



Sustainability Report 2022

HOW THE COMMON GOOD BALANCE SHEET IS PREPARED

We used the ECG Standard 5.0 as the basis for the elobau Common Good report. The report was drafted and developed jointly in an interdepartmental project. The project took approximately 300 hours, and the following individuals were involved:

Project coordination: Patrick Löw, Pascal Schwarz

- A – Suppliers:** Sina Deschler, Horst Huber, Karin Weinbuch
- B – Owner & financial partners:** Bettina Wägele, Dieter Ohmeier
- C – Employees:** Norbert Christlbauer, Jan Bühlmaier, Volker Hartmann
- D – Customers & other companies:** Patrick Zwiesler, Simon Brack, Eduard Zang
- E – Social environment:** Patrick Löw, Pascal Schwarz, Nathalie Martin, Peter Aulmann

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INTRODUCTORY THOUGHTS

What does sustainability mean for us?

Sustainability – a topic that is becoming more important and more integral to our lives by the day. At elobau, a long-term sustainability strategy has been in place since as far back as 2009, the aim being, wherever possible, to only take resources out of the economic, environmental and social cycle for business activities in balance with resources we put back in elsewhere. We embrace a holistic approach to sustainability in pursuit of a circular economy – as this is the only way to protect nature and resources and therefore our children's future. The route towards sustainability is an ongoing process that never ceases, so we are adding to our objectives and ambitions all the time.

Increasing transparency in the value creation chain is one of our next big goals. Transparency is the basis for goal-oriented action. As well as expanding our collaboration with suppliers and placing even greater emphasis on cooperation and sustainability, we also want to set up a supplier platform. The aim of this platform is to gather sustainability-relevant information from suppliers using pre-defined questionnaires and to keep this up to date for compliance purposes. Sustainability should also play an important role in the early product design stage. Using available resources intelligently and therefore incorporating sustainability into the heart of the product is a key aspect of our vision. Over the last twelve months, we have already been working on a more sustainable product development process and applying this to a number of new products. Going forward, we will be looking to expand our use of recycled plastics, and in this respect we will be considering further options for a circular economy. Another major milestone we are proud to look back on is the establishment of our subsidiary elocompanion – our sustainability multiplier. Other companies can benefit from our long-standing experience, and elocompanion can help them on their way to a fully sustainable business model. We act as a companion in this respect, with the aim of boosting our customers' self-dependence when it comes to sustainability.

Our mission statement summarises our approach to business: "We shape sustainability and technology with our mechatronic core components and system solutions for a comprehensive shift towards the circular economy." Our mission is to offer a value proposition to our customers and stakeholders that is sustainable on all levels – in terms of ecology, economy and society. This enables them, in turn, to structure their own corresponding value proposition for their customers. That is why it is so important for us to incorporate sustainability into the customer interface and to thoroughly understand our customers' needs with respect to sustainable product design. But we also want to share the positive momentum from our own development work and experiences with our customers to create win-win situations along the entire value creation chain as well as for society and the environment.

J. Ittner R. Köhler

Dr Thilo Ittner

Rüdiger Köhler

SUSTAINABLE DEVELOPMENT GOALS (SDGS)

elobau unambiguously supports the 17 sustainability goals adopted by the UN General Assembly and actively promotes the achievement of the SDGs. Leveraging the company to contribute to a sustainable future was already a core value in 2009, and we wish to continue this commitment with the SDGs. At elobau, we are mindful of the fact that we can directly or indirectly bear influence on all 17 goals. To have the greatest influence, we are initially focusing on the following four SDGs.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Together with the elobau foundation, we wish to raise awareness within society and the company regarding sustainability, environmental protection, integration and education. In the elobau academy, we are developing in-house professionals and laying the groundwork for individual continued education opportunities for employees, enabling employees to become a “company within the company”.



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

We seek to create innovative and highly adaptive solutions that allow industrial potential to be discovered and infrastructure to be developed. Consequently, we are working with various universities to develop and research new, adaptive and universally employable operating systems. Moreover, we seek to create our own infrastructure for affordable and clean energy by investments in renewable energy sources.



Ensure sustainable consumption and production patterns

Our sustenance is dependent on the earth. Consequently, we believe that a circular economy taking nature as its template is essential. We hope to be the forerunner in our industries for the necessary transformation. We therefore seek to decisively influence consumption and production by researching and developing sustainable, long-lasting and reusable products. Our vision to accomplish the aim is founded on the cradle-to-cradle principle, which is contingent upon CO₂-neutral recycling and upcycling.



Take urgent action to combat climate change and its impacts

We have already minimised emissions for which we are directly responsible in accordance with Scope 1 and 2; nonetheless, we seek to move beyond a theoretical balance and become truly 100% energy-independent. Since the majority of emissions related to this goal are indirect Scope 3 emissions, we will be striving to reduce greenhouse gas emissions in this area as well. We are hoping to constructively engage with our partners with whom we share responsibility. To smooth the path for all involved, we have been compensating since 2010 for all emissions that we are unable to reduce in accordance with the gold standard.

SUSTAINABILITY AT ELOBAU

-2,700 TONNES
per year

lower CO₂ emissions

-34% since 2009 (Scope 1 – 3)

*Through green electricity, biogas, alternative vehicle drive systems and leased bicycles

70 ELOBAU
FOUNDATION
social engagement projects

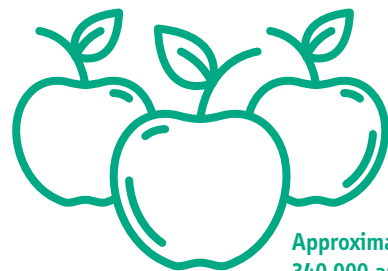


*Range of funding: €500 to 500,000

GreatPlaceToWork



2009
Launching of the initiative
“elobau goes green”



Approximately
340,000 apples

68,000 KG
ORGANIC APPLES
FOR EMPLOYEES

80% energy ratio

*Excluding car fleet. Green electricity and gas from offal



79,000 ORGANIC
MEALS

*Food consumed in the “Esszimmer” 2018 – 2021

2010 SINCE
ZERO CO₂
Carbon-neutral
production

100% green electricity

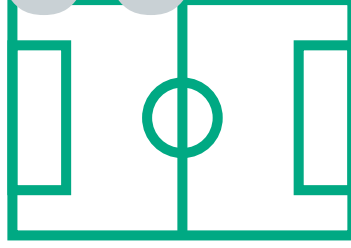
49,000 MWH
of produced electricity



**10 years –
1,600 households**

*Corresponding to the power consumption of approximately 1,600 households over 10 years

9,000 TONNES
CO₂ compensated



1,100 football fields of rain forest in Costa Rica

*Our compensation of 9,000 t CO₂ corresponds to an annual CO₂ storage capacity of approximately 800 hectares of reforestation in the tropics.

1.7 MILLION KM
Green mileage
since 2016



*On foot, by bicycle, by public transportation or as a passenger

99,000 kWh
Charging power for hybrid/electric cars

BRIEF PRESENTATION OF THE ELOBAU-ENSIA GROUP

The international ensian group headquartered in Leutkirch is represented in 38 countries and currently employs a workforce of around 1,000 worldwide. Since our corporate identity is defined by the elobau brand, we use the company name elobau as a synonym for the ensian group. elobau is one of the leading providers of contactless sensors and supplies internationally renowned companies with systems and components for off-highway vehicles, machine safety and level measurement. Our high-quality products are manufactured in a carbon-neutral manner with high vertical integration of production activities situated in the Allgäu region. All of elobau's business dealings are pursued with the goal of remaining a long-term and reliable partner. This holds true for our customers and employees as well as our ecological and social environment. It also influences the manner in which we develop and produce our products and our view of overall corporate responsibility: We serve our customers as a partner for solving problems and helping secure their long-term success.



OPERATOR CONTROLS



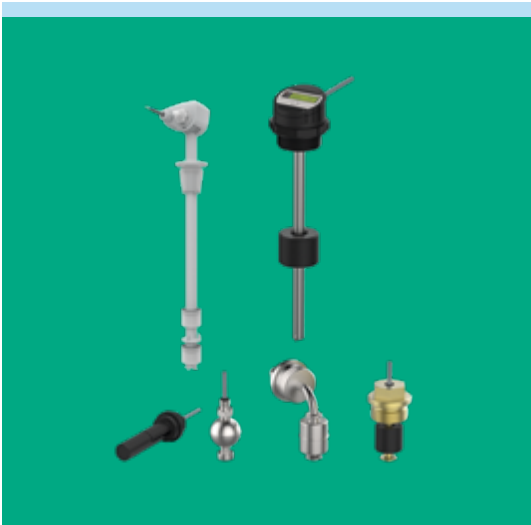
- › Multi-axis joysticks
- › Multi-function handles
- › Single-axis joysticks
- › Steering column switches

SENSORS



- › Ultrasonic sensors
- › Position detection
- › Angle sensors
- › Tilt sensors

LEVEL MEASUREMENT



- › Tank withdrawal units
- › Ultrasonic sensors
- › Miniature float switches
- › Float level sensors

MACHINE SAFETY



- › Emergency stop buttons
- › Safety interlocks
- › Configurable safety systems
- › Magnetic vision sensors

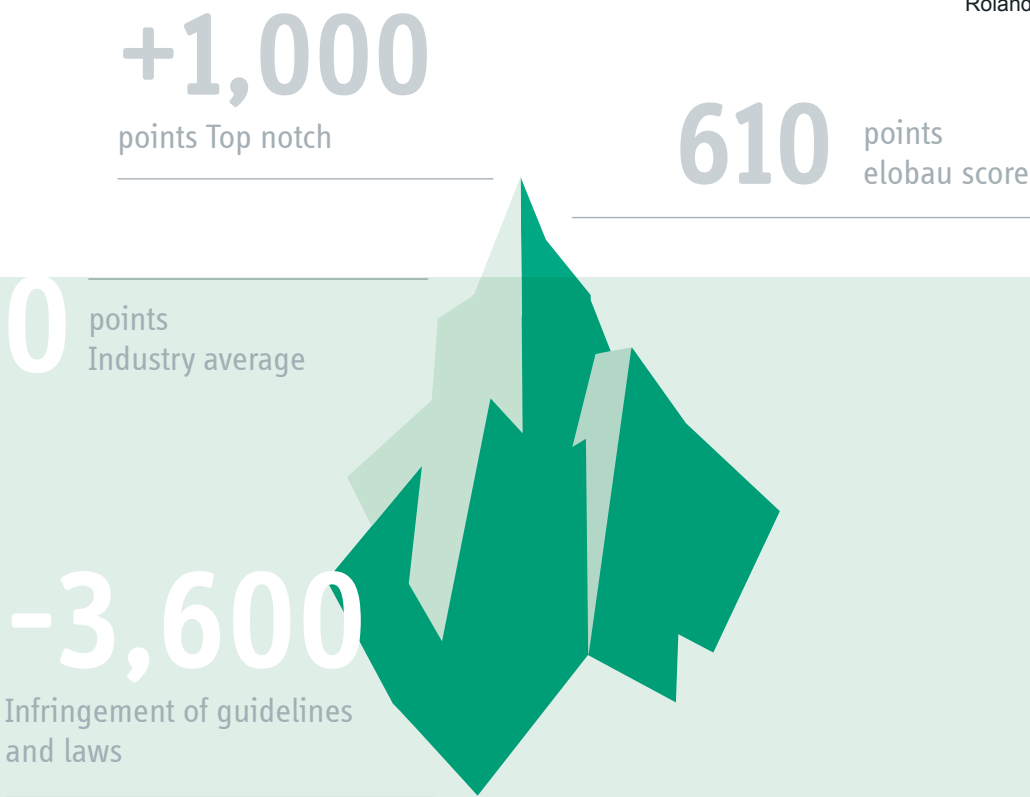
ECONOMY FOR THE COMMON GOOD


The Economy for the Common Good is a model for organisational development and the evaluation of corporate activity. It covers 20 activities for the common good and offers assessment instructions in accordance with standards for the common good. Our company seeks to make meaningful contributions and views the Economy for the Common Good as a suitable tool for quantifying these contributions. We are convinced that an intact ecology and socially balanced society are foundational to long-term economic success. We support the claim of the Economy for the Common Good that money and markets should serve people and not vice versa. Our sustainability report is drafted in accordance with the strict criteria of the Economy for the Common Good 5.0.

Our point of contact with regard to the Economy for the Common Good is Patrick Löw, sustainability manager at elobau. He welcomes relevant questions and can be reached at p.loew@elobau.de.

Evaluation methods

The evaluation produces a rating according to evaluation levels from 0 to 10 points (baseline, getting started, advanced, experienced and exemplary). The evaluation levels build on each other; that is to say, the rating of “experienced” can only be reached after all of the criteria for the “advanced” level have been satisfied. A maximum of 1,000 common good points can be obtained. The minimum is -3,600 points, where a net of 0 points represents the average for the industry. Negative points are assigned for practices that harm the common good. The Economy for the Common Good balance sheet involves a two-stage process. The company drafting the report first evaluates itself, and this is followed by an outside assessment by an external auditor.



AUDIT OPINION		Full balance sheet 2020-2021				 ECONOMY FOR THE COMMON GOOD An economic model for the future	
VALUES		HUMAN DIGNITY	SOLIDARITY AND SOCIAL JUSTICE	ENVIRONMENTAL SUSTAINABILITY	TRANSPARENCY AND CO-DETERMINATION		
STAKEHOLDERS							
A: SUPPLIERS		A1: Human dignity in the supply chain 70%	A2: Solidarity and social justice in the supply chain 60%	A3: Environmental sustainability in the supply chain 70%	A4: Transparency and co-determination in the supply chain 40%		
B: OWNERS, EQUITY & FINANCIAL SERVICE PROVIDERS		B1: Ethical position in relation to financial resources 100%	B2: Social position in relation to financial resources 90%	B3: Use of funds in relation to social and environmental impacts 80%	B4: Ownership and co-determination 70%		
C: EMPLOYEES		C1: Human dignity in the workplace and working environment 50%	C2: Self-determined working arrangements 30%	C3: Environmentally-friendly behaviour of staff 40%	C4: Co-determination and transparency within the organisation 40%		
D: CUSTOMERS & OTHER COMPANIES		D1: Ethical customer relations 70%	D2: Cooperation and solidarity with other companies 50%	D3: Impact on the environment of the use and disposal of products and services 60%	D4: Customer participation and product transparency 40%		
E: SOCIAL ENVIRONMENT		E1: Purpose of products and services and their effects on society 70%	E2: Contribution to the community 60%	E3: Reduction of environmental impact 70%	E4: Social co-determination and transparency 50%		
Auditors: Michael Pelzl and Roland Wiedemeyer						TOTAL SCORE	610

Evaluation levels of the Economy for the Common Good

Evaluation levels	Scale
Exemplary	7 – 10 points
Experienced	4 – 6 points
Advanced	2 – 3 points
Getting started	1 point
Baseline	0 points
Negative aspects	-200 – 0 points



SECTION

Suppliers



“Our supplier management, which centres on long-term cooperation and sustainability, helps us to be more resilient in the face of increasingly dynamic markets.”

- A1 Human dignity in the supply chain **Page 16**
- A2 Solidarity and social justice in the supply chain **Page 28**
- A3 Environmental sustainability in the supply chain **Page 31**
- A4 Transparency and co-determination in the supply chain **Page 34**

A: SUPPLIERS

A1:

Human dignity in the supply chain

A1.1 Working conditions and social impact in the supply chain

In an initial evaluation of all suppliers who supply production materials as well as service providers and suppliers of capital goods as of a particular annual sales level, we collect important information regarding finances, ecology and social issues. At the same time, we confirm that the minimum wage law is respected. This information is saved in our supplier master data. We choose our suppliers based on the aforementioned criteria as well as other empirical values concerning quality, punctuality, supplier proximity, soft skills, etc.

We generally do not collaborate with suppliers who do not satisfy minimum standards in this respect unless improvement measures have been initiated by the supplier. The expiration of sustainability certificates is monitored, and a reminder is sent if needed. All updates recorded in our system.

Geographic risk approach

The high level of product and supplier complexity (around 9,000 active purchased articles and 1,400 suppliers) as well as the absence of product labels in the long value creation chains in our supply sector means that a fundamentally geographic approach to supplier management makes sense. We prefer regional and European suppliers.

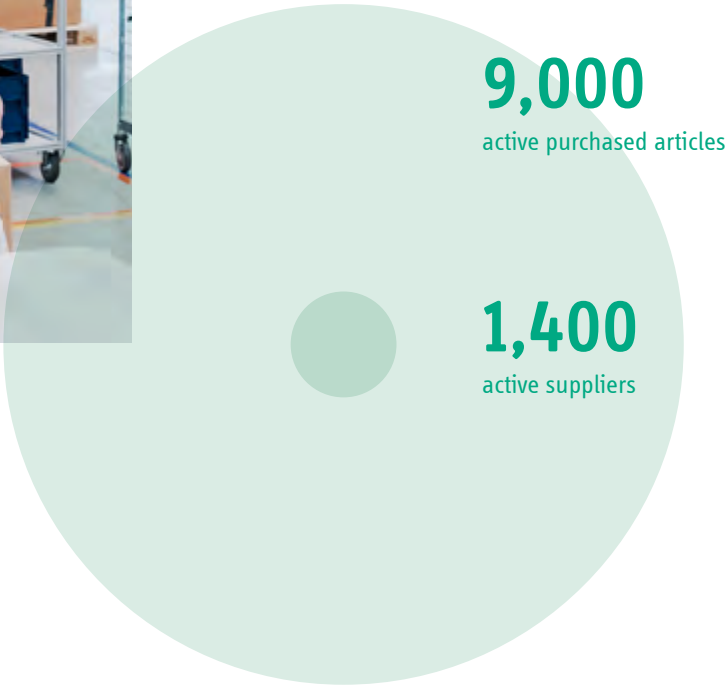
34 SUPPLIERS

are elobau “preferred suppliers”.

GRI standards for A1.1
202-1, 204-1, 205-1, 302-2,
308-1, 406-1, 408-1, 409-1,
414-1, 414-2



HIGH PRODUCT AND DELIVERY COMPLEXITY



One benefit of this approach is the more stringent environmental and social legislation within the EU compared with wwother countries and regions (see for example REACH, RoHS, CSR Directive) as well as established rankings and international assessments based on sustainability standards. In areas that are particularly subject to risks, we give special weight to environmental and social certifications, which we request in the context of our supplier evaluation (see A3 Environmental sustainability in the supply chain).

Preferred suppliers

Preferred suppliers are strategic suppliers with whom we work in long-term, close collaboration and who are constantly optimising value creation chains. These suppliers are audited by us on site, evaluated using a points system, and improved and enhanced by mutual agreement.

Extended workbenches

Extended workbenches promote close collaboration and contact, and we provide the material used. All suppliers are located in Germany and Europe. Initial evaluations and regular on-site audits are also carried out in this respect, with extended workbench selection criteria corresponding to those of supplier selection.

Purchased goods and services

The cost of materials represents the largest share of our purchasing volume and, in our opinion, this is also where the greatest risk lies. Sections A1 to A4 primarily examine this aspect.

Percentage share of purchased articles

Purchasing groups	2018	2019	2020	2021
Cost of materials	68.73%	64.18%	67.83%	68.41%
Investments	9.64%	16.35%	12.01%	13.50%
Rent/lease	2.82%	2.71%	3.03%	1.92%
Sales	3.79%	2.20%	1.46%	0.95%
Marketing	1.60%	1.68%	1.27%	1.08%
Software maintenance	2.26%	2.08%	3.01%	2.98%
Cost of goods delivery	1.84%	1.54%	1.56%	1.77%
Maintenance of machines/operating and office equipment	1.40%	1.64%	1.44%	1.75%
Insur./contributions/taxes/donations	1.59%	1.25%	0.90%	0.76%
Space/building	1.28%	1.28%	1.36%	1.74%
Consulting	1.54%	1.48%	1.86%	2.10%
Energy/disposal	1.06%	1.15%	1.39%	1.01%
Other costs	1.14%	0.94%	1.65%	1.08%
Office	0.50%	0.55%	0.44%	0.31%
Vehicle fleet	0.59%	0.57%	0.49%	0.36%
Certification	0.22%	0.39%	0.31%	0.29%

Material groups

We procure goods and services from various fields, including about 44 product groups plus machinery, plant, and services as required.

Ascertaining social risks

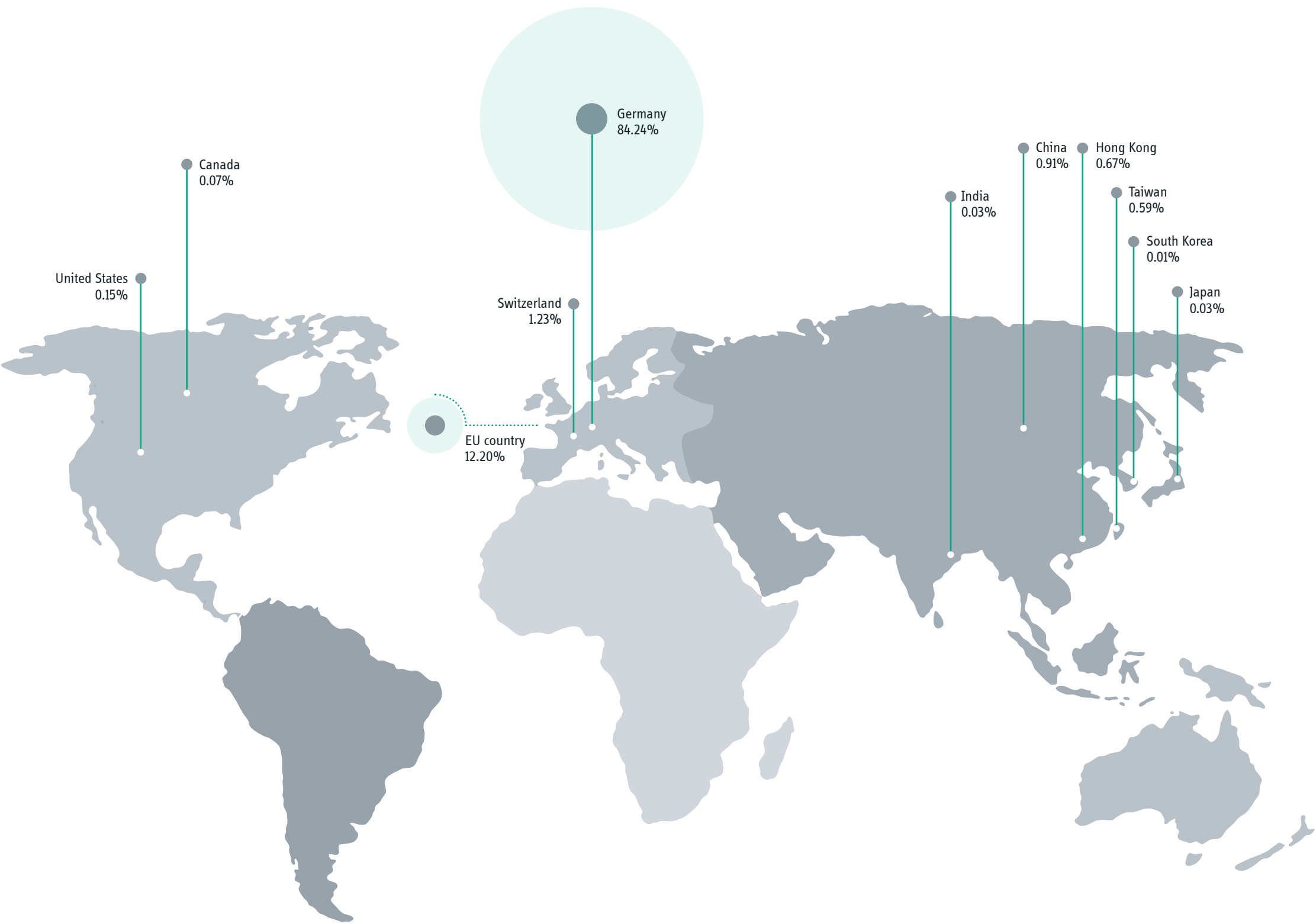
We assess social risks through the initial evaluation and classification, the supplier’s country of origin, the article’s country of origin and through audits. We source on average 84% of our purchased products/services from companies in Germany and about 12% of products/services from the European Union.

96% OF PURCHASED PARTS are sourced from the EU.



PURCHASING TURNOVER by supplier location 2020/2021

The scope of the country risk indicator includes 12 internationally recognised indices in the areas of human rights, freedom, equality, labour law, human development, corruption and environmental issues. Over 90% of our suppliers originate from countries with a low country-associated risk.



Top country-associated risk to purchasing turnover by supplier location

Country	Percent purchasing turnover	VDMA indicator
Germany	84.238%	0.667
Belgium	2.724%	0.639
Czech Republic	2.706%	0.538
Italy	2.379%	0.394
Switzerland	1.228%	0.667
Romania	1.136%	0.333
China	0.913%	0.179

Summarised country-associated risk by supplier location using the indicated indices.

Colour key for table

0.500 – 1.000 Low

0.300 – 0.499 Medium

0.000 – 0.299 High

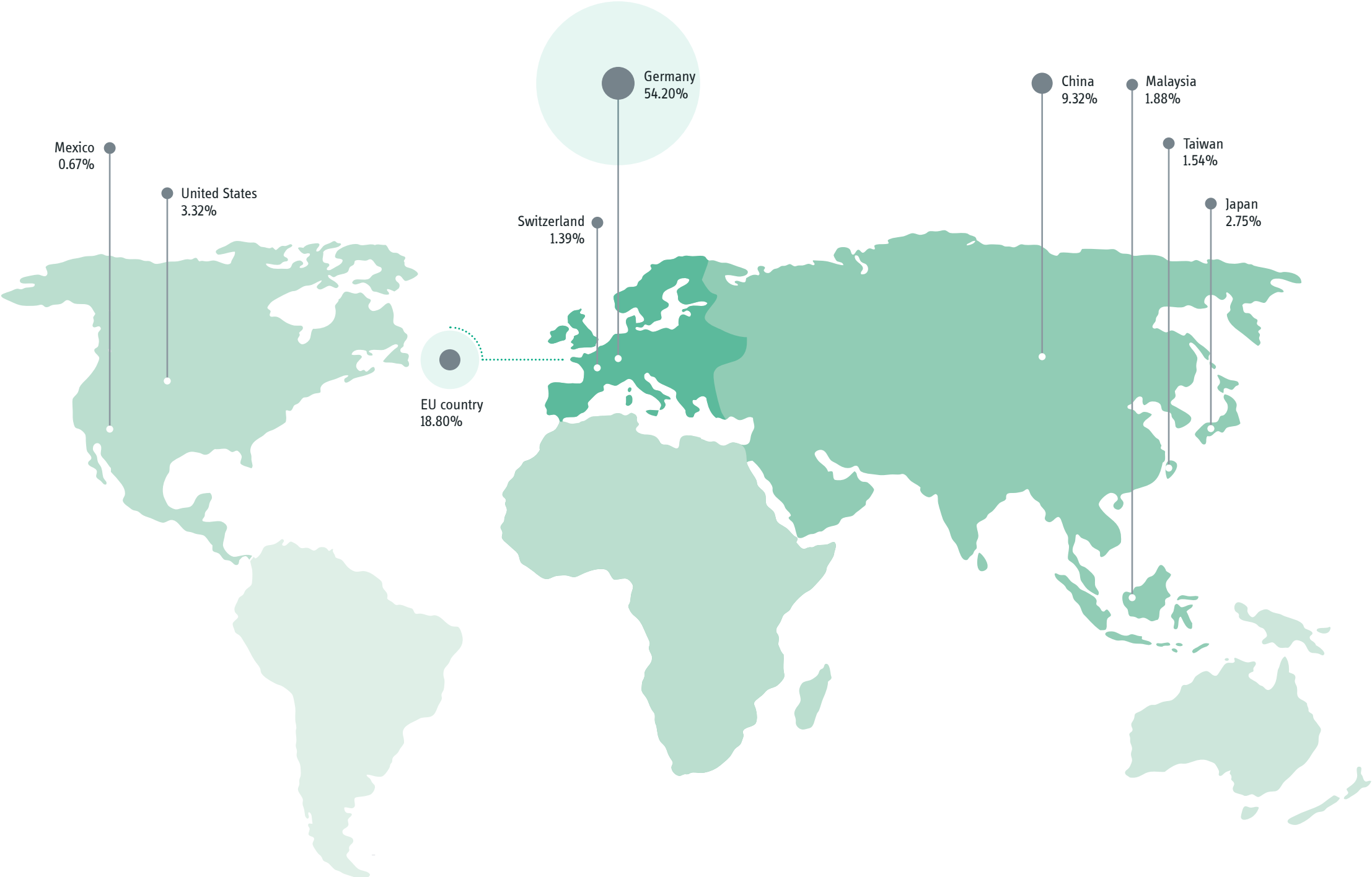
Indices for ascertaining country-associated risk

- › Human Development Index
- › Corruption Perception Index
- › Worldwide Governance Indicators Voice and Accountability
- › Worldwide Governance Indicators Rule of Law
- › Worldwide Governance Indicators Control of Corruption
- › Index of Economic Freedom
- › Environmental Performance Index
- › ITUC Global Labour Rights Index
- › Freedom in the World Score
- › World Economic Forum Global Gender Gap Report
- › BTI Status Index
- › Global Slavery Index

PURCHASING TURNOVER
by country of origin 2020/2021

For volume-related reasons, we have to purchase certain groups of goods from distributors. To better determine the actual origin of the products, we also evaluate the country of origin for master articles (primarily production materials). The manufacturers behind the scenes are often major global players who have situated their production sites internationally. In cases of non-EU countries, a higher risk must be assumed depending on the country and manufacturer.

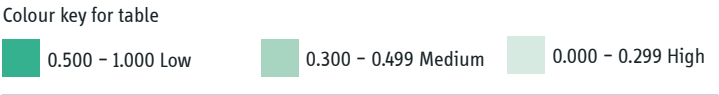
We investigate violations of human rights on site during the supplier audit if possible. In the selection of suppliers and articles, we attempt to promote the topic of sustainability with our suppliers and their affiliated groups in the form of discussions, reviews and potentially exclusions.



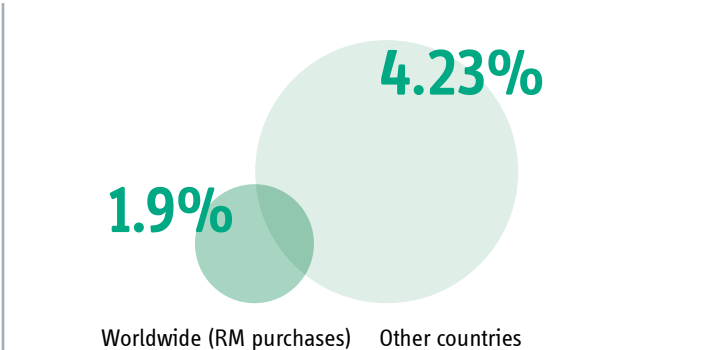
Country-associated risk to purchasing turnover
by country of origin

Country	Percent purchasing turnover	VDMA indicator
Germany	54.198%	0.667
China	9.318%	0.179
Czech Republic	5.653%	0.538
Italy	3.615%	0.394
United States	3.317%	0.500
Belgium	3.108%	0.639
Japan	2.749%	0.611
Malaysia	1.878%	0.308
Taiwan	1.537%	0.606
Great Britain	1.505%	0.636
Switzerland	1.388%	0.667
Austria	0.862%	0.636
Finland	0.725%	0.667
Slovenia	0.676%	0.538
Mexico	0.667%	0.256
Hungary	0.662%	0.359
France	0.558%	0.583
Philippines	0.493%	0.250
Poland	0.463%	0.436
Russia	0.454%	0.278 (as at 2021)
Thailand	0.395%	0.179
India	0.330%	0.179
Romania	0.257%	0.333
Bulgaria	0.210%	0.385

Summarised country-associated risk by country of origin using the indices on page 21



Purchasing turnover by country of origin



Certificates and ethics standards

We evaluate the social and environmental commitment of our suppliers using various standards and management systems and try to improve these figures on a continuous basis.

We help our customers who have to comply with the reporting obligations under Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act (Dodd Frank Act, for short) to perform their due diligence obligations by collecting and providing information on the origin of 3TG materials in our supply chains using the latest version of the Conflict Mineral Reporting Template (CMRT). During the reporting period, the return rate for the last three surveys was consistently over 75%. We also help by aligning ourselves with popular (inter)national standards and guidelines for responsible mineral supply chains, e.g. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.



PURCHASING TURNOVER BY CERTIFICATES/ETHICS STANDARDS 2020/2021

Environmental certificates
(such as ISO 14001) as of 15 points

37%



Energy certificates
(such as ISO 50001) as of 15 points

16%



Ethics standards/certificates
(such as Code of Conduct) as of 35 points

14%



Objectives relating to A1.1

The aim of the new supplier platform being planned is to collect sustainability-relevant information from suppliers using predefined questionnaires, to analyse it and keep it up to date for compliance purposes. At the same time, this can act as a kind of early warning system by means of AI-supported social media monitoring. With respect to corporate due diligence, we wish to communicate our expectations to suppliers more robustly using our Code of Conduct, carry out training and develop a process for recognition.

A project to investigate practical implementation of human rights due diligence was carried out in the reporting period both within our own company and within the supply chain in accordance with the requirements of the Supply Chain Due Diligence Act (LkSG). The supply chain structures of a suitable pilot product from the sensor segment were analysed via two paths. Following a first route – from the bottom up – a material-specific risk analysis examined the pure substances contained in the sensor with regard to social and ecological sustainability.

This enabled the supply chain to be presented as a “map” – from raw materials through to the finished component. The second route – from the top down – focussed on interactions with the supply chain so as to consider the social sustainability and especially the human rights due diligence processes adopted by suppliers against the background of the Supply Chain Due Diligence Act (LkSG). The project highlighted the fact that the main challenge when it comes to ethical procurement management is the lack of transparency in our supply chains.

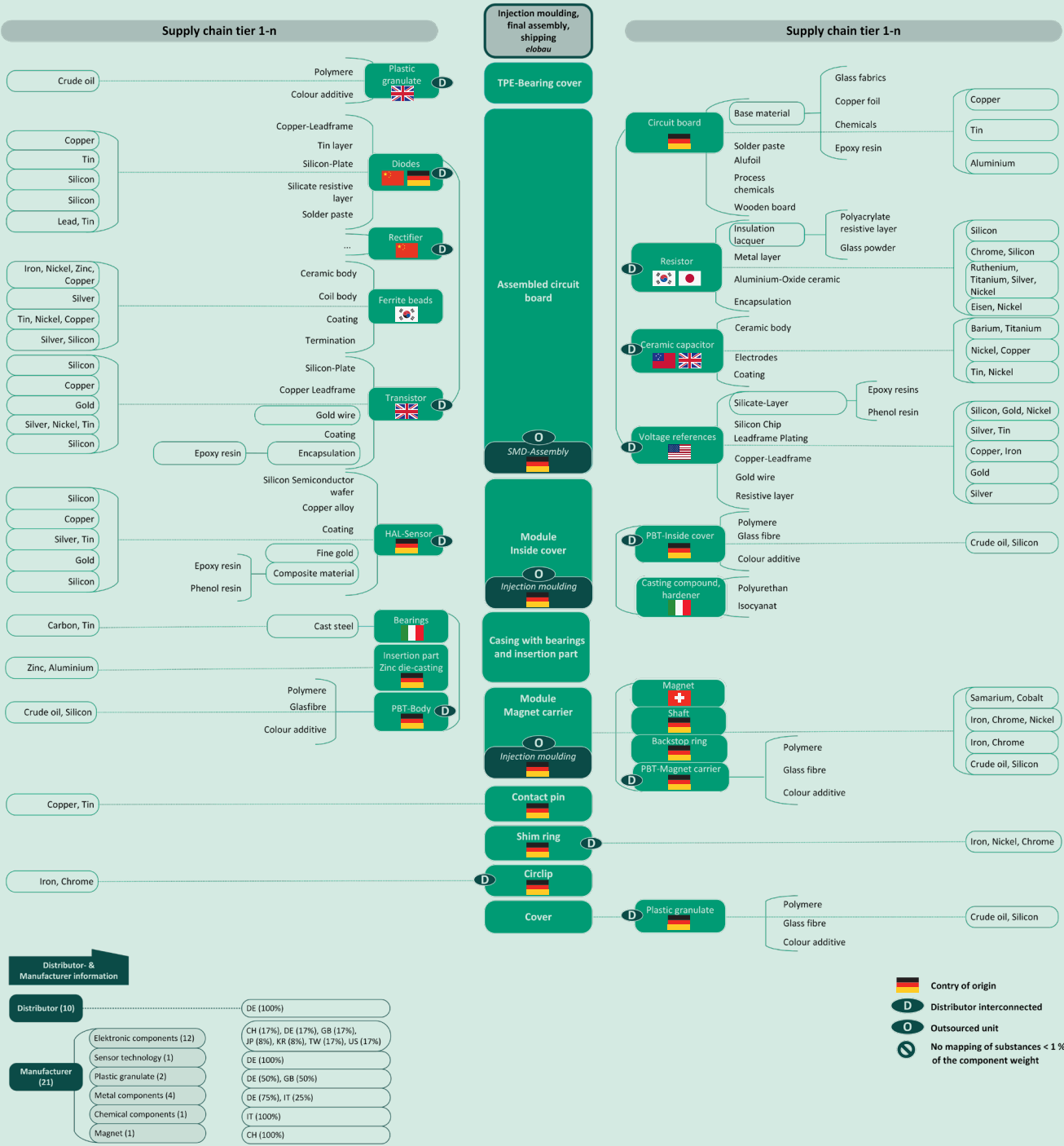
A1.2 Violation of human dignity in the supply chain

Non-EU countries, especially China, India and Thailand, have a higher risk in this regard. We strive to source our products from companies that share our values on human rights, ethics and environmental responsibility.

GRI standards for A1.2

406-1, 408-1, 414-1

Supply chain map for angle sensor



Objectives relating to A1.2

The rate of return for future CMRT surveys is to be gradually increased to over 90% by 2025. On the basis of the supply chain “map” created in the latest reporting period for one of our sensor products (route 1), we are planning to capture the extent of our impact on the environment and worker rights along the value creation chain in monetary terms. A project is to be initiated to this end, which will identify the external costs using the true cost accounting method so that these can be internalised in our product costs.

The results from route 2 form the starting point for implementing the requirements arising from the Supply Chain Due Diligence Act, which apply to elobau in full from 2024 onwards. In this respect we are planning to adapt and extend our corporate-wide risk management (including risk analysis and measures) and to draw up a human rights strategy.

A2:

Solidarity and social justice in the supply chain

A2.1 Fair business practices towards direct suppliers

To estimate the ratio of value added between ourselves and our suppliers, in this report we use only the gross value added. Because of our technological production equipment, such as integrated tool manufacturing and our own injection moulding department, we are able to manufacture a very large share of our products ourselves. Relatively high vertical integration compared to the industry norm can therefore be assumed. Selected processes that we cannot currently carry out ourselves for capacity reasons are only outsourced to suppliers in conjunction with a thorough audit and only within the EU (see A1.1 “Extended workbench”).

Pricing and delivery conditions

Our pricing is based on the relevant markets. In terms of delivery conditions, we aim for “free domicile”, and payments are generally made within ten, or a maximum of 30 days, which is significantly below the industry average. Since we have been working together for many years, our suppliers are familiar with these terms and have usually adjusted their price calculations accordingly. We negotiate prices with our suppliers on an equal footing. By way of comparison, figures from our industry association show a value added share of 38.1%² in 2021 for German mechanical engineering companies.

	2017	2018	2019	2020	2021
Share of value added in EUR gross value added ¹ /EUR sales	66.52%	63.75%	64.91%	65.29%	61.11%

Intensive and long-term business relationships

We are also intensifying our business relationships with preferred suppliers (see A1.1). We are not aware of any specific complaints from suppliers regarding price, payment and delivery conditions during the reporting period. The average duration of a business relationship with our suppliers is approximately 18 years.

GRI standards for A2.1
414-1

¹ Definition of gross value added: Total turnover (operating + revenues development)

› Raw materials, auxiliaries, operating materialsw
› Commodities, injection moulding tools, samples, prototypes
› Purchased services (outsourcing of production, outsourcing of development)
› Incidental purchasing costs (incoming freight, customs duties)

² Industry average gross value added by way of comparison:

https://www.vdma.org/documents/34570/6128644/MaBiZ_2021.pdf/bf9c7f0f-f094-3b99-d43a-d3b30a6e47a5?t=1617961887626

18 YEARS

is the average duration of our business relationships with suppliers.



The project examining implementation of human rights due diligence (see A1.2) provided a better picture of direct and indirect business partners for the sensor product segment. It became clear that our influence on suppliers who are producers is greater than on suppliers who only operate as distributors. Challenges with respect to fair practices for those involved, including increased customer demands concerning the environment and social affairs, pressure on prices, scarce resources (finances, staff), time-consuming procurement of information and lack of transparency in the supply chain, were occasionally brought up in talks with manufacturers of magnets, encapsulation, electronics components and turned parts. These challenges were discussed with our purchasing managers as part of a sustainability training measure.



Objectives relating to A2.1

Supplier guidance is to facilitate the path toward fair, sustainable collaboration with elobau that is based on trust and cooperation for existing and prospective suppliers. Expectations concerning the business relationship are to be outlined in the guidance so as to be transparent for new suppliers before business relations commence. In doing so, elobau provides initial support for developing a long-term partnership. Our subsidiary elocompanion provides more in-depth training and advice to companies.

A2.2 Exercising a positive influence on solidarity and social justice throughout the supply chain

The topic of “solidarity and social justice in the supply chain” is also factored into our geographic approach to risk (see A1.1) and is addressed in particular by enquiring about ethical standards during the initial evaluation. All suppliers of production materials and all major service providers are affected by the issue of solidarity and social justice (see A1.1) The latest sustainability survey among our top 5 suppliers for permanent magnets (around 75% of sales in the “Permanent magnets” group) showed that these suppliers maintain high environmental and social standards in line with (certified) environmental management systems or comparable standards at the place of production. Furthermore, two of our suppliers conduct production in Germany and source their material primarily from certified sources in Europe.

Permanent magnet suppliers in detail 2020/2021

Suppliers	Distributor/manufacturer	Percentage of total sales	Country of origin	Certificate
Supplier 1	Manufacturer	29%	CH / CN	ISO 14001 (CN site)
Supplier 2	Distributor	21.5%	CN	--
Supplier 3	Distributor	11%	CN	FairMagnet production
Supplier 4	Distributor	6.5%	D	ISO 14001 ISO 50001 ISO 45001
Supplier 5	Manufacturer	6.5%	D	ISO 14001

Top 5
SUPPLIERS

of permanent magnets have high environmental and social standards

GRI standards for A2.2
102-12, 102-13, 205-1, 308-1,
308-2, 406-1, 408-1, 414-1,
414-2



Objectives relating to A2.2

The only supplier without certification is Supplier 2. Due to a lack of transparency and weaknesses in communication, efforts will be made to move away from this supplier in the long term. New orders are no longer being placed with this supplier.

We are planning to expand our examination of sector initiatives for other product groups that carry risk. These could potentially act as a point of contact into the deeper supply chain. To this end, we would like to analyse existing (raw material) initiatives and discuss the potential for engagement with suppliers who have the highest sales in the product groups.

A3:

Environmental sustainability
in the supply chain

A3.1 Environmental impact throughout the supply chain

Evaluation of ecological risks

We evaluate ecological risks using the following criteria:

- › By means of the initial evaluation with classification
- › By means of the supplier’s country of origin
- › By means of the article’s country of origin
- › By means of materials or substances (material compliance)
- › By means of audits; see A1.1

Purchased parts

More in-depth evaluation of environmental aspects within the supply chain is being achieved gradually by means of targeted projects.

Suppliers and production materials

The Development-Accompanying Sustainability Process (DASP) reveals possible potential for sustainability to departments involved in the product creation process when new products are being developed. For Purchasing, for example, one potential identified in the DASP would be to support strategic suppliers in the introduction of an environmental management system.

Material compliance of production materials

As part of our procurement and quality processes, we take into account the current REACH and RoHS requirements. To this end, our suppliers are requested to provide material compliance information even during pre-order enquiries. After ordering, a full declaration of the substances used in the article must be made. We also conducted a global supplier survey from 2020 to late 2021 so as to collect product composition details and material compliance-relevant information (e.g. for REACH, RoHS).

Responses from the approximately 900 relevant suppliers can now be analysed and used for future development and purchasing decisions as well as customer enquiries. Amendments planned in connection with the REACH Regulation are checked twice a year using a European Chemicals Agency register (<https://echa.europa.eu/de/registry-of-svhc-intentions>). This acts as a material compliance early warning system so that “substances of very high concern” or SVHCs in our products can be identified at an early stage and eliminated. In regards to our container management, we are gradually switching to environmentally friendly reusable packaging in the relevant areas.

Procurement of equipment, machinery and plant

When selecting machinery and plant, the “Sustainability aspects in procurement processes” process must be observed. This guides purchasing decisions from an ecological and social perspective on the basis of:

- › Energy efficiency
- › Environmental and social risks
- › Product quality
- › Service life
- › Recycling
- › Noise and noise values
- › Additional benefits for the manufacturer

GRI standards for A3.1
102-12, 102-48, 302-1, 302-2, 302-4, 303-1, 305-1, 305-2, 305-3, 308-1, 308-2, 414-1



EXEMPLARY PURCHASING MANAGEMENT FROM AN ENVIRONMENTAL POINT OF VIEW IS PART OF OUR CORPORATE IDENTITY AND POSITIONING

Vehicle fleet and carbon footprint

The existing vehicle fleet policy laying down CO₂ limits and an SUV ban has been modified. Only vehicles powered by renewable electricity have been allowed since 2021. See Sections C (commuting) and E3 (energy) for details. As part of our annual carbon footprint assessment, we record all greenhouse gas emissions from purchased parts. These constitute the lion’s share of our carbon footprint (see E3).

Differentiation from the competition

We conduct a thorough initial supplier evaluation of our suppliers, which includes the three aspects of sustainability, and this plays a role in the selection of suppliers. In addition, CO₂ emissions at component level are also determined on the basis of specific and up-to-date conversion factors (Scope 3.1 emissions).



Objectives relating to A3.1

Under a project stemming from the “material compliance early warning system”, the goal is to switch our product portfolio to lead-free materials by 2024. To this end, a pilot product from the operator controls segment will initially be used to test the implementation in order to derive a procedure for switching over all elobau products. This will also include consideration of the extent to which suppliers can be involved in this process. When selecting materials for new developments, we are already restricting ourselves to lead-free articles.

For the next reporting period, we are planning to revise the procurement policy for machinery and plant and to incorporate operational objectives and obligations for dealing with material procurement risks. Monitoring systems are also to be established for the processes. The revised policy will subsequently be communicated to internal and external stakeholders.

A3.2 Disproportionate environmental impact within the supply chain

Increased harmful environmental impacts are possible, for example, for printed circuit boards from non-EU countries, especially China. The first step in the selection of suppliers is to focus on environmental certification of the main suppliers and manufacturers (see table below).

One key environmental issue in the supply chain is greenhouse gas emissions. In mechanical engineering, the majority of emissions are process emissions from metal processing and energy consumption by suppliers (and our suppliers’ suppliers). To ensure our products can be used safely, we go above and beyond the legal requirements. For non-EU suppliers of electronic components, we carry out a semi-annual survey of REACH status together with corresponding implementation of measures where necessary.

Our top seven circuit board technology suppliers can, in the vast majority of cases, demonstrate a certified environmental management system under ISO 14001:2015. As a result of the supplier evaluation, more transparency is expected, allowing enhancement measures to be adopted with the suppliers in question.

GRI standards for A3.2
308-1, 308-2

Suppliers of Chinese printed circuit boards in detail 2020/2021

Suppliers of Chinese printed circuit boards	Distributor / manufacturer	Percentage of total sales	Supplier location / article origin	Certificate
Supplier 1	Distributor	25.07%	CN / CN	ISO 14001
Supplier 2	Manufacturer	19.01%	D / CN	ISO 14001 ISO 45001 ISO 50001
Supplier 3	Manufacturer / distributor	17.57%	SLO / CN	--
Supplier 4	Manufacturer	12.12%	D / CN	ISO 14001
Supplier 5	Manufacturer	5.50%	D / D	ISO 14001
Supplier 6	Distributor	5.02%	D / CN	ISO 14001
Supplier 7	Distributor	3.79%	D / CN	ISO 14001

A4:

Transparency and co-determination in the supply chain

A4.1 Transparency towards suppliers and their right to co-determination

We mainly purchase technical products, which require more transparency and communication to begin with. Our annual supplier evaluations encourage suppliers to implement necessary optimisations (in relation to quality, adherence to delivery dates, quantity reliability and overall evaluation, for example). Questions that we receive from our suppliers regarding the supplier evaluation are checked and answered accordingly. If agreed, we send monthly forecasts to indicate planned purchase quantities for the next nine months. Questions are answered accordingly, and problems are usually clarified in advance by mutual agreement.

Drafting contracts

When drafting contracts, our suppliers can also submit their change requests. In this case, we try to come to reasonable solutions by mutual agreement and conclude appropriate contracts.

Joint product development

In product development, we gladly consider the ideas of our suppliers if necessary. As a matter of principle, we make every effort to minimise material use as far as possible – in both internal and external plastic articles – by means of FEM simulations, fill and warpage simulations, and by liaising with external suppliers. The increased use of FEM topology allows us to make optimisations and therefore ensure that components only have material in the areas where the corresponding load so requires. We are also constantly working to understand materials better and to factor them into simulations for optimised use. Examples of topology optimisation are the Shuttle Shifter 2.0 and the new UHD joystick. LCA studies of the J4 joystick have indicated that using metal or sheet metal would be appropriate for new developments. We have also been able to approve the use of recycled plastic in a product in the sensor segment. We are not aware of any complaints from our suppliers regarding information policy and co-determination rights in this reporting period.

GRI standards for A4.1

414-1



Objectives relating to A4.1

It is our desire for more suppliers to become preferred suppliers. Through relevant audits, we would also like to increase transparency and joint decision-making in a co-operative relationship. The supplier platform mentioned in A1.1 will help us perform audits and communicate with suppliers. We are planning to add sustainability indicators to our supplier evaluation, which has so far focused on quality issues. To this end, the performance of our suppliers will be re-evaluated using environmental and social KPIs, and they will be informed of the results. Associated areas of supplier management such as supplier development are to be enhanced accordingly. We intend to draw up supplier guidance so as to communicate to our (prospective) suppliers what we expect from the business relationship (see A2.1 Fair business practices towards direct suppliers). Before this guidance is put into force, it will be discussed in talks with suppliers and legitimised.

To better address supplier interests, our quality assurance agreement is to be redrafted with a greater focus on cooperation and sustainability. A major change here will be the way in which the agreement is formulated. Instead of rigid stipulations, arrangements are to be made cooperatively in the future. To this end, the current version of the quality assurance agreement is to be analysed for positive and negative aspects and modified accordingly.

A4.2 Positive influence on transparency and co-determination throughout the supply chain

Through the Industry and Human Rights working group, we are engaged in sharing ways in which we can achieve transparency in the supply chain and meet our due diligence obligations more purposefully. Given our complex value creation networks and our relatively limited ability to exert influence, our view is that the way ahead can only be successful by working together as an industry or across multiple industries (e.g. together with the automotive and/or chemicals industry). In this respect, we have been involved in establishing multi-stakeholder dialogue for mechanical and plant engineering.

GRI standards for A4.2

414-1

SUPPLIERS IN DETAIL



Implemented measures

- › Suppliers surveyed on use of conflict materials using the latest version of the CMRT
- › Due diligence and reporting obligations with reference to Section 1502 of the Dodd Frank Act on conflict materials added to General Terms & Conditions of Purchase
- › Project on practical implementation of human rights due diligence in our own company and within the supply chain under the requirements of the Supply Chain Due Diligence Act (LkSG)
- › Challenges identified with respect to fair practices for those involved in talks with various manufacturers
- › Sustainability training held for Purchasing
- › New survey of our top 5 suppliers for permanent magnets regarding environmental and social standards
- › Global supplier survey on material compliance (REACH, RoHS)
- › Material database introduced to capture material compliance-relevant information, evaluate it and keep it up to date
- › “Material compliance early warning system” established to identify and eliminate any banned substances in our (upstream) products at an early stage
- › Top 7 suppliers for circuit board technology can demonstrate an environmental management system certified under ISO 14001:2015 as a minimum
- › Involved in establishment of multi-stakeholder dialogue for mechanical and plant engineering



Objectives

- › Expand supplier management using web-based applications (supplier platform, supplier relationship management system)
- › Introduce a supplier platform (including AI-supported social media monitoring), which will be used to capture and evaluate sustainability-relevant information from suppliers using pre-defined questionnaires and to keep this information up to date for compliance purposes
- › Review the Code of Conduct so as to communicate our expectations to suppliers more robustly and provide corresponding training
- › Gradually increase the rate of return for future CMRT surveys to over 90% by 2025
- › Project on true cost accounting method: Capture the extent of our impact on the environment and worker rights along the value creation chain in monetary terms
- › Adjust and extend the company-wide risk management (including risk analysis and measures) and human rights strategy to be developed in accordance with the Supply Chain Due Diligence Act (LkSG)
- › More in-depth training and advice by elocompanion (in relation to suppliers)



- › Move away from a permanent magnet supplier lacking environmental and social certification (see A2.2); extended examination of sector initiatives for other product groups that carry risk
- › Switch the product portfolio to lead-free materials by 2024: Test on pilot product from operator controls segment
- › Extension of the current procurement policy for machinery and plant to include operational objectives, obligations and monitoring systems for dealing with material procurement risks plus associated communication with stakeholders
- › Increase the number of preferred suppliers
- › Addition of sustainability indicators to our supplier evaluation: Re-evaluation of supplier performance using environmental and social KPIs
- › Development of supplier guidance: Our expectations regarding the business relationship are to be communicated with (prospective) suppliers in a transparent manner
- › Redrafting of our quality assurance agreement with a greater focus on cooperation and sustainability



ECG evaluation scale

Audit results	A1.1	A1.2	A2.1	A2.2	A2.3	A3.1	A3.2	A4.1	A4.2
Exemplary (7 – 10 points)									
	7					7			
Experienced (4 – 6 points)			5	6					
								4	4
Advanced (2 – 3 points)									
Getting started (1 point)									
Negative aspects									
Negative aspects (0 – 200 negative points)	0			0					
							-1		

SECTION

Owners, equity and financial service providers

“Supporting other companies that embrace sustainable and innovative values goes to the very heart of what we do.”

- B1** Ethical position in relation to financial resources **Page 40**
- B2** Social position in relation to financial resources **Page 42**
- B3** Use of funds in relation to social and environmental impacts **Page 43**
- B4** Ownership and co-determination **Page 44**

B1:

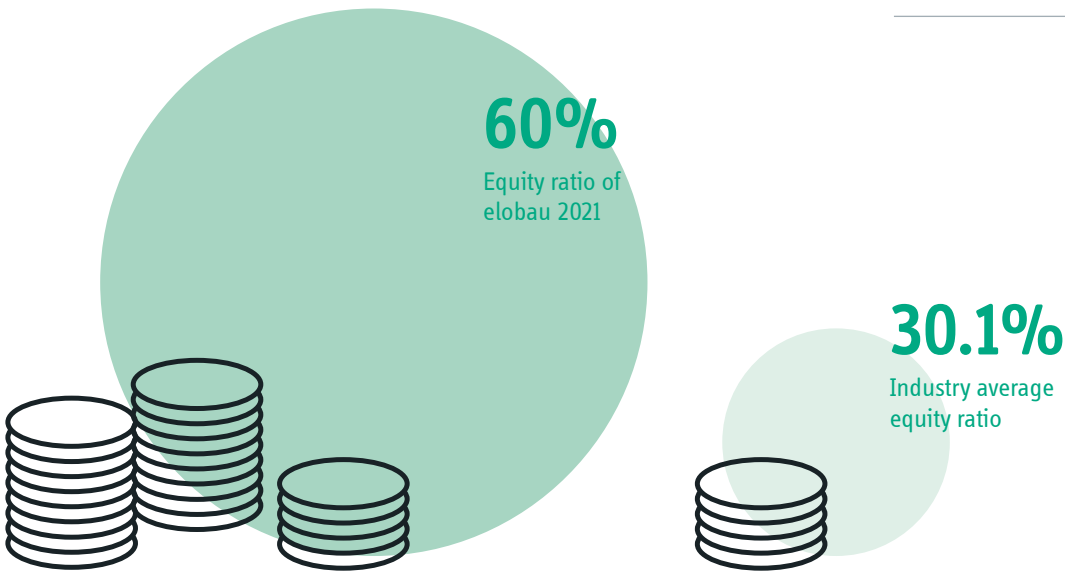
Ethical position in relation to financial resources

B1.1 Financial independence through equity financing

The ensian group is financed primarily through equity. At the end of 2021, our equity ratio was approximately 60%, which is above the industry average of 30.1% (Statista¹). Nevertheless, this represents a 12% fall in the equity ratio, which has resulted from an increase in short- and medium-term liabilities – an indirect consequence of the coronavirus pandemic. This can be attributed to liquidity shortages caused by distortions in the procurement markets such as price rises, delivery problems etc. Profits made are largely reinvested in the company or remain in the company as reserves to strengthen equity.

EQUITY

GRI standards for B1.1
102-7, 201-1



Employment of profit

elobau generates the lion’s share of its profits through the sale of products. This allows us to be independent of the capital market and offers a hedge against potential fluctuations. A sufficient reserve of equity capital is ensured through investment planning accomplished by determining the needs of the various areas, which are then approved by the foundation advisory board. No distribution to stakeholders occurs; profits are retained or reinvested. Through our independence from the capital market, our investments can focus on sustainability and ecology and not just financial considerations. The dual foundation model ensures that 10% of generated profits are passed on to the foundation (see B2.1).

¹ Average equity-to-asset ratios of medium-sized businesses in Germany: <https://de.statista.com/statistik/daten/studie/150148/umfrage/durchschnittliche-eigenkapitalquote-im-deutschen-mittelstand/>
² Investment criteria of Pangaea Life Fund: <https://www.pangaea-life.de/fonds/investitionskriterien>



Objectives relating to B1.1

The main focus of strategic financial planning is on reducing liabilities and gradually increasing equity. Our objective in this respect is to increase the equity ratio to pre-pandemic levels.

B1.2 Common Good-oriented borrowing

Our existing borrowing was financed through our ethical bank, GLS. These loans were for investment purposes, namely in renewable energies and in construction costs for expanding our existing plant (construction phase 3 + 4). For this, a EUR 5 million loan secured by a mortgage has been granted; at the end of the reporting period, only EUR 2 million of this had been released, however. At the end of the reporting period, the total amount borrowed was EUR 2.54 million. Consistent retention of profits will allow further borrowing to be avoided.

GRI standards for B1.2
203-1, 302-4



Objectives relating to B1.2

Our envisioned goal is to continue financing investments primarily from business activity and remain independent from the financial market. We will, however, rely on borrowing for major investments such as new building projects. Such borrowing will be limited to the level of EBIT and re-financed in the medium term.

B1.3 Ethical position of external financial partners

All payment transactions are currently handled through GLS. By choosing this sustainable financial institution, the structure of elobau’s financing was configured to ensure an ethical approach in accordance with the ecological, economic and social orientation of GLS. The ethical position of our financial partner is evaluated by assessing its investment funds. We use Diamant software for accounting purposes and to prepare our annual statements. Here as well, we have selected a partner whose climate neutrality is making an effective contribution to protecting the climate and who places considerable weight on ethical and society-promoting aspects (see B3.2).

Sustainable retirement provision plans

Our employees have the opportunity to use a sustainable insurance product for company pension purposes. The “Pangaea Life” fund allows us to link personal coverage and pension provisions with sustainability. The “Pangaea Life” fund invests² exclusively in fully sustainable projects such as renewable energies. Approximately 20% of elobau employees that have a company pension take advantage of this opportunity.

GRI standards for B1.3
102-6, 102-12, 302-2, 302-4, 401-2, 416-1



Objectives relating to B1.3

We would like to position ourselves more broadly with our financial partners and are switching our company credit cards to the digital business credit card provider getPliant. Our goal is also to have more flexibility in our ongoing payment transactions and we are looking for another partner bank in this respect.

B2:

Social position in relation to financial resources

B2.1 Solidarity and Common Good-oriented use of funds

Since the main owner (with 99% of the shares) is the elobau charitable foundation, which receives 10% of the profit, 90% of the profit remains in the company. 99% of the foundation's share (10%) is distributed to the elobau foundation, and 1% is distributed to the Hetzer foundation. Company profit is used every year for investments and risk hedging. The elobau foundation has no other expectation of the company, which means that the company can also decide to invest all its profits or build up larger reserves for recessions. In order to finance the ongoing costs and certain projects of the foundation, however, the elobau foundation receives a minimum distribution of EUR 150,000 and a maximum of EUR 750,000.

Indicator	2020	2021
Net surplus from operating activities (million euros)	10.2	0.9
Planned investments (following year – million euros)	8	9
Actual investments made (million euros) (strategic expenses and asset additions)	6.9	5
Transfer to reserve (million euros)	4.7	4.9



Objectives relating to B2.1

When planning how to use our profits, we would like to focus on increasing reserves in the coming years so as to strengthen the equity ratio.

B2.2 Unfair distribution of funds

We do not distribute funds unfairly within the company. No sites were closed or jobs cut. Due to our foundation model (see B4.1), no returns are distributed to external shareholders.

GRI standards for B2.2

201-1

B3:

Use of funds in relation to social and environmental impacts

B3.1 Environmental quality of investments

We take ecological aspects into account as part of all major investments. Where it is proportionate to do so, we place ecological considerations over and above financial ones. The evaluation of sustainability criteria is an integral part of the process for the procurement of machinery and plant.

GRI standards for B3.1

302-1, 302-4, 308-1

For example, our vehicle fleet is being gradually switched over to electric. All new vehicles must satisfy strict, self-imposed criteria (see C3.2). Regarding energy efficiency, our buildings are also investigated in winter using a thermal imaging camera to find locations that require renovation. In 2021, to increase the amount of space available to us at short notice, we opted for a modular office made of solid wood produced by the company Wood Space. This consists of eight solid wood containers on two levels, which can be reconfigured or extended as required. The solid wood containers are installed using ground screws so the ground beneath the building does not have to be sealed. The office building can be installed in a few days and just as quickly disassembled again without any residues. The building is made completely of formaldehyde-free alpine spruce from Austria and the wood fibre insulation meets the highest standards for sustainable timber. It was particularly important to us to create a high-quality room climate through the materials used and the associated homelike atmosphere.

B3.2 Common Good-oriented investment

We are not only interested in financially supporting companies that develop sustainable products (see B3.1); we are also always on the lookout for ventures based on cooperation. In this spirit, we granted a loan of EUR 500,000 to a start-up in 2021. The start-up develops digitalisation solutions for agriculture so as to conserve human and environmental resources. We would like to partner more with sustainable companies in the future and increase our investment volume in this area.



B3.3 Reliance on environmentally unsafe resources

We can already replace most ecologically questionable resources, such as fossil resources. Energy self-sufficiency based on renewable energies is a firm objective of our mission statement (see E3.1). Since 2010, our production activities have been carbon-neutral, and we prepare an annual carbon footprint analysis, including Scope 3 emissions, on the basis of which measures are taken (see E3). Our business model includes the processing of fossil-based plastics in the majority of our products. We initiated the development of bio-based, i.e. petroleum-free, plastics as early as 2015. By employing eco-design studies, our intention is also for our products to be more innovative and more sustainable in the future (see Section D).

GRI standards for B3.3
302-4, 305-1, 305-2, 305-3, 416-1



B4:

Ownership and co-determination

B4.1 Common Good-oriented ownership structure

A dual foundation model was established in 2016. It consists of the non-profit elobau foundation, which holds 99% of the shares in the elobau Group, and the Hetzer foundation, which holds 1% of the shares. The voting rights are exactly the opposite. The charitable elobau foundation holds 1% of the voting rights, the Hetzer foundation 99%. The idea behind establishing the foundations was to permanently preserve the company, secure corporate succession and, not least, to limit dividend payments, which are used for charitable purposes specified by the founder.



The foundation model as such is oriented toward the common good, primarily because profits are distributed to a charitable foundation for a specific purpose. It also prevents takeovers by large corporate groups and establishes a broad-based decision-making process. Moreover, the foundation model focusing on the common good cannot be changed into another form of business. The executive management is formally appointed. The previous owner handed over his property in perpetuity to a charitable foundation with a clearly defined purpose, set up a mechanism for transferring profit to the foundation, established a supervisory body, and distributed decision-making to numerous individuals.

FOUNDATION MODEL





The charitable elobau foundation does not have a significant say in the ensian group. The members of the ensian group advisory board are the same as those of the Hetzer foundation executive board. In addition to Michael Hetzer, the Hetzer foundation advisory board and the executive board comprise three other people, who together shape the strategic direction of the ensian Group and essentially make the decisions.

Decision-making principles of the advisory board

The advisory board is included in strategic decisions, appoints the executive managers, and functions as a supervisory body. The transparent decision-making process of the members of the Hetzer foundation is based on the data derived from company and budget figures as well as the priorities developed by the strategy team, along with input from advisory board members, who contribute based on their experience in various industries. The strategy team is composed of individuals from every part of the value creation chain, and this allows them to transparently offer the greatest possible level of service.

B4.2 Hostile takeover

The dual foundation model ensures that elobau cannot be sold since it is a foundation company.

OWNER’S, EQUITY AND FINANCIAL SERVICE PROVIDERS IN DETAIL



Implemented measures

- › Accounting done and financial statements prepared using Diamant software
- › Switching of vehicle fleet to electric
- › Modular office made of solid wood (produced by Wood Space)
- › First eco-design study for midi armrest 2.0 for more sustainable and more innovative products



Objectives

- › Reduce liabilities and gradually build up equity
- › Increase equity ratio to pre-pandemic levels
- › Continue financing investment primarily through business activity and remain independent from the financial markets
- › Limit borrowing (for major investments such as new buildings) to the level of EBIT with re-financing in the medium term
- › Greater diversification of financial partners
- › Switch our company credit cards to the digital business credit card provider getPliant
- › More flexibility in regular payment transactions
- › Focus retained profit on building up reserves (to strengthen the equity ratio)



ECG evaluation scale

Audit results	B1.1	B1.2	B1.3	B2.1	B2.2	B3.1	B3.2	B3.3	B4.1	B4.2
Exemplary (7 – 10 points)	10	10								
			9	9						
						8				
									7	
Experienced (4 – 6 points)										
Advanced (2 – 3 points)										
Getting started (1 point)										
Negative aspects										
Negative aspects (0 – 200 negative points)					0			0		0

SECTION

Employees

“For us, equality and a focus on people are of prime importance, and these principles guide us in our sustainable and social approach to managing employees.”

- C1 Human dignity in the workplace and working environment **Page 50**
- C2 Structuring of employment contracts **Page 64**
- C3 Environmentally friendly behaviour of staff **Page 68**
- C4 Co-determination and transparency within the organisation **Page 72**









C1:

Human dignity in the workplace and working environment

C1.1 Employee-focused organisational culture

The prerequisite for a people- and talent-oriented corporate culture is that we continuously create the conditions in which such a culture can flourish. Our guiding principles of “Focus on people” and “With one another & for one another” shape this process. We believe that equal opportunity is strategically and systematically anchored within these principles of action. In addition, we have defined our guiding principles for effective communication, which are designed to facilitate our day-to-day interactions.

THE ELOBAU PRINCIPLES of good communication

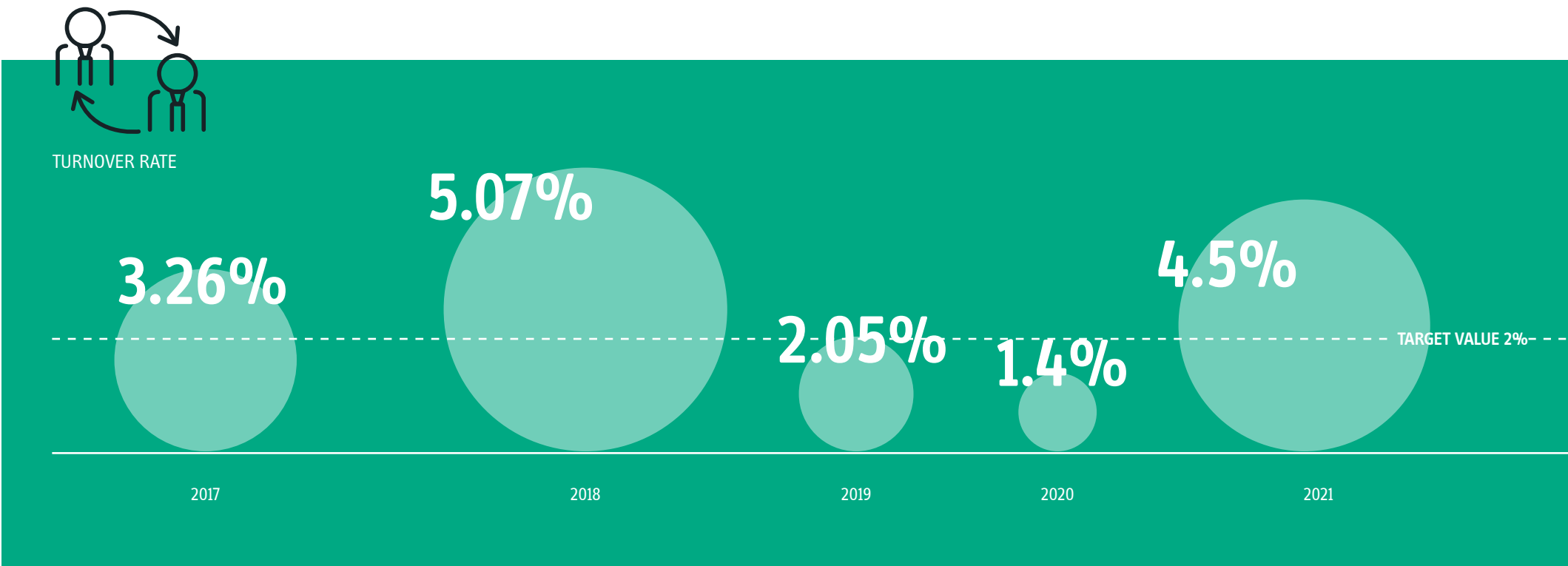
-  I RESPECT MY COLLEAGUES AND VALUE THEIR WORK
-  I PROVIDE INFORMATION AND ANSWER PROMPTLY
-  I AVOID SPECULATION WITHOUT CONCRETE KNOWLEDGE
-  I AM NOT AFRAID TO ASK QUESTIONS
-  I AM OPTIMISTIC AND SUGGEST SOLUTIONS
-  I HONOUR AGREEMENTS
-  I PHRASE MY EXPECTATIONS CLEARLY
-  I PROVIDE FAIR CRITICISM PROMPTLY AND DIRECTLY

Onboarding

In 2020, we revised our training programme for new colleagues from the ground up. This has been continuously developed since then. In addition to the specific training by the specialist department, other important components of this programme include, for example, a talk with our advisory board chair Michael Hetzer, insights into the elobau corporate culture and history, an introduction to the benefits by our HR team and, with an eye to the future, also a range of options relating to sustainability. The onboarding of new employees is structured using an interactive checklist, which is based on a gamification approach.

Feedback opportunities, participation and information

As we believe that all employees, together with their managers and managing directors, can address and change issues through dialogue, there is no works council for employees at elobau. In 2020, a new social intranet was introduced, which can be accessed both from the workplace and from mobile phones. In addition, the eloTalk format introduced in 2020, which managers use to provide employees with information on any topics that are raised by the workforce, was continued on a quarterly basis due to the good response. The years 2020/2021 were very much shaped by the economic and social impact of the coronavirus pandemic. During this time, we made a conscious decision to develop new formats for surveying workplace satisfaction.

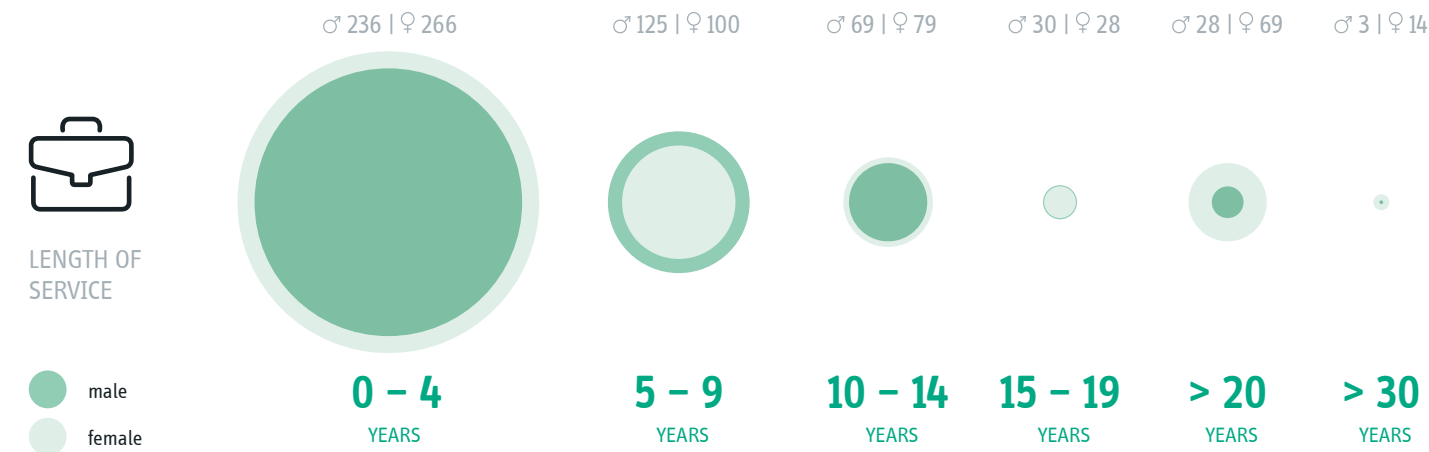


Turnover rate

Having a low employee turnover rate is also a sign of employee satisfaction. For this reason, our goal is to not exceed a turnover rate of 2%. In 2020, our turnover rate was 1.4%, which was certainly also corona-related. At 4.5% in 2021, the turnover rate is more than twice as high as our target. Our exit interviews did not provide any clear picture of the causes of this. There are several reasons for leaving elobau. Private reasons and lack of development opportunities were cited as triggers as were leadership issues.

Length of service

Employees staying with the company for long periods of time is also an indication of their satisfaction. The average length of service is 7.9 years. Just under a third of employees have been with the company for more than ten years.



7.9 YEARS

is the average length of service of our employees.

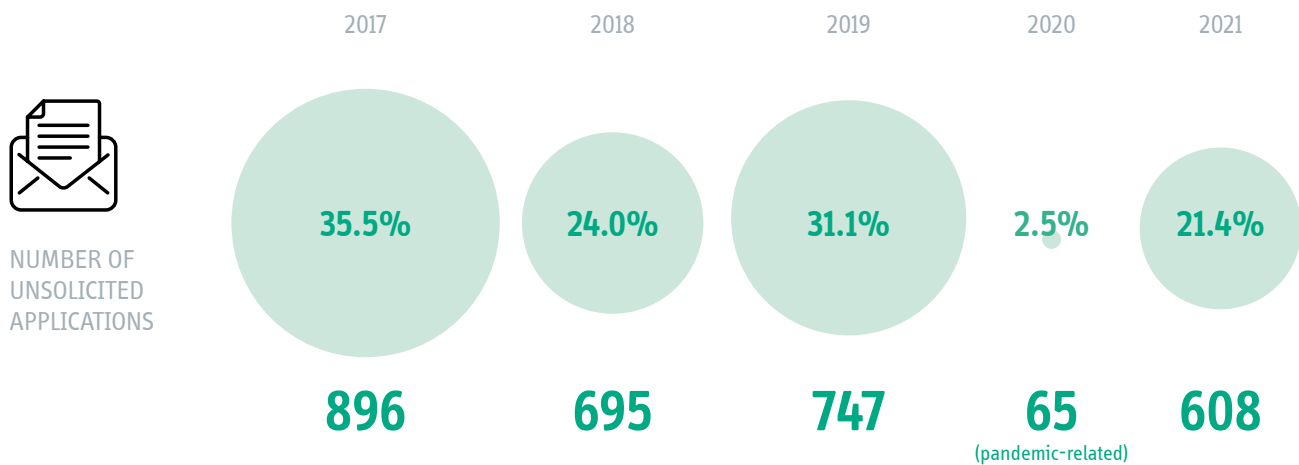
GRI standards for C1.1
102-12, 102-14, 102-16, 401-1, 401-2, 402-1, 403-1, 403-5, 404-1, 404-2



Unsolicited applications

elobau is a popular employer in the Allgäu/Upper Swabia region. This is also shown by the number of unsolicited applications in recent years, with the years 2017 – 2019 being representative. The vast majority of these resulted from recommendations by our employees. In 2020, the number of unsolicited applications dropped to 65 due to the pandemic, but it then increased again to 608 unsolicited applications in 2021.

*Applications for trainees in production have not been counted as unsolicited since 2019.



Employee satisfaction

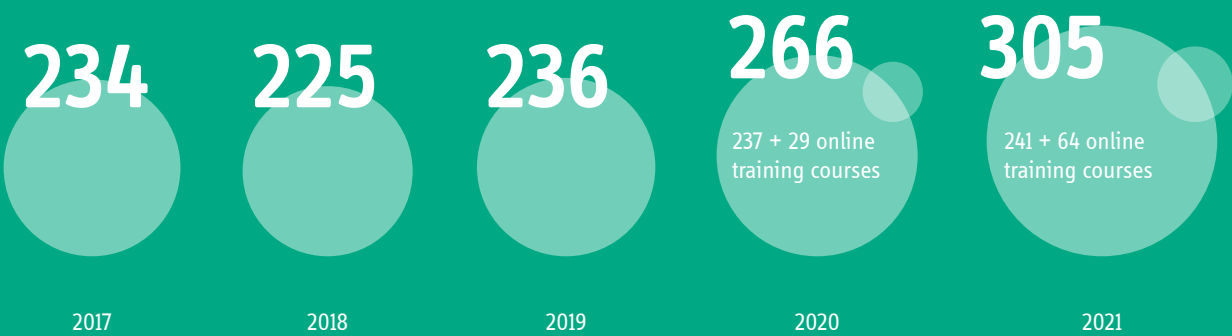
We had planned to participate in an anonymous survey by the Great Place to Work Institute with our employees every two years. Due to the coronavirus pandemic, we did not conduct a survey in 2020/2021. Based on the insights from this time, we have been asking ourselves to what extent anonymous surveys can still contribute to a sustainable change in satisfaction in an organisation where everyone is on an equal footing. Looking ahead to 2022, we have come up with new tools that promise better and clearer feedback on equal terms.

Continuing education formats and organisation of AfterWorkshops

Since 2020, the eloAcademy has continuously established and developed new online training offerings together with the respective elobau departments. This does not include our AfterWorkshops. In these workshops, we offer our employees an outlet for bringing their individual talents to the company. The employees themselves choose the topics and these are aimed at networking across all levels of the hierarchy. The only condition is that the workshop is required to start after 3:30 p.m. The time for preparation, presentation and breakdown is credited to the workshop leader, and elobau assumes any costs that may arise.



NUMBER OF CONTINUING EDUCATION FORMATS & NEW ONLINE TRAININGS IN 2020/2021



Learning and the pandemic

The 2020 coronavirus pandemic has changed the world, and elobau is no exception. The eloAcademy was faced with the challenge that the normal and established training and workshop options were simply no longer feasible. Within a few weeks, new tools for facilitating digital workshops and creating online trainings were purchased. This made it possible for employees to take advantage of thousands of opportunities within the eloAcademy even during the years 2020 and 2021.

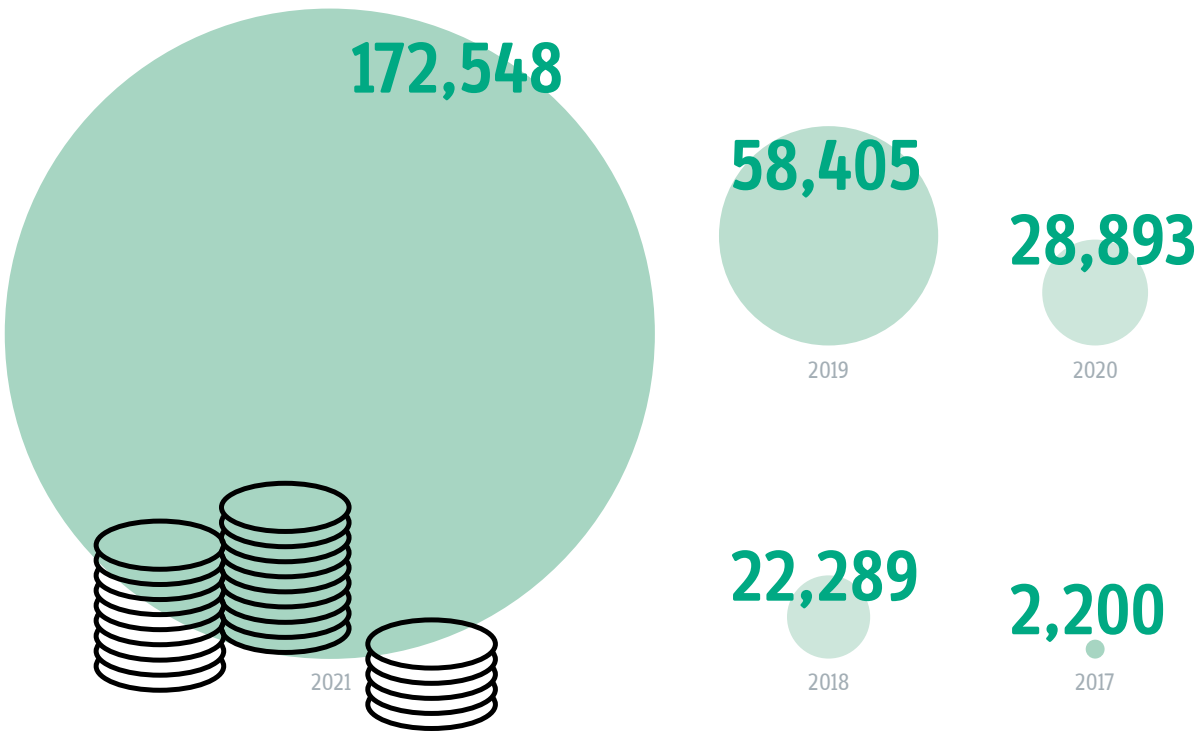
Onboarding and knowledge management projects

New onboarding processes are developed and implemented in onboarding projects together with company departments such as Production or Sales. Moreover, the collaboration between HR and IT is being intensified to make the onboarding process for new employees run more smoothly in the future. In the area of knowledge management, the elobau academy has assumed a leadership role since the fourth quarter of 2019 in implementing the new tool, Confluence. In the future, this platform will replace many individual elobau systems whose functions will be bundled into a single interface, and available knowledge will be consolidated.

Subsidy amount for continuing education (2017 – 2021)

The graphic “Total subsidy amount in €” shows the sum invested by elobau in individual continuing education. This includes all funds retained by the eloAcademy in the form of continuing education agreements. Specific examples here include the Chamber of Industry and Commerce certification courses, individual training and coaching sessions, master classes and subsidised degrees. Expenses for dual degree students or the like are not included. The investment slump caused by the coronavirus pandemic and the resulting investment backlog, which was resolved in 2021, is particularly evident here.

Training seminars on occupational safety are no longer included in the statistics as of 2019.



TOTAL SUBSIDY AMOUNT IN €

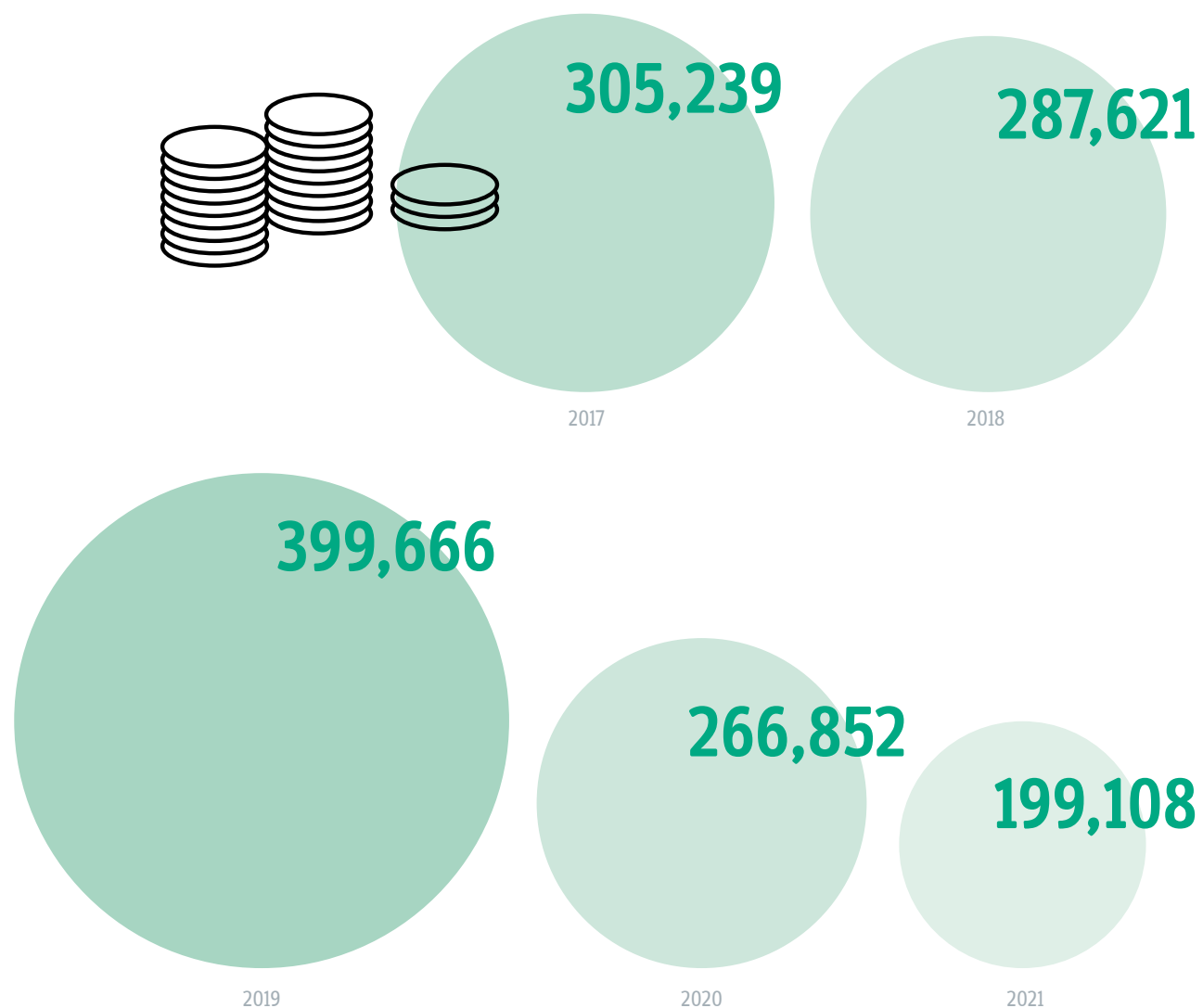
Investment amount for continuing education (2017 – 2021)

The graphic “Total investment in €” illustrates the level of overall investments by elobau in continuing education for 2017 – 2021. Since the start of the coronavirus pandemic in 2020, the total investment amount has dropped sharply. This is due on the one hand to the fact that significantly more was invested in individual training courses. On the other hand, since the introduction of online training, the internal options have also been used to a greater extent.

Number of trainings and investment per employee

The graphic “Number of trainings and investment per employee in €” shows the statistical trend for the number of training courses per capita and the statistical trend for investment per capita during 2017 – 2021.

TOTAL INVESTMENT IN CONTINUING EDUCATION IN €



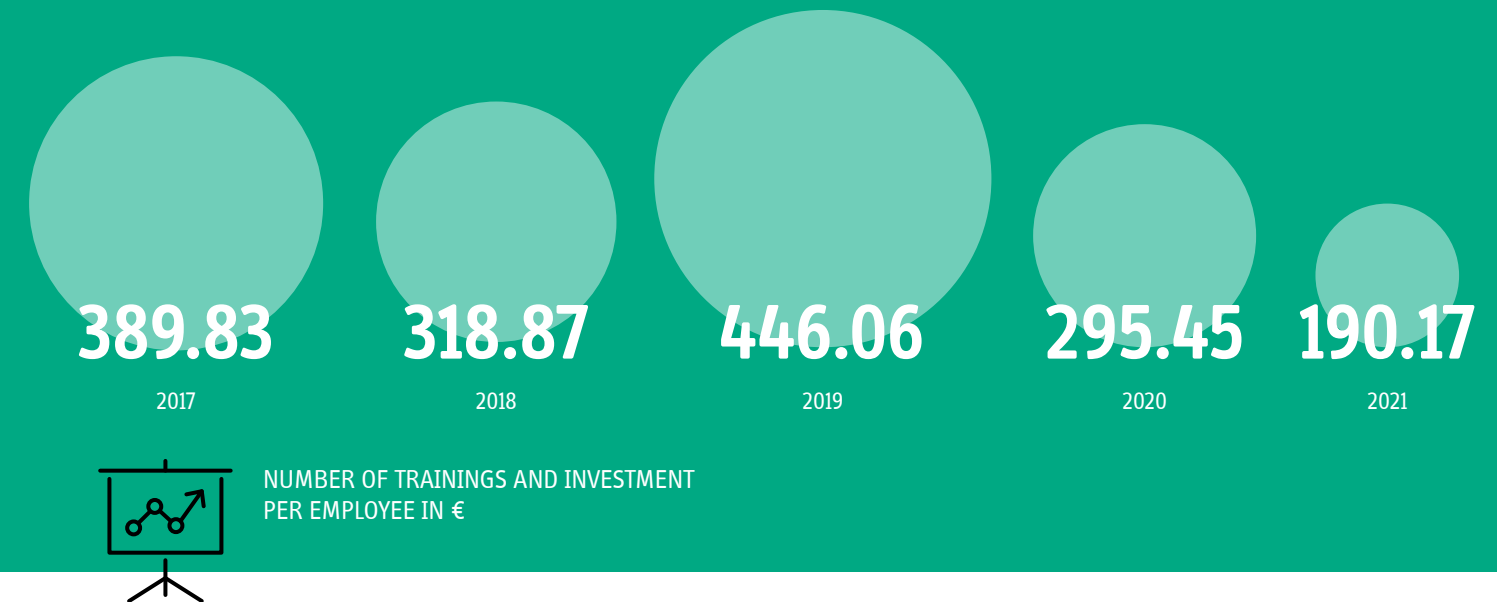
Number of trainings per employee: 2.4

Number of trainings per employee: 3.36

Number of trainings per employee: 2.26

Number of trainings per employee: 2.45

Number of trainings per employee: 2.29



NUMBER OF TRAININGS AND INVESTMENT PER EMPLOYEE IN €

Employee development meetings and in-service training

In employee development meetings, individual concerns are discussed with each employee and improvement measures for implementation within the next twelve months are selected. The FWC discussion (For each other, With each other, Customer-oriented), which resulted from our compensation project, deals with issues on how individuals can conduct themselves within the spirit of our corporate philosophy. For employees who want to pursue in-service training, we offer individual solutions that are arranged together with the Human Relations department.

Youth development

At elobau, we invest a great deal in the next generation. We offer eight different training careers. Our trainees work out the contents of their training modules by themselves for the most part and can complete over 100 different modules in this way. In addition, through cooperation agreements with local schools, we create early opportunities for young people to gain insights into the training careers through student internships and other measures. We also offer several study slots each year for dual studies. Despite the coronavirus pandemic, we have invested heavily in training the next generation of academics in 2020 and 2021. In 2020, a total of 31 and in 2021, 63 junior employees worked at elobau as interns or working students or completed their final project or thesis at our company.

Transformation to a dynamically robust and sustainable company

In 2017, we began to define elobau’s vision for the future together with all employees. This is also where we came up with our claim ‘sustainable solutions’. In several iterative process loops, we developed a long-term vision for our future. Due to the coronavirus pandemic, we had to slow down the process and did not restart it until 2021. The first step here was to introduce dynamic roles into the management structure, which can be flexibly adapted to new requirements of the market and the organisation. When this plan is fully realised, decisions at elobau should be made directly where the relevant knowledge and skills lie.



Objectives relating to C1.1

In the coming years, we want to introduce roles that are defined with a clear purpose, decision-making scope and responsibilities. The associated decision-making procedures must also be fully transparent.



Learn more about our claim, “creating sustainable solutions”

C1.2 Health promotion and occupational health and safety

Our occupational health management system introduced in May 2019 combines the core areas of “occupational health promotion”, “occupational safety” and “occupational integration management”. In the meantime, the team has grown to three colleagues. Other working groups (e.g. Health Working Group, Ergonomics Team, Support Network, Corona Test Team) and work areas (e.g. occupational medicine, first aid, personal counselling) complement the core areas of our eloBGM. In our understanding, the term health encompasses physical, mental and social well-being. In this context, we continuously pursue the goal of making work safe and beneficial to health.

Our health rate has stabilised at a good level over the past two years, despite the coronavirus pandemic. This is also due, among other things, to intensive efforts in the implementation of hygiene and corona-related occupational health and safety requirements. The Coronavirus Task Force set up for this purpose had the goal of manoeuvring the company safely through the choppy waters and implementing the hygiene and occupational health and safety specifications in the best possible way. In this context, for example, air measurements were carried out, maximum occupancies were defined in rooms, generous home office options were created, vaccination appointments were offered, contact-person management was set up, and an operational coronavirus test team was trained and our own test centre established. Thanks to the intensive efforts, we were able to quickly break internal chains of infection and overcome the difficult period without pandemic-related production stoppages.

We have also taken further measures in the area of occupational health and safety. These include intensive training for our managers in occupational safety, training and further training of safety officers as multipliers for occupational and health safety issues directly in the departments, and further expansion of the collaboration with our occupational physician.

GRI standards for C1.2
102-12, 102-18, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 404-2



We provide numerous offers and programmes to our employees, such as a health day, a blood donation campaign, talks on health topics, screenings (including skin cancer), a personal counselling service, a comprehensive range of medical counselling services, pension advice, nutrition counselling, various recreational sports groups for employees, a company bicycle leasing programme, an S-pedelec available on loan, AfterWorkshops, an ergonomic posture analysis for screen-based work and an analysis of home office workstations, a company-sponsored qualitrain membership and a weekly company fitness session at the workplace during working hours. Based on a previous risk assessment, we have decided that all new desks to be procured will be height-adjustable and that all workstations in our production areas will also be successively equipped with height adjustment capabilities. In addition to the offer of daily fresh organic apples and our organic fresh kitchen, the “elobau ESSZIMMER”, employees can order an individually assembled “green box” with fresh fruit and vegetables of Demeter quality to take home directly from work on a weekly basis.

At-work and commuting accidents

Through numerous improvements such as protective equipment and the training of safety officers, we were able to anchor the topic of occupational safety even more deeply in the company and keep the number of reportable accidents at a consistently low level despite the company’s growth. Employees are made aware of the need to report any injury, no matter how small, as an entry in the first-aid book. To make a comparison with our industry, the “1,000-man quota” can be used. This indicates the reportable occupational accidents per 1,000 full-time employees. In the years under review, as in previous years, this was in the single-digit range. For comparison: The average rate within our industry (BGE-TEM) was 17.1.

Year	Accident log	Commuting accidents subject to reporting	Workplace accidents subject to reporting
2017	86	8	8
2018	29	0	1
2019	98	10	9
2020	75	4	8
2021	71	3	11



HEALTH RATE



Promotion of outside programmes

Through qualitrain, members can access approximately 6,000 sports and health facilities throughout Germany flexibly and without restriction, including fitness studios, swimming pools, yoga studios and climbing and bouldering halls. There are currently 211 cooperation partners within a radius of 50 km around Leutkirch. In addition, our employees have access to over 2,000 digital services in the areas of exercise, nutrition and relaxation via the qualitrain app. Just like the company fitness network, the number of participating employees is also growing steadily. Currently, just about 100 colleagues use qualitrain.

Remote work and individual equipment

Shortly after the start of the pandemic, we made the entire elobau organisation home office capable, so that there were only very minor restrictions on collaboration due to the pandemic. We benefited from the fact that we have been offering mobile working at elobau since 2017. This gives employees a lot of leeway and personal responsibility.



Objectives relating to C1.2

Our occupational health management shall continue to be a significant part of our sustainability concept within the context of social responsibility. We are working on a stronger strategic direction with clear roles and responsibilities within the growing occupational health management team. In the expansion of our current extensive range of offers, we want to proceed in a targeted manner and in doing so start with defined target groups as well as challenges related to the various phases of life. Other areas of focus are ergonomics and mental health in the workplace. To this end, we are planning, among other things, a new mental health risk assessment for all departments.

Through close networking with other companies, health insurance funds and health partners as well as through continuous engagement with current trends and innovations, we want to gain new perspectives and move with the times. The approach for managing employees is also subject to continuous modification. For this reason, we wish to reassess our current management models. We are crafting a future leadership management approach that will be used to train future managers.

C1.3 Diversity and equal opportunities

As a company in the technical sector, we exhibit a “classic structure”. The predominant share of technicians and engineers is male. Approximately 80% of the production staff is female.

Gender representation in the management structure

We have only marginally succeeded in increasing the number of women in leadership positions in recent years. The current percentage has increased by three percentage points in comparison to the last reporting period and is currently 12%. At the top management level, there are at present no women in a managerial position.

GRI standards for C1.3
401-3, 402-1, 404-2, 405-1

EMPLOYEES BY GENDER

53.1%
Female

46.9%
Male

GENDER REPRESENTATION IN THE MANAGEMENT STRUCTURE

12%
Female

88%
Male

“Every person is unique. We are aware of this, which is why we want to purposefully offer our employees a work environment tailored to their needs.”

MICHAEL HETZER
Advisory board spokesperson



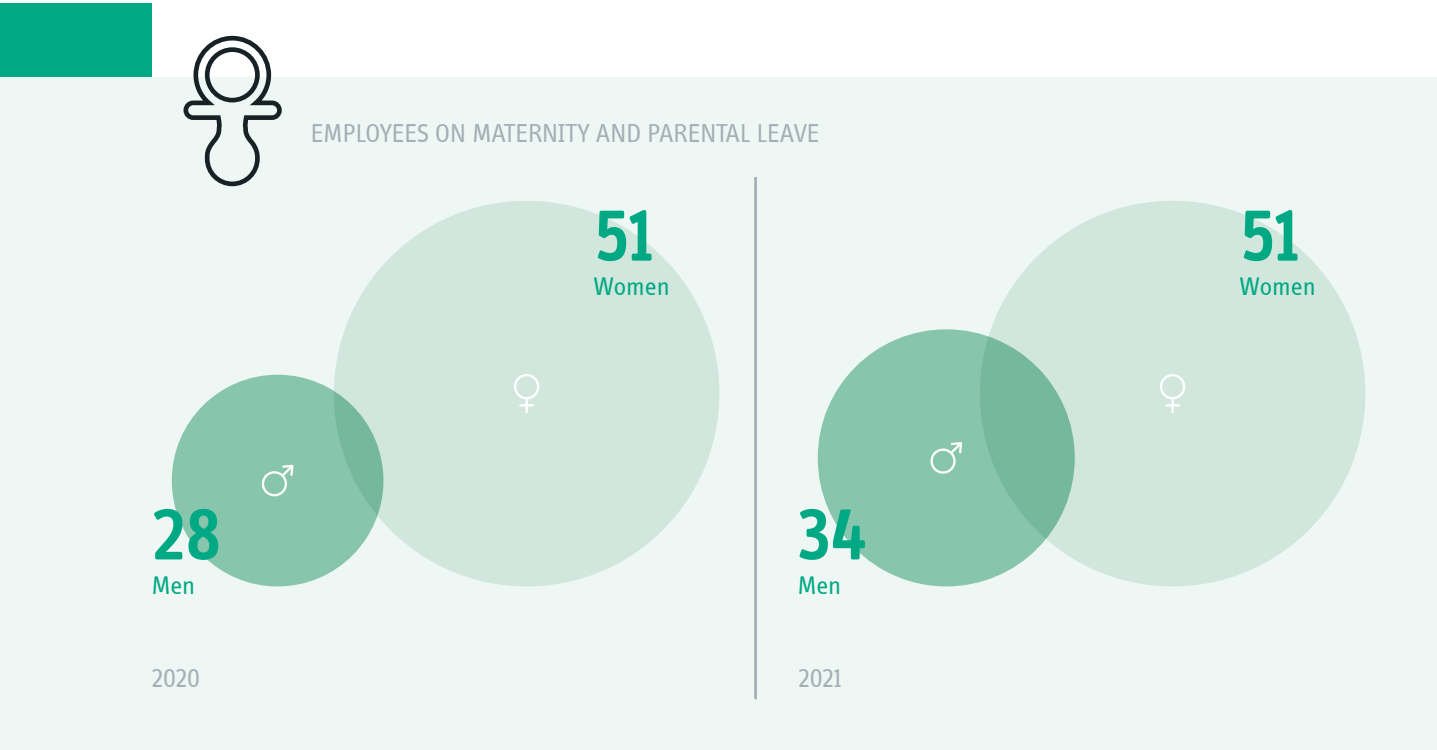
Age structure

At elobau, it is important that everyone, young or old, has a good opportunity to make a living. The average age at elobau as at 31 December 2021, was 40.9 years (women: 45.0 years; men: 36.5 years). In recent years, we have succeeded in establishing a well-balanced workforce structure.

Age in years	Male	Female
Younger than 16	1	–
16 – 20	46	21
21 – 30	132	123
31 – 40	145	108
41 – 50	85	116
51 – 60	70	159
61 – 67	12	29

Employees on maternity and parental leave

In 2020 and 2021, a total of 164 colleagues were on parental leave. Together with our employees, we devise flexible and appropriate solutions when, for example, part-time work is desired during parental leave.



International composition

On 31 December 2021, employees of 33 different nationalities were working at elobau. Thanks in particular to our foundation's work, we were able to offer refugees opportunities for internships, training or even starting their careers at our company. Around 950 employees are German nationals.

The nationalities of our employees are as follows:

- | | | |
|----------------------|--------------|------------|
| › Afghanistan | › Greece | › Poland |
| › Albania | › Hungary | › Portugal |
| › Austria | › Iran | › Romania |
| › Bosnia-Herzegovina | › Iraq | › Russia |
| › Brazil | › Italy | › Serbia |
| › Bulgaria | › Kazakhstan | › Slovakia |
| › Cameroon | › Mexico | › Spain |
| › Croatia | › Moldova | › Syria |
| › Egypt | › Montenegro | › Thailand |
| › Estonia | › Nigeria | › Tunisia |
| › Germany | › Peru | › Turkey |

Inclusion

In the period from 2020 to 2021, there were 29 employees with disabilities at elobau. Furthermore, we have maintained our cooperation with sheltered workshops. Since 2017, our trainees have been taking part in the "Change of Perspective" programme. In 2020 and 2021, this programme was suspended due to the coronavirus pandemic. The programme aims to bring people with disabilities and people without disabilities closer together to promote the idea of inclusion and a change in perspective. Essentially, this involves actively sharing experiences from different perspectives, in our case with the Stephanuswerk in Isny.



Objectives relating to C1.3

The issue of women in management positions will remain an integral part of the development commitment at elobau.

C1.4 Inadequate working conditions

According to the HR department, we do not see any area at elobau where (potentially) inhumane working conditions can develop. In particular, the ability to enter directly into dialogue with management means that possible grievances can be addressed quickly and unbureaucratically. The Code of Conduct was drafted in 2019 and published in 2020. In 2021, we also introduced a digital whistleblower platform so that possible grievances can be reported anonymously. One good indication of the decent working conditions at elobau is the fact that, in the past eight years, elobau has not been involved in a single lawsuit or any legal proceedings regarding any possible violation of labour rights. Since elobau produces exclusively in Germany, our internal work conditions meet statutory requirements or exceed them by far.

GRI standards for C1.4

102-16, 205-1, 205-2



C2:

Self-determined working arrangements

C2.1 Pay structure


elobau is a non-tariff company. We are guided by the remuneration agreements of the trade union IG Metall, but we have our own remuneration system. In 2017, we introduced a new compensation system in the production area, which was developed independently by the employees in this area.

Introduction of the alternative compensation system


The model was chosen by more than 96% of the employees in production. Transparency is the most important factor of the model. Everyone can see how their basic classification is determined. If the classification is disputed, there is an escalation process. Interestingly, despite maximum employee participation, the satisfaction levels for remuneration have decreased. The transition phase established for the system was implemented as agreed, meaning that all employees have received 100% of their remuneration through the new system since 1 January 2021.

GRI standards for C2.1
102-41, 202-1, 401-2, 405-2


VOLUNTARY SOCIAL SERVICES




FREE ORGANIC APPLES




ADVICE ON COMPANY RETIREMENT BENEFITS




OCCUPATIONAL HEALTH MANAGEMENT




FAIR TRADE COFFEE & ORGANIC TEA




NET WAGE OPTIMISATION AND TIME-VALUE ACCOUNT




BENEFIT CARD (44 EUROS PER MONTH)




SOCIAL ACTIONS




FREE ELECTRIC VEHICLE CHARGING




SOCIAL COUNSELLING



COMPANY SPORTS (40 EMPLOYEES IN PREVENTATIVE COURSES)



RESERVED PARKING SPACES FOR ELECTRIC VEHICLES



AFTERWORKSHOPS

Sustainable pension scheme, payment transparency and income spread

Since 2017, our employees have had the opportunity to use a sustainable insurance product for their company pension scheme (see B1.3). Each individual can check the market viability of the salary we pay based on a salary database benchmark by contacting the HR department. Our temporary employees receive the same benefits as elobau employees. This also applies to the FWC bonus and per capita profit participation. The highest income at the company is 10.34 times the lowest income. Over the preceding reporting period, we reviewed our remuneration systems for the areas of Development and Logistics. In Logistics, a survey was conducted regarding the salary structure, with the result that no change is necessary.

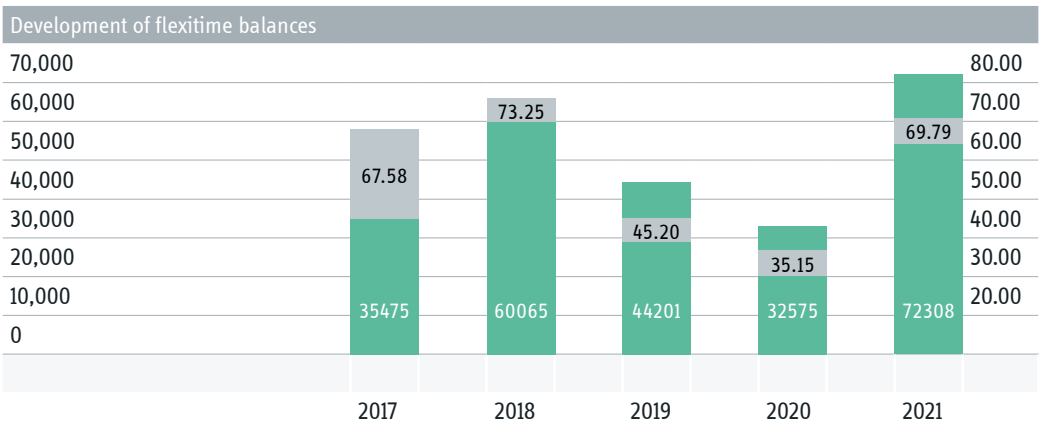
C2.2 Structuring working time

Distribution of weekly working time

The weekly working time company-wide is 40 hours. 54.32% of our employees are contracted to work between 38 and 40 hours per week. The time model used is a classic flextime model with a core working time. All overtime hours are recorded by an electronic system and collected in a flextime account. Accumulated time does not expire. In addition to compensation with time off, employees have the option of payment and transfer to a long-term time value account. This time value account can be used, for example, to provide for care periods or additional parental leave. A more flexible retirement age is also possible. A permanent two-shift system (Monday to Friday) is only implemented in two departments of the company. A night shift does not exist at the request of management.

Development of flexitime balances

At elobau we have our flexitime accounts as a buffer for times of economic crisis to avoid redundancies. The coronavirus pandemic phase showed us how important having a buffer is. We were able to first draw down the accumulated time accounts and needed to utilise only three months of short-time work. Terminations for operational reasons were avoided in this way. From September 2020 onwards, the economic development went in the opposite direction, and time accounts have been built up again to date. In 2021, the special target of “reduce overload” was included. Various measures, such as increasing staff numbers and allocating orders, prevent our employees from being in a state of permanent overload. In this reporting period, we were able to implement trust-based working time at our subsidiary HelloSolution, and independent work time structuring was also implemented for the Human Relations department.



C2.3 Employment structure and work-life balance

We currently have 73 different working time models in use at the company. We aim to do justice to both work-related requirements and the individual needs of our employees. Sometimes this approach meets with success and other times not. Members of the management team in the company predominantly work full time.

GRI standards for C2.3
401-2

Objectives relating to C2.3

In 2020, we introduced home office working across the board for all office areas and established a very liberal regulation that does not require any mandatory days in the office. Personal responsibility and self-determination are the core elements. With regard to the coronavirus pandemic, we have introduced various changes in our working hours system, not least to meet the necessary requirements of the Infection Protection Act. This also includes a voluntary early start of work from 5:00 a.m. and removal of core hours. In order to remain competitive in the future, we see the need for further flexibility. This includes the introduction of a 4-day week and the expansion of flexible working models, such as workation.

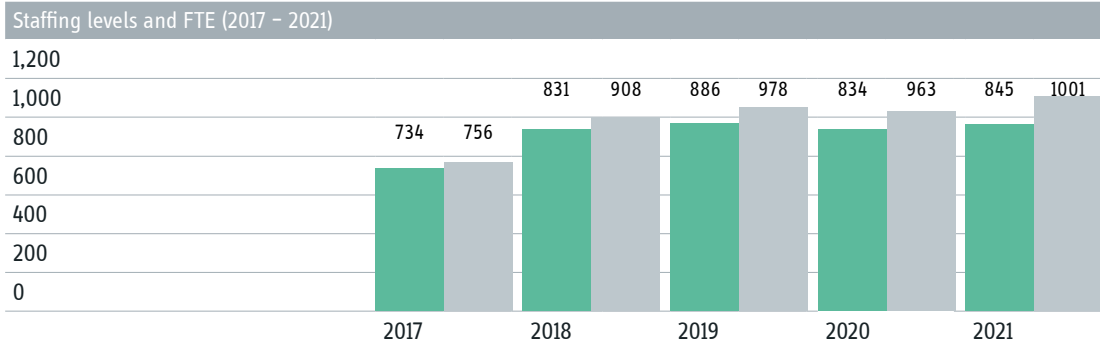
C2.4 Unfair employment contracts

With the new launch of our remuneration system in Production, the minimum value defined in the system was determined by the employees themselves and can therefore also be seen as “dignified remuneration”. We use part of our profits as a bonus for our employees. Each employee receives the same share.

GRI standards for C2.4
405-2, 406-1

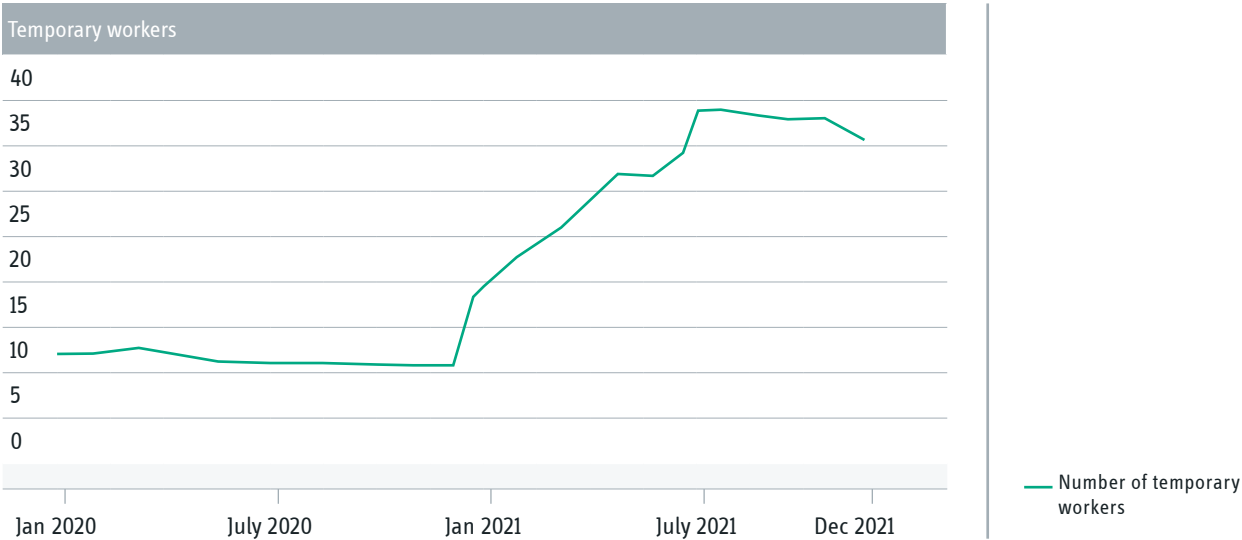
Trend in the number of employees

Our employee headcount has grown steadily in recent years. Our good reputation in the region has certainly facilitated this growth.



Employees hired through temp agencies

Despite a high order volume, we kept the share of temporary employees to less than 10% over 2018 and 2019. We follow an equal treatment approach for temporary employees. Employees who are hired through a temp agency are employed for a maximum of twelve months. The decision on whether the person will be offered a full-time position is made after this period, at the latest.



Temporary workers

The number of temporary employment contracts is currently 12.44%. A total of 141 employment relationships, mainly in the area of production, are temporary (training contracts and dual courses of study are not included here). With regard to fixed terms, our policy is generally to set an initial twelve-month time limit. About three months before expiration of the fixed term, it is decided whether another extension of twelve months will be offered. Also, about three months before the end of the second fixed term, a decision is made on whether the employee will be hired full-time. There are no fixed terms that go beyond two years.

Determination of salaries

The income spread at elobau is 1:10.34. The way salaries are determined can be tracked through a transparent system in Production and thus does not discriminate based on age, gender or ethnicity. The salaries in the company have always been paid on time and in the correct amount. With regard to contract structure, it should be noted that only twelve employees in the entire company are currently employed with what are termed “all-in contracts”.

C3:

Environmentally-friendly behaviour of staff

C3.1 Food during work hours

Our certified organic cafeteria “Esszimmer” provides our employees with healthy organic food on a daily basis. It is our belief that you are what you eat. That is why pesticides, growth hormones, genetically modified products and antibiotics will not be found on our plates. The foods we eat should always be produced in harmony with nature. On Health Days and during other festivities, we make sure to select organic food and regional suppliers. Since opening in 2018, approximately 79,000 meals have been eaten in the “Esszimmer”.



Objectives relating to C3.1

We want to start a pilot project in the “Esszimmer” with the introduction of a vegan/vegetarian day. This is an additional area in which we can exert an influence to reduce greenhouse gas emissions.

GRI standards for C3.1
203-1, 204-1, 403-6

C3.2 Travel to work

Through our day-by-day tracking of employee commuting, we use our time recording system to automatically calculate the commuting emissions of our employees as part of determining our carbon footprint. Due to the rural location of the company, the ratio of cars used as a means of travel is relatively high, which is therefore another factor influencing the environment. To counteract this, we offer our staff the option of working remotely from home (see C2.3). The “Ride Your Bike” programme also offers funds for leasing a bicycle (from pedelecs to carbon racing bikes) to everyone at elobau with a minimum period of employment. Currently, 142 employees lease a bicycle. Sturdy cargo bikes are available for getting around the site.

Commuting kilometres by means of transportation

Type	2020	2021	Total
Green kilometres	214,321	203,416	417,737
Pedelec/e-bike	15,802	15,442	31,244
Foot/bicycle	111,953	108,914	220,867
Ridesharing/passenger	76,333	75,873	152,206
Public transportation	10,233	3,187	13,420
Electric car	33,274	49,003	82,277
Combustion vehicle/not stated	3,376,177	3,857,087	7,233,264
Not stated	262,104	311,213	573,317
Motorcycle, etc.	16,596	16,024	32,620
Car (combustion)	3,097,477	3,529,850	6,627,327

Ecological selection criteria for company cars

At the time of reporting, the following guidelines apply for the procurement of company vehicles:

- › No vehicles using fossil fuels
- › Electric vehicles currently fully eligible for subsidies

GRI standards for C3.2

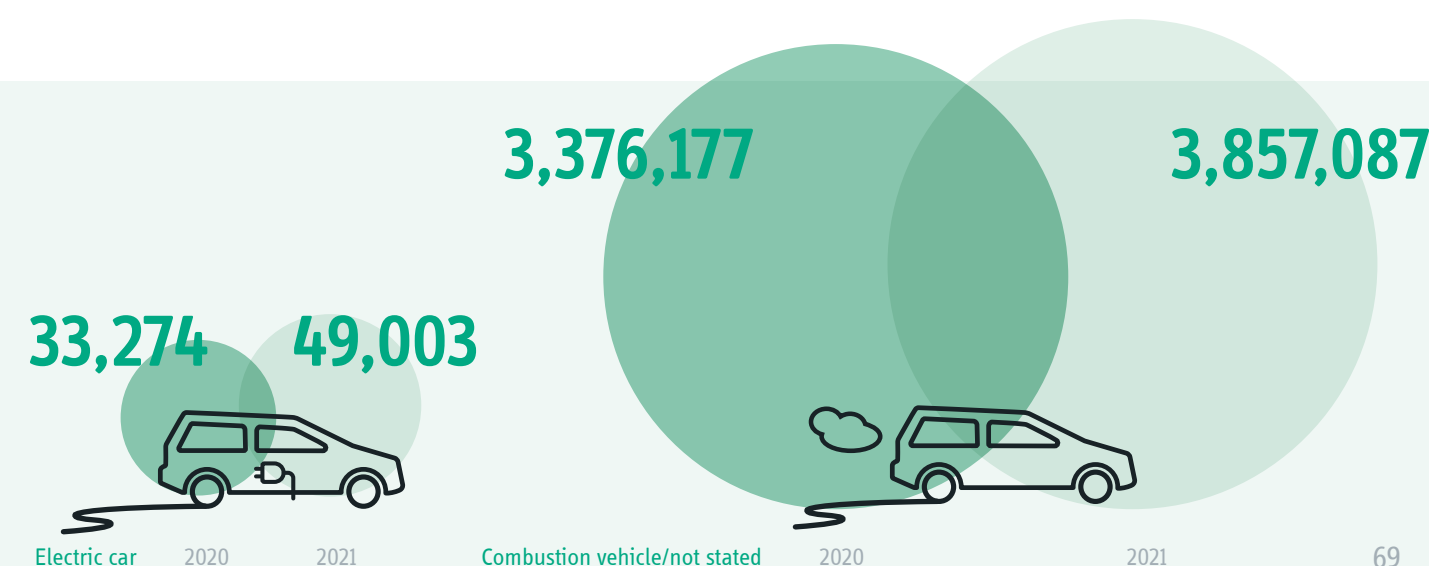
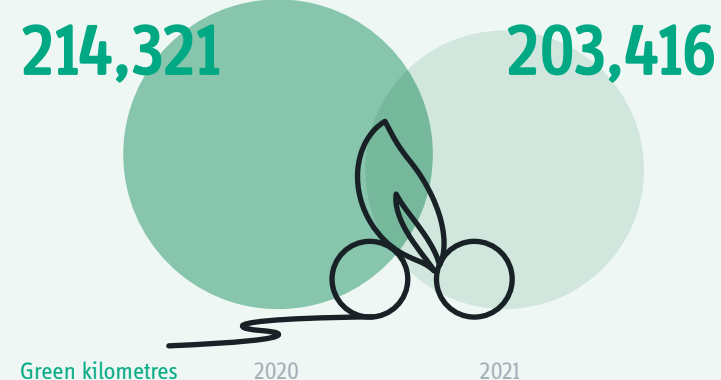
302-1, 302-2, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5

When an exclusively electric vehicle is purchased, elobau will install a charging station at the residence of the employee with the condition that green energy is purchased. Moreover, drivers of electric vehicles (private or company cars) are offered specially reserved parking spaces directly in front of the building. Employees can charge their electric vehicles for free at our buildings.

Employee ridesharing platform “Zammefahre”

In recent years, elobau has experienced a significant increase in the number of employees. This has led to a need to address the increasing scarcity of parking spaces. As a consequence, the ridesharing platform “Zammefahre” has been set up. The app required to implement this was developed and rolled out together with the start-up RideBee in Munich. This allows fellow commuters to flexibly offer or look for rides in advance or on the spot. Moreover, we would like to open this app to all other companies in Leutkirch. We hope this will open up a large market for ridesharing to and from Leutkirch and within the entire region. In doing this, we want to counteract the lack of space in conurbations.

COMPARISON OF COMMUTING KILOMETRES 2020/2021



C3.3 Organisational culture, cultivating awareness for an environmentally friendly approach

Since 2017, we have summarised our philosophy around sustainability in a separate sustainability brochure entitled “Sustainability is not a picnic”, which was published in early 2018. In doing so, we have opted for the priority model of sustainability, which states that without sound ecology, the basic prerequisite for social stability is missing, and without social stability, in turn, no economic activity is possible.

Sustainability training

Since 2019, we have been conducting extensive sustainability training workshops with our managers in order to reinforce further the topic of sustainability in the company. The next step is to offer this for all levels. In the training formats that are being developed, we would like to present elobau’s vision and our understanding of sustainability in a way that all employees can understand.

In-house suggestion system

The company suggestion system, eloIdea Ideenmanagement, which was introduced in 2016, offers everyone at elobau the opportunity of submitting and moving forward proposals that may touch on ecological, social and ergonomic issues. 616 ideas have been submitted since the inception of the system.

Further measures

Since 2017, employees have been receiving a company pension scheme on the occasion of their 10th anniversary, which is implemented through a sustainable insurance product (see B1.3). We have also negotiated offers for green electricity for our employees. We would like our efforts at sustainability to become more palpable and immediate, and we would like to further expand internal communication on this topic. For this reason, we will work on the topic of sustainability together with the eloAcademy. We are developing a strategy so that employees can be offered a more comprehensive range of options. Reducing business travel and increasing the use of online meetings could save additional CO₂.

616 IDEAS

have been submitted by employees since 2016 through the eloIdea Ideenmanagement system.

GRI standards for C3.3

102-16, 401-2, 402-1, 404-2



C3.4 Guidance on waste/environmentally damaging practices

In our travel policy, employees are asked to prioritise trains as a means of travel. In accordance with our mission statement, we refrain from monitoring employees and applying pressure. We have avoided products with excessive packaging as far as possible. Opening the organic cafeteria has enabled us to eliminate the high number of aluminium trays needed for the previous food items. We offer coffee to our employees free of charge if a reusable cup is used. Paper cups cost 10 cents. The company has a clear and continuously refined waste disposal policy that promotes the appropriate handling of waste from an ecological point of view. Employees receive training to keep them up to date with our waste disposal practices. And we only use recycled paper for printing. Our company vehicle fleet comprises 45% e-vehicles as of the end of 2021.

GRI standards for C3.4

301-2, 306-2

C4:

Co-determination and transparency within the organisation

C4.1 Transparency within the organisation

Every month, the company's sales figures are published for all employees. Comprehensive company information is published annually in the EMAS Environmental Declaration, which is also available to all elobau employees. All managers in the company (more than 50 employees) receive additional access to a comprehensive information system. In addition, selected employees from various areas (for example, Sales or Sustainability) also have extended access to relevant company data.

45% ELECTRIC VEHICLES
in our company fleet.

Remuneration, personnel decisions and the Sustainability Report

The remuneration working group regularly receives aggregated figures on the development of salary ranges and levels. The increasing transparency and volume of company data in recent years has significantly piqued interest in such figures. Existing employees are also actively involved in the recruitment process and are given relevant information. All hirings are communicated via the intranet and eloZeit.

All measures to create transparency are designed to comply with data protection requirements. And lastly, the ECG report is available in many places throughout the company and can be viewed by the employees.



Objectives relating to C4.1

In future, we want to give all employees the opportunity to view our business figures more transparently.

GRI standards for C4.1

201-1, 402-1, 405-2

C4.2 Legitimation of the management

Executives at elobau are assigned and appointed through selection procedures by the higher hierarchy level. As a rule, either all direct reports or a group of them are involved in the process. To date, we have had one manager appointed by employee selection. A fantastic and successful experiment, but one that has not yet become standard. A short questionnaire for workplace analysis is being tested on a selective basis and is to be implemented in 2023.

Employee say

For many years, we have embodied a corporate culture that gives all employees a great deal of decision-making leeway in their areas, and we are continuing to expand this. This means that, in principle, all employees are at least involved within their area in the decisions that affects them or their area.

C4.3 Employee co-determination

For the first time in 2017, we involved our employees in defining our long-term strategy. In this context, more than 80 people (employees and managers) helped to shape elobau's new vision. The employees of the respective teams are involved in the recruitment process and can play a decisive role.

In 2020 and 2021, we further improved our strategy development process. In the long term, the new clear roles and structures should lead to decisions being made in the company where the relevant knowledge and skills are located.

Centralised strategy process

Based on the experiences of 2018 and 2019, we have again adapted the strategy process and expanded it in the direction of greater centralisation. At first glance, this seems like a departure from more employee participation. However, this is not the case. We are just of the opinion that there must first be a clear orientation and a clear framework that ensures the sustainable continuation of the company. There are still many options for participation in the respective areas of responsibility. The strategy process follows a clear model.



Objectives relating to C4.3

The aim is to set up a clear strategy process, involve various groups and thus create a framework and orientation in which all can make their best possible contribution in the interests of elobau's customers.

C4.4 Obstruction of works councils

There is no works council at the company. The last time a vote was taken in regards to introducing an advocacy group was in 2014. A significant majority (85%) of the workforce voted against this.

EMPLOYEES IN DETAIL



Implemented measures

- › Revision and continuous development of our training programme for new colleagues
- › Onboarding of new employees using an interactive checklist based on a gamification approach
- › Introduction of the social intranet
- › Online eloAcademy trainings
- › New tools for facilitating digital workshops and creating online trainings
- › Expanding the occupational health management team to three colleagues
- › Introduction of a Coronavirus Task Force
- › Air measurements, maximum occupancy in rooms, generous home office options, vaccination appointments, contact person management, company testing team and testing centre
- › Expansion of occupational safety measures: intensive occupational safety training for managers, training and regular further training of safety officers as multipliers for occupational safety and health issues in the departments, further expansion of cooperation with our occupational physicians
- › Contact-free colon cancer screening
- › Training of fire safety assistants
- › Two new doctor's rooms
- › Diverse talks on health topics
- › Introduction of the "green box" and a nutrition counselling service
- › Ergonomic workplace design: all new desks height-adjustable (successively equipping Production areas with height-adjustable workstations)
- › Introduction of a company-sponsored corporate fitness platform in cooperation with qualitrain
- › Publication of an up-to-date Code of Conduct
- › Introduction of the digital whistleblower platform
- › Trust-based working hours at HelloSolution
- › Independent working time organisation in HR
- › Introduction of mobile working for all office areas
- › Option to start work from 5:00 a.m.
- › Abolishing of core working hours



Objectives

- › Stronger strategic orientation for the occupational health management team, with clear roles and responsibilities
- › Targeted approach to expanding the existing extensive offerings in the area of occupational health management: Addressing defined target groups and challenges related to life phases
- › Further development of measures around ergonomics and mental health in the workplace (e.g. renewed mental health risk assessment of all departments).
- › Reassessment of current management models
- › Crafting of a future leadership management approach that will be used to train future managers.
- › Continue striving to place more women in management positions
- › Introduction of more working flexibility (introduction of a 4-day week and the expansion of flexible working models, such as workation)
- › "Esszimmer" pilot project: Introduction of a vegan/vegetarian day
- › Address the issue of sustainability with the eloAcademy: Strategy for a comprehensive range of services for employees
- › More transparent insight into our business figures for all employees
- › A clear strategy process, involve various groups and thus create a framework and orientation in which each individual can make the best possible contribution in the interests of elobau's customers



ECG evaluation scale

Audit results	C1.1	C1.2	C1.3	C1.4	C2.1	C2.2	C2.3	C2.4	C3.1	C3.2	C3.3	C3.4	C4.1	C4.2	C4.3	C4.4
Exemplary (7 – 10 points)																
	7															
Experienced (4 – 6 points)		6								5	5				5	
							4						4			
Advanced (2 – 3 points)			3		3	3			3					3		
Getting started (1 point)																
Negative aspects																
Negative aspects (0 – 200 negative points)				0				0				0				0

Customers

SECTION

and

other companies

“The primary aim is to undertake partnerships with customers who support our values and understand how to jointly pursue a sustainable future.”

- D1** Ethical customer relations **Page 78**
- D2** Cooperation and solidarity with other companies **Page 80**
- D3** Impact on the environment of the use and disposal of products and services **Page 84**
- D4** Customer participation and product transparency **Page 87**

D1:

Ethical customer relations

D1.1 Respect for human dignity in communication with customers

New customers are acquired through trade fairs, application reports, social media, trade magazines and recommendations. In addition, we organise TecDays at our customers' premises to introduce the elobau product world to as many employees as possible. In advertising, we are placing more emphasis on communicating the benefits of our products. A worldwide sales team advises and assists customers with technical solutions at their location. The current marketing budget is approximately 1% of sales.

Customer orientation

A customer orientation is anchored in our mission statement in the form of internal ethical guidelines, and we consider this an essential part of our positioning on the market. We see ourselves as a "problem solver" in delivering small and medium quantities. When configuring our products, our customers have a wide range of selection parameters at their disposal. In recent years, we have identified potential for improvement in the important area of on-time delivery (OTD) and have initiated appropriate optimisation measures in the departments of Operations and Quality Management (OTD-95Plus and QTotal projects). Our employees on the sales force receive a fixed income instead of remuneration based on sales volume.

In 2021, the sustainability performance of our customers was evaluated for the first time. Evaluation guidelines were developed for this purpose, which provide for an initial assessment of the sustainability performance of client companies. The guidelines are divided into five subcategories and include questions on:

- › Environmental/climate protection
- › Occupational safety and human rights
- › Sustainable supplier management
- › Target markets
- › Sustainable products

The questions were weighted accordingly, taking into account their materiality. In the future, this classification should help to strengthen and expand business relationships with customers who share our understanding of sustainability.

GRI standards for D1.1
416-1, 417-1

Promotion of independence

As an independent foundation company, elobau is not reliant on quarterly figures; we plan and act on a long-term basis. Thanks to its economic success, elobau is a stable and reliable partner for its customers. In order to safeguard this independence and resilience in the future, the management decided in 2016 to develop a sustainable and modular tractor armrest. This is primarily intended for customers who do not have the resources to develop a customised armrest.

Advertising, mailing campaigns and customer surveys

Advertising and mailing campaigns are stored in our CRM system and only conducted with the consent of the recipient. We do not use negative advertising to the detriment of our competitors. In addition, elobau relies on regional advertising, such as the labelling of a public transport bus with the slogan "elobau practices carbon-neutral production". We conduct regular customer surveys (questionnaires, evaluations, analysis). This market feedback allows the wishes and requirements of our customers to be incorporated into product development.

Complaints and complaint management

Customers can easily submit complaints via a warranty claim on the website. In addition, complaints can also be lodged by phone. The sales team, manager, sales office and Quality Management are all authorised to accept complaints.



Objectives relating to D1.1

We wish to further establish our sustainability goals globally. For this reason, we intend to implement the COST+ project internationally by the end of 2022 for the entire sales organisation. Through the COST+ project, we believe it is possible for our marketing companies to assist our customers in adopting a perspective of sustainability. We are implementing this goal with the regional coordinators for America, Asia and Europe, which will allow us to appropriately harmonise the requirements of the specific countries at headquarters. By continuously accumulating and sharing information with customers and fellow companies, we aim to achieve more transparency in the upstream and downstream value chains.

D1.2 Barrier-free access

We categorically exclude sales to defence companies and nuclear technology providers. There are no other obstacles to purchasing our products and services. Universities are given free products for educational purposes. In particular, we support start-ups and SMEs (small and medium-sized enterprises) with the integration of operator controls via the modular armrest developed by elobau. As we are a problem solver for small and medium quantities, many SMEs are also among our customers, a target group that we regard as disadvantaged in a world market dominated by large corporations. The introduction of the elostore helps us to take their interests into account in the best possible way. This also provides SMEs with a comprehensive overview and access to services relating to our products. In addition, SMEs benefit from being able to order small batches and communicate directly with a customer service team. This customer group accounts for approximately 16% of total sales. Accessibility is promoted particularly through online configurators.

16%
OF TOTAL SALES
at elobau come from SME customers.

GRI standards for D1.2
102-6, 416-1



Objectives relating to D1.2

The online shop elostore, which was launched in 2020, is to be expanded in the future so that it will also be available in other European countries.

D1.3 Unethical advertising

elobau does not discredit its competitors. We take no advertising measures other than the informative and factual presentation of our products.

GRI standards for D1.3

417-1

D2:

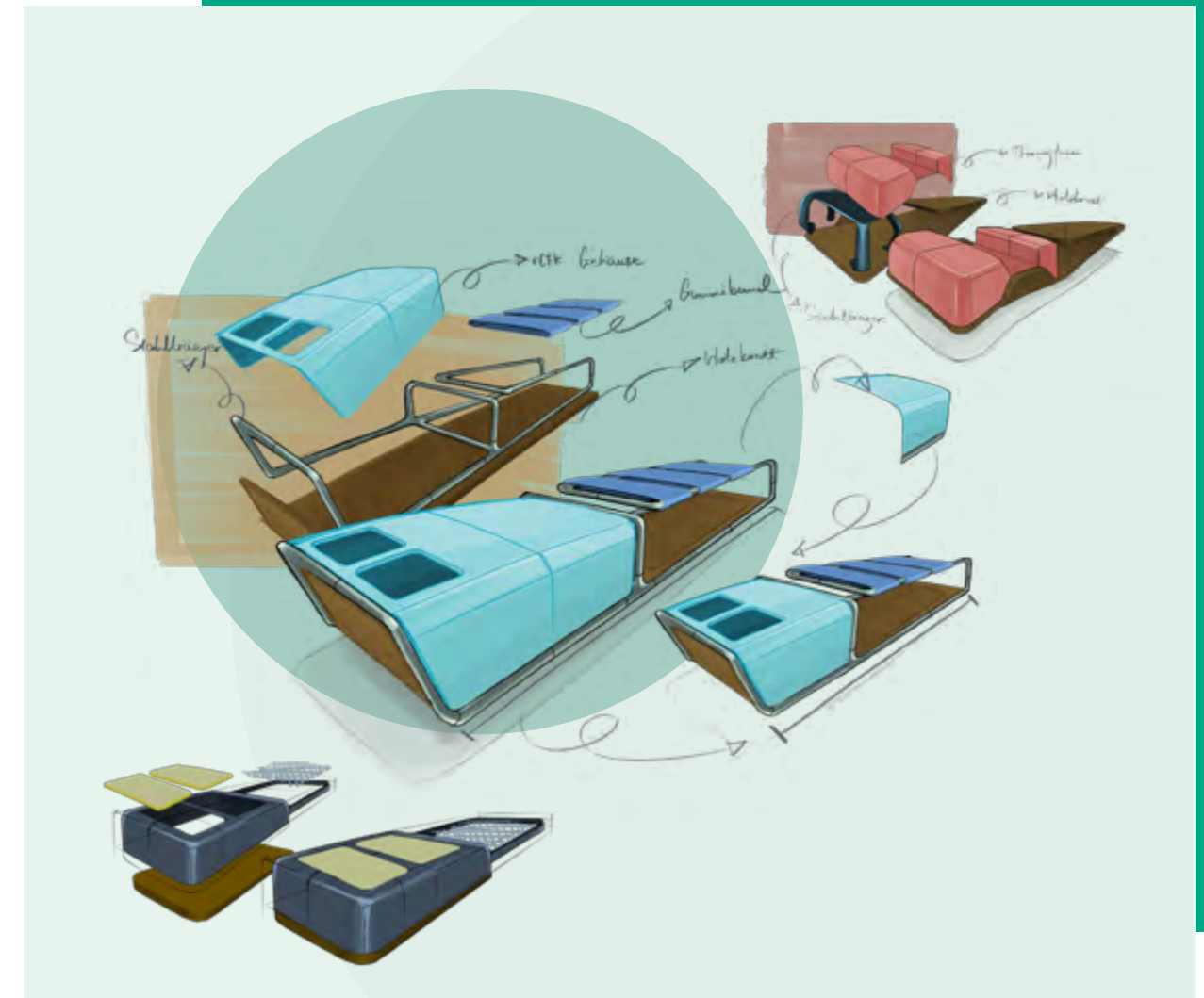
Cooperation and solidarity with other companies

D2.1 Cooperation with other companies

elobau sells a number of “brand label” products from market competitors in order to complement its own product portfolio for the benefit of its customers. These include safety interlocks, speed monitors, software-configurable safety controls, emergency stop buttons and ultrasonic sensors. Market competitors also sell elobau products, such as various contactless safety sensors. Following the completion of the research project in which an adaptive control system for tractors was developed, called AISA (Adaptive Interface Systems in Agriculture), work is now being carried out on a continuation project. As a system supplier, we are already seeking cooperation with customers in this area. We wish to expand and intensify these efforts in the future.

GRI standards for D2.1

102-43, 301-2, 416-1



Eco-design armrest 2.0

In order to find out what influence product design has on sustainability, designs were developed as part of an eco-design study in cooperation with the Fraunhofer Institute. In eco-design, the focus of product development is on dematerialisation, durability and recyclability at the end of the product life cycle, while still ensuring equivalent functionality.



Objectives relating to D2.1

The AISA project is being continued as AISA 2.0 with the goal of developing a concept for introducing a product ready for series production. The attachments available on the market are to be examined from a broader perspective and integrated into the overall system consisting of a tractor, control armrest and attachments. The attachment manufacturers will be offered the option of integrating the manufacturer-specific operating philosophy into the haptic operating system of the AISA armrest. Thanks to Isobus communication protocol, the intelligent control armrest can then adapt to each attachment as soon as it is coupled. This provides the user with optimal and ergonomic operation in terms of position, availability, visualisation and operating mode. We are also developing a solution for non-Isobus equipment. Furthermore, we want to structure cooperation with other companies for our brand label business to be even stronger in the future. This will be managed via a central contact person, who will take care of the concerns of the other companies.

D2.2 Solidarity with other companies

We work actively with our partner companies to fill gaps in our product portfolio. Although no concrete measures have been taken to date to pass on projects to competitors, articles from competitors are regularly integrated into our products if this is requested by our customers. An exchange in the area of development is certainly possible, but unfortunately we often encounter rejection from our counterparts as far as a deeper cooperation is concerned. As described in D1.2, we offer particularly small companies and start-ups the possibility of acquiring individualised, modular systems without a significant increase in price for smaller purchase quantities. This allows us to support highly innovative companies that are still in the development phase. In addition, in the course of a product development project in 2021, a sub-supplier was supported with granulate from our own stock during a supply shortage due to the mutually cooperative business relationship. This made it possible to avoid an interruption in production on both sides.

In 2021, the sustainability support organisation elocompanion was founded. elocompanion pursues the goal of passing on elobau's experience with sustainable development to other companies. This is implemented by full-time consultants with support from the elobau sustainability department. The core team is also supported by the expertise of the entire company, and impetus has come from all areas. The advisory process begins with a carbon footprint and an analysis of the current sustainability situation. Based on this, a key figure management plan is developed and measures for improving sustainability performance are derived. Support is then provided up to the preparation of the sustainability report.



Objectives relating to D2.2

elobau wishes to promote sustainable corporate management. The sustainability consulting subsidiary elocompanion was established for this reason. In the future, we would like to support many more companies in their sustainability efforts during the implementation phase. In cooperation with our customers, we seek to determine the useful life and number of operating hours of our products. These data will assist us in understanding, evaluating and ensuring transparency in the product lifecycle analysis.

D2.3 Abuse of market power to the detriment of other companies

Products from other companies are also purchased and installed. Other companies are neither harmed nor obstructed. We focus more on qualitative aspects rather than quantitative ones. We aim to convince customers with quality and innovation at competitive prices instead of solely through cost leadership.

GRI standards for D2.3

302-4

Here is an excerpt from our company mission statement:

VISION



Creating sustainable solutions.
We make the world sustainable.

MISSION



The primary goal of our work is to produce innovative, sustainable products and technologically leading system solutions. These solutions are aligned to the market and contribute to a sustainable economy.

We operate successfully with a corporate culture that is powerful, honest and convincing. We stand by our responsibility to our employees, society, and the environment and seek to motivate others to follow our example.

We do not pursue a dumping price strategy. To the contrary, we seek to attract customers as a long-term partner that offers technologically advanced and sustainable products. Consequently, we view fair competition as essential and worthy of support. We also strive towards a partnership on equal footing with our suppliers, and we select suppliers according to criteria of fair competition and sustainability.

D3:

Impact on the environment of the use and disposal of products and services

D3.1 Environmental cost-benefit ratio of products and services (efficiency and consistency)

By simulating environmental influences in our test laboratory, we can draw conclusions about the lifespan of our products. In this way, we guarantee the longest possible service life of our products (20,000 operating hours, which corresponds to a service life of around ten years), which also reduces the environmental impact.

20,000 HOURS OF OPERATION

– our guaranteed product service life.
That is about ten years.

Selection of materials

Thanks to the Integrated Material Management (IMM) system we have set up, we can take a close look at all regulations (e.g. REACH, RoHS, TSCA) and query them accordingly in the supply chain. IMM helps us to optimally classify and utilise the materials used. By enriching the material data with environmental factors, we can further work to ensure optimal use of the materials. For example, the suction lance newly developed in 2021 uses a largely seal-free design and no longer relies on double seals. This reduces waste and saves resources.

Repair-friendly design

The modular design and separability of the parts ensure ease of repair and recycling by material type. Parts with high wear, in particular, are developed in such a way that they can be replaced. Products are usually affixed with screws and not glued. elobau offers standardised individual parts to minimise energy and resource consumption. The eco-design study carried out reveals potential in the development of new products by consistently paying attention to the reduction of the materials used.

Long-term availability of replacement parts and adaptability to changed requirements

We offer replacement parts availability for 10 to 20 years. The modular design also allows new hardware to be installed in our products. For example, the customer can make a control console more ergonomic with a new joystick without replacing the entire console.

Sustainability in the development process and upstream value creation chain

With respect to our carbon footprint, we intentionally include the upstream value creation chain (Scope 3 emissions) that constitutes the greatest majority of our overall emissions by far. We compensate for all climate emissions and hand over the products to our customer in a climate-neutral way, following the cradle-to-gate principle. In addition, an accompanying support process was developed for systematically identifying and integrating sustainability goals in the product development process. In addition to the procedural implementation of sustainability in all development stages (Gate 1-7), further support documents are available to the project team. The sustainability catalogue is a database with generic sustainability goals and is the starting point for identifying sustainability potential.

The continuously updated content of this catalogue comes from:

- › The fundamentals of sustainability
- › The strategy set out in the elobau mission statement
- › The general state of the art
- › Topics from predevelopment
- › Internal strategy projects
- › Internal department-specific aims
- › Experience from completed and ongoing development projects

The related checklist can be used to track sustainability goals and the measures identified from them.

A sustainability indicator is developed by taking a variety of parameters into account as a means to present the sustainability goals quantitatively.

10–20 YEARS

– the duration for which we maintain replacement parts for our products.

GRI standards for D3.1

302-2, 302-4, 302-5, 305-1, 305-2, 305-3

D3.2 Moderate use of products and services (sufficiency)

Most of our products contribute to a sufficient society. Moderate use is an integral part of the product development process and product specifications. From a sufficiency point of view, it should be noted that elobau allows for installation of new hardware in its products. Replacement parts are available over a period of at least ten years, and our products are designed for a service life of at least 20,000 operating hours. elobau products are also bringing about “oil-free” cabins in the commercial vehicle sector. In other words, they help lower consumption of operating materials for more resource- and energy-efficient operation.

In relation to the overall goal of moving towards a circular economy in the long term, we carried out material validation tests of plastics that have been mechanically recycled several times. The aim was to investigate the effects of repeated thermal and mechanical impacts on the material. Among other things, strength parameters, flow properties and possible fibre or chain degradation were examined. With these results, we were able to obtain approvals for recycled materials in the product and improve the eco-balance of the product.

GRI standards for D3.2
302-2, 302-4, 302-5, 305-5

D3.3 Willful disregard of disproportionate environmental impacts

Commission-based remuneration for the German sales force was removed at the beginning of 2018. Environmental impacts are minimised for all relevant products. In particular, although encapsulation is sometimes needed to effectively seal in components, we reduce the use of this process to a minimum.

We have developed an IMM system, which we intend to use for storing all information on various materials in a single place. The materials are normatively reinforced with environmental indicators, which allows us to initially evaluate the environmental impact as early as the development stage.

Objectives relating to D3.3

The IMM and our material compliance system are part of the evaluation and implementation phase. In this way, we want to continuously grade and evaluate articles and materials based on information we receive from suppliers.

D4:

Customer participation and product transparency

D4.1 Customer participation, joint product development and market research

The success of elobau lies in flexible, customisable solutions, which are not available or very difficult to obtain from large companies. It is also due to our high vertical integration. elobau fulfils many customer wishes and delivers from a single source despite special requirements. Customer meetings (records, memos, minutes, forms, visit reports), customer surveys (conversations, questionnaires, evaluations, analyses), market analyses, benchmarking and market information (pool of ideas for the sales force to collect customer requests) are used to determine customer requirements.

In all products developed with customers, we have the opportunity to take into account sustainability aspects regarding material efficiency and longevity. The design is always intended to be modular.

GRI standards for D4.1
102-42, 102-43, 102-44, 416-1

Objectives relating to D4.1

Efforts are made to reduce the number of variants by introducing the variance at a later stage in the production process. This allows SMEs to maintain their variants without having to make large investments for essential new developments. Another goal is the increased use of platform technologies.



JOINT PRODUCT DEVELOPMENT AND MARKET RESEARCH

D4.2 Product transparency

Technical information on the products can be found on the website. Data sheets and 3D data are provided on request. The cost calculation is not disclosed. We file patents only with the intention of using them in the future. We do not file patents to block others. With the information obtained from the IMM (see D3.3), we can design our products in a more transparent and sustainable manner.

GRI standards for D4.2
417-1, 418-1

Objectives relating to D4.2

We would like develop and embrace a sustainability index on the product level so that this information can be transparently communicated to our customers, competitors and other stakeholders.

D4.3 Non-disclosure of hazardous substances

We are subject to the REACH regulation and the RoHS directive and ensure through our management systems and corresponding processes that materials are used as stipulated.

GRI standards for D4.3
417-1



CUSTOMERS & OTHER COMPANIES
IN DETAIL

Implemented measures

- › Development of evaluation guidelines to assess the sustainability performance of our clients
- › Successfully introduced the elostore
- › Building up of experience and data through eco-design, which influences sustainability in product design
- › Founding of elocompanion to accompany other companies on the path to sustainability
- › More extensive implementation of sustainability in the product development process with the development of a continuously updated sustainability measures catalogue.
- › Carrying out material validation tests with multiple mechanically recycled plastics

Objectives

- › Worldwide implementation of the COST+ project throughout the sales organisations by the end of 2022
- › Expansion of the online shop elostore into more European countries
- › Continuation of the AISA 2.0 project with development of a concept for a product that is ready for series production
- › More highly structured cooperation with other companies for brand label business activities
- › Supporting other companies in the implementation and development of sustainability management
- › Continuous grading and evaluation of articles and materials
- › Reducing the number of variants and increased use of platform technologies
- › Development and implementation of a sustainability indicator at the product level

ECG evaluation scale

Audit results	D1.1	D1.2	D1.3	D2.1	D2.2	D2.3	D3.1	D3.2	D3.3	D4.1	D4.2	D4.3
Exemplary (7 – 10 points)												
		7		7			7					
Experienced (4 – 6 points)	6							5		5		
					3							
Advanced (2 – 3 points)											2	
Getting started (1 point)												
Negative aspects												
Negative aspects (0 – 200 negative points)			0			0			0			0

Social environment

SECTION

“So that we can pass on the earth as an inheritance to our children, there is no way around a circular economy.”

- E1** The purpose of products and services and their effect on society **Page 92**
- E2** Contribution to the community **Page 96**
- E3** Reduction of environmental impact **Page 101**
- E4** Social co-determination and transparency **Page 104**

E1:

Purpose of products and services and their effects on society

E1.1 Products and services should cover basic needs and contribute to a good life

As the more than 10,000 elobau articles are used in very different areas, a detailed analysis of all fields of use is unfortunately not possible. According to elobau's mission statement, customers in the defence and nuclear sectors are excluded, provided we are aware of this.

Limits to this assessment

Evaluating the usefulness of our products is ultimately only possible on the basis of each individual area of application. For example, a tractor can be used in organic farming or for dispensing critical crop protection products. A comprehensive assessment is therefore difficult. A detailed sales breakdown beyond the level of the various sectors cannot be offered. We take into account the fact that our products can potentially be used in risky areas. We are increasingly paying even more attention to the further development of our customers.

Categorisation by industry

In order to further identify the impact of our products, we initially categorise them according to sector and share in overall sales. More than 80% of our products are used in the fields of agricultural equipment, conveyor systems, construction and civil engineering machinery, food and packaging machines, fluid technology, process engineering for machines and equipment, and laboratory and medical technology. Examples from these sectors include agricultural and forestry tractors, gardening and landscape management equipment, aerial work platforms, construction machinery, industrial dishwashers and water treatment plants.

MORE THAN
10,000 ARTICLES
produced by elobau for various sectors.

GRI standards for E1.1
102-6, 102-7, 302-2, 302-5, 303-1, 305-5, 308-1, 416-1



Positive effect of our products

The positive effect (according to Max Neef ¹) of our products is to ensure personal safety on machinery or in food production by means of the operator controls. Energy efficiency is also improved by elobau sensors, especially when reed technology is used. Our electronic operator controls replace hydraulic systems and thus enable so-called "oil-free" cabins in off-highway vehicles, which reduces resource consumption.

Sustainability goals of the UN

Our products and those of our customers can all serve basic human needs. They can be used to solve social or ecological problems and can thus contribute to the UN's Sustainable Development Goals (SDGs ²). This creates a link between the SDGs of the products and individual sectors. In the future, this will allow us to leverage nuanced perspectives to discover new and additional sustainability potential and derive sustainability goals and strategies.

Holistic perspective

When developing and implementing new features, the impact on the overall application is also taken into account. As such, the footprint of our product may increase initially, but the footprint and the use of resources in the object of use decrease. Our goal is to counteract the negative climate impact through technological progress. With the implementation of customer classification in terms of sustainability criteria (see D1.1), we are taking a more holistic view of our customers, which we aim to use to influence the development of our product portfolio.

¹The fundamental human needs according to Neef are used as an evaluation framework in the ECG. They are defined as follows: 1. Subsistence, health, well-being, 2. Protection, safety, 3. Affection, love, 4. Understanding, empathy, 5. Participation, security, 6. Leisure, recreation, 7. Creativity, 8. Identity, meaning, 9. Freedom, autonomy
² UN Sustainable Development Goals – The 17 goals can be found at: <https://sustainabledevelopment.un.org/sdgs>

E1.2 Social impact of products and services

Our mission statement expresses our mission to “live up to our responsibility to employees, society and the environment and to motivate others to follow suit.” Moreover, we see the primary goal of our work as “to produce innovative, sustainable products and technologically leading system solutions.” For us, this means making time for various presentations on our sustainability measures. The target audiences include (high) schools, municipalities and companies as well as various trade associations or other interested groups, for example Caritas. We hold more than 30 internal and external talks each year. As part of continued development and the increased demands on companies, we have expanded the sustainability team by two positions.

MISSION



- The primary goal of our work is to produce innovative, sustainable products and technologically leading system solutions. These solutions are aligned to the market and contribute to a sustainable economy.
- We operate successfully with a corporate culture that is powerful, honest and convincing.
- We stand by our responsibility to our employees, society, and the environment and seek to motivate others to follow our example.

Sustainability as a strategic business model

The aim of our Mobile Strategy Team is to develop a strategic framework or timetable through 2030. The focus lies on the off-highway sector with the associated target areas of agricultural equipment, construction machinery and conveyor systems. The team includes colleagues from Sales, Development, Quality Management, Purchasing, Operations and Controlling. The envisioned strategy is to solidify and expand collaboration with particularly sustainable, innovative and large companies of the various sectors. The results of strategising and the insights from market and customer research will be directly incorporated into the product portfolio of elobau. The integration of sustainability considerations into products and the establishment of sustainability as a strategic business model are becoming increasingly important.

Expansion of the sustainability team for future knowledge transfer

We have achieved our goal of continuing to offer highly informative talks and keynote speeches and maintaining a high level of social commitment. Our experience and pioneering work in sustainability as an industrial company as well as our readiness to share this expertise with other companies have resulted in a number of inquiries. We envision an expansion of the Sustainability Team in the upcoming reporting period in order to meet this demand.

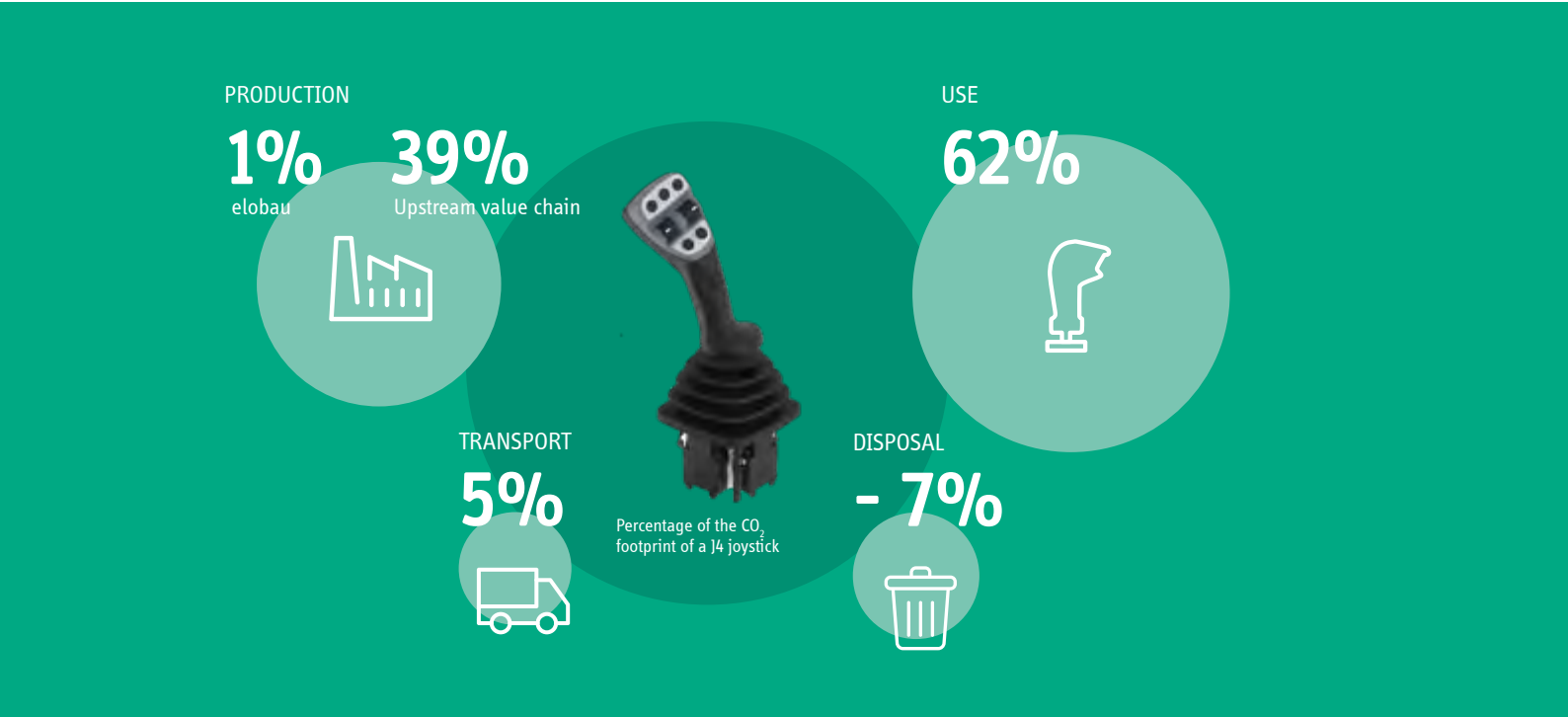
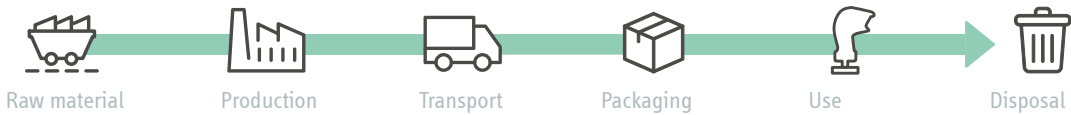
Sustainability companion

The development of the sustainability companion elocompanion (see D2.2) for other companies is intended to simplify the process for companies embarking on the path of sustainability by sharing best practices. Our intention is to serve as a multiplier to give more importance to the topic of sustainability in companies.

GRI standards for E1.2

102-6, 102-13, 102-21, 302-2, 302-4, 305-5, 416-1

Example product life cycle analysis



Consideration of the product life cycle

During the reporting period, life cycle assessment (LCA) software was introduced in-house at elobau. While this was being introduced, comprehensive LCA know-how was built up and developed, which will form the basis for LCA engineering in the future. The method we use here is based on 16 different parameters in order to be able to evaluate and view products holistically. It is interesting to note in the example of the LCA study carried out for the J4 joystick (see figure) that only 1% of the emissions are generated by elobau itself as the producer. The majority is generated in the upstream and downstream value chains.



Objectives relating to E1.2

We would like to generate initial income with elocompanion that we can donate to the foundation. To be able to achieve the EU’s future climate targets, we would like to use elocompanion to produce a multiplier effect. With the help of the experience and data generated, we would like to develop reference values for a sustainability KPI.

E1.3 Unethical and unfit products and services

We have excluded the use of our products in the production of weaponry and nuclear power for many years. We also do not produce products that are unethical in any way. Our customers also only manufacture (as far as verifiable) products that serve human development (see E1.1).

GRI standards for E1.3

416-1

E2:

Contribution to the community

E2.1 Taxes and social security contributions

elobau pays taxes and duties in accordance with the general conditions in Germany and Baden-Württemberg. elobau's headquarters is the largest employer in the municipality of Leutkirch. In terms of financial support, elobau mainly receives electricity tax reductions and feed-in tariffs under the Renewable Energies Act (EEG) for its nine electricity generation facilities.

GRI standards for E2.1

102-7, 201-1

	2020	2021
Sales	€111,211,744	€136,540,972
Net tax and contribution ratio	41%	40%

E2.2 Voluntary contributions that strengthen society

elobau is active in many forms of social engagement. In 2021, as an example, we donated EUR 60,000 to various projects. Overall, we have supported education, culture, events and athletes within the framework of official sponsoring with a total of EUR 37,000. The donations and sponsorships totalled EUR 82,000 in 2020 (EUR 28,000 in donations, EUR 54,000 in sponsorship), which corresponds to 0.074% of sales. In 2021, this was EUR 97,000, or 0.071% of sales. In total, the ensian Group has contributed EUR 179,000 in donations and sponsorship in 2020 and 2021.

Overall donations, including the elobau foundation

However, this figure only includes the activities of the ensian group. Together with the elobau foundation, our donations total 10% of our operating profit. In 2020, total donations amounted to EUR 521,000, and the figure for 2021 is forecast to be EUR 527,206. The elobau foundation's charitable activities will be described in more detail below.

Company bees

Since 2018, we have had around 100,000 company bees in plant 2 – and this population is still growing. The bees are looked after by a volunteer group of around ten employees, or “elobeas”. Once a year, the honey produced by our busy bees is collected and sold to elobau employees. The profit from this sale is donated to a good cause.

€179,000

IN DONATIONS & SPONSORING

was provided by the ensian Group during 2020 and 2021.



elobau foundation

The basic idea behind all these measures and the declared objective of the elobau foundation, founded in 2016, is to initiate and support projects with a social and ecological impact. Education, integration and environmental protection/sustainability are firmly anchored as the purposes of the foundation:

Education

The foundation promotes, assists and initiates innovative educational concepts characterised by individual approaches with the goal of developing personal potential and actively engaging with ever-changing conditions, such as in the working world of the future.

Integration

One of society's greatest challenges currently is integrating migrants and refugees. Language skills, (occupational) education and employment set the groundwork for participation. The foundation is involved in these efforts and contributes to a mutual understanding and integration in the labour market.

Environmental protection/sustainability

Responsible management of resources, environmental awareness and sustainability are the core ideas of the broad concept of “sustainability”, which includes Key concepts such as climate change, post-growth approaches, energy efficiency and the circular economy are introduced on a theoretical level and also on a local and regional level through specific projects.

The motto “initiate, promote and motivate”

Under the motto of “initiate, promote and motivate”, the foundation's work takes on a very operational role rather than purely a supportive one. With a full-time executive board and two honorary members of the board, the elobau foundation primarily addresses projects that are self-initiated or that it helps develop through active participation and networking in addition to financial assistance.

Fuelled by volunteers

The foundation seeks to involve committed volunteers in all activities. The different roles are comparable to that of a vehicle: The enthusiasm of volunteers serves as fuel, and financial means are the lubricant that enables movement.

Projects implemented by the elobau foundation

Approximately EUR 930,000 was spent in 2020 and 2021 on various projects in accordance with the foundation's goals of education, integration of refugees and environmental protection. The breakdown of total expenses by foundation purpose is as follows: Education: EUR 420,000, integration: EUR 6,000 and environmental protection: EUR 504,000.

OVERVIEW OF THE PROJECTS OF THE ELOBAU FOUNDATION IN 2020/2021

FOUNDATION PURPOSES

PROGRAMME LINES

PROJECTS



ENVIRONMENT & SUSTAINABILITY

SUSTAINABILITY



EDUCATION & DEVELOPMENT

INNOVATIVE WORLDS OF LEARNING



INTEGRATION & COMMUNITY

SOCIAL SOLIDARITY

- Farm-Food-Climate challenge (2020 – present)
- “Blossoming municipality” campaign (2019 – present)
- “Colourful grassland” project (2018 – present)
- “Citizen-Bee-Biodiversity” project (2019 – 2021)
- Wild plant biogas model project (2019 – present)
- Company bees – “elobeas” initiative (2017 – present)
- “Our Heritage” documentary film (2019 – 2020)
- Überlingen Earth acre (2019 – present)
- Days4Future – funding programme (2020 – present)
- 5 Days 4 Future – sustainability camp (2020 – present)
- Bees go to school (2018 – present)
- Junior Achievement Days4Future (2020 – present)
- Climate Farmers Academy (2021 – present)
- Allgäu school garden initiative (2021 – present)
- Water school days (2020 – present)
- RP youth press – “really \ true” (2021 – present)
- Kempten plant academy (2021 – present)
- Serlo – Student Wiki (2019 – present)
- Learning 3 (2017 – present)
- Educational lectures by Felix Brunner (2018 – present)
- Allgäu community-run school (2021 – present)
- Learning factory 4.0 (2020)
- Generation Together – repair meet-up (2020 – present)
- Sauterleute art school (2018 – 2019)
- Afternoon care GMS (2020)



Examples of projects

Repair meet-up

On the last Tuesday of every month, the repair meet-up opens its doors. The idea of the repair meet-up is that people receive guidance in fixing items themselves. An important feature of the Leutkirch repair meet-up is the “textile” area. The Sauerleute Art School is our partner for this. From sewing on a button to fixing holes in your favourite jumper to designing garments: the textile team competently supports all participants. To date, around 100 people have taken advantage of the repair meet-up. In most cases, the technology team was able to help the visitors breathe new life into sewing machines, Thermomix appliances, vacuum cleaners, lawn mowers, weather stations, ceramic hobs, lamps, hair dryers, jigsaws, portable radios and a dehydrator, among other things. The textile team has assisted with various garments that had to be shortened, darned, taken in or appliquéd.



For more information, visit www.reparatur-treff.de

5 Days 4 Future – the Leutkirch sustainability camp

Camp 21 for children aged six to twelve revolved around the theme of water. Over five days, participants learned, marvelled, experimented and experienced. Where does our water come from, how can we protect it, what lives in our streams, how much water is in food and how much of it do we consume? These questions and many more were discussed. Fun and games and even the experience of stand-up paddleboarding on the water were not left out. Our core team of five people plus eight other students ensured that the camp was informative and eventful.



More at: www.daysforfuture.org



E2.3 Inappropriate non-payment of tax

As an internationally operating group of companies, funds also flow across national borders. Generally, we only pay international subsidiaries a sales-dependent commission. We always promote (internal) transparency and purposeful allocation of resources in order to minimise risks. The total expenditures never exceed the threshold of 10% of the total turnover. All financial transactions are posted in our accounting and banking system in a way that is completely transparent for our auditors. All economic beneficiaries are openly communicated through our foundation model (see Part B); there are no silent partners. With the mentioned software support and the strict procedure according to the principles of orderly accounting (GoB), we minimise the risks of non-transparency and embezzlement throughout all transactions.

E2.4 No anti-corruption policy

We never engage in donations to parties or lobbying. Our employees are instructed to report corruption and are granted anonymity to protect them from repercussions. The budget is earmarked and controlled for social and societal purposes that allow effective contributions to support society.

GRI standards for E2.4
102-7, 201-1

In our General Work and Operating Regulations, all employees are obliged to decline gifts and other benefits and to immediately report any such offer to management. The Work and Operating Regulations are an integral part of the employment contracts. Christmas gifts are always provided to the Christmas raffle for all employees. All employees can anonymously contact management at any time through the suggestion box. A new Code of Conduct for our stakeholders was published during the reporting period.



Objectives relating to E2.4

To foster more integrity in the future, we would like to link the topics of our mission statement, Code of Conduct, compliance and vision mission.

E3:

Reduction of environmental impact

E3.1 Absolute impact and management strategy

elobau has a certified environmental and energy management system. The two environmental and energy management systems ISO 14001 and 50001 were developed further and successfully transitioned in 2019 into the premier environmental management system EMAS (Eco-Management and Audit Scheme).

GRI standards for E3.1

301-3, 302-1, 302-2, 302-4, 302-5, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5

The materiality analysis is securely anchored in the methodology of the EMAS and must be satisfied with respect to the environment (significant environmental considerations). We performed a materiality analysis for the two business sites (Leutkirch and Probstzella). The sustainability issues that arose in this analysis were prioritised in terms of risk, and key performance indicators were generated. We will be using these key performance indicators in the future to minimise risks through identified opportunities. The precise data in this regard can be found in our Environmental Declaration.

Carbon footprint including Scope 3 missions

In addition to EMAS environmental management, elobau keeps track of its greenhouse gas emissions in a carbon footprint assessment according to the Greenhouse Gas Protocol and currently compensates unavoidable emissions with compensation certificates in accordance with the gold standard. The carbon footprint assessment also includes Scope 3 emissions from the upstream value creation chain. Greenhouse gas emissions in the reporting period were offset, so that elobau was carbon-neutral on balance, including in the value creation chain.

Key figures from our environmental and energy management (detailed balance sheets can be found in the appendix)

	2019	2020	2021
Scope 1 – 2 emissions in kg per thousand euros gross value added	2.5	1.6	1.3
Scope 1 – 2 emissions in t per full-time equivalent	0.21	0.14	0.11
Scope 1 – 3 emissions in kg per thousand euros gross value added	105.7	100.7	118.8
Gasoline, diesel, heating oil (Scope 1) in kg CO ₂	178,645	111,494	88,602
Transport (Scope 3.4) in kg CO ₂	45,840	26,045	21,949
Overall waste in kg per thousand euros gross value added	3.3	3.3	3.3
Hazardous waste in kg per thousand euros gross value added	0.10	0.14	0.08
Water consumption in litres per employee	6,291	5,612	4,726
Paper consumption in kg paper	4,381	3,934	4,154
Land usage in square meters per thousand euros gross value added	0.46	0.46	0.46
Energy consumption in kWh per thousand euros gross value added	72.9	73.2	74.1
Biogas consumption (see energy footprint) in kWh	1,507,918	1,597,599	1,871,910
Energy ratio in % (proportion of generated energy to energy consumption, balance)	69	73	61

Energy independence

Energy independence is an unswerving goal at elobau. Our current energy ratio is 61%. At present, we rely on the purchase of green electricity and biogas.

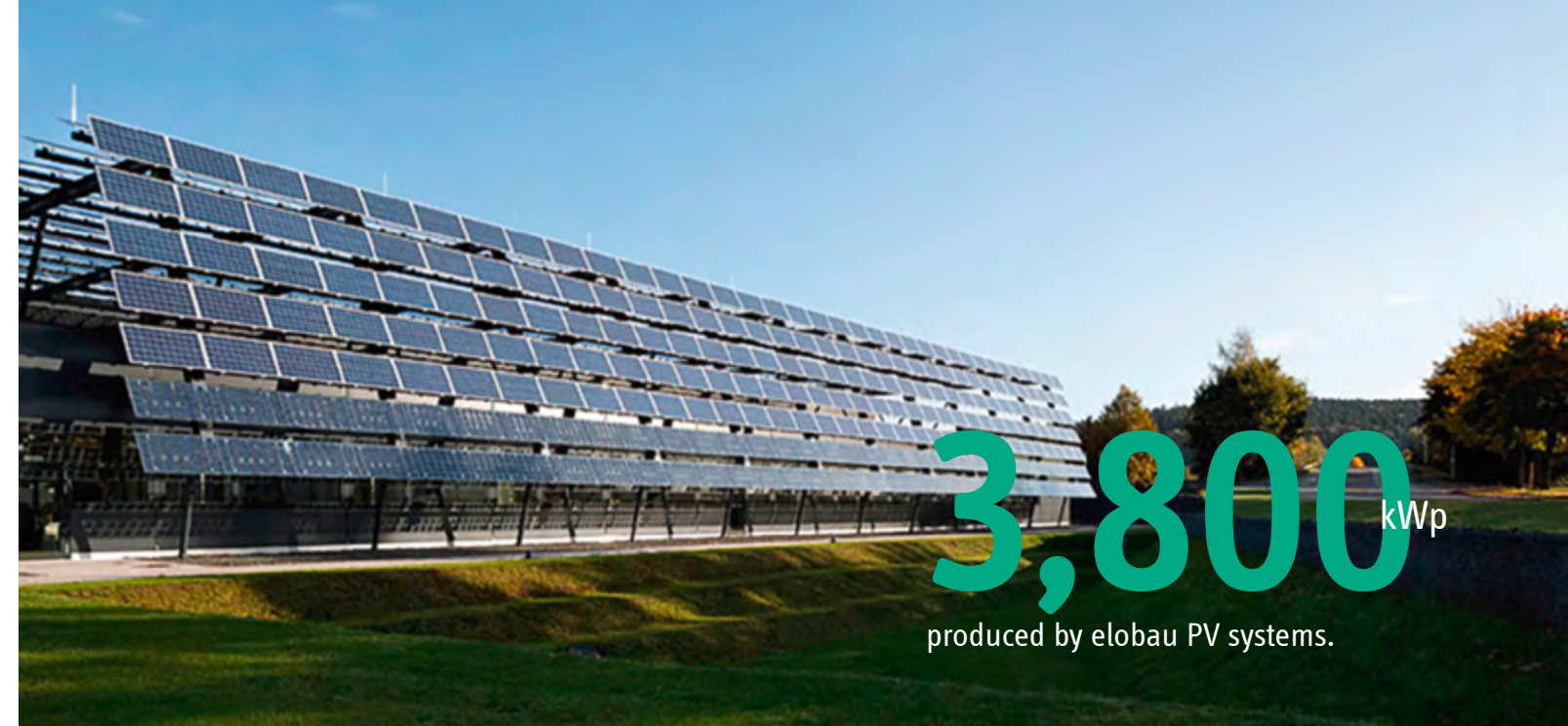
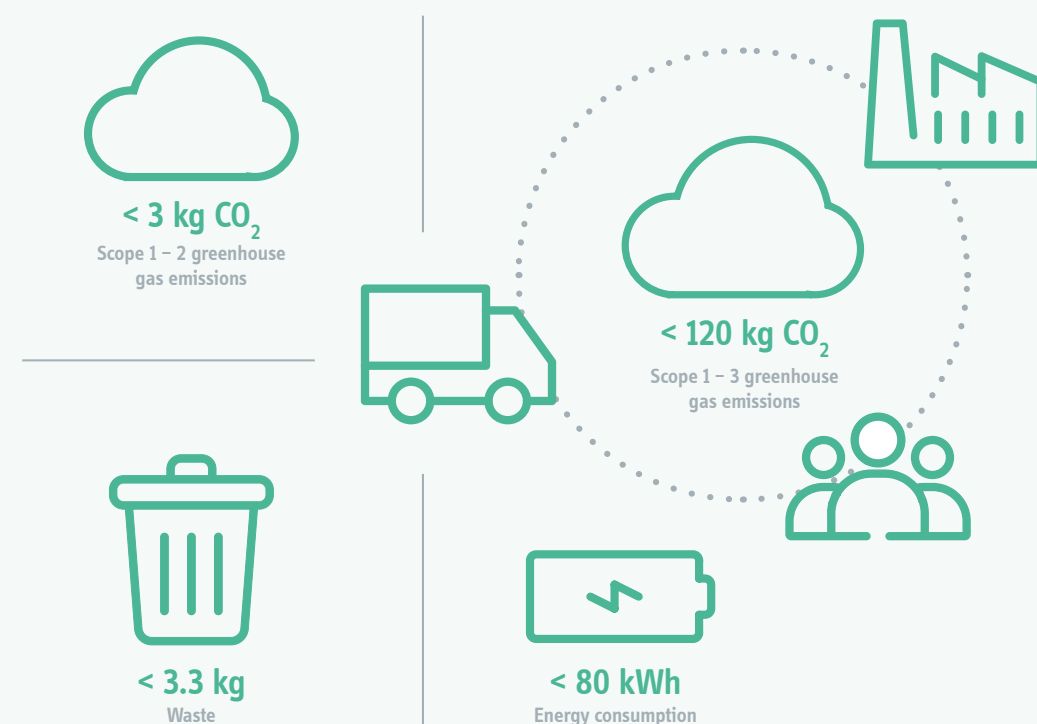
Sustainability Team projects

During the overall reporting period, 36 projects were initiated by the expanded Sustainability Team. The projects addressed the areas of emissions (8), waste (6), energy efficiency (3), materials (4) and cross-company issues (15). One example from the area of emissions is the new single-circuit cooling system, which has some ecological advantages. Through the new design in combination with the eChiller and the winter relief from the free cooling unit, we are reducing the energy costs by approx. 80%. In addition, we save about 170,000 litres of water per year with the system. The single-circuit cooling system is also operated with the climate-neutral coolant water, which reduces the amount of refrigerants used. In the area of waste, for example, all our waste management service providers were re-examined and new concepts were developed to increase the recyclability of the waste we dispose of.

Infrastructure at elobau

The infrastructure in plant 2 includes, for example, an absorption and adsorption refrigerator whose functional design enables room climate control in both summer and winter by means of fresh air, a liquid circuit and a glycol chiller. The system runs completely without district heat or geothermal heat. For the event that temperatures fall below 5°C and the system does not need to be cooled, a small gas boiler heater was installed. This is operated with biogas from offal. From 2012 onwards, all our new buildings have been built exclusively according to the Energy Plus Standard, and in many areas we relied on timber construction. There are seven PV systems on the roofs. The vehicle fleet is being continuously and consistently converted to e-vehicles based on the new fleet policy.

Achieved environmental targets 2020/2021 per EUR 1,000 gross value added



E3.2 Relative impact

No comparable environmental figures are published in our industry, so a relative comparison with other companies is currently only possible to a limited extent. In the region where our headquarters are located, there are three other companies active in the sectors of operator controls and sensor technology. Two of the companies are certified in accordance with DIN EN ISO 14001, and one has certified its four locations in accordance with EMAS. These companies have made it their aim to produce in a carbon-neutral manner in accordance with Scope 1 and 2 by 2030. The environmental indicators for Scopes 1-2 are recorded and reported. For Scope 3, only service travel is currently being recorded but not published. One other competitor purchases only green electricity. At the time this report was being drafted, we were therefore the only company operating in a carbon-neutral manner (Scopes 1-3) based on a direct comparison.

GRI standards for E3.2

102-12, 102-13, 304-2

E3.3 Infringement of environmental regulations and disproportionate environmental pollution

The second and third monitoring audits for the EMAS environmental management system took place in calendar years 2020 and 2021. The software-supported, web-based legal registry has been used to ensure that legal requirements are observed (EEG, REACH/RoHS Directive). This contains EU, federal and state regulations from environmental and energy law (regulations, directives, implementation decisions, laws, technical rules, statutes, etc.). Currently, no plants that require authorisation according to the Federal Emissions Control Act and Ordinance are being operated. Moreover, no wastewater from production is being fed into the public sewage system. No complaints, disputes with neighbours or other stakeholders are known. The technical state of the machine and energy park has been rated above average by third parties such as the Chamber of Industry and Commerce or visitor groups.

GRI standards for E3.3

302-1, 302-4, 304-2

E4:

Social co-determination and transparency

E4.1 Transparency

elobau voluntarily published a sustainability report in accordance with the Economy for the Common Good (Gemeinwohl-Ökonomie) standard in 2016, 2018 and 2020. In 2016, elobau was the first company of the industry association VDMA to publish an Economy for the Common Good balance sheet, which was audited externally. The reports are available on our website. We refer to these reports during our talks and at job fairs. The sustainability reports are proactively sent to all our customers, suppliers and network partners. Furthermore, we offer them for free at fairs, distribute them to our employees and make them available to our visitors.

GRI standards for E4.1

102-13

E4.2 Social participation

There is a regular exchange with the city of Leutkirch on the development of a sustainable mobility concept and for construction projects. All interested or affected parties can contact us by telephone, email or our website. The particular issues are routed to the relevant department or to management and answered promptly. However, there is no demand for opportunities to participate in business activities or decision-making processes.

GRI standards for E4.2

102-18, 102-43, 102-44

E4.3 Lack of transparency and wilful misinformation

Openness in communication is firmly anchored in our mission statement and is widely practised along with transparency at elobau. Ambiguities in communication are therefore only due to ongoing changes within the company and the constant processing of communication that is required. We are consistently working on ways to optimise our communication and thereby enhance our transparency. This allows all groups impacted by elobau to be included and informed.

GRI standards for E4.3

417-1

SOCIAL ENVIRONMENT IN DETAIL



Implemented measures

- › We were able to meet the high demand for talks and presentations and increase how many we do
- › The sustainability team was expanded by two people
- › Successful development and implementation of elocompanion
- › Successful implementation of an LCA for our J4 joystick
- › Introduction of LCA software in-house at elobau and development of in-house know-how
- › Publication of the Code of Conduct
- › Successful monitoring audits of the EMAS environmental management system
- › Installation of a new single-circuit cooling system
- › Supporting 36 projects in the area of sustainability
- › New efforts to increase the recyclability of waste



Objectives

- › Develop a strategy to select key customers using sustainability criteria
- › Use the multiplier effect of the elocompanion spin-off to help achieve climate targets
- › Establish reference variables to support the development of sustainability KPIs
- › Linking of the topics of mission statement (vision mission), Code of Conduct and compliance



ECG evaluation scale

Audit results	E1.1	E1.2	E1.3	E2.1	E2.2	E2.3	E2.4	E3.1	E3.2	E3.3	E4.1	E4.2	E4.3
Exemplary (7 – 10 points)													
	7	7						7			7		
Experienced (4 – 6 points)				6	6				6				
Advanced (2 – 3 points)												3	
Getting started (1 point)													
Negative aspects													
Negative aspects (0 – 200 negative points)			0			0	0			0			0



Outlook



Short-term goals

1. Expansion of supplier management by means of web-based applications (supplier platform, supplier relationship management system)
2. Establishing reference variables to support the development of sustainability key performance indicators
3. Expanding the study of alternative materials and design methods to use as replacements in new products.
4. Reducing GHG emissions from employee mobility
5. Developing a cross-company network for occupational health management.
6. Establishment of the sustainability support spin-off elocompanion



Long-term goals

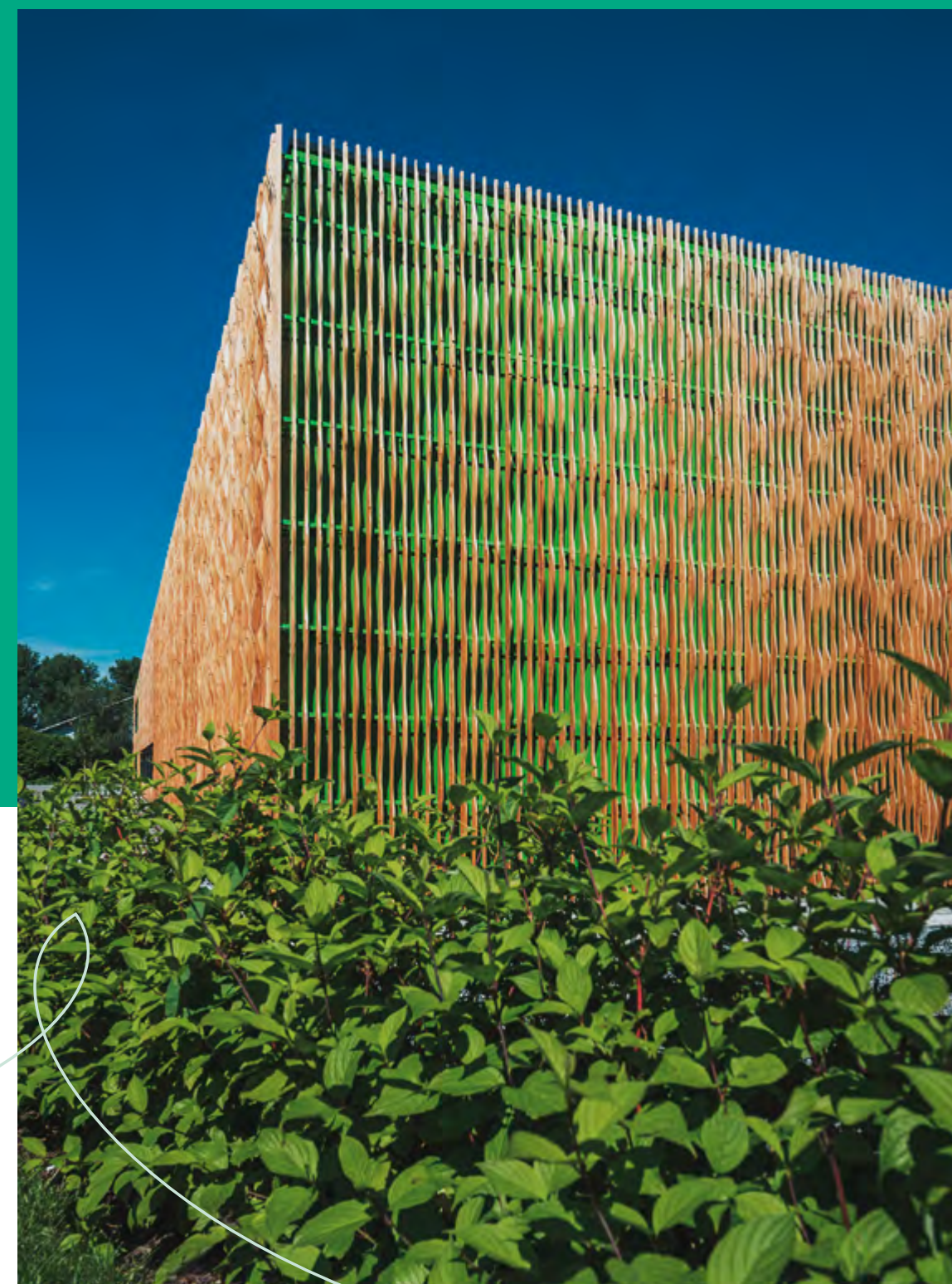
> 80%	> 20%	Supplier	> 70%	1/4
energy ratio	increase in the percentage of bio-based and recycled plastics in the product	only with verification of working conditions and human rights	equity ratio	share of vegetarian dishes in the organic cafeteria (currently 17%)



The Vision 2030

Our current understanding of sustainability envisions an equal emphasis on ecology, society and the economy. Over the long term, a reduction of CO₂ emissions only involves a slow-down of progressive climate changes. Physical laws dictate that we cannot draw more resources from nature than nature can replace. For Vision 2030, we therefore view ecology as a cornerstone of responsible social and corporate action. Social stability requires an intact ecological system. And social stability is a prerequisite for economic activity. Our Vision 2030 therefore seeks to prioritise sustainability. We intend to communicate this only after comprehensive and effective implementation, although our individual decision-making process is already founded on this precept.





Appendices

Appendix 1 – Energy footprint

	2020 volume	2021 volume
Power consumption in kWh		
Plant 1, Leutkirch	808,760	827,324
Plant 2, Leutkirch	1,924,737	2,135,928
Plant 2, construction phase 1	673,119	734,715
Plant 2, construction phase 2	877,927	1,007,967
Plant 2, logistics	229,440	229,796
Plant 2, construction phase 3 + 4	144,251	163,450
“Esszimmer” dining room (leased)	58,036	37,313
Mösle warehouse (leased)	15,495	20,276
Probstzella tool manufacturing (Lichtenhain up to 07/2016)	359,523	335,514
Ground-mounted PV plant Fraureuth, Thuringia	19,846	21,011
Total energy consumption	3,186,397	3,377,366
Biogas consumption in kWh		
Plant 1, Leutkirch	666,574	788,378
Plant 2, Leutkirch	859,491	993,612
Mösle warehouse (leased)	71,534	89,920
Total biogas consumption	1,597,599	1,871,910
Heating oil consumption in kWh		
Lichtenhain	0	0
Total heating oil consumption	0	0
Vehicle fleet energy consumption in kWh		
Diesel	367,385	304,021
Gasoline	42,960	38,261
Natural gas	10,073	9,939
Power, external charging station	9,626	26,166
Total vehicle fleet energy consumption	430,044	378,387
Total energy consumption in kWh	5,214,040	5,627,662
Power generation in kWh		
Fraureuth plant	2,859,474	2,501,455
Starnberg plant 8.97 kWp	0	0
PV plant 42.8 kWp, plant 2	49,139	46,255
PV plant 241 kWp, plant 2	293,064	249,432
PV plant, logistics 225 kWp (private consumption plant)	169,209	154,276
PV plant construction phase 3 + 4 – 302.4 & 276.89 kWp plant 2	0	65,295
PV plant, Probstzella, roof-mounted 141 kWp	98,671	85,704
PV plant, Probstzella, ground-mounted 263 kWp	217,605	178,035
Subtotal for PV plants	3,687,161	3,280,452
Power from micro gas turbine, plant 1	52,357	47,709
Power from micro gas turbine, plant 2	78,610	91,308
Total biogas consumption	130,967	139,017
Total energy generation in kWh	3,818,128	3,419,469

Appendix 2 – Carbon footprint according to GHG Protocol

		2020 volume		2021 volume	
		[kWh/L/kg/item/km]	CO ₂ e in kg	[kWh/L/kg/item/km]	CO ₂ e in kg
Scope 1	Total direct emissions		112,209		88,602
	Heating oil consumption for tool manufacturing (stationary combustion)	0	0	0	0
	Refrigerant		715	0	0
	Vehicle fleet, diesel	37,110	97,958	30,709	77,108
	Vehicle fleet, gasoline	4,995	11,492	4,449	9,855
	Vehicle fleet, natural gas	780	2,044	770	1,640
Scope 2	Total indirect emissions, energy	3,122,492	3,388	3,346,800	8,112
	Green electricity Leutkirch & Probstzella – purchased and consumed	3,112,866	0	3,320,634	0
	Green electricity plant 1, Leutkirch (kWh) – purchased and consumed	828,606	0	848,335	0
	Green electricity plant 2, Leutkirch (kWh) – purchased and consumed	1,924,737	0	2,135,928	0
	Green electricity, tool manufacturing (kWh) – purchased and consumed	359,523	0	335,514	0
	Vehicle fleet1 external charging station power (kWh) (mobile combustion)	9,626	3,388	26,166	8,112
Scope 3	Total other indirect emissions		7,062,216		8,920,769
Scope 3.1	Purchased goods and services (electronics, cables, magnets, paper, encapsulation, etc.)	163,920,554	6,161,126	220,877,132	7,900,456
Scope 3.3	Fuel and energy-related emissions		161,396		162,976
	Gasoline (upstream chain fossil fuels)	4,995	1,900	4,449	2,036
	Diesel (upstream chain fossil fuels)	37,110	16,291	30,709	17,692
	Vehicle fleet, natural gas (kg) (mobile combustion)	780	499	770	537
	Vehicle fleet external charging station power (kWh) (mobile combustion)	9,626	747	26,166	1,026
	Heating oil (upstream chain fossil fuels)	0	0	0	0
	Green electricity (upstream chain renewable energy carriers)	3,122,492	106,914	3,346,800	90,364
	Biogas (upstream chain renewable energy carriers)	1,526,065	43,951	1,781,990	51,321
Scope 3.4	Transport and distribution, esp. logistics (“tank-to-wheel”)		26,045		21,949
Scope 3.5	Waste (flat transport factor for non-landfill waste)	233,141	4,896	249,899	5,248
Scope 3.6	Business trips, flights	2,260	325	17,343	2,158
Scope 3.7	Employee commuting (total)	3,700,104	703,850	4,185,380	823,838
	N/A (handled like passenger cars with combustion engines)	262,104	54,675	311,213	66,537
	Ridesharing/passengers	152,665	0	151,746	0
	Motorcycle, etc.	16,596	2,112	16,024	2,040
	Public transportation	10,233	666	3,187	299
	By pedelec/e-bike	15,802	70	15,442	54
	Electric car	33,274	194	49,003	225
	Passenger car with combustion engine	3,097,477	646,134	3,529,850	754,682
	By foot/bicycle	111,953	0	108,914	0
Scope 3.8	Rented or leased fixed assets	145,065	4,578	147,509	4,145
	Electricity – Green electricity	73,531	2,518	57,589	1,555
	Gas – Biogas	71,534	2,060	89,920	2,590
Total			7,186,718		9,017,482

Appendix 3 – Use of products produced by elobau by industries

	Industries	Examples	Basic needs ¹⁶	For develop- ment ¹⁷	UN – SDGs ¹⁸
More than 80% of sales	Agricultural equipment	e.g. agricultural and forestry tractors, equipment for soil tillage, harvesting machinery, gardening and landscape management	1, 2	H E	2
	Conveyor systems	e.g. industrial trucks, aerial work platforms, municipal vehicles	1, 2, 6, 7, 9	H E	3, 6, 9, 11, 12
	Construction and civil engineering machinery	e.g. construction machinery, civil engineering, mining, road construction	1, 2, 5	M	8, 9, 11, 12
	Food and packaging machines	e.g. commercial dishwashers, bread slicers, packaging	1, 2, 6	H E	2, 3, 6, 10, 12
	Fluid technology	e.g. hydraulics, pneumatic systems (valves, pumps, filters, etc.)	1, 2	H E	3, 6, 7, 11, 14
	Process engineering machines and equipment	e.g. water treatment, wastewater treatment, tank farms	1, 2, 9	H E	3, 6
	Laboratory and medical technology		1, 2	M	3, 12
Less than 20% of sales	Drive engineering		1, 2, 9	M	3, 7, 8, 9
	Measuring and testing equipment		1, 2	H E	3, 6, 7, 8, 9, 12
	End consumer, replacement parts	e.g. medical technology, pharmaceutical industry, food and beverage industry	1, 2, 6	M	3, 12
	Fire-fighting equipment	e.g. fire service vehicles, fire service equipment	1, 2	H E	3, 11
	Printing and paper technology	e.g. printing machines	2, 6, 7	M	3, 4, 12
	Cleaning systems	e.g. steam cleaners	1, 2, 5	M	2, 3, 6, 10, 12
	Compressors, compressed air and vacuum systems	e.g. construction machinery	1, 2, 5	M	8, 9, 11, 12
	Cooling systems	e.g. commercial refrigeration units and chillers, heat pumps	1, 5	M	2, 3, 12
	Central lubrication systems		1, 2	M	8, 9, 12
	Tool manufacturing machines		1, 2, 7, 8, 9	M	8, 9, 12
	Textile machinery		1, 7	M	3, 12
	Power systems	e.g. turbines and power engines	1, 2, 9	M	3, 7, 8, 9
	Off-highway vehicles	e.g. garbage trucks, environmental engineering, special tractors	1, 2, 6, 7, 9	H E	3, 6, 9, 11, 12
	Plastic and rubber machinery	e.g. injection moulding, extruders	2, 7	M	8, 9, 12
	Marine, maritime, offshore	e.g. ship building	1, 2, 5, 6, 9	M	3, 6, 14
	General ventilation technology	e.g. fans, ventilation systems, drying systems	1, 2	M	3, 7, 8, 9, 11
	Woodworking machines		1, 2, 7	M	8, 11, 15
	Trucks		1, 2, 9	M	8, 9
	Buses		1, 2, 9	M	1, 3, 8, 11, 13
	Miscellaneous		-	-	-
	Sales	e.g. wholesalers, suppliers, subsidiaries, distributors	-	-	-

Appendix 4 – EMAS core indicators

EMAS core indicators, Leutkirch	2018	2019	2020	2021	Plan 2022
Emissions, Scopes 1 – 2 in kg per 1,000 EUR gross value added	2.69	2.42	1.56	1.21	1.76
Waste in kg per 1,000 EUR gross value added	3.34	3.16	3.18	3.19	2.79
Energy consumption in kWh per 1,000 EUR gross value added	67.55	68.18	67.90	69.44	68.09
Water consumption in L per 1,000 EUR gross value added	81.50	70.79	66.80	63.71	61.17
Land usage in m² per 1,000 EUR gross value added	0.31	0.39	0.41	0.39	0.35
Standardised scrap rate as per reference year	56.00	58.16	50.51	47.96	45.92

EMAS core indicators, Probstzella	2018	2019	2020	2021	Plan 2022
Emissions, Scopes 1 – 2 in kg per production hour	0.208	0.230	0.190	0.192	0.232
Waste in kg per production hour	0.221	0.386	0.298	0.305	0.241
Energy consumption in kWh per production hour	13.141	14.543	17.053	13.783	10.934
Water consumption in L per production hour	4.148	4.886	5.545	4.309	4.670
Land usage in m² per production hour	0.196	0.212	0.241	0.206	0.212
Lubricant consumption in litres per production hour	0.032	0.027	0.023	0.024	0.027

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302	Energy	16, 32, 41 – 44, 69, 83, 85, 86, 92, 94, 101, 103
303	Water and wastewater	32, 92, 101
304	Biodiversity	103
305	Emissions	32, 44, 69, 85, 86, 92, 94, 101
306	Effluents and waste	71
308	Supplier Environmental Assessment	16, 30, 32, 34, 43, 92
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401	Employment	41, 52, 58, 60, 64, 66, 70
402	Labour/ Management Relations	60, 70, 72
403	Occupational Health and Safety	52, 58, 68
404	Training and Education	52, 58, 60, 70
405	Diversity and Equal Opportunity	60, 64, 66, 72
406	Non-discrimination	16, 24, 30, 66
408	Child labour	16, 24, 30
409	Forced or Compulsory Labour	16
414	Supplier Social Assessment	16, 24, 30 – 35
416	Customer Health and Safety	41, 44, 78 – 80, 87, 92, 94, 95
417	Marketing and Labelling	78, 80, 88, 104
418	Customer Privacy	88

Sustainability report of the ensian Group GmbH

General information about the company

Company name: ensian Group GmbH
Legal form: Company with limited liability (Gesellschaft mit beschränkter Haftung/GmbH)
Form of ownership: Foundation company
Website: www.elobau.com
Industry: Electronics industry (NACE code: 26.11.9)
Headquarters: Leutkirch im Allgäu
Total number of employees: 1001
Full-time equivalents: 845
Seasonal or part-time employees: 32
Sales: €136,540,972
Annual net profit: €5,477,365

Subsidiaries: (Ownership 100%)

elobau management GmbH Management Germany	elobau Tecnologia em Sensores Ltda. Brazil	HelloSolution GmbH & Co. KG Pre-development Germany
elobau GmbH & Co.KG Production Germany	elobau France S.a.r.l. France	elo management GmbH Executive management Germany
anelo GmbH & Co.KG Plants Germany	elobau Japan K.K. Japan	elo.Deli GmbH & Co. KG Organic cafeteria Germany
elobau Energie GmbH & Co.KG Energy Park Germany	elobau Nordic AB Sweden	elostore GmbH & Co. KG Online store Germany
sensales GmbH & Co.KG Sales Germany	elobau U.S. Inc. USA	elocompanion GmbH & Co. KG Sustainability companion Germany
elobau Austria GmbH Austria	elobau UK Limited UK	
elobau Benelux B.V. Netherlands	grimelo GmbH & Co. KG Real estate Germany	

Reporting period: 2020 and 2021

elobau GmbH & Co.KG

Zeppelinstr. 44

88299 Leutkirch

Germany

Tel: +49 (0)7561 970-0

Fax: +49 (0)7561 970-100

E-mail: info@elobau.com

Ulm commercial register A 620742

Executive Directors: Dr Thilo Ittner, Rüdiger Köhler

VAT No.: DE 147358840

Tax No.: 91070/01200 Wangen Tax Office

According to Standard 5.0 of the Economy for the Common Good

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