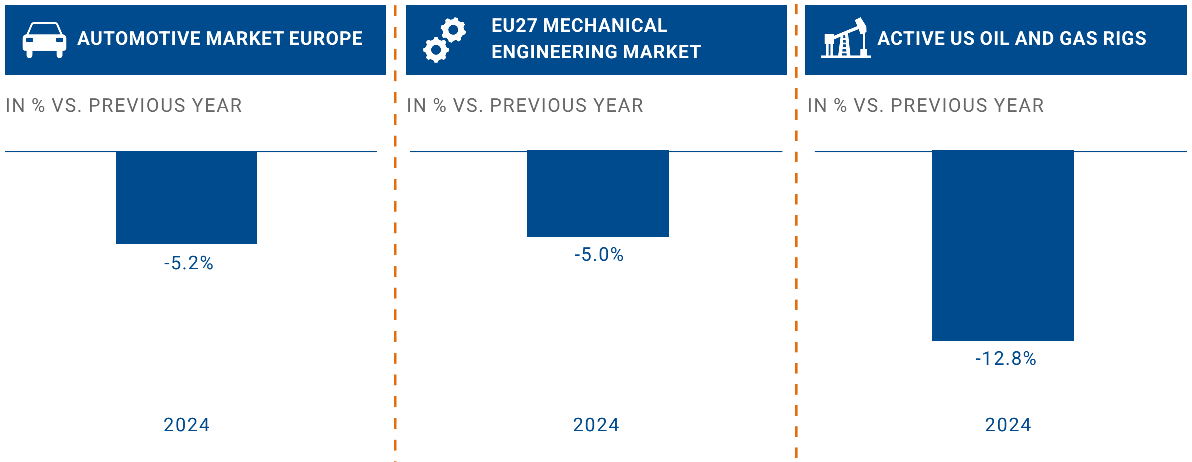
In the European steel tubes industry, demand remained subdued in the past financial year, as it did in 2023. The difficult economic situation is also evident in the German mechanical and plant engineering sector. In the first ten months of 2024, there were 8% fewer orders [5] in real terms and production also fell by 7% over the same period. However, the industrial segments for agricultural and construction machinery, which are important for the BENTELER Steel/Tube Division, showed a similarly gloomy picture. After the order backlog for agricultural machinery peaked at the beginning of 2023, the order volume fell significantly and now corresponds to a production period of three months, which is essentially the average level for the years 2017 to 2020, but well below the boom years of 2021 and 2022. Sentiment among construction equipment manufacturers deteriorated towards the end of the year. With a 2-month

[3] Cushing, OK WTI Spot Price FOB (Dollars per Barrel) (eia.gov).
[4] OCTG consumption (metric ton) per rig per month.
[5] https://www.ingenieur.de/fachmedien/konstruktion/produktentwicklung/maschinenbau-erwartet-weiteren-rueckgang-der-produktion/

order book and 67% of companies reporting a (very) unfavorable business situation, these data show the worst result since February 2010, excluding the year of the COVID pandemic.

There was also no positive impetus from the European automotive industry. Following the catch-up effects from the reduction in order backlogs and the subsidy measures for electric vehicles in the previous year, these drivers largely petered out in the past year. The weak economic situation and consumer uncertainty were reflected in the production statistics with a drop of 7% compared to the previous year.

DEVELOPMENT OF BENTELER STEEL/TUBE CORE MARKETS 2024



Source: S&P Global Mobility Light Vehicle Production Forecast (12/2024)

Source: Oxford Economics (12/2024)

Source: Baker Hughes
Calculated on the basis of annual averages, 2023 with 687 US rigs and 2024 with 599 US rigs

RESULT OF OPERATIONS

Decline in BENTELER Group revenues

In 2024, the BENTELER Group generated revenues of €8,170 million, which represents a decline in revenue of €617 million compared to the previous year. Revenue in the Automotive Components division (BAC) amounted to €4,554 million, €201 million lower than the previous year due to market-driven lower volumes, as well as exchange rates and inflation effects. This accounted for 53.2% of group sales. Revenue in the Automotive Modules division (BAM) amounted to €2,814 million, €100 million lower than in the previous year due to lower volumes and accounted for 32.9% of group sales. The Steel/Tube Division recorded a decline of 21.7%, down €328 million to €1,186 million, with its share of group revenue falling to 13.9%. The drop in revenue compared to the previous year is due to market-related volume reductions, the closure of our plant in Rothrist, Switzerland, and lower market price levels on the European and North American markets.

REVENUE BY DIVISIONS

IN EUR MILLION	2024	2023	Change	
Automotive Components	4,554	4,755	-201	-4.2%
Automotive Modules	2,814	2,915	-100	-3.4%
Steel/Tube	1,186	1,514	-328	-21.7%
Division revenues	**8,554**	**9,184**	**-629**	**-6.9%**
Internal revenues, other	-384	-397		
External revenue	**8,170**	**8,787**	**-617**	**-7.0%**

Revenue development in the BENTELER Automotive Components division

The Components business generated total revenue of €4,554 million in 2024, which was approximately €201 million (4.2%) lower than in 2023.
On the one hand, we saw lower serial sales in all markets due to weaker markets, negative currency effects and lower prices for raw materials. On the other hand, the division compensated for this reduction partially through increased non-serial sales.

The European market, like the global market, recorded a drop in revenues. In 2024, revenues were €2,755 million, €107 million (3.7%) below the level for the previous year. Higher non-serial sales compensated partially for the revenue loss.

The Americas market saw a slightly above average decline in sales. In 2024, revenues were €1,122 million, around €94 million (7.7%) below the previous year's level. The reduction was due both to lower volumes and negative price effects.

The Asia-Pacific market recorded a significant reduction in sales. Revenue was €669 million in 2024, around €101 million (13.2%) lower than 2023. The decline was due primarily to significantly lower sales volumes for an international OEM project in China.
In addition, there was a significant reduction in sales for directed buy parts (catalytic converters) for the same project. However, due to the margin neutrality of directed buy parts and the low planned margin for this project, these two effects had only a limited impact on the result.

Revenue development in the BENTELER Automotive Modules division

The BAM division recorded sales of €2,814 million in 2024, around €100 million (3.4%) higher than in 2023. The reduction in sales from the previous year was primarily due to lower call-offs by our customers in almost all markets, in particular from our core customers Volkswagen, Ford, Daimler and BMW. The ramp-up and start of production at our new plant in Bratislava, Slovakia partly compensated for the lower volumes.

The European market recorded higher sales in 2024 with €1,289 million, an increase of €39 million (3.1%) compared to 2023. The growth in sales resulted primarily from higher prices for directed buy parts without added value, which were passed directly on to customers, as well as the start of production at our new plant in Bratislava, Slovakia. Overall, call-offs in the European market were significantly below the previous year's level, primarily impacting the customers Volkswagen, Daimler and Ford.

Sales in the Americas market were €1,007 million in 2024, €61 million (5.7%) below 2023. Customer call-offs at our plant in Spartanburg, USA were significantly below the level for the previous year, in particular in the second half of the year. In addition, purchase prices for directed buy parts without added value were lower than the previous year. In Brazil, call-offs were significantly above the previous year's level, particularly in the first half of the year although this trend was partially offset by lower volumes in the second half of the year. In addition, negative currency effects had a noticeable impact on revenues.

The Asia Pacific market generated total sales of €517 million in 2024, €79 million or 13.2% lower year-on-year. Here, too, the drop in revenues was due to lower customer call-offs, in particular by BMW and Daimler. Furthermore, our customer Chery decided to no longer order a vehicle variant that had been assembled at our Wuhu plant, resulting in a significant loss of revenue.

Revenue development in the Steel/Tube Division

The Steel/Tube Division generated sales of €1,186 million in the 2024 financial year, down €328 million (21.7%) from the previous year's figure of €1,514 million. Tonnage amounted to 667,000 tons, 30,000 tons down on the previous year. Key drivers for this were the plant closure in Rothrist and a continued weak oil and gas market in North America. The decline in revenue compared to the previous year was mainly driven by lower price levels and a changed product mix effect. In 2023, the average price was still very high, with prices starting to fall in 4th quarter of 2023. In 2024, prices were under massive pressure due to the ongoing difficult market situation, in addition lower raw material prices (mainly energy, alloys and steel) were passed on to our customers.

In Europe, sales fell by 12.9% year-on-year to €777 million. The market environment was challenging in 2024 due to inflation and recession together with the correspondingly restrictive approach to investment by customers. In the industry sector, volumes were maintained at the previous year's level thanks to higher external steel sales, resulting in a negative product mix effect. In the automotive sector, volumes were lower than the previous year, in particular due to the closure of the Rothrist plant. Price levels fell in both business areas, driven by lower raw material prices (mainly energy, alloys and steel) and greater competitive pressure. Tonnage in Europe was 481,000 tons, 15,000 tons down on the previous year's level of 496,000 tons.

Sales in North America amounted to €409 million, a decrease of 34.3% compared to the previous year. The drop in sales is primarily due to lower price levels. Tonnage was 186,000 tons, or 16,000 tons lower than the previous year, driven mainly by lower sales of European OCTG products in the USA. Shreveport was slightly above the previous year's level (155,000 tons) at 158,000 tons. The American oil and gas market has been weak since mid-2023 and remained at a low level in 2024, with ongoing high OCTG customer inventories. As a result, prices and demand for OCTG tubes fell to a low level. The price level, in particular, was below that for the previous year.

Group result defies lower market volumes

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) set another record at €929 million and were €148 million higher than in the previous year (2023: €782 million). This includes a positive one-time effect from the deconsolidation of the HOLON division of €329 million as well as a positive restructuring effect of €6 million. The positive restructuring effect is composed of the sale of the plant in Rothrist, Switzerland together with negative restructuring effects in the BAC and BAM divisions. The EBITDA adjusted for the one-time and restructuring effects for 2024 was €594 million, €199 million below the previous year (2023: €793 million).

The development of the adjusted EBITDAs in the divisions was mixed in 2024. Both automotive divisions showed good performance in a difficult market environment. Despite a market-related drop in sales of 4.2% or €201 million, the BAC division increased its EBITDA margin by 0.7 percentage points to 8.0%, while increasing absolute EBITDA by €19 million. The BAM division maintained its EBITDA margin from the previous year despite market-driven drops in sales (2024: 3.5%), remaining at a benchmark level in the module business of over 3%. The Steel/Tube Division showed a significant, market-related drop in results while maintaining a double-digit EBITDA margin of 11.1%.

INCOME STATEMENT

IN EUR MILLION	2024	2023	Change	
Revenues	**8,170**	**8,787**	-617	-7.0%
Cost of sales	-7,410	-7,827	+417	-5.3%
Gross profit	**761**	**960**	-200	-20.8%
Selling expenses	-150	-156	+6	-4.1%
Administration costs	-294	-292	-2	+0.8%
Research and development costs	-59	-65	+6	-9.0%
Other operating income	412	94	+318	n.a.
Other operating expenses	-15	-25	+10	-39.2%
Consolidated earnings before interest and taxes (EBIT)	**655**	**517**	+138	26.6%
Financial result	-194	-228	+34	-15.0%
Result from equity-consolidated companies	-10	1	-11	-n.a.
Earnings before taxes	**451**	**290**	**+161**	**+55.6%**
Tax expense	-68	-3	-64	n.a.
Consolidated net income/loss	**384**	**287**	+97	+33.9%

EBIT amounted to €655 million, €138 million above the previous year (2023: €517 million). This includes a positive one-time effect from the deconsolidation of the HOLON division amounting to €329 million, as well as a positive restructuring effect of €3 million. The positive restructuring effect is composed of the sale of the plant in Rothrist, Switzerland together with negative restructuring effects in the BAC and BAM divisions.

The reduction in cost of sales of €417 million to €7,410 million was due primarily to lower revenues in all divisions along with a drop in raw material prices. In relation to revenue, the cost of sales rose by 1.6 percentage points, which was almost exclusively due to lower price level and an accordingly higher cost of sales ratio in the Steel/Tube Division.

The €6 million reduction in selling expenses was primarily due to lower shipment volumes by the Steel/Tube Division to the USA, as well as lower call-offs in the automotive sector. Despite continued adjustment of overheads to current production volumes, higher wage costs led to a slight increase in administrative expenses of €2 million compared to the previous year. This was below the inflation-driven increase in personnel costs. Overall, selling, administrative, research and development costs were €10 million below the previous year's level at €503 million. Other operating income for 2024 was €412 million,

€318 million higher than the previous year. This development was driven in particular by the one-time effect of the deconsolidation of the HOLON division. Adjusted for the one-time effect of the deconsolidation, the other operating income was €11 million below the previous year. Other operating expenses fell by €10 million due to lower, volume-related currency losses.

The financial result, which improved by €34 million, was due in particular to the financing strategy and associated lower debt ratio compared to the previous year.

The BENTELER Group's tax expenditures increased year-on-year during the 2024 fiscal year by €64 million to €68 million. The increase compared to the previous year is due in particular to the fact that 2023 included high tax income from the release of previously recognized valuation allowances on deferred tax assets or the first-time recognition of such assets.

The BENTELER Group recorded a consolidated net income in 2024 of €384 million, €97 million higher than the previous year.

BENTELER Automotive Components improves EBITDA and margins in a difficult market environment

The Automotive Components division recorded an EBITDA of €363 million in 2024, €19 million higher than in 2023. The adjusted EBITDA in 2024 was €365 million and contained restructuring effects of €2 million.

The EBITDA margin improved by 0.7 percentage points to 8.0% (previous year: 7.2%) primarily due to the successful adjustment of cost structures to the production volumes, including active management of call-off volatility and ongoing and targeted optimization of the project portfolio. The division benefited from numerous measures to increase efficiency in operations, driven by transformation programs launched in 2018, which were continued.

BENTELER Automotive Modules confirms EBITDA margin from the previous year despite difficult market environment – EBITDA margin remains above the benchmark level

The BAM division recorded an EBITDA of €100 million in 2024, €22 million lower than in 2023. The key driver of the negative year-on-year deviation was a one-time effect from 2023. In addition, the sale of our plant in Kaluga, Russia in 2024 had a partial impact on the BAM division's results of €2 million. In total, the sale of the Kaluga plant in 2024 had a negative impact of €6 million on the BENTELER Group's results. Adjusted for these one-time effects, results remained at the previous year's level despite a drop in sales at all plants. The market-related decline in sales was compensated by measures to increase operational efficiency.

BENTELER Steel/Tube achieves EBITDA margin of 11.1% despite difficult market environment

The Steel/Tube Division achieved an EBITDA margin of 11.1% (previous year 22.0%) despite a difficult market which weakened significantly year-on-year. EBITDA amounted to €132 million, €200 million below the previous year (2023: €332 million). The year-on-year reduction was driven in particular by worsening price quality in both regions.

Despite the difficult market environment in both regions, the BENTELER Steel/Tube Division generated a significant positive EBITDA in 2024.

Compared to the previous year, the BENTELER Steel/Tube EBITDA, adjusted for restructuring effects, fell by €227 million to €116 million. (2023: €343 million).

ASSETS AND FINANCIAL POSITION

Investments in profitable new business

In the 2024 financial year, the BENTELER Group invested €314 million, €46 million less than the previous year's figure of €360 million. As in the previous year, the focus of investment activities was on selected customer projects and profitable growth projects in all divisions, together with operationally necessary replacement investments, investments for occupational safety and the safeguarding of legal requirements.

Total investments by the Automotive Components division amounted to €228 million in 2024. The Automotive Modules division invested €36 million in 2024, €4 million less than the previous year. Investments in the Steel/Tube division totaled €43 million.

INVESTMENT

IN EUR MILLION	2024	2023	Change	
Automotive Components	228	249	-21	-8.5%
Automotive Modules	36	41	-4	-10.4%
Steel/Tube	43	38	+5	+12.8%
Other companies[1]	6	32	-26	-81.3%
Investments[2]	**314**	**360**	**-46**	**-12.9%**

1) Holding companies and HOLON shares before equity consolidation (reclassification from previous year)
2) Additions to intangible assets and property, plant and equipment including leases and subsidies received for fixed assets amounted to €1.0 million in 2024 (previous year €1.0 million).

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

IN EUR MILLION	2024	2023
Cash flow from operating activities	**497**	**761**
(of which, cash flow from profit)	377	485
(of which, change in working capital)	124	242
(of which, change in other balance sheet items)	-4	34
Cash flow from investment activities	-263	-251
Free Cashflow	**235**	**509**
(of which, cash flow from restructuring)	-23	-60
Free cash flow before restructuring	**258**	**570**
Cash flow from financing activities	-305	-560
Change in cash and cash equivalents	**-70**	**-50**
Effect of exchange rate changes on cash and cash equivalents	1	-5
Cash and cash equivalents at the beginning of the period	**642**	**697**
Cash and cash equivalents at the end of the period	**572**	**642**

Free cash below previous year – cash and cash equivalents decrease

During the 2024 fiscal year, the BENTELER Group achieved a cash flow from profit of €377 million. This was €108 million below the previous year, mainly due to the sales-related lower profit performance in the Steel/Tube Division along with higher tax payments, which were partially offset by lower interest expenses.

The cash inflow from working capital as of December 31, 2024 was €124 million. This change resulted firstly from lower inventories, and secondly from lower trade receivables as a consequence of the higher factoring level at the end of the year. Trade receivables paid early in December 2023 amounting to €100 million led to reduced receivables and accordingly to an early cash inflow in 2023. This resulted in a higher level of receivables and therefore a lower change of €200 million in 2024 compared to 2023. However, the higher factoring level at the end of the year partially compensated for this effect and amounted to €152 million. On the other hand, trade payables were lower at €216 million.

The cash conversion cycle (average working capital before factoring / total revenue x 365) was 30 days in the 2024 fiscal year. This was the same level as the previous year and remains a top-in-class level.

The cash flow from the change in other balance sheet items amounted to -€4 million as of December 31, 2024, €38 million lower than in the previous year (2023: €34 million). The initial use of a supply chain financing program amounting to €95 million resulted in later payments to some suppliers.

This resulted in a cash flow from operations of €497 million. As a result, the cash flow was €263 million lower year-on-year, primarily due to earnings and changes in working capital. Customer receivables paid earlier than expected at the end of 2023 were the primary reason behind lower cash flow in 2024, amounting to €200 million. However, this negative effect was more than compensated for by the increased factoring level at the end of the year and the initial use of a supply chain program.

The cash outflow from investing activities increased by €11 million year-on-year to €263 million. As in the previous year, the focus of investment activities was on selected customer projects and profitable growth projects in both divisions, together with operationally necessary replacement investments, investments for occupational safety and the safeguarding of legal requirements. The cash outflow from investing activities contains payments for investments in assets held for sale of €47 million. This includes all investments received by the time of deconsolidation in the HOLON division.

Despite a challenging earnings situation, BENTELER generated significantly positive free cash flow of €235 million. The free cash flow contains restructuring payments of €23 million, and adjusted amounts to €258 million (previous year: €570 million).

In accordance with the existing financing agreement, payments totaling €204 million were made from the repayments of loans, promissory note loans and leasing liabilities. Dividend payments to shareholders of non-controlling interests resulted in cash outflows of €4 million. Dividend payments to shareholders amounted to €100 million. Therefore, the cash flow from financing activities was -€305 million (previous year: -€560 million).

At €572 million, the cash and cash equivalents recorded for the reporting year were €70 million lower than in the previous year. As a result of central cash pool liquidity management, these are largely held by BENTELER International Aktiengesellschaft and are available on a daily basis. In addition, BENTELER has an available committed credit line of €200 million.

Total assets increase slightly

As of December 31, 2024, total assets amounted to €4,819 million, 1.1% lower than the previous year's figure. Non-current assets increased by €479 million to €2,811 million. The main driver for the buildup over 2023 were increases of €470 million in financial assets accounted for using the equity method after the deconsolidation of the HOLON division.

Current assets (excluding cash and cash equivalents) decreased by €355 million to €1,435 million in the 2024 financial year. Changes from the previous year were mainly due to the €264 million decrease in trade receivables and the €72 million decrease in inventories. The lower trade receivables resulted primarily from higher factoring levels at the end of the year.

The group's cash and cash equivalents at December 31, 2024 were €572 million, €70 million lower than in the previous year. The share of cash and cash equivalents in total assets thus decreased to 11.9%, compared with 13.5% in the previous year.

As of July 31, 2024, the partial sale of HOLON Autonomous Mobility AG, Baar, Switzerland to the TASARU Worldwide Investments Company, Riyadh, Saudi Arabia, took effect. The transaction included granting unanimity requirements for significant relevant activities, resulting in a loss of control and therefore to the deconsolidation of the HOLON division. Due to the loss of control, assets and liabilities of the HOLON division were deconsolidated in July 2024. Shares in the HOLON division were recognized in the financial assets accounted for using the equity method.

FINANCIAL METRICS

		2024	2023
Equity ratio (%)	1)	17.6	11.3
Net financial debt	2)	1,217	1,291
Financial debt ratio (gearing rate)	2), 3)	1.4	2.4
Net financial debt to EBITDA	2), 4)	1.3	1.7
Net financial debt to EBITDA before adjustments	2), 4), 7)	2.0	1.6
Working capital (€ million)	5)	3	120
Working capital in (%) sales	6)	0.0	1.4

1) Equity: Balance sheet total.
2) Net financial debt = non-current and current financial debt less current financial assets (excluding derivatives) and minus cash and cash equivalents.
3) Net financial debt[2]: Equity.
4) Net financial debt[2]: EBITDA..
5) Working capital = (inventories + trade receivables from third parties, affiliated and associated companies) ./. (Trade payables to third parties, affiliated and associated companies from deliveries and services + advance payments received).
6) Working capital[5]: External sales.
7) Adjustments: One-time effect from a revaluation of shares held in the equity-consolidated division HOLON of €329 million, as well as a positive restructuring effect of €6 million.

Financing structure

As of December 31, 2024, equity was positive at €849 million, up €310 million from the previous year. The positive development in equity was due in particular to profit realization from the equity-consolidated HOLON division in the amount of €329 million. The distribution of dividends to the shareholders of the parent company amounted to €100 million in the financial year; the distribution to non-controlling interests amounted to €4 million.

At 17.6%, the equity ratio was significantly above the previous year's level of 11.3%.

Non-current liabilities amounted to €1,948 million at the end of 2024, a decrease of €180 million compared to the previous year. Non-current liabilities decreased by €142 million to €1,595 million. Other non-current provisions decreased by €1 million and provisions for pensions by €15 million. The remaining non-current liabilities decreased by €24 million.

Current liabilities fell by €77 million to €2,022 million. Current financial liabilities amounted to €194 million, €1 million lower than in the previous year. At €1,115 million, trade payables were €181 million lower than in the previous year. A supply chain program was introduced in the course of 2024. Liabilities from the supply chain program are liabilities towards a payment service provider, leading to derecognitions from original accounts payable trade. Under this agreement, debt-discharging payments are made to suppliers by the service provider. Liabilities from the supply chain program amounted to €95 million. In total, accounts trade payable and liabilities under the supply chain programs were reduced by €86 million to €1,210 million. Other current liabilities and provisions increased by €30 million.

Working capital fell by €117 million to €3 million at the end of the year. The primary drivers for the reduction from 2023 were a €72 million decrease in inventories and a decrease in trade receivables of €264 million. Accounts trade payable decreased by €219 million to €1,179 million. The reduction in trade receivables resulted primarily from the higher factoring level at the end of the year.

Net financial debt amounted to €1,217 million and fell by €74 million compared to the previous year's figure of €1,291 million. The change resulted primarily from a reduction in financial liabilities of €143 million and a decrease in cash and cash equivalents of €70 million. The financial leverage ratio (net financial debt to equity or gearing ratio) improved from 2.4 in the previous year to 1.4 as a result of the lower net financial debt and significant increase in equity. The leverage ratio (net financial debt in relation to EBITDA) improved in 2024 over the previous year from 1.7 to 1.3, in particular due to lower net financial debt and the positive one-time effect of deconsolidation of the HOLON division in the EBITDA. The leverage ratio before restructuring effects and before the one-time effect of deconsolidation of the HOLON division (net financial debt in relation to EBITDA before adjustments) increased from 1.6 to 2.0.

Central cash management

The BENTELER Group manages its financing centrally. Liquidity surpluses or shortages are pooled by BENTELER International Aktiengesellschaft by way of internal capital expenditure and borrowing capabilities. This allows surpluses from individual group companies to be used by other group companies as required.

As a rule, capital expenditure is financed out of cash flow for the long term, and working capital is financed mainly by short-term funding. Non-current assets are continuously financed out of cash flow and by taking out appropriate long-term financial instruments.

As of December 31, 2024, €572 million cash was available. In addition, BENTELER has an available committed credit line of €200 million.

A large proportion of the group's internal goods and services are cleared through BENTELER International Aktiengesellschaft so that payment transactions can be regulated cost-effectively (clearing).

Branches

There are no branches.

RISK REPORT

Comprehensive risk management

As a global company, BENTELER is exposed to numerous risks. These are inevitable consequences of entrepreneurial activity, as the group can only exploit opportunities if it is also prepared to take risks within an appropriate and manageable framework. Successful management of existing and emerging risks is crucial for the sustainable economic success of the company and the achievement of its strategic goals. Risk management is therefore an essential component of responsible and good corporate governance. Risk management in the BENTELER Group is the responsibility of the Executive Board, which reports regularly on the group's overall risk position to the Audit Committee and the Supervisory Board.

A significant tool for meeting this responsibility is division management based on specified targets by BENTELER International Aktiengesellschaft as the strategic holding company. Achievement of these targets is monitored using a comprehensive management information system that covers all relevant KPIs, including actual, forecast and budgetary figures. The divisions describe positive and negative deviations, as well as associated measures they have taken in monthly reports to the holding company. Divisional reporting shows opportunities and risks with regard to the planned sales and results.

In addition, an aggregated risk status report is also submitted to the management bodies every six months based on the analysis of potential risks that could pose a threat to the company as a going concern. For this purpose, the status of risks is presented in a cascaded reporting system using defined indicators for the probability of occurrence and financial loss potential measured in terms of EBITDA and liquidity effect. Responsible persons are also named for each risk and the associated countermeasures. This systematic risk management helps management bodies identify risks that could jeopardize the company as a going concern at an early stage, enabling them to initiate suitable measures to avert, avoid and reduce risks. If necessary and appropriate due to current events, risks can also be reported to the Executive Board outside of this process at any time.

The BENTELER Group also has a group-wide internal controlling system (IC) that provides for organizational security measures, operating procedures and system inspections. The Internal Audit organization audits all areas of the company at regular intervals reviewing, for example, compliance with directives, the proper and efficient design of business processes and reporting, and the effectiveness of the risk management system.

Some particularly significant risks are transferred to insurance companies by an internal service provider. In particular, claims resulting from any recalls or liability issues are covered, as are property damage and losses caused by disruption to operations, as well as risks resulting from cybersecurity attacks. A limited and selectively managed portion of the coverage for damages is reinsured back to external insurance companies through BENTELER Reinsurance.

Risks arising from the influence of economic demand

Economic conditions have a material effect on the commercial success of the BENTELER Group. Business planning shows opportunities in regard to new products, customers and markets. In contrast, there are risks related to sales, revenue, earnings, liquidity, and investments stemming from unplanned over or, especially, underutilization of production volumes. With vehicle production, this is particularly relevant for BENTELER Automotive Components and BENTELER Automotive Modules, and with investment and industrial goods for which BENTELER supplies products, it is especially relevant for the Steel/Tube Division.

To adapt cost structures of our divisions to the current demand and manage them within narrow limits, BENTELER has initiated numerous optimization projects in recent years and transferred these into standard processes. In particular, the transformation programs initiated in all divisions in previous years have led to a significant improvement in the cost base. The initiatives derived from the programs were further intensified in the current financial year due to the decline in sales and general market uncertainty. The results of the initiatives additionally serve as a basis for ensuring a flexible and swift response to fluctuations in demand during weak and cyclical markets in the future.

In addition, the country-specific conditions are continuously monitored so that countermeasures can be taken at an early stage when necessary.

Material prices and inflation

As an industrial manufacturing company in the metal and aluminum processing sector, the BENTELER Group is exposed to price risks, particularly with regard to the resources required for production. This relates not only to price risks for raw materials, but also for energy, transport and personnel. Persistent material shortages due to reduced production capacities as well as inflation-related price increases may lead to additional price increases for necessary resources. For BENTELER Automotive Components and BENTELER Automotive Modules, there is a risk that price increases due to materials and inflation cannot be fully passed on to customers. In the Steel/Tube Division, the material price and inflation risk are lower, as passing on of higher prices to the customer is often regulated by contractually agreed clauses.

Pandemic risk

Based on the experience gained during the COVID pandemic, a catalog of measures was derived with regard to the possible forced temporary shutdown of plants and administrative operations, and the safety of employees. Concrete measures include firmly defined procedures and guidelines for shutting down and ramping up plants as well as close monitoring of call-offs in order to be able to react quickly to changes, for example with short-term management of personnel requirements. In addition, enabling remote working in terms of technology and content also reduces the risk for employees as far as possible. The aim is to reduce not only the financial risks for the group, but also the health risks for employees to an absolute minimum.

Specific customer and supplier risks

Adverse economic performance among individual contracting partners, on both the sales and purchasing sides, can have consequences for the BENTELER Group's revenue and earnings. The high volatility in sales volumes and generally high market uncertainty as a result of ongoing inflation and the tense economic and geopolitical situation result in a high risk of insolvency, both on the customer and the supplier sides. BENTELER limits this risk by diversifying its customer and supplier base as much as possible, and by constantly monitoring key market metrics and other early warning indicators. Given the high volatility of call-offs, the exchange with customers regarding planned call-offs was also significantly intensified in order to be able to respond flexibly and promptly to volume changes in ongoing projects at the plants.

The BENTELER Group could suffer financial disadvantages if the creditworthiness of individual customers were to deteriorate and give rise to payment delays or defaults, or a failure to generate planned sales volumes. The company operates intensive debtor management to counteract this risk. The sales and financial functions of the divisions regularly monitor the economic condition of customers, their payment behavior and the options for hedging risks, for example by insuring part of the receivables.

The risk of production stoppages on the customer side due to supply chain bottlenecks has decreased. However, the ongoing high volatility of customer call-offs up to and including production stops presents further risks for BENTELER. The reduced cost base as a result of the transformation programs and the experience gained from the COVID pandemic have increased resilience to these risks.

On the supply side, BENTELER can also be impacted by delivery problems due to financial difficulties among existing suppliers and suitable new partners might need to be found at short notice. This especially affects the BENTELER divisions Automotive Components and Automotive Modules which have a particularly large number of specialized suppliers. To counter this risk, the BENTELER Group procurement department assesses suppliers and their financial positions before orders are placed with them. Suppliers' financial positions are also monitored continuously and globally, in order to avoid supply bottlenecks and take targeted measures at an early stage.

Changes in supply markets

Fluctuations in the purchase prices of steel, aluminum, scrap and energy can have both positive and negative effects on profit. To minimize adverse effects, particularly in the case of steel, of which the BENTELER Group purchases substantial volumes, changes are passed on to customers as far as possible using industry-standard contractual clauses. Fixed-price adjustment clauses are agreed with customers and suppliers for aluminum purchasing. Any temporary differences that may arise in the price adjustment are also minimized through external hedging transactions with banks.

Project risks

The BENTELER Group is involved in extensive development and manufacturing projects, in particular in the Automotive Components and Automotive Modules divisions. Technical difficulties in the divisions or among project partners may sometimes lead to higher launch costs and/or higher capital expenditures than originally planned. To avoid or reduce these risks, the divisions use comprehensive project management standards. Regular project reviews also take place to permit early countermeasures when needed. Suppliers are normally involved in this process.

Market risks in the North American oil and gas market

The financial performance of the Shreveport plant in the US state of Louisiana is a key component of the success of the Steel/Tube Division and the BENTELER Group as a whole. Capacity utilization is the decisive factor. The focus on the OCTG segment means there is a correlation for the business model between the oil and gas price and, consequently, the number of active drilling rigs and the meters of tube used per well. This results in potential fluctuations in demand, which can be further exacerbated by geopolitical conflicts.

Special steering committees have been established to mitigate these risks and safeguard the plant's performance. In addition, a new role was created to manage the entire North American business in order to ensure competitiveness.

Production and product risks

The dependable availability of the products produced by BENTELER is a key success factor. However, problems in development, production, or logistics, either at BENTELER plants or suppliers could result in defective parts or delayed deliveries to customers. This may have financial implications in the form of claims for damages. The BENTELER Group has therefore introduced extensive operating procedures governing process reliability, quality management, and process audits at its own plants and for its suppliers. The BENTELER Group has taken out insurance to limit residual risks to the company as a result of any liability or claims.

Financial risks

The BENTELER Group is exposed to financial risks through its international business operations. These include, in particular, risks resulting from changes in foreign exchange rates and interest rates.

Currency risks result from fluctuations in exchange rates, particularly for purchases and sales. Centralized financial and currency management limits foreign currency risks through an information system and collateral hedging transactions. The BENTELER Group controls risks arising from changing interest rates by using derivatives. Further information on financing instruments can be found in the notes to the consolidated financial statements.

Liquidity risks

The BENTELER Group's liquidity management is generally centralized.

Various measures are implemented to prevent high liquidity risk and safeguard liquidity. Key levers for safeguarding liquidity include the following: optimizing net working capital with the aim of reducing the cash conversion cycle to a low level; optimizing investments via a centralized approval process; centralized management of key projects to offset cost increases; 13-week direct and indirect liquidity planning; and monitoring the earnings and asset situation on the basis of regular monthly forecasts. Existing financing is renewed at the set times to ensure our liquidity.

Compliance risks

The BENTELER Group conducts its business responsibly and in accordance with the legal requirements of the countries in which it operates. Violations of antitrust and competition law, export control regulations and sanctions as well as anti-corruption laws represent a potential risk. These risks are contained by means of appropriate guidelines, regular internal communication, specific consulting and continuous staff training.

IT risks

Group-wide IT deployment is of great importance for the BENTELER Group as a global company. The key risks primarily relate to the availability of data and systems. In addition, confidentiality and integrity also play an important role. The growing number and sophistication of cyber-attacks also increases the potential risk of outages of critical IT systems, and therefore of BENTELER business processes. The measures already taken have considerably reduced this risk. These include a global, uniform, state-of the-art cyber security platform, an efficient cyber security organization (CSO), redundant design of critical systems, and outsourcing as well as targeted use of Cloud solutions. Outages can therefore be prevented or quickly rectified. Ensuring data security and appropriate data integrity also constitutes a risk. This is safeguarded, for example, through employee awareness training, identity management systems, and the introduction of a cyber security management system (CSMS) based on the ISO 27001 standard. ISO 27001 certification was replaced in 2023 by certification in accordance with the de facto information security industry standard VDA-ISA/TISAX, which is based on ISO 27001.

Due to the further increase in the general cyber risk situation, various measures were taken in the current fiscal year to further increase the level of security and reduce risks. These include, for example, the further development of the Security Incident Event Management (SIEM) technology in conjunction with a Security Operation Center (SOC). Other key measures include mandatory vulnerability scans of networks at all plants and the further development of the employee awareness campaign, which includes mandatory e-learning sessions and phishing simulations. At the same time, a method was developed for implementing our customers' cyber security requirements worldwide. As part of this, all sites will be certified to the de facto VDA-ISA/TISAX information security industry standard over the next few years. To coordinate all these technical and organizational measures and to ensure the upcoming TISAX certifications, the Executive Board launched the BeSecure4all information security program and equipped it with the necessary resources and competencies. Resulting improvements have now been launched in regular operations.

Our Corporate IT thus ensures not only ensure that IT operations run smoothly and are fail-safe, but also that measures to increase the level of cyber security are continuously developed. To reduce the monetary impact of the remaining residual risks, we also have cyber security insurance.

Risks resulting from the HOLON holding

As of July 31, 2024, the partial sale of HOLON Autonomous Mobility AG, Baar, Switzerland to the TASARU Worldwide Investments Company, Riyadh, Saudi Arabia, became effective. The BENTELER Group's shares are accounted for in the financial assets according to the equity method. Current results from equity-consolidated companies are recorded in the income statement below the EBIT and therefore increase or decrease equity as well as financial assets accounted for using the equity method.

Financing and industrialization risks associated with our business activities related to HOLON remain and these continue to be intensively supported by management. This results in a value risk related to the investment. However, this value risk does not impact covenant-relevant key figures.

Risks with environmental, social and governance (ESG) relevance

The European Union's Corporate Sustainability Reporting Directive (CSRD) will require environmental, social and governance-related risks to be integrated into the management of existential (going concern) risks in future. The main impacts, opportunities and risks for the respective European Reporting Sustainability Standards (ESRS) are presented in the sustainability statement.

The Corporate Sustainability Due Diligence Directive (CSDDD) was enacted by the European Union in July 2024, and will be transposed into national law by member states over the next two years. BENTELER is monitoring this development and preparing to meet the requirements of the CSDDD.

REPORT ON RESEARCH AND DEVELOPMENT ACTIVITIES

In our research and development work, we rely primarily on international cooperation between our development departments and selected suppliers and customers to solve global issues. In this way, we ensure that existing resources and know-how will lead to the development of optimal solutions. 667 employees (2023: 664) collaborate intensively in the research and development area worldwide. In 2024, 29 priority applications were filed with the patent office. Expenditures for research and development amounted to €59 million (previous year: €65 million). Through market and customer proximity, we ensure that we incorporate regional customer requirements and market conditions into our research and development activities in the best possible way.

Research activities are carried out at various locations in a variety of markets. A large part of these activities are carried out at our Paderborn site in Germany and our international sites are also actively involved in certain individual research projects. Research work on alloy development is primarily handled at our Raufoss location in Norway. Other research projects are ongoing at our Shanghai site in China and our location in Campinas, Brazil. In addition to purely internal research projects, BENTELER is also involved in numerous publicly funded projects in which pre-competitive research is carried out with partners on fundamental issues.

Development activities are carried out at numerous development locations worldwide, thereby ensuring optimal proximity to customers and that regional requirements are taken into account accordingly. Our Shanghai site, for example, plays a corresponding role in the growth market of China.

Sustainability is a key aspect of our research work. The focus here is on reducing CO_2 emissions and the circular economy. The considerations include not only the actual product manufacture, but also the materials or semi-finished products used. In addition to improved material manufacturing processes, the use of a high proportion of recycled content in particular enables a significant reduction in a product's CO_2 footprint.

Report on research and development activities in the Automotive Components division

Further tightening of vehicle fleet consumption, increasing emissions and sustainability requirements, and the first bans on the sale of vehicles with combustion engines in coming years will lead to further changes in the automotive sector. Ongoing reductions in battery costs and anticipated new battery technologies will also aid the spread of electric vehicles, including into smaller vehicle classes. Hybrid vehicles will play a key role in particular in the transitional period, in order to ultimately achieve established CO_2 targets and reach climate-neutrality. BENTELER Automotive Components is well prepared to handle these changes, which vary across countries and markets. Only a small portion of our product portfolio is specific to vehicles with combustion engines, and we already develop components today for all major types of powertrain. At the same time, we are preparing specifically to meet growing requirements through research projects, for example in the area of sustainability, so that we can offer our customers solutions that fulfill these stricter requirements early on.

Our customers are increasingly developing products in local markets, and are looking for stronger development partners, in particular in the mechanical components area. Our split into the three markets of Europe, Asia-Pacific and Americas supports this trend, with exchanges of research and development information between the markets generating added advantages.

Sustainability

Our research projects consider the aspects of reusability, reprocessability and recyclability at an early stage. If, for example, a product consists of differing types of materials, consideration must be given during the design phase to ensure these materials can be reliably separated from each other again after the product-use phase. This principle, also known as "design for recycling," is the focus of our newly launched ZEVRA (Zero Emission Electric Vehicles) research project, for example. This is funded as part of the EU "Horizon Europe" project and has a specific product focus.

Several years ago, we introduced a multi-stage assessment procedure into our innovation process, to analyze new or modified products and processes in consideration of sustainability aspects early on. We complete a simple "sustainability check list" as early as the ideation phase, which covers purchased parts, production, product use and recycling. An "eco-design matrix" is used in subsequent project phases. In this, various sustainability aspects of solution variants are analyzed in detail, then graphically depicted in a weighted manner that compares them to the reference product or process. Depending on the project, complete life cycle assessments focused on CO_2 emissions can then be prepared in later project phases, such as those prepared for development projects when required. In this way, specific solutions can be analyzed and optimized in detail for specific project phases, in order to reduce negative impacts early on. CO_2 emissions calculations have now been integrated into one of our standard development tools used in the development process, so that a product's CO_2 footprint can be determined systematically even during the inquiry phase if required.

We are also working to further improve the percentage of recycled materials we use in our aluminum products by launching our new RecAL (Recycling Technologies for Circular Aluminum) research project, which receives EU funding under the Event Horizon program. This supplements the activities we are already engaged in internally, in which we prepare recycled materials by adding "post-consumer" scrap, in line with the increased short- and medium-term expectations of our customers. Such measures have already been launched at our Raufoss plant and will be implemented in the near term. RecAL goes a step further, also evaluating aspects across a partner network, for example scrap sorting or methods for specifically influencing the percentage of scrap used in alloy elements for aluminum smelting. This allows high-quality aluminum alloys to be produced with higher percentages of recycled materials, while still meeting all existing requirements. The increased percentages of recycled materials, in particular in combination with green primary aluminum – which is made primarily using renewable energy – can significantly shrink the CO_2 footprints of the semi-finished aluminum products used.

In the steel area, we are actively collaborating on the VDA "Alloying Elements and CO_2-Reduced Flat Products" and "Green Materials" working groups. We are focused on the impacts of sustainable supply chains on material and processing properties. This allows us to react to changes early on, while guaranteeing consistent quality and supply reliability.

Lubricants needed for forming are also evaluated regularly in terms of sustainability considerations. Our goal is to switch to lubricants free from mineral oils wherever possible, as these allow further processing (such as welding or painting) without an additional cleaning step. We have successfully switched to a water-based lubricant for steel forming, for example, in a series production project. Lubricants remain an important open topic, however, in particular in aluminum forming due to the high tendency of the material to adhere. Because of this, a publicly funded fundamental research project in Norway focuses on assessing the potential use of water-based lubricants in aluminum processing.

Electromobility

The pace in the electromobility sector has become more dynamic. Batteries are increasingly being integrated more into the normal vehicle structure. Increasing energy densities and safer battery concepts are expected to further advance this trend. Nevertheless, batteries and battery trays still make up a large proportion of the cost for electric vehicles. This was the starting point for our ULAS E-VAN research project, funded by the BMWK's TTP lightweight construction program. Together with Ford and eight other partners from the supply chain, we worked on a next-generation electric "last mile delivery" vehicle. BENTELER successfully completed its part of the work in 2024, developing a modular approach to battery trays allowing delivery service providers to use the appropriate battery size required for the specific use case. This, in turn, saves not only costs but also resources, weight and ultimately CO_2 emissions. A hot-formed battery tray was also developed as an alternative solution in the course of the project. Simulations showed that this saves additional weight, while improving crash performance. An initial prototype was created as a successful end to our activities, leading to a series production order booked for a hot-formed battery tray. In the meantime, the design has now been developed further outside of the project, with an optimized corner design in particular that allows even more batteries to be integrated into the battery tray. After relevant prototypes are produced, these additional options will also be presented to our customers.

In addition to the battery tray, which provides structural protection for the batteries, battery cooling is a vital component. As part of the ULAS-E-VAN research project, we reviewed integrated solutions in which a plate with cooling structures was laser-welded directly to the battery tray. This eliminates a wall, along with the associated weight. Steel and aluminum solutions were evaluated. Laser welding of cooling plates is another interesting field. Using conventional steel sheet for the cooling plates in place of stainless steel or aluminum, for example, is particularly interesting. This saves further costs, and we have already discussed the concept with some customers. With conventional aluminum cooling plates, our research project on press brazing, in which the conventional furnace soldering process is replaced by a combined forming and joining process in a single tool has led to another major prototype order and component deliveries to customers. The new ECO2MBINE research project, publicly funded by the BMWK, will support the transition to series production by helping build a model system for the project.

Costs

The increasing use of electronics and comfort functions in vehicles places ever greater pressure on the cost of conventional vehicle components. To counter this, we are evaluating process integration options in various research projects, for example the use of hot-formed components, thereby eliminating subsequent cutting or joining operations. In 2024, for example, we successfully explored other opportunities for cutting and punching in hot-formed tools, thereby eliminating subsequent laser cutting processes.

Customers, however, are also increasingly looking for ways to reduce their assembly costs. This is evident in the trend to larger pressed parts such as door rings. Instead of several individual components (A-pillar, B-pillar, roof frame, rocker panel), the customer assembles and joins a single component made from a tailor welded blank. The production of such components is the focus of multiple development projects, particularly in the Asia Pacific market.

Optimization

In addition to costs, shorter development times have become an important consideration. As part of this, we have seen a shift to increased virtual product development. However, the corresponding methods and material cards used must be further optimized and verified. In addition to increasing automation of development tools, methods have been developed to significantly reduce the number of prototype loops, in particular in the production of tubular components.

The semi-finished extruded aluminum components used have a special place in semi-finished products as we manufacture some of them ourselves and therefore have extensive influence over their design. On the other hand, aluminum extrusions have significantly more heterogeneous mechanical properties in different spatial directions compared to sheet metal. These must be characterized in a comparatively complex process through different tests, to achieve a higher correlation between simulation and experiment. Working initially in cooperation with the University of Paderborn, we have developed appropriate tests and analysis methods that have been incorporated into material cards for the simulation to facilitate a much better match between simulation and experiment. BENTELER has now adopted these tests and methods in full and developed a partially automated processing system. We now have the internal knowledge needed to characterize further aluminum alloys in this manner, ultimately accelerating the development process.

Improvements have also been made in other areas of optimization. Further prototypes have been built and tested as part of our research project on substituting weld seams in aluminum crash management systems. One highlight among these is a variant in which the crash box is formed as part of the bumper itself, eliminating the need for a joint between the crash box and bumper. Initial crash tests have already been carried out and meet expectations. This approach is currently being discussed in detail with customers in the Asia Pacific market.

In hot-forming, protection against wear is an ongoing issue since, in contrast to cold forming, no lubricants are used. Depending on the complexity of the forming process and the surface coating on the sheet metal, this can cause significant adhesion and abrasion effects, which, in some cases significantly reduce the service life of the tools used. In addition to test coatings from current publicly funded research projects, this year we continued testing alternative wear protection coatings, as well as identifying and in some cases qualifying additional suppliers for established wear-resistant coatings.

Artificial intelligence (AI) can support our research and development work. We are engaged in a variety of pilot projects in this area, for instance in knowledge management, automated document processing and automated component optimization. Examples include a completed pilot project to optimize an aluminum crash management system. A previously optimized design was used to subsequently perform an optimization based on three crash cases. In addition to optimizing the wall thicknesses of the semi-finished extruded parts, selected geometric parameters were also changed. After completing basic simulations to teach the artificial intelligence, the AI quickly created a large number of other variations, ultimately identifying a variant that saves an additional 14% of weight while meeting all other applicable requirements.

Additive manufacturing

Additive manufacturing using hot-forming tools has already been implemented in a number of principle variations. In many cases, improved cooling performance was also achieved by cooling close to contours. The key factor in all of these kinds of additive manufacturing using metals is amortizing the additional costs needed. Now, a new approach aims to do just that. Series tests are currently underway in order to objectively evaluate wear behavior.

Additive manufacturing of plastic components is already more advanced. In many plants, we already have the necessary internal capacities, which are currently used for many prototype and series applications. These include a variety of fixtures that can be manufactured quickly, inexpensively, and flexibly using this technology. Now, the large-format printer in Paderborn, which went into operation in late 2024, takes this manufacturing to a new level with the ability to produce components measuring 1.7m x 1m x 1m from a single piece of fiber-reinforced plastic. Initial fixtures have already been printed and delivered to the Talle plant.

Collaboration on publicly funded projects

BENTELER’s research roadmap is supplemented by public funding and cooperations with universities, research institutions and industry partners. The topics covered are wide-ranging and include areas such has Industry 4.0, future e-mobility, innovative processes and improved sustainability. We collaborate with different research institutions on basic research to identify future applications. Research work is generally conducted at universities, with BENTELER playing an advisory role. Through our collaboration on research boards, we are able to initiate specific research topics of general interest. In addition to numerous publicly funded research projects in Europe, we are also engaged in cooperative research work with universities in the Asia-Pacific and American markets. In Campinas, Brazil, for instance, researchers are investigating the extent to which partial heat treatment can help save costs when manufacturing door beams.

Report on research and development activities in the Steel/Tube Division

One of BENTELER Steel/Tube’s core competencies is the development of customized and innovative tube solutions. Our 100 years of experience in handling tubes and special materials and technical consulting expertise make BENTELER Steel/Tube one of the leading suppliers of steel tube solutions.

Lightweight construction, resource conservation and material expertise

Sustainable products are characterized, among other things, by the materials used. The choice of materials has a decisive influence on a product's weight, costs and its carbon footprint. These features are not only important for vehicles. In the tube applications area, engineering departments are therefore working on new types of steel and tube solutions using innovative materials and processes. Relevant trends and developments are anticipated as early as possible and translated into new products for customers. High-strength steels contribute to lightweight construction, since comparable loads can be realized with less material, thereby saving weight.

Advanced engineering activities with a focus on sustainability

As part of the HYRESIST® initiative, tube products continue to be developed for hydrogen generation, transport and applications.

The Federal Ministry of Economics and Climate Protection has funded a project to develop and validate the use of high strength welded lightweight tubes for the production, transport and use of compressed hydrogen. The approach is to validate microalloyed steels without subsequent heat treatment of the welded tubes. In addition, less cost intensive and easier testing technology will be developed to ensure materials are suitable for use with hydrogen. This is to be incorporated into standardization at a later date. Welded tubes were further validated as part of this project over the course of the year.

In contrast to standard line pipes made from austenitic stainless steel, significantly more cost-effective carbon steels for hydrogen applications are a core focus of our pre-development activities. Carbon steels with strengths ranging from approximately 500 MPa to approximately 1100 MPa are being developed for pressurized hydrogen systems in vehicles. High pressure lines for vehicles with hydrogen fuel cell or hydrogen combustion engine drive systems were produced and further tested in 2024. However, extensive testing is still required to verify the suitability of these high-pressure hydrogen line pipes for use in vehicles. Four partners for couplings and testing institutes have been identified for this purpose.

Current and future advanced engineering work focuses on opportunities for further greenhouse gas neutral BENTELER Steel/Tube products. We have identified further tube applications for carbon capturing using steels with a high chrome content produced in Lingen. Because of the extreme requirements for toughness at low temperatures, LNG and liquid hydrogen applications can be only achieved with austenitic stainless steels. Opportunities and differentiators for ammonia-conducting pipes are being investigated as part of a project launched in 2024.

Development of tube applications for electric vehicle drives and passive passenger safety

Reduced-weight rotor shafts made from precision steel tubes are already in use in the motors of electric passenger and commercial vehicles. This growing market offers major opportunities in the long term. The growing interest among automotive and supplier companies is reflected in the number of inquiries and number of tube solutions offered. There has been particular interest in formed tube components. Various cold and hot forming processes have been designed for this purpose. A versatile prototype forming machine with an induction system has been developed, built and commissioned to test and advance our knowledge. Social media platforms have also been used for digital marketing, and as additional sales channels.

The development of ready-to-install tube solutions made of high strength gas generator sleeves remains key to passive passenger safety.

Another key account that until now had been supplied exclusively with tubes will receive formed and ready-to-install gas generator sleeves from us for SOP in Q2/2025. As such, we are participating in the global roll-out of the customer's next product generation. The scope of development included a special cold forming process with integrated component machining. The surface quality of our base tube meets the customer's very high requirements. The added value that sets our solution apart for the customer is the elimination of the grinding process that was previously necessary, along with associated costs. Capital investment in equipment made by BENTELER optimally uses and expands the existing series production units.

New solution concepts have been developed and tested for additional manufacturers of passive safety systems. Other pioneering initiatives deal with ways of improving shape and dimensional tolerance of tube sections that can be integrated into component forming processes in a more needs-based, cost-effective manner than in long tube production. Research into the hot-sealing of tube sections is aimed at reducing the number of joining operations and component costs for our customers.

We have proactively expanded our facilities for prototype manufacturing and trial production based on current and anticipated future demand to expand the solution space for both rotor shaft and gas generator components in a synergetic way and reduce development times.

SUSTAINABILITY AT BENTELER

BENTELER is addressing climate change, one of the most urgent challenges of the 21st century, with an integrated sustainability management approach. Due to the energy-intensive production of steel and aluminum products, we bear particular responsibility in this area. We make use of our many years of experience and our flexibility in order to engage in sustainable business practices while continuing to improve the quality of our products.

At BENTELER, sustainability is a key part of our corporate strategy. We continuously analyze and optimize our ecological footprint to promote sustainable action, utilize opportunities in a targeted way, and minimize potential risks. As a global company, the BENTELER Group takes responsibility for protecting the environment. One key aspect of this is conserving resources, while always complying with the highest standards for quality and safety.

We focus on the following specific areas:

- Energy
- Emissions
- Water and waste water

BENTELER GROUP ENERGY CONSUMPTION[1]

IN MWH	2024	2023[2]	2019[3]
Electricity	1,062,249	1,085,780	1,205,475
Natural gas and LPG	1,101,460	1,156,336	1,266,678
Diesel	7,246	6,866	9,865
Oil	594	13	96
Gasoline	4,677	4,419	4,966
District heating	25,701	27,311	17,292
Total	**2,201,928**	**2,280,725**	**2,504,371**

[1] The data is from measurements and invoices. If no values were available for the month of December, an estimate was made on the basis of the previous year's value. Non-producing sites and very small sites (< 50 employees) whose energy consumption cannot be determined are not included due to their low relevance.

[2] Energy consumptions for 2023 were corrected based on new information (in particular additional locations, company vehicles). Original information: Electricity 1,080,675 MWh, natural gas and LPG 1,148,370 MWh, diesel 3,937 MWh, oil 13 MWh, gasoline 6 MWh, district heating 21,880 MWh.

[3] Energy consumptions for 2019 were corrected based on new information (in particular additional locations, company vehicles). Original information: Electricity 1,199,608 MWh, natural gas and LPG 1,260,414 MWh, diesel 6,885 MWh, oil 96 MWh, gasoline 163 MWh, district heating 15,039 MWh.

Energy

We use a variety of energy sources, such as electricity, natural gas, district heating and diesel in our production processes. In order to reduce associated emissions, our sustainability management efforts focus on improving energy efficiency and monitoring energy consumption. As part of this work, we carried out a variety of energy efficiency projects once again in 2024. For example, new compressors and a waste heat recovery system were installed in Eisenach, and the cooling system used for laser cutting at our plant in Shanghai was optimized. We also focused on increasing our use of waste heat.

In addition to improving energy efficiency, we focus on purchasing and generating our own renewable energy. We reduced our energy consumption to 2,201,928 MWh during the reporting year (2023: 2,280,725 MWh) through a variety of projects and measures. This corresponds to a reduction of 3.5% compared to the previous year.

SCOPE 1 & 2 EMISSIONS[1]

IN TONS OF CO_2e	2024	2023[4]	2019[5]
Scope 1 emissions[2]	237,731	247,258	265,077
Scope 2 emissions, location-based	396,080	394,634	386,140
Scope 2 Emissionen, market-based	245,220	402,273	561,624
Total Scope 1 and 2 emissions[3]	**482,951**	**649,531**	**826,702**

[1] Calculation of the key figures is based on GHG protocol. The data is from measurements and invoices. If no values were available for the month of December, an estimate was made on the basis of the previous year's value. If no consumption values can be determined, the emissions are estimated based on the size of the building space (Table 5).
[2] Scope 1 emissions based on DEFRA emission factors.
[3] Total calculated based on market-based emissions.
[4] Emissions for 2023 were corrected based on new information (in particular additional locations, company vehicles). Original information: Scope 1 243,920 tons of CO_2e, Scope 2, location-based 392,238 tons of CO_2e, Scope 2, market-based 399,813 tons of CO_2e.
[5] Emissions for 2019 were corrected based on new information (in particular additional locations, company vehicles). Original information: Scope 1 262,019 tons of CO_2e, Scope 2, location-based 383,342 tons of CO_2e, Scope 2, market-based 558,827 tons of CO_2e.

Emissions

Measures to reduce energy consumption likewise reduced environmentally relevant emissions, supporting us as we work to achieve our emissions targets. We aim to reduce our Scope 1 and 2 emissions by 50% by 2030 and achieve our target of net-zero emissions by 2050.

Our production-related CO_2 emissions result primarily from burning natural gas to generate electricity and process heat, as well as from purchased energy.

Scope 1 and 2 emissions amounted in total to 482,951 tons of CO_2e in 2024 (2023: 649,531 tons of CO_2e). This corresponds to a reduction of 26% compared to the previous year, and a reduction of 42% of emissions compared to 2019. With this achievement, we are on a good path to reach our emissions reduction targets.

In addition to our own production, we are also focusing on decarbonizing our value chain. Our goal is to reduce absolute Scope 3 emissions by 30% by 2030 compared to 2019. With emissions of 25,604,733 tons of CO_2e in 2024, we have already made significant progress towards this target and have currently achieved a 25% reduction in Scope 3 emissions compared to 2019.

SCOPE 3 EMISSIONS[1]

IN TONS OF CO_2e	2024	2023[3]	2019[4]
3.1 Purchased goods and services	8,129,904	9,116,372	9,886,754
3.2 Capital goods	504,536	431,380	525,270
3.3 Fuel and energy-related activities[2]	107,594	105,059	142,203
3.4 Upstream transportation and distribution	274,962	300,741	280,340
3.5 Waste generated in operations	15,029	14,860	14,302
3.6 Business travel	7,505	7,601	12,885
3.7 Employee commuting	26,655	26,559	33,097
3.11 Use of products sold	16,462,798	17,540,289	23,344,172
3.12 End-of-life treatment of sold products	75,750	76,375	80,914
Total Scope 3 emissions	**25,604,733**	**27,619,236**	34,319,939

1 Scope 3 emissions were calculated based on activity-based and spend-based data from a recognized input-output model (Quantis). The model uses USD-based emission factors. Consequently, exchange rate fluctuations influence the CO_2 emissions shown here.
2 Not included in Scope 1 and 2
3 Recalculation of individual categories in 2023 due to changes in calculation methodology. Original information: 3.3 140,943 tons of CO_2e, 3.6 16,867 tons of CO_2e.
4 Recalculation of individual categories in 2019 due to changes in calculation methodology. Original information: 3.1 9,714,950 tons of CO_2e, 3.3 177,270 tons of CO_2e, 3.6 28,594 tons of CO_2e.

Water and waste water

Water is an essential part of BENTELER's production processes and plays a key role in ensuring process safety. Due to the high importance of water, we work to use this resource in a responsible and careful manner. We aim to significantly reduce our water withdrawals, especially in regions facing high and very high-water stress. Because of this, our goal is to reduce water withdrawals in these regions by 20% by 2030 compared to the base year 2019.

In addition, BENTELER is also integrating water recovery systems at some locations, through which waste water is treated and returned to the process water. This helps reduce the quantity of water withdrawn and our costs. Likewise, at BENTELER we continuously monitor and analyze our water withdrawals. In 2024, this amounted to 10,230,271 m³ (drinking and process water) at our plants, corresponding to a reduction of 5% from the figure of 10,793,959 m³ in 2023.

In 2024, water withdrawals in regions facing water stress amounted to 293,537 m³ water, a reduction of 30% compared with 2019. Increasing production quantities and new sites in regions facing water stress could result in increased water withdrawals in water-stressed areas in coming years. Because of this, we are continuing our efforts to achieve a reduction of 20% from 2019 levels by 2030.

BENTELER GROUP WATER WITHDRAWALS[1]

IN M³	2024	2023	2019[1]
Surface water	8,338,190	8,614,668	
Brackish water/sea water	-	-	
Groundwater – renewable	544,297	552,685	
Groundwater – non-renewable	-	-	
Produced water	-	-	
Third party water	1,347,784	1,626,606	
Total water withdrawal	**10,230,271**	10,793,959	9,771,170

[1] Key figures are calculated based on GRI 303-3. The data is from measurements and invoices. If no values were available for the month of December, an estimate was made on the basis of the previous year's value. Non-producing sites and very small sites (< 50 employees) whose water withdrawal cannot be determined are not included due to their low relevance.

[2] Water withdrawal by source has only been available in full starting in 2022.

WATER WITHDRAWAL IN AREAS WITH HIGH AND VERY HIGH WATER STRESS[1]

IN M³	2024	2023[2]	2019[2]
Total water withdrawal	**293,537**	361,114	419,858

[1] At plants in areas with high and very high water stress, water is drawn exclusively from third parties.

[2] Due to changes in the classifications of areas facing water stress according to the WRI Aqueduct Water Risk Atlas, water withdrawals for 2019 and 2023 were recalculated. Original information: 2023: 365,633 m³, 2019: 3.3 431,902 m³.

Waste

Avoiding waste is another essential part of our sustainability strategy. By recovering and reusing raw materials from produced waste, we reduce our waste quantities while helping to protect and save resources. Our goal is to reduce the quantity of waste produced at the BENTELER Group by 20% by 2030 compared to the base year 2019.

Waste produced is disposed of in compliance with local laws by certified companies. In order to ensure a maximum level of material recycling or reusability, waste fractions are also collected separately at BENTELER's sites. Some waste cannot be recycled through disposal companies and must be disposed of in landfills. We are also looking for solutions for these types of waste that can't be returned to the resource cycle.

We continuously record the amount of waste from our production activities at BENTELER. In the reporting year, our total waste was 60,554 tons. Compared to 67,358 tons in 2023, this represents a 10% reduction in the amount of waste. A variety of projects to improve resource efficiency, as well as reduced production quantities, contributed to this drop. We lowered our quantity of waste generated by 25% compared to 2019. Increasing production quantities and new locations could lead to increasing amounts of waste in coming years. Because of this, we are continuing our efforts to achieve a reduction of 20% from 2019 levels by 2030.

WASTE IN THE BENTELER GROUP[1]

IN TONS	2024	2023	2019
Landfill and other disposal operations	8,381	7,561	8,364
Reuse, recycling and incineration	52,173	59,797	71,972
Of this amount, incineration[2]	3,038	-	-
Total (excluding scrap)	**60,554**	**67,358**	**80,336**

[1] The data is from measurements and invoices. If no values were available for the month of December, an estimate was made on the basis of the previous month's value. Non-producing sites and very small sites (< 50 employees) whose waste volumes cannot be determined are not included due to their low relevance.

[2] It is not possible to list incineration separately for 2023 and 2019.

REPORT ON ENVIRONMENTAL AND ENERGY MANAGEMENT

As an international company, the BENTELER Group is responsible for making its products and processes sustainable to help protect the environment. Conserving resources is an integral part of our corporate practice, but also an equally important goal alongside consistent compliance with the highest quality and safety standards. We believe economic benefit and ecological responsibility are inextricably linked. Because of this, we continuously optimize our production processes and work closely with our customers to develop sustainable technologies. In addition, we take on an active social role at our production sites. Our commitment to effective solutions also includes protecting our society and our environment.

All BENTELER Automotive production sites, as well as BENTELER Steel/Tube plants in Europe, have an environmental and/or energy management system certified according to ISO 14001 or ISO 50001. In this way, we guarantee effective resource conservation and environmental protection at our sites.

We also have comprehensive expertise in environmental issues, which is particularly important in metal processing and high-temperature processes. In addition to classic environmental protection aspects, such as handling groundwater and surface water responsibly, our expertise also includes keeping an account of greenhouse gas emissions so that we can participate in the emissions trade. In our eyes, all of these areas are potential areas where our processes could be improved, and therefore opportunities for BENTELER and our environment.

BENTELER Automotive (BAC & BAM)

Multiple energy efficiency projects were implemented in 2024 in order to reduce energy consumption at our sites. These included installing new compressors and a waste heat recovery system in Eisenach, as well as optimizing the cooling system for laser cutting at our Shanghai plant. Further measures were implemented under a special “Green CapEx” budget to improve energy efficiency.

BENTELER Steel/Tube

The Steel/Tube Division is also pursuing a variety of measures to improve energy efficiency. These focus in particular on optimizing production processes. During 2024, BENTELER in particular worked to optimize processes and adjust heating curves. The company also improved its use of waste heat for administrative buildings and different systems and electric motors were overhauled, significantly reducing energy consumption.

HR REPORT

In contrast to previous years, external factors have largely stabilized. BENTELER faced a highly competitive automotive market, industry challenges in Europe, and a weakening climate in the USA for tube products. The widespread preference amongst the available workforce on the market to pursue employment primarily in the tertiary economic sector continues the trend of a shortage of skilled workers and labor in general. Because of this, BENTELER is working even harder to position itself as a leading employer in the competition for the best employees and has launched a range of initiatives to offer attractive options for the different phases in employee's lives.

In 2024, the BENTELER Group implemented a new structure in the Automotive business to manage the different business models of the module and component areas by separating them into two divisions. Further decentralization into three major markets of Europe, Asia-Pacific and Americas, improves customer proximity and organizational agility. Because of this, a virtual and international HR structure capable of offering services in many different countries is essential to continue serving operational areas in a cost-effective manner.

A significant contribution to this was made by the expansion of HR digitalization, which was achieved through the acquisition of ServiceNow, a platform for HR services. This project gained momentum in 2024. Blue collar workers were trained to install the app on their personal mobile devices, enabling them to access, for example, their payrolls and company information 24/7 from anywhere, as well as to easily request leave or submit sick notes. HRNow is already being used by 90% of employees in Brazil. As usage increases, so does the number of services available. The tool offers a wide, seemingly endless variety of options. Through the use of AI, the challenge of mapping different languages in the tool has almost disappeared, as translations can now be completed in a matter of seconds. The ability to respond to inquiries from colleagues around the world as an expert in virtual, international teams took shape with the implementation of the tool. The function "Communication between Leadership and Team", especially in emergency situations such as natural disasters affecting a plant e.g., floods in Brazil, hurricanes in the USA, will be an important, sometimes vital platform that has become indispensable after just twelve months of experience.

Weather-related natural disasters are a consequence of the climate crisis that we must anticipate. Protecting employees from abuse of power by employers is another important item on the agenda. To address this, the "Global HR Governance Policy" has been successfully developed, enacted, and implemented. On this basis, BENTELER fulfills its commitment to the UN Charter for Sustainability. This measure was complemented by mandatory e-learning on the topic of "Diversity and Inclusion." BENTELER received an official award as part of its EcoVadis certification, which recognized this element as a valuable key contribution to sustainability.

As part of our sustainability strategy, succession planning is also included within the framework of personnel-related risk management. We have conducted annual employee appraisal interviews with all employees in the non-tariff executive area and LIFT conferences (LIFT = Leading in Future Times) to identify talents and potentials.

Number of employees

In 2024, BENTELER employed an average of 20,668 FTEs (Full Time Equivalents, full-time employees excluding contract workers) worldwide, 322 FTEs fewer than in the previous year. In the BENTELER Automotive Components division, the average number of employees decreased by 158 FTEs to 15,223 FTEs. The average number of employees in the BENTELER Automotive Modules division also fell in comparison to the previous year by 94 FTEs to 1,832. The Steel/Tube Division saw a drop of 152 FTEs to 3,033 FTEs. In the Holding functions, an average of 538 FTEs were employed in 2024, which is 88 FTEs more than the previous year. The increase in FTEs in the Holding functions is mainly due to systematic transfer of FTEs from the divisions to the shared-service centers. The HOLON division, which has been equity-consolidated since July, had an average of 43 FTEs for the year.

To continue to fill management and key positions from its own ranks in the future, BENTELER trains teenagers and young adults in various apprenticeships. In 2024, BENTELER enabled 535 young people worldwide to receive training (previous year: 475).

In the reporting year, BENTELER employed an average of 37 FTEs (Full Time Equivalents, full-time employees including contract workers) in Austria. In Germany, an average of 7,016 FTEs were employed, and 16,117 FTEs were employed in the rest of the world.

Employee retention

For personal health, the climate and even for fun, cycling is an alternative to cars and public transport. In 2024, BENTELER introduced a salary conversion model that allows employees to lease bicycles at a low cost. The demand has been significant, with 1,100 employees already taking advantage of this option.

Even more important to BENTELER is supporting employees experiencing difficult circumstances through no fault of their own. Issues such as caring for relatives, mental illness, burnout symptoms, or financial difficulties can be very stressful. The pilot project for social counseling, launched in 2023, in which professionals and experts provide advice and support to our employees in difficult phases of their lives, has been successfully utilized. 189 employees have used the service.

To make it clear from the outset that employees are highly valued, BENTELER began distributing starter boxes as a welcome gift to all new employees this year. Upon the birth of a child, employees receive a baby box to welcome the new arrival and show our concern for parents in this special phase of life.

To empower women in the company in general, BENTELER has established a network for women in leadership positions. This network meets regularly on a wide range of topics that are of interest to its international participants. The focus is on equality of opportunity while respecting individual differences. Therefore, the company offers flexible work time models adapted to the different phases of employees' lives, as well as to the company's needs. This is the middle way: to retain talent on one hand, and to adjust the number of FTEs to plant volumes on the other, thereby avoiding layoffs in both cases. By considering individual needs, BENTELER hopes to achieve a long-term partnership and collaboration with all employees and a mutual provision of job supply and demand.

Diversity is variety, and variety is a strength. At BENTELER, we are particularly proud of the fact that we work together under one flag, across different countries. The Communications department has contributed to giving a face to the diverse people of our company and the individual characteristics of our employees worldwide through the creation of a digital photo book, the "Book of Pioneers". BENTELER is represented by over 20,000 colleagues around the globe who manufacture products for industry and mobility with full commitment every day.

Outlook

The balance between agility, standardization, cost efficiency and high-quality standards remains a constant challenge, even after our transformation in 2024. To handle this balancing act, BENTELER relies on new technologies such as generative AI in particular, which automates workflows and processes and provides services in fractions of a second.

The coming year in particular will be shaped by the rapidly increasing possibilities for using AI. A coordinated approach that goes beyond individual "trial and error" will enable all employees to profitably utilize AI in their respective work areas. We are just at the beginning of this groundbreaking innovation for the workforce, which promises greater efficiency and effectiveness.

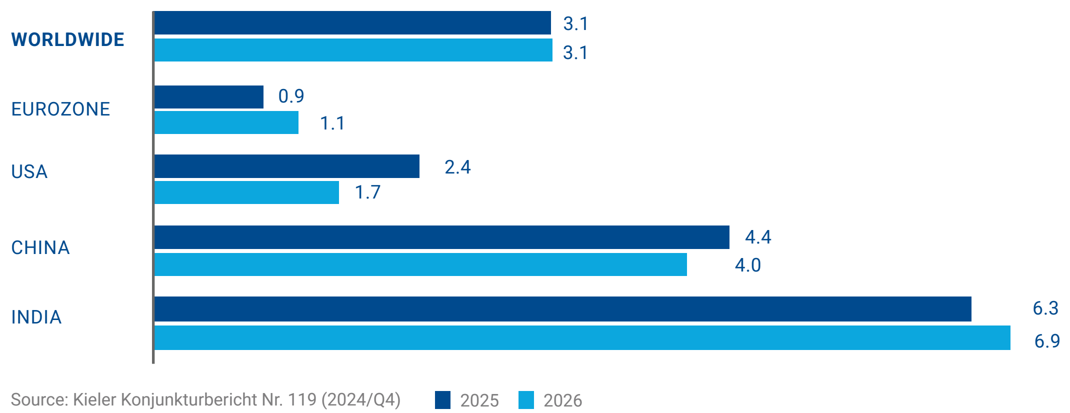
FORECAST REPORT

Business and general conditions: Global economy becomes less dynamic

Moderate global growth is expected in the coming year. The Institut für Weltwirtschaft (IfW Kiel)[6] projects an increase in global production of 3.1% in 2025, followed by an increase of 3.1% in 2026. Important drivers of the global economy remain the gradual recovery of purchasing power due to falling inflation rates, and an easing of financing conditions. Nevertheless, risks remain, particularly due to geopolitical tensions, protectionist trade measures and structural weaknesses in some key economies.

GROWTH IN GROSS DOMESTIC PRODUCT 2025 UND 2026

IN %



Source: Kieler Konjunkturbericht Nr. 119 (2024/Q4)

Economic development remains restrained in the Eurozone. Growth of 0.9% is forecast for 2025 and 1.1% in 2026. While increasing real wages are supporting private consumption and monetary policy is gradually improving financing conditions, structural weaknesses and weak industrial production are weighing on the economy. Foreign trade, in particular, is being curbed by trade policy uncertainties. These primarily include new tariffs in the United States and the growing risk of trade conflicts with China.

The US economy is expected to weaken but remains on a stable growth path. An increase of 2.4% in the gross domestic product is expected for 2025, followed by moderate growth of 1.7% in 2026. The primary drivers of this growth include private consumption, supported by growth in real income, and ongoing robust investment. An expansive financial policy is likely to deliver added stimulus, while the introduction of new tariffs could negatively impact production potential. This could result in inflation only slowly approaching the central bank's target and monetary policy eased less than previously assumed.

Emerging countries continue to see higher growth than industrialized nations. China is expected to see moderate growth of 4.4% in 2025 and 4.0% in 2026. While domestic consumption is supporting the economy, weak export development and the ongoing real estate crisis are significant obstacles. In particular, the tougher trade policies of the United States and Europe are likely to have a significant negative impact on exports in the coming year and the expansion in the manufacturing sector – currently the most dynamic part of the Chinese economy – is expected to lose momentum. India remains the fastest-growing economy, with forecasts of 6.3% for 2025 and 6.9% for 2026. This dynamism is, however, decreasing noticeably firstly due to an exhaustion of the potential for recovery after the pandemic, and

[6] Kieler Konjunkturbericht Nr. 119 (2024/Q4), Institut für Weltwirtschaft, Kiel, Germany.

secondly due to increasing capacity bottlenecks. Rising prices are putting a damper on private consumption, which may lead to a drop in economic growth in coming years.

Overall, the forecast for 2025 and 2026 shows moderate global growth with ongoing challenges. While monetary easing and improved purchasing power are providing positive impact, structural weaknesses, geopolitical risks and trade policy conflicts are central factors generating uncertainty for the global economy.

Automotive market outlook: Slight reduction with subsequent recovery effect expected

S&P Global Mobility[7] forecasts a slight reduction in global automotive production for 2025 of 0.4%, likely leading to a drop in production volume to a total of 88.7 million vehicles. Growth of 2.6% over the previous year, in turn, is expected for 2026. The forecast for global production in 2026 is approx. 91.0 million units.

In Europe, another drop in production figures of 2.6% to around 16.6 million vehicles is expected for 2025. A recovery is likely in 2026: Production volumes are expected to increase to round 17.0 million units, corresponding to a growth of 2.5%. This trend will be shaped mainly by Western Europe, which will first see lower volumes in 2025, followed by an upswing the following year. Eastern Europe will, in contrast, see more stable development with moderate production increases for both years.

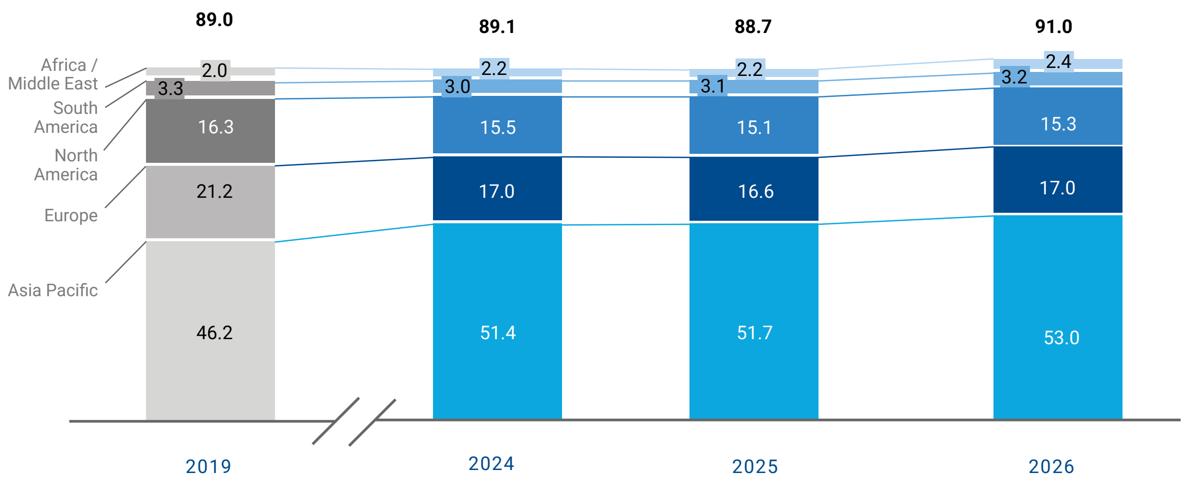
The forecast for North America is similar. Reduced vehicle production is expected in 2025 by 2.4% to a total of 15.1 million units. In 2026, North American production will increase again slightly by 1.5% to 15.3 million vehicles.

In contrast, South America will see positive development during the forecast period. Production will increase by 5.7% to 3.1 million vehicles in 2025, then by another 3.8% in 2026 to over 3.2 million units. This development will be driven mainly by Brazil, the region's most important vehicle market.

Growth in production volumes is likewise expected over the next two years in the Asia-Pacific region. An increase of 0.6% is forecast for 2025, corresponding to an output of 51.7 million vehicles. In 2026,

DEVELOPMENT OF VEHICLE PRODUCTION PER REGION 2019 & 2024–2026

VEHICLES (MILLIONS)



Source: S&P Global Mobility LV Production Forecast (12/2024)

[7] S&P Global Mobility Light Vehicle Production Forecast (12/2024) and S&P Global Mobility Light Vehicle Powertrain Forecast (12/2024).

production is expected to grow by 2.6% to over 53.0 million units. Moderate growth of 0.1% during 2025 is forecast for China, the world's largest automotive market, followed by significantly stronger growth of 3.6% in 2026. Prospects in India are positive as well, with projected growth of 3.8% in 2025 and 3.3% in 2026. In contrast, Japan and South Korea – both key regional producers – are expected to see a drop in vehicle production in both years of the forecast.

Africa and the Middle East are forecast to experience a slight reduction in vehicle production of 1.1% during 2025. With an average production growth of 11.4% in 2026, vehicle production in this region will, however, continue to become more important. In addition to Iran, which makes up almost 50% of regional production volume with its production focused on the local market, South Africa and Morocco are important with average production of over 0.5 million units each. Meanwhile, the volumes, and therefore the importance of countries like Algeria, Egypt and Saudi Arabia will continue to increase during the forecast period.

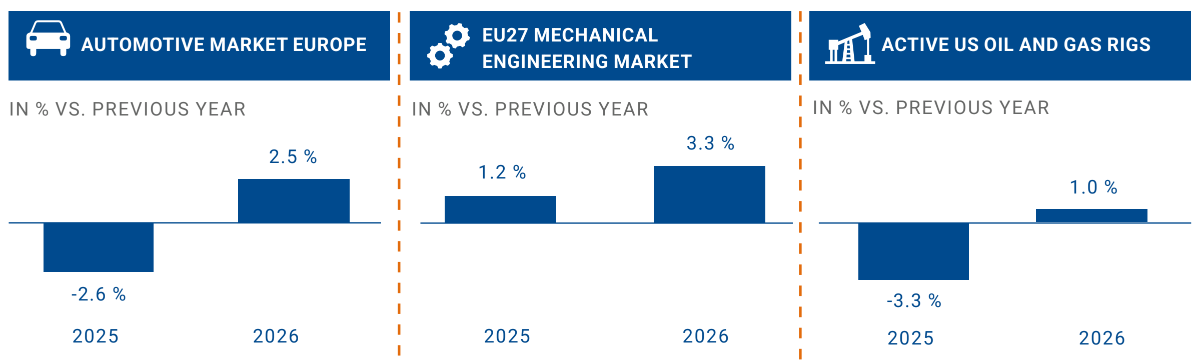
The e-mobility market is becoming more and more important, as reflected in production figures. According to forecasts, the share of electric vehicles (including full and mild hybrids, as well as all-electric drives) in global vehicle production, which was 37.4% in 2024, will increase to around 44.0% in 2025 and 51.0% in 2026.

Steel/Tube market outlook: No market recovery in sight

The economic and geopolitical situation at the turn of the year is more uncertain than ever. With the election of Donald Trump and the upcoming political decisions in Germany, as well as the global economic dynamics, the year 2025 will bring extraordinary challenges. The European automotive industry expects a further drop in production volumes in the forthcoming year. In addition to sluggish customer orders, especially for electric cars, EU legislation on CO_2 fleet limits is complicating the situation for manufacturers, which will lead to tough price competition for electric vehicles (for details, see the Automotive Division section).

Prospects of a market recovery in mechanical engineering will also be delayed. The German Engineering Federation (VDMA) expects the order situation to remain tight in 2025 and therefore anticipates a further decline in production of 2%. By contrast, analysts at Oxford Economics forecast moderate growth for the European market over the course of the year. Although a further fall in interest rates is likely to benefit not only consumption, but also global willingness to invest and initiate an economic recovery, a significant market upturn is not to be expected. The European agricultural and construction machinery industry is impacted by a similar picture. Although both industries showed first signs of improvement at the end of the year, they are still struggling with declining orders and face a below-average order backlog of less than three months.

DEVELOPMENT OF BENTELER STEEL/TUBE'S CORE MARKETS 2025 UND 2026



Source: S&P Global Mobility Light Vehicle Production Forecast (12/2024)

Source: Oxford Economics (12/2024)

Source: Spears DPO (12/2024)

While 2024 ended with mixed signals, the future of the oil and gas markets is still impacted by numerous uncertainties. Geopolitical developments and changing demand in China will be key factors for 2025. The US Energy Information Administration (EIA) assumes that global oil supply will exceed demand in 2025. Even if OPEC+ cuts remain in force, analysts expect rising production from the USA and other oil producers to outstrip demand, which remains weak. In a survey carried out by international news agency Reuters[8] of 31 economists and analysts, respondents expected an average annual price of approximately USD 71 for West Texas Intermediate. Against this backdrop, and despite Donald Trump's election victory and his announcements to increase domestic oil and gas production, market experts do not expect drilling activity to increase in the USA. The new focus on capital discipline gained during the COVID-19 pandemic, as well as productivity increases, will continue to be anchored primarily in the core strategies of oil and gas producers in the new year. Accordingly, BENTELER does not anticipate a turnaround in demand in the North American OCTG market in 2025 . According to analyst forecasts by Spears & Associates, the rig count is still expected to fall slightly. The market experts forecast an average rig count of 579 for 2025, corresponding to an approximately 3% reduction from the previous year. In this context and in connection with efficiency improvement measures, the trend towards ever longer horizontal wells will continue in the US shale regions in order to tap new oil and gas potential in areas that would otherwise not reach economic thresholds. Accordingly, this development will have a positive impact on demand for OCTG, as it is expected to lead to a further increase in the amount of pipe used per rig (so-called rig efficiency) after 2024. This will help compensate for a reduced rig count, which is expected to result in a sideways movement in total annual demand for 2025.

[8] https://www.reuters.com/business/energy/ample-supply-slow-demand-temper-oil-price-gains-2025-2024-12-31/#:~:text=Dec%2031%20(Reuters)%20%2D%20Oil,monthly%20poll%20showed%20on%20Tuesday

Long-term outlook:

For the five-year planning period, we expect an increase in profitability and continued improvement in the market positions of all divisions despite a continued tense and volatile market environment. Based on this, we expect moderate sales growth up to 2029. We are well positioned for this thanks to our future-oriented portfolio, which is mostly technology and drivetrain agnostic. The focus on profitable growth and associated optimization of the project portfolio, as well as the sustainable improvement of cost structures should ensure the company's further financial flexibility and independence.

The financing structure established in 2023 will enable the BENTELER Group to make the best possible use of market opportunities. Despite all the risks associated with economic and political developments, we are focused on conservative financing principles: Investments will be financed from cash flow and fixed assets will be financed by long-term funds. The equity ratio, which is back in the double-digit range thanks to the good results, is expected to return to the original targets in the long term through the increase in profitability. Dynamic financial debt, calculated as net financial debt / EBITDA, is also expected to benefit from rising earnings in the long term.

In collaboration with our new strategic investor TASARU Mobility Investments and our strategic partners, we continued development of our autonomous mover vehicle in 2024 with the HOLON division.
The goal is to act as a pioneer, shaping the rapidly growing and innovative market for self-driving shuttles. We have chosen to industrialize alongside our strategic investor for this purpose. This industrialization will be financed mainly from cash inflows to the venture from our strategic investor. In this way, we will be able to take advantage of opportunities while greatly reducing our risk.

This should be achieved, among other things, through the sustainable measures of the transformation programs, which were continued in the fiscal year and will continue to be pursued with full commitment and continually expanded in the future.

The management report contains forward-looking statements on expected developments. These statements are based on current assessments and inherently entail risks and uncertainties. Actual events may differ from the statements formulated here.

Salzburg, February 7, 2025
The Executive Board

Ralf Göttel Dr. Tobias Braun

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CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

Consolidated Income Statement (IFRSs)
for the financial year from January 1, to December 31, 2024

CONSOLIDATED INCOME STATEMENT (IFRSS)

€ THOUSAND	NOTE	2024	2023
Sales	6	8,170,168	8,786,838
Cost of sales	7	-7,409,646	-7,826,520
Gross Profit		**760,522**	**960,318**
Selling expenses		-149,816	-156,240
Administration expenses		-294,025	-291,662
Research and development expenses		-58,845	-64,682
Income from deconsolidation of HOLON	4	329,125	0
Other operating income	8	83,316	94,386
Other operating expenses	9	-15,027	-24,695
EBIT		**655,249**	**517,426**
Financial income	10	40,750	99,569
Financial expenses	10	-234,719	-327,690
Financial result		**-193,970**	**-228,120**
Income from associates	14	-9,821	746
Result before tax		**451,459**	**290,052**
Income taxes	11	-67,655	-3,370
Result for the period		**383,803**	**286,682**
Of which:			
Attributable to owners of parent		*382,014*	*282,160*
Non-controlling interests		*1,790*	*4,522*

Consolidated Statement of Comprehensive Income (IFRSs)
for the financial year from January 1, to December 31, 2024

CONSOLIDATED INCOME STATEMENT (IFRSS)

€ THOUSAND	NOTE	2024	2023
Result for the period	20	**383,803**	**286,682**
Items that will not be reclassified to the income statement in future periods:			
Actuarial gains (losses) on defined-benefit plans (net)		13,005	-39,048
On these items of the comprehensive income relating taxes		-4,153	11,868
		8,852	**-27,180**
Items that will be reclassified to the income statement in future periods:			
Gains (losses) on exchange differences on translation for foreign operations		25,099	-26,829
Gains (losses) on the measurement of cash flow hedges, of which:		2,768	-19,198
Interest rate and cross-currency interest rate hedges		8,451	-23,612
Foreign currency hedges		-6,099	3,986
Commodity hedges		416	428
Reclassification of amounts of cash flow hedges recognised in the income statement, of which:		-4,212	-12,416
Interest rate and cross-currency interest rate hedges		-12	0
Foreign currency hedges		-3,772	-12,324
Commodity hedges		-428	-92
Gains (losses) on the measurement of costs of hedging, of which:		-8,275	398
Interest rate and cross-currency interest rate hedges		-4,703	0
Foreign currency hedges		-3,572	398
On these items of the comprehensive income relating taxes		2,245	6,776
		17,625	**-51,268**
Other comprehensive income after tax		**26,477**	**-78,448**
Total comprehensive income		**410,280**	**208,234**
Of which:			
Attributable to owners of parent		*407,066*	*206,548*
Non-controlling interests		*3,214*	*1,686*

Consolidated Statement of Financial Position at December 31, 2024 (IFRSs)
Assets

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2024 (IFRSS)

€ THOUSAND	NOTE	December 31, 2024	December 31, 2023
Intangible assets	12	26,609	26,714
Goodwill	12	5,679	5,679
Property, plant, and equipment	13	1,999,266	1,976,149
Investments accounted using the equity method	14	475,119	4,973
Deferred tax assets	15	223,469	247,486
Non-current income tax receivables		1,710	605
Other non-current receivables and assets	16	79,561	71,153
Non-current assets		**2,811,412**	**2,332,759**
Inventories	17	756,779	829,216
Trade receivables	18.1	418,195	678,769
Contract assets from customer contracts	18.2	7,378	10,469
Current income tax receivables		14,852	9,523
Other current receivables and assets	18.3	237,653	225,002
Cash and cash equivalents	19	572,409	641,978
Assets held for sale		0	37,138
Current assets		**2,007,267**	**2,432,095**
Total assets		**4,818,679**	**4,764,854**

Consolidated Statement of Financial Position at December 31, 2024 (IFRSs)
Liabilities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2024 (IFRSS)

€ THOUSAND	NOTE	December 31, 2024	December 31, 2023
Issued capital		200	200
Capital reserves		175,275	175,275
Other reserves		623,968	316,768
Equity attributable to owners of parent company		**799,443**	**492,243**
Non-controlling interests		49,461	46,517
Total shareholders' equity	20	**848,904**	**538,760**
Non-current financial liabilities	23	1,595,107	1,737,156
Deferred tax liabilities	15	6,328	7,603
Other non-current liabilities		2,971	25,832
Pension provisions	22	266,368	281,074
Other non-current provisions	21	77,227	75,975
Non-current liabilities		**1,948,001**	**2,127,641**
Current financial liabilities	23	194,288	195,390
Trade payables		1,115,195	1,295,895
Liabilities of supply chain programs	24	94,997	0
Current income tax liabilities	25	9,349	29,399
Other current liabilities	26	517,499	458,148
Other current provisions	21	90,446	119,620
Current liabilities		**2,021,774**	**2,098,452**
Liabilities		**3,969,775**	**4,226,094**
Total shareholders’ equity and liabilities		**4,818,679**	**4,764,854**

Consolidated Statement of Cash Flows (IFRSs)
for the financial year from January 1, to December 31, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRSS)

€ THOUSAND	2024	2023
Cash flow from operating activities:		
EBIT	655,249	517,426
Interest paid	-173,248	-228,893
Interest received	16,418	15,287
Income taxes paid/received (net)	-71,821	-52,384
Result from the disposal of OOO "BENTELER Automotive" in Kaluga	6,000	0
Other non-cash transactions relating to sale of shares in HOLON	-329,125	0
Depreciation, amortization, impairment and write-up of property, plant and equipment and intangible assets	274,240	264,453
Change in non-current provisions	-9,319	-26,282
Other non-cash transactions	8,837	-4,804
Cash flow from profit	**377,231**	**484,803**
Change in inventories	72,399	544
Change in trade receivables	268,157	196,306
Change in trade payables and advance payments received	-216,267	45,254
Change in working capital	**124,289**	**242,104**
Change in current provisions	-27,271	-40,313
Change in other receivables	-25,200	36,098
Change in other liabilities	80,496	34,942
Change in other assets and liabilities	-32,143	3,030
Cash flow from operating activities	**497,403**	**760,665**

See Note 31.

Consolidated Statement of Cash Flows (IFRSs) [continued]

for the financial year from January 1, to December 31, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRSS)

€ THOUSAND	2024	2023
Cash flow from investing activities:		
Cash payments for investments in property, plant, and equipment and intangible assets	-285,000	-304,103
Cash receipts from the disposal of property, plant, and equipment and intangible assets	50,985	9,412
Government grants received for investments	1,019	1,071
Cash payments for investments in financial assets	-7,667	-205
Net cash flow from sale of shares in HOLON & Kaluga	25,181	42,505
Cash payments for investments in assets held for sale	-46,561	0
Disposal of discontinued operation, net of cash disposed of	-630	0
Cash flow from investing activities	**-262,673**	**-251,320**
Free Cashflow	**234,729**	**509,345**
Cash flow from financing activities:		
Repayment of borrower's note loans	0	-488,176
Cash proceeds from the issuance of bonds	0	984,686
Repayment of bank loans	-163,400	-1,567,506
Cash receipts from the raising of bank loans	0	810,000
Repayment of lease liabilities	-40,807	-42,878
Dividends paid	-104,100	-216,099
Cash receipts from non-controlling interests	3,830	2,351
Other cash payments from financing activities	-477	-41,892
Cash flow from financing activities	**-304,954**	**-559,514**
Change in cash and cash equivalents	**-70,224**	**-50,169**
Effect of exchange rate changes on cash and cash equivalents	656	-5,109
Cash and cash equivalents at January 1	**641,978**	**697,255**
Cash and cash equivalents at December 31	**572,409**	**641,978**

Consolidated Statement of Changes in Equity (IFRSs)
for the financial year from January 1, to December 31, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRSS)

			Other reserves		
€ THOUSAND	Issued capital	Retained earnings	Foreign currency translation reserve	Cash flow hedge reserve and hedging costs	Reserve for actuarial gains/losses
Balance at January 1, 2023	**200**	**175,275**	**-94,967**	**9,714**	**-55,508**
Comprehensive income					
Result for the period					
Other income (after tax)			-23,995	-24,439	-27,178
Other changes in shareholders' equity					
Other changes					
Transactions with owners					
Capital increases and company foundation					
Dividends paid					
Balance at December 31, 2023 = Balance at January 1, 2024	**200**	**175,275**	**-118,962**	**-14,725**	**-82,686**
Comprehensive income					
Result for the period					
Other income (after tax)			23,662	-7,474	8,865
Other changes in shareholders' equity					
Other changes					
Transactions with owners					
Capital increases and company foundation					
Dividends paid					
Balance at December 31, 2024	**200**	**175,275**	**-95,300**	**-22,199**	**-73,821**

See Note 20.

Consolidated Statement of Changes in Equity (IFRSs) [continued]

for the financial year from January 1, to December 31, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRSS)

	Other reserves				
€ THOUSAND	Other	Total	Equity attributable to owners of parent company	Non-controlling interests	Total shareholders' equity
Balance at January 1, 2023	**462,989**	**322,228**	**497,703**	**46,581**	**544,284**
Comprehensive income					
Result for the period	282,160	**282,160**	**282,160**	4,522	**286,682**
Other income (after tax)		**-75,612**	**-75,612**	-2,836	**-78,448**
Other changes in shareholders' equity					
Other changes	-8	**-8**	**-8**	-3	**-11**
Transactions with owners					
Capital increases and company foundation		0	0	2,351	2,351
Dividends paid	-212,000	**-212,000**	**-212,000**	-4,099	**-216,099**
Balance at December 31, 2023 = Balance at January 1, 2024	**533,140**	**316,768**	**492,243**	**46,517**	**538,760**
Comprehensive income					
Result for the period	382,014	**382,014**	**382,014**	1,790	**383,803**
Other income (after tax)		**25,052**	**25,052**	1,424	**26,477**
Other changes in shareholders' equity					
Other changes	134	**134**	**134**		**134**
Transactions with owners					
Capital increases and company foundation		**0**	**0**	3,830	**3,830**
Dividends paid	-100,000	**-100,000**	**-100,000**	-4,100	**-104,100**
Balance at December 31, 2024	**815,288**	**623,968**	**799,443**	**49,461**	**848,904**

See Note 20.

NOTES TO THE IFRS CONSOLIDATED FINANCIAL STATEMENTS FOR 2024

General information

1 Information about the company

BENTELER International Aktiengesellschaft ("BIAG" or the "Company"; registered in the Austrian Companies Register of Salzburg Regional Court under the number FN 319670d and having its registered office and principal place of business at Schillerstraße 25, 5020 Salzburg, Austria) is the ultimate holding company of the BENTELER Group, an international corporation with a history stretching back more than 150 years. The group operates in the following Divisions:

- BENTELER Automotive Components (57 locations, approximately 15,223 full-time equivalents)
- BENTELER Automotive Modules (16 locations, approximately 1,832 full-time equivalents)
- BENTELER Steel/Tube (10 locations, approximately 3,033 full-time equivalents)
- Other companies (7 locations, approximately 580 full-time equivalents)

The BENTELER Group's various Divisions are engaged in the following activities:

- Developing, producing, and selling ready-to-install vehicle modules, components, and systems made of metals and a wide range of other materials, together with producing and selling the associated tools
- Developing, producing, and selling machines, machine installations, tools, design engineering, and similar products
- Steel production and the development, production, machining, and sale of steel products, especially steel tubes

The common stock of BENTELER International Aktiengesellschaft is not listed on a regulated market or in over-the-counter trading and is closely held by the family, half by CAB II GmbH, Switzerland and CAB Holding GmbH, Liechtenstein, and half by Dr. Ing. E.h. Helmut BENTELER GmbH, Germany.

2 Basis of preparation

In accordance with Section 245a (2) of the Austrian Commercial Code, the consolidated financial statements of BENTELER International Aktiengesellschaft and its subsidiaries were prepared under International Financial Reporting Standards (IFRSs), taking due account of publications by the International Financial Reporting Interpretations Committee (IFRIC) as endorsed in the European Union under Regulation No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards, and also in compliance with the additional requirements of Section 245a of the Austrian Commercial Code. Figures for previous years were calculated using the same principles. The statement is based on the assumption of going concern.

The separate financial statements of the included entities were prepared as at the same reporting date as the consolidated financial statements.

The consolidated financial statements are prepared on the basis of historical cost. The exceptions were derivative financial instruments and financial instruments, which are measured at market value, and defined benefit plan assets, which are measured at fair value. There are also immaterial contract assets from customer contracts which are measured according to the degree of completion.

The consolidated income statement is prepared using the cost of sales method. The consolidated financial statements are prepared in euros. Unless indicated otherwise, all amounts are in thousands of euros. System-based effects may cause amounts to differ from the unrounded amounts.

On February 7, 2025, the Executive Board approved the consolidated financial statements and the Group Management Report for the period ended December 31, 2024, and released them for presentation to the Supervisory Board. The Supervisory Board is expected to approve the consolidated financial statements and the Group Management Report at its ordinary meeting on March 5, 2025.

3 New accounting standards

This section lists all standards and interpretations released by the IASB (International Accounting Standards Board) and IFRIC that were applied for the first time in the current reporting period, or that must be applied in future periods.

The application of the following new standards and amendments of existing standards became mandatory in the 2024 financial year:

NEW ACCOUNTING STANDARDS – CURRENT REPORTING PERIOD

		Publication by IASB	Application obligatory in EU for financial years beginning on or after	Endorsed by the EU	Effects on BENTELER Group
Amendments to existing standards and interpretations					
IAS 1	Classification of financial liabilities as as non-current or current	January 23, 2020	January 1, 2024	Yes	Immaterial
IFRS 16	Changes to the subsequent measurement of Lease Liability in a Sale and Leaseback	September 22, 2022	January 1, 2024	Yes	Immaterial
IAS 1	Classification as current liabilities due to constraints	October 31, 2022	January 1, 2024	Yes	None
IAS 7 IFRS 7	Supplier financing agreements	May 25, 2023	January 1, 2024	Yes	See note 24

The following standards, interpretations and amendments to existing standards have already been published by the IASB, but their application was not yet obligatory for the current reporting period. The Company has decided not to apply them early on a voluntary basis.

NEW ACCOUNTING STANDARDS – CURRENT REPORTING PERIOD

		Publication by IASB	Application obligatory in EU for financial years beginning on or after	Endorsed by the EU	Effects on BENTELER Group
Amendments to existing standards and interpretations					
IAS 21	Lack of exchangeability	August 15, 2023	January 1, 2025	Yes	Under review
IFRS 9 IFRS 7	Changes in classification and measurement of financial instruments	May 30, 2024	January 1, 2026	No	Under review
IFRS 9 IFRS 7	Changes to contracts for nature-based electricity supply	December 18, 2024	January 1, 2026	No	Under review
IFRS 1 IFRS 7 IFRS 9 IFRS 10 IAS 7	Annual improvement project Vol. 11	July 18, 2024	January 1, 2026	No	Under review
IFRS 18	Presentation and disclosure of information in financial statements	April 9, 2023	January 1, 2027	No	Under review
IFRS 19	Subsidiaries without public accountability accountability. Disclosures	May 9, 2024	January 1, 2027	No	Under review

4 Consolidation

4.1 Principles of consolidation

The consolidated financial statements include BIAG and all significant **subsidiaries** in which BIAG has the power to exercise control on the basis of a contractual agreement (control relationship). Control, as defined by IFRS 10, exists if BENTELER has power over the investee, is exposed to risk from variable returns and there is a connection between power and variable returns. Subsidiaries are fully consolidated in the consolidated financial statements from the date on which the power of control is obtained. Entities are deconsolidated as at the date on which the group ceases to have control.

Business combinations are accounted for using the **acquisition method** under IFRS 3. On the acquisition date (i.e. upon initial consolidation), identifiable assets acquired, and liabilities assumed are measured at fair value. A positive difference between the consideration transferred and the group's share of the net fair value of the acquired assets and liabilities is recognized as goodwill. The option of applying the full goodwill method, according to which goodwill resulting in the context of an acquisition is also calculated pro rata to the minority shares, was not exercised. Any negative difference is recognized in profit or loss as at the acquisition date, if a review indicates that all assets acquired and liabilities assumed have been correctly identified and valued.

Non-controlling interests represent the share of earnings and net assets that are not attributable to the group. Any profit or loss attributable to these interests is presented separately in the statement of comprehensive income from the share of profit or loss attributable to the owners of the parent company. In the statement of financial position, non-controlling interests are presented within equity, separately from the equity attributable to the owners of the parent company. Transactions (acquisitions and sales) entered into with non-controlling interests that do not result in a loss of control are accounted for as equity transactions.

Associates are entities over which the company can exercise a significant influence on financial and operating policy decisions but which it cannot control. Associates are accounted for using the equity method. A significant influence is deemed to exist when the group directly or indirectly holds 20% or more of the voting rights.

Joint ventures are entities that are controlled jointly on the basis of a contractual agreement between two or more parties, and to which the parties have rights to the net assets. In line with IFRS 11, they are accounted for using the equity method.

Investments in entities whose impact on the group's financial position and profit or loss is immaterial, as well as **other investments** over which the BENTELER Group does not have a significant influence, are accounted for in accordance with IFRS 9 as financial instruments.

Goodwill that results from the acquisition of a subsidiary is recognized separately in the statement of financial position. Goodwill resulting from the acquisition of an associate or joint venture is included in the amortized carrying amount of the investment in the associate or joint venture. In the event of the sale of a subsidiary, associate, or joint venture, the attributable portion of goodwill is taken into account in measuring the net gain or loss on disposal.

Goodwill is tested annually and whenever there is an indication of impairment. For the purposes of the impairment test, goodwill acquired in a business combination is attributed to cash-generating units that are expected to benefit from the synergies of the business combination (see Note 5.6 – "Impairments").

4.2 Companies included in the consolidated financial statements

During the financial year 2024, the movements in the number of fully and by equity method consolidated companies were as follows:

DEVELOPMENT OF FULLY CONSOLIDATED COMPANIES

	Austria	Other	Total
Fully consolidated companies as at December 31, 2023	2	80	82
Addition due to new foundation	0	2	2
Disposals due to deconsolidation	0	-1	-1
Disposals due to sales	0	-1	-1
Fully consolidated companies as at December 31, 2024	**2**	**80**	**82**

DEVELOPMENT OF BY EQUITY METHOD CONSOLIDATED COMPANIES

	Austria	Other	Total
Equity method consolidated companies as at December 31, 2023	0	2	2
Addition of companies of HOLON	0	3	3
Equity method consolidated companies as at December 31, 2024	**0**	**5**	**5**

Addition of fully consolidated company

In the financial year 2024 the newly founded company BENTELER HOLON Verwaltungs AG, Baar, Switzerland was included in the consolidation group. It is the new parent company of HOLON Autonomous Mobility AG, Baar, Switzerland, in which the company HOLON GmbH, Paderborn, Germany was transferred to.

Also in the 2024 financial year, BENTELER Automotive Components (Anhui) Co., Huainan City, China was founded, on September 9, 2024, and is included in the consolidated financial statements by full consolidation.

Deconsolidation and new equity method consolidation of the HOLON Group

The BENTELER Group is developing a fully electric autonomous vehicle for use on public roads. For further implementation, a joint venture was founded with TASARU in which BENTELER contributes the development work in the form of HOLON GmbH and TASARU USD250,000 thousand as liquid assets over 4 milestones.

HOLON Group consists of HOLON Autonomous Mobility AG, Baar, Switzerland (founded in 2024), which is the parent company of HOLON GmbH, Paderborn, Germany, which in turn is the parent company of HOLON U.S. Inc. in Auburn Hills, Michigan, USA.

As of July 31, 2024, after approval by the EU competition authority and the German Federal Ministry, a share deal from HOLON Autonomous Mobility AG, Baar, Switzerland to TASARU Worldwide Investments Company, Riyadh, Kingdom of Saudi Arabia, became effective. The granting of unanimity requirements in key relevant activities led to a loss of control and thus to the deconsolidation of the following assets and liabilities of the HOLON Group.

DECONSOLIDATED ASSETS AND LIABILITIES OF HOLON GROUP

	€ THOUSAND
Other non-current receivables and assets	261
Other current receivables and assets	2,987
Cash and cash equivalents	8,522
Assets held for sale	83,699
Total assets	**95,468**
Non-current financial liabilities	159
Deferred tax liabilities	4,715
Pension provisions	550
Other non-current provisions	89
Current financial liabilities	25,000
Trade payables	13,409
Current income tax liabilities	179
Other current liabilities	2,175
Total liabilities	**46,277**
Deconsolidated net assets	**49,191**

Due to the loss of control, net assets in the amount of €49,191 thousand were derecognized.

In addition, the remaining interest was recognized at its fair value. As the buyer paid a purchase price of USD70,000 thousand for 10.61% of the HOLON Group at the end of July 2024, the fair value of the remaining shares was calculated at €544,406 thousand (equivalent to USD590,000 thousand). This fair value was regarded as the acquisition cost on addition of the equity-accounted investment and written up in full. The purchase price at the end of July 2024 was used for the valuation, which is also valid due to the proximity in time and the lack of other indicators at the end of the year.

In a share purchase agreement with TASARU Worldwide Investments Company, further sales of shares (up to a total of 37.9%) in the HOLON Group have been agreed through future payments by TASARU Worldwide Investments Company to the HOLON Group if certain milestones are reached. The obligation to use best efforts to fulfill the remaining milestones is also included in other current liabilities at fair value. As the buyer paid a purchase price of USD 70,000 thousand for 10.61% of the HOLON Group at the end of July 2024, the fair value of the obligation was calculated at €166,090 thousand (equivalent to USD180,000 thousand).

The deconsolidation of the net assets and the revaluation of the remaining share at fair value, as well as the recognition of the obligation to fulfill the further milestones, are presented in a separate line in the income statement as “Income from the deconsolidation of HOLON”.

EBIT EFFECTS OF AT-EQUITY CONSOLIDATION OF HOLON GROUP

	€ THOUSAND
Appreciation at fair value and addition of shares accounted for using the equity method	544,406
Recording the fair value in the other current liabilities	-166,090
Derecognition of net assets	-49,191
Income from the deconsolidation of HOLON	**329,125**

Disposals during the financial year 2024

On October 31, 2024, 100% of the shares in the subsidiary “OOO BENTELER Automotive”, based in Kaluga, Russia, were sold to Limited Liability Company PromAvtoConsult, Moscow, Russia. The purchase price, which is cash-effective in the 2024 financial year, amounts to €8,000 thousand.

Due to the loss of control, the following assets and liabilities were deconsolidated in October 2024:

BALANCE SHEET IMPLICATIONS DUE TO THE SALE IN OCTOBER 2024

	€ THOUSAND
Trade receivables	4
Other current receivables and assets	158
Cash and cash equivalents	107
Total assets	**270**
Trade payables	77
Other current liabilities	153
Total liabilities	**230**
Deconsolidated net assets	**40**

Currency translation losses of €13,960 thousand which were recognized in equity were reclassified in profit and loss. The transaction resulted in a deconsolidation loss of €6,000 thousand, which is included in other operating income.

Non-consolidated structured entities

As part of factoring/ABCP programs, the BENTELER Group sells certain trade receivables to special purpose entities (see Note 18.1 "Trade receivables"), which are not consolidated in accordance with IFRS 10, as the BENTELER Group has neither decision-making power nor a material self-interest and there is no link between decision-making power and the variability of the cash flows from the special purpose entity.

5 Accounting policies

The significant accounting policies applied in preparing the group's consolidated financial statements are described below. The accounting methods described were applied uniformly throughout the group for all presented reporting periods.

5.1 Foreign currency translation

Translation to the functional currency (transaction difference)

In the separate financial statements of the consolidated companies that are prepared in local currency, monetary items such as receivables, cash in foreign currencies and liabilities owed in foreign currencies are translated at the rate as at the end of the reporting period. The resulting foreign currency translation gains and losses are recognized as other operating expenses and income in the income statement of the group. Foreign currency gains and losses of BIAG as the ultimate holding company result largely from financing activities and are recognized in the financial result. Gains and losses that result from a group of similar transactions, such as foreign currency gains and losses within the same currency, are netted.

Translation to the reporting currency (translation difference)

The annual financial statements of foreign group companies whose functional currency is not the euro are translated to the group's reporting currency, the euro, applying the concept of a functional currency. In general, the functional currency of foreign group companies is the local national currency. Exceptions are the following companies which have the euro as their functional currency:

- BENTELER Gebze Tasit Sanayi ve Ticaret Limited Sirketi, Cayirova/Kocaeli, Turkey
- BENTELER Automotive Klášterec s.r.o., Chrastava, Czechia
- BENTELER CR s.r.o., Chrastava, Czechia
- BENTELER Automotive Rumburk s.r.o., Rumburk, Czechia

Assets and liabilities of foreign consolidated companies are translated at the closing rate at the end of the reporting period. Equity is recognized at historical rates. Positions of the expenses and income are translated to euros at the weighted average exchange rate for the period. The translation differences are recognized as net gains or losses in equity. Any exchange rate differences are recorded in the income statement only when the relevant unit is deconsolidated. A translation difference recognized directly in equity is only recognized in profit or loss when the corresponding entity is deconsolidated.

For the most important non-euro currencies of the BENTELER Group, the following exchange rates have been used:

FOREIGN CURRENCY EXCHANGE RATES

	Average rate		Closing rate	
	2024	2023	December 31, 2024	December 31, 2023
BRL	5.90	5.39	6.43	5.36
CHF	0.95	0.97	0.94	0.93
CNY	7.77	7.68	7.60	7.85
CZK	25.15	23.98	25.19	24.73
GBP	0.85	0.87	0.83	0.87
MXN	20.01	19.05	21.55	18.71
NOK	11.65	11.46	11.79	11.24
RUB	101.70	92.99	118.19	99.22
SEK	11.45	11.48	11.46	11.09
USD	1.08	1.08	1.04	1.11
ZAR	19.82	20.04	19.61	20.37

5.2 Recognition of income

Revenue from the sale of goods and the rendering of services is recognized when the individually identifiable contractual obligation has been fulfilled. The contractual obligation is deemed to be fulfilled when the promised supply of goods or performance of services has been transferred and the customer has obtained power of disposal, thus being able to determine the use of the acquired asset and derive benefit from that asset.

Revenue recognition is based either at a point in time or over time. Point in time is the basis for revenue recognition usually applied by BENTELER, with such time being deemed to be the time of transfer of power of disposal. Over time-revenue recognition is of significance particularly for customer contracts of BENTELER Mechanical Engineering. To measure the progress of performance and the associated revenue recognition, both input- and output-based methods are used. Output-based methods in particular involve measuring the progress of performance based on the achievement of contractually predefined milestones, whereas input-based methods take particular account of the progress of performance based on costs incurred. At BENTELER the progress of performance is measured using input-based methods (cost-to-cost). It is ascertained on the basis of the ratio of the contract costs incurred as at the reporting date and the total estimated contract costs. Customer contracts are measured at contract costs incurred up to the end of the reporting period, plus the proportion of profit according to the achieved stage of completion. Those revenues, less any prepayments received, are presented in the statement of financial position as contract assets. Variations in contracted work, claims, and incentive payments are considered to the extent that they are likely to result in revenue and can be reliably measured. When the result of a customer contract cannot be measured reliably, revenue is recognized only to the extent that incurred costs are likely to be recoverable. Contract costs are recognized as expenses in the period in which they are incurred. If it is foreseeable that the total contract costs will exceed the total contract revenue, the expected loss is recognized immediately as an expense.

The amount of the revenue to be recognized is based on the allocation of the transaction price to the individual performance obligations under a contract. This allocation takes place regularly on the basis of the observable stand-alone selling price. In cases in which the stand-alone selling price is not directly observable, it is derived from comparable transactions (adjusted-market-assessment approach).

Revenue recognized at a point in time is measured on the basis of the consideration specified in a contract with a customer. The group recognizes revenue when it transfers control of a good or service to a customer. Incoterms used by BENTELER are primarily EXW and FCA.

Revenue is recognized considering sales reductions such as trade discounts, customer loyalty bonuses, and rebates. Variable purchase price components are estimated on the basis of reasonable assumptions derived from both information available at the time of the estimate and empirical values from comparable transactions. The allocation for variable purchase price components and sales reductions is the same as the allocation of the transaction price, unless a different allocation proves more expedient.

Contract costs are additional costs incurred to initiate or fulfil a contract. They are capitalized and amortized on a straight-line basis over the term of the underlying contract.

5.3 Government grants

Government grants are not recognized until there is reasonable assurance that the group will comply with the conditions attached to them and the grants will be received. Grants related to capital expenditure (grants related to assets) are deducted from the carrying amount of the asset and recognized at a reduced depreciation level over the periods and in the proportions in which depreciation expenses on these assets are recognized.

Grants that are not related to investments (expense subsidies) are recognized in profit or loss if recognized as a reduction in expenses if possible and otherwise in other operating income and offset in the periods in which the expenses are incurred that are to be compensated by the grants.

5.4 Intangible assets

Acquired intangible assets are measured at their acquisition costs and are amortized over their economic useful life.

Internally generated intangible assets are capitalized at their manufacturing cost if both the technical feasibility of completing the asset and the ability to use or sell it so that probable future economic benefits will be generated can be demonstrated. The BENTELER Group distinguishes between customer-related and non-customer-related development projects. Internally developed intangible assets that can be used for multiple customers are capitalized, whereas expenses for customer-specific developments (“customer applications”) do not represent an intangible asset.

Future economic benefits of internally generated assets are derived from business plans. Capitalized costs comprise directly attributable employee costs, material costs, and overhead expenditure, if it can be directly attributed to preparing the asset for use. Research and development expenses are recognized in profit or loss when incurred, unless they are to be capitalized under IAS 38.

Amortization of intangible assets is based on the following ranges of useful lives (figures refer to the useful lives of the current and prior reporting period). The amortization is applied on a straight-line basis:

USEFUL LIFE OF INTANGIBLE ASSETS

	Useful lives in years
Concessions, intellectual property rights	3-15
Capitalized development costs	3-7
Software	3-5
Other intangible assets	3-5

5.5 Property, plant, and equipment

Property, plant, and equipment is measured at amortized cost less any accumulated depreciation – if depreciable – and any accumulated impairment losses.

The acquisition cost of an item of property, plant and equipment comprises the purchase price and all directly attributable costs incurred in bringing the asset to its working condition for its intended use. Rebates, bonuses and discounts are deducted from the purchase price. The cost of self-constructed assets includes all costs directly attributable to the production process as well as an appropriate portion of production-related overheads and depreciation. Repair and maintenance costs that do not generate any additional economic benefit are not included in production costs. If an asset consists of several components with different useful lives, each part of an item of property, plant and equipment with a significant asset value is depreciated separately in proportion to the total value of the item.

Depreciation of property, plant, and equipment is based on the following ranges of useful lives and is applied on a straight-line basis. Land is not depreciated.

USEFUL LIFE OF PROPERTY, PLANT AND EQUIPMENT

	Useful lives in years
Business and production buildings	10-60
Outdoor facilities	5-50
Technical equipment and machinery	4-50
Factory and office equipment	3-15

5.6 Impairments

Intangible assets and property, plant, and equipment with an identifiable useful life are reviewed at the end of each reporting period, in accordance with IAS 36, to determine whether there are indications for impairment, for example if exceptional events or market developments indicate a possible loss of value. If any such indications are present, the assets are tested for impairment. An impairment loss is recognized if the recoverable amount falls below the carrying amount. The recoverable amount is defined as the higher of the value in use and the fair value minus costs to sell.

In the BENTELER Group the value in use is the basis for the determination of the recoverable amount. To calculate the value in use, future expected cash flows are discounted at a risk-adjusted after-tax interest rate. Current and expected future income levels are taken into account, together with technological, economic, and general development trends, on the basis of approved financial plans. When determining the value in use for the CGUs, a growth rate of 0% was assumed for the perpetual annuity.

If the carrying amount exceeds the recoverable amount of the asset, the exceeding amount is recognized as an impairment loss in profit or loss. If the impairment loss exceeds the carrying amount of any goodwill allocated to a cash generating unit (CGU), the impairment loss is allocated to the other assets of the unit. For the impairment test, assets are combined at the lowest level for which separate cash inflows can be identified. If the cash inflows for an asset cannot be identified separately, the impairment test is performed on the basis of the CGU to which the asset belongs. In the context of planned plant closures or disposals, the relevant assets are tested separately for impairment.

The recoverable amount of the CGUs is based on the value in use, which is measured using discounted cash flow projections. Cash flows are determined on the basis of the company's planning for the next five years and amortized in perpetuity. The planning assumptions are based on historical experience and expectations of market developments.

The discount rate used is a blended rate of the average interest rate on debt and the expected return on equity employed (weighted average cost of capital, "WACC"). This after-tax discount rate reflects current market assessments and the specific risks of the CGU.

Impairment losses are reversed if there are indications of an increase in value and the recoverable amount is greater than the carrying amount. The limit for reversals of impairment losses is the depreciated cost that would have resulted if no impairment had been recognized in previous years. Irrespective of whether there are indications of potential impairment, intangible assets with an indefinite useful life, as well as goodwill, are tested for impairment annually. An asset is impaired if its carrying amount is higher than its recoverable amount.

Goodwill
For the purposes of impairment testing, the total goodwill of €5,679 thousand has been allocated to the CGU "Steel/Tube (excluding Shreveport)". A discount rate of 8.31% (previous year: 9.22%) was used here. The annual goodwill impairment test did not indicate an impairment loss, because the recoverable amount was approximately 125% higher than the carrying amount of the CGU.

CGU Shreveport
The recovery in the American steel tube market continued in the past financial year. For the CGU Shreveport, which is allocated to the Steel/Tube division as a geographically definable market, an asset impairment test was again carried out, which, based on a discount rate of 8.33% (previous year: 9.25%), resulted in a significant over coverage. The reversal of impairment losses at amortized cost carried out last year is therefore largely not at risk. The recoverable amount of the CGU of €1,113,031 thousand (previous year: €1,649,516 thousand) thus significantly exceeds the amortized acquisition and production costs of €515,457 thousand (previous year: €577,754 thousand after reversal of impairment). The high volatility of commodity prices and climate-related risks relating to fracking technology continue to be analyzed closely.

Other CGUs
In the previous year, the following CGUs were identified for Benteler Automotive: Chassis, Modules, Structures, Thermal & Tubular and E-Mobility. Due to a new management approach in 2024, the divisions were organized into the two divisions BENTELER Automotive Components and BENTELER Automotive Modules. As there is neither goodwill nor any indication of impairment, an impairment test was not carried out.

5.7 Shares accounted for using the equity method

Investments accounted for using the equity method relate to investments in associates and joint ventures. Investments in associates relate to investments in companies in which the BENTELER Group can exercise significant influence over the operating and financial policies. Significant influence is generally assumed to exist if the equity interest is between 20% and 50%. Joint ventures are joint arrangements in which the BENTELER Group exercises joint control together with a partner and has rights to the net assets of the arrangement. Investments in associates and joint ventures are accounted for using the equity method.

At the time of acquisition, investments accounted for using the equity method are recognized at cost. If the cost is below the investor's share of the fair values of the net identifiable assets of the associate at the time of acquisition, any negative difference is recognized in profit or loss.

If a parent company loses control over a subsidiary, the parent company must derecognize the assets and liabilities of the former subsidiary from the consolidated balance sheet and recognize any retained investment at fair value when control ceases. This fair value is regarded as the acquisition cost on addition of the investment in an associate or joint venture.

In subsequent periods, the investment in the associate is recognized at the investor's share of the equity, unless there is an impairment loss. The carrying amount is adjusted for the investor's share of the associate's net profit or loss and other comprehensive income as well as for distributions received from the investee.

5.8 Inventories

Inventories are normally stated at the lower of cost or net realizable value. The net realizable value represents the estimated selling price of the end-product on normal market terms, less all estimated costs of completion and the estimated costs necessary to make the sale. Recognizable inventory risks are accounted for with appropriate write-downs based on inventory turnover analyses.

The cost of inventories is determined using the moving average method and includes the cost of acquisition and the costs incurred to bring the inventories to their current location and current condition. Production costs include the cost of materials, individual production costs, other individual costs, and attributable production-related overheads. Overheads are distributed on the basis of normal capacity utilization.

5.9 Deferred taxes

Deferred tax assets and liabilities are recognized, using the asset and liability method, on all temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and those in the statement of financial position that provides the tax base as well as on consolidation measures that affect profit or loss at group level. In addition, deferred tax assets for unused tax loss carryforwards are recognized if it is probable that taxable profits will be available against which the assets can be utilized and it appears sufficiently certain that the unused tax loss carryforwards can in fact be utilized.

Deferred income tax assets and liabilities are measured at the tax rates and using the tax rules that are expected to apply in the period in which the liability is settled or the asset realized, based on the current status of the law.

5.10 Financial instruments

Recognition and measurement of financial instruments in accordance with IFRS 9

Under IFRS 9, depending on their classification, financial instruments are recognized either at (amortized) cost or at fair value.

Under IFRS 9, the following classification categories apply to financial assets:

- Debt instruments measured at amortized cost
- Debt instruments measured at fair value through other comprehensive income (FVOCI with recycling)
- Debt instruments measured at fair value through profit or loss (FVtPL)
- Derivatives
- Equity instruments measured at fair value through profit or loss (FVtPL)
- Equity instruments classified as measured at fair value through other comprehensive income (FVOCI without recycling)

Debt instruments are classified based on the one hand on the cash flows associated with the asset (cash flow condition) and on the other hand using the business model to administer financial assets (business model).

The cash flow condition is fulfilled when the financial asset exclusively generates cash flows in the form of principal and interest.

The business model reflects the procedures of the company and the way in which it administers the financial assets in order to generate cash flow, i.e. by holding, selling, or both holding and selling financial assets.

Trade receivables, loans granted, and other receivables and assets are recognized at amortized cost using the effective interest method. If there is any doubt as to their recoverability, an impairment loss is recognized. When receivables are sold, it is checked whether the Group has transferred the significant risks and rewards of the receivables.

If essentially all opportunities and risks are transferred, the underlying receivables are derecognized. If there is risk sharing, an analysis is performed to determine whether the Group has transferred control. BENTELER has come to the conclusion that control of the existing contracts has not been transferred. Therefore, the receivables in question continue to be recognized in the amount of their continuing involvement. The portion of receivables that can in principle be sold but have not yet been sold are allocated to the fair value category (FVtPL).

Liabilities to banks, other loan liabilities, trade payables and other liabilities are measured at amortized cost using the effective interest method.

All financial assets and liabilities are measured at their settlement date. Financial assets and liabilities are derecognized when the rights to payment under the investment are extinguished or transferred and the group has transferred substantially all the risks and rewards of ownership.

The BENTELER Group normally uses derivative financial instruments only for hedging financial risks, especially for reducing interest rate risks, foreign currency exchange risks and commodity price risks. Derivatives are recognized as at the trade date. All derivative financial instruments are classified in accordance with IFRS 9 in the category "at fair value through profit or loss".

The BENTELER Group uses hedge accounting if the conditions specified in IFRS 9 for the designation of hedging relationships are met. Gains or losses on derivative financial instruments designated in cash flow hedges are recognized in other comprehensive income, at the date of realization of the underlying transaction. Any changes in profit or loss resulting from the ineffectiveness of these hedging relationship are recognized in the consolidated statement of profit or loss.

Interest is recognized as an expense or income on an accrual basis, using the effective interest method. Dividend income from capital investments is recognized when the right to receive payment is established.

For further information see Note 29 – "Derivative financial instruments and hedge accounting" and Note 30 – "Additional information concerning financial instruments".

5.11 Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, and other short-term, highly liquid financial assets that are subject to an insignificant risk of fluctuations in value and have an original maturity of not more than three months.

5.12 Employee benefits

The BENTELER Group makes pension commitments in various forms to employees in Germany. In the other countries, the BENTELER Group contributes to social security pension funds as required by law (government plans) for some of its employees. Alternatively, company retirement benefits are insured by way of a group foundation funded by the employees of member companies.

Post-employment benefit plans are classified as either defined benefit plans or defined contribution plans, depending on their economic substance, which derives from the underlying terms and requirements for the plan's benefits. For defined benefit retirement plans, the pension expense is calculated using the actuarial projected unit credit method provided under IAS 19. For this purpose, the pension payments to be made at the time benefits become payable, taking dynamic parameters into account, are distributed over the employees' service time, also allowing for future adjustments in income and pensions. The pension obligations are calculated as the present value of the benefit obligation to employees, minus the fair value of plan assets, taking into account any asset ceiling, and are presented entirely under non-current provisions.

Actuarial gains and losses are recognized in other comprehensive income and are shown in the consolidated statement of comprehensive income. Payments for defined contribution plans, however, are recognized as expenses as they become payable.

If a fund asset set up to refinance pension obligations and similar liabilities exceeds those liabilities, the surplus is capitalized only to a limited degree. If payment obligations in connection with fund assets exist under minimum endowment rules for benefits already earned, an additional provision may be recognized if the economic benefit to the Company from a funding surplus, after allowing for minimum endowments still to be paid in, is limited. The limitation is determined by the present value of future refunds from the plan or by reductions in future contributions.

The service cost for pensions and similar obligations is recognized as a personnel expense. The interest expense included in the net pension expense and the return on plan assets are included within the net finance expense in the consolidated income statement.

Severance is paid if an employee is dismissed before regular retirement age or voluntarily leaves employment in return for a severance payment. Severance payments are recognized when the group has entered into an obligation. Benefits payable more than twelve months after the end of the reporting period are discounted to their present value.

5.13 Provisions

Other provisions are recognized when there is a present legal or constructive obligation to third parties as a result of past events that will probably result in a future cash outflow whose amount can be reliably measured. Provisions are measured at the best estimate of the amount of the obligation at the end of the reporting period.

Provisions with a residual term of more than one year are measured at their discounted settlement amount. Increases in provisions as a result of accruing interest are recognized as part of the net financial result. Expected future cash flows are discounted using a pretax interest rate that reflects current market expectations regarding the effect of interest rates. The interest rates used are determined specifically for each maturity. For the current reporting period, they ranged from 4.10% to 5.02% (previous year: 4.79% to 5.13%).

Provisions for impending losses from onerous contracts are recognized if the benefits expected to be received under the contract or contract bundles (economic/content connection) are less than the unavoidable costs of meeting the obligations under the contract.

Warranty and guarantee obligations may arise by virtue of law or contract, or as a gesture of goodwill. Performance on these obligations may in particular be expected if the warranty period has not expired, if warranty expenses have been incurred in the past, or if a specific case is currently emerging. The provision is recognized at the time the underlying products are sold or the service is provided. Initial recognition is based on individual estimates and values from past experience.

Provisions for restructuring are recognized if a sufficiently detailed restructuring plan is available at the reporting date and has been communicated to the employees or employee representatives affected.

5.14 Leases

For all leases, a right of use asset and a corresponding lease liability equivalent to the present value of the remaining lease payments are recognized when the leased asset is made available to the group for its use. Each lease installment is divided into repayment and financing expenses. The financing expenses are recognized in profit or loss over the term of the lease, resulting in a constant periodic interest rate on the residual amount of the liability for each period. The right of use asset is written down on a straight-line basis over the shorter of the useful life and the term of the lease.

Assets and liabilities arising from leases are recognized as cash values at initial recognition. The lease liabilities are measured at the present value of the outstanding lease payments:

- Fixed payments (including *in-substance* fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option, if the exercise by the lessee is sufficiently certain
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

Where the interest rate implicit in the lease contract cannot be determined, it is discounted at the lessee's incremental borrowing rate. This is ascertained taking into account the lease term as well as the country and currency risk and the credit rating.

Right of use assets are measured at cost, made up as follows:

- The amount of the initial measurement of the lease liability
- All lease payments made on or before the commencement date less any lease incentives received
- All initial direct costs incurred by the lessee
- The estimated cost to be incurred by the lessee from the dismantling or removal of the underlying asset, the restoration of the site on which it is located, or the return of the underlying asset in the condition required by the terms and conditions of the lease.

Payments for short-term leases and leases of low-value assets are expensed to the income statement as incurred. Short-term leases are leases with a term of up to 12 months. Low-value assets essentially comprise technical office equipment.

5.15 Assumptions and estimates

In preparing the consolidated financial statements, certain assumptions and estimates must be made that affect the amount and recognition of assets and liabilities, income and expenses, and contingent liabilities. The assumptions and estimates mainly relate to recoverability and the uniform Group-wide determination of useful lives for intangible assets and property, plant and equipment, the estimation of the percentage of completion for long-term production, the circumstances for the capitalization of development costs, the realization of receivables, the measurement of inventories, the recognition and measurement of pension provisions and other provisions as well as the realizability of tax loss carryforwards. The assumptions and estimates are based on the knowledge available at the time the annual and consolidated financial statements were prepared and are reviewed on an ongoing basis.

When determining the values in use for the CGUs, a growth rate of 0% was assumed for the perpetual annuity.

Unforeseeable developments outside management's control may cause actual amounts to differ from the original estimates. In that case, the underlying assumptions and, if necessary, the carrying amounts of the assets and liabilities concerned, will be adjusted accordingly. The main sources of these estimation uncertainties are the actual future business development and the underlying measurement parameters. A change is taken into account in the period of the changes and in later periods if the changes affect both the reporting period and later periods.

The following chapter in these notes provides further explanations about financial statement line items for which estimates and/or judgements may have a significant effect on the amounts recognized in the consolidated financial statements:

- Impairment testing (Note 5.4 – "Intangible assets", Note 5.5 – "Property, plant, and equipment" and Note 5.6 – "Impairments")
- Recognition and measurement of deferred taxes (Note 15 – "Deferred tax assets and liabilities" and Note 24 – "Income tax assets and liabilities")
- Recognition and measurement of inventories (Note 5.8 "Inventories")
- Recognition and measurement of investments accounted for using the equity method (Note 4.2 "Companies included in the consolidated financial statements")
- Recognition and measurement of provisions (especially provisions for onerous contracts) (Note 21 – "Provisions")
- Measurement of defined benefit obligations (Note 22 – "Provisions for pensions and similar obligations")
- Determination of the lease term (Note 13 – "Property, plant, and equipment & leases")
- Determination of expected credit losses from trade receivables and non-consolidation of special purpose entities (Note 18.1 "Trade receivables")

Notes to the Consolidated Income Statement

6 Revenue

The revenues of the BENTELER Group are made up as follows:

REVENUE

€ THOUSAND	2024	2023
Sales of goods	8,082,798	8,704,671
Revenue realized over time	87,370	82,167
Total	**8,170,168**	**8,786,838**

The contract assets and liabilities of the BENTELER Group are as follows:

CONTRACT ASSETS AND LIABILITIES

€ THOUSAND	2024	2023
Receivables from contracts with customers	418,195	678,769
Contract assets from customer contracts	7,378	10,469
Contract costs	78,089	76,754
Contract liabilities	64,145	102,268
Revenues recognized during the year which were included in the balance of contract liabilities at the beginning of the financial year	98,093	43,268

Capitalized contract costs and the associated movements are as follow:

MOVEMENTS OF CAPITALISED CONTRACT COSTS

€ THOUSAND	2024	2023
Carrying amount – as at January 1	**76,754**	**75,408**
Additions	23,629	22,701
Depreciation and derecognition	-22,294	-21,356
Carrying amount – as at December 31	**78,089**	**76,754**

As a result of the usual contracting arrangements in the sector, only immaterial, long-term, unfulfilled performance obligations exist at the reporting date. These have a total transaction price of €7,909 thousand (previous year: €10,296 thousand). The practical expedient under IFRS 15.121 not to disclose the transaction price allocated to remaining performance obligations for contracts that have an original expected duration of one year or less, was used.

7 Cost of sales

The costs of sales are composed as follows:

COST OF SALES

€ THOUSAND	2024	2023
Material expenses	5,865,654	6,244,467
Other	1,543,992	1,582,052
Total	**7,409,646**	**7,826,520**

8 Other operating income

OTHER OPERATING INCOME

€ THOUSAND	2024	2023
Insurance income	15,516	13,835
Foreign currency exchange gains	7,178	26,519
Income from the reversal of provisions for litigation	0	6,800
Income from write-ups	48	104
Income from the disposal of property, plant, and equipment	27,831	2,967
Income from taxes	1,521	3,281
Government grants	2,144	6,522
Income from the reversal of bad debt allowances	1,935	3,350
Compensation benefits	17,500	19,337
Others	9,643	11,669
Total	**83,316**	**94,386**

Income from the disposal of property, plant and equipment in the amount of €22,317 thousand relates to BENTELER Rothrist AG, Switzerland.

9 Other operating expenses

Other operating expenses mainly consist of foreign currency translation losses amounting to €10,154 thousand (previous year: €22,897 thousand) and the deconsolidation loss from the sale of the shares in the subsidiary “OOO BENTELER Automotive”, based in Kaluga, Russia, amounting to €6,000 thousand (see Note 4.2 “Companies included in the consolidated financial statements”).

10 Financial result

FINANCIAL INCOME

€ THOUSAND	2024	2023
Income from derivative financial instruments	646	10,903
Interest income from loans and other financial assets	3,544	2,943
Foreign currency exchange income	23,685	68,431
Interest income from bank accounts	12,858	12,344
Discounting of provisions	0	4,948
Other finance income	15	0
Finance income	**40,750**	**99,569**

FINANCIAL EXPENSES

€ THOUSAND	2024	2023
Interest expense for financial liabilities	180,376	222,659
Expenses from derivative financial instruments	15,745	10,347
Interest expense for post-employment obligations	10,307	9,546
Foreign currency translation losses	25,478	84,109
Accrued interest on provisions	2,394	610
Other finance expenses	420	420
Finance expenses	**234,719**	**327,690**

11 Income taxes

INCOME TAXES

€ THOUSAND	2024	2023
Current tax expense	44,998	53,652
thereof for the current reporting period	*44,662*	*54,277*
thereof for pillar 2 tax	*113*	*0*
thereof for previous periods	*223*	*-625*
Deferred tax expense/tax income	22,658	-50,282
Total tax expense/tax income	**67,655**	**3,370**

The following table shows the reconciliation of the expected tax expense and the actual tax expense. To calculate the expected tax expense, the profit before tax is multiplied by a weighted average German tax rate of 30% (previous year: 30%). Due to the global contract manufacturer concept, most of the taxable income is generated in Germany.

RECONCILIATION FROM THE EXPECTED TO THE TAX EXPENSE ACTUALLY REPORTED

€ THOUSAND	2024	2023
Result for the period before tax under IFRS	**451,459**	**290,052**
Group income tax rate (%)	30%	30%
Expected tax expense/tax income for year	**135,437**	**87,016**
Effect of changes in tax rates	768	845
Effect of differences in tax rates	134	5,882
Effect of income that is exempt from taxation and other deductions	-86,273	-550
Effect of non-tax-deductible operating expenses and other additions	12,543	12,750
Effect of taxes from previous years recognized during the year	12,139	-258
Effect of income taxes not creditable toward income tax (withholding taxes and foreign taxes)	11,061	12,268
Change in non-recognition of deferred tax assets	-18,069	-115,265
Other effects	-85	682
Total tax expense (+)/tax income (-)	**67,655**	**3,370**

The effects of income that is exempt from taxation mainly result from the deconsolidation and equity consolidation of the HOLON Group (see also Note 4.2 “Companies included in the consolidated financial statements”).

Pillar 2

As at the reporting date, the BEPS Pillar 2 regulations (MinBestRL-UmsG) had already been transposed into Austrian law (MinBestG) and entered into force on December 31, 2023. The Group falls within the scope of these regulations.

As at the reporting date, BENTELER International Aktiengesellschaft carried out an initial indicative analysis to determine the basic impact and the jurisdictions from which the Group is exposed to possible effects in connection with a Pillar 2 tax.

The first step was to check whether the CbCR safe harbor regulations were relevant. If a country was not excluded from the Pillar 2 calculation after checking the safe harbor rules, the effective tax rate was calculated on a simplified basis.

From this initial calculation, only one country was identified from which the BENTELER Group would incur insignificant effects from a Pillar 2 tax. This calculated national supplementary tax has already been recognized. Otherwise, it is currently assumed that the Pillar 2 tax will have no further impact.

The Group closely monitors the progress of the legislative process in each country in which BENTELER International Aktiengesellschaft operates.

BENTELER International Aktiengesellschaft applies the exception in IAS 12, according to which no deferred tax assets and liabilities are recognized in connection with the second pillar (“Pillar 2”) income taxes of the OECD and no disclosures are made in this regard.

Notes to the Consolidated Statement of Financial Position

12 Intangible assets

Research expenses, amortization of capitalized development costs, and non-capitalized development costs are recognized as expenses.

RESEARCH AND DEVELOPMENT EXPENSES (TOTAL)

€ THOUSAND	2024	2023
Research and development expenses (total)	**58,845**	**91,105**
Capitalization of development costs	0	-26,416
Amortization and impairment of capitalized development costs	0	-7
Research and development expenses recognized in the consolidated income statement	**58,845**	**64,682**
Capitalization rate (in %) *	0.0%	29.0%

* Capitalized development costs as a percentage of total research and development costs (before capitalization).

The capitalized development costs in 2023 are attributable to HOLON GmbH, which was deconsolidated in July 2024 (Note 4.2 “Companies included in the consolidated financial statements”).

Research and development costs consist primarily of personnel expenses and the cost of materials. At BENTELER, approximately 700 of our staff are engaged in research and development across 42 locations in 18 countries. Research and development activities focus primarily on lightweight construction through the development, design, and production of composite structural parts and aluminum components. In the Automotive Division, the research and development is focused on lightweight construction technology as well as safety and efficiency in the context of product and process development. In the Steel/Tube Division, the focus is on the development of material characteristics and properties.

The item acquired intangible assets mainly relates to expenses to third parties incurred in connection with the acquisition of user software.

Intangible assets amounting to €14,622 thousand are provided as security for financing in the main German and American subsidiaries and are therefore predominantly limited in their ownership rights.

Movements in intangible assets were as follows:

DEVELOPMENT OF INTANGIBLE ASSETS

€ THOUSAND	Acquired intangible assets (excluding goodwill)	Goodwill arising from business combinations	Prepayments made	Internally generated intangible assets	Total
Cost of acquisition or production					
Balance at January 1, 2024	**147,964**	**5,679**	**10,121**	**2,496**	**166,260**
Additions	5,989	0	1,762	0	7,750
Reclassifications	5,111	0	-5,111	0	0
Disposal of assets	-6,467	0	0	0	-6,467
Foreign currency exchange differences	-374	0	-20	-304	-698
Balance at December 31, 2024	**152,222**	**5,679**	**6,751**	**2,192**	**166,844**
Amortization					
Balance at January 1, 2024	**131,371**	**0**	**0**	**2,496**	**133,867**
Amortization recognized during the period	7,899	0	0	0	7,899
Impairment	0	0	0	0	0
Reversal of impairment	0	0	0	0	0
Reclassifications	5	0	0	0	5
Disposal of assets	-6,525	0	0	0	-6,525
Foreign currency exchange differences	-385	0	0	-304	-689
Balance at December 31, 2024	**132,364**	**0**	**0**	**2,192**	**134,556**
Carrying amount					
Balance at January 1, 2024	16,593	5,679	10,121	0	32,392
Balance at December 31, 2024	**19,858**	**5,679**	**6,751**	**0**	**32,288**

DEVELOPMENT OF INTANGIBLE ASSETS

€ THOUSAND	Acquired intangible assets (excluding goodwill)	Goodwill arising from business combinations	Prepayments made	Internally generated intangible assets	Total
Cost of acquisition or production					
Balance at January 1, 2023	**147,784**	**5,679**	**7,851**	**14,839**	**176,153**
Additions	4,558	0	4,212	26,416	35,186
Reclassifications	2,073	0	-1,695	0	378
Reclassification to assets held for sale	-129	0	-169	-36,783	-37,080
Disposal of assets	-6,112	0	-23	-2,087	-8,222
Foreign currency exchange differences	-209	0	-56	111	-154
Balance at December 31, 2023	**147,964**	**5,679**	**10,121**	**2,496**	**166,260**
Amortization					
Balance at January 1, 2023	**129,983**	**0**	**0**	**4,466**	**134,449**
Amortization recognized during the period	7,713	0	0	7	7,720
Impairment	0	0	0	0	0
Reversal of impairment	-17	0	0	0	-17
Reclassifications	0	0	0	0	0
Reclassification in accordance with IFRS 5	-29	0	0	0	-29
Disposal of assets	-6,093	0	0	-2,087	-8,180
Foreign currency exchange differences	-186	0	0	111	-75
Balance at December 31, 2023	**131,371**	**0**	**0**	**2,496**	**133,867**
Carrying amount					
Balance at January 1, 2023	17,802	5,679	7,851	10,373	41,704
Balance at December 31, 2023	**16,593**	**5,679**	**10,121**	**0**	**32,392**

13 Property, plant, and equipment & leases

PROPERTY, PLANT AND EQUIPMENT

€ THOUSAND	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Advance payments and assets under construction	Total
Cost of acquisition or production					
Balance at January 1, 2024	**1,227,957**	**3,275,229**	**518,592**	**251,923**	**5,273,701**
Addition of assets	29,457	78,326	28,697	169,305	305,786
Disposal of business unit	-8,666	-7,430	-4,860	1	-20,955
Reclassification	8,303	111,421	16,422	-136,146	0
Disposal of assets	-106,124	-253,535	-34,607	-1,841	-396,107
Foreign currency exchange differences	4,178	5,327	-633	-2,295	6,577
Balance at December 31, 2024	**1,155,105**	**3,209,339**	**523,611**	**280,947**	**5,169,002**
Depreciation					
Balance at January 1, 2024	**604,357**	**2,299,378**	**393,508**	**309**	**3,297,552**
Depreciation recognized during the period	52,928	175,354	34,722	0	263,004
Impairment	17	3,216	153	0	3,386
Reversal of impairment	0	-47	-1	0	-48
Disposal of business unit	-8,666	-7,430	-4,859	0	-20,955
Reclassification	225	-487	257	0	-5
Disposal of assets	-84,366	-247,120	-33,331	0	-364,818
Foreign currency exchange differences	-2,483	-5,635	-262	0	-8,380
Balance at December 31, 2024	**562,012**	**2,217,230**	**390,185**	**309**	**3,169,736**
Carrying amount					
Balance at January 1, 2024	623,600	975,851	125,084	251,614	1,976,149
Balance at December 31, 2024	**593,093**	**992,109**	**133,426**	**280,638**	**1,999,266**
Thereof right of use assets	*132,888*	*13,393*	*8,054*	*0*	*154,335*

PROPERTY, PLANT AND EQUIPMENT

€ THOUSAND	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Advance payments and assets under construction	Total
Cost of acquisition or production					
Balance at January 1, 2023	**1,187,843**	**3,337,554**	**506,726**	**164,158**	**5,196,281**
Addition of assets	55,153	60,237	30,398	178,977	324,765
Reclassifications	12,083	56,760	20,379	-89,599	-378
Reclassification to assets held for sale	0	-49	-54	0	-102
Disposal of assets	-14,320	-157,952	-33,595	-39	-205,906
Foreign currency exchange differences	-12,802	-21,322	-5,262	-1,574	-40,959
Balance at December 31, 2023	**1,227,957**	**3,275,229**	**518,592**	**251,923**	**5,273,701**
Depreciation					
Balance at January 1, 2023	**561,606**	**2,290,507**	**394,615**	**488**	**3,247,215**
Depreciation recognized during the period	51,035	174,771	32,992	0	258,798
Impairment	6,369	416	245	0	7,030
Reversal of impairment	-3,028	-5,124	-746	-179	-9,078
Reclassifications	3,803	-6,307	2,504	0	0
Reclassification to assets held for sale	0	-1	-15	0	-15
Disposal of assets	-12,707	-148,618	-31,855	0	-193,180
Foreign currency exchange differences	-2,722	-6,264	-4,232	0	-13,218
Balance at December 31, 2023	**604,357**	**2,299,378**	**393,508**	**309**	**3,297,552**
Carrying amount					
Balance at January 1, 2023	626,237	1,047,047	112,112	163,670	1,949,066
Balance at December 31, 2023	**623,600**	**975,851**	**125,084**	**251,614**	**1,976,149**
Thereof right of use assets	*146,928*	*17,036*	*8,689*	*0*	*172,653*

As in 2023, no borrowing costs were capitalized in the 2024 financial year.

In 2024 the BENTELER Group received investment grants amounting to €1,019 thousand (previous year: €1,071 thousand), which were deducted from the acquisition cost of the property, plant, and equipment.

Property, plant and equipment are provided in the main German and American subsidiaries as collateral for financing in the amount of €1,052,778 thousand and are therefore mainly restricted in their ownership rights.

At the reporting date, there were firm commitments to acquire property, plant, and equipment amounting to €64,488 thousand (previous year: €70,988 thousand).

Leases

The BENTELER Group leases various buildings, plant, and vehicles. Leases for land and buildings are normally concluded with a term of up to 30 years, and in individual cases up to 60 years. Shorter terms are possible depending on contractual termination options and the probability of their exercise. Technical equipment and machinery have a lease term of between two and seven years, while other equipment and factory and office equipment has lease terms of between two and five years.

Right of use assets are included in the same financial statement line items as the underlying assets as if they had been owned by the BENTELER Group. The statement of financial position shows the following carrying amounts of asset values and liabilities in relation to leases:

CARRYING AMOUNTS OF ASSETS AND LIABILITIES IN RELATION TO LEASES

€ THOUSAND	December 31, 2024	December 31, 2023
Land and buildings	132,888	146,928
Technical equipment and machinery	13,393	17,036
Other equipment, factory and office equipment	8,054	8,689
Total	**154,335**	**172,653**

LIABILITIES FROM LEASES

€ THOUSAND	December 31, 2024	December 31, 2023
Non-current lease liabilities	124,935	139,342
Current lease liabilities	44,919	44,711
Total	**169,854**	**184,053**

The maturity analysis of the undiscounted payment obligations from lease liabilities is included in Note 28.5. Right of use assets amounting to €29,555 thousand (previous year: €56,918 thousand) were acquired in 2024.

The depreciation expenses recognized in the income statement are allocated to the individual categories of property, plant, and equipment to which the right of use assets is allocated, as follows:

DEPRECIATION EXPENSES FOR RIGHTS OF USE ASSETS

€ THOUSAND	2024	2023
Depreciation of land and buildings	30,141	28,797
Depreciation of technical equipment and machinery	6,503	9,227
Depreciation of other equipment, factory and office equipment	4,667	3,572
Depreciation expenses	**41,311**	**41,596**

The income statement also includes the following material expenses relating to leases.

OTHER LEASING EXPENSES

€ THOUSAND	2024	2023
Interest expense	10,104	11,882
Expense for short-term leases	12,374	14,592
Expense for low value leases	3,374	3,098
Expense for variable lease payments	143	0

The total payments for leases in 2024 amount to €66,802 thousand (previous year: €72,451 thousand).

The expense for variable lease payments, which are not included in the lease liabilities, amounted to €143 thousand in the 2024 financial year and is also expected to be the same amount in subsequent years. These variable lease payments result from leased photovoltaic systems, whereby BENTELER only has to pay for the energy required.

Some leases include individual and in part country-specific extension and termination options. The BENTELER Group assesses the likelihood of these options being exercised in accordance with the non-cancellable term of the associated customer contracts and takes into account the other economic incentives to determine whether it is possible to conclude with sufficient certainty that an extension or purchase option will be exercised or a termination option will not be exercised. If a significant event or a significant change of circumstances within the control of the BENTELER Group occurs, a reassessment is made of whether the exercise of extension and termination options not originally taken into account during the term or the non-exercise of extension and termination options originally taken into account is sufficiently certain.

14 Shares accounted for using the equity method

The following overview shows on an aggregated level the carrying amounts of investments in associates and the share of net profits from associates:

FINANCIAL INFORMATION ON SHARES IN ASSOCIATED COMPANIES AND JOINT VENTURES

€ THOUSAND	2024	2023
Carrying amount	475,119	4,973
Share of net profits	-9,821	746

The increase in the carrying amount in 2024 is due to the new consolidation of the remaining shares in HOLON (note "4.2. Companies included in the consolidated financial statements"). The remaining 89.39% share in the HOLON Group was treated as a joint venture with joint control from August 2024. When the second milestone of the share purchase agreement was reached in October 2024, the buyer made a further payment of €64,591 thousand (equivalent to USD70,000 thousand) to the HOLON Group, which reduced the remaining shares accounted for using the equity method at BENTELER to 78.79%. The shares accounted for using the equity method and other current liabilities were reduced by the same amount.

EFFECTS ON THE BALANCE SHEET AFTER THE REDUCTION IN THE HOLON GROUP'S SHAREHOLDING AT THE END OF THE YEAR

	€ THOUSAND
Investments accounted using the equity method	468,936
Other current liabilities	101,499

The transaction price was allocated to the fair values of the assets and liabilities on a provisional basis. Should new information on the values already available at the time of the transaction become known within one year of the date of initial recognition, the values would be adjusted.

BALANCE SHEET HOLON GROUP AT DECEMBER 31, 2024

	€ THOUSAND
Non-current assets	143,820
Current assets	57,611
Total assets	**201,431**
Total shareholders' equity	163,096
Non-current liabilities	13,284
Current liabilities	25,052
Total shareholders´ equity and liabilities	**201,431**

Since the beginning of August, the HOLON Group's income statement has shown a negative result after taxes of €14,578 thousand. The main factors behind this were selling expenses of €1,099 thousand, administrative expenses of €4,275 thousand and non-capitalized development costs of €716 thousand and deferred tax expenses of €7,818 thousand. The result after taxes was calculated at 89.39% from August and 78.79% from October and is part of the result from equity-consolidated investments with a proportionate negative result of €10,879 thousand.

The HOLON Group will require additional financial resources for the development of the autonomous vehicle and the establishment of a production infrastructure as early as the 2025 financial year. This includes the payments agreed in the contract for the establishment of the joint venture when milestones in development are reached. The company intends to cover any additional requirements through debt or equity financing from existing or new investors.

15 Deferred tax assets and liabilities

Deferred tax assets and liabilities result from temporary differences and unused tax loss carryforwards and are made up as follows:

ALLOCATION OF DEFERRED TAX ASSETS AND LIABILITIES ON BALANCE SHEET ITEMS

	December 31, 2024		December 31, 2023	
€ THOUSAND	Assets	Liabilities	Assets	Liabilities
Intangible assets	2,292	-117	185	-11,477
Property, plant, and equipment	10,295	-126,417	11,809	-130,028
Current and non-current financial assets	939	-10,240	9,047	-9,447
Inventories	12,710	-2,320	8,424	-2,473
Current and non-current receivables and other assets	19,836	-21,002	13,039	-20,804
Provisions for pensions	30,069	0	32,795	0
Other provisions	26,133	-17,669	30,668	-24,390
Liabilities	79,514	-5,191	72,156	-1,122
Tax loss carryforwards	213,573	0	259,413	0
Tax credits	6,806	0	4,655	0
Other deferred taxes	0	-2,070	0	-2,567
Gross value	**402,167**	**-185,026**	**442,191**	**-202,308**
Netting	178,698	-178,698	194,705	-194,705
Recognized in statement of financial position	**223,469**	**-6,328**	**247,486**	**-7,603**

Deferred tax assets and liabilities are set off if they are levied by the same tax authority and if BENTELER has a legally enforceable right to set off current tax assets against current tax liabilities.

A significant part of the deferred tax liabilities in property, plant, and equipment concerns investments in the USA, with bonus depreciation being recognized for tax purposes. The resulting deferred tax liabilities in respect of property, plant, and equipment amounting to €77,669 thousand (previous year: €77,462 thousand) are matched by deferred tax assets on loss carryforwards.

Deferred tax assets for outstanding write downs over seven years amounting to €77 thousand were recognized, in the previous year €497 thousand were not recognized.

The unrecognized temporary differences for which no deferred taxes were recognized amount to €99,200 thousand (previous year: €189,967 thousand) and mainly relate to the subsidiaries in Mexico and USA.

No deferred taxes were recognized on loss carryforwards amounting to €152,607 thousand (previous year: €192,082 thousand) and on interest carryforwards amounting to €32,039 thousand (previous year: €19,571 thousand).

The unused tax losses can be carried forward as follows:

UNRECOGNISED TAX LOSS CARRYFORWARDS

€ THOUSAND	December 31, 2024	December 31, 2023
Expiring in the next ten years	17,669	61,488
Expiring in more than ten years	1,893	6,141
Unused tax losses not subject to expiration	133,045	124,453
Total	**152,607**	**192,082**

For the assessment of the recoverability of deferred tax assets from loss carryforwards, the planning calculation is limited to a period of five years, provided that no offsetting against taxable temporary differences takes place. With regard to tax result components that cannot be derived directly from the planning validated by an external expert, an appropriate safety margin was applied. Tax restrictions on the utilization of losses were taken into account in accordance with national legal requirements.

As the requirements of IAS 12.39 are met, no deferred tax liabilities were recognized on temporary differences in connection with shares in subsidiaries.

Potential dividend distributions to shareholders of BENTELER International Aktiengesellschaft have no tax implications for the group. In connection with foreseeable future intra-group dividend distributions, deferred tax liabilities were recognized for the resulting increase in the tax base for German and Spanish recipients of dividends by 5% of the gross dividend (notional non-deductible operating expenses). In addition, deferred tax liabilities were recognized for expected withholding taxes on dividend payments in the countries in which the distributing companies are domiciled.

16 Other non-current receivables and assets

OTHER NON-CURRENT RECEIVABLES AND ASSETS

€ THOUSAND	December 31, 2024	December 31, 2023
Investments in equity instruments unconsolidated entities	94	98
Securities	730	665
Financial receivables	7,623	1,117
Other tax assets	465	3,675
Contract costs	56,279	50,701
Other assets	14,370	14,897
Total	**79,561**	**71,153**

The financial receivables consist substantially of derivatives.

17 Inventories

INVENTORIES

€ THOUSAND	December 31, 2024	December 31, 2023
Raw material and manufacturing supplies	420,886	411,617
Work in progress	204,921	253,088
Finished products and goods	118,815	125,887
Prepayments	12,157	38,625
Total	**756,779**	**829,216**

Impairment losses on inventories amounting to €21,544 thousand (previous year: €41,587 thousand) were recognized as expenses in the financial year. Inventories include impairment losses of €27,582 thousand (previous year: €35,116 thousand).

Inventories of the main German and American companies are provided as collateral for financing in the amount of €364,555 thousand and are therefore restricted in terms of ownership rights.

18 Receivables

18.1 Trade receivables

TRADE RECEIVABLES

€ THOUSAND	December 31, 2024	December 31, 2023
Trade receivables, gross	422,396	683,482
Allowance for expected credit losses	-4,201	-4,713
Carrying amount	**418,195**	**678,769**

Trade receivables mainly comprise receivables from third parties and, to a lesser extent, receivables from affiliated, non-consolidated companies or associated companies.

BENTELER sells certain trade receivables to various non-consolidated special purpose entities as part of factoring/ABCP programs (see Note 4.2 “Non-consolidated structured entities”). The amount of derecognized receivables totals €506,143 thousand (previous year: €356,005 thousand). The Group neither transfers nor retains all material risks and rewards for parts of these programs. As control of the receivables is not transferred to the buyers, the receivables continue to be recognized in the amount of their continuing involvement. BENTELER continues to manage the ongoing customer relationships. Discounts are made and recognized on the nominal value of the receivables sold, which are reversed after settlement of the corresponding receivables with the buyer. As at the balance sheet date, the discounts on the nominal value of the receivables sold amounted to €88,283 thousand (€90,389 thousand) and are reported under other current receivables. Of this amount, €15,959 thousand is attributable to the subscription of commercial papers (subordinated junior notes). Due to the existing program insurance, a maximum default risk of 3% and the late payment risk remain with the BENTELER Group. There is also a factoring program under which the main opportunities and risks are transferred to the buyers. Receivables in the amount of €89,414 thousand (previous year: €0 thousand) were derecognized.

During the year, expenses of €24,431 thousand (previous year: €18,868 thousand) were recognized in the income statement.

The expected credit loss (ECL) approach is used for trade receivables. Based on past experience and the high creditworthiness of our customers (leading automotive manufacturers), only minor value adjustments were made in the first five maturity bands. Based on current assessments, climate change and the war in Ukraine will not have any significant short-term impact on the ECL. Potential negative effects of the war in Ukraine and climate change have not yet been considered with additional premiums. This assessment could change in the future if BENTELER's main customers in the automotive industry are more strongly affected by the impact of these crises. The age structure of the receivables and the amount of the individually impaired receivables are as follows:

MATURITY ANALYSIS OF TRADE RECEIVABLES

	December 31, 2024		
€ THOUSAND	Gross carrying amount	Provision	Default
Receivables that are neither past due nor impaired	382,800	14	No
Less than 10 days past due	19,374	1	No
11 to 30 days past due	5,328	0	No
31 to 60 days past due	3,349	0	No
61 to 90 days past due	1,598	0	No
More than 90 days past due	5,241	225	No
Individually credit-impaired receivables	4,706	3,961	Yes
TOTAL	**422,396**	**4,201**	

MATURITY ANALYSIS OF TRADE RECEIVABLES

	December 31, 2023		
€ THOUSAND	Gross carrying amount	Provision	Default
Receivables that are neither past due nor impaired	640,478	24	No
Less than 10 days past due	20,489	1	No
11 to 30 days past due	5,511	0	No
31 to 60 days past due	4,091	0	No
61 to 90 days past due	2,991	0	No
More than 90 days past due	5,766	549	No
Individually credit-impaired receivables	4,157	4,139	Yes
TOTAL	**683,482**	**4,713**	

Movements in doubtful debt allowances on trade receivables were as follows:

MOVEMENTS OF VALUATION ALLOWANCES ON TRADE RECEIVABLES

€ THOUSAND	2024	2023
Allowance for doubtful debt as at January 1	**4,713**	**6,308**
Additions	2,392	1,977
Reversals	-1,935	-3,350
Utilization	-970	-207
Effects of exchange rates and other changes	1	-15
Allowance for doubtful debt as at December 31	**4,201**	4,713

The calculation of the loss rate based on actual default rates observed in the past taking into account the latest developments and expected economic conditions over the term of the receivables is determined for portfolios with similar default risk characteristics.

Trade receivables amounting to €90,061 thousand are provided as collateral for financing in the main German and American subsidiaries and are therefore restricted in their ownership rights.

18.2 Contract assets from customer contracts

CONTRACT ASSETS FROM CUSTOMER CONTRACTS

€ THOUSAND	December 31, 2024	December 31, 2023
Balance at January 1	**10,469**	**13,733**
Revenue	6,789	9,356
Payment or payment claim	-9,880	-12,620
Total	**7,378**	**10,469**

18.3 Other current receivables and assets

OTHER CURRENT RECEIVABLES AND ASSETS

€ THOUSAND	December 31, 2024	December 31, 2023
Contract costs	21,811	26,053
Prepaid expenses	17,572	13,000
Other financial assets	107,068	111,003
Other non-financial assets	91,202	74,947
Total	**237,653**	**225,003**

The other financial assets essentially comprise bills receivable amounting to €12,989 thousand (previous year: €5,259 thousand) and reserves under accounts receivable facilities amounting to €88,283 thousand (previous year: €90,389 thousand) and derivatives in the amount of €5,797 thousand (previous year: €15,175 thousand).

Other non-financial assets primarily include other tax receivables (particularly for value added tax and energy tax) and refund claims amounting to €41,802 thousand (previous year: €38,232 thousand) and accruals from contractually agreed inflation compensation.

In view of the good credit rating of the main business partners, BENTELER assumes that the need for a bad debt provision is negligible. Other current receivables and assets are provided in the main German and American subsidiaries as security for financing in the amount of €11,509 thousand and are therefore restricted in their ownership rights.

19 Cash and cash equivalents

The cash and cash equivalents are available at all times and are not subject to any restrictions. As the group only has accounts with banks with first-class credit ratings, no ECL was considered for the credit balances at banks. Cash and cash equivalents are provided in the main German and American subsidiaries as collateral for financing in the amount of €503 thousand and are therefore restricted in their ownership rights.

20 Equity

The movements in consolidated equity are shown in the statement of changes in equity, which is presented as a separate part of the financial statements. In particular, it shows the appropriation of profits.

A reverse acquisition took place in 2010. As a result of the continuation of the financial statements of the accounting acquirer, the recognized issued capital and reserves are those of the legal subsidiary, BENTELER Business Services GmbH (formerly BENTELER Deutschland GmbH).

The subscribed capital as at December 31, 2024 was €200 thousand, divided into 200,000 registered no-par shares with restricted transferability. Under the company's articles of incorporation, two share certificates (global shares) were issued, each for one half of the shares in the same category.

The non-controlling interests (both for the profit and the equity) are primarily related to five Chinese companies. The proportion of revenue is below 2.6% of the group's consolidated revenue and the total assets are below 1.6% of the group's total assets and are therefore not considered material.

The movements in the other components of equity were as follows (including the amount related to non-controlling interests):

MOVEMENTS OF OTHER COMPONENTS OF EQUITY IN THE CURRENT REPORTING PERIOD

	2024 financial year		
€ THOUSAND	Before tax	Tax effect	After tax
Foreign currency translation effects	25,099	0	25,099
Effects of cash flow hedges	-1,444	176	-1,268
Effects of costs of hedging	-8,275	2,069	-6,206
Remeasurements of post-employment benefit obligations	13,005	-4,153	8,852
Total	**28,385**	**-1,908**	**26,477**

MOVEMENTS OF OTHER COMPONENTS OF EQUITY IN THE PREVIOUS REPORTING PERIOD

	2023 financial year		
€ THOUSAND	Before tax	Tax effect	After tax
Foreign currency translation effects	-26,829	0	-26,829
Effects of cash flow hedges	-31,614	6,900	-24,714
Effects of costs of hedging	398	-124	275
Remeasurements of post-employment benefit obligations	-39,048	11,868	-27,180
Total	**-97,092**	**18,644**	**-78,448**

21 Provisions

Provisions in accordance with IAS 37 and obligations for employee benefits under IAS 19 can be summarized as follows:

PROVISIONS

€ THOUSAND	Note	2024	2023
Pension provisions – non-current	22)	**266,368**	**281,074**
Other provisions for employee benefits		62,140	56,310
Provisions for impending losses		0	3,115
Provisions for guarantees and warranties		5,529	5,805
Other provisions		9,558	10,745
Other non-current provisions	21)	**77,227**	**75,975**
Other provisions for employee benefits		18,387	54,182
Provisions for impending losses		3,178	517
Provisions for guarantees and warranties		36,537	37,910
Other provisions		32,345	27,011
Current provisions	21)	**90,446**	**119,620**

Statement of changes in provisions

Movements in current and non-current provisions during the reporting period were as follows:

STATEMENT OF CHANGES IN PROVISIONS

€ THOUSAND	Guarantees and warranties	Employee benefits	Onerous contracts	Other provisions	Total
Balance at January 1, 2024	**43,715**	**110,492**	**3,632**	**37,756**	**195,595**
Additions	1,732	12,120	4,088	36,100	54,040
Utilization	-912	-41,923	-2,245	-9,468	-54,549
Reversals	-2,548	-4,318	-72	-19,506	-26,444
Reclassifications	0	2,268	-2,285	17	0
Discounting effect	11	2,495	0	0	2,506
Foreign currency translation	68	-608	60	-2,995	-3,475
Balance at December 31, 2024	**42,066**	**80,527**	**3,178**	**41,903**	**167,673**
current portion	*36,537*	*18,387*	*3,178*	*32,345*	*90,446*
non-current portion	*5,529*	*62,140*	*0*	*9,558*	*77,227*

The provisions for warranty risks primarily cover deferred risks from customer complaints. They are determined on the basis of revenue generated from external customers during the year, taking historical experience into account.

The provisions for employees mainly include anticipated severance payments and related benefits in the amount of €51,653 thousand (previous year: €81,593 thousand). In the course of the financial year, the BENTELER Group continued to advance and intensify the transformation programs initiated in the 2020 financial year. The announced closures and the associated payment (consumption) of €35,663 thousand to employees are the main effect in 2024.

In addition, the provisions for employee benefits also include anniversary bonuses as well as obligations under partial retirement agreements and severance payments. Provisions for partial retirement arrangements mainly have terms of five years or less. Collateral has been placed in a trust account to secure credit balances under the Partial Retirement Block Model in Section 8a of the German Partial Retirement Act. The funds transferred to the trustee are to be managed for the preservation of capital and may be used in the future solely and irrevocably to meet the associated obligations. The trust assets remaining after performance of the partial retirement obligations represent plan assets under IAS 19.131. The obligations are shown net of the fair value of the plan assets in the amount of €13,968 thousand (previous year: €14,987 thousand).

The other provisions relate primarily to sales reductions of €13,522 thousand (previous year: €11,976 thousand) and litigation risks of €9,526 thousand (previous year: €9,401 thousand).

Non-current provisions are expected to be used within five years at the latest.

22 Provisions for pensions and similar obligations

Some employees within the BENTELER Group are currently granted different forms of retirement benefits. Accordingly, the BENTELER Group maintains different defined benefit and defined contribution retirement plans. Defined benefit plans are appraised annually by independent experts.

The actuarial calculation of the amount of the obligation as at each measurement date is based on the following assumptions:

PARAMETERS FOR ACTUARIAL CALCULATIONS

PERCENTAGES AS WEIGHTED AVERAGE	2024	2023
Interest rate	3.7	3.3
Rate of increase in pensionable salaries	2.6	2.5
Inflation	2.2	2.1

RECONCILIATION OF THE LIABILITY UNDER DEFINED BENEFIT PLANS WITH PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

€ THOUSAND	December 31, 2024	December 31, 2023
Present value of the liability	335,920	382,846
Fair value of plan assets	-70,733	-104,442
Net balance	**265,188**	**278,404**
Assets not included as per IAS 19.57(b)	1,180	2,671
Provisions for pensions and similar obligations as at December 31	**266,368**	**281,074**

CHANGES OF OBLIGATIONS FROM DEFINED BENEFIT PLANS

€ THOUSAND	2024	2023
Present value of defined benefit obligation as at January 1	**382,846**	**352,424**
Current service cost	4,971	6,180
Interest expense	13,488	12,664
Actuarial gains (losses)	-14,187	33,664
Thereof due to change in demographic assumptions	*0*	*20*
Thereof due to change in financial assumptions	*-12,076*	*24,390*
Thereof due to experience-based adjustments	*-2,111*	*9,235*
Past service cost	-68	-5,255
Plan modifications	0	66
Gains/losses arising from changes in foreign currency exchange rates	-3,167	2,585
Employee contributions	502	977
Payments made	-47,885	-20,440
Net change from company acquisitions and disposals	-579	0
Present value of defined benefit obligation as at December 31	**335,920**	**382,846**

CHANGES IN PLAN ASSETS

€ THOUSAND	2024	2023
Fair value of plan assets as at January 1	**104,442**	**110,293**
Interest income	3,262	3,262
Revaluation of plan assets	-2,466	-5,079
Gains/losses arising from changes in foreign currency exchange rates	-1,282	1,490
Contributions to the pension plan	2,296	3,267
Thereof contributions from employers	*1,794*	*2,290*
Thereof contributions from employees	*502*	*977*
Paid out of plan assets	-35,501	-8,791
Net change from the sale of companies	-18	0
Fair value of plan assets as at December 31	**70,733**	**104,442**

CHANGES IN ASSET CEILING

€ THOUSAND	2024	2023
Unrecognized assets as at January 1	**2,671**	**2,312**
Interest on unrecognized assets recognized in profit or loss	176	127
Other changes in unrecognized assets	-1,667	231
Unrecognized assets as at December 31	**1,180**	**2,671**

The average duration of the obligation as at December 31, 2024 is 13 years (previous year: 12 years).

As at the measurement date, the plan assets comprised the following:

COMPOSITION OF THE PLAN ASSETS

€ THOUSAND	December 31, 2024	December 31, 2023
Equity instruments (active market)	0	15,735
Debt instruments (active market)	0	3,302
Insurance contracts	70,733	70,750
Property	0	10,344
Other assets	0	4,312
Total	**70,733**	**104,442**

The expected contributions to the plan for 2024 amount to €14,351 thousand (previous year: €14,554 thousand).

Changes in actuarial assumptions *(ceteris paribus)* affect the present value of the defined benefit obligation as shown in the table below:

EFFECTS OF CHANGES IN ACTUARIAL PARAMETERS ON DEFINED BENEFIT OBLIGATIONS

	2024 financial year		
€ THOUSAND	Change in assumptions	Change in obligation on decrease of parameter	Change in obligation on increase of parameter
Interest rate	0.50%	23,289	-20,819
Rate of pension increase	0.50%	-14,435	15,675
Rate of salary increase	0.50%	-735	785

EFFECTS OF CHANGES IN ACTUARIAL PARAMETERS ON DEFINED BENEFIT OBLIGATIONS

	2023 financial year		
€ THOUSAND	Change in assumptions	Change in obligation on decrease of parameter	Change in obligation on increase of parameter
Interest rate	0.50%	23,283	-20,917
Rate of pension increase	0.50%	-14,445	15,745
Rate of salary increase	0.50%	-951	1,017

23 Financial liabilities

FINANCIAL LIABILITIES

	December 31, 2024		December 31, 2023	
€ THOUSAND	current	non-current	current	non-current
Bonds	10,069	1,001,204	9,690	969,783
Liabilities to banks	135,423	468,327	140,989	627,237
Lease liabilities	44,919	124,935	44,711	139,342
Miscellaneous	3,877	641	0	796
Total	**194,288**	**1,595,107**	**195,390**	**1,737,156**

Liabilities to banks in the main German and American companies are secured by mortgages and the transfer of ownership by way of security as at the balance sheet date (see notes on the individual assets).

The financing concluded in May 2023 consisted of the issue of two fixed-interest high-yield bonds (€525,000 thousand, coupon 9.375% p.a. and USD500,000 thousand, coupon 10.5% p.a. with a term of 5 years) and the taking out of a credit facility with variable interest rates depending on the credit rating (loan of €810,000 thousand and credit line of €250,000 thousand with a term of 4.5 years and a financial covenant - net leverage - at standard market rates). Annual repayments of €113,400 thousand have been agreed for this credit facility.

Non-current liabilities from bonds are denominated in USD in the amount of €481,186 thousand (USD500,000 thousand; previous year: €452,284 thousand in USD500,000 thousand).

24 Liabilities of supply chain programs

Liabilities from supply chain programs in the amount of €94,997 thousand (previous year: €0 thousand) are liabilities to a payment service provider that result in the derecognition of the original trade payables. As part of this agreement, the service provider made a full debt-discharging payment to the supplier. The payment terms for trade payables range between 30 and 60 days. The payment service provider grants BENTELER a payment extension of 60 days. In connection with these programs, there are liquidity risks with regard to the concentration on one business partner.

The payments to the factoring service provider are still included in the cash flow from operating activities because they continue to be part of the Group's normal operating cycle and their essential character remains operational, meaning that they mainly represent payments for the purchase of goods and services.

25 Income tax receivables and liabilities

The non-current and current income tax receivables and liabilities comprise corporate income tax, including the German reunification surtax ("solidarity surcharge"), and local business income tax ("trade tax"), for the group's companies in Germany, as well as comparable income tax liabilities for companies in other countries.

Income tax receivables are recognized if the claim is virtually certain. Income tax liabilities are recognized if they are considered probable. Measurement takes place on the basis of the most likely outcome. In addition to risk provisions for tax audits, uncertain tax positions result from the fact that there are open advance pricing arrangements (APA) between the responsible tax authorities in Germany and the tax authorities in the USA in the area of transfer pricing.

26 Other current liabilities

OTHER CURRENT LIABILITIES

€ THOUSAND	December 31, 2024	December 31, 2023
Other tax liabilities	54,239	53,599
Liabilities to employees	54,498	91,790
Contract liabilities	64,145	102,268
Social security liabilities	16,688	16,607
Other financial liabilities	119,050	5,493
Other non-financial liabilities	208,878	188,391
Total	**517,499**	**458,148**

Other tax liabilities mainly relate to payroll and value added taxes.

Liabilities to employees relate to employee bonuses, accruals for vacation and overtime.

Movements in contract liabilities were as follows in 2024:

MOVEMENTS OF CONTRACTUAL LIABILITIES

€ THOUSAND	2024	2023
Contract liabilities – as at January, 1	**102,268**	**50,736**
Payment	60,491	94,378
Revenue	-98,093	-43,268
Foreign currency exchange differences	-521	422
Contract liabilities – as at December, 31	**64,145**	**102,268**

Other financial liabilities mainly include derivatives amounting to €17,551 thousand (previous year: €5,493 thousand) and liabilities amounting to €101,499 thousand due to the first-time consolidation of the HOLON Group using the equity method, which reflects the obligation to achieve the milestones.

Other non-financial liabilities mainly comprise sales reductions of €144,765 thousand (previous year: €120,095 thousand). In addition, this item includes various accruals.

Segment reporting

27 Segment report

The BENTELER Group adjusted its segmentation in the past financial year. The former BENTELER Automotive was split into the divisions BENTELER Automotive Components (Autom. Comp.) and BENTELER Automotive Modules (Autom. Modules). BENTELER Automotive Components and BENTELER Automotive Modules offer development, production and services in the field of automotive technology worldwide. BENTELER Automotive Components products include components for chassis, body, engine and exhaust systems. Module assembly is bundled at BENTELER Automotive Modules. The unchanged BENTELER Steel/Tube develops and produces seamless and welded quality tubes. HOLON is included in Other/Consolidation. Segment reporting follows the internal management approach and is presented on a voluntary basis:

SEGMENT REPORT 2024

€ THOUSAND	Autom. Comp.	Autom. Modules	Steel/Tube	Other/ Consolidation	Total
External sales	4,191,348	2,812,663	1,166,158	0	8,170,168
Intra-group sales	362,943	1,544	19,671	-384,159	
Sales (total)	**4,554,291**	**2,814,207**	**1,185,829**	**-384,159**	**8,170,168**
EBIT (segment result)	180,099	70,654	73,703	330,792	655,249
Capital expenditures[1]	227,968	36,450	43,181	5,937	313,536
Depreciation and amortization[2]	183,074	29,084	58,155	3,928	274,240
Thereof impairment losses	*2,476*	*326*	*584*	*0*	*3,386*
Thereof reversals of impairment	*40*	*8*	*0*	*0*	*48*
EBIT Adjustments	-4,170	-7,996	15,175	329,125	332,134
Financial result	-149,081	-11,655	-91,891	58,658	-193,970
Income taxes	-21,460	-5,496	-3,087	-37,612	-67,655
Segment assets	4,078,180	520,944	1,276,361	-1,056,806	4,818,679
Thereof investments accounted for using the equity method	*6,183*	*0*	*0*	*468,936*	*475,119*
Segment liabilities	2,691,879	576,654	1,120,399	-419,158	3,969,775

1) Investments in property, plant and equipment and intangible assets
2) Excluding write-downs of financial assets

IN EBIT INCLUDED RESTRUCTURING EXPENSES / EBIT ADJUSTMENTS

	2024				
€ THOUSAND	Autom. Comp.	Autom. Modules	Steel/Tube	Holon	Total
Impairment/ write ups	-2,435	-318	-584	0	**-3,338**
Restructuring provision	-123	-5,277	3,115	0	**-2,285**
Others	-1,612	-2,400	12,644	329,125	**337,756**
Total	**-4,170**	**-7,996**	**15,175**	**329,125**	**332,134**

SEGMENT REPORT 2023[1]

€ THOUSAND	Autom. Comp.	Autom. Modules	Steel/Tube	Other/Consolidation	Total
External sales	4,387,340	2,912,655	1,486,843	0	8,786,838
Intra-group sales	368,016	1,999	26,808	-396,823	
Sales (total)	**4,755,356**	**2,914,654**	**1,513,651**	**-396,823**	**8,786,838**
EBIT (segment result)	167,815	95,075	275,547	-21,011	517,426
Capital expenditures[2]	249,909	40,684	38,296	31,062	359,951
Depreciation and amortization[3]	176,494	27,055	56,719	4,185	264,453
Thereof impairment losses	*5,649*	*0*	*1,369*	*11*	*7,030*
Thereof reversals of impairment	*9,095*	*0*	*0*	*0*	*9,095*
EBIT Adjustments	9,365	-3,862	-11,961	-2,459	-8,917
Financial result	-119,501	-6,612	-63,356	-38,652	-228,120
Income taxes	-11,994	-10,527	-5,318	24,469	-3,370
Segment assets	4,090,736	592,123	1,231,249	-1,149,254	4,764,854
Thereof investments accounted for using the equity method	*4,132*	*841*	*0*	*0*	*4,973*
Segment liabilities	-3,325,482	-565,342	1,084,845	7,032,072	4,226,094

1) The current segmentation was also adjusted in the previous year
2) Investments in property, plant and equipment and intangible assets
3) Excluding write-downs of financial assets

IN EBIT INCLUDED RESTRUCTURING EXPENSES / EBIT ADJUSTMENTS

	2023				
€ THOUSAND	Autom. Comp.	Autom. Modules	Steel/Tube	Others	Total
Consulting	-2,006	-354	2,721	-739	**-378**
Impairment/ write ups	3,446	0	-1,369	-12	**2,065**
Restructuring provision	7,925	-3,508	-12,704	0	**-8,287**
Others	0	0	-608	-1,708	**-2,317**
Summe	**9,365**	**-3,862**	**-11,961**	**-2,459**	**-8,917**

CROSS-SEGMENT DISCLOSURES

€ THOUSAND	Sales[1]		Non-current assets	
Geographical regions	2024	2023	December 31, 2024	December 31, 2023
Group-wide	8,170,168	8,786,838	2,811,412	2,332,759
Thereof in Germany	2,138,697	2,244,983	717,414	747,328
Thereof in USA	1,714,720	2,030,228	604,776	562,052
Thereof in China	1,107,822	1,291,811	310,070	285,479

1) Sales are allocated to countries based on the respective company's registered office.

27.2% (previous year: 27.2%) of sales, amounting to €1,789,904 thousand (previous year: €1,954,824 thousand), and 27.1% (previous year: 23.5%) of sales, amounting to €1,784,923 thousand (previous year: €1,689,593 thousand), are attributable to one customer each. They are allocated to the “Automotive Components” and “Automotive Modules” segments.

Additional information

28 Financial risk management

The BENTELER Group is exposed to various financial risks through its business operations and financing transactions. The most significant of these are foreign currency exchange risks, interest rate risks, commodity price risks, default risks, and liquidity risks.

The BENTELER Group additionally applies well-established controlling and management instruments to monitor financial risks. The group's reporting system makes it possible to detect, analyze, assess, and manage financial risks on a regular basis, by way of the central group treasury unit. This system also includes all relevant subsidiaries.

28.1 Foreign currency exchange risk

Foreign currency exchange risks predominantly arise where receivables, liabilities, and planned transactions are not denominated in an entity's local currency. The risk of fluctuations in future cash flow is mainly due to operating activities, but there is also some risk from financing and investing activities. The most significant foreign currency exchange risk for the BENTELER Group, however, concerns the volatility of the euro and the US dollar.

The extent of hedging activities is evaluated on a quarterly basis. Currency derivatives are used to hedge foreign currency exchange risks. The currency derivatives used are plain vanilla instruments such as foreign currency forward transactions, currency swaps, purchased standard currency options, and non-deliverable forward transactions. These are used to hedge the foreign currency exchange risk of future cash flows. The functional currency is hedged, not the group currency. The hedged forecast transactions are expected to be realized within one to two years. The group only recognizes the change in the intrinsic value of currency option transactions as a hedging instrument in cash flow hedges. The change in the fair value of the option is accounted for separately as a hedging cost and is included in a hedging cost reserve in equity.

Foreign currency risks can arise both from foreign currency cash flows from firm commitments and from forecasted foreign currency cash flows. Risks can arise, inter alia, from export revenues, capital expenditure payments, and operational procurement costs, as well as from financing instruments in foreign currencies. The uncertainty of changes in future currency exchange rates exists from the time of initial recognition of a transaction until its settlement.

Due to the conclusion of foreign currency forwards (e.g. currency swaps) the foreign currency exchange risk of future highly probable forecasted transactions is hedged. The hedging transaction agrees with the basic transaction in essential parameters (currency pair, maturity, nominal value). Since the changes in value of the underlying transaction and the hedging transaction develop in exactly the opposite direction, the risk is neutralized economically. The hedging rate is up to 100%.

Due to the underlying transaction-related hedging strategy, a hedge only becomes ineffective if the underlying transaction ceases prematurely. The resulting over-collateralization is compensated.

For foreign currency exchange risk, sensitivity analyses were performed to determine the effects of hypothetical changes in exchange rates on the group's result (after tax) and equity. As a basis for sensitivity to foreign currency exchange fluctuations, the analysis used those non-derivative financial instruments recognized as at the end of the reporting period that were not denominated in the functional currencies of the BENTELER Group's individual companies, together with the derivative financial instruments held in the portfolio. It was assumed that the risk at the reporting date substantially represents the risk for the financial year as a whole. The effects of the translation of foreign subsidiaries' financial statements from foreign currencies into the group's reporting currency (the euro) were not included. The group's tax rate of 30% (previous year: 30%) was applied as the tax rate.

An increase or decrease in the value of the euro would have the following effects on earnings after tax and equity:

SENSITIVITY ANALYSIS CURRENCY RISK EUR

€ THOUSAND	2024		2023	
Effect on	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
Profit and loss	-19,590	19,590	5,804	-4,749
Cash flow hedges	-26,246	21,474	-11,638	9,301
Total equity	-45,836	41,064	-5,834	4,552

An increase or decrease in the US dollar would have the following effects on earnings after tax and equity:

SENSITIVITY ANALYSIS CURRENCY RISK USD

€ THOUSAND	2024		2023	
Effect on	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
Profit and loss	592	-592	-169	139
Cash flow hedges	0	0	193	-160
Total equity	592	-592	24	-21

The sensitivity results mainly from derivatives used to hedge future cash flows in foreign currency as well as derivatives that were not designated in hedging relationships.

28.2 Interest rate risk

Interest rate risks arise in the BENTELER Group primarily from borrowing liabilities. In addition, risks arise in connection with bank balances.

The BENTELER Group hedges interest rate risk by continuously monitoring the money market and capital market and by using interest rate derivatives. The focus is on the economic hedging the group's financing requirements against increases in market interest rates. To cover this risk (cash flow risk), interest rate swaps were used.

For the risk of changes in interest rates, sensitivity analyses were performed to determine the effects of hypothetical changes in market interest rates on the group's result (after tax) and equity. The analysis is based on derivative and non-derivative financial instruments (both assets and liabilities) at variable interest rates. It was assumed that the risk at the reporting date substantially represents the risk for the financial year as a whole. A group tax rate of 30% (previous year: 30%) was applied as the tax rate. It was also assumed that all other variables, especially foreign currency exchange rates, would remain constant.

An increase or decrease in market interest rates of 100 bps (= 1%) would have the following effects on earnings after tax and equity:

SENSITIVITY ANALYSIS INTEREST RATE RISK

€ THOUSAND	2024		2023	
Effect on	Increase by 100 bps	Decrease by 100 bps	Increase by 100 bps	Decrease by 100 bps
Earnings after tax	2,530	-2,530	-22	21
Cash flow hedges	4,934	-5,141	0	0
Total equity	7,464	-7,671	-22	21

28.3 Commodity price risk

The BENTELER Group is exposed to the risk of changes in commodity prices – especially the risk of changes in the price of aluminum and steel – through its procurement of intermediate goods and services.

28.3.1 Steel price risk

Substantially all risks and rewards arising from the volatility of steel prices are passed on to customers on the basis of supply contracts.

28.3.2 Aluminum price risk

The hedging strategy for aluminum price risk has to consider, in addition to the physical security, the complexity of the risk incurred. This obligation represents the various contractual specifications with the automotive manufacturers, including:

- The timing difference between the purchase of commodities and semi-finished products and the sale of components to automotive manufacturers
- A wide variety of fixed prices, formula-based pricing mechanisms, and price validities based on a price-setting process in different markets and for different underlyings.

On the basis of forecasted customer's purchase quantities and the requisition notes of the decentralized units, the production site decides on the production schedule and the required aluminum. A list of all concluded contracts is drawn up at the monthly management meeting and the aluminum price fixing on the selling or buying side begins in the following month. On that basis, BENTELER Treasury enters into commodity swaps with a bank to convert the variable prices on the buy and sell side to fixed prices. Different swaps are negotiated for each month, depending on the individual customers' pricing formulas and the planned and reported production volumes.

Through the conclusion of aluminum swaps, variable cash flows from the underlying transaction are swapped for fixed cash flows, thereby reducing the risk from variable factors. The economic relationship between the hedged transaction and the hedging instrument results from the selection of the same variable factors (critical terms) for both transactions.

The fair value of aluminum commodity swap transactions is based on quoted prices (market quotations on the LME – London Metal Exchange).

Sensitivity analyses were conducted for commodity price risk, showing the impact of hypothetical changes in commodity prices on equity. The derivative financial instruments recognized as at the reporting date form the basis for commodity price sensitivity. It was assumed that the risk at the reporting date substantially represents the risk for the financial year as a whole. An increase or decrease in aluminum commodity prices of 10% would have the following effects on earnings after tax and equity:

SENSITIVITY ANALYSIS ALUMINIUM PRICE RISK

€ THOUSAND	2024		2023	
Effect on	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
Earnings after tax	0	0	0	0
Cash flow hedges	435	-435	317	-317
Total equity	435	-435	317	-317

28.3.3 Other commodity price risks

Substantially all risks and rewards from the volatility of other commodity prices are passed on to customers.

28.4 Default risk

Default risk describes the risk resulting from the failure of individual business partners to fulfill their contractual payment obligations. The BENTELER Group's default risk results primarily from receivables from customers. In addition, default risks arise in connection with financial transactions, such as the investment of liquid funds or the acquisition of securities.

The BENTELER Group hedges the risk of default on receivables in operating activities by means of professional accounts receivable management. Before signing a contract, in particular with key customers, a careful evaluation of the customer's economic condition and business competence is performed. All relevant customer data are recorded and analyzed centrally and assessed in an individualized credit rating. Selected subsidiaries within the group also enter into commercial credit insurance contracts. In ongoing business operations, payment performance is regularly evaluated and monitored, also referencing dynamic leading indicators. Bad debt provisions recognized for this purpose take account of the default risk on receivables.

Due to its diversified customer structure on the original equipment manufacturer (OEM) side, comprising the world's leading automobile manufacturers, the group is not exposed to any significant concentration of default risk. The maximum default risk arising from financial assets is their respective carrying amount.

The company considers the probability of default at the time of initial recognition of the asset and the existence of a significant increase in the default risk during the reporting period. In order to assess whether the default risk has increased significantly, the company compares the credit risk with regard to the asset on the reporting date with the default risk at the time of initial recognition. Reasonable and reliable forward-looking information available at the time is taken into account. In particular the following indicators are included:

- Internal credit assessments
- External credit assessments
- Changes in the borrower's profit position

Regardless of the above analyses, a significant increase in credit risk is assumed if payment by a debtor is overdue by more than 90 days. A default with regard to a financial asset occurs if the contractual party fails to make contractual payments within 180 days of the due date.

In order to measure the expected credit losses, portfolios of trade receivables and contract assets are defined on the basis of common credit risk characteristics and days past due. The contract assets relate to current not-yet-invoiced items and essentially show the same risk characteristics as trade receivables for the same contract types. The group has therefore concluded that the expected loss rates for trade receivables represent an appropriate approximation value for the loss rates for contract assets.

The credit rating of a financial asset is impaired if an outcome has detrimental impacts on the expected future cash flows of the financial asset:

- Significant financial difficulty for the issuer or the borrower
- Breach of contract, such as default or a payment more than 180 days past due
- Restructuring of a loan or credit by the borrower
- The likelihood that the borrower will go into insolvency or another restructuring procedure

Trade receivables and contract assets are derecognized when they are reasonably assumed to be unrealizable.

28.5 Liquidity risk

Liquidity risk is the risk that the BENTELER Group might not have sufficient financial resources to meet its payment obligations. Payment obligations arise particularly in connection with the procurement of raw materials and goods for operating activities.

Liquidity risk is monitored by systematic, day-by-day liquidity management whose fundamental requirement is maintaining the Company's ability to meet its payment obligations at all times. Liquidity forecasts based on a fixed planning horizon and available committed credit lines in the group ensure the supply of liquidity in accordance with the planned development. The aim is to achieve and maintain a convenient and cost-effective liquidity basis, which allows for an adequate response to a dynamic market environment and for opportunity-oriented action. The financial planning process comprises a rolling three-month plan (direct method) and a one- to five-year plan (indirect method). In addition, BENTELER has an unutilized, committed credit line of €200,000 thousand. Parts of the financing are dependent on financial ratios. Compliance with these key figures is monitored as part of liquidity planning

The following table shows the undiscounted contractual maturities for financial liabilities (including contractual interest payments):

MATURITY DATES FOR FINANCIAL LIABILITIES

€ THOUSAND	Carrying amounts December 31, 2024	Maturity of financial liabilities					
		in 1 year		in 2 to 5 years		after 5 years	
Item		Interest	Principal payment	Interest	Principal payment	Interest	Principal payment
Financial liabilities (non-current and current)	**1,789,395**	**142,139**	**194,288**	**302,592**	**1,559,478**	**12,074**	**35,629**
Bonds	1,011,273	97,084	10,069	242,710	1,001,204	0	0
Liabilities to banks	603,750	35,248	135,423	44,714	467,748	0	579
Lease liabilities	169,854	9,808	44,919	15,169	89,885	12,074	35,050
Other financial liabilities	4,518	0	3,877	0	641	0	0
Trade payables	**1,115,195**	**0**	**1,115,195**	**0**	**0**	**0**	**0**
Liabilities from supply chain programs	**94,997**	**0**	**94,997**	**0**	**0**	**0**	**0**
Other liabilities (non-current and current)	**122,021**	**0**	**119,050**	**516**	**2,455**	**0**	**0**
Negative market values of trading derivatives	9,634	0	9,634	0	0	0	0
Negative market values of derivatives designated in hedging relationships	10,889	0	7,918	516	2,455	0	0
Liabilities in connection with investments accounted for using the equity method	101,499	0	101,499	0	0	0	0
TOTAL	**3,121,609**	**142,139**	**1,523,531**	**303,109**	**1,561,932**	**12,074**	**35,629**

The maturities of the bond and liabilities to banks are explained in more detail in Note 23 “Financial liabilities”.

MATURITY DATES FOR FINANCIAL LIABILITIES

€ THOUSAND	Carrying amounts December 31, 2023	Maturity of financial liabilities					
		in 1 year		in 2 to 5 years		after 5 years	
Item		Interest	principal payment	Interest	principal payment	Interest	principal payment
Financial liabilities (non-current and current)	**1,932,547**	**162,443**	**195,390**	**445,613**	**1,686,983**	**10,896**	**50,174**
Bonds	979,472	96,930	9,690	339,254	969,783	0	0
Liabilities to banks	768,226	56,399	140,989	84,374	626,634	0	602
Lease liabilities	184,053	9,115	44,711	21,985	89,885	10,896	49,457
Other financial liabilities	796	0	0	0	681	0	115
Trade payables	**1,295,895**	**0**	**1,295,895**	**0**	**0**	**0**	**0**
Other liabilities (non-current and current)	**31,325**	**0**	**5,493**	**25,832**	**0**	**0**	**0**
Negative market values of trading derivatives	3,940	0	3,940	0	0	0	0
Negative market values of derivatives designated in hedging relationships	27,385	0	1,553	25,832	0	0	0
TOTAL	**3,259,767**	**162,443**	**1,496,778**	**471,446**	**1,686,983**	**10,896**	**50,174**

The above table includes all financial liabilities having contractually agreed payments as at the reporting date. Budget figures for future new liabilities are not included. Amounts in foreign currencies are translated at the exchange rate prevailing on December 31. Variable interest payments on financial instruments were calculated on the basis of the most recently determined interest rates.

28.6 Capital management

The aim of capital management is to ensure a solid financial profile. In addition, the BENTELER Group intends to maintain sufficient financial leeway to stabilize the earnings situation.

The capital management strategy ensures that group companies have a solid equity base appropriate to local requirements. The goal is to provide the necessary financial and liquidity headroom. The requirement communicated to all group companies is to secure financing with matching maturities.

The equity ratio is calculated as the ratio of equity shown in the consolidated statement of financial position to total assets. On the reporting date it amounted to 17.6% (previous year: 11.3%).

28.7 Risks from financial instruments

The following material risks arise from the use of financial instruments:

Foreign currency exchange risk, interest rate risk, commodity price risk
Derivative financial instruments are subject to the same market risks as the hedged transactions. Their value, therefore, moves in the opposite direction as that of the hedged item. If this underlying transaction lapses, however, a market risk can arise from the financial instrument. In these cases, the hedging instrument is terminated.

Default risk
The default risk from derivative financial instruments concluded for hedging purposes is regularly calculated and monitored. To minimize the default risk, financial trades are only entered into with external counterparties having at least an investment-grade rating. Furthermore, limits are set for the total transaction volume per counterparty.

Liquidity risk
Liquidity risks may arise in the settlement of financial instruments entered into for hedging purposes if the underlying transaction lapses or does not take place as planned. The liquidity risk is met by systematic, day-by-day liquidity management whose absolute fundamental requirement is maintaining the Company's ability to meet its payment obligations at all times.

29 Derivative financial instruments and hedge accounting

At the end of the reporting period, the BENTELER Group held derivative financial instruments to hedge foreign currency exchange risks, interest rate risks, and commodity price risks.

The BENTELER Group uses various derivative financial instruments to hedge the above risks. These include currency forwards, currency options, interest swaps, interest options, cross-currency swaps, and commodity forwards. Foreign currency derivatives are held primarily in USD, NOK, MXN, CHF, CNY, BRL, CZK, HUF, DKK, ZAR, JPY, CAD, PLN, SEK, AUD, and GBP, interest rate swaps in EUR, USD, and ZAR. Business partners are exclusively German and international banks with good credit ratings (To minimize the risk of default, financial trading transactions are only concluded with external counterparties that have at least an investment grade rating).

The majority of the derivative financial instruments were designated as hedging instruments in cash flow hedge relationships. Hedging mainly concerns future operating cash flows in foreign currencies with terms of generally up to 24 months but not more than 36 months. The employed commodity derivatives hedge variable cash flows until 2025 and relate primarily to aluminum price hedges.

The prospective effectiveness of hedge accounting is determined using the critical terms match method under IFRS 9.

The currency hedging transactions without a hedging relationship are mainly hedging instruments in connection with the hedging of internal foreign currency loans to subsidiaries.

The hedging instruments which the BENTELER Group has designated in its hedging relationships have the following effects as at December 31, 2024:

EFFECTS OF HEDGING INSTRUMENTS – CURRENT REPORTING PERIOD

	December 31, 2024				
€ THOUSAND	Nominal value	Positive market values Carrying amount	Negative market values Carrying amount	Recognized in the financial statement line item:	Change in fair value used to measure ineffectiveness of the hedge
Hedging instrument					
Interest rate and cross-currency interest rate hedges	781,186	7,321	516	other non-current receivables and assets, other current receivables and assets, other non-current liabilities, other current liabilities	6,805
Foreign currency hedges	331,123	5	9,635		-9,630
Commodity hedges	54,315	1,477	738		739
Total	**1,166,624**	**8,803**	**10,889**		**-2,085**

EFFECTS OF HEDGING INSTRUMENTS – PREVIOUS REPORTING PERIOD

	December 31, 2023				
€ THOUSAND	Nominal value	Positive market values Carrying amount	Negative market values Carrying amount	Recognized in the financial statement line item:	Change in fair value used to measure ineffectiveness of the hedge
Hedging instrument					
Interest rate and cross-currency interest rate hedges	454,504	0	25,832	other non-current receivables and assets, other current receivables and assets, other non-current liabilities, other current liabilities	-25,832
Foreign currency hedges	175,448	5,266	1,045		4,221
Commodity hedges	39,969	961	508		452
Total	**669,921**	**6,227**	**27,385**		**-21,159**

The hedged items have the following effects as at December 31, 2024:

EFFECT OF HEDGED ITEMS – CURRENT REPORTING PERIOD

	December 31, 2024		
€ THOUSAND	Change in value for calculation of ineffectiveness	Balance of cash flow hedge reserve	Cost of hedging
Underlying transaction			
Interest rate and cross-currency interest rate hedges	-6,805	-15,173	-4,703
Foreign currency hedges	9,630	-5,744	-3,572
Commodity hedges	-739	416	0
Total	**2,085**	**-20,501**	**-8,275**

EFFECT OF HEDGED ITEMS – PREVIOUS REPORTING PERIOD

	December 31, 2023		
€ THOUSAND	Change in value for calculation of ineffectiveness	Balance of cash flow hedge reserve	Cost of hedging
Underlying transaction			
Interest rate and cross-currency interest rate hedges	23,612	-23,612	0
Foreign currency hedges	-4,221	4,126	0
Commodity hedges	-452	428	0
Total	**21,159**	**-19,058**	**0**

The following amounts were recorded in the statement of comprehensive income in connection with hedge accounting in the financial year 2024 and 2023:

EFFECT ON RESULTS OF HEDGING RELATIONSHIPS – CURRENT REPORTING PERIOD

	2024		
€ THOUSAND	Hedging gains or losses in the reporting period recognized in other comprehensive income	Reclassification of amounts from cash flow hedge reserve recognized in profit or loss	Items of statement of comprehensive income in which the reclassification of amounts from the cash flow hedge reserve was recognized in profit or loss
Risk category			
Interest rate risk	3,748	-12	Financial result
Foreign currency exchange risk	-9,671	-3,772	Other operating income, other operating expenses
Commodity price risk	416	-428	
Total	**-5,507**	**-4,212**	

The group has identified the following events as possible (but not necessarily) sources of ineffectiveness of a hedging relationship:

- Material deterioration in the creditworthiness of the counterparty for the hedging transaction or the group's own creditworthiness
- (Partial) cancellation of the hedged item or timing differences

EFFECT ON RESULTS OF HEDGING RELATIONSHIPS – PREVIOUS REPORTING PERIOD

	2023		
€ THOUSAND	Hedging gains or losses in the reporting period recognized in other comprehensive income	Reclassification of amounts from cash flow hedge reserve recognized in profit or loss	Items of statement of comprehensive income in which the reclassifi-cation of amounts from the cash flow hedge reserve was recognized in profit or loss
Interest rate risk	-23,612	0	Financial result
Foreign currency exchange risk	3,986	-12,324	Other operating income, other operating expenses
Commodity price risk	428	-92	
Total	**-19,198**	**-12,416**	

DEVELOPMENT OF RESERVES FOR HEDGING RELATIONSHIPS – PREVIOUS REPORTING PERIOD

€ THOUSAND	Cash flow hedge reserve	Reserve for costs of hedging	Total hedging reserves
Reserves as at January 1, 2023	**9,989**	**-275**	**9,714**
Changes in the fair value of the hedging instruments recognized in other comprehensive income	-19,198	0	**-19,198**
Costs of hedging recognized in other comprehensive income	0	398	**398**
Reclassified from other comprehensive income to profit or loss	-12,416	0	**-12,416**
Deferred taxes	6,900	-124	**6,776**
Reserves as at December 31, 2023	**-14,725**	**0**	**-14,725**

The movements in reserves in equity in connection with the recognition of hedging relationships were as follows:

DEVELOPMENT OF RESERVES FOR HEDGING RELATIONSHIPS – CURRENT REPORTING PERIOD

€ THOUSAND	Cash flow hedge reserve	Reserve for costs of hedging	Total hedging reserves
Reserves as at January 1, 2024	**-14,725**	**0**	**-14,725**
Changes in the fair value of the hedging instruments recognized in other comprehensive income	2,768	0	**2,768**
Costs of hedging recognized in other comprehensive income	0	-8,275	**-8,275**
Reclassified from other comprehensive income to profit or loss	-4,212	0	**-4,212**
Deferred taxes	176	2,069	**2,245**
Reserves as at December 31, 2024	**-15,993**	**-6,206**	**-22,199**

30 Additional information concerning financial instruments

The following tables show the carrying amounts of financial assets and liabilities for each individual category of financial instrument in accordance with IFRS 9 and reconcile them with the related items on the statement of financial position for the end of the reporting period as at December 31, 2024 and December 31, 2023.

CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

		Measurement pursuant to IFRS 9			
€ THOUSAND	Carrying amount December 31, 2024	Amortized cost	Fair value through OCI	Fair value through profit or loss	Non-financial items
Trade receivables	**418,195**	**391,548**	**0**	**26,648**	**0**
Other receivables and assets (non-current and current)	**317,215**	**101,574**	**9,628**	**4,315**	**201,698**
Securities	730	0	730	0	0
Investments accounted using the equity method	94	0	94	0	0
Financial receivables	101,574	101,574	0	0	0
Positive market values of trading derivatives	4,315	0	0	4,315	0
Positive market values of derivatives designated in hedging relationships	8,803	0	8,803	0	0
Other non-financial receivables	201,698	0	0	0	201,698
Cash and cash equivalents	**572,409**	**572,409**	**0**	**0**	**0**
TOTAL	**1,307,819**	**1,065,531**	**9,628**	**30,963**	**201,698**

There were no transfers between levels of the fair value hierarchy during the reporting period or during the previous year. Reclassifications are taken into account at the end of the reporting period.

CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

		Measurement pursuant to IFRS 9			
€ THOUSAND	Carrying amount December 31, 2024	Amortized cost	Fair value through OCI	Fair value through profit or loss	Non-financial items / or according to IFRS 16
Financial liabilities (non-current and current)	**1,789,395**	**1,619,540**	**0**	**0**	**169,854**
Bonds	1,011,273	1,011,273	0	0	0
Liabilities to banks	603,750	603,750	0	0	0
Lease liabilities	169,854	0	0	0	169,854
Other financial liabilities	4,518	4,518	0	0	0
Trade payables	**1,115,195**	**1,115,195**	**0**	**0**	**0**
Liabilities from supply chain programs	**94,997**	**94,997**	**0**	**0**	**0**
Other liabilities (non-current and current)	**520,470**	**0**	**10,889**	**111,133**	**398,448**
Negative market values of derivatives without on-balance-sheet hedging relationship	9,634	0	0	9,634	0
Negative market values of derivatives with on-balance-sheet hedging relationship (hedge accounting)	10,889	0	10,889	0	0
Liabilities in connection with investments accounted for using the equity method	101,499	0	0	101,499	0
Other non-financial liabilities	398,448	0	0	0	398,448
TOTAL	**3,520,057**	**2,829,735**	**10,889**	**111,133**	**568,302**

CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

€ THOUSAND	Carrying amount December 31, 2023	Measurement pursuant to IFRS 9			
		Amortized cost	Fair value through OCI	Fair value through profit or loss	Non-financial items
Trade receivables	**678,769**	**536,405**	**0**	**142,364**	**0**
Other receivables and assets (non-current and current)	**296,156**	**96,078**	**6,990**	**9,815**	**183,273**
Securities	665	0	665	0	0
Investments accounted using the equity method	98	0	98	0	0
Financial receivables	96,078	96,078	0	0	0
Positive market values of trading derivatives	9,815	0	0	9,815	0
Positive market values of derivatives designated in hedging relationships	6,227	0	6,227	0	0
Other non-financial receivables	183,273	0	0	0	183,273
Cash and cash equivalents	641,978	641,978	0	0	0
TOTAL	**1,616,902**	**1,274,460**	**6,990**	**152,180**	**183,273**

CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

€ THOUSAND	Carrying amount December 31, 2023	Measurement pursuant to IFRS 9: Amortized cost	Measurement pursuant to IFRS 9: Fair value through OCI	Measurement pursuant to IFRS 9: Fair value through profit or loss	Non-financial items / or according to IFRS 16
Financial liabilities (non-current and current)	**1,932,547**	**1,748,494**	**0**	**0**	**184,053**
Bonds	979,472	979,472	0	0	0
Liabilities to banks	768,226	768,226	0	0	0
Lease liabilities	184,053	0	0	0	184,053
Other financial liabilities	796	796	0	0	0
Trade payables	**1,295,895**	**1,295,895**	**0**	**0**	**0**
Other liabilities (non-current and current)	**483,981**	**0**	**27,385**	**3,940**	**452,656**
Negative market values of derivatives without on-balance-sheet hedging relationship	3,940	0	0	3,940	0
Negative market values of derivatives with on-balance-sheet hedging relationship (hedge accounting)	27,385	0	27,385	0	0
Other non-financial liabilities	452,656	0	0	0	452,656
TOTAL	**3,712,422**	**3,044,389**	**27,385**	**3,940**	**636,709**

Fair values and fair value hierarchy
The carrying amount for current non-derivative financial instruments, especially trade receivables and trade payables as well as other current receivables and liabilities, equals their fair value. The fair value of fixed interest loans and liabilities is the present value of expected future cash flows. These are discounted at interest rates effective at the end of the reporting period. For variable interest liabilities, the carrying amounts equal their fair values.

The fair value of foreign currency exchange transactions is calculated as the present value based on the mid-price as at the end of the reporting period taking into account any forward premiums or discounts for the residual term of the respective contract compared with the contracted forward rate. For currency options, generally accepted pricing models are used to calculate option prices (mark-to-model). The fair value of an option is affected not only by the remaining term of the option but also by other factors such as the current level and volatility of the underlying exchange rate, or the underlying reference interest rate. Interest rate swaps and cross-currency swaps are measured at fair value by discounting expected future cash flows. The market interest rates corresponding to the residual term of the contracts are used as a basis. In addition, for cross-currency swaps, the exchange rates of those foreign currencies in which the respective cash flows occur are taken into account.

The fair value of aluminum commodity swap transactions is based on official market quotations (LME – London Metal Exchange).

Valuations are performed both internally and by external financial partners at the end of the period. The valuation of derivatives also incorporates the counterparty credit risk. Determination of fair value is carried out in accordance with IFRS 13 and is based on a unilateral approach without taking into account any offsetting agreements. The calculation is based on constant estimation of future exposures and a historical probability of default according to the credit rating of the counterparty and/or a rating estimation of the BENTELER Group.

The fair values of financial assets and liabilities are based on the following input data and are categorized according to the fair value hierarchy under IFRS 13 in the following levels:

Level 1 Measured on the basis of quoted prices on active markets for similar instruments

Level 2 Measured on the basis of directly or indirectly observable market inputs other than level 1 quoted prices

Level 3 Measured using models not based on observable market inputs

The fair value hierarchy reflects the significance of the input parameters that were used for the determination of the fair values.

Apart from other financial liabilities, the fair values and carrying amounts of financial assets and liabilities measured at fair value are allocated to Level 2 when they are measured.

The following table shows the fair values and carrying amounts of financial liabilities measured at amortized cost, broken down by measurement level:

€ THOUSAND	Carrying amount	December 31, 2024 Fair Value	Level 1	Level 2	Level 3
Financial liabilities (non-current and current)	**1,784,877**	**1,834,747**	**1,061,679**	**0**	**773,068**
Bonds	1,011,273	1,061,679	1,061,679	0	0
Liabilities to banks	603,750	603,214	0	0	603,214
Lease liabilities	169,854	169,854	0	0	169,854

€ THOUSAND	Carrying amount	December 31, 2023 Fair Value	Level 1	Level 2	Level 3
Financial liabilities (non-current and current)	**1,931,751**	**1,992,422**	**1,039,882**	**0**	**952,540**
Bonds	979,472	1,039,882	1,039,882	0	0
Liabilities to banks	768,226	768,487	0	0	768,487
Lease liabilities	184,053	184,053	0	0	184,053

Offsetting of financial instruments

The BENTELER Group enters into framework agreements for financial derivative transactions. These contractually agree that upon termination of a contract the final value of all transactions is determined and only a single net amount is settled in cash. The criteria for offsetting in the balance sheet are only met if net payments are made. As at December 31, 2024, offsetting in the amount of €2,906 thousand (previous year: €2,096 thousand) was carried out.

Net result

The following table shows the net gains (before tax) on financial instruments recognized in the consolidated income statement or in other comprehensive income, broken down by measurement category.

The tables below show information on the earnings, expenses, and profit and loss items of the comprehensive income statement for the reporting date of December 31, 2024 and December 31, 2023.

NET RESULT FROM FINANCIAL INSTRUMENTS - CURRENT REPORTING PERIOD

		December 31, 2024			
€ THOUSAND	from interest	from subsequent fair value measurement	from bad debt allowances	from result of disposal	net result (total)
Financial liabilities measured at amortized cost	16,418	0	-576	0	**15,842**
Fair value through profit or loss (FVtPL)	0	-16,891	0	0	**-16,891**
Other financial liabilities – at amortized cost	-170,272	0	0	0	**-170,272**
Total	**-153,854**	**-16,891**	**-576**	**0**	**-171,321**

NET RESULT FROM FINANCIAL INSTRUMENTS - PREVIOUS REPORTING PERIOD

		December 31, 2023			
€ THOUSAND	from interest	from subsequent fair value measurement	from bad debt allowances	from result of disposal	net result (total)
Financial liabilities measured at amortized cost	15,287	0	-599	0	**14,688**
Fair value through profit or loss (FVtPL)	0	-15,122	0	0	**-15,122**
Other financial liabilities – at amortized cost	-210,776	0	0	0	**-210,776**
Total	**-195,489**	**-15,122**	**-599**	**0**	**-211,210**

31 Consolidated Statement of Cash Flows

The consolidated cash flow statement is prepared in accordance with IAS 7 and presents cash flows from operating, investing, and financing activities. The effect of exchange rate changes on cash and cash equivalents is shown separately.

The free cash flow of €234,729 thousand (previous year: €509,345 thousand) in the current financial year is primarily due to the positive change in working capital. In addition, non-cash reclassifications of trade payables to other liabilities were carried out through supply chain programs. Of the investments in property, plant and equipment in the current financial year, €29,555 thousand (previous year: €56,918 thousand) were made non-cash through leasing (see Note 13).

Cash flow from financing activities was significantly influenced in the financial year by repayments of bank loans and dividends paid.

Below is a cash flow-relevant reconciliation of financial liabilities:

FINANCIAL LIABILITIES – CURRENT REPORTING PERIOD

	Financial liabilities				
€ THOUSAND	Bonds	Liabilities to banks	Lease liabilities	Miscellaneous	Total
Balance at January 1, 2024	**979,472**	**768,226**	**184,053**	**796**	**1,932,547**
Total cash changes from financing activity	0	-163,400	-40,807	-477	**-204,683**
Effect of changes in exchange rates	0	626	-2,947	68	**-2,253**
Total of other non-cash changes (loans)	31,801	-1,703	29,555	4,131	**63,784**
Balance at December 31, 2024	**1,011,273**	**603,750**	**169,854**	**4,518**	**1,789,395**

FINANCIAL LIABILITIES – PREVIOUS REPORTING PERIOD

	Financial liabilities					
€ THOUSAND	Borrower's note loans	Bonds	Liabilities to banks	Lease liabilities	Miscellaneous	Total
Balance at January 1, 2023	**488,303**	**0**	**1,545,873**	**174,445**	**32,873**	**2,241,495**
Total cash changes from financing activity	-488,176	984,686	-757,506	-42,878	-41,892	**-345,767**
Effect of changes in exchange rates	0	0	645	-4,432	-135	**-3,922**
Total of other non-cash changes (loans)	-127	-5,213	-20,786	56,918	9,949	**40,741**
Balance at December 31, 2023	**0**	**979,472**	**768,226**	**184,053**	**796**	**1,932,547**

32 Contingent liabilities and contingent assets

The BENTELER Group provided no additional collateral in the reporting period for its borrowings, above and beyond the joint liability of individual group members to other group members and the collateral indicated in Note 23 – "Financial liabilities".

For the contingent liabilities listed below, the principal debtor is not a consolidated company. As at the end of the period on December 31, 2024, the group had granted guarantees to third parties for a total of €3,766 thousaxnd (previous year: €1,063 thousand).

On the reporting date there were €469 thousand of contingent liabilities to third parties under warranty agreements (through contract performance bonds or supply bonds) (previous year: €696 thousand).

Other off-balance-sheet obligations – particularly towards employees, tax authorities, and customs authorities – amounted to €40,450 thousand as at December 31, 2024 (previous year: €52,886 thousand). Of this, €31,645 thousand (previous year: €38,579 thousand) relates to labor law issues in Brazil. No significant financial impact is expected.

33 Number of employees

The BENTELER Group employed an average of 20,668 full-time equivalents worldwide (previous year: 20,990). Personnel expenses amount to €1,202,064 thousand (previous year: €1,239,191 thousand). These include expenses for defined contribution pension plans amounting to €2,604 thousand (previous year: €3,757 thousand).

34 Governing bodies

Members of the Executive Board

- Ralf Göttel, Schönau am Königssee, Germany (Chairman of the Executive Board, responsibilities: Strategy & M&A, Compliance & Board Affairs, Communication/ Marketing, Human Resources, IT, Divisions)
- Dr. Tobias Braun, Dorfen, Germany (responsibilities: Accounting, Controlling, Treasury, Legal & Insurance, Tax, Internal Audit)

Members of the Supervisory Board

- Henri Steinmetz, Aspelt, Luxemburg, Chairman (former Chairman of the Management Board of the Ceramtec Group, Plochingen, Germany)
- Dr. Georg Pachta-Reyhofen, Vienna, Austria, Deputy Chairman (former Chairman of the Executive Board of MAN SE, Munich, Germany)
- Hubertus Benteler, Salzburg, Austria (former Chairman of the Executive Board of BENTELER International AG, Salzburg, Austria)
- Prof. Dr. Bernd Gottschalk, Esslingen a.N., Germany (Managing Partner of AutoValue GmbH, Frankfurt, Germany)
- Joachim Limberg, Düsseldorf, Germany (former Chairman of the Executive Board of thyssenkrupp Materials Services, Essen, Germany), died October 10, 2024
- Frederik Vaubel, Düsseldorf, Germany (Managing Director of H+S Automotive GmbH, Ittlingen, Germany)
- Helmut Wieser, Anif, Austria (former Chairman of the Executive Board of AMAG Austria Metall AG, Braunau a.I., Austria)
- Dr. Lorenz Zwingmann, Trittau, Germany (former Member of the Executive Board of Marquard & Bahls AG, Hamburg, Germany)

35 Related party transactions

The group's related parties according to IAS 24 are fundamentally the members of the Supervisory Board and Shareholders' Committee, the members of the Benteler family, members of group management and, as entities, the associates of the BENTELER Group and entities controlled or significantly influenced by related parties. Note 34 – "Governing bodies" contains further information.

The entities included in the consolidated financial statements of the BENTELER Group have engaged and/or continue to engage in corporate transactions with related parties.

Except with regard to the remuneration of the key management personnel (see below), no significant transactions have been conducted with related parties that extend beyond their capacity as shareholders or members of governing bodies. Exceptions are consulting services provided by Benteler Trading International AG, Zug, Switzerland, whose management includes Mr. Casper Benteler, in the amount of €550 thousand (previous year: €3,743 thousand), of which no outstanding liability remains in the consolidated balance sheet as at December 31, 2024 (previous year: €441 thousand).

In connection with the HOLON Group (see Note 4.2. "Companies included in the consolidated financial statements"), following payment of the first tranche of TASARU in the amount of USD70,000 thousand in August 2024, €25,000 thousand was repaid to the BENTELER Group in accordance with the contract. The Board of Directors of HOLON Autonomous Mobility AG, Baar, Switzerland represented by Casper Benteler, Ralf Göttel and Dr. Tobias Braun.

Information on the remuneration of key management personnel
In the 2024 financial year, BENTELER International Aktiengesellschaft paid total remuneration to members of management in key positions (7 persons; previous year 9 persons – comprising members of the Executive Board of BENTELER International Aktiengesellschaft and the managing directors of the principal subsidiaries) as follows:

KEY MANAGEMENT REMUNERATION (TOTAL)

€ THOUSAND	2024	2023
Short-term payments – fixed	3,123	4,103
Short-term payments – variable	1,975	15,804
Post-employment benefits	583	755
Total	**5,680**	**20,662**

No share-based payments were granted.

The members of the Supervisory Board of BENTELER International Aktiengesellschaft received compensation of €605 thousand in the financial year 2024 (previous year: €645 thousand).

36 Events after the reporting period

There were no events or developments after the end of the financial year that would have led to a material change in the recognition or measurement of the individual assets or liabilities as at December 31, 2024 or that would have to be reported.

37 Auditor's fees and services

The information required under Section 238 (18) of the Austrian Commercial Code regarding the fees paid to the group's independent auditor (KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft) is provided below by category of service:

AUDIT FEES

€ THOUSAND	2024	2023
Audit of separate and consolidated financial statements	424	403
Audit-related services	60	444
Other services	154	102
Total fees	**638**	**948**

The figures represent the fees recognized as expense in the financial year. Services provided by the independent auditor's network are not included.

38 Climate-related risks

Opportunities and risks that may arise from key sustainability issues can only rarely be assessed in concrete financial terms and have an impact on business activities primarily in the medium to long term.

The ongoing climate changes harbor both opportunities and risks for BENTELER. As an energy-intensive company, climate-related risks arise in particular from regulatory changes, for example in the pricing of CO_2 via emissions trading systems, taxes or energy legislation.

In addition, BENTELER's emissions balance and intensity can lead to a negative perception and limited attractiveness for external stakeholders (e.g. customers, investors). Overcoming the associated challenges, especially in the energy-intensive manufacture of metal products, is also a key issue for BENTELER.

The philosophy of making mobility safer and more sustainable is the starting point for all sustainability activities at BENTELER. Our inner drive for sustainable action is complemented by additional customer requirements (such as renewable energy or green material) as well as new legal frameworks (such as CSRD and supply chain sourcing legislation).

We continuously analyze these requirements to identify business opportunities, minimize risks and thus lay the foundation for successful action by the BENTELER Group.

39 Proposed allocation of profit

In accordance with the provisions of the Austrian Stock Corporation Act, the separate financial statements of BENTELER International Aktiengesellschaft as at December 31, 2024 prepared in accordance with Austrian accounting standards form the basis for the profit distribution.

The Executive Board will propose to the Shareholders' Meeting that a dividend of €10,000,000.00 be distributed from the company's net profit of €574,747,960.59 and that the remaining amount of €564,747,960.59 be carried forward to new account.

Salzburg, February 7, 2025

The Executive Board

Ralf Göttel Dr. Tobias Braun

Appendix to the Notes: List of shareholdings as at December 31, 2024

LIST OF SHAREHOLDINGS

		Holding in %	
		2024	2023
1	BENTELER International Aktiengesellschaft, Salzburg, Austria	–	–
	SUBSIDIARIES		
	Division Automotive		
2.	BENTELER Automobiltechnik Eisenach GmbH, Eisenach, Germany	100.0	100.0
3.	BENTELER Automobiltechnik GmbH, Paderborn, Germany	100,0	100.0
4.	BENTELER Automotive (Changshu) Company Limited, Changshu, China	100.0	100.0
5.	BENTELER Automotive (China) Investment Co. Ltd., Shanghai, China	100.0	100.0
6.	BENTELER Automotive (Chongqing) Co. Ltd., Chongqing, China	100.0	100.0
7.	BENTELER Automotive (Fuzhou) Co., Ltd., Fuzhou, China	100.0	100.0
8.	BENTELER Automotive (Shanghai) Co., Ltd., Shanghai, China	100.0	100.0
9.	BENTELER Automotive (Shenyang) Co., Ltd., Shenyang, China	100.0	100.0
10.	BENTELER Automotive (Tianjin) Co., Ltd., Tianjin, China	100.0	100.0
11.	BENTELER Automotive (Thailand) Ltd., Bangkok, Thailand	100.0	100.0
12.	BENTELER Automotive Bratislava s.r.o., Bratislava, Slovakia	100.0	100.0
13.	BENTELER Automotive Belgium N.V., Gent, Belgium	100.0	100.0
14.	BENTELER Automotive Component (Anhui) Co., Ltd., Huainan City, China	100.0	-
15.	BENTELER Automotive Component (Shanghai) Ltd., Shanghai, China	100.0	100.0
16.	BENTELER Automotive Component (Tianjin) Co., Ltd., China	100.0	100.0
17.	BENTELER Automotive Corporation, Auburn Hills (Michigan), USA	100.0	100.0
18.	BENTELER Automotive Holland Inc., Plymouth (Michigan), USA	100.0	100.0
19.	BENTELER Automotive India Private Limited, Pune, India	100.0	100.0
20.	BENTELER Automotive International GmbH, Paderborn, Germany	100.0	100.0
21.	BENTELER Automotive K.K., Tokyo, Japan	100.0	100.0
22.	BENTELER Automotive Klásterec s.r.o., Chrastava, Czech Republic	100.0	100.0
23.	BENTELER Automotive Korea Ltd., Seoul, South Korea	100.0	100.0
24.	BENTELER Automotive Poland spolka z o.o., Września, Poland	100.0	100.0
25.	BENTELER Automotive Raufoss AS, Raufoss, Norway	100.0	100.0
26.	BENTELER Automotive Rumburk s.r.o., Rumburk, Czechia	100.0	100.0
27.	BENTELER Automotive SAS, Guyancourt, France	100.0	100.0
28.	BENTELER Automotive SK s.r.o., Malacky (Bratislava), Slovakia	100.0	100.0
29.	BENTELER Automotive Skultuna AB, Skultuna, Sweden	100.0	100.0
30.	BENTELER Automotive UK Ltd., Corby, Great Britain	100.0	100.0
31.	BENTELER Automotive Vigo SL, Valladares - Vigo, Spain	100.0	100.0
32.	BENTELER Autótechnika Kft, Mór, Hungary	100.0	100.0
33.	BENTELER CAPP Automotive System (Changchun) Co., Ltd., Changchun, China	60.0	60.0
34.	BENTELER Comercial Ltda., Cotia (Sao Paulo), Brazil	100.0	100.0
35.	BENTELER Componentes Automotivos Ltda., Campinas (São Paulo), Brasil	100.0	100.0
36.	BENTELER CR s.r.o., Chrastava, Czechia	100.0	100.0
37.	BENTELER de México S.A. de C.V., Puebla, Mexico	100.0	100.0
38.	BENTELER Engineering Chennai Private Limited, Chennai, India	100.0	100.0
39.	BENTELER España S.A., Burgos, Spain	100.0	100.0
40.	BENTELER Gebze Tasit Sanayi ve Ticaret Limited Sirketi, Cayirova/Kocaeli, Turkey	100.0	100.0
41.	BENTELER HAINACHUAN Automotive (Beijing) Co., Ltd., Beijing, China	51.0	51.0
42.	BENTELER Ibérica Holding SL, Barcelona, Spain	100.0	100.0
43.	BENTELER JianAn Automotive (Chongqing) Co., Ltd., Chongqing, China	50.0	50.0
44.	BENTELER JIT Düsseldorf GmbH, Düsseldorf, Germany	100.0	100.0
45.	BENTELER JIT Valencia S.A., Almussafes, (Valencia), Spain	100.0	100.0
46.	BENTELER Laser Application GmbH, Paderborn, Germany	100.0	100.0

		Holding in %	
		2024	2023
47.	BENTELER Lightweight Protection GmbH, Paderborn, Germany	100.0	100.0
48.	BENTELER Machinery (Shanghai) Co. Ltd., Shanghai, China	100.0	100.0
49.	BENTELER Maschinenbau CZ s.r.o., Liberec, Czech Republic	100.0	100.0
50.	BENTELER Maschinenbau GmbH, Bielefeld, Germany	100.0	100.0
51.	BENTELER Mechanical Engineering GmbH, Bielefeld, Germany	100.0	100.0
52.	BENTELER MPPV Automotive Manufacturing España, S.L., Palencia, Spain	100.0	100.0
53.	BENTELER Participation SA, Guyancourt, France	100.0	100.0
54.	BENTELER Sistemas Automotivos Ltda., São José dos Pinhais, Paraná, Brazil	100.0	100.0
55.	BENTELER South Africa (Pty.) Ltd., Alberton (Johannesburg), South Africa	100.0	100.0
56.	BENTELER Spanien International GmbH, Paderborn, Germany	100.0	100.0
57.	BENTELER-Indústria de Componentes para Automóveis Lda., Palmela, Portugal	100.0	100.0
58.	Dongguan BENTELER Xiangxin Automotive Co., Ltd. (BAXA), Dongguan, China	51.0	51.0
59.	EUPAL Beteiligungs GmbH & Co. Vermietungs-KG, Pullach i. Isartal, Germany	89.0	89,0
60.	OOO BENTELER Autotechnika Nowgorod, Welikij Nowgorod, Russia	100.0	100.0
61.	RABET GmbH & Co. KG, Pullach i. Isartal, Germany	89.0	89.0
62.	Shanghai BENTELER Huizhong Automotive Co., Ltd., Shanghai, China	60.0	60.0
63.	Wuhu BENTELER-POSCO Automotive Co. Ltd., Anhui, China	95.0	95.0
	Division Steel/Tube		
64.	BENTELER North America Corporation, Wilmington (Delaware), USA	100.0	100.0
65.	BENTELER Rothrist AG, Rothrist, Switzerland	100.0	100.0
66.	BENTELER Steel & Tube Corporation, Houston (Texas), USA	100.0	100.0
67.	BENTELER Steel Tube GmbH & Co. KG, Paderborn, Germany	100.0	100.0
68.	BENTELER Steel/Tube (UK) Ltd., Wolverhampton, Great Britain	100.0	100.0
69.	BENTELER Steel/Tube Manufacturing Corporation, Wilmington (Delaware), USA	100.0	100.0
70.	BENTELER Trading (Shanghai) Co., Ltd., Shanghai, China	100.0	100.0

		Holding in %	
		2024	2023
71.	Rohstoff-Handelsgesellschaft Günther Voth GmbH, Paderborn, Germany	81.3	81.3
	Others		
72.	BENTELER Business Services CZ s.r.o., Třebíč, Czech Republic	100.0	100.0
73.	BENTELER Business Services GmbH, Paderborn, Germany	100.0	100.0
74.	BENTELER Capital Corporation, Auburn Hills (Michigan), USA	100.0	100.0
75.	BENTELER Fafin LLC, Auburn Hills (Michigan), USA	100.0	100.0
76.	BENTELER HOLON Verwaltungs AG, Baar, Switzerland	100.0	-
77.	BENTELER International Beteiligungs GmbH, Salzburg, Austria	100.0	100.0
78.	BENTELER Reinsurance Company DAC, Dublin, Ireland	100.0	100.0
79.	BENTELER RV GmbH, Paderborn, Germany	100.0	100.0
80.	BENTELER Services LLC, Auburn Hills (Michigan), USA	100.0	100.0
81.	BLV Versicherungsmanagement GmbH, Dortmund, Germany	55.0	55.0
82.	NAPOL GmbH & Co. Objekt Schloss Neuhaus KG, Pullach i. Isartal, Germany	89.0	89.0
	JOINT VENTURES - Division HOLON		
83.	HOLON Autonomous Mobility AG, Baar, Switzerland	78.8	-
84.	HOLON GmbH, Paderborn, Germany	78.8	100.0
85.	HOLON U.S. Inc., Auburn Hills (Michigan), USA	78.8	100.0
	ASSOCIATED COMPANIES		
86.	FAWAY BENTELER Automotive Components (Tianjin) Co., Ltd., Tianjin, China	25.0	25.0
87.	Profilanlegg ANS, Raufoss, Norway	26.0	26.0
	COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT		
88.	Beijing HAINACHUAN BENTELER Automotive Technology Co. Ltd., Beijing, China	49.0	49.0
89.	BENTELER Automotive Kenitra S.A.R.L., Kenitra, Morocco	100.0	-
90.	BENTELER Steel/Tube Treuhand GmbH, Paderborn, Germany	100.0	100.0

Auditor’s Report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of Benteler International Aktiengesellschaft, Salzburg, Austria, and its subsidiaries (“the Group”), which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income and the Consolidated Balance Sheet as at December 31, 2024, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Basis for our Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities” section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor’s report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Our liability as auditors is guided under Section 275 UGB.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Accounting for the deconsolidation and recognition of the shares in the joint venture “HOLON”

See notes to the consolidated financial statements, item 4.2 Scope of consolidation – “Deconsolidation of the HOLON Group and recognition of shares in the joint venture”.

Risk for the Consolidated Financial Statements

In the 2024 financial year, BENTELER established a joint venture with the Saudi Arabian company TASARU Worldwide Mobility Investments SJSC (‘TASARU’) to develop and produce an autonomous passenger transporter. To this end, the Group company Holon GmbH (DE) has been contributed to Holon Autonomous Mobility AG (‘HOLON AG’) in Switzerland, which in turn will gradually assign shares totaling 37.9% to TASARU for a total purchase price of USD 250 million, subject to the completion of four milestones. The contractual agreements concluded between BENTELER and TASARU provide for joint control of HOLON AG as of July 31, 2024. Accordingly, HOLON AG had to be deconsolidated at this point in time. The deconsolidation was recognized at fair value with a profit of EUR 329 million. Benteler International Aktiengesellschaft will include HOLON AG in its consolidated financial statements using the equity method starting from July 31, 2024.

There is a risk that the transaction will not be properly reflected in BENTELER’s consolidated financial statements, in particular with regard to the realization of the gain and the presentation of the obligations arising from the contract with TASARU.

Our Response

- Assessment of the agreements for the establishment of a joint venture (joint venture) and the associated loss of control over HOLON AG as precondition for the deconsolidation and recognition of the joint venture as of 31 July 2024.
- Review of the actual exercise of joint control of HOLON AG.
- Assessment of the initial recognition of the shares in the joint venture.
- Examination of the determination of the gain on derecognition and the appropriate presentation in the financial statements.
- Review of the appropriateness of the presentation of the reduction in share ownership in the joint venture after the individual milestones have been fulfilled.
- Appraisal of the elimination of intra-group transactions in connection with the contribution of Holon GmbH to HOLON AG.
- Examination of the completeness and adequacy of the disclosures related to the final consolidation and initial recognition of the joint venture.

Impairment of property, plant and equipment of the individual cash-generating units
See Notes to the consolidated financial statements Item 5.6 “Impairment losses”.

Risk for the Consolidated Financial Statements

Benteler International Aktiengesellschaft assesses intangible assets and property, plant and equipment with definite useful lives in accordance with IAS 36 at each reporting date to determine whether there are any indications of possible impairment, such as specific events or market developments that indicate a possible decline in value. If such indications exist, an impairment test is performed. An impairment is recognised if the recoverable amount is less than the carrying amount. The recoverable amount is defined as the higher of the fair value less costs to sell and the value in use.

The recoverable amount is determined for both the value in use and the fair value less cost to sell on the basis of discounted future cash flows using a risk-adjusted interest rate (DCF method).

Impairment tests in accordance with IAS 36 require an appropriate valuation procedure and the determination of key assumptions and valuation bases. As a result there is a risk that

- The cash-generating units were not defined appropriately and changes were not made in accordance with the requirements of IAS 36,
- the methods applied do not meet the requirements of IAS 36, or
- significant assumptions and other measurement bases are not appropriate

and therefore a necessary impairment is not recognized or not recognized correctly in the financial statements.

Our Response

- We gained an understanding of the procedures and the valuation process.
- We verified the determination and assessed the appropriateness of the cash-generating units.
- We assessed whether the valuation methods applied comply with the requirements of IAS 36. We compared the parameters and input factors used in the valuations with external market estimates and existing reference values and assessed their appropriateness as well as the mathematical accuracy of the valuations. Furthermore, we assessed the amount and the methodological determination of the percentage of the weighted average cost of capital. For

this purpose, we compared the assumptions and parameters underlying the cost of capital with our own assumptions and publicly available data. These assessments were performed with the involvement of valuation specialists.

- We assessed the reliability of the planning data by comparing the plans made in previous periods with the actual figures.
- We compared the planning data used to determine the future cash surpluses with the budgets approved by the Supervisory Board.
- We also assessed whether the disclosures made by the Company in the notes to the financial statements in connection with the impairment tests are appropriate.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report. We expect the annual report to be provided to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information as soon as it becomes available, to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the components within the Group, in order to form an audit opinion. We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Engagement Partner

The engagement partner is Mr. Dipl.-Betriebsw. (FH) Karl Braun.

Linz
February 7, 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Dipl.-Betriebsw. (FH) Karl Braun
Wirtschaftsprüfer
(Austrian Chartered Accountant)

Report of the Supervisory Board
of Benteler International AG for the 2024 financial year

Meetings and committees

As part of its responsibilities, the Supervisory Board intensively accompanied and supported the development of Benteler International AG. In four ordinary meetings in the 2024 financial year, the Supervisory Board performed the tasks and powers incumbent upon it by law and the Articles of Association. The Executive Board reported regularly, promptly and comprehensively in writing and verbally on the course of business, the situation of the company including the risk situation and risk management of the company and its group companies, as well as on circumstances that are of significant importance for the profitability and liquidity of the company. In addition, the Chairman of the Executive Board was in regular contact with the Chairman of the Supervisory Board and informed him about the strategy and business development as well as the situation of the company including its group companies. Furthermore, the Supervisory Board informed itself about the key data of the consolidated financial statements, and approved them and further corporate planning.

In the 2024 financial year, the personnel committee dealt regularly and primarily with the composition of the Executive Board and questions relating to remuneration.

The audit committee met twice in the 2024 financial year and dealt with the following: Individual and consolidated financial statements; the accounting process; the auditing and internal control system; the risk and compliance management system; the sustainability strategy; and the audit strategy. It also monitored the audit of the financial statements.

Annual and consolidated financial statements

The annual financial statements and the management report as well as the consolidated financial statements and the group management report of Benteler International Aktiengesellschaft for the 2024 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Kudlichstrasse 41-43, 4020 Linz, which was elected as the auditor by the Annual General Meeting and commissioned by the Chairman of the Supervisory Board.

According to the final result, the audit did not give rise to any objections. The auditor confirms that the bookkeeping, the annual financial statements and the management report as well as the consolidated financial statements and the group management report of the company comply with the statutory provisions and, taking proper accounting into account, provide a true and fair view of the net assets, financial position and result of operations of the company and the group as of December 31, 2024 and the management report and the group management report are consistent with the annual financial statements and consolidated financial statements. The annual financial statements and the management report as well as the consolidated financial statements and the group management report of the company were therefore given an unqualified audit opinion. The Chairman of the Supervisory Board and the Executive Board received separate reports in a management letter. The auditors provided the Supervisory Board with adequate explanations of the annual and consolidated financial statements.

According to the final result of the examination of the management report of the Executive Board, the annual financial statements and the consolidated financial statements and group management report carried out by the audit committee and the examination of the management carried out by the Supervisory Board, there were no grounds for objections. The Supervisory Board approved the annual financial statements and the consolidated financial statements. The annual financial statements have thus been approved in accordance with Article 96 Paragraph 4 of the Austrian Stock Corporation Act. The Supervisory Board concurs with the Executive Board's proposal for the appropriation of net income.

Salzburg, March 05, 2025

Chairman of the Supervisory Board

SUSTAINABILITY STATEMENT

CONTENTS

2024 BENTELER SUSTAINABILITY STATEMENT

Sustainability is a central element of our corporate strategy and shapes our decisions at all levels. As an undertaking with a history that spans almost 150 years, we believe it is our responsibility to actively help shape a sustainable future – for our employees, our customers and society as a whole. Our business activities are primarily impacted by the global challenges of climate change and resource consumption. At the same time, it is important to look ahead and integrate megatrends such as electromobility, changes in mobility throughout society, digitalization and global networking. Our sustainability strategy enables us to find the best possible solutions. We engage in sustainable business practices thanks to our nearly 150 years of business expertise and our excellent flexibility.

In order to fulfill this commitment, we have based our sustainability statement on the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). Through this reporting, we aim to create transparency, take responsibility and contribute to more sustainable development – in line with international standards and the expectations of our stakeholders. Because of this, the following document begins by providing some general information, before providing further environmental information, social information and governance information.

GENERAL INFORMATION (ESRS 2)

Sustainability is anchored in our corporate strategy as a key component of everything we do. In accordance with ESRS 2, in this section we explain the general principles that underly the sustainability statement, the role of the administrative, management and supervisory bodies with regard to sustainability aspects, sustainability-related incentive schemes, as well as the due diligence obligations and risk management of the BENTELER Group. We also provide information on our strategy and business model and consider the standpoints of stakeholders as well as the main impacts, risks and opportunities that exist for the BENTELER Group.

BP-1 General basis for preparation of sustainability statements

The sustainability statement is prepared on a consolidated basis. The same scope of consolidation is used as for the annual financial statements and there are no exceptions for individual subsidiaries. BENTELER has not omitted any information relating to intellectual property, know-how or the results of innovations in the current reporting period. In addition, BENTELER does not currently make any exceptions to disclosures regarding upcoming developments or matters currently under negotiation.

This sustainability statement covers the entire upstream and downstream value chain, as these were analyzed as part of the materiality assessment (see ESRS 2 IRO-1). This analysis focused in particular on actors and activities over which BENTELER has a significant influence or from which relevant risks could result.

GOV-1 The role of the administrative, management and supervisory bodies

An effective governance structure is the basis for successfully integrating sustainability into our corporate strategy. In this section, we therefore describe the roles of our administrative, management and supervisory bodies in relation to the management, monitoring and supervision of sustainability aspects at BENTELER, as well as the role of the Sustainability Office of the BENTELER Group.

The two-member Executive Board of the holding BENTELER International AG (BIAG) is responsible for the strategic management of the Group. The Executive Board defines the Group's business policy and sustainability strategy. The highest supervisory body within the BENTELER Group is the Supervisory Board of BIAG, which monitors and controls the Executive Board. At regular quarterly meetings, it receives reports from the Executive Board on the market and business situation as well as on special topics (e.g. cyber security, sustainability). In addition, the Supervisory Board receives monthly reports on current issues and the business situation. The Group's sustainability strategy and the implementation of ESG and CSR reporting are supported and monitored on an in depth basis by the Audit Committee of the Supervisory Board. The members of this Audit Committee are Dr. Lorenz Zwingmann (Chairman), Hubertus Benteler and Frederik Vaubel.

All eight members of the Supervisory Board and the Executive Board have extensive expertise in aspects related to BENTELER's corporate policy. Dipl.-Ing. Ralf Göttel has been Chairman of the BIAG Executive Board since April 2017. He studied mechanical engineering at the RWTH Aachen and began his professional career in 1991 as a development engineer at a major car manufacturer. He has held various management positions at the BENTELER Group since 2010. From 2014 to 2017, Ralf Göttel was Chairman of the Executive Board of BENTELER Automobiltechnik GmbH, which he has led once again as CEO since August 2018, in addition to his role as Chairman of the BIAG Executive Board. Dr. Tobias Braun has been CFO of BIAG since September 2022 and Managing Director and CFO of the BENTELER Steel/Tube Division since joining the BENTELER Group in 2018. Braun, who has a degree in Economics, previously managed numerous projects in the automotive, steel and industrial goods sectors as a partner at the corporate consulting firm Stern Stewart & Co. The members of the Supervisory Board hold or have held management positions at global automotive manufacturers and suppliers as well as global steel and steel tube groups and other industrial companies. One Board member is the former CFO of a globally active German automotive supplier.

These bodies are made up of eight non-executive members from the administrative, management and supervisory bodies (Supervisory Board) and two executive members (Executive Board). The makeup of these bodies is the same as in the previous year. There are no employee representatives on BIAG's Supervisory Board. Of the eight shareholder representatives on BIAG's Supervisory Board, two members are delegated by the shareholders and the remaining six are elected by the Annual General Meeting. Accordingly, the proportion of independent members on the Supervisory Board is 75%, as in the previous year. The Supervisory Board is comprised as follows:

DIVERSITY ON THE SUPERVISORY BOARD

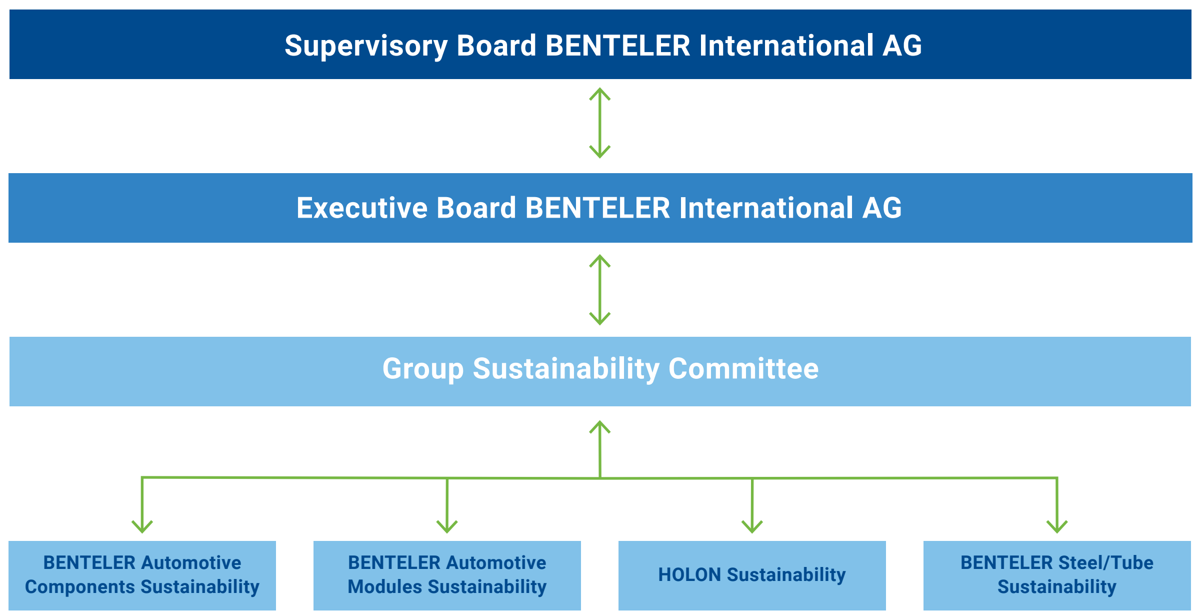
	2024	2023
Women [%]	0	0
Gender not reported [%]	0	0
Men [%]	100	100
Other [%]	0	0

All of the Group's sustainability activities are bundled under the Sustainability Office of the BENTELER Group (see Figure: Sustainability organization). This office reports directly to the BIAG Executive Board, which bears ultimate responsibility in this area. The Head of the Sustainability Office also reports regularly to the Sustainability Steering Committee, which consists of the BIAG Executive Board and the Managing Directors of the divisions. As part of this Steering Committee, the Executive Board decides on proposals for programs, targets and activities relating to sustainability and approves the sustainability strategy and reporting. The Sustainability Office submits the proposals in consultation with the divisions' involved departments and ensures that the decisions made are implemented and followed up on.

The Executive Board also reports regularly to the Supervisory Board and the Audit Committee, which monitors and supervises the Executive Board in implementing the programs and targets. In addition, the Head of the Sustainability Office explains impacts, risks and opportunities related to the sustainability strategy and reporting to the Audit Committee. To this end, the Head of the Sustainability Office is invited to a meeting of the Audit Committee at least once per calendar year to make a report in person. The Audit Committee is also responsible for monitoring the structural and procedural organization of the risk management system and the Group's risk reporting.

The Executive Board and the Audit Committee obtain information on sustainability from the members of the Sustainability Office and from employees of relevant departments, and take advantage of their ex-

SUSTAINABILITY ORGANIZATION BENTELER GROUP



pertise in this area as well. They also have access to external experts and training courses at all times, as well as to information on the undertaking's material impacts, risks and opportunities.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

As described above (see ESRS 2 GOV-1), the administrative, management and supervisory bodies are informed about the Group's sustainability activities by the Sustainability Office. The Audit Committee takes impacts, risks and opportunities into account when monitoring the strategy and risk management. During the reporting period, all impacts, risks and opportunities listed in accordance with ESRS 2 SBM-3 were discussed at committee meetings as part of the materiality assessment, and were addressed in the risk report as well.

GOV-3 Integration of sustainability-related performance in incentive schemes

In 2024, there was no specific sustainability-related incentive scheme for the administrative, management and supervisory bodies. The introduction of such incentive schemes is under discussion by the management and supervisory bodies. The respective Supervisory Board is responsible for deciding on the introduction of and conditions for a sustainability-related incentive scheme for the aforementioned bodies.

GOV-4 Statement on due diligence

The exercise of due diligence is of central importance for the sustainable orientation of our Group and our compliance with international standards. Therefore, the following table describes the most important aspects for fulfilling our due diligence within this sustainability statement.

FULFILLMENT OF DUE DILIGENCE OBLIGATIONS

Core elements of due diligence	Paragraphs/areas	Pages in the sustainability statement
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3	171 171 176, 183-185, 194, 196-198, 202-204, 213, 217, 218
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS E1-2 ESRS S1-1 ESRS S1-2 ESRS S4-1 ESRS S4-2 ESRS G1-1 ESRS G1-2	171 175, 176 177, 178 185 204, 205 205 not material not material 218-220 221
Identifying and assessing adverse impacts	ESRS 2 SBM-3 ESRS 2 IRO-1	176, 183-185, 194, 196-198, 202-204, 213, 217, 218 177, 178
Taking actions to address those adverse impacts	„Management of impacts, risks & opportunities“ in the respective areas	185, 186, 195, 197, 198, 205-207, 215, 216, 221, 222
Tracking the effectiveness of these efforts and communicating	„Metrics & targets“ of the respective areas	186, 187, 195, 198, 199, 207, 208, 216, 221, 222

GOV-5 Risk management and internal controls over sustainability reporting

Effective risk management and robust internal controls are key elements in achieving our sustainability objectives in the long term, as well as meeting regulatory requirements. To this end, we describe below how we identify, assess, and mitigate risks in relation to sustainability aspects.

Risk management at the BENTELER Group is an integral part of strategic corporate management and is the responsibility of the Executive Board of BENTELER International AG and of division management. Risk management covers all Group companies worldwide and is described in the risk management guidelines. These guidelines cover going concern risks, corporate planning risks and material ESG-related opportunities and risks. Going concern risks and opportunities and ESG-related risks are only identified as opportunities or risks if they are not included in the current financial planning.

The ongoing risk management process consists of the following four phases: risk inventory, risk analysis, risk management and risk monitoring. A risk officer from the management is responsible for risk analysis and for defining countermeasures. All opportunities and risks, including ESG-related opportunities and risks, are recorded in a software program, reported to the Executive Board and the Audit Committee every six months in the risk report, and integrated into the strategy process. ESG risks are subject to an upstream materiality assessment (see section IRO-1) and are assessed based on the same principles as inventory risks.

In addition to the risk management process, an internal control system (ICS) for sustainability reporting is designed to ensure compliance with specific applicable standards and thus avoid errors. BENTELER's ICS for sustainability reporting is based on the internationally recognized ICS framework of the COSO (Committee of Sponsoring Organizations) and covers all activities connected with sustainability reporting. The ICS is described in relation to sustainability activities in our Group guideline for sustainability reporting, which came into force in December of the reporting year.

Controlling activities relating to sustainability are based on identified objectives and risks for sustainability reporting. The controls serve to minimize risks and thus ensure that the objectives are achieved. There are both higher-level controls that can be described for all data points and controls that must be defined for specific data points by the respective departments. The higher-level controls include, for example, the definition of clear responsibilities, authorization concepts and data input controls. The Sustainability Office also carries out a plausibility check for all data points annually using the ESG software. The departments are responsible for the selection, design and implementation of the control mechanisms, which must be implemented specifically for the individual quantitative data points. To standardize the control mechanisms at BENTELER, the departments are provided with a selection of five identified control mechanisms: Plausibility controls, the dual control principle or the separation of functions, completeness controls, processing controls and the requirement for verification/certification.

In addition to controlling activities, internal and external audits (e.g. as spot checks) are another way of verifying sustainability reporting. The Internal Audit department is responsible for monitoring structures and activities throughout the Group. In this role, the Internal Audit department also audits the elements of the ICS for sustainability reporting, the risk management system and risk management processes, as well as corresponding measures and processes for risk prevention and damage management as required.

Approach to risk assessment

Risks are assessed through the risk management process based on the dimensions of likelihood of occurrence and potential loss (in euros). To determine potential losses, which are measured based on the EBITDA effect, risk managers should use available empirical values and relevant assumptions. Each risk must be backed up with a clear and comprehensible assessment. The identified EBITDA effect also covers the impact on liquidity and is always based on assumptions for the next twelve months. The gross risk and the likelihood of occurrence are recorded for each risk. The gross risk defines the potential loss before risk-mitigating or loss-limiting countermeasures. The net risk already includes such countermeasures, for instance insurance. The identified risks and the potential for damage are linked to a system of measures for risk avoidance, minimization, and management in the event of damage. The potential loss to be determined results from the maximum possible loss less the effects of countermeasures (such as insurance payments) in the event of damage.

Most important risks and mitigation strategies

The BENTELER Group has identified and assessed 28 potential ESG-related risks. Three of these risks are potentially highly relevant. The partial loss of business areas due to the pursuit of climate neutrality or the ban on climate-unfriendly technologies is a potentially relevant risk for the BENTELER Automotive Components (BAC) and BENTELER Steel/Tube (BST) divisions, as it may lead to a loss of revenue that could not be compensated for. For the BAC division, we have assumed that all projects and products in the Thermal & Tubular (ThT) business area could be discontinued at the maximum extent, as these are only used for vehicles with combustion engines. The product portfolio has already been expanded to include CO_2 neutral drive systems in order to compensate for this loss of sales, reduce the portfolio's dependency on one type of drive, and increase resilience. New orders in this area are reviewed carefully. For the Steel/Tube Division, it is assumed that the entire Oil Country Tubular Goods (OCTG) business area could be discontinued at the maximum extent. It would not be possible for BST to compensate for a possible loss of turnover in the OCTG sector. However, the probability of this business area being discontinued is considered to be very low.

Another highly relevant risk for the three divisions is the potential conversion of production technology from fossil fuels to green energy, which could result in enormous costs for the BENTELER Group. The BENTELER Group has committed to being CO_2 neutral with respect to Scope 1 and Scope 2 emissions by 2040. In order to reduce this risk, possible available subsidies and new investments in non-CO_2 neutral plants are being reviewed.

In addition, all of the BENTELER Group's plants are increasingly being exposed to extreme weather events, which could ultimately lead to a halt in production. This risk is already reported in the going concern risk management for all divisions. Countermeasures for this risk include, in particular, insurance and infrastructure measures that reduce the potential damage that could be caused by extreme weather events.

Further material risks are described in the disclosures relating to SBM-3 in the respective topic-specific sections.

Integration of risk results and reporting

Once the risk assessment has been carried out by the risk officer, risks are reported internally to Corporate Controlling. It reviews the assessment and countermeasures, then summarizes all opportunities and risks in the risk report. It also ensures that the risk report is incorporated into the strategy process. The risk report is prepared twice a year, on June 30 and December 31, and presented to the Executive Board, Supervisory Board and Audit Committee. In addition, the risk report and detailed information on the individual risks are made available to the Internal Audit department. The auditor is also given access to the current risk management report.

SBM-1 Strategy, business model and value chain

We combine sustainability aspects with our business activities in a targeted manner. Accordingly, we have integrated the core elements of our corporate strategy into the sustainability context as well. These core elements of customer focus, process efficiency and innovative capacity are the overarching themes for all measures within our sustainability strategy. The following section describes both the products and services we offer and the markets we cover, and provides further detail on our sustainability strategy and business model.

Products and services

In the Automotive sector, BENTELER offers components and modules for the vehicle chassis, vehicle bodies, engines and exhaust systems, as well as modular system solutions for e-mobility. We are a leading global development partner for the automotive industry. Whether build-to-print or developing complex system solutions – all of our products are characterized by quality, reliability and efficiency. As a process specialist with a strong focus on innovation, we support our customers along the entire value chain.

Our Steel/Tube Division is a leader in seamless and welded quality steel tubes for the automotive, energy and industrial sectors. As a reliable partner, we offer our customers worldwide solutions along the entire value chain – from material development to pipe applications. BENTELER even provides further services, such as environmentally friendly surface coatings or complex forming technology solutions.

BENTELER Maschinenbau also delivers systems for the automotive and glass industries. Since 2022, BENTELER has also been developing fully electric and autonomous vehicles called Movers under the HOLON brand – these shuttles are emission-free, comfortable, reliable and, above all, inclusive. To achieve these innovations, we rely on our extensive expertise in the automotive sector, in industrialization and in the implementation of new e-mobility technologies.

Markets and customer groups

The key markets served by the BENTELER Group are the automotive, industrial and energy sectors. The BENTELER Automotive Components and BENTELER Automotive Modules divisions are active in the American, European and Asia-Pacific markets. These divisions act as Tier 1 suppliers delivering vehicle components and modules directly to OEMs in the automotive industry, as well as to their suppliers. BENTELER Steel/Tube has locations in Europe and North America, from which it supplies customers worldwide in the automotive, energy, mechanical engineering, agricultural and construction machinery, infrastructure and crane construction sectors. The key customer groups for HOLON are transportation companies, public transport authorities, private companies and undertakings.

In order to serve the markets described above, the BENTELER Group employs people in different geographical areas, as shown in the following table.

NUMBER OF EMPLOYEES BY GEOGRAPHICAL AREA

	2024	2023
Europe	14,709	15,016
America	5,531	5,518
Asia-Pacific	2,233	2,178
Sum	22,473	22,712

Sustainability strategy

We pursue specific, ambitious objectives related to all aspects of sustainability as part of our comprehensive sustainability strategy. In the environmental area, the BENTELER Group's sustainability objectives focus in particular on the circular economy, climate change and water. With regard to its products, the BENTELER Group is working to build the circular economy and is in particular committed to using resource inflows efficiently, to ensuring resource outflows are recyclable, and to reducing waste. Against this backdrop, the BENTELER Group plans to reduce its global waste volume by 20% through 2030 compared to 2019 levels.

In addition, the BENTELER Group has set the goal of decarbonizing its global production by 50% (Scope 1 and 2 emissions) and its supply chain by 30% (Scope 3 emissions) by 2030 compared to 2019 levels. To achieve these goals, the company includes its suppliers as important stakeholders. The BENTELER Group intends to reduce its Scope 1 & 2 emissions by 100% globally by 2040, and achieve the target of being net zero by 2050.

Furthermore, the BENTELER Group aims to reduce its global water consumption by 20% through 2030 compared to 2019 volumes, in order to counteract local water shortages. This objective applies in areas facing high or extremely high water stress. Local communities at our sites, which are among the BENTELER Group's key stakeholders, also benefit from such measures.

In addition, the BENTELER Group can use its products to support its customers in the automotive, industrial, and energy sectors globally in achieving their own ambitious CO_2 targets. One focus, for example, is the ongoing electrification of the product portfolio in the automotive sector. BENTELER also supplies CO_2 reduced components such as tubes from the BENTELER Steel/Tube brand CliMore®.

In the social area, the BENTELER Group's objectives focus on another important group of stakeholders: our employees. BENTELER is working towards the goal of having a 25% share of women in management positions by 2030. In addition, the Group focuses in particular on the safety of our workforce and on employee training, including in the area of sustainability. The aim is to fill as many key and management positions as possible internally. The principles of equal treatment and equal opportunities are prioritized.

In the area of corporate governance, the BENTELER Group pursues a global zero-tolerance policy towards corruption and bribery, and strives to avoid such incidents altogether. This includes protecting whistleblowers, for example by offering the digital whistleblower system B-AWARE.

Through the objectives described above and its comprehensive commitment to sustainability, the BENTELER Group covers all key products, all major markets and its most important customer groups. The three central elements of the BENTELER strategy are process efficiency, innovative capacity and customer proximity. Process efficiency means that BENTELER can use resources more efficiently, reduce waste and lower energy consumption by optimizing processes, which contributes to environmental sustainability. Innovation is key to developing sustainable products and services. Through innovation, more environmentally friendly technologies and processes can be introduced that offer both economic and ecological benefits in the long term. Furthermore, BENTELER's focus on customer proximity enables the Group to gain an in-depth understanding of its customers' needs. This promotes sustainable solutions that meet customer expectations and values, which not only strengthens customer loyalty but also promotes social sustainability by responding to societal needs.

Business model and the value chain

As a supplier, the BENTELER Group is part of many global value chains in the automotive, industrial and energy sectors. The inputs to such chains are mainly steel and aluminum, components made from these materials and raw materials for the production of steel and aluminum. In times of fragile supply chains, the BENTELER Group relies on strategic partnerships, ongoing discussions and relationships built on trust with its suppliers to secure these inputs. In accordance with the strategic principle "Local for local," the BENTELER Group works to produce its products where its customers are located. We also focus on sustainability by sourcing raw materials, goods and services mainly from regions in which we operate and where they are produced. This strengthens the resilience of the supply chain, while protecting the environment. BENTELER manufactures an extensive range of products for automotive engineering, steel tube production and mechanical engineering, as described above. The expected benefits for customers include efficiency and cost savings, sustainability as well as product safety and reliability.

The divisions BENTELER Automotive Components and BENTELER Automotive Modules act as (first-tier) suppliers to automotive manufacturers in the framework of the value chain described above. The BENTELER Steel/Tube Division sells its products both via distributors and directly to its customers in the different sectors. Key suppliers for the Automotive Divisions and BENTELER Steel/Tube include steel and aluminum manufacturers as well as the processing industry and raw material suppliers. HOLON itself is a manufacturer (OEM). Its key suppliers are engineering and software service providers, which will be expanded in the future to include suppliers of components and modules to produce the HOLON vehicle.

SBM-2 Interests and views of stakeholders

Involving our stakeholders and considering their respective points of view is of central importance to the BENTELER Group. By involving stakeholders, we aim to shape the future of the BENTELER Group together. With this in mind, we ensure that we remain in dialog in order to understand the needs of our stakeholders and continuously improve the services that the BENTELER Group offers.

We include all of the following stakeholders, who are divided into the categories of affected stakeholders and users of the sustainability statement. It should be noted that the classification is based on the stakeholders' main type of interest. In reality, there are overlaps between the two categories and a clear separation is not possible. The main affected stakeholders are employees, potential new employees and local communities at our sites. The most important users of the sustainability statement include customers, suppliers, financing partners and investors, trade unions/works councils and the press/media.

In order to achieve the goal of involving the aforementioned stakeholders, target audiences, topics and dialog formats are defined in the Group-wide communication strategy. Among other channels, the BENTELER Group uses the intranet, BENTELER TV, notices on the notice board and personal discussions in annual feedback meetings to communicate with its employees. In addition, the Executive Board informs employees about the current situation of the undertaking on a quarterly basis via a video message (the business update). Information is made available to potential new employees via the Internet (BENTELER website) and social media. The BENTELER Group also participates in job fairs, especially for trainees and apprentices.

We speak directly with our customers on various occasions such as trade fairs or events, as well as during individual appointments on site, negotiations and audits. We also hold discussions with our suppliers in the course of negotiations and audits. The BENTELER Group is in contact with its financing partners and investors through regular bank and investor reporting. Local communities at our sites are informed via press releases from the BENTELER Group. Conversely, the BENTELER Group takes note of reports in the local news, through which we learn more about community perspectives. The BENTELER Group is in contact with relevant stakeholders via trade union representatives and employee representatives. Works meetings are also held. The BENTELER Group communicates with the press and media in the form of press reports and interviews, among other methods.

The results of stakeholder involvement are processed differently depending on the context. In particular, the perspectives of stakeholders are taken into account as part of the materiality assessment, in order to identify and assess material impacts, risks and opportunities (see ESRS 2 IRO-1). Administrative, management and supervisory bodies are informed of the resulting findings as part of the approval of the materiality assessment.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Identifying and assessing significant impacts, risks and opportunities is crucial to ensure that our strategy and business model are aligned with our sustainability objectives. We describe the impacts, risks and opportunities for the BENTELER Group resulting from the materiality assessment, and how these factors relate to our strategic decisions, in the sections of this sustainability statement which deal with topic-specific standards. Detailed information on how the materiality assessment is performed can be found in the description of ESRS 2 IRO-1. There are no significant changes in the impacts, risks and opportunities compared to the previous reporting period. All identified impacts, risks and opportunities are also covered by the ESRS disclosure requirements.

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities (with reference to ESRS 2)

In order to obtain an overview of the sustainability aspects that are of particular importance to BENTELER and to our internal and external stakeholders, we have carried out a materiality assessment. This serves as the foundation of our sustainability strategy and forms the basis for all our activities in the area of sustainability.

The materiality assessment was last carried out in 2023 and follows a five-step methodology. First, preparations were carried out for the materiality assessment. To this end, a stakeholder analysis was first completed to identify the BENTELER Group's key stakeholders. Furthermore, the sustainability aspects to be considered in the materiality assessment were identified on the level of sub- and sub-sub-topics of the ESRS standards. These aspects were also compared with sustainability aspects typical of the industry as part of a comparative analysis. In the second step, impacts, risks and opportunities were identified. To do so, internal representatives of stakeholder groups were first asked in various workshops about the potential and actual impact of each sustainability aspect. Potential financial risks and opportunities were then identified on the basis of their impact and possible dependencies. In the third step, the identified impacts, risks and opportunities were aggregated and summarized in a questionnaire in order to assess materiality with respect to extent and probability. The assessment was carried out together with the internal representatives of the stakeholder groups. In the fourth step, the assessment was analyzed. The resulting score was compared with a threshold. All impacts, risks and opportunities above the threshold are material. Furthermore, the extent of potential negative impacts on human rights was rated higher than the probability. If there are material impacts, risks and opportunities within a sustainability aspect, this sustainability aspect is classified as material. The impacts, risks and opportunities which have been identified as material are described in the disclosures for ESRS 2 SBM-3 in the sections on the respective topic-specific standards. In the final step, the materiality assessment was presented to and approved by the Sustainability Steering Committee.

The identification and assessment of impacts focuses on all of the Group's activities and business relationships. No areas were identified in which there is an increased risk of adverse impacts. Based on the experience of BENTELER Group employees, particularly in the areas of compliance, risk management and supply chain, these potential risks were included in the analysis. The materiality assessment also takes into account the undertaking's own activities as well as the upstream and downstream value chain. When identifying impacts, it is important to consider which part of the value chain is relevant in each case. The perspectives of affected stakeholders are taken into account by identifying internal representatives in advance and consulting them on possible impacts. When selecting these representatives, great care was taken to ensure that they were able to truly assess the perspective of the stakeholders concerned.

All identified impacts are first assessed in terms of their relative severity and, in the case of potential impacts, their likelihood of occurrence. The degree of severity is assessed based on the extent and scope of the impact and, in the case of negative impacts, the degree to which the impact can be remedied. Each aspect is rated on a scale from 0 to 5. Based on this assessment, an overall quantitative materiality value is calculated and compared with a threshold value. If this threshold is reached, the impact is considered material.

Risks and opportunities are identified based on the previously identified impacts and dependencies. Dependencies can exist with regard to natural resources, such as needed raw materials, as well as with regard to qualified employees. Both impacts and dependencies are analyzed together with internal stakeholder representatives to identify financial risks and opportunities that could arise. All identified risks and opportunities are assessed in terms of their potential financial impact and likelihood of occurrence. The assessment of financial impact includes the financial effects from the continued use of resources and dependence on relationships. Each aspect is rated on a scale of 0 to 4 by the internal stakeholder representatives. Based on this assessment, an overall quantitative materiality value is calculated and compared with a threshold value. If this threshold is reached, the risk or opportunity is considered material.

The materiality assessment process described above is used as part of risk management to identify significant sustainability-related impacts, opportunities and risks. Material sustainability risks are subject to the same guidelines as going concern risks with regard to assessment, recording and mitigation measures. The resulting material sustainability risks are integrated into the BENTELER Group's existing risk reporting and risk management system via the semiannual risk report. The risk report, including sustainability-related risks and opportunities, is presented to the management bodies (Executive Board, Supervisory Board and Audit Committee) every six months and is incorporated into the strategy process of the BENTELER Group and its divisions.

Material impacts, risks and opportunities were identified and assessed as part of the materiality assessment, taking into account the perspectives of all relevant stakeholders. The results of the materiality assessment for the BENTELER Group were approved by the Sustainability Steering Committee. Accordingly, the materiality assessment is based on employee expertise regarding actual impacts, risks and opportunities that have occurred in the past. Furthermore, employees' technical expertise and industry knowledge on potential impacts, risks and opportunities in relation to the undertaking's own activities and the upstream and downstream value chain were utilized. The procedure described above was employed for the first time in 2023 and was reviewed in the reporting period.

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

Having previously described the BENTELER Group's materiality analysis, this section explains the process for identifying and assessing relevant impacts, risks and opportunities with regard to the various ESRS sustainability standards.

The process described in ESRS 2 IRO-1 was followed in full when determining material impacts, risks and opportunities. Actual and potential impacts, risks and opportunities related to pollution (E2), water and marine resources (E3), biodiversity (E4) and resource use and circular economy (E5) in the context of BENTELER's own activities and within BENTELER's upstream and downstream value chain were considered while identifying impacts, risks and opportunities alongside the undertaking's specialist experts. No separate audit was conducted of locations, assets and business activities. Furthermore, there were no consultations with affected communities. The perspective of this group of stakeholders was brought into the process through internal representatives. The criteria described in ESRS 2 IRO-1 for assessing impacts, risks and opportunities were applied in relation to ESRS E1, E4 and G1. In the context of climate change (E1), actual and potential future sources of greenhouse gas emissions and other causes of climate-related impacts were also considered.

No material impacts, risks and opportunities were identified for the sustainability aspects of environmental pollution (E2) and biodiversity and ecosystems (E4). For this reason, no locations, business activities or information on avoiding negative impacts or action plans can be described here. Besides the materiality assessment, no separate identification and assessment of transition risks and physical risks and opportunities, nor any separate consideration of systemic risks was carried out for standard E4. Work is currently underway to analyze and evaluate whether plants are located in or near areas with biodiversity in need of protection.

Impacts, risks and opportunities exist for BENTELER Steel/Tube, BENTELER Automotive Components and BENTELER Automotive Modules with regard to the use of resources and the circular economy (E5). With regard to the resources used, the priority in particular is the use of steel and aluminum. Remaining in a "business as usual" scenario, in which there is a linear economy instead of a circular economy, will result in certain impacts and risks for BENTELER. Growing legal requirements and customer demands require the increased use of secondary materials. Failure to meet such demands would result in a financial risk for BENTELER. At the same time, a “business as usual” scenario may result in the generation of large quantities of waste, the disposal of which could increase costs for BENTELER. The transition to a circular economy offers significant opportunities for BENTELER, such as a potential reduction in costs through improved resource efficiency material recycling. Furthermore, the increased use of secondary materials and other sustainable materials (e.g. green steel) can increase the attractiveness of our products and thus improve our competitive position. At the same time, the circular economy could lead to a financial risk due to an increase in the cost of the required resources, as the demand for secondary materials would increase, although the availability of steel and aluminum scrap is limited. For BENTELER, negative impacts and risks are therefore concentrated in particular in the upstream value chain. At the same time, the downstream value chain is material with regard to waste recycling and recovery.

IRO-2 Disclosure requirements in ESRS covered by the undertaking’s sustainability statement

Further details on how material information was determined and how thresholds are used can be found in the description of ESRS 2 IRO-1. A list of the disclosure requirements covered can be found in the table of contents of the sustainability statement.

In its sustainability statement, the BENTELER Group also covers data points that result from other legal regulations. The following table shows which data points these are, and where they are located in the sustainability statement.

DATA POINTS RESULTING FROM OTHER LEGAL REGULATIONS

Reference	Data point	Page number
2 GOV-1 § 21 d	Board's gender diversity	170
2 GOV-1 § 21 e	Percentage of board members who are independent	170
2 GOV-4 § 30	Statement on due diligence	171
2 SBM-1 § 40 d i	Involvement in activities related to fossil fuel activities	no information
2 SBM-1 § 40 d ii	Involvement in activities related to chemical production	n/a
2 SBM-1 § 40 d iii	Involvement in activities related to controversial weapons	n/a
2 SBM-1 § 40 d iv	Involvement in activities related to cultivation and production of tobacco	n/a
E1-1 § 14	Transition plan to reach climate neutrality by 2050	183, 184
E1-1 § 16 g	Undertakings excluded from Paris-aligned Benchmarks	183
E1-4 § 34	GHG emission reduction targets	186, 187
E1-5 § 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	188
E1-5 § 37	Energy consumption and mix	188
E1-5 § 40–§ 43	Energy intensity associated with activities in high climate impact sectors	188
E1-6 § 44	Gross Scope 1, 2,3 GHG and total GHG emissions	189-191
E1-6 § 53–§ 55	Gross GHG emissions intensity	191
E1-7 § 56	GHG removals and carbon credits	not material
E1-9 § 66	Exposure of the benchmark portfolio to climate-related physical risks	no information
E1-9 § 66 a	Disaggregation of monetary amounts by acute and chronic physical risk	no information
E1-9 § 66 c	Location of significant assets at material physical risk	no information
E1-9 § 67 c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	no information
E1-9 § 69	Degree of exposure of the portfolio to climate- related opportunities	no information
E2-4 § 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	not material
E3-1 § 9	Water and marine resources	195
E3-1 §13	Dedicated policy paragraph	195
E3-1 §14	Sustainable oceans and seas	not material
E3-4 §28 c	Total water recycled and reused	not material
E3-4 §29	Total water consumption in m3 per net revenue from own operations	not material
E4-2 §24 b	Sustainable land / agriculture practices or policies	not material
E4-2 §24 c	Sustainable oceans / seas practices or policies	not material

CONTINUATION: DATA POINTS RESULTING FROM OTHER LEGAL REGULATIONS

Reference	Data point	Page number
E4-2 §24 d	Policies to adress deforestation	not material
2 IRO-1 E4 § 16 a i		not material
2 IRO-1 E4 § 16 b		not material
2 IRO-1 E4 § 16 c		not material
E5-5 § 37 d	Non-recycled waste	201
E5-5 § 39	Hazardous waste and radioactive waste	200, 201
S1-1 § 20	Human rights policy commitments	204
S1-1 § 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8,	204, 205
S1-1 § 22	Processes and measures for preventing trafficking in human beings	204, 205
S1-1 § 23	Workplace accident prevention policy or management system	205, 206
S1-3 § 32 c	Grievance/complaints handling mechanisms	205, 206
S1-14 § 88 b and c	Number of fatalities and number and rate of work-related accidents	211, 212
S1-14 § 88 e	Number of days lost to injuries, accidents, fatalities or illness	no information
S1-16 § 97 a	Unadjusted gender pay gap	212
S1-16 § 97 b	Excessive CEO pay ratio	212
S1-17 § 103 a	Incidents of discrimination	212
S1-17 § 104 a	Non-respect of UNGPs on Business and Human Rights and OECD	212
2 SBM-3-S1 § 14 f	Risk of incidents of forced labour	203
2 SBM-3-S1 § 14 g	Risk of incidents of child labour	203
S2-1 § 17	Human rights policy commitments	214
S2-1 § 18	Policies related to value chain workers	214
S2-1 § 19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	214
S2-1 § 19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	214
S2-4 § 36	Human rights issues and incidents connected to its upstream and downstream value chain	216
2 SBM-3-S2 § 11 b	Significant risk of child labor or forced labor in the value chain	no information
S3-1 § 16	Human rights policy commitments	not material
S3-1 § 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	not material
S3-4 § 36	Human rights issues and incidents	not material
S4-1 § 16	Policies related to consumers and end-users	not material

CONTINUATION: DATA POINTS RESULTING FROM OTHER LEGAL REGULATIONS

Reference	Data point	Page number
S4-1 § 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	not material
S4-4 § 35	Human rights issues and incidents	not material
G1-1 § 10 b	United Nations Convention against Corruption	no information
G1-1 § 10 d	Protection of whistleblowers	not material
G1-4 § 24 a	Fines for violation of anti- corruption and anti-bribery laws	222
G1-4 § 24 b	Standards of anti- corruption and anti- bribery	222

ENVIRONMENT INFORMATION

Protecting the environment and using resources sustainably are at the heart of our sustainability strategy. We are actively committed to climate protection, we optimize our waste management to promote a circular economy, and we use water resources responsibly. In the following section, we demonstrate how we develop innovative and forward-looking solutions in these areas.

EU TAXONOMY

Our commitment to sustainability and responsible growth is in line with global standards and frameworks to promote environmental and social responsibility. The European Union (EU) Taxonomy is one such framework, and plays an important role in our journey towards sustainable business practices.

As part of the EU Action Plan on Financing Sustainable Growth, the EU Taxonomy is a classification system for sustainable economic activities. It aims to steer investment towards sustainable projects and activities by establishing clear, scientifically-based criteria for what constitutes environmentally sustainable economic activity. The EU Taxonomy lists six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

These goals go hand in hand with our own understanding of a sustainable society. In the EU Taxonomy, an activity is environmentally sustainable if it makes a significant contribution to one or more of these objectives, does not cause significant harm to others, meets the technical screening criteria and respects a minimum level of social safeguards.

In the context of reporting on the EU Taxonomy, a distinction is made between taxonomy-eligible and taxonomy-aligned economic activities. Identifying taxonomy-eligible activities – i.e. activities that can generally fulfill the requirements of the EU Taxonomy – is the first step in preparing reporting. BENTELER therefore initially focused on this step in 2023 and identified two key areas of taxonomy-eligible activities. In the Steel/Tube Division, BENTELER produces steel and steel tubes, which fall under economic activity 3.9 “Manufacture of iron and steel”. BENTELER also manufactures components and modules in the Automotive divisions which fall under economic activity 3.18 “Manufacture of automotive and mobility components”. In addition to identifying taxonomy-eligible economic activities, initial technical evaluation criteria for taxonomy alignment have already been assessed. By producing steel containing a high percentage of recycled material and manufacturing components for low-emission vehicles, such as electric vehicles, BENTELER also meets the technical assessment criteria for some of its economic activities.

In addition, BENTELER is already working intensively on implementing reporting obligations under the EU Taxonomy and has already laid important groundwork for such reporting. This underlines our commitment to meeting the high requirements of the taxonomy. Despite this progress, a comprehensive report on the key performance indicators and the various criteria has not yet been published due to the considerable legal uncertainty that exists. The EU Commission’s current FAQs in particular have a significant impact on automotive suppliers, so BENTELER is currently monitoring these developments very closely.

The EU Taxonomy is more than just a regulatory instrument; it is a blueprint for sustainable development that is in line with our values. By incorporating the principles of the taxonomy into our strategies, processes and reporting mechanisms, we contribute to a sustainable future and strengthen our role as a responsible and future-oriented undertaking. We will therefore continue to work on implementing the EU Taxonomy in order to meet our reporting obligations starting in the 2025 financial year at the latest.

E1: CLIMATE CHANGE

Climate change is one of the most pressing global challenges of our time, and is having far-reaching impacts on the economy, society and the environment. Our materiality assessment has clearly shown the central importance of climate change for BENTELER. Because of this, we are focusing on using energy efficiently, climate protection and addressing the consequences of climate change.

In the following section, we explain how we take responsibility, set climate objectives and take targeted measures to minimize our emissions. Our aim is to actively contribute to limiting global warming and to help shape the transformation to a sustainable economy. Impacts, risks and opportunities related to climate change, the BENTELER Group's transition plan, our targets, measures and guidelines as well as metrics for energy consumption and emissions are explained below.

Disclosures in relation to SBM-3

As part of the materiality assessment, we identified impacts, risks and opportunities related to the topic of climate change that are material for BENTELER. These are described in the following section. The BENTELER Group has not yet carried out a resilience analysis. However, a climate risk analysis is currently being prepared for all locations in order to better understand and improve BENTELER's resilience to climate change.

E1-1 Transition plan for climate change mitigation

As the decarbonization of the undertaking is central to our sustainability strategy, BENTELER has established the climate targets explained above (see section on SBM-1) in line with the Paris Climate Agreement. After the methodology and emissions figures were assessed and confirmed by external auditors, they were then validated by the Science Based Target Initiative (SBTi). We not only want to reduce our emissions, we also want to ensure that our contribution to climate protection is effective and substantial. This is why we also rely on scientific validation. The BENTELER Group is subject to EU benchmarks under the Paris Agreement.

BENTELER has defined a clear decarbonization strategy to achieve its climate targets. This includes a climate change action plan defining how we will adhere to our 1.5°C climate pathway. We have defined three main levers for reducing Scope 1 and Scope 2 emissions in our production (energy efficiency, green electricity, substitution of fossil fuels) in order to shrink our carbon footprint.

The first lever is to continuously improve our energy efficiency so that we can reduce our energy consumption. In order to take additional energy efficiency measures, we have introduced a special ecological investment budget that finances our investments in energy efficiency.

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS RELATED TO THE TOPIC OF CLIMATE CHANGE – ENERGY

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
By adapting the energy sources used in production, BENTELER is helping to protect the climate (PPAs, guarantees of origin and in-house generation), as building additional renewable energy capacities helps avoid emissions from fossil fuels.	√				Own operations and value chain	Present
Converting production technology from fossil fuels to green energy may result in investment and operating expenses for BENTELER.				√	Own operations	Medium and long term
Concluding long-term contracts in the form of PPAs ensures price stability and can offer cost advantages.			√		Value chain	Short, medium and long term

With the help of our second lever, we are shrinking our carbon footprint by continuously increasing the proportion of electricity from renewable energy sources in our production. We do so through generating energy in-house and purchasing electricity from renewable energy sources at some of our sites.

Our third major lever is substituting for fossil fuels such as natural gas in our production. To do so, we are looking into alternative renewable energies such as green hydrogen or green electricity in order to use them for energy-intensive heating processes in our production.

To reduce Scope 3 emissions in our supply chain, we focus on the goods and services purchased in the upstream supply chain. We also consider the downstream emissions from the use phase of our products, as these represent a significant proportion of our products' carbon footprints. In the upstream supply chain, we require our suppliers to comply with our net zero and Scope 3 emission targets. In addition, we are entering into strategic partnerships with our steel and aluminum suppliers to ensure environmentally friendly materials are available to us to meet expected future demand and to build a low-carbon product portfolio. In order to reduce downstream emissions in the use phase, we are focusing our product portfolio on innovative solutions for electric vehicles. This will enable us to increase the proportion of products for electric vehicles and gradually reduce our downstream emissions.

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS RELATED TO THE TOPIC OF CLIMATE CHANGE – CLIMATE PROTECTION

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
BENTELER has ambitious targets for reducing emissions. However, BENTELER's greenhouse gas emissions are currently exacerbating climate change.		√			Own operations	Present
BENTELER relies on purchasing CO_2 certificates to achieve CO_2 neutrality or meet emission targets. Due to the increasing demand for CO_2 certificates, the prices for such certificates may rise. This represents a financial risk.				√	Own operations	Long-term
At BENTELER, ESG ratings are relevant for financing and capital costs. A product portfolio that is independent of fossil fuels can improve ratings and thus achieve financing-related advantages.			√		Products and services	Long-term
The pursuit of climate neutrality can lead to the elimination of business areas. This entails the risk of lost sales.				√	Products and services	Long-term
The increasing importance of climate protection could lead to new business areas, such as products for e-fuel drives.			√		Products and services	Short, medium and long term
If BENTELER products are used in areas that are harmful to the climate (such as extracting fossil fuels), regulation of these areas could also have an impact on BENTELER's sales.				√	Products and services	Medium and long term

E1-2 Policies related to climate change mitigation and adaptation

The BENTELER Group Sustainability Policy covers all material , as well as the associated impacts, risks and opportunities. The aim is to describe BENTELER's basic viewpoint on the area of sustainability in order to serve as a guide for employees, persons with decision-making power and other stakeholders. The policy as a whole is explained below and in this context the topics of climate protection and adaptation to climate change are also covered.

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS RELATED TO THE TOPIC OF CLIMATE CHANGE – ADAPTATION TO CLIMATE CHANGE

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
BENTELER protects its building infrastructure against extreme weather events (heavy rain, tornadoes, etc.). Nevertheless, there is a risk of damage to the infrastructure in the event of extraordinary events.				√	Own operations	Present

The Sustainability Policy describes fundamental aspects of sustainability management at BENTELER. This includes the materiality assessment and risk management, as well as the strategy process and dialog with stakeholders. The environmental chapter of the policy deals with the topics of climate change, environmental pollution, circular economy, water use and biodiversity and explains BENTELER's principles in this context. BENTELER's principles in the social area, which addresses the topics of employees, workers in the value chain, social commitment and the safety of end users, are also addressed. The governance chapter describes the Group's corporate culture, dealings with suppliers and our measures to fight corruption and bribery. The policy addresses climate protection, adaptation to climate change, the use of renewable energies and energy efficiency.

The policy applies worldwide to the entire BENTELER Group and all affiliated companies. It focuses particularly on the undertaking's own production, but the upstream and downstream value chain are also taken into account. The Executive Board of the BENTELER Group is responsible for implementing the policy. The policy was drawn up in accordance with the UN SDGs, the GRI standard and the CSRD. The individual subsections refer to further BENTELER Group guidelines, which in turn contain voluntary commitments to comply with certain standards. Examples of this are the ILO labor standards or ISO 45001:2018. As the policy is based on the material sustainability aspects identified in the materiality assessment, and since and all relevant stakeholders were involved in their identification, the policy also covers the interests of our stakeholders. The policy has also been reviewed and approved by internal stakeholder representatives. The policy is publicly available to all stakeholders on the BENTELER Group website.

E1-3 Actions and resources in relation to climate change policies

BENTELER relies on targeted actions and effective resources to address climate change and achieve our climate targets. In this section, we describe the actions and resources we use to reduce our emissions and ensure that our business activities are in line with climate targets.

Use of renewable energy through green electricity

By 2030, we aim to have the majority of our electricity needs covered by green electricity in order to reduce our greenhouse gas emissions. We will mainly achieve this by concluding power purchase agreements (PPAs) and purchasing green electricity (green electricity contracts or upgrading existing conventional electricity contracts with guarantees of origin (GOs)) in order to be able to flexibly cover fluctuating energy demand. In addition, electricity is generated using renewable sources such as solar and wind at our own sites whenever this makes technical and economic sense. Implementing these measures requires neither significant operating expenditures (OpEx) nor significant capital expenditures (CapEx).

More than 50 % of our electricity consumption is already renewable thanks to the use of guarantees of origin. A photovoltaic system with a capacity of 732 kWp was put into operation at the Shenyang site, and covers around a third of the site's electricity requirements. Further systems were installed at the Vigo, Mos and Schloss Neuhaus sites. As of 2024, greenhouse gas emissions have been reduced by approx. 340 kt CO_2e compared to 2019. A greener electricity mix in Germany this year has led to significant improvements in Scope 2 emissions compared to 2023. A total reduction of 560 kt CO_2e is expected by 2030.

Replacing fossil fuels with direct electrification and the use of green gas

The most important measures planned for the future with regard to our Scope 1 emissions include the substituting of fossil fuels through the direct electrification of processes and the use of green hydrogen or suitable alternatives. This mainly includes process heat generated in production. By 2040, we aim to avoid or offset 100% of absolute greenhouse gas emissions from our production. We are therefore working to complete the aforementioned actions as far as possible by then. This is expected to reduce greenhouse gas emissions by a total of 260kt CO_2e by 2040.

Various (pilot) projects within the plants demonstrate the progress we have made in implementing these measures. At the Talle plant, for example, natural gas burners were replaced with electric heating elements in a roller hearth furnace on a hot forming line. This pilot project provides important insights for future conversions and saves up to 150 tons of CO_2e per year. At the Chrastava plant, a gas-powered thermal post-combustion system in the paint shop was replaced by a biofilter, resulting in a significantly more energy-efficient process and a considerable reduction in natural gas consumption.

Measures to directly electrify processes and to use green hydrogen or suitable alternatives require both considerable operational expenditures (OpEx) and substantial capital expenditures (CapEx). The implementation of our action plan for the substitution of fossil fuels is therefore also largely dependent on political and market framework conditions. Another decisive factor are the energy prices for green energy sources. We therefore continuously monitor political and economic developments as well as price trends for green energy sources in order to be able to react flexibly and in a targeted manner to changes.

Decarbonization of the supply chain through low-carbon material

The most important measure is the procurement of CO_2e reduced material on the market. This applies to steel and aluminum input material and will be implemented gradually through 2050. The measure can only be implemented if customers book projects based on low-carbon materials and pay the corresponding additional costs. The use of low-carbon materials is being further promoted through the conclusion of MoUs (Memorandums of Understanding) on this topic with both major European and international steel manufacturers. Close cooperation is possible on the basis of these contract documents to test the material and ensure availability. Implementation will result in increased operating expenses due to higher prices for low-carbon materials from producers. These expenses result from energy costs and the scarcity of materials, for example. This is not related to the Delegated Regulation (EU) 2021/2178.

E1-4 Targets related to climate change mitigation and adaptation

BENTELER is actively helping to protect the climate with clearly defined short and long-term targets. The following sections provide insight into our climate protection targets and the key levers that will help us to achieve these ambitious goals. Overall, BENTELER is currently focusing its objective of decarbonization and on setting emissions reduction targets. This includes the use of renewable energies and improving energy efficiency in production. No specific targets have yet been defined in relation to adaptation to climate change, as BENTELER is still analyzing the specific risks posed by climate change for individual locations in detail.

Net-zero emissions

Firstly, we are pursuing a net-zero emissions target. We plan to achieve our defined target of 0 t CO_2e by 2050. The target applies for our Scope 1, Scope 2 and Scope 3 emissions across all locations and divisions. The benchmark for 2019, against which we plan to measure our progress, is 35,146,640[1] t CO_2e. Our long-term target was developed in line with the guidelines and methods of the Science Based Targets Initiative (SBTi) and is therefore founded on scientific findings. However, it has not yet been validated by the SBTi.

Climate-neutral production

Another long-term goal of the BENTELER Group is to achieve climate-neutrality in its production. The Group plans to reach its defined target of a -100 % reduction in Scope 1 and Scope 2 emissions by 2040. This target applies to our absolute Scope 1 and Scope 2 emissions related to production across

[1] Recalculation due to methodological adjustements and new findings.

all locations. The benchmark for 2019, against which we plan to measure our progress, is 826,702[2] t CO_2e. This target is not based on any scientific findings.

Decarbonization of the Group's own production and supply chain

In addition to our long-term net zero target, we have also set short-term targets for Scope 1 and 2 as well as Scope 3 emissions. Our short-term targets were developed in accordance with the guidelines and methods of the Science Based Targets Initiative (SBTi) and are therefore based on scientific findings.

One of these targets is our short-term goal of decarbonizing our own production. Our short-term target for Scope 1 and 2 emissions is a reduction of -50%, which we aim to achieve by 2030. The target applies to our absolute Scope 1 and Scope 2 emissions related to production across all locations. The benchmark for 2019, against which we plan to measure our progress, is 826,702[2] t CO_2e. By 2024, BENTELER has achieved a reduction in emissions of 41.58% and is therefore on schedule with its plan to achieve this target. The Group achieved a large reduction in Scope 2 emissions in particular by sourcing a large proportion of the electricity we consume from renewable sources.

We are also pursuing a short-term target of decarbonizing our supply chain, which we plan to achieve by 2030. We have set our short-term target as a reduction of - 30% of Scope 3 emissions. The target applies to our absolute Scope 3 emissions across all locations. Purchased goods and services, capital goods, fuel and energy-related activities not included in Scope 1 and 2, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, the use of products sold and the disposal of products sold at the end of their life cycle were taken into account. The benchmark for 2019, against which we plan to measure our progress, is 34,319,939[1] t CO_2e. By 2024, BENTELER has achieved a reduction in emissions of 25.39% and is therefore on schedule with its plan to achieve this target. Emissions have dropped significantly in the use phase in particular, thanks to the trend towards alternative vehicle drive systems.

The biggest decarbonization levers for reducing Scope 1, 2 and 3 emissions besides energy efficiency are described in the section on E1-3. With regard to our short-term Scope 1 and Scope 2 targets, purchasing or generating electricity from renewable sources will play the largest role in decarbonization. In the long term, finding substitutions for fossil fuels will play a major role. The biggest decarbonization lever for reducing Scope 3 emissions will be using materials with a smaller carbon footprint. Given sufficient availability and cost-effectiveness, using such materials will allow us to reduce our Scope 3.1 emissions by 30% by 2030.

Methodological background used to define targets

All of the climate protection targets described above are absolute targets, which are expressed in t CO_2 equivalent measurements. The reference value and reference year were selected to be as representative as possible for all targets by choosing a year in which there were no significant special effects. BENTELER takes the expectations of its stakeholders into account as far as possible when formulating current and future goals. For example, the expectations of customers and other stakeholders were taken into account when defining decarbonization targets and, in particular, when defining science-based targets.

Scope 1, Scope 2 and Scope 3 emissions were recalculated in 2024 due to structural and methodological changes in the calculation method. Where possible, BENTELER takes all relevant greenhouse gas categories (CO_2, CH_4, N_2O, HFKW, PFC, SF_6, NF_3) into account in both the greenhouse inventory and the targets.

All short and long-term targets relating to Scope 1 and 2 emissions are designed to achieve the 1.5°C target of the SBTi and are therefore compatible with limiting global warming to 1.5°C. This also applies to our net zero target. The short-term and long-term targets for Scope 3 follow the WB2D (well below two degrees) target of the SBTi and are therefore compatible with limiting global warming to below 2 °C. This compatibility has also been validated by the SBTi. BENTELER's targets represent cross-sectoral decarbonization pathways, as no applicable sector-specific decarbonization pathway from the SBTi could be used. As part of our strategy process, BENTELER constantly monitors possible future developments, for example with regard to changes in sales volumes or shifts in customer preferences. These are not expected to have significant influences on targets related to Scope 1 and Scope 2 emissions. With regard to Scope 3 emissions, our ability to achieve our targets, particularly for the use phase, depends heavily on the extent to which vehicles with low-emission drives become established on the market.

[2] Recalculation due to methodological adjustments and new findings.

E1-5 Energy consumption and mix

The following section provides data on the BENTELER Group's total energy consumption, improvements we have made in energy efficiency and the share of renewable energies in the overall energy mix we use, in order to facilitate a better understanding of these topics. Total energy consumption fell by 78,797 MWh compared to the previous year, to 2,201,928 MWh. This reduction is due to both various energy-saving measures as well as lower production volumes.

The renewable energy generated amounted to 6,176 MWh in the reporting year (2023: 2,327 MWh), while the non-renewable energy generated amounted to 4,991 MWh (2023: 6,413 MWh).

The Group's net turnover amounted to EUR 8,170 million (2023: EUR 8,787 million). All of the Group's sales are attributable to activities in climate-intensive sectors. The net turnover therefore corresponds to the undertaking's total turnover as shown in the "Results of operations" section of the 2024 Annual Report. This results in an energy intensity according to the following table.

ENERGY INTENSITY IN CLIMATE-INTENSIVE SECTORS

ENERGY INTENSITY PER NET REVENUE	2024	2023	% 2024 / 2023
Total energy consumption from activities in climate-intensive sectors per net revenue from activities in climate-intensive sectors (MWh/ Million EUR)	269.51	259.56	103.83

ENERGY CONSUMPTION AND ENERGY MIX

	2024	2023[1]
(1) Fuel consumption from coal and coal products (MWh)	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	12,518	11,299
(3) Fuel consumption from natural gas (MWh)	1,029,609	1,098,232
(4) Fuel consumption from other fossil-based sources (MWh)	71,851	58,104
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	328,075	468,518
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	1,442,053	1,636,153
Share of fossil sources in total energy consumption (in %)	65.49	71.74
(7) Consumption from nuclear sources (MWh)	40,991	94,243
Share of consumption from nuclear sources in total energy consumption (in %)	1.86	4.13
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0
(9) Consumption of purchased or acquired electricity, heat, steam and cooling and from renewable sources (MWh)	713,079	545,741
(10) Consumption of self-generated renewable energy other than fuels (MWh)	5,806	2,161
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	718,885	547,901
Share of renewable sources in total energy consumption (in %)	32.65	24.02
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	**2,201,928**	**2,280,725**

[1] Recalculation due to methodological adjustments and new findings.

Climate-intensive sectors from sections (NACE) C „Manufacturing“ and „Manufacture of other fabricated metal products“ were used to determine energy intensity. No non-renewable energy was generated at BENTELER in the reporting year. The amount of renewable energy generated is listed in the table on energy consumption and the energy mix.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Recording and disclosing our greenhouse gas emissions is a key step towards creating transparency with regard to our climate protection activities. In this section, we therefore report in detail on our direct (Scope 1) and indirect emissions (Scope 2 and 3) along the value chain. Our Scope 1 and Scope 2 emissions fell by a total of 166,580 t CO_2e compared to the previous year, to 482,951 t CO_2e. This corresponds to a reduction of 25.64 %, primarily due to our increased use of electricity from renewable sources. Our Scope 3 emissions fell by 7.29% from the previous year, to 25,604,733 t CO_2e. This reduction is due to various purchasing measures, the increased use of our products in electric vehicles and an overall decrease in production volumes.

GHG EMISSIONS

	Retrospective				Milestones and target years		
	2024	2023[1]	2019[1]	% 2024 / 2023	2030	2040	2050
Scope 1 GHG emissions[2]							
Gross Scope 1 GHG emissions (t CO_2e)	237,731	247,258	265,077	96,15	_	0	0
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (in %)	43.20	42.56	38.64	101,52	_	–	–
Scope 2 greenhouse gas emissions[3]							
Gross location-basedScope 2 emissions (t CO_2e)	396,080	394,634	386,140	100,37	_	0	0
Gross market-based Scope 2 GHG emissions (t CO_2e)	245,220	402,273	561,624	60,96	_	0	0
Significant Scope 3 GHG emissions[4]							
Total Gross indirect (Scope 3) GHG emissions (t CO_2e)	25,604,733	27,619,236	34,319,939	92,71	24,023,957	_	0
1 Purchased goods and services	8,129,904	9,116,372	9,886,754	89,18	–	–	–
2 Capital goods	504,536	431,380	525,270	116,96	–	–	–
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	107,594	105,059	142,203	102,41	–	–	–
4 Upstream transportation and distribution	274,962	300,741	280,340	91,43	–	–	–
5 Waste generated in operations	15,029	14,860	14,302	101,14	–	–	–
6 Business traveling	7,505	7,601	12,885	98,74	–	–	–
7 Employee commuting	26,655	26,559	33,097	100,36	–	–	–
8 Upstream leased assets	0	0	0	–	–	–	–
9 Downstream transportation	0	0	0	–	–	–	–
10 Processing of sold products	0	0	0	–	–	–	–
11 Use of sold products	16,462,798	17,540,289	23,344,172	93,86	–	–	–
12 End-of-life treatment of sold products	75,750	76,375	80,914	99,18	–	–	–
13 Downstream leased assets	0	0	0	–	–	–	–

1 Recalculation of individual categories due to methodological adjustments and new findings (in particular additional locations, company vehicles).
2 The calculation of the key figures is based on the GHG protocol. This involves data from measurements and invoices. If no values were available for the month of December, an estimate was made based on the previous year's value. If no consumption values can be determined, the emissions are estimated based on the building area. Scope 1 emissions are based on DEFRA emission factors.
3 The calculation of the key figures is based on the GHG protocol. This involves data from measurements and invoices. If no values were available for the month of December, an estimate was made based on the previous year's value. If no consumption values can be determined, the emissions are estimated based on the building area.
4 Scope 3 emissions were calculated on the basis of activity-based and spend-based data from a recognized input-output model (Quantis). The model uses USD-based emission factors. Consequently exchange rate fluctuations influence the CO_2 emissions shown here.

CONTINUATION: GHG EMISSIONS

	Retrospective				Milestones and target years		
	2024	2023[1]	2019[1]	% 2024 / 2023	2030	2040	2050
14 Franchises	0	0	0	–	–	–	–
15 Investments	0	0	0	–	–	–	–
Total GHG emissions							
Total GHG emissions (location-based) (t CO_2e)	26,238,544	28,261,128	34,971,156	92.84	–	–	0
Total GHG emissions (market-based) (t CO_2e)	26,087,684	28,268,767	35,146,640	92.28	–	–	0

[1] Recalculation of individual categories due to methodological adjustments and new findings (in particular additional locations, company vehicles).

The Scope 1 and 2 emissions shown correspond to the emissions of the consolidated Group.

GHG EMISSION INTENSITY

GHG INTENSITY PER NET REVENUE	2024	2023	% 2024 / 2023
Total GHG emissions (location-based) per net revenue (t CO_2e/Million. EUR)	3,211.57	3,216.24	99.85
Total GHG emissions (market-based) per net revenue (t CO_2e/Million EUR)	3,193.11	3,217,11	99.25

The Group's net turnover amounted to EUR 8,170 million (2023: EUR 8,787 million). All of the Group's sales are attributable to activities in climate-intensive sectors. The net turnover therefore corresponds to the companies total turnover as shown in the „Results of operations" section of the 2024 Annual Report.

Calculation methodology

Scope 1 and Scope 2 emissions are calculated on the basis of energy and media consumption and emission factors for the emission intensity of the individual substances. Consumption data for specific locations is recorded either automatically or manually and updated in the SAP system. According to the SBTi, the threshold for recalculating emissions is a cumulative change of five percent or more from the emissions in the base year. A voluntary recalculation can be carried out for changes of less than five percent. Uniform Group-wide emission factors based on the those from the Department for Environment Food & Rural Affairs (UK) (DEFRA) are used for Scope 1 emissions. Both location-based and market-based emission factors are used for Scope 2 emissions. The Group uses the country-specific emission factors of the International Energy Agency (IEA) and the United States Environmental Protection Agency (EPA). We have chosen to use these methods and emission factors due to their relevance and accuracy for the specific conditions and processes that apply within our Group. Scope 2 emission factors must be regionalized in order to enable a more precise analysis of our emissions. Our calculation methods and emission factors are stored in the ERP system (SAP) and are evaluated via SAP BI.

The categories included in the inventory of Scope 3 emissions are shown in the table above. The following categories were excluded from the inventory of Scope 3 emissions for the reasons listed below.

- Category 8 (upstream leased assets): Currently, BENTELER includes rented and leased property, plant and equipment (in particular rented buildings) in the calculation of Scope 1 and Scope 2 emissions.
- Category 9 (downstream transportation and distribution): This category relates to emissions from transportation, for which BENTELER is not responsible. A screening was carried out for this category, which concluded that emissions from category 3.9 only account for 0.4 % of BENTELER's total Scope 3 emissions. Due to their low impact and the fact that BENTELER has little influence on these emissions, we have decided to exclude this category from the inventory.
- Category 10 (processing of sold products): Typically, no energy-intensive processing steps are required for BENTELER products. A screening was carried out for this category, which came to the conclusion that emissions from category 3.10 only account for 0.1% of BENTELER's total Scope 3 emissions. BENTELER has decided to exclude this category from the inventory due to its low impact and the fact that BENTELER has little influence on these emissions.
- Category 13 (downstream leased assets): BENTELER Group buildings are generally also used by BENTELER and are therefore included in the calculation for Scope 1 & 2 emissions. There was only one exception to this in 2023. A screening estimated that these emissions make up a share of well below 0.1 % of Scope 3 emissions as a whole and are therefore negligible.
- Category 14 (franchises): BENTELER is not a franchisor. There are no companies operating under a license to sell or distribute BENTELER products. No emissions are therefore reported.
- Category 15 (investments): BENTELER is not an investor and does not provide financial services. No emissions are therefore reported.

For all significant Scope 3 categories, the reporting boundary is the entire BENTELER Group. The specific calculation methods used are explained below. For categories 1, 2 and 5, the calculation is based on purchasing data for the reporting year. Purchased quantities – divided into different categories – are assigned emission factors in order to calculate the emissions generated. In cases where an activity-specific calculation using the purchased quantity is not possible, an expenditure-based calculation using the purchased value of goods is used.

The fuel- and energy-related emissions that are not included in Scope 1 or Scope 2 (category 3) are determined on the basis of the Scope 1 and Scope 2 calculation. To do so, energy consumption is multiplied by emission factors for transmission and distribution losses for provided electricity, as well as by emission factors for the production and provision (well-to-tank) of energy sources.

The calculation for upstream transportation and distribution (category 4) includes all transportation for which the BENTELER Group is responsible. Expenditures for the various types of transportation are multiplied by expenditure-specific emission factors. The emissions for the production and provision (well-to-tank) of the energy sources are also taken into account. In the future, BENTELER aims to calculate emissions increasingly using distances and supplier-specific information on emissions. Currently, we are able to do so for only for a small proportion of these emissions due to the limited availability of data.

Emissions from business travel by BENTELER employees (category 6) are recorded based on information provided by travel management. Information on booked trips is available via travel service providers and in some cases is already stored with emissions data. We use a hybrid calculation approach based on expenditures and activity (e.g. number of overnight stays) to calculate emissions from business travel. These emissions are calculated and reported with the help of external (travel) service providers (e.g. travel agencies, banks for travel payment methods). This data is used for all business travel activities for which activity-based data is available from our travel service providers (e.g. emissions per overnight stay in a hotel). An expenditure-based approach is used for all business travel activities where data cannot be analyzed with the help of external service providers, but rather only using internal tools.

To calculate the emissions caused by employee commuting (category 7), we conducted anonymous and voluntary employee surveys in 2023. These provide information on the mobility behavior of our employees. The DEFRA conversion factors from July 2024 were used as the basis for calculating emissions for the reporting year. For car pools, the emission factor was calculated down to the number of people and then multiplied by the total distance traveled per year. For the total distance, a working time of 46 weeks (52 weeks minus 6 weeks vacation) was calculated and the days for mobile working were subtracted, based on information provided by the employees.

For the use of products sold (category 11), all direct emissions generated during the use of BENTELER products are reported. Emissions in the use phase are calculated for all drive train products. These products include, for example, axles and engine components. Emissions are calculated based on the mass of products sold and a typical emission factor for each product. First, an average, weight-specific emission factor is determined for each product. This emission factor is calculated based on a typical service life of 150,000 km, a typical vehicle mass of 1,500 kg and typical emission factors for a vehicle. The typical emission factor for a vehicle is determined based on literature for the drive type and region of the vehicle in which the product is installed. If this information is not available, the average drive mix of the market is used.

Emissions from the end of life of BENTELER products (category 12) are determined based on the weight of the products sold. As BENTELER mainly sells products made of steel and aluminum, the “End of life – Mixed Metals – GLO” emission factor from the WRI tool is used to calculate emissions. Data used to determine the mass of products sold is provided by the divisions.

To improve our data quality, we are striving to use a greater proportion of primary data to calculate Scope 3 emissions. For the reporting year, this percentage is 2.14 %. BENTELER uses primary data to calculate Scope 3 emissions in the following categories. In category 3.1, supplier-specific emission factors are used in some cases, for example for purchased steel. In categories 3.4 and 3.6, emissions calculations from transportation and travel service providers are used in some cases. In category 3.7, BENTELER uses primary data from voluntary employee surveys.

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

Removing greenhouse gases from the atmosphere and implementing projects to reduce emissions play an important role at our company. Because of this, the following section reports on our actions to permanently remove or actively support the removal of greenhouse gases in order to achieve our net zero target.

To fully achieve our net-zero target by 2050, we expect to offset our remaining emissions (max. 10%) with recognized and high-quality certificates.

E1-8 Internal carbon pricing

An internal carbon pricing system is an important lever for the BENTELER Group to prioritize climate-relevant decisions more highly. By monetizing CO_2 emissions, we create incentives to reduce those emissions in a targeted manner and steer investments towards low-emission technologies and processes.

After a general investment decision has been made, the divisions BENTELER Automotive Components and BENTELER Automotive Modules use an internal carbon price when selecting specific equipment. The carbon price serves as a criterion for all investment decisions where a relevant energy consumption (total lifetime energy cost >= EUR 250 k) is expected, and where there will be a significant difference between the various purchase alternatives over the term of the investment. An internal CO_2 price is also taken into account in the division BENTELER Steel/Tube for relevant investment decisions. Systems with lower carbon emissions are therefore rated more positively than those with higher emissions. For systems with a longer planned service life, the carbon price is weighted more strongly due to higher carbon emissions during the use phase.

BENTELER bases its carbon prices on the EU ETS carbon price, which is used for Scope 1 and Scope 2 emissions. Because we use the EU market price, our own prices are considered relevant and generally transparent. As a market price, the EU ETS carbon price is subject to daily fluctuations. For this reason, the price is subject to a surcharge when assumptions undergo regular updates.

E3: WATER AND MARINE RESOURCES

Water is an indispensable part of our production processes at BENTELER and plays a decisive role in the safety and efficiency of our processes. It is used for cooling systems, cleaning products and in the painting process, among other things. To ensure we use water resources responsibly, we are continuously working to reduce our water withdrawals and actively address local water scarcity. In addition, we regularly analyze our water usage to assess potential impacts on our business activities and the environment. In the following section, we explain impacts, risks and opportunities related to water resources, our strategies and goals in the area of water management, our current water withdrawals and the actions we intend to take to make our water use even more efficient.

Disclosures in relation to SBM-3

As part of the materiality analysis, we identified impacts, risks and opportunities related to the topic of water resources that are material for BENTELER. These are described in the following section.

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS FOR THE TOPIC OF WATER AND MARINE RESOURCES

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
BENTELER recognizes the value of water as a resource and works accordingly to improve efficiency in the way we use water. Nevertheless, BENTELER is currently influencing local water shortages by withdrawing water.		√			Own operations	Present
Low water availability due to water shortages can reduce production capacities and increase water costs at BENTELER			√		Own operations	Present
Low water levels can affect transportation via inland waterways, which can lead to an interruption in BENTELER's supply chains and production downtimes.				√	Value chain	Short, medium and long term
Changes in water-related legislation may result in future costs for technical investments, or production may be halted if limit values are exceeded.				√	Own operations and value chain	Medium and long term

E3-1 Policies related to water and marine resources

BENTELER's policies in connection with water and marine resources has already been addressed in the disclosure requirement E1-2, in the context of the general sustainability policy. In addition, our strategy includes ensuring that water pollution is avoided wherever possible. If this is not possible, filter and treatment systems in particular should be used to reduce pollution. Water treatment is a key element of our strategy. We are already actively implementing this and will continue to intensify these activities. With regard to the use of water within our own undertaking, our strategy is also designed to help us use water resources efficiently and reduce the amount of water we use wherever possible.

As part of this commitment, we have also established a defined and quantified target to reduce our water withdrawals in areas of high and very high water stress. Further details can be found under E3-3.

E3-2 Actions and resources related to water and marine resources

As BENTELER strives to use water resources responsibly, one of our key focal areas is our work to reduce the amount of water we withdraw. We use a rainwater recovery system at our plant in Vigo, for example, which is expected to reduce water withdrawal at this site by around 14%. This will help us achieve our sustainability targets in relation to water. Similar measures are also being implemented at other BENTELER Group plants. We are concentrating primarily on areas with high and very high water stress, as well as on plants where rainwater recovery is possible due to the location, for example in Shenyang. We plan to implement such actions in Puebla as well in the future. These actions deal with water treatment and reuse and should, if possible, be completed in the year in which they begin.

The projects are financed by a CapEx budget (Green CapEx). Their operating costs can be determined once the actions have been implemented. New financial resources are made available for projects every year. No significant CapEx expenditure was incurred to implement such measures in Vigo and Shenyang, nor have such expenditures been incurred for the planned implementation in Puebla.

E3-3 Targets related to water and marine resources

The BENTELER Group is pursuing the voluntary goal of reducing our total water withdrawal in areas experiencing water stress. To do so, we are focusing on the aspect of water withdrawal. The target applies worldwide for all BENTELER Group locations in water stress areas (China, Mexico, USA, South Africa, Spain, Belgium, Turkey). We have identified plants in water stress areas based on the WRI Aqueduct Water Risk Atlas. In this analysis, the rating criteria “high” and “extremely high” were selected. This classification enables us to take targeted measures to secure the water supply in these critical regions. The water stress areas were modified in 2024, as a result of which the scope of the target has shifted in some cases with regard to the affected BENTELER plants.

The target is based on BENTELER's sustainability strategy. Conserving water in water stress areas is integrated as part of this overall strategy. Overall, our Group is working towards a 20% reduction of water withdrawal in water stress areas by 2030 compared, to the base year 2019 (water withdrawal of 419,858 m^3). The absolute values for water withdrawal are given in m^3. The target was selected based on industry standards and the requirements of various stakeholders, such as our customers. Our progress towards achieving the target by 2030 is reviewed annually, with the goal of saving 1.5% of the previous year's figure each year. To this end, consumption is calculated monthly by the plants and checked centrally for significant deviations. With a reduction of 30.09 % compared to 2019, we have already achieved the target set in the reporting year. The target will not be adjusted as new plants are planned in water stress areas in the future, which will have an impact on our progress towards the overall target.

Our goal in saving water, especially in water stress areas, is to minimize the risk of production downtimes. In addition, rain recovery projects, for example, ensure that water is available even in times of crisis, thereby strengthening BENTELER's resilience.

E3-4 Water consumption

In this section, we provide insight into the quantity and origin of the water we use in our operating processes. Overall, our water withdrawals fell by 5.22 % compared to the previous year, to a level of 10,230,271 m^3. This is due in particular to various reduction measures as well as to lower production volumes.

TOTAL WATER WITHDRAWAL[1]

	2024	2023
Brackish water/sea water [m³]	0	0
Groundwater (non-renewable) [m³]	0	0
Groundwater (renewable) [m³]	544,297	552,685
Produced water [m³]	0	0
Surface water [m³]	8,338,190	8,614,668
Water from third parties [m³]	1,347,784	1,626,606
Total water withdrawal [m³]	**10,230,271**	**10,793,959**

[1] The calculation of the key figures is based on GRI 303-3 and involves data from measurements and invoices. If no values were available for the month of December, an estimate was made based on the previous year's value. Non-producing locations and very small locations (< 50 employees), whose water withdrawal cannot be determined are not taken into account due to their low relevance.

The total water withdrawal in areas with water stress[3] for 2024 is 293,537 m3, compared to 361,114[4] m³ in the previous year.

The quantities of water withdrawn are monitored on a monthly basis. Each plant submits water withdrawal data to the reporting system. The quantity of water withdrawn is entered there in the various categories. The system makes it possible to display the water withdrawal of each individual plant as well as our global consumption.

The water intensity per net revenue (water withdrawal) is 1,252.15 m³/million EUR net revenue.

E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities

The sustainable use of water and marine resources harbors both risks and opportunities that can have a significant financial impact on our undertaking. We have therefore analyzed the financial effects we can expect from these risks and opportunities in connection with water resources. We have come to the conclusion that the following risks from the E3 area: Water and marine resources do pose minor monetary risks for the BENTELER Group, although these will not have any relevant financial impact in the short term.

1. Low water availability due to water shortages could reduce production capacities and increase water costs at BENTELER.
2. Changes in requirements or laws relating to water/air emissions could result in high costs for technical investments for BENTELER or, if the limit values are exceeded, to a short-term shutdown.
3. Low water levels could affect transportation via inland waterways, which could lead to an interruption in BENTELER's supply chains and production downtimes.

For the first risk, only plants that rely on a water supply and that are located in water stress areas according to the AXA report were considered. This includes the BENTELER locations Kariega in Port Elizabeth, Mexico and Schloss Neuhaus. Assuming downtimes of one to three months due to low water availability, the risks were quantified on the basis of actual financial data. The probability of occurrence was determined on the basis of historical data. The second risk applies only to the steelworks in Lingen. No new legal regulations are currently expected that would require a new filter. Accordingly, the probability of occurrence is very low, especially as the filter has already been replaced in the past 15 years. The third risk also only applies to the plant in Lingen. However, the risk is very low, as scrap can also be supplied by rail and road.

E5: RESOURCE USE AND CIRCULAR ECONOMY

Using resources responsibly is important to our company. We therefore focus on a consistent circular economy with the aim of using resource inflows efficiently, promoting the recyclability of resource outflows and minimizing waste. The following sections provide detailed insight into the material impacts, risks and opportunities in relation to resource use and the circular economy, our approaches to these, targets and actions, as well as our resource inflows and outflows.

Disclosures in relation to SBM-3

As part of the materiality assessment, we identified material impacts, risks and opportunities for the BENTELER Group in relation to resource use and the circular economy. These are described in the following table.

[3] At the plants in areas with high and very high water stress, water is drawn exclusively from third parties.
[4] Due to changes in the classification of water stress areas, the water withdrawals for 2019 and 2023 were recalculated.

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS FOR THE USE OF RESOURCES AND THE CIRCULAR ECONOMY – RESOURCE INFLOWS, INCLUDING RESOURCE UTILIZATION

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
Through our product design and material development, BENTELER can influence whether primary or secondary materials are used in our own production. This, then, impacts our resource requirements.	√				Own operations and products and services	Present
BENTELER is currently working to increase the proportion of secondary materials used in its products. If this goal is not achieved, the Group could fail to meet future customer demand.				√	Products and services	Medium and long term
The use of recycled and green materials can make BENTELER products more attractive and thus lead to higher sales.			√		Products and services	Medium and long term
BENTELER can reduce production costs by increasing resource efficiency.			√		Own operations	Short, medium and long term
The use of green materials can lead to cost increases for BENTELER.				√	Own operations	Short, medium and long term

E5-1 Policies related to resource use and circular economy

BENTELER's policies covering resource use and the circular economy have already been addressed in the description for E1-2 in the Sustainability Policy. The use of secondary resources is firmly anchored in this directive and is also a core element of our strategy. One of our focal areas is increasing the proportion of recycled steel and aluminum, the two main resources we use.

Detailed strategies for individual resources or plants are derived from the overarching strategy in order to increase the proportion of secondary resources used at BENTELER. The strategy is also supported, for example, by the undertaking's own steelworks in Lingen with an electric arc furnace, which uses over 95% steel scrap as input.

As steel and aluminum are fundamentally non-renewable resources, our focus is on recycling these materials. Wherever feasible, our Group reviews and implements the use of renewable resources for the other resources we use.

E5-2 Actions and resources related to resource use and circular economy

As using resources efficiently and promoting the circular economy are important components of BENTELER's sustainability strategy, this section presents the actions we have implemented to avoid waste.

The "Sludge drying" measure was implemented at the (Automotive) site in Warburg during the reporting year. This is expected to reduce our total waste.

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS FOR THE USE OF RESOURCES AND THE CIRCULAR ECONOMY – RESOURCE OUTFLOWS IN CONNECTION WITH PRODUCTS AND SERVICES

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
Through the designs of its products and the materials we choose, BENTELER can positively influence the recyclability of these products and thus resource efficiency.	√				Products and services	Present

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS FOR THE USE OF RESOURCES AND THE CIRCULAR ECONOMY – WASTE

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
The generation of waste results in costs related to disposal or recycling. In particular, higher legal requirements and rising disposal prices could cause these to increase in the future.				√	Own operations	Short, medium and long term
BENTELER can achieve a cost advantage by recycling and reusing resources.			√		Own operations	Short, medium and long term

Another action that is expected to reduce total waste was implemented at the (Automotive) site in Klášterec. This is an "Oil separator." For both measures, the first step was to plan and install a corresponding system, which will then be put into operation. The installation of both systems will be completed in 2024, and they can then be commissioned in 2025. Implementing these two actions will require a total investment expenditure (CapEx) of EUR 124,000.

E5-3 Targets related to resource use and circular economy

In order to promote the sustainable use of resources and help achieve a circular economy, the BENTELER Group has set specific targets for our company. Through these, we will help create closed material cycles and minimize our consumption of resources. No ecological thresholds or company-specific breakdowns were taken into account when determining these targets.

Our central goal is reducing waste. This goal was set by the Steering Committee. Our absolute target is to reduce waste volumes by 20% by 2030. The waste volume includes the total amount of waste (excluding scrap). All worldwide production sites are included. The reference value used to measure goal achievement is 80,336 tons in 2019. BENTELER Automotive Components, BENTELER Automotive Modules and BENTELER Steel/Tube set annual and quarterly milestones, with the goal of achieving their targets by 2030. The targets are set based on changes in waste volumes in previous years. Waste figures are reported regularly to monitor target achievement. In the reporting year, we were able to reduce the amount of waste we generate by 24.62% compared to 2019. As increasing production volumes and new locations could lead to rising waste volumes in the coming years, we are continuing our efforts to achieve a 20% reduction by 2030 compared to 2019.

Another target is to increase the proportion of secondary material used in aluminum production in Raufoss. This voluntary target relates to the waste level of recycling and resource inflows, in particular to minimizing the primary raw materials used. Increasing the amount of secondary materials in our products is part of our work supporting the circular economy. In its own aluminum casting production, BENTELER has a direct influence on the proportion of secondary material used, and is therefore working to increase the use of recycled aluminum, whereby all aluminum ingots produced are included. Our relative goal is to achieve a secondary material share of 40% in Raufoss in the medium term and 50% in the long term. Long term refers to the year 2030, medium term to the year 2025. This target was set on the basis of technical feasibility and the availability of secondary materials. The expectations of stakeholders – particularly customers in the automotive sector – were also taken into account. The reference value for measuring progress is a secondary material share of 27% in 2021. So far, a secondary share of 35.8% has been achieved for 2024 (2023: 34.9 %).

E5-4 Resource inflows

A sustainable approach to resource inflows is crucial to minimizing our environmental impact and promoting the circular economy. In this section, we examine the nature of the materials we use in our processes.

Key materials for our products include steel and aluminum raw materials in the form of coils or raw aluminum, as well as processed components such as pressed parts, extrusions, tubes and the like. These do not contain any significant biological materials. Secondary resources accounted for 28% of resource inflows in the reporting year.

WEIGHT OF RESOURCE INFLOWS

	2024
Total weight of resource inflows [t]	2,540,659
Weight of secondary resources [t]	714,413

The weights are taken into account for the categories Scope 3.1 and 3.2. The net weight is only calculated if reliable weights are stored in the database. This approach enabled us to record 98.9% of total Scope 3.1 and 3.2 emissions with weights in 2023, so we will continue to implement this approach in the future. The basis for calculating the weights are the material classes stored in the ERP system and the consolidated quantities of all goods and services purchased by BENTELER. BENTELER mainly purchases primary materials. The weight of the secondary material is defined based on the known inflows from Nucor, BENTELER Lingen and Raufoss. All other materials are assumed to be primary materials. Furthermore, BENTELER does not use any significant quantities of biological materials.

E5-5 Resource outflows

The BENTELER Group attaches great importance to the responsible handling of resource outflows. This section provides insight into our resource conservation measures, the composition of our waste and how we deal with production waste.

The BENTELER Group's products, which include seamless and welded tubes as well as numerous components for the automotive industry, are all recyclable. Structurally relevant components, modules and systems from the automotive sector, which help reduce vehicle weight and improve safety standards, are predominantly provided with transport packaging. Further details on our products can be found in the information on ESRS 2 SBM-1.

Steel is an essential material for our products. It is generally characterized by its good durability and resistance. The durability of steel is influenced by its corrosion resistance, mechanical strength, resistance to wear, temperature resistance, adaptability and workability. We improve these properties through heat treatment and alloys, and adapt our products to specific requirements.

Various waste streams are generated in direct connection with our production processes. The main types of waste include metal waste, refractory materials, mill scale, oil and lubricant waste, dust, municipal waste and packaging materials. All of these waste streams are subject to regular monitoring and, where possible, are recycled, reused or disposed of in an environmentally friendly manner. The largest proportion of waste materials generated during the production of pipes are metals (scrap), filter dust or mill scale.

A large proportion of our products and packaging are recyclable due to the materials used.

WASTE: TOTAL AMOUNT[1]

Types of waste	Unit	2024
Non-hazardous waste		
Diverted from disposal		
i. Preparation for reuse	t	3,134
ii. Recycling	t	356,648
ii a. Recycling - scrap	t	328,915
ii b. Recycling - everything but scrap	t	27,733
iii. Other recovery operations	t	5,649
Total amount of non-hazardous waste diverted from disposal	t	365,431
Amount for disposal		
i. Incineration	t	1,480
ii. Landfill	t	1,546
iii. Other disposal operations	t	2,587
Total amount of non-hazardous waste destined for disposal	t	5,613
Total amount of non-hazardous waste	t	371,044
Hazardous waste		
Diverted from disposal		
i. Preparation for reuse	t	835
ii. Recycling	t	10,267
iii. Other recovery operations	t	1,517
Total amount of hazardous waste diverted from disposal	t	12,619
Amount for disposal		
i. Incineration	t	1,558
ii. Landfill	t	1,974
iii. Other disposal operations	t	2,273
Total amount of hazardous waste directed to disposal	t	5,806
Total amount of hazardous waste	t	18,425

[1] The data is based on measurements and invoices. If no values were available for the month of December, an estimate was made on the basis of the previous month's value. Non-producing locations and very small locations (< 50 employees) whose waste volumes cannot be determined are not taken into account due to their low relevance.

CONTINUATION: WASTE: TOTAL AMOUNT

Total amount of waste diverted from disposal	t	378,050
Total amount of waste destined for disposal	t	11,419
Total amount of waste generated	**t**	**389,469**
Total amount of non-recycled waste	t	22,554
Percentage of non-recycled waste	%	5.79
Total amount of radioactive waste	t	0

The quantity of waste is based on production volumes. Conversion measures also have a major impact on increased waste volumes. Waste is recorded in the ERP system or in spreadsheets in order to create waste balances on this basis. In addition, the data is presented as a percentage in an annual report (recycling and disposal) and submitted to the management (BST). Our products and materials are largely recyclable and end up in the steelworks at the end of their life cycle, where they are recycled.

E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

We do not currently expect the circular economy to have a significant financial impact on the BENTELER Group. The divisions' business models do not allow for a self-contained circular economy, primarily due to market conditions and our role as a supplier. As the main input factor for all divisions of the BENTELER Group is steel, and as this is already one of the most sustainable raw materials (in terms of the circular economy), there is no significant potential here. In the Automotive divisions, materials are also specified by the manufacturer. The steelworks in Lingen already uses scrap as an input factor for steel production in line with the circular economy.

SOCIAL INFORMATION

In the social area of sustainability, our focus is on the key stakeholders for whom we can have a significant influence over the conditions that shape their lives. Above all, this includes our employees and workers involved in our value chains. In the following section, we highlight these groups and the work we are doing in relevant areas.

S1: OWN WORKFORCE

With regard to our own workforce, we will first review relevant impacts, risks and opportunities in the following section and then go on to explain how we promote fair working conditions, equal opportunities and the well-being of our employees, as well as describe the goals we are pursuing. We explain the relationship between the workforce and the undertaking, the ways in which we involve our employees and the actions we have taken and targets we have established for a healthy working environment. We also look at the characteristics of our employees and aspects such as diversity, respect for human rights, health and safety, training and appropriate compensation. This section thus sets forth the framework that we have established for our employees in order to create an inclusive, appreciative corporate culture that contributes to sustainable corporate success, as well as to a successful, democratic society.

Disclosures in relation to SBM-2 and SBM-3

Promoting a sustainable and fair working environment is a key focus for BENTELER. Because of this, in this section, we highlight the measures we are taking to promote the well-being of our permanent workforce. The material impacts, risks and opportunities for the undertaking's own employees are described in the following table.

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS FOR THE UNDERTAKING'S OWN WORKFORCE– WORKING CONDITIONS

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
BENTELER influences its own employees by paying salaries and wages at or above the fair level. This is a sign of appreciation and has a positive impact on employees' motivation and work performance.	√				Own operations	Present
By training employees, BENTELER reduces the frequency of accidents and thus increases employee safety.	√				Own operations	Present
By designing ergonomic and pleasant workplaces and working environments, BENTELER has a positive influence on employee satisfaction and on mental and physical health.	√				Own operations	Present
Good working conditions can lead to higher employee satisfaction and a better company reputation, which makes BENTELER more attractive to potential employees.			√		Own operations	Short, medium and long term
Good working conditions are an essential aspect of BENTELER's self-image. If this aspect were neglected in the future, this could lead to violations of applicable laws and directives.				√	Own operations	Short, medium and long term

The interests, viewpoints and rights of employees are not only represented individually by employees, but also in particular by employee representatives. Employee representatives can be selected on the basis of country-specific laws. Depending on the legal regulations, employee representatives can represent employee interests in committees, processes and projects. BENTELER complies with local legal regulations and maintains neutrality with regard to the formation of works councils. At no time is there a risk of forced labor or child labor within any BENTELER production unit. Forced or child labor are not compatible with our ethical principles.

As a general rule, employees who work in production are generally exposed to a higher risk of injury than people who work in administration. Apprentices within the BENTELER Group are subject to special protections. Overall, there are no negative impacts on the undertaking's own workforce that go beyond those present in normal production. Compliance with current standards, laws, guidelines and requirements is of the utmost importance to the BENTELER Group. In addition, the BENTELER Group always endeavors to protect jobs by adapting to economic and governmental requirements. The risks from standard S1 (own employees) are risks whose mitigation and minimization are given the highest priority. Legal standards, internal processes and guidelines, regular training, clear responsibilities and both external and internal audits ensure that BENTELER is not responsible for poor working conditions, discrimination, violations of labor law and child labor or breaches of data protection. Avoiding these potential risks is the responsibility of every employee, and doing so impacts our entire workforce. However, there

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS FOR THE UNDERTAKING'S OWN WORKFORCE – EQUAL TREATMENT AND EQUAL OPPORTUNITY FOR ALL

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
BENTELER has a positive influence on equal rights for its employees by avoiding offering different salaries or other forms of differing treatment according to gender/age/origin etc.	√				Own operations	Present
BENTELER has a positive effect on equal rights among its employees by complying with the Code of Conduct, collective agreements and laws.	√				Value chain	Present
BENTELER has a positive influence on equal opportunities for employees by distributing training fairly among all employees.	√				Own operations	Short, medium and long term
Metrics on diversity and equal opportunities, such as the proportion of women on the Board of Directors, can have an influence on the decisions of external donors.				√	Value chain	Long-term
By treating employees fairly, BENTELER can act as a role model and make the company more attractive to new applicants.			√		Value chain	Short, medium and long term
Mutual respect and the equal treatment that goes with it are firmly anchored as key values at BENTELER. However, if BENTELER does not make sufficient efforts to ensure equal rights in the future, this could result in lawsuits or accusations of discrimination.				√	Value chain	Short, medium and long term

is no impact or interaction with our strategy or our business model. There are also no positive and BENTELER-specific impacts on the undertaking's own workforce that go beyond the existing impacts on the industry.

All full-time equivalents (FTEs), including temporary workers, were taken into account in analyses of the impact on the number of employees.

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS FOR THE UNDERTAKING'S OWN WORKFORCE–OTHER WORK-RELATED RIGHTS

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
Through appropriate training and security processes, BENTELER has a positive influence on compliance with data protection and thus the security of our employees.	√				Own operations	Present
BENTELER avoids child labor within the undertaking through appropriate guidelines and controls.	√				Own operations	Present
Compliance with data protection is a high priority at BENTELER. Neglecting data protection in the future could lead to a loss of trust, reduced IT availability and lawsuits.				√	Own operations	Short, medium and long term
The protection of labor rights plays an important role at BENTELER. However, if BENTELER were to neglect labor rights such as those related to child or forced labor in the future, BENTELER could be subject to lawsuits and penalties.				√	Own operation	Short, medium and long term

S1-1 Policies related to own workforce

The HR Governance Policy describes BENTELER's global minimum standards with regard to working conditions, respect for human rights, dealing with employee representatives, training and career management, child labor, slavery, human trafficking and diversity, equality and inclusion measures. As part of implementing the Corporate Sustainability Due Diligence Directive, human rights compliance is also monitored, including a risk analysis and the derivation of measures. The whistleblower system at BENTELER is also an essential part of monitoring compliance with the directive. As the highest level of the organization, the Executive Board of the BENTELER Group is responsible for implementing the Global HR Governance Policy. The policy did not change significantly in the reporting year.

The policy applies globally to all employees of the BENTELER Group and is freely accessible to all employees on the BENTELER intranet. Through this policy, BENTELER undertakes to comply with the UN Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights. We also ensure compliance with the provisions of the Corporate Sustainability Due Diligence Directive and the Sustainable Development Goals (SGDs). BENTELER also undertakes in the policy to implement further global and local initiatives that benefit the well-being of our workforce. The policy takes into account our fundamental maxim of respect, which determines, among other things, how we deal with our business partners and the different cultures we encounter across all hierarchical levels.

The obligation to respect human rights is therefore firmly integrated into the HR Governance Policy. BENTELER is committed to protecting the health and safety of its employees and establishes interdisciplinary teams to respond to acute hazards. Working conditions within our Group respect freedom of movement, protect vulnerable employee groups, and ensure regulated working hours and vacation, in each case in accordance with local laws. Employee rights such as co-determination, the right to strike and cooperation with trade unions are safeguarded. In the career management area, BENTELER promotes advanced training programs and individual development plans. Child and forced labor are prohibited, and diversity, equality and inclusion are ensured through skills-based staffing. As part of ensuring the involvement of its workforce, BENTELER remains neutral and respects local conditions for the formation of employee representative bodies such as works councils. Further information on the involvement of employees can be found in the disclosures on ESRS S1-2 § 27 a). By continuously evaluating and analyzing the whistleblower system, identifying preventive measures, carrying out human rights training and sensitizing local HR departments, we make it possible to take measures if needed in the event of an impact on human rights. In addition to the topic of human rights, the HR Governance Policy also covers the topics of child labor, forced labor and human trafficking.

The BENTELER Group uses a management system and a strategy to prevent accidents in the workplace. BENTELER also has specific policies to eliminate discrimination based on race and ethnic origin, color, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national origin or social origin, as well as other forms of discrimination. In accordance with local laws, we ensure the protection of minorities and vulnerable groups, for example through facilities for the disabled and appropriate working conditions. Discrimination is prohibited and decisions are based on objective criteria, with equal treatment and fairness applying to all employees. Programs for the advancement of women aim to support equal opportunities, for example through mentoring, part-time work schedules, probationary periods for promotions and women's networks. In addition, programs are being developed to help ensure the inclusion of all genders and for people with disabilities. To eliminate discrimination, the internal whistleblower system is also evaluated and any necessary immediate measures and preventive measures are identified based on this evaluation.

S1-2 Processes for engaging with own workers and workers' representatives about impacts

As part of supporting our own employees, we continuously involve them in all important matters affecting our Group.

BENTELER respects local laws on the formation of employee representative bodies such as works councils, and strives to work together with their representatives in a spirit of trust to protect the interests of our employees. Depending on the legal requirements, general and European works councils can be set up to deal with transnational issues. Trade unions and their functions are recognized under applicable law, and trade union regulations on working conditions, training and diversity can be negotiated with employee representatives if necessary and in accordance with local laws. Co-determination also takes place at the supervisory board level, where employees are equally represented. There are no global agreements with employee representatives within the undertaking. The reason for this is that the employee representatives are not organized globally, but generally by country. The European Works Council is an exception.

When, how, and how frequently employee representatives are involved in corporate processes depend heavily on the local legal or trade union-regulated framework conditions, as well as on the operational necessity agreed between the employer and employee representatives. In Germany, for example, local employee representatives are consulted weekly on issues that are regulated by law. This includes co-determination in personnel measures such as hiring, transfers and dismissals. Higher-level employee representative bodies are consulted every two weeks or monthly. The Vice President Global HR for the BENTELER Group has overall responsibility for employee representation in the undertaking and is therefore also responsible for ensuring that the results are taken into account when implementing corporate policies, depending on the topic and necessity.

The BENTELER Group has a global process for evaluating employee motivation. In particular, quantitative key performance indicators (KPIs) such as the (early) turnover rate and qualitative data from exit interviews are analyzed if the voluntary fluctuation rate exceeds a certain level. The results of the analysis are integrated directly into actions.

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

We act in accordance with the highest ethical standards in order to consistently prevent inappropriately low pay, exploitation and unfair working conditions. In addition, BENTELER has established clear processes to effectively address negative impacts on employees and coordinate suitable mitigating actions. Various departments are involved with this work and employees have access to various channels to do so, such as the employee dialog, employee representatives or the anonymous whistleblower system B-AWARE to report concerns. These structures ensure comprehensive analysis and processing of cases as well as transparent reporting to corporate management.

If relevant impacts on the workforce occur, the relevant department, for example Human Resources or Safety, Health and Environment (SHE), coordinates mitigating actions. First, the reasons why the negative impacts occurred and the extent of the impacts are analyzed in detail. Based on this analysis, actions to avoid similar situations and mitigating actions to compensate for any disadvantages or damage are decided. As a rule, the relevant employee representatives are also involved in the entire process. Depending on the type and scope of the actions, an effectiveness assessment may also follow when the process is complete.

The B-AWARE whistleblower system offers a way to anonymously report complaints, concerns and any kind of discrimination. When a case is received, it is assigned to a regional or global case manager and reviewed. If the case cannot be substantiated, the case manager contacts the “whistleblower” via a portal. The reported incident is fully investigated until a decision is made on how to resolve the case with the involvement of internal stakeholders, as well as on what mitigating action, if any, is to be taken. The issues raised are tracked and monitored in the tool. Each case must be documented, categorized and the procedure justified. Cases that have been received and processed are also analyzed, particularly with regard to violations of human rights. The documentation and statistics are reported to the Executive Board.

The B-AWARE whistleblower system is a digital tool which can be accessed via a public website. The local works councils can be contacted by telephone, e-mail and in person. Telephone numbers for local trade unions are usually published on notice boards in the plants.

Employee awareness of the structures available to express concerns is not evaluated systematically. However, the Group regularly discusses with employee representatives whether the workforce has confidence in the channels provided.

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Our employees are the heart of the BENTELER Group. Their working conditions are therefore a core piece of our sustainability strategy. We take various actions with regard to our own workforce, such as ensuring compensation in line with the market, designing flexible working models, providing training for further education and development and enacting measures to prevent accidents. The materiality assessment forms the basis for defining these actions. As an indicator of the effectiveness of the actions, the BENTELER Group analyzes voluntary fluctuation, among other metrics. More detailed information on the expected results of our measures can be found in section S1-5.

Fair market remuneration and collective agreements

Our employees receive competitive remuneration which, depending on their position, is either based on the regulations of a union contract or on a remuneration structure covering employees who have non-union contracts. In principle, both approaches include a basic salary in line with the market, a variable remuneration component in the form of a bonus or a performance bonus, and additional voluntary fringe benefits such as a company pension scheme, a company car or insurance benefits. The standardized evaluation, which is based on employee job descriptions, as well regulations governing remuneration and fringe benefits are coordinated globally by our Compensation & Benefit team. We fill the jobs we create worldwide locally and ensure that remuneration always complies with statutory minimum wage requirements. Analyses confirm that all starting salaries exceed these targets. In addition, our salaries are based on collective agreements or standard market salary ranges, and are above the average cost of living in many countries. Initial evaluations also show that the lowest salaries at some locations exceed the applicable living wages. We plan to expand these analyses in the future. Employees at BENTELER can join trade unions, and BENTELER works with trade unions and their representatives in a trusting manner within the applicable local framework conditions. In this context, it is essential to use available margins of action insofar as doing so complies with legal requirements.

Flexible working models

The world of work is becoming increasingly diverse, which is why we introduced a global policy on mobile working back in 2021. This offers employees and managers guidance and takes into account local conditions such as legal requirements and working conditions. Our aim is to create modern working conditions that enable employees to better balance their professional and private lives. The options we offer include flexible working hours, part-time work and mobile working, as far as operationally possible. By promoting personal responsibility, we create individual solutions that respond to the personal realities of our employees' lives. The pandemic has accelerated this change and shown how work, family and personal interests can be combined in a flexible way. In this way, we not only support the integration of our employees' professional and private lives, but also improve their performance in order to promote mental and physical balance – for the benefit of all.

Training for further education and development

We focus on further qualification for our employees in order to promote their individual strengths and ensure they can achieve their full potential. To this end, the BENTELER Group offers customized courses and annual feedback and development meetings supported by digital tools. In addition, we have developed a digital toolbox with around 130 learning areas covering topics such as feedback, change management and development discussions, as well as providing access to learning topics based on employees individual needs. Digital learning formats such as "Working and leading virtually" and blended learning approaches help us to disseminate knowledge internationally and meet different learning needs. In the area of sustainability, we train our employees and managers via e-learning and external training courses in order to strengthen both their understanding and implementation of sustainability measures throughout the organization. In this way, we promote continuous learning and make advanced training flexible and accessible to everyone.

Occupational safety (accident prevention)

The health and safety of our employees is a top priority at BENTELER. Risks related to work processes are regularly assessed as part of our established management systems, then minimized through control measures. These topics are an integral part of management reviews, committee meetings and cross-departmental improvement measures. Before starting work, all employees receive general initial training and workplace-specific safety training from their managers. Additional training is provided for new activities or machines, and accidents from other plants are analyzed and shared via "lessons learned" in order to avoid similar incidents. All plants have reporting systems for near misses. The Health & Safety Policy of the BAC and BAM divisions also describes how employees can exit from potentially dangerous work situations. Employees are encouraged to report safety-critical concerns openly to their managers, safety experts or via the whistleblower system without fear of retaliation. Such reports help us to continuously improve our security measures. In the Steel/Tube Division, the EVA process promotes the active involvement of employees in making the workplace safer. Unsafe conditions are identified via risk processes and addressed together with those affected in order to implement suitable measures. In addition, occupational health services, preventive medical check-ups and regular workplace inspections ensure that the health of our employees is protected beyond the level of accident prevention.

No significant operating expenses are required for any of the measures described. Financial resources are available for developing training courses and operating supporting IT systems as well as capacities for carrying out the (risk) assessment.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Managing material social impacts, risks and opportunities requires clear targets that reflect our responsibility towards our own workforce. In this section, we explain the objectives of the BENTELER Group, which are focused on improving working conditions and promoting positive development. These targets serve as the basis for creating long-term value and actively shaping the social aspects of our business activities.

One of our targets is to achieve a 25% share of women in management positions by 2030[5]. This is a relative target measured as a percentage of management positions. All management positions worldwide are included in the target. The reference value for measuring progress from 2023 is 18.5% of management positions held by women. The number of female managers is analyzed annually to measure our progress. In the reporting year, 532 of the 2,826 management positions in our Group were held by women. The proportion of female managers was therefore 18.8 %.

The target was set by HR management, taking into account the HR strategy and industry benchmarks. BENTELER generally takes the expectations of its stakeholders into account when formulating current and future targets. For example, the expectations and opinions of employees were taken into account when formulating individual goals. This is done as part of annual performance reviews or team focus meetings. Employees and employee representatives are informed about the target-setting process and how targets are tracked.

[5] Management and Executive functions

The BENTELER Group is also working towards a long-term zero accident target for work-related accidents. The BENTELER Group has relevant management targets for various accident indicators, ergonomic improvements and safe machines, particularly at the plant level. We are convinced that all accidents are fundamentally preventable, which is why we are pursuing the vision of "zero accidents". As part of our assumption that every work-related accident is preventable, the relative target level set by the occupational safety department is zero accidents per 1 million working hours. This figure applies to the entire BENTELER Group. The reference value for measuring progress toward the target from 2023 is three accidents in 1 million working hours. The metrics in S1-14 describe how this is reviewed and what progress is made to achieve this goal. The Occupational Safety department is responsible for tracking this target.

S1-6 Characteristics of the undertaking's employees

The diversity and structure of our workforce are crucial to the success and sustainability of our Group. In this section, we provide an overview of the demographic and structural characteristics of our employees, such as their employment type, gender distribution and regional distribution. This transparency helps us to further develop our strategies for promoting a diverse and inclusive working environment in a targeted manner.

TOTAL NUMBER OF EMPLOYEES BY GENDER

	Number of employees (headcount)	
Gender	2024	2023
Male	19,201	19,513
Female	3,271	3,198
Other	0	0
Not reported	1	1
Total number of employees	22,473	22,712

Compared to the previous year, the total number of employees fell by 239 to 22,473. The number of female employees rose by 73, while the number of male employees fell by 312.

Within the BENTELER Group, both Germany and the Czech Republic each employ at least 10 % of the total number of employees. Because of this, we disclose the numbers of employees working in these countries in the following table.

EMPLOYEES IN GERMANY AND THE CZECH REPUBLIC

	Number of employees (headcount)	
Country	2024	2023
Germany	7,993	8,049
Czech Republic	2,782	2,664
Other (difference)	11,698	11,999
Total (Holding)	22,473	22,712

In order to provide further transparency regarding the composition of our workforce, we provide a more detailed, gender-specific breakdown of employee figures with regard to the type of contract and working time models below. The table provides insight into developments in 2023 and 2024.

EMPLOYEES BY TYPE OF CONTRACT, BROKEN DOWN BY GENDER

	2024					2023				
	Female	Male	Other (*)	Not disclosed	Total	Female	Male	Sonstige (*)	Not disclosed	Total
Number of employees (headcount)	3,271	19,201	0	1	22,473	3,198	19,513	0	1	22,712
Number of permanent employees (headcount)	2,890	17,149	0	1	20,040	2,800	17,383	0	1	20,184
Number of temporary employees (FTE)	381	2,052	0	0	2,433	398	2,310	0	0	2,558
Number of non-guaranteed hours employees (headcount)[1]	24	66	0	0	90	–	–	–	–	–

(*) * Gender according to employees' own statements.
[1] This metric will only be collected starting in the 2024 reporting year.

The total number of employees who departed the company is 3,234 (2023: 3,314). The fluctuation rate in the reporting year was 15 % compared to 6.8 % in the previous year. The fluctuation rate is calculated by dividing the number of all departures by the average number of employees (headcount) in the reporting year.

Numbers of persons (headcount, HDC) are provided. The number of temporary workers is reported as Full-Time Equivalent (FTE), as the number of temporary workers is calculated using the hours worked by the temporary employees. Therefore, there is no way to relate this information to individual persons. Reporting date-specific data is reported as of December 31 of the reporting year. Period-specific data (such as fluctuation), on the other hand, is evaluated for the calendar year of the reporting year.

The figures given here for the total number of employees are based on the same data as the figures in the personnel report in the management report. In the management report, the figures are given as FTEs, whereas here the HDC is used for salaried employees and temporary employees are given as FTEs.

S1-7 Characteristics of non-employee workers in the undertaking's own workforce

Cooperation with non-employees is an integral part of our business activities and complements our own workforce in various areas. In this section, we highlight the characteristics of non-employees in order to create transparency about how they contribute to our value creation processes.

The total number of non-employees amounted to 2,566 in the reporting year (2023: 2,561 employees). This includes personnel provided by companies that are active in worker recruitment and placement. The number of workers is stated in FTE. No information is available regarding the number of self-employed persons in the reporting year.

Temporary workers are mainly used in production to cover production peaks and compensate for short-term bottlenecks. Temporary employees are only recorded in FTE. This is calculated mainly based on hours worked. The metric is calculated on the basis of monthly reporting for December of each year. The calculation of FTEs for temporary employees is based on the number of hours billed. Therefore, this calculation includes no estimates. However, the metric does not allow any direct conclusions to be drawn about the number of people employed.

S1-8 Collective bargaining coverage and social dialog

Fair collective bargaining coverage and constructive social dialog are important elements of our responsibility towards our employees. Therefore, in this section we describe the collective bargaining coverage of our employees and the coverage provided by employee representatives. The percentage of employees covered by collective bargaining agreements amounted to 68.38%. Over 80% of the employees of BENTELER

COLLECTIVE BARGAINING COVERAGE FOR EMPLOYEES AND SOCIAL DIALOG

	Collective bargaining coverage		Social dialog
Coverage rate	Employees – EEA (for countries with > 50 employees accounting for > 10% of the total employees)	Employees – non-EEA countries (estimate for regions with > 50 employees accounting for > 10% of the total employees)	Workplace representation (EEA only) (for countries with > 50 employees accounting for > 10% of the total employees)
0–19 %	–	Asia-Pacific	–
20–39 %	–	Europe	–
40–59 %	–	America	–
60–79 %	–		–
80–100 %	Holding, Germany, Czech Republic	–	Holding, Germany, Czech Republic

Holding and our employees in Germany and the Czech Republic are covered by collective agreements. These employees also have over 80% coverage by employee representatives.

An agreement on representation with the European Works Council (EWC) has been concluded with our employees.

S1-9 Diversity metrics

Diversity contributes to innovation and to the long-term success of the BENTELER Group. In the following section, we present metrics on the gender distribution in top management and the age structure of our workforce. This transparency underlines our commitment to a diverse corporate culture and the promotion of equal opportunities at all levels.

GENDER DISTRIBUTION IN TOP MANAGEMENT

	2024		2023	
	Number	Percentage	Number	Percentage
Women	0	0	1	8.33
Gender not reported	0	0	0	0
Men	15	100	11	91.67
Other	0	0	0	0
Total	15	–	12	–

BENTELER defines „management positions“ as all top management positions (first management level) of the BENTELER divisions BAC, BAM, BST and HOLON as well as BENTELER Business Services GmbH (BBS) and BENTELER International AG (BIAG).

AGE DISTRIBUTION OF EMPLOYEES

	2024		2023	
	Number	Percentage	Number	Percentage
Under 30 years old	3,971	17.67	3,984	17.54
30–50 years old	12,461	55.45	12,705	55.94
Over 50 years old	6,041	26.88	6,022	26.52

In the reporting year, the proportion of employees under 30 years of age was 17.67 %, which corresponds to a slight increase in the percentage compared to 2023. At 55.45 %, the age group between 30 and 50 made up the largest proportion of our employees in the reporting year. The remaining 26.88% are in the over 50 age group, where there was a small increase in percentage compared to the previous year.

S1-10 Adequate wages

Fair and adequate remuneration is a fundamental part of our responsibility as an employer. We can confirm that all employees at BENTELER are compensated in accordance with applicable benchmarks (statutory national minimum salaries or minimum salaries under collective agreements) and therefore adequately. As in the previous year, the percentage of employees who do not receive an adequate salary is therefore 0 %.

S1-11 Social protection

At BENTELER, we ensure that our employees are covered by social protection in order to safeguard their well-being. Based on a country's local statutory social security policy, we offer financial health protection in accordance with the country's legal framework. In addition, a Group undertaking can decide which ancillary benefits it wishes to offer, and what is customary under local conditions. In addition, instruments for social protection against unemployment are available in accordance with local social security policies. Group companies can also implement additional programs, such as the option of granting severance pay to employees who lose their jobs.

S1-12 Persons with disabilities

By including people with disabilities, we promote diversity and equal opportunities within the BENTELER Group. The percentage of employees with disabilities at BENTELER in the reporting year was 2.6 % (2023: 2.6 %). The proportion of women with disabilities was 1.56 % (2023: 1.6 %), for men 2.78 % (2023: 2.7 %) and for other persons and persons whose gender is not reported, 0 %. A "disability" is defined as any impairment regardless of degree. Reporting a disability is generally not mandatory and is prohibited in some countries. The actual number of disabled persons employed is therefore higher than the stated figure.

S1-13 Training and skills development metrics

Ongoing training and skills development for our employees are crucial to BENTELER's long-term success and innovative capacity. We rely on training, among other measures, to promote the potential of our workforce. The average amount of training[6] per employee in the reporting year was 11.65 hours for women (2023[7]: 12.3 hours), for men 9.17 hours (2023: 9.6 hours) and for the other persons and persons whose gender is not reported, 0 hours[8]. Overall, the average training time for all employees was 9.54 hours compared to 9.9 hours in the previous year.

S1-14 Health and safety metrics

The health and safety of our employees is a top priority for BENTELER. In this section, we present metrics relating to occupational health and safety, accident prevention and health promotion in order to transparently present and continuously improve the effectiveness of our strategies.

To do so, we begin by looking at the coverage of the health and safety management system, by indicating the percentage of the workforce covered by the BENTELER Group's health and safety management system under ISO 45001.

COVERAGE OF THE HEALTH AND SAFETY MANAGEMENT SYSTEM

	2024	2023
Employees [%]	96.95	97.21
Non-employees [%]	100	100
All workers [%]	97.26	97.49

To transparently describe our progress in the area of occupational health and safety, detailed figures on work-related fatalities and reportable accidents at work in 2023 and 2024 are presented below. The data includes both our own employees and non-employees and provides a basis for evaluating and further developing our safety measures.

REPORTABLE ACCIDENTS AT WORK

	2024		2023[1]	
	Number	Ratio[2]	Number	Ratio
Own employees	111	3,13	–	–
Non-employees	6	1,15	–	–
All workers	117	2,88	128	3,0

[1] The number and rate of reportable occupational accidents will only be reported from the 2024 reporting year onwards, split between our own employees and non-employees.
[2] Rate based on one million working hours.

[6] Based on hours recorded in the Learning Management System. The actual average values may be higher than this..
[7] In 2023, 82% of employees were covered by the Learning Management System. All employees are included for the current reporting year. In the previous year, the metric was calculated based on the average number of employees. For the current reporting year, the metrics from S1-6 are used for the calculation in accordance with ESRS.
[8] For this reporting year, these categories only included one person whose gender was not specified.

DAYS LOST DUE TO WORK-RELATED INJURIES AND FATALITIES AS A RESULT OF OCCUPATIONAL ACCIDENTS [1]

	2024	2023
Number for salaried employees	3,726	3,480
Number for non-employees	– [2]	–
Total number for own workforce	3,726	3,480

[1] The days lost due to work-related illnesses have not yet been reported in the 2024 reporting year.
[2] As in the previous year, the days lost for non-employees have not yet been recorded in the 2024 reporting year.

WORK-RELATED FATALITIES

	2024	2023
Number for salaried employees	0	0
Number for non-employees	0	0
Number for additional employees	0	0
Total number for own workforce	0	0

The number of deaths is based on deaths related to work-related injuries. No deaths due to work-related illnesses have been recorded.

S1-15 Work-life balance metrics

The BENTELER Group promotes a good work-life balance for its employees. The option to take time off for family reasons contributes in particular to a good work-life balance. As in the previous year, 100% of the employees are entitled to this type of leave. Of the female employees, 7.40 % (2023: 7.83 %) took time off work in the reporting year, while 0.61 % of male employees did so (2023: 0.52 %). Of the other employees or persons whose gender was not reported, 0 % did so. In total, 1.60 % of employees took time off for family reasons in the reporting year, compared to 1.58 % in the previous year.

S1-16 Compensation metrics (pay gap and total compensation)

Transparent remuneration structures and the promotion of equal pay are key ways that BENTELER promotes equal treatment and fairness. In this section, we provide insight into metrics on the pay gap and total annual remuneration.

The gender pay gap amounted to 8.11 % in the reporting year. The annual total remuneration of the highest-paid individual is 54.37 times higher than the median annual total remuneration of all employees.

The basis for calculation is the contractually agreed gross annual salary per hour, including all variable payments such as a company bonus and fixed annual allowances. The analysis is based on centrally reported salaries.

S1-17 Incidents, complaints and severe human rights impacts

Protecting human rights is at the heart of our business activities. In this section, we report on reported incidents, complaints received and serious impacts related to human rights. We also explain how these cases are handled to ensure and continuously improve human rights standards in all our activities.

Eight cases of discrimination were recorded in the reporting year. There were nine such incidents in the previous year. Our employees are able to raise concerns relating to human rights at any time. The following table provides information on the number of complaints submitted.

COMPLAINTS SUBMITTED TO RAISE CONCERNS

	2024	2023
Submitted via channels for employees	18	23
Submitted via national contact points	0	0

A voluntary description of the status and actions taken in relation to the incidents and/or complaints will not be provided. As in the previous year, no fines were imposed in connection with the above-mentioned incidents and complaints during the reporting year.

Furthermore, as in the previous year, there were no serious cases relating to human rights or human rights in connection with official principles in the reporting year. Accordingly, no resulting fines were incurred. There were also no fines, sanctions or compensation payments in the financial statements.

We ensure transparency regarding the effectiveness of the measures we have taken through ongoing evaluation of the whistleblower system. In addition, a continuous improvement process has been launched in which training is offered and awareness is raised in the locally affected area through personal discussions. By following up on cases and taking measures, the interests of those affected are taken into account and protected.

S2: WORKERS IN THE VALUE CHAINE

Our responsibility does not end at the boundaries of our Group, but rather encompasses our entire value chain. Because of this, the following section explains how we work with suppliers and business partners to ensure fair working conditions, the protection of human rights and social responsibility at all levels. On the following pages, we explain our policies and processes for integrating the value chain in our targets, the measures we take and the targets we pursue.

Disclosures in relation to SBM-2 and SBM-3

At BENTELER, we take social aspects into account along the entire value chain. In this section, we explain how we incorporate the interests and views of workers in the value chain into our business model and strategy. Our focus in doing so is on transparency, cooperation and compliance with social standards.

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS FOR THE TOPIC OF EMPLOYEES IN THE VALUE CHAIN – WORKERS IN THE VALUE CHAIN

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
BENTELER exerts a positive influence on the treatment of employees in the supply chain through effectively implementing and actively monitoring the Supplier Code of Conduct.	√				Value chain	Present
Working conditions that violate applicable regulations could lead to production interruptions at BENTELER's suppliers. This can lead to delivery difficulties and even production stoppages at BENTELER.				√	Value chain	Short, medium and long term
Violations of human rights could lead to production interruptions at BENTELER's suppliers. This can lead to delivery difficulties and even production stoppages at BENTELER.			√		Value chain	Short, medium and long term

Compliance with current standards, laws and human rights is of the utmost importance to the BENTELER Group and its suppliers. Such compliance is taken into account both when nominating suppliers and when awarding contracts. We are not currently aware of any violations in the supply chain. In particular, strategic purchasing decisions take into account the opportunities and risks that impact employees within our value chain.

Within the value chain, people who work in countries with poorer working conditions are particularly affected by such potential risks. As part of the materiality assessment, we have developed an understanding of the workforce in our value chain by including purchasing in the analysis. In particular, employees from the purchasing department who implement risk management in the supply chain in their daily work were included. In our risk assessment and in the ways we track it on an everyday basis, we pay special attention to certain groups of workers in the value chain (e.g. certain age groups, indigenous peoples, minorities).

Theoretically, workers in the value chain in all of BENTELER's upstream and downstream processes could be affected by the material impacts, although there are currently no significant negative impacts on workers in our value chain. Preventing unacceptable working conditions and human rights violations in our supply chain is a top priority for BENTELER. Thoroughly reviewing new suppliers and evaluating existing suppliers using software purchased specifically for this purpose is the key to preventing such violations in our own supply chain. Of course, this also applies to the unintentional use of conflict materials. By complying with standards and minimum legal requirements, as well as making avoiding violations of these requirements a high priority, we ensure workers in our supply chain experience better conditions. The material impacts, opportunities and risks are described in the table above.

S2-1 Policies related to value chain workers

The BENTELER Group ensures that the rights and welfare of workers in our value chain are protected. In this section, we present our policies for ensuring that social standards are met, fair working conditions are ensured and risks to workers are minimized.

A central component of our supplier policies is the acceptance of our Supplier Code of Conduct (SCoC), a code of conduct for suppliers that applies to all employees and contains standards on the following topics:

- Work
- Health and safety
- Environment
- Market behavior and ethics
- Responsibility within the supply chain
- Reporting potential hints

It also covers the topics of child labor, forced labor and human trafficking. If non-compliance with the SCoC is reported, for example via our risk management tool or our whistleblower system, the violations are consistently followed up on and the supplier may be phased out if they are not remedied. The fact that BENTELER only focuses on suppliers that comply with the SCoC can be seen as an economic opportunity. This may lead to a consolidation of sales. Further opportunities include an improved reputation as the company is able to serve as an ethical and moral role model. When selecting suppliers for the risk management tool, the following aspects were taken into account: critical countries (including the Corruption Perceptions Index), critical product groups and a critical purchasing volume. The purchasing manager is responsible for implementing the SCoC.

Under the SCoC BENTELER also commits to implement a range of internationally recognized standards and third-party initiatives. With regard to human rights, these include the German Supply Chain Due Diligence Act (LkSG), the International Bill of Human Rights, the Sustainable Development Goals (SDGs), the United Nations Guiding Principles on Business and Human Rights and the Ten Principles of the UN Global Compact. With regard to working conditions, BENTELER is committed to complying with the requirements of the Ethical Trading Initiative and the labor standards of the ILO (International Labor Organization). In the area of health and safety, the SCoC incorporates the requirements of the National Fire Protection Association and the ISO 45001:2018 standard. With regard to the environment, BENTELER is committed to compliance with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the Global Automotive Declarable Substance List, ISO 14001, ISO 50001, the Minimata Convention, REACH (Registration, Evaluation, Authorization of Chemicals) and the Stockholm Convention on Persistent Organic Pollutants. In the area of ethics, the Dodd-Frank Wall Street Reform and Consumer Protection Act Section 1502, the Conflict Minerals and various OECD guidelines are taken into account.

The SCoC as described is applicable to all active suppliers, regardless of their location. In the case of suppliers specified by the customer (directed buy), we assume that the customer has taken its own SCoC into account when choosing these suppliers. However, BENTELER also monitors critical countries and product groups using its own risk management tool. Following the introduction of the Corporate Sustainability Due Diligence Directive (CSDDD), the upstream value chain will be included in this process in future. No cases were reported in the upstream value chain during the reporting period.

Our SCoC is freely accessible both internally (via the intranet) and externally (via the internet). Our employees who have contact with suppliers are also trained on this Code of Conduct. This ensures that BENTELER employees are able to provide information in the event of queries. We are also working on further optimization measures. These include setting up a training course for our suppliers.

Mandatory human rights requirements are integrated into both our CoC and our SCoC as described above (internal and external), and all employees and suppliers are obliged to comply with them. We use our risk management tool to comply with the principles and legal requirements of our human rights policy. In addition, hints can be provided either internally or externally via our whistleblower system. Workers can use this system to report labor and human rights violations at any time. A Human Rights/Supply Due Diligence Committee has also been established, and meets at least twice a year or on an ad hoc basis. The results and effectiveness of the actions relating to human rights are monitored by this committee and communicated to the Executive Board.

S2-2 Processes for engaging with value chain workers about impacts

The involvement of workers in the value chain is essential in order to identify and address potential social impacts at an early stage. In this section, we explain the processes BENTELER uses to ensure that workers are actively involved along the value chain. Measures to do so include assessments, monitoring mechanisms and feedback processes that help to ensure social standards and minimize potential risks.

The BENTELER Group takes labor and human rights issues into account when onboarding suppliers. These topics are discussed in detail in the Global Sourcing Meeting (nomination body) with the participation of various divisions. At BENTELER, the involvement of workers in the value chain is therefore taken into account once in the onboarding process, as well as continuously and on an ad hoc basis by reviewing suppliers using the risk management tool and, if necessary, through the whistleblower system. The latter two instruments are also used to review the effectiveness of cooperation with workers in the value chain. An escalation process is carried out in the event of concrete tips. If the supplier fails to demonstrably remedy the violations, BENTELER reserves the right to terminate the business relationship. At BENTELER, the Purchasing Manager bears operational responsibility for engaging with workers in the value chain. Commodity Directors, Managers and Commodity Buyers are also involved.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Should there be any negative impacts on the workforce in our value chain, BENTELER always endeavors to define corrective actions with the supplier and, if necessary, provide support in implementing them. This procedure is process-based. In addition, all employees in the value chain have the opportunity to raise concerns at any time via the whistleblower system, on-site visits or audits and discussions with employees from Purchasing and STM, as well as by speaking with Compliance. The whistleblower system can be accessed online at any time via the BENTELER website and is available in twelve languages. Furthermore, contact persons at BENTELER can be contacted by e-mail or telephone. Incoming reports are quantitatively evaluated at regular intervals. The responsible case managers who process the reports are required to process reports assigned to them promptly and categorize them correctly for meaningful reporting.

Marketing initiatives were used to promote the use of the whistleblower system after it was introduced. Various reports from different countries and on different topics show that the system is being used and is therefore effective. Internal whistleblowers who make reports in good faith will not be subject to retaliation or adverse consequences with respect to their employment or relationship with BENTELER. This applies in particular to consequences such as dismissal, demotion, suspension, discrimination with regard to the terms and conditions of employment or the business relationship. Employees worldwide have received repeated training indicating that the undertaking does not tolerate any influence on whistleblowers.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Our responsibility for employees in the value chain includes both managing significant risks and pursuing opportunities arising from their involvement. In this section, we present the actions taken by BENTELER to minimize negative impacts and promote positive effects. We also explain our approaches to evaluating the effectiveness of these actions in order to ensure social standards and continuously improve sustainability in our value chain.

In the first quarter of 2025, our supplier training courses will be finalized and published on the BENTELER website. In general, we distinguish between three input channels: the whistleblower system, personal contacts and risk management. Internally described and internationally established processes exist for how to deal with such reports and who should be involved. Depending on the severity of the breach, there are different escalation levels, ranging from supplier development to phase-out.

Depending on how a report is assessed, surveys are used or an on-site audit is carried out directly. Furthermore, a preliminary review of the supplier is carried out during the onboarding process. The process is stopped if the results of this review are negative. As part of the launch of the risk management system, an additional person was hired to deal exclusively with this issue. In addition to establishing an additional FTE (risk manager), further resources from related divisions such as Legal, Sales or STM are called upon as required. Considerable financial resources have been made available to build up additional capacities and introduce the risk management tool. Extensive training was also provided to raise awareness among all relevant employees. In addition, there are ongoing costs (licenses, additional audits, etc.) that are incurred by the undertaking. No significant CapEx or OpEx is required.

All active suppliers have confirmed our SCoC and have thus committed to implementing it internally and in their supply chain, thereby preventing negative impacts on workers in the value chain. We use the whistleblower system and the risk management system to ensure compliance with the SCoC. If warning messages are received, for example if permitted working hours are exceeded, all suppliers affected from the regions are blocked as a precautionary measure and only released after written confirmation from our SCoC. All incoming reports are evaluated and tracked. Suppliers must prove that measures have been taken to eliminate or minimize the risk. On-site audits are also carried out at our suppliers. In addition, awareness training and training on the SCoC were carried out internally, among other measures, to address significant negative impacts on the workforce in the value chain. Our SCoC is reviewed annually to ensure that it is valid and up to date, and adjustments are made if necessary. In 2025, suppliers will also be provided with an e-learning course on the German Supply Chain Due Diligence Act (LkSG).

The following measures were therefore taken to mitigate significant risks for BENTELER: The risk management tool, the whistleblower system, implementation of processes including audit/escalation management and daily sanctions list checks. These measures are constantly being expanded and optimized. The main opportunities arising from this are both supplier optimization and the potential to optimize costs by increasing transparency within the supply chain. So far, our audits and follow-up of incoming reports have had a positive effect. In the event of negative impacts, those affected could have reported them via our whistleblower system. This has not yet happened. There are no known serious problems or incidents relating to human rights within the upstream value chain.

The use of social media for communication, for example of the sustainability report, is an adequate means of reaching a broad audience and thus contributing to a positive impact on the workforce. An annual progress review is carried out for how negative impacts on the value chain are handled. The result is communicated in the sustainability report. Medium/long-term corporate targets are defined in the sustainability report and can only be achieved together with our suppliers and customers.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

At BENTELER, the Supplier Code of Conduct regulates how employees are treated in the value chain. There are no other specific targets.

GOVERNANCE INFORMATION

G1: BUSINESS CONDUCT

Business conduct is at the heart of all our activities and entails a special responsibility towards our stakeholders and the environment. In the following section, we explain the impacts, risks and opportunities affecting the area of business conduct and the central policies that are anchored in our corporate culture. We also discuss the management of our supplier relationships and our zero-tolerance policy with regard to corruption, and disclose information on payment practices.

Disclosures in relation to SBM-3

As part of our materiality assessment, we identified impacts, risks and opportunities for the area of business conduct that are material for BENTELER. These are described in the following table.

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS FOR THE AREA OF BUSINESS CONDUCT – CORPORATE CULTURE & CORRUPTION AND BRIBERY

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
By communicating and implementing guidelines and behavioral principles, BENTELER has a positive influence on the attitude, motivation and (mental) health of employees.	√				Own operations	Present
BENTELER influences employees' awareness of sustainability through the corporate culture it conveys. This can have a positive impact on employees' behavior with regard to sustainability issues.	√				Own operations	Present
BENTELER combats corruption and bribery through its own standards, guidelines, a whistleblower process and training.	√				Own operations	Present
An environmentally conscious corporate culture can make BENTELER more attractive to employees and young talent.			√		Own operations	Short, medium and long term
The BENTELER Group conducts its business responsibly and in accordance with the legal requirements of the countries in which it operates. Violations of antitrust and competition law, export control regulations and sanctions as well as anti-corruption laws represent a potential risk.				√	Own operations	Short, medium and long term

G1-1 Corporate culture and business conduct policies

At the heart of our corporate culture are the three values of courage, ambition and respect. To help us live out these values, they have been anchored in our measures in relation to our own employees and are also the subject of annual employee appraisals, among other things. We also repeatedly refer to these values in our internal corporate communications. For 2025, we have also resolved to make our corporate culture of "Pioneering the Future" more tangible for all employees. We consider this vision crucial: being open to recognizing a changed reality and proving our own adaptability time and again. We never want to be satisfied with mediocrity, but to think in new ways and find the best solutions for daily challenges. The ability to make decisions and take responsibility is key, and requires a great deal of trust in colleagues, employees and supervisors. We need courage, ambition and perseverance to shape a sustainable future. What connects us our communication across borders. We value short pathways and foster 360 degree viewpoints. We strengthen competence and recruit our top managers from our own ranks wherever possible. We benefit from our geographical footprint and our wide range of opportunities for managers and specialists.

In the following sections, we present the concepts that BENTELER uses as the foundation of its corporate culture to ensure ethical behavior, transparent decision-making processes and open communication at all levels. These concepts help to promote trust among our stakeholders and support our long-term strategic goals.

MATERIAL IMPACTS, OPPORTUNITIES AND RISKS FOR THE AREA OF BUSINESS CONDUCT – MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS, INCLUDING PAYMENT PRACTICES

	Impact					
Description	Positive	Negative	Opportunity	Risk	Origin	Time horizon
BENTELER influences the business activities of suppliers through clear contractual regulations, such as the Supplier Code of Conduct.	√				Own operations	Present
BENTELER attaches great importance to fair cooperation with suppliers. However, if BENTELER were to neglect its payment terms and deadlines in the future, this could lead to liquidity problems at suppliers and thus interruptions in production at BENTELER.				√	Value chain	Short, medium and long term

Group Guideline Anti-Corruption

Corruption, bribery and fraud, as well as granting and accepting benefits are unacceptable at BENTELER. In our business decisions and transactions, we act in accordance with applicable laws and observe relevant regulations in Germany and abroad as well as our own standards and guidelines. Our Compliance organization maintains these guidelines and monitors compliance with them (in addition to the Internal Audit department). The Group Guideline Anti-Corruption covers the following areas in particular: zero tolerance for corruption, correct handling of gifts and invitations, correct dealings with business partners, conflicts of interest, consequences and sanctions, rules to prevent corruption, and training. Risk assessments on the topic of corruption are carried out at irregular intervals. Questions from a defined list are discussed in the form of interviews with selected employees. If weaknesses are identified, measures are defined and implemented in consultation with the members of management concerned. Progress of this implementation is monitored monthly by the Compliance department. The Group Guideline Anti-Corruption applies to BENTELER International AG, BENTELER Business Services GmbH and all companies affiliated with them. As part of compliance with the Group Anti-Corruption Policy, BENTELER also undertakes to comply with provisions of national criminal law, for example the Austrian and German Criminal Code, the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act (UKBA).

BENTELER Code of Conduct (CoC)

BENTELER's voluntary commitments with regard to ethical standards and requirements are set out in our Code of Conduct (CoC). These represent guidelines for all employees and members of management. The Code of Conduct covers the following areas: social responsibility and compliance with the law, dealing with employees, competition and antitrust law, corruption, gifts and benefits, international trade, environmental protection, data protection, relationships with business partners. Individual managers are responsible for monitoring compliance with the Code of Conduct, supported by the HR department, Training Administration and the Compliance department. The CoC applies to all employees worldwide, including all managers and Managing Directors of all undertakings in the BENTELER Group. Employees are also trained that the Code of Conduct also applies privately, if the person concerned demonstrates their personal affiliation with the BENTELER Group in public.

Antitrust and Competition Law Guideline

This guideline serves to convey essential regulations in the areas of antitrust and competition law in order to guarantee fair competition. The guideline covers the following areas in particular: prohibition of cartels (in dealings with competitors), critical issues in dealings with competitors, conduct in associations and other business organizations, exchange of information, cartel rules in dealings with suppliers and customers, abuse of dominant market position, consequences of cartel violations and special information on conduct during searches. Employees have a duty to be familiar with this guideline, including its requirements and prohibitions, and to act accordingly. Risk assessments on antitrust and competition law are carried out at irregular intervals (see the section “Group Guideline Anti-Corruption”). The Antitrust and Competition Law Guideline applies to BENTELER International AG, BENTELER Business Services GmbH and all companies affiliated with them. By complying with the guideline, BENTELER also undertakes to comply with the relevant provisions of national antitrust and competition laws, for example the German Act against Restraints of Competition (GWB), the Treaty on the Functioning of the EU, the US Sherman Act and Clayton Act, the Chinese Anti-Monopoly Law and Brazilian Law no. 12,529/201.

Group Guideline Export Control

The guideline covers the following areas in particular: organization of export control, compliance with export control law (in particular with regard to sanctions, embargoes and listed goods), training, documentation and dealing with violations. Employees have a duty to be familiar with this guideline, including its requirements and prohibitions, and to act accordingly. Compliance with this guideline is regularly checked by suitable employees of the export control organization and an export expert from the compliance organization or by other internal control systems in coordination with the responsible export manager. The Internal Audit department is also involved on a secondary basis. Regular audits must be carried out every one to three years, although not all areas of the export control system have to be included in every audit. Risk assessments on the topic of export control are carried out at irregular intervals (see the Group Guideline Anti-Corruption). The Group Guideline Export Control applies to BENTELER International AG, BENTELER Business Services GmbH and all companies affiliated with them. Export control also covers the cross-border exchange of goods between undertakings within the BENTELER Group. By complying with the guideline, BENTELER also undertakes to comply with relevant provisions of national and applicable international export control laws, for example the German Foreign Trade and Payments Act and the US Re-Export Act. Processes and risk analyses are based on BAFA’s Internal Compliance Program (ICP).

BENTELER Global HR Governance Policy

BENTELER’s global presence and economic activity mean our Group has a special level of responsibility. The undertaking is aware of this responsibility and acts accordingly. The BENTELER values of courage, ambition and respect serve as our guiding principles. The directive covers the following areas in particular: Labor practices and human rights, working conditions, training and career management, child labor, slavery and human trafficking, and measures to promote diversity, equality and inclusion. The BENTELER Global HR Governance Policy applies to BENTELER International AG, BENTELER Business Services GmbH and all companies affiliated with them. The policy influences the supply chain in this respect, as it forms the basis for the minimum standards set out in the BENTELER Supplier Code of Conduct. The policy is based on a broad range of nationally and internationally recognized standards, such as the Supply Chain Duty of Care Act, the UN Guiding Principles on Business and Human Rights, the Sustainable Development Goals (SDGs), various ILO standards and the requirements of ISO 45001:2018 on occupational safety.

BENTELER Whistleblower Policy

The purpose of the whistleblower system is to assist in rapidly correcting any misconduct and restoring proper conduct, as well as preventing financial damage to the undertaking and damage to its image. From a technical and organizational point of view, the Whistleblower Policy is intended to ensure that information on violations of laws, the BENTELER Code of Conduct and BENTELER guidelines can be received, processed, stored and archived with the necessary confidentiality. The policy covers the following areas in particular: Definition of relevant information, submission of information, protection of whistleblowers and affected parties, confidentiality, plausibility check and carrying out the investigation as well as providing feedback to the whistleblower. Incoming reports are quantitatively evaluated at regular intervals. The responsible case managers who process the reports are required to process reports assigned to them promptly and categorize them correctly for meaningful reporting. The procedure for processing reports is set out in the Annex to the Whistleblower Policy. The policy applies equally to all employees worldwide, including all managers and Managing Directors of all companies of the BENTELER Group, as well as any external person who wishes to report an alleged breach of rules to BENTELER. Relevant provisions which BENTELER is obliged to comply with under the directive result, for example, from the German Whistleblower Protection Act and the EU Whistleblower Protection Directive (2019/1937).

Compliance at BENTELER (CMS Manual)

At the BENTELER Group, compliance means that internationally and locally applicable legal principles, statutory regulations and the undertaking's own rules are observed and actively implemented. The Compliance Management System (CMS), which applies to the entire BENTELER Group, helps us to act in accordance with the rules. The fundamental objective, purpose and benefit of BENTELER's compliance activities are to avoid or reduce reputation damage, claims for damages and legal sanctions against the Group as well as the personal liability of BENTELER's employees and bodies. The Group has established the following priorities: antitrust and competition law, anti-corruption and export control. The manual Compliance at BENTELER (CMS Manual) applies to the entire BENTELER Group. It does not include business partners unless they are acting on behalf of a BENTELER Group undertaking. The BENTELER CMS is based on the relevant national and international standards for compliance management systems (IDW PS 980, ISO 19600 and ONR 192050).

The highest authority responsible for adopting the directives described above is the Executive Board of BENTELER International AG. The interests of employees, the undertaking's owners, customers and the authorities and government agencies were taken into account in all of the aforementioned directives. Where appropriate, the interests of business partners, residents/neighbors, NGOs and society as a whole were also taken into account. Stakeholders are informed about our policies in different ways. Employees are informed about the policies when they are published on the intranet, through notices in the plants and at training events. Owners of the undertaking receive the directives on request for their information. Upon request, customers and authorities can receive confirmation that corresponding directives exist. In addition, some of the directives are published on the Internet and are therefore freely accessible.

Possible misconduct can be reported in various ways, for example via whistleblowing channels (B-AWARE, compliance@benteler.com, web portal, to the Complaint Managers in the plants, by telephone and e-mail to the Compliance department), risk assessments, compliance audits, reports to the works council, the Data Protection Officer, addiction officer or the AGG (General Equal Treatment Act) officer, as well as through investigations by the Internal Audit department. A review essentially consists of the following steps: The report is first checked for plausibility. Plausible reports are then investigated in detail, and if misconduct or process weaknesses are identified, corrective measures are developed and proposed to the responsible division management. Transparency is ensured by the fact that the Code of Conduct is fully supported by the management. Employees are repeatedly informed about how to report possible misconduct, and incidents are communicated internally in newsletters and through the "case information".

Employees in the purchasing, sales and management departments are exposed to the highest risks related to corruption and bribery. A general description of how incidents are investigated is provided in the BENTELER Whistleblower Policy. Investigations of reported incidents relating to the focus topics of the compliance management system (including cases of corruption and bribery) are carried out by the Divisional Compliance Officer, Manager Compliance or Group Regional Compliance Officer, who are independent of the respective management, in consultation with the Chief Compliance Officer. The investigations are documented in a structured manner. Further details can be found in the manual Compliance at BENTELER (CMS Manual).

G1-2 Management of relationships with suppliers

Responsible management of supplier relationships is crucial for ensuring quality, sustainability and compliance along the entire value chain. In this section, we explain how the BENTELER Group prevents late payments, builds sustainable partnerships, promotes social and environmental standards among suppliers and actively manages risks.

The BENTELER Group uses a concept to prevent late payment. Under to this concept, a workflow system is used to ensure that invoices are paid within the payment terms agreed with the supplier if the supplier has delivered the goods properly. If goods are delivered properly, it is therefore ensured that the supplier is paid on time by the due date. BENTELER is also in regular contact with its stakeholders and actively communicates with them if there is a risk of late payment.

The concept for preventing late payment applies to the entire BENTELER Group worldwide. All incoming invoices are to be forwarded directly to Accounts Payable. Invoices are processed and checked based on an organizational instruction and paid by the due date. Payment is generally made on one payday per week per currency. The Executive Board is responsible for approving this concept. The Group companies are responsible for its implementation and for compliance. As part of the concept, the BENTELER Group also undertakes to comply with the operational Group policy "Cash management and payment transactions of the BENTELER Group". This regulates responsibilities and processes related to cash management and payment transactions for all BENTELER Group undertakings.

Preventing late payment is a key part of maintaining our relationships with suppliers. Our suppliers are valued business partners who we treat as equals.
We have defined a supplier pyramid that divides our suppliers into different categories. This categorization is regularly reviewed in the commodity strategies and defines whether suppliers need to be developed or phased out. Due to an increasingly volatile market environment and rising regulatory requirements, the risks we face in this area have become greater and more complex. Thanks to the risk management system we have introduced, BENTELER is able to identify these (largely in advance) and react to them at short notice.

When we select suppliers, we ask them about social and ecological criteria as well as customer requirements during the onboarding process via our Supplier Self Assessment. In addition, a pre-risk assessment is carried out using our risk management tool for critical countries and product groups. This ensures that we select suppliers who meet our own social and environmental requirements.

G1-3 Prevention and detection of corruption and bribery

For the BENTELER Group, preventing and combating corruption and bribery are key components of our sustainability strategy. In this section, we present the actions we take to ensure that ethical standards are adhered to, risks are minimized and compliance requirements are implemented in all areas.
The BENTELER Group has a zero-tolerance policy with regard to corruption and bribery. Internal policies, mandatory eLearning courses, topic- and department-specific in-person trainings, consultations on request, internal newsletters and monthly updated notices in factory halls and office buildings are in place to provide information and prevent violations. There are also various whistleblower channels for reporting incidents: B-AWARE, compliance@benteler.com, the web portal, the Complaint Managers of European plants and contacting the Compliance department by phone or email. Internal risk assessments and compliance audits (on gifts and invitations) are also carried out. Violations of internal anti-corruption regulations are punished and appropriate consequences are enacted.

As part of the onboarding process, new employees are familiarized with our internal requirements and directives. The information and prevention procedures described above are made available to employees, for example by sending them to all internal e-mail addresses or posting them in the plants. The anti-corruption guideline is made available on the intranet and is accessible to all employees.

The anti-corruption eLearning course covers all key elements of our internal anti-corruption guideline, is mandatory for all invited participants and must be repeated annually. The training is aimed at employees in administration and management with a personal internal e-mail address. Shop-floor employees are not part of the eLearning training program. Furthermore, a voluntary short training course on the topic of conflicts of interest is available. This explains how conflicts of interest can arise and how to deal with them within the company. On request, in-person training sessions are offered by members of the Compliance organization on various occasions. To inform shop-floor employees about corruption issues, monthly compliance bulletins are posted in all plants or displayed on the plant monitors. If internal (attempted) violations of the anti-corruption guideline are discovered, these are generally brought to the attention of all employees in anonymized form as "case information" or included in our training.

Overall, the training program described covers 100 % of positions exposed to these risks. All members BENTELER management, including divisional management and the Executive Board, are obliged to participate in internal anti-corruption training. Members of the Supervisory Board are only obliged to the extent that they are also employees of the BENTELER Group.

The prevention of corruption and bribery by the investigators is separate from the involved management chain. Investigations are usually carried out by the Group Regional Compliance Officer (GRCO) or the Divisional Compliance Officer (DCO). Once the investigation has been completed, a standardized investigation report is prepared and sent to the relevant division management and the Chief Compliance Officer (CCO). The reports themselves remain confidential and may only be passed on internally in anonymized form and on a need-to-know basis. In addition, all incidents are reported to the relevant division management and the CCO in summarized form in the semi-annual compliance report. The results of investigations or other incidents are regularly discussed internally on a need-to-know basis or anonymously.

G1-4 Confirmed incidents of corruption or bribery

In the reporting year, there were no convictions or fines for violations of corruption and bribery regulations and no incidents of corruption or bribery (including in connection with business partners). Accordingly, there were no dismissals or disciplinary punishments in this regard and no public court proceedings. In 2024, there was one material breach (2023: no breaches) of the internal anti-corruption guideline due to a conflict of interest in South Africa. Both employees involved were dismissed and reported to the police.

G1-6 Payment practices

Transparent and fair payment practices are of central importance to BENTELER and are an essential part of our commitment to sustainable business relationships. In this section, we transparently disclose our payment practices, emphasizing the importance of fair and on-time payments for a sustainable supply chain.

A minimum payment period of 30 days applies to all invoices without a discount; there is no standard payment term. On average, it took us 43 days in the reporting year to settle an invoice from the start of the contractual or statutory payment period. The figure shown is an analysis of all invoices in SAP that were paid in the BAC and BAM divisions in 2024. Five court proceedings for late payment are currently underway.

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