

BORBET

**ACTING
SUSTAINABLY
TOGETHER** 

08/2023

SUSTAINABILITY REPORT

2023

ABOUT THIS REPORT

This report by BORBET was published in September 2023 and once again prepared in accordance with the internationally recognised standards of the Global Reporting Initiative („Core“ option). The report has not been audited externally. However, some information, for example in the areas of environment or occupational safety, is subject to external audits. The statements and data in this report relate to the BORBET production locations and primarily to the 2022 financial year (01 January to 31 December 2022). Editorial deadline was 15 August 2023.

The next Sustainability Report is scheduled for spring 2024. The report is available in German and English.



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#01



> 14 MIO.

Wheels were deposited
in 2022.

GENERAL INFORMATION

We are one of the leading manufacturers of light alloy wheels in Europe. Since our foundation in 1881, we have been committed to the design and manufacture of products of the highest quality. As a metalworking company, we are aware of our responsibility and actively address ecological challenges. Our primary goal is to achieve maximum efficiency and productivity without losing sight of the optimal use of resources. But our commitment goes further - we sustainably integrate environmental protection and the health and safety of our employees into all processes. We are pursuing a clear strategy: "Avoid instead of compensate". Our success story is deeply rooted in the values that accompany our family business: Quality, innovation and flexibility in our products - respect, reliability and fairness in action.



FOREWORD

Dear Readers,

The past year has undoubtedly been marked by economic challenges of the like we have not experienced before. Global developments, starting from the changes in energy prices to the fluctuating demands of our OEM customers, presented us with major challenges. Inflation, the ongoing shortage of skilled workers and the general staff turnover trend demanded flexibility and rapid adaptability from us. Last but not least, the events in Ukraine left their mark on the entire industrial landscape.

Nevertheless, we are proud to have closed a solid financial year. We owe this success not only to our many years of experience and expertise, but also to the commitment and dedication of our employees.

The emerging era of e-mobility has far-reaching effects on our industry. In this context, we at BORBET consider not only the challenges, but above all the opportunities that result from them. Unlike some other suppliers, we are less affected by the changes because our product and internal processes are more future-proof. Because cars with alternative drive systems, which will soon be increasing in number, will continue to require high-performance and aesthetic wheels. Another aspect mentioned here is the increased demand for CO₂-reduced wheels - an area in which we are active and make our contribution to reducing the environmental impact.

The issue of sustainability is a central concern for us. We have clear goals in mind: We want to use 100 percent

renewable electricity at all our European locations by 2025. By 2030, we will reduce our CO₂ emissions by half compared to our base year 2019 (318,852 t CO₂ emissions) and aim for complete CO₂ neutrality by 2050. In doing so, we rely on innovative approaches such as the efficient use of waste heat to save energy and use resources more efficiently.

With our sustainability strategy, we not only want to meet our own high standards, but also actively contribute to achieving German and European climate goals and the 17 sustainable development goals.

We invite you to look back on the past challenges and successes together with us, and at the same time to look ahead. Together, we are shaping a sustainable future.

With kind regards ,

Margot Borbet
Managing Director of BORBET
GmbH and Chairwoman of the
Board of Trustees

Michael Wellenzohn
CEO BORBET GmbH

BORBET AT A GLANCE

Status 8/22



> 140 YEARS

experience as an independent family business

100 %

aluminium products



> 4000

employees contribute to the company's success every day.

> 35 YEARS

a strong brand in the specialist retail business.



8 LOCATIONS

Germany, Austria and South Africa

> 3000

product types are manufactured for the automotive industry and specialist retailers.



> 35

CUSTOMERS

from the automotive industry



> 14 MIO. WHEELS

were delivered in 2022.

AWARDS



CERTIFIED BY ALUMINIUM STEWARDSHIP INITIATIVE

We have been successfully certified according to the Performance Standard of the Aluminium Stewardship Initiative (ASI) in sustainable production, procurement and management of aluminium with a focus on material responsibility.



ECOVADIS GOLD STATUS

Because we are one of the top five percent in the industry, our sustainability activities were awarded gold status by EvoVadis.



CDP DISCLOSURE INSIGHT ACTION

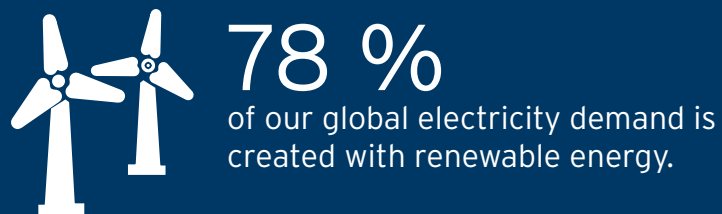
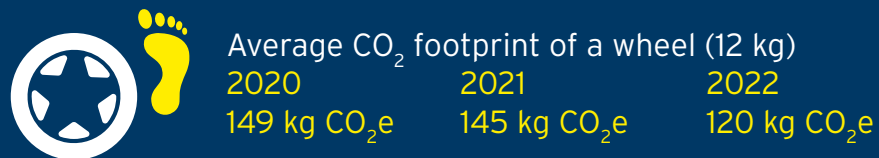
Once a year, we participate in the survey of the non-profit organisation CDP (formerly Carbon Disclosure Project) to assess our environmental impact on climate change and water. CDP provides an assessment system and classifies companies into the levels Disclosure, Awareness, Management and Leadership. In 2019, we only achieved the "Disclosure" level, but through more detailed information on our activities and measures, we were classified as Management level in the reporting year. We also received a B rating in the areas of climate change, water and supplier engagement, with A being the best result and D- the worst.



DRIVE SUSTAINABILITY

Drive Sustainability is a sustainability initiative by car manufacturers aimed at making the supply chain in the automotive industry more sustainable. As a supplier, we must regularly complete the initiative's self assessment questionnaire (SAQ), in which we provide information on topics such as sustainability management, the environment, human rights, ethics, compliance and sustainable procurement. Car manufacturers have defined minimum requirements that must be met by their suppliers and business partners. Once we have submitted our responses and documents, we receive a rating, the so-called degree of fulfilment, for each of our sites. All BOR-BET locations are around 90 percent.

SUSTAINABILITY AT BORBET



Employees from more than **30** nationalities

EVERY 5TH CAR IN EUROPE RUNS ON BORBET WHEELS.

We do our best every day for our customers: With hard work, passion, and a high standard of quality. That is how a small family business in Sauerland became one of the world's leading aluminium wheel manufacturers.

Where we come from ...

Gustav Borbet laid the foundation for the 140-year-old family business in 1881 with his brass foundry in Altena, Westphalia.. Wilhelm Borbet expanded on this in 1928 and began producing aluminium sand casting. His son Peter Wilhelm founded today's main plant in Hesborn in the Sauerland region of Germany in 1962 and produced clutch housings, oil sumps, and roll-off stamps made of light alloy with just five employees. Production of light alloy wheels for customers began in 1977. Global success was achieved in 1987 with the legendary A-wheel, which significantly increased BORBET's name recognition. Due to the increase in demand for light alloy wheels, the company grew steadily through acquisitions, the expansion of existing locations, and the development of new ones. In 2022, BORBET delivered a total of around 14 million wheels. On average, this means one in five cars in Europe runs on BORBET wheels.



COMPANY PROFILE

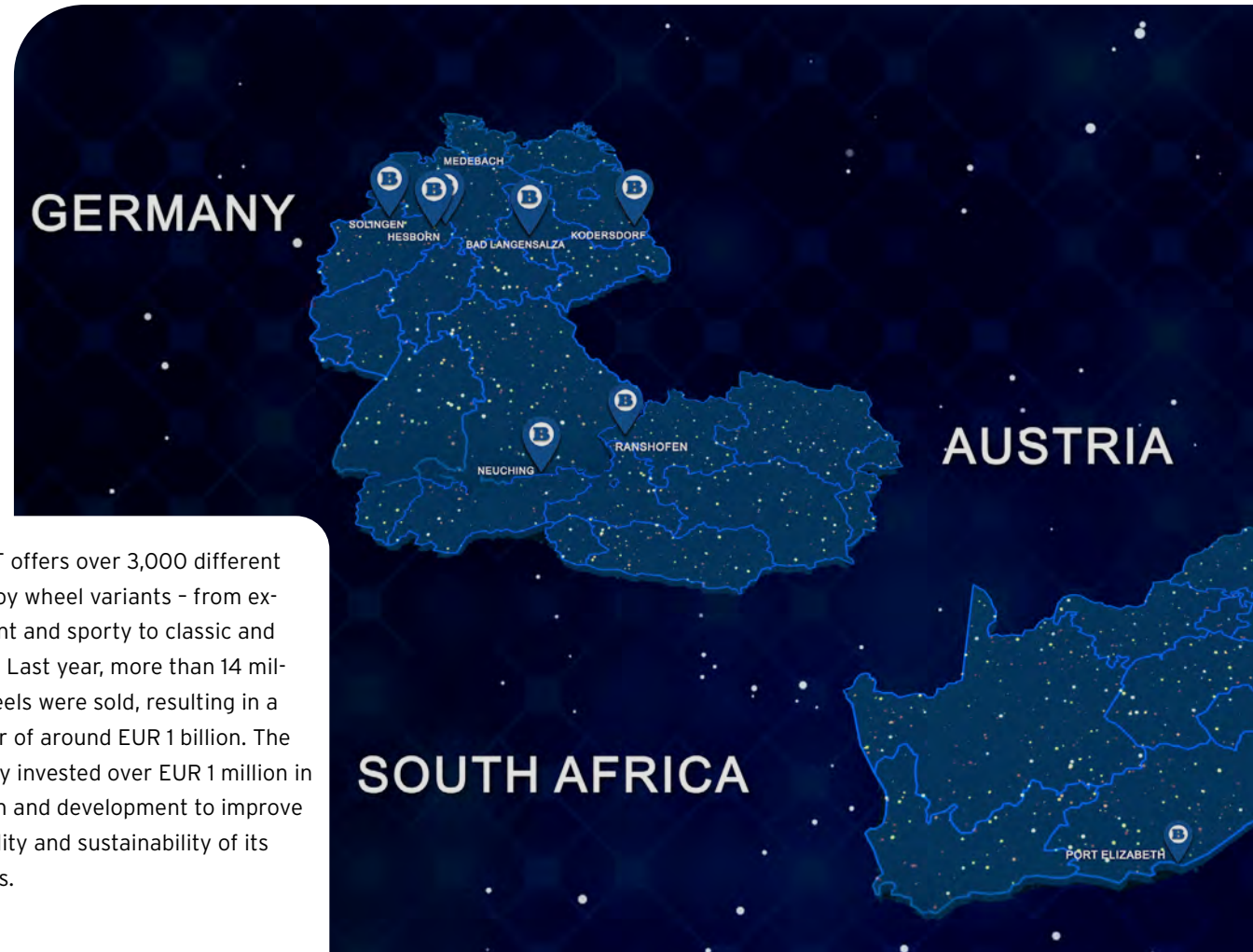
... and where we are today.

BORBET designs, crafts, and manufactures light alloy wheels with the highest quality standards. From market research and design, to construction and right up to the finished painted wheel, everything is created under one roof. What sets us apart: state-of-the-art production processes, patented and innovative production technologies, an uncompromising quality assurance system and, last but not least, our dedicated employees.

Over the decades, BORBET has developed into a globally recognised and competent partner of the automotive industry and specialist retailers. The basis for these successes are the values that have been with the family business since its foundation in 1881: Quality, innovation and flexibility in our products as well as humility, reliability, and fairness in action. These values are the maxims of what we do - both among ourselves as well as with customers, partners, and society.

BORBET is a supplier to more than 35 automobile manufacturers and their factories. The alloy wheel is more than a business for us. It is a passion, which connects around 4,000 employees to one another at eight locations in Germany, Austria and South Africa. Manufacturing takes place at seven of the eight locations, while one - BORBET Vertriebs GmbH in Neuching - incorporates the specialist retail business.

Locally connected through eight locations - internationally present



BORBET offers over 3,000 different light alloy wheel variants - from extravagant and sporty to classic and elegant. Last year, more than 14 million wheels were sold, resulting in a turnover of around EUR 1 billion. The company invested over EUR 1 million in research and development to improve the quality and sustainability of its products.

KEY FIGURES



% of all operational sites where a formal environmental management system has been implemented	100
% of all operational sites where a formal energy management system has been implemented	85
% of all operational sites where a formal health and safety management system has been implemented	100
local & accidental pollution cases	0
investment in employee education and training	1,4 Mio. EUR
% of total workforce at all locations represented by a formal employee and management occupational health and safety committee	100
number of whistleblower reports	9
number of cases of discrimination or harassment	0
% of targeted suppliers with contracts containing clauses on environmental, labour and human rights	100
% targeted suppliers who have gone through CSR assessment	100
number of corruption cases	0
number of reportable occupational accidents (OA)	153
reduction of upstream Scope 3 emissions per tonne of ready-to-ship production (%)	5
reduction in Scope 2 emissions (electricity) compared to the previous year (in %)	60

#02



STRATEGY

Our corporate philosophy is based on our commitment to people's well-being. We regard it as an essential part of our identity not only to act in an economically and ecologically sustainable way, but also to assume social responsibility. As an internationally active company, we are part of this world, which we proactively protect and preserve beyond our legal obligation.

SUSTAINABILITY TARGETS

Value Added

- Strengthen competitiveness and increase innovation
- Responsible sourcing: Increase transparency & resource efficiency in the supply chain
- Increase in the percentage of suppliers who have signed the Code of Conduct

Environment

- Reduce water and energy demand by 20 percent by 2030
- 100% renewable electricity (at all European sites) by 2025
- Reduce CO₂ emissions by 50 percent by 2030
- Climate neutrality by 2050

Human Beings

- Further increase number of training hours per employee
- Reduce work-related accident rate by an average of 20 percent by 2022
- Reduce sick leave rate at all locations

Our sustainability work includes clear objectives in four focus areas: **Strategy, Value Added, Environment and People**. We are guided by the results of our materiality analysis.

Projects or measures that contribute to the SDGs are presented in the SDG Index on page 60 with a page reference. The SDGs are the basis of Agenda 2030, a global action plan for sustainable development. They were adopted in September 2015 by 193 Heads of State or Government at the United Nations Summit in New York. The 17 goals aim to achieve a positive and sustainable future at a social, economic and ecological level, and companies are also encouraged to participate in achieving them.



SUSTAINABLE CORPORATE MANAGEMENT

At BORBET, we think in generations - we are now in the fourth, looking to the fifth. In doing so, we attach great importance to orienting continuous growth to the needs of our customers. At the same time, we treat our employees fairly and protect our environment.

Our Values

Relevant legal requirements form the basis of our business activity, and we adhere to them without exception. The [BORBET Code of Conduct](#) clearly defines the anti-corruption policy and rules of conduct: Bribery and anti-competitive behaviour are prohibited, intellectual property must be protected and data security must be maintained. We also expect correct and legally impeccable conduct from all employees when dealing with authorities. The acceptance and giving of gifts is also defined in our Code of Conduct.

Communication about our Code of Conduct is also particularly important to us. In this way, we draw the attention of every employee, business partner and supplier to this through a variety of channels. For our employees, we mainly rely on annual training sessions and notices. In addition, every new employee at BORBET receives the Code of Conduct when they start their job.

In addition to the Code of Conduct for our employees, we have published a Code of Conduct for our suppliers and business partners. We equally demand that they comply with the rules laid down therein. Since 2021,

suppliers must also confirm this by signing. In addition, we expect our suppliers to have also established a Code of Conduct in their company and to enforce it with their own suppliers. As part of the self-assessment, we encourage our suppliers to submit their Code of Conduct to us for review.

We carry out so-called compliance risk analyses at regular intervals. Based on the results, we derive preventive measures such as training on antitrust law or anti-corruption issues.

We ensure that our employees are treated with the utmost appreciation and that everyone is able to enjoy the same opportunities - regardless of age, origin, gender, religion or other factors. Furthermore, we are committed to internationally recognised human rights. We do not tolerate child labour or forced labour and oppose all forms of discrimination (zero tolerance principle). In fact, BORBET strives to have a positive impact on the respect of human rights in its activities. If national laws do not sufficiently protect people's fundamental rights, we are



committed to ensuring that universally recognised minimum social standards apply. We expect our business partners to comply with our values. For this purpose, we have defined a suitable selection process for our suppliers. We have published Universal Declaration of Human Rights on our website. Furthermore, each employment contract includes an anti-discrimination clause, which each employee agrees to when signing the contract.

SUSTAINABLE CORPORATE MANAGEMENT

We have also committed to conducting a human rights due diligence assessment once a year starting in 2021. In this way, we want to find out whether the business activities of BORBET or its subsidiaries have a negative impact on human rights. If this is the case, we strive to resolve the situation as quickly as possible and take preventive action against similar incidents.

It is important to us to avoid any damage to BORBET and to our employees, suppliers and business partners. To ensure this, it is essential to detect, analyse and eliminate misconduct at an early stage. This can only be done if all parties involved are aware and report possible violations of the rules without delay. The South Africa site has been using a whistleblowing procedure since 2011, which was also introduced at all other sites in 2020. For example, we offer whistleblowers various contact options to report suspected cases - anonymously if desired.

Our customers rightly expect flawless and high-performance products. To this end, we rely on qualified and motivated employees - and promote them accordingly. We recognize and promote the performance of our employees with effective occupational health and safety, fair and performance-based compensation, and investments in education and training. We also take into account their individual needs and use their skills in a targeted manner.

As a family business in its fourth generation, we are closely rooted in the region and know our responsibility for society and the environment. We pay attention to where and in what way we source our raw materials and attach importance to environmentally friendly production. We actively involve our suppliers to further improve on our environmental and climate performance. We also focus on sustainable action in the social sector. At all our locations, BORBET and its employees are involved in a wide variety of associations and facilities under the motto "Together for the region" - an expression of local connection with the people in the location areas.

In the reporting year, no member of BORBET was fined or sanctioned for non-compliance with environmental laws or regulations. Nor were there any violations of legal compliance or incidents of corruption.

OVERVIEW OF KEY FIGURES

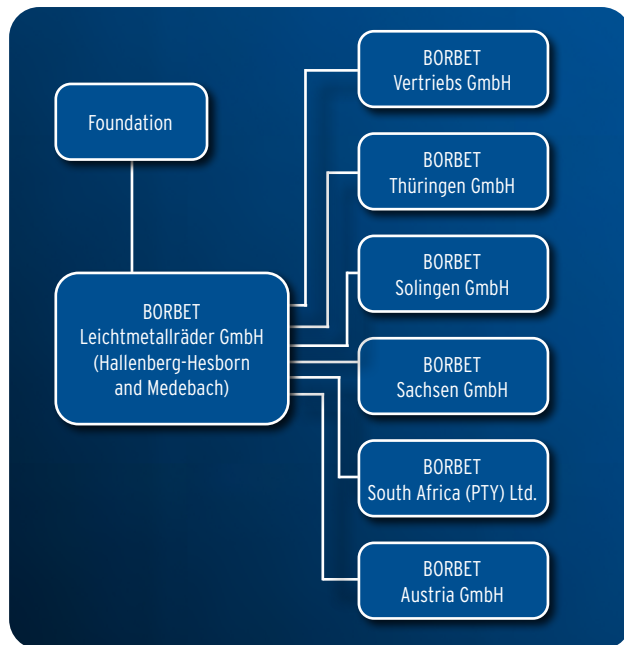
% of total workforce across all sites trained to prevent discrimination and human rights violations	100
% of all permanent establishments where human rights assessments or human rights impact assessments have been carried out	100
% of total workforce trained on business ethics issues	100
number of whistleblower reports	9
number of cases of discrimination or harassment	0
number of confirmed incidents or reported litigation	0
known cases of human rights violations caused by BORBET's activities (directly and indirectly)	0
% of all permanent establishments that have conducted an internal audit on business ethics issues	100
% of all facilities with an information security system	0
number of corruption cases	0
number of confirmed information security incidents	0

SUSTAINABLE CORPORATE MANAGEMENT

Leadership Structure

BORBET GmbH, based in Hallenberg-Hesborn, Germany, has nine locations in the country and abroad. Each site is managed independently by a managing director or plant manager.

BORBET GmbH was transformed into a family foundation in 2015. The purpose of this foundation is to maintain, promote, and further develop BORBET as a medium-sized corporate group in the hands of the Borbet family. Strategic decisions are taken by the Foundation Board. The central bodies are the Board of Directors and the Foundation Board.



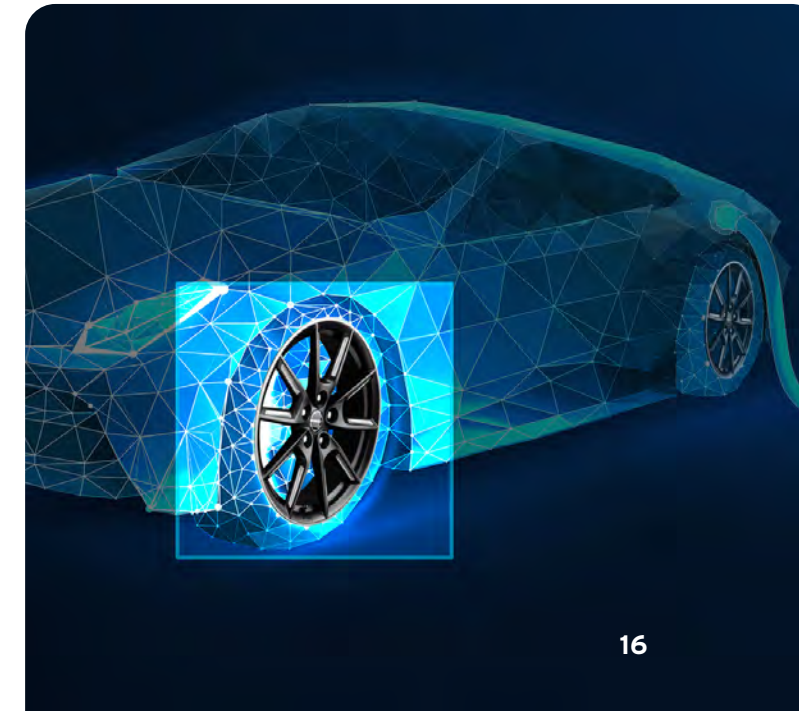
Mastering Change

Climate and environmental protection have become the central topic of our time. Thus, entire economic sectors - including the automotive industry - are now in transition. This transformation is strengthened by megatrends such as digitalisation and technological challenges such as e-mobility or new mobility concepts. It can be assumed that the need for transport will continue to increase worldwide.

In order to help shape this change, BORBET is now applying its many years of expertise in wheel production to the electrification of passenger cars. While electric vehicles require fewer parts, the battery ultimately leads to more weight - and its manufacture is associated with additional CO₂ emissions. BORBET must therefore take higher axle and wheel loads into account. At the same time, combustion vehicles are expected to emit fewer emissions. That's why, among other things, we are working on better basic aerodynamic features and are also meeting the demand for larger wheels with lower rolling resistance. In return, we research and use innovative technologies and materials to reduce the weight of the wheels. Ecodesign has played a major role for us for a long time. This means: Our aim is to use the resources available to us in a particularly efficient way and to keep the environmental impact as low as possible. Examples of this are the internal recycling of aluminium chips produced during mechanical

processing and the complete return of our wheels to the recycling loop at the end of their service life.

In order to minimise the impact on the environment, all sites follow the principle of "prevention before reaction" and the precautionary principle. In accordance with this principle, environmental impacts must be minimised or even completely avoided from the outset. A key element of the environmental management system is to assess and mitigate potential risks. All sites regularly carry out risk assessments on their facilities and processes as well as their local environment - for example before new procedures and substances are introduced.



OPPORTUNITIES AND RISKS

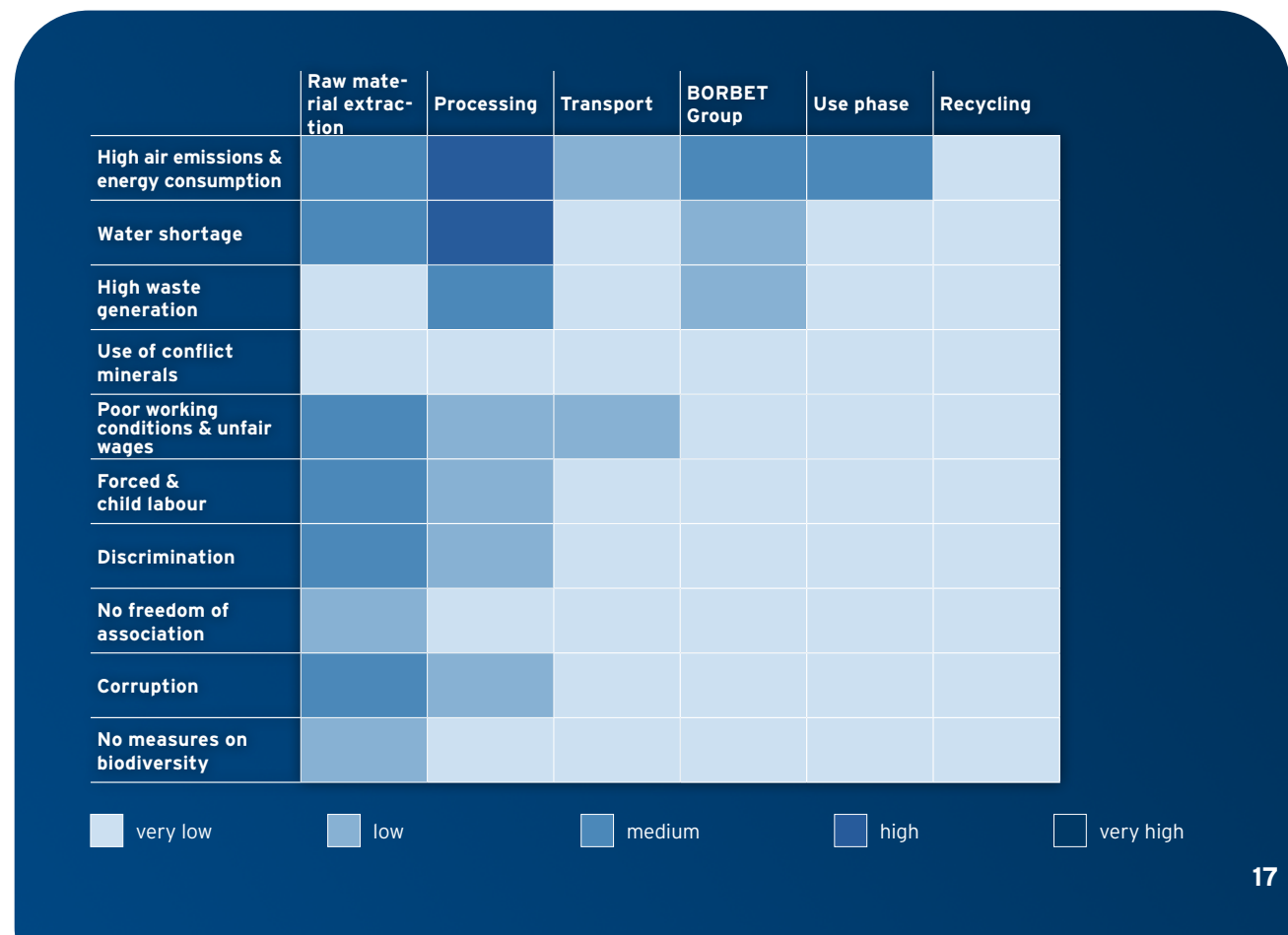
We see challenges such as climate change, digitalisation and e-mobility as opportunities - and our process and product innovations help us to seize them. As a result, we are convinced that sustainable business and good governance will also lead to improved competitiveness. Our approach to opportunities and risks is designed to preserve what has already been achieved and to utilise long-term opportunities. Our risk management system therefore relies on flat hierarchies and short decision-making channels. Management and factory managers of the operating companies provide monthly reports to the senior management of the parent company. At least once a quarter, key departments as important as Sales, Development, and Finance provide information to the parent company senior management team. In regular meetings of the Foundation Board, the parent company management reports to the Foundation Board on business developments and business expectations. The goal is to provide information on a regular and, if necessary, rapid basis in order to react quickly to opportunities and risks.

However, we do not only look at the risks and opportunities in the immediate vicinity of our plants, but also those of the entire supply chain. Here, we pay particular attention to ecological and social risks.

The table shows a simplified overview of some risk areas of our supply chain, more specifically the life cycle of our wheels. Depending on how likely it is that a particular risk will occur, we assign it to a specific level: Lighter fields repre-

sent a lower probability of occurrence, darker fields a higher probability. The basis of this analysis is the amount of risks in the sectors and countries from which we source raw materials. (For this purpose, we use the CSR risk check of the Agency for Economic Affairs and Development.) Social and ecological risks with a high probability of occurrence occur, especially in the upstream supply chain. This also applies to emissions, which are usually generated by our aluminium

suppliers, but also in the later use phase of our wheels. For this reason, the area of „Air Emissions & Energy“ has the highest risks in the “Processing” and “Use” phases. Potential risks in our supply chain are analysed and evaluated in Procurement and measures are derived if necessary.



#03

ADDED VALUE

Today, BORBET stands for high quality, innovative technologies, reliability, and pioneering design worldwide. We have built this reputation as a family-owned and traditional company over many years. That's why we care about what we have achieved and what unites us - with hard work, loyalty, and passion for our work.

ECONOMIC PERFORMANCE

The entire automotive industry is undergoing a fundamental transformation. The aim is to counterbalance various trends, such as electromobility, autonomous driving, or the increasing connectivity of vehicles. To achieve success in this environment as well, BORBET invests in its employees and sites as well as in technical solutions.

BORBET's total sales increased by 9.7% compared to the previous year from EUR 910 million to EUR 1,045 million.

Turnover IN EURO

2020	2021	2022
863 Mio.	910 Mio.	1.045 Mio.



SUSTAINABILITY MANAGEMENT

As a family business with a long tradition, we regard sustainability as a management task. This puts the primary responsibility for the subject in the hands of management. Among these, we have put in place structures to adequately manage the issues we and our stakeholders consider important.

The Sustainability team consists of members from all major divisions of the business. These include: Development, Production, HR, Controlling, Purchasing, Environmental, Energy, and Occupational Safety Management, Sales and Marketing. All sustainability activities are bundled in the team and regular progress reports are provided to senior management. Discussions are also held here about the planning and implementation of individual overarching projects. The Sustainability team also follows the maintenance and completion of the various customer portals on the subject of sustainability such as EcoVadis and NQC. In addition, since 2020 there has been a person responsible for sustainability at BORBET, who processes and promotes all sustainability issues centrally.



We integrate environmental protection, energy efficiency, safety and health into all processes and also convey a high sense of responsibility to our business partners with regard to environmentally oriented and energy-efficient corporate management.



Michael Wellenzohn
CEO BORBET GmbH



Nicole Prestele
Sustainability management



Norbert Klute
Environmental management



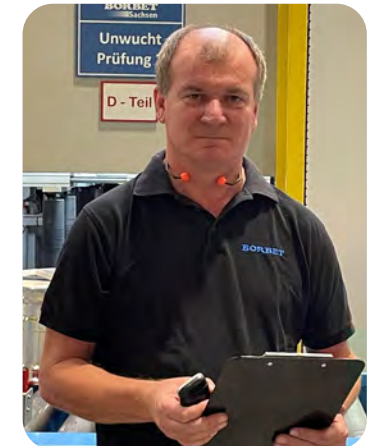
Carola Scheikel
ASI Management & Compliance



Carolin Mittermaier
HR



Marcel Karpf
Energy management



Torsten Krautz - Occupational
health and safety

SUSTAINABILITY MANAGEMENT

Involvement of stakeholders

We have regular exchanges with our stakeholders through different channels. In our location regions, we contact them either personally or centrally via the authorities. We also maintain the relationship with business partners such as customers, suppliers, and donors. We communicate directly with our employees and works councils. To this end, we use various internal media as part of our daily work. Depending on requirements, we organise events with special areas of focus.

We have established the following formats to promote effective communication with relevant stakeholders: See the table below.

STAKEHOLDER GROUP COMMUNICATION FORMATS

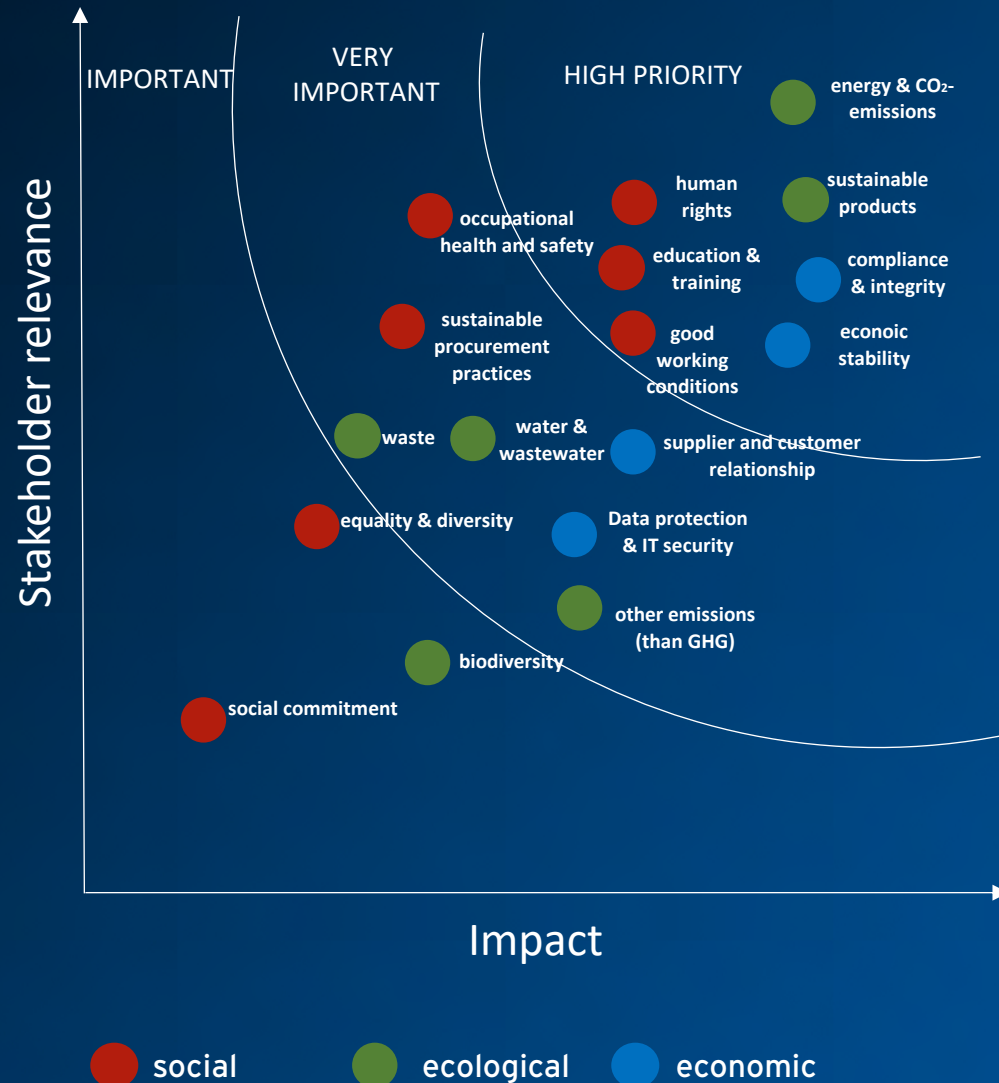
employee	internal communication, employee surveys, infopoints, app, intranet, blackboard, website, social networks, company magazine, by post
potential employee	career fairs, cooperation with universities, ad placements, website, social networks, sponsorships, cooperation with local (recruiting-) portals
former employee	company magazine, website, by post
customer	website, newsletter, Key Account Management, ad placements, brochures, company magazine, TechDays/customer events, trade fair appearances, social networks, sponsorship
end customer	website, ad placements, brochures, trade fair appearances, social networks, influencers, sponsorship
suppliers and partners	annual report, website, ads, image brochures, company magazine, trade fair appearances, social networks, personal
press and media	press releases and mailings, press conferences at trade fairs, in-house events, face-to-face conversations
politics, connections, interest groups	annual report, website, face-to-face conversations, image brochures, company magazine
educational institutions	cooperations, regional events, website, face-to-face conversations, brochures
local authorities	website, face-to-face conversations, image brochures, company magazine, regional events, sponsorship, social networks
local residents in the respective location regions	citizens' representatives, local PR, sponsorship

Identifying key issues

It is important for us to identify the key topics on which we focus as part of our sustainability management system and on which we regularly report. For this reason, we carried out another materiality analysis in 2022. Based on the criteria of the Global Reporting Initiative (GRI), we have identified those topics that are either highly relevant for our stakeholders or have a significant impact on the environment and society. The result is shown in the materiality matrix on the next page. The top right area contains the most relevant topics for BORBET, such as „sustainable products“, „energy & CO2 emissions“, „compliance & integrity“ and „human rights“. The matrix makes it clear what priorities we need to focus on in our sustainability work. Many topics are already an integral part of our sustainability management and are being worked on intensively. Others need to be assessed and further developed.

SUSTAINABILITY MANAGEMENT

materiality analysis



SUSTAINABILITY MANAGEMENT

In dialogue with others

BORBET complies with the core labour standards of the International Labour Organisation (ILO), the content of the German Corporate Governance Code and the OECD Guidelines for Multinational Enterprises.

We participate in industry-related organisations on the basis of dialogue and discussion on an equal footing. On the one hand, we want to safeguard our interests and, on the other, we want to take an active part in knowledge sharing, so that we can work together to develop long-term sustainable solutions.



The following list includes our most important memberships:

- Gesamtverband der Aluminiumindustrie e.V. (GDA)
- Aluminium Stewardship Initiative (ASI)
- Bundesverband Reifenhandel und Vulkaniseur-Handwerk e.V. (BRV)
- Association of European Wheel Manufacturers (EUWA)
- Industrie- und Handelskammer (IHK)
- Deutsche Gesellschaft für Zerstörungsfreie Prüfung e.V. (DGZfP)
- DEKRA e.V.
- Bundesverband der Deutschen Gießerei-Industrie e.V. (BDG)
- Deutsches Rotes Kreuz e.V. (DRK)
- Deutscher Verband für Materialforschung und -prüfung e.V. (DVM)
- Verband der Automobil Tuner e.V. (VDAT)
- Aluminium Federation of South Africa (AFSA)
- Nelson Mandela Bay Business Chamber (NMBBC)
- Steel and Engineering Industries Federation of Southern Africa (SEIFSA)
- Energieeffizienz Netzwerk Oberlausitz
- Thüringer Landesamt für Umwelt, Bergbau und Naturschutz (TLUBN)
- Verband für Sicherheit, Gesundheit und Umweltschutz bei der Arbeit e.V. (VDSI)
- Bundesverband der Energieabnehmer e.V. (VEA)
- Automotive Thüringen e.V. (AT)
- Allgemeiner Arbeitgeberverband Thüringen e.V. (AGVT)
- Wirtschaft für Südwestfalen e.V.
- EcoVadis
- Wirtschaftskammer Österreich WKO
- Automobil Cluster
- Industriellenvereinigung

SUSTAINABLE PRODUCTION

We want to offer our customers high quality products and at the same time meet our own demands for ecological and social standards. To achieve this, it is essential that we work professionally and in a spirit of trust with all our suppliers.

The basis for this cooperation are the General Terms and Conditions of Purchase, with which our suppliers and service providers also undertake to comply with our Code of Conduct. In addition, since 2020 we have expected our suppliers to confirm their compliance with the Code of Conduct for Suppliers by having their management sign it. If suppliers have not established their own Code of Conduct within the company, they confirm with their signature that they encourage their employees to comply with our Code of Conduct. This includes, among other things, the prohibition of child and forced labor and the protection of health and the environment. We also expect our business partners to commit to upholding our Code of Conduct or comparable values in their supply chain. In addition, our sustainability team annually records country risks on topics such as ethics or human rights and assesses them together with the purchasing department. These assessments are then included in the evaluation of suppliers.

Set and comply with standards

The procurement process follows the „Management Policy“. Specifically, it is governed by the „Sustainability requirements in the supply chain“ guideline and supplementary procedural instructions. These are reviewed annually and revised and supplemented as necessary. In the reporting year, we again formulated new requirements and added them to the existing catalog of requirements.

Preference is given to suppliers who are audited according to ISO 9001 and ISO 14001 or a comparable system and who increasingly use environmentally friendly materials.

In the area of the environment, we carefully check the existing management system. For example, suppliers may have to provide evidence of REACH registration. When sourcing aluminium, we make sure to buy from producers who strive to keep their carbon footprint as low as possible. We also favour suppliers with certification according to the Aluminium Stewardship Initiative standard. If the qualification process is positive, the purchasing department approves the supplier, taking all aspects into account.

During the course of 2022, all new suppliers answered questions about the sustainability criteria we have defined as part of the self-disclosure process. No indications of

violations of our principles in the areas of environmental protection, human rights, labour practices, forced labour, child labour or freedom of association were identified. We also use the instrument of self-disclosure with existing suppliers and request corresponding evidence that meets our sustainability requirements. For this purpose, we evaluate certificates, documentation, codes of conduct and sustainability reports, among other things.

When sourcing aluminium, we make sure to only buy from producers who, in turn, strive to keep their carbon footprint as low as possible.



SUSTAINABLE PRODUCTION

If we receive indications that one of our business partners does not comply with relevant rules and laws or violates the basic principles formulated in our Code of Conduct, BORBET is entitled to terminate the business relationship by extraordinary notice. We make this decision depending on the individual case. In some cases, however, we also take alternative measures - for example, if the supplier or business partner can credibly assure and prove that he has initiated appropriate countermeasures.

Educate and sensitise

We train our suppliers on specific topics according to need and occasion. But we also want to sensitise our employees in purchasing to sustainability-related issues and expand their knowledge in this area. They therefore regularly take part in training on topics such as environmental protection, health and safety, occupational health and safety, but also antitrust law, human rights and anti-corruption. For specific topics such as antitrust law, we also invite experts to conduct the trainings.

KEY FIGURES

% of targeted suppliers who signed the Sustainable Procurement Charter/CoC	<10
% of targeted suppliers with contracts containing clauses on environmental, labour and human rights	100
% of targeted suppliers who have gone through CSR assessment	100
% of buyers trained in sustainable sourcing	100
% of primary aluminium suppliers who are members of the Aluminium Stewardship Initiative	100



SUSTAINABLE PRODUCTION

In order to continuously improve our environmental performance, all of all BORBET manufacturing sites are certified to the international environmental management standard ISO 14001:2015.

As a supplier to almost all of the world's major automotive manufacturers, we place great emphasis on quality and reliability. The health and safety of our customers and their end customers is particularly important to us.

We already use more than 75% green electricity in our

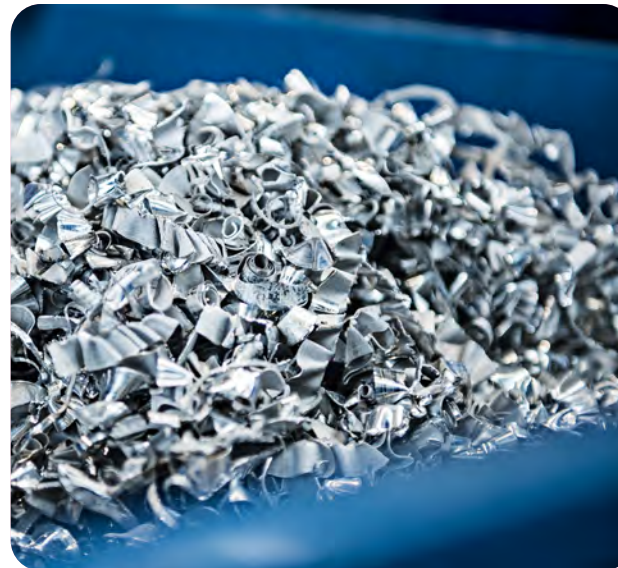
production worldwide. The aluminium chips that accumulate in our production are cleaned and then melted in a separate furnace. Reject wheels that have not yet been painted are also recycled internally. Painted wheels are sent to an external company, where paint is removed for us. We then return these wheels to the circuit and melt them down.

BORBET has relied on a consistent quality management system in accordance with DIN EN ISO 9001 - with relevant representatives at all locations - for many years. All manufacturing facilities are certified according to the

automotive industry standard IATF 16949. These certificates are documented and verified annually as part of a monitoring audit. A recognised certification company regularly carries out a corresponding audit - every 3 years at the latest. Car manufacturers are also subject to periodic approval procedures. All wheels are designed from the start to meet legal requirements and customer specifications. Later, serial monitoring ensures that all requirements are met during series production.



Mould construction



Aluminium chip recycling



High bay warehouse

SUSTAINABLE PRODUCTION

We continuously work with our suppliers to select processes and materials that are harmless to people and the environment. For example, ingredients are documented and approved using the IMDS entry. IMDS is a globally standardized exchange and management system for material data in the automotive industry. In the year under review, there were no violations related to the effects of products and services on health and safety.

There were no violations of product and service information or labelling requirements in the year under review. All BORBET branded products are protected by design at the European Union Office for Intellectual Property Rights (EUIPO). At the same time, we actively monitor the market to protect our brand and take legal action against counterfeiting attempts.



BORBET offers a wide range of wheels for vehicles with alternative drives. It is therefore only logical that with regard to our own company fleet, greater emphasis has been placed on sustainability. We are currently expanding our fleet at the German locations with electric Smart cars. These are ideal for short distances, for example between our plants in Hesborn and Medebach. The E-Smart project takes another important step into the future and takes the BORBET motto "No matter how good you already are, you can always improve." to the next level.



#04

ENVIRONMENT

With our products, we combine the intention to bring high quality and attractive design into line with our ecological requirements. As a metal processing company, we take our responsibility seriously and want to make use of our potential for further improved environmental protection, both in terms of products and manufacturing.

ENERGY EFFICIENCY

The production and processing of metal is complex and sometimes energy-intensive. Natural gas and electricity are the most important energy sources. They are needed in our smelters, foundries, heat treatment plants, paint shops, and mechanical processing facilities, among others. For us, the efficient use of energy is a question of both ecological responsibility and economic necessity. As such, we have introduced energy management systems at all BORBET locations. Our German locations are also certified according to DIN EN ISO 50001. We regularly review the management systems through internal and external audits.

During the reporting period, all BORBET locations initiated projects to further reduce energy consumption. The greatest savings potential lies in making better use of waste heat, which is mainly generated by our furnaces. At the **Bad Langensalza** (Thuringia) site, we installed a burner air preheater for the furnaces back in 2019. The hot exhaust gas volume flow is routed via a heat exchanger during pre-heating of the burner air. There, the energy of the exhaust gas volume flow is transferred to the secondary air side – an insulated pipe – which leads directly back to the burners. The goal with this system was to save up to 15% energy.

”
27.6% of our total energy consumption came from renewable energy.

The project was evaluated in 2020 and transferred to the other sites due to the energy savings achieved. This was further rolled out and implemented in 2022.

An evaluation of the first plants in the Hochsauerland region confirms a saving of approx. 13 percent natural gas per plant.

Last year in Medebach (North Rhine-Westphalia), we replaced conventional HQI lighting in other areas with LED lamps. As a result, since 2023, an annual saving of approx. 285,000 kWh of electricity has been achieved.

296,384 MWh of our total energy consumption (1,073,903 MWh) came from renewable energy sources.



ENERGY CONSUMPTION IN GWH

	2020	2021	2022
electricity	312,63	336,73	345,70
natural gas	694,17	738,23	728,20
total	1.006,80	1.074,95	1.073,90
MWh/tonne*	6,3	6,3	6,3

*MWh per tonne ready-to-ship production

EMISSIONS

Our production creates emissions including CO₂, carbon monoxide and air pollutants such as dust and nitrogen oxides. We are aware of our ecological responsibility and focus on sustainable production. Installations subject to approval are subject to strict limit values, which are regularly checked by the authorities. Accredited measurement institutes carry out measurements, the results of which are reported to the approval authorities

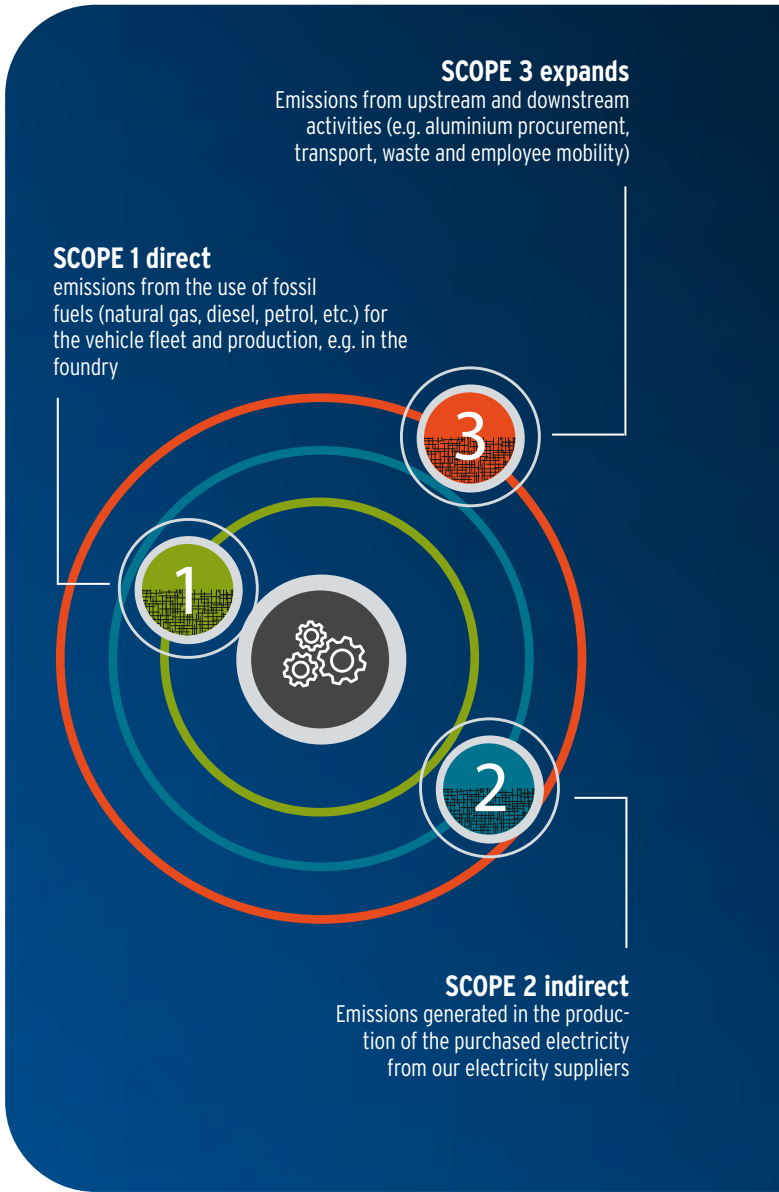
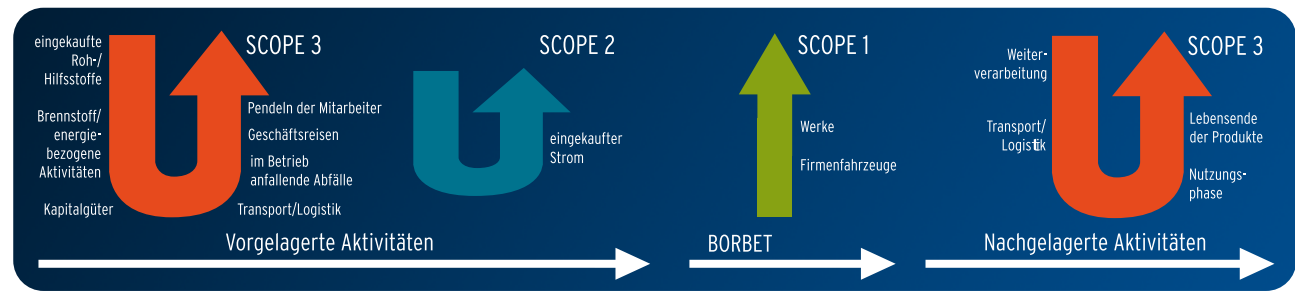
In order to reduce CO₂ emissions, we are focusing primarily on the following measures:

- More efficient use of energy in all production processes
- Resource-efficient handling of raw materials, especially aluminium
- Increasing the share of renewable energies in the electricity mix used
- Consideration of the carbon footprint of suppliers when purchasing essential raw materials and auxiliary and operating materials

Since the beginning of 2020, we have not only calculated our Scope 1 and Scope 2 emissions, but also the Scope 3 emissions. Scope 3 emissions are accounted for in accordance with the GHG Protocol. Emissions from the upstream and downstream supply chain are divided into 15 categories – although not all of them apply to BORBET or are relevant to us.

In addition, the GHG Protocol defines various options for calculating emissions:

- **Specific supplier method:** Use of data from suppliers
- **Hybrid method:** Combination of supplier data and secondary data from different databases
- **Average method:** Estimation of emissions based on average values
- **Average expenditure-based method:** Estimation of emissions by collecting data on the economic value of goods



EMISSIONS

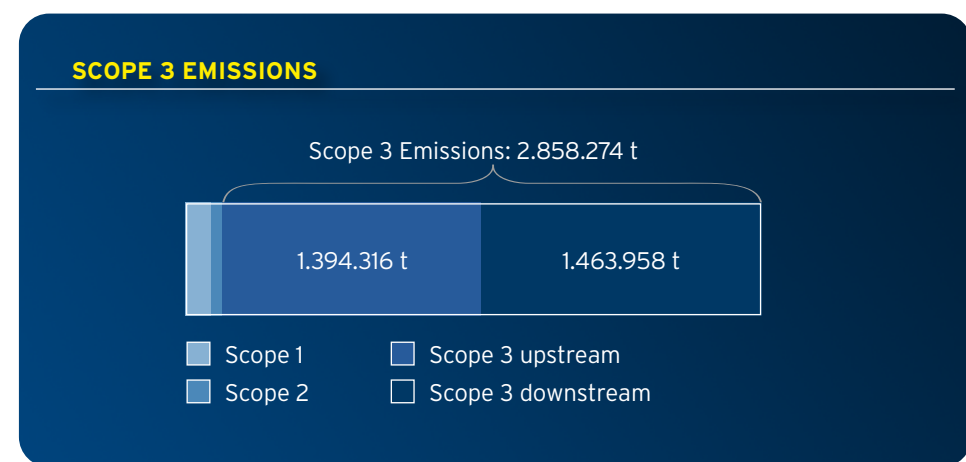
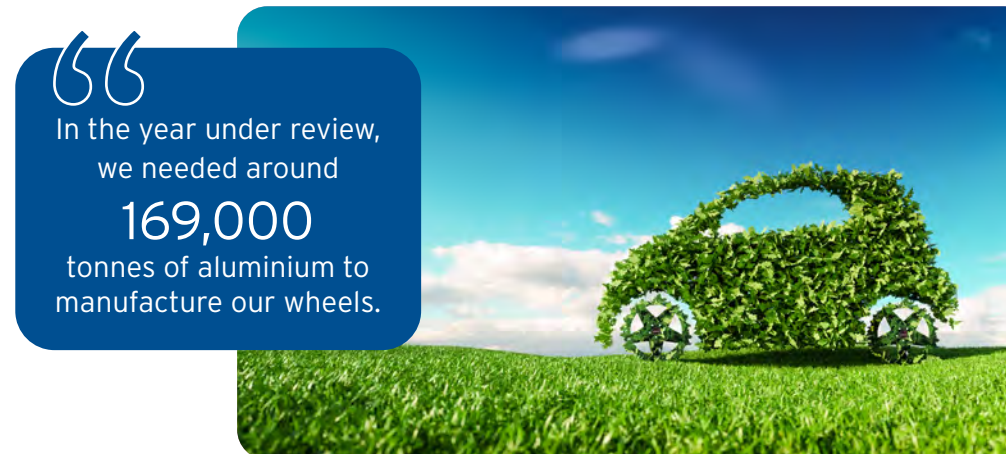
In addition to emissions from our own production (Scope 1 and 2), we are increasingly focusing on emissions from the upstream supply chain, not on the downstream supply chain - as in the table below. This will help us to better compare our CO2 reduction measures over the next few years. Otherwise, the progress of the automotive industry in reducing downstream Scope 3 emissions would be noticeable in our calculations, but not our own measures.

In 2022, BORBET significantly reduced its Scope 2 emissions even further. In addition to technical measures, the larger proportion of renewable energies in the electricity mix also contributed to this.

We were also able to achieve a reduction in Scope 3 emissions (from the upstream supply chain). This is due to the increased purchase of aluminium with a maximum of 5 kg CO2/kg. We want to continuously increase this share over the next few years.

CO ₂ e EMISSIONS IN TONNES			
	2020	2021	2022
CO ₂ e electricity	73.056	66.960	40.169
CO ₂ e natural gas	136.551	145.460	143.621
CO ₂ e Diesel for forklifts	415	591	651
CO ₂ e Gas for forklifts	326	330	317
CO ₂ e company cars	780	429	372
Scope 1	138.076	146.805	144.961
Scope 2	73.056	66.960	40.169
Scope 3 (upstream)	1.488,879	1.465,050	1.394.316
total (Scope 1+2)	211.127	213.770	185.130
CO ₂ (Scope 1+2)/tonne*	1.31	1.25	1.06
Upstream supply chain (Scope 3)/tonne*	9.26	8.56	7.97

*CO₂ per tonne of ready-to-ship production



LIFE CYCLE ANALYSIS OF OUR WHEELS

Since 2019, we have been calculating the CO₂ footprint of our wheels. In 2019, this was done with the software Umberto LCA+ and an external company. Today, we calculate our life cycle assessment with Sphera's GaBi software. In addition to the change in software, the observation period has also changed, moving away from Cradle to Grave and towards Cradle to Gate in order to better meet the requirements of our customers.

Cradle to Gate means we look at the path from raw material extraction to processing and production in our plants to our factory gate.

The following indicators in accordance with DIN EN ISO 14025 are presented as results in the life cycle assessment:

- Greenhouse effect (EN 15804 +A1)
- Destruction of the stratospheric ozone layer (EN 15804 +A1)
- Acidification potential (EN 15804 +A1)
- Eutrophication potential (EN 15804 +A1)
- Formation of photochemical oxidants (EN 15804 +A1)
- Depletion of fossil energy resources (EN 15804 +A1)
- Mineral resource depletion (EN 15804 +A1)



Average CO₂ footprint of a wheel (12 kg)

2020	2021	2022
149 kg CO ₂ e	145 kg CO ₂ e	120 kg CO ₂ e

An average BORBET wheel in Europe (12 kg) caused 120 kg CO₂e in 2022. Calculated down to one kilogram of wheel, this is approx. 10 kg CO₂e. Compared to the previous year, we were able to reduce the CO₂ footprint of the wheel by 17%. This is mainly due to the increased procurement of low-carbon aluminium and green electricity in the European plants.

In order to present a comparison of greenhouse gas emissions in relation to a complete vehicle, the following data basis was selected:

- 6400 kg CO₂e per vehicle (combustion engine) in accordance with UBA (Federal Environment Agency)
- 120 kg CO₂e per aluminium wheel

This corresponds to a share of approx. 7.5 percent of the complete vehicle.



STRATEGY FOR LESS CO₂

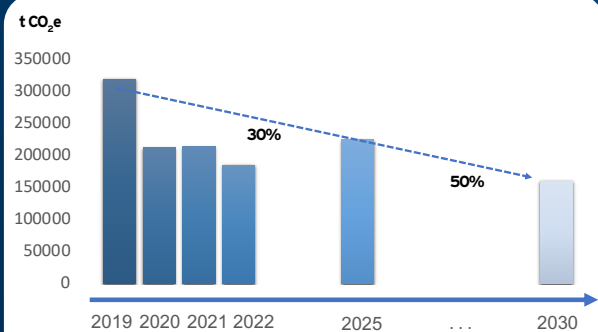
Environmental sustainability is playing an increasingly important role for BORBET. We see a major lever for positive changes, especially in the reduction of CO₂ emissions.

In relation to Scope 3 emissions, our Scope 1 and 2 emissions are rather low. However, they are still important to us, as we have the greatest influence on them. We have set concrete targets for their reduction. By 2025 at the latest, we want to source 100 percent electricity from renewable energies at our locations in Europe. Our site in Austria has been using hydroelectric power since 2021. By purchasing green electricity and various reduction measures in production, we want to reduce our emissions (Scope 1 and 2) by 30 percent by 2025 - compared to the base year 2019. For 2030, we aim to achieve a 50%

reduction in these emissions - with the aim of achieving fully climate-neutral production in 2050. The type of aluminium purchased has the greatest influence on CO₂ emissions in our upstream supply chain. In order to reduce emissions when purchasing aluminium, in the future we will increasingly purchase aluminium which uses renewable energy for electrolysis. This allows us to reduce the environmental footprint of our wheels, while meeting the requirements of our customers.

In addition to the internal recycling material we already use today (e.g. aluminum chips) and the pre-consumer material, we will also use post-consumer aluminum in our production in the future.

In our case, post-consumer aluminium means old wheels. The main priority for us remains to be the quality of the wheels and thus also the quality of the material used. Only when our required quality is available on the market, will we use it.



WATER AND WASTE WATER

Careful use of water resources is an important environmental objective. BORBET has already implemented many measures in recent years and we are constantly looking for further opportunities for optimisation. This is particularly true for the Port Elizabeth (South Africa) site, which is located in a water stress zone. This means that in this region more than 20 percent of the available water is extracted and consumed.

Once a year, we take part in the survey of the non-profit organisation CDP and also report on the subject of water. We also assess our sites annually in terms of water scarcity, droughts and the general water risk. For this purpose, we use the "Water Risk Filter" of WWF - an online tool for checking water risks - and are in communication with the authorities. For the South Africa site, which has a medium water risk, we have set ourselves the goal of reducing water consumption by at least one percent per year.

Water Consumption

We mainly use fresh water from public pipe systems to operate our sites and for manufacturing processes, while in Ranshofen (Austria) we also use well water. In 2021, BORBET needed 393.703 m³ of water for wheel production. Most of the fresh water is consumed by our paint systems at 50 percent of the total consumption. We primarily use water there for rinsing or preparing aqueous dilutions.

In order to reduce fresh water consumption, we are both improving our existing processes and implementing new technical procedures. In particular, we are focusing on reusing process water that has already been used, as well as improving the drains in the paint shops and wastewater treatment plants.

Around 30 percent of the fresh water is used to quench wheels in the foundry and heat treatment plants. In order to use the water as efficiently as possible, we have now established a water cycle at all locations: For this purpose, we divert the heated water from the quenching basins into recooling systems, cool it there and then pump it back into the basins. The quenching of the wheels results in evaporation losses, which are compensated with fresh water in a process that does not chemically change the water.

Around 20 per cent of fresh water is used in the operation of sanitary facilities and for other production purposes. With the implementation of the circulation cooling systems (foundry and tempering) in Ranshofen in 2020, it was possible to reduce the consumption of process water by approx. 70 percent.

WATER USE IN M³

	2020	2021	2022
fresh water	235686	253.113	269.731
well water	229.479	140.590	152.059
total	465.165	393.703	421.790
water consumption/tonne*	2,89	2,30	2,41

*water consumption per tonne of ready-to-ship production

The sharp decline in water demand in 2020 is due, among other things, to the disposal of the Alabama site. This accounted for over 40 per cent of our fresh water demand in 2019.

This corresponds to an annual saving of approx. 400,000 m³/a compared to 2019 with 542,375 m³ well water. In 2022, various individual measures were taken to keep consumption at a low level.



WATER AND WASTE WATER

Waste water volume

Much of the waste water is generated in the paint shops. We first treat this waste water in our own waste water treatment plants and then discharge it into the public sewage system. In doing so, we adhere to the specified limit values of the respective discharge approvals and check the parameters regularly (waste water quality assessment). In order to avoid wastewater at this point, we use some of the process wastewater several times and regularly adapt the wastewater treatment plants to comply with the latest technological standards. The waste water from sanitary facilities can normally be discharged to the public sewage system without further treatment.



MATERIALS AND WASTE

Many raw materials and resources around the world are becoming scarcer and more expensive. It is therefore all the more important to use them efficiently. At the same time, materials must meet our high expectations for quality and safety as well as meet certain environmental and social standards. We also rely on environmental management in accordance with ISO 14001 in order to continuously reduce waste or return it to circulation.

Resource use

As a manufacturing company, the procurement of raw materials and consumables, including aluminium, paints, and packaging, accounts for a large part of our expenditures. In the year under review, we required approximately 169,000 tonnes of aluminium to produce our wheels.

We recycle our aluminium so that we can make effective use of existing resources. Compared to other raw materials, aluminium can be recycled without compromising quality. Because of this, only about a tenth of the energy is needed for raw production. The recycling process returns aluminium swarf created during production into circulation via melting. This also applies to wheels that do not meet our quality requirements.

In order to avoid waste from the outset, we continuously improve our processes and technical procedures. For example, we use the flow forming press-rolling process to achieve greater strength while saving material.

There is currently a trend in the industry towards larger wheel diameters. Depending on the wheel design, this often leads to increased weight and therefore to increased CO2 emissions in the usage phase. To reduce these emissions, BORBET is developing and using innovative production technologies such as “**Flowforming**”, “**Performance Rim**” and “**Undercut**”.

With regard to paint removal, our expertise and processes at our own site in **Bad Langensalza** (Thuringia) have proven effective. The advantage: short communication paths, targeted processing of the wheels and no transport damage. We also use the „soft paint stripping“ process, which is particularly gentle on materials.

Despite all our reduction measures and recycling efforts, waste cannot be completely avoided. It consists of waste similar to household waste (e.g. paper/cardboard, plastic waste, wood) and on the other hand from production-specific waste (e.g. polishing chips, used machining emulsions, paint sludge).



- 1) *Flowforming: Compression of the rim well by pressure rollers leads to greater stability and slimmer rim well thickness.*
- 2) *Performance Rim: This procedure reduces the wall thickness of the rim well and thus the weight of the wheel. This is made possible by an intelligent tool concept and special cooling during the casting process.*
- 3) *Undercut: All non-load-bearing areas of the rim well are mechanically removed by this automated technology. The removed material is then immediately returned to the integrated recycling process. This facilitates achievement of a lower wheel weight and optimal and sustainable use of the raw material.*

MATERIALS AND WASTE

For new waste, we first check whether we need to recycle the material internally or externally. If this is not the case, we aim for a different form of recycling (e.g. thermal recycling). We will only dispose of waste if this is not suitable. The majority of waste can be disposed of as non-hazardous waste. That said, for production-specific waste in particular, some waste must be disposed of as hazardous waste.

Since 2019, we have been using blasting systems in the mould workshops of several BORBET sites that are not operated with mineral corundum, but with a stainless steel blasting agent. As a result, the amount of abrasive to be disposed of has decreased by an average of up to 90 per cent. In addition, we keep the machining emulsion (cooling lubricant) used in mechanical processing in circulation as far as possible and continuously process it.

Various small-scale savings projects were carried out in the waste management sector.

Our main measure to reduce waste in Ranshofen in 2022 was to reprocess the degreasing baths. Previously, the baths of the two pre-treatment plants had to be disposed of by an external company. Now it is possible to treat the degreasing baths in the wastewater plant and then discharge them into the canal of the municipality. This results in a saving of approx. 200 t/a.

WASTE QUANTITY IN TONNES

	Unit	2020	2021	2022
hazardous waste	in t	5.304	5.225	4.781
non-hazardous waste	in t	4.899	4.839	4.908
total amount of waste*	in t	10.203	10.064	9.689
amount of waste/piece**	in kg	67	59	56

*without metal waste (aluminium residue, aluminium chips sprues and polishing chips)

**waste quantity per piece of production ready-to-ship production

KEY FIGURES

% of all operative sites for which an environmental impact assessment has been performed	100
% of all operative sites where a formal environmental management system has been implemented	100
% of all operative sites where a formal energy management system has been implemented	85
local & accidental pollution cases	0



BIODIVERSITY

For BORBET, the preservation of habitats and ecosystems is very important. Since our company was founded more than 140 years ago, we have ensured that there are sufficient green spaces around our sites. We want to make sure that different plants and animal species live there and that the employees can spend their breaks in the green areas. At the same time, we are aware that living spaces had to make way for our business activities and the construction of new locations.



Protecting and promoting nature at our sites has always been our top priority.

We analysed our locations and the surrounding area with the help of an assessment tool for biodiversity (variety of species). The aim was to compare our sites in terms of biodiversity in order to plan joint projects in the future and to manage the topic centrally. A procedure that has already proven itself in dealing with water stress zones.

The result shows that many of our sites are adjacent to protected areas or focus areas with high biodiversity. Examples are the Inn in Austria or the Swartkop River in South Africa.

The Hesborn and Medebach sites are even located in two protected areas - a terrestrial area and a focus area with high biodiversity. Part of this focus area in Medebach is a bird sanctuary.

So far, however, we have not seen any impact of our plant on the birds. Various bird species even nest on the factory premises. Nevertheless, the analysis shows: Due to the location of many of our sites, it is particularly important to protect the adjacent nature as far as possible. In order to maintain and increase biodiversity around our factory premises, we have implemented several projects. There has been a bird bath in Medebach since 2022.

In spring 2022, three sustainability projects were implemented in Kodersdorf to improve biodiversity at the site: A previously unused company area was converted into a wildflower meadow, where even a beehive was accommodated. The fact that the number of bee colonies in Germany alone has fallen by around 20% from 1990 to the present day has given us reason to think and has led us to place a beehive on our factory premises. The queen bee was christened "Hildegard" by the employees from Kodersdorf. Its population comprises around 50,000 honeybees and each of them visits around 4,000 flowers every day. It pollinates within a radius of up to 4 kilometres, which in turn means that the wildflower meadow in front of their "home" is not necessarily the first port of call. And that wasn't the plan behind this campaign. Instead, the flower meadow should serve as a source of food for wild bees, as the wild relatives are more at risk of extinction than the honeybees. Above all, we want to create environmental awareness with this project. Insect hotels and nesting boxes were also built and set up at the site.



OVERVIEW OF KEY FIGURES

Planned measures to increase biodiversity over the next two years

3

#05

A group of four diverse employees (two men and two women) wearing dark blue polo shirts with the BORBET logo. They are all giving a thumbs-up gesture. The background is a blurred industrial or office setting with blue and yellow lighting.

HUMAN BEINGS

We know that the worldwide success of BORBET GmbH and its subsidiaries is mainly due to our employees. This is why we have created an environment where we can work with shared responsibility for all company goals.

OUR EMPLOYEES

As a traditional family company rooted in the region, we value being close to people.

BORBET therefore wants to be a good neighbour to the local community and an attractive employer for all employees. We are aware that we have only grown over our 140-year history because we have always been able to rely on a dedicated, motivated, and loyal workforce.

We want our employees to be satisfied and enjoy working for us in the long term. Therefore, a declared aim of our management policy is to recognise the performance of our employees and to further increase employee satisfaction. At the same time, our HR work focuses on filling vacancies with new, talented employees. Our transparent recruitment process takes place by means of the softgarden software. There, the candidate can create an account to track the status of their application in real time. And last but not least, we are committed to developing the strengths of our workforce in a targeted manner. Our locations largely operate independently in order to meet the respective challenges on site.

With the Code of Conduct, we have created a central document to give employees clear guidance for their daily activities.



All employees are encouraged to report any concerns about incidents in the company via our whistleblowing procedure.

The good relationship between BORBET as an employer and its staff is also evident in the type of employment contracts: The share of permanent employment is around 90 percent. At 1.68 percent, BORBET's staff turnover increased slightly compared to the previous year (0.9 percent in 2021), but is still very low.

STAFF TURNOVER* IN PERCENT

	2020	2021	2022
Germany	0.18	0.31	0.41
Austria	0.22	0.58	0.54
South africa	0.79	4.20	9.20

*due to resignations

ATTRACTIVE WORKING CONDITIONS

The BORBET management team attaches great importance to good cooperation with the works councils. Elected employee representatives are available at all European locations. We provide employees with timely information on current developments via the Intranet or notices on the "Black Board". In doing so, we comply with all statutory provisions on the right of notification and co-determination. In addition, we conduct site-specific employee surveys at irregular intervals to answer questions about the health or satisfaction of employees and to react accordingly. For us, a respectful approach with one another also includes letting employees share in the success of the company.



The following list shows a selection of our additional services, which may vary depending on the site/national subsidiary.

- Pension provision
- Holiday and Christmas bonus
- Asset-creating benefits
- Bonuses
- Vacation entitlement above legal minimum requirements
- Regular salary increases
- Travel allowance for trainees
- Bike leasing
- BORBET employee card

Our employees in Europe also have the opportunity to take parental leave. All employees returned to work following parental leave and continued to work part-time or full-time. Commercial employees have the opportunity to work from home one day a week (home office). Overtime can be compensated by flexitime.



OVERVIEW OF KEY FIGURES

% of total workforce covered by collective bargaining agreements on working conditions	0
% of total workforce receiving a regular performance review	85
training hours per employee	8
% of total workforce at all sites that have received training or education on environmental issues	100
% of all operational sites where a formal OH&S management system has been implemented	100
% of total workforce at all locations represented by a formal employee and management occupational health and safety committee	100
% of all operational sites where a health and safety risk analysis has been performed	100
% of total workforce at all locations represented by formally elected employee representatives	85

DIVERSITY AND INCLUSION

We believe that diversity enriches our company. This is why we care about treating all genders equally and oppose any kind of discrimination. Currently, employees with around thirty different nationalities are working together at BORBET to great success.

“
We are convinced that diversity enriches our company.”

We are also looking at demographic changes and regularly evaluate the age structure of our company. The average age is currently around 40 years. We employ sufficient numbers of trainees to ensure a balanced ratio between younger and older employees. We are increasingly striving to offer older workers a workplace that is suited to their age and performance wherever possible. This applies in particular to our employees on shift work and is carried out in close consultation with the works councils.

The proportion of female employees at BORBET is low. As is customary in the industry, the number of female trainees in technical apprenticeships is still very low. BORBET therefore participates in the annual “Girls’ Day” to inspire more girls to choose technical careers. In addition, BORBET is present at events such as the “Day

of Training” or various career days and supports various initiatives, such as “No graduation without connections” - a project of the State of North Rhine-Westphalia.

PROPORTION OF WOMAN IN MANAGEMENT ROLES

	2020	2021	2022
	19.44 %	16.25 %	20.75 %



GENDER DISTURBUTION IN PERCENT

region	2020		2021		2022	
	female	male	female	male	female	male
Germany	7.43	92.57	5.72	94.28	6.22	93.78
Austria	5.80	94.20	6.70	93.30	6.32	93.6.
South Africa	20.00	80.00	19.00	8.00	18.93	81.07

EDUCATION WITH A VISION

BORBET has always placed great importance on training. This is also reflected in our investments into related programmes. Young professionals of all genders can choose between the following apprenticeships:

Technical professions:

- Electronics technician
- Industrial mechanic
- Machine and system operator
- Process engineer
- Tool mechanic
- Cutting machine operator

Commercial professions:

- Industrial clerk
- IT specialist
- Marketing communications agent
- Technical product designer

The selection process is based on needs, so that the young people can then be offered the prospect of being taken on afterwards. As part of its training programme, BORBET also offers the opportunity to take part in a dual course of study in medium-sized business management and technical subjects at our partner university. We have also established an integrated trainee programme, offering up to two positions each year at each of our European locations.

We also provide our trainees with an e-learning system that allows them to train online - anywhere, anytime. For this purpose, all departments are equipped with appropri-

ately set up laptops. In addition to various content related to occupational health and safety, employees can also use the system to find information that will help improve their intercultural skills.

Aside from this web-based training platform, employees also have access to internal and external training formats as well as numerous co-operations. This programme is based on training plans that are drawn up using a qualification matrix following the annual employee and shift discussions. The training programme also serves to monitor relevant legal and political developments and to incorporate these into the company.



SAFETY IN THE WORKPLACE

Activities in wheel production are associated with hazards common to the industry. The main sources of danger in production are in the following areas:

- **melting/foundry:** Handling liquid aluminium, hot surfaces, risk of injury and physical strain from handling wheels, forklift operation, heat, noise
- **machining:** Risk of injury from machines, handling coolants, risk of injury and physical strain from handling wheels, forklift operation, noise
- **paint shop:** Handling hazardous substances (chemicals, paints), risk of fire and explosion from paints, risk of injury and physical strain from handling wheels, forklift operation

Our goal is to constantly improve the safety of our employees. For this purpose, management systems for occupational safety and health protection have been introduced at all BORBET sites in recent years (DIN EN ISO 45001). At the same time, we integrated the management system for occupational health and safety into the existing management system for environment and energy. As part of a group certification, the Integrated Management System 2020 was successfully certified by TÜV Rheinland.

To prevent accidents, we constantly analyse the potential dangers in the departments and conduct safety inspections. In addition, regular occupational safety committees are held. For further prevention, we instruct our employees on safety issues every year. For this purpose, we use a digital training and instruction system at the sites in the Sauerland region, which will be expanded to other sites in the following years. Among other things, the system also includes an electronic first-aid book in which every employee has to document an injury or an accident at work. In addition, it offers those responsible the opportunity to investigate the accident and ensure that it does not happen again.

In order to further reduce the number of occupational accidents in the long term, we want to further optimise the occupational health and safety management system at all sites. BORBET's strategic goal was to reduce the occupational accident rate by an average of 20 % by 2022 - compared to 2019. This target was narrowly missed. The reduction was 18 %.

OCCUPATIONAL ACCIDENT RATE AT BORBET

	2020	2021	2022
number of reportable occupational accidents (OA)	126	169	153
number of lost days as a result of reportable occupational accidents	2.238	2.294	1.989
occupational accident rate*	27,2	25,1	22,4
accident severity (number of lost days in relation to OA (> 1 day))	18	14	13
number of OAs with >30 lost days (severe OAs)	14	17	18
work-related fatalities	0	0	0
number of workplace inspections carried out	228	792	556
sickness rate**	5,1	6,1	7,3
actions/action days implemented to protect occupational health and safety	17	26	15
number of reported cases of suspected occupational illness***	7	9	6

* Number of occupational accidents with lost time ≥ 1 days per 1 million hours worked

** Proportion of employees absent due to illness as a percentage of the total workforce

*** Occupational illnesses associated with activities at the BORBET sites

HEALTHY AT WORK

Fit in the factory

The health of the entire workforce is of particular importance to BORBET. For years, the number of sick days in the company has remained at a consistently low level - proof for us that our measures in this area are successful and our employees are happy.

We provide all employees with access to occupational physician services. In addition, we identify possible hazards in the working environment together with the respective employers' liability insurance associations and health insurance funds and develop suitable measures from them. Our employees receive comprehensive information and training on health issues at regular intervals. The **Bad Langensalza** (Thuringia) site has a company health management sys-

tem in cooperation with a large German health insurance company. A so-called Health Day takes place there and at other locations once a year. In 2022, the Health Day took place with a pair of intoxicating glasses and a smoothie bike, as well as a stop smoking course. In addition, several back straps were tested and introduced as lifting support, and protective gloves were tested by handling hot wheels. In the final inspection area, the draft was minimised with the help of a partition wall.

The first workshop on the subject of "addiction prevention in companies" was held by the addiction counselling office in Eisenach. Our trainees were also able to get to know valuable aspects of "addiction prevention and media".

At the **Ranshofen site** (Austria), the works council organises the BORBET Austria runners meeting, where enthusiastic employees get together twice a week. In addition, the site further expanded its health management in the year under review and received a seal of approval for occupational health promotion, which is valid for 3 years and is then extended.



Examples of the commitment to health include the free provision of apples for all employees during the cold season, and tick and flu vaccination options the **Ranshofen** and **Kodersdorf sites**.

To keep our employees safe, we conduct monthly safety walks in all departments. We also rely on targeted further training, such as PPE against falls for our maintenance employees.



HEALTHY AT WORK

At **BORBET Sachsen GmbH**, another health day took place in 2022 in cooperation with AOK Plus Sachsen and a local gym, which unfortunately had to be cancelled in the previous two years due to the coronavirus pandemic. This year, our employees had the opportunity to carry out various tests, for example determine their body fat percentage or have their back fitness checked. Nutrition also plays a major role in physical health. Enough reason for BORBET to round off the health day with a range of healthy snacks and drinks. In addition, water dispensers have been introduced in Kodersdorf, free of charge to all employees.

As of April 2021, BORBET employees have the opportunity to lease either a high-quality e-bike or a normal bicycle. The offer also applies to family members. Bike leasing is not only intended to promote health, but also reduce the impact on the environment. After all, our employees' commuting journeys are also reflected in our carbon footprint - albeit to a small extent.

As a traditional family-owned company from the region, we want to give something back to the people in our area. This is why BORBET's commitment is for the good of our location regions. In addition to economic and environmental development, the overall objective of our engagement is to actively promote social and cultural cooperation. This is why the thematic focus of our work is on education and science, health and social affairs, and sport and culture.

Since 2019, a cross-location donation and sponsorship guideline has ensured that only targeted measures are implemented. For example, payments to organisations or initiatives that are not for the common good or that are incompatible with our values are not permitted. The marketing department centrally manages and monitors the allocation of donations and sponsorship services. During the reporting period, no location donated money directly or indirectly to a political party.

From April 2021, employees in the **Hochsauerland** district have received a so-called BORBET employee card. It includes a monthly amount, which is provided in addition to the wage and which employees can use for purchases in the region. True to the company values and the motto „one for all, all for one!“, BORBET thus shows its great appreciation for the work performance and loyalty of its specialists in the Hochsauer district. At the same time, the initiative benefits the participating regional partners, who require support after the pandemic-related lockdowns. Our **locations** in **Kodersdorf**, **Ranshofen** and **Bad Langensalza** also offer their employees an employee card.



SOCIAL COMMITMENT



Education and science

As a family-owned company, we see it as our duty to show young people career prospects. We regularly attend regional training exchanges and career fairs at all our locations. In addition, our trainers at schools present different professions and possible internships and provide application training. Our training workshops guarantee hands-on learning under optimal conditions.

At our locations in **Hallenberg-Hesborn, Medebach, and Solingen (North Rhine-Westphalia)**, we support events such as Girl's Day, KAoA (No Graduation without Connections), or the school project ProBE, which has been in place for more than ten years and allows students to try out different vocational training courses. In the field of science, we have collaborations with the South Westphalia and Nuremberg Universities of Applied Sciences, the Fraunhofer Institute LBF in Darmstadt, and the University of Stuttgart.

We are also partners of science in **Bad Langensalza (Thuringia)**. We work with ZPF GmbH, Hanover's Institute for Integrated Production, Institute of Technology in Freiberg and the University of Bremen. Together, we are researching how to use energy more efficiently in production.



“With our commitment, we want to contribute on a daily basis to realising not only cars but also dreams of life.”

At the **Ranshofen site (Austria)**, we support the „Long Night of Research“, the “Lego League” - an international research and robot competition - as well as educational institutions, including the Commercial Academy (Handelsakademie), the Higher School of Economic Occupations (Höhere Lehranstalt für wirtschaftliche Berufe) and the Higher Technical School (Höhere Technische Lehranstalt).

Education is also of particular importance in **Port Elizabeth (South Africa)**. BORBET awards annual scholarships for employees' children, thus enabling them to study after high school.

SOCIAL COMMITMENT

Health and social issues

BORBET provides financial support for various social projects and institutions at its **Kodersdorf site** (Saxony). These include, for example, the counselling association at Görlitz and the small residential group of Kinderarche-Sachsen e.V. at Katschwitzer Hof. The site also supports the Horka equestrian tournament, the equestrian and jumping tournament in Görlitz and the ice rink in Görlitz, providing discounted tickets to school classes, among other things.

This year, the **Bad Langensalza site** (Thuringia) supported a children's hospice with a donation.

Every year BORBET GmbH organises a Christmas tombola in which gifts from business partners are raffled off. The proceeds of the raffle go to social projects in the Hochsauerland district.

We also regularly support local schools and the fire brigade in **Hesborn** with financial resources in the Hochsauerland-district.

In July 2022, **BORBET South Africa** took part in the celebrations of Mandela Day and visited the Ekuphumleni residential facility in the township of Zwide, 5 km from the BORBET location. The facility provides institutional care for 60 formerly disadvantaged and semi-disadvantaged elderly people aged 70-95. **BORBET South Africa** has been working with the institution for 6 years, as we believe that our seniors are the pillars of the community. We want to recognise their contribution to our society. It is important to us to take care of our elderly fellow citizens and to ensure that they are safe and well cared for even in their twilight years.

"An oak is a daily reminder that big things often start small."
Matshona Dhliwayo



SOCIAL COMMITMENT

In 2022, **BORBET South Africa** entered into a partnership with the House of Resurrection children's home. This facility is located in Bethelsdorp, 8 km from the BORBET site. The House of Resurrection Haven provides a safe and supportive home for children who are infected or affected by HIV/AIDS. The children are between 4 and 19 years old. Just over half are HIV positive themselves. They regularly go to tests and screenings and are taught how to live a healthy life with their HIV status. The children are integrated into normal community life and attend regular schools.

being. Thanks to support and nutrition at school, the number of pupils has increased every year. The meal the children receive at school is sometimes the only meal they eat for the rest of the day.

At the Swartkops primary school, BORBET contributed to the renovation of the infrastructure (toilet facilities for young children), creating a favourable learning environment for young pupils.

The Ranshofen site (Austria) supports Lions Club and Rotary Club events in Braunau that are used for charitable purposes in the region. This year's tombola proceeds from the family festival were donated to the "Herzkinder Österreich" association, which takes care of heart-sick children and their families.

”

Under the motto
"Together for the region",
BORBET and its employees
are involved in several clubs
and institutions

BORBET South Africa supports a nutrition programme at the Garret primary school in Zwide that ensures that students receive an adequate diet for their general well-



SOCIAL COMMITMENT

Sport and culture

We would also like to specifically promote sporting and cultural events. We are therefore continually expanding our local commitment at our **Kodersdorf** (Saxony) location. We are currently supporting the child of an employee who is active in go-karting, among other things. We also sponsor local equestrian tournaments and regional football clubs, helping to shape cultural coexistence in our local region.

Our **sites** in **North Rhine-Westphalia** provide local assistance for the work of various associations and initiatives. In addition to donations for youth fire brigade events and shooting clubs, we also maintain long-standing partnerships at the headquarters of our main plant in Hochsauerland. BORBET has been supporting bobsleigh, skeleton, and luge sports in Sauerland for decades. The focus here

is primarily on the promotion of young talent. We are also committed to various handball and football clubs, such as VFL Wolfsburg. This is how we sponsored the construction of two football pitches and a basketball court in Medebach. In Hallenberg-Hesborn, BORBET acquired an old school to save it from demolition and make it available to clubs and other groups as a meeting place. Just like at all other locations, we are committed to employees in the Hochsauerland district who provide exceptional sporting performance and financial support.

In **Thuringia**, BORBET supports one of the most successful women's handball clubs in the Bundesliga: THC Erfurt in Bad Langensalza. In addition, our company is also committed to the local SV Preußen football club and VFB TM Mühlhausen. Since winter sports play a major role in



Thuringia, we also support clubs and individual athletes in the nearby winter sports resort Oberhof.

As part of its social commitment, the **Ranshofen site (Austria)** promotes cultural and social facilities in the region. When selecting the facilities, we rely on the suggestions of our employees.



#06

GLOBAL REPORTING INITIATIVE



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GENERAL INFORMATION		PAGE	COMMENTS
GRI 101	foundation		
GRI 102	general disclosures		
	organizational profile		
GRI 102-1	name of the organization	9f	
GRI 102-2	activities, brands, products and services	9f	
GRI 102-3	location of headquarters	9f	
GRI 102-4	location of operations	10	
GRI 102-5	ownership and legal form	10	
GRI 102-6	markets served	10	
GRI 102-7	scale of the organisation	10	
GRI 102-8	information on employees and other workers	40ff	
GRI 102-9	supply chain	24f	
GRI 102-10	significant changes to the organization and its supply chain	5	
GRI 102-11	precautionary principle or approach	14	
GRI 102-12	external initiatives	7,23	
GRI 102-13	membership of associations	23	
	strategy		
GRI 102-14	statement from senior decision-maker	13	
GRI 102-15	key impacts, risks and opportunities	17	
	ethics and integrity		
GRI 102-16	values, principles, standards and norms of behaviour	14	
GRI 102-17	mechanisms for advice and concerns about ethics	14f	

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GRI 102-40	list of stakeholder groups	21	
GRI 102-41	collective bargaining agreements	41	
GRI 102-42	identifying and selecting stakeholders	21	
GRI 102-43	approach to stakeholder engagement	21	
GRI 102-44	important topics and concerns raised	21	
reporting practices			
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GRI 102-46	defining report content and topic boundaries	22f	
GRI 102-47	list of material topics	22f	
GRI 102-48	restatements of information	2	No changes.
GRI 102-49	changes in reporting	2	
GRI 102-50	reporting period	2	30.06.22
GRI 102-51	date of most recent report	2	
GRI 102-52	reporting cycle	2	
GRI 102-53	contact person for questions on the report	61	
GRI 102-54	claims of reporting in accordance with the GRI standards	2	
GRI 102-55	GRI Content Index	50	
GRI 102-56	external assurance		no external audit

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KEY TOPICS		PAGE	COMMENTS
GRI 201	economic performance		
GRI 201-1	Direct economic value generated and distributed	19	
GRI 201-4	Financial support from the public sector	19	
GRI 204	procurement practices		
GRI 204-1	proportion of spending on local suppliers		No information available. The share of local suppliers for Germany and Austria is around 35 percent.
GRI 205	anti-corruption		
GRI 205-2	communication and training about anti-corruption policies and procedures	11,14	
GRI 205-3	confirmed incidents of corruption and actions taken	11	No incidents were reported in the reporting year.
GRI 206	anti-competitive behavior		
GRI 206-1	legal actions for anti-competitive behavior, anti-trust and monopoly practices	11	There were no legal proceedings with regard to anti-competitive behavior in the reporting year.

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GRI 303	water and effluents		
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GRI 303-2	management of waterdischarge-related impacts	34f	
GRI 303-3	water withdrawal	34f	
GRI 303-4	water discharge	34f	
GRI 303-5	water consumption	34f	
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GRI 306-2	waste by type and disposal method	36	
GRI 307	environmental compliance		
GRI 307-1	non-compliance with environmental laws and regulations		No fine or non-monetary sanction was imposed on any location in the reporting year for non-compliance with environmental laws or regulations.
GRI 308	supplier environmental assessment		
GRI 308-1	new suppliers that were screened using environmental criteria	25	
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GRI 401-1	new employee hires and employee turnover	40	
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KEY TOPICS		PAGE	COMMENTS
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GRI 404-2	programs for upgrading employee skills and transition assistance programs	44	
GRI 404-3	percentage of employees receiving regular performance and career development reviews	11	
GRI 405	diversity and equal opportunities		
GRI 405-1	diversity of governance bodies and employees	42	
GRI 406	non-discrimination		
GRI 406-1	incidents of discrimination and corrective actions taken	11	
GRI 407	freedom of association and collective bargaining		
GRI 407-1	operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	11	No threats were identified in the reporting year.
GRI 408	child labor		
GRI 408-1	operations and suppliers at significant risk for incidents of child labor	17	
GRI 409	forced or compulsory labor		
GRI 409-1	operations and suppliers at significant risk for incidents of forced or compulsory labor	17	

GRI-CONTENT INDEX

KEY TOPICS		PAGE	COMMENTS
GRI 410	security practices		
GRI 410-1	security personnel trained in human rights policies or procedures	11	
GRI 412	human rights assessment		
GRI 412-1	operations that have been subject to human rights reviews or impact assessments	11	
GRI 412-2	employee training on human rights policies and procedures	11	
GRI 412-3	significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	11	
GRI 413	Local communities		
GRI 413-1	operations with local community engagement, impact assessments and development programs	47ff	
GRI 414	supplier social assessment		
GRI 103	management approach (including GRI 103-1, 103-2, 103-3)	28	
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GRI 416-1	assessment of the health and safety impact of product and service categories	26	
GRI 417	marketing and labeling		
GRI 417-2	incidents of non-compliance concerning product and service information and labeling		No incidents were reported in the reporting year.
GRI 418	customer privacy		
GRI 418-1	substantiated complaints concerning breaches of customer privacy and losses of customer data		No incidents were reported in the reporting year.
GRI 419	socio-economic compliance		
GRI 419-1	non-compliance with laws and regulations in the social and economic area		No incidents were reported in the reporting year.

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