

Our behavior
explained...

Code of Sustainability

 **DEMME
GROUP**



We operate sustainably and socially responsible.

With our sustainable corporate development and targeted strategy, we describe the best possible perception of our corporate responsibility towards the environment and society and thus want to meet the current requirements of our environment.

By this we mean reconciling environmental, technical, social, and corporate goals. With the three pillars of sustainable development (ESG approach), we divide our sustainability topics into groups and enable international comparability of our environmental and social responsibility. In this context, the material sustainability topics were evaluated and prioritized for the Demmel Group. The results of the materiality analysis form the basis of our sustainability strategy.

With our Code of Sustainability, we want to create the basis for our entrepreneurial success and meet environmental, social, and regulatory requirements and create our contribution to sustainable resource management. We are convinced that economically strong and successful companies are an important support for achieving effective environmental protection and social balance with greater consideration of human rights.

The Demmel Group is an economically strong and successful company. Our products and technologies are designed to create tangible value for society and continuously support and promote sustainable development in all countries in which we operate.

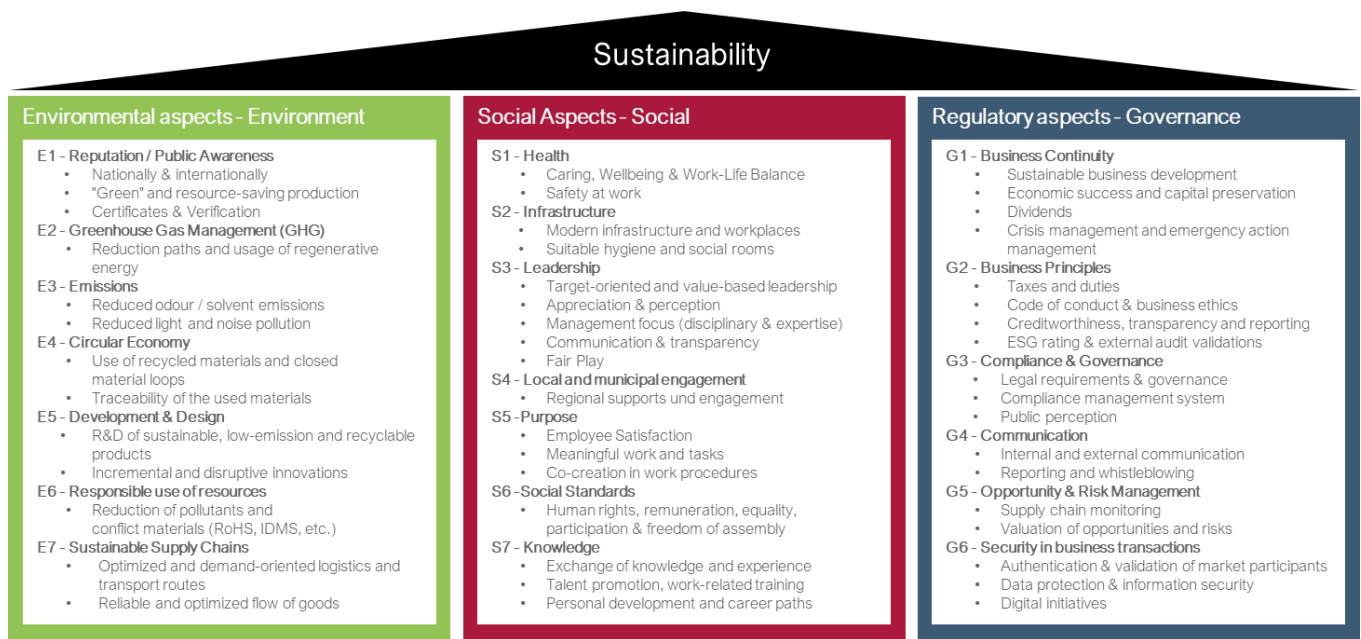
The Demmel Group maintains a constant and open dialogue with all stakeholders about its impacts, achievements, and areas of action. We inseparably combine our claim to conduct all business in an ethically and legally impeccable manner with respect for human rights, customs, traditions, and social values of the respective countries in which we do business.

With our values, mission statements, guidelines, and self-imposed standards, we not only want to further consolidate and expand our strong position in our markets, but also make effective sustainability contributions to our environment and our stakeholders.

Scheidegg, 2023
Demmel Group

Content

We have classified the perceived and identified sustainability issues from our environment into the internationally recognized ESG pillars and, as an ESG house, they reflect our understanding of sustainability.



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Priorities of environmental responsibility / Environment (E)

E1 - Reputation & Public Awareness

The Demmel Group strives for a positive image on our markets and in our environment. The external presentation of our brand should be perceived as an environmentally friendly and sustainable company both in the national and international context.

For this purpose, we at the Demmel Group operate in efficient production facilities that are safe for employees, neighbours, and the environment. We develop new processes and improve existing ones to reduce resource consumption and continuously increase safety and economic efficiency.

To validate our activities, external companies audit us in regular intervals and we have been certified for our distinctive environmental measures for more than 25 years.

E2 - Greenhouse Gas Management (CO₂, GHG)

Through increased energy efficiency and the use of renewable energies, we are striving for climate neutrality in the medium term and are initiating and reporting on appropriate measures and efforts to reduce our greenhouse gas emissions. Together, we can make effective contributions to our environment and decarbonization.

To accompany our greenhouse gas emissions reduction path, we are gradually replacing our fossil energy sources with renewable energy sources and taking climate aspects into account in our investments.

With the support of our digital initiatives and forward-looking production management, we are planning to optimize our transport and logistics routes regarding climate targets and to organize our traffic between our plants in a climate-friendly way.

E3 - Emissions

Our production processes are designed to reduce odour and solvent emissions. We manage our emissions responsibly and are aware of our responsibility to the environment to improve and maintain air quality.

Our sites are in urban and rural areas, and we try to keep our light and noise emissions for our environment as low as possible. Another focus is on maintaining water quality, reducing water consumption and proactive water management.

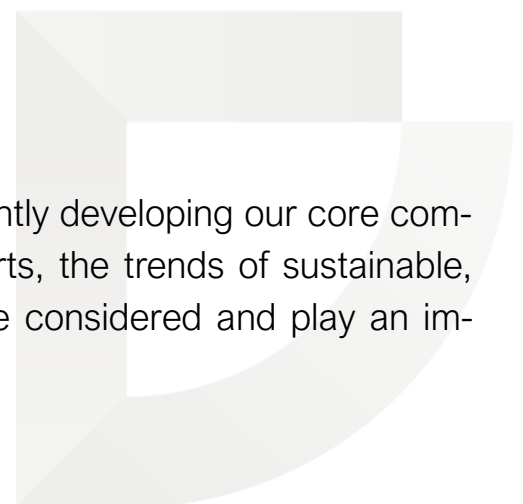
E4 - Circular economy, raw materials, recycling

Our raw materials are responsibly selected and efficiently used in our operations. In terms of our supply chains, we attach great importance to the traceability of the materials we use. Raw materials that are not fully usable are fed into the circular economy and recycled. We are also involved in strategic alliances and develop as participants in circular flows of goods that promote the reuse and recycling of raw materials and contribute to waste prevention.

We also continuously review the use of recycled raw materials in our product portfolio and place a high priority in our development and design. In addition, we contribute to the restoration of primary resources and participate in various environmental programs.

E5 - Development & Design (R&D)

We are market leaders in our industries and are constantly developing our core competencies further. In our development and design efforts, the trends of sustainable, low-emission and recyclable products and services are considered and play an important role in our innovation processes.



In addition to our product and service developments, we continuously monitor the technologies in the market and implement significant technological leaps in our companies to improve energy efficiency and reduce environmental impact.

E6 - Responsible use of resources - Safe handling of hazardous substances and use of environmentally compatible products

We distribute products and technologies whose safety and environmental compatibility meet recognized scientific criteria. When handling unavoidable hazardous substances, we attach great importance to safe handling and comply with all regulatory and voluntary standards. Furthermore, we focus on the reduction of conflict materials in our product and service range and have a responsible chemical management.

We inform and advise our customers and consumers about safe and responsible use. With innovative products and technologies, we meet the expectations and needs of our customers and consumers - today and tomorrow.

Our products and technologies are user-friendly and economical. At the same time, they are compatible for people and the environment. We consider the principles of sustainable and socially responsible business right from the start of development projects and during product development.

E7 - Sustainable Supply Chains

As a globally active company, we are part of the international supply routes and together with our logistics partners we focus on safe and optimized flows of goods, so that security of supply is ensured, and the cross-country and cross-location transport routes are shortened with efficient warehouse structures.



Priorities of social responsibility / Social (S)

S1 - Health and safety of our employees

It is our ultimate goal to prevent accidents and ensure the health and safety of our workforce. We are very committed to the well-being of our fellow human beings who are located at our sites and in our direct environment and who may be affected by our activities. We provide sufficient and appropriate resources to enable safe and health-protecting working methods.

We make every possible effort to avoid hazards and prevent situations that pose a risk of accidents, injuries, damage to health or property. Through continuous review, we identify the risks and take the appropriate measures.

Our managers are trained in caring and pay attention to the well-being of our employees and are available as coaches to advise on all matters. As a long-standing family business, we pay particular attention to the compatibility of work and leisure and offer suitable solutions for this.

S2 - Infrastructure

Our locations are a key component for entrepreneurial success, and we attach great importance to a productive and pleasant working atmosphere. At periodic intervals, we modernize our infrastructure and offer our employees all the tools they need to carry out their work safely and reliably.

We offer our employees various catering facilities, sanitary facilities and break rooms around the workplace and are continuously expanding the social infrastructure at our locations.

S3 - Leadership

The leadership style of our executives is described in our Code of Leadership and includes a variety of leadership tools for the appreciation of our employees.

We are convinced of the team's success and offer our employees different development perspectives depending on their characteristics and qualifications. This allows our employees to specialize in both disciplinary and technical areas and make a valuable contribution to our company.

Our leadership culture is characterized by dialogue and communicates openly with all fellow human beings. Fair dealings with our stakeholders have a high priority, and we expect the same from our environment.

S4 - Local and municipal commitment

As a major employer at all our locations, we are committed to and promote these regions. Through our associations and alliances, we maintain an open dialog with representatives in the respective regions and realize joint initiatives to implement campaigns. These include activities to preserve animal welfare and biodiversity, optimize land use and improve soil quality, and reduce deforestation through reforestation measures.

S5 - Purpose and Earmarking

Based on our sustainable business development and our sustainability principles, we want our employees to identify strongly with our products and services. Our companies stand for sustainable action and live this out at all management and process levels. Our products and services are in demand on the market and our employees are proud of the contributions they make.

The work activities in our companies are varied and we give our employees a lot of opportunity to participate in the exercise of the intended contributions. With our role approach, we give our employees a high degree of freedom within the set expectations and promote their self-realization.

S6 - Human rights and individual responsibility

Our sustainable corporate culture is defined by our values and mission statements and thrives on the high level of identification of our employees with the culture and our goals. We expect our employees to perceive environmental protection, social standards, and corporate responsibility as integral parts of our daily activities and to conduct them in day-to-day business to meet our standards of honesty and integrity.

Through targeted training and further education, our employees can always fall back on the current requirements and live up to the assigned responsibility. We evaluate our employees and applicants according to the principle of equal treatment and fairness. We condemn and distance ourselves from human trafficking, respect and uphold human rights as well as the rights and individuality of everyone. As part of our social responsibility, we pay our employees appropriately and performance related. Compliance with the valid legal bases is a matter of course for us.

We encourage our employees to stand up for their interests and have established various communication platforms for regular exchange between employer and employee. Our employees are allowed to form interest groups and address personal concerns.

S7 - Transfer of technologies and knowledge

By transferring technologies and knowledge within our Demmel Group, we systematically improve the safety and efficiency of products, plants and production processes and contribute to social equality worldwide. We promote this transfer through the qualification of our employees, modern management methods, a consistent review of the product portfolios as well as safe, efficient, and resource-saving processes.

With our different business segments, leadership characteristics and roles, we offer our employees numerous development paths and promote them in the further development of their own personality. Talent promotion and practical training paths have a long tradition with us.





Priorities of corporate responsibility / Governance (G)

G1 - Economic success through sustainable business strategies

We strive to achieve a balance of our corporate responsibility towards our society and the environment, thereby ensuring the long-term success and continued existence of our company. To achieve these principles, we have anchored sustainable corporate governance in our strategy process and act according to its cornerstones.

Our sustainability goals are formulated in all ESG pillars and are intended to secure our long-term economic success. As an economically strong and successful company, we can fulfill our responsibility in all pillars of sustainability and positively influence our impact on our environment.

Cross-process crisis management detailed contingency plans and a keen awareness of risk help us maintain long-term corporate continuity. Investment, capital utilization and profit distribution decisions are made based on the long-term preservation of the company.

G2 - Business fundamentals and conduct in the market

Our Code of Conduct describes our legally and ethically impeccable conduct in the marketplace and we urge our market participants to follow these standards as well.

As an international company, we comply with our tax obligations and pay all our taxes in the countries concerned. Reporting on this is carried out in accordance with the applicable transparency standards and is published in the periodic reporting system.

We qualify as a trustworthy business partner and have our credit rating requirements and ESG rating externally validated so that we are perceived as a trustworthy business partner.

G3 - Integrated, sustainable business processes and compliance

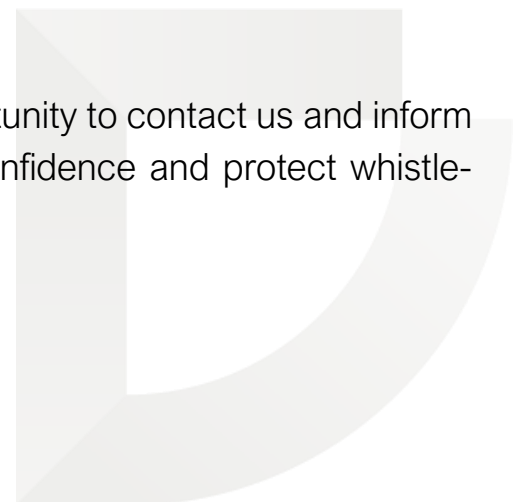
We align our business processes with sustainable management and pursue our sustainability priorities at all levels of our integrated management system. At the same time, we consider the legal systems and social norms of the individual countries in which we are active and address them both in our values, mission statements and guidelines as well as in our compliance management system.

With our integrated systems, we implement our regulatory requirements and self-imposed standards and clearly assign responsibility at all management, process, and work levels. We regularly review the consistent implementation of the requirements. Based on the results, we define goals and measures at all levels to achieve continuous improvement and long-term perspective.

G4 - Communication and open dialogue

We pursue an active and open information policy. We communicate regularly and openly about our company and our current priorities. We engage in dialogue with all our stakeholders, including our employees, shareholders, customers, suppliers, authorities, associations, non-governmental organizations, academia, and the public. The open exchange with our partners provides us with important impulses for the continuous improvement and orientation of our company towards sustainable management.

With our reporting system, we offer all people the opportunity to contact us and inform us about any grievances. We handle feedback with confidence and protect whistleblowers from possible sanctions.



G5 - Opportunity and risk management

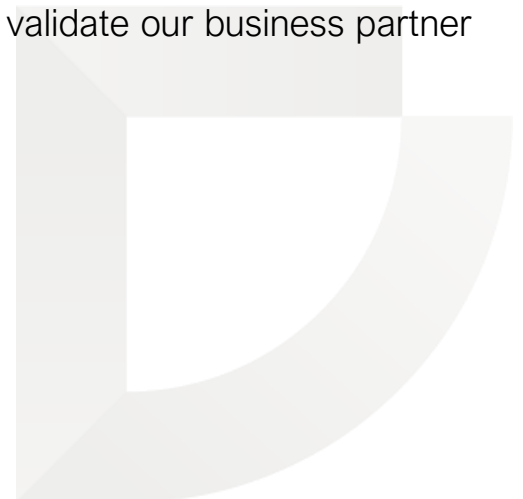
In our opportunity and risk management, we manage and monitor our corporate activities on the one hand and the entire supply chain of our value chain as part of our due diligence obligations on the other. We are in constant contact with our process owners and our supply chain participants and try to realize identified opportunities and continuously minimize risks.

G6 - Security in business transactions and dealing with partners

We expect our suppliers and contractual partners to behave in accordance with our ethical expectations. When selecting business partners, we also consider their priorities about the perception of their environmental, social, and corporate responsibility.

In addition, a common understanding is listed in our Code of Conduct and is part of our relationships with our business partners. As part of our continuous improvement, we continuously monitor compliance with our values, mission statements, guidelines, and self-imposed standards.

In today's information age, we rely on digital initiatives and connect our company data for efficient business processing and the development of new products and services. Data and information protection is of great importance and is certified by external auditors. We handle our company data confidentially and validate our business partner based on the data.



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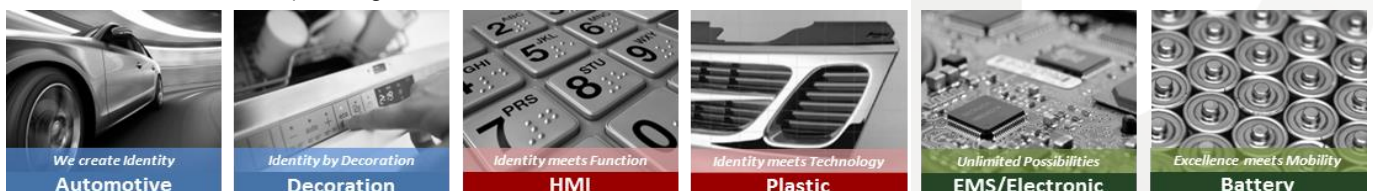
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* For reasons of easier readability, only the masculine formulations are used in this document and in all regulations based on it. However, this always refers to people of any gender identity, i.e., male, female and diverse and, where provided for in other countries, corresponding differentiations for the collective term "diverse".





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