# SUSTAINABILITY REPORT

## 2023

# Contents

# Preface

Dear readers,

Global environmental pollution and climate change challenges are more pressing than ever. Forest fires, biodiversity loss, and extreme weather events in Germany and around the world are just some of the examples that make it clear that we need to act quickly. Companies have a responsibility to make a significant contribution to solving these challenges. We at Berger act consciously and consistently in line with this responsibility.

Environmental protection has long been part of our corporate strategy. More than 15 years ago, we introduced an environmental management system in accordance with the ISO 14001 standard to structurally anchor resource-conserving action. We have also systematically recorded greenhouse gas emissions from our direct business activities in Germany for several years.

With this framework, we can now determine the greenhouse gas emissions of all plants so that we can present a sustainability report with key emissions figures that include all Berger plants worldwide. The Berger Group remains committed to achieving climate neutrality within this framework by 2030. As a further important step, we are delighted that we have launched a comprehensive assessment and balancing of our greenhouse gas emissions from Scope 3, the upstream and downstream value chain. This will enable us to understand better and specifically address the impact on the climate along the entire value chain.

In addition to our focus on environmental sustainability, we are particularly committed to our employees in the area of social issues. We see health as our most valuable asset, so we promote it with a wide range of targeted measures. This provides us with a solid foundation for our performance and resilience.

The increase in regulatory requirements means that we have to deal increasingly intensively with the issues surrounding sustainability and corporate due diligence in our supply chain. We continually monitor significant developments and changes so that we can react early and prepare for them in the best possible way. Of course, this applies not only to legal obligations but also to sustainability-related requirements from our markets.

However, sustainability transformation and the change in the mobility sector offer us not only challenges and risks but, above all, opportunities.
Together with you – our employees, customers, and partners – we are shaping part of the future.
We invite you to join us on this journey.

**Karin Berger-Haggenmiller**
*CEO*

# 1. General Disclosures

## 1.1 Basis for preparation

### Scope of consolidation

The Berger Group's sustainability report is prepared on a consolidated basis. In previous years, the Sustainability Report referred exclusively to the German Group, but in this year's report, all Berger Group locations have been included to provide a detailed and comprehensive picture of the Berger Group's global sustainability performance.

The boundaries of the sustainability report include all wholly owned subsidiaries of Berger Holding GmbH & Co. KG, Berger Holding International GmbH, and Berger Asia Holding GmbH following the respective financial statements. That means that all relevant production plants and subsidiary companies are now included. This expansion demonstrates the Berger Group's commitment to pursuing sustainability management and sustainability goals even more consistently at a global level in the future. The relevant production companies are:

- Alois Berger GmbH & Co. KG, High Tech Zerspanung (Memmingen, DE)
- A. Berger Präzisionsdrehteile GmbH & Co. KG (Ottobeuren, DE)
- Berger Feintechnik GmbH (Ummendorf, DE)
- Alois Berger GmbH & Co. Präzisions-Maschinenbauteile KG (Wertach, DE)
- ABH Berger Härtetechnik GmbH & Co. KG (Memmingen, DE)
- A. Berger Polska Sp. Z o.o. (Kedzierzyn-Kozle, PL)
- A. Berger Inc. (Spartanburg, US)
- A. Berger Precision Ltd. (Brampton, CA)
- Berger Precision (Kunshan) Co., Ltd. (Kunshan, CN)
- ProProTec Präzisionswerkzeuge GmbH & Co. KG (Memmingen, DE)
- A. B. Bergomat Maschinenbau GmbH & Co. KG (Memmingen, DE)

This sustainability report covers the whole year that is used for the financial statements and is ending on December 31, 2023, the financial year of the financial reports. Selected relevant information from 2024 to the publication date of the report is also included.

The Beinventive Innovation Office (Kempten, DE) and various management companies within the scope of consolidation of Berger Holding GmbH & Co. KG are not operationally active and are not considered material for the Group's comprehensive sustainability presentation, so they are only partially taken into account.

## Comparability of the sustainability reports

Due to the expansion of the reporting boundaries with the inclusion of the subsidiaries of Berger Holding International GmbH & Co. KG in the Sustainability Report, but also due to different definitions of key indicators by the European Sustainability Reporting Standards (ESRS), comparability with data from previous Sustainability Reports is only possible to a limited extent. To ensure the best possible comparability with the Sustainability Report 2022, the Appendix contains tables of key figures from the previous year's report, augmented by the current figures from 2023.

It is also not yet possible to provide all of the previous year's figures for this report because, for example, certain data was only collected in the reporting year, and it would be very difficult or impossible to collect data retrospectively. For instance, this is the case for greenhouse gas emissions in Scope 3.

## Launch phase for the new standards

Berger has decided to align its 2023 Sustainability Report with the ESRS. These new standards will become mandatory for Berger when the consolidated financial statements for the 2025 financial year are published. For the voluntary sustainability reports in 2023 and 2024, Berger is opting for an individual approach and an introductory phase outside the phase-in options and provisions for omitting information in accordance with the ESRS. Data points that cannot be entirely determined are provisionally withheld. The Berger Group uses this individual and free approach as an inventory and gap analysis for the upcoming reporting obligations. Existing data gaps can thus be identified and systematically closed to create a complete and compliant information and data basis by the report for the 2025 financial year.

## 1.2 Governance

### Structure of the controlling body

The Berger Group's executive board consists of four positions: the Chief Executive Officer (Managing Director), the Chief Financial Officer (until December 2024), the Chief Operating Officer, and the Chief Sales Officer. An advisory board supports the executive board with five members with many years of occupational experience. The proportion of women on the advisory and executive boards is 11%.

### Role of the controlling body in the context of sustainability

As Managing Director of the Berger Group, Dr. Klaus Rudolf Mäusl (until November 15, 2024) is responsible for all sustainability-related matters within the company. In particular, this includes determining the strategic direction of corporate sustainability and defining the corresponding targets. Practical implementation is the task of sustainability management, which works closely with the executive board. Regular workshops are held to exchange information on sustainability topics and project status, thus providing the basis for further decisions.

Sustainability-related risks and opportunities are to be integrated into the existing risk management system. In the future, risks resulting from the supply chain will also be systematically recorded and assessed. Risk management also has regular coordination meetings with the executive board and affected departments to ensure that all relevant risks and opportunities can be identified and addressed promptly.

### Corporate Due Diligence

Regarding meeting due diligence obligations, particularly in the context of the German Supply Chain Due Diligence Act (LkSG), the Berger Group has already made preparations to meet the legal requirements that will be binding for the national holding company from January 1, 2024. More detailed information and corresponding references to information on due diligence by ESRS 2 GOV-4 will follow in the coming years.

## 1.3 Strategy and business model

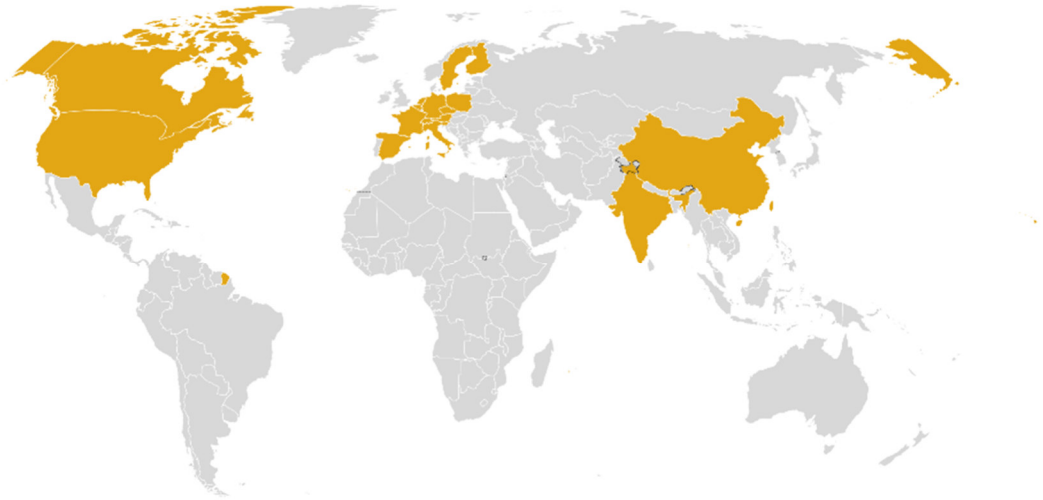
### Product portfolio

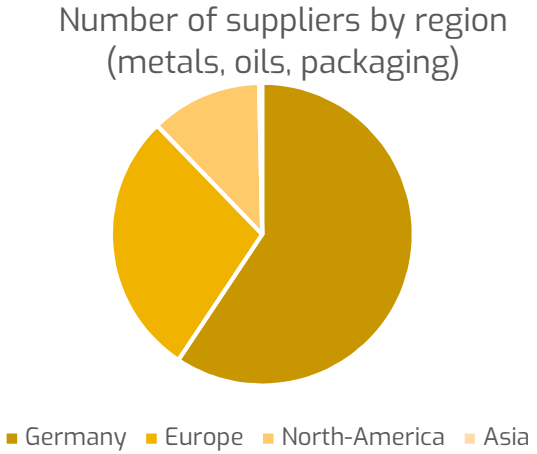
The Berger Group is one of the world's leading suppliers of high-precision turned, milled, and ground parts manufactured in small and large series. The product range includes parts of various sizes and complexities to meet individual and specific customer needs. There is also an area with internal hardening technology, which makes it possible to modify the material properties of the manufactured parts in a planned manner and thus improve the hardness and strength of the products, for example. In addition, the production of machine components, such as ball screws and components for electric engines, is one of the company's key areas of expertise.

## Value chain

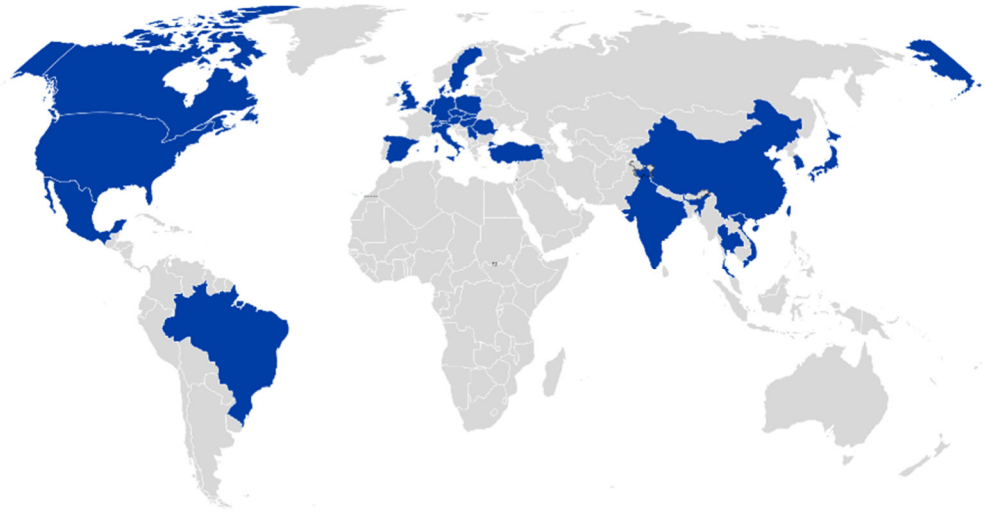
For Berger, value creation begins with procuring high-quality materials, primarily steel and metal alloys, mainly sourced from Germany. In addition to the use of specialized machines with state-of-the-art production technology, lubricants are another essential resource. Production is carried out using energy and the know-how of the 2,552 (annual average, incl. temporary workers)

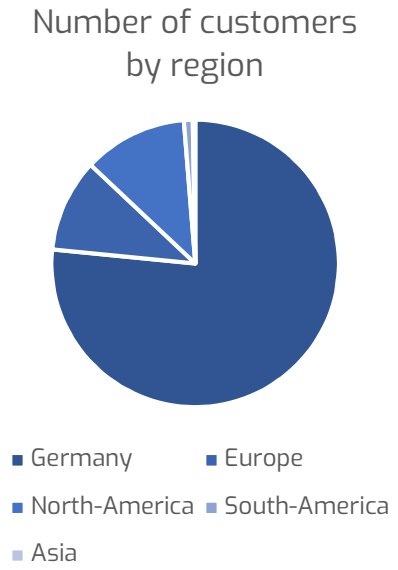
Most of Berger's customers come from the automotive industry, both in the passenger and commercial vehicle sectors. Berger supplies vehicle manufacturers as well as their suppliers. In addition to parts for combustion engines, the Berger Group also manufactures components for chassis, brake cylinders, hydraulics, and steering. Besides the automotive industry, other important customer segments include mechanical engineering, aerospace, and medical technology.





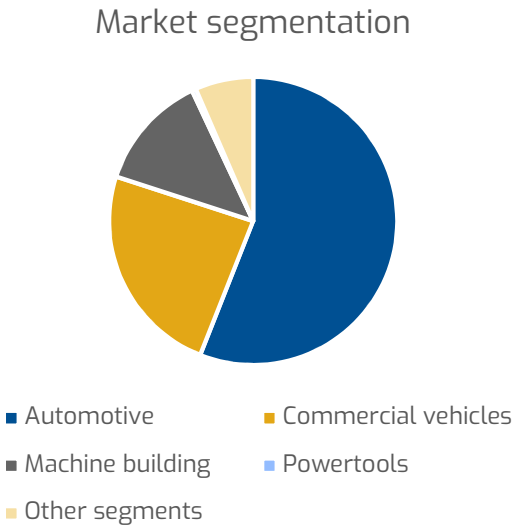

With the product groups offered, the entire Berger Group generated revenue of EUR 326.4 million in the reporting year.






## Transformation in the mobility sector

A particular challenge in the automotive industry's value chain is the global sustainability transformation in the mobility sector. Berger is focusing on developing innovative solutions and strengthening and expanding expertise to meet the growing and changing requirements of the automotive industry and the needs of associated areas. Through continuous adaptation and ongoing development, the Berger Group ensures that it remains a preferred production service provider and partner in a rapidly changing industry.



## Round table of stakeholder


## Stakeholder involvement

Berger emphasizes the regular involvement of various stakeholders to ensure that their concerns and expectations are taken into account throughout its business operations. These internal and external stakeholders include employees, customers, suppliers, investors, and representatives of the local communities in which the Berger Group operates. Berger has always carefully examined all aspects of past discussions and incorporated concerns into strategic considerations wherever possible. Possible interests and views of the most important stakeholder groups are described in the round table of stakeholder perspectives above.

### Cooperative materiality assessment

A key objective for the future is to further intensify the involvement of these stakeholders in the materiality analysis in accordance with ESRS. The focus will be on identifying relevant impacts, risks, and opportunities that are important for the Berger Group from the stakeholders' perspective.

This cooperative approach will enable Berger to obtain well-founded results from the materiality analysis. Including different perspectives will ensure that the topics and aspects identified reflect the company-specific priorities as well as stakeholders' expectations and concerns.

## 1.4 Material topics and areas of focus

As part of the double materiality assessment, the following topics were identified as the key topics for the Berger Group:

- Climate change (E1) und
- Own workforce (S1).

These two topics are the strategic focus and subject of the report due to their material risks and opportunities for the company and their impact on stakeholders. It is expected that they will remain relevant in the coming years. For this reason, the Berger Group is focusing on these two topics and has not yet included other topics in accordance with the ESRS in this report - in line with the individual launch phase. Instead, information from previous sustainability reports on areas such as water, use of materials, waste, and the company's community engagement is included in this year's report.

The material impacts and risks identified are presented by topic in the following diagram:

**The double materiality assessment within the framework of the CSRD considers two perspectives:**

1. **potential and actual impacts of the company on the environment and society,**
   e.g., environmental pollution or human rights violations
2. **sustainability-related aspects that can influence the company's financial performance (risks and opportunities),**
   e.g., costs due to climate change or reputational damage.

The focus here is primarily on identifying negative effects and risks in order to improve problematic areas of activity. Positive effects and opportunities may exist in certain aspects, but are considered less intensively.

| | | |
|---|---|---|
| **Climate change** | | |
| Energy consumption | Negative Impact | Energy-intensive material processing leads to particularly high energy consumption |
| Greenhouse gas emissions | Negative Impact | Due to high energy consumption and the considerable product footprint of the purchased metals |
| Global transformation in the mobility sector | Risk (transitional) | The switch to alternative technologies is changing the market embedding both, risks and opportunities |
| Extreme weather events | Risk (physical) | Availability of raw materials can be impaired and security of supply threatened, which can lead to production interruptions |
| **Water** | | |
| Water withdrawal and consumption | Negative Impact | A lot of water is withdrawn and used for cooling processes |
| Water shortage | Risk | Lack of cooling water could restrict production operations |
| **Own Workforce** | | |
| Accidents at work | Negative Impact | There is an increased risk of accidents and injuries in the production process |
| Shortage of skilled workers | Risk | The lack of qualified specialists can cause disruptions in production processes and reduce production capacity |

## 1.5 Methodology of the material analysis: overview and approach

In 2023, Berger carried out a double materiality assessment for the first time, using the ESRS drafts as a guide. The process consisted of four steps:

- Determining the stakeholders
- Identifying impacts, risks, and opportunities
- Assigning the identified aspects to the ESRS topics and
- Evaluating the topics

**1. Identification of the stakeholders**

The starting point for this was an existing internal process. In this process, the list of relevant stakeholders is reviewed annually by the management and specialist departments and supplemented if necessary. The stakeholders are then categorized according to their expectations of the company. This process forms the basis of the materiality assessment, as it already provides initial insights into sustainability-related risks, opportunities, and impacts. As a particularly important element, climate change will be taken into account directly in this process in the future when considering stakeholder expectations.

**2. Identification of impacts, risks and opportunities**

In this step, potential and actual impacts and risks were identified and considered from the perspective of the various stakeholder groups. The topics and sub-topics of the ESRS were taken into account. Specialist of different departments within the Berger Group contributed their expertise to ensure that all relevant aspects were covered.

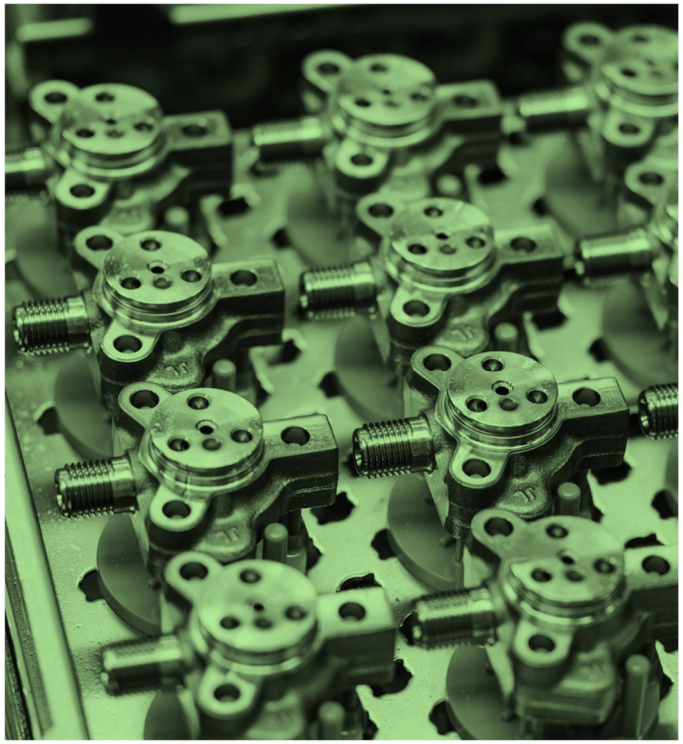
**3. Assignment to topics and subtopics**

The identified impacts, risks, and opportunities were then assigned to the corresponding ESRS topics. This step enables a final evaluation at the ESRS topic level.

## 4. Evaluation of the topics and sub-topics

In the final step, the identified impacts, risks, and opportunities were assessed individually or thematically summarized. The first step was determining the period over which an impact or risk could occur (short, medium, or long-term). The potential and actual impacts were then assessed according to their extent. Negative effects were also assessed in terms of their reversibility. The risks and opportunities were evaluated based on their extent and probability of occurrence.

Finally, all evaluations were standardized, and a ranking was created to prioritize the most material topics.



# 2. Environmental Information

## 2.1. Climate change mitigation and adaption

### Policies

Sustainability represents a corporate value of the Berger Group and is consequently reflected in our corporate policy. This policy emphasizes ecological responsibility towards society and future generations. The key elements are the responsible use of resources, the goal of minimizing emissions as far as possible and the continuous improvement of energy efficiency. These values and guidelines apply to all Berger Group sites and every employee.

In concrete terms, this is expressed at Berger in the following ways:

**/ Changing the energy supply** to renewable sources. This is an important step towards reducing dependence on fossil fuels and increasing the proportion of renewable energies in our energy mix.

**/ Reduction of greenhouse gas emissions** Berger is committed to consistently reducing greenhouse gas emissions, with the long-term goal of achieving greenhouse gas neutrality.

**/ Strengthening competencies** for new or transforming markets: The Berger Group strives to expand its competencies in new and changing markets. This will enable Berger to minimize transition risks related to climate change and, at the same time, capitalize on the opportunities arising from these market changes.

# Climate change mitigation

In 2023, the Berger Group implemented and initiated various measures to advance its climate protection strategy and further reduce the environmental impact at its locations.

## Expansion of renewable energies

The Berger Group has continued building additional photovoltaic systems at its German locations. The aim is to increase electricity production from these installations to 2,500 MWh next year, thus further expanding the proportion of energy generated from renewable sources. More than EUR 2.5 million euro has been earmarked for these projects.

Besides the photovoltaic installations, other more environmentally friendly technologies, such as groundwater cooling or heat pumps, were advanced or implemented. These measures complement the existing initiatives to utilize waste heat and the project of expanding the cooling network at the Memmingen site to further increase the plant's energy efficiency.

## Emission reduction and transparency

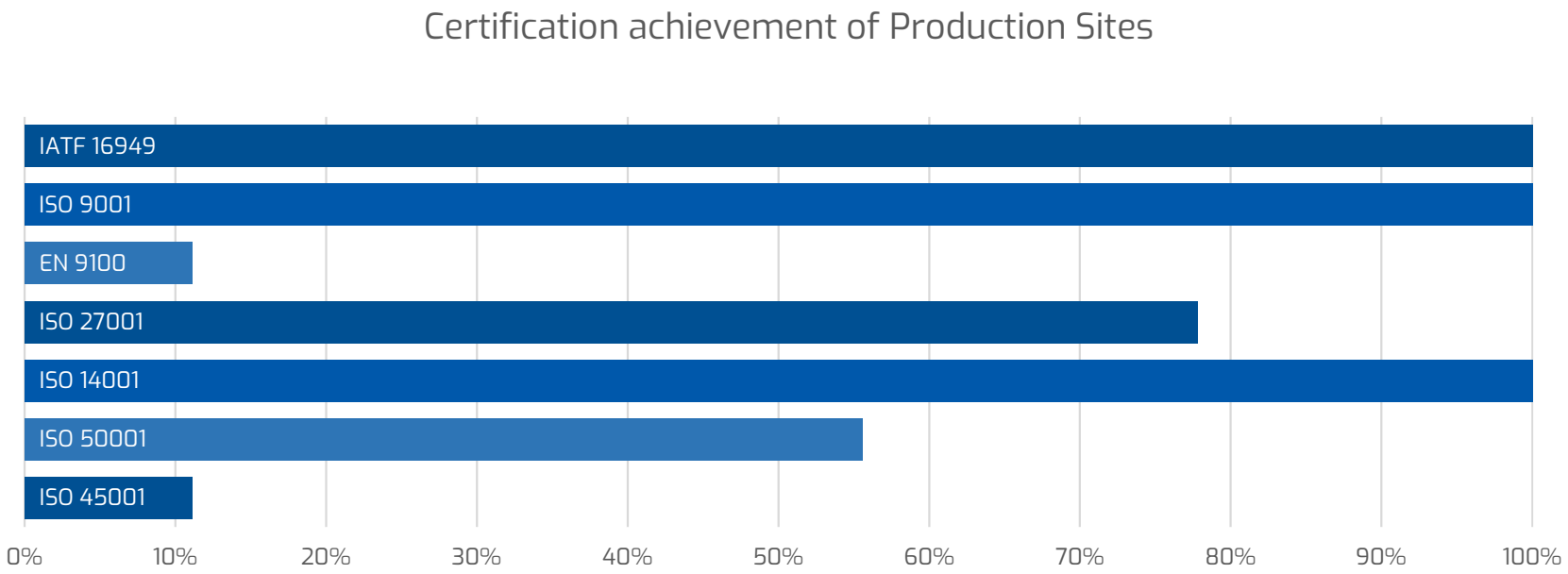
By joining the "Climate Neutral Allgäu" alliance, the Berger Group has committed itself to consistently reducing its Scope 1 and 2 greenhouse gas (GHG) emissions (in accordance with the Greenhouse Gas Protocol), with the long-term goal of achieving greenhouse gas neutrality by avoiding, reducing and offsetting greenhouse gas emissions. Berger reinforces this commitment by increasing transparency through participation in the Carbon Disclosure Project. In 2023, the Ottobeuren site achieved a C rating. For 2024, it is planned to extend the CDP reporting scope to all German plants in order to achieve more comprehensive reporting and greater transparency. As a groundbreaking step, in 2023, the company started to evaluate its Scope 3 emissions. The current status of this process is described in detail in this report.

Allgäu BÜNDNIS Klimaneutrales Allgäu 2030

## Environmental certification and sustainability awareness

All production sites of the Berger Group continue to be ISO 14001 certified, confirming the company's commitment to environmental protection. In addition, the German sites are ISO 50001 certified to ensure systematic and efficient energy use.

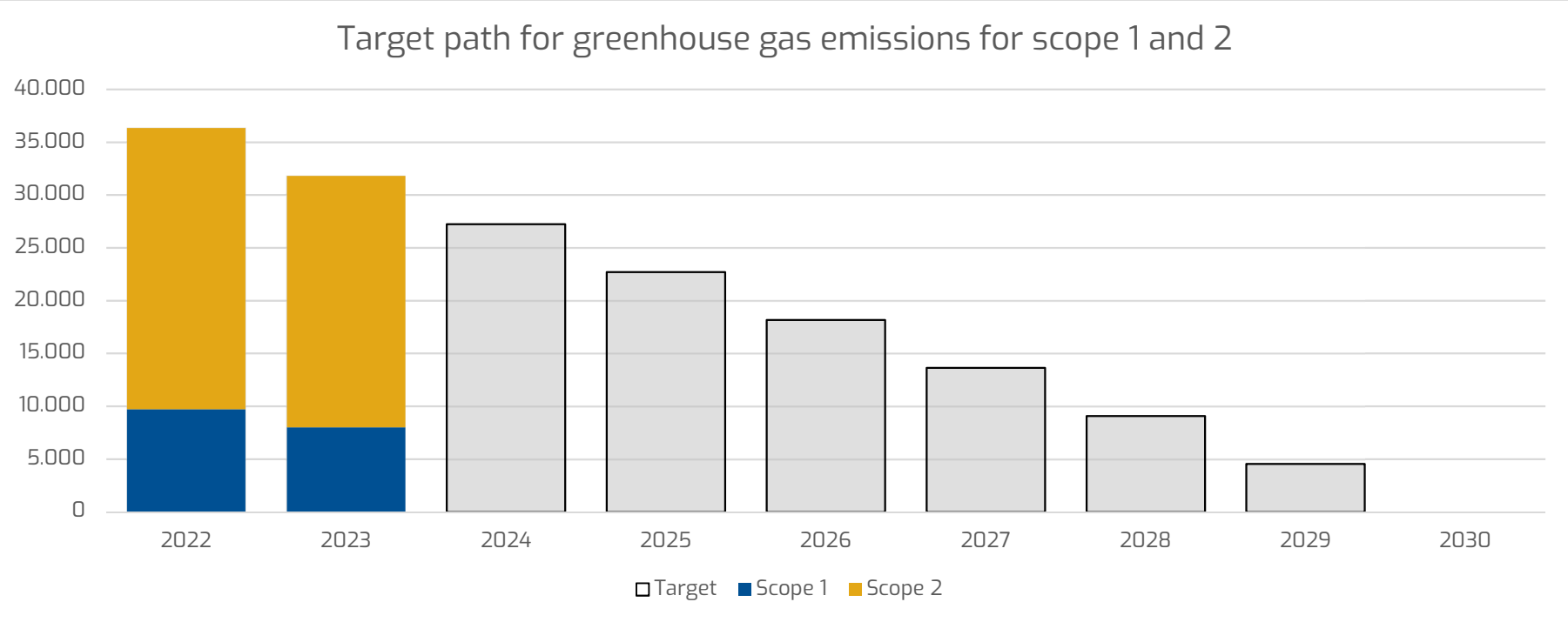
Berger also integrates sustainability in training. Apprentices are trained as energy and resource scouts to develop an early awareness of environmentally friendly processes and practices. In addition, apprentices are involved in projects such as planting trees on the company premises and caring for a bee colony at the Ottobeuren site.



## Emission Target

By joining the "Bündnis Klimaneutrales Allgäu" (Alliance for a Climate Neutral Allgäu), Berger has committed itself to achieving climate neutrality for its global Scope 1 and 2 greenhouse gas emissions by 2030. This goal is pursued with a linear reduction path and annual reduction targets. Within the framework of the Alliance, emissions must be avoided, reduced, or offset year by year following this reduction path. The figure "Target pathway for greenhouse gas emissions" illustrates this pathway for the reduction of greenhouse gas emissions from Scope 1 and 2 (gray) and shows the emissions from the base year 2022 as well as the emissions for the year 2023 (colored), taking into account the reduced and offset emissions in both scopes.

The Berger Group will also explore the option of setting science-based emission targets.



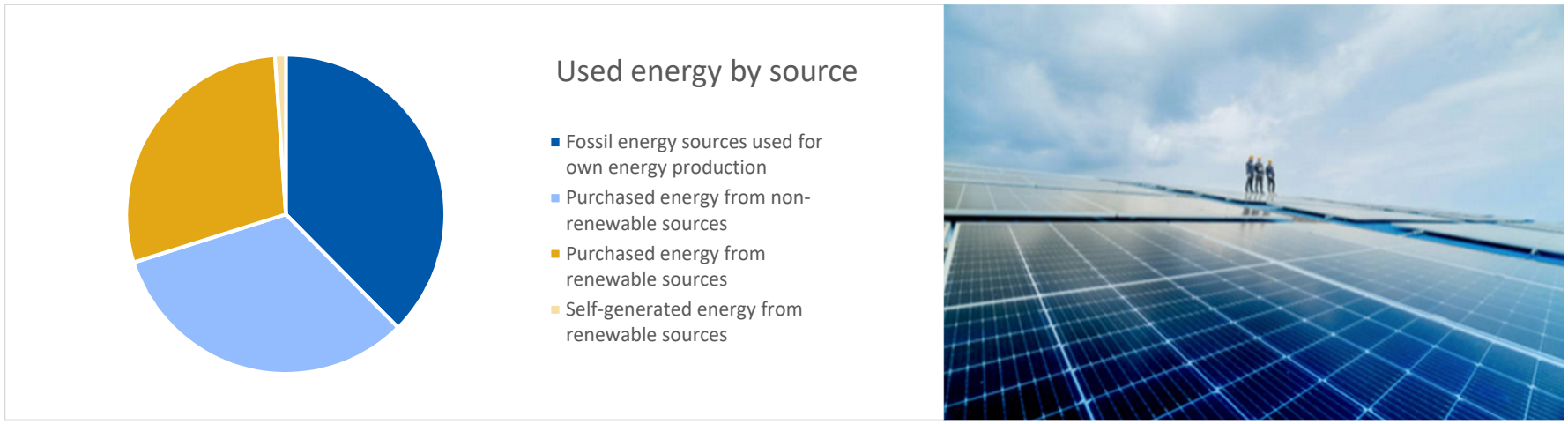
## 2.2. Energy data

The Berger Group's total energy consumption in 2023 remained almost at the previous year's level. The doubling of the Group's own production of renewable electricity compared with the previous year is particularly positive. This is an expression of the measures for the continuous expansion of renewable energies.

Purchased electricity and natural gas largely covered the energy required for production. Natural gas was used, in particular, for the cogeneration of heat, cold, and electricity.

The total consumption of fossil fuels is the sum of our own consumption of fossil fuels (of which approximately 97% is natural gas) and the share of fossil fuels in our purchased electricity mix. The consumption of nuclear energy also comes exclusively from the purchased electricity mix. Berger's electricity supplier provided the electricity mix data for the German plants. The latest available values (2022) were used for both years. An average country or region-specific electricity mix was applied for the other sites. The renewable components of the fuels were not considered in this calculation. More than 450 MWh of electricity fed into the grid in 2023 has not been deducted from the following table, as the ESRS requires.

The total energy consumption and annual revenue of the entire Group result in an energy intensity of 0.33 kilowatt hours per euro of revenue, representing a slight improvement over the previous year (0.34 kWh/€ of revenue).



As these figures have been calculated according to the new ESRS method and differ from the method used in previous years, a comparison with the figures from the Sustainability Report 2022 is not reliable. Comparative figures based on the old method can be found in the Appendix.

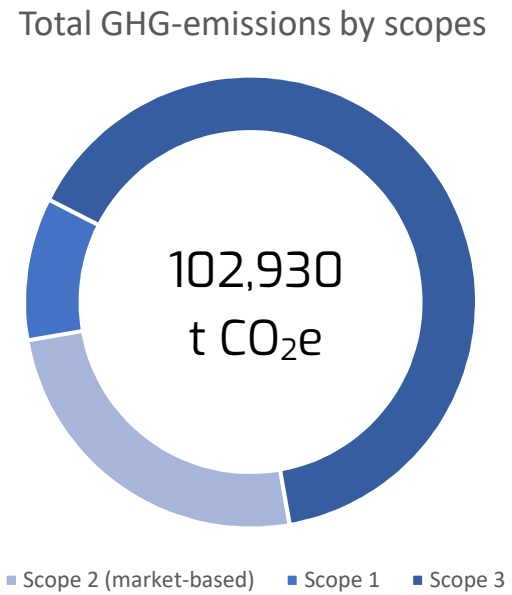
| Energy consumption and mix | 2022 | 2023 |
|---|---|---|
| Total fossil energy consumption (MWh) | 69,045 | 68,956 |
| Share of fossil energy consumption in total energy consumption (%) | 63.4 | 63.6 |
| Consumption from nuclear sources (MWh) | 7,240 | 7,031 |
| Share of consumption from nuclear sources in total energy consumption (%) | 6.6% | 6.5% |
| Consumption of purchased or acquired electricity, heat, steam, and cooling form renewable sources (MWh) | 32,114 | 31,188 |
| Consumption of self-generated non-fuel renewable energy (MWh) | 520 | 1,183 |
| Total renewable energy consumption (MWh) | 32,634 | 32,371 |
| Share of renewable sources in total energy consumption (%) | 30.0% | 29.9% |
| Total energy consumption (MWh) | **108,920** | **108,357** |

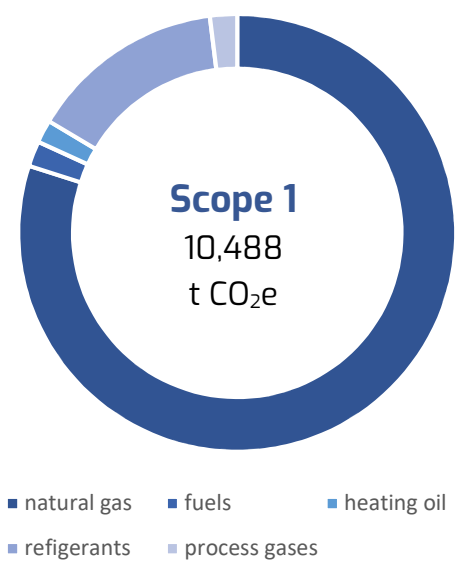
## 2.3. Emission data

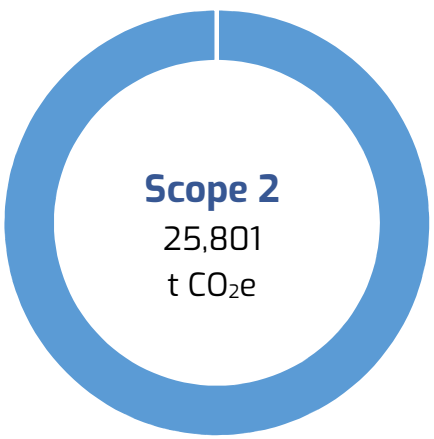
For several years now, Berger has been reporting Scope 1 and Scope 2 greenhouse gas (GHG) emissions from its German plants. This year, for the first time, emissions from all non-German sites were also included in the reporting.

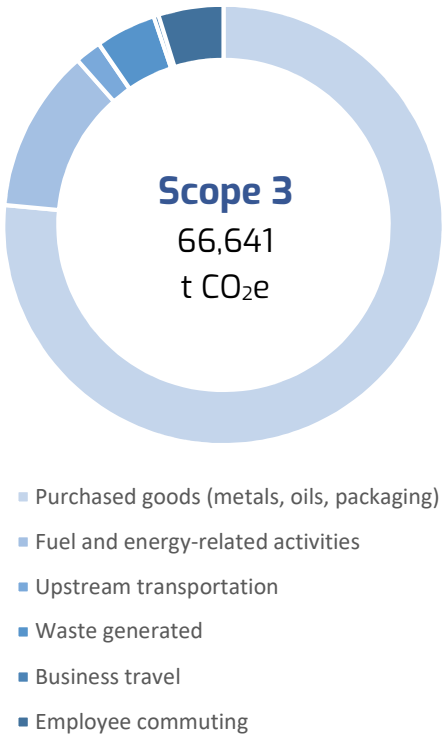
In addition, a comprehensive screening was carried out in 2023 and the reporting of Scope 3 emissions was initiated in accordance with the GHG Protocol. This first data inventory covers all sites and only includes data from fiscal year 2023 for the time being. At the time of publication of this report, the evaluation of Scope 3 emissions had not been fully completed, as significant Scope 3 emission categories had been prioritized. Even within the category "purchased products," the initial focus was on large groups of goods that play a central role in Berger's core business. These include metals, oils, and packaging.

Since some data could not be completely collected for all sites, the current greenhouse gas emissions inventory contains estimates and extrapolations to provide a picture of greenhouse gas emissions as comprehensively as possible. The Berger Group's GHG intensity for 2023 was calculated based on the Group's revenues (see above). Due to incomplete or missing Scope 3 emissions from 2022, the total GHG emissions and the GHG intensity are not comparable when considering the total GHG emissions from 2022 and 2023. Therefore, gaps have been intentionally left in the tables. Instead, the THG intensity of Scope 1 and 2 emissions has been calculated and reported to allow a comparison with the previous year. Detailed information on methodological limitations and estimates can be found in the accounting policies at the end of this section.






As a partner in the "Bündnis Klimaneutrales Allgäu" (Alliance for a Climate Neutral Allgäu), the Berger Group's emissions are also calculated by an external body. This body acts as a control body for verifying and confirming the Berger Group's calculated figures. We are working together to further increase the accuracy of the data and identify any inaccuracies.

| | 2022 | 2023 | % |
|---|---|---|---|
| **Gross Scope 1 GHG emissions (t $CO_2e$)** | 9,712 | 10,488 | +8,0 |
| **Gross location-based Scope 2 GHG emissions (t $CO_2e$)** | 28,619 | 27,644 | -3.4 |
| **Gross market-based Scope 2 GHG emissions (t $CO_2e$)** | 26,678 | 25,801 | -3.3 |
| **Total Gross indirect (Scope 3) GHG emissions (t $CO_2e$)** | | 66,641 | |
| 1 Purchased goods and services (metals, oils, packaging) (t $CO_2e$) | | 50,943 | |
| 3 Fuel and energy-related activities (not includes in Scope 1 or 2) (t $CO_2e$) | | 8,007 | |
| 4 Upstream transportation and distribution (t $CO_2e$) | | 1,294 | |
| 5 Waste generated in operations (t $CO_2e$) | | 2,973 | |
| 6 Business traveling (t $CO_2e$) | | 242 | |
| 7 Employee commuting (t $CO_2e$) | | 3,182 | |
| **Total GHG emissions (location-based) (t $CO_2e$)** | | 104,773 | |
| **Total GHG emissions (market-based) (t $CO_2e$)** | | 102,930 | |

| GHG intensity per revenue | 2022 | 2023 | % |
|---|---|---|---|
| Total GHG emissions (location-based) per net revenue (g CO2e/ €) | | 325.6 | |
| Total GHG emissions (market-based) per net revenue (g CO2e/ €) | | 319.9 | |
| | | | |
| Scope 1 and 2 GHG emissions (location-based) per net revenue (g CO2e/ €) | 120.8 | 117.0 | -3.1 |
| Scope 1 and 2 GHG emissions (market-based) per net revenue (g CO2e/ €) | 114.6 | 111.4 | -2.8 |

## Carbon offsetting and $CO_2$ price

As part of the "Bündnis Klimaneutrales Allgäu" (Alliance for a Climate Neutral Allgäu), Berger has offset 5,008 metric tons of CO2e outside its value chain for the reporting year 2023. This was done through a Gold Standard-certified reduction project that supports the construction of photovoltaic systems in India. As part of the offsetting agreement, regional climate protection measures will also be supported with 20,000 euros via the Allgäu Climate Fund.

The Berger Group does not yet use an internal CO2 price to manage emissions.

## 2.4. Information on water, use of materials and waste

### Water

Since the last Sustainability Report, the method for recording water consumption has been adapted to the ESRS's definitions and guidelines, enabling more precise recording and evaluation of water withdrawal and use at the Berger Group sites. For a comparison with the previous year, please refer to the Appendix.

| | |
|---|---|
| Water withdrawal ($m^3$) | 912,726 |
| Water discharge ($m^3$) | 905,891 |
| Water consumption ($m^3$) | 6,835 |

More than 90% of the Berger Group's total water withdrawal takes place at two German sites and is used exclusively for cooling processes. The groundwater and river water extracted circulate within closed systems and are completely discharged back to the source. The water temperature is slightly increased, but there are no further qualitative changes. Regular inspections by the local water authority ensure compliance with environmental standards during this process.

According to the World Resources Institute, the water stress indicator for the Berger sites in Germany and Poland ranges from 0 to 40 percent, which is classified as low to moderate. In contrast, the water stress indicator for the Berger sites in Brampton, Spartanburg, and Kunshan is above 40%. This indicates a higher stress on local water resources. These three sites account for less than 5% of the Berger Group's total water consumption, so the overall risk to Berger and the environmental impact is currently considered low.

**According to the World Resource Institute Baseline water stress is described as: the ratio of total water demand to available renewable surface and groundwater supplies. Water demand include domestic, industrial, irrigation, and livestock uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users. Further information at www.wri.org**

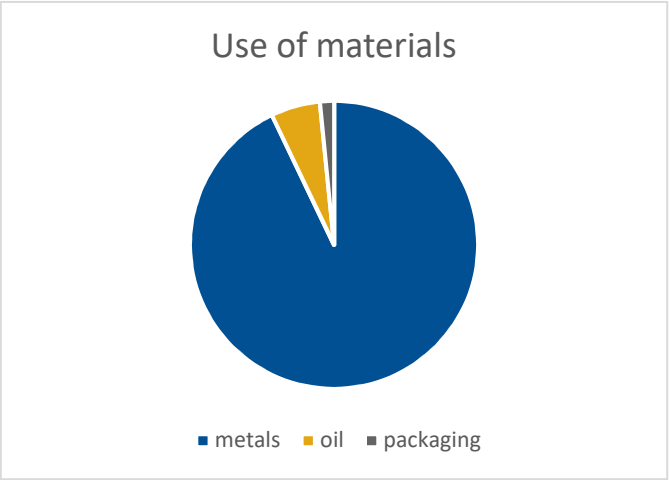
## Material use

In its production, Berger uses three main types of materials: metals as raw materials, various oils for processing, and packaging for transporting the finished parts. The following chart shows the distribution of the nearly 17,800 metric tons of materials in these three categories. This distribution is identical worldwide and at the German sites and corresponds to the previous year's value.

The proportion of recycled material in the total metal purchased will be systematically recorded in the future so that this data can be used for future decisions. However, Berger currently has only limited influence on this percentage, as the selection of materials is often determined by customer requirements and specific standards.

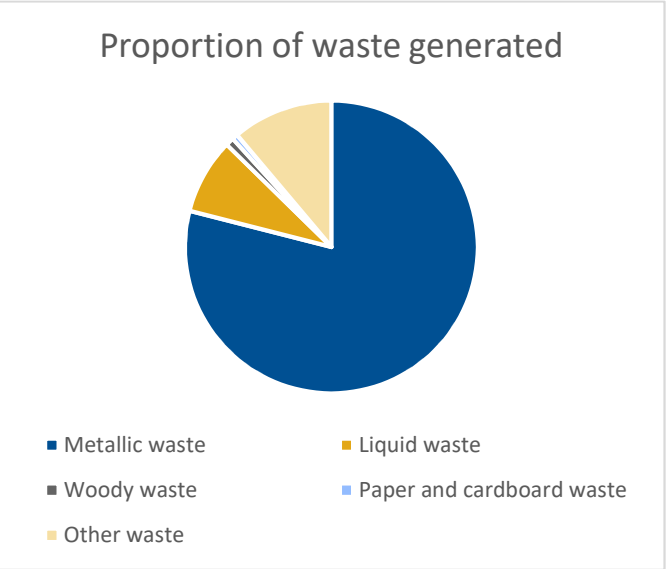
To increase resource efficiency, oils, and other fuels are technically processed wherever possible, extending their lifespan and reducing overall consumption.

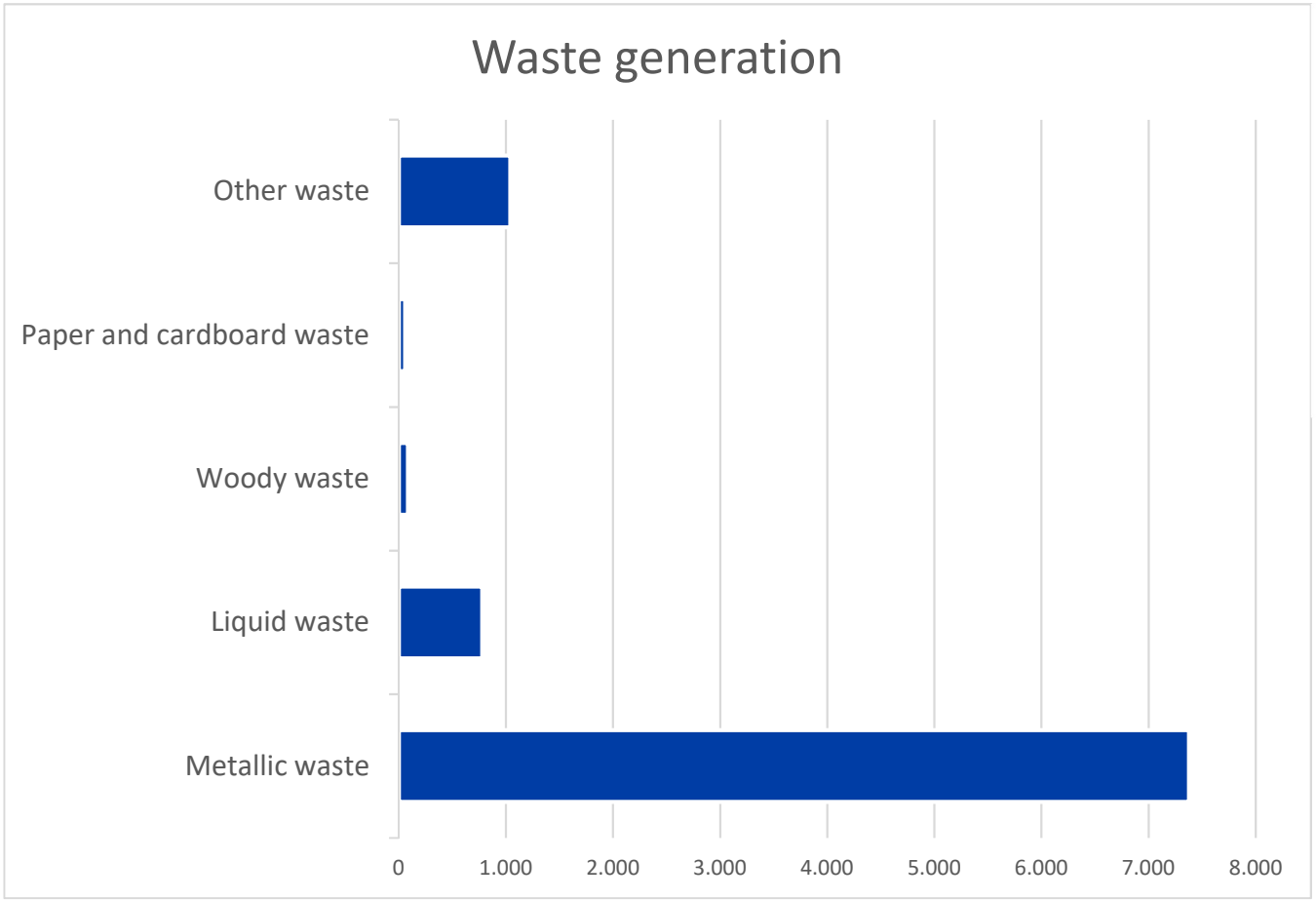
Some of the materials used are measured in units of volume or number of pieces, which have been converted to units of weight for the purpose of calculating the total amount of material, using simplifying assumptions for ease of handling.




## Waste

In 2023, almost 9,400 tons of waste were generated, mainly in the manufacturing processes. Most of this waste consists of various metal chips and other metal waste. Separating the chips and other waste by type makes it possible to recycle them effectively. Approximately 80% of the Berger Group's total waste weight is sold back to the upstream value chain as a new raw material. The remaining 20% of the waste weight is recycled. Berger does not have further information on the recycling method used.




Waste generation
Other waste
Paper and cardboard waste
Woody waste
Liquid waste
Metallic waste
0
1.000
2.000
3.000
4.000
5.000
6.000
7.000
8.000

# 3. Social information

## 3.1. Own workforce

### Policies

Berger has committed itself to clear principles and guidelines in its interaction with its employees, which are embodied in the company's Code of Conduct. Based on internationally recognized human rights, this Code forms the core of the corporate culture for all Berger employees worldwide. Compliance with the Code is expected not only from employees but also from all business partners. Important and indisputable points are

- Rejection of forced labor and child labor
- Condemnation of all forms of discrimination and harassment
- Zero tolerance for corruption and bribery

Furthermore, the company considers employee satisfaction a central prerequisite for long-term success. Social responsibility towards employees, fairness, and solidarity are three of the values from the Berger Group's guiding principles that reflect this understanding.

### Grievance mechanism

All Berger Group employees are encouraged to express their concerns and complaints directly to their superiors or designated representatives at any time. In addition, the company has established a structured grievance mechanism that processes incoming complaints by the applicable legal requirements and deadlines.

Depending on the severity and relevance of a complaint, it is forwarded to the appropriate departments and, if necessary, to the Executive Board. In the year under review, very few serious complaints were received at the German sites. There were no indications of specific issues or serious concerns. At the end of the year, an additional system was introduced at the plant in Poland in accordance with legal requirements.

The Berger Group appreciates open feedback from its employees and external stakeholders and considers all incoming information within the scope of its possibilities in order to facilitate continuous improvements and promote a positive working environment.

During the reporting period, there were neither complaints, proceedings, nor sanctions concerning human rights.

## Objectives and measures

he Berger Group's overarching goal in this area is to create a pleasant working environment and ensure the long-term satisfaction of employees. Special emphasis is placed on maintaining and promoting employees' health and on their ongoing training and qualification.

To achieve this goal, the company has prepared a comprehensive voluntary training program in addition to the mandatory training on topics such as behavioral rules and work safety. This program has been available since the beginning of 2024 and includes nearly 40 courses on specific technical topics, leadership and social skills, and occupational safety and health.

A health day was held at the four German sites in September 2023 to raise awareness of health issues and promote employee health. Employees had the opportunity to learn about diverse topics and participate in various activities. To continue the idea of this event, a voluntary health program was initiated. The program, including about 20 different program points, was prepared parallel to the training program and has been available since the beginning of 2024. The program covers various aspects, such as healthy nutrition, exercise, and mental well-being programs. At the same time, a project for more flexible working hours in shift work has been piloted to promote a better balance between work and private life.

These measures are designed to increase employee motivation and satisfaction and position the company as an attractive employer.

## 3.2. Characteristics of the employees

| Gender | Number of employees (head count) |
|---|---|
| Male | 1,669 (68%) |
| Female | 775 (32%) |
| Other | 0 |
| Not reported | 0 |
| **Total employees** | **2,444** |

The headcount was taken at the end of the reporting year and includes all of Berger's employees. Trainees are only included in the third and fourth years of training. In addition to Berger's employees, there was an average of approximately 135 non-employee workers during the reporting period.

| Country | Number of employees (head count) |
|---|---|
| Germany | 1,798 |
| Poland | 375 |
| Canada | 162 |
| US | 49 |
| China | 60 |

The internally calculated fluctuation is calculated using a method different from the ESRS requirements, which is why a new figure has been estimated as the minimum value for this report. This was done by taking the sum of the monthly negative changes in the employment categories of commercial, industrial, and small-scale employees (German: "geringfügig Beschäftigte"). On this basis, the estimated minimum turnover rate is 5.4%.

| 2023 | Female | Male | Total |
|---|---|---|---|
| Number of full-time employees (head count) | 617 | 1,584 | 2,201 |
| Number of part-time employees (head count) | 158 | 85 | 243 |

| Number of employees by age group (head count) | |
|---|---|
| Under 30 years | 526 |
| 30 to 50 years | 1,247 |
| Over 50 years | 671 |

## 3.3. Health and safety metrics

The health and safety of employees is a major priority at Berger. Currently, only 6.6% of the workforce is covered by the externally validated ISO 45001 management system for health and safety. An extension of this system to around 80% of the workforce is already in planning and is being actively pursued.

61 accidents were recorded in the year under review. The accident rate was calculated using data covering almost 82% of the production companies and around 95% of the total workforce. Only accidents involving Berger's employees were taken into account. The accident rate was less than 16 accidents per million hours worked.

The estimate of annual working hours for this rate is based on the assumption of 220 working days per year and an average daily working time of 8 hours for full-time employees and 5 hours for part-time employees.

## 3.4. Community engagement

Berger is a member of various associations of the corresponding industry and actively supports regional projects. For example, the company contributed €20,000 to the Allgäu Climate Fund to promote sustainable regional projects. In addition, Berger donated more than €54,000 to over 120 local organizations in the reporting year. The related foundation is committed to helping disadvantaged children locally and in Uganda, where it implements education and livelihood projects. On the occasion of Alois Berger's 90th birthday, the foundation donated 90,000 trees to communities in Uganda, more than half of which have already been planted. The foundation began planting trees in Uganda seven years ago, and some of the fast-growing windbreakers have since reached a height of 10 meters.

# 4. Appendix:

## 4.1. References to included disclosure requirements according to ESRS

| | | |
|---|---|---|
| **General Disclosures** | | |
| BP-1 | General basis for preparation of sustainability statements | Page 4,5 |
| GOV-1 | The role of the administrative, management and supervisory bodies | Page 6 |
| GOV-2 | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | Page 6 |
| GOV-4 | Statement on due diligence | Page 6 |
| SBM-1 | Strategy, business model and value chain | Page 7, 8, 9 |
| SBM-2 | Interests and views of stakeholders | Page 10, 11 |
| IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | Page 11, 12, 13, 14 |
| IRO-2 | Disclosure requirements in ESRS covered by the undertaking's sustainability statement | Page 31 |
| **Environmental standards** | | |
| E1-2 | Policies related to climate change mitigation and adaption | Page 15 |
| E1-3 | Actions and resources in relation to climate change policies | Page 15, 16, 17 |
| E1-4 | Targets related to climate change mitigation and adaption | Page 18 |
| E1-5 | Energy consumption and mix | Page 19, 20 |
| E1-6 | Gross Scopes 1, 2, 3 and Total GHG emissons | Page 21, 22, 23 |
| E1-7 | GHG removals and GHG mitigation projects financed through carbon credits | Page 23 |
| E1-8 | Internal carbon pricing | Page 23 |
| **Social standards** | | |
| S1-1 | Policies related to own workforce | Page 27 |
| S1-3 | Pocesses to remediate negative impacts and channels for own workers to raise concerns | Page 27, 28 |
| S1-4 | Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | Page 28 |
| S1-5 | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | Page 28 |
| S1-6 | Characteristics of the undertakings employees | Page 29 |
| S1-9 | Diversity metrics | Page 29 |
| S1-14 | Health and safety metrics | Page 30 |
| S1-17 | Incidents, complaints ans severe human right impacts | Page 28 |

## 4.2. Accounting Policy

The calculation of Scope 1 emissions is largely based on primary consumption data. One exception is fuel consumption, which was determined indirectly using costs and the average price (per country) per liter in 2023.

For Scope 2 emissions (market-based), the German sites used the respective electricity suppliers' most recent specific emission factors (electricity mix 2022). A location-based emission factor was used to calculate the market-based values for all other sites.

For 2023, Scope 3 emissions for the Spartanburg site were extrapolated based on the number of employees due to the non-availability of standardized data. The 2022 Scope 3 emissions in categories 1 and 4 were also extrapolated based on the number of employees for the Brampton and Spartanburg sites. All Scope 3 emissions were calculated using company data and average emission factors. No primary data was used in this corporate carbon footprint.

For calculating the Scope 3 emissions of Category 1, the product groups metals, oils, and packaging were considered. For metals and oils, the respective quantities (in tons) were multiplied by the emission factors of the Federal Office of Economics and Export Control (BAFA). The emissions of the product group packaging were calculated using the spend-based approach.

Emissions from energy-related activities were calculated on the basis of consumption data and corresponding emission factors.

For Scope 3 Category 4 emissions, transport volumes (in tons) were used. At this point in time, only the transport emissions for the product groups metals and oils are captured, based on the shortest distance traveled by truck with an average load (from departure to destination, city to city). Barges were not considered as such but were counted as truck kilometers throughout the calculation. For a few sea shipments, the distance between the closest freight ports of departure and the destination city was determined, but in these cases, the truck transport to and from the port was not yet considered. Due to significant differences between various sources for truck emission factors, a high degree of uncertainty is expected in these calculations. Overall, Scope 3 Category 4 is of low relevance, as the current value only accounts for around 1.3% of total emissions (market-based).

Tonnage data for the waste from the German plants was available, which was multiplied by the respective emission factors for a corresponding waste category. Metal scraps sold were not classified as waste for this calculation. The calculated emissions were extrapolated to the Brampton, Spartanburg, Kedzierzyn-Kozle, and Kunshan sites based on the number of employees.

The emissions calculation for business travel currently only includes flights and hotel stays, which have been approximated. Together with the trips made by company cars (already included in Scope 1), this covers most business trips. Due to the high effort required, no further business travel data has been collected.

For Scope 3 Category 7, information was available on the commuting distances of all employees at the German locations. The emissions calculation in 2023 assumed that all employees with a commute of more than 1 km drive to work by car. The calculation did not include employees with a commute of less than 1 km. The emissions calculated in this way were then extrapolated to the Brampton, Spartanburg, Kedzierzyn-Kozle, and Kunshan sites based on the number of employees.

## 4.3. Comparison with the Sustainability Report 2022

So far, the figures presented in this report differ in two essential aspects from those of last year's Sustainability Report. Firstly, they cover all sites worldwide, whereas the 2022 report only covered German sites. Second, the definitions and calculation methods have been adapted to meet the requirements of the ESRS.

In the following, the indicators from the 2021 and 2022 Sustainability Reports are presented and supplemented by the corresponding figures for the German sites for the year 2023.

The figure for THG intensity for 2022 (marked with * in the table) was corrected in this report due to a calculation mistake. The continued downward trend in work-related accidents is a positive development.

# Table with key figures from the area of energy and environment (see Sustainability Report 2022)

Only for Berger Holding GmbH und Co. KG with all German locations

| | | 2021 | 2022 | **2023** | Change from the previous year (%) |
|---|---|---|---|---|---|
| Revenue (mio €) | *Umsatz* | *249.6* | *260.76* | 271.63 | |
| Used materials (t) | *Eingesetztes Material* | *12,421* | *12,765* | 12,656 | -0.9 |
| Fuel consumption (GWh) | *Brennstoffverbrauch* | *41.23* | *35.80* | 37.49 | 4.7 |
| Electricity consumption (GWh) | *Strombedarf* | *58.46* | *56.31* | 56.03 | -0.5 |
| Share of renewable energies in total electricity consumption (%) | *Anteil erneuerbarer Energien des gesamten Strombedarfs* | | *47.9%* | 47.6% | |
| Electricity sold (GWh) | *Stromverkauf* | *0.29* | *0.28* | 0.47 | 67.9 |
| Total energy consumption (GWh) | *Gesamtenergieverbrauch* | *99.69* | *92.11* | 92.26 | 0.2 |
| Energy intensity (kWh/€ revenue) | *Energieintensität* | *0.40* | *0.35* | 0.34 | -2.9 |
| Water consumption (in $m^3$) | *Wasserverbrauch* | *55,057* | *79,273* | 52,216 | -34.1 |
| GHG emissions Scope 1 (in to $CO_2$ä) | *THG-Emissionen Scope 1* | *7,891* | *7,897* | 8,749 | 10.8 |
| GHG emissions Scope 2 (in to $CO_2$ä) | *THG-Emissionen Scope 2* | *13,165* | *15,787* | 15,203 | -3.7 |
| GHG intensity (in g $CO_2$e/€ of revenue | *THG-Intensität* | *84* | *91** | 88 | -2.9 |
| Total weight of waste (t) | *Abfall Gesamtgewicht* | *7,271.5* | *8,566.0* | 7,183.4 | -16.1 |
| Metallic waste (t) | *Metallische Abfälle* | *4,744.5* | *6,892.2* | 5674.2 | -17.7 |
| Liquid waste (t) | *Flüssige Abfälle (z.B. Öle)* | *1,479.2* | *398.8* | 598.6 | 50.1 |
| Woody waste (t) | *Holzige Abfälle* | *108.5* | *77.19* | 65.2 | -15.5 |
| Paper and cardboard waste (t) | *Papier- und Kartonagenabfälle* | *63.5* | *53.8* | 46.0 | -14.5 |
| Other waste (t) | *Sonstige Abfälle* | *875.9* | *1,144.0* | 799.5 | -30.1 |

# Table with key figures regarding employees (see Sustainability Report 2022)

Only for Berger Holding GmbH und Co. KG with all German locations

| | | 2021 | 2022 | 2023 | Change from the previous year (%) |
|---|---|---|---|---|---|
| Total employees (head count) | *Angestellte gesamt* | *1.776* | *1762* | 1798 | |
| Male (head count) | *Männliche* | *1.264* | *1250* | 1262 | |
| Share of which full-time (%) | *Anteil davon in Vollzeit* | *94,4* | *94,4* | 93,5 | |
| Share of which part-time (%) | *Anteil davon in Teilzeit* | *5,6* | *5,6* | 6,5 | |
| Female (head count) | *Weibliche* | *512* | *512* | 536 | |
| Share of which full-time (%) | *Anteil davon in Vollzeit* | *74,8* | *73,8* | 72,2 | |
| Share of which part-time (%) | *Anteil davon in Teilzeit* | *25,2* | *26,2* | 27,8 | |
| Industrial | *Gewerbliche* | *1.316* | *1487* | 1354 | |
| Proportion male; >50 (% of total) | *Anteil männlich; > 50* | *13,4* | *18,7* | 15,7 | |
| Proportion male; >30-50 (% of total) | *Anteil männlich; 30 – 50* | *27,5* | *31,2* | 26,9 | |
| Proportion male; <30 (% of total) | *Anteil männlich; < 30* | *15,1* | *13,2* | 11,9 | |
| Proportion female; >50 (% of total) | *Anteil weiblich; > 50* | *6,9* | *8,0* | 8,2 | |
| Proportion female; >30-50 (% of total) | *Anteil weiblich; 30 – 50* | *10,1* | *10,2* | 10,3 | |
| Proportion female; <30 (% of total) | *Anteil weiblich; < 30* | *2,9* | *3,2* | 2,2 | |
| Commercial | *Kaufmännische* | *394* | *275* | 444 | |
| Proportion male; >50 (% of total) | *Anteil männlich; > 50* | *5,3* | *2,3* | 5,6 | |
| Proportion male; >30-50 (% of total) | *Anteil männlich; 30 – 50* | *7,5* | *4,1* | 7,9 | |
| Proportion male; <30 (% of total) | *Anteil männlich; < 30* | *2,3* | *1,5* | 2,2 | |
| Proportion female; >50 (% of total) | *Anteil weiblich; > 50* | *1,7* | *1,7* | 1,8 | |
| Proportion female; >30-50 (% of total) | *Anteil weiblich; 30 – 50* | *3,9* | *3,5* | 3,8 | |
| Proportion female; <30 (% of total) | *Anteil weiblich; < 30* | *3,4* | *2,5* | 3,4 | |
| Men on parental leave | *Männer in Elternzeit* | *37* | *42* | 51 | |
| Woman on parental leave | *Frauen in Elternzeit* | *44* | *51* | 52 | |
| Proportion of men over 50 in the controlling bodies (%) | *Anteil Männer > 50 im Kontrollorgan (in %)* | *83,3* | *83,3* | 83,3 | |
| Proportion of woman over 50 in the controlling bodies (%) | *Anteil Frauen > 50 im Kontrollorgan (in %)* | *16,7* | *16,7* | 16,7 | |
| Number of work-related injuries | *Anzahl arbeitsbedingter Verletzungen* | *94* | *82* | 65 | - 20,7 % |


Trend in occupational accidents in Germany in recent years:
200
180
160
140
120
100
80
60
40
20
0
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023

## 4.4. Concluding information on the report

If you have any questions about the report, you can contact Berger using the following contact information:

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Additional corporate ethics and policies information can be found on our website at https://www.aberger.de/ in the corresponding documents and the Code of Conduct.

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**Legal conditions:**

Head office of Berger Holding GmbH & Co. KG: 87700 Memmingen, Deutschland
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Personally liable shareholder: Berger Holding Beteiligungs GmbH (Memmingen regional court: HRB 10428)

Authorized manager and CEO: Karin Berger-Haggenmiller