

2022

# Sustainability report

The sustainability goals of our corporate group





# Stable in change

Dear readers,

In the VUCA world, nothing is as constant as change. As a result, the past year presented itself with many new tasks. The pandemic and the war in Eastern Europe call many former certainties into question. Looking beyond the crisis mode, the decarbonisation of our economic system and digitisation present us with major challenges. In this context, we are all the more pleased that we have succeeded in continuing to drive the topic of sustainability forward in 2022 – because it is more important than ever.

Certainly, one reason is broad commitment of our corporate group to sustainability. We have been committed to a resource-conserving corporate management from an early stage on. For over 25 years, we have been reporting on our environmental management system, resource use and the most relevant environmental

KPIs. In 2011, we joined the United Nations (UN) Global Compact and report our progress annually.

Our early emphasis on sustainability, energy efficiency, and resilience is paying off. Despite the war and the resulting energy shortages, we are well positioned in the current crisis. Furthermore, we will continue to intensify our commitment in this area, for instance by becoming more energy independent and using more from renewable energy sources.

Over the past two years, we developed a comprehensive sustainability strategy and set ourselves specific goals for the entire corporate group. We are now working together to operationalise our strategy, achieve our goals and document our progress in a transparent manner. Our growing commitment has also,

over the years, led to a steady improvement in the quality of our reporting. We prepared this sustainability report in accordance with the standards of the Global Reporting Initiative (GRI). Furthermore, we took our climate protection ambitions seriously in 2022: On the one hand, we extended our corporate carbon footprint accounting to the entire Witzemann Group. On the other hand, we joined the Baden-Württemberg Climate Alliance and the Science Based Targets initiative (SBTi). We calculated our greenhouse gas reduction goals in accordance with SBTi and aim to contribute to the 1.5 degree goal of the Paris Climate Agreement with respective measures.

In order to meet our goals and the megatrend of decarbonising the economy, we already started numerous initiatives. We are intensifying our development and manufacturing activities in the technological fields of hydrogen economy, electromobility and renewable energies. We are continuously increasing purchase and in-house generation of green power and are improving our energy efficiency. In the past year, we were able to obtain

initial certification of the energy management of Witzemann GmbH and our Czech subsidiary in accordance with ISO 50001. Furthermore, we introduced ISO 14001 environmental management systems and ISO 45001 certified occupational health and safety at even more sites.

As a family business, we consider it particularly important that our employees enjoy their work and find a working environment in which they can develop and flourish to the best of their abilities. For this reason, we all collaborate on a daily basis in creating a diverse culture at eye level, coupled with empathy and appreciation, for each individual. In this context, health and thus occupational safety are assigned a central role. With this aspiration in mind, we aim to become one of the most attractive employers in the mid-sized



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supporters for this important worldwide task. I am pleased that we will follow this path into the future together.

Yours sincerely,  
Christine Wüst

*CHRO | Managing Director | People, Marketing, Sustainability*

My special thanks go to my management colleague Philip Paschen, who has put his heart and soul into driving sustainability forward for many years, and made it a core task in our corporate group at an early stage. Under his responsibility, Matthias Wode and Dr. Philipp Schäfer have lastly developed the sustainability strategy for Witzemann, thus elevating our commitment to a higher level. They have succeeded in strongly embedding sustainability in our family business and winning over many fellow



1 STRATEGY | MANAGEMENT

# Purpose

We help to make the world cleaner and more reliable.

This is our declared corporate mission, documented in the jointly developed corporate mission statement. It expresses our aspiration, underlines our motivation, and the importance of our actions.

At the same time, it represents the overarching message of our sustainability strategy.

1.1

# Portrait of the Witzenmann Group

**Globally active**

With 22 company locations in 17 countries, the Witzenmann Group is represented in Europe, Asia, North and South America. Parent company of the family business is the Witzenmann GmbH, where many company-wide activities are initiated and coordinated. The GmbH is based in Pforzheim.

## Europe

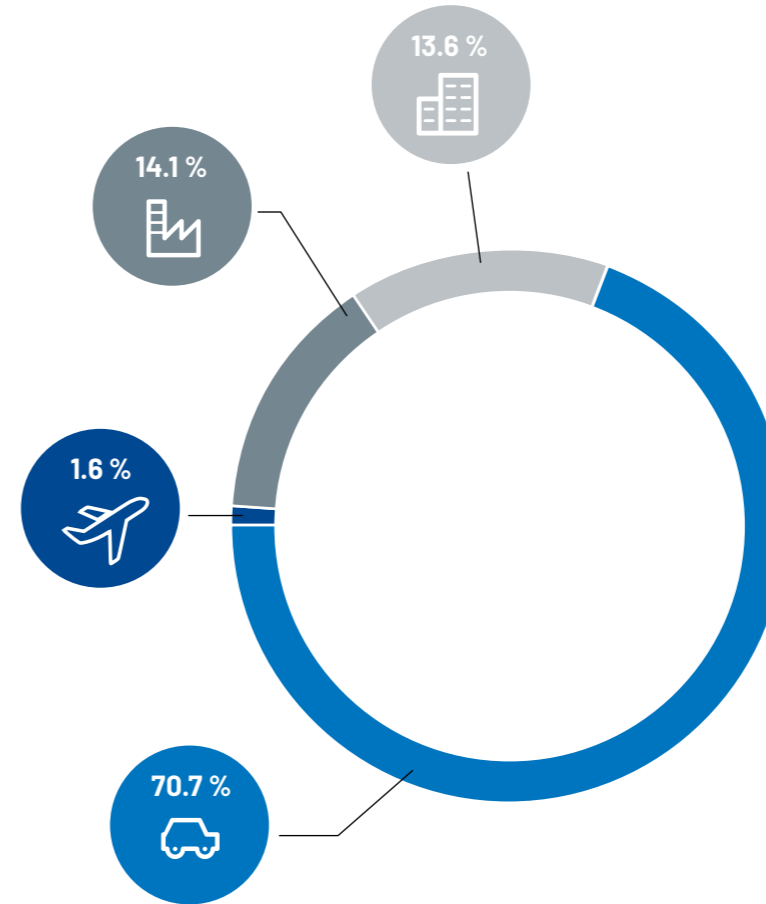
- Belgium
- Germany
- France
- United Kingdom
- Italy
- Poland
- Sweden
- Slovakia
- Spain
- Czech Republic

## Asia

- China
- India
- Japan
- South Korea

## America

- Brazil
- Mexico
- USA



## Our products and markets

Each day, at the Witzenmann Group we develop new solutions for demanding engineering challenges, relating to vibration decoupling, expansion absorption, media guidance, and assembly compensation in piping systems. Highest product quality and innovative ideas are our trademark.

Our wide range of products includes metal hoses, compensators, metal bellows, pipe supports and vehicle parts. As a development partner with almost 170 years of experience, we provide customers in our Mobility, Industry, Metal Hoses & Ventilation and Aerospace business units with tailored product solutions and services.



**Mobility**

All well-known vehicle and system manufacturers today are among Witzenmann's customers - from the automotive, on-highway and off-highway segments (trucks/buses, construction machinery, agricultural machinery, rail vehicles). In a wide range of areas, Witzenmann offers solutions that perceptibly improve the life span, operating efficiency and comfort of a vehicle.



**Industry**

From project work for highly complex components, such as for the CATOFIN® process, to series of compensators and standard metal hoses for maintenance applications: Witzenmann is partner for plant engineering, pipeline construction, equipment and mechanical engineering, power generation and many other special markets.



**Metal hoses and ventilation**

Quality from basement to roof: From bellows elements for connecting solar thermal collectors to buried gas house connections, our products ensure reliable functional safety.



**Aerospace**

In aerospace and astronautics, resilience to extreme loads and maximal reliability are an absolute requirement. Examples include our flexible elements in the Airbus A320 and A330 families in the Eurocopter EC 135, in Rolls-Royce engines, as well as in space applications.

# Responsible management

The management of Witzemann GmbH is responsible for the strategic orientation and steering of the corporate group. It is appointed by the shareholders. In the 2022 financial year, we reorganized our areas of responsibility: Since September 2022, Christine Wüst has been responsible for Human Resources, Marketing and Sustainability as CHRO (Chief Human Resources Officer). Our Chief Executive Officer (CEO) Dr. Andreas Kämpfe has been in charge of Sales, as well as the Central Technical Departments and Quality Management since October 2022. Philip Paschen (Chief Operations Officer, COO / Chief Digital Officer, CDO) is responsible for global production, IT and facility management. In her role as interim CFO (Chief Financial Officer), Vera Mintenig is in charge of Finance and Controlling.



**Dr. Andreas Kämpfe**



**Philip Paschen**

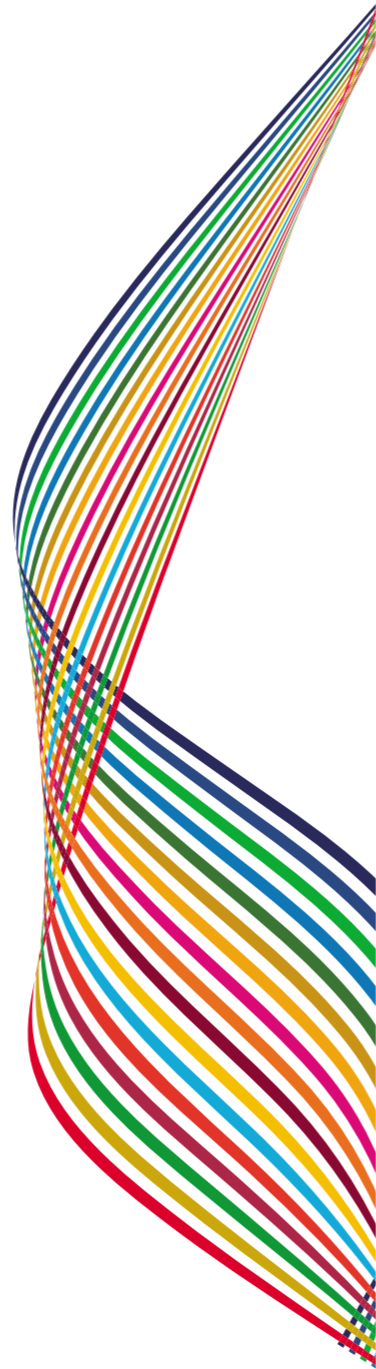


**Christine Wüst**



**Vera Mintenig**

The management is overseen and controlled by the Supervisory Board of Witzemann Group, consisting of nine people. Of these, six are appointed from the ranks of the shareholders and the Shareholders' Advisory Council and three represent our workforce and are elected by it. The term of office of the Supervisory Board members is limited to four years. The Supervisory Board is itself overseen by the Shareholders' Advisory Council.



# Employees

The Witzemann Group employs 4,282 people worldwide (as of December 2022), of whom 1,624 work at Witzemann GmbH. The headcount across the corporate group has remained roughly constant over the past few years; a slight decrease from 2021 to 2022 is attributable to the divestment of the Russian subsidiary. Around 11 % of the global headcount in 2022 was employed on a temporary basis for reasons of flexibility in personnel deployment – particularly in production. All employees, regardless of the type of employment, have access to the same qualification opportunities. Even contract workers are provided with job-related qualifications.

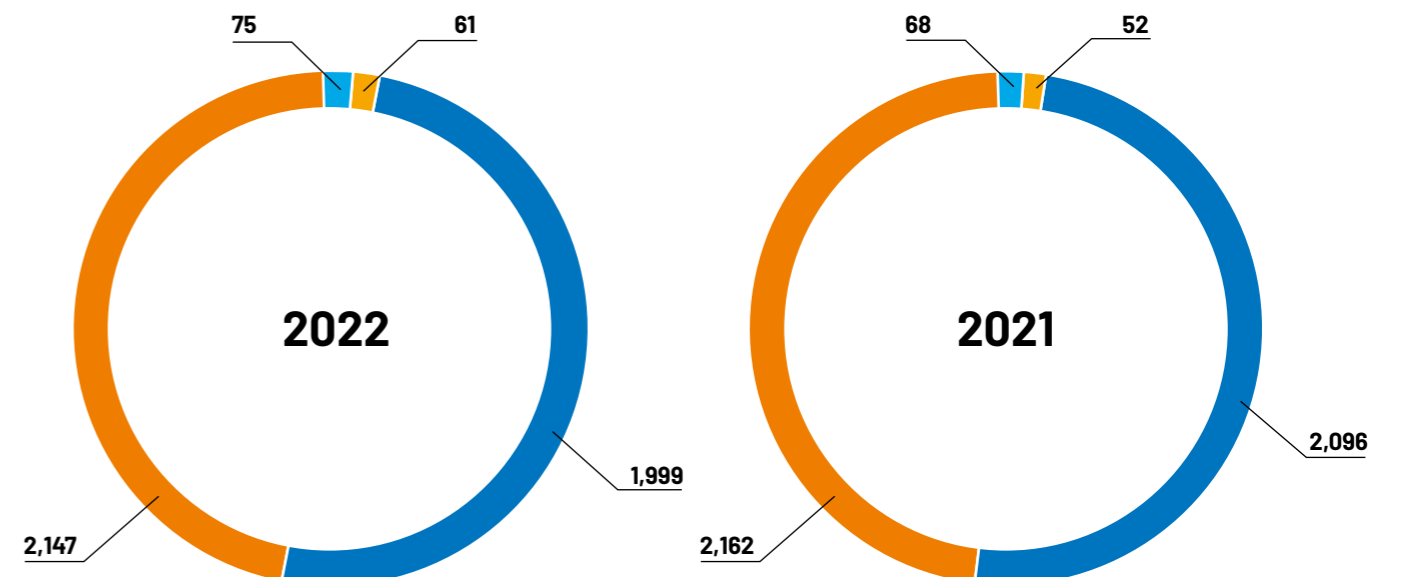
## Employees by region (in HC, head count)

		Total employees				
		Total	Permanent employees	Temporary employees	Trainees / students <sup>1</sup>	Contract employees
2020	<b>Total</b>	<b>4,362</b>	<b>3,756</b>	<b>499</b>	<b>107</b>	<b>321</b>
	Germany	1,852	1,703	72	77	15
	Europe	1,564	1,351	187	26	179
	America	430	428	-	2	7
2021	<b>Total</b>	<b>4,378</b>	<b>3,802</b>	<b>456</b>	<b>120</b>	<b>458</b>
	Germany	1,869	1,682	107	80	77
	Europe	1,524	1,349	159	16	137
	America	426	425	-	1	17
2022	<b>Total</b>	<b>4,282</b>	<b>3,655</b>	<b>491</b>	<b>136</b>	<b>545</b>
	Germany	1,934	1,694	153	87	66
	Europe	1,279	1,137	140	2	278
	America	453	445	-	8	14
	Asia	616	379	198	39	187

<sup>1</sup> Trainees, working students, interns

## Employees by categories

- Direct employees
- Trainees/interns
- Indirect employees
- Working students/holiday workers



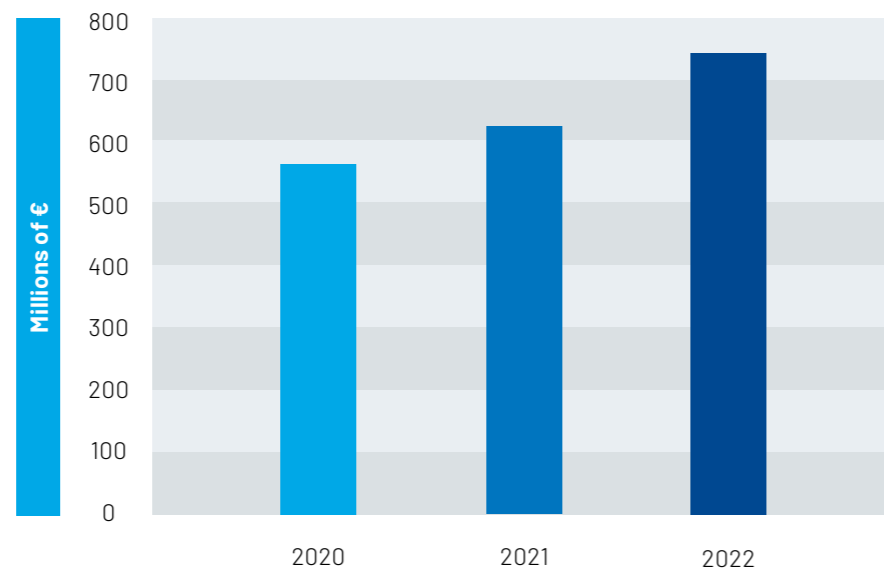
## Turnover trend

The past financial year was only slightly affected by the Covid 19 pandemic. It was exacerbated, however, by economic uncertainties due to rising inflation worldwide, as well as material and energy price increases caused by the Ukrainian war and the associated energy crisis, and by political developments in China.

Nevertheless, the turnover trend – after a weaker trend in the previous year – stabilized in 2022: From 2021 to 2022, turnover increased by 19 %. However, this figure is not adjusted for inflation. With a total turnover of 738 million euros, the Witzemann Group also exceeded the pre-pandemic turnover level.

Mobility remains the strongest business sector in terms of turnover, with the two divisions Vehicle Parts for Passenger Cars and Commercial Vehicles and Engines; the majority of turnover in both divisions is still attributable to combustion technology. Herein, we produce components in particular for OEMs (Original Equipment Manufacturers) and major automotive suppliers. At the same time, specific product development is steadily increasing the share of sales accounted for by New Mobility within both divisions. For more information, please refer to the section “Sustainable products and solutions”.

Turnover in the corporate group



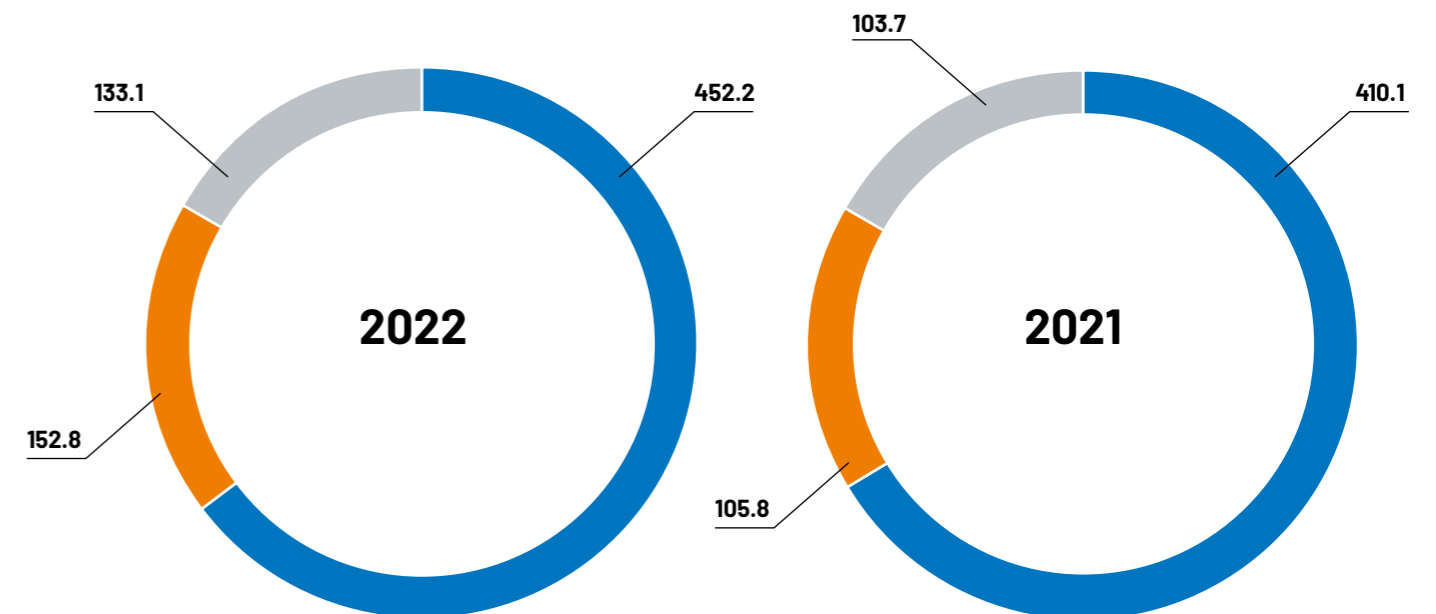
Turnover by business areas <sup>1</sup>	2020		2021		2022	
	Million of €	%	Million of €	%	Million of €	%
Total	559.3	100.0	619.7	100.0	738.1	100.0
Mobility	384.5	68.7	429.7	69.3	521.7	70.7
Aerospace	6.5	1.2	7	1.1	11.5	1.6
Industry	95.6	17.1	87.4	14.1	99.3	13.5
Metal hoses and ventilation	70.0	12.5	89.9	14.5	100.2	13.6
Others	2.7	0.5	5.7	0.9	5.3	0.6

Turnover by regions <sup>1</sup>	2020		2021		2022	
	Million of €	%	Million of €	%	Million of €	%
Total	559.3	100.0	619.7	100.0	738.1	100.0
Europe with Germany	374.7	67.0	410.1	66.2	452.2	61.3
America	84.8	15.2	105.8	17.1	152.8	20.7
Asia	99.7	17.8	103.7	16.7	133.1	18.0

<sup>1</sup>Not adjusted for inflation.

Turnover by region (in million €)

- Europe with Germany
- America
- Asia



1.2

# Strategy and organisation of sustainability

## Clear strategic orientation

Our "Sustainability Strategy 2025" is a product of extensive developmental work in 2021 and 2022. We tailored it precisely to our corporate group, the overarching corporate strategy, and the associated mission statement and structured them according to the three classic dimensions of sustainability:

We phrased separate strategic goals for each of these areas. We want to achieve them through operational improvements at three levels of action:

- inside the company, i.e. in our

processes as well as our organisation and infrastructure

- in design and manufacturing of our products
- in the value chain – with focus on supply chain

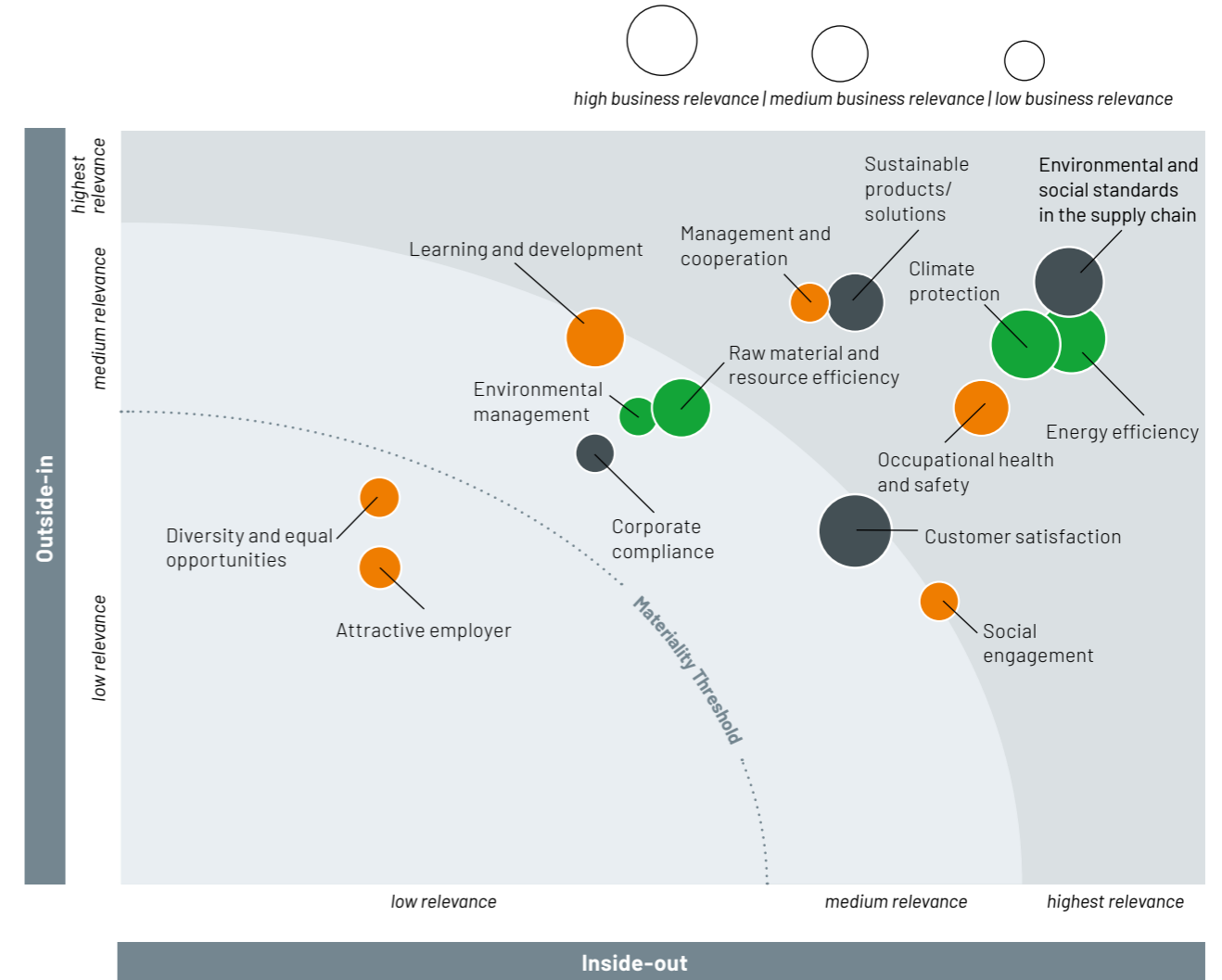


## Materiality analysis leads strategy

The basis of our strategy is a materiality analysis, which we conducted in accordance with the 2016 standards of the Global Reporting Initiative (GRI). All essential external and internal framework conditions for the sustainable development of the Witzemann Group were first recorded and evaluated in a comprehensive situation and environment analysis. Among other things, we analysed the current and planned political action

plans, our competitive environment and numerous examples for best practices. Also, the relevant initiatives and organisations as well as our own current sustainability performance were taken into account. This resulted in an extensive list of potentially relevant sustainability topics for the Witzemann Group. We then prioritised by looking at how our activities are distributed among the identified sustainability topics

and where they form focal points. Throughout the process, we took into account both the assessments of our stakeholders, as defined below, and our own perspectives.



### Three perspectives and three key questions:

- **Outside-in:** How do the stakeholders rate the relevance of sustainability topics in relation to Witzemann Group?
- **Inside-out:** How do we ourselves rate our impact intensity and our potential for improvement in the respective sustainability topics?
- **Business relevance:** To what extent do sustainability topics affect the course of business, the business results and the development of the Witzemann Group?

The topics receiving the highest ratings were climate protection, energy efficiency, environmental and social standards in the supply chain and occupational health and safety. Diversity and equal opportunities as well as employer attractiveness, on the other hand, were considered to be below the materiality threshold and were placed on a watch list. We have not yet set goals for them in our sustainability strategy. Nonetheless, we assess their relevance in terms of positive and negative impacts as relatively high in terms of the new GRI materiality analysis. For this reason, we decided to also report on these topics in this sustainability report.

In order to comply with the new GRI Standards 2021, we made further adjustments. For our identified sustainability topics, we worked out our positive and negative impacts on economy, environment, and society, based on the performed situation and environment analysis. We prioritised the assessment of identified impacts according to the relevance of their associated sustainability topics and address them in the respective topic chapters.

<sup>1</sup><https://www.witzemann.com/en/about-us/witzemann-group/guiding-corporate-principles/>

## Comprehensive goal concept developed

For the topics identified as essential, we have set ourselves solid and ambitious goals with cross-departmental cooperation. In the process, we always focused on the entire value chain – from procurement of materials and primary products to our own value creation to distribution and use of our products. At the same time, we

ensured that our objectives are in line with the UN Sustainable Development Goals (SDGs).

Generally, we distinguish between management goals and performance goals. Management goals only indirectly serve to improve sustainability KPIs. Still they are significant:



By achieving management goals, for example establishing an energy management system according to ISO 50001, key performance indicators such as energy efficiency

improve indirectly. Performance goals, on the other hand, are aimed directly at specific, measurable improvements, such as the reduction of energy use.

## In accordance with the Sustainable Development Goals

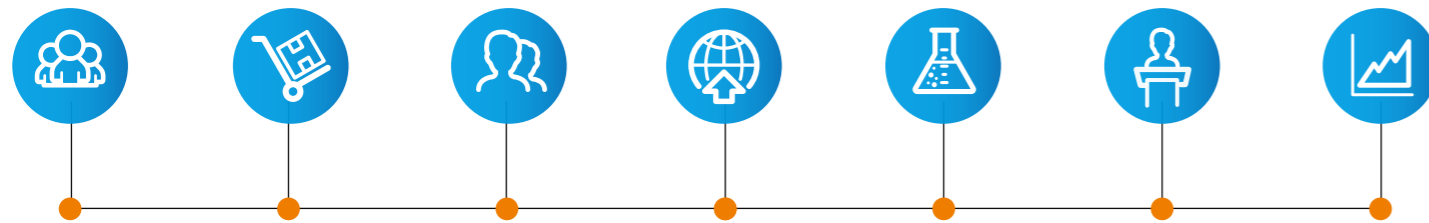
Our goal concept comprises over 30 goals and covers all our major sustainability topics. We highlighted the most important goal of each sustainability topic here and show their contribution to the SDGs:





## Continuous stakeholder dialogue

We maintain a regular dialogue with our stakeholders. This is how we want to ensure that we can properly assess and meet their expectations, and at the same time contribute to a sustainable development of our society. In the course of the materiality analysis described above, we obtained the assessments of members of the following stakeholder groups through extensive surveys and interviews:



- **Customers:** Our customers are at the centre of our business activities. Therefore, it is highly relevant how they view certain sustainability aspects and what they expect from us in this context. Generally, we noticed that our customers' demands on the sustainability performance of our company and our products are continuously increasing. In order to understand how these requirements are changing, our sales department exchanges ideas closely with our customers (see also the chapter on "Customer satisfaction").
- **Suppliers:** Our responsibility does not end at our factory gates, but covers the entire value chain. Consequently, supplier management is an important component of our sustainability management – not least due to increasingly demanding regulatory framework conditions (see also chapter "Environmental and social standards in the supply chain").
- **Employees:** The success of our company depends greatly on our employees. To offer optimal

- working conditions in which they can unfold their potential in the best possible way, we engage in an intensive dialogue (see also the chapters on "Learning and development" and "Management and cooperation").
- **Corporate group:** Witzenmann operates globally. To ensure a consistent strategy across the corporate group, the inclusion of our subsidiaries is of central importance.
- **Science and research:** We have maintained a close exchange with Pforzheim University for many years. Over time, we intensified contact through regular research projects, support in the preparation of theses, cooperation and consulting services. Furthermore, we are represented in the sponsoring associations of Pforzheim University and the Heidelberg Academy, among others.
- **Politics and society:** Witzenmann GmbH is one of the largest employers in the region. We see the ongoing dialogue with regional and supraregional politics

- as extremely important. Therefore we intensively cultivate it, just as well as social exchange. For instance, we are member of numerous regional sponsoring associations, federations and clubs (see also the chapter "Social engagement").
- **Business:** Through congresses, conferences, working groups, and initiatives, we are in dialogue with other companies from various industries. We there regularly exchange information regarding industry and sustainability topics, as well as best-practice examples.

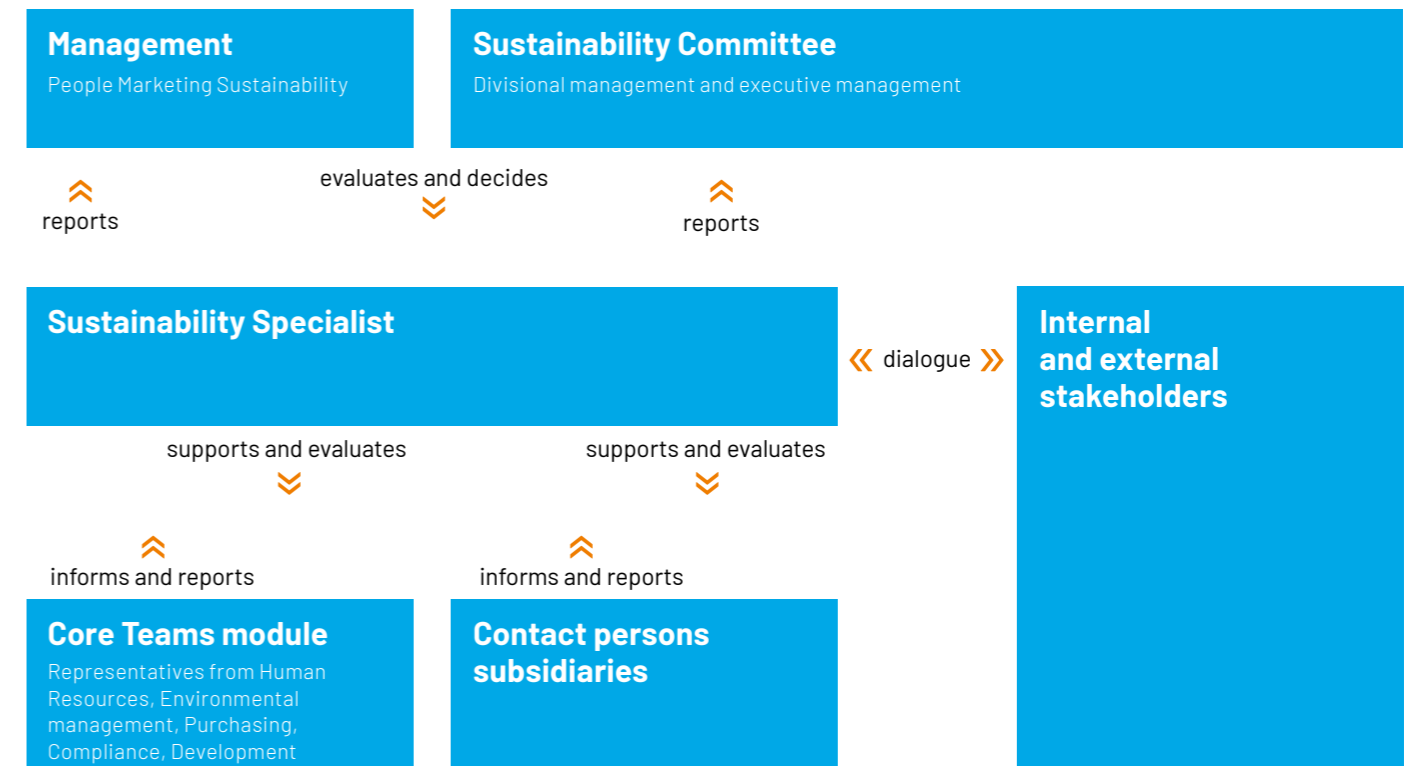
## Strengthened sustainability management and organisation

By reorganising the management as described above, we also wanted to reflect the increased importance sustainability has for our company today. Therefore, we elevated our sustainability function to be a separate corporate division with a direct reporting line to company management. Ever since, the department has been reporting on a weekly basis regarding the status of implementation of our sustainability goals, and has been helping to ensure sustainability aspects are always taken into account in decisions. Moreover, the

management is also responsible for the release of our annual sustainability report. This direct involvement has elevated the topic and made it more visible within the company.

Apart from internal and external reporting, the sustainability department coordinates corporate-wide sustainability management processes. Here, it is supported here by topic-specific core teams. This enables us to optimally cover all facets of a multidisciplinary sustainability. Communication within

the corporate group takes place via decentralised contact persons in the subsidiaries. Our Sustainability Committee acts as a controlling and additional decisionmaking body. It meets at least once a year.



1.3

# Initiatives and associations

Regular exchange with stakeholders from our network of different associations and initiatives is very important to us. That way, we can identify trends and developments at an early stage, jointly develop solutions for a more sustainable future, and facilitate the sharing of knowledge.

Since signing the United Nations (UN) Global Compact more than ten years ago, we have expressly committed ourselves to its ten principles, and have anchored them in our corporate mission statement. The principles comprise the areas human rights, labour standards, the environment, and corruption prevention, and have a significant influence on our actions – both internally and externally. Furthermore, we laid down how we implement the UNGC principles operationally in our sustainability strategy.

Also, we joined the Baden-Württemberg Climate Alliance in 2022, which is managed by the Ministry for Environment, Climate and Energy Management. As part of the initiative, state and businesses want to

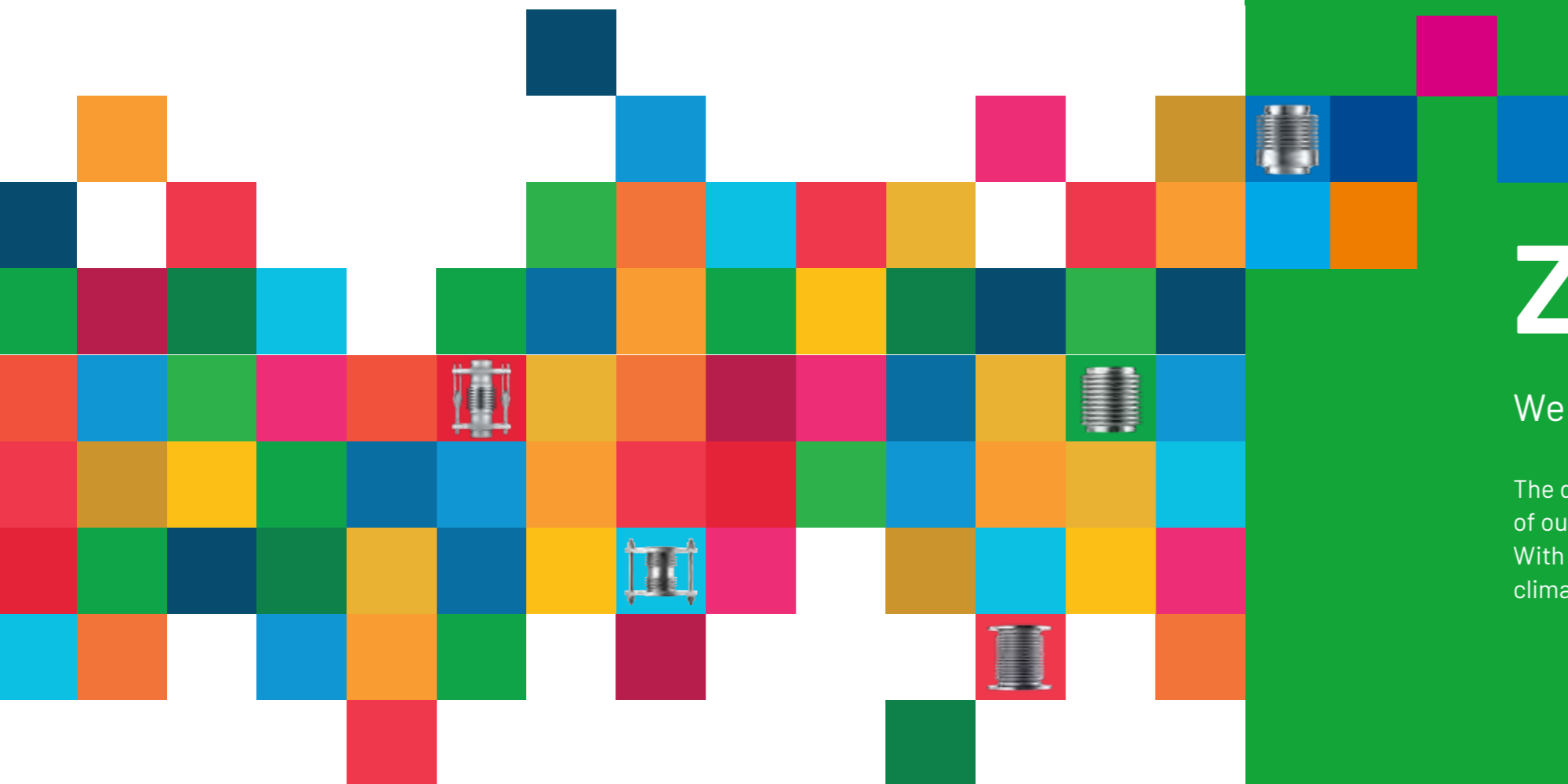
make a systematic and sustained contribution to climate protection, and become climate neutral in the medium to long term. For this purpose, the involved parties conclude a climate protection agreement, in which specific measures for achieving climate goals are agreed upon. On German Diversity Day, 30 June 2022, we signed the Diversity Charter. We thus acknowledge our responsibility towards our employees and society. In the future, we at Witzenmann will continue to embrace diversity, individuality, participation, and a sense of responsibility (for more information, see the chapter on “Diversity and equal opportunities”).

**Other selected memberships of the Witzenmann Group:**

- Allianz Wasserstoffmotor e. V.
- BME Bundesverband Materialwirtschaft, Einkauf und Logistik e. V.
- Cluster Brennstoffzelle BW
- LR BW Forum Luft- und Raumfahrt Baden-Württemberg e. V.
- LVI Landesverband der Baden-Württembergischen Industrie e. V.
- SCE A (Supply Chain Excellence Aerospace) Deutschland e. V.
- Stiftung Familienunternehmen
- wvib (Wirtschaftsverband Industrieller Unternehmen Baden e. V.) – Sustainability Advisory Board



## 2 ENVIRONMENT | RESOURCES



# Zero Emissions

We will be climate-neutral!

The decarbonisation of our economic system is one of the most urgent tasks of our time.

With an efficient use of energy, materials, and raw materials as well as active climate protection, we contribute to this goal.

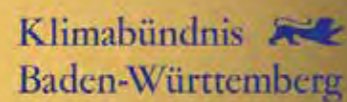
2.1

# Management approach

As a manufacturing company, the Witzemann Group requires energy, materials and raw materials for its operations. We are responsible for related negative impacts on nature and climate – for example through greenhouse gas emissions, raw material extraction, or waste – and want to keep them as low as possible. Consequently, the topic of environment and resources represents one of the three central fields of action of our sustainability strategy. Among the major topics are climate protection, energy efficiency, material and raw material efficiency, and environmental management. As they are all interrelated, we manage them holistically with the aim of constantly improving our performance.

For more than a decade, we have been preparing climate balances and implementing measures to reduce emissions – such as improving material efficiency, using renewable energies, and reducing energy consumption. In order to use energy more responsibly, we introduced a comprehensive energy management system. In 2022, Witzemann GmbH received certification as per ISO 50001 for this purpose for the first time. At the same time, by joining the Baden-Württemberg Climate Protection Alliance, we have defined ambitious climate protection goals, in accordance with requirements of the Science Based Targets initiative (SBTi) and committed ourselves to meeting them.

Since many years, we operate ISO 14001-certified environmental management systems at all of the corporate group's major production sites, in order to reduce the impact of our waste and water use on the environment. Our environmental and energy policy defines our commitments and provides clear guidelines for our employees.



2.2

# Climate protection

Climate change is one of the greatest challenges facing humanity and can only be overcome by society as a whole. In our corporate group, we are using everything in our power at all our locations around the world to contribute our share to climate protection.

### Compiling a comprehensive carbon footprint

We recognised the urgency of comprehensive climate assessments at an early stage. Only by being transparent about our greenhouse gas (GHG) emissions, we can identify and exploit potential for improvement. This is why we have been calculating the emissions of Witzemann GmbH

for over ten years according to the specifications of the Greenhouse Gas (GHG) Protocol and report them for all three GHG scopes. For the year under review, we were able to extend this assessment to the corporate group and now cover more than 85 % of the Witzemann Group for all three scopes. This means we got a significant step closer to our goal of publishing a balance sheet for the entire corporate group by the end of 2023.

More than 91 % of our corporate-wide GHG emissions are related to Scope 3, where so far, we accounted upstream emissions, i.e. those emissions, that arise upstream of our company.

Greenhouse gas emissions of the Witzemann Group [tCO <sub>2</sub> eq]	2020	2021	2022
Natural gas	2,320	2,740	2,349
Heating oil and other energy sources	488	445	368
Fleet	656	662	715
<b>Scope 1</b>	<b>3,464</b>	<b>3,846</b>	<b>3,431</b>
Electricity	14,666	17,738	18,924
District heating	826	1,027	578
<b>Scope 2</b>	<b>15,492</b>	<b>18,765</b>	<b>19,502</b>
(1) Procured goods and services	263,692	346,884	365,830
(2) Capital goods	2,719	2,316	2,950
(3) Energy-related activities	2,154	2,331	2,480
(4) Upstream transport and distribution	2,706	3,056	2,632
(5) Waste from operations	286	364	350
(6) Business travel	444	186	695
(7) Commuting of employees	5,110	5,220	5,478
<b>Scope 3 (upstream only)</b>	<b>277,112</b>	<b>360,343</b>	<b>380,531</b>
<b>Total</b>	<b>296,067</b>	<b>382,954</b>	<b>403,465</b>
Total emission intensity [tCO <sub>2</sub> eq/€ million turnover]	529	618	547
Emission intensity Scope 1+2 [tCO <sub>2</sub> eq/€ million turnover]	34	36	31

<sup>1</sup>CO<sub>2</sub>eq (CO<sub>2</sub> equivalents) include all Kyoto Protocol emissions. Scope 2 emissions were calculated using the market-based method, including specific emission factors of the individual electricity suppliers. They were reported in accordance with the GHG Protocol on an operational control basis. The Scope 3 assessments of categories 1, 2, 3, 5 and 7 were carried out with an analysis tool (Scope3Analyzer) that uses monetary purchasing data and statistics from the environmental economic accounts of all relevant economies. The remaining categories were modelled with the help of LCA data.

INFO



The assessment of greenhouse gas emissions (GHG emissions) according to the GHG Protocol comprises three scopes:

**Scope 1: Direct GHG emissions**

Direct GHG emissions originate from sources owned or controlled by the company. This includes emissions from combustion in own or controlled boilers, furnaces, vehicles and from chemical production in process plants.

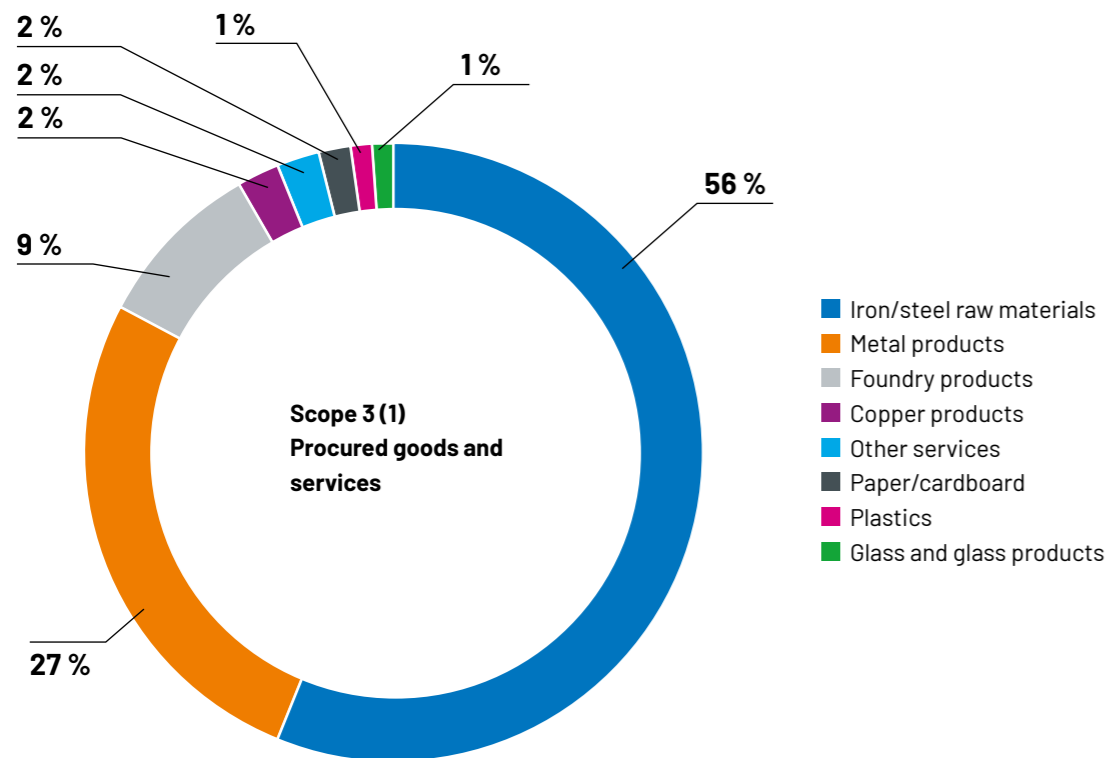
**Scope 2: Indirect GHG emissions from energy procurement**

Scope 2 comprises the indirect GHG emissions caused by the purchase of energy, such as electricity or district heating. Physically, Scope 2 emissions occur in the plant where the energy is generated.

**Scope 3: Other indirect GHG emissions**

Scope 3 emissions are a consequence of the company's activities in the value chain and come from sources it does not own or control. These GHG emissions result from, among other things, the upstream extraction and production of (purchased) materials, the transport of (purchased) fuels by external parties and the downstream use of (sold) products and services.

## Breakdown of Scope 3 category Procured goods and services



The majority of Scope 3 GHG emissions are driven by sourcing of steel and stainless steel in the form of raw material (such as strip or sheet) and intermediate products. Additionally, about one third is attributable to other metallic intermediates. These two groups of goods contain the greatest

uncertainties of our assessment method, which relies on statistical data from our analysis tool. We are working on reducing the uncertainty and want to determine specific emission factors for these groups of goods in the long term – together with our suppliers.

## Climate protection goals

	KPI	Goal	Current	Target year	Scope
Management goals					
Group-wide greenhouse gas footprint	[ % Group ]	100 %	85 %	2023	Group
Performance goals					
GHG neutrality Scope 1 + 2	[ % reduction vs. 2021 <sup>1</sup> ]	100 %	15 %	2030	GmbH
Reduction Scope 1 + 2	[ % reduction vs. 2021 <sup>1</sup> ]	42 %	0 %	2030	Group
Reduction Scope 3	[ % reduction vs. 2021 <sup>1</sup> ]	25 %	0 %	2030	Group
Renewable energy self-sufficiency	[ % own renewable generation of consumption ]	10 %	<1 %	2030	Group

<sup>1</sup>We defined 2021 as the base year, partly to avoid distortions due to pandemic-related production declines.

## Setting ambitious reduction goals

We want to make a scientifically proven contribution to the goals of the Paris Climate Agreement. For this reason, we joined the Science Based Targets initiative (SBTi) in 2022 and calculated our GHG reduction goals according to their methodology. With our Scope 1 and 2 goals, we contribute to the 1.5 degree goal; with our goalled Scope 3 reduction, we support the goal of limiting global warming to well below two degrees Celsius. We planned the validation of these goals by the SBTi for 2023.

These ambitions also represent our commitment to our region. In October 2022 we joined the Baden-Württemberg Climate Alliance. Being one of almost 40 pioneering companies (as of the end of 2022), we associate this partnership with the goal of supporting each other in the systematic implementation of corporate climate protection.



Our CHRO Christine Wüst receives the Climate Alliance certificate from State Secretary Dr Andre Baumann.

## Steady improvement in four areas of work

To achieve greenhouse gas neutrality for Witzemann GmbH in Scopes 1 and 2, and to reduce the corresponding group-wide emissions by at least 42 %, we are focussing on the following four areas:

### 1: Improvement of energy efficiency

The improvement of energy efficiency is a constant process in which we have already been able to register significant progress in previous years. Further information can be found in the chapter about energy efficiency.

### 2: Expansion of own generation from renewable energies

At our Buchbusch branch (Pforzheim), we have a photovoltaic (PV) system with a rated output of 81 kWp. Furthermore, our subsidiary Witzemann Rhein-Ruhr commissioned a PV system with 99.4 kWp in 2020. In the year under review, we produced 182 MWh of green electricity with these plants and thus saved 52 tonnes of CO<sub>2</sub>e compared to conventional electricity purchases. Additionally,

we are operating a 605 kWp PV plant in Belgium since 2022. Currently we are planning further PV plants in Italy, Mexico, Slovakia and Spain.

### 3: Switching external procurement to renewable energies

The procurement of external electricity from renewable energies will become a reality at Witzemann GmbH and its German subsidiaries in 2023. Contracts have already been signed. Our subsidiary in Spain is already procuring electricity from 100 % renewable energies since 2021.

### 4: Electrification and use of environmentally friendly technologies

By expanding the range of uses for green power, we are reducing our footprint in other areas as well. For this reason, we want to meet our heating needs of the future with the help of electrically powered heat pumps. Furthermore, we are planning to convert our vehicle fleet and company cars to electric mobility.

## New PV plant at our site in Belgium



## Outlook

Our efforts in those defined areas are aimed at reducing our greenhouse gas emissions completely by 2030. Scope 1 and 2 emissions that cannot be fully avoided by then will be offset with the help of internationally recognised and quality-assured compensation measures such as the Gold Standard. Our subsidiary in France is already been offsetting the emissions of its vehicle fleet since 2019. In the past two years, it has offset eight tonnes of CO<sub>2</sub>eq through a certified forest

conservation project in Brazil and planted 56 trees in France.

Reducing our indirect Scope 3 emissions is of great importance for climate protection. We are already examining numerous possibilities for the upstream process chain – from mobility concepts for our employees to power-to-X technologies that convert wind or solar power into storable energy sources, such as process gases. We also want to use life cycle assessments to

analyse potential improvements in the product and thus, also include the downstream process chain of our customers. The improvement of material and raw material efficiency is a crucial area as well. We treat this as a separate topic in our sustainability strategy.

### 2.3

## Energy efficiency

In 2022, it became apparent how important it is to use energy efficiently. The energy crisis presented our corporate group with major challenges, all of which we were able to master well. It then paid off that we had continuously promoted energy efficiency in our company for many years and paid attention to the resilience of our business processes at an early stage. In the future, we will continue to push these efforts.

### First milestones already achieved

An important milestone in energy efficiency was the initial certification of Witzemann GmbH's and our subsidiary's energy management systems in the Czech Republic according to ISO 50001. The management system helps us to plan energy efficiency actions in a structured way and to implement them in a controlled manner. Currently, we are introducing it at our other German subsidiaries. In the long term, we want to manage at least 90 % of

the energy used in the Witzemann Group in a central management system. As an important component of this, since 2022, we are using a group-wide system for monitoring energy consumption.

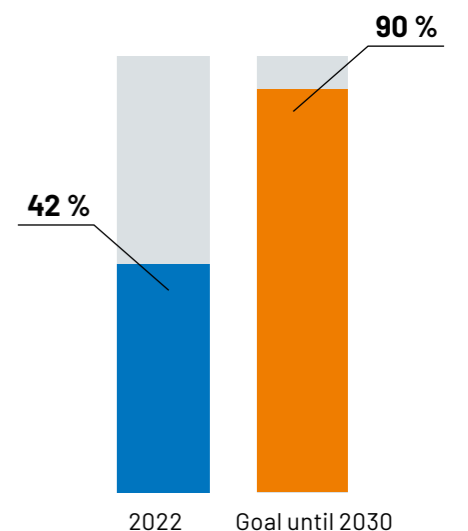
Energy efficiency goals	KPI	Goal	Current	Target year	Scope
Management goals					
Group-wide energy balance	[ % Group]	100 %	100 %	2023	Group
Energy management	[ % Group]	90 %	42 %	2030	Group
Performance goals					
Reduction of energy intensity <sup>1</sup>	[ % reduction vs. 2021]	35 %	21 %	2030	GmbH
Reduction of energy intensity <sup>1</sup>	[ % reduction vs. 2021]	15 %	16 %	2030	Group

<sup>1</sup> Energy intensity in MWh/million € turnover, not adjusted for inflation. The rapid progress or overachievement of the goal is due to the high inflation rate in 2022, a relatively warm winter, and intensive energy saving measures due to the energy crisis. Consequently, we expect a slightly declining trend in the coming years.

Energy KPIs of the Witzemann Group	2020	2021	2022
Procurement of electricity (in MWh)	45,468	49,230	52,453
PV generation (in MWh)	120	159	185
District heating (in MWh)	7,080	7,771	6,745
Natural gas (in MWh)	11,540	13,631	11,686
Heating oil (in MWh)	1,605	1,352	1,103
Others <sup>1</sup> (in MWh)	2,031	2,158	2,105
<b>Total energy consumption (in MWh)</b>	<b>67,844</b>	<b>74,300</b>	<b>74,278</b>
<b>Energy intensity [MWh/€ million turnover]</b>	<b>121</b>	<b>120</b>	<b>101</b>

<sup>1</sup> Fuels: diesel, petrol, and E10 (esp. vehicle fleet).

Proportion the energy consumption of the Witzemann Group covered by an energy management system



## Group-wide energy efficiency programmes

Each year, all over the Witzemann Group, we work on constantly reducing our energy consumption. For instance, we introduced an intelligent compressed air control system throughout Witzemann GmbH in 2022 and specifically reduced the mains pressure. As a result, we were able to reduce the annual electricity consumption of compressed air generation by 90 MWh. Thanks to a new, demand-oriented control of our ventilation systems, we save a further 90 MWh per year. Our subsidiaries in the Czech Republic, Slovakia, and Spain also converted their lighting to LED technology last year. Altogether, these actions resulted in annual savings of 745 MWh of electricity.

A further 30 MWh of savings were realised by our subsidiary in Spain through a daylight-dependent lighting control system.

Witzemann Opava has achieved natural gas savings of 558 MWh/year through extensive efficiency measures in their heating system. Heat recovery, improved insulation, and a central control system have contributed to these savings.

These actions reflect in the overall energy consumption figures of the Witzemann Group. The increase in absolute consumption from 2020 to 2021 – with a comparatively small increase in energy intensity – is due

to the increase in production and turnover after the peak phase of the pandemic. By contrast, the decreases in absolute energy consumption and energy intensity from 2021 to 2022 are due to the technical energy efficiency measures described above. Organisational measures contributed to this reduction as well. As a result of the energy crisis, our employees have once again focused more intensively on the topic of energy efficiency. We intend to raise this awareness further through various training opportunities.

Head office Pforzheim: Reduction of pressure in the pressure network from 8.3 to 7 bar



Head office Pforzheim, Czech Republic, Slovakia and Spain: Conversion to LED – electricity savings of 745 MWh/year, roughly the electricity consumption of 250 single-family homes.



Witzemann Española: Daylight adjustment of the lighting

### 2.4

## Raw material and resource efficiency

As a metal processing company, Witzemann has a special responsibility to handle materials and raw materials efficiently. We are committed to reducing their use wherever possible, closing the loop as much as possible, and to constantly improving in this respect.

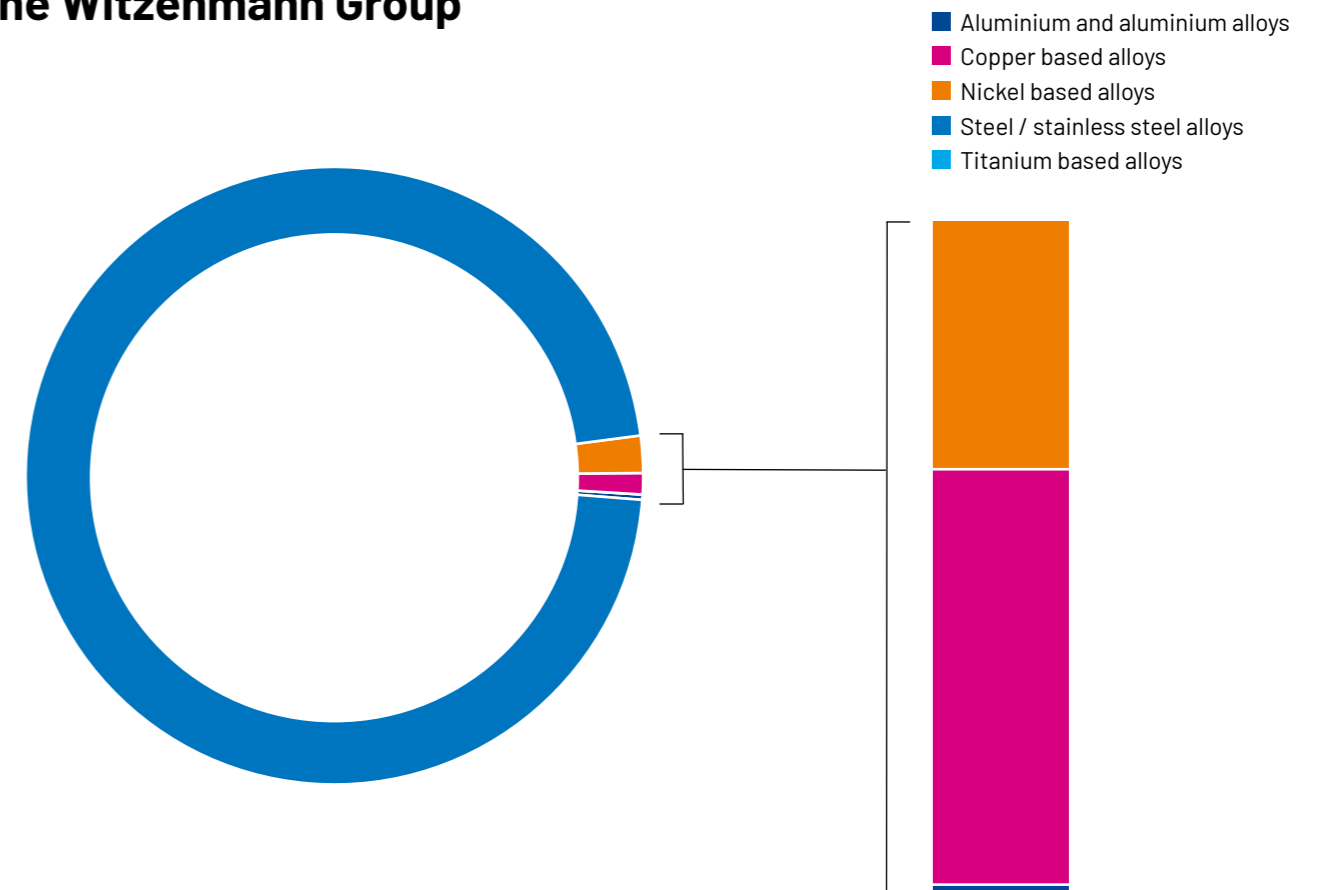
### Taking stock: raw materials dominated by steel

In 2022, the Witzemann Group procured 16.5 kilotonnes of raw materials. At over 96 %, by far the largest fraction of this is accounted for by steel and stainless steel alloys. The

remaining four percentage points are shared by copper, nickel, aluminium, and titanium alloys. Along with raw materials, Witzemann GmbH procures a large amount of components and assemblies. Well over 90 % of these are also made of steel and stainless steel alloys. In contrast to the procured raw materials, there are hardly any further processing steps for the purchased parts that have an influence on the material efficiency of the production processes. Our main focus is therefore initially on efficiency improvements in raw materials.



## Distribution of raw materials procured by the Witzemann Group



## More transparency for better control

As a first, very important step towards a structured improvement of the efficiency in the use of materials and raw materials, we want to provide transparency on the quantities of scrap, and the potential for improvement. We set ourselves two management goals for this: We already successfully completed the first goal, the establishment of a group-wide monitoring system for scrap volumes. The second goal, which is the increased use of life cycle assessments and material flow analyses, is to provide insights into how we can improve efficiency directly in the processes or on the

product. Additionally, we want to identify improvement potentials for the reduction of our Scope 3 emissions (see the section on climate protection above).

### Continuous improvement

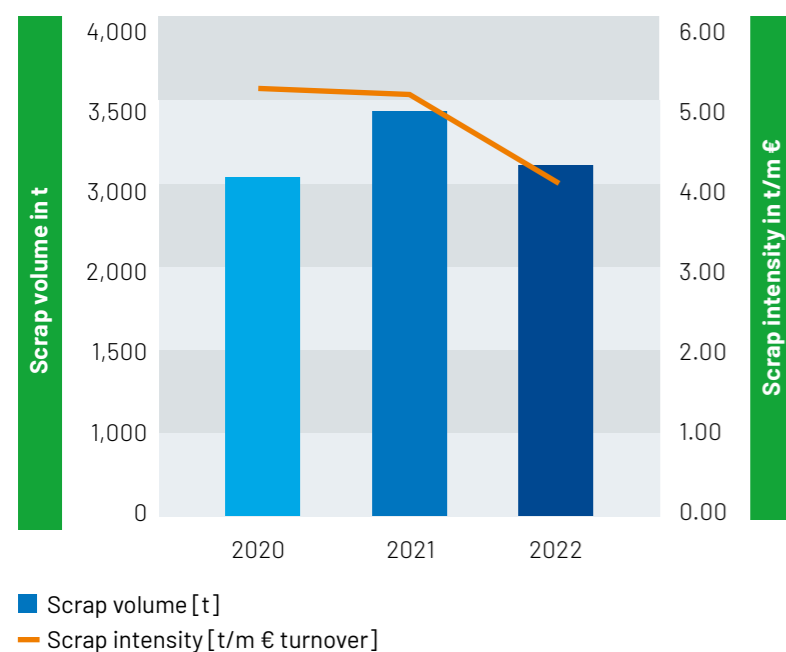
The continuous improvement of efficiency in the use of materials and raw materials in production is a central topic that the Witzenmann Group has been successfully pursuing for years. For instance, Witzenmann Española was able to significantly reduce its error rate in the year under review through intelligent process optimisation. This action alone saves

1.5 tonnes of stainless steel per year. Along with further adjustments to our production processes, we succeeded in significantly further reducing the amount of scrap produced in relation to turnover. From 2021 to 2022, we were also able to reduce the absolute scrap volumes – while turnover increased.

All scrap is sent for high-quality recycling. Nonetheless, our primary goal is to prevent the scraps from being created in the first place in order to reduce our resource consumption as effectively as possible.

	KPI	Goal	Current	Target year	Scope
Management goals					
Group-wide monitoring of scrap volumes	[ % Group]	100 %	100 %	2023	Group
Coverage of life cycle assessments	[ % Products by turnover]	30 %	0 %	2030	Group

Development of scrap intensity and scrap volume at the Witzenmann Group



In addition to classic material efficiency in production, the reduction of transport and packaging materials is another leverage point for conserving raw materials and resources. Since last year, our subsidiary in Brazil has been increasingly reusing transport containers such as wooden boxes, wooden pallets and cardboard boxes. As a result, up to eight tonnes of wood and three tonnes of cardboard packaging can be saved per year. Witzenmann Española has reduced wood consumption by five tonnes in 2022 by using lighter yet fully functional wooden pallets. A similar initiative has been implemented in Spain for plastic pallets. This saves 3.6 tonnes of plastic per year. In addition, we specifically procure resource-saving recycled material there.

## 2.5

# Environmental management

Witzenmann has long been committed to the goal of making its processes as environmentally friendly as possible. As early as in the 1990s, we pledged to use natural resources responsibly – and this goes far beyond our legal obligations. Since 1997 we have been reporting on this.



	KPI	Goal	Current	Target year	Scope
Management goals					
Group-wide monitoring of environmental KPIs	[ % Group]	100 %	100 %	2023	Group
ISO 14001 coverage	[ % Products by turnover]	91 %	89 %	2025	Group
Performance goals					
Reduction of waste intensity	[ % reduction vs. 2021]	45 %	25 %	2030	GmbH
Reduction of fresh water intensity	[ % reduction vs. 2021]	20 %	2 %	2030	GmbH

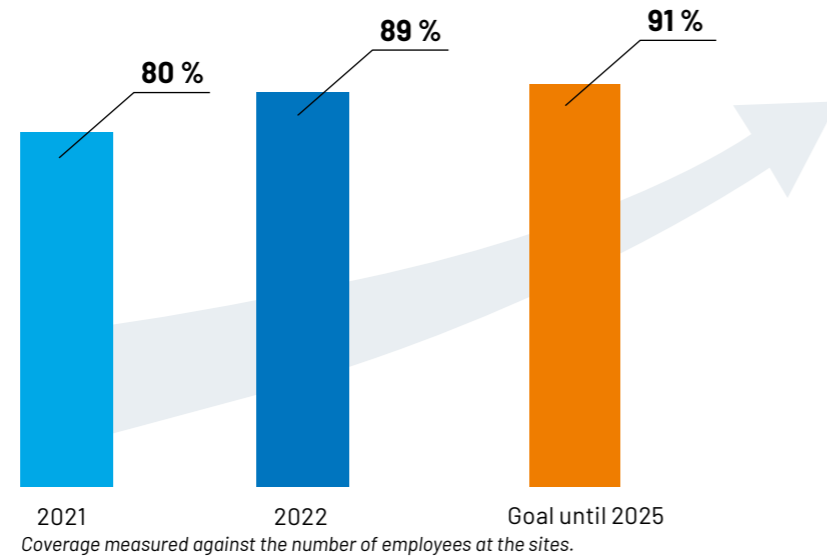


## High coverage with environmental management systems

To ensure that our environmental impact is continuously reduced and environmental damage can be ruled out, we operate environmental management systems in accordance with ISO standard 14001 at most of the plants in the Witzemann Group. This helps us to continuously improve our performance on environmental topics such as reducing waste or lowering water consumption. For this reason, we are continuously working to further increase the coverage of ISO 14001 certification in the corporate group. By now, we reached a coverage of 89 %. Our goal is to operate a certified environmental

management system at all locations with at least 100 employees by 2025. This corresponds to a coverage of 91 %.

### ISO 14001 coverage



### Introduction of group-wide monitoring

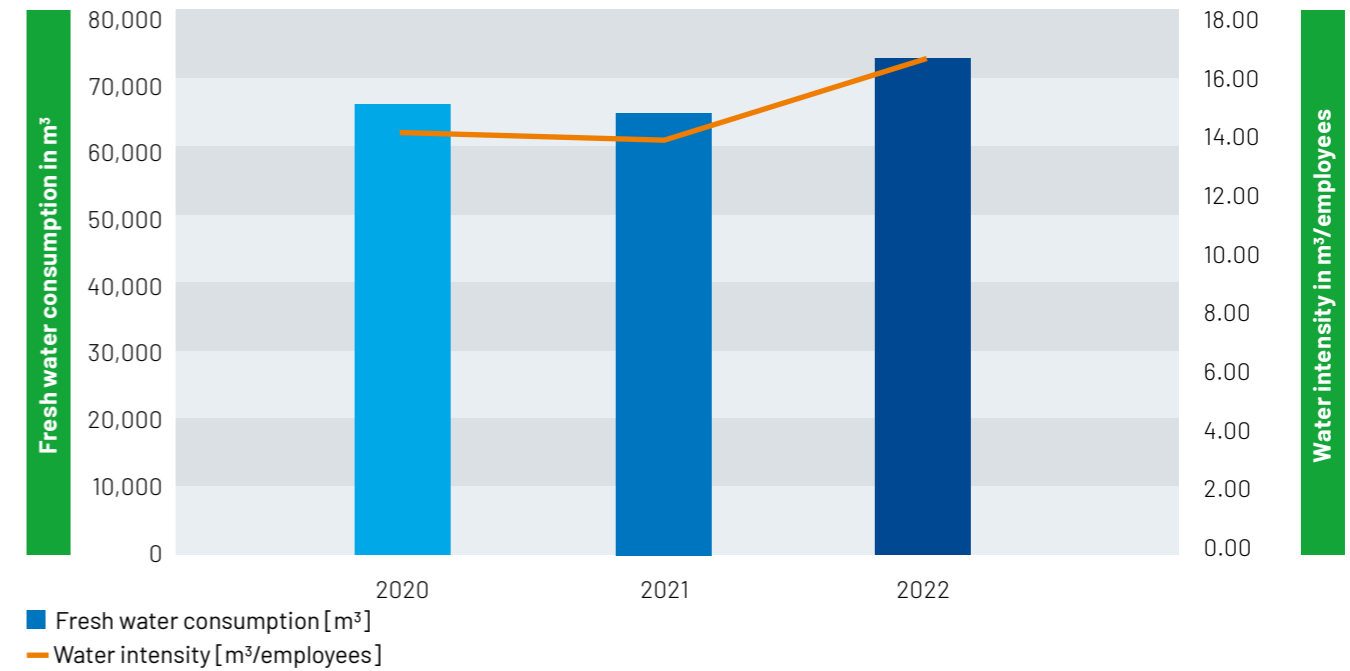
After completing the introduction of a group-wide monitoring system for the most important environmental KPIs in 2022, we plan to further expand and differentiate this monitoring system. Building on this, we want to set ourselves ambitious reduction goals for our corporate-wide waste generation and fresh water consumption. We have already set these goals for Witzemann GmbH: By 2030, we want to reduce the waste intensity of the GmbH by 45 % and its water intensity by 20 % compared to 2021.

### More efficient water use in production

Due to well-functioning environmental management systems, we regularly achieve improvements in production: Witzemann Benelux, for instance, has been saving up to 530,000 litres of fresh water annually since 2021 through the optimal use of rainwater cisterns. Our subsidiary in China commissioned a wastewater treatment plant in 2022, saving 600,000 litres of fresh water per year. In Brazil, replacing a cooling lubricant with a more efficient alternative in 2021 resulted in a reduction of 70,000 litres annually. At Witz-

mann GmbH, we were able to realise further fresh water savings of almost 80,000 litres last year by making adjustments in production. Despite these efficiency improvements, corporate-wide water consumption increased again in 2022, as our subsidiary in China commissioned two new cleaning plants that require larger quantities of water due to the processes involved. We are committed to reducing these newly added consumptions to a minimum through processing and recycling.

## Water consumption and water intensity of the Witzemann Group in annual comparison

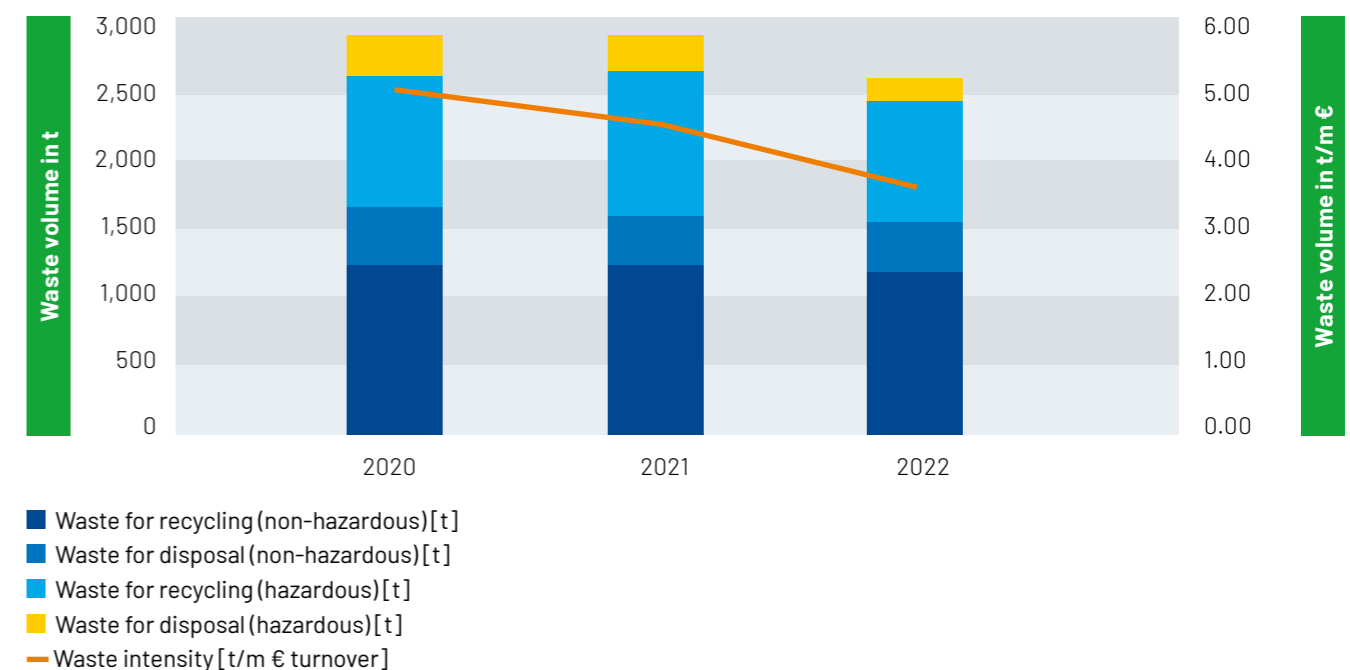


Besides fresh water savings, the reduction of waste and hazardous substances is an important task of our environmental management as well. Noteworthy progress was made at Witzemann GmbH, and other subsidiaries. Here, the amount of emulsions was reduced by 60,000 litres per year through improved

filter technology. Furthermore, the amount of the hazardous substance perchloroethylene used was reduced by 3.2 tonnes through adjustments in production. In 2021, Witzemann Benelux reduced the proportion of residual waste to be disposed of by half through optimised waste separation and now

recycles the separated recyclable materials in a aimed manner. The development of waste intensity clearly reflects the effectiveness of these measures.

## Development of the waste volume and waste intensity of the Witzemann Group



## Biodiversity: From the niche to the campus

The preservation of biodiversity is a very important topic that is not adequately addressed in classical environmental management. In our environmental and energy policy, we committed ourselves from an early stage on to preserving the natural foundations of life. Biodiversity is its fundamental component. Our subsidiary in France plays a pioneering role in the Witzemann Group and actively supports the preservation of biodiversity by planting trees, keeping bees and providing

insect hotels. These pilot projects serve as impulses for the rest of the corporate group. For the planned new construction of the headquarters of Witzemann GmbH, we attach great importance to creating sufficient green spaces to compensate for the sealing of surfaces. In addition to a large green campus, we focus in particular on the greening of our roof areas.



Beehives at Witzemann France



Example for the planned green roof area

### INFO



"Biodiversity describes the entire biological diversity of the earth, including all plant and animal species, genes, habitats, etc. Biodiversity makes an intrinsic contribution to a functioning ecosystem. In the past, over-exploitation of nature has caused a significant loss of biodiversity. It is one of the planetary boundaries that has already been significantly exceeded." (Rockström et al., 2009)

Today, 14 years later, the extinction of species has yet again accelerated significantly.

## Environmental and energy policy

As a leading company in the industry of flexible metallic elements, we feel a particular responsibility to stand up for the protection and conservation of natural resources. Early on, we committed to corporate management based on the careful use of resources. Our goal at all times is to avoid and, where not possible, to reduce to a minimum any adverse effects and burdens on the environment caused by the production, distribution, use and disposal of our products, and to use resources, including all energy sources, efficiently and carefully. We comply with all relevant legal standards and other requirements as a matter of course. We ensure that all requirements of the DIN EN ISO 50001 and DIN EN ISO 14001 standards are implemented correctly, and that the processes within the management systems are continuously improved.

- We identify and assess the environmental impacts of our business processes through continuous analysis. New processes and materials are examined for their environmental compatibility before use.
- We will prioritise, whenever possible, the procurement of products and services, as well as design-related activities, that enable us to improve energy-related performance.
- We are committed to continuously improving our environmental and energy performance and take all necessary efforts to avoid, eliminate, or at least minimise environmental impacts and energy consumption.
- We publish a regular sustainability report to keep our customers, the general public, and the relevant authorities informed about our social and ecological engagement.

### The following guidelines apply to the implementation of our environmental and energy policy:

- We see the conservation of natural resources for future generations as an important part of our social responsibility.
- We view environmental protection and the improvement of energy-related performance as an important component in corporate management and formulate concrete goals and rules of conduct for their implementation.
- We are committed to ensuring that we have the necessary information and resources to achieve our stated goals.
- We recognise the importance of each individual employee in implementing environmental protection measures and improving energy-related performance, and create appropriate training opportunities and working conditions.



### INFO

#### Employee awareness raising

Our employees have a significant influence on the negative and positive environmental impacts of our company. For this reason, it is of central importance for us to always keep them informed about our goals, measures and progress in the area of environmental management. Through regular training, we therefore raise their awareness for environmentally relevant topics and their possibilities to contribute to the protection of our natural resources.

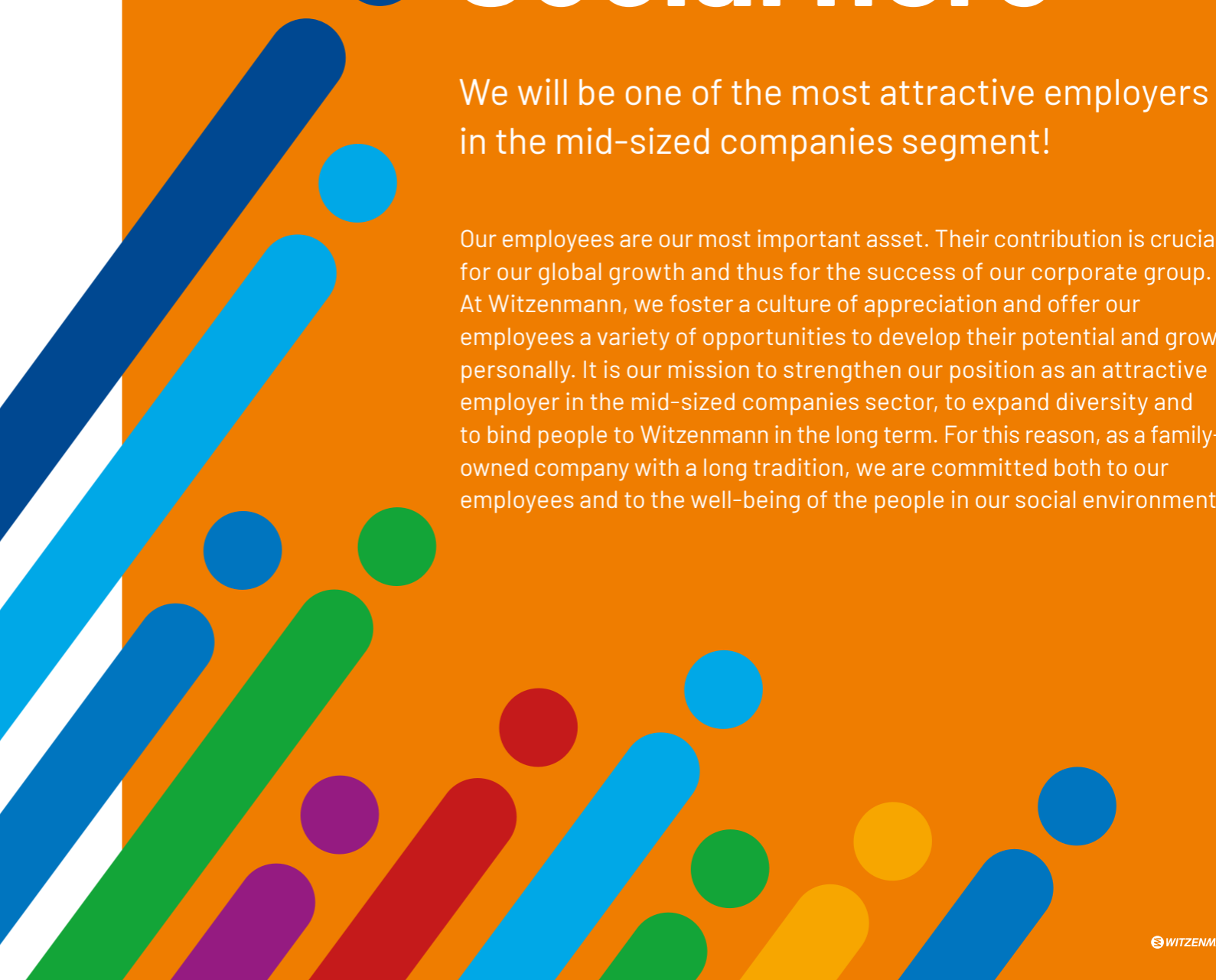




# Social hero

We will be one of the most attractive employers in the mid-sized companies segment!

Our employees are our most important asset. Their contribution is crucial for our global growth and thus for the success of our corporate group. At Witzenmann, we foster a culture of appreciation and offer our employees a variety of opportunities to develop their potential and grow personally. It is our mission to strengthen our position as an attractive employer in the mid-sized companies sector, to expand diversity and to bind people to Witzenmann in the long term. For this reason, as a family-owned company with a long tradition, we are committed both to our employees and to the well-being of the people in our social environment.



3.1

# Management approach

Markets, technologies, and companies are in a state of flux – this also affects Witzemann. Seemingly secure framework conditions change without warning, radically, and incomprehensibly. This is a challenge that demands one thing of us first and foremost: Flexibility. We always promised flexibility in our services. Our internationally valid claim "Managing Flexibility" sums it up: we deliver flexible connections and are experts in the safe routing of media and energy for mobility and industry. As a company with a family tradition, we develop, manufacture, and market customised solutions for a wide range of industries and diverse applications; from one-off production to large-scale production. As a reliable partner, we contribute to a clean and reliable world. To be able to live up to this claim in the future, we consciously rely on the passion, willingness to innovate, and flexibility of our employees.

Our employees are our key to success. To remain competitive in the long run, we continuously invest in training and development of our employees – both professionally and personally. It is important for us to raise our employees' awareness for lifelong learning. We support them in dealing with change in a situational and constructive way so that they grow with it. At the same time, we offer them attractive, sustainable jobs, provide attractive and inspiring working conditions, and offer comprehensive employer benefits and offers. Moreover, we fulfil our duty of care by providing our employees with a healthy and safe working environment. Topics such as health and safety are an integral part of our Compliance Guideline.

With our mission statement, we offer our employees orientation and reliable guidelines for their daily work. Appreciation, responsibility, and innovative spirit – these values form the basis of our corporate culture. Our mission statement is: We treat all employees in a fair, appreciative, and respectful manner – regardless of age, ethnic origin and nationality, gender and gender identity, physical and mental abilities, religion and world view, sexual orientation, and social origin.

At Witzemann, we promote diversity, respectful, and trusting cooperation between personnel and management, as well as a special cohesion among each other.



3.2

# Learning and development



Staffing our workplaces with the right people, and enabling them to acquire knowledge quickly and flexibly is more crucial than ever for growth and competitiveness – and thus for our continued corporate success. The rapid pace of technological progress and the emergence of new work processes and methods require everyone to constantly evolve. For this reason, we support our employees in lifelong learning, and promote a shared learning culture to keep our workforce fit in the digital transformation.

**Our employees' development is based on four building blocks:**

- informal learning in the workplace in the form of instructions, projects, and cross-team or cross-divisional topics,
- collaborative learning in the form of workshops and keynote speeches,
- "Classroom trainings" about special topics or to enable specific activities
- "Learning Nuggets" that employees find on their own via the eAcademy in form of online offers.

We thus offer all employees the opportunity to get support for their tasks and to further qualify themselves individually throughout their entire professional career – professionally and personally.





## Continuing education for a culture of lifelong learning

For Witzemann, further education of our workforce is an important success factor. We want to foster a corporate culture that supports all employees in integrating continuous learning as a natural part of their daily work. That is why we invest heavily in education and training. In 2022, Witzemann GmbH spent around 1,125,000 € on further education for employees, compared to around 764,000 € in 2021.

But what key qualifications and competences will be important for us in the future? The digital transformation and the structural change in the automotive industry will partially change our requirement profiles. Therefore, we continuously adapt our training programmes to new requirements. Focus here is on giving all employees the opportunity to acquire qualifications that match their job profile, skills, and interests. We assess quality and effectiveness of our training measures by surveying our employees and the responsible managers. Our goal is to further expand our already high level of quality and effectiveness.

In order to adapt to the rapidly changing conditions and changing needs, we are constantly working on optimising our offers and formats. We are committed to fostering a culture that supports everyone, on the one hand integrating learning into everyday work, and on the other hand empowering employees to choose qualifications according to career path, skills, and interests. For this purpose, we rolled out the eAcademy in the GmbH in 2021, and implemented a digital training catalogue at the same time. The internationalisation of the eAcademy began in 2022 with a first step in Belgium. Other sites will gradually follow. The self-service for employees, but also the manager self-service with its transparent overview were introduced in 2021 to provide support. We expect our employees to take an active role in their own qualification process, and to develop career perspectives on their own. Even standard training (on topics such as data protection and compliance) can now be planned individually with the help of eLearning.

In 2022, our focus was on the expansion of the training catalogue, the digitalisation of all training processes, and the integration of new eLearning offerings. The onboarding process for new employees was integrated into the eAcademy in 2022 as well. We thus rely on a qualification programme that is oriented towards the profile qualifications of our employees, and that is structured in stages: From initial training qualifications to on-the-job activities. While each employee spent an average of around seven hours in classroom or virtual learning events in 2021, this figure has already risen to around twelve hours by 2022. Furthermore, the HR department uses a framework to support employees and managers alike in discussing individual development goals and jointly agreeing on suitable actions to achieve them. Our framework for this is formed by employee interviews, potential assessments, and development programmes.

## Training programmes and promoting young talents

On-the-job training has been an integral part of Witzemann for years. It is our future. We offer a range of comprehensive training opportunities to create attractive employment prospects for young people, and provide needs-based training. As a company, we are thus fulfilling our social responsibility. Being a family business with a long tradition, it is particularly important to us to accompany, support, and promote our young employees on their way. Our trainees as well as our dual students are our specialists and managers of tomorrow. In the year under review, 2022, a total of 23 trainees were employed by the GmbH in technical and commercial training courses, compared to 29 trainees in 2021. In both years, eight dual students from three different study programmes were in

training at the GmbH as well. Our goal is to open up long-term career prospects for our junior employees after they have completed their training: In 2021 and 2022, for example, the rate of employment after training was well over 90 %. As part of internships, working student jobs, and supervised theses, students and doctoral candidates can also gain a deep insight into the fields of the work of Witzemann. We place great value on intensive exchange with the supervising universities and colleges.



“I am excited about the super fascinating job. I learn a lot from my colleagues and think that the opportunities Witzemann offers are really great!”  
Luca Morgante, Trainee Electronics Technician – Information and Systems Technology



3.3

# Management and cooperation

Framework conditions and requirements are changing rapidly – these processes of change apply equally to products, organisations, and employees. To ensure that changes are successful in the long term, a triad of cultural, technological, and digital change is needed. We believe that employees in leadership positions have a special responsibility to fulfil their role in accompanying change. We regard it as the task of our managers to create suitable framework conditions, in which our employees can develop individually, and unfold their potential. For this reason, leadership culture is an integral part of our personnel development processes. We are committed to continuously and jointly developing our leadership and cooperation culture. To this end, we rely on special leadership programmes (WI-Lead and WI-Empower) to support all managers in their tasks. Furthermore, we seek to create framework conditions for a culture of trust and empowerment, where employees contribute to solutions as a supportive force. Especially in today's world, where virtual collaboration and cooperation at a distance are present in everyday work, our managers have an important role to play.

**WI-Lead: Supporting new managers**

Managers should be role models, create trust, and promote an open culture as reliable partners. Our "WI-Lead" programme, launched in 2021, is aimed at employees who are taking on a leadership role for the first time. Through training contents such as



communication, self-image and the image of others, understanding of roles as well as conducting employee interviews, we support them in their new tasks. Furthermore, they are accompanied by our experienced managers as mentors. In 2022, the second part of "WI-Lead" started. In the year under review, the focus topics were self-leadership, motivation, caring, and resilience. We emphasise the conscious handling of change. In doing so, we also create the foundation to accompany our employees safely through the change.

**WI-Empower: Strengthening cooperation and innovation**

The "WI-Empower" programme, also launched in 2021, focuses on strengthening cross-divisional and cross-location cooperation as well as the culture of innovation in a dynamic market environment. In 2021, the initial focus was on developing a unified understanding of leadership and culture. We involved all managers of the Witzemann Group in a total of 19 workshops. Through external

impulses, constructive collegial feedback, and individual reflections, our leadership team dealt with the principles of modern leadership, their individual leadership behaviour, and cross-divisional collaboration. The Witzemann management also took part in the exchange of information in all workshops within the framework of dialogue rounds and was available to answer the managers' questions. On this basis, the second wave of "WI-Empower" started in 2022. The goal was to anchor the new leadership philosophy in everyday professional life. Among other things, we established a group-wide feedback process ("culture checks"). In this survey, managers are anonymously evaluated by their employees on the basis of a predefined catalogue of questions. The results help the manager to further develop their leadership behaviour, and improve their own performance. During the evaluation, managers are accompanied by the personnel development department. Within this framework, the managers deal with the feedback they have received, learn new methods, and derive actions with which they approach their team in a dialogue. The programme will conclude with the third "WI-Empower" wave, which will start in 2023. The focus is then on training for positive leadership, self-assessment, and feedback culture. Our goal is to continuously improve our "Culture Check" results and to develop further together.

**Advocacy and dialogue**

It is our conviction that the change processes necessary for our competitiveness can only succeed when exchanging with our employee representatives. The management and employee representatives maintain an open, constructive dialogue on an ongoing basis. We regularly inform our interest groups in a transparent, and timely manner, taking into account the respective circumstances. For instance, in the years under review 2021 and 2022, the company agreement on mobile working was updated, and a new company agreement on JobRad was concluded.

3.4

# Occupational health and safety

Our primary goal in the area of occupational health and safety is to prevent work accidents, identify and minimise accident risks, and thus ensure the best possible safety in the workplace. Equally important is the active promotion of our employees' health through our occupational health management (OHM).

### Expansion of the coverage of certified occupational health and safety management systems

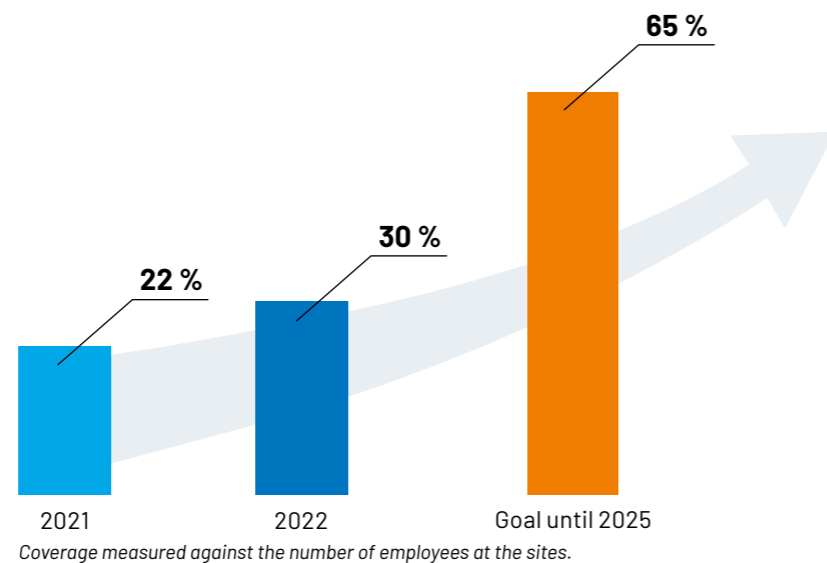
Our occupational health and safety management systems provide a structured framework for us to ensure and continuously improve safety in the workplace. On a regular basis, we identify, assess, and prioritise potential risks to the health and safety of our employees. From this we derive specific measures for improvement. For instance, in the past we optimised the mapping of hazardous material storage facilities, introduced measures to promote mental resilience, or further improved the prevention of cut injuries.

At the end of 2022, 30 % of the employees of the Witzemann Group were working at a site whose occupational health and safety management system was certified in accordance with ISO standard 45001. By 2025, at least 65 % of the employees of the Witzemann Group are to work at a correspondingly certified location.



### ISO 45001 coverage

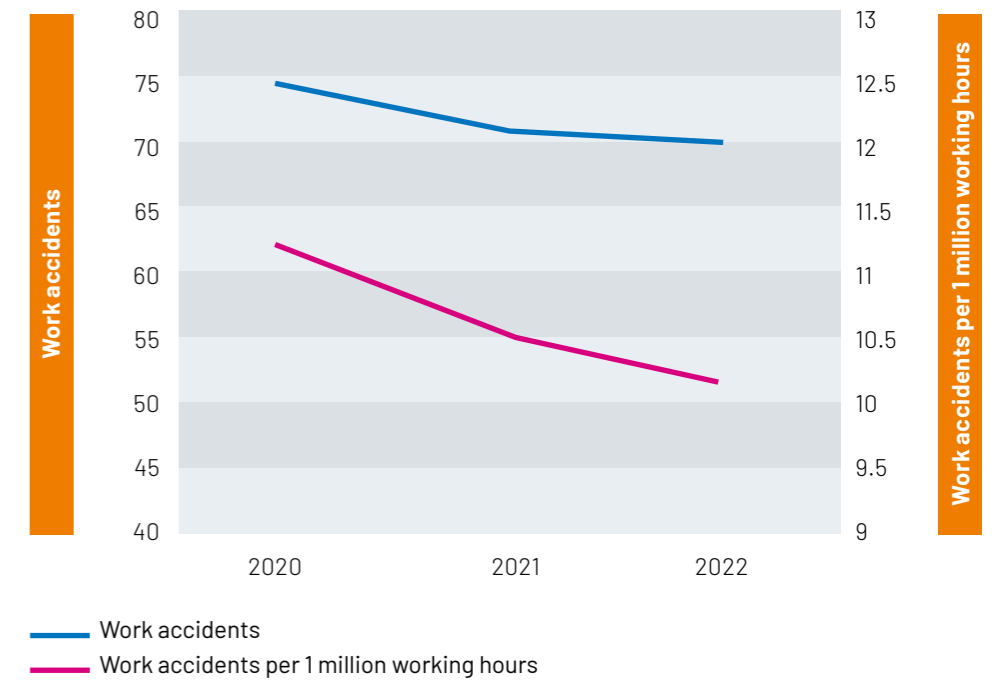
- Certification status 2021
- Certification status 2022
- Certification goal 2025



### Continuous reduction of work accidents

Our progress in group-wide occupational safety management is particularly evident in the continuous reduction of work accidents. In 2022, we recorded 10.2 work accidents per million hours worked (2021: 10.5, 2020: 11.2). This trend is expected to continue. Our current objective relates to Witzemann GmbH: Here, our goal is to reduce work accidents by at least 80 % by 2030 (compared to 2021). Major milestones on this path include the reduction of hazardous substances, the standardisation of personal safety equipment, and intensified training in behaviour-oriented occupational safety. Until 2025, we will define occupational safety goals for the entire Witzemann Group.

### Work accidents in the Witzemann Group



### Goals for occupational health and safety

	KPI	Goal	Current	Target year	Scope
Management goals					
ISO 45001 coverage	[ % Group ]	65 %	30 %	2025	Group
Performance goals					
Reduction of work accident frequency [work accidents per 1 million working hours].	[ % reduction vs. 2021 ]	80 %	0 %	2030	GmbH

Our occupational safety specialists always carry out a comprehensive accident analysis for all work accidents, and derive appropriate measures to prevent similar accidents in the future. Through regular workplace or job-related risk assessments, we can determine the necessary technical and organisational measures at an early stage and instruct our employees accordingly. In this respect, we always bear in mind our goals of avoiding work accidents completely and reducing the risk of occupational illnesses to a minimum. We also carry

out regular inspections to check the status of the implementation and the effectiveness of the measures. All relevant areas must be inspected by our occupational safety specialists at least every three years.

### Comprehensive safety training

A major component of our occupational health and safety management system is to raise awareness of safety-related topics among our employees, and to provide them with the necessary knowledge. We therefore offer a series of safety

training courses that all employees must complete - from our trainees to our managers. Many trainings are also accessible digitally in our eAcademy. Further communication tools such as newsletters, posters, or videos are used to raise awareness for occupational safety topics among our employees.

## Occupational health management

As a family business with a long tradition, we have always taken our obligation to ensure the health and safety of our employees very seriously. We promote health awareness and health competence of our employees with various measures and offers.

Prevention is an important part of our health management. Especially in physically demanding work, an ergonomically designed workplace is of great importance. It is equally important to prevent bad posture and illnesses through sufficient balancing exercises. At Witzenmann GmbH, this is the responsibility of our "health guides". In each department, there are comprehensively trained employees, who conduct a joint training session at least once a week.

In 2022, we organised a "Health Day" for and with our workforce at Witzenmann GmbH in cooperation with the AOK. Focus of the event were the topics of "healthy nutrition", and "healthy back". A good quarter of our workforce participated by taking up the offer to get advice from experts on these topics. In 2023, we want to expand the format of Health Day to a "Health Week". The focus will again be on preventive measures. Alongside the familiar topics from last year, we will be dealing in particular with psychological resilience – a topic that gained a great deal of relevance due to the increasingly fast-paced world of work and, above all, due to the pandemic.

In addition, Witzenmann employees can improve their personal fitness by participating in various sports groups. The variety of activities ranges from tennis and hiking to yoga, with the employees taking the lead

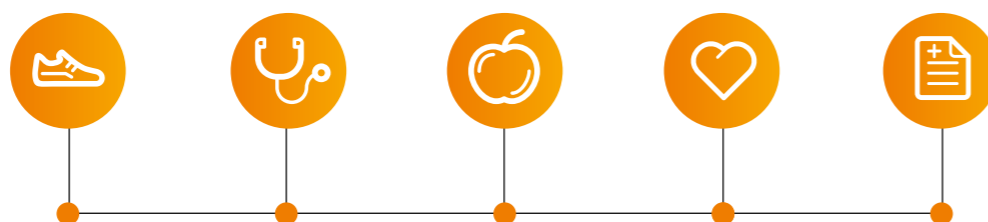


in designing and organising these offerings.

We offer freshly prepared meals in our canteen. As a special service, it is possible to purchase healthy meals to take home, for instance for family members of our employees.

Furthermore, we offer appropriate services within the framework of the ordinance on preventive occupational medicine. This includes, for instance, the annual flu vaccination. Our company integration management plays an important role in the

health of our employees after long periods of illness. The respective manager of the employee, the HR business partner, and the company medical service work closely together.



### 3.5

## Diversity and equal opportunities

As a globally operating company, we see diversity as a strength. For us, diversity means the recognition, inclusion, and as well the interaction of different ways of thinking, attitudes, experiences, backgrounds, competences, and lifestyles – across all hierarchical levels, divisions, and sites. It is our conviction that we therefore promote a working

environment based on fairness, openness, understanding, and appreciation.

We believe that diverse teams often produce better results – and that a diverse workforce in their day-to-day work strengthens innovation and thus competitiveness.

The cultural diversity of our workforce helps us to understand the

regionally different needs of our customers, and to tailor our products and services accordingly.

### Diversity: part of our work culture

Diversity and equal opportunities are guiding principles that form an integral part of our corporate mission statement. We expect our employees to be open-minded and promote an inclusive working environment, in which equal treatment and respect are firmly anchored in daily interaction. Managers assume the role of role models in this respect. They have a special responsibility by creating framework conditions for an appreciative corporate culture and fair cooperation. Furthermore, Witzenmann promotes diversity and equal opportunities with various measures in recruiting and personnel development. We raise awareness among our employees through education and training on intercultural competence.

We place particular importance on a cross-cultural and cross-national exchange at eye level. That is why we support international assignments for our employees. Some of our employees are regularly deployed in the USA, Mexico, India, China, or even the Czech Republic. At the same time, many employees also come to Germany.



“Living diversity and making it a strength – that is our goal.”  
Matthias Ege,  
Head of Human Resources



## Signing the Diversity Charter

Since May 2022, Witzenmann GmbH is a member of the employer initiative "Diversity Charter". The association promotes the public discussion on diversity and inclusion management in Germany with the help of projects, and sends a clear signal with its Diversity Day, among other things. To date, 4,900 companies and institutions have signed the Diversity Charter, demonstrating their commitment to an appreciative and prejudice-free working environment. We support the goals of the Diversity Charter. With the ceremonial signing of the charter by the management on 31 May 2022, we have laid the first building block and set an example for diversity.



### Increasing the proportion of women

Witzenmann wants to establish a corporate culture in which all employees have the same opportunities. One of our central fields of action is the advancement of women. Until today, there are more male workers trained in technical professions. The result is that, in percentage terms, more men are available on the labour market.

The proportion of women in the corporate group's total workforce was 27.5 % in the year under review 2022. The share of women at the top management level worldwide was 4.8 %, the share at the second management level was 5.7 %. We achieved our goal of a 50 % female proportion in the Executive Board of the Witzenmann Group in 2022.

Despite the fact that we have reached an important milestone, we derive further urgent need for action from these KPIs. In the fourth quarter of 2022, in cooperation with



Ludwigshafen University of Applied Sciences, we surveyed all managers worldwide in the Witzenmann Group on the relevance of target-oriented promotion of women. The respondents also assigned a high priority to the topic. Correspondingly, we are focusing our future efforts on increasing the proportion of women in the overall workforce and in management positions.

In the future, we want to address potential female talents and experts in a more targeted manner. Among other things, we plan to set a quota for women in our high-potential programme, establish the advancement of women as a task for our managers worldwide, and further strengthen the work-life balance.

### 3.6

## Attractive employer

Our aim is to be one of the most attractive employers in the mid-sized companies segment. We want to strengthen our position as an employer in order to attract the best talents to Witzenmann, and retain qualified specialists in the long term – regardless of the challenges posed by demographic change or the shortage of skilled workers.

### Attractive framework conditions

We want to create a working environment that enables all employees to focus on their individual needs according to their current phase of life, and to better balance work and private life. For this reason, we offer a lot of creative freedom in organising work: our offer ranges from flexible working hours and comprehensive part-time solutions to mobile working.

Furthermore, we are intensively engaged with the question of how we will work in the future, and how the fields of activity and tasks as well as competence requirements will change. To proactively meet the various demands of social, economic, and technological change, it is our responsibility to keep an eye on current and future developments that have an impact on our organisation and employees, and to actively shape them. We actively involve our employees in shaping the future direction of Witzenmann – for instance, by transparently involving them in decision-making processes, regularly soliciting their feedback through surveys, and receiving their valuable input through idea and innovation management.



## Awards and employment loyalty

With our aspiration to be one of the most attractive employers in the mid-sized companies sector, we pursue the goal of inspiring our employees to work for us in the long term. Awards from the period under review prove that our measures to recruit and retain employees are effective:

- We received the highest award as "Top Company 2022" from the German employer rating platform Kununu. This places us among the 5 % of the best-rated German employers.
- In the USA, Witzemann 2021 received the "Impact Award" from

the State of Michigan for collaboration and promotion of workforce development.

- Witzemann Mexico received the "Great Place to Work" award in 2021. Special mention was made of the corporate culture in our subsidiary.

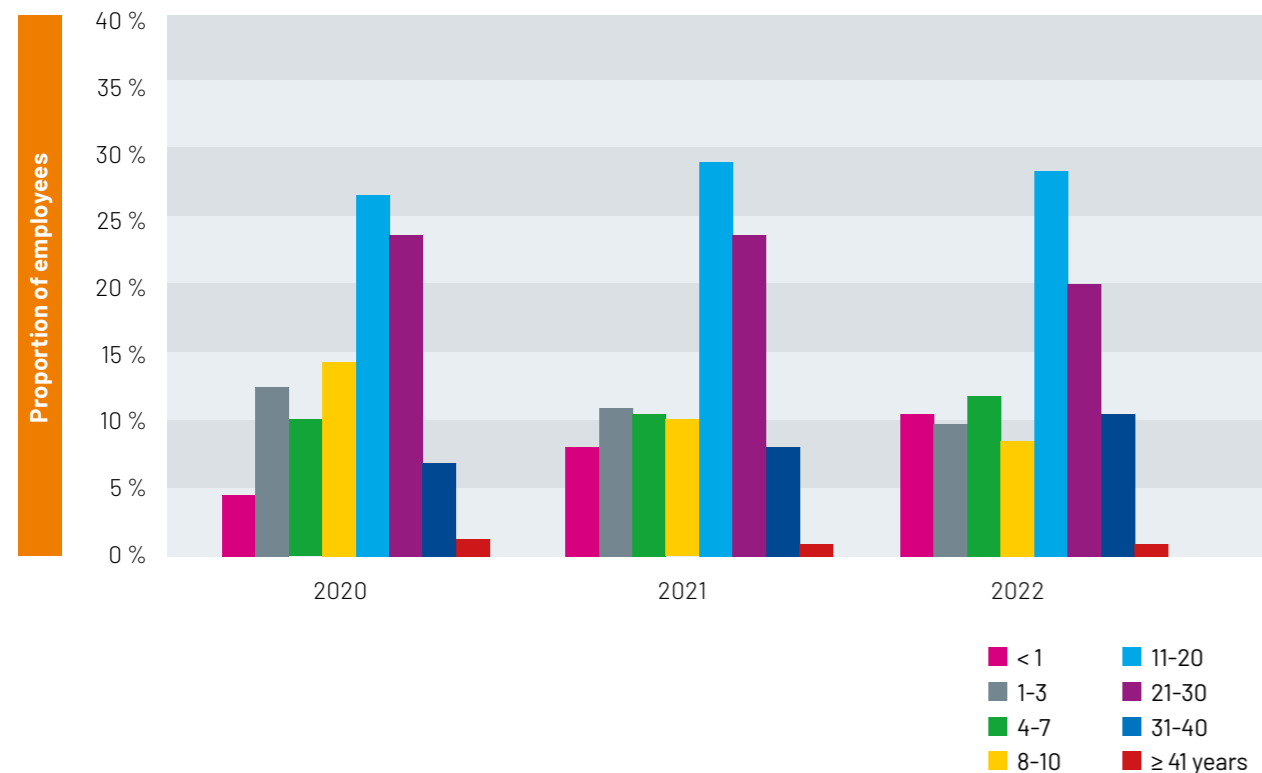
Furthermore, the long length of service of our employees also shows that we are on the right track with our measures. At Witzemann GmbH, employees stay with the company for an average of 14 years. The fluctuation rate shows that our employees

in Europe and Asia remain loyal to Witzemann for a very long time, while they change employers more frequently in the USA.

### Voluntary fluctuation of the Witzemann Group by region

	Germany	Europe	America	Asia	Group
2020	2.2 %	5.8 %	16.9 %	7.3 %	5.5 %
2021	2.1 %	7.1 %	36.6 %	8.2 %	7.9 %
2022	3.8 %	7.2 %	23.2 %	8.3 %	7.5 %

### Time with Witzemann GmbH



## 3.7

# Social engagement

### Commitment from tradition

In our almost 170-year company history, social engagement was always a high priority. Over the decades, a wide-ranging social commitment has developed, that focuses primarily on the regions around our sites. On this basis, we continuously develop our corporate citizenship activities around new, current topics and approaches. To this end, we are currently developing a group-wide concept. This is how we want to meet the demands and needs of a chang-

ing civil society and the enormous importance of environmental, and climate protection. In the future, we want to involve our employees even more, and provide them with the opportunity to develop and promote their own ideas and initiatives. We as well want to strengthen our network of local initiatives in the future, and encourage our international subsidiaries to intensify their local activities, which were only possible to a limited extent or not at all in 2022 due to Corona.

In 2022, we also had to pause our cooperation with Lebenshilfe once again. Starting in 2023, our trainees at the Pforzheim headquarter will again initiate a joint social project with people with disabilities.



## On a broad basis



### Promotion of education and science

The founding of the Faculty of Technology at Pforzheim University of Applied Sciences can be traced back, among other things, to the initiative and financial commitment of our former Managing Director Dr. Walter Witzenmann (born 1908, died 2004). He was an honorary senator of the university, and the largest lecture hall is named after him. To this day, we support the university with an annual grant. In the school sector, Witzenmann GmbH promotes initiatives that allow schoolchildren from the region to gain an insight into our company, such as Girls' Day, and the Schoolchildren's Engineering Academy (SIA). Our subsidiary in China specifically supports the education of socially disadvantaged students. Witzenmann Korea regularly donates to the local primary school. In the year under review 2022, Witzenmann GmbH supported the foundation of the new Pforzheim Youth Research Centre with 35,000 euros. A place for young tinkerers was created there.



### Health promotion

We regularly support the Gesellschaft zur Förderung der Krebstherapie e. V. (Society for the Promotion of Cancer Therapy) with monetary donations. It is the sponsor of the Carl Gustav Carus Institute in Niefern-Öschelbronn. The interdisciplinary, anthropological research institute works on the development of pharmaceutical processes and the scientific monitoring of the application of mistletoe preparations in cancer therapy. Our subsidiary in China regularly donates to the local Red Cross.



### Sports sponsorship

Witzenmann GmbH regularly supports sports events such as the "Pforzheim City Run" or the "Lauf für das Leben" (Run for Life). Witzenmann acts as a sponsor for the employees, and pays a sum of money for a global aid project for every kilometre run. Since 2012, we have sponsored "Rennschmiede", the Formula student racing team at Pforzheim University. Here we specifically promote student research and development in the field of electromobility. We also work together as a sponsor with the multiple world champion in "bicycle trial" Nina Reichenbach. Witzenmann Slovakia has also supported the local club's cycling activities for many years through financial means.



### Cultural sponsorship

We support the Southwest German Chamber Orchestra and the Pforzheim Theatre through regular donations. Our employees are provided with a quota of tickets for the chamber orchestra and the municipal theatre. We also regularly provide financial support to the Technical Museum of Pforzheim.



### Disaster relief

With a donation of 100,000 euros, Witzenmann GmbH has made a contribution to supporting the people in Ukraine through "Aktion Deutschland Hilft".



## 4 GOVERNANCE | SUSTAINABLE BUSINESS



# Responsible Corporate

We take responsibility!

This applies to the entire spectrum of our activities – along the entire value chain. We focus on sustainable products and solutions, and are a reliable partner for our suppliers and customers.

At the same time, we always comply with legal regulations, ethical principles, and environmental and social standards – and expect the same from our partners.

4.1

# Management approach

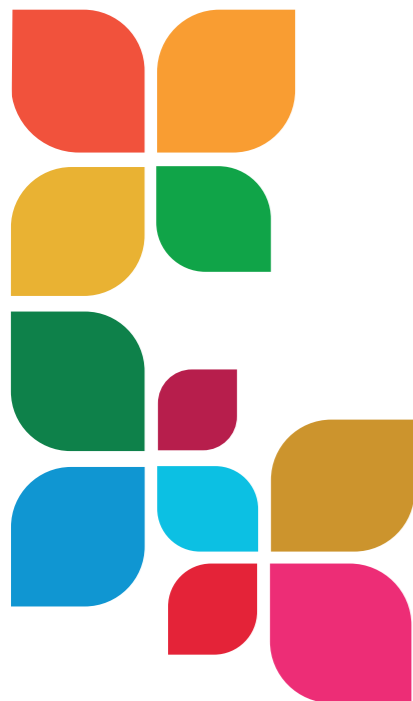
The main guiding principle for us at Witzemann in the topic of governance and sustainable business is our commitment: "We take responsibility". It can be found in many places in our mission statement, and is firmly anchored in the self-image of our corporate group.

Our corporate responsibility covers the entire value chain, from the extraction of metals in mines and the processing of scrap to the use and disposal of products. Negative impacts on people and the environment can occur everywhere, and we have to face up to them – whether as buyers, manufacturers and employers, or as suppliers. The major topics in this chapter consider our supply

chain, our processes and products, and our customers. Our Compliance Management System (CMS) ensures that legal regulations, the standards relevant to our business, and our own codes are adhered to along the entire value chain.

The foundation for our compliance management has been laid by clearly communicating our internal rules: Our corporate mission statement sets out our values as well as the corporate and management principles on which we base our activities. Our Compliance Policy provides concrete requirements for rule-compliant behaviour, and formulates our expectations on the employees of the Witzemann Group. Our Supplier

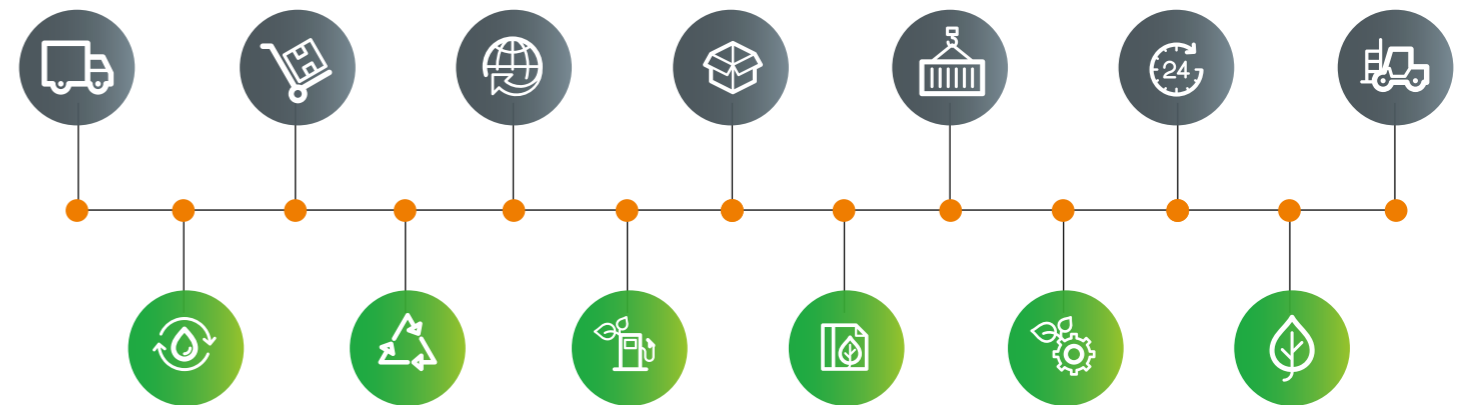
Code of Conduct specifies the requirements for our suppliers, and our Quality Policy defines the quality standards for our products and production processes. This way, it shows how we want to meet the requirements of our customers, and at the same time become ever more sustainable.



“ We take responsibility.

4.2

# Environmental and social standards in the supply chain



The vast majority of Witzemann products are made of stainless steel and are therefore durable, extremely resilient, and excellently recyclable. However, this also means that we need corresponding raw materials and components on a large scale. Iron and steel are therefore at the beginning of our supply chain – in the form of scrap metal, but also as iron ore. It is our responsibility to constantly reduce or completely avoid the impacts on people and the environment associated with this supply chain.

**Transparent supply chain**

The first step towards more sustainable value creation is a transparent supply chain. To ensure compliance with human rights and environmental standards for all links in the chain, we are working intensively on greater transparency. The topics we investigate in this regard are manifold. They range from the working conditions of our direct and indirect suppliers to possible environmental impacts.

As early as the end of 2021, we began to prepare for the new obligations arising from the German Supply Chain Due Diligence Act. For example, we launched extensive risk analyses to make our supply chain more transparent. On this basis, we want to obtain a self-disclosure from potential risk suppliers, which we can use to check whether our required environmental and social standards are being met. In cases of doubt, the suppliers are also audited.

	KPI	Goal	Current	Target year	Scope
Management goals					
Introduction of regular risk analyses & supplier assessment according to sustainability criteria				2024	Group
Supplier assessment according to sustainability criteria (self-assessment)	[ % of procurement turnover ]	50 %	0 %	2026	Group
Identification of Tier 2 suppliers	[ % of raw material procurement turnover ]	50 %	0 %	2028	Group

## Extensive network of suppliers

Our nearly 5,900 direct suppliers are spread across more than 35 countries. The majority of the Witzenmann Group's procurement turnover relates to production materials, which consist of raw materials as well as parts and assemblies. The total procurement volume in 2022 was just under 450 million euros – 18 % more than in the previous year. The increase was mainly due to growth in the total turnover of the Witzenmann Group and the significant rise in raw material and energy prices.



### INFO

**Responsible Minerals Initiative**  
The Responsible Minerals Initiative (RMI) was founded in 2008 by members of the Responsible Business Alliance and the Global e-Sustainability Initiative, and has become one of the most respected initiatives addressing topics of responsible procurement of metals and minerals in supply chains. The RMI provides a range of tools and materials to help companies make informed decisions about the responsible procurement of metals and minerals in their supply chains.



## Responsible procurement

We place very high demands on our suppliers, just as we do on ourselves. Alongside our high quality standards, we pay increased attention to the sustainability performance of suppliers when awarding contracts, and specifically ask them about it via our self-assessment surveys. We also communicate specific requirements to our suppliers with our Supplier Code of Conduct. The Code covers the principles of environmental, social, and ethical conduct, and is based on:

- National laws and regulations as well as international agreements such as the United Nations' General Declaration of Human Rights,
- the principles for children's rights and corporate action,

- the United Nations Guiding Principles on Business and Human Rights,
- the international labour standards of the International Labour Organisation and
- the UN Global Compact.

Witzenmann also procures a limited amount of conflict minerals such as tantalum, nickel, and tungsten. Responsible procurement is an important matter for us. We conduct annual surveys of all affected suppliers using the Responsible Minerals Initiative's Conflict Minerals Reporting Template to ensure that our procurement of conflict minerals is always proper.

### 4.3

## Corporate compliance

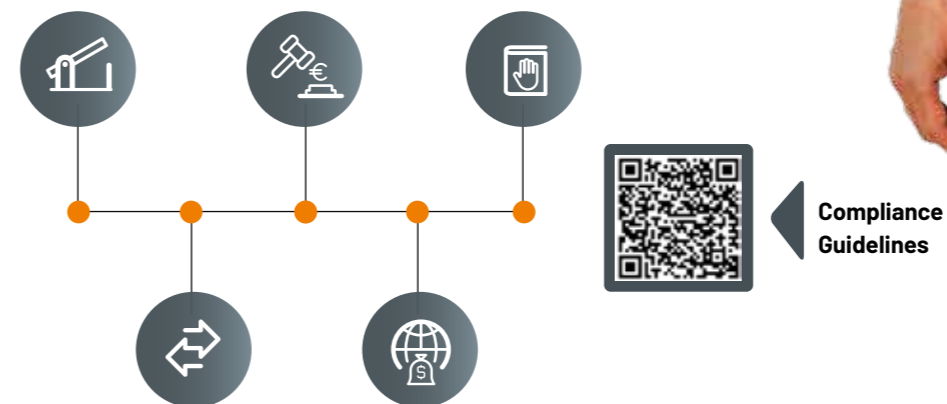
Compliance with applicable laws, internal guidelines, ethical principles, and international standards is a major part of our self-image. To highlight this fundamental attitude, we signed the UN Global Compact more than a decade ago, and committed ourselves to following its ten principles.

### Compliance Policy defines clear requirements

With the Witzenmann Group's Compliance Policy, we inform our employees how they are to behave in their daily business. It highlights the social and societal responsibility of the Witzenmann Group, requires our employees to behave in accordance with the law at all times, and to act fairly and with integrity towards customers, suppliers and other business partners as well as our competitors. In combination with other topic-specific guidelines, for instance on work ethics, we provide them with comprehensive guidelines for this purpose, which often go beyond what is required by law. Our Work Ethics Policy is based on the "Universal Declaration of Human Rights" and the "Guiding Principles on Business and Human Rights", and others, and takes

into account the OECD Guidelines as well as the labour standards of the International Labour Organisation (ILO). We also place great value on diversity: We respect and promote the diversity of our employees in all forms. We have reaffirmed this commitment by signing the Diversity Charter. The approval of our policies is always done by the management.

“Sustainability and compliance are important tasks of all major decision-makers and require a unified sense and value orientation in the interest and for the benefit of the company.”  
Torsten Hotop,  
Vice President Legal



# Corporate compliance



### Group-wide Compliance Management System

The purpose of compliance management at Witzemann is to ensure that all sites of the Witzemann Group in their various countries comply with the applicable legal provisions, and consistently follow our internal corporate guidelines, as well as ethical principles and international standards. It is managed via our corporate-wide CMS, which is based on the ISO 37301 standard. It promotes conduct, with integrity and ethics, that complies with the rules throughout our corporate group and among our business partners. The CMS also supports our employees in dealing responsibly with compliance risks.

Using the CMS, we established a continuous process in the Witzemann Group to ensure that we safely achieve the compliance goals. It essentially consists of three successive phases: Prevention, recognition, and action, which are repeated regularly. As a result of this iterative approach and the preventive orientation of the CMS, we can identify risks and potential violations at an early stage, and address them appropriately. The coordination of these activities is carried out centrally by Witzemann GmbH. Operational implementation is carried out locally by the respective subsidiaries on the instructions of the central office. We are currently working on anchoring the responsibility for compliance management more firmly in the subsidiaries.

### Systematic complaints management

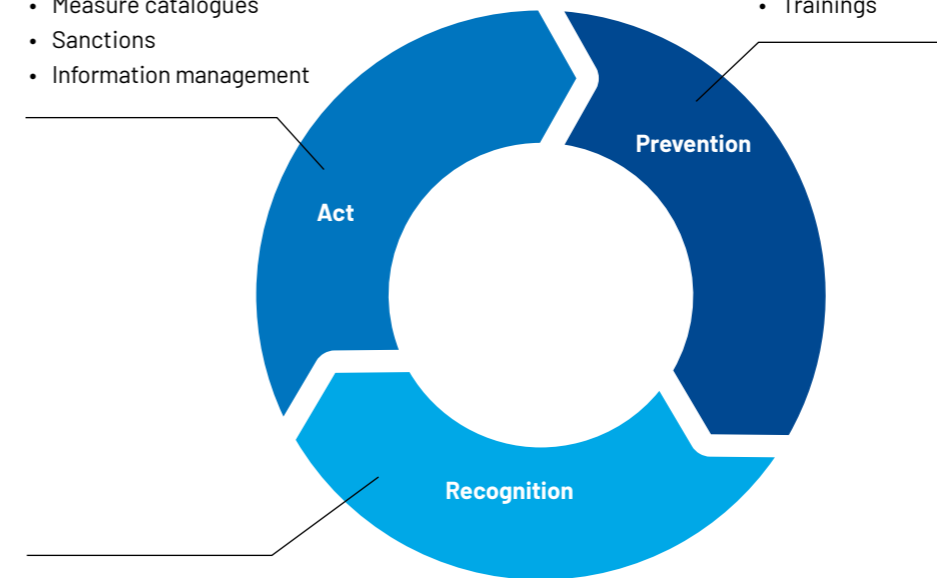
We rely on the participation of our employees to take action against possible violations of the law and rules. For reporting suspected cases, a web-based whistleblowing system or complaints procedure is freely available to them, as well as to those affected outside our corporate group. To be able to exclude conflicts of interest in principle, the system is supervised by an external law firm. Complaints and reports of suspected cases received through this or any other channel will be promptly, and comprehensively investigated. Any abuses that are uncovered in the process will be remedied immediately. Up to the time of writing, we have not yet had any tips or complaints.

### Compliance management in the supply chain

We are aware that our responsibility extends beyond our own corporate boundaries. For this reason, we also expect our suppliers to behave in a legally compliant, as well as ecologically and socially responsible manner. We have outlined these requirements in detail in our Code of Conduct for Suppliers. All suppliers wanting to work with us must formally recognise it. In addition, we are working intensively on the implementation of the German Supply Chain Due Diligence Act, which came into force on 1 January 2023, and are also taking a look at the drafts for the future European Corporate Sustainability Due Diligence Directive (CSDD).

### CMS cycle with important measures

- Measure catalogues
- Sanctions
- Information management



- Risk analyses
- Whistleblower system

- Code of Conduct
- Directives
- Trainings

The basis of our compliance management is a comprehensive risk analysis that is repeated on a regular basis. To this end, we conduct interviews with senior employees throughout the corporate group, with the participation of neutral third parties. Based on the results of the survey, the risks are assessed, measure catalogues are drawn up and processed according to the priorities. Regular controls and monitoring measures accompany this process. Gradually, we want to fully integrate all subsidiaries into the process. By 2029, every company subsidiary should have undergone a risk analysis at least once. Afterwards, the process will be made permanent. Up to the time of writing, we have not recorded any compliance violations within the Witzemann Group.

### Objective for compliance risk analyses

	KPI	Goal	Current	Target year	Scope
Management goals					
Risk analysis coverage <sup>1</sup>	[ % Group ]	100 %	54 %	2029	Group

<sup>1</sup>Measured against the number of employees at the sites



## Corporate compliance



### Group-wide compliance organisation

At Witzenmann, compliance is the responsibility of all managers in the company. The respective departments are responsible for topic-specific regulations. We ensure that the CMS is brought to life within the entire Witzenmann Group through organisational measures, in particular the provision of suitable and transparent processes as well as the provision of the necessary resources.

The Legal and Compliance Department of Witzenmann GmbH is responsible for the operation of the CMS. It reports regularly – immediately if necessary – and directly to the responsible member of management. The department also continuously develops the group-wide standards for compliance management and advises the divisions as

first point of contact for all compliance topics.

The Legal and Compliance department is supported by the worldwide compliance network of the Witzenmann Group. For each of the international subsidiaries, there is a local compliance contact at a renowned law firm. They support the management in complying with the rules and implementing the group-wide standards in compliance with the respective applicable national or regional law.

### Group-wide compliance training and communication

Our training measures are a major component in preventing compliance violations. Besides the classic general compliance training, our employees regularly attend topic-specific training, for example on contract man-

agement in purchasing and sales, or on the topics of anti-corruption and antitrust law. Thereby, they are taught how to behave with integrity and in accordance with the rules in everyday business life. We pay attention to tailoring to individual training needs and levels of knowledge, because we have to address trainees differently than managers. Besides training courses, we communicate our policies via notice boards, the intranet, and regular distribution in print form throughout the corporate group. Our stakeholders can also view the relevant policies via our website.

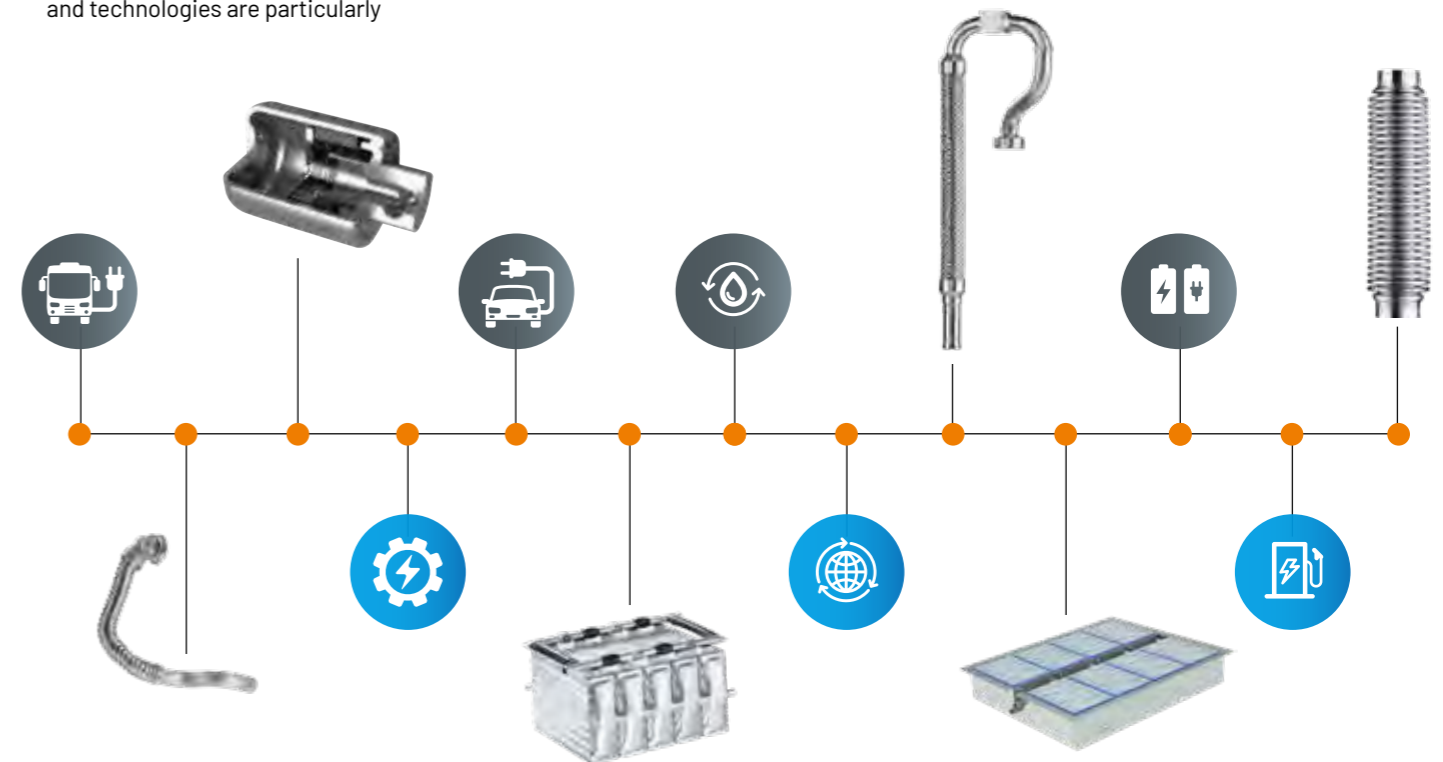
## 4.4

# Sustainable products and solutions

There is no way around the decarbonisation of our economic system. It is one of the greatest challenges of our time, and requires a determined transformation on all levels from the Witzenmann Group. Apart from our procurement, production, and logistics, the development of our products and technologies are particularly

affected by this. Some of them are already enabling our customers to become more sustainable. We need to seize this opportunity and further expand our potential as an enabler of sustainable transformation.

**Our mission:**  
"We are experts in the safe routing of media and energy for mobility and industry."



## Renewable energies

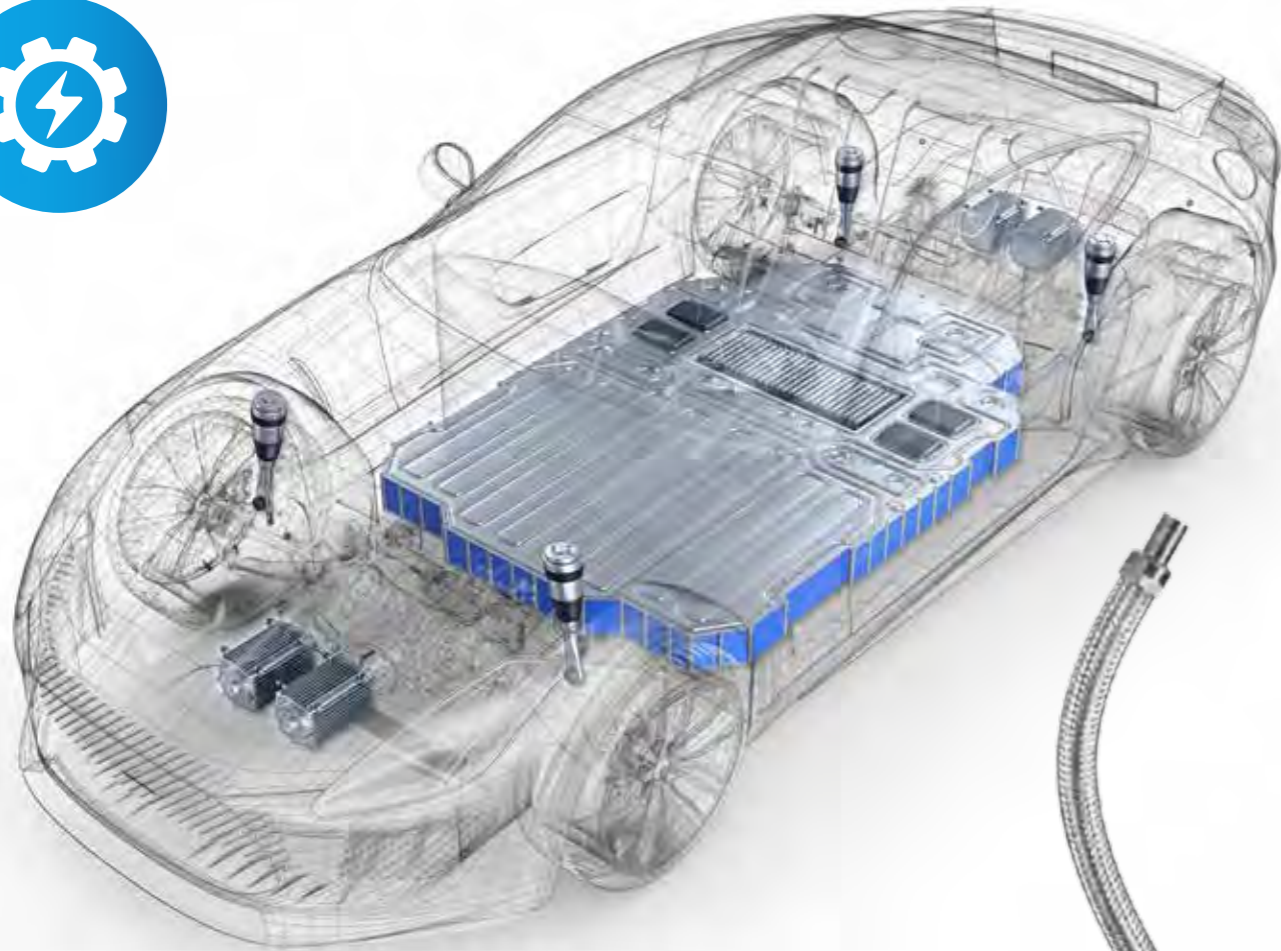
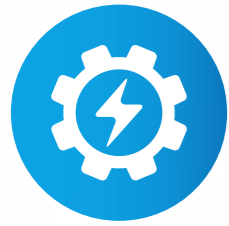
Witzenmann's flexible metallic elements and pipe brackets are used in many energy generation plants. Not only do our products ensure safety and optimal operation in conventional power plant construction, but also increasingly in renewable energies. Our metal bellows and hoses are used, among other things, in solar thermal power plants – with extreme temperature requirements – and in

wind turbines. Our flexible hoses ensure optimum operations in biogas plants.

One of our customers from the energy sector is a Swedish start-up. It introduces stationary battery systems to the market, that temporarily store electricity from renewable sources and thus, among other things, secure the energy supply in

the so-called dark doldrums when neither solar nor wind energy can be produced. We provide the complex and technically sophisticated cooling line systems for optimum thermal management, which is essential for maximum battery efficiency.





## New Mobility

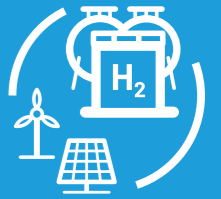
Being a development partner of the automotive and commercial vehicle industry, we use our expertise to help shape the change in mobility, and develop solutions for a wide range of drive concepts. This includes degassing lines for vehicle batteries and hose lines for hydrogen applications in vehicles, and for the tank infrastructure. By now, we made complete integrated cooling tube solutions for battery assemblies and the thermal management of electric

motors ready for series production. In doing so, we are making an important contribution to the electrification of mobility and the economy.

In addition to the drive concept, our solutions enable us to improve the energy and resource efficiency of vehicles. The pressure accumulator from Witzemann represents a new generation of shock absorbers. The newly developed bellows is used in chassis suspensions, where it

serves to enhance driving safety and comfort. It also ensures reliable and maintenance-free operation with a long service life. Furthermore, our solution consumes significantly less energy than comparable systems, and is therefore particularly interesting for electromobility. However, numerous other applications are conceivable as well – including in the industrial sector or in wind turbines.

## Hydrogen technologies



Hydrogen is considered the energy carrier of the future and a key technology for decarbonisation. From extraction by electrolysis, to storage and transport in liquid or gaseous form, to application in industry and the mobility sector, we offer specific solutions depending on the technical requirements. Being the first element of the periodic table, hydrogen poses great challenges for safe handling, among other things because of its high reactivity. Here, we benefit from our many years of experience in

dealing with hydrogen. We are constantly expanding our competences in products and solutions for hydrogen handling.

Since August 2022, we are a member of the Allianz Wasserstoffmotor e.V., which unites the knowledge of industry and research. Its goal is to present the internal combustion engine powered by green hydrogen as a contribution to more sustainable mobility. The association enables automotive companies, suppliers, engineers, and research insti-

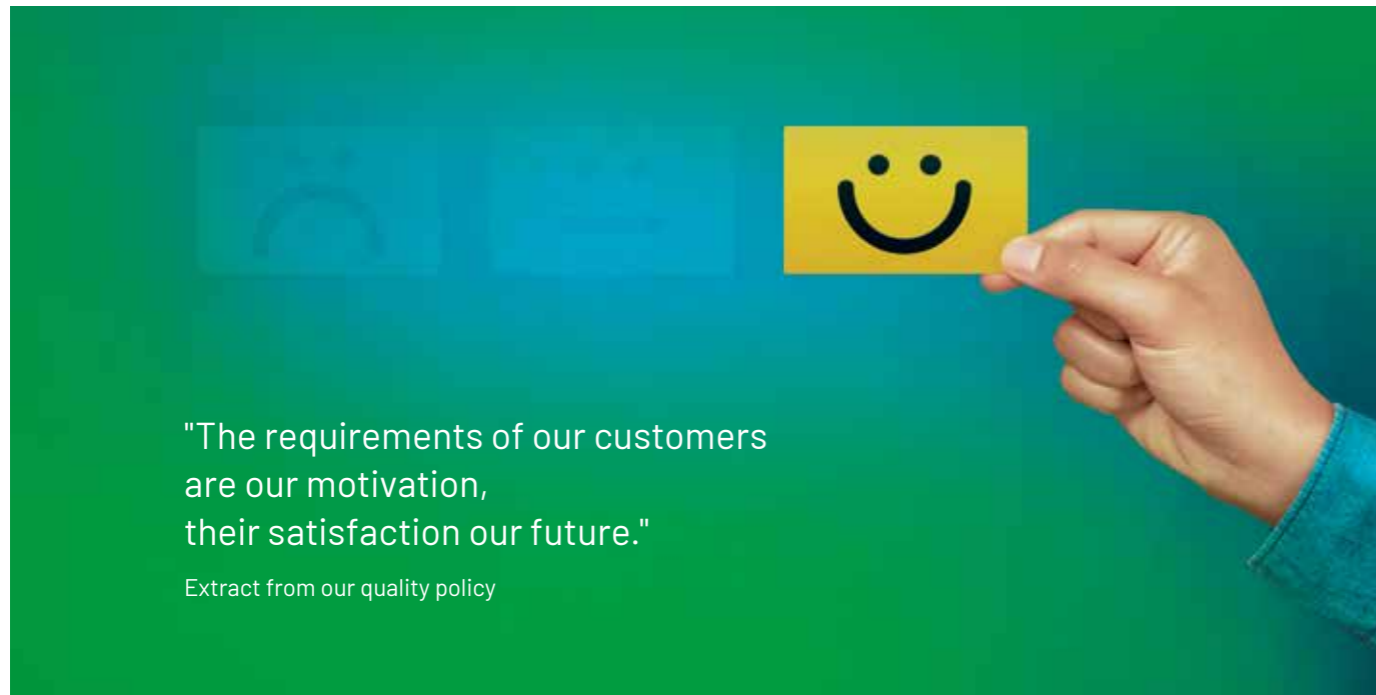
tutes to intensively exchange information on the development potential of hydrogen propulsion.

We intend to further expand the share of those products and solutions that support sustainable development. This goal is firmly anchored in our sustainability strategy (more information on this can be found in the Strategy and Management chapter).



4.5

# Customer satisfaction



"The requirements of our customers are our motivation, their satisfaction our future."

Extract from our quality policy

Highest product quality, outstanding innovative strength, as well as environmentally friendly and socially responsible business practices – this is what our customers expect from us. Our goal is to meet these expectations in full. Only this way we can operate successfully and sustainably in the long term.

### Highest quality standards

Quality of the products is always our top priority. We adopted the high quality standards of our customers in order to meet all their requirements, and satisfy them completely. An important quality feature we pursue in this regard is the longevity of our products. We thus also contribute indirectly to the conservation of resources, and thus to the sustainable development of economy and society.

We guarantee the consistency and constant increase in the quality of our products through certified quality

management systems in accordance with the globally recognised standards ISO 9001 and IATF 16949 (for the automotive industry). Correct compliance is regularly checked and confirmed through internal and external audits. Each of our manufacturing companies is certified in accordance with at least one quality management system – the groupwide coverage is thus 100 %.

### Innovation leader

"Tomorrow we start the tests." With this phrase Heinrich Witzenmann founded the era of the metal hose industry in 1885. Together with his business friend Eugéné Lévasseur, he watched dusty streets being sprinkled with a hemp hose. More water poured out of the holes in the hose than out of the actual opening. Witzenmann's vision was a metal hose with an inserted sealing thread that could serve its purpose much longer and more reliably. Efficiency

and durability are thus the cornerstone of the Witzenmann product world.

We still develop products and technologies with the same passion today. This allows us to offer our customers the best possible solutions for their purposes.

"As a family business, we are becoming one of the most profitable companies in our markets – by all means digital and customer-centric."

Corporate vision

### Confirmed high-level sustainability performance

Sustainability ratings provide us with a good impression of where we stand and in which topic areas we still need to improve. Furthermore, they provide interested stakeholders, and especially our customers with a qualified and independent assessment of our sustainability performance.

Our continuous and consistent efforts enabled us to achieve the "Silver" status with the EcoVadis rating platform for the first time in 2021. With 55 out of 100 possible points, the Witzenmann Group has since been among the top 30 percent of all companies evaluated via the EcoVadis platform. Despite the significantly increased requirements of the EcoVadis rating, we were able to maintain the rating in 2022. However, EcoVadis only awarded bronze instead of silver for this score – an additional incentive for us to become even better in the assessed categories. By 2026, we want to reach the EcoVadis Gold Medal.

We also achieved above-average results across the group on the NQC Supplier Assurance platform. This is another area where we set ourselves the goal of continuously improving our performance. Moreover, we want to further increase the number of sustainability ratings in which we participate.

### Confirmation of high customer satisfaction

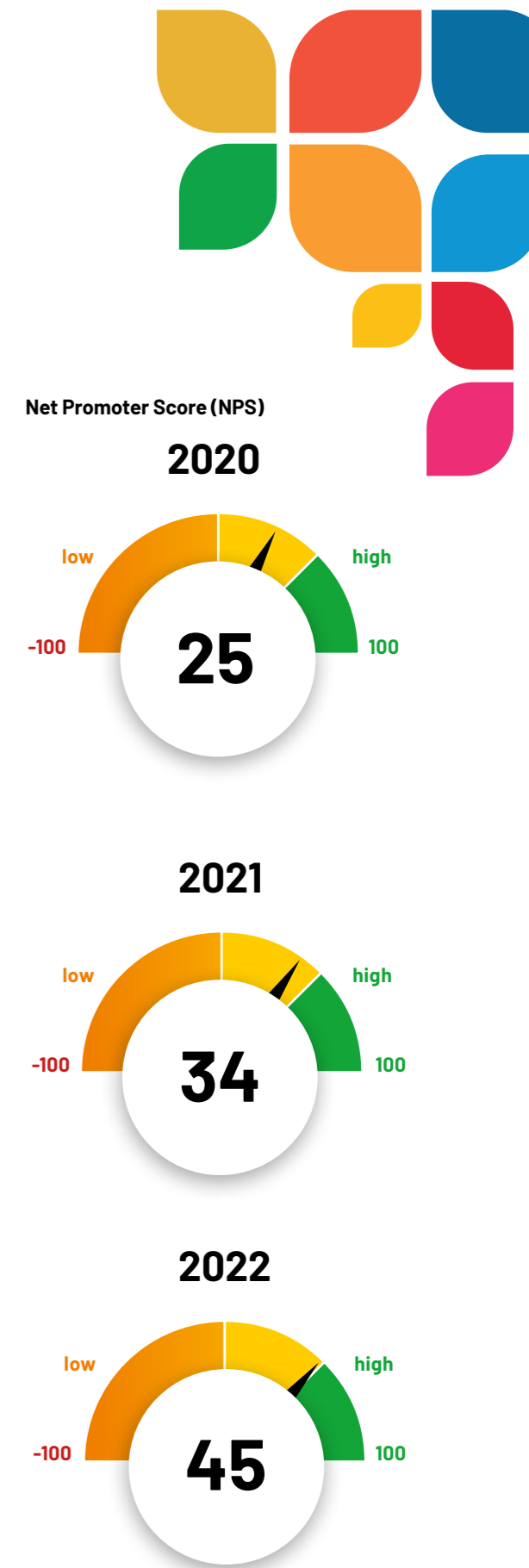
Our customers are at the centre of everything we do – we have anchored that in our corporate vision. Their satisfaction is of utmost importance to us. To measure it, we use the recognised Net Promoter Score (NPS). Our score has developed positively throughout the last few years. Among other things, we attribute this to the fact that we were able to offer our customers consistent quality and delivery reliability even during the pandemic. We aim to further improve the value in the future, with an even more intensive customer orientation.

**INFO**

**Net Promoter Score**  
NPS is a KPI that represents customer satisfaction, loyalty, and retention. It measures the ratio between positive customers who would recommend our company to others, and negative customers who tend to criticise it, presented on a scale of zero to ten.

The NPS is assessed through a standardised survey with only one question:  
"How likely is it that you would recommend Witzenmann to a friend or colleague?"

A rating of zero to six corresponds to a critic (no recommendation), seven and eight are neutral ratings, nine and ten correspond to an advocate (recommendation). The NPS is calculated as the percentage of advocates minus the percentage of critics.





5 GRI INDEX

# GRI standard

We report in accordance with the Global Reporting Initiative

Since 2011, Witzenmann GmbH publishes an annual sustainability report as part of the progress reporting of the UN Global Compact. Since this Sustainability Report of 2022, the entire Witzenmann Group (see page 6) is included in the sustainability reporting.

# GRI Index

## GRI 1: Foundation 2021

Witzenmann GmbH has reported in accordance with the GRI standards for the period from 01.01.2022 to 31.12.2022. In order to reflect the development of the sustainability performance of the corporate group over time, the years 2020 and 2021 are also included in the figures. There was no external audit of the report. The last sustainability report of Witzenmann GmbH was published in April 2021 with the year under review of 2020. The English version was published in June. The Sustainability Report 2023 is expected to appear in Spring 2024.

## GRI 2: General information 2021

Information	Information title	References	Additional information and explanations of omissions
2-1	Organisational profile	P. 6-8	
2-2	Entities included in the sustainability report of the organisation	P. 6	
2-3	Period under review, reporting frequency and contact point	P. 69	
2-4	Correction or restatement of information	P. 69	
2-5	External audit	P. 69	
2-6	Activities, value chain and other business relationships	P. 7, 57-58	
2-7	Non-manual workers	P. 9	Group-wide figures on part-time employees are still being collected.
2-8	Employees who are not salaried employees	P. 9	Temporary workers are mainly employed in the production.
2-9	Management structure and composition	P. 8, 17, Consolidated Financial Statements P. 23 et seq.	
2-10	Nomination and selection of the highest supervisory body	P. 8, 48	The group management is appointed by the shareholders.
2-11	Chairperson of the highest supervisory body	P. 8	
2-12	Role of the highest supervisory body in overseeing the impact management process	P. 8, 17	
2-13	Delegation of responsibility for the impact management process	P. 17	
2-14	Role of the highest supervisory body in sustainability reporting	P. 17	
2-15	Conflicts of Interest	P. 8, 59-62	
2-16	Communicating critical concerns	P. 59-62	(Potentially) critical concerns are communicated directly to the Executive Board. The number of (potentially) critical concerns has not yet been recorded for the period under review.
2-17	Accumulated knowledge of the highest supervisory body	P. 17	
2-18	Assessment of the performance of the highest supervisory body	P. 8	
2-19	Remuneration policy	Consolidated Financial Statements P. 25	
2-20	Process for determining the remuneration	Consolidated Financial Statements P. 25	
2-21	Ratio of total annual remuneration	Consolidated Financial Statements P. 25	This KPI is not yet assessed. The mean value of the remuneration of the management is recorded in the management report.
2-22	Application statement regarding the Sustainable Development Strategy	P. 2-3	
2-23	Declaration of commitment to principles and courses of action	P. 59-62	
2-24	Integration of political commitments	P. 59-62	
2-25	Procedures for the elimination of negative impacts	P. 59-62	There were no complaints in the year under review.
2-26	Procedures for seeking advice and reporting concerns	P. 59-62	
2-27	Compliance with laws and regulations	P. 59-62	There were no violations in the year under review.
2-28	Membership in associations and interest groups	P. 18-19	
2-29	Approach to stakeholder engagement	P. 16	
2-30	Wage agreements	-	The percentage of employees covered by wage agreements will be reported from the next year under review on.

## GRI 3: Major topics 2021

Information	Information title	References	Additional information and explanations of omissions
3-1	Procedures for determining major topics	P. 12-14	
3-2	List of major topics	P. 14	

## Major topics: GRI 200 Economy

Information	Information title	References	Additional information and explanations of omissions
GRI 201: Economic performance 2016			
3-3	Management of major topics	-	According to current materiality analysis, not a major topic.
201-1	Direct economic value generated and distributed	P. 10-11	
GRI 205: Anti-corruption 2016			
3-3	Management of major topics	P. 56, 59-62	
205-1	Operating sites audited for corruption risks	P. 60-61	
205-2	Communication and training on anti-corruption policies and procedures	P. 62	
205-3	Confirmed incidents of corruption and measures taken	P. 61	There were no compliance violations in the year under review.

## Major topics: GRI 300 Ecology

Information	Information title	References	Additional information and explanations of omissions
GRI 301: Materials 2016			
3-3	Management of major topics	P. 22, 29-30	
301-1	Materials used by weight or volume	P. 29	
301-2	Recycled raw materials used	P. 29	Over 96 % of the raw material used is steel.
301-3	Recycled products and their packaging materials	P. 30	Information regarding the recycling rates of production waste and scrap. The database is being successively expanded.
GRI 302: Energy 2016			
3-3	Management of major topics	P. 22, 27-28	
302-1	Energy consumption within the organisation	P. 27	
302-2	Energy consumption outside the organisation	P. 23	Energy consumption outside the Witzenmann Group is covered by Scope 3 emissions. Scope 3 emissions are determined according to the Greenhouse Gas Protocol. Further information can be found in chapter 2.1.
302-3	Energy intensity	P. 27	
302-4	Reduction of energy consumption	P. 27-28	
302-5	Reducing the energy demand for products and services	P. 27-28	The energy consumption of the Witzenmann Group is directly or indirectly necessary for the production of the products.
GRI 303: Water and wastewater 2018			
3-3	Management of major topics	P. 22, 31-33	
303-1	Water as a shared resource	-	The Witzenmann Group complies with all applicable laws. More data will be collected and published on this topic in the future.
303-2	Dealing with the effects of water recirculation	-	The Witzenmann Group complies with all applicable laws. More data will be collected and published on this topic in the future.
303-3	Water extraction	P. 33	A differentiation by water stress area will be published next year.
303-4	Water recirculation	P. 32-33	The water is recirculated via the sewage system and, in the case of emulsions etc., via certified disposal companies.
303-5	Water consumption	P. 33	The water consumption of the year under review corresponds to the water extraction.

**Major topics: GRI 300 Ecology**

Information	Information title	References	Additional information and explanations of omissions
<b>GRI 304: Biodiversity 2016</b>			
3-3	Management of major topics	P. 22, 34-35	Biodiversity is not a (direct) major topic according to the current materiality analysis. The Witzenmann Group treats this topic as an integral part of environmental protection, and therefore also implements corresponding measures to preserve biodiversity.
<b>GRI 305: Emissions 2016</b>			
3-3	Management of major topics	P. 22-26	
305-1	Direct GHG emissions (Scope 1)	P. 23	
305-2	Indirect energy-related GHG emissions (Scope 2)	P. 23	
305-3	Other indirect GHG emissions (Scope 3)	P. 23	
305-4	Intensity of GHG emissions	P. 23	
305-5	Reduction of GHG emissions	P. 23, 25-26	
305-6	Emissions of ozone-depleting substances (ODS)	-	No measurable quantities of ozone-depleting substances are emitted at any of the plants of the Witzenmann Group. However, the company cannot rule out very low levels of ozone-depleting emissions. These are within the legally permissible limits and are not charged separately by the company.
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	-	Random sample measurements are used to ensure that no limit values are exceeded.
<b>GRI 306: Waste 2020</b>			
3-3	Management of major topics	P. 23, 31-35	
306-1	Waste generated and significant waste-related impacts	P. 33	
306-2	Management of significant waste-related impacts	P. 33, 35	
306-3	Waste generated	P. 33	
306-4	Waste diverted from disposal	P. 33	
306-5	Waste forwarded for disposal	P. 33	
<b>GRI 308: Environmental assessment of suppliers 2016</b>			
3-3	Management of major topics	P. 56-58	
308-1	New suppliers assessed against environmental criteria	P. 58	New suppliers are audited not only for quality certifications, but also for ISO 14001 certification. However, these certificates are not yet proactively demanded.
308-2	Negative environmental impacts in the supply chain and measures taken	P. 57	Due to the high number and complexity of suppliers and the supply chain, no percentage figures can be given at present. However, the Witzenmann Group already has clear objectives for more transparency in the supply chain. In connection with the fulfilment of the German Supply Chain Due Diligence Act, preventive measures are being planned.

**Major topics: GRI 400 Social**

Information	Information title	References	Additional information and explanations of omissions
<b>GRI 401: Employment 2016</b>			
3-3	Management of major topics	P. 38	
401-1	Newly hired employees and employee turnover	P. 50	

**Major topics: GRI 400 Social**

Information	Information title	References	Additional information and explanations of omissions
<b>GRI 403: Occupational health and safety 2018</b>			
3-3	Management of major topics	P. 38, 44-45	
403-1	Management system for occupational safety and health protection	P. 44-45	
403-2	Hazard identification, risk assessment and incident investigation	P. 44-45	
403-3	Occupational health services	P. 46	
403-4	Employee participation, consultation and communication on occupational health and safety	P. 44-46	
403-5	Employee training on occupational safety and health protection	P. 45	
403-6	Promoting the health of employees	P. 46	
403-7	Avoidance and mitigation of occupational health and safety impacts directly related to business relationships	P. 45-46, 52	Contractor briefings ensure sufficient training on occupational safety.
403-8	Employees covered by an occupational health and safety management system	P. 44	
403-9	Work-related injuries	P. 45	
403-1	Work-related illnesses	-	Data is not yet collected across the group.
<b>GRI 404: Education and training 2016</b>			
3-3	Management of major topics	P. 38-41	
404-1	Average number of hours for education and training per year and employee	P. 40	The number of hours of training and education are not yet collected for the whole group.
404-2	Employee skills enhancement and transition assistance programmes	P. 39-41	
404-3	Percentage of employees receiving regular performance and career development reviews	P. 40, 43	All employees have annual feedback sessions to assess their performance and professional development.
<b>GRI 405: Diversity and equal opportunities 2016</b>			
3-3	Management of major topics	P. 39, 48	
405-1	Diversity in supervisory bodies and among employees	P. 48, Management report P. 11	
405-2	Ratio of women's basic salary and remuneration to men's basic salary and remuneration	Management report P. 12-13	KPI not yet assessed. We are working on being able to publish this KPI as soon as possible.
<b>GRI 414: Social assessment of suppliers 2016</b>			
3-3	Management of major topics	P. 56	
414-1	New suppliers assessed against social criteria	P. 58	New suppliers are audited not only for quality certifications, but also for ISO 45001 certification. However, these certificates are not yet proactively demanded.
414-2	Negative social impacts in the supply chain and measures taken	P. 56-58	Due to the high number and complexity of suppliers and the supply chain, no percentage figures can be given at present. However, the Witzenmann Group already has clear objectives for more transparency in the supply chain. In connection with the fulfilment of the German Supply Chain Due Diligence Act, preventive measures are also being planned.

# Persons in charge of the sustainability team



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