

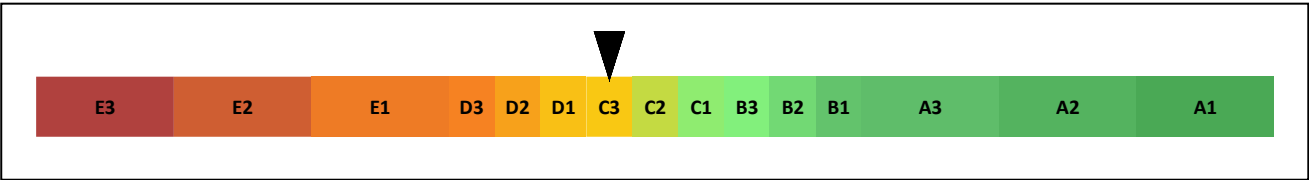
Rating object and rating information

<b>Andernach &amp; Bleck GmbH &amp; Co KG</b> Creditreform ID: 4110010950 Foundation: 09.07.1903 Headquarters: Hagen (Main) industry: Metal production and processing Top Management: Armin and Carsten Bleck  Lead analyst: Esra Höffgen <a href="mailto:e.hoeffgen@creditreform-rating.de">e.hoeffgen@creditreform-rating.de</a>  Analyst: Magdalena Kiryakova <a href="mailto:m.kiryakova@creditreform-rating.de">m.kiryakova@creditreform-rating.de</a>	<b>ESG rating: C3</b>		44,1%	<b>Environment: D1</b>
			25,9%	<b>Social: D3</b>
			20,0%	<b>Governance: A3</b>
			10,0%	<b>Transparency/Future: E1</b>
Type: Initial rating Solicited				
<b>Public rating</b>				
Valid from: 23 January 2025				
Valid until: 22 January 2026				
Rating system: CRA Methodology ESG Ratings v1.3				
Rating history: <a href="http://www.creditreform-rating.de">www.creditreform-rating.de</a>				

Rating result

Neuss, 23 January 2025

With an ESG rating of C3, we attest "Andernach & Bleck GmbH & Co. KG" a satisfactory sustainability with balanced sustainability opportunities and risks. Based on the sustainability of its business model, we consider the company to be appropriately future-proof and capable of transformation.



Andernach & Bleck GmbH & Co KG (A&B) is an owner-managed, medium-sized company with 175 employees that specialises in the production of bright steel profiles. A&B's customers process or incorporate the profiles in their own products, so they are not sold directly to end users. A&B is headquartered in Hagen, Germany, with an additional production site in Osio Sotto, Italy (until November 2023). Due to the nature of its business model, the company's sustainability impact is primarily determined by the environmental area.

The fact that A&B, with its with energy-intensive production processes, has already implemented various measures to reduce the company's energy consumption and consequently its CO<sub>2</sub> emissions is of paramount importance for our rating assessment. To this end, A&B actively monitors current regulatory and market developments, proactively implements measures to improve energy consumption and tests and analyses forward-looking technologies, such as a transition to hydrogen burners, in order to ensure long-term competitiveness under changing global conditions. In this way, the company can also effectively mitigate the increased transition risks associated with its business model. However, from a rating perspective, we consider it crucial for the further development of sustainability that A&B continues to structure its actions in the environmental area, for example by using company-wide policies and targets to formalise sustainability efforts to a greater extent.

Based on our analysis, we consider the company as a whole to be appropriately future-proof and capable of transformation.

## Key rating drivers

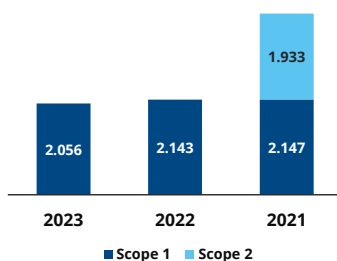
- Implementation of various measures for the successful reduction of energy consumption and CO<sub>2</sub> emissions, particularly through the operation of efficient combined heat and power plants to supply the company with heat and electricity
- Proactive analysis of regulatory and market requirements due to the changing economic environment in the context of the green transformation and deriving specific measures to ensure long-term competitiveness and sustainability
- Implementation and training of robust compliance policies and measures to ensure responsible conduct in the company
- In the environmental area (energy consumption/climate change, pollution/emissions, resource utilisation and circular economy) - there are currently limited structured policies and no company-wide, long-term and publicly stated sustainability targets
- Despite extensive measures, key ESG figures of energy consumption and workplace accidents have a negative impact on the rating result
- At present, sustainability efforts in the social area are limited to the company's own employees, while affected communities or workers in value chains are not yet in focus

## Environment



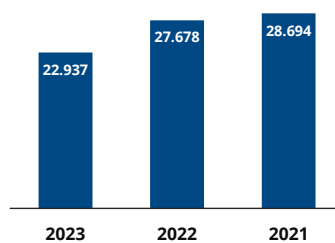
Based on the following environmental result of D1, we attest that A&B demonstrates **sufficient sustainability in the environmental area** with low sustainability opportunities and higher sustainability risks

**Absolute CO<sub>2</sub> emissions**



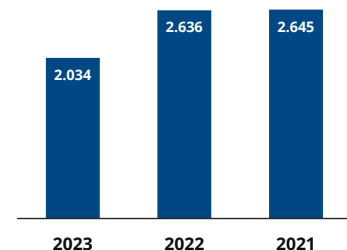
CO<sub>2</sub> emissions Scope 1 and 2 in tonnes

**Relative electricity consumption**



Electricity consumption in kWh per employee

**Amount of waste**



Amount of waste in tonnes

A&B's sustainability in the environmental area can be rated as sufficient. While extensive measures are already being implemented, particularly for the reduction of energy consumption, which are having a positive impact on the result,

there is still potential for further development from a rating perspective. This potential lies in a more structured approach to sustainability actions, particularly through the implementation of targeted policies and, in the long term, through the formulation and implementation of binding and company-wide environmental targets.

Environmental sustainability is directly linked to A&B's value creation processes, including from a business perspective. The production of bright steel profiles is a very energy-intensive process, primarily due to the high energy requirements of steel forming itself. This also represents a limitation of the possible energy consumption reduction potential, as the core process of A&B's value creation is energy-intensive for purely physical reasons.

However, A&B has already implemented several measures in the past to reduce the company's energy consumption. These have focused on the installation and operation of a natural gas-fired combined heat and power plant, which generates the process heat required for production, as well as the heat needed for heating the office and production buildings. Furthermore, the plant supplies some of the electricity consumed in the company directly on the company premises. Combined heat and power generation has significantly reduced energy consumption and has also made it possible to switch off the oil burners previously used for (hall) heating. As a result, this measure has also had a positive impact on the company's CO<sub>2</sub> emissions (Scope 1).

While around 60% of the gas consumption is fed directly into the combined heat and power plant (of which around 30% is used to generate electricity), around 40% of the gas consumption is used to provide heat directly in the production process at temperatures of > 900 °C. At this point, A&B is already testing with one burner (out of a total of 36 burners) whether it is economically and procedurally feasible to convert the burners and operate them with hydrogen. This can be seen as an example of the early consideration of possible solutions for the transformation of the company towards climate-neutral operations. From a rating perspective, it is particularly important to emphasise that A&B proactively monitors the developments relevant to the company, which means that the company's transition risks resulting from its high energy intensity can be effectively limited. However, A&B remains dependent on the market availability of commercially viable alternatives and active customer demand to successfully transition its conventional energy sources, such as gas, for example, to renewable energy sources.

Moreover, A&B is working - also as part of its ISO 50001 certification - on the continuous identification and implementation of energy-saving measures that can lead to a further reduction in energy consumption and the company's ecological footprint. The installation of a photovoltaic system, which could provide some of the electricity consumed in the company in a CO<sub>2</sub> neutral way, is also being examined.

Another important measure in the area of energy and climate change is that A&B has been purchasing green electricity and gas since 2022. Through the purchase of green electricity, Scope 2 CO<sub>2</sub> emissions (market-based) have been reduced to zero, which is clearly positive from a rating perspective. While the purchase of green gas has no direct impact on A&B's CO<sub>2</sub> emissions (according to the calculation logic of the CSRD), offsetting these currently unavoidable emissions can finance projects to reduce emissions, which in turn can have a positive impact on global CO<sub>2</sub> emissions.

In the area of resource use and circular economy, it is important to highlight that A&B's products can generally be recycled indefinitely. Additionally, around half of the steel purchased by A&B comes from the electrical steel route and is therefore already recycled steel. Furthermore, the company is working on transitioning the packaging materials of its finished products to more resource-efficient and recyclable films, however this transition is also largely dependent on customer demand and acceptance.

While the aspects mentioned above had a positive effect on our rating assessment, we see the formalisation of sustainability efforts through the implementation of policies and company-wide targets in the relevant sustainability areas as an opportunity for advancing the sustainability development within the company.

A&B has implemented structured policies in its Code of Conduct, particularly in the social and governance areas. These policies define the company's alignment in these areas and create internal and external clarity regarding the

implementation of corresponding measures and the management of sustainability-relevant aspects. While A&B does address environmental aspects in its Code of Conduct, they are formulated in significantly less detail in comparison, with no reference to specific targets at either political or company level in any of the relevant environmental sections (climate change, environmental pollution, resource use and circular economy). Further formalisation with corresponding implementation in the company can also have a positive effect on our rating assessment, as this would allow the long-term orientation and management of the company to be documented in a structured and reliable manner.

From a rating perspective, we also see further room to improve in defining company-wide targets, particularly in the area of climate change. As part of its ISO 50001 certification, A&B has already set individual targets for reducing energy consumption through specific measures and is also working towards the goal of reducing Scope 1 and 2 CO<sub>2</sub> emissions by 75% by 2045. However, at this point there is a lack of specific targets that represent a long-term defined reduction path with scheduled interim targets for energy consumption and CO<sub>2</sub> emissions. However, it is mainly through the formulation, communication and implementation of such targets that a company can support a positive sustainability development and contribute to the European and global climate targets. From our perspective, this is a key element of sustainability development for A&B that is currently lacking.

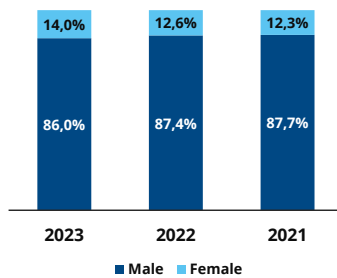
To summarise, it can be stated that A&B is already highly active in the environmental area, particularly in the areas of energy and climate, and directly identifies potential improvements in order to implement them quickly. On the other hand, we also see potential for further development by working towards improving the company's sustainability impact in a structured manner through the formulation and implementation of company-wide policies and targets.

## Social



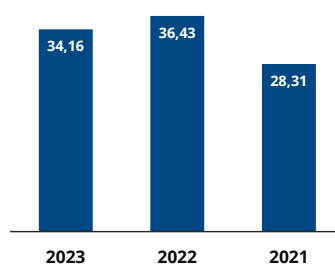
Based on the following social result of D3, we attest that A&B demonstrates **sufficient sustainability in the social area** with low sustainability opportunities and higher sustainability risks.

### Diversity



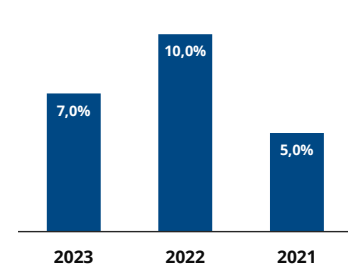
Share of women and men in the workforce

### Accident rate



Accidents per 1 million hours worked

### Turnover rate



Turnover rate based on voluntary and involuntary resignations

A&B's sustainability in the social area can currently be rated as sufficient. While the strongly formulated policies, in particular for the company's employees, had a positive effect on the rating assessment, the result is negatively influenced by the workplace accident figures and the social measures that do not yet extend beyond the company's own employees.

In its Code of Conduct, A&B has defined specific policies for sustainable behaviour in the social area. In particular, the specific policies for avoiding any form of discrimination and creating a safe working environment can contribute to positive sustainability development and the avoidance of negative effects on the company's own employees. Training on the Code of Conduct is mandatory for new hires, and training is also provided by the top management as required in the event of changes to the Code of Conduct.

Typical of the industry and business model, the number of accidents in the company tends to be high and the proportion of women in the workforce tends to be low. In order to prevent accidents, risk assessments are carried out at all relevant points, from which direct measures to prevent accidents and eliminate hazards are derived. Moreover, every single workplace accident that occurs is investigated in order to be able to specifically eliminate the cause of the accident. Nevertheless, there is still a relatively constant number of reportable workplace accidents, which A&B defines as a basic level that is difficult to avoid, and which is attributed to careless or improper employee behaviour. In the medium to long term, however, a possible further reduction in the number of accidents could lead to a positive development in sustainability, which is why we attach great importance to structured measures in this area.

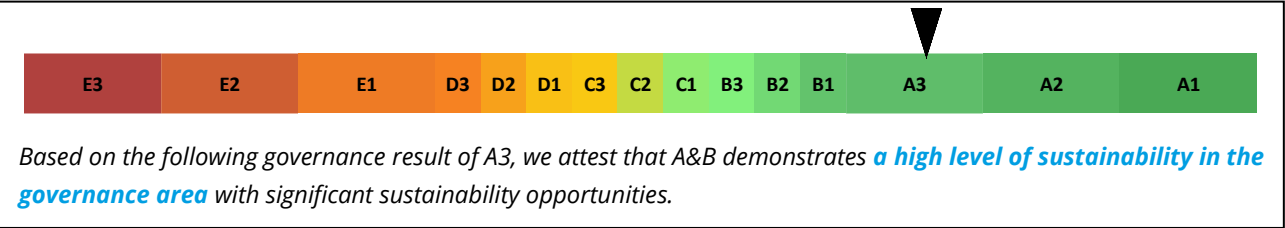
At this stage, A&B has not yet formulated any specific targets for reducing negative or increasing positive aspects for its own employees. Overall, we see the potential for improving sustainability in the social area through the formulation of company-specific targets for their own employees and, above all, in the pursuit of these targets.

A&B has not yet implemented any structured policies, measures or targets in the areas of employees in value chains and affected communities (local residents). However, it should also be emphasised that A&B procures products exclusively from European suppliers, which effectively reduces the risk of human rights violations, particularly within the Tier 1 supply chain.

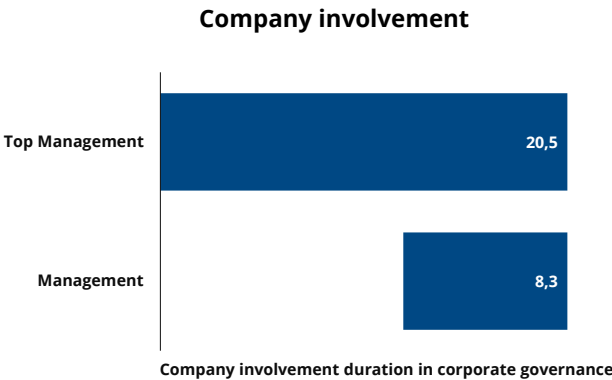
As A&B produces exclusively for business customers, who in turn generally process A&B's products further, the company has no direct relationships with consumers, which is why this area was excluded from the rating analysis - subject to the materiality analysis to be finalised.

To summarise, it can be stated that A&B is already taking significant steps towards sustainable development, particularly in the area of its own employees. We see potential for the further development of sustainability at A&B in the social area, particularly in a further reduction in the number of workplace accidents, the formulation and implementation of structured targets and a demand-orientated expansion of sustainability development for people outside the company's own employees.

Governance



Proportion of women and men in top management and among owners



Company involvement duration of top management and management in years

A&B's sustainability in the governance area can currently be rated as high. The result is primarily driven by the strictly formulated policies to ensure appropriate compliance and the management's handling of relevant sustainability issues.

A&B has formulated clear policies on the topics of corruption prevention, whistleblowing (including the protection of whistleblowers), conflicts of interest, gifts, etc., which are regularly trained when hiring new employees and when the policies change. By doing so, the company can help ensure that the behaviour of its employees and managers

complies with the law at all times. Ensuring that these aspects are not just documented, but actively implemented in day-to-day work, can secure the effectiveness of a functioning compliance system.

From a sustainability perspective, we attach great importance to the fact that A&B actively monitors political developments, including those relating to sustainability, in order to derive relevant steps for the company's further sustainability development. A&B has already successfully implemented various measures, especially in the area of energy management (see above), but the ongoing review and operational testing of new approaches in this area can also contribute to positive sustainability development in the medium to long term. By actively monitoring current developments and, above all, proactively responding to them, A&B can also limit its transition risks, which can strengthen its long-term economic success.

In this context, it is also positive that the company already collects key performance indicators (KPIs), particularly in the areas of energy and CO<sub>2</sub>, and reports them to the management. This ensures that key sustainability aspects can be managed in the long term even before the sustainability reporting obligations under the CSRD are implemented. In addition, the implementation of the CSRD requirements will foreseeably further increase transparency in the area of sustainability.

We see room for improvement in the area of sustainability management in the rating context, particularly in defining company-wide, long-term targets for sustainability management. By setting ambitious, yet economically sensible targets, sustainability development can be structured and sustainability performance can be increased over time.

## Physical and transition risk

A physical climate risk analysis was conducted for the company's location. In conclusion, the physical climate risks can be assessed as manageable for A&B.

As a manufacturing company, A&B is relatively localised and dependent on the full functionality of its production goods. At present, we do not consider the company's location to be significantly jeopardised by physical climate risks. Even in scenarios without effective climate change mitigation, there are currently no risks that could pose a threat to the company's business operations.

A&B is fundamentally exposed to transition risks that will become relevant for the company in the medium to long term in scenarios in which climate change is effectively limited to below 2°C.

Against the backdrop of rising CO<sub>2</sub> prices to achieve global greenhouse gas reduction targets, A&B is exposed to the risk of rising costs and the corresponding impact on the company's financial performance. The production of bright steel profiles is energy-intensive and, accordingly, energy is directly one of the company's most important input factors. A&B can effectively reduce its transition risks through active energy management, the continuous search for potential improvements to further reduce energy consumption and proactive adaptation to long-term political, regulatory and market changes. Continuous monitoring and analysis of further developments in potential low-emission technologies is of paramount importance for long-term risk management. We therefore consider it crucial that A&B not only reacts to transition risks, but also takes proactive steps by evaluating and testing various opportunities in this area.

In summary, the transition and physical risks can therefore be considered as manageable for A&B, whereby the long-term reduction in energy consumption and CO<sub>2</sub> emissions in particular is of great importance for managing the transition risks.



#### 1. Climate Change (ESRS E1)

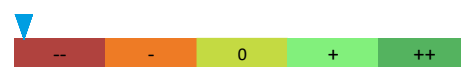
#### Weighting (%)

#### Assessment

ESG-KPI Electricity consumption



4,8



ESG-KPI CO2 emissions (Scope 1+2)



1,2



Taxonomy - Climate Change Mitigation & Climate Change Adaptation



0,0



ESRS related to ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes



0,0



ESRS E1-2 – Policies related to climate change mitigation and adaptation



3,2



ESRS E1-3 – Actions and resources in relation to climate change policies



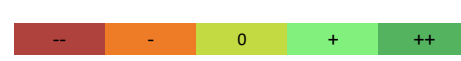
2,1



ESRS E1-4 – Targets related to climate change mitigation and adaptation



0,0



ESRS E1-5 – Energy consumption and mix



3,2



ESRS E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions



4,2



ESRS E1-8 – Internal carbon pricing



0,0



#### 2. Pollution (ESRS E2)

ESRS E2-1 – Policies related to pollution



2,8



ESRS E2-2 – Actions and resources related to pollution



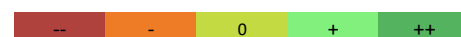
1,8



ESRS E2-3 – Targets related to pollution



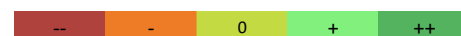
0,0



ESRS E2-4 – Pollution of air, water and soil



0,0



The bars in the Weighting column graphically represent the significance of the weighting for the overall result.

**3. Water and marine resources (ESRS E3)****Weighting (%)****Assessment**

ESG-KPI Water consumption



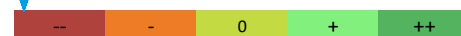
5,0



ESRS E3-1 – Policies related to water and marine resources



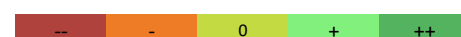
2,5



ESRS E3-3 – Targets related to water and marine resources



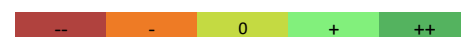
0,0



ESRS E3-3 – Targets related to water and marine resources



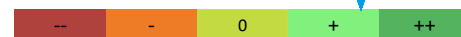
0,0



ESRS E3-4 – Water consumption



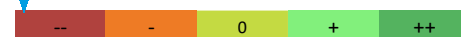
3,3

**4. Biodiversity and Ecosystems (ESRS E4)**

ESRS E4-2 – Policies related to biodiversity and ecosystems



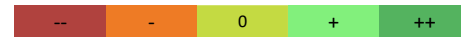
1,0



ESRS E4-3 – Actions and resources related to biodiversity and ecosystems



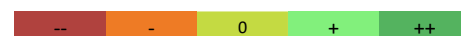
0,0



ESRS E4-4 – Targets related to biodiversity and ecosystems



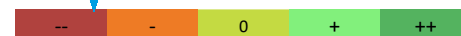
0,0

**5. Resource use and circular economy (ESRS E5)**

ESG-KPI Total waste



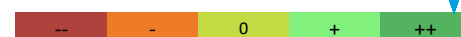
0,6



ESG-KPI Waste recycling rate



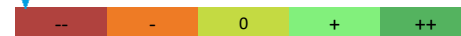
0,6



ESRS E5-1 – Policies related to resource use and circular economy



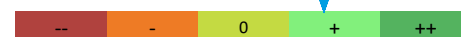
2,5



ESRS E5-2 – Actions and resources related to resource use and circular economy



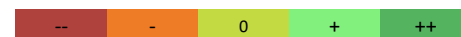
1,7



ESRS E5-3 – Targets related to resource use and circular economy



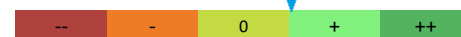
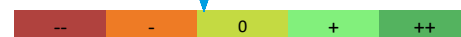
0,0



ESRS E5-5 – Resource outflows



3,4


**ENVIRONMENTAL RESULT****44,1**

The bars in the Weighting column graphically represent the significance of the weighting for the overall result.

#### 1. Own workforce (ESRS S1)

#### Weighting (%)

#### Assessment

ESG-KPI Share of women employees	 1,7	
ESG-KPI Share of women in management	 1,6	
ESG-KPI Accident rate	 1,4	
ESG-KPI Turnover rate	 1,5	
ESG-KPI Voluntary turnover rate	 1,0	
ESRS S1-1 – Policies related to own workforce	 1,9	
ESRS S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities	 1,3	
ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	 0,0	
ESRS S1-6 – Characteristics of the undertaking's employees	 2,5	
ESRS S1-8 – Collective bargaining coverage and social dialogue	 1,3	
ESRS S1-9 – Diversity indicators	 1,9	
ESRS S1-12– Persons with disabilities	 0,0	
ESRS S1-13 – Training and skills development indicators	 2,5	
ESRS S1-14 – Health and safety indicators	 2,5	
ESRS S1-16 – Compensation indicators (pay gap and total compensation)	 2,5	

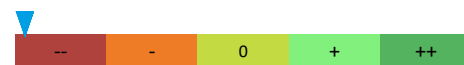
The bars in the Weighting column graphically represent the significance of the weighting for the overall result.

**2. Workers in the Value Chain (ESRS S2)****Weighting (%)****Assessment**

ESRS S2-1 – Policies related to value chain workers



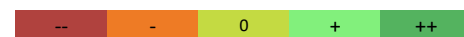
1,2



ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities



0,0



ESRS S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities



0,0

**3. Affected Communities (ESRS S3)**

ESRS S3-1 – Policies related to affected communities



1,3



ESRS S3-4 – Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities



0,0



ESRS S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities



0,0

**4. Consumers and end-users (ESRS S4)**

ESRS S4-1 – Policies related to consumers and end-users



0,0



ESRS S4-4 – Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities



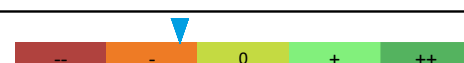
0,0



ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities





















0,0

**SOCIAL RESULT****25,9**














The bars in the Weighting column graphically represent the significance of the weighting for the overall result.

### Governance result

#### 1. General Disclosures (ESRS 2)

		Weighting (%)	Assessment
ESG-KPI Number of owners		0,9	
ESG-KPI Average company duration involvement of the participants		1,1	
ESG-KPI Average age of management		0,8	
ESG-KPI Proportion of women at owner and representative level		1,3	
ESG-KPI Integration of sustainability data into reporting		0,3	
ESG-KPI Integration of sustainability data into external reporting		0,6	
ESRS GOV-1 – The role of the administrative, management and supervisory bodies		1,4	
ESRS GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		2,0	
ESRS GOV-3 - Integration of sustainability-related performance in incentive schemes		0,0	

The bars in the Weighting column graphically represent the significance of the weighting for the overall result.











































2. Business Conduct (ESRS G1)	Weighting (%)		Assessment				
ESG-KPI Policy against corruption and bribery		0,7					
ESRS G1-1– Corporate culture and business conduct policies		3,2					
ESRS G1-2 – Management of relationships with suppliers		1,6					
ESRS G1-3 – Prevention and detection of corruption or bribery		3,2					
ESRS G1-5 – Political influence and lobbying activities		1,6					
ESRS G1-6 – Payment practices		1,6					
<b>GOVERNANCE RESULT</b>		<b>20,1</b>					

#### Overarching sustainability aspects

Transparency by providing ESG data		5,0					
General focus on the future through implemented policies and targets in industry-relevant ESG areas		5,0					
Change in rating result due to physical and/or transitory risks	Not applicable						

The bars in the Weighting column graphically represent the significance of the weighting for the overall result.

## ESG KPIs

	2023	2022	2021
<b>Environment</b>			
Electricity consumption (kWh)	4.013.985 	4.843.664 	5.021.406 
CO <sub>2</sub> emissions Scope 1 (t)	2.056 	2.143 	2.147 
CO <sub>2</sub> emissions Scope 2 (t)	0 	0 	1.933 
Water consumption (m <sup>3</sup> )	2.224 	2.427 	2.377 
Amount of waste (total) (t)	2.034 	2.636 	2.645 
Waste recycling rate (%)	96,2% 	96,6% 	97,5% 
<b>Social</b>			
Share of women among employees (%)	14,0% 	12,6% 	12,3% 
Share of women in management (%)	12,5% 	12,5% 	12,5% 
Accident rate (accidents per 1 million hours)	34,16 	36,43 	28,31 
Staff turnover rate (total) (%)	7,0% 	10,0% 	5,0% 
Voluntary turnover rate (%)	3,0% 	7,0% 	2,0% 
Average number of employees per year	175	179	192
<b>Governance</b>			
Proportion of women (Executive board and Management)	0,0% 	0,0% 	0,0% 
Proportion of women at control level (owners and representatives)	0,0% 	0,0% 	0,0% 
Company involvement duration (years)	13 	12 	11 

### Disclaimer

Any rating performed by Creditreform Rating AG is subject to the Creditreform Rating AG Code of Conduct, which has been published on the web pages of Creditreform Rating AG. In this Code of Conduct, Creditreform Rating AG commits itself – systematically and with due diligence – to establish its independent and objective opinion as to the sustainability, risks and opportunities concerning the enterprise or the issue under review.

Future events are uncertain, and forecasts are necessarily based on assessments and assumptions. This rating is therefore no statement of fact, but an opinion. For this reason, Creditreform Rating AG cannot be held liable for the consequences of decisions made on the basis of any of their ratings. Neither should these ratings be construed as recommendations for investors, buyers or sellers. They should only be used by market participants (entrepreneurs, bankers, investors etc.) as one factor among others when arriving at corporate or investment decisions. Ratings are not meant to be used as substitutes for one's own research, inquiries and assessments.

We have assumed that the documents and information made available to us by the client are complete and accurate and that the copies provided to us represent the full and unchanged contents of the original documents. Creditreform Rating AG assumes no responsibility for the true and fair representation of the original information.

This report is protected by copyright. Any commercial use is prohibited without prior written permission from Creditreform Rating AG. Only the full report may be published in order to prevent distortion of the report's overall assessment. Excerpts may only be used with the express consent of Creditreform Rating AG. Publication of the report without the consent of Creditreform Rating AG is prohibited. Only ratings published on the Creditreform Rating AG web pages remain valid.

Creditreform Rating AG

### Contact details

Creditreform Rating AG  
Europadamm 2-6  
D-41460 Neuss

Phone: +49 (0) 2131 / 109-626  
E-mail: [info@creditreform-rating.de](mailto:info@creditreform-rating.de)  
Website: [www.creditreform-rating.de](http://www.creditreform-rating.de)

CEO: Dr Michael Munsch

Chairman of the Supervisory Board: Michael Bruns

HR Neuss B 10522