



KLINGER SCHÖNEBERG GmbH

Corporate Social Responsibility
(CSR) Report 2023



Responsible: Manfred Goßmann (MD)
Scope of application: KLINGER SCHÖNEBERG GmbH
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» Foreword

In an era of continuous change and increasing challenges, we at KLINGER SCHÖNEBERG recognize our deep-seated responsibilities towards society, the environment, and all our stakeholders.

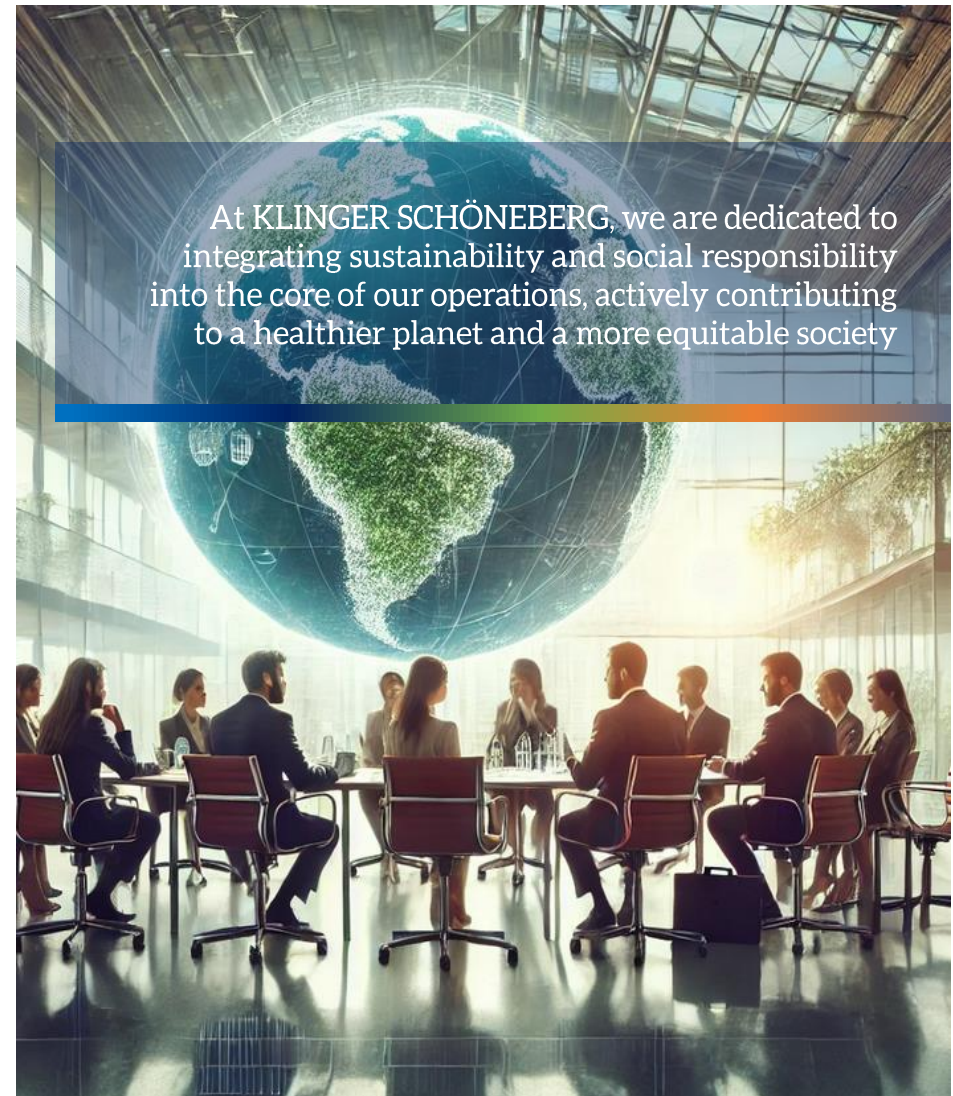
Throughout recent years, we've been integrating sustainable and ethical practices across every level of our operations. Our commitment to corporate social responsibility extends beyond moral obligation; it is a core strategic choice. We believe that a sustainable approach to business is essential not only for our success but also for the well-being of the global community. This commitment is propelled by our skilled and passionate employees who bring innovative ideas, implement practical solutions in daily operations, and benefit from the ongoing support of our customers, partners, and suppliers.

This report provides a detailed account of our CSR activities and the progress we have achieved. We are dedicated to making a positive impact both within and outside our company, and we invite you to explore how we strive to operate responsibly and generate lasting value for society.

We understand that our company's success is linked to the health of our society and planet. Thus, we are committed to crafting innovative solutions that not only meet our economic objectives but also contribute positively to social and environmental outcomes, including reducing our emissions footprint.

This report is a testament to our commitment to transparency and accountability. We aim to share not only our achievements but also the challenges we face and the measures we are taking to continuously improve our contributions to environmental protection, fair labor practices, education, and health.

Together, we are working towards a more sustainable and equitable future. Our actions are guided by the United Nations Global Sustainability Goals (UN-SDG). The support and recognition we receive from our customers validate the impact of our initiatives. Moreover, international certifications from agencies like Ecovadis serve as proof that we are making commendable progress.



At KLINGER SCHÖNEBERG, we are dedicated to integrating sustainability and social responsibility into the core of our operations, actively contributing to a healthier planet and a more equitable society

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» KLINGER SCHÖNEBERG GmbH

KLINGER SCHÖNEBERG GmbH is a flexible medium-sized company focusing on research, development, production and sales of industrial valves, especially ball valves and pneumatic actuators. Here we combine decades of experience with high competence in the development of customer-specific system and special solutions as well as application-technical consulting. As a

highly specialized company, we focus on critical applications within the chemical, petrochemical, plant and mechanical engineering industries. Highest quality, innovative strength, the long lifetime of the products as well as extensive application knowledge and experience make KLINGER SCHÖNEBERG a leading company in the industrial valves sector.

Quality is not just a piece of equipment, but a product feature we guarantee!

» KLINGER GROUP

KLINGER SCHÖNEBERG is a member of the worldwide active KLINGER Group, a stable and independent family-owned business. We see ourselves as

entrepreneurs, problem solvers and technology leaders in our industry. We keep things flowing – without interruption.

130 years of experience, 60 countries. Your industry partner for the leakage-free transport of liquids & gas



» KLINGER SCHÖNEBERG GmbH at a glance



27 Mio. €

Annual Revenue
in 2023



5.000 m²

Office, storage
and production



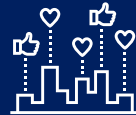
61

Experienced
employees



>15.000

Different product
designs



>3

Decades of
experience/
customer satisfaction



2

Locations in
Germany



» KLINGER SCHÖNEBERG company certifications and product approvals

A KLINGER SCHÖNEBERG stands for certified quality.



Manufacturer Approvals

Quality-Management acc. to DIN EN ISO 9001:2015

Certified acc. to API Q1 and 6D

PED 2014/68/EU, Module H and H1

WHG §19a approval (water-resources law)

Allowance for the re-stamping of products by TÜV

EcoVadis Sustainability Rating



Product Approvals

Certified acc. to German clean air act VDI 2440, 100,000 cycl.

Certified acc. fugitive emissions ISO 15848-1

Fire-Safe acc. to API 607 and DIN EN ISO 10497

Classification acc. to SIL 2

ATEX 2014/34/EU

Type-test approval mark No. TÜV.A.318-10

Type-test approval mark No. TÜ.AGG.431-09 - Tanks for conveyance of dangerous goods

Type-test acc. to DIN EN 161:2013-04 - Automatic shut-off valves for gas burners and gas appliances



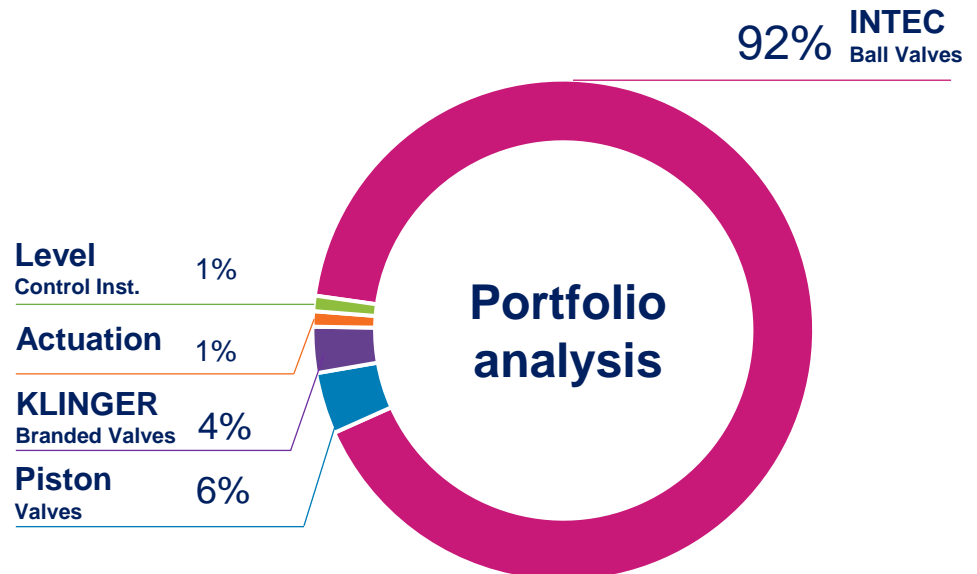
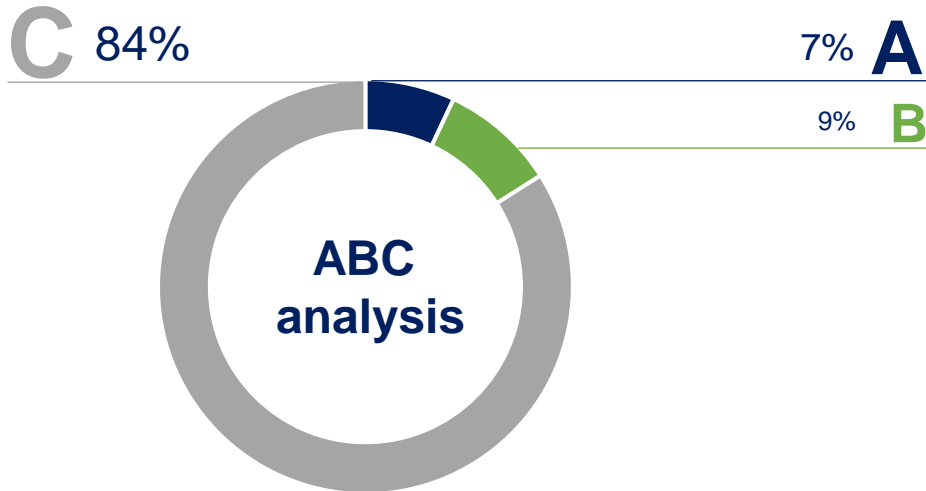
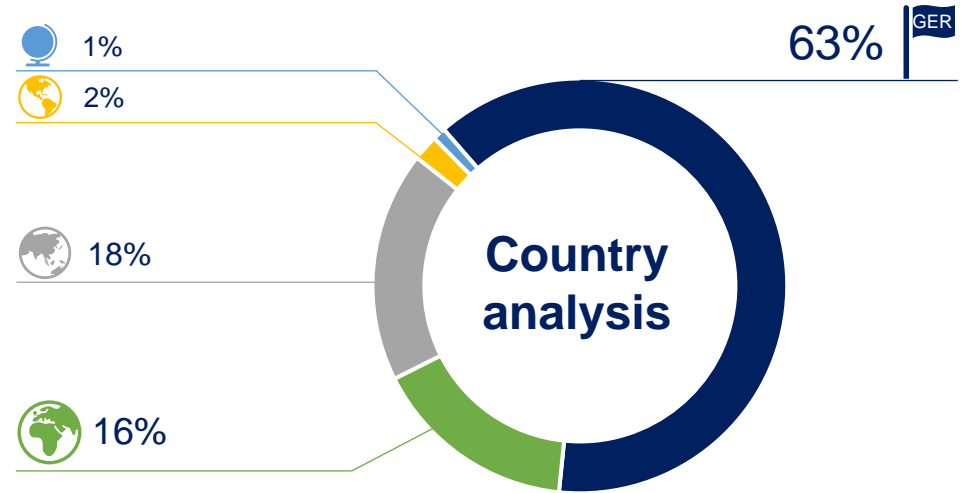
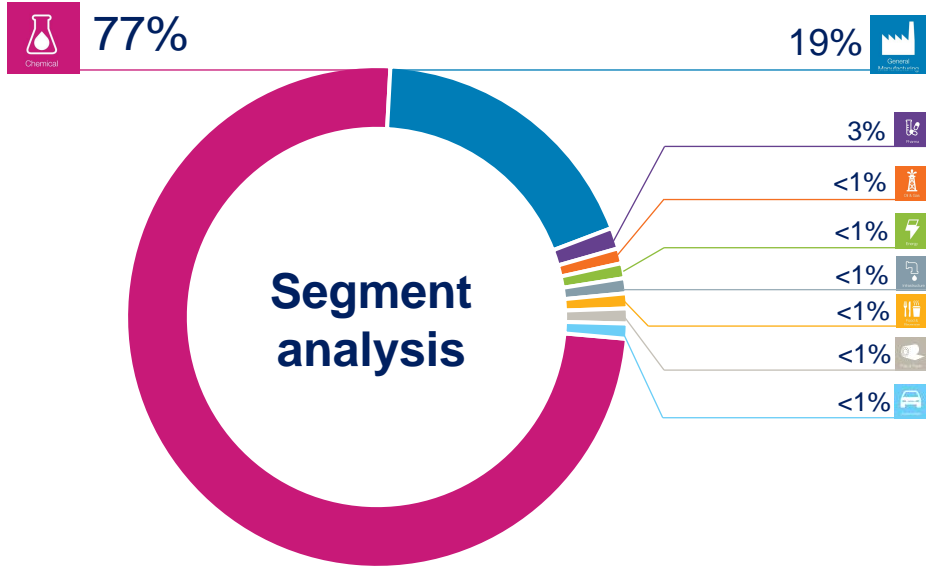
Geographic Approvals

TR CU 010/2011 and TR CU 032/2013 - Russian Gost R Certificate

CRN certified for all regions of Canada

TTC (TSG) - Chinese Type Test Certificate

» KLINGER SCHÖNEBERG GmbH markets facts & figures



» Our core values

Our Mission

KLINGER is a stable and independent family-run business. We see ourselves as entrepreneurs, problem solvers and technology leaders in our industry. With sovereignly operating companies and a motivating performance culture, we are a reliable partner for our customers all over the world. They deal with us on the same level and know that we guarantee them solutions, safety and service while always taking environmental aspects into account.

Our Vision

We want to meet the constantly changing demands in our industry, not only with individual products, but also with complete solutions. We are considered pioneers and THE quality label for gaskets, valves and technical industrial products. We are also driven by this ambition in the digital age. In a dynamic market, our KLINGER companies around the globe ensure that our customers keep their own quality promises at all times. This understanding, paired with a strong sense of responsibility for future generations, makes us unique..

Our Values

For 130 years we've been striving to be the best. As an employer, we strive to offer an appreciative work environment every day.



SUSTAINABILITY

We take environmental protection into account.



PEOPLE SPIRIT

Invest in people and have them learn from the best.



CUSTOMER VALUE

Serve our customers with expertise, integrity and passion.



INNOVATIVE EDGE

Foster innovation and exceed current industry standards.



BUSINESS EXCELLENCE

Combined technology leadership with service excellence.



GLOBAL REGIONALITY

Develop industry and region specific solutions.



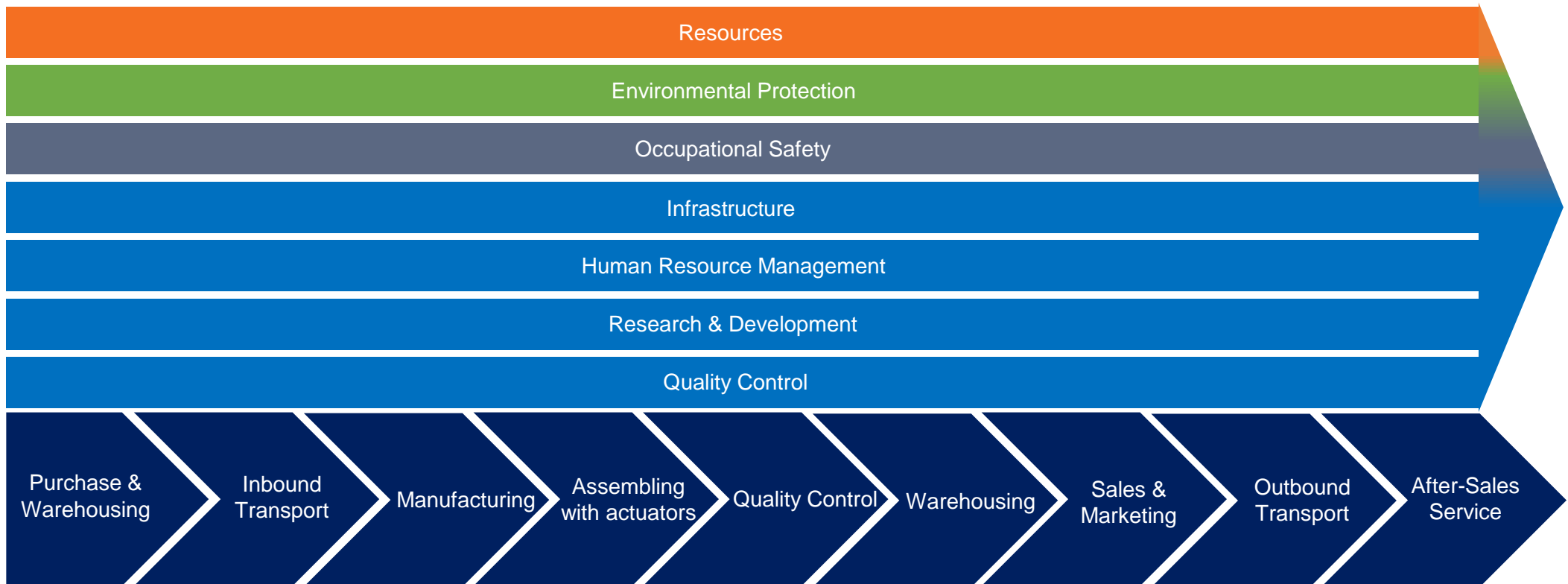
» Our products and areas of utilization

The high quality and durability of KLINGER SCHÖNEBERG products is appreciated by our customers and trading partners worldwide. We offer valves for a wide range of operating conditions and application fields as well as industries.

<p>INTEC Ball Valves</p> 	<p>INTEC Duoball</p> 	<p>RK-Probball Ball Valves</p> 	<p>Multiple Port INTEC Ball Valves</p> 	<p>INTEC Specials</p> 
<p>Mini plant ball valves</p> <p>INTEC K100</p> 	<p>Flanged ball valve soft seated</p> <p>INTEC K200</p> 	<p>Flanged ball valve metal seated</p> <p>INTEC K200</p> 	<p>Flanged ball valve free outlet</p> <p>INTEC K200</p> 	<p>Wafer type ball valve</p> <p>INTEC K200-K</p> 
<p>Manifold ball valves</p> <p>INTEC K400</p> 	<p>Tank bottom ball valve</p> <p>INTEC K500</p> 	<p>Pressure gauge ball valve</p> <p>INTEC K600</p> 	<p>Sampling device ball valve</p> <p>INTEC K700</p> 	<p>3-piece high pressure ball valve</p> <p>INTEC K800</p> 

 <p>Chemical</p>	 <p>Food & Beverage</p>
 <p>Energy</p>	 <p>Infrastructure</p>
 <p>General Manufacturing</p>	 <p>Geothermal</p>
 <p>Oil & Gas</p>	 <p>Pharma</p>
 <p>Agriculture</p>	 <p>Water</p>

» Our value chain



Our value-adding activities in the company are divided into two areas: primary activities (from purchasing to after-sales service) and supporting activities. Primary activities provide a direct value-adding contribution to the creation of our products.

Supporting activities (secondary activities) are those activities that form the

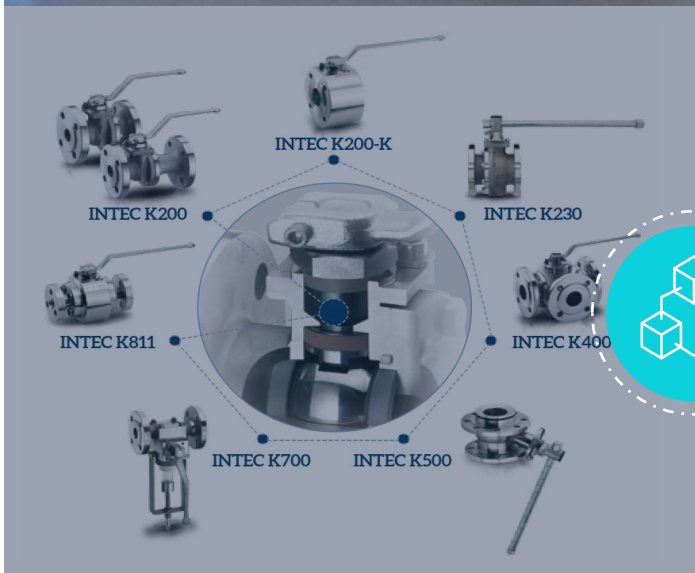
prerequisite for our products to be manufactured in the first place. Above all, we place sustainability in the sense of the conscious use of resources as well as environmental protection and occupational safety as prerequisites for the secondary activities.

» KLINGER SCHÖNEBERG – Sustainable product development and system technology



Sustainable product development and testing at our own in-house laboratory


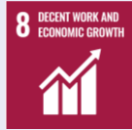


- » Conducting tests for preliminary developments in the focus of technology scouting, -testing and -evaluation as well as innovation and patent management.
- » Analysis and specification of technical as well as economic requirements, the implementation of new technologies in products, the generation of ideas and evaluation for technical problems and the performance of tests to verify the development results are carried out.
- » Life cycle and wear testing, high and low temperature testing, type testing, fugitive emissions testing (leakage to the outside), internal leakage testing (leakage in the port) using pressure decay method, torque test bench.
- » Development of Smart Valve – Valve with integrated permanently condition monitoring and lifetime prediction to extend the life cycle of the valves and avoid preventive replacement cycles







System technology - For your functionality and plant safety as well as reduction of variations

- » Reinforced stem design for more safety in automation
- » German clean air act approval acc. to VDI 2440 – **NEW Standard of fugitive emissions** acc. to ISO 15848-1
- » Fire-Safe/Clean air act design - all in one - the best standard
- » FDA conformity for pharmaceutical application
- » System construction unit of all components for reduction of storage costs and waste consumption in the field of developments of new valves or application specific valves for special requirements
- » Designed for long life – Repairable, Maintenance Free, Recyclable, Energy efficient, Safety

» Company goals and KPIs

Company section	Objective	Result 2023	Future goal	UN-SDG	Risk
Anti corruption	<ul style="list-style-type: none"> Zero tolerance for bribery and corruption Zero tolerance for incidents of frauds 100% of the management and all employees of the involved departments should have participated in the training on the Code of Conduct. 	<ul style="list-style-type: none"> Training on compliance with the Code of Conduct Anti corruption training of all employees Whistleblowing process to ensure anonymity Implemented and available Zero complaints Zero frauds 	Still zero complaints and frauds		Loss of reputation and strong economic impact
Ethical culture	<ul style="list-style-type: none"> High level of ethical and sustainable business practices. 	<ul style="list-style-type: none"> New Code of Conduct for all employees introduced in 2021 Worldwide common corporate culture through adherence to the vision, mission and values 	Still 100%		Loss of reputation and trust, brand damage and difficulties in recruiting and retaining employees
Sustainable and responsible corporate governance	<ul style="list-style-type: none"> Participation at UNGC 	<ul style="list-style-type: none"> Preparation of the progress report and promotion for sustainability reporting 	Will be realized and reported in 2025		No risk
Sustainable product development	<ul style="list-style-type: none"> Product Carbon Footprint 	<ul style="list-style-type: none"> Reported PCF over all own products (except the missing PCF respectively emissions from third parties) With the Product Carbon Footprint, we can identify the impact of climate-relevant greenhouse gas emissions, analyze them and reduce or completely avoid them with the right measures. 	Complete PCF including third party products will be realized and reported in 2025		No risk

» Company goals and KPIs

Company section	Objective	Result 2023	Future goal	UN-SDG	Risk
Sustainable product development	<ul style="list-style-type: none"> Qualification of the tightness of shut-off and control valves to the outside by the amendment of the TA-Luft respectively the component testing according to DIN EN ISO 15848-1 (International standard for type testing of valves for fugitive emissions) 	<ul style="list-style-type: none"> Start of qualification acc. to new standard of fugitive emissions ISO 15848-1 Standard applications are finalized in 2022 and 2023 and for the complete product range will be realized in 2025 	Will be finalized in 2025		No risk
Sustainable product development - use of comprehensive sustainability measures	<ul style="list-style-type: none"> Development of Smart Valve – Valve with integrated permanently condition monitoring and lifetime prediction to extend the life cycle of the valves and avoid preventive replacement cycles 	<ul style="list-style-type: none"> Start with feasibility study and beginning of development 	Will be realized in 2024		No risk
Occupational health & safety management systems	<ul style="list-style-type: none"> Certified according to DIN EN ISO 45001 	<ul style="list-style-type: none"> An SGA management system in accordance with ISO 45001 promotes the integration of occupational health and safety aspects into corporate processes 	Will be realized in 2025		No risk
Industry 4.0 (IIoT)	<ul style="list-style-type: none"> Implementation of a semi-automatic assembly line Connected with the ERP System through SPS Automatically recording all measures 	<ul style="list-style-type: none"> Design and construction of the semi-automatic assembly line Initial installation/construction and testing phase has begun 	Will be realized in 2025		No risk

» Environmental Policy

KLINGER SCHÖNEBERG GmbH has established a comprehensive Environmental Policy reflecting its commitment as a responsible and sustainable designer, manufacturer, and supplier of ball valves. Recognizing the significant impact of industrial processes on the environment, the company is dedicated to minimizing its ecological footprint through systematic actions outlined in the policy.

Policy Commitments KLINGER SCHÖNEBERG is committed to:

- » Complying with all relevant environmental laws, regulations, and standards.
- » Integrating environmental considerations into production processes, product design, and daily operations.
- » Promoting environmental awareness among employees, suppliers, and customers.
- » Establishing and reviewing measurable environmental objectives and targets aligned with sustainability commitments.

Key Environmental Objectives and Current Status

Energy Efficiency

- » Objective: Reduce energy consumption through the adoption of energy-efficient technologies and optimization of production processes.
- » Current Status: Achieved a 1.97% reduction in energy consumption in 2023, with a target of a further 2.00% reduction in 2024.

Waste Reduction:

- » Objective: Minimize waste generation through responsible waste management practices and recycling.
- » Current Status: Despite a 6.85% increase in waste volume due to higher production output, recycling rates improved by 0.9%.

Water Conservation:

- » Objective: Monitor water usage, develop reduction strategies, and reduce specific water consumption to a maximum of 250 cubic meters by 2025.
- » Current Status: Achieved a 9.10% reduction in water usage.

Emissions Reduction:

- » Objective: Actively work to reduce greenhouse gas and other emissions by implementing cleaner technologies.
- » Current Status: Reduced Scope 1 and Scope 2 emissions by 3,9%.and scope 3 by 1,3%

Sustainable Procurement:

- » Objective: Source raw materials and components from environmentally responsible suppliers.
- » Current Status: 44.6% of A and B suppliers have an established CSR sustainability policy.

Biodiversity and Ecosystem Protection:

- » Objective: Protect and restore local biodiversity and ecosystems.
- » Current Status: No incidents of environmental pollution in 2023.

Product Energy Efficiency:

- » Objective: Enhance energy efficiency across the product portfolio.
- » Current Status: Ongoing tests for fugitive emission for seals; some parts already certified.

Sustainable Product Design:

- » Objective: Incorporate eco-design principles to reduce the environmental impact and carbon footprint of products.
- » Current Status: 99% of fittings are recyclable and designed for easy maintenance and disassembly.

Employee and Stakeholder Engagement The policy emphasizes the role of employees in achieving environmental objectives through training and incentives for eco-friendly initiatives. Stakeholder engagement involves sharing information about environmental performance and collaborating on sustainability initiatives.

Compliance and Reporting KLINGER SCHÖNEBERG maintains rigorous compliance with environmental standards, with regular assessments and transparent reporting to authorities and the public.

Continual Improvement The policy is subject to periodic review and updates by the Top-Management Team to adapt to evolving environmental standards and company goals, underscoring KLINGER SCHÖNEBERG's ongoing commitment to environmental stewardship.

This Environmental Policy demonstrates KLINGER SCHÖNEBERG's proactive approach to environmental responsibility and its commitment to leading sustainable practices in its industry.



» CO₂-Footprint

Conserving natural resources and minimizing the impact of our business activities on the environment and climate are an integral part of our corporate policy. In this context, it is important to document the wide range of activities - from the use of

green electricity to photovoltaics at the production site - transparently and completely. We conscientiously balance their effects. Not only to measure impacts and demonstrate successes - but also to learn and keep improving.

Factors for savings

- » Reduction of electricity consumption by raising awareness among employees
- » Switching to energy-saving LED lighting
- » Avoidance of waste
- » Use of energy-efficient equipment
- » Efficient temperature control in the server room

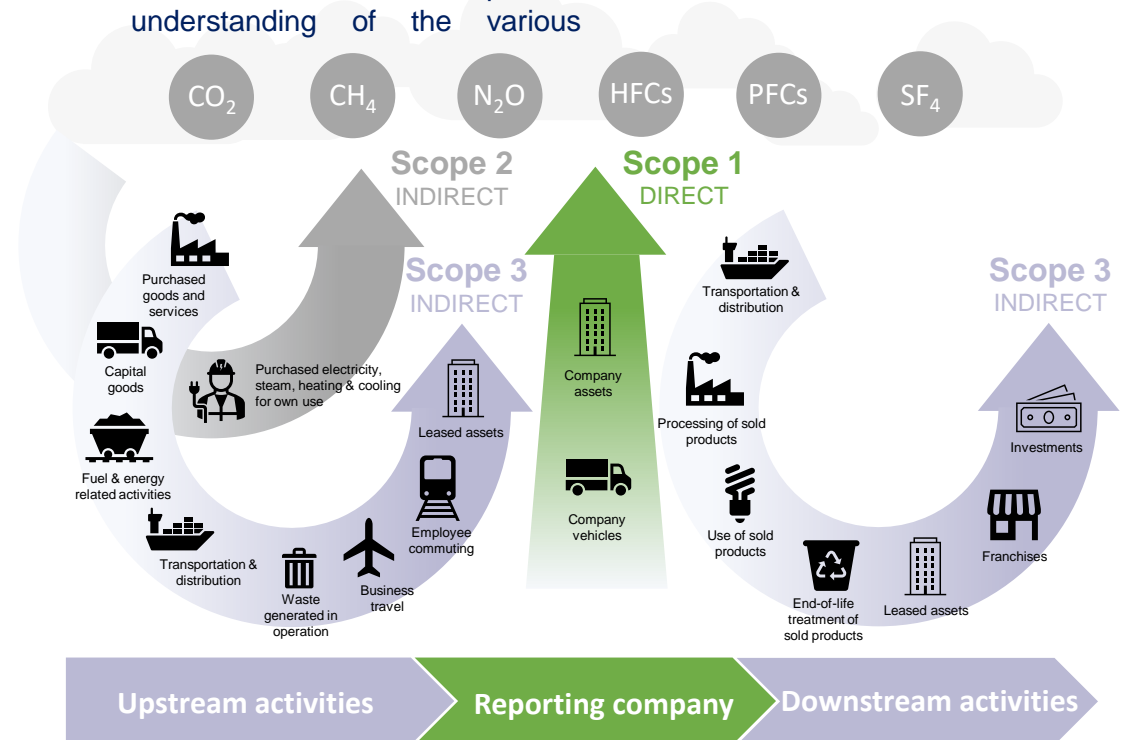
» Determining the Carbon Footprint

The GHG Protocol Corporate Standard categorizes greenhouse gas emissions associated with a company's corporate carbon footprint as Scope 1, 2 and 3 emissions. In addition, there is the Product Carbon Footprint (PCF), which describes the total amount

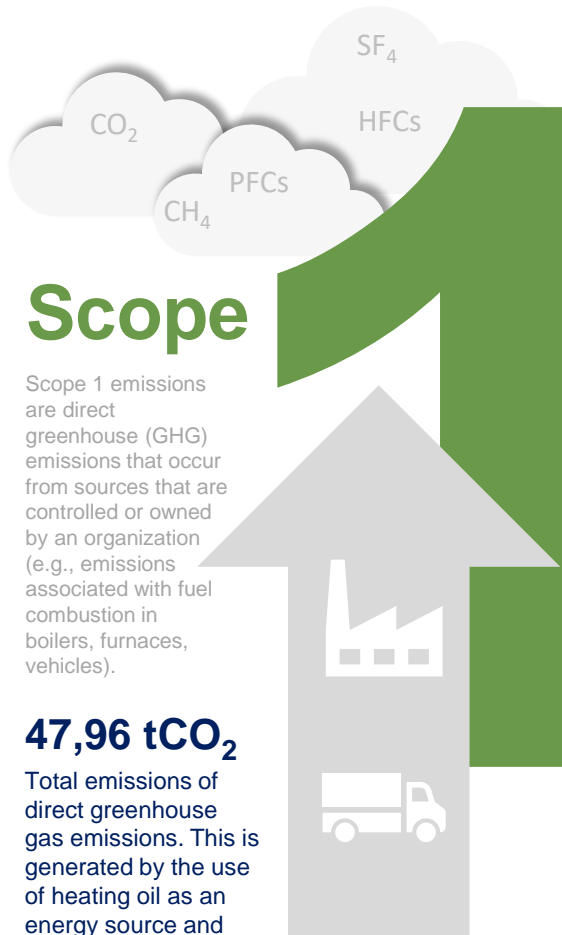
of greenhouse gas emissions caused by a product or service over various phases of its life cycle. The scope concept itself originates from project management and refers to all processes and resources required to complete products.

According to the GHG Protocol, this categorization essentially serves to distinguish sources of direct and indirect emissions and to ensure that two or more companies do not record emissions in the same scope. The basis for a climate protection strategy is the calculation of one's own CO₂ emissions and a precise understanding of the various

sources of emissions. While this is very challenging, it is a crucial step in setting and achieving reduction targets and mitigating your contribution to climate change. In the following, the main sources of emissions are identified and categorized and evaluated as Scope 1, Scope 2 and Scope 3 emissions.

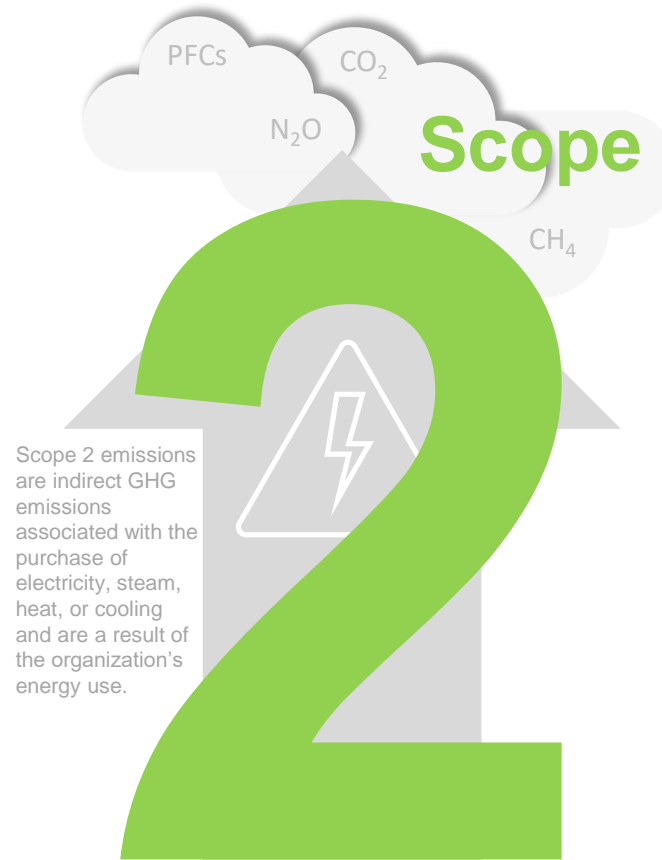


» KLINGER SCHÖNEBERG'S Scope 1, 2 and 3 emissions



47,96 tCO₂

Total emissions of direct greenhouse gas emissions. This is generated by the use of heating oil as an energy source and diesel for company vehicles as well as the company's vehicle fleet.



0,00 tCO₂

Total indirect greenhouse gas emissions from the generation of procured energy. No CO₂ emissions were caused by secondary energy sources consumed, as only green electricity is purchased and the company's own photovoltaic system is also used.



Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

» Product Carbon Footprint (PCF)



84.679

products sold in 2023, including complete ball valves and spare parts.

1.355,56 tCO₂/e

total consumption of all products sold with the exception of purchased peripherals and third-party products. In coordination with our suppliers, our aim is to maintain the emission values for all peripheral devices in the future.

» Scope 3 – Corporate Carbon Footprint for commuting to work in 2023

Commuting to work

37.790.586 gCO₂

Total Carbon Footprint for commuting to work

212.306 gCO₂

Daily Carbon Footprint for commuting to work



Ø 3

gCO₂ per Transportation



Ø 4.489

gCO₂ per Transportation



Ø 792

gCO₂ per Transportation



Ø 2.055

gCO₂ per Transportation

Business trips



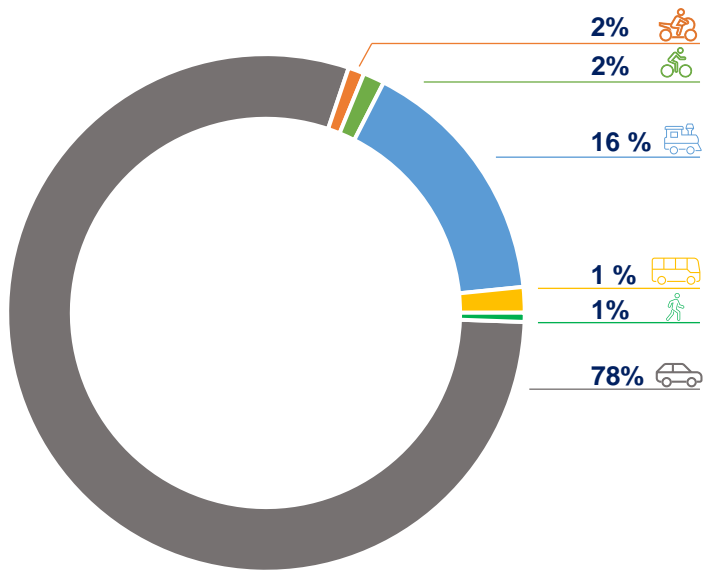
31.398.000

gCO₂ total



2.464.076

gCO₂ total



Transportation used by our employees

Head-quarter

31 km

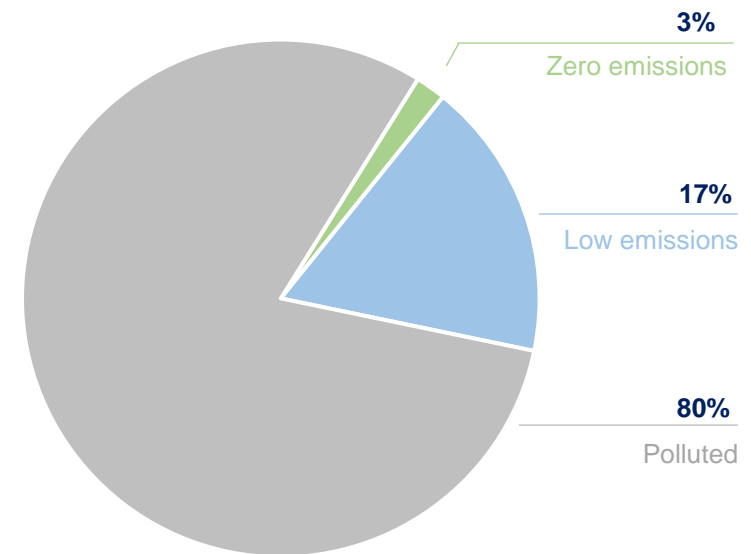
Sales office

31 km

Hybrid Sales rep.

61 km

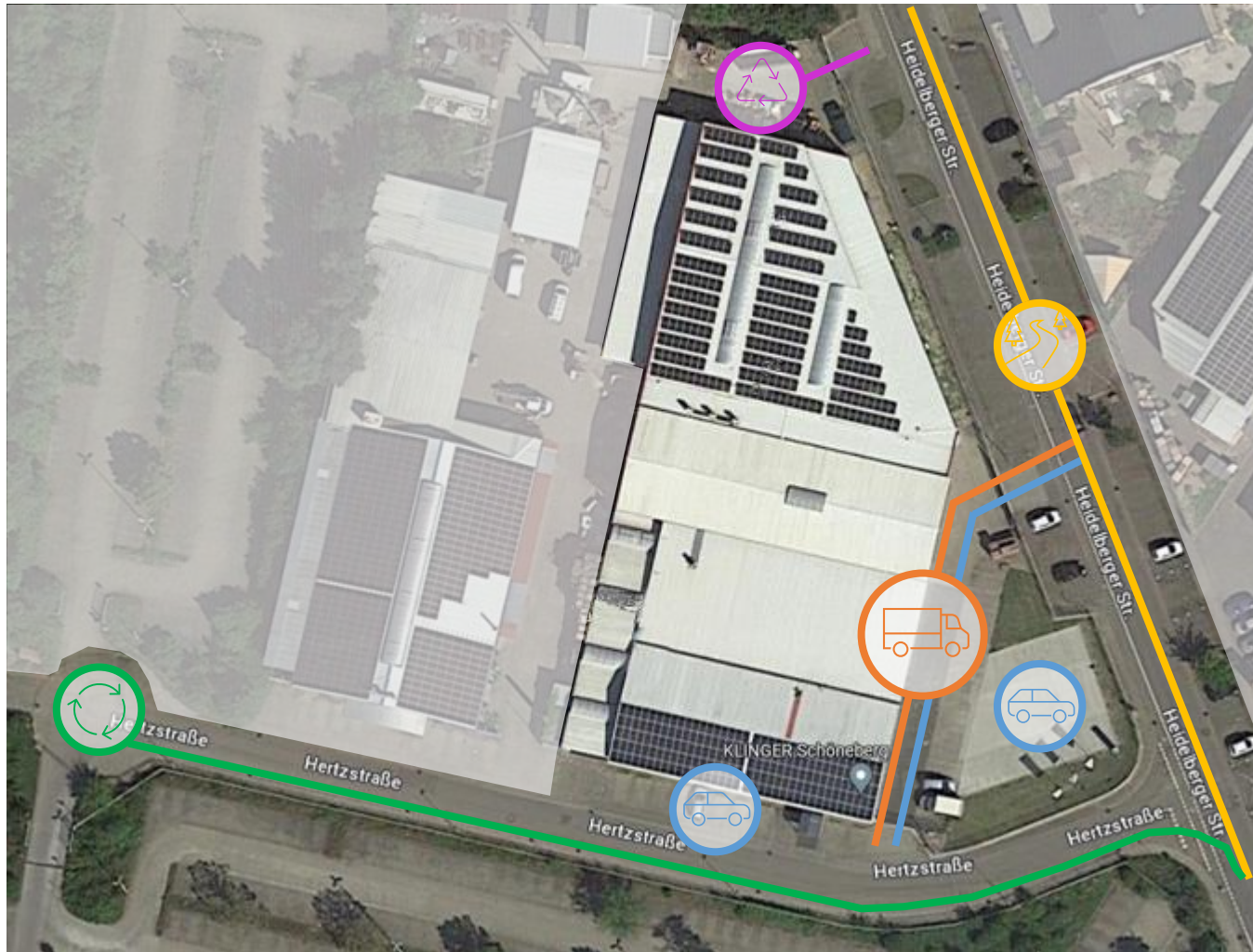
Employee avg. transportation distance (km)



Local Emissions for transportation

» Traffic management at the production site

Avoiding traffic jams



The Heidelberg Str. (traffic street) is the connection to reach the KLINGER SCHÖNEBERG GmbH company premises from all sides.



To avoid traffic jams on the company premises respectively on the main road (Heidelberg Str.), KLINGER SCHÖNEBERG GmbH has a truck guidance system for unloading and loading. Thanks to our own driveway to the goods receipt and exit far from the main road, the trucks can go directly from the street onto the company premises, so that there is no backlog. The driveway also serves as a through road, so that there is no need to turn on the traffic road and there are no blockages in the road.



Employees, visitors, customers and suppliers are guided via the company's own driveway directly from the main road (Heidelberg Str.) onto the company premises and to the company parking spaces, which are available in sufficient numbers. Therefore, backups on the main road are avoided.



The connected side street (Hertzstraße), a dead-end street, offers the possibility for cars and trucks to turn around without blocking the traffic street (Heidelberg Str.) due to the built-in turning circle.



For emptying and exchange of waste containers by trucks there is a large separate access away from the main road, which avoids traffic jams.

» Traffic management at the production site

Avoiding traffic jams



Incoming and outgoing goods are separated from each other along the halls, so that several trucks can be processed in parallel. There is enough space in front of the halls for 3 trucks or 2 semi-trailers to avoid a backlog on the main road. In addition, the unloading and loading locations are labeled accordingly so that they can be seen



directly from the street, which enables a spacious and targeted entrance without the formation of traffic jams. The loading times have been clarified with the freight forwarders so that there are no overlaps. Furthermore, the company's own parking spaces around the buildings can be reached via the driveway.

» Noise emissions – Noise measurement outside



The operational noise measurement in the outdoor area provides comprehensive insight into the noise environment of the plant and resulted in an average noise level of 65.3 decibels (dB) from several measurements, with an average maximum value of 89.6 dB and an average minimum value of 59.9 dB. These measurements were carried out to assess the impact of operational activities on the surrounding area and to ensure that the specified noise limits were adhered to.

The results show that the average noise level of 65.3 dB is within the acceptable range, indicating that the operational activities are adequately controlled in terms of environmental protection to minimize potential nuisance to the surroundings. The average maximum value of 89.6 dB and the average minimum value of 59.9 dB provide information about the dynamics of noise generation and the fluctuations in noise levels during the measurement period respectively.

It is important to note that the maximum value of 107.0 dB is due to peak events caused by an adjacent construction site and not to temporary operating conditions. Furthermore, the KLINGER SCHÖNEBERG GmbH office building, production hall and warehouse are located in an industrial area with neighboring industrial companies and on a busy road with regular passages of heavy trucks.

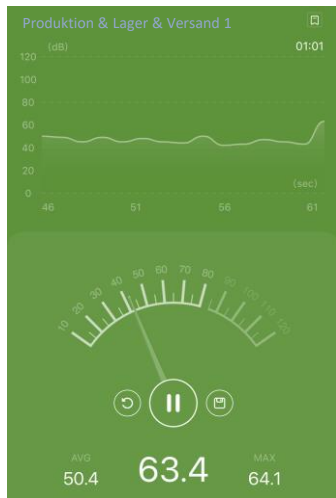
An image and sound evaluation for a more precise analysis of the specific moments shows that the peak events are due to passing trucks, unloading of transporters on neighboring sites (forklift work) and construction site noise (crane and lifting work, hammering and concrete pouring) from an adjacent construction site.

The minimum value of 58.3 dB, on the other hand, shows that there are also phases of lower noise pollution in the surrounding area.

Overall, the measurement shows that KLINGER SCHÖNEBERG GmbH is aware of the environmental impact and is keen to keep noise pollution at an acceptable level. This can be seen not least from the fact that the average noise level inside the buildings is lower than outside. Currently, neither noise nor external noises are penetrating the environment. Monitoring will continue on an ongoing basis in order to implement targeted measures to optimize the noise situation if there is cause to do so.

KLINGER SCHÖNEBERG GmbH will continue to monitor noise in the future and help to identify and reduce potential nuisance to the surrounding area while ensuring compliance with noise limits.

» Noise emissions – Noise measurement inside





The operational noise measurement in the indoor area provides comprehensive insights into the noise environment of the plant and resulted in an average noise level of 55.5 decibels (dB) from several measurements in the production/assembly and warehouse areas, with an average maximum value of 61.6 dB and an average minimum value of 49.1 dB. These measurements were carried out to assess noise exposure in the workplace and to ensure compliance with the applicable noise protection guidelines.

The results show that the average noise level of 55.5 dB inside the company is within the acceptable range and equivalent to a library. This is the result of suitable noise protection measures and machine arrangements already implemented to minimize noise exposure for employees. The maximum value of 64.1 dB is due to specific work processes (screwing with an air screwdriver) or temporary conditions (passing of the industrial truck), which were analyzed in detail in order to take targeted measures to reduce noise. Every workplace is equipped with hearing protection (ear muffs) to protect employees' hearing during specific work processes or temporary conditions. The minimum value of 47.6 dB shows that there are also phases of lower noise exposure.



Overall, the measurement shows that KLINGER SCHÖNEBERG GmbH is aware of noise pollution and is keen to keep noise pollution indoors at an acceptable level. Monitoring will continue on an ongoing basis in order to implement targeted measures to optimize the noise situation if there is cause to do so. KLINGER SCHÖNEBERG GmbH will continue to monitor noise in the future and help to identify and reduce potential sources of noise for employees while ensuring compliance with noise limits.



» Environment goals & KPIs

Environmental section	Objective	Result 2023	Future goal	UN-SDG	Risk
Energy saving	<ul style="list-style-type: none"> • Renewal of compressed air compressors by installing a high-efficiency screw compressor • Change of the process control by means of time and utilization control • Renewal of the compressed air lines • Acquisition of an ultrasonic detector to locate the leaks • Get training on energy saving measures through Awerness 	<ul style="list-style-type: none"> • By lowering the cut-in and cut-out pressure levels, a further energy saving of approx. 6-10% is achieved. • Leakages and pressure fluctuations were eliminated and condensate accumulation was minimized. • Installation of an air duct for the purpose of using the warm exhaust air for heating the warehouse and thus reducing heating costs. • In 2023 (367,5 MWh) compared to 2022 a reduction in energy consumption by 1.97% was made. 	<ul style="list-style-type: none"> • Until 2026 max. energy consumption of 180.000 kWh • A further reduction of 2.00% is targeted for 2024. 		No risk
Emissions	<ul style="list-style-type: none"> • Reduction of CO₂ emissions through the use of green electricity and photovoltaics 	<ul style="list-style-type: none"> • Specific Scope 1 emissions from continuing operations decreased by 3,9% compared to 2022. • Specific Scope 2 emissions from continuing operations decreased by 100% compared to 2019 • Specific Scope 3 emissions decreased by 1,3% compared to 2022. • Absolute emissions were reduced by 1,4% as of 2022. • A reduction of 284,9 tCO₂e through recycling were made in 2023 	By 2025, we want to reduce the sum of Scope 1 and Scope 2 to a maximum of 30 T of CO ₂ emissions.		No risk

» Environment goals & KPIs

Environmental section	Objective	Result 2023	Future goal	UN-SDG	Risk
Product Carbon Footprint	<ul style="list-style-type: none"> Continuously monitoring of the PCF and the related CO₂ emissions 	<ul style="list-style-type: none"> Initial calculation done. Missing CO₂ values of third party products must be added as well as available. Despite 5.75% more products sold, CO₂ emissions were reduced to 1,355.56 tCO₂e 	Calculation comparison and derive measures and obtain third-party data in 2024		No risk
Water consumption	<ul style="list-style-type: none"> Reduction of specific water consumption 	<ul style="list-style-type: none"> By implementing targeted measures to prevent water losses due to leaks in the infrastructure, educating and raising awareness among employees about the responsible use of water resources, and regularly reviewing and optimizing water consumption, we were able to reduce our water usage by 9.10% compared to the year before. 	By 2025, we want to reduce the water consumption to a max. of 250 cbm		No risk

» Sustainability

In recent years, the global importance of sustainability has significantly increased, prompting industries across various sectors to acknowledge their environmental responsibilities. As a leading manufacturer of industrial ball valves, we are particularly attuned to our environmental duties and are dedicated to adopting sustainable practices.

The production of ball valves necessitates precise manufacturing techniques and the utilization of diverse materials. Central to our efforts are a durable, system-oriented design, the selection of appropriate materials, and the implementation of innovative production processes. Our sustainability strategy is underpinned by principles of the circular economy and the optimization of our manufacturing processes to reduce energy consumption.

A crucial element of our approach is the longevity of the ball valves we produce. By crafting durable products, we contribute to reducing resource consumption. Our ball valves are engineered to meet rigorous industrial demands while ensuring an extended

operational life, thereby decreasing the need for replacements and minimizing waste.

Our commitment to sustainability extends beyond production. We have established efficient waste management and recycling initiatives to ensure environmentally friendly disposal at the end of our products' life cycles. These measures include the safe management of hazardous substances to mitigate potential environmental harm. Furthermore, we uphold social responsibility by promoting safe working conditions, fair wages, and comprehensive training programs for our employees.

Overall, our sustainability initiatives demonstrate that responsible practices are achievable in the industrial sector. By integrating efficient manufacturing processes and fostering durable products, we actively reduce environmental impacts and satisfy industry requirements. This commitment not only reflects a paradigm shift in industry perspectives but also proves that sustainable practices can be implemented across any sector.

» IT-Sustainability

As a global acting company that continues to grow and drive digitalization, KLINGER SCHÖNEBERG has a major responsibility to minimize waste generation. We need to be responsible with our IT assets and are taking steps to move from a throwaway mentality to lifecycle management, where we reuse what we can. We determine which

computer models we use by selecting only the highest quality and most energy-efficient computers we can find. Product longevity is critical to enabling a circular economy so that products stay in use longer and limit the amount of resources used in new products is limited.



» Assessment of Sustainability

Certified since 2017

Ecovadis is a major international certification in the area of sustainability. It includes an up-to-date sustainability rating on the environment, labor and human rights, ethics and sustainable procurement.

We take the successful certification by ECOVADIS as an

incentive with optimizations in the areas of environment and sustainable procurement relevant for us. In this way, we differentiate ourselves as KLINGER SCHÖNEBERG even more strongly as a particularly sustainable company.



» UN Global Compact

The United Nations (UN) Global Compact is an initiative for companies that voluntarily commit to aligning their actions with specific principles in the areas of human rights, labor standards, environmental protection and anti-corruption.

Based on the 10 universal principles and the 17 Sustainable Development Goals, the UN Global Compact pursues the vision of an inclusive and sustainable economy..



» Sustainable Product Use and End-of-Life Management

Our Commitment to Environmental Stewardship

Our company is dedicated to minimizing the environmental impact of our products throughout their lifecycle, particularly our ball valves, which are certified according to the latest TA-Luft and ISO 15848-1 standards. We are committed to principles that ensure responsible use and end-of-life management of our products, reflecting our dedication to sustainability and environmental protection.

Principles and Commitments:

- » Sustainable Product Design and Use: Our ball valves are designed for efficiency and minimal environmental impact during use. Certified by the latest TA-Luft and ISO 15848-1 standards, they meet high standards of emissions control and operational safety.
- » End-of-Life Management: We ensure that 99% of our ball valves are recyclable, significantly reducing their environmental footprint. Our products are designed to be dismantled and recycled efficiently, avoiding landfill waste.
- » Continuous Improvement: We

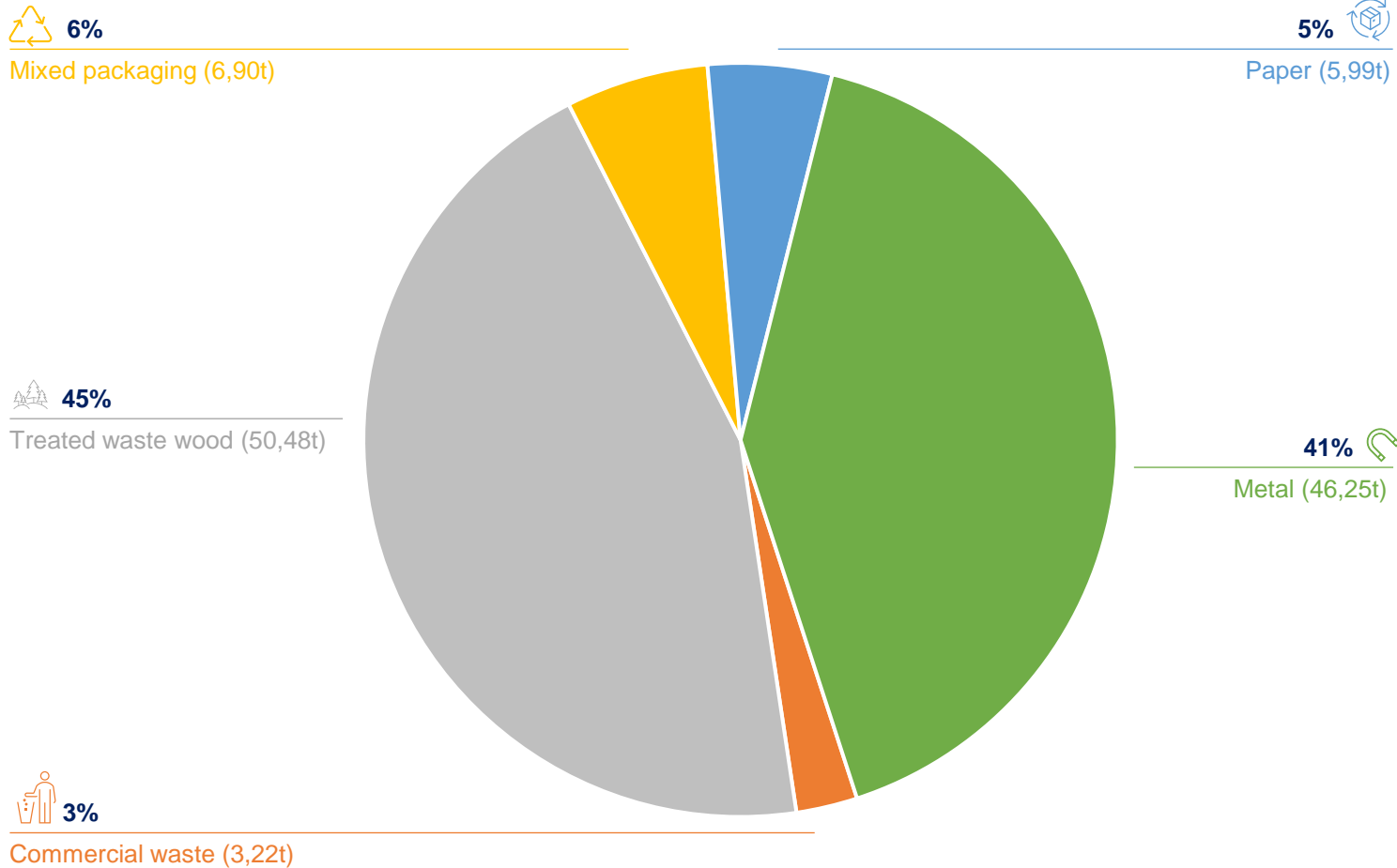
continuously seek to improve the environmental performance of our products through innovations in design, materials, and manufacturing processes.

Quantitative and Qualitative Goals:

- » Increase the Recycling Rate: Still keep a 99% recyclability rate for all manufactured ball valves, with an aim to increase the efficiency of the recycling process by 10% over the next five years.
- » Reduce Environmental Impact: Achieve a 5,0% reduction in energy consumption during the production phase of our ball valves by the end of the next five years through technological upgrades and process improvements.
- » Enhance Product Lifecycle Management: Implement a comprehensive lifecycle assessment for new products lines by 2025 to better understand and mitigate their environmental impacts.
- » Stakeholder Engagement: Increase engagement with suppliers and customers to promote the adoption of environmentally friendly practices along the supply chain and during the product usage phase.



» Waste consumption in 2023



Used paper and cardboard packaging that contains at least 70% corrugated cardboard (so-called department store waste paper) is disposed of in the designated container for recycling. For this purpose, KLINGER SCHÖNEBERG GmbH works with the waste disposal company Knettenbrech & Gurdulic to sustainably conserve natural resources and maintain closed material cycles.

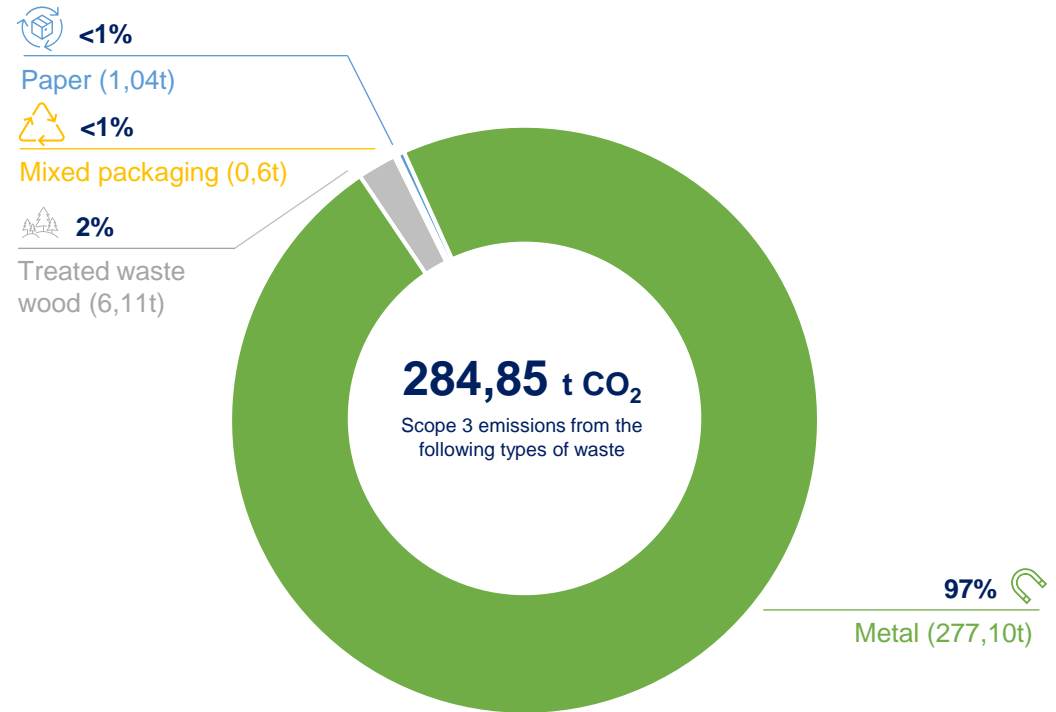
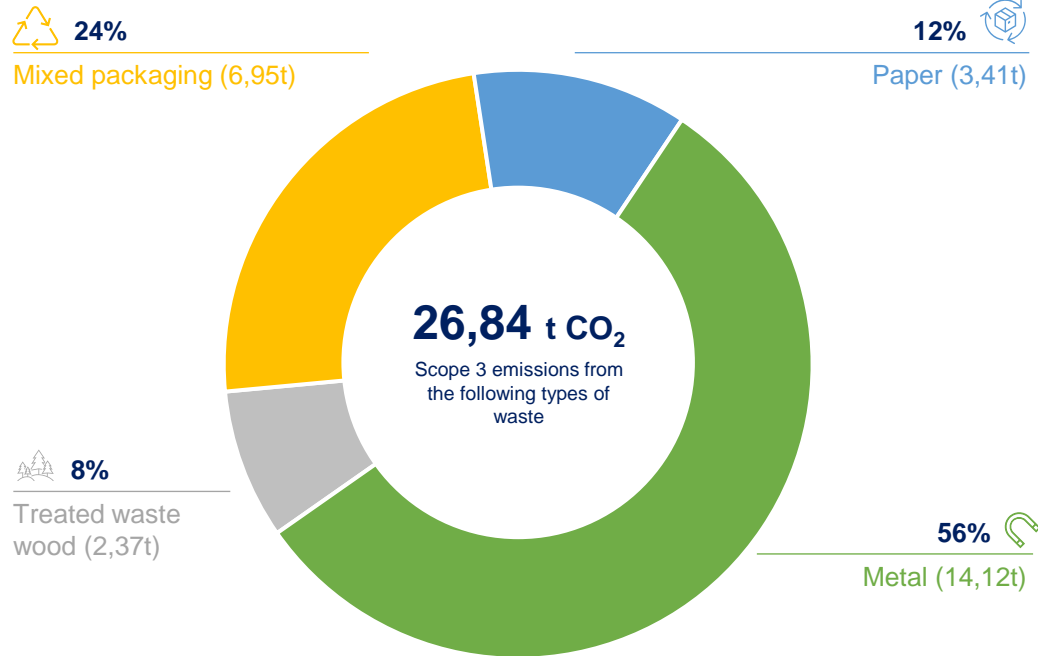


To promote the circular economy, KLINGER SCHÖNEBERG GmbH cooperates with Rudolf Schuy GmbH & Co. KG, a reliable, certified and competent partner for the disposal and recycling of all common metals. This primarily involves the sorted recycling of metal shavings and metal waste that arise during processing. Through the cooperation, customers from the chemical industry are offered a closed disposal system in which the cooperation partner collects all industrial valves, collects them according to type and returns them for recycling or material recycling in an appropriate and professional manner.

» Total CO₂ emissions and saved CO₂ of Waste consumption in 2023

Total CO₂ emissions generated in the course of disposal

The amount of CO₂ saved through the energy recovery/ recycling of waste compared to the use of fossil fuels or primary raw materials.



» Product Sustainability

Metal recycling as an essential pillar of sustainable raw material security

Metal recycling makes a significant contribution to climate and resource protection and secures the supply of metallic raw materials. Sustainable recycling is in the DNA of metals. Our company is ready to further promote the circular economy and recycling.

Circular economy is more than recycling

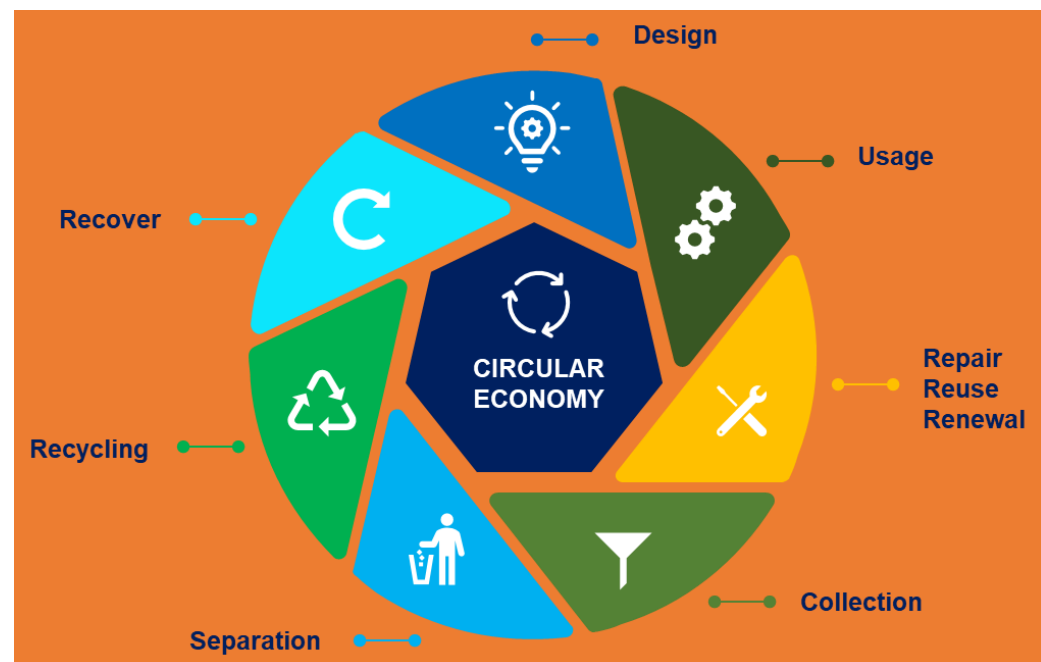
Circular economy means more than just recycling. It is a holistic interdisciplinary approach that combines know-how about processes, technologies and materials. The focus is on long service life as well as repair, reuse and recovery. Waste prevention and reuse are the primary goals, ahead of recycling. The principle is particularly meaningful, as our products are designed to be recycled into a biological or technological cycle with over 99% of the total weight. All our industrial valves are long-life products and follow the modular design principle. This is ensured from development through design and layout to application-specific design and material selection. In addition, our products are equipped with multi-part housings so that all components used can be separated by simple disassembly, easily separated in terms of material and sorted. No special tools are required for this.

Through efficient processes, waste prevention, repair, reuse, restoration, collection, separation, recycling and material recovery, the further promotion of the circular economy of industrial valves is intended to reduce resource consumption.





Measures to promote the circular economy

To promote the circular economy, we have now agreed on a cooperation with the company Rudolf Schuy GmbH & Co KG a reliable and competent partner for the disposal of all common metals. The customized logistics services, the reputation as a problem solver and the reliability have made the company Rudolf Schuy GmbH & Co KG over decades to what they are today: one of the




largest scrap metal trading companies in Germany. In addition, the company is also one of only a few waste management companies that is certified to recycle metal waste. By using a range of the most modern metal analysis equipment, steel mills and foundries can be offered exactly the mix qualities and grade purities they need, with letter and seal. Packages of plates are supplied in palletized form, the quality of which is individually checked and certified. The company Rudolf Schuy GmbH & Co KG already has decades of experience in the field of scrap disposal from the chemical industry and is also very familiar with the documentary and management system requirements and external audits there. Apart from various types of scrap, industrial valves are also disposed of properly and professionally and sorted by type.



» Sustainability goals & KPIs

Sustainability section	Objective	Result 2023	Future goal	UN-SDG	Risk
Circular economy	<ul style="list-style-type: none"> Through efficient processes, waste prevention, repair, reuse, recovery, collection, separation, recycling and material recovery, further promotion of the circular economy of industrial valves will reduce resource consumption. 	<ul style="list-style-type: none"> Cooperation agreement with the company Rudolf Schuy GmbH & Co KG a reliable, certified and competent partner for the disposal of all common metals. Products are designed in such a way that over 99% of the total weight can be recycled into a biological or technological cycle. Direct customer contact and notices on our website as well as in social media A reduction of 284,9 tCO₂e through recycling were made in 2023 	Until 2024 improvement of the circular economy		Customer did not join the offered circular system because he arranges the disposal on his own responsibility
Sustainable Product portfolio	<ul style="list-style-type: none"> REACH - evaluation of our individual parts in coordination with our suppliers / our supply chain 	<ul style="list-style-type: none"> Ensuring that REACH does not negatively affect the manufacture of products purchased by our customers - do not contain SVHC's > 0.1%. 	Stil 100%		No risk
IT-Sustainability	<ul style="list-style-type: none"> Supporting charity initiatives 	<ul style="list-style-type: none"> Donating working computers to disadvantaged kids. 	Also, further support of disadvantaged kids		No risk
Materials, chemicals & waste	<ul style="list-style-type: none"> Reduction of auxiliary and operating materials as well as replacement of dangerous waste 	Reduction of auxiliary and operating materials of 37,1% Total reduction of hazardous auxiliary and operating materials of 18,8%	Substitution of the cooling lubricant with an environmentally friendly and water-soluble product till 2025 and further reduction of auxiliary and operating materials		No risk

» Sustainability goals & KPIs

Sustainability section	Objective	Result 2023	Future goal	UN-SDG	Risk
Waste consumption	<ul style="list-style-type: none"> Switching all suppliers to reusable product packaging in order to reduce waste respectively treated waste wood and plastics. 	<ul style="list-style-type: none"> Changeover of main suppliers already completed. Due to a 5.75% increase in production output in 2023 compared to the previous year, and the consequent increase in materials procured, waste volume rose by 6.85%. Despite this increase, we managed to enhance the recycling rate of the total waste generated by 5.9% through the increased use of recycled materials, improvements in the waste recovery rate, and training in waste management. Compared to last year, the recycling rate improved by 0.9%. 	Reducing treated waste wood to 25t until 2026		No risk
Joint Committee on Occupational Health and Safety	<ul style="list-style-type: none"> Quarterly meetings with the safety specialist, safety officers, management, executives and the company physician of the occupational health center Training of all employees Regular inspection by the assigned professional association BGHM 	<ul style="list-style-type: none"> Minutes of the ASA meetings with the identified measures and the current status. Inspection reports of the BGHM with the identified measures and the current status 	Continuation of quarterly inspections by the ASA Team as well from the BGHM		Untrained and negligent employees can increase accident rates and lost downtime Without the site inspections, potential hazards may not be identified.
EEG & EEAG	<ul style="list-style-type: none"> Extend the life cycle of electronic devices with professional repair measures 	<ul style="list-style-type: none"> The disposal rate in 2023 is 0.82% across all appliances (WEEE in relation to EEG) Annual inspection and maintenance by specialist companies 	Maintain annual inspection and maintenance by specialist companies to keep the disposal rate below 1%		No risk

» Social & Ethics

As a medium-sized company, we have a direct responsibility to our employees. We want to be more than just an employer - that is why we are characterized by a strong bond with people and teams. We live this principle - we have always combined classic values and performance orientation with aspects of flexible work design. Our personnel development is characterized by measures that have a target-oriented and positive effect on the professional development and personal well-being of all employees. This includes regular feedback interviews, defined discussion opportunities, strong team cohesion, as well as continuous promotion and further training in

the form of seminars and courses. Continuous training expands our own know-how and is crucial in order to be able to offer customers state-of-the-art performance at all times.

Continuing education is available to all employees - they can acquire specific and personal qualifications.

KLINGER SCHÖNEBERG assumes the costs of the further training measures, the participants invest their time.

In this way, we offer our customers reliability, know-how and service quality - always from our own company.



Committed principles: Leadership culture of our management

- » Showing appreciation and trust in people and their work
- » Promote transparent communication between departments
- » Listening attentively to the needs of colleagues
- » Carrying, delegating and demanding responsibility
- » Perceiving, accepting and clarifying conflicts with the persons concerned
- » Acting as a role model across departments
- » Live a collegial cooperation
- » Accept, demand and give criticism and feedback
- » Implementing rules, decisions and processes in a sustainable manner

» Diversity

We are part of society - at our sites, but also nationally. We achieve and demonstrate social commitment, involvement and development as a local employer and provider of skilled jobs. We offer our employees secure jobs and the associated opportunities for personal development. In this way, we also strengthen the region.

Integration and diversity. In view of the internationalization of our business, we will increasingly recruit employees with an immigrant background and their corresponding language, cultural and national knowledge - and thus make a contribution to integration and diversity.

Equal rights as a matter of principle

- » The recognition and equal rights of all genders is a matter of course at KLINGER SCHÖNEBERG.
- » Fair opportunities for advancement, also for young employees, is an important principle.
- » At KLINGER SCHÖNEBERG, competencies and performance are what count - not gender, school leaving or a possible detour on the career path.
- » We evaluate people holistically with a view to personality, skills and inclinations.

» Employee structure and proportion of women

31.12.2023	Number	Percentage	Ø Age in years	Ø Seniority in years
Blue	26	42,6	49,9	8,1
White	35	57,4	48,7	15,3
Total	61	100,0	45,1	10,0

31.12.2023	Number	Percentage	Ø Age in years	Ø Seniority in years
Female	18	29,5	52,1	13,6
Male	43	70,5	48,0	11,2
Total	61	100,0	45,1	10,0

Age group	Share of employees in %			
	2020	2021	2022	2023
under 40 years	38,7	37,5	35,3	29,5
40 to 49 years	24,2	21,9	13,2	8,2
50 to 59 years	27,4	31,3	36,8	41,0
60 years and older	9,7	9,4	14,7	21,3

We do not employ staff who are 18 years old or younger.

» Supply Chain Due Diligence Act

The Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz) obliges companies with their head office, principal place of business, administrative headquarters, registered office or branch office in Germany to respect human rights by implementing defined due diligence obligations. It regulates corporate responsibility for compliance with human rights in global supply chains.

This includes, for example, protection against child labor, the right to fair wages and protection of the environment.

Despite the fact that KLINGER SCHÖNEBERG does not fall within the scope of the LkSG, the company has adopted and implemented the Supply Chain Act and its core elements. This includes the establishment of a risk management system to identify, avoid or minimize the

risks of human rights violations and damage to the environment.

In addition, the complaints procedure in accordance with Section 8 LkSG, including rules of procedure, has been implemented. As part of our commitment to sustainable, environmentally and socially responsible corporate governance, we would also like to take responsibility at this point for respecting and strengthening internationally recognized human rights in our own business area and in our supply chain through the established whistleblower system.

Sustainable business practices are the basis for future prospects for the environment, society and the economy, as well as for each individual employee or business partner of KLINGER SCHÖNEBERG GmbH.

The whistleblower system with the legal expertise of Ratisbona Compliance GmbH creates additional trust and security through a clearly defined structure that is accessible to everyone and a legally sound initial assessment in

order to point out irregularities and thus secure the sustainable success of KLINGER SCHÖNEBERG GmbH and avert damage. In addition, KLINGER SCHÖNEBERG is committed to regular reporting

» Whistleblowing

KLINGER SCHÖNEBERG believes that it is not only important to ensure compliance with applicable laws, but also to improve transparency and accountability throughout the company. To support our efforts in identifying potential ethical and fraudulent violations, camfil, along with an external partner, provides a whistleblowing service for all employees to confidentially report their concerns. The service is encrypted and password protected, and use of the system is voluntary. Employees who encounter a situation that does not appear to comply with

the principles of our Code of Conduct, our policies or the law are expected to bring the Company of their concerns. In this way, we can improve our work environment improve and mitigate risks to the company so that we can continue to be an ethical and sustainable company.

The privacy and integrity of our employees are essential at all times. The Whistleblowing service is therefore outsourced to a third party, so that any employee who raises a concern in good can report a concern anonymously without fear of negative consequences. have to.

» Data security and data protection

Digitalization offers companies many opportunities, but it also presents them with challenges in terms of data security and data protection. The risk of cybercrime and data breaches has increased enormously in recent years, and as a global company, KLINGER SCHÖNEBERG GmbH must remain vigilant and stay one step ahead of potential threats, whether internal or external.

KLINGER SCHÖNEBERG undertakes

active prevention and protection measures to minimize risks. Just as in other areas of our business, we involve all employees in security issues and align our efforts. KLINGER SCHÖNEBERG has an IT security policy that is part of our broader approach to ethics and compliance. With regard to data protection, we receive additional support from an external partner.

Security awareness training

in 2023, all employees with PC connection participated in our continuous security awareness training.



» Global Responsible Purchasing Guidelines

We are pleased to announce the launch of our new Global Procurement Policy at KLINGER SCHÖNEBERG. This policy is a fundamental part of our efforts to integrate sustainability and social responsibility into all aspects of our business activities. It reflects our commitment to ethical conduct, environmental protection, and social justice, and forms the foundation of our relationships with our suppliers.

The Global Procurement Policy of KLINGER SCHÖNEBERG sets clear expectations for our suppliers and their subcontractors along the entire value chain. It covers essential areas such as human rights, labor conditions, environmental protection, and corporate integrity. By adhering to this policy, our suppliers actively contribute to a responsible and sustainable business world.

Key Points of the Policy:

- » **Social Responsibility:** We expect our suppliers to respect human rights and ensure fair working conditions. This includes implementing measures against forced and child labor.
- » **Environmental Protection:** Our suppliers are encouraged to adopt

environmental protection measures that go beyond compliance with local legislation. This includes reducing emissions, minimizing waste, and promoting a circular economy.

- » **Ethical Business Practices:** The policy prohibits any form of corruption and bribery and requires our suppliers to pursue transparent and fair business practices.
- » **Compliance and Monitoring:** We require our suppliers to conduct regular self-assessments and agree to audits and reviews to ensure compliance with this policy.

Adherence to this policy is not only a testament to our suppliers' commitment to ethical behavior and sustainability but also a critical factor in the continuation of our business relationships. At KLINGER SCHÖNEBERG, we believe that responsible procurement practices contribute to a better and fairer world and look forward to advancing this journey with our partners.

We encourage all our suppliers to actively support and implement these guidelines to collectively shape a sustainable future.

» Policy on Human Rights and Labor Practices

KLINGER SCHÖNEBERG GmbH has firmly established a Policy on Human Rights and Labor Practices, underscoring its dedication to respecting and promoting human rights throughout its business operations and supply chain. The policy aligns with international standards and aims to foster an ethical, inclusive, and fair work environment.

Policy Commitments KLINGER SCHÖNEBERG commits to:

- » Adhering to the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and relevant ILO conventions.
- » Integrating human rights considerations across all business practices.
- » Encouraging suppliers and business partners to adopt similar principles in their operations.

Key Human Rights Objectives and Current Status

Non-Discrimination and Equality:

- » Objective: Ensure a workplace that respects diversity and promotes equality.
- » Current Status: Ongoing efforts to enhance non-discrimination policies, with regular training for employees to foster an inclusive culture.

Privacy and Data Protection:

- » Objective: Safeguard the privacy and personal data of employees, customers, and business partners.
- » Current Status: Implementation of robust data protection measures with regular updates and audits to secure personal data against unauthorized access.

Anti-Corruption:

- » Objective: Combat corruption in all forms within the organization and in dealings with external partners.
- » Current Status: Implementation of a comprehensive anti-corruption framework, including training, monitoring, and strict enforcement of policies to maintain high ethical standards.

Labor Practices:

- » Objective: Uphold fair labor practices, including proper wage distribution, reasonable working hours, and safe working conditions.
- » Current Status: Continuous monitoring and improvement of labor practices to ensure compliance with international labor standards.

Health and Safety:

- » Objective: Maintain high standards of occupational health and safety. Annual health checks of employees by a doctor adapted to the workplace
- » Current Status: Regular safety training, risk assessments, and enhancements in workplace safety measures. Health checks of employees by a doctor adapted to the workplace

Forced and Child Labor:

- » Objective: Eliminate all forms of forced and child labor in the supply chain.
- » Current Status: Strict vetting of suppliers and regular audits to ensure no forced or child labor is used in any part of the business or supply chain.

Grievance Mechanisms:

- » Objective: Provide effective grievance mechanisms to address and resolve complaints and violations related to human rights.
- » Current Status: Established accessible channels for employees and external stakeholders to report grievances without fear of retaliation.

Working conditions and career management:

- » Objective: Creating optimal working conditions, investing in safety measures and preventative health programs and create a supportive environment that enables all employees to develop their professional skills with workshops and training which is planned annually
- » Current Status: Conduct regular safety training and audits as well as structured transparent career paths and training programs

Employee and Stakeholder Engagement The policy stresses the importance of engaging with employees and stakeholders to strengthen the understanding and implementation of human rights practices. Training programs and open communication channels are key strategies to enhance engagement.

Compliance and Reporting KLINGER SCHÖNEBERG ensures compliance with human rights standards through regular internal reviews and external audits. The company is committed to transparency in its human rights practices and includes detailed

reporting in its CSR activities.

Continual Improvement The human rights policy is reviewed periodically to adapt to new challenges and changes in international standards, ensuring that KLINGER SCHÖNEBERG remains at the forefront of human rights advocacy in its industry.

This Human Rights and Labor Practices Policy reflects KLINGER SCHÖNEBERG's commitment to ethical business conduct and the protection of human rights across all its operations and relationships.



» Code of Conduct

We are aware of our responsibility We know, understand and act in accordance with the values and principles expressed in the KLINGER Code of Conduct and apply them to everything we do and everywhere we operate.

INTEGRITY

We value our relationships with clients, customers and counterparties and are committed to maintaining the highest standards of personal and professional integrity.

TRANSPARENCY

We are committed to promoting free and competitive markets. Our goal is transparency, candor and honesty in all our dealings.

PARTNERSHIP

We establish mutually beneficial and healthy relationships with responsible suppliers who meet our standards including quality, commercial terms and commitment to safety as well as environmental protection.

FAIR DEALING

We only offer or accept gifts & entertainment if they are reasonable, occasional and of modest value and do not have any influence on business decisions.

FAIRNESS

We must be sensitive to any activities, interests or relationships that might interfere, or even appear to interfere, with our ability to act in the best interests of KLINGER and our clients.

RESPONSIBILITY

We take responsibility and hold each other accountable. We have a shared responsibility not only to act ethically as individuals, but to expect the same from our colleagues.

COMMUNICATION

We encourage our employees to be professional and clear in all communications and to carefully consider the best way to do so.

FAIR COMPETITION

We declare that a restriction on free competition or any violation of competition and anti-trust laws is irreconcilable with our culture and philosophy.

» Results of Sustainability report

Another important measure we took was the strengthening of the Code of Conduct and the sustainability of our suppliers.

Respondent A & B Suppliers

41

Number of responses to the sustainability survey

37



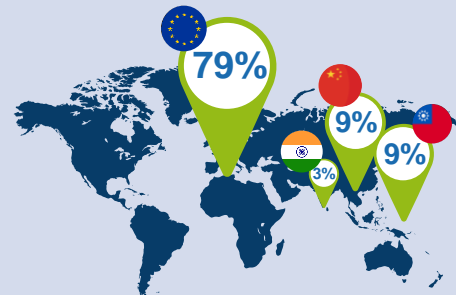
Number of codes of conduct confirmed in writing (Code of Conduct)

37

Ø Number of employees of A & B suppliers

144

Locations of the A & B suppliers surveyed



Response rate to the sustainability survey

90%

Response rate of codes of conduct confirmed in writing (Code of Conduct)

90%

» Results of Sustainability report

A. Management

- 59%** Do not employ staff for sustainability
- 86%** Do not publish a sustainability report
- 65%** Do not organize training to reinforce CSR

B. Social sustainability

- 97%** Do not have a cert. Management system for social issues
- 87%** Anchor different social concerns in corporate policy
- 92%** Do not have a certified management system for health and safety at work
- 76%** Have a health and safety policy in place

C. Compliance & Business-Ethics

- 95%** Do not have a cert. Compliance & Business Ethics Management System
- 73%** Have an official Compliance & Business Ethics Policy
Corruption, privacy, financial responsibility, information disclosure, fair competition and antitrust, conflict of interest, plagiarism, intellectual property, export controls and economic sanctions, identity preservation and protection from retaliation.

D. Environmental sustainability

- 73%** Do not have a certified Environmental management system
- 62%** Have an official environmental policy for compliance with all requirements
Energy consumption/greenhouse gas emissions, water quality and consumption, air quality, Natural resource management, waste prevention

E. Supplier Management

- 51%** Have a CSR/sustainability policy for suppliers
- 62%** Address direct procurement suppliers with their CSR/sustainability policy
- 19%** Address direct procurement suppliers with their CSR/sustainability policy
- 51%** Do not communicate CSR/sustainability policy to own suppliers

Respect for human rights, prohibition of forced labor, no human trafficking, prohibition of child labor, Compliance with socially adequate working conditions, remuneration that enables livelihood security, Prohibition of discrimination, granting of equal opportunities and equal treatment, respect for positive and negative freedom of association, right to collective bargaining, business ethics & compliance, occupational safety, health, environmental protection



» Commitment to Compliance and Transparency

KLINGER SCHÖNEBERG is committed to the highest standards of integrity and ethics in all our business activities. We recognize the importance of transparency and accountability and are dedicated to actively combating corruption, bribery, fraud, and conflicts of interest while promoting fair competitive practices.

Principles and Commitments:

- » Anti-Corruption and Bribery: We strictly prohibit any form of corruption and bribery. Our employees are instructed not to offer or accept gifts, payments, invitations, or any other benefits that could influence decision-making processes.
- » Information Security: Protecting sensitive data and information is crucial for us. All employees must adhere to stringent information security guidelines, which are regularly updated and reviewed.
- » Fraud Prevention: We implement advanced monitoring systems to detect and prevent any type of fraud at an early stage.
- » Conflict of Interest Management: We require all employees to immediately report and transparently handle any potential conflicts of interest.
- » Fair Competition Practices: We commit to respecting all applicable competition laws and fostering an equitable and undistorted market.







Quantitative and Qualitative Goals for the future:

- » Zero-tolerance policy of corruption through enhanced training and internal audits. The anti-corruption guidelines and the corporate mission statement also serve to ensure compliance
- » Achieve 100% compliance in information security audits, with external data protection officers
- » Zero-tolerance policy towards fraud
- » Increase employee awareness training on conflicts of interest and competition law by 25% per year.
- » Regular reviews and updates of our compliance programs to ensure they meet current legal requirements and best practices.

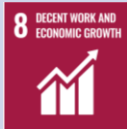



Through these measures, we reaffirm our commitment to ethical business conduct and compliance with legal standards. We believe these efforts will not only strengthen our corporate image but also create real value for our stakeholders.



» Social & Ethics

Social & Ethics section	Objective	Result 2023	Future goal	UN-SDG	Risk
Information security and data protection	<ul style="list-style-type: none"> Increased awareness of IT security Training IT users in secure work practices. Completion of IT security training by all employees with computer access 	<ul style="list-style-type: none"> 100% of users were trained in the areas of data protection and IT security 	Still 100%		Untrained/negligent employees can lead to data breaches, business interruptions or financial losses
Donate to charity projects	<ul style="list-style-type: none"> Supporting charity projects 	<ul style="list-style-type: none"> Supporting the "Förderverein der onkologischen Abteilung der Kinderklinik Karlsruhe e.V. (KUoKK e.V.)" and "RTL - Wir helfen Kindern,, as well as various donations to associations 	Increase and expansion from year to year		No risks
Compliance & transparency	<ul style="list-style-type: none"> Possibility to share a whistleblower report 	<ul style="list-style-type: none"> Established whistleblowing tool for sharing reports by the workforce, which are exclusively received by our external data protection officer 	Zero reports and change to Data GAP GmbH		No risks
Sustainability of suppliers	<ul style="list-style-type: none"> Sustainability survey of all A & B suppliers 	<ul style="list-style-type: none"> 90% response rate of A & B supplier to sustainability survey 	Improvement until 2025		No risks
Sustainable business	<ul style="list-style-type: none"> Ensure that all direct A & B material suppliers and all local business critical suppliers operate in accordance with our Business Partner Code of Conduct. 	<ul style="list-style-type: none"> 83,1% of the A & B suppliers contacted and interviewed, covering the majority of the output value, have countersigned the Code of Conduct. 	100%		No risks
Anti discrimination	<ul style="list-style-type: none"> Anti-discrimination training of the workforce 	<ul style="list-style-type: none"> Set up structure of the training content In 2023, 100% of the workforce were trained 	Still 100%		Untrained and uninformed employees may unknowingly discriminate against others

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Social & Ethics section	Objective	Result 2023	Future goal	UN-SDG	Risk
Digital transformation	<ul style="list-style-type: none"> Modernization of IT hardware and software Office 365, headset, loudspeaker, double screen, MS Teams, any software used in the company is listed and licensed, fully integrated ERP-System, Document Management System in place for paperless work 	<ul style="list-style-type: none"> All workstations have a mail connection and up-to-date software for national and international communication 	Until 2025 we want to work paperless		No risks
Safety training	<ul style="list-style-type: none"> Expansion of safety-related training Annual health checks of employees by a doctor adapted to the workplace 	<ul style="list-style-type: none"> Per capita hours on safety-related training in the areas of safety specialist, first aider, employee training for new hires, BGHM company inspection, safety officer, management were increased by 6,0% in 2023 compared to 2022. Health checks of employees by a doctor adapted to the workplace 	Until 2024 increase the safety-related-training by another 10%.		Untrained/negligent employees can result in increased risk of accidents.
Accidents at Work (BGHM)	<ul style="list-style-type: none"> Reduction of accidents at work by ensuring a safe working environment 	<ul style="list-style-type: none"> Continued safety training to reduce downtime In 2023 19,5 is the Lost Time Injury (LTI) rate for direct workforce. Sickness rate of 5,0% 	We want to achieve zero downtime by 2025 And a sickness rate below 3%		Injured employees and resulting downtime
Employee qualification	<ul style="list-style-type: none"> Completion of specialized job-related and broadening trainings 	<ul style="list-style-type: none"> The total hours of training completed in 2023 is 634 (10,4 hours/person), which is slightly less than the previous year. 	By 2024, we want to achieve a training rate of at least 15.0 hours/person		Untrained/negligent employees can lead to loss of efficiency and faulty work execution.

» Social & Ethics

Social & Ethics section	Objective	Result 2023	Future goal	UN-SDG	Risk
Supply Chain Due Diligence Act (LkSG)	<ul style="list-style-type: none"> Establishment of the reporting obligation pursuant to Section 10 (2) of the Supply Chain Due Diligence Act (LkSG) with the aim of improving the protection of human rights and the environment in global supply chains. Implementation of the complaints procedure according to § 8 Act on Corporate Due Diligence Obligations in Supply Chain (LkSG) 	<ul style="list-style-type: none"> Supplier survey of all suppliers and creating a risk analysis Publication of the complaints procedure according to § 8 Act on Corporate Due Diligence Obligations in Supply Chain (LkSG) Registration for reporting at BAFA not possible as the threshold value of the legal obligation is far below 	Preparation in 2022 and participation in 2023		Non-compliance with human rights and environmental standards and resulting fines

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