

MAGAZINE OF THE
SCHMIDT + CLEMENS GROUP

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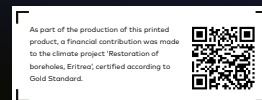
Passion
Innovation
Tradition



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Dear Readers,

2025 was an eventful year and, in many respects, a challenging one. Ongoing wars and the continuing conflicts in the Middle East created uncertainty around the world. In addition, rising geopolitical tensions and trade policy uncertainties – particularly the further tightening of U.S. tariff and trade policies – placed a strain on international trade and once again put pressure on global supply chains. Nevertheless, the year initially remained characterized by generally strong capacity utilization across our locations. Group revenue in 2025 amounted to approximately €366 million, representing a decline of around 22.4% compared with the previous year. Total assets decreased slightly from approximately €335 million to €331 million, while the equity ratio stood at approximately 57.5%.

However, this result should not obscure the fact that the situation of the German economy remains extremely tense. The long-awaited shift in German industrial policy has still not materialized. On the contrary, conditions in the energy market have continued to deteriorate, particularly due to factors beyond our control such as energy surcharges and grid fees. For an energy-intensive company such as Schmidt + Clemens, this has created an increasingly difficult economic environment at our headquarters in Lindlar while simultaneously strengthening foreign competitors structurally. These policies are putting thousands of jobs in Germany at risk. We urgently need affordable energy costs, lower taxes, and less bureaucracy, as well as longer working hours in order to remain competitive in the global market.

As expected, the order backlog declined significantly during 2025 compared with the record level of the previous year. Capacities were adjusted accordingly. As part of the restructuring measures at our Lindlar site, we also implemented initiatives aimed at improving efficiency and streamlining our organizational structure. These included the reduction of approximately 100 positions at our headquarters in Lindlar – a decision that was extremely difficult for all of us. Among the reasons for this were the discontinuation of the continuous shift model, as well as further key automation steps necessary to secure our longterm competitiveness.

At present, providing a reliable forecast for the 2026 fiscal year remains difficult. Currently, it must be assumed that certain areas may experience some degree of underutilization in 2026 as well. The situation is being monitored closely and continuously in order to initiate additional measures promptly if required. The expansion of our new production facility in the United States will continue to be driven forward with determination during the current fiscal year.

At this point, I would like to express my special thanks to our shareholders and the Advisory Board for the trust they have placed in the management team. I would also like to thank our customers, who have remained loyal to us even in difficult times and continue to rely on our high quality and excellent service. Passion, innovation, and tradition – these three words aptly describe what Schmidt + Clemens stands for. With this passion for stainless steel, our employees make a decisive contribu-

tion every day to ensuring that we can continue to satisfy our business partners with innovative solutions. The management team would therefore like to express its sincere gratitude to all employees for their loyalty, commitment, and dedication to our company.

With best regards,



Jan Schmidt-Krayer

CEO



Dear Sir or Madam,

The year 2025 was marked by some significant challenges. Nevertheless, Schmidt + Clemens succeeded in maintaining its position as the global market leader in centrifugal cast tube systems for the petrochemical industry and in confirming its leading role in the service sector. Thanks to a high order backlog with strong margins from the previous year, the company was fortunately able to achieve a very good operating result – despite noticeable declines in incoming orders and revenue.

This success is attributable to the agility of management and employees as well as the continuous and consistent implementation of situation-driven optimizations. Both made it possible to counter the still challenging conditions in the global market, extremely high energy costs, and the intensive bureaucratic burden, particularly in Germany. The corporate strategy “Ambition 2030” focusing on digitalization, artificial intelligence, sustainability, resource conservation, the reduction of CO₂ emissions, and increased efficiency, continues to provide the framework for ensuring the company’s future viability and competitiveness.

Plans to expand the North American business with the purchase of a property including a production building in Texas were further advanced intensively. Expanding in one of the most important markets represents a key strategic decision for the future direction of the Group.

All Group locations worldwide achieved positive results in 2025. As in previous years, the Spanish site stood out in particular. The outstanding positive development of the Malaysian site should also be emphasized.

As expected, the order backlog declined significantly during 2025 compared with the previous year. Management responded

prudently and adjusted personnel and production capacities accordingly (especially in Germany). It is currently assumed that some underutilization may also occur in certain areas during 2026. Developments are being closely and continuously monitored by management in order to initiate further measures if necessary. The outlook for 2026 remains uncertain, and a fundamental change in the political and economic environment is not currently in sight.

It is particularly encouraging to note the demand in the S+C service sector. Numerous projects were successfully completed, both at home and abroad. In contrast to the general market development in the petrochemical sector, S+C is experiencing strong demand in this area. This business segment will continue to be expanded. In Lindlar, the automation project in the ASK Hall was successfully completed. A state-of-the-art, fully integrated production line has significantly reduced costs and substantially increased output.

Future developments in global politics and the resulting market impacts that may affect the company’s overall results will, of course, remain a key focus for both management and the Advisory Board.

The Advisory Board would like to thank the entire S+C management team for its forward-looking and dedicated actions. Our thanks also go to the customers and shareholders of S+C for their continued trust and cooperation, as well as to all employees worldwide who continue to represent the Schmidt + Clemens Group as a reliable and cooperative partner to our customers.

Yours sincerely,

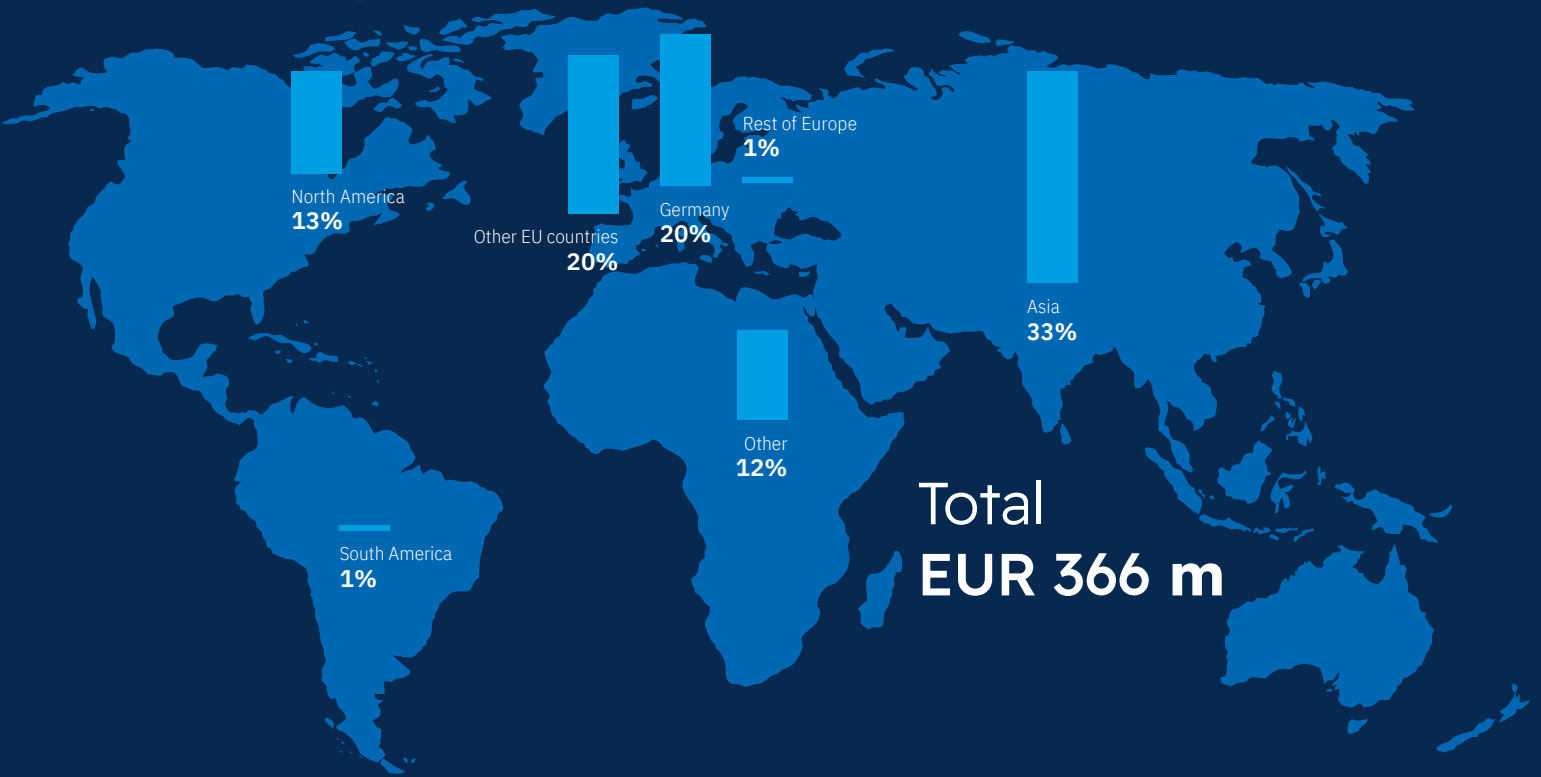
Lutz Werner

Chairman of the Advisory Board



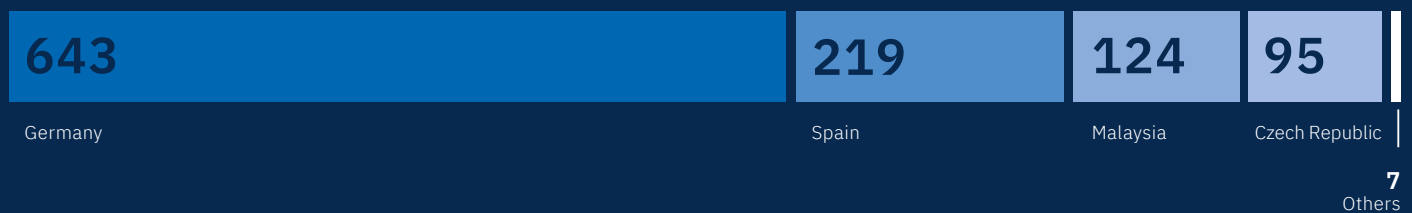
2025: Facts and Figures

Revenues by region in %

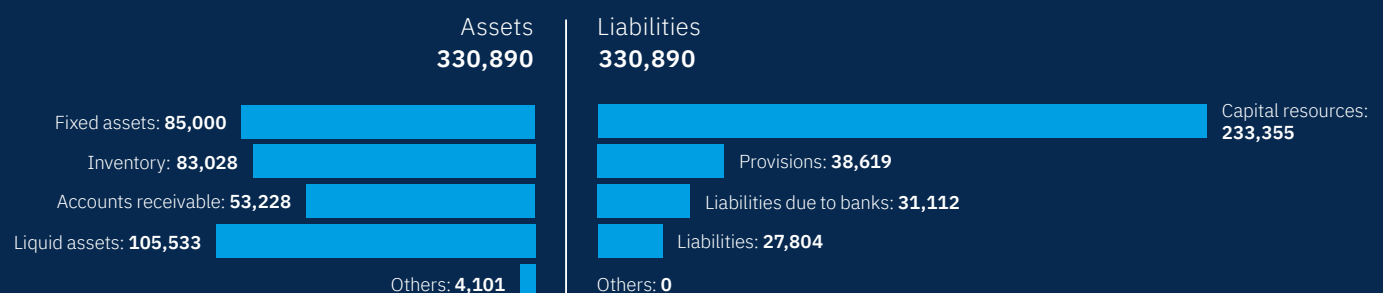


S+C employees

1,088



Consolidated Financial Statements for the S+C Group in EUR thousands



Securing supply in challenging times



Ralf Schleicher
Global Head of
Purchasing & Logistics
S+C Group

Fiscal year 2025 was characterized by dynamic developments in the raw materials, energy, and logistics markets.

Ralf Schleicher

Energy prices remained above pre-crisis levels, while raw materials markets developed unevenly. Particularly critical was the shortage of rare earth elements and strategic alloying metals as a result of strong demand, export restrictions, and heavy dependence on China as well as a small number of other producing countries. The situation led to noticeable price increases, higher supply risks, and a growing need for a forward-looking risk management strategy.

In addition, a combination of geopolitical tensions and EU sanctions against Russia affected the availability of key raw materials. In the world of logistics, elevated and volatile ocean freight rates as well as disruptions caused by the situation in the Red Sea persisted and required continuous adjustments to both routing and inventory strategies. New U.S. tariffs increased the cost of transatlantic trade flows and necessitated a critical review of existing sourcing models. At the same time, the European Carbon Border Adjustment Mechanism (CBAM) gained importance, leading to stricter requirements in terms of CO₂ transparency, reliable emissions data, and trade compliance. In overland transport, higher toll charges, driver shortages, and capacity constraints continued to drive costs and increase the complexity of operational management.

Central Procurement responded with a consistently global risk assessment approach, the diversification of critical sourcing channels, the expansion of strategic supplier partnerships, and optimized contracting and hedging models. Wherever possible, multi-sourcing strategies were established, price adjustment mechanisms were further professionalized, and supplier relationships were stabilized over the long term. As a result, despite significant market volatility, we were able to ensure a high level of price and supply stability in most product categories and maintain the performance of our supply chains for both production and customers.

Requirements under the German Supply Chain Due Diligence Act (LkSG) and Environmental, Social & Governance standards



were implemented consistently with the support of Integrity Next. Supplier evaluations, risk analyses, and documentation were further refined and standardized, creating the foundation for aligning regulatory requirements with corporate responsibility and the expectations of our customers.

Another key focus was the expansion of IT-supported and data-driven procurement processes. Improved data quality, modern reporting structures, comprehensive transparency regarding demand, prices, and risks, as well as initial AI-supported pilot projects for forecasting demand, prices, and supply risks are sustainably enhancing the quality of decision-making in procurement.

For 2026, we expect the environment to remain challenging. At the same time, thanks to our focused risk management policy, strategic sourcing, close collaboration with our partners, and consistent digitalization, S+C is well positioned to continue ensuring supply security, cost transparency, and reliable delivery performance for our customers.



Maintaining our market position in a demanding environment



Dr. Dietlinde Jakobi
Corporate Director Sales/Research
and Development/Services

Market conditions remained highly challenging in 2025.

Dr. Dietlinde Jakobi

Significant pressure on product margins in both the petrochemical and steel industries persisted, further exacerbating the situation for already strained companies in the petrochemical sector. Substantial capacity expansions in previous years coincided with weak demand for petrochemical products. Particularly in Europe and the Asia-Pacific region, these conditions led to the shutdown of additional older and less efficient plants, resulting in a noticeable decline in overall plant utilization.

Contrary to earlier positive forecasts for certain regions – particularly North America – the petrochemical industry, especially in the Steam Cracker segment, continues to face a deep crisis. Trade tariffs imposed by the United States have further intensified the situation, leading to a significant level of uncertainty among plant operators and a cautious investment approach.

The outlook for the Steam Reformer segment and the direct reduction of iron ore is generally more positive. However, regional gas prices, the implementation of sustainability targets, and the introduction of tariffs continue to contribute to considerable uncertainty among plant operators.

The strained market environment, combined with inventories built up by customers in previous years and reduced global plant utilization – directly impacting component service life – resulted in declining demand for spare parts in 2025 and a noticeable reluctance to approve investments in new plants. As a result, S+C was unable to match the exceptionally high order volumes of previous years.

Nevertheless, the global sales team further expanded its intensive dialogue with customers through a strong presence at conferences and trade fairs, multiple technical publications, and the organization of numerous S+C symposia.

A key success factor for S+C is the integration of expertise across its departments – including Sales, Customer Support (RDS), On-Site Services, Project Management, and Production. This cross-functional approach has enabled S+C to evolve from a pure manufacturer into a solutions provider for key customers, offering tailored packages across the entire life cycle of plant components. These packages include, among other services, component repair, the installation of new components, remaining service life assessments, measures to improve plant efficiency, the collection and analysis of process-relevant data, and the evaluation of CO₂ emissions both in material production and plant operation. This integrated approach to differentiation is becoming increasingly relevant for customers and will be pursued even more intensively by S+C in the future.

In addition to marketing new S+C technologies and services in existing markets, the sales team works closely with the Research & Development department on forward-looking topics. The objective is to implement projects jointly with customers, investigate and qualify suitable materials under new process conditions, and directly incorporate the results into the development of new materials and technologies – for example, by building materials expertise in the electrification of petrochemical plants or by participating in customer projects and supplying components for the ammonia cracking process.

At the beginning of 2025, the On-Site Services division faced a particularly demanding challenge – not only in terms of project scale, but also regarding execution, adherence to the schedule, the quality of the work performed, and collaboration with both the customer and the various specialized contractors involved.

As part of a turnaround project at a Steam Reformer plant in the Middle East, numerous different activities had to be carried out simultaneously within a confined space. Safety considerations and a highly demanding schedule required precise planning and the coordination of all activities. The situation resulted in a number of challenges that had to be addressed even before work could begin on the ground.

Improved on-site workflows and the application of new technologies were key prerequisites for achieving our ambitious objectives. Numerous preliminary trials were conducted in advance to ensure the necessary level of process reliability on the construction site.

All work had to be executed according to the highest quality standards, as there was no time for reworking. Employees and equipment therefore had to be prepared as thoroughly as possible for the project, since every activity had to function flawlessly and meet strict quality requirements right from the outset.

Following a preparation phase of two years, approximately 1,350 highly specialized professionals from nearly 20 different countries were mobilized for the project.

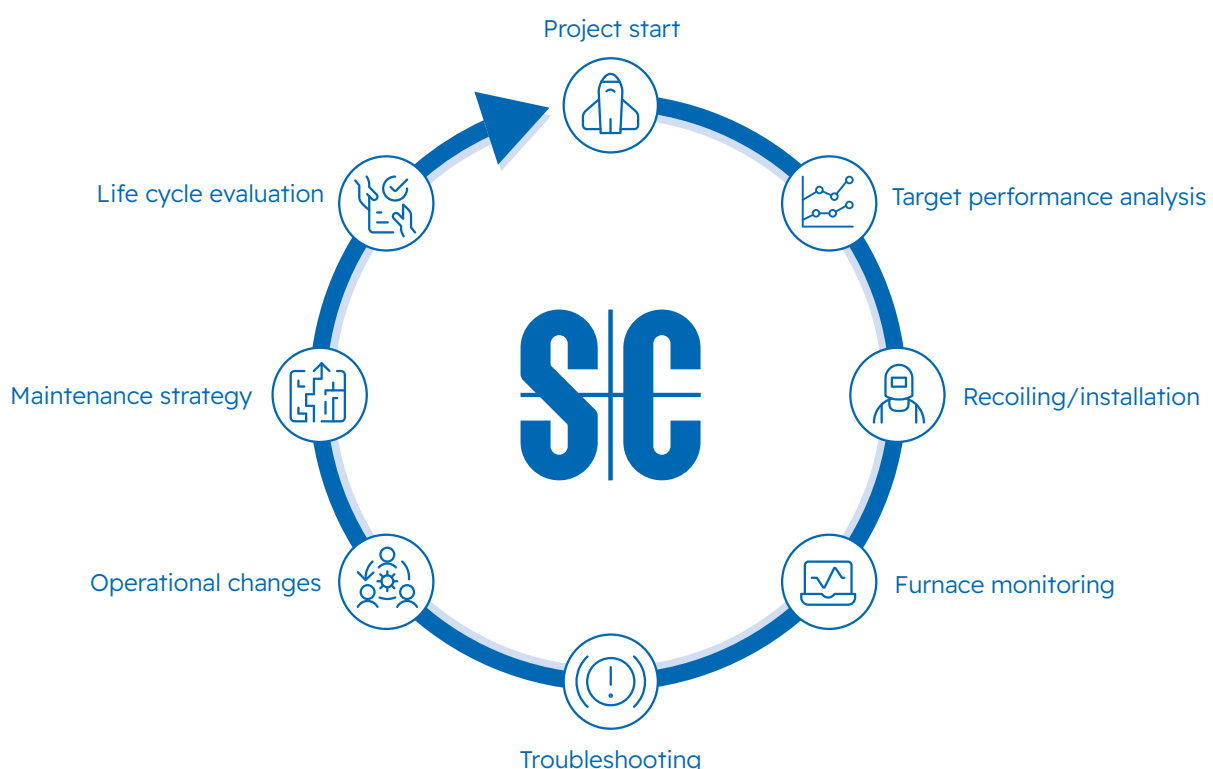
With the timely completion of the project, the S+C On-Site Services team set new benchmarks. The project progressed smoothly and safely, and even a significant number of additional tasks were successfully completed within the existing time frame. This achievement would not have been possible without the outstanding cooperation with the customer and all the participating contractors.

The remainder of 2025 proved to be equally dynamic. Additional projects in the petrochemical industry were successfully executed in both Europe and Asia. These included time-critical repair operations aimed at restoring costly plant facilities to operation as quickly as possible.

Outlook

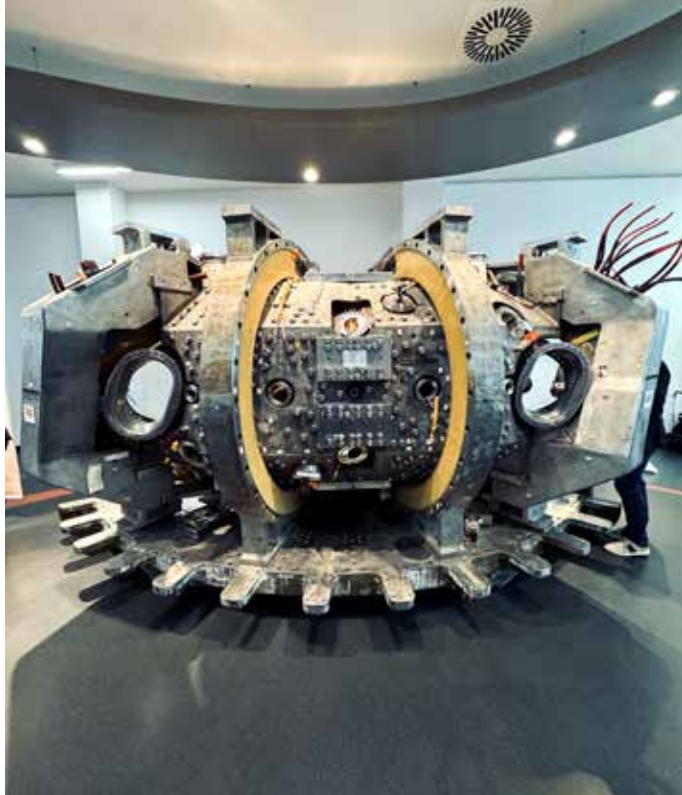
Demand for the services provided by the On-Site Services division continues to develop very positively. Our customers increasingly benefit from the extensive experience we have gained through more than 250 projects in over 35 countries worldwide. Combined with the expertise of the world’s leading manufacturer of tube systems for the petrochemical industry, this positions us as an important partner for our customers.

Support from the S+C On-Site Services team is increasingly requested not only for implementing projects but also for planning major projects in the petrochemical industry. In many cases, this trend is also driven by the fact that our customers’ internal resources are becoming exhausted – not only for economic reasons but also due to the growing shortage of skilled workers and industry experts.





**Special Products
division with a
positive outlook
in demanding
markets**



Dominic Otte
Managing Director Production
and Engineering/COO

Business performance in the Special Products segment showed a mixed picture in the 2025 reporting year.

Dominic Otte

The year was characterized by volatile monthly developments and overall subdued demand, which was only occasionally interrupted by positive impulses. As a result, the higher targets set for order intake and revenue compared with the solid previous year could not be achieved. This development reflects the continued challenging situation of the steel industry in Germany and Europe.

Significant differences emerged across the individual business segments. While the industrial furnace sector benefited from several successful projects for new installations, resulting in an increase in order intake, business in mechanical and plant engineering fell considerably short of expectations. The energy technology sector, which had experienced strong growth in 2024, was also unable to fully maintain the expected level of demand. Nevertheless, S+C maintains a stable and strategically important position in this future-oriented market. In addition to applications in gas-fired and coal-fired power plants, the hydropower sector in particular is gaining increasing relevance. The pump sector achieved its annual targets and thus proved to be a reliable pillar within the portfolio. A comparable development was observed at the S+C Alfanametal site (CZ), where stainless steel cast components are manufactured.

A highlight of the trade fair year was the Stainless Steel World in Maastricht (NL). In addition to high-performance stainless steel components, S+C also presented its expertise in the field of artificial intelligence. In the stainless steel sector, AI offers considerable potential – for example in reducing production costs, lowering resource and energy consumption, and supporting quality control processes.

For 2026, a slight increase in global demand for stainless steel products is expected after periods of continued stagnation during the course of the year. As our customers' willingness to invest typically follows economic recovery with some delay, we anticipate business performance to remain stable or only slightly improved compared with the previous year. Through our planned participation in the Renexpo Interhydro exhibition in Salzburg (AT), focusing on hydropower, as well as our attendance at the Hager Symposium (DE) on Powder Metallurgy, we will continue to expand our market presence in strategic key segments. The most important industry event of the year will be the CastForge in Stuttgart, where we will present our expertise in high-quality stainless steel cast components to an international professional audience, strengthen existing customer relationships, and develop new business opportunities.

In addition, we intend to further intensify our activities in the future-oriented field of nuclear energy. A particular focus will be placed on fusion energy, which offers considerable industrial potential in the medium to long term. By participating in the Forum Fusion in Garching (DE) in January 2026, we have proactively initiated dialogue with research institutions, technology partners, and industrial users in order to position our materials expertise within this highly innovative environment. The objective is to contribute our many years of experience with high-alloy stainless steels and complex casting technologies to the development of future energy systems and to establish a strategic presence in this demanding market segment.



Innovation & Research for tomorrow's solutions

The Research & Development Services (RDS) department focused on the objectives and future-oriented topics defined in the company's "Ambition 2030" strategy.

Sebastian Klein



The sustainability of industrial plants and their components continues to be a strong focus for our customers, which is also reflected in the development activities at S+C. In collaboration with a university partner, a calculator was developed to estimate CO₂ emissions (cradle-to-gate) associated with the production of Steam Cracker coils and Steam Reformer harps. Furthermore, the CO₂ emissions generated during the operation of customer plants were analyzed in detail, and the benefits of implementing new S+C technologies were quantified.

A new test facility for the characterization of electrical properties of materials was successfully commissioned. These properties are required in order to recommend the optimal material selection for components used in electrically heated Steam Crackers, which represent an alternative to fossil fuel-based heating.

Intensive research activities are currently being carried out in the field of ammonia cracking. Initial findings regarding the corrosion resistance of materials were published in a technical paper in the journal "Materials & Corrosion". Another paper on this topic was presented at the 69th Annual Safety in Ammonia Plants and Related Facilities Symposium in Atlanta, USA.

In 2025, a particular focus within Customer Support was placed on the targeted expansion of technical dialogue and the direct support of customers in implementing technological innovations. At the Ethylene Producers' Conference in Dallas, USA, S+C presented a technical paper on the "Mechanisms of Coke Formation".

Two S+C Reformer Symposia were also held in the United States. These technical events served both as training platforms and as forums for intensive dialogue with customers and industry experts. Discussions focused on current operating experience, new technologies, and best practices, thereby further strengthening customer relationships in the North American market.

Another focus area was the close technical support of customers implementing Schmidt + Clemens' advanced technologies for the first time. Through structured technical assistance, a safe and efficient transition into regular operation was ensured, making a significant contribution to the successful implementation of these technologies.

Worldwide, on-site solutions for temperature measurement and calibration were implemented, significantly improving measurement accuracy, enhancing operational safety, and ensuring the comparability of data across different plants.

These activities reflect the continuous progress made in S+C's holistic approach to assessing the service life of plant components. By intelligently combining operating data, on-site measurements, and materials engineering expertise, the RDS team continues to advance the development of reliable and practical concepts for the condition-based assessment and optimization of industrial plants.

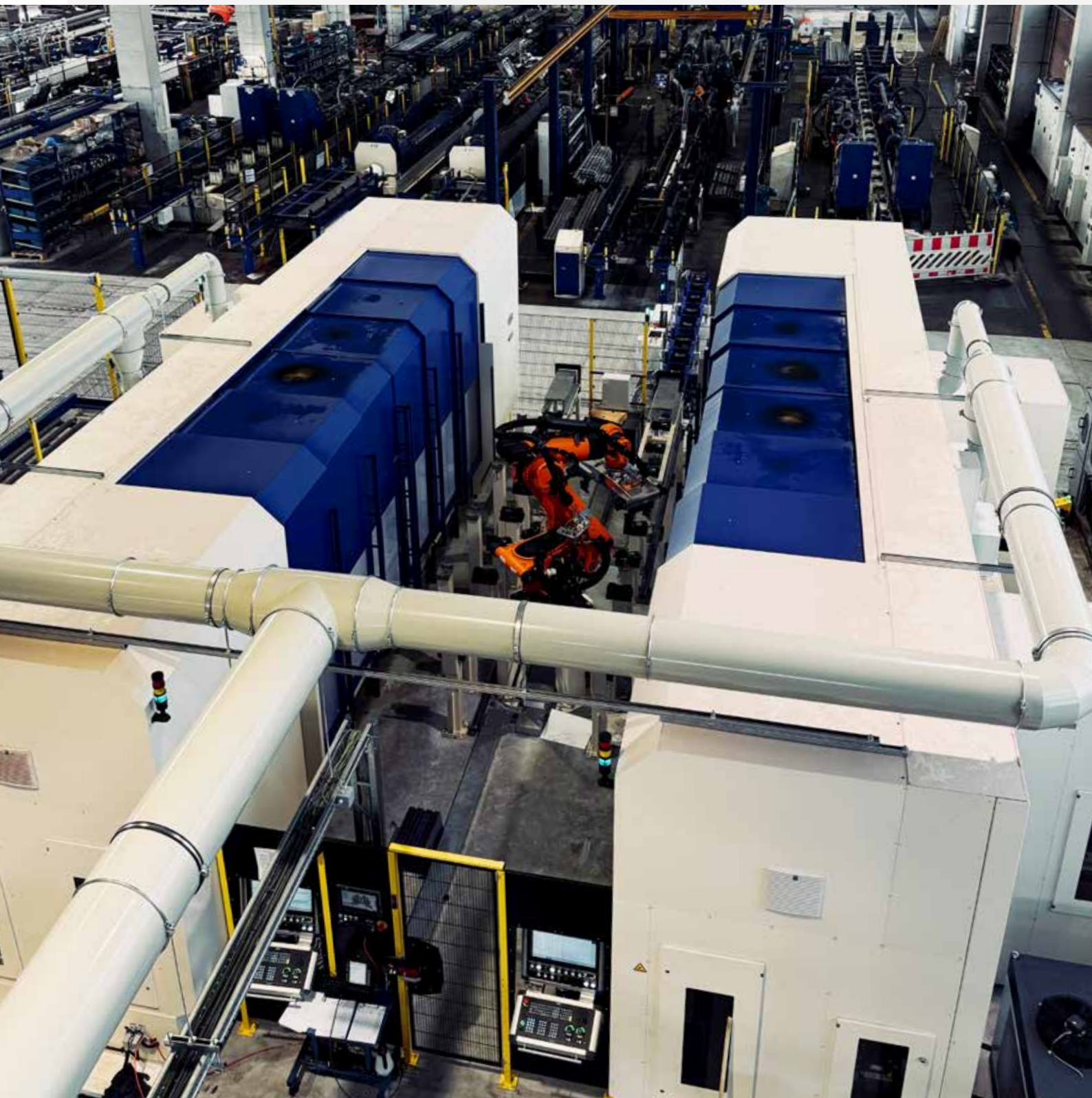


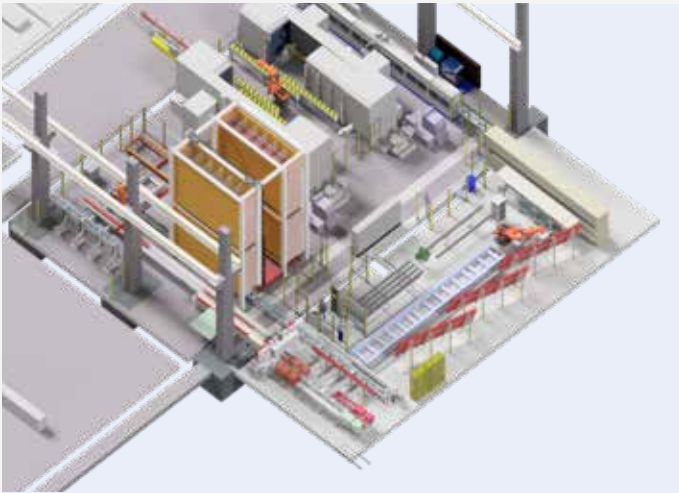
Sebastian Klein
Head of Research
and Development



Towje Kirchner
Team Leader Customer
Support – Steam Cracker

Production modernization through automation and energy efficiency





Andreas Hagen
Head of Technology
Management



Lukas Wester
Head of Production

Following the completion of the eastern extension of the north wing in the first quarter, work began immediately on establishing the required energy infrastructure. These measures to establish the network for supplying all key energy sources and auxiliary materials, as well as for waste disposal, were largely carried out in-house.

Immediately after completion of the structural construction work, the installation of the cleaning and inspection line began. After the extensive programming work had been completed and all process parameters configured, this section of the system was handed over to production in the second quarter.

Subsequently, the old inspection cabin and all the associated auxiliary equipment were dismantled. In order to support the load of the two picking towers, foundation work first had to be carried out within the existing building structure. Once the foundations had been completed and sufficiently dried, the entire hall floor area was cleaned and coated. These measures were completed on schedule prior to the summer shutdown, allowing the period to be used for installing the two units designed for the circular milling of welding bevels.

As the project progressed, the automated sawing system located behind the inspection line, including its transfer system, the picking towers with their associated logistics infrastructure, as well as the entire material transport and robot-assisted handling technology were installed and gradually commissioned.

A major milestone was therefore achieved during the past year, allowing us to now focus on completing the second phase of the project.

Our major project to reorganize secondary production in the Alfred Schmidt-Krayer Hall reached full momentum in 2025.

Whenever production structures change due to process adjustments or automation, this also has a direct impact on other operational areas of the company – particularly planning, scheduling, and production control.

Through the expansion of automation, our objective is to sustainably improve delivery performance while making production processes more transparent, stable, and efficient. A higher degree of automation significantly reduces throughput times and shortens response times throughout the entire process chain. At the same time, the continuous digital tracking of tubes and inventory provides real-time transparency across the entire value chain.

The interlinking of individual production units has also created the conditions for early and targeted intervention in the process, thereby significantly increasing process stability.

Another important advantage lies in the cross-functional transparency of inventories. These can be tracked in real time and scheduled with high precision. As a result, the release and scheduling of materials for the welding machines has become significantly more efficient, forward-looking, and reliable. On this basis, planning has become less reactive and increasingly driven by forecasts.

Moreover, the continuous linking of production systems enables the use of simulation-based scenarios. These simulations indicate the speed and sequence in which different tube types can be processed through the system in order to optimally supply downstream processes.

Overall, automation has strengthened operational performance and established the foundation for robust, flexible, and future-oriented production and delivery planning.

Taking responsibility – for people, the environment, and the future



Lars Niemczewski
Head of Marketing and
Corporate Communication

As an owner-managed family business with a history of more than 145 years, corporate responsibility is a core element of our identity. We align our actions with the 17 Sustainable Development Goals of the United Nations and combine environmental responsibility with social commitment, economic stability, and the active development of our regions – both at our headquarters in Germany and at all of the Group’s international locations.

An important example of our social commitment is the groundbreaking ceremony held in May for the expansion of our company-owned day-care center at our headquarters in Lindlar, Germany. With an investment of around €1.1 million, we are creating additional childcare capacity and strengthening the balance between family and career. At the same time, we are underlining our commitment to being a reliable employer across generations.

Smaller initiatives also contribute to sustainability. Our participation in the #baumpflanzchallenge2025, to which we were nominated by Pferd Tools, sent a clear signal for the responsible use of natural resources and motivated other companies to take part. This initiative ultimately developed into one of the largest collaborative tree-planting campaigns worldwide.

Our employees are at the center of everything we do. In September, we honored numerous staff members in Germany for 25 and 40 years of service respectively. This long-standing loyalty reflects trust, stability, and mutual appreciation and forms the foundation of our company’s success.

Our commitment to the region is also reflected in our long-term involvement in the Werksarztzentrum Oberberg, which celebrated its 50th anniversary in September. As a founding member, we have been contributing to occupational healthcare services for regional companies for decades. In addition, our CEO Jan Schmidt-Krayer serves as Chairman of the Board on a voluntary basis.

We also regularly support charitable organizations in the Oberberg district. The charities we support include local food banks, a senior community organization, and initiatives that assist children and young people from families facing challenging circumstances.

A particular focus of our commitment lies in education and in promoting STEM skills. During “Girls’ & Boys’ Day”, we open our doors to students and offer internships for career orientation. Starting at the elementary school level, we support the TuWaS program of the Free University of Berlin in cooperation with the Cologne Chamber of Commerce and Industry (IHK). In addition, our S+C Academy participates in regional career exploration



initiatives and provides information directly in schools about training and career development opportunities.

We are also actively involved in the world of sports. As the exclusive partner of the handball Bundesliga club VfL Gummersbach, we support professional sports while also promoting grassroots sports, including the handball association Gelpe/Strombach as well as numerous regional soccer clubs. Sports are a great way to encourage team spirit, fairness, and social cohesion.

As a member of the InnovationHub Bergisches Rheinland, we promote collaboration between municipalities, businesses, and academic institutions. The project stands for innovation and the sustainable development of our region.

Our commitment is also reflected in our international locations. In Spain, Schmidt-Clemens Spain, together with the organization Asociación Juvenil Zurracapote, participated in the cleanup of the Rio Ega and, in cooperation with CaixaBank, supported a Christmas initiative for underprivileged children. In the Czech Republic, S+C Alfanametal is actively involved in the community

of Tršice, promotes volunteer activities, and continuously invests in the qualification and development of its employees.

A special highlight was the 25th anniversary of Schmidt + Clemens (Asia) in July 2025, which was celebrated together with employees, business partners, and local stakeholders. The event honored a quarter century of successful development and strong partnerships.

Our facility in Malaysia also actively contributes to our sustainability goals. By expanding the photovoltaic system, we are increasing the share of renewable energy generated and reducing the site's CO₂ footprint. At the same time, we recognize the commitment of our employees by holding an "Annual Dinner", where long-serving employees are honored for their dedication.

For us, Corporate Social Responsibility means combining economic strength with social responsibility. Our goal is to act sustainably, think long-term, and actively shape the future – for our employees, our partners and customers, and the regions in which we operate.

Certified processes as the basis for quality and sustainability



Andreas Hohn
Head of Management Systems

In 2025, the certification of the integrated management system was once again successfully confirmed.

Andreas Hohn

Since 2023, KIWA has served as our certification partner for the DIN EN ISO 9001, 14001, 45001, and 50001 standards.

In addition, audits were conducted during the reporting year to maintain approvals in accordance with the Pressure Equipment Directive (PED), AD 2000 Code - W0, and KTA 3201 by TÜV Rheinland, as well as under the Korean Gas Safety Rules by KGS.

All these certifications were successfully obtained and are available, among other sources, on the S+C website in the “Downloads” section.

The renewed certification of the integrated management system in accordance with DIN EN ISO 9001, 14001, 45001, and 50001 is scheduled for 2026. In addition, the management system will be audited at the year-end based on KTA 1401 with the objective of achieving recertification.

Further progress was made in the digitalization of the management system in 2025. Risk and hazard assessments, the legal register and derived compliance obligations, as well as waste management data are maintained within an integrated platform. The platform is also used to plan and prepare training sessions, which are delivered either as online training or

in-person sessions. In all cases, training documentation, individual participation records, and proof of completion are centrally stored in compliance with audit specifications.

The rollout of the software across subsidiaries is planned for 2026. The implementation of an internationally deployable system represents an important step toward the digitalization of core management processes within the S+C Group.

The currency of the standards and regulations underlying our operations is ensured through the use of digital platforms. Users are provided at all times with up-to-date information, including details on changes, validity, and historical requirements related to technically relevant topics. This service covers German, European, and international standards and represents a key element in meeting customer requirements and ensuring compliance.

Sustainability activities and CSRD reporting

S+C continued to advance its sustainability initiatives in 2025 by planning, implementing, and initiating measures to further improve performance. Key pillars include the adoption of corporate policies on environmental protection, labor and human rights, ethics, and sustainable procurement. These policies form the foundation of our sustainable business practices and



define both the company’s guiding principles and its concrete objectives for the short and long term. Progress toward these objectives is regularly reviewed and evaluated both internally and externally.

For several years, S+C has been independently assessed by external organizations – most notably by EcoVadis – regarding its sustainability performance. In 2025, these efforts were recognized with the EcoVadis Silver Medal, placing S+C among the top 7% of all evaluated companies. This distinction serves both as recognition of our achievements and as an incentive to maintain and further improve our performance.

The revised framework conditions resulting from the adoption of the Omnibus regulations in connection with the European Corporate Sustainability Reporting Directive (CSRD) are currently being analyzed and translated into appropriate internal measures where necessary. The objective is to ensure compliant and meaningful reporting that addresses both regulatory requirements and stakeholder expectations.

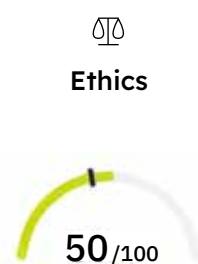
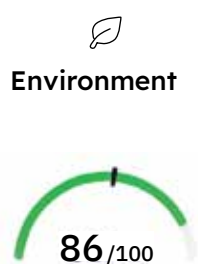
For 2026, the goal is to further enhance our sustainability activities as part of the continuous improvement process. S+C aims to achieve another EcoVadis distinction.



Total score

Percentage
93. ⓘ

↗ 74/100



Human Resources



As of December 31, 2025, the Schmidt + Clemens Group employed 1,088 people worldwide, including 643 at the headquarters in Germany. The training rate decreased to 6.81 percent (from 7.87 percent in 2024). Currently, 49 apprentices and students are being trained at the headquarters.



Sonja Fischer
Head of HR S+C Group

Sonja Fischer

Personnel policy in 2025 was shaped by necessary adjustments to changing economic conditions as well as decisions aimed at stabilizing the organization and safeguarding employment.

In the Alfred Schmidt-Krayer Hall (centrifugal casting and deep hole drilling), the semi-continuous shift model introduced in 2023 – criticized by many employees due to its short shift changes and high workload – was continued in a modified form as of January 1, 2025. The objectives were to reduce the workload and improve planning reliability. Experience gained throughout the year showed some selective improvements; however, overall acceptance and workload limits remained an issue. Against this background and in the context of the structural realignment, it was decided to discontinue the modified semi-continuous model after one year of

application and replace it with a traditional three-shift rotation system with weekly rotation starting in 2026. At the same time, the maintenance organization was aligned with production in order to synchronize personnel availability and significantly reduce on-call duties.

Effective September 2025, a standardized company agreement regarding the reporting and verification of sick leave was introduced. For the first time, a uniform regulation now applies to both commercial and industrial employees, requiring a medical certificate from the second day of illness. Given the elevated sickness absence rates observed over several years, this measure may serve as an instrument for the improved management of absenteeism. However, a reliable evaluation will not be possible before 2026.

Economic developments made the introduction of cyclical short-time work necessary, beginning in September 2025. At the same time, a restructuring program was implemented at the Lindlar site, including the consolidation of foundry areas and additional automation measures. In total, 106 positions were eliminated. We would like to express our sincere thanks to the colleagues who left the company for their work and contributions. The transfer company offered was accepted by nearly all affected employees and was largely viewed as an opportunity for professional re-orientation.

Despite the ongoing challenging conditions, the company remains capable of taking action and is confident about the future. Situational improvements – such as the expected suspension of short-time work in the ASK Hall starting in January 2026 – are having an effect, while maintaining awareness of the discipline and commitment still required.

From June 10 to June 12, 2025, the international HR meeting of the Schmidt + Clemens Group took place in Lindlar. The focus was on the international implementation and discussion of the new feedback system, the dialogue on absenteeism trends and country-specific practices, and initial assessments of the European Pay Transparency Directive. The discussions strengthened Group-wide coordination and a shared understanding of key HR topics.



S+C has once again been recognized as a Leading Employer Germany



Class of 2025 apprentice logo



Personnel development 2025

In 2025, a key focus was placed on the further development of leadership and collaboration. Together with the Management Board, leadership guidelines were developed for the first time across the entire Group. These guidelines define a common leadership philosophy and serve as a binding framework for orientation. In addition, the feedback system announced in the previous year was introduced. It supports structured discussions between managers and their teams and helps to identify development needs. The feedback has been predominantly positive from all areas. Both instruments will be further refined in 2026 and systematically integrated into leadership practices.

Training and apprenticeships 2025

Training remains a key pillar in securing the skilled workforce required by Schmidt + Clemens. In 2025, 16 apprentices successfully completed their training, and one graduate was honored by the Chamber of Commerce and Industry (IHK) as one of the best graduates. At the same time, nine new apprentices began their training in technical and commercial professions. The training content was further developed, including the introduction of virtual welding simulations. In addition to professional qualification, close mentoring and regular feedback discussions were key priorities. The objective remains to continuously improve the quality of training and sustainably boost the attractiveness of apprenticeship programs.

Apprenticeship campaign



IHK Best Graduates Award ceremony



Schmidt + Clemens

AMBITION 2030



Purpose

We are committed to using the planet's resources sustainably while staying ahead of emerging trends.



Mission

We provide high-alloy stainless steels and innovative solutions that help our customers enhance facility performance while advancing sustainability.



Vision

Our goal is to be the leading solutions provider, known for outstanding service and innovation. We set industry standards in sustainable technologies and invest in employee growth and development.



Values – the foundation of our actions.

Our values shape our actions and interactions with customers, partners, and each other. They guide our decisions, align us with our goals, and form the foundation of our culture and success.

You bring our values to life.