

# Declaration of conformity 2023

---

Fagus-GreCon Greten GmbH &  
Co. KG

---

Indicator set

GRI SRS

Contact

Coordinator for Compliance &  
Sustainability  
Jörg Grote

Hannoversche Straße 58  
31061 Alfeld (Leine)  
Germany

+49 5181 79 - 0  
[nachhaltigkeit@fagus-grecon.com](mailto:nachhaltigkeit@fagus-grecon.com)



## Indicator set

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

GRI SRS

# Table of contents

## General

General Information

## CRITERIA 1–10: SUSTAINABILITY POLICY

### 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
  - Key Performance Indicators (5-7)
8. Incentive Systems
  - Key Performance Indicators (8)
9. Stakeholder Engagement
  - Key Performance Indicators (9)
10. Innovation and Product Management
  - Key Performance Indicators (10)

## CRITERIA 11–20: SUSTAINABILITY ASPECTS

### Environment

11. Usage of Natural Resources
12. Resource Management
  - Key Performance Indicators (11-12)
13. Climate-Relevant Emissions
  - Key Performance Indicators (13)

### Society

14. Employment Rights
15. Equal Opportunities
16. Qualifications
  - Key Performance Indicators (14-16)
17. Human Rights
  - Key Performance Indicators (17)
18. Corporate Citizenship
  - Key Performance Indicators (18)
19. Political Influence
  - Key Performance Indicators (19)
20. Conduct that Complies with the Law and Policy
  - Key Performance Indicators (20)

Date: 2023, source: company data.  
The reporting company is responsible  
for the information provided.

The data is provided for information  
purposes only. Please also note the  
disclaimer at  
[www.nachhaltigkeitsrat.de/  
impressum-und-datenschutzerklaerung](http://www.nachhaltigkeitsrat.de/impressum-und-datenschutzerklaerung)

Downloaded from  
[www.nachhaltigkeitsrat.de](http://www.nachhaltigkeitsrat.de)

---

# 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 its headquarters in Alfeld/Hanover. The GreCon product brand is one of the leading brands in the manufacture and development of fire protection and measuring technology systems for applications in numerous industries, such as the wood-based panel industry. The Fagus shoe lasts and molds business unit is one of the leading suppliers to the shoe industry thanks to its unique combination of design, lasts and molds. All business units operate worldwide and offer local customer service. Built in 1911 by architect Walter Gropius, the Fagus factory is one of the first examples of modern architecture and was declared a UNESCO World Heritage Site in 2011. As at December 31, 2023, the Group had 638 employees worldwide and 448 employees in Germany, 402 of whom worked at the Alfeld (Leine) site and 30 at the Lüdenscheid site.

# 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 concept of sustainability**

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 pursues the triple bottom line approach. Essentially, this approach states that sustainability requires a lasting balance between the three "Ps" (PROSPERITY, PLANET, PEOPLE). However, this also means that Fagus-GreCon's success is measured not only in purely economic terms, but also in terms of the ecological and social environment and the associated added value.

#### **Our central fields of action**

A materiality analysis was carried out in 2022 to define the key areas of action for the company. The materiality analysis can be used to identify influences that Fagus-GreCon has on its environment - as well as influences that the environment has on Fagus-GreCon. Fagus-GreCon has used the Sustainable Development Goals of the United Nations as a guide to identify key areas of action. Specifically, we refer to a total of five goals for which we as a company can either make a major positive contribution or which have a major negative impact on people, society and the environment:

- Health and well-being
- Affordable and clean energy
- Industry, innovation and infrastructure
- Sustainable consumption and production
- Climate protection measures

Specific topics were derived from these five fields of action as part of an internal stakeholder survey.

#### **What standards and goals are the strategy based on?**

- Fagus-GreCon's reporting is based on the German Sustainability Code and the 17 Sustainable

Development Goals of the United Nations.

- The performance indicators mentioned in the sustainability reporting are based on the GRI standards.
- A carbon footprint in accordance with DIN ISO 14064-1 was prepared for the first time in 2022 using the “ecockpit” tool, which contains 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 operates - for the respective business units - in specific areas of tension. In these areas of tension, the challenge is to strike a balance between ecological, economic and social aspects for the company's various stakeholders. In the political environment, the company is faced with a whole series of legal requirements that must be integrated into the company's processes and fulfilled (for example, the Supply Chain Duty of Care Act or the General Data Protection Regulation). From a socio-economic perspective, Fagus-GreCon is subject to direct demographic changes - the shortage of skilled workers is making recruiting on the labor market more difficult. Ultimately, the labor market is developing ever faster into an employee market in which the issue of sustainability is also becoming increasingly important. On the one hand, the current developments in the energy sector are giving rise to special ecological features. On the other hand, the topic of “available and affordable energy” has moved into focus both within the company and among customers.

The circular economy offers internal opportunities to reduce costs through resource efficiency and waste minimization, promotes innovation and competitive advantages, minimizes risks in the event of resource scarcity, strengthens brand reputation through sustainable action and facilitates compliance with regulatory requirements, which increases the future security and competitiveness of the company. Furthermore, this growing sector also offers an important opportunity for the Fire Protection business unit.

The measurement technology products also promote resource-conserving work by offering precise measurement technology that minimizes material waste and increases efficiency in production processes. By optimizing the use of resources and energy consumption, these technologies help companies to operate more sustainably and reduce their ecological footprint, thereby generating growing added value.

### **The path to the key sustainability aspects**

Issues that are of high importance to stakeholders and have a high economic, ecological and social

impact on Fagus-GreCon's business activities are material and therefore part of the sustainability strategy. Through the materiality analysis, Fagus-GreCon ensures that sustainable development is handled efficiently by focusing on these topics and taking limited capacities into account.

The 17 Sustainable Development Goals were prioritized for the definition of material sustainability goals. The 17 goals were categorized in the matrix under the following aspects:

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

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

- Health and well-being
- Affordable and clean energy
- Industry, innovation and infrastructure
- Sustainable consumption and production
- Climate protection measures



**Sub-themes have been identified for these goals:**

- **Health and well-being**
  - Availability of healthy food from the region
  - Company health management
  - Reduction of air emissions
  - Transparency of products
- **Affordable and clean energy**
  - Reduction of energy consumption
  - Procurement from renewable sources
- **Industry, innovation and infrastructure**
  - Customer support in the use of resources
  - Digitalization in the company
  - Innovative closing of the material cycle
  - Use of fewer resources
- **Sustainable 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 protection measures**
  - Use of energy-efficient and low-emission machines
  - Production of climate-neutral products
  - Increase in local public transport

An internal stakeholder survey was conducted to determine how relevant these sub-topics are for the respective interest groups. For this purpose, a selection of company employees took on the role of external stakeholders. In the survey, the identified sub-topics were assessed for the five largest fields of action. The assessment was made on a scale from 1 (not important) to 5 (very important). The calculation of the mean value of the respective sub-topics provided information on the general importance for the stakeholders.

The subsequent **PESTEL analysis** of these sub-topics finally provided a classification of the materiality of the economic, environmental and social impact of our business activities. The sub-topics with the highest relevance for stakeholders and the highest materiality of the economic, environmental and social impact of our business activities form the focal points of sustainability development. They will be prioritized in the coming years.

The materiality matrix identifies the most important sub-topics that have a positive impact on the company and its environment.

**The material sub-topics are as follows:**

1. Reduction of energy consumption
2. Innovative closure 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. Procurement from renewable sources
7. Digitalization in the company
8. Customer support in the use of resources
9. Increasing the proportion of recycled content in products
10. Extending the use phase of products

Goals 1-6, which our stakeholders consider to be material, largely affect the environment of Fagus-GreCon and are therefore to be regarded as inside-out, while goals 7-10, which affect the company, are to be regarded as outside-in.

**Opportunities and risks for dealing with sustainability aspects**

Fagus-GreCon is exposed to 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 of regulations and compliance with additional laws and guidelines are



particularly risky. However, there are also opportunities for the company. If the key areas of action are successfully addressed, there is great potential to strengthen customer and employer attractiveness and develop new business models.

All relevant aspects relating to opportunities and risks, which have already been and will be developed 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 Action Field and Goal	Implementation Timeframe	Status	Planned Measures	References to DNK Criteria and SDG Goals
<b>Advancement of Sustainability Strategy</b> and Integration into Existing Management Systems	2 years	In Progress	Execution of the "CSRD-Readiness" project with an external consultant regarding disclosure obligations from financial year 2025	Criterion 1: Strategic analysis and measures  Criterion 2: Materiality
<b>Enhancement of Sustainability Reporting</b> in Line with Upcoming EU Reporting Requirements	2 years	In Progress	Execution of the "CSRD-Readiness" project with an external consultant regarding disclosure obligations from financial year 2025	Criterion 1: Strategic analysis and measures  Criterion 20: Compliance with laws and regulations
<b>Increasing sales through innovative products and new business models</b> <ul style="list-style-type: none"> <li>Digitalization in the company</li> <li>Innovative closure of the material cycle</li> <li>Customer support in the use of resources</li> <li>Extending the use</li> </ul>	2-3 years	In Progress	Workshop	Criterion 10: Innovation and product management  SDG 9: Industry, innovation and infrastructure  SDG 12: Sustainable consumption and production

<p>phase of products</p> <ul style="list-style-type: none"> <li>Increasing the proportion of recycled materials in products</li> </ul>				
<p><b>Expansion of the existing DIN ISO 9001 management system</b> to include DIN ISO 14001:2015 environmental management, DIN 5001-2018 energy management</p>	By 2024	In Progress		<p>Criterion 6: Rules and processes</p> <p>Criterion 20: Conduct that complies with laws and regulations</p> <p>SDG 7: Affordable and clean energy</p> <p>SDG 12: Sustainable consumption and productionSDG 15: Life on land</p>
<p><b>Expansion of the existing management system to include DN ISO 45001</b> occupational health and safety management system</p>	3 years	Planned		<p>Criterion 6: Rules and processes</p> <p>Criterion 20: Conduct that complies with laws and regulations</p> <p>SDG 3: Good health and well-being</p>
<p><b>Reduction of CO<sub>2</sub>, Emissions from Scope 1 and Scope 2 at the Alfeld Site by 40% by 2032 Compared to the 2021 Baseline</b></p> <ul style="list-style-type: none"> <li>Sourcing from Renewable Energy Sources</li> <li>Reduction of Energy Consumption</li> <li>Use of Energy-efficient and Low-emission Machines</li> <li>Reduction of Air Emissions</li> </ul>	By 2032	In Progress	<p>Expansion of the PV system by 137.6 kWp on the company premises</p> <p>Introduction of an energy-efficiency bonus in the area of new fleet procurement</p>	<p>Criterion 12: Resource management Criterion 13: Climate-relevant emissions SDG 3: Good health and well-being SDG 7: Affordable and clean energy SDG 13: Climate action</p>

<ul style="list-style-type: none"> <li>• Raising Awareness for Waste Separation and Avoidance</li> </ul>				
--	--	--	--	--

**Fields of Action Derived from Stakeholder Analysis and Materiality Matrix are Assigned to the Following Planned Measures:**

- **Workshop "Design Thinking Meets Sustainability"**

- Raising awareness for waste separation and prevention
- Digitalization within the company
- Innovative closure of material cycles – 9R
- Customer support in resource utilization
- Extension of product usage phases
- Increase in the recycling content of products

- **Transformation Concept**

- Sourcing from renewable sources
- Reduction of energy consumption
- Use of energy-efficient and low-emission machines

- **Workshop on "Mobility"**

- Reduction of air emissions

**Goals with a high priority**

Due to the previous energy crisis and its high economic and ecological contribution, Goal 7 "Affordable and clean energy" of the United Nations has a higher priority. Due to the introduction of the Supply Chain Duty of Care Act and the upcoming reporting obligation, areas of action aimed at criterion 6 ("Rules and processes") and criterion 20 ("Laws are compliant") are also prioritized. Furthermore, the following results of the materiality analysis have been included in the target prioritization:

- Reduction of energy consumption
- Innovative closure of the material cycle
- Raising awareness about waste separation and waste avoidance
- Digitalization 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 content in products

- Procurement from renewable sources

**Responsibility and monitoring of target achievement**

The sustainability team coordinates the company's sustainability activities and therefore also compliance with the sustainability targets. This interdisciplinary team is led at an operational level by the Compliance & Sustainability Coordinator. In his role, he reports directly to the Management Board, which bears overall responsibility for sustainability. Activities and targets are evaluated at a monthly meeting. On the other hand, the results are presented to the management team, which is made up of management, business and service unit managers. In addition, employees are informed of the target achievement status via their multipliers at the monthly CSR team meeting.

**Reference to the Sustainable Development Goals**

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

- Health and well-being
- Affordable and clean energy
- Industry, innovation and infrastructure
- Sustainable consumption and production
- Climate protection measures

## 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**

The following value creation links are located within the company for the manufacturing sector:

- Product management
- Research & development
- Distribution
- Procurement
- Production & Logistics
- Installation & Commissioning
- Service & Maintenance

In most cases, Fagus-GreCon supports its installed systems over the entire product life cycle - in some cases right through to disposal. The location of all relevant links in the value chain that are directly involved in this product life cycle is structured within the Group.

As of December 31, 2023, Fagus-GreCon currently employed 638 people worldwide at the Alfeld (Leine) site and 448 people in Germany, 402 of whom worked at the Alfeld (Leine) site and 30 at the Lüdenschaid site. The company is one of the largest employers in the region and therefore acts as a role model. 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 employee rights are ensured by a comprehensive system of collective agreements.

#### **The depth of the value chain for checking sustainability criteria**

Production takes place largely at the sites in Alfeld (Leine) and Lüdenschaid. Here, the focus is on environmentally and climate-friendly production machinery.

Fagus-GreCon sources around 95% of all raw materials and components from countries in the EU, the UK or the USA - around 90% of which come directly from Germany.

The topic of the supply chain will be increasingly addressed in the future. Sustainability criteria have been reviewed for direct (so-called "Tier 1") and economically relevant suppliers since the beginning of 2023. The most important suppliers (A and B suppliers, measured by turnover) and suppliers from "critical" regions will be required to accept the Supplier Code of Conduct for future collaboration, according to which they must act. Compliance is checked by means of product and process audits at our suppliers, among other things. Fagus-GreCon also checks whether suppliers have an ISO 14001 certificate, for example.

#### **Key Sustainability Aspects for Process Steps**

Sustainability management regarding value creation is currently still in development. A joint workshop on "Design Thinking Meets Sustainability" is planned for this purpose. The following sustainability aspects are already being considered in the individual process steps:

- **Product Management/Research & Development**

- Examination of hazardous substances already in use
- Development in compliance with all current and future laws, regulations, and standards
- Durable design of products
- Development of service concepts to extend product longevity
- Ease of maintenance

- **Procurement**

- Paperless communication
- Sustainability aspects are considered in the procurement of new systems and capital goods
- Supplier selection in compliance with the Supplier Code of Conduct starting from 2023

- **Production & Logistics**

- Waste separation by material type where possible

- Compliance with all valid regulations
- Investments in new technologies
- Use of environmentally friendly packaging materials and switching to recycled packaging materials where possible
- Consolidated deliveries
- **Installation & Commissioning**
  - Decentralization of field service technicians
  - Efforts to avoid star-shaped travel routes
  - Realizing a "Plug & Play" approach
- **Service & Maintenance**
  - Extending system lifespan through regular/planned maintenance and servicing
  - Decentralization of field service technicians

**Known social and environmental problems within the process steps**

To date, there are no known social and ecological 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 company's sustainability activities and therefore also compliance with sustainability targets. This interdisciplinary team is led at an operational level by the Compliance & Sustainability Coordinator. In his role, he reports directly to the Management 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. Sustainability issues are regularly monitored within the management circle.

The sustainability team (**CSR team**) - which is made up of interdisciplinary members from all areas of the company - meets on a monthly basis to coordinate current measures and objectives, provide new impetus and provide cross-divisional support during implementation. The CSR team also acts as a multiplier in the individual divisions to ensure that the topic of sustainability is integrated into day-to-day activities.

In order 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 compliance training sessions
- Quality management manual including guidelines, work instructions, and process

instructions

- **PLANET**

- DIN EN ISO 14001:2015 Environmental Management System (in development)
- DIN EN ISO 50001:2018 Energy Management System (in development)
- Quality management manual including guidelines, work instructions, and process instructions

- **PEOPLE**

- EPLAS Occupational Health and Safety Management System
- Regular training sessions
- Annual feedback discussions with employees
- Guidelines, work instructions, and process instructions
- Quality management manual including guidelines, work instructions, and process instructions

Additionally, the online learning platform Moodle is used to provide employees with regular training on current topics. The tool's evaluation features allow the percentage of employees who have completed the required training to be monitored at any time.

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

## 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**

In order to monitor sustainability performance in the best possible way, an internal dashboard will be used in future to record and illustrate the relevant sustainability indicators and their development. In addition to the visual representation of deviations, strategic success will also be measured and regularly monitored. This enables data-based decision-making, which helps to plan and implement sustainable strategies in a targeted manner. This makes it an important tool for improving sustainability performance and achieving a positive impact on the environment and society in the long term.

### **Ensuring quality**

Fagus-GreCon 2022 was advised by pbr.NETZenergie GmbH on the creation of performance indicators in relation to CO<sub>2</sub> emissions. The agency also provided support in the initial preparation of



the ECO balance sheet, which is now compiled and prepared internally on an annual basis. The performance indicators of criteria 11-13 are taken into account for the balance sheet. The knowledge base resulting from the consultation was used to prepare the 2023 eco-balance. The eco-cockpit tool from Effizienz-Agentur NRW is used to create the carbon footprint. These calculations are based on the CO<sub>2</sub> equivalents of the "Information sheet CO<sub>2</sub> factors" for 2023 from the Bafa (Federal Office of Economics and Export Control). As far as possible, invoices from suppliers and internally and subsequently documented calculation methods are used as the data basis, which serve the goal of determining data as accurately as possible.

Furthermore, the dual control principle is an essential component of the company's internal control mechanisms and is used as a measure to minimize risk and ensure quality, and therefore also for plausibility checks. The principle is applied to ensure that all critical decisions, approvals and processes are checked and confirmed independently by at least two people. This significantly reduces the risk of human error, fraud and misuse.

## 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.

a.

The values of Fagus-GreCon are reflected in the guiding principles of VISION2030.

#### **Guiding Principles of VISION2030:**

- As a learning organization, we create the necessary framework for profitable growth to secure our autonomy.
- With the help of our core competencies and our comprehensive service and consulting offerings, we contribute to the success of our customers as a strategic partner.
- Through our broad and clearly structured product and service portfolio, as well as our focus on competitive products, we are able to offer one-stop solutions that increase customer loyalty.
- Our thinking and actions are long-term and sustainable. We focus on holistic solutions for our customers and are valued for our analytical and process expertise.
- Innovation has been our tradition! This makes us a recognized innovation leader in our core markets through the use of advanced technologies.
- Since 1911, Fagus-GreCon has been an independent family business and an internationally leading brand.
- The UNESCO World Heritage Fagus Factory, as a cultural enterprise within an industrial

operation, is unique worldwide and provides a strong sense of identity.

- We are known as a strong and progressive employer brand. As a value-based and strategically managed company, our employees are at the center of what we do. This ensures our future viability.

Fagus-GreCon has adopted the VDMA-ZVEI Code of Conduct, thereby emphasizing its commitment to the principles outlined in this code of conduct.

In terms of management systems, the company is certified according to DIN EN ISO 9001:2015 in conjunction with DIN EN ISO/IEC 80079-34. Additionally, the requirements of DIN EN ISO 14001, DIN EN ISO 50001, and DIN EN ISO 27001 are taken into account.

Fagus-GreCon is currently in the process of developing an integrated management system, which will include components for environmental management in accordance with DIN EN ISO 14001:2015 and energy management according to DIN EN ISO 50001:2018.

The goal is to complete the implementation by early 2024, so that the entire integrated management system can undergo external certification later in 2024. During the implementation process, the company is supported by an external service provider, SENTITEC.

In the medium term, the company plans to incorporate occupational health and safety management according to DIN ISO 45001:2018 into 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. Fagus-GreCon does not currently have a formal remuneration system that systematically takes sustainability targets into account. This issue is to be addressed in the long term, for example by introducing an energy efficiency bonus for new vehicle fleet orders. A new incentive system based on the management-by-objectives principle is also to be introduced for the first time in 2025. Individual target agreements will be made, which - in addition to economic key figures - may also include sustainability aspects. Due to ongoing coordination processes and necessary conceptual preparatory work, no specific quantitative target values or deadlines can be published at present.

## 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.

The company Fagus-GreCon is subject to the **in-house collective agreement between IG Metall Niedersachsen and the company**. For reasons of competition and confidentiality, no further details are provided.

### 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.

a.

For reasons of competition and confidentiality, no details are provided.

## 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.

### Identification of Stakeholders

The stakeholders of Fagus-GreCon are individuals, groups, and organizations that directly or indirectly influence the company's actions, decisions, or activities. Stakeholders who both influence the company and have an interest in it have been identified as relevant stakeholders by the sustainability team. The identification of stakeholders was derived from the certified management system ISO 9001.

### Relevant Stakeholders

Stakeholder Group	Instruments & Frequency for Stakeholder Engagement
<b>Shareholders</b>	Formal meetings twice a year as part of shareholder or advisory board meetings; ongoing informal contact between shareholders and employees.
<b>Employees</b>	Annual feedback discussions between employees and managers; employee surveys every three years conducted by an independent provider as part of the "Corporate Health Seal."
<b>Suppliers</b>	Ongoing informal contact through the purchasing department, quality assurance agreements, and supplier audits.
<b>Public &amp; Civil Society</b>	Informal exchange through the cultural operations at the UNESCO World Heritage Fagus Factory with residents and representatives of the city, state, and federal government.
<b>Neighbors &amp; Visitors</b>	Informal exchange through the cultural operations at the UNESCO World Heritage Fagus Factory with residents and representatives of the city, state, and federal government.
<b>Customers</b>	Ongoing informal contact through personal discussions with regional sales managers, key account managers, global representatives, internal sales, support hotline, and on-site service technicians; tracking of interests via the CRM system; systematic customer satisfaction analysis; exchange at trade fairs.
<b>Investors</b>	Regular banking days.
<b>Authorities &amp; Legislators</b>	Official reporting at intervals ranging from monthly to annually; inspections at corresponding time intervals.
<b>NGOs</b>	Informal exchange upon request.

### Stakeholder Dialogue

To determine the relevance of the identified prioritization goals, the sustainability team conducted a survey with internal stakeholder representatives in 2022. Shareholders were

represented by management. In this survey, stakeholders evaluated the importance of individual subtopics on a scale of 1-5 (1 = no importance to stakeholders; 5 = very high importance to stakeholders). The resulting average score was incorporated into the assessment.

#### Utilization of Dialogue Results

Subtopics that hold the highest importance for stakeholders in the materiality matrix—considering the significance of economic, environmental, and social impacts—are addressed with higher priority.

#### Key priorities include:

- Reduction of energy consumption
- Innovative closure of material cycles
- Raising awareness about waste separation and waste prevention
- Digitalization within the company
- Extending product usage phases
- Use of energy-efficient and low-emission machinery
- Reduction of air emissions
- Supporting customers in resource usage
- Increasing the recycling share in products
- Procurement 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.

a.

As part of the preparations for the Corporate Sustainability Reporting Directive (CSRD), a new materiality analysis will be carried out in 2024. This analysis serves to identify and prioritize relevant sustainability topics. The updated results and priorities will be published in the next reporting year. As a result, the prioritization of the stakeholder survey continued to be used in 2023.

Topics to which a high weighting has been assigned as a result of the stakeholder survey:

- Reduction of energy consumption
- Innovative closure of the material cycle
- Raising awareness of waste separation and waste avoidance
- Digitalization 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 content in products
- Procurement from renewable sources

i.

The above-mentioned topics have been integrated into the medium and long-term objectives and are taken into account in the sustainability process.

ii.

Stakeholder groups that raised the issues were internal representatives of the:

- Shareholders
- Employees
- Suppliers
- Public & civil society
- Neighbors & visitors
- Customers
- Investors
- Authorities & legislators
- NGOs

## 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 climate?

Climate change, increasingly scarce and therefore more expensive natural resources, an ageing society in Germany and a growing population worldwide require not only new ecological and social solutions, but also sustainable economic concepts. Fagus-GreCon will only be able to master this challenge if the procedures, processes, working environment and products are constantly adapted to 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 relating to the improvement of our products are collected via the respective product groups. Among other things, they are evaluated and prioritized according to the **"BERG"** principles:
  - 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**. The suggestions submitted are discussed and evaluated at each product group meeting. Suggestions are sent directly to the product group manager of the relevant product group.

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

**Feedback meetings** are held once a year. Among other things, these serve to raise awareness and identify interface and process problems. The information obtained, which can lead to improvements, is passed on to HR management.

The **customer satisfaction officer** in the individual organizational units oversees the evaluation of customer satisfaction from the customer service reports. Any shortcomings or potential for improvement that are identified are turned into processes and supported, processed and monitored by an IT system.

The impact of innovation measures on sustainability issues such as energy and resource efficiency is currently being assessed qualitatively. Systematic, quantitative recording - for example in the form of CO<sub>2</sub> savings, material savings or improvements in energy efficiency - is planned in the medium term. The necessary data collection along the value chain and the development of suitable key figures are currently being established.

In the course of the more intensive examination of the determination of Scope 3 emissions planned from 2025, relevant data will be collected for the first time, which will enable a more sound assessment of the effects of innovation. The first quantifiable results are expected as part of the next materiality analysis and the further **development of our internal sustainability controlling**.

Innovation management is a matter for the boss. Top management spends 50% of its working time on innovation. Between **8% and 10% of turnover is spent on product innovations each**

**year.** This innovation quota relates in particular to further developments that address aspects such as energy efficiency, durability and user-friendliness in addition to functionality and quality.

An outstanding example of this is our **FIBERVIEW system**. This optical inline measuring system continuously monitors the fiber quality in MDF production by analyzing the number and size of shives. Through precise monitoring, FIBERVIEW enables optimization of the refiner process, which leads to improved energy efficiency and a reduction in the use of raw materials.

**Involvement of business partners, suppliers etc. in the innovation process** In order to make a contribution to ensuring the success of customers as a strategic partner, a regular exchange with them is necessary. In addition to the informal, regular and direct customer meetings/visits already mentioned, Fagus-GreCon takes part in numerous global trade fairs as an exhibitor and visitor. The CRM system is used to systematically record customer requirements from the outset and take them into account 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, particularly in the area of Bachelor's, Master's and doctoral theses, both the faculties and students as well as Fagus-GreCon and its customers benefit from the resulting knowledge transfer.

The following collaborations have been established 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 development management, the sales management also takes part in a monthly innovation meeting to bring in the customer perspective.

#### **Effects of innovation processes along the value chain**

The innovation and product management process described above ensures the continuous improvement

- the products and services to be provided by Fagus-GreCon
- the internal structural and process organization
- the required technical resources and qualifications of employees
- health, safety and environmental protection
- cooperation with customers and suppliers
- the position of the company on the market
- the profitability of the company

the profitability of the company across the entire value chain. To this end, a management system evaluation is carried out in regular internal and external audits by the management in the presence of 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 evaluated from this perspective. However, we hold financial investments only to a limited extent, as we use our liquid assets to **secure and expand our company's 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.

##### Utilization of resources

The consumption of raw materials and the use of energy in the form of electricity, natural gas and fuel for the vehicle fleet are the main natural resources.

Plastics, paper and cardboard are also used for business activities. More detailed consumption figures can be found in the performance indicators in criteria 11-12.

The most frequently used resources at German locations in 2023 are:

- Fleet fuel = 2,812,041 kWh = 10,123 GJ
  - Diesel = 2,556,915 kWh = 9,205 GJ
  - Petrol = 255,126 kWh = 919 GJ
- Natural gas = 1,108,655 kWh = 3,991 GJ
- Electricity = 982,391 kWh = 3,537 GJ (including PV electricity)

Calculated using the factor 0.0036 GJ/ 1kwh energy. Added to this are the CO<sub>2</sub>-neutral electricity from the photovoltaic system, wood pellets in Alfeld (Leine) and heating oil at the Lüdenscheid site:

- PV electricity = 83,680 kWh = 301 GJ
- Wood pellets = 171,264 kWh = 617 GJ
- Heating oil = 64,370 kWh = 232 GJ

To ensure the comparability of the data from the DNK report 2022, only the consumption of the Alfeld (Leine) site in 2022 is compared with that of 2023 below.

Type of energy	2022	2023	Savings
Fuel	8.145 GJ	9.763 GJ	-
Diesel	-	8.888 GJ	-
Petrol	-	875 GJ	-
Natural gas	4.959 GJ	3.991 GJ	968 GJ
Electric power	3.554GJ	*3.353 GJ	201 GJ

\* including PV electricity

## 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.

### **Targets for resource efficiency**

When using 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 is striving to transform its energy supply and generation with a view to achieving a CO<sub>2</sub>-neutral or self-sufficient energy supply. To this end, a transformation concept was drawn up in accordance with the BAFA 2023 criteria. Furthermore, a 99.2 kWp photovoltaic system was installed at the Alfeld (Leine) site in 2019, which is to be expanded in the future.

### **When is the target planned to be achieved?**

A reduction in CO<sub>2</sub> consumption for fuel, natural gas and electrical energy of at least 40% is planned by 2032.

### **Planned measures and strategies**

The possibility of using a pyrolysis plant for the generation of thermal and electrical energy was examined, but was not deemed appropriate. Alternatively, a connection to the future district heating network of the city of Alfeld and its companies is being pursued in the long term.

### **Were the targets achieved?**

A photovoltaic system with 99.2 kWp was successfully installed in 2023, which is to be expanded by 137.6 kWp in 2024. According to our own calculations, the degree of self-sufficiency should already be 19% in 2024 and increase to 32% in 2025.

### **Significant risks**

There are no risks to the environment for the manufacture of products, as no process heat is used for this. In addition, negative influences will be regularly reviewed in the energy and environmental management system in future. The management system is currently still being developed 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.

a.

i.-ii.

The following materials were used for packaging in 2023

	kg/2022	kg/2023
<b>Renewable</b>		
Wood	101.426	50.144
Cardboard packaging	7.999	7.192
Paper fillers	3.720	3.918
Pressboard	1.080	-
<b>Non-renewable</b>		
Plastic fillers	394	412
Films	701	1.001
<b>Total</b>	<b>115.321</b>	<b>62.665</b>

This data was also reported to the LSN, the State Statistical Office of Lower Saxony, for the survey of packaging not subject to system participation.

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.

Consumption of non-renewable fuels by location in 2023:

Location	Energy type	Consumption 2023	kWh	GJ
Alfeld (Leine)	Diesel fuel from public filling station (l)	246.886	2.468.864	8.888
	Petrol from public filling stations (l)	27.629	243.136	875
	Natural gas (kWh)	1.108.655	1.108.655	3.991
	Electric power (kWh)	847.438	847.438	3.051
Lüdenscheid	Electric power (kWh)	51.273	51.273	185
	Heating oil from own tank (l)	6.437	64.370	232
	Diesel fuel from public filling station (l)	8.805	88.050	317
	Petrol from public filling station (l)	1.362	11.990	43

Total consumption of non-renewable fuels at German locations in 2023:

Standort	Energy type	Consumption 2023	kWh	GJ
Deutsche Standorte	Electric power (kWh)	898.711	898.711	3.236
	Natural gas (kWh)	1.108.655	1.108.655	3.991
	Heating oil from own tank (l)	6.437	64.370	232
	Diesel fuel from public filling station (l)	255.691	2.556.915	9.205
	Petrol from public filling stations (l)	28.992	255.122	918

b.

Total consumption of renewable fuels at German locations in 2023:

	Consumption 2023	Consumption 2023 (kWh)	Consumption 2023 (GJ)
PV electricity (kWh)	83.680	83.680	301
Wood pellets (kg)	35.680	171.264	617

c.

Electricity and heating energy consumption at German locations in 2023:

Location	Energy type	Consumption 2023	kwh	GJ
Deutsche Standorte	Electric power (kWh)	982.391	982.391	3.537
	Natural gas (kWh)	1.108.655	1.108.655	3.991
	Heating oil from own tank (l)	6.437	64.370	232
	PV electricity (kWh)	83.680,00	83.680,00	301
	Wood pellets (kg)	35.680,00	171.264,00	617

d.

The costs of the purchased energy quantities of gas and electricity are passed on to tenants on the company premises on a pro rata basis at cost price, based on actual consumption, **without any profit mark-up**. Unless otherwise stated, these consumption quantities have already been deducted from the total data provided.

e.

The total energy consumption of German locations in 2023 is 18,801 GJ.

Location	Energy type	Consumption 2023	kWh	GJ
Deutsche Standorte	Electric power (kWh)	982.391	982.391	3.537
	Natural gas (kWh)	1.108.655	1.108.655	3.991
	Heating oil from own tank (l)	6.437	64.370	232
	Diesel fuel from public filling station (l)	255.691	2.556.915	9.205
	Petrol from public filling stations (l)	28.992	255.122	918
	PV electricity (kWh)	83.680	83.680	301
	Wood pellets (kg)	35.680	171.264	617
<b>GJ total of all German locations</b>				<b>18.801</b>

f.-g.

The conversions are based on the specific energy content of the fuels shown below and were converted to GJ using a factor of 0.0036.

Specific energy content (kWh)	
Heating oil (l)	10 kWh
Diesel (l)	10 kWh
Petrol (l)	8,8 kWh
Wood pellets (kg)	4,8 kWh

### 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

- Fuel consumption (diesel): +13.54 % (increase)
- Electricity consumption: 1.54 % (reduction)
- Gas consumption: 35.92 % (reduction)

b.

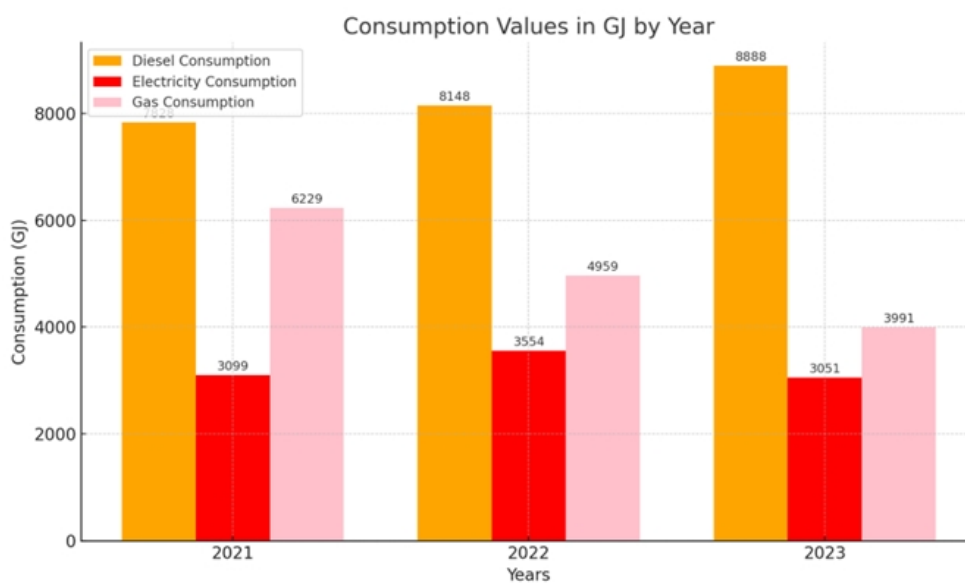
**List of energy types included**

- Fuel
  - Diesel
  - Petrol
- Electricity
- Gas

Comparison of significant consumption of non-renewable fuels at the Alfeld (Leine) site over 3 years:

Year	Category	Consumption (kWh)	Consumption (GJ)
2021	Fuel consumption fleet (diesel)	2.174.540	7.828
	Electricity consumption	860.682	3.099
	Gas consumption	1.730.182	6.229
2022	Fuel consumption fleet (diesel)	2.263.251	8.148
	Electricity consumption	987.281	3.554
	Gas consumption	1.314.742	4.959
2023	Fuel consumption	2.712.000	9.763
	- Diesel*	2.468.864	8.888
	- Petrol*	243.136	875
	Electricity consumption **	847.438	3.051
	Gas consumption	1.108.655	3.991

\* Excluding employee journeys \*\* Excluding PV electricity



c.-d.

See performance indicator GRI SRS-302-1: Energy consumption.



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.

The water withdrawal...

... at the **Alfeld (Leine)** site from the public water supply (= groundwater):

- 2021: 2.74 MI
- 2022: 3.54 MI
- 2023: 1.33 MI

... at the **Lüdenscheid** site from the public water supply (= groundwater):

- 2021: 0.170 MI
- 2022: 0.248 MI
- 2023: 0.207 MI

\*Due to the COVID-19 pandemic and the associated increased use of mobile working, water

withdrawal was lower in 2021.

b.-d.

These points are not relevant as the water withdrawal is not from an area with 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.

a.

**Waste in Alfeld (Leine) 2023**

Types of waste disposed	Department number(AVV)	2023 (t)
Halogen-free processing emulsions and solutions	120109	0,999
Visual display units	200136	0
Small appliances	16 02 13	0
Lead batteries	16 06 01	0
Data protection carrier	-	0,351
Household waste (landfill) / municipal waste	20	10,03
Light packaging	150106	4,62
Mixed packaging (thermal recycling)	150106	37,76
Wood AI/AIII	170201	44,1
Mixed scrap	170407	15,52
Mixed paper recycling	150101	29,58
Cable scrap	170407	2,4
Aluminum shavings	170402	21,1
Antifreeze	160114	5
BMA (mixed construction waste)	170904	1
Oil-contaminated operating materials	150202	0,09
<b>TOTAL</b>		<b>172,55</b>

Disposed hazardous waste types	Department number (AVV)	2023 (t)
Halogen-free machining emulsions and solutions	120109	0,999
Antifreeze	160114	5
Oil-contaminated operating fluids	150202	0,09
TOTAL		<b>6,089</b>

	2022 (t)	2023 (t)
Hazardous waste	0,76	6,089
Non-hazardous waste	122,93	166,461
Total	<b>123,69</b>	<b>172,55</b>

#### **Waste 2023 in Lüdenscheid**

Category		Total in kg	Total in t
DSD waste volume in m³/year		357,5	0,4
Paper waste volume in m³/year		7.670,00	7,7
AzV waste volume in m³/year		12.610,00	12,6
<b>Total</b>		<b>20.637,50</b>	<b>20,6</b>

## 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**

The data is identical to the 2023 eco-balance and is based on the consumption of the German locations, which was calculated using the BAFA database and its CO<sub>2</sub> equivalents (3.0).

#### **Challenges with regard to 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 energy supply requirements.

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

---

**Targets relating to climate-relevant emissions and renewable energy**

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

**When is the target planned to be achieved?**

The process started with the creation of a transformation concept in 2022. This is an ongoing process that will reach its target in 2030 with a CO<sub>2</sub> reduction of at least 40% as planned.

**Planned measures and strategies**

The energy supply is to be converted to a centralized CO<sub>2</sub>-neutral energy supply at the site. The possibility of using a pyrolysis plant for the generation of thermal and electrical energy was examined, but was not deemed appropriate.

Instead, a photovoltaic system with 99.2 kWp was successfully installed in 2023, which is to be expanded by 137.6 kWp in 2024. According to the company's own calculations, the degree of self-sufficiency should already be 17% in 2024 and increase to 28% in 2025 or reach 38% in 2026 with both PV systems.

**What targets have been achieved so far?**

In addition to the pellet boiler already installed for the thermal energy supply, a 99.2 kWp PV system was installed.

**What reference values are used to measure the improvement?**

For the Alfeld site, energy consumption was primarily recorded using the corresponding measuring equipment. The energy quantities cannot currently be allocated to production due to the total of over 57,000 items, so the area is selected as the reference value.

**Which base year is used?**

The base year 2021 is used.

## 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 CO<sub>2</sub> equivalent.

**b.** Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub> or all.

**c.** Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> 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.

Greenhouse gas emissions from diesel and natural gas were also calculated for 2023 using the "ecocockpit" program. The values relate to the main site in Alfeld (Leine).

2021:

- Diesel: 678 tCO<sub>2</sub>e
- Natural gas: 348 tCO<sub>2</sub>e
- **Total: 1.026 tCO<sub>2</sub>e**

2022:

- Diesel: 705 tCO<sub>2</sub>e
- Natural gas: 277 tCO<sub>2</sub>e
- **Summe: 982 tCO<sub>2</sub>e**

2023:

- Diesel: 657 tCO<sub>2</sub>e
- Natural gas: 224 tCO<sub>2</sub>e
- Petrol: 64 tCO<sub>2</sub>e
- **Total: 945 tCO<sub>2</sub>e**

d.

2021 was chosen as the base year on the grounds that the values for 2019 and 2020 are not meaningful due to the COVID-19 pandemic. The same applies to the values from 2022 due to the energy crisis and the associated austerity measures. It should also be noted that the values determined for 2023 are the most precise due to new calculation methods and analysis options and will therefore form the most meaningful basis for comparisons in the future.

e.

#### **Breakdown of the CO<sub>2</sub> equivalents 2023**

Scope	Emitter	Energy content (kWh/unit)	CO <sub>2</sub> -equivalent (kg CO <sub>2</sub> /unit)	Source
1	Diesel in L	10,0 kWh	0,266	Bafa Data sheet 3.1*
1	Petrol in L	8,8 kWh	0,264	Bafa Data sheet 3.1
1	Natural gas in kWh	-	0,202	Bafa Data sheet 3.1
1	Wood pellets	4,8 kWh	0,036	Bafa Data sheet 3.1
1	Heating oil	10,0 kWh	0,266	Bafa Data sheet 3.1
2	Electricity in kWh	-	0,435	Bafa Data sheet 3.1
2	PV electricity in kWh	-	0,000	Bafa Data sheet 3.1
3	Pulpwood in kg	-	0,03574	GEMIS 5.0**
3	Spruce in kg	-	0,02775	GEMIS 5.0
3	Paper in kg	-	1,38	GEMIS 5.0
3	Cardboard in kg	-	0,62	GEMIS 5.0
3	Polyethylen in kg	-	1,96	Bafa Data sheet 3.1
3	Aluminium in kg	-	10	GEMIS 5.0
3	Municipal solid waste in kg	-	0,36666	GEMIS 5.0
3	Employee journey in km	-	0,207	GEMIS 5.0
3	Employee journey in km	-	0,05478	GEMIS 5.0

\* [https://www.bafa.de/SharedDocs/Downloads/DE/Energie/eew\\_infoblatt\\_co2\\_faktoren\\_2023.html](https://www.bafa.de/SharedDocs/Downloads/DE/Energie/eew_infoblatt_co2_faktoren_2023.html)

\*\* <https://ecocockpit.de/> <https://iinas.org/downloads/gemis-downloads/>

f.

Fagus GreCon uses the operational control approach for the consolidation of CO<sub>2</sub> emissions for the German sites, as this approach reflects the company's actual responsibility for the operation of its facilities and activities. The operational control approach enables a clear and precise presentation of

the emissions that result directly from the company's decisions and actions.

g.

The calculation of CO<sub>2</sub> emissions is based on a combination of specific data from energy suppliers, internal allocations and substantiated assumptions:

- **Energy consumption:** emissions from electricity and heat were calculated using data from the suppliers. The CO<sub>2</sub> factors were taken into account according to the respective energy sources, as listed above.
- **Tenants of the company premises:** The allocation of emissions to tenants of the site was based on land consumption and the respective use in order to ensure a realistic distribution. This primarily relates to waste disposal.
- **Employee commuting:** Emissions from commuting were estimated on the basis of assumptions regarding means of transportation, the distance from home to the workplace as the crow flies and the number of employees.

The company's CO<sub>2</sub> footprint was calculated from the absolute consumption values collected using the "ecocockpit" program from the NRW Efficiency Agency and the CO<sub>2</sub>-factors already specified. These were also calculated manually for control and traceability purposes.

#### **Potential for improvement**

There is potential for annual improvement through the continuous optimization of calculation methods, for example through more detailed consumption data, more precise surveys of employee mobility patterns or improved data on land use. This not only contributes to a more accurate recording of emissions, but also enables targeted measures to reduce the ecological footprint.

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 CO<sub>2</sub> equivalent.
- b.** If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.
- c.** If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, 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.

Calculation of greenhouse gas emissions 2023 from electricity using the "ecockpit" program, based on the CO<sub>2</sub> equivalents already broken down.

**Alfeld (Leine) site:**

- 2021: 315 tCO<sub>2</sub>e (CO<sub>2</sub>-equivalent: 0.366)
- 2022: 361 tCO<sub>2</sub>e (CO<sub>2</sub>-equivalent: 0.366)
- 2023: 369 tCO<sub>2</sub>e (CO<sub>2</sub>-equivalent: 0.435)

Note: Due to the new CO<sub>2</sub> factor, only the absolute consumption data is comparable, therefore the value with the previously used CO<sub>2</sub> equivalent is calculated below:

2023: Electricity in Alfeld (Leine): 328.93 tCO<sub>2</sub>e (CO<sub>2</sub>-equivalent: 0.366)

**Lüdenscheid site:**

- 2023: 22.3 tCO<sub>2</sub>e



d.-g.

See above.

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 CO<sub>2</sub> equivalent.

**b.** If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.

**c.** Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> 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.

a.-d.

Scope 3 emissions cannot yet be reported in detail due to the complexity of the data to be collected. However, we are aiming to do so. The following Scope 3 emissions can currently be broken down in the eco-balance for the Alfeld site in 2023.

**Standort Alfeld (Leine) 2023 site:**

Category and emitter	Value in unit	Co <sub>2</sub> -equivalent
<b>Wood, paper, cardboard</b>		
Pulpwood	22.626 kg	0,809 tCO <sub>2</sub> e
Spruce	27.517 kg	0,764 tCO <sub>2</sub> e
Paper (packaging)	3.918 kg	5,407 tCO <sub>2</sub> e
Paper	6.845 kg	9,446 tCO <sub>2</sub> e
Cardboard	7.192 kg	4,459 tCO <sub>2</sub> e
<b>Plastics</b>		
Polyethylen LDPE	1.412 kg	2,768 tCO <sub>2</sub> e
<b>Metals</b>		
Aluminium 1, primär	4.869 kg	48,686 tCO <sub>2</sub> e
Aluminium 2, primär	15.953 kg	159,530 tCO <sub>2</sub> e
<b>Disposal</b>		
Municipal solid waste	37.760 kg	13,845 tCO <sub>2</sub> e
Household waste (landfill)	10.030 kg	26,406 tCO <sub>2</sub> e
Waste water	1.620 l	0,0004 tCO <sub>2</sub> e
<b>Employee travel distance</b>		
PKW-travel distance	1.462.013 km	302,637 tCO <sub>2</sub> e
Personenzug (public transportation)	45.196 km	2,476 tCO <sub>2</sub> e

**Alfeld (Leine) site in comparison 2021-2023:**

Emitter	2021	2022	2023
<b>Wood, paper, cardboard</b>			
Pulpwood	64.575 kg	64.575 kg	22.626 kg
Spruce	36.851 kg	36.851 kg	27.517 kg
Paper (packaging)	3.720 kg	3.720 kg	3.918 kg
Paper	7.999 kg	7.999 kg	6.845 kg
Cardboard	-	-	7.192 kg
Chipboard	1.080 kg	1.080 kg	-
<b>Plastics</b>			
Polyethylen LDPE	1.096 kg	1.096 kg	1.412 kg
<b>Metals</b>			
Aluminium 1	35.391 kg	35.391 kg	4.869 kg
Aluminium 2	55.154 kg	45.351 kg	15.953 kg
<b>Disposal</b>			
Municipal solid waste	76.270 kg	56.090 kg	37.760 kg
Household waste (landfill)	-	-	10.030 kg
Waste water	-	-	1.620 l
<b>Employee travel distance</b>			
car travel distance	931.500 km	931.500 km	1.462.013 km
train (public transportation)	101.250 km	101.250 km	45.196 km

**Lüdenscheid site 2023:**

<b>Disposal</b>		
Household waste (landfill)	12.610 kg	33,198 tCO <sub>2</sub> e
Waste water in L	207 l	0,00006 tCO <sub>2</sub> e
<b>Employee travel distance</b>		
car travel distance	30.433 km	6,3 tCO <sub>2</sub> e

e.-g.

See above.

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 CO<sub>2</sub> equivalent.
- b.** Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, 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.-d.

**Overview of the emissions trend**

The data for the Alfeld (Leine) site is considered; the reduction relates to the comparison of the current year 2023 with the base year 2021, which was chosen for the reasons above. Positive values in the last column indicate an increase instead of a reduction.

Scope	Emitter	2021 CO <sub>2</sub> (t)	2022 CO <sub>2</sub> (t)	2023 CO <sub>2</sub> (t)	Savings 2021– 2023 (t)
1	Diesel	677,57	704,93	656,72	-20,85
1	Petrol	-	-	64,18	-
1	Natural gas	347,77	276,89	223,95	-123,82
1	Wood pellets	-	-	6,17	-
2	Electric power	315,01	361,34	368,64	+53,63
3	Pulpwood	2,31	2,31	0,81	-1,32
3	Spruce	1,02	1,02	0,76	-0,26
3	Paper (packaging)	5,13	5,13	5,41	+0,28
3	Paper	-	-	9,45	-
3	Cardboard	4,96	4,96	4,46	-0,5
3	Pressboard	0,51	0,51	-	-
3	Polyethylen LDPE	2,15	2,15	2,77	+0,62
3	Aluminium 1	353,91	353,91	48,69	-305,22
3	Aluminium 2	551,54	453,51	159,53	-392,01
3	Municipal solid waste	27,97	20,57	13,85	-14,12
3	Household waste (landfill)	-	-	26,41	-
3	Waste water	-	-	0,00044	-
3	Car travel distance	192,82	192,82	302,64	+109,82
3	Train (public transportation)	5,54	5,55	2,48	-3,06

Of this, the reduction primarily attributable and directly traceable to implemented measures is as follows:

- **Natural gas:** through the use of wood pellets
- **Electricity:** When examining the absolute consumption values in the table below, it can be observed that these have decreased. The reason for this is the installation of a photovoltaic system. However, the reduction is not reflected in the emission values, as a new CO<sub>2</sub> equivalent was used, as already explained in detail under performance criterion 13.

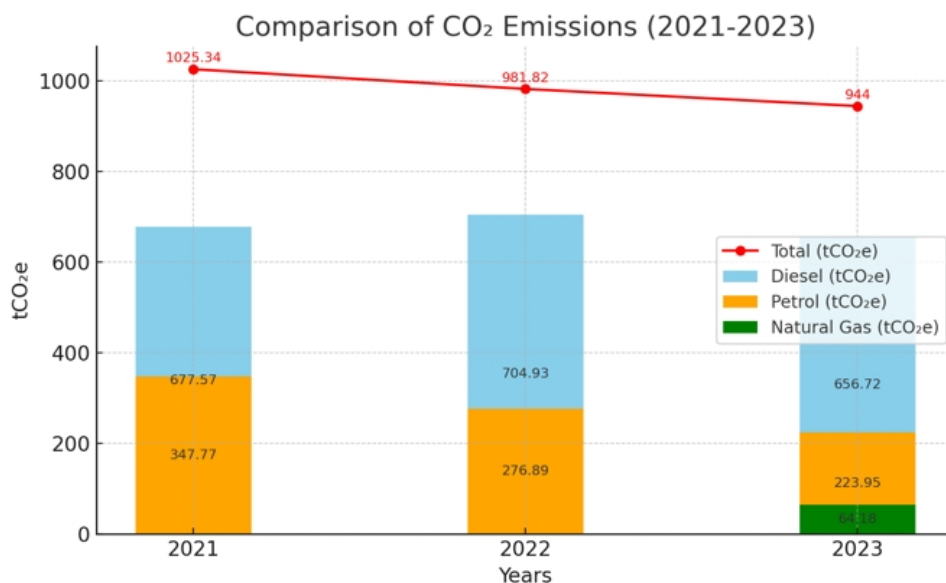
Table with consumption values and their percentage reduction from 2021 to 2023 for the Alfeld (Leine) site:

Emitter	2021 Consumption	2022 Consumption	2023 Consumption	%-Savings consumption (2021-2023)
Diesel	217.454 l	226.235 l	246.886 l	+13,54 %
Petrol	-	-	27.629 l	-
Natural gas	1.730.182 kWh	1.377.540 kWh	1.108.655 kWh	-35,91 %
Wood pellets	-	-	35.680 kg	-
Electric power	860.682 kWh	987.281 kWh	847.438 kWh	-1,54 %
Pulpwood	64.575 kg	64.575 kg	22.626 kg	-64,97 %
Spruce	36.851 kg	36.851 kg	27.517 kg	-25,36 %
Paper (packaging)	3.720 kg	3.720 kg	3.918 kg	-0,05 %
Paper	7.999 kg	7.999 kg	6.845 kg	-14,42 %
Cardboard	-	-	7.192 kg	-
Pressboard	1.080 kg	1.080 kg	-	-
Polyethylen LDPE	1.096 kg	1.096 kg	1.412 kg	+28,85 %
Aluminium 1	35.391 kg	35.391 kg	4.869 kg	-86,24 %
Aluminium 2	55.154 kg	45.351 kg	15.953 kg	-71,07 %
Municipal solid waste	76.270 kg	56.090 kg	37.760 kg	-50,50 %
Household waste (landfill)	-	-	10.030 kg	-
Waste water	-	-	1.620 l	-
Car travel distance	931.500 km	931.500 km	1.462.013 km	+56,93 %
Train (public transportation)	101.250 km	101.250 km	45.196 km	-55,37 %

#### **Further information and comparative visualizations**

##### Comparison between the years 2021 and 2023

- Based on the location Alfeld (Leine)
- In tons of CO<sub>2</sub>



---

**Percentage changes in tons of CO<sub>2</sub>**

- Diesel: savings of 3,08 % from 2021 to 2023
- Natural gas: savings of 35,60 % from 2021 to 2023

e.

See above.

## 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.

##### **Rights of employees**

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

The same will apply in future to employment relationships with suppliers and service companies. Fagus-GreCon relies on a self-declaration from the respective companies regarding compliance with the German Posted Workers Act, regulations on minimum wages and compliance with minimum working conditions, as well as reference to the relevant legal documents. This self-declaration, the Supplier Code of Conduct, was published in 2023 and made available for the relevant parties to sign. It records which companies sign the self-declaration.

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 a review of compliance with safety and environmental regulations and occupational safety (also at subcontractors).

The process organization is continuously improved through the PDCA cycle.

##### **Objective with regard to employee 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.

This is based on the ILO labor and social standards; ILO guidelines on health and safety 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 the target achievement planned?**

The implementation of the occupational health and safety management system in accordance with ISO 45001 is a long-term goal.

**Strategies and measures to respect employee rights and involve employees**

With the eleven-member Works Council 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 HR department/management.

All employees, customers, suppliers and other interest and stakeholder groups can report illegal, immoral or illegitimate behavior directly or anonymously at any time via the whistleblower protection system set up in 2022.

At least once a year, employees have the opportunity to have a detailed discussion with their manager as part of a feedback meeting and to make any suggestions regarding potential improvements.

The international ILO labor and social standards, SA 8000 and ISO 45001 serve as a frame of reference. The introduction of a certified occupational health and safety management system in accordance with **ISO 45001 is a declared long-term goal** of Fagus-GreCon. The conceptual preparations are underway and individual elements - such as risk assessments, training and the revision of existing processes - have already been implemented or are in progress.

It is not yet possible to set a **specific date for certification**, as implementation depends on various internal and external factors. However, the aim is to prepare for the certification **process by 2028 at the latest** and create the necessary conditions. Progress is regularly evaluated as part of internal audits and in discussions between management, the HR department and the Works Council. Risks - for example in connection with international customer service assignments - are reduced through targeted information and organizational measures. The internal reporting office also provides support in identifying and assessing risks in the area of employee rights.

**Promoting employee participation in sustainability management**

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

**International subsidiaries**

Fagus-GreCon currently operates international subsidiaries in Brazil, China, France, the UK, Thailand and the USA.

**Implementation of German standards abroad**

As Fagus-GreCon also operates extensively in foreign markets - particularly in the context of the assembly and maintenance of systems and equipment - the local laws relating to occupational safety, discharge, working hours, etc. are observed at all times. The same principles apply to foreign



subsidiaries as in Germany, insofar as this does not contravene country-specific regulations.

#### **Compliance with international rules**

Here, the company is guided by the ILO labor and social standards, the ILO guidelines on occupational health and safety, SA 8000 Social Accountability and ISO 45001 Occupational Health and Safety Management System.

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

#### **Negative impact of business activities on employee rights**

Due to international customer service assignments, there is a risk that the regulated working hours may be exceeded due to travel to and from work. This is counteracted by informing employees and customers about the applicable legal regulations. Fagus-GreCon is also aware that intercultural contrasts, such as longer regular working hours or poorer occupational safety conditions on site, pose a risk.

#### **Significant risks**

We will identify material risks relating to employee rights with the help of the internal reporting office introduced in 2022 and derive measures. Among other things, an anonymized software platform was set up for this purpose so that whistleblowers have the opportunity to draw attention to violations. The Management Board 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 in Equality of Opportunity and Diversity**

Fagus-GreCon boasts a diverse workforce, which is an invaluable enrichment for all structures and areas of the company. This diversity is an integral part of the company's culture and leadership approach, fostering an environment of tolerance and support. It is reflected across all committees, departments, and subsidiaries of the company. The company views diversity as an opportunity to integrate the experiences, insights, and emotions it generates into creating targeted, innovative actions. Gender, age, sexual orientation, physical disabilities, ethnic or social background, and religion are not criteria for exceptional work at Fagus-GreCon.

Gender Distribution of Employees at Fagus-GreCon in Germany over the Past Few Years:

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

- 2023: 103 women, 359 men, 0 diverse

Age Distribution of 461 Employees in Germany in 2022:

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

Age Distribution of 462 Employees in Germany in 2023:

- 117 employees under 30 years old (26.08%)
- 200 employees between 30 and 50 years old (44.64%)
- 139 employees over 50 years old (29.82%)

### **Occupational Safety**

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

### **Health Protection**

Health protection is ensured through the company's extensive occupational health management (BGM) system and its associated team. The BGM offers a wide variety of services, designed to be accessible to as many employees as possible. For example, Fagus-GreCon has partnered with a local gym, offering employees discounted rates. Field service technicians can also take advantage of company fitness programs through Hansefit. Monthly fruit baskets and water dispensers are provided in all departments, and various sports courses are offered directly on the company premises at different times. Fagus-GreCon continuously introduces new health initiatives, all of which are very well received.

### **Co-Determination**

Creating a culture of recognition and openness is the responsibility of all employees throughout the company. At the same time, Fagus-GreCon places its employees and their needs at the heart of its corporate policy. Ensuring equality of opportunity is seen as a given, with the goal of promoting every employee's talents and involving them according to their competencies. To continually raise awareness of diversity and equality of opportunity, as well as to drive the development of related initiatives, cross-functional bodies have been established:

- Employee-oriented corporate culture – since Carl Benscheidt
- Representatives for people with disabilities

### **Integration of Migrants and People with Disabilities**

The integration of people with disabilities is ensured through the representation for people with disabilities.

### **Fair Compensation for All Employees**

Fair and appropriate compensation for employees at all levels is guaranteed through the company's internal collective agreement.

**Work-Life Balance**

Equality of opportunity begins in the recruitment process, where factors such as gender and age are considered in light of individual life needs and competencies. This is continued with measures to support work-life balance. Employees have the option to use flexible and individual work schedules to optimally balance their professional and personal lives. Number of Work-Time Models in the Past Few Years:

- 2021: 35 work-time models
- 2022: 40 work-time models
- 2023: 40 work-time models

**Target Timeline for Achieving Goals**

Fagus-GreCon is already well-established in terms of equality of opportunity, so there are no immediate, specific goals defined beyond the current achievements. All employees are treated equally in every respect. However, the company continuously looks for potential areas of improvement. A long-term goal is to implement an occupational health and safety management system according to 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.

**Relevant qualification risks in the context of business activities and market environment**

Fagus-GreCon attaches great importance to the qualification of its employees. A wide range of measures - from training and further education to health promotion - are used to ensure employability and respond to demographic and technological developments.

- **Shortage of skilled workers** in technical professions due to demographic change and competition for qualified workers in the region
- **Technological change** in the areas of digitalization, automation and AI, which requires new qualifications
- **Specialized customer requirements** that make ongoing qualification necessary, particularly in the service and sales area
- **Global business activities** that require intercultural skills and technical language skills

**To counter these risks, Fagus-GreCon relies on the following measures:**

- Close cooperation with schools and training centers as well as its own training workshop
- Establishment of the **GreCon Academy** for targeted internal and external training
- Use of an e-learning platform for flexible, location-independent learning
- Individual further training planning as part of the annual feedback meetings

- Expansion of occupational health management offerings, with a focus on mental health from 2025
- The systematic risk analysis in relation to training is part of the next materiality analysis, which is planned for 2024. Based on this, the qualification strategies are to be further developed and new measures derived if necessary.

### **Qualification**

Fagus-GreCon is an attractive regional employer.

The efforts and successful objectives in the area of HR policy and the training and further education of specialists and trainees are illustrated by the awards that the company also received in 2023.

These include the following awards:

- TOPAS: Top employer in southern Lower Saxony
- Top training company IHK Hannover
- TrainingAss
- Demografiefest (State of Lower Saxony)
- Leading Employer
- German seal of corporate health in GOLD
- Top Company by Kununu

In order to counteract demographic change in the company, Fagus-GreCon has entered into a cooperation with the regional secondary school, for example, with the aim of training motivated and reliable pupils in the company's own training workshop. The company also offers various school internships to provide career guidance. In addition, Fagus-GreCon currently offers six apprenticeships in order to bind future generations to the company and train the specialists of tomorrow in a targeted manner.

### **Apprenticeships:**

- Machining mechanic
- Industrial clerk
- Electronics technician
- Warehouse logistics specialist
- IT specialist system integration
- Office management clerk

### **Further training**

Through targeted employee training, Fagus-GreCon ensures that highly qualified personnel are deployed at all workplaces and that the skills and knowledge of the organization and its employees are constantly expanded and passed on.

The topic of personnel development is covered in the annual feedback meetings. The desired and necessary further training measures are discussed in close cooperation with the manager, which are then ultimately organized by the specialist department itself or by the HR department.

Professional training for both the Fagus GreCon workforce and external customer employees is

provided as required at the in-house GreCon Academy.

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

In personnel development, it is particularly important to respond to the individual training needs of employees so that the personal and professional aptitudes and interests of each individual are always taken into account when selecting training events.

The number of trainees at Fagus-GreCon amounted to 32 in 2023.

### **Health management**

Fagus-GreCon offers its employees comprehensive offers and programs in the area of health prevention. For example, great importance is attached to ergonomic workstations in order to reduce the physical workload and create optimal working conditions. Our health management benefits at a glance:

- Ergonomic workstations with height-adjustable work tables and desks
- Ergonomic mousepads that are easy on the wrists
- Subsidy for screen and workplace glasses
- Free drinks available everywhere
- Cooperation with fitness studios in the region
- Regular health days (in cooperation with BKK Technoform) with a variety of topics
- On-site health courses (yoga, Pilates, back fitness)
- Further development of line managers 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

With regard to health management, employees regularly receive online flyers by email in which useful knowledge about health is shared.

Company health seal:

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

The gold seal achieved by the BKK umbrella organization in 2022 in the "Company Seal of Health" project with a score of 85 points is still valid until 2025. Due to changes in the project organization on the part of the BKK umbrella organization, Fagus-GreCon will in future carry out a modern employee survey through "Kultify", which includes health topics. A workshop on health management was held by an external trainer for each department at the beginning of 2023 in order to derive further objectives and measures. We can also report that occupational health management will focus more on supporting the mental health of our employees in future, for example stress management and the distinction between work and leisure time. To this end, the

mental health offering is to be expanded - including through the increased use of the Phileo health app, which is available to all employees. At Fagus-GreCon, managers undergo training on the "right way to lead" their employees in order to create a healthy working relationship and environment.

### **Digitalization**

Due to the opportunities for real-life activities that have returned after the coronavirus pandemic, the goal of further developing digital team-building measures has been largely abandoned due to the realization that the added value of personal, interpersonal contact is irreplaceable. However, all managers are provided with an annual budget for their employees, which can be used for internal departmental events with a team-building character. In order to minimize paper consumption and optimize internal communication, tablets were purchased and a secure, cloud-based storage solution was established. This means that feedback questionnaires, for example, can be digitized in the future

Promoting the participation of all employees in the working and professional world The optimized process for occupational integration management with individually derived measures for the recovery and health maintenance of affected persons is carried out in 6 steps at Fagus-GreCon. The aim is to support the recovery process, overcome repeated periods of incapacity to work due to illness and maintain the job of the person concerned.

### **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 points of contact with the skilled workers of tomorrow are created at an early stage. In this way, Fagus-GreCon hopes to establish company loyalty at an early stage - with success. Particularly noteworthy is the close cooperation with the Carl-Benschmidt-Realschule in Alfeld and the operation of an inter-company training workshop at the Alfeld site. At the same time, the company is continuously working on increasing its attractiveness as an employer. Measures such as participation in job fairs and targeted employer marketing are intended to strengthen the employer presence. This is supported not only by the employer's regular participation in World Heritage events, but also digitally on platforms such as LinkedIn. Since 2023, the "Employees Recruit Employees" project has also offered monetary incentives for employee referrals of qualified workers with the aim of filling vacancies promptly and with a prioritized focus.

### **Objectives**

In order to highlight and specifically address support measures for mental health, the BGM annual concept 2025 will focus on mental health. The aim is to raise awareness of mental illness and stress as well as knowledge of preventive measures for employees. Information about digital risks has not yet been provided. The expansion of the feedback culture is supported on the one hand by the annual recording of the number of feedback meetings, with a target rate of 100%. On the other hand, workshops will be offered in future to strengthen a constructive feedback culture in teams and among employees. Risks arise from the shortage of skilled workers, which will intensify in proportion to demographic change, and the resulting employee market. The above-mentioned measures to increase employer attractiveness are intended to address this. Two audits were also carried out in 2023: An internal audit in accordance with ISO 9001 in the area of human resources and an external audit in accordance with ISO 9001, which was carried out by TÜV Nord.

---

## 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 2023, there were 40 reportable work-related injuries in Germany, resulting from 773,943 hours worked, of which five were required to be officially reported. These injuries mainly consisted of swelling and cuts. As in previous years, none of these injuries resulted in a fatality. The work-related injuries in the past years were as follows:

- **2021:** 38 work-related injuries
- **2022:** 31 work-related injuries
- **2023:** 45 work-related injuries, of which 5 were reportable

b.

No differentiation is made. The employees mentioned here are included under point 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 a Health and Safety Committee that meets quarterly. This committee discusses all safety-related topics. The committee consists of a member of the management, the company doctor, the occupational safety specialist, the employee representation, the representatives for employees with disabilities, the training manager, managers, the fire safety officer, and the HR department.

b.

The topic of health protection is further supported by a BGM team (Occupational Health Management Team), which also meets quarterly to exchange information and plan and implement BGM measures for employees. The BGM team consists of members of the works council, employees from different company departments, 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.

a.

Employees in Germany invested a total of 2916.75 hours in external training and development in 2023. This results in a training and development ratio of 6.3 hours per employee. The number of hours of training and development relates to the Alfeld (Leine), Lüdenscheid and Nuremberg sites, which cannot be differentiated from one another. Internal training or instruction is not included.

i.-ii. A differentiation of training hours by gender or employee category was not carried out as at the reporting date of 31.12.2023, as the internal data collection has not yet been structured accordingly. However, as part of the planned further **development of our HR controlling**, we are examining the extent to which an extended evaluation - also with regard to diversity criteria - is possible in future. The aim is to be able to respond even more specifically to individual qualification requirements in the long term.

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-owned company. The highest governing body is the shareholders' meeting, which takes place semi-annually. No survey regarding diversity categories is conducted at this

meeting.

b.

**Gender Distribution of Employees in Recent Years:**

- 2021: Approximately 18% female and approximately 82% male
- 2022: Approximately 18% female and approximately 82% male
- 2023: Approximately 22% female and approximately 78% male

**Age Distribution of Employees in Recent Years:**

- 2021:
  - Under 30 years: approx.27%
  - 30-50 years: approx. 45%
  - Over 50 years: approx.28%
- 2022:
  - Under 30 years: approx.28%
  - 30-50 years: approx. 44%
  - Over 50 years: approx. 28%
- 2023:
  - Under 30 years: 26.08%
  - 30-50 years: 44.64%
  - Over 50 years: 29.28%

**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.

a.-b.

Discriminations and incidents related to them are not known within the company. Due to the company's value orientation and the behavioral principles that must be adhered to, a collegial and respectful working environment 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 compliance with human rights

Fagus-GreCon is committed to respecting human rights within its own company and along the supply chain. This is based on the ZVEI-VDMA Code of Conduct and the company-specific Supplier Code of Conduct, which was published in 2023 and sent to new and existing suppliers from potentially high-risk regions for the first time during the reporting year. Suppliers are asked to submit a self-declaration of compliance with basic human and labor rights. Initial feedback was documented by the end of 2023.

In addition, Purchasing conducts **random audits** to check aspects of occupational health and safety, among other things.

The operating sites in Brazil, China, France, the UK, Thailand and the USA are subject to central management by the German company headquarters. The labor law regulations applicable there are complied with, provided they are not below the German level of protection.

The aim is to ensure **uniformly high standards** everywhere.

Preparations for a structured risk analysis along the supply chain began in the course of 2023. This analysis aims to identify and assess human rights risks - particularly in relation to working conditions, discrimination and forced labor. Implementation is to take place gradually from 2024. Even if Fagus-GreCon is not yet subject to the Supply Chain Due Diligence Act as at December 31, 2023, the company is actively preparing for upcoming requirements - particularly with regard to its role as a direct supplier to affected customer companies.

#### When is the target achievement planned?

The topic of the supply chain is to be addressed more intensively in future. To safeguard the supply chain with regard to sustainability aspects, a self-declaration on the Supplier Code of Conduct has been requested from both new suppliers and existing customers from high-risk regions since 2023. Increased efforts are being made to engage with suppliers on sustainability issues.

### Goals

The definition of measures, responsibilities and control mechanisms in the area of human rights is still under development at the end of 2023. An initial structured risk and action matrix is planned for 2024. Regular integration into the existing management system is to follow. As at the reporting date of December 31, 2023, there were no known cases of human rights violations in the company's own business activities or by direct suppliers.

## 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'.

Human rights compliance is currently ensured through the VDMA-ZVEI Code of Conduct between Fagus-GreCon and its suppliers. The major investment projects carried out in 2023 were realized with partners from Germany, and therefore no in-depth examination of the human rights situation was necessary.

### 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, Fagus-GreCon operates facilities in Brazil, China, France, the UK, Thailand, and the USA. Since all these operations are directly managed by Fagus-GreCon and the same standards are applied as in the German sites, the risk of human rights violations at these sites is considered low. For this reason, no human rights violation checks were carried out at the facilities.

### 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.

a.

In 2023, Fagus-GreCon began systematically integrating social criteria into the evaluation of new and existing suppliers. The focus here was primarily on direct (Tier 1) and economically relevant A and B suppliers, particularly from potentially high-risk regions. In the reporting year, suppliers were assessed on the basis of social criteria primarily on the basis of a self-assessment of the **Supplier Code of Conduct**, supplemented by **18 random and planned supplier audits**. The assessment included determining whether a supplier has certifications such as ISO 14001 or complies with documented human rights standards. The type and depth of information gathering is to be further developed in 2024 - including through risk categorization, systematic tracking of missing self-disclosures and **integration into a digital supplier management system**.

### 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.

In the 2023 reporting year, no significant actual or potential negative social impacts were identified in the supplier assessments. Accordingly, neither risk reduction measures nor the termination of business relationships were necessary. An initial **risk assessment of all relevant suppliers** is to be carried out systematically as part of the materiality analysis planned for **2024**.

## 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, serves as a cultural institution within the industrial operation, providing a unique identity and standing out worldwide. The factory, built by Walter Gropius in 1911 in Alfeld, 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 company Fagus-GreCon operates within this building. The building is open to the public, and a visitor center provides a multimedia exhibition about the factory's history and invites visitors to explore additional World Heritage sites on a media wall.

Additionally, the Fagus-Gropius exhibition in the former shoe-last warehouse offers insights into the working environments at the Fagus Factory. Spread across five floors, it tells the history of the company, the industrial mass wood processing, and shoe fashion through the ages. The Fagus Gallery also hosts special exhibitions on topics related to the art and design world. Various cultural events are held in the production hall, shaped by the unique atmosphere of the World Heritage site. Moreover, the Fagus Factory offers exceptional meeting and event spaces in a one-of-a-kind environment.

### **Planned Measures and Strategies**

One aspect of the company's VISION2030 is to ensure that the UNESCO World Heritage "Fagus Factory" continues to serve as a cultural institution within the ongoing industrial operation. The goal is to make the site increasingly attractive, particularly for younger audiences. For example, it is being implemented as a regional training location. In 2022, the site received the "Service Quality Germany" certification from the German Tourism Association, marking a milestone for the cultural location in Alfeld.

In addition to revitalizing the Fagus-GreCon exhibition, external presentations, including at ITB Berlin, and a rich event calendar for 2024, an Open-Air Rock Concert will take place again in June 2024. This annual event introduces the UNESCO World Heritage site to a new audience, offering a different perspective. The 13th UNESCO World Heritage Day and the 1st World Heritage Run at the Fagus Factory, in cooperation with the city of Alfeld (Leine) and the LAV Alfeld, is also planned.

### **Dialogues with Individuals, Institutions, and Associations at the Municipal and Regional Level**

In 2023, more than 16,500 visitors experienced the unique World Heritage atmosphere. Through over 420 guided tours and more than 50 events, private celebrations, and conferences, dialogues with visitors, representatives of institutions and associations at the municipal or regional level, as well as with politicians, have emerged. In 2023, a three-part lecture series was launched in cooperation with the Hildesheim Climate Protection Agency, open to employees and interested

parties. The first event in November 2023 provided comprehensive information on sustainable climate protection in the region, energy savings in households, modern heating technology, and user behavior. The event also offered a platform for exchange and discussions on experiences. Moreover, Fagus-GreCon and its employees are involved in various regional associations and clubs, supporting volunteer activities through the company's flexible work models.

#### Goals

A long-term goal is to professionalize the development and marketing of offerings for families. For example, in 2023, an Easter egg hunt was organized for this target group in the exhibition. Future plans include offering holiday pass activities, a "Living Advent Calendar," and an Advent Sunday, which aim to strengthen the regional cultural offering, especially for children and families. Regional bands and music groups will be involved. Furthermore, the professionalization of the online store and its establishment on additional tourism platforms such as "GetYourGuide" will promote the marketing of digital tickets, which will contribute to paper savings. Reusable fabric bags will be included with orders from the Fagus online store. (Due to heritage preservation regulations, modernization is often not permitted, which, among other things, negatively affects technical elements of the exhibition due to lack of insulation and increased weather influences.)

## 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.

The Fagus-GreCon Greten GmbH & Co. KG is included in the consolidated financial statements of the Fagus-GreCon Greten GmbH & Co. KG. The exemption from the obligation to prepare annual financial statements according to the regulations applicable to corporations is claimed in accordance with § 264 b of the German Commercial Code (HGB). The consolidated financial statements are available for review at any time on <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** Fagus-GreCon is currently not involved in any legislative procedures. The company expresses its interests through its membership in associations.

**Political Influence**

The associations that Fagus-GreCon is a member of represent the interests of their members in economic and social policy and work towards improving the political and economic framework conditions.

**Political Donations** Fagus-GreCon does not engage in politics and does not hold political memberships. No political donations were made during the reporting period.

**Lobbying Processes** Fagus-GreCon is not involved in any lobbying processes.

**Membership Contributions** Fagus-GreCon is directly or through its employees a member of the following associations:

Membership contributions for 2023 include:

- Federal Association of Corporate Mobility (Betriebliche Mobilität e.V.)
- Heimatverein Gerzen e.V.
- UNESCO World Heritage Sites Germany e.V.  
Südniechersachsen Foundation AGV in the Hildesheim District e.V.  
VDMA e.V.
- The Middle Class Association (BVMW e.V.)
- Forum Alfeld Aktiv Institute of Northern German Economics e.V.
- Chamber of Commerce and Industry Hannover ADAC e.V.
- South Westphalian Chamber of Industry and Commerce Chamber of Commerce and Industry Nuremberg for Middle
- Franconia GGM Gütegemeinschaft Mineralwolle e.V.

- General Employers' Association Hanover and Surroundings e.V.
- Industry Association Alfeld Region e.V.
- Weserbergland Aktiengesellschaft
- German Wood-Based Panel Industry Association e.V.
- Region Leinebergland e.V.
- Federal Association of the Footwear and Leather Goods Industry e.V.  
BVFA e.V.
- European Hygienic Engineering & Design Group IND Ex e.V.
- German Bulk Material Industry Association e.V.
- European Panel Federation WFZruhr e.V.
- Working Group on Heat Treatment and Materials Technology e.V.
- Economy for South Westphalia e.V.
- FSKZ e.V.
- Association for the Promotion of German Fire Protection e.V.
- FSA e.V.
- EDANA

## 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 non-cash benefits** in 2021, 2022 and 2023.

## 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.

### **Avoidance of unlawful behavior**

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

Fagus-GreCon is committed to legally compliant, ethical and responsible conduct in its day-to-day business. Compliance with applicable regulations and the principle of fair competition are integral parts of the corporate culture.

The basis for this is the **VDMA-ZVEI Code of Conduct** introduced in 2022, the content of which - including anti-corruption, prevention of money laundering, fair business practices and avoidance of conflicts of interest - was further communicated internally in 2023 and conveyed via training courses.

The **whistleblower protection system** introduced in 2022, operated by the external service provider DatCon GmbH, was also active in the 2023 reporting year. Both internal and external channels were available to anonymously report indications of illegal, unethical or illegitimate behavior. This reporting office is operated by the external service provider DatCon GmbH. Here, the company reactively investigates anomalies on the basis of tip-offs.

As at December 31, 2023, no serious reports had been received that would have required an internal investigation.

In addition, a **legal register** was introduced via SENTITEC GmbH in 2023, which provides a systematic overview of relevant legal requirements.

Internal and external **audits** are also carried out regularly, e.g. as part of ISO 9001 certification. The guidelines applicable in the company, such as the purchasing and signature regulations and the dual control principle, were also reviewed and complied with in the reporting year.

**Consequences of non-compliance** An important component of the process is the whistleblower procedure, also introduced in 2022, which allows employees and other stakeholders to anonymously report illegal, immoral or illegitimate behavior to the internal reporting office that has been set up. This reporting office is operated by the external service provider DatCon GmbH.

In addition to the proactive review of processes described in the audit, the company follows up reactively on the basis of information or anomalies.

**Responsibility for compliance** The topic of compliance remains the responsibility of the management and is supported operationally by the Compliance & Sustainability Coordinator.

**Objectives**

The definition of a structured compliance process with clear objectives, responsibilities and risk assessment was in preparation at the end of 2023. Initial discussions on risk assessment and anchoring in the management system were held. Implementation of the complete process is planned for 2024. As at the reporting date of December 31, 2023, no violations of applicable law or internal company guidelines were identified.

## 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, 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 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.

---

No incidents of corruption are known.

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 are no penalty proceedings.

# 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.