



ESG – PAI Report

in accordance with the
European Sustainability Reporting Standards

2024

Foreword by the Management Board

Königsbach-Stein, July 2024

Dear employees,
valued partners and customers,

We are pleased to present our company's ESG Report 2024. This report is a testament to our commitment to sustainable business and responsible corporate governance.

As a medium-sized company, we are aware of our responsibility towards the environment, society and our stakeholders.

Our commitment to environmental sustainability is reflected in our continuous efforts to minimize resource consumption and reduce our environmental impact. Last year, we made progress in improving our energy efficiency and reducing our carbon footprint, as well as taking further measures to strengthen sustainability in logistics/supply chain.

Social responsibility is another cornerstone of our corporate philosophy. We are actively committed to promoting a safe and fair working environment. Through targeted training and development programs, we invest in the future of our employees and thus strengthen our entire organization.

In the area of governance, we have further optimized our internal processes and structures to ensure transparency, integrity and accountability.

Our clear compliance guidelines and regular review of our business processes help us to maintain and continuously improve the highest standards of corporate governance.

We are convinced that sustainable action and economic success go hand in hand. This ESG report is proof that we are on the right track to achieve our ambitious goals and make a positive contribution to our society and environment in the long term.

We thank you all for your support and trust and look forward to continuing to work together towards a sustainable future.

Best regards

Dr. Stefan Stangler Frank Bechtloff

Management of F&W Frey & Winkler GmbH

Summary of achievements in the reporting period

We are pleased to present our company's first ESG report for the 2023 reporting year.

This report documents our achievements and progress in the area of Environmental, Social, and Governance (ESG) and shows our commitment to sustainable business. We are particularly proud of the measurable successes we have been able to achieve in recent years.

Reduction of CO2 emissions

As part of our ongoing efforts to achieve more sustainable operations, we have had our Scope 1, 2 and 3 emissions recorded by First Climate Markets AG. This comprehensive survey was carried out in both 2021 and 2023 and also served as a component for the ESG rating of EXCON Services GmbH.

Compared to 2021, we achieved an impressive reduction of 6.3% in our total emissions in 2023. In concrete terms, this means a reduction from 920 tonnes of CO2 equivalents in 2021 to 862 tonnes in 2023, which corresponds to a saving of 58 tonnes.

This success is the result of targeted measures to reduce emissions and underlines our commitment to climate protection.

Improvements in the ESG rating

Another significant achievement is the increase in our ESG rating. In 2023, we were able to improve our overall result by 4 percentage points to an excellent 88%.

This increase reflects progress in all three areas – Environment, Social and Governance.

- Environment: We have significantly increased our environmental sustainability through a large number of environmentally friendly projects and measures.
- Social: Our social initiatives to promote a safe and fair working environment have borne fruit and have been positively assessed.
- Governance: Improvements in our corporate governance structures have led to greater transparency and accountability.

Successfully implemented projects

A key factor in our improved ESG scores is the successfully implemented projects and measures, which are described in detail in the "Implemented Projects" chapter of this report.

These initiatives include, but are not limited to:

- Energy efficiency improvements in our operating facilities
- Expansion of employee development programs
- Strengthening our governance structures through transparent decision-making processes

Outlook for the future

We are proud of the successes we have achieved and see them as confirmation of our strategy and commitment to sustainability.

In the future, the ESG rating will be carried out annually and will be included in an annual ESG report that will continuously document our progress. With this first ESG report for the assessed reporting year 2023, we are laying the foundation for long-term and transparent reporting.

In summary, we have made significant progress in recent years, reflecting our efforts to do business more sustainably and responsibly.

We thank all those involved for their contribution to these successes and look forward to achieving further positive developments together in the future.


Total



TOTAL
88%



ENVIRONMENT
100%



SOCIAL
84%



GOVERNANCE
86%

Category	Max Points	Score achieved	Result
Environment	2.300	2.300	100%
Social	5.100	4.300	84%
Governance	3.800	3.300	86%
Overall assessment	11.200	9.900	88%

ESG initiatives

Company's past ESG initiatives

As part of our ongoing commitment to energy savings and sustainability, we are pleased to introduce you to some of the most significant projects we have successfully implemented in recent years.

Replacement of building services (cooling systems) with significant energy savings (2020/2021): In 2020/2021, we replaced our old cooling systems with modern, energy-efficient systems. This measure has led to a significant reduction in energy consumption and thus significantly reduced our ecological footprint. The new refrigeration systems not only work more efficiently, but also help to reduce our operating costs in the long term.

Replacement of the hall lighting and conversion to LED (manual production hall) 2023: At the beginning of 2023, we converted the lighting in our hall to LED technology for manual production. This change allows us to significantly reduce the energy consumption for lighting while improving the quality of light for our employees. LEDs offer a longer lifespan and lower maintenance costs compared to traditional light sources.

Bonus-winning ideas competition for all employees in 2022 on the topic of "Additional energy-saving measures at F&W": In 2022, we launched an ideas competition for all employees that focused on additional energy-saving measures at F&W. The best suggestions were awarded bonus bonuses. This competition has not only generated innovative ideas, but also the awareness and commitment of our workforce to the topic of energy saving has been strengthened.

Vehicle fleet already partially converted to PHEVs and BEVs to reduce Scope 1 emissions: To reduce our direct greenhouse gas emissions (Scope 1), we have started to convert our vehicle fleet to plug-in hybrid vehicles (PHEVs) and battery electric vehicles (BEVs). This measure makes a significant contribution to reducing our CO₂ emissions and is an important step towards more climate-friendly mobility.

Purchase of a paper press: Two to three emptyings per year, instead of two weekly container emptyings (CO₂) 2023: In 2023, we purchased a paper press that allows us to significantly reduce the volume of paper waste generated. Instead of emptying containers every two weeks, only two to three emptyings per year are now required. This measure leads to a significant reduction in CO₂ emissions associated with transport.

Purchase of a press with lifting device for AZV: Reduction of emptying from 36 x per year to 10-12 x per year (CO₂) 2023: Also in 2023, we introduced a press with lifting device for waste for recycling (AZV). This has allowed us to reduce the number of annual emptyings from 36 to 10-12. By reducing waste transports, we are making a significant contribution to reducing our CO₂ emissions while optimising our waste management processes.

These projects illustrate our ongoing efforts to improve our environmental performance and achieve our sustainability goals. We are proud of the achieved

We thank all stakeholders for their contribution to these successful initiatives. Together, we remain committed to a more sustainable future.

Current and future ESG initiatives

As part of our ongoing commitment to energy savings and sustainability, we would like to introduce you to some of our current and planned projects that we will implement in the next few years. These initiatives underscore our commitment to further minimizing our company's environmental impact and promoting sustainable practices in all areas.

Concept development for photovoltaics on our hall roofs in Germany and Romania for energy generation under sustainable aspects (2023/24): In 2023 and 2024, we plan to develop a concept and test a possible implementation of photovoltaic systems on our hall roofs in Germany and Romania. This project aims to use renewable energy sources to partially meet our own electricity needs and reduce dependence on fossil fuels. By generating solar power on-site, we can not only reduce our energy costs, but also make a significant contribution to reducing our CO2 emissions. The implementation of this measure is in line with our sustainable business practices and our commitment to a greener energy supply.

Project "Sustainability in Supply Chain & Logistics" (2024) to increase recycling and sustainability: In 2024, we will launch the project "Sustainability in Supply Chain & Logistics",

which aims to improve recycling processes and sustainable practices in our supply chain and logistics. This project involves reviewing and optimising our supplier relationships to ensure that we work with partners who share our values and apply sustainable methods. In addition, we will review our internal processes to reduce waste and increase recycling rates. This project will help us to further minimize our environmental impact and achieve our sustainability goals.

Examining the purchase of the electricity mix with a higher "green" electricity share to reduce Scope 2 emissions: Another important project is the examination and possible conversion to an electricity mix with a higher proportion of "green" electricity. This measure aims to reduce our Scope 2 emissions by increasing the share of renewable energies in our electricity procurement. By using electricity from environmentally friendly sources, we can reduce our CO2 footprint and take another step towards climate-neutral corporate management. The analysis of the various available green electricity tariffs and their integration into our energy supply will be carried out in the course of 2024.

These projects are part of our comprehensive strategy to promote sustainability and environmental protection in all our business areas. They illustrate our commitment to making a positive contribution to protecting our environment in the long term and at the same time increasing the efficiency and competitiveness of our company. We are proud of our achievements to date and look forward to implementing these new initiatives, which will further advance us on our journey towards a more sustainable future.

Key figures

Environment



3,427,593kWh

Total energy consumption



1,919,452 kWh

Energy consumption renewable



1,200 m³

Total water consumption



40 percent

Electric & Hybrid Vehicles



47,458 CO₂eq. in KG

Scope 1 Emissions



80 percent

Fuel consumption stationary systems



13 percent

Fuel consumption of mobile systems



7 percent

Direct emissions of volatile gases



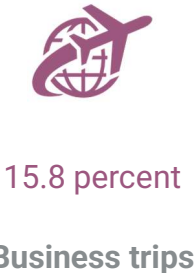
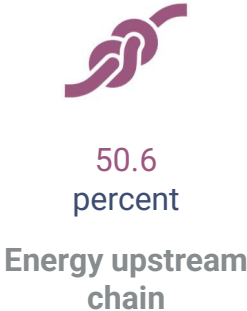
561,330 CO₂eq. in KG

Scope 2 emissions



56 percent

Purchased green electricity



Environment: Sustainable measures and processes

Our company is aware of the responsibility we bear for the protection of the environment. In the area of Environment, we have implemented comprehensive measures and processes to minimize our environmental impact and achieve our sustainability goals. Below, we highlight some of our key initiatives and achievements.

Measures to reduce and make travel sustainable: We have taken various measures to reduce the environmental footprint of our business travel. This includes the increased use of video conferencing and other digital communication tools to minimize the need for physical travel. We also encourage the use of public transport and encourage our employees to carpool or switch to environmentally friendly means of transport. These measures make a significant contribution to reducing our CO2 emissions.

Promoting energy saving and energy efficiency: Improving our energy efficiency and reducing energy consumption are key components of our environmental strategy. We have made extensive investments in modern, energy-efficient technologies and are continuously optimizing our operating processes. Control systems for light and climate management allow us to precisely control energy consumption and avoid unnecessary consumption. These systems are designed for maximum efficiency and help us reduce our environmental footprint.

Use of renewable energies: The use of renewable energies is an essential part of our energy policy.

We are currently examining the possibility of installing photovoltaic systems on our hall roofs and obtaining a growing proportion of our electricity from environmentally friendly sources. These measures help to significantly reduce our CO2 emissions and reduce our dependence on fossil fuels.

Defined, measurable targets for pollution reduction: We have defined clear and measurable targets for pollution reduction. These include, among other things, reducing our CO2 emissions and minimizing waste. Our progress is regularly monitored and reported to ensure that we are on track to achieve our environmental goals.

Fleet management system to monitor and track CO2 emissions: To control the environmental impact of our fleet, we have implemented a comprehensive fleet management system. This system monitors and tracks the CO2 emissions caused by our vehicles. By introducing environmentally friendly vehicles and optimizing routes, we can further reduce our emissions.

Measures for waste separation and recycling as well as reduction of waste volume: The separation and recycling of waste are central components of our waste management. We have put in place clear policies and processes to ensure that all waste generated is correctly separated and recycled. In addition, we are continuously working to improve the

Reduce waste by minimizing packaging materials and promoting reuse. These measures help us to reduce the environmental impact of waste and conserve valuable resources.

Our initiatives in the area of environment demonstrate our strong commitment to sustainability and environmental protection. We are proud of the progress we have made and remain committed to achieving our environmental goals and making a positive contribution to protecting our planet.

Key figures

Social



181

Total employees



56.3 percent

Female employees



14 percent

Employees ≤ 29 years of age



16 percent

Employees 30 to 39 years old



24 percent

Employees 40 to 49 years old



46 percent

Employees ≥ 50 years of age



6.1 percent

Sickness rate



44.300Euro

Expenses for training and further education



4

Reportable accidents

Social: Our commitment to employees and community

Our company places a high value on the well-being of our employees and the support of the community in which we operate. In the social sector, we have implemented numerous initiatives and processes that both strengthen internal cohesion and make a positive contribution to society. Below we present some of our most important measures and successes.

Industry-standard ESG standards in the application process: We have aligned our application processes with industry-standard ESG standards to promote fairness, transparency, and diversity. These standards ensure that all applicants are treated equally and that we attract the best talent to our company.

Opportunities for part-time work and home office: To support the work-life balance of our employees, we offer flexible working models. This includes part-time work and, where possible, home office solutions. These measures enable our employees to better balance work and private life and contribute to higher satisfaction and productivity.

Opportunities for professional development and educational leave: The continuous development of our employees is important to us. We offer numerous opportunities for professional development and support educational leave. Through regular training and further education, we ensure that our employees are always up to date and can continuously improve their skills.

Commitment to training and further development in our own company: We are actively committed to the training and further development of our employees. This starts with the training of new specialists in our company.

Through targeted development programs and individual development opportunities, we support our employees in achieving their career goals and fully exploiting their potential.

Regular feedback meetings and employee surveys: The exchange with our employees is very important to us. We conduct regular feedback meetings and employee surveys to measure and continuously improve the satisfaction and commitment of our workforce.

These discussions provide a valuable opportunity to identify areas for improvement and work out solutions together.

Extensive range of employee benefits: Our employees benefit from an extensive range of additional benefits. These include, among other things, the company bike leasing offer, free Wi-Fi during breaks, a subsidy for hot drinks, company health management, job ticket for trainees, free occupational health check-ups, charging station for private mobile phones, free mineral water supply, holiday pay and an annual bonus. These benefits contribute to the motivation and satisfaction of our employees and make us an attractive employer.

Supporting the local community: We are deeply rooted in the local community and are actively engaged in supporting it. Our goal is to make a positive contribution to the development and well-being of our community.

Our commitment to social demonstrates our strong commitment to creating a positive work environment and making a valuable

contribution to society. We are proud of the progress we have made and remain committed to meeting the highest social standards and promoting the satisfaction of our employees and the community.

Key figures

Governance



8

External audits



1

Internal audits



0

Human Rights
Violations &
Incidents



10

Meetings of the
Supervisory Board
and Management



2

Total management
members

Governance: A high level of standards and a sense of responsibility

In the area of governance, we attach great importance to high standards and responsible action. Our commitment is reflected in many aspects that make our company a pioneer in corporate governance and ethical behavior. Below, we would like to share some of our key initiatives and achievements in this area.

Corporate mission statement and code of conduct: Our corporate mission statement and code of conduct are clearly formulated and are lived by all employees. We have set ourselves high standards based on integrity, transparency and ethical behaviour. These principles guide our actions and ensure that we act responsibly in all areas of our business.

High standards of data protection, data security and Cyber-security: The protection of personal data and the security of our IT infrastructure are of utmost importance to us. We have implemented strict privacy policies and security measures to ensure the integrity and confidentiality of our data. In addition, we continuously invest in modern technologies and training to meet the challenges of cybersecurity.

Continuous digitization of internal processes: In order to increase efficiency and transparency, we are continuously digitizing our internal processes. This not only enables us to conserve resources and optimize workflows, but also contributes to greater data security. Digitalization is an essential part of our strategy to improve corporate governance.

DIN EN ISO 13485 and 9001 certifications: Our company is proud to hold DIN EN ISO 13485 and 9001 certifications. These certificates prove our high standards in the areas of quality

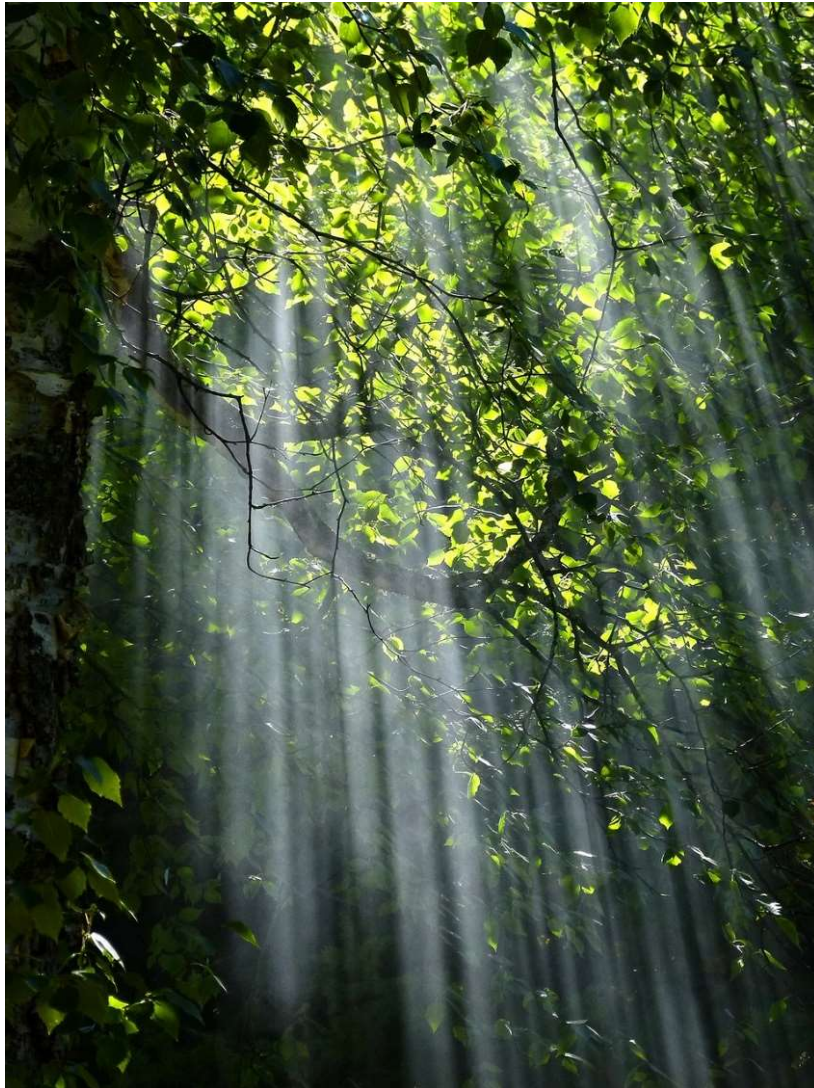
management and product safety. They underline our commitment to consistently deliver the highest quality and reliability.

High standards of occupational safety: The protection of our employees is our top priority. We carry out comprehensive risk assessments for all activities and areas and provide personal protective equipment. In addition, we integrate occupational safety specialists and offer company medical care. These measures ensure a safe working environment and promote the well-being of our employees.

Fire and Safety Officers and First Aid Responders: In line with our company size, we have an appropriate number of Fire Protection and Safety Officers and First Aid Responders. These employees are fully trained and actively contribute to workplace safety. Regular training and exercises ensure that we are always well prepared for emergencies.

Strategy of sustainable economic and corporate management: Sustainability is a central component of our corporate strategy. We focus on sustainable economic management that takes ecological, social and economic aspects into account. This includes not only environmentally friendly business practices, but also the promotion of fair and responsible corporate governance.

Our governance initiatives demonstrate our strong commitment to high standards and responsible action. We are proud of the progress we have made and remain committed to meeting the highest standards in all areas of our corporate governance.



The data collection and ESG assessment were carried out externally by EXCON Services GmbH, and the Scope 1,2,3 data collection and assessment by First Climate Markets AG.