

# DNK-Statement

## INO Holding GmbH / inotec group

<b>Reporting year</b>	2022
<b>Set of performance indicators</b>	GRI SRS
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## General information

*Describe your business model (including company purpose, products/services)*

INO Holding GmbH is a group of companies that produce and offer durable labelling solutions for digital transformation. INO Holding GmbH (Neumünster and Neufahrn-Mintraching sites) includes inotec Barcode Security GmbH (Neumünster site), Winckel GmbH (Bad Berleburg site), identitytag GmbH (Bad Berleburg site) and their subsidiaries in other European countries (sites in France, the UK, the Netherlands, and the Czech Republic). The term "inotec group" is used to summarise this report.

As Europe's leading experts in permanent labelling with barcodes and radio frequency identification (RFID), we offer maximum quality, reliability, and the best service. Our products – from standard to in-mould labels – meet the highest hygiene and safety standards in the food, catering, and retail industries. As Europe's largest supplier of labels for reusable packaging, we offer a comprehensive range of services, expertise and know-how under one roof. Our customers primarily come from the industrial, automotive, transport and logistics, medical and pharmaceutical, retail and services, and textile and cosmetics sectors.

We are convinced that labelling technologies are a key driver of digital and sustainable change. Clear and permanent labelling is the only way to meet the diverse requirements in terms of process transparency, process optimisation, and traceability. The inotec group's labelling solutions and services give physical objects a digital identity. They help, to make logistical processes transparent and optimised, to ensure traceability within the supply chain, to make production processes more environmentally friendly and to avoid waste, and much more.

The inotec group's robust and durable solutions for labelling reusable containers meet the highest standards of cleanliness and hygiene. This makes them ideal for use on deposit packaging and reusable containers. Our smart labels are not only tamper-proof, but also enable both a reliable supply chain and sustainable business practices. Our innovative labels for the automotive, aviation, and mechanical engineering industries enable clear identification in addition to efficient and transparent process control.

Here is some important information about the inotec group:

- Label solutions for over 40 years
- Certification according to DIN ISO 9001, GS1, ISEGA
- Administration in Neumünster, Germany
- Production at two locations in Germany (Neumünster and Bad Berleburg)

- Subsidiaries in France, United Kingdom, the Netherlands, Czech Republic
- Production of more than 600 million special high-tech and RFID labels annually
- Durable labelling solutions für sophisticated applications
- Supplying costumers in Europe and worldwide

*Additional remarks:*

Due to the greater sales relevance of the Neumünster production site (Neumünster share: approx. 73%; Bad Berleburg share: approx. 27%) in contrast to the Bad Berleburg production site, the information in this report focuses primarily on the administrative and production site in Neumünster.

All other locations and subsidiaries will be included in reprotng in the coming years.

For purposed related to readability, the generic masculine is used in the text. Male, female, diverse and all persons in between are addressed equally.

# Criteria 1-10: Sustainability concepts

## Criteria 1-4 on STRATEGY

### 1. Strategic analysis and measures

*The company discloses its pursuit of a sustainability strategy, explaining what specific measures it takes to operate in accordance with the essential and recognised industry-specific, national, and international standards.*

As a company, we recognise our responsibility to eliminate negative ecological and social impacts on the environment and to make a positive contribution to sustainable development in line with the 2030 Agenda. In doing so, we see it as our responsibility to consider the entire value chain and all business activities. To this end, we are pursuing a sustainability strategy that we will refine and communicate by the end of 2024 at the latest.

Our focus on sustainable permanent labelling solutions is exemplary of the inotec group's overall orientation. The products and services offered by the inotec group enable its customers to efficiently implement business models in line with a circular economy, optimise processes and products, offer customers added value, and conserve natural resources. Obermark's long-term orientation as a shareholder is reflected in the inotec group's long-term strategy.

Various elements of sustainability can already be found in the current strategy, such as the conscious selection of target markets in the circular economy, the promotion of our own employees, and the selected cooperation with renowned and qualified partners. As part of our strategic development, we will integrate sustainability aspects important to our corporate strategy by 2026.

Climate change will have a long-term impact on the cycle of our infrastructures. We will therefore set ourselves targets to protect the environment and slow down climate change. To this end, we will endeavour to reduce negative effects such as CO<sub>2</sub> emissions and consumption in the areas of water, energy, waste, and transport. As part of product development, we aim to reduce the use of resources and materials in the production of our solutions through innovative and digital solutions.

Irrespective of the formal strategic integration of sustainability aspects into our broader corporate strategy, we are already active in individual fields of action. For example, our durable track & trace solutions ensure

necessary transparency in supply chains and the sustainable identification of products as part of a socially and ecologically consistent circular economy.

The great importance of integrating the topic of sustainability into our corporate strategy is also underlined by the fact that a sustainable position will be filled operationally from autumn of 2023, which will be assigned directly to the Executive Board as a staff function.

## 2. Materiality

*The company discloses which aspects of its own business activities have a material impact on aspects of sustainability and what material influence the aspects of sustainability have on its business activities. It analyses the positive and negative effects and states how these findings are incorporated into its own processes.*

As part of a workshop-based materiality analysis in October 2022, the first relevant stakeholders and their topics were identified and a materiality matrix was created. As a result, we categorised the topics relevant to us and presented below based on their relevance for value creation and relevance for stakeholders. We plan to complete an in-depth analysis based on these results and derive measures over the course of 2024.

Based on our initial results, we see the following opportunities and risks in particular:

### Opportunities

- Increasing demand for robust and durable solutions for automatic identification (Auto-ID) for reusable labelling (especially deposit packaging and reusable containers)
- Increasing demand due to the transparency required by law in the supply chain and market requirements for reliable supply chains
- Increasing demand due to digitalisation, especially for clear identification, efficient and transparent process control and integration into systems for the Internet of Things (IoT)

### Risks

- A shortage of skilled labour
- Increasing commodity prices
- Easing demand (due to macroeconomic conditions, among other factors)

### 3. Goals

*The company discloses which qualitative and/or quantitative and time-defined sustainability targets are set and operationalised and how their degree of achievement is monitored.*

Initial considerations regarding sustainability-related goals were made as part of the materiality analysis carried out in October of 2022. The goals we developed at that time correspond to the following United Nations Sustainable Development Goals at present and will be finalised over the course of next year:

- SDG 4: High-level education
- SDG 5: Gender equality
- SDG 9: Industry, innovation and infrastructure
- SDG 12: Sustainable consumption and production
- SDG 13: Measures for climate protection

In the near future, sustainability targets are to become an integral part of the corporate strategy and will include the following topics, among others:

- Converting of the energy supply at all locations to renewable energy generation
- Increasing the proportion of women in management, staff, and trainee positions

The importance of sustainability for the inotec group is emphasised by the creation of a new function with a dedicated focus on the management of sustainability aspects and a direct reporting line to management. The first task of this newly created role will be to set up a suitable KPI system and systematically select suitable sustainability targets. By 2026 at the latest, the sustainability-related targets should have been incorporated into the core strategy and group-wide reporting systems in the same way as other corporate targets.

The targets will be quantified and revised and the time horizon determined in 2024. Due to the current status, it is not possible to make a statement on this at present.

## 4. Depth of the value chain

*The company indicates the significance of sustainability aspects for value creation and the depth of its value chain for which sustainability criteria are reviewed.*

Sustainability generally has a high priority within our value chain. Our current Code of Conduct (CoC) already contains key sustainability aspects. Nevertheless, we will supplement these aspects in the future on the basis of the strategy yet to be developed.

In general, we endeavour to work with suppliers who achieve an above-average Corporate Sustainability Performance (CSP), among other factors. We currently source the main materials we need to manufacture our products from large companies in the Western European economic area with a lower risk profile. For their part, our main suppliers are subject to comprehensive sustainability requirements, currently and primarily the German Supply Chain Sustainability Obligations Act (LkSG), the Corporate Sustainability Reporting Directive (CSRD), and the European Sustainability Reporting Standards (ESRS).

We are currently integrating our suppliers as part of supplier audits and assessments. The focus here is on evaluating compliance with Regulation (EC) No. 1907/2006 (REACH Regulation) and EU Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive).

We currently integrate our customers personally via our sales and service network in addition to online formats, supporting our customers in the efficient and long-lasting use of our solutions. Specifically, this includes customer and product training on sustainable use and optimisation potential, such as the efficient management of large numbers of items by means of clear labelling and linking storage locations and items in our digital merchandise management system, by establishing reusable boxes in food retail to create an alternative to disposable packaging or the permanent labelling of (reusable) plastic pallets, containers, and trays for companies in a circular economy.

In connection with the above descriptions of the aspects of sustainability in the value chain, risks can arise, primarily in relation to resources. The latter relate to those human resources required to implement the measures described above, time resources and delivery times, and financial resources as well as pricing strategies and competition.

## Criteria 5-10 on PROCESS MANAGEMENT

### 5. Responsibility

*Responsibilities in corporate management for sustainability are disclosed.*

The overall coordination of the inotec group's sustainability issues will be the responsibility of a new sustainability office, which was filled from autumn 2023. It will report directly to the inotec group's management. This newly created sustainability office will therefore assume responsibility for sustainability for all inotec group companies together with the Executive Board. Recurring standards and structures for harmonisation will be developed and implemented as part of a continuous exchange of information.

As regards sustainability, the planned content is likely to include determining the strategic direction, defining and monitoring targets, analysing progress in the individual areas, and possibly adapting the direction to current conditions. By operationalising the new sustainability office, the inotec group is pursuing the goal of securing the future of the company in a sustainable manner in both a holistic and standardised manner.

In addition, close cooperation with management and involvement in the definition and implementation of the strategy should lead to sustainability aspects being anchored in all important management decisions. The function is deliberately located at the inotec group level in order to have a targeted impact on the individual companies in the group and to develop concepts for the respective inotec group company together with the local teams. Even if the two production sites have a greater relevance to sustainability, the smaller sites in particular should also be included and responsibility should be distributed to all managers in the inotec group.

### 6. Policies and processes

*The company discloses how the sustainability strategy is implemented through policies and processes in the operating business.*

A dedicated sustainability strategy is not formally integrated into the current corporate strategy. As part of our strategy development, we will integrate the sustainability aspects that are important to us as an integral part of our corporate strategy by 2026 and implement them in our operating business through rules and processes.



Our quality management system is currently certified in accordance with ISO 9001. In addition to the existing certification of the environmental management system in accordance with ISO 14001 for the Bad Berleburg site, we are also planning to carry out certification for the Neumünster site in the future, thereby placing further emphasis on expanding our continuous improvement processes as a means of achieving our defined environmental goals.

Our planned compliance guidelines will determine our behaviour with regard to certain sustainability issues. These guidelines are currently being rolled out both internally and for our business partners. In addition to those planned compliance guidelines, we plan to expand our existing CoC to include detailed sustainability aspects.

## 7. Controlling mechanisms

*The company discloses how and which sustainability performance indicators are used in regular internal planning and control, explaining how suitable processes ensure the reliability, comparability, and consistency of data for internal management and external communication.*

Ensuring transparency and the associated collection of certain performance indicators is essential for the management and monitoring of our sustainability targets. Performance indicators are regularly reviewed and tracked as part of the Executive Board meetings. In this committee, the Executive Board also discusses additional ideas and projects to improve the planning and implementation of sustainability issues. The aim is to quantify all key performance indicators in order to ensure the sustainable development of the areas of activity.

The following data is currently being collected:

- Energy consumption
- Water consumption
- Waste
- Procured raw materials
- Business travel
- Work related accidents
- Sick notes
- Training and further education programmes
- Demographic data

In order to be able to guarantee the reliability, comparability, and consistency of the data more comprehensively, it is important to collect further key data and key performance indicators (KPI's) in the future. In this context, the planned certification of the environmental management

system in accordance with ISO 14001 and the newly created sustainability office will also contribute to the monitoring of sustainability targets.

## Performance indicators for criteria 5 to 7

*Performance indicator GRI SRS-102-16: Values.*

*The reporting organisation shall disclose the following information:*

*a. a description of the organisation's values, principles, standards, and norms of behaviour.*

There are corporate guidelines on quality, safety, and environmental policies. These guidelines define, among other things, that

- We promote preventive measures to avoid accidents at work,
- We strive to minimise the use of energy and resources in our production processes, and
- Our aim is to avoid, or at least continuously reduce, waste in all production processes and to dispose of it responsibly.

These guidelines also form an important element of the Group's management principles. The corporate values of the inotec group were defined together with the company's managers and anchored as principles for managers in joint workshops. We also attach great importance to our communication with our workforce. We emphasise this, for example, in daily reports by email, on our shop floor, and at town hall meetings.

Our current CoC contains the following sustainability-oriented values, principles, standards, and norms of behaviour:

- Compliance with laws
- Integrity und Governance
- Human rights
- Data privacy
- Health and safety
- Harassment
- Freedom of expression
- Working conditions (according to the standards of the International Labour Organization - ILO)
- Working hours
- Environmental protection
- Employee participation

The current CoC will be expanded to include further sustainability aspects and detailed in the future. There are also plans to draw up

additional supplier guidelines and to take sustainability aspects into account when selecting suppliers in particular.

## 8. Incentive systems

*The company discloses how the target agreements and remuneration for managers and employees are also orientated towards the achievement of sustainability targets and long-term value creation. The extent to which the achievement of these targets is part of the evaluation of the top management level (Executive Board/Management Board) by the supervisory body (Supervisory Board/Advisory Board) is disclosed.*

We have a remuneration system that includes personal targets as part of variable remuneration. Another incentive system is the established continuous improvement process (CIP) and the company suggestion scheme. Employees have the opportunity to submit suggestions for improvements with a sustainability character. Management is responsible for evaluating these suggestions for improvement. It also keeps track of the suggestions received and informs the submitter of the decision and further implementation within four weeks of submission.

The published corporate values form part of the target agreements and remuneration for managers and employees. The values are also part of sustainable employee development and appraisal as well as feedback discussions. The Executive Board endeavours to establish sustainability targets for the top management level and thus also integrate sustainability aspects into the remuneration system. To this end, the new ESG manager will work with the Executive Board to develop corresponding targets and continuously determine the degree to which the targets have been achieved and, if necessary, introduce countermeasures. This process of defining specific targets will take place as part of the overarching development of the sustainability strategy in the course of 2024.

## Performance indicators for criteria 8

*Performance indicator GRI SRS-102-35: Remuneration policy.  
The reporting organisation shall disclose the following information:*

- a. our remuneration policy for the highest governance body and executives, broken down by the following types of remuneration:*
  - i. basic salaries and variable remuneration, including performance-based remuneration, share-based remuneration, bonuses, and deferred or conditionally allocated shares;*

- ii. employment bonuses or payments as a recruitment incentive;*
- iii. any compensation;*
- iv. any reclaims;*
- v. any pension benefits, including the distinction between pension plans and contribution rates for the highest governance body, executives and all other employees.*

*b. how performance criteria of the remuneration policy relate to the objectives of the highest governance body and senior management for economic, environmental, and social topics.*

a. and b.

For reasons related to competition, confidentiality, and data protection, no details are provided in this regard.

*Performance indicator GRI SRS-102-38: Total annual compensation ratio.  
The reporting organisation shall disclose the following information:*

*a. the ratio of the total annual compensation of the organisation's highest-paid individual in each country with a significant operation to the median total annual compensation for all employees (excluding the highest-paid individual) in the same country.*

For reasons related to competition, confidentiality, and data protection, no details are provided in this regard.

## **9. Stakeholder participation**

*The company discloses how socially and economically relevant stakeholder groups are identified and integrated into the sustainability process. It discloses whether and how a continuous dialogue is maintained with them and how its results are integrated into the sustainability process.*

Together with external experts and representatives of the shareholders, a stakeholder map was drawn up as part of a workshop, which lists a total of 13 stakeholder groups. These stakeholder groups were assessed on the basis of the criteria "Our influence on stakeholders" and "Stakeholder influence on our company". Priority 1 includes the following stakeholder groups, among others:

- Employees
- Customers
- Suppliers
- Works council

Our customers primarily come from the industrial, automotive, transport and logistics, medical and pharmaceutical, trade and services, and textile and cosmetics sectors. We currently source the main materials we need to manufacture our products from major suppliers in the Western European economic area.

The above-mentioned stakeholder groups are characterised by a high level of interest and great scope for influence.

Communication with the above-mentioned stakeholders is currently organised as follows:

As the hierarchies in the inotec group are generally kept flat, direct communication with employees is the order of the day, and they can get involved via the CIP and direct discussions. Important business, organisational or cultural matters are communicated in staff meetings and on the intranet. The works council also plays an important role here.

Customer and supplier support is holistic and ensured via specialised departments. Management holds discussions with customers and suppliers at a strategic level and thus supports the specialised departments.

Even if the above-mentioned stakeholders are already involved at present, this involvement is to be expanded and intensified through measures to be determined in the future.

## **Performance indicators for criteria 9**

*Performance indicator GRI SRS-102-44: Key topics and concerns.  
The reporting organisation shall disclose the following information:*

**a.** *important topics and concerns raised during stakeholder engagement, including:*

**i.** *how the organisation has responded to these important issues and concerns, including in its reporting;*

**ii.** *the stakeholder groups that have explored important topics and concerns in detail.*

The first important topics and concerns were identified as part of a workshop-based materiality analysis in October 2022. Examples include the topics of diversity, skills shortages, and CO2 / energy management.

We plan to complete an in-depth analysis based on these results and derive measures by the end of 2024.

## 10. Innovation and product management

*The company discloses how it uses suitable processes to ensure that innovations in products and services improve the sustainability of its own resource utilisation and that of users. For the main products and services, it also explains whether and how their current and future impact in the value chain and in the product life cycle is assessed.*

The Auto-ID solutions developed and sold by inotec group companies have a different impact on aspects of sustainability at different points in the life cycle. Above all, they improve sustainability for users by providing long-lasting track & trace solutions for the necessary transparency in supply chains and for the sustainable identification of products as part of a socially and ecologically consistent circular economy.

In our in-house Label Competence Centre (LCC), we are constantly working on new, more sustainable product innovations. One of the aims of our innovation and product management is to make our standardised and customised innovations and products more recyclable. The overarching focus of innovation and product management is to make our products more durable and sustainable.

In order to be able to introduce sustainable developments to users, customers are advised in consultations on various possible applications for the products and services offered in the inotec group's portfolio in addition to being supported in their subsequent introduction on the customer side.

The focus in the development of new Auto-ID solutions is on improving customer benefits, taking into account the aspects of Renew, Reduce, and Recycle. Approaches to this include:

- The substitution of fossil raw materials with renewable raw materials (e.g. plastic could be replaced proportionately by paper or cardboard)
- A reduction in the use of materials (e.g. new production processes/geometries could be developed and applied to reduce the use of resources and waste)

- The substitution of non-recyclable packaging and consumables with recyclable materials, e.g. in the context of distribution

Sustainability issues will take centre stage even more in the future when designing the product portfolio. Certain products have been and will be specifically removed from the portfolio and replaced with other products in order to improve our environmental footprint.

Various sustainability issues, such as a circular economy and resource efficiency, are actively and positively influenced by our business activities. The specific social and environmental contribution of both our Auto-ID solutions and machine systems is not yet measured. The reasons for this are the lack of a solid data basis and references for evaluation.

We are considering specifying how we contribute to improving the sustainability of our own resource utilisation and that of users through suitable processes for our product and service innovations. No quantitative data is currently available.

## Performance indicators for criteria 10

*Performance indicator G4-FS11.*

*Percentage of financial assets subject to positive or negative screening based on environmental or social factors.*

***(Note: the indicator must also be reported when reporting in accordance with GRI SRS)***

Financial investments are not currently assessed according to these criteria. However, in 2024 we will be working on a requirements profile that takes into account a positive or negative selection test based on environmental and/or social factors.



# CRITERIA 11-20: Sustainability aspects

## Criteria 11-13 on ENVIRONMENTAL CONCERNS

### 11. Use of natural resources

*The company discloses the extent to which natural resources are used for its business activities. This includes materials in addition to the input and output of water, soil, waste, energy, land, biodiversity, and emissions for the life cycle of products and services.*

Basic information is currently available on the criterion of the utilisation of natural resources. Due to the strategic relevance of the topic, the definition and implementation of corresponding measures will be one of the focal points of the new Sustainability Office in 2024. A sustainability concept, which incorporates the climate strategy, has been commissioned. This concept also includes the extent to which natural resources are utilised for business activities. This concept is the transformation concept of the Federal Office of Economics and Export Control (BAFA).

As part of this concept, we will specifically

- Balance energy flows as part of a GHG balance in accordance with DIN EN ISO 14064-1,
- Define energy efficiency measures
- Create an EDL-G compliant report.

The recorded actual state provides the starting point for our further transformation and consists of the corporate carbon footprint (CCF) and its distribution at process level. This, in turn, is the point of reference for our vision. The specific measures required to enable our transformation from our current state to the target state still require more precise definition.

Irrespective of the comprehensive transformation concept commissioned that will provide structured support in the planning and implementation of our transformation towards greenhouse gas neutrality, we already measure the utilisation of the following natural resources at a company level:

Neumünster site:

- Water: 642,38 m<sup>3</sup>/a – building operations



- Waste water: 642,38 m<sup>3</sup>/a – building operations
- Natural gas: 331.294 kWh/a – building operations
- Electricity: 515.343,081 kWh/a – building and machinery operations

Bad Berleburg site:

- Water: 52 m<sup>3</sup>/a – building operations
- Waste water: 52 m<sup>3</sup>/a – building operations
- Natural gas: 294.829 kWh/a – building operations
- Electricity: 73.102,61 kWh/a – building and machinery operations

The information provided for water and wastewater for the Neumünster site relates to the billing period 16/09/2021 to 05/09/2022. The information provided for water and wastewater for the Bad Berleburg site relates to the billing period 01/01/2022 to 31/12/2022. The standardised operational recording of the natural resources used will begin in 2024.

## 12. Management of resources

*The company discloses which qualitative and quantitative targets it has set for its resource efficiency, in particular the use of renewable energies, the increase in raw material productivity, and the reduction in the use of ecosystem services, including which measures and strategies it is pursuing in relation, how these have been fulfilled or are to be fulfilled, and where risks are foreseen.*

The Auto-ID solutions developed and marketed by our company improve sustainability for users by providing long-lasting track & trace solutions for the necessary transparency in supply chains and for the sustainable identification of products as part of a socially and ecologically consistent circular economy.

The inotec group has not currently set any qualitative or quantitative targets for resource efficiency, in particular as regards utilising renewable energies, increasing raw material productivity, and reducing the use of ecosystem services. Qualitative and quantitative targets will be set as part of the commissioned sustainability concept, which will incorporate the climate strategy. Based on the results of this transformation concept, we will carry out a risk analysis and then derive and implement measures in order to achieve our targets by the third quarter of 2024.

Irrespective of this, the electricity supply for the Neumünster site was switched to 100% certified green electricity from January of 2024. In addition, the waste heat from the production facilities has been utilised to heat the building for several years.

We are currently identifying potential means for improving resource efficiency in the following areas in particular:

- Purchasing/Procurement, e.g. by commissioning more sustainable suppliers as part of a supplier evaluation, which will be extended to include sustainability aims
- Production, e.g. by utilising more modern machines and systems
- Product Segments, e.g. by utilising the further coverage of circular economy cases
- Research and Development (R&D), e.g. by utilising more sustainable raw materials and reducing the use of materials
- Employee Qualification, e.g. through sustainability-related training and sensitisation
- Infrastructure, in particular by purchasing 100% green electricity with proof of origin, by reducing gas consumption, and by utilising waste heat/geothermal energy in addition to purchasing district heating

Further quantitative targets with corresponding time horizons are under consideration.

## Performance indicators for criteria 11 to 12

*Performance indicator GRI SRS-301-1: Materials used.*

*The reporting organisation shall disclose the following information:*

**a.** *the total weight or volume of materials used to manufacture and package the organisation's primary products and services during the reporting period, by evaluating:*

*i. non-renewable materials used;*

*ii. renewable materials used.*

There is currently no quantity recording of materials used. A corresponding measurement system for GHG emissions is being defined and implemented as part of the BAFA transformation concept. Further measures will be developed and implemented by the newly appointed sustainability unit. We are aiming to implement corresponding measures by the first quarter of 2025.

*Performance indicator GRI SRS-302-1: Energy consumption.*

*The reporting organisation shall disclose the following information:*

**a.** *the total fuel consumption within the organisation from non-renewable sources in joules or multiples thereof, including the types of fuel used.*

**b.** *the total fuel consumption within the organisation from renewable sources in*

*joules or multiples thereof, including the types of fuel used.*

**c.** *In joules, watt-hours, or multiples thereof, the total:*

- i. electricity consumption*
- ii. heating energy consumption*
- iii. cooling energy consumption*
- iv. steam consumption*

**d.** *In joules, watt-hours, or multiples thereof, the total:*

- i. electricity sold*
- ii. heating energy sold*
- iii. cooling energy sold*
- iv. steam sold*

**e.** *the total energy consumption within the organisation in joules or multiples thereof.*

**f.** *the standards, methodologies, assumptions, and/or calculation programme used.*

**g.** *the source of the conversion factors used.*

a. and b.

There is currently no measurement of fuel consumption differentiated by renewable and non-renewable sources. We are endeavouring to implement corresponding measures by the first quarter of 2025.

c.

We do not currently measure energy consumption broken down by heating/cooling energy consumption. The performance indicator "iv. Steam consumption" is not relevant for the inotec group.

i.

Electricity consumption at the Neumünster site: 515,343.081 kWh/a  
Electricity consumption at the Bad Berleburg site: 73,102.61 kWh/a

ii. / iii.

Heating energy consumption at the Neumünster site: 331,294 kWh/a  
Heating energy consumption at the Bad Berleburg site: 294,829 kWh/a

d.

Energy is not sold by the inotec group.

e.

The currently measurable total energy consumption of our locations in Neumünster and Bad Berleburg totalled 1,214,568.691 kWh/a in the reporting year.

f. and g.

The analysis and conversions are based on incoming invoices and meter readings.

*Performance indicator GRI SRS-302-4: Reduction of energy consumption.  
The reporting organisation shall disclose the following information:*

*a. the amount of the reduction in energy consumption achieved as a direct result of energy savings and energy efficiency initiatives, in joules or multiples thereof.*

*b. the types of energy included in the reduction of one or all of the following: fuel, electricity, heating, cooling, vapours.*

*c. the basis for calculating the reduction in energy consumption such as by base year or base/reference, including the related reasons.*

*d. the standards, methodologies, assumptions, and/or calculation programme used.*

a. to d.

A structured definition of our initiatives and the implementation of measures for the compliant measurement of energy savings are to be undertaken as part of the commissioned BAFA transformation concept.

Irrespective of this, we have already implemented specific measures to reduce energy consumption, e.g. switching to LED lighting and utilising waste heat to heat parts of the building.

*Performance indicator GRI SRS-303-3: Water withdrawal.*

*The reporting organisation must disclose the following information:*

*a. the total water withdrawal from all areas in megalitres and a breakdown of the total amount from the following sources (if applicable):*

*i. surface water;*

*ii. groundwater;*

*iii. seawater;*

*iv. produced water;*

*v. third-party water.*

*b. the total water withdrawal in megalitres from all areas of water stress and a breakdown of the total amount from the following sources (if applicable):*

*i. surface water;*

*ii. groundwater;*

*iii. seawater;*

*iv. produced water;*

*v. third-party water and a breakdown of the total volume according to the withdrawal sources listed in i-iv.*

*c. a breakdown of the total water withdrawal from each of the sources listed in 303-3-a and 303-3-b in megalitres by the following categories:*

- i. fresh water ( $\leq 1000$  mg/l filtrate dry residue (Total Dissolved Solids (TDS)));*
- ii. other water ( $> 1000$  mg/l filtrate dry residue (TDS)).*

*d. any necessary and relevant context on how the data was compiled, e.g. standards, methods, and assumptions.*

a. (i. and ii.) / b. (i. and ii.)  
Neumünster site:

- Water: 642,38 m<sup>3</sup>/a
- Waste water: 642,38 m<sup>3</sup>/a

Bad Berleburg site:

- Water: 52 m<sup>3</sup>/a
- Waste water: 52 m<sup>3</sup>/a

a. (iii. to v.) / b. (iii. to v.)  
No information currently available.

c. (i. to ii.)  
No information currently available.

d.  
The information provided for the Neumünster site for water and wastewater relates to the billing period from 16/09/2021 to 05/09/2022. The information provided for the Bad Berleburg site for water and wastewater relates to the billing period from 01/01/2022 to 31/12/2022. There is currently no further breakdown of water withdrawal. The water is purchased from municipal suppliers. The analyses are based on incoming invoices and meter readings.

*Performance indicator GRI SRS-306-3 (2020): Waste generated.  
The reporting organisation shall disclose the following information:*

*a. the total weight of waste generated in metric tonnes and a breakdown of this total by the composition of the waste.*

*b. the contextual information necessary to understand the data and how it was compiled.*

a.  
Total weight: 105.967 tonnes, comprising of

- Printing ink waste: 0.073 tonnes
- Developer: 1.925 tonnes
- Fixing tape: 0.25 tonnes
- Document destruction: 0.6 tonnes
- Mixed municipal waste: 77.86 tonnes

- Wood: 11.84 tonnes
- Plastic: 0.749 tonnes
- Waste disposal: 2 tonnes
- Cardboard: 10.67 tonnes

b.

There is currently no further breakdown of the waste generated.

The data was compiled from the waste register maintained by us in accordance with Section 24 NachwV for the Neumünster site and was originally based on the delivery notes and incoming invoices received from the recycling companies.

### 13. Climate-relevant emissions

*The company discloses its greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on this and states its internally set targets for reducing emissions.*

A sustainability concept, including our climate strategy, has been commissioned. This concept includes information on the extent to which natural resources are utilised for business activities. This concept is the so-called transformation concept of the Federal Office of Economics and Export Control (BAFA).

Within the framework of this concept, we will specifically

- Balance energy flows as part of a GHG balance in accordance with DIN EN ISO 14064-1,
- Define energy efficiency measures
- Create an EDL-G compliant report.

The recorded actual state will provide the starting point for our further transformation and consists of the corporate carbon footprint (CCF) and its distribution at process level. This, in turn, is the point of reference for our future vision. The measures required to enable our transformation from our current state to the target state still require definition.

We have not yet calculated GHG emissions. We are undertaking a calculation, and it will be finalised in the third quarter of 2024. In addition to this, reduction targets for GHG emissions will also be defined by the end of the third quarter of 2024.

## Performance indicators for criteria 13

*Performance indicator GRI SRS-305-1 (see GH-EN15): Direct GHG emissions (Scope 1).*

*The reporting organisation must disclose the following information:*

- a.** *the gross volume of direct GHG emissions (Scope 1) in tonnes of CO<sub>2</sub> equivalent.*
- b.** *the gases included in the calculation; either or all of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>.*
- c.** *biogenic CO<sub>2</sub> emissions in tonnes of CO<sub>2</sub> equivalent.*
- d.** *the base year selected for the calculation, if applicable, including:*
  - i. the reason for this choice;*
  - ii. emissions in the base year;*
  - iii. the context for all significant changes in emissions that led to the recalculation of base year emissions.*
- e.** *the source of the emission factors and the global warming potential (GWP) values utilised or a reference to the GWP source.*
- f.** *the consolidation approach adopted for any issues, whether the equity share approach, or financial or operational control.*
- g.** *the standards, methodologies, assumptions, and/or calculation programme used.*

**a. to g.**

Direct GHG emissions (Scope 1) are to be calculated as part of the BAFA transformation concept currently in progress by the third quarter of 2024.

*Performance indicator GRI SRS-305-2: Indirect energy-related GHG emissions (Scope 2).*

*The reporting organisation shall disclose the following information:*

- a.** *The gross volume of indirect energy-related GHG emissions (Scope 2) in tonnes of CO<sub>2</sub> equivalent.*
- b.** *where applicable, the gross volume of market-based indirect energy-related GHG emissions (Scope 2) in tonnes of CO<sub>2</sub> equivalent.*
- c.** *if applicable, the gases included in the calculation; either or all CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC, SF<sub>6</sub>, NF<sub>3</sub>.*



- d. the base year selected for the calculation, if applicable, including:
  - i. the reason for this choice;*
  - ii. of emissions in the base year;*
  - iii. of the context for all significant changes in emissions that led to the recalculation of base year emissions.**
- e. the source of the emission factors and the global warming potential (GWP) values used or a reference to the GWP source.*
- f. the consolidation approach adopted for issues; whether the equity share approach, or financial or operational control.*
- g. the standards, methodologies, assumptions, and/or calculation programmes used.*

**a. to g.**

Indirect energy-related GHG emissions (Scope 2) will be calculated by the third quarter of 2024 as part of the BAFA transformation concept currently in progress.

*Performance indicator GRI SRS-305-3: other indirect GHG emissions (Scope 3).*

*The reporting organisation shall disclose the following information:*

- a. the gross volume of indirect energy-related GHG emissions (Scope 2) in tonnes of CO<sub>2</sub> equivalent.*
- b. where applicable, the gross volume of market-based indirect energy-related GHG emissions (Scope 2) in tonnes of CO<sub>2</sub> equivalent.*
- c. if applicable, the gases included in the calculation; either or all CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC, SF<sub>6</sub>, NF<sub>3</sub>.*
- d. the base year selected for the calculation, if applicable, including:
  - i. the reason for the choice;*
  - ii. emissions in the base year;*
  - iii. the context of all significant changes in emissions that led to the recalculation of base year emissions.**
- e. the source of the emission factors and the global warming potential (GWP) values used, or a reference to the GWP source.*
- f. the consolidation approach for issues; whether the equity share approach, or financial or operational control.*
- g. the standards, methodologies, assumptions, and/or calculation programmes used.*



a. to g.

Indirect energy-related GHG emissions (Scope 2) will be calculated by the third quarter of 2024 as part of the BAFA transformation concept currently in progress.

*A calculation of other indirect GHG emissions (Scope 3) is planned as part of the BAFA transformation concept currently in progress by the first quarter of 2024.*

*Performance indicator GRI SRS-305-5: Reduction of GHG emissions.*

*The reporting organisation must disclose the following information:*

*a. the extent of GHG emission reductions that are a direct result of emission reduction initiatives, in tonnes of CO<sub>2</sub> equivalents.*

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

*c. the base year or baseline/reference, including the justification for the choice.*

*d. the categories (scopes) in which the reduction has occurred, whether for direct (scope 1), indirect energy-related (scope 2) and/or other indirect (scope 3) GHG emissions.*

*e. the standards, methodologies, assumptions, and/or calculation programmes used.*

a. to e.

An initial calculation will be made as part of the BAFA transformation concept currently in progress by the third quarter of 2024, meaning that no quantitative statements on the reduction of GHG emissions are possible for the 2022 reporting year.

## Criteria 14-20 on SOCIETY

## Criteria 14-16 on EMPLOYEE RELATIONS

### 14. Employee rights

*The company reports on how it complies with nationally and internationally recognised standards on employee rights and promotes the participation of employees in the company and in the company's sustainability management,*

*what goals it has set itself in this regard, what results have been achieved to date, and where risks are foreseen.*

The inotec group is active in the following countries (see also the "General information" section):

- Germany
- France
- United Kingdom
- The Netherlands
- The Czech Republic

Compliance with the applicable employee rights at the respective national levels is part of the governance of all inotec group companies.

The employee rights regulated in Germany (which are very high by European and international standards) are respected and fully implemented by the organisation. We therefore do not currently see any increased risks for our employees.

We have implemented specific measures to promote employee rights in the following areas:

- The training and deployment of company first aiders
- The introduction of health management (e.g. ergonomics in the workplace)
- The provision of training and personal equipment to improve occupational safety / health and safety at work
- The implementation of company reintegration managements
- The recording of working times

Employees are involved in sustainability management via the CIP and the internal suggestion scheme. Employees are also involved and informed via the works council, regular personal exchanges, and notices and displays.

There are currently no further specific objectives or targets relating to employee rights. The definition and implementation of further aspects relating to employee rights will be carried out in the future by the newly appointed sustainability office and will be incorporated into the development of a holistic sustainability strategy in 2024 and made measurable.

## **15. Equality of opportunity**

*The company discloses how it implements national and international processes in addition to what goals it has in order to promote equal opportunities and*

*diversity, occupational health and safety, co-determination, the integration of migrants and people with disabilities, fair pay and work-life balance, including information on how it will implement these goals.*

Compliance with equal opportunities at the respective national levels is part of the governance of all inotec Group companies. The primary objective here is to prevent or proactively avoid discrimination on the grounds of gender, disability, age, sexual identity, ethnic origin, or religion or ideology, among others.

We respect and fully implement the laws and regulations required in Germany (which are very high by European and international standards). We do not therefore currently see any increased risks.

The inotec group operates company units in various countries (see the "General information" section), maintains international business relationships, and employs staff from different nations and cultures. Every employee contributes different strengths and approaches to our value creation processes in the spirit of co-operative and cross-group cooperation.

In line with our social responsibility as a company, the inotec group assigns suitable sub-operations to social organisations. At the Neumünster site, for example, we have a long-standing collaboration with the Lebenshilfswerk Neumünster GmbH workshops.

We regularly develop instruments and regulations to support a desired work-life balance. Current instruments include:

- Regulations on mobile working (up to 100% in cases of need, e.g. after parental leave)
- Arrangements for flexible working hours
- The employment of temporary staff to bridge peak workloads

This goes hand in hand with the continuous development of autonomous work within a trusting corporate culture and improved organisation of working hours to meet individual needs. Mobile working has a positive ecological effect by reducing commuter traffic and the resulting CO2 emissions.

An intensive internal and cross-company dialogue develops from good human and personal contacts. We promote these contacts, for example, with regular site visits and various activities, e.g. as part of management development programs or summer parties. A face-to-face meeting of all the inotec group managers took place for the first time in 2022 as part of the management development programme and will be held regularly in

the future. Sustainability-related topics will also be addressed in this context.

One of our strengths is the diversity of our employees. All employees and managers treat each other with openness and tolerance. This means, for example, that we treat our employees and applicants in accordance with the General Equal Treatment Act (AGG) regardless of their age, gender, ethnic origin, sexual orientation, religion or world view, or any disabilities/handicaps.

Internal reintegration management also aims to create a working environment based on cooperation, commitment, and an appreciation of all colleagues at the company. Severely disabled colleagues and colleagues with any impairments should be treated equally.

To promote health management and in view of the fact that, according to the German Social Accident Insurance (DGUV), more than 100,000 people die of a sudden cardiac death in Germany every year, we have voluntarily equipped our work area with a defibrillator (AED).

The newly appointed sustainability officer will be closely involved in the planning of further equal opportunities measures in the future and will therefore also influence the inotec group's HR policy. In this context, a further quantification of the relevant aspects will also take place, which should be finalised over the next two years.

## 16. Qualification

*The company discloses what goals it has set and what measures it has taken to promote employability, i.e. the ability of all employees to participate in the world of work and professional life, and to adapt to demographic developments, including where risks are foreseen.*

The aim of our HR development programme is to support our employees in preparing for current and future requirements in their areas of work by offering targeted internal and external training opportunities and promoting their further development. Our annual employee appraisals serve to identify personal development goals and the necessary training requirements.

We not only think in terms of innovation at product level but also when it comes to optimising our position for the future. We believe in training the best specialists ourselves. We also believe that we have a social responsibility to train skilled labour. As a training company, we are thus meeting the challenges of demographic changes and the resulting shortage of skilled labour. Here, for example, we are specifically involved in the vocational training of industrial clerks and machine/plant operators.

Our aim has always been to take on all trainees as permanent employees and, with one exception, we have been able to achieve this.

We offer all our employees an extensive and varied range of internal and external training programs. This includes specialist training financed by us, management development, and in-service training programmes. As part of our management development programme, for example, we have developed and implemented the following courses in collaboration with the renowned European School of Management and Technology Berlin (ESMT):

- Strategy development
- Negotiation strategy
- Lean management
- Value-orientated corporate management
- Change management
- Culture and innovation
- Cyber security
- ESG

We have established various collaboration structures and exchange formats within the inotec group. For example, we promote interdisciplinary and cross-location exchanges and further training via our cross-company "Thursday Talk" and our group-wide Leadership Excellence Programme. The core topics of our Leadership Excellence Programme are our corporate values and guiding principles and the derivation of necessary training requirements, e.g. with regard to employee, conflict, and feedback discussions.

With regard to junior staff and the general development of potential in the sense of basic social and corporate responsibility, the inotec group is convinced of the potential of employees who may not have a formal qualification but have professional experience and potential over and above the requirements and measures described above. For this reason, we employ unskilled labour, who we train internally and place in regular permanent positions. We also give young people an insight into the world of work with school and university internships.

The areas of social, legal, economic, scientific, and technical progress have an impact on our industry, our company, and its functions. The continuous development and qualification/training of employees is therefore highly significant in order to continue to do a good job in these changing conditions. If these qualification opportunities are not available, this could pose a risk to our business activities. The newly appointed Sustainability Office will define and implement further qualification measures in the future. In this context, a further quantification of the

relevant aspects will also take place, which should be completed in the next two years.

## Performance indicators for criteria 14 to 16

*Performance indicator GRI SRS-403-9: Work-related injuries.  
The reporting organisation shall disclose the following information:*

**a.** for all employees:

- i.* the number and rate of fatalities due to work-related injuries;
- ii.* the number and rate of work-related injuries with serious consequences (excluding fatalities);
- iii.* the number and rate of documentable work-related injuries;
- iv.* the main types of work-related injuries;
- v.* the number of hours worked.

**b.** for all employees who are not employees but whose work and/or workplace is controlled by the organisation:

- i.* the number and rate of fatalities due to work-related injuries;
- ii.* the number and rate of work-related injuries with serious consequences (excluding fatalities);
- iii.* the number and rate of documentable work-related injuries;
- iv.* the main types of work-related injuries;
- v.* the number of hours worked.

**Points c-g of the SRS 403-9 indicator can be taken from the GRI and reported here voluntarily.**

*Performance indicator GRI SRS-403-10: Work-related illnesses.  
The reporting organisation shall disclose the following information:*

**a.** for all employees:

- i.* the number and rate of fatalities due to work-related illnesses;
- ii.* the number of documentable work-related illnesses;
- iii.* the main types of work-related illnesses;

**b.** for all workers who are not employees but whose work and/or workplace is controlled by the organisation:

- i.* the number of fatalities due to work-related diseases;
- ii.* the number of documentable work-related illnesses;
- iii.* the main types of work-related illnesses.

**Points c-e of the indicator SRS 403-10 can be taken from GRI and reported here voluntarily.**

### Performance indicator GRI SRS-403-9: Work-related injuries

- a.
  - i. 0
  - ii. 0
  - iii. 7
  - iv. cuts and impact injuries
  - v. 130,189.72 hours

- b.
  - i. 0
  - ii. 0
  - iii. 1
  - iv. impact injuries
  - v. for employees who are not salaried staff but whose work and/or workplace is controlled by the organisation (temporary workers), no quantitative overview of the total number of hours worked is currently compiled. The hours will be quantified over the course of the next year.

We keep a manual first aid book ("accident book") in which we record all first aid measures performed in writing. This serves as proof that damage to health has occurred during an insured activity. The entry is made regardless of the severity of an injury. Further specific figures are not to be published here. In the future, we will increase the integration of proactive occupational health and safety measures and set up appropriate occupational health and safety statistics.

The inotec group already organises proactive and recurring occupational health and safety training for its employees.

### **Performance indicator GRI SRS-403-10 Work-related illnesses**

We look after our employees and take illnesses very seriously. Work-related illnesses are currently not specifically recorded. Occupational illnesses are examined by the employers' liability insurance association after an employee applies for recognition. The employer's liability insurance association then decides whether the application will be recognised. In 2022 and in previous years, no enquiries were undertaken. We plan to develop and implement further internal measures for the prevention of work-related illnesses in the future.



**Performance indicator GRI SRS-403-4: Employee participation in occupational health and safety**

*The reporting organisation shall disclose the following information for employees and staff who are not direct employees but whose work and/or workplace is controlled by the organisation:*

*a. a description of the procedures for employee participation and consultation in the development, implementation, and performance evaluation of the occupational health and safety management system in addition to those for providing access to and communicating relevant occupational health and safety information to employees.*

*b. if there are formal employer-employee health and safety committees, a description of their responsibilities, frequency of meetings, decision-making authority, in addition to whether (and if so, why) employees are not represented on these committees.*

a.

We have a system for submitting suggestions for improvement (CIP) and an internal suggestion scheme. These systems can also be used to submit ideas on occupational health and safety. In order to make workplaces safer, the role of the occupational safety specialist is filled by external qualified experts from B-A-D Gesundheitsvorsorge und Sicherheitstechnik GmbH. Our internally appointed safety officer is, in turn, responsible for implementing any agreed measures. No ideas on occupational safety were submitted for the 2022 reporting year.

b.

Our quarterly Occupational Safety Committee (ASA) essentially brings together employees involved in occupational safety and accident prevention to discuss occupational safety matters. Management is invited to attend in addition to the occupational safety specialist, the production manager, the safety officer, and the works council as participants. The core topics of this committee are the presentation/coordination of risk assessments and any resulting measures for improvement. In addition,



any necessary adjustments to existing guidelines, regulations, and instructions are initiated.

*Performance indicator GRI SRS-404-1 (see G4-LA9): Hours of training and education*

*The reporting organisation shall disclose the following information:*

**a.** *the average number of hours of training and development provided to an organisation's employees during the reporting period, broken down by:*

*i.* Gender;

*ii.* Employee category.

i. and ii

A detailed breakdown by gender / employee category is currently not possible. However, we are planning to develop and implement further differentiations in this regard.

This differentiation will be part of the development of the overarching sustainability strategy in 2024, in which compliance and human resources measures and targets will also be defined.

For the reporting period, we were nevertheless able to record an average of 4 hours for the training and development of our employees.

*Performance indicator GRI SRS-405-1: Diversity*

*The reporting organisation shall disclose the following information:*

**a.** *the percentage of individuals in an organisation's governance bodies in each of the following diversity categories:*

*i.* Gender;

*ii.* Age group: under 30 years old, 30-50 years old, over 50 years old;

*iii.* Other diversity indicators (such as minorities or vulnerable groups), if applicable.

**b.** *the percentage of employees per employee category in each of the following diversity categories:*

*i.* Gender;

*ii.* Age group: under 30 years old, 30-50 years old, over 50 years old;

*iii.* if applicable, other diversity indicators (such as minorities or vulnerable groups).

a. and b.

The information below relates to the status as of 9 February 2023. The quantitative statements on management positions relate to all positions with a management function. Additional governance and compliance structures applicable to all portfolio companies will be developed by the

shareholder together with an external service provider by the end of 2024.

- a.  
The Management Board as a supervisory body consists of two persons.
  - i.  
100% male
  - ii.  
0% (< 30 years old) / 50% (30-50 years old) / 50% (>50 years old)
  - iii.  
There are no other diversity indicators. The employment relationship is terminated at the latest when the standard retirement age for statutory pension insurance is reached.
  
- b.
  - i.  
Total: 47% male / 53% female  
Management positions: 87.5% male / 12.5% female  
Salaried employees: 42.6% male / 57.4% female
  - ii.  
Management positions: 0% (< 30 years old) / 50% (30-50 years old) / 50% (>50 years old)  
Salaried employees: 16.2% (< 30 years old) / 35.3% (30-50 years old) / 48.5% (>50 years old);
  - iii.  
There are no other diversity indicators.

*Performance indicator GRI SRS-406-1: Incidents of discrimination.  
The reporting organisation shall disclose the following information:*

- a.** *the total number of incidents of discrimination during the reporting period.*
  
- b.** *the status of incidents and actions taken in relation to the following:*
  - i.** *any incidents reviewed by the organisation;*
  - ii.** *any remediation plans implemented;*
  - iii.** *any corrective action plans that have been implemented and for which the results have been assessed as part of a routine internal management review process;*
  - iv.** *any incident that is no longer the subject of action or complaint.*

a. and b.

No incidents of discrimination were reported in the 2022 reporting year.

## Criterion 17 on HUMAN RIGHTS

### 17. Human rights

*The company discloses which measures, strategies, and objectives are taken for the company and its supply chain to ensure that human rights are respected worldwide and that forced and child labour or any form of exploitation are prevented. The results of the measures and any risks must also be addressed.*

Respect for human rights is an essential part of the corporate policy of all companies in the inotec group. Within this framework, we support compliance with internationally recognised human rights. We respect the personal dignity, privacy, and personal rights of every individual. We protect and respect the right to freedom of opinion and expression. We therefore do not tolerate any unacceptable treatment of employees, e.g. through physical and/or psychological hardship, sexual and/or personal harassment or discrimination.

Based on our high standards, we strive to work with suppliers who achieve an above-average Corporate Sustainability Performance (CSP) and expect us and our suppliers to have social standards that are ideally above average. We currently source the main materials we require to manufacture our products from large companies in the Western European economic area which present a low risk. For their part, our main suppliers are subject to comprehensive sustainability-related requirements, primarily and at present the German Supply Chain Sustainability Obligations Act (LkSG), the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Our current CoC contains the following human rights-related values, principles, standards, and norms of behaviour:

- Law compliance
- Human rights
- Data protection
- Harassment
- Freedom of expression

We only foresee risks relating to human rights aspects indirectly along the value chain. These risks can be categorised as minimal, as we follow

the standards described above and a binding CoC and, in accordance, select our partners and suppliers carefully.

The measures listed below are planned to further minimise the risks.

As part of the LkSG, we manage human rights and environmental issues both in our own business area and in our supply chain. The currently valid CoC will be supplemented and detailed in the future to include further human rights-related aspects. There are also plans to develop an additional supplier guideline. It is planned that the newly appointed sustainability unit will define and implement further measures for qualification and quantification in the future. The latter is to go hand in hand with the development of our sustainability strategy and its associated targets in 2024.

## Performance indicators for criteria 17

*Performance indicator GRI SRS-412-3: Investment agreements screened for human rights impacts.*

*The reporting organisation shall disclose the following information:*

*a. the total number and percentage of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening.*

*b. the definition of "significant investment agreements" used.*

a. and b.

The inotec group's rules of procedure regulate, among other things, investments and contracts that are considered material. As part of quarterly reporting, investments (including plans, realisations and changes, in addition to legal and regulatory aspects) must also be taken into account. There is currently no explicit breakdown of the total number and percentage of significant investment agreements and contracts.

However, the current CoC will be supplemented and detailed in the future to include further human rights-related aspects. There are also plans to develop an additional supplier guideline. The newly appointed Sustainability Office will define and implement further measures for qualification and quantification in 2024.

*Performance indicator GRI SRS-412-1: Operations screened for human rights impacts*

*The reporting organisation shall disclose the following information:*

*a. the total number and percentage of operations that have undergone human rights screening or human rights impact assessments, by country.*

The inotec group has operating sites in Western Europe. We therefore believe that there is only a very low risk of human rights not being respected. An explicit review of the operating sites for human rights aspects is therefore not undertaken.

However, the currently valid CoC will be supplemented and detailed in the future to include further human rights-related aspects. There are also plans to develop an additional supplier guideline. The newly appointed Sustainability Office will define and implement further measures in 2024.

For the 2022 reporting year, there were no findings or indications of human rights violations with regard to work performed or our suppliers. In the future, we will develop and implement suitable measures to reduce the risk of human rights violations.

*Performance indicator GRI SRS-414-1: New suppliers screened for social aspects.*

*The reporting organisation shall disclose the following information:*

**a.** *the percentage of new suppliers that were screened using social criteria.*

We currently assess new suppliers on the basis of the following criteria with different weightings:

- Complaints
- Delivery times
- Delayed deliveries

Social aspects are therefore not currently an explicit component of this supplier evaluation. However, the newly appointed sustainability unit will define and implement further measures in this regard in the future. The latter is to go hand in hand with the development of the sustainability strategy and associated targets in 2024.

*Performance indicator GRI SRS-414-2: Social impacts in the supply chain.  
The reporting organisation shall disclose the following information:*

**a.** *the number of suppliers screened for social impacts.*

**b.** *the number of suppliers identified as having significant actual and potential negative social impacts.*

**c.** *any significant current and potential negative social impacts identified in the supply chain.*

*d. the percentage of suppliers with significant current and potential negative social impacts identified in addition to improvements agreed as a result of the assessment.*

*e. the percentage of suppliers identified as having significant current and potential negative social impacts including for which the business relationship was terminated as a result and the reasons for this decision.*

a. to e.

The social impact in our supply chain is currently not actively monitored. Therefore, no figures or percentages can be provided at present.

The social impact is to be made measurable and verifiable in the supplier guidelines to be developed.

The newly appointed sustainability unit will define and implement further measures for qualification and quantification in future. The latter is to go hand in hand with the development of the sustainability strategy and associated targets in 2024.

## Criterion 18 on SOCIAL/COMMUNITY

### 18. Community

*The company discloses how it contributes to the community in the regions in which it conducts significant business activities.*

Sustainable and responsible business activities are an integral part of our understanding as a company. In doing so, we take into account the impact that our business has not only on society in general but also in regions relevant to us.

As an important employer in our region, we implement the following measures:

- Every year, we give our "Christmas donation" to local charitable organisations, e.g. Neumünster Zoo and DoppelpASS e.V.
- Any prize money received (e.g. from product prizes at trade fairs) is donated to charitable and social organisations and topped up by the company, e.g. to the children's food bank Tafel Neumünster e.V.
- We support local sports clubs with financial sponsorships and personal commitments, e.g. VfL Bad Berleburg 1863 e.V. through identitytag GmbH
- We support the Rotary Club in Neumünster with personal commitments

- We promote and support voluntary activities, e.g. long-term youth coaching activities at SV Wasbek von 1947 e.V. with personal commitments

## Performance indicators for criteria 18

*Performance indicator GRI SRS-201-1: Direct economic value generated and distributed.*

*The reporting organisation shall disclose the following information:*

*a. the economic value generated and distributed on a time-apportioned basis, including the basic components of the organisation's global operations, as listed below. If data is presented as a revenue expenditure account in addition to disclosing the following basic components, the rationale for this decision must also be disclosed:*

*i. direct economic value generated: revenues;*

*ii. economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to the state broken down by country and investments at local level;*

*iii. retained economic value: "direct economic value generated" less "economic value distributed".*

*b. economic value generated and economic value distributed must be reported separately at the national, regional, or market level where relevant, and the criteria used to determine significance must be stated.*

a. and b.

Detailed information on the economic value directly generated and distributed is not published for competitive reasons. Please refer to the information published in the Federal Gazette as part of our annual financial statements.

## Criteria 19-20 on COMPLIANCE

### 19. Political influence

*All significant submissions to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments, and all donations to parties and politicians should be disclosed, differentiated by country.*

Our business activities are influenced by a large number of laws/regulations at the EU, federal, and state level. As a company, we do



not exert any active political influence. For us, this means above all that we do not support any parties and/or politicians with donations.

The inotec group is a member of the following organisations and associations, which jointly represent company interests in politics and in legislative procedures:

- The German Association of the Automotive Industry (VDA)
- The German Logistics Association (BVL)
- GS1 Germany GmbH

## Performance indicators for criteria 19

*Performance Indicator GRI SRS-415-1: Political Contributions.*

*The reporting organisation shall disclose the following information:*

*a. the total monetary value of political contributions in the form of financial contributions and in-kind contributions made directly or indirectly by the organisation, listed by country and recipient/beneficiary.*

*b. if applicable, how the monetary value of benefits in kind was estimated.*

a. and b.

No party donations in the form of financial contributions or benefits in kind were made directly or indirectly by the inotec group for the 2022 reporting year or for previous years.

## 20. Behaviour in compliance with the law and guidelines

*The company discloses which measures, standards, systems, and processes are in place to prevent unlawful behaviour and corruption in particular, how they are reviewed, what results are available, and where risks lie. It describes how corruption and other violations of the law are prevented, detected, and sanctioned within the company.*

Within the inotec group, a consistent dual control principle is applied to key corporate decisions, which also takes into account sales and purchasing activities. Governance and compliance structures that go beyond this and apply to all portfolio companies will be developed by the shareholder together with an external service provider over the coming months. The newly appointed sustainability office will define and



implement further measures in the area of behaviour that complies with the law and guidelines (including a whistleblower system).

Despite our medium-sized company structure, we have our annual financial statements audited and certified by a Big Four company. We do this because we are convinced that the comprehensive knowledge and quality of service available there will strengthen the trust of our stakeholders.

To ensure legally and ethically correct behaviour on the part of all employees, staff, managers and directors, there are guiding standards that guarantee this in line with our corporate values and all associated regulations, rules, and laws. This includes the following measures:

- Audits
- Annual training courses
- Annual and quarterly reports of actions and measures to the owners (duty of supervision)

For the 2022 reporting year, we have no findings or indications that any cases of corruption occurred. Furthermore, no explicit risks have been identified that have a negative impact on the fight against corruption and bribery. In the future, we will develop and implement suitable measures to reduce the risk of corruption cases being breached.

These measures in addition to specific targets for the compliance area are to be created and implemented as part of the development of the overarching sustainability strategy in 2024.

## Performance indicators on criteria 20

*Performance indicator GRI SRS-205-1: Operations assessed for risks related to corruption*

*The reporting organisation shall disclose the following information:*

***a.** the total number and percentage of operations that have been screened for risks related to corruption.*

***b.** any significant corruption risks identified in the risk assessment.*

a. and b.

We do not currently actively check our operating sites for corruption risks. However, we have defined and implemented appropriate operational controls based on the dual control principle, particularly in the areas of purchasing/procurement and sales.

Additional governance and compliance structures applicable to all portfolio companies will be developed by the shareholder together with

an external service provider in the coming months. The newly appointed Sustainability Office will also define and implement further measures to mitigate corruption risks in the future (e.g. as part of a risk assessment of operating sites based on the Corruption Perceptions Index - CPI).

For the 2022 reporting year, we have no findings or indications that any cases of corruption occurred.

*Performance indicator GRI SRS-205-3: Incidents of corruption.  
The reporting organisation shall report the following information:*

- a. the total number and nature of confirmed incidents of corruption.*
- b. the total number of confirmed incidents of employees dismissed or disciplined for corruption.*
- c. the total number of confirmed incidents of contracts with business partners that were cancelled or not renewed due to corruption-related violations.*
- d. any public legal proceedings related to corruption initiated against the organisation or its employees during the reporting period and the outcomes of these proceedings.*

a. to d.

For the 2022 reporting year, we have no findings or indications that any cases of corruption occurred. In the future, we will develop and implement suitable measures to reduce the risk of cases of corruption.

*Performance indicator GRI SRS-419-1: Non-compliance with laws and regulations.*

*The reporting organisation shall disclose the following information:*

- a. any significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area, namely:
  - i. the total monetary value of significant fines;*
  - ii. the total number of non-monetary sanctions;*
  - iii. any cases brought forward in the context of dispute resolution procedures.**

*b. if the organisation has not identified a case of non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.*

*c. the context in which significant fines and non-monetary sanctions were imposed.*

a. to c.

For the 2022 reporting year, we have no findings or indications that there was any material non-compliance with laws and/or regulations. In the future, we will develop and implement suitable measures to reduce the risk of non-compliance with laws and regulations.

