



The
SUSTAINABILITY
Code

Declaration of conformity 2022

for use as non-financial declaration in accordance with
the CSR Directive Implementation Act

Fagus-GreCon Greten GmbH &
Co. KG

Indicator set

GRI SRS

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prepared according to
CSR Directive
Implementation Act

This declaration of conformity has been reviewed
by the Sustainability Code Office and verified as
complete in accordance with the CSR Directive
Implementation Act.

Indicator set

The declaration was drawn up in accordance with the following reporting standards:

GRI SRS

Reporting obligation:



prepared according to
CSR Directive
Implementation Act

This declaration of conformity has been reviewed by the Sustainability Code Office and verified as complete in accordance with the CSR Directive Implementation Act.

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General

General Information

Describe your business model (including type of company, products / services)

About Fagus-GreCon Greten GmbH & Co. KG

Fagus-GreCon Greten GmbH & Co. KG is an owner-managed family business with headquarters in Alfeld/Hanover. The GreCon product brand is one of the leading brands in manufacturing and developing fire protection and measuring systems for applications in numerous industries, such as the wood-based panel industry. The globally unique combination of design, lasts, and moulds makes the Fagus shoe lasts and moulds business unit one of the leading suppliers to the footwear industry. All business units operate worldwide and provide local customer service. Built in 1911 by architect Walter Gropius, the Fagus factory stands as one of the first examples of architectural modernism and was declared a UNESCO World Heritage Site in 2011. The group of companies currently has more than 700 employees worldwide, 461 of whom work at the locations in Alfeld (Leine), Lüdenscheid and Nuremberg.

CRITERIA 1–10: SUSTAINABILITY POLICY

Criteria 1–4 concerning STRATEGY

1. Strategic Analysis and Action

The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.

Our sustainability philosophy

Fagus-GreCon understands sustainability as a development that provides future generations with the same resources and opportunities as the current generation - both in economic (PROSPERITY), ecological (PLANET) and social (PEOPLE) dimensions. For this reason, Fagus-GreCon follows the triple-bottom-line approach. In essence, this approach states that sustainability requires a sustainable balance between the three "P's" (PROSPERITY, PLANET, PEOPLE). The result is that the success of Fagus-GreCon is measured not only in a purely economic sense but also in terms of the ecological and social environment and associated added value.

Our central fields of action

A materiality analysis was carried out in 2022 to define the central fields of action for the company. The materiality analysis can identify influences that Fagus-GreCon has on its environment and influences that the environment has on Fagus-GreCon. To identify material fields of action, Fagus-GreCon has oriented itself to the Sustainable Development Goals of the United Nations. Specifically, we refer here to five goals to which we as a company can either make a highly positive contribution or which have a strong negative impact on people, society and the environment

- Good health and well-being
- Affordable and clean energy
- Industry, innovation and infrastructure
- Responsible consumption and production
- Climate action

From these five fields of action, specific topics were derived during an internal stakeholder survey.

What standards and goals are the strategy based on?

- In its reporting, Fagus-GreCon is guided by the German Sustainability Code and the 17 Sustainable Development Goals of the United Nations.
- The performance indicators mentioned in the context of sustainability reporting are based on the GRI standards.
- For the first time in 2022, a carbon footprint according to DIN ISO 14064-1 will be prepared, retrospectively for three years, using the tool "EcoCockpit", which includes at least 80 % of the emission sources for Scope 1 and Scope 2.

2. Materiality

The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.

The ecological, socio-economic and political environment

Fagus-GreCon moves - for the respective business areas - in specific fields of tension. In these areas of tension, the challenge for the company's different stakeholders is to create a balance between ecological, economic and social aspects.

In the political environment, the company is confronted with a whole series of legal requirements that must be integrated into the corporate processes and fulfilled (for example, the Supply Chain Duty of Care Act or the General Data Protection Regulation). Furthermore, from a socio-economic perspective, Fagus-GreCon is subject to direct demographic changes - the shortage of skilled workers makes recruiting on the labour market more difficult. Ultimately, the labour market is developing increasingly into an employee market, in which the issue of sustainability is also becoming increasingly important.

On the one hand, ecological peculiarities result from the current developments in the energy sector. On the other hand, the topic of available and affordable energy is now a focus for both the company and customers.

The way to the essential sustainability aspects

Topics that have a high significance for stakeholders on the one hand and a high economic, ecological and social impact on Fagus-GreCon's business activities, on the other hand, are material and thus part of the sustainability strategy. Through the materiality analysis, Fagus-GreCon ensures that

sustainable development is dealt with efficiently by focusing on these topics, considering limited capacities.

A prioritisation of the 17 Sustainable Development Goals was carried out to define material sustainability goals. The 17 goals were classified in the matrix under the following aspects:

- Positive contribution of the company
- Negative impact on people, society and the environment



Own illustration 2022

The presentation resulted in five goals to which the company can make a large positive contribution on the one hand and whose negative impacts on people, society and the environment are also high on the other:

- Good health and well-being
- Affordable and clean energy
- Industry, innovation and infrastructure
- Responsible consumption and production
- Climate action

Sub-themes have been identified for these objectives:

- Good health and well-being
 - Availability of healthy food from the region
 - Occupational health management
 - Reduction of air emissions
 - Transparency of products

- Affordable and clean energy
 - Reduction of energy consumption
 - Sourcing from renewable sources
- Industry, innovation and infrastructure
 - Customer support in resource use
 - Digitalisation in the company
 - Innovative closing of the material cycle
 - Use of fewer resources
- Responsible consumption and production
 - Use of regenerative resources
 - Increasing the proportion of recycled materials in products
 - Raising awareness of waste separation and waste avoidance
 - Extending the use phase of products
- Climate action
 - Use of energy-efficient and low-emission machines
 - Production of climate-neutral products
 - Increasing public transport

An internal stakeholder survey was conducted to determine how relevant these sub-topics are for the respective stakeholder groups. For this purpose, a selection of company employees took on the role of external stakeholders. In the survey, the identified subtopics were assessed for the five largest fields of action. The assessment was made on a scale from 1 (no importance) to 5 (very great importance). Calculating the mean value of the respective subtopics provided information about the general importance for the stakeholders.

The subsequent PESTEL analysis of these subtopics finally provided the ranking on the materiality of our business activities' economic, environmental and social impacts.

The sub-topics with the highest relevance for stakeholders and the highest materiality of economic, environmental and social impacts from business activities form the focal points of sustainability development. They will be prioritised in the coming years.

The materiality matrix shows the most important sub-topics that positively impact the company and its environment.

The material sub-topics are:

1. Reduction of energy consumption
2. Innovative closing of the material cycle
3. Raising awareness of waste separation and waste avoidance
4. Use of energy-efficient and low-emission machines

5. Reduction of air emissions
6. Sourcing from renewable sources
7. Digitalisation in the company
8. Customer support in the use of resources
9. Increasing the proportion of recycled materials in products
10. Extending the use phase of products

Goals 1-6, which are considered essential by our stakeholders, largely affect the environment of Fagus-GreCon and are thus to be considered inside-out, while goals 7-10, which affect the company, are outside-in.

Opportunities and risks for dealing with sustainability aspects

For Fagus-GreCon, there are general risks that companies of a similar size and type also face. In addition to economic risks - in relation to sustainability aspects - rising energy prices, the increasing administrative burden due to regulations and the need to comply with additional laws and guidelines are particularly risky. However, there are also opportunities for the company. If the main fields of action are successfully addressed, there is a high potential to strengthen customer and employer attractiveness and develop new business models.

All relevant aspects of opportunities and risks, which have already been worked out and will be worked out in the future, will be taken into account in the sustainability and corporate strategy in the long term.

3. Objectives

The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

Sustainability goals

Strategic field of action and goals	Time horizon of implementation	Status	Planned measures	Relation to DNK-Criteria and SDG-Goals
Further development of the sustainability strategy and integration into existing management systems	Over three years	In progress		Criterion 1: Strategic analysis and measures Criterion 2: Materiality
Further development of sustainability reporting in line	Two to three years	In progress		Criterion 1: Strategic analysis and measures

with the upcoming EU reporting obligation				Criterion 20: Compliance with laws and regulations
<p>Increasing turnover through innovative products and new business models</p> <ul style="list-style-type: none"> • Digitalisation in the company • Innovative closing of the material cycle • Customer support in resource use • Extending the use phase of products • Increase the share of recycling in products 	Two to three years	In progress	Workshop	<p>Criterion 10: Innovation and product management</p> <p>SDG 9: Industry, innovation and infrastructure</p> <p>SDG 12: Responsible consumption and production</p>
Expansion of the existing DIN ISO 9001 management system to include DIN ISO 14001:2015 environmental management, DIN 5001-2018 energy management	Two to three years	In progress		<p>Criterion 6: Rules and processes</p> <p>Criterion 20: Conduct in compliance with laws and regulations</p> <p>SDG 7: Affordable and clean energy</p> <p>SDG 12: Responsible consumption and production</p> <p>SDG 15: Life on land</p>
Extension of existing management system to include DN ISO 45001 occupational safety management	Over three years	In planning		<p>Criterion 6: Rules and processes</p> <p>Criterion 20: Conduct in compliance with laws and regulations</p>

				SDG 3: Good health and well-being
<p>Reduction of CO₂-emissions from Scope 1 and Scope 2 at the Alfeld site by 40 % compared to the 2021 baseline.</p> <ul style="list-style-type: none"> • Sourcing from renewable energy sources • Reduction of energy consumption • Use of energy-efficient and low-emission machinery • Reduction of air emissions • Raising awareness of waste separation and waste avoidance 	Over three years	In progress	Transformation concept Workshops	<p>Criterion 12: Resource management</p> <p>Criterion 13: Climate relevant emissions</p> <p>SDG 3: Good health and well-being</p> <p>SDG 7: Affordable and clean energy</p> <p>SDG 13: Climate action</p>
Further development and implementation of our Supplier Code of Conducts	One year	In progress		<p>Criterion 1: Strategic analysis and measures</p> <p>Criterion 6: Rules and processes</p> <p>Criterion 17: Human rights</p> <p>SDG 8: Decent work and economic growth</p>

Fields of action derived from the stakeholder analysis and materiality matrix are assigned to planned measures below:

- Workshop "Design Thinking meets Sustainability"

- Raising awareness on waste separation and waste avoidance
- Digitalisation in the company
- Innovative closing of the material cycle
- Customer support in resource use
- Extending the use phase of products
- Increasing the proportion of recycled materials in products
- Transformation concept
 - Purchase from renewable sources
 - Reduction of energy consumption
 - Use of energy-efficient and low-emission machines
- Workshop "Mobility"
 - Reduction of air emissions

Goals with a high priority

Due to the current energy crisis and its high economic and environmental contribution, the United Nations Goal 7, "Affordable and Clean Energy", has an increased priority. In addition, due to the introduction of the supply chain due diligence law and the upcoming reporting obligation, action areas targeting criterion 6 ("Rules and processes") and criterion 20 ("Laws are directive-compliant") are also prioritised. Furthermore, the following results of the materiality analysis have been included in the target prioritisation:

- Reduction of energy consumption
- Innovative closing of the material cycle
- Raising awareness of waste separation and waste avoidance
- Digitalisation in the company
- Extending the use phase of products
- Use of energy-efficient and low-emission machines
- Reduction of air emissions
- Customer support in the use of resources
- Increasing the proportion of recycled materials in products
- Sourcing from renewable sources

Responsibility and monitoring of target achievement

The sustainability team coordinates the company's sustainability activities and thus also complies with the sustainability goals. This interdisciplinary team is led at the operational level by the Compliance & Sustainability Coordinator. In his function, the coordinator reports directly to the managing directors, who bear overall responsibility for sustainability.

Activities and goals are evaluated at a monthly meeting. On the other hand, the results are presented to the management group, which comprises management, business and service unit management.

Furthermore, the employees are informed about the goal achievement status via their

multipliers at the monthly CSR-Team meeting.

Reference to the Sustainable Development Goals

Our sustainability goals were defined based on the internal stakeholder survey and the resulting materiality analysis. The survey was based on five United Nations Sustainable Development Goals prioritised by Fagus-GreCon - listed below. Therefore, corporate goals demonstrably relate to the Sustainable Development Goals of the United Nations.

- Good health and well-being
- Affordable and clean energy
- Industry, innovation and infrastructure
- Responsible consumption and production
- Climate action

4. Depth of the Value Chain

The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

The importance of sustainability for value creation

Within the company, for the manufacturing sector, the following value chain links are located:

- Product Management
- Research & Development
- Sales & Distribution
- Procurement
- Production & Logistics
- Installation & Commissioning
- Service & Maintenance

In most cases, Fagus-GreCon looks after its installed systems throughout the entire product life cycle - in some cases, right up to disposal. All relevant value-added links directly involved in this product life cycle are located within the group of companies.

Fagus-GreCon currently employs around 418 people at its Alfeld (Leine) site and around 700 internationally. The company is one of the largest employers in the region and thus has a certain role model function. This also includes the implementation of sustainability in the value chain. Sustainability also includes the aspect of social sustainability - Fagus-GreCon complies with all applicable laws and regulations concerning the rights of employees. In addition, national and international standards of rights for workers are ensured through a comprehensive system of collective agreements.

The depth of the value chain for the verification of sustainability criteria

Production is largely carried out at the sites in Alfeld (Leine) and Lüdenscheid. Here, the focus is on environmentally and climate-friendly production machinery. In 2021, two old existing machines were replaced by a new machining centre. This renewal not only delivers advantages in terms of quality and efficiency. The lower power consumption enables a calculated reduction of approximately 84 tonnes of CO₂-emissions per year for the same order volume. Further solutions around automation are planned for the following years.

Fagus-GreCon obtains about 95 % of all raw materials and components from countries in the EU, Great Britain or the USA - of which about 90 % come directly from Germany.

The topic of the supply chain will be increasingly addressed in the future. Sustainability criteria will be checked for direct (called "Tier 1") and economically relevant suppliers from the beginning of 2023. The most important suppliers (A and B suppliers, measured by turnover) as well as suppliers from "critical" regions, will be required to accept the Supplier Code of Conduct for future cooperation, according to which they must act. Compliance is checked, for example, through audits of the suppliers. Furthermore, Fagus-GreCon checks whether suppliers have an ISO 14001 certificate, for example.

Important sustainability aspects for the process steps

Sustainability management about value creation is currently still being developed. For this purpose, a joint workshop on the topic of "Design Thinking meets Sustainability" is planned for 2023.

The following sustainability aspects are already considered in the individual process steps today:

- Product management/research & development
 - Consideration of hazardous substances already in use
 - Development in compliance with all current and future laws, regulations and standards
 - Durable design of the products
 - Development of service concepts for extended product longevity
 - Ease of maintenance
- Procurement
 - Paperless correspondence
 - Sustainability aspects are taken into account in the procurement of new equipment and capital goods
 - Supplier selection in compliance with the Supplier Code of Conduct from 2023 onwards

- Production & Logistics
 - Separation of waste by type where possible
 - Compliance with all applicable regulations
 - Investment in new technologies
 - Use of environmentally friendly packaging material, switch to recycled packaging material where possible
 - Collective deliveries
- Installation & commissioning
 - Decentralisation of service technicians
 - Attempt to avoid rallying
 - Implement a "plug & play" approach
- Service & Maintenance
 - Extend the life of systems through regular/scheduled servicing and maintenance
 - Decentralisation of service technicians

Known social and environmental issues within the process steps

So far, there are no known social and environmental problems within the individual process steps.

Fagus-GreCon communicates openly with customers and suppliers about ecological and social aspects. Communication channels for this include quality assurance agreements, the VDMA-ZVEI Code of Conduct, and regular personal discussions with customers and suppliers.

Criteria 5–10 concerning PROCESS MANAGEMENT

5. Responsibility

Accountability within the company's management with regard to sustainability is disclosed.

Bearer of responsibility for sustainability issues

The sustainability team coordinates the sustainability activities of the company and thus also the compliance with the sustainability goals. This interdisciplinary team is led at the operational level by the Compliance & Sustainability Coordinator. In his function, he reports directly to the Executive Board, which bears overall responsibility for the topic.

6. Rules and Processes

The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

Implementation of the sustainability strategy in the company

The Compliance & Sustainability Coordinator is a member of the management circle, which consists of the Executive Board and the respective heads of the business and service units. Sustainable issues are regularly discussed within the management circle.

The sustainability team (CSR-Team) - which is made up of interdisciplinary members from all areas of the company - meets monthly to coordinate the current measures and goals, to set new impulses and to provide cross-divisional support in their implementation. To integrate the topic of sustainability into everyday activities, the CSR Team also plays the role of a multiplier in the individual divisions.

To ensure coordinated action across the three dimensions of PROSPERITY, PLANET and PEOPLE, various guidelines and standards ensure that awareness of the issue of sustainability continues to develop throughout the company.

- PROSPERITY
 - ISO 9001:2015
 - VDMA-ZVEI Code of Conduct

- Regular training on compliance issues
- Quality management manual incl. guidelines, procedural instructions & process instructions
- PLANET
 - DIN EN ISO 14001:2015 Environmental management system (under development)
 - DIN EN ISO 5001: 2018 Energy management system (under development)
 - Quality management manual incl. guidelines, procedural instructions & process instructions
- PEOPLE
 - Occupational safety management system EPLAS
 - Regular training courses
 - Annual feedback meetings with staff members
 - Guidelines, procedural instructions & process instructions
 - Quality management manual incl. guidelines, procedural instructions & process instructions

In addition, the online learning platform Moodle is used to train staff regularly on current topics. The evaluation within the tool can be used to check the percentage completion of necessary training.

The quality management system ensures the management and control of all processes and procedures.

7. Control

The company states how and what performance indicators related to sustainability are used in its regular internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

Collection of performance indicators and key figures

A dashboard illustrates the relevant sustainability indicators and their development and monitors sustainability performance in the best possible way. In addition to the visual representation of deviations, strategic success is also measured and regularly monitored.

Ensuring quality

Fagus-GreCon is advised by pbr.NETZenergie GmbH in the preparation of performance indicators in relation to CO₂-emissions. The agency also provides support for the initial preparation of an ECO balance sheet. The performance indicators of criteria 11-13 are taken into account for the balancing.

Key Performance Indicators to criteria 5 to 7

Key Performance Indicator GRI SRS-102-16: Values

The reporting organization shall report the following information:

a. A description of the organization's values, principles, standards, and norms of behavior.

Fagus-GreCon's values are reflected in the VISION2030 Guiding Principles.

Guiding principles of VISION2030:

- As a learning organisation, we create the necessary framework for profitable growth to secure our autonomy.
- With the help of our core competencies and comprehensive range of services and consulting, we contribute to securing the success of our customers as a strategic partner.
- Thanks to our broad and clearly structured product and service portfolio and our focus on competitive products, we can offer one-stop solutions that increase customer loyalty.
- Our thinking and actions are geared towards the long-term and sustainability. We focus on holistic solutions for our customers and are valued for our analytical and process expertise.
- We have a tradition of innovation! Using advanced technologies, we are a recognised innovation leader in our core markets.
- Fagus-GreCon has been an independent family business since 1911 and is an internationally leading brand.
- The UNESCO World Heritage Site Fagus-Factory is a cultural enterprise in the industrial sector that creates identification and is unique worldwide.
- We are known as a strong and progressive employer brand. As a value-based and strategically managed company, our employees are our focus. This is how we secure our future viability.

Fagus-GreCon has joined the VDMA-ZVEI Code of Conduct to clarify its self-image within the framework of this code of conduct.

In terms of management systems, the company is also certified according to DIN EN ISO 9001:2015. In addition, Fagus-GreCon is in the process of establishing an integrated management system, which will include the components of environmental management according to DIN EN ISO 14001:2015 and energy management according to DIN EN ISO 5001:2018. The goal is to complete the implementation by 2023 so that the entire integrated management system can be externally certified in 2024. The company will be supported in the implementation by an external service

provider, SENTITEC.

Subsequently, it is planned to include the area of occupational safety management according to DIN ISO 45001:2018 in the integrated management system.

8. Incentive Systems

The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

Incentive systems

Sustainability management at Fagus-GreCon is constantly being developed. Currently, performance around sustainability has no influence on the remuneration system. This issue is to be addressed in the long term, but currently, there is no concept with concrete objectives.

Key Performance Indicators to criteria 8

Key Performance Indicator GRI SRS-102-35: Remuneration policies

The reporting organization shall report the following information:

- a.** Remuneration policies for the highest governance body and senior executives for the following types of remuneration:
 - i.** Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;
 - ii.** Sign-on bonuses or recruitment incentive payments;
 - iii.** Termination payments;
 - iv.** Clawbacks;
 - v.** Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.
- b.** How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.

- a. Fagus-GreCon is subject to the company collective agreement between IG Metall Lower Saxony and the company. For reasons of competition and confidentiality, no details are given in this regard.
- b. Fagus-GreCon is constantly developing its sustainability management. At present, performance around sustainability does not influence the remuneration system. In the long term, however, this topic is to be addressed. However, there is currently no concept with concrete objectives.

Key Performance Indicator GRI SRS-102-38: Annual total compensation ratio

The reporting organization shall report the following information:

a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

For reasons of competition and confidentiality, this is not disclosed.

9. Stakeholder Engagement

The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.

Stakeholder identification

Fagus-GreCon's stakeholders are individuals, groups and organisations that directly or indirectly influence the company's actions, decisions or activities. Stakeholders who influence the company and have an interest in the company have been identified as relevant stakeholders by the sustainability team.

The identification of stakeholders was taken from the certified ISO 9001 management system.

Relevant stakeholders

Stakeholder group	Instruments & interval for stakeholder engagement
Shareholders	Formal meetings twice a year as part of the shareholders' or company council meetings Ongoing informal contact between shareholders and employees
Employees	Annual feedback meetings between employees and managers, 3-yearly survey of employees by an independent provider as part of the "Unternehmenssiegel Gesundheit" (company seal of health).
Suppliers	Ongoing informal contact via the purchasing department and quality assurance agreements as well as supplier audits.
Public & civil society	Informal exchange through cultural operations in the UNESCO World Heritage Fagus Plant with residents, representatives of the city, state and federal government
Neighbours & visitors	Informal exchange through cultural operations in the Fagus plant UNESCO-World-Heritage-Site with residents, representatives of the city, state and federal government
Customers	Ongoing informal contact via face-to-face meetings with area sales managers, key account managers, worldwide representatives, internal sales, support hotline and customer service technicians on site. Traceability of interests via CRM-System; systematic satisfaction analysis with customers; exchange at trade fairs.
Capital providers	Regular bank days
Authorities & legislators	Authority reports at intervals ranging from monthly to annually; audits at appropriate intervals
NGO's	Informal exchange in case of enquiries

Shaping the dialogue with stakeholders

The sustainability team surveyed with internal stakeholder representatives to determine the relevance of the identified prioritisation targets. The management represented the shareholders.

In this survey, stakeholders rated the importance of the individual sub-topics on a scale of 1-5 (1 = no importance for the stakeholders; 5 = very great)

importance for the stakeholders).

The resulting mean value is included in the evaluation.

Utilisation of the results of the dialogue

The sub-topics with the highest importance for stakeholders in the materiality matrix considering the materiality of economic, ecological and social impacts, are initially processed with a higher priority.

- Reduction of energy consumption
- Innovative closing of the material cycle
- Raising awareness of waste separation and waste avoidance
- Digitalisation in the company
- Extending the use phase of products
- Use of energy-efficient and low-emission machines
- Reduction of air emissions
- Customer support in the use of resources
- Increasing the proportion of recycled materials in products
- Purchase from renewable sources

Key Performance Indicators to criteria 9

Key Performance Indicator GRI SRS-102-44: Key topics and concerns

The reporting organization shall report the following information:

a. Key topics and concerns that have been raised through stakeholder engagement, including:

i. how the organization has responded to those key topics and concerns, including through its reporting;

ii. the stakeholder groups that raised each of the key topics and concerns.

- Reduction of energy consumption
- Innovative closing of the material cycle
- Raising awareness of waste separation and waste avoidance
- Digitalisation in the company
- Extending the use phase of products
- Use of energy-efficient and low-emission machines
- Reduction of air emissions
- Customer support in the use of resources
- Increasing the proportion of recycled materials in products
- Procurement from renewable sources

The above issues have been integrated into the medium and long-term objectives and will be considered in the sustainability process. Stakeholder

groups that voiced the issues were internal representatives of the:

- Shareholders
- Employees
- Suppliers
- Public & civil society
- Neighbours & visitors
- Customers
- Investors
- Authorities & legislators
- NGO's

10. Innovation and Product Management

The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

Promoting sustainability through innovation processes

"We have a tradition of innovation" is one of the guiding principles of Fagus-GreCon's VISION2030. Why is this guiding principle so important for the company in the current times?

Climate change, dwindling and thus more expensive natural resources, an ageing society in Germany, and the growing population worldwide require new ecological and social solutions and sustainable economic concepts. Fagus-GreCon will only be able to meet this challenge if the procedures, the processes, the working environment and the products are constantly adapted to the current requirements. There are several procedures in the company for this purpose:

- Ideas for process improvement are proposed and processed via lean management (Kaizen, Shopfloor).
- Ideas concerning the improvement of our products are collected via the respective product groups. They are evaluated and prioritised according to the "BERG" principles, among others:
 - B = user-friendly, inspiring and self-explanatory
 - E = simple
 - R = robust
 - G = accurate, verifiable at any time

All product improvements are collected on an improvement list. At each product group meeting, the submitted suggestions are discussed and evaluated. Suggestions are sent directly to the product group manager of the product group concerned.

In addition to lean management and product improvement in the product groups, there is innovation management for generating and evaluating new product and service ideas.

Innovation management is a matter for the top management. Top management spends 50 % of their working time on innovations. Between 8 % - 10 % of turnover is spent annually on product innovations.

Feedback meetings are held once a year. These serve, among other things, to raise awareness and identify interface and process problems. The information gained from which improvements can be made is passed on to the personnel management.

The customer satisfaction officer in each organisational unit oversees the assessment of customer satisfaction from the customer service reports. Identified shortcomings or potential for improvement are turned into procedures and supported, processed and monitored by an IT-System.

Involving business partners, suppliers etc. in the innovation process

A regular exchange with them is necessary to contribute to securing the success of customers as a strategic partner. In addition to the informal, regular and direct customer meetings/visits already mentioned, Fagus-GreCon participates as an exhibitor and visitor in numerous worldwide trade fairs. Via the CRM-System, customer requirements are systematically recorded from the beginning and considered in the innovation process. Furthermore, the perspective is rounded off by memberships in trade associations and annual meetings with our A-suppliers.

Through close cooperation with universities and research associations, especially around bachelor's, master's and doctoral theses, the faculties, students, Fagus-GreCon, and its customers benefit from the resulting knowledge transfer.

The following collaborations have taken place in recent years:

- University of Wuppertal, Faculty of Mechanical Engineering and Safety Engineering
- University of Magdeburg, Faculty of Process and Systems Engineering
- FSA - Research Association for Applied System Safety and Occupational Medicine
- University of Hanover

In addition to the business unit and the development management, the sales management also participates in a monthly innovation meeting to bring in the customer's point of view.

Effects of innovation processes along the value chain

The innovation and product management process described above ensures continuous improvement of the products and services to be provided

- of the products and services to be provided by Fagus-GreCon
- the internal structure and process organisation
- the required technical resources and qualifications of the employees
- health, occupational and environmental protection
- cooperation with customers and suppliers
- the position of the company in the market
- the economic efficiency of the company

is guaranteed throughout the entire value chain. For this purpose, the management system is evaluated in regular internal and external audits by the management in the presence of the QM- and ex-representatives.

Key Performance Indicators to criteria 10

Key Performance Indicator G4-FS11

(report also in accordance with GRI SRS): Percentage of assets subject to positive and negative environmental or social screening.
(Note: the indicator should also be reported when reporting to GRI SRS)

Financial investments are not assessed under this aspect. However, we hold financial assets only to a limited extent, as we use our cash to secure and expand our business growth.

Criteria 11–20: Sustainability Aspects

Criteria 11–13 concerning ENVIRONMENTAL MATTERS

11. Usage of Natural Resources

The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.

Use of resources

The consumption of raw materials and the use of energy in the form of electricity, natural gas and fuel are the main natural resources. Plastics, paper and cardboard packaging are also used for business operations.

However, the most utilised resources are:

- Fuel = 8,111.89 GJ
- Natural gas = 4,733.07 GJ
- Electrical energy = 3,554.21 GJ

12. Resource Management

The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.

Intended goals for resource efficiency

In the use of natural resources, attention is paid to the responsible use of drinking water. The topic of energy efficiency takes place in the energy sector, which continuously detects and eliminates weak points in energy distribution and use.

The company strives to transform its energy supply and generate a CO₂-neutral or self-sufficient energy supply. For this purpose, a transformation concept is being drawn up by mid-2023 in accordance with the BAFA criteria. The involvement of the company's management is still being determined as part of the creation of the transformation concept, as are the internal audit processes.

Within the framework of a mobility workshop, possibilities for saving fuel are to be identified and then implemented.

When is the target planned to be reached?

A reduction in CO₂-consumption for fuel, natural gas and electrical energy of at least 40 % is planned by 2032.

Planned measures and strategies

It is planned to install a PV-System to supply the site with electricity. In addition to the already installed pellet boiler for the thermal energy supply, the possibilities for installing a biomass pyrolysis plant for the site's thermal and electrical energy supply are currently being examined. This aligns with the plan to install a central, efficient energy supply for the site.

Have the goals been achieved? The first targets set are to be achieved in the second quarter by installing the PV-System and holding a mobility workshop in the third quarter of 2023.

Significant risks

No risks to the environment arise for the creation of products, as no process heat is used for these. In addition, negative influences will be regularly checked in the energy and environmental management system in the future. The management system is currently still under construction and will be published in 2024.

Key Performance Indicators to criteria 11 to 12

Key Performance Indicator GRI SRS-301-1: Materials used

The reporting organization shall report the following information:

a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:

i. non-renewable materials used;

ii. renewable materials used.

The following materials were used for packaging in 2022:

	kg/a
Wood	101,436
Cardboard	7,999
Paper fillers	3,720
Pressboard	1,080
Plastic fillers	394
Foils	701
Total	115,321

Key Performance Indicator GRI SRS-302-1: Energy consumption
The reporting organization shall report the following information:

a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.

b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.

c. In joules, watt-hours or multiples, the total:

- i.** electricity consumption
- ii.** heating consumption
- iii.** cooling consumption
- iv.** steam consumption

d. In joules, watt-hours or multiples, the total:

- i.** electricity sold
- ii.** heating sold
- iii.** cooling sold
- iv.** steam sold

e. Total energy consumption within the organization, in joules or multiples.

f. Standards, methodologies, assumptions, and/or calculation tools used.

g. Source of the conversion factors used.

a.-c. The energy consumption at the Alfeld (Leine) site is as follows:

2021:

- Fuel consumption fleet (diesel): 2,165,842 kWh = 7,797.03 GJ
- Electricity consumption: 860,682 kWh = 3,098.46 GJ
- Gas consumption: 1,672,777 kWh = 6,022 GJ

2022:

- Fuel consumption fleet (diesel): 2,253,302 kWh = 8,111.89 GJ
- Electricity consumption: 987,281 kWh = 3,554.21 GJ
- Gas consumption: 1,314,742 kWh = 4,733.07 GJ

d. No energy is sold.

e. Total energy consumption in 2022 is therefore 4,555,325 kWh or 16,399.17 GJ.

Key Performance Indicator GRI SRS-302-4: Reduction of energy consumption

The reporting organization shall report the following information:

a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.

b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.

c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.

d. Standards, methodologies, assumptions, and/or calculation tools used.

A reduction in energy consumption cannot yet be determined. This initial report and the measures mentioned provide the basis for the baseline values on energy consumption and statements on their reduction.

Key Performance Indicator GRI SRS-303-3: Water withdrawal
The reporting organization shall report the following information:

a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:

- i.** Surface water;
- ii.** Groundwater;
- iii.** Seawater;
- iv.** Produced water;
- v.** Third-party water.

b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:

- i.** Surface water;
- ii.** Groundwater;
- iii.** Seawater;
- iv.** Produced water;
- v.** Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.

c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:

- i.** Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids);
- ii.** Other water ($> 1,000$ mg/L Total Dissolved Solids).

d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

a. Water abstraction at the Alfeld (Leine) site from the public water supply (= groundwater):

- 2020: 2.37 MI
- 2021: 2.74 MI
- 2022: 3.54 MI

Due to the COVID-19 pandemic and the increased use of mobile working associated with it, water withdrawal in 2020 was lower.

b.-d. These items are not relevant as the water abstraction is not from an area of water stress. A breakdown is also not provided.

Key Performance Indicator GRI SRS-306-3: Waste generated
The reporting organization shall report the following information:

- a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.
- b. Contextual information necessary to understand the data and how the data has been compiled.

	2022 [t]
Hazardous waste	0.76
Non-hazardous waste	122.93
Total	123.69

Waste generation Alfeld (Leine)	2022 [t]
Waste paints and varnishes containing organic solvents or other hazardous substances	0
Non-chlorinated mineral-based machine, gear and lubricating oils	0.21
Absorbent and filter materials, wiping cloths and protective clothing contaminated by hazardous substances	0.08
Gases containing hazardous substances in pressure vessels (including halons)	0
Laboratory chemicals consisting of or containing dangerous substances, including mixtures of laboratory chemicals	0
Waste adhesives and sealants containing organic solvents or other hazardous substances	0.06
Halogen-free machining emulsions and solutions	0
Antifreeze	0.43
Display screen equipment	0.02
Small appliances	1.18
Lead-acid batteries	0
Waste wood AII	49.5
Mixed packaging	0
Mixed municipal waste (AVV200301)	56.09
Shredder pre-material	3.12
Mixed scrap light	9.79
Mixed scrap, heavy	1
Used lead	0
Copper cable	2.12
Copper plug cable	0.1
Dirt adhesion and loading residues	0

13. Climate-Relevant Emissions

The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.

Emission sources

Emissions were averaged over the years 2020 to 2022. The consumption values are taken from the consumption statements with the respective calibrated measuring systems.

- Electricity consumption: 244.58 tCO₂
- Fuel consumption for the heating systems: 297.65 tCO₂
- Fuel consumption for the vehicle fleet: 576.11 tCO₂
- Production by-products or waste is in the process of being produced by the CO₂-balancing of the transformation concept

Challenges regarding climate-relevant emissions

One of the major challenges is the different building structures. The company buildings consist of listed buildings in the Bauhaus style and buildings from the recent past. This results in different requirements in terms of energy supply.

The issue of mobility is also a major challenge for climate-relevant emissions to meet the different benefits through reliability and with a corresponding range.

Goals regarding climate-relevant emissions and renewable energy

The goal is to achieve a climate-neutral and, if possible, self-sufficient energy supply for the site.

When is it planned to achieve the goal?

The process started by drawing up a transformation concept in 2022. This is an ongoing process that will reach its target on schedule in 2030 with a CO₂-reduction of at least 40%.

Planned measures and strategies

The energy supply is to be converted to a central CO₂-neutral energy supply at the site. For this purpose, the already installed pellet boiler will be expanded to include a PV-System.

Further measures, such as the use of a pyrolysis plant for the generation of thermal and electrical energy, will be examined and conceptualised in the first

half of 2023.

What goals have been achieved so far?

A pellet boiler has already been installed for the thermal energy supply. The installation of the PV-System is planned for the second quarter of 2023.

What benchmarks are used to measure the improvement?

For the Alfeld site, energy consumption was primarily recorded with the corresponding measuring equipment. Due to the total of more than 57,000 articles, the energy quantities cannot currently be allocated to production, so the area is chosen as the reference value.

What is the base year?

The base year is 2021.

Key Performance Indicators to criteria 13

Key Performance Indicator GRI SRS-305-1: Direct (Scope 1) GHG emissions

The reporting organization shall report the following information:

- a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.
- b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃ or all.
- c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.
- d. Base year for the calculation, if applicable, including:
 - i. the rationale for choosing it;
 - ii. emissions in the base year;
 - iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f. Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g. Standards, methodologies, assumptions, and/or calculation tools used.

a.-c. The calculations of greenhouse gas emissions from diesel and natural gas were carried out using the "EcoCockpit" programme. The values refer to the main site in Alfeld (Leine).

2021:

- Diesel: 677.57 tCO₂e
- Natural gas: 336.23 tCO₂e
- Total: 1,013.8 tCO₂e

2022:

- Diesel: 704.93 tCO₂e
- Natural gas: 264.26 tCO₂e
- Total: 969.19 tCO₂e

d. 2021 was chosen as the base year on the grounds that the 2019 and 2020 values are not meaningful due to the COVID-19 pandemic. As are the values from 2022 due to the energy crisis and related austerity measures.

Key Performance Indicator GRI SRS-305-2: Energy indirect
(Scope 2) GHG emissions

The reporting organization shall report the following information:

a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.

b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.

c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.

d. Base year for the calculation, if applicable, including:

- i. the rationale for choosing it;
- ii. emissions in the base year;
- iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

f. Consolidation approach for emissions; whether equity share, financial control, or operational control.

g. Standards, methodologies, assumptions, and/or calculation tools used.

a.-c. The calculation of greenhouse gas emissions from electricity in 2021 was also carried out using the "EcoCockpit" programme.

2021:

- Electricity: 210.87 tCO₂e

2022:

- Electricity: 361.35 tCO₂e

d. 2021 was chosen as the base year on the grounds that the 2019 and 2020 values are not meaningful due to the COVID 19 pandemic. As are the values from 2022 due to the energy crisis and related austerity measures.

Key Performance Indicator GRI SRS-305-3: Other indirect (Scope 3) GHG emissions

The reporting organization shall report the following information:

a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.

b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.

c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.

d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.

e. Base year for the calculation, if applicable, including:

i. the rationale for choosing it;

ii. emissions in the base year;

iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

g. Standards, methodologies, assumptions, and/or calculation tools used.

Scope 3 emissions cannot be reported at this time due to the complexity of the data to be collected. We aim to report, concept development has been initiated.

Key Performance Indicator GRI SRS-305-5: Reduction of GHG emissions

The reporting organization shall report the following information:

- a.** GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.
- b.** Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
- c.** Base year or baseline, including the rationale for choosing it.
- d.** Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
- e.** Standards, methodologies, assumptions, and/or calculation tools used.

A reduction in GHG emissions cannot yet be determined. This initial report and the measures mentioned create the basis for the baseline values on energy consumption and statements on their reduction.

Criteria 14–20 concerning SOCIETY

Criteria 14–16 concerning EMPLOYEE-RELATED MATTERS

14. Employment Rights

The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.

Workers' rights

"Our wealth is not our machines, nor a bank account, but the knowledge, skills and commitment of our employees" - this life principle, codified by the company founder Carl Benscheidt, still shapes the culture in dealing with employees at Fagus-GreCon today.

In the future, the same will apply to employment relationships with suppliers and service companies. Fagus-GreCon relies on a self-declaration of the respective companies regarding the compliance with the German Posted Workers Act (Arbeitnehmer-Entsendegesetz), regulations regarding the minimum wage and the compliance with minimum working conditions as well as the reference to corresponding legal documents. This self-declaration is currently being processed and will be published in the coming months (Supplier Code of Conduct).

Fagus-GreCon's purchasing department regularly carries out random supplier audits and reports to the management team, including the executive board. Part of these audits is the verification of compliance with safety and environmental regulations and occupational safety (also at sub-suppliers).

The improvement of the process organisation is carried out continuously through the PDCA cycle.

Objective about workers' rights

Through the voluntary commitment to apply the ZVEI-VDMA Code of Conduct, Fagus-GreCon has committed itself to concrete goals in the areas of health and safety, remuneration and working hours, and compliance with human rights.

In doing so, it is guided by the ILO Labour and Social Standards, the ILO Guideline on Safety and Health at Work, SA 8000 Social Accountability and the ISO 45001 Occupational Health and Safety Management System.

The long-term plan is to implement an occupational health and safety management system in accordance with ISO 45001.

When is target achievement planned?

The Supplier Code of Conduct, which is to exist alongside the VDMA-ZVEI Code of Conduct, is currently in the development phase and is scheduled for publication at the beginning of 2023.

Strategies and measures to respect employee rights and involve employees

With the works council consisting of eleven members and the youth and trainee representation (JAV) (made up of a further three employees), there is a strong representative body on the employee side. There is a weekly exchange between the works council and the personnel department/management.

All employees, customers, suppliers and other stakeholders can make a direct or anonymous report of illegal, immoral or illegitimate behaviour at any time through the whistle-blower protection system established in 2022.

At least once a year, employees have the opportunity to discuss their concerns in detail with their manager in a feedback session and to make any suggestions regarding potential improvements.

Promoting employee participation in sustainability management

The Fagus-GreCon CSR Team was founded at the beginning of 2022. Employees from all company departments meet once a month to discuss and implement new projects and ideas for more sustainability.

International subsidiaries

Fagus-GreCon has international subsidiaries in Brazil, China, France, Great Britain, Thailand and the USA.

Implementing German standards abroad

As Fagus-GreCon also operates extensively in foreign markets - particularly in the assembly and maintenance of systems and plants - the local laws about occupational safety, relief, working hours, etc. are always under review. For the foreign subsidiaries, the same principles apply as in Germany, as far as this does not violate country-specific regulations.

Compliance with international rules

Here, the company is guided by the ILO Labour and Social Standards, the ILO Guideline on Safety and Health at Work, as well as SA 8000 Social

Accountability and ISO 45001 Occupational Health and Safety Management System.

Implementing the ISO 45001 occupational health and safety management systems is one of the medium-term sustainability goals.

Negative effects of business activities on workers' rights

Due to international customer service assignments, there is a risk of exceeding the regulated working hours by travelling to and from work. This is counteracted by informing employees and customers about the applicable legal regulations. Fagus-GreCon is also aware that intercultural differences, such as longer regular working hours or poorer work safety conditions, can pose a risk locally.

Significant risks

We will identify significant risks in relation to the rights of employees with the help of the internal reporting office introduced in 2022 and derive measures. For this purpose, an anonymous software platform has been set up, among other things, so that whistleblowers have the opportunity to draw attention to violations. The management and the works council receive a quarterly report.

15. Equal Opportunities

The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.

Goals around equal opportunities and diversity

Fagus-GreCon's diverse workforce is an invaluable asset to all structures and areas of the company. Diversity is part of the corporate and management culture and is openly tolerated and supported within Fagus-GreCon. This is reflected in all bodies, facilities and companies of the company.

The company sees diversity as an opportunity to incorporate the impressions, experiences and emotions gained from it into the design of target group-oriented, innovative actions. Gender, age, sexual orientation, physical impairment, ethnic or social origin, and religion are therefore not a criterion for excellent work.

The gender distribution of Fagus-GreCon employees in the past years:

- 2020: 85 women, 373 men, 0 others

- 2021: 79 women, 366 men, 0 others
- 2022: 83 women, 378 men, 0 others

The age distribution of the 461 employees in 2022:

- 124 employees under 30 (27 %)
- 203 employees between 30 and 50 years (44 %)
- 134 employees over 50 years (29 %)

Occupational safety

Occupational safety is an important topic at Fagus-GreCon. Since December 2022, this has been handled by an external service provider.

Health protection

Health protection is ensured by the comprehensive company health management (BGM) and the associated BGM team. The offers of the company health management are very diverse and structured in such a way that all employees can take advantage of these offers. For example, Fagus-GreCon works with a local fitness studio, allowing employees to work out at reduced rates. For the service technicians in the field, the company offers the possibility of using company fitness via the provider Hansefit. Fagus-GreCon provides monthly fruit baskets and water dispensers in all departments and offers various sports courses directly on the company premises at different times. In addition, Fagus-GreCon always has new offers, which are always very well-used.

Participation

Creating and sustaining a culture of recognition and openness is the task of all employees throughout the company. At the same time, Fagus-GreCon places its employees and their needs at the centre of its corporate policy. It is, therefore, a matter of course to pave the way for equal opportunities to promote everyone's talents equally and to involve them according to their competencies.

To continuously raise awareness for the topic of diversity and equal opportunities, as well as to initiate the development of topics, cross-divisional units are in place:

- the employee-oriented corporate culture - since Carl Benscheidt
- representatives for the severely disabled

Integration of Migrants and People with Disabilities

The integration of people with disabilities is ensured by the Disabled Persons' Representative Council.

Appropriate payment for all employees

The company's own collective agreement ensures fair and appropriate pay for staff at all levels.

Reconciliation of family and career

Equal opportunities already begin in the staff selection interviews, in which, for example, gender and age are considered in the light of individual life needs and competencies. This is continued in the measures to reconcile family and work. Employees can optimally combine their professional and private lives by using flexible and individual working time models.

Number of working time models in the past years:

- 2020: 32 working time models
- 2021: 35 working time models
- 2022: 40 working time models

When is the achievement of the goals planned?

From our point of view, Fagus-GreCon is very well positioned in terms of equal opportunities, which is why we have not defined any concrete goals beyond this at the moment. All employees are on an equal footing in every respect. Nevertheless, the potential for improvement is constantly being sought with open eyes. The long-term goal is to implement occupational safety by setting up an occupational safety management system in accordance with DIN ISO 45001.

16. Qualifications

The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

Qualification

Fagus-GreCon is an attractive regional employer.

The efforts and successful objectives around human resources policy and the training and further education of skilled workers and trainees are illustrated by the company's awards in 2022. These include the following awards:

- TOPAS: Top Employer South Lower Saxony
- Top Training Company IHK Hannover
- TrainingAss
- Demography fixed work design (State of Lower Saxony)
- Leading Employer

- German Seal of Corporate Health in GOLD
- Top Company from Kununu

To counteract the demographic change in the company, Fagus-GreCon cooperates with the regional secondary school to train motivated and reliable pupils in the company's training workshop. The company also offers various school internships for career orientation. In addition, Fagus-GreCon currently offers five apprenticeships to bind future generations to the company and to train the skilled workers of tomorrow in a targeted manner.

Apprenticeships:

- Machining mechanic
- Industrial clerk
- Mechatronics technician
- Warehouse logistics specialist
- IT-specialist system integration

(Further-)Education

Fagus-GreCon ensures that highly qualified personnel are employed at all workplaces and that the organisation's and its employees' competencies and knowledge are constantly expanded and passed on.

The topic of personnel development is reflected in the annual feedback meetings. In close exchange with the manager, desired and necessary further training measures are discussed, which are finally organised by the specialist or human resources departments.

Professional qualification of both the Fagus-GreCon staff and external customer employees takes place at the in-house GreCon Academy as required.

Employees also have access to a digital e-learning platform. Here, the focus is on constantly expanding the range of further training. This is also reflected in the increase of our training hours (performance indicator GRI SRS 4004-1 under performance indicator 14-16).

In human resources development, it is particularly important to respond to employees' individual training needs so that everyone's personal and professional aptitudes and interests are always taken into account when selecting training events.

The current number of trainees at Fagus-GreCon is 32.

Health management

Fagus-GreCon offers its employees comprehensive offers and programmes in the area of health prevention. For example, great importance is attached to ergonomic workplaces to reduce the physical workload and to create optimal

working conditions. Our health management benefits immediately:

- Ergonomic workplaces with height-adjustable work and work desks
- Wrist-friendly/ergonomic mouse pads
- Allowance for screen and workstation glasses
- Free drinks are available everywhere
- Cooperation with fitness studios in the region
- Regular health days (in cooperation with BKK Technoform) with different topics
- On-site health courses (yoga, Pilates, back fitness)
- Further development of supervisors on the topic of "healthy leadership"
- Free flu vaccinations on the company premises
- Regular mobile massages on the company premises
- Individual offers for service technicians in the field

Employees regularly receive online mail flyers about health management, where useful knowledge about health is shared.

In 2022, Fagus-GreCon once again participated in the "Company Seal of Health" project of the BKK umbrella organisation, whose survey is conducted every three years. As a result, Fagus-GreCon was awarded the "Gold" seal for the health measures in the company.

Company Seal Health:

- 2019: 70 points (silver)
- 2022: 80 points (gold)

The goal of the next project, "Company Seal Health", is to achieve a total score of 85 and thus document an improvement in the health measures in the company. For this purpose, an external trainer will conduct departmental workshops at the beginning of 2023 to derive further goals and measures.

Digitalisation

A set goal is the further development of measures for digital team building. In addition, workplace health management will focus more on supporting the mental health of our employees in the future (stress management, differentiation between work and leisure time, etc.). To this end, the range of mental health services will be expanded - among other things, through the increased use of the health app Phileo, which is available to all employees. In addition, information about digital risks is to be provided. At Fagus-GreCon, managers undergo training on "leading properly" their employees to create a healthy working environment.

Promoting the participation of all employees in the world of work and occupation.

Optimised process for occupational integration management with individually

derived measures for the recovery and maintenance of the health of affected persons.

Dealing with demographic change

Demographic change and the associated shortage of skilled workers are clearly noticeable in the economy. Fagus-GreCon has always placed great emphasis on training, internships and studies so that contact with the skilled workers of tomorrow is established at an early stage. In this way, Fagus-GreCon promises itself early corporate loyalty - with success. Particularly worth mentioning is the close cooperation with the Carl-Benschmidt-Realschule in Alfeld and the operation of an inter-company training workshop at the Alfeld site.

Goals

The definition of goals and processes for this part of our sustainability strategy is still under development. At this point in time, we aim to be able to report in more detail on the goals and goal fulfilment in the next reporting year. The goals will probably focus on the following topics:

- Process optimisation
- Further development of measures for digital team building
- Support for the mental health of employees
- Target assessment 2024: 85 points

As part of the process definition, we will identify, analyse and evaluate the greatest risks and then determine how we will deal with these risks (take over, reduce, transfer or avoid) and document them centrally within our management software. In regular audits, there will be an exchange between the respective process owners, who have yet to be defined, and the management team, including the executive board.

Key Performance Indicators to criteria 14 to 16

Key Performance Indicator GRI SRS-403-9: Work-related injuries
The reporting organization shall report the following information:

a. For all employees:

- i.** The number and rate of fatalities as a result of work-related injury;
- ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
- iii.** The number and rate of recordable work-related injuries;
- iv.** The main types of work-related injury;
- v.** The number of hours worked.

b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number and rate of fatalities as a result of work-related injury;
- ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
- iii.** The number and rate of recordable work-related injuries;
- iv.** The main types of work-related injury;
- v.** The number of hours worked.

You will find the remaining numbers c-g of the indicator SRS 403-9 in the GRI standard and may additionally report them here.

Key Performance Indicator GRI SRS-403-10: Work-related ill health

The reporting organization shall report the following information:

a. For all employees:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

You will find the remaining numbers c-e of the indicator SRS 403-10 in the GRI standard and may additionally report them here.

- a.** In 2022, there were 31 documentable work-related injuries out of

800,213.15 hours worked (2022 figure). These were mainly swellings and cuts. As in previous years, none of these injuries resulted in a work-related fatality. However, one customer service technician was injured due to a commuting accident with serious consequences. Work-related injuries in previous years:

- 2020: 18 work-related injuries
- 2021: 38 work-related injuries
- 2022: 31 work-related injuries

b. No differentiation is made. The employees mentioned here are included under a.

Key Performance Indicator GRI SRS-403-4: Worker participation on occupational health and safety

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.

b. Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.

a. There is an occupational health and safety committee which meets quarterly. All issues relevant to occupational safety are discussed in this committee. The committee consists of a member of the management, the company doctor, the occupational safety specialist, the employee representative, the representative of the severely handicapped, the training manager, managers, the fire protection officer and the human resources department.

b. The topic of health protection is supplemented by an occupational health management team, which also meets quarterly for an exchange and plans and implements the occupational health management measures for the employees. The health and safety management team is made up of members of the works council, employees from different areas of the company, the HR department and a member of BKK Technoform.

Key Performance Indicator GRI SRS-404-1: Average hours of training

The reporting organization shall report the following information:

a. Average hours of training that the organization's employees have undertaken during the reporting period, by:

- i.** gender;
- ii.** employee category.

The 461 employees spent a total of 3,004 hours on external education and training in 2022. This results in a training and development rate of 5.5 hours per employee. The number of hours of training and further education refers to the Alfeld (Leine), Lüdenschaid and Nuremberg locations, which cannot be differentiated from each other. Internal training or instruction is not considered. No distinction was made in terms of gender or employee category.

Key Performance Indicator GRI SRS-405-1: Diversity

The reporting organization shall report the following information:

a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:

- i.** Gender;
- ii.** Age group: under 30 years old, 30-50 years old, over 50 years old;
- iii.** Other indicators of diversity where relevant (such as minority or vulnerable groups).

b. Percentage of employees per employee category in each of the following diversity categories:

- i.** Gender;
- ii.** Age group: under 30 years old, 30-50 years old, over 50 years old;
- iii.** Other indicators of diversity where relevant (such as minority or vulnerable groups).

a. Fagus-GreCon is a family business. The supreme control body is the semi-annual shareholders' meeting. A survey on diversity categories does not take place here.

b. The gender distribution of employees in the past years:

- 2020: approximately 19 % female and approximately 81 % male
- 2021: approximately 18 % female and approximately 82 % male
- 2022: approximately 18 % female and approximately 82 % male

The age structure of the employees in the past years:

- 2020:
 - Under 30 years: approximately 28 %
 - 30-50 years: approximately 44 %
 - Over 50 years: approximately 28 %
- 2021:
 - Under 30 years: approximately 27 %
 - 30-50 years: approximately 45 %
 - Over 50 years: approximately 28 %
- 2022:
 - Under 30 years: approximately 28 %
 - 30-50 years: approximately 44 %
 - Over 50 years: approximately 28 %

Key Performance Indicator GRI SRS-406-1: Incidents of discrimination

The reporting organization shall report the following information:

- a.** Total number of incidents of discrimination during the reporting period.
- b.** Status of the incidents and actions taken with reference to the following:
- i.** Incident reviewed by the organization;
 - ii.** Remediation plans being implemented;
 - iii.** Remediation plans that have been implemented, with results reviewed through routine internal management review processes;
 - iv.** Incident no longer subject to action.

Discrimination and related incidents are not known in the company. Due to the value orientation in the company and the principles of conduct to be observed, a collegial, appreciative interaction is ensured.

Criterion 17 concerning RESPECT FOR HUMAN RIGHTS

17. Human Rights

The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.

Goals for respecting human rights

Ensuring the rights of employees is a matter of course for Fagus-GreCon and a basic prerequisite for a successful business. The company is also aware of its responsibility for the supply chain.

Compliance with human rights is ensured by:

- VDMA-ZVEI Code of Conduct
- Supplier Code of Conduct
- Direct communication with suppliers

In addition to its sites in Germany, Fagus-GreCon operates further sites in Brazil, China, France, Great Britain, Thailand and the USA. As all these locations are directly controlled by Fagus-GreCon and the same standards apply as in the German locations, the risk of human rights violations in the factories is rather low.

Fagus-GreCon knows it is responsible for the upstream and downstream supply chain. Even if its influence is limited, its ambition is to work with suppliers, service providers and customers to enforce sustainable standards along the value chain.

In addition, the Supply Chain Duty of Care Act will also play an important role for Fagus-GreCon in the coming years. However, the company is currently not yet covered by the legal obligation. Nevertheless, as a direct supplier to many obligated customers, it already affects the company. Therefore, the company will continue to prepare for this in the coming period.

When is it planned to reach the target?

The topic of the supply chain is to be taken up again more intensively in the future. To safeguard the supply chain about sustainability aspects, a self-declaration on the Supplier Code of Conduct will be required from new suppliers as well as existing customers from risky regions from 2023 onwards. The exchange with suppliers on sustainability topics will be sought more intensively.

Goals

The definition of goals and processes for this part of our sustainability strategy is still under development. At this point in time, we aim to be able to report in more detail on the goals and goal fulfilment in the next reporting year.

As part of the process definition, we will identify, analyse and evaluate the greatest risks and then determine how we will deal with these risks (assume, reduce, transfer or avoid) and document them centrally within our management software. In regular audits, there will be an exchange between the respective process owners, who have yet to be defined, and the management circle, including the executive board.

Key Performance Indicators to criteria 17

Key Performance Indicator GRI SRS-412-3: Investment agreements subject to human rights screenings

The reporting organization shall report the following information:

a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

b. The definition used for ‘significant investment agreements’.

Compliance with human rights is currently made mandatory by the VDMA-Zvei Code of Conduct between Fagus-GreCon and its suppliers, which has already been described. The main investment projects carried out in 2022 were realised with partners from Germany. It was, therefore, possible to refrain from a more intensive examination of the human rights situation.

Key Performance Indicator GRI SRS-412-1: Operations subject to human rights reviews

The reporting organization shall report the following information:

a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

In addition to its operations in Germany, the company Fagus-GreCon operates further operations in Brazil, China, France, Great Britain, Thailand and the USA. As all these production sites are directly controlled by Fagus-GreCon and the same standards apply as in the German sites, the risk of human rights violations in the factories is assessed as rather low. For this reason, no review of the operating sites for human rights violations was carried out.

Key Performance Indicator GRI SRS-414-1: New suppliers subject to social screening

The reporting organization shall report the following information:

a. Percentage of new suppliers that were screened using social criteria.

The Supplier Code of Conduct is currently being finalised, so no number can be provided at this time.

Key Performance Indicator GRI SRS-414-2: Social impacts in the supply chain

The reporting organization shall report the following information:

a. Number of suppliers assessed for social impacts.

b. Number of suppliers identified as having significant actual and potential negative social impacts.

c. Significant actual and potential negative social impacts identified in the supply chain.

d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.

e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

a. Sustainability criteria will be reviewed for direct (called "Tier 1") and commercially relevant suppliers from the beginning of 2023. Our most important suppliers (A- and B-suppliers measured by turnover) and suppliers from "critical" regions will then have our Supplier Code of Conduct imposed on them, according to which they must act. Compliance will be checked, for example, through audits of the suppliers. Furthermore, it will be checked whether suppliers have an ISO 14001 certificate, for example.

b.-c. No known negative cases are based on the conversations, observations or reports made. The type and depth of information gathering are further refined here.

Criterion 18 concerning SOCIAL MATTERS

18. Corporate Citizenship

The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

Contribution to the community in the region

The company's headquarters, the UNESCO World Heritage Fagus factory, is a cultural facility within an industrial enterprise that creates a sense of identification and is unique in the world. The factory, which Walter Gropius built in Alfeld in 1911, is considered a milestone of Bauhaus architecture and has been a UNESCO World Heritage Site since 2011.

The Fagus factory has been a listed building since 1946. To this day, the building houses the Fagus-GreCon company. The building is open to the public. A centre for visitors provides information about the history of the building with a multimedia exhibition and invites visitors to explore other World Heritage sites on a media wall. In addition, the Fagus-Gropius exhibition in the former warehouse for shoe lasts provides insights into the working world at the Fagus factory. On five floors, it informs about the company's history and industrial solid wood processing and shoe fashion through the ages. The Fagus Gallery, in turn, presents special exhibitions on topics from the world of art and design.

In addition to the special exhibitions, various cultural events occur in the production hall - characterised by the unique world heritage atmosphere.

Furthermore, the Fagus-Werk offers exceptional conference and event facilities in a unique atmosphere.

Planned measures and strategies

On the one hand, the company has anchored in its VISION2030 that the UNESCO World Heritage Site "Fagus-Werk" should be a cultural facility in ongoing industrial operations that creates identification and is unique worldwide. In addition, its attractiveness - especially for younger target groups - will be successively increased, for example, through its implementation as a supra-regional training location. The certification of the "Service Qualität Deutschland" (Service Quality Germany) seal by the German Tourism Association in 2022 represents another milestone for Alfeld as a cultural location.

In addition to the revitalisation of the Fagus-GreCon exhibition, external presentations and a rich calendar of events in 2023, an open-air rock concert will be held for the first time in May 2023. With this event format, the cultural enterprise addresses a new target group and, in this way, integrates regionally known bands into its event plans.

Dialogues with individuals, institutions and associations at municipal and regional level

In 2022, more than 11,000 visitors experienced the special World Heritage atmosphere. During almost 400 guided tours and more than 50 events, private celebrations and conferences, there have been repeated dialogues with visitors, representatives of institutions and associations at a local or regional level, and with politicians.

Furthermore, Fagus-GreCon and its staff are involved in various regional associations and societies. They support voluntary activities through the company's flexible working time models.

Goals

The definition of goals and processes for this part of our sustainability strategy is still under development. At this point in time, we aim to be able to report in more detail on the goals and goal fulfilment in the next reporting year.

As part of the process definition, we will identify, analyse and evaluate the greatest risks and then determine how we will deal with these risks (assume, reduce, transfer or avoid) and document them centrally within our management software. In regular audits, there will be an exchange between the respective process owners, who have yet to be defined, and the management circle, including the executive board.

Key Performance Indicators to criteria 18

Key Performance Indicator GRI SRS-201-1: Direct economic value generated and distributed

The reporting organization shall report the following information:

a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:

- i.** Direct economic value generated: revenues;
- ii.** Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;
- iii.** Economic value retained: 'direct economic value generated' less 'economic value distributed'.

b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.

Fagus-GreCon Greten GmbH & Co. KG, is included in the consolidated financial statements of Fagus-GreCon Greten GmbH & Co. KG. The exemption from the obligation to prepare annual financial statements in accordance with the regulations applicable to corporations is used in accordance with § 264 b HGB. The consolidated financial statements can be viewed at any time at <https://www.bundesanzeiger.de>.

Criteria 19–20 concerning ANTI-CORRUPTION AND BRIBERY MATTERS

19. Political Influence

All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

Relevant legislation

To date, Fagus-GreCon is not involved in any legislative process. The company articulates its interests through its association memberships.

Political influence

The associations of which Fagus-GreCon is a member represent the interests of their members in economic and social policy or campaign for an improvement in the political and economic framework conditions.

Party donations

Fagus-GreCon is not involved in politics and does not maintain any political memberships. No party donations were made during the reporting period.

Lobbying processes

Fagus-GreCon is not involved in any lobbying processes.

Membership fees

Fagus-GreCon is a member of the following associations, either directly or through its employees:

- Verein für Technische Holzfragen
- tekomp e.V.
- EHEDG
- bvfa Bundesverband Feuerlöschgeräte und -anlagen e.V.
- FSA Forschungsgesellschaft für angewandte Systemsicherheit
- EUSAS e.V.
- IFF Internationale Forschungsgemeinschaft Futtermitteltechnik e.V.
- DSIV e.V. Dt. Schüttgut-Industrie Verband e.V.
- AWT Arbeitsgemeinschaft Wärmebehandlung Werkstofftechnik e.V.
- IND EX Intercontinental Association of Experts for Industrial Explosion
- WFZ Ruhr e.V.
- Vereinigung zur Förderung des Deutschen Brandschutzes
- HDS-L Bundesverband der Schuhindustrie
- Fashion Trend Pool
- Verein zur Förderung der Normung im Bereich Holzwirtschaft und Möbel e.V.
- GGM Gütegemeinschaft Mineralwolle e.V.
- EPF Europäischer Holzwerkstoffverband
- FSKZ e.V.
- b-wise GmbH Wissen und Service
- Wirtschaftskreis Lüdenscheid
- VDMA
- Marketing-Club
- Wirtschaft für Südwestfalen e.V.
- Arbeitgeberverband e.V.
- Weserbergland Aktiengesellschaft
- Südniedersachsen Stiftung

- Bundesverband Fuhrparkmanagement e.V.
- Leineverband
- Forstbetriebsgemeinschaft Südhannover w.V.
- Bauhaus-Archiv e.V.
- Verein Pro Leinebergland e.V.
- Heimatverein Gerzen
- Industrieverein Kreis Alfeld e.V.
- Industrie- und Handelskammer Hannover-Hildesheim
- Forum Alfeld Aktiv e.V.
- Institut der Norddeutschen Wirtschaft e.V.
- Weserbergland Aktiengesellschaft
- VHI-Verband der Deutschen Holzwerkstoffindustrie e.V.
- Südwestfälische Industrie- und Handelskammer zu Hagen
- IHK Nürnberg für Mittelfranken
- BVMW Unternehmerverband Deutschlands e.V.
- UNESCO-Welterbestätten Deutschland e.V.
- Region Leinebergland e.V.

Donations to governments, parties or politicians

No, Fagus-GreCon does not pay any donations to governments, parties or politicians.

Political engagement

Fagus-GreCon shows no political commitment.

Member of political organisations

Fagus-GreCon is not a member of any politically active organisations.

Key Performance Indicators to criteria 19

Key Performance Indicator GRI SRS-415-1: Political contributions

The reporting organization shall report the following information:

a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.

b. If applicable, how the monetary value of in-kind contributions was estimated.

There were no party donations or in-kind contributions in 2021 and 2022.

20. Conduct that Complies with the Law and Policy

The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

Prevention of illegal behaviour

"Our thinking and actions are geared towards the long term and sustainability". With this guiding principle from VISION2030, the company aims to secure both long-term business success and a future worth living for generations to come.

The principles of conduct and standards resulting from this commitment are reflected in the VDMA-ZVEI Code of Conduct, which was developed by the VDMA and ZVEI associations with member companies across all sectors. This code of conduct includes the points "Corruption", "Fair Competition" and "Prevention of Money Laundering".

Fagus-GreCon signed and introduced this voluntary self-declaration as binding for the companies in 2022.

The guidelines resulting from this code, such as purchasing and signature guidelines, but also principles of conduct, such as the "4-eyes-principle", are part of the management manual and are regularly reviewed as part of the ISO 9001 audit.

In the area of finance, the company has a comprehensive internal control system, which the auditors review as part of the annual audit.

Currently, a service of SENTITEC GmbH is also used, which provides Fagus-GreCon with a legal register.

Implementation

Regular training sessions are held on compliance issues and the whistle-blower system.

Consequences of non-compliance

An important component of the process is the whistle-blower procedure, also introduced in 2022, with the possibility of anonymously submitting a report on illegal, immoral or illegitimate conduct to the established internal reporting office, both for employees and other stakeholders. This reporting centre is

operated by the external service provider DatCon GmbH.

Here, in addition to the proactive review of processes described in the audit, the company follows up reactively - based on indications or conspicuities.

Responsibility for compliance

Compliance is a top priority at Fagus-GreCon and is the responsibility of Managing Director Michael Gawronski. He is supported by the Coordinator for Compliance & Sustainability, Jörg Grote.

Goals

The definition of goals and processes for this part of our sustainability strategy is still under development. At this point in time, we aim to be able to report in more detail on the goals and goal fulfilment in the next reporting year.

As part of the process definition, we will identify, analyse and evaluate the greatest risks and then determine how we will deal with these risks (assume, reduce, transfer or avoid) and document them centrally within our management software. In regular audits, there will be an exchange between the respective process owners, who have yet to be defined, and the management team, including the executive board.

Due to its business model, Fagus-GreCon is only exposed to general risks in relation to corruption and bribery.

Key Performance Indicators to criteria 20

Key Performance Indicator GRI SRS-205-1: Operations assessed for risks related to corruption

The reporting organization shall report the following information:

- a.** Total number and percentage of operations assessed for risks related to corruption.
- b.** Significant risks related to corruption identified through the risk assessment.

The management is in regular and close contact with the respective companies, and the Finance department carries out regular risk management of accounting risks for all locations/participations, so that a separate audit for compliance with corruption risks does not currently appear to be necessary.

Key Performance Indicator GRI SRS-205-3: Incidents of corruption

The reporting organization shall report the following information:

- a.** Total number and nature of confirmed incidents of corruption.
- b.** Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
- c.** Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.
- d.** Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

There are no known incidents of corruption.

Key Performance Indicator GRI SRS-419-1: Non-compliance with laws and regulations

The reporting organization shall report the following information:

- a.** Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
 - i.** total monetary value of significant fines;
 - ii.** total number of non-monetary sanctions;
 - iii.** cases brought through dispute resolution mechanisms.
- b.** If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.
- c.** The context against which significant fines and non-monetary sanctions were incurred.

There were no known cases of fines.

Overview of the GRI indicators in the Sustainable Code declaration

In this Sustainable Code declaration, we have reported according to the "comply or explain" principle on the GRI indicators listed below. This document refers to the GRI Standards 2016, unless otherwise noted in the table.

Areas	Sustainable Code criteria	GRI SRS indicators
STRATEGY	1. Strategic Analysis and Action 2. Materiality 3. Objectives 4. Depth of the Value Chain	
PROCESS MANAGEMENT	5. Responsibility 6. Rules and Processes 7. Control	GRI SRS 102-16
	8. Incentive Systems	GRI SRS 102-35 GRI SRS 102-38
	9. Stakeholder Engagement	GRI SRS 102-44
	10. Innovation and Product Management	G4-FS11
ENVIRONMENT	11. Usage of Natural Resources 12. Resource-Management	GRI SRS 301-1 GRI SRS 302-1 GRI SRS 302-4 GRI SRS 303-3 (2018) GRI SRS 306-2 (2020)*
	13. Climate-Relevant Emissions	GRI SRS 305-1 GRI SRS 305-2 GRI SRS 305-3 GRI SRS 305-5
SOCIETY	14. Employment Rights 15. Equal-Opportunities 16. Qualifications	GRI SRS 403-4 (2018) GRI SRS 403-9 (2018) GRI SRS 403-10 (2018) GRI SRS 404-1 GRI SRS 405-1 GRI SRS 406-1
	17. Human Rights	GRI SRS 412-3 GRI SRS 412-1 GRI SRS 414-1 GRI SRS 414-2
	18. Corporate-Citizenship	GRI SRS 201-1
	19. Political Influence	GRI SRS 415-1
	20. Conduct that Complies with the Law and Policy	GRI SRS 205-1 GRI SRS 205-3 GRI SRS 419-1

*GRI has adapted GRI SRS 306 (Waste). The revised version comes into force on 01.01.2022. In the course of this, the numbering for reporting on waste generated has changed from 306-2 to 306-3.