



**COMBINED SEPARATE  
NON-FINANCIAL REPORT**



# Contents Combined separate non-financial report

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# Combined separate non-financial report 2023

For GRAMMER, sustainability begins with the people who work at the Company and who are linked to it. It covers such aspects as research and development (R&D), procurement and production as well as the finished products and the end-of-life recycling of product components. With the expansion of its global presence and the organization's broad footprint, the GRAMMER Group is also supporting this message internationally.

In 2022, GRAMMER defined clear climate protection targets and continued to work on them in the 2023 reporting year. The Company is well on track to reduce Scope 1 and 2 CO<sub>2</sub> emissions by 25% by 2025. It also intends to reduce emissions by 50% by 2030 and by 100% by 2040.

GRAMMER has started recording Scope 3 emissions in parallel with these efforts. A team is working hard to develop realistic targets for these emissions. At the same time, the Company is stepping up its efforts to make increased use of sustainable materials. To this end, it has established a team with responsibility for the implementation of these materials.

We actively integrate suppliers, partners and service providers into our sustainability strategy. As a result, we were well prepared for the new Lieferkettensorgfaltspflichtengesetz (LkSG - German Supply Chain Due Diligence Act), which came into effect on January 1, 2023. We have taken a range of measures to facilitate this, including the establishment of a human rights officer, the implementation of a human rights policy, the introduction of software to monitor our suppliers' ability to supply, the establishment of a whistleblower system and the updating of our Code of Conduct (CoC) and Supplier Code of Conduct (SCoC).

The positive results of our sustainability initiatives have also translated into higher ratings from rating agencies: Despite a significant change to the rating methodology, our EcoVadis score improved from 56 to 58 out of 100 points last year. In 2023, GRAMMER received a B grade from the Carbon Disclosure Project (CDP) for climate protection, with its water security rating improving from C to B-.

## 1. Sustainability at GRAMMER

The GRAMMER Group, based in Ursensollen (Germany), is a global company that operates in two business segments: GRAMMER develops and produces high-quality interior and operating systems and innovative thermoplastic components for the global automotive industry. GRAMMER is a full-service provider of driver and passenger seats for trucks, buses, trains and off-road vehicles. We are committed to sustainability and have embedded its economic, ethical and ecological principles in our corporate guidelines.

We aspire to make thinking and acting sustainably an integral part of the Company's DNA. To us, accepting responsibility for people, society and the environment means not putting a strain on people and nature as far as possible and furthering their ability to regenerate. We take the interests of all our stakeholders into account, further our employees' interests and have introduced uniform ISO-certified environmental management for all our locations worldwide. At the end of the first quarter of 2024, an ISO-certified energy management system will have been introduced at over half our locations worldwide. We are aiming to implement energy management and occupational health and

safety management systems around the world by the end of 2024.

### 1.1 Organizational structure of sustainability

We optimized the organizational structure to coordinate sustainability aspects internationally across the GRAMMER Group even more effectively in 2023. The structure is designed to drive the implementation and promotion of sustainability still further.

CSR representatives, who report directly to the global Corporate Social Responsibility team (CSR team), were appointed for each region (EMEA, AMERICAS and APAC). We are also in the process of establishing sustainability teams in each plant consisting of permanent contact persons from various departments, such as HR, Production, Quality or Plant Management. These teams will regularly report to the regional CSR representatives in meetings.

The CSR team maintains regular dialog with the CSR Council, which GRAMMER established in 2015. Besides the Executive Board, the members consist of Group area managers from the first management level below the Executive Board:

- Research and Development
- Legal
- Compliance
- Controlling
- Finance
- Accounting
- Investor Relations
- HR
- Production

- Supply Chain Management
- Quality
- Health, Security and Environmental Management
- IT
- Marketing and Communication
- Sales
- Data Protection

and from the three regions EMEA, AMERICAS, APAC and the two product areas. Through the CSR Council, we can guarantee that sustainability is firmly embedded and continually developed in line with corporate strategy and statutory requirements. The units represented on the CSR Council are responsible for implementing the strategic CSR objectives.

These objectives are grouped under the company-wide “Sustainable Company” initiative. Goals to be achieved in the medium and long term were defined for five action areas: energy and resource efficiency, efficient use of materials, avoidance of waste and recycling, reduction of emissions and development of sustainable products.

## 1.2 Materiality analysis














In the fourth quarter of 2023, work started on conducting a new materiality analysis in accordance with the principle of double materiality laid down in the European Sustainability Reporting Standards (ESRS) and defining material aspects with a positive and negative impact as well as material opportunities and risks along the entire value chain. These aspects were subsequently assessed by various internal stakeholders and checked in various validation steps.

However, since the results of the new materiality analysis do not cover the entire reporting period, the NFR (non-financial report) is still based on the 14 material aspects of the materiality analysis conducted in 2020.

Good corporate governance	Products	Environment	Supply chain	Employees and community
Compliance	Sustainable product development	CO <sub>2</sub> emissions	Working conditions and human rights	Employee satisfaction
Data security, information and IT security	Material efficiency	Energy and resources	Sustainable procurement of commodities	Occupational health and safety
	Customer health and safety	Waste		Diversity and equal opportunities
		<b>Green Company</b>		Corporate citizenship

## 1.3 Support for the UN Sustainable Development Goals

As an international operator, GRAMMER actively contributes to the achievement of the Global Sustainability Goals. Adopted in 2015, the United Nations’ Sustainable Development Goals (SDGs) comprise 17 objectives aimed at making the world more sustainable and fairer by 2030. To highlight the relevance of the SDGs and to make our contribution visible, we are focusing on five subject areas and their goals to which we can contribute as a company:

SDGs	Aspects of relevance for the GRAMMER Group	Material aspects	Non-financial aspects	Goals
	 Good corporate governance	Compliance Data security, Information and IT security	Cross-cutting issue, particularly anti-corruption	
 	 Products	Sustainable product development Material efficiency Customer health and safety	Environmental concerns, social concerns	<ul style="list-style-type: none"> <li>• Increased efficiency and process optimization through expanded expertise and its integration into our projects by the end of 2024</li> <li>• Intensification and continuation of product development and sustainable materials</li> </ul>
 	 Environment	CO <sub>2</sub> emissions Energy and resources <sup>1</sup> Waste	Environmental concerns	<ul style="list-style-type: none"> <li>• Minus 50% CO<sub>2</sub> by the year 2030 and minus 100% by the year 2040</li> <li>• Switch to 100% green electricity at all locations by 2025</li> <li>• Global implementation of ISO 50001 by the end of 2024</li> </ul>
	 Supply chain	Working conditions and human rights Sustainable procurement of commodities	Cross-cutting issue, relates to all non-financial aspects	<ul style="list-style-type: none"> <li>• 100% of global suppliers confirm GRAMMER's policies for suppliers</li> <li>• Transparency and controlling of our supplier's compliance with human rights and environmental due diligence obligations under the LkSG (German Supply Chain Due Diligence Act)</li> <li>• Introduction of whistleblowing tool for internal and external use</li> </ul>
 	 Employees and community	Employee satisfaction Occupational health and safety Diversity and equal opportunities Corporate citizenship <sup>2</sup>	Employee matters, social concerns	<ul style="list-style-type: none"> <li>• Increasing the share of women in top management (20%)</li> <li>• Intensifying the training of employees (interculturality, languages, diversity etc.)</li> <li>• Global implementation of ISO 45001 by the end of 2024</li> <li>• Strengthening and promoting voluntary commitment of employees worldwide (concretisation of the concept and structural anchoring at GRAMMER worldwide)</li> </ul>

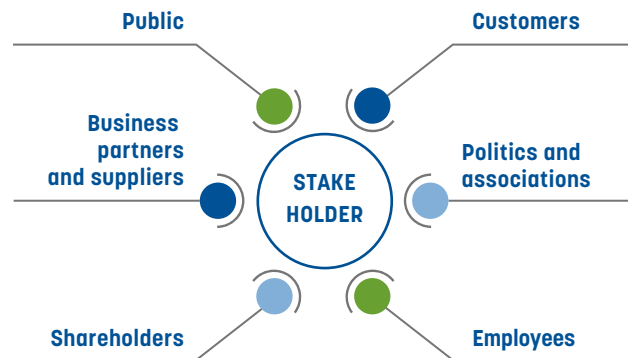
<sup>1</sup> Energy and resources, incl. water and biodiversity.

<sup>2</sup> No material aspect; reporting is voluntary.

#### 1.4 Inclusion of all stakeholders

GRAMMER attaches particular importance to dialog with its various stakeholders, such as employees, customers and suppliers, and to the inclusion of their perspectives. Communication with our stakeholders is mostly handled directly by the respective departments and units. The results of this dialog are tracked and can be accessed in order to address corresponding inquiries from outside the Company or to convey messages from within the Company to the public at large. As GRAMMER maintains very close contact with its stakeholders, we were able to take the expectations of the different groups into account in our sustainability concepts as well.

#### The GRAMMER's Group Stakeholders



#### 1.5 Ratings

ESG (environment, social, governance) rating agencies are key players on the capital market and a basis for sustainable investment. Most providers publicly disclose the results of their ratings and rankings. They are used by investors as transparent and additional decision-making aids – and customer expectations of companies in terms of certain rating results are rising all the time.

In 2023, GRAMMER received a B grade in the sustainability rating from the Carbon Disclosure Project (CDP) in the area of climate protection, and in the area of water safety, an improvement from C to B- was achieved. The score from EcoVadis, a leading provider of ESG ratings, improved despite a significant change to the rating methodology to 58 (previously 56) out of 100 points. Consistently high ratings are achieved on NQC (a rating tool for suppliers in the automotive supply chain), which shows that GRAMMER satisfies the requirements of many of its customers for its contract award process.



#### 1.6 Risk evaluation of non-financial matters

Doing business entails both risks and opportunities. We have defined various principles relating to risk policy in our risk strategy. In a risk management context, risks and opportunities refer to any positive or negative deviations from an uncertain plan. Risk management thus contributes to value-based corporate governance. We have established a uniform Group-wide risk management system to address such risks. This process allows

risks to be detected, analyzed, and assessed early on so that countermeasures and risk mitigation can be implemented promptly.

Under the CSR Directive Implementation Act governing the disclosure of non-financial and diversity-related information, companies must not only report on the material aspects but also explain the related risks. The concept of risk has been broadened and integrated into risk management to model the non-financial risks involved in the process. Internal experts have assessed the qualitative impact of corporate activities. GRAMMER views risk in net terms, i.e. after taking account of risk mitigation measures and opportunities.

No material risks that are linked to the Company's own business, business relations or products and are liable to have severely adverse effects on non-financial aspects have been identified in connection with non-financial aspects. However, there are fundamental risks that can affect individual non-financial aspects. Among other things, this applies to ecological risks that we address with our management systems in accordance with ISO 14001 (Environmental Management) and ISO 50001 (Energy Management).

We have also implemented sustainability risks in the areas of environmental, social and corporate governance sustainability (ESG) issues in our risk management and adapted our risk management system in line with the requirements of the [Lieferkettensorgfaltspflichtengesetz](#) (LkSG – German Supply Chain Due Diligence Act). Thus, we have analyzed the risks of our own operations and our supply chains.

## 2. Responsible corporate governance

As a global Group, we have an obligation to the rules and ethical requirements of markets, countries and regions. Furthermore, we have made a commitment to values that infuse our commercial activities and guide our employees every day. These values include the protection of human rights, outlawing child and forced labor, anti-corruption, professional data protection and information security.

We use clear and open communication to create transparency – for our employees, our customers, our suppliers and shareholders. It is important to us to balance the interests of our stakeholders and to maintain a respectful approach. In this way we are creating the deep-seated trust that is required for our business success and our corporate culture.

### 2.1 Compliance and combating corruption and bribery

Compliance with national laws and international regulations is of fundamental importance for safeguarding GRAMMER's business activities. We espouse a corporate culture that encourages a sense of responsibility among our employees and maintains integrity as a basis for working together in a spirit of mutual trust. All GRAMMER employees therefore have an obligation to act accordingly. Our [Code of Conduct](#) and internal compliance, anti-trust law and anti-corruption policies contain corresponding regulations.

The increasing statutory requirements for companies pose a challenge in the field of compliance: They are forced to make significantly more effort not to be exposed to accusations of organizational negligence or other liability risks. At the same time, the additional expense must be contained in order to remain competitive.

One potential risk is that violations of laws and guidelines typically result in a significant loss of trust, exclusion from tenders or the loss of business relationships. In contrast to this, the care-

ful implementation of standards promotes trusting relationships with business partners, employees and other stakeholders.

### Our strategic approach

Compliance with laws and international regulations is a top priority for GRAMMER. Above all, this includes respecting human rights, fair trade practices, the prohibition of corruption and the avoidance of conflicts of interest. We respect the freedom of association and reject forced and child labor. Furthermore, we comply with the applicable data protection law (see section 2.2, p. 8) and handle confidential information with due care (see section 2.3, pp. 8-9). We are committed to protecting the environment, to occupational health and safety and to social responsibility.

The aim of our compliance management is to guarantee the effectiveness and viability of our Company by respecting the legal provisions. Violations are detected and penalized.

We have set out corresponding guidelines in our Code of Conduct, which is binding for all employees: The [GRAMMER Code of Conduct](#) is available to all employees on the intranet in eleven languages. All new employees are informed of the Code of Conduct and it is explained to them in training. Additional training sessions in which they can refresh their knowledge of the Code of Conduct and the internal compliance guidelines take place at intervals of two to three years. We also publish articles on compliance on the intranet.

For this purpose, the Transparency International corruption index for specific countries provides an important indicator for determining the frequency of audits at individual locations. If an audit gives rise to a reasonable suspicion, we commence an investigation and take the requisite action as necessary.

GRAMMER has also set up a whistleblower system with which employees and external stakeholders can report any suspicions – both anonymously and in various languages. There is

also the option to make contact via a Compliance e-mail inbox and to communicate in person, by phone or by mail in accordance with EU and German whistleblowing legislation. Following thorough verification, incoming compliance complaints are investigated and, if a suspicion is confirmed and a breach has taken place, appropriate measures are taken.

### Implementation of the CCO to strengthen compliance in the Group

To coordinate compliance activities, the position of Chief Compliance Officer (CCO) was created for the first time in 2022. The CCO holds chief responsibility for handling compliance issues and reports directly to the Executive Board. Moreover, the CCO also reports regularly to the Audit Committee of the GRAMMER Group. A multidisciplinary body, which is independent from the Executive Board and staffed by representatives from Compliance, Legal, HR, Internal Audit and other members as necessary, is responsible for assessing and handling any information received on breaches of compliance. This panel guarantees objectivity, fairness, appropriateness and comparability in the handling of information and any internal investigations.

We have adapted our Code of Conduct and the whistleblower process in line with new standards such as the EU Whistleblower Directive and the German Whistleblower Protection Act. Compliance incidents were investigated and, where the reports proved justified, measures were taken. We used the findings from these cases to prevent future breaches and improve the compliance management system in these areas.

There were no confirmed incidents of corruption anywhere in the GRAMMER Group in the 2023 reporting year.

### Outlook

In 2024, the compliance management system is to be refined, the compliance risk management system is to be further harmonized with strategic risk management, and internal training is to be expanded.

## 2.2 Data protection

Since the introduction of the European General Data Protection Regulation (GDPR) in 2016 at the latest, companies have been paying more attention to the security of personal data. At GRAMMER too, protecting the data of our employees, customers and business partners is a top priority, and we ensure that we comply with all statutory standards worldwide, including the GDPR and the supplementary Bundesdatenschutzgesetz (BDSG – German Data Protection Act).

A growing number of certifications is required to verify data protection at companies and to provide credible evidence of this to outside observers. Violations of data protection laws can lead to a loss of trust and fines by regulators.

### Our strategic approach

GRAMMER has embedded high data protection standards within the Company. A data protection organization that reports to the Executive Board has been in place for many years. The data protection officer is responsible for ensuring compliance with the statutory guidelines and the internal data protection policy, which is binding for all GRAMMER employees. The employees of the data protection organization answer questions and implement corresponding solutions. Group IT performs regular IT security tests and authorization checks in a support capacity.

We expect our employees to respect our customers' and business partners' business secrets – and to protect industrial property rights, business secrets and other confidential company information against unauthorized disclosure. Mandatory classroom-based and online training is available in order to further heighten employees' data protection awareness. Data protection training is also part of the Group-wide compliance training concept.

In 2023, approximately 3,000 employees completed online data protection training, while approximately 400 employees participated in classroom-based training.

### Outlook

The data protection management system will be expanded and harmonized across countries in 2024.

## 2.3 Information security

Information is a key asset at GRAMMER. We therefore attach great importance to the security and availability of the data stored or processed by the Company. Information security protects us and our customers against tangible and intangible damage. We therefore use state-of-the-art IT systems and physical safeguards to protect against fire, flood and theft.

The rising number of cyberattacks poses significant challenges for IT security the world over. The loss or unauthorized publication of information can have serious consequences for companies: These extend from grave financial damage to loss of image, lost contracts and customers, or their ability to act being compromised. It is therefore essential that information security is analyzed and improved continuously within the Company.

### Our strategic approach

Information security ensures that data stay confidential and available – regardless of whether such information is digital, on paper, a fax, an e-mail or spoken out loud. Accordingly, we have introduced an information security management system (ISMS) at all our locations around the world. This is based on such standards as the international ISO/IEC 27000 series and the Trusted Information Security Assessment Exchange (TISAX) automotive standard.

In order to guarantee IT security in line with requirements, tools and methods are used to identify phishing campaigns. Besides the internal security procedures, the IT security infrastructure is also monitored by an external service provider at all times. GRAMMER assists its suppliers with appropriate software to safeguard its supply chains.

Security zones and permission concepts for the physical security of information are in place at all GRAMMER locations. Access to offices and other premises is regulated by keycards or keys.

Another key aspect of information security is employee awareness, as they are often the biggest security risk – typically through unintended wrong-doing. All employees are responsible for ensuring appropriate information security at all times within their own purview. They are assisted in this by established processes, guidelines and regular training. Management is tasked with implementing the regulations of the integrated management system and conducting security measures.

The Chief Information Security Officer (CISO) is responsible for information security throughout the Company and defines the guidelines. He reports directly to the Executive Board. IT Security is in charge of the practical implementation and reports to the Chief Financial Officer (CFO). The Supervisory Board likewise receives reports regularly.

### TISAX certification for production facilities

In 2022, we initiated the process to have the entire GRAMMER Group certified with the TISAX label "handling of information with very high protection needs" – for all production facilities in a delivery relationship with carmakers. The process was successfully completed for the relevant locations and the label was issued. The TISAX label is currently being extended to include "prototype protection."



## Outlook

As far as cyberattacks are concerned, continuously improving “cyber resilience” and “operational continuity management” is paramount.

## 3. Products

GRAMMER attaches great importance to the sustainability of its products along their lifecycle – from development and production to use and recycling. Key criteria include customer safety and ergonomics, ecological and environmentally friendly product development, sustainable materials and product innovations.

Our seating systems and interior products are currently produced and sold at 44 production and logistics facilities around the world. Roughly 600 engineers and R&D employees work at 14 international locations with the aim of continuously enhancing the ergonomics, safety, functionality, quality and aesthetics of our products. The Group is capable of developing products with state-of-the-art tools and systems – from simulating characteristics using state-of-the-art test facilities to practical testing and prototyping. Smaller research and development teams are located in GRAMMER’s own plants as well.

Non-capitalized R&D expenses amounted to EUR 80.5 million in the 2023 financial year (previous year: EUR 86.9 million), representing 3.5% of total revenue (previous year: 4.0%). Also, development costs of EUR 7.1 million (previous year: EUR 7.1 million) were capitalized in fixed assets. In 2023, Group-wide property rights (patents, designs and utility models) pending and granted fell by 3.7% to 1,977 (previous year: 2,054).

### 3.1 Customer health and safety

Every day, roughly ten million people around the world use seats, headrests and consoles produced by GRAMMER – most of them

at work: As professional drivers, they drive trucks, buses, agricultural machinery, construction vehicles or forklifts, often for hours at a time, five days a week. GRAMMER consoles can be found in passenger cars, where they assist users both privately and professionally. We want the people who use our products to feel safe and comfortable and to stay healthy. Ergonomics are therefore the most important factor in product development.



### Our strategic approach

People and their subjective perceptions define the product experience. “Perceived quality” is the guiding principle when developing our products. Cooperation between interdisciplinary teams of developers and ergonomics experts is of great importance to guarantee that user interaction for all relevant applications is as positive as possible. They work together to define the usage requirements for the respective product, on the basis of which solutions can be developed. These solutions are evaluated and optimized in an iterative process. Findings gleaned from internal testing and appointments with customers are also incorporated continuously. Further communication with international experts from industry and research allows us to remain at the cutting edge of developments at all times. With our ergonomic products, we therefore contribute to a working environ-

ment that offers maximum comfort and keeps users healthy in the long term.

### Ergonomic products

Our suspended seats for commercial vehicles satisfy the highest ergonomic requirements. They assist drivers in their work by providing optimal support while also allowing maximum freedom of movement and reducing vibration exposure. They prevent back problems and help users to maintain their performance in the long term.

The same goes for multifunction armrests in commercial vehicles: Their ergonomic design eases the strain on the spine and forearm, improves concentration and heightens comfort.

Headrests for passenger cars protect the cervical spine in the event of an accident. Models that enable users to not only adjust the height but also an individual distance from the head are especially effective.

In 2023, the ergonomics of various product characteristics were revised as part of the development of our new seat generation for the agricultural/construction machinery sector. The seat occupancy identification system was optimized to be able to reliably record a vast range of seating positions in the field. The redesign of the operating concept will increase user-friendliness significantly and make it easier to reach the controls. Implementation of a full-width cushion design with increased minimum foam density, a new cross contour to improve lateral support or the repositioning of the belt retractor are only some of the additional changes we have made to improve comfort. The option of integrating a haptic system seat can also give users reliable information in working environments characterized by visual and auditory overload. We will contribute actively to improving safety at work with these changes.

### Ergonomics competence enhanced

Methods in the area of ergonomics were continuously optimized in 2023: The introduction of a test vehicle to record the forces involved in horizontal vibrations means that body dynamics can be depicted biomechanically. The partial automation of post-processing of micro-climate data facilitates significantly faster and more precise analysis of the results. In particular, the development of models based on human body data improves product design in early prototype phases.

In the area of research, we staged the fourth International Comfort Congress with OTH Amberg-Weiden. Various areas of mobility and their future comfort requirements were discussed here. We have refined our research partner network and held various workshops, training sessions and lectures on vehicle ergonomics at research institutions.

### Outlook

We aim to expand particular aspects of our practical knowledge in 2024. The integration of these findings into our projects will be of particular significance here. At the same time, we will implement planned efficiency enhancement and standardization measures to optimize our processes and further improve the quality of our work.

### GOAL

– Preserving users' health and safety will also be of the utmost importance for GRAMMER in the future. The development of innovative products that offer ergonomic added value in use for our customers is therefore paramount.

## 3.2 Sustainable product development

Sustainable product development is a key part of GRAMMER's strategic "Sustainable Company" initiative: With innovative and sustainable product solutions, we offer our customers environmentally friendly alternatives and contribute towards climate and environmental protection as well resource conservation.

Rapid technological progress is being accompanied by the steadily growing demands made of component suppliers by vehicle manufacturers. Alongside safety, new vehicle concepts, drive types and the level of automation are defining the framework for product development. Other specific aspects in the automotive industry include achieving carbon neutrality throughout the value chain and the use of recycled materials.

### Our strategic approach

The use of sustainable and recycled materials remains our key priority. We are also working on the development of circular products.

### Sustainable and recycled materials (see section 3.3, pp. 11-12)

As an alternative to the carbon-intensive materials such as plastic, foam and steel, we focus on materials from renewable resources, recycled materials and the use of natural fibers. Green steel will not be available in sufficient quantities and at acceptable prices in the short term, but GRAMMER is already in touch with its steel suppliers and will gradually switch to minimum-emission steel over the coming years.

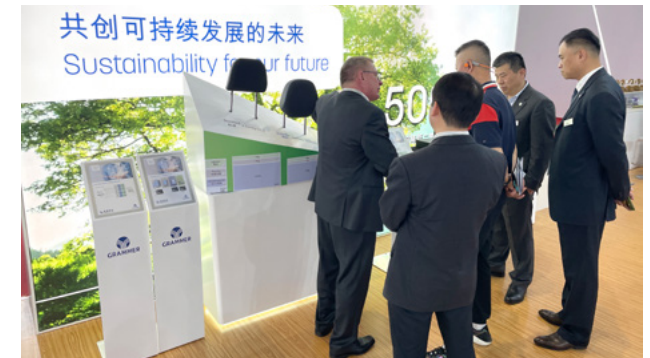
### Efficiency of materials

The economic use of materials also conserves resources and is good for the climate. We therefore use processes such as foam injection molding, which minimizes the consumption of materials in our production processes. At the same time, the quantity of materials in products is reduced by innovative construction and material solutions.

### Light-weight construction

We make a contribution to climate protection by reducing the weight of our seats, center consoles, armrests and headrests. Less material does more than conserve resources: The lower weight of the vehicle also reduces operational fuel consumption for our customers, which can help to cut greenhouse gas emissions. We reduce weight through function integration, which means fewer components are required. Another approach is to

substitute metal die-cast components by using high-performance plastics.



We use a state-of-the-art innovation management system to refine our product portfolio: A new product idea is first coordinated by an international team consisting of product and process experts as well as employees and managers from Sales and Purchasing. Defined assessment criteria are used to decide whether GRAMMER will pursue the idea. It is then added to our innovation roadmap and its implementation is planned.

At GRAMMER, sustainability is embedded in product development right from the start: We are already assessing the carbon footprint when the component concepts are first being created. Even the production process and its energy efficiency are taken into account as they make a significant contribution to CO<sub>2</sub> emissions. Concepts such as recyclability and the easy separation of component assemblies is factored into product development as well. Components and processes with the biggest impact on the ecological footprint are identified early on and products are made as green as possible by a deft choice of materials and construction.

In addition to CO<sub>2</sub> emissions, we are also reducing our volatile organic compound (VOC) emissions. In the Automotive product area, we use emissions-optimized alternative foam materials in a number of regions. Coating processes are another source of

VOC emissions at GRAMMER. Here, too, emissions have been reduced in cooperation with coating suppliers. The Research and Development unit established its own department for sustainable materials so that it can quickly respond to mounting market demands (see section 3.3, pp. 11-12). A team within the Purchasing organization is responsible for making supply chains sustainable (see section 5, pp. 16-19). A group within the Operations department is working on solutions to save energy in production.

### Materials testing and recycling study

Many sustainable materials were examined in 2023 and an extensive recycling study was conducted with the aim of developing circular products. Carbon footprints were calculated for various representative products and ideas for optimization were derived from this – including close cooperation with materials manufacturers to reduce the CO<sub>2</sub> values and with GRAMMER's plants to reduce the energy requirements of facilities for various processes.

### Outlook

Above all, we will be concentrating on sustainable product design, recyclability and the optimization of our processes throughout product development. Among other things, concepts for "green" truck and train seating will be developed. Moreover, various environmentally and climate-friendly materials will be tested, which will further increase the recycling rate and expand lightweight construction concepts to various products. We also want to achieve the CO<sub>2</sub> standards of our customers.

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### GOAL

– Intensification and continuation of sustainable product development and materials

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### 3.3 Sustainable materials

The choice of materials is a key lever for making products sustainable. GRAMMER's products mostly consist of four groups of materials: plastic, steel, foam, and cover materials. Depending on the product, these materials account for between 50% and 65% of the carbon footprint in the product creation phase. We are focusing on sustainable alternatives to spare natural resources and the climate.

There are many challenges when using sustainable materials: Their availability is often uncertain, which can make it difficult to maintain the necessary quantities. New materials first have to be comprehensively tested and assessed – especially for recycled materials, as their properties are often not as good as those of new products. This necessitates additional capacity for research and development. Also, various certifications are required to be able to use new materials. Significant cost increases can therefore be incurred overall. At the same time, sustainable materials and supply chains also mean opportunities for GRAMMER: If we expand our expertise in the field, that can give us a competitive edge.

### Our strategic approach

GRAMMER seeks to use materials that have as little impact on the environment and climate as possible in its products – from extraction and refining to using the finished product, through to its disposal and possible recycling. We are therefore stepping up our work to use alternative and recycled materials.

### Bioplastics

Conventional plastics derive from mineral oil; their manufacture and use releases large quantities of CO<sub>2</sub> emissions and causes harm to the climate. However, depending on the manufacturing process used and the component geometry, there are limits to the usability of bio-based plastics in car interiors. The extent to which these smell or produce emissions is critical here. As an alternative, GRAMMER will attempt to make more use of natural fleece fibers in the future.

### Metals

Metals are used in GRAMMER products as well, above all steel, aluminum, and magnesium. Steel can be recycled, but its production is highly CO<sub>2</sub>-intensive. Alternatives are therefore being tested and work is being carried out to reduce the share of steel in our products. Aluminum and magnesium are similarly CO<sub>2</sub>-intensive to produce, though their low density makes these metals suitable for lightweight construction, which significantly cuts emissions in the use phase.

### Cover materials and foam

A significant proportion of cover materials are specified by our customers and must be purchased from predetermined suppliers. Nevertheless, we are seeing the first customer projects using seat covers made of recycled fibers from polyester waste.

Research into sustainable foam systems is also ongoing, with the aim of reducing the products' carbon footprint by around 40% by the end of 2024.

### Recycling

Recycled materials help to further reduce the consumption of resources. GRAMMER is collaborating closely with customers to launch joint solutions. A global regranulation strategy for plastics will be implemented to increase the recycling rate of our products. Some GRAMMER plants have already been using plastics with a recycled content of up to 75% since 2016. In addition, we are working with cover materials made from recycled PET fibers, foams with recycled content and steel partly made from recycled scrap steel. The share of recycling materials in our products will be gradually increased in cooperation with our suppliers and customers.

At GRAMMER, the Materials and Sustainability department within Research and Development is responsible for the comprehensive testing of new materials. Its work focuses on carbon-neutral product approaches. To calculate the carbon footprint of our products, we use the GaBi software from the company Sphera, which has become the industry standard.

Our products' carbon footprints are to be certified from the beginning of 2025. A network of vehicle manufacturers, suppliers and research institutions is providing assistance in the development of more environmentally friendly products.

### **Progress in materials testing and recycling**

A recycling study was performed on one of our series products, a center console. The results show that new granulate can be derived from the plastic and reused in production. Calculation of carbon footprints for various GRAMMER products was continued and ideas for optimization were derived from this. In addition, GRAMMER has produced a materials roadmap for the coming years, intensified contact with customers and research institutions, and carried out internal training to enhance the knowledge of sustainable materials within the Company.

### **Outlook**

New materials and recycled materials from different manufacturing processes are continuously tested to increase the percentage of sustainable materials in GRAMMER products and at the same time reduce carbon emissions further. We are also working on designing our products in such a way that they can be recycled easily.

### **3.4 Innovations**

Innovations are of essential significance to GRAMMER: Trends such as climate-neutral or autonomous driving are rapidly changing mobility – and thus customers' requirements as well. We can only continue to be sustainably profitable as a company if we identify developments early on, react quickly and offer innovative solutions.

The quickly changing requirements of products mean that GRAMMER is constantly facing fresh challenges. Car interiors are becoming a distinguishing feature for our customers and are being massively upgraded. State-of-the-art materials, uncluttered architecture and hidden technology are key criteria. For instance, center consoles are becoming the central element in

vehicles. Digitalization is also increasing the share of electronics and the complexity of products. At the same time, short development cycles are needed if innovations are to be ready in time for series production. Moreover, there is high cost pressure, which is why innovations using ingenious approaches as well as modularization and standardization are necessary to be able to offer customers cost-effective solutions. Close customer contact helps us to identify and implement trends early on.

### **Our strategic approach**

Innovation projects are to be found in the Automotive areas and in the Commercial Vehicles product area. There are projects at product level – for instance for new functions, materials or to improve ergonomics and comfort – and process innovations, such as in the use of new materials and optimized materials processing.

In conjunction with the innovation management process, we produce roadmaps that address both customer- and market-driven issues as well as the implementation of new technologies in existing products. This is all overseen by Research and Development. Innovation projects are regularly discussed by various panels with representatives from the Sales, Strategy and Product Management business areas. Moreover, ideas are presented at customer events and the feedback is incorporated.

### **Development of modular and adaptive center consoles and new seat suspension**

Further progress was made on several innovation projects in 2023:

- A modularization approach has been developed for center consoles that allows us to respond to customer requests for a wide range of requirements quickly and cost-effectively with pre-validated solutions: from a fixed basic console through to a center console with high-quality features that can be moved through the vehicle's interior on rails.

- Systematic investigations are also underway to identify new applications in the context of electric mobility and the requirements these will place on the center console. As a result, the concept of an adaptive center console has been developed, which can adapt flexibly to the needs of passengers during a break for charging, for example.
- Development of electric air vents continued in 2023 to optimize the benefits in terms of costs, comfort, performance and compactness compared with conventional air vents.
- In the field of commercial vehicles, we are working on new concepts for seat suspension to enhance comfort in agricultural and construction machinery or forklifts over long working days, and also on a concept for the intuitive and ergonomic operation of functions integrated into the seat.

### **Outlook**

GRAMMER will develop further innovation projects according to its roadmap in the coming year. Among other things, there are plans to expand the modular center console for passenger cars and the ongoing development of new suspension systems for commercial vehicle seats. We intend to maintain the intensive contact with our customers to identify trends and market requirements early on.

## **4. Environment**

The GRAMMER Group assumes responsibility for the environment and, in doing so, takes an integrated approach. The Company's mission statement defines active environmental protection and the responsible use of resources as key goals. We also aspire to reduce business-induced environmental impacts as far as possible. To make this a reality, our production processes are continuously analyzed and optimized to improve energy efficiency and to reduce emissions. Moreover, we are cutting waste volumes and water consumption while also helping to enhance biodiversity.



The success of our environmental activities is regularly reviewed – both internally and with the assistance of outside partners. All of our Group's facilities around the world have already implemented an environmental management system in accordance with ISO 14001 and defined local environmental targets and measures. This way, we are improving our environmental performance on an ongoing basis: In 2023, GRAMMER received a B grade from the Carbon Disclosure Project (CDP) in the area of climate protection, and in the area of water safety, an improvement from C to B- was achieved.

Overall responsibility for environmental management has been assigned to "Group Quality, Services and HSE", which reports to the Chairman of the Executive Board. This unit devises strategic parameters for environmental protection across the entire Group. An environmental manager is assigned to each plant to implement the measures.

#### 4.1 Energy

As a company with 39 production plants the world over, GRAMMER consumes a large amount of energy. In order to reduce our impact on the environment and the climate, we are decreasing energy consumption within our processes and promoting the use of renewable energies.

Energy costs peaked in Germany in 2022 – also due to the Ukraine conflict – but have fallen continuously since then. They are expected to ease further without, however, reaching the level of 2020. Supply risks for energy and gas have decreased and a stable supply of gas and energy without unexpected shortages is currently guaranteed.

#### Our strategic approach

To manage our energy consumption around the world, GRAMMER is working with an energy management system certified according to ISO 50001, which we will be implementing at all production facilities by the end of 2024. This way, energy consumption can

be controlled, analyzed and reduced using targeted measures. As of December 31, 2023, 56% of all production facilities and all German sites were already certified according to ISO 50001. The previous year's target of having 100% of all sites certified by the end of 2023 was not achieved, but ten additional sites were certified by the end of February 2024 (76% in total).

We derive individual energy savings targets for the individual plants from the strategic objectives: All production facilities have a binding obligation to implement the energy roadmap. The regions each have their own manager for energy issues and the plants are assisted by energy management officers.

In order to identify energy wastage and to ensure that our technology is up to date, we have been working with energy monitoring and performing potential analysis since 2020. The potential analysis has already been completed at all locations and will be repeated annually. Initial savings measures have already been derived from this: For example, some machinery and equipment were left in standby mode even though it was not needed at the time. In addition, plant-precise measuring and the existing material consumption data can be used to compare efficiency between similar plants and increase it.

We are increasingly sourcing electricity from renewable energies for our power supply. All plants in Germany were switched to green electricity as early as 2021; we aim to achieve this around the world by 2025.

#### Measures to reduce energy consumption

Around two thirds of our production facilities are equipped with smart meters to measure energy consumption in detail. Many of our plants have made the switch to energy-saving LED lighting. In addition, energy-efficient machinery such as injection molding systems have been purchased. CO<sub>2</sub> emissions were reduced by 4% per EUR/revenue compared with the previous year.

#### Outlook

The ISO 50001 energy management system, including energy monitoring, will be introduced at all GRAMMER production facilities worldwide by the end of 2024. Furthermore, energy potential analysis will be continued and energy savings activities will be derived from this.

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#### GOAL

– Global launch of the ISO 50001 certified energy management system by the end of 2024

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#### 4.2 CO<sub>2</sub> emissions

We all have to cut our greenhouse gas emissions dramatically to slow climate change – and we have to do it as quickly as possible. GRAMMER supports the 1.5 degree goal of the Paris Agreement and has undertaken to significantly reduce its CO<sub>2</sub> emissions worldwide: by 100% by 2040 (Scope 1 and 2) compared with the baseline year of 2019.

Reducing carbon dioxide emissions presents us with challenges: The CO<sub>2</sub> standards set by lawmakers in the countries where we operate or those demanded by customers are inconsistent, which therefore demands a high level of initiative on the part of companies. We anticipate opportunities from the wave of innovation sparked by CO<sub>2</sub> requirements in the automotive industry. Companies are also more appealing to customers and applicants when they take responsibility and make a contribution to climate protection. If they are unable to satisfy requirements, that can lead to a loss of orders. Another risk is that the greater demand for resources could lead to an investment backlog.

#### Our strategic approach

In 2019, we calculated the carbon emissions of our sites according to the Greenhouse Gas Protocol (GHG Protocol). This involves determining the Scope 1 and Scope 2 emissions. Scope 1 emissions are direct emissions produced by the Company's own

energy generation or the production process. Scope 2 comprises indirect emissions that arise, for instance, when externally sourced electricity and heat are used. In 2023, Scope 1 comprised 14,340 t CO<sub>2</sub>e and Scope 2 52,863 t CO<sub>2</sub>e, which equates to a reduction of -39% in comparison with the previous year.

t of CO <sub>2</sub> e	2023	2019
Scope 1 emissions	14,340	13,875
Scope 2 emissions	52,863	136,334

The goal: As against the baseline year of 2019, we intend to reduce our Scope 1 and 2 CO<sub>2</sub> emissions by 25% by 2025, by 50% by 2030 and by 100% by 2040.

This goal is a top priority and is part of the short- and long-term corporate strategy. To achieve it, since 2021 we have been working continuously on a company-wide basis to identify potential to reduce emissions generated by processes and building equipment and deriving economy measures from our findings. The focus is on reducing energy consumption and switching the purchase of electricity to renewable energies, as this is where most CO<sub>2</sub> emissions are created. CO<sub>2</sub> emissions and the success of our reduction activities are being tracked at the level of the plants, the regions and globally.

We have also begun calculating our Scope 3 emissions with external assistance. These include, for example, purchased (input) products, company travel, logistics processes or employee travel to or from work. To calculate the CO<sub>2</sub> emissions within our supply chain, the Group will establish the carbon footprint of its suppliers.

Under the coordination of the CSR units, all departments at GRAMMER are involved in the issue of CO<sub>2</sub> emissions. There are working

groups on various issues such as energy efficiency, sustainable procurement and sustainable materials. The “Materials and Sustainability” team within “Research and Development” is responsible for calculating the CO<sub>2</sub> footprints of GRAMMER products with the appropriate tools.

#### More green electricity

Through the increased use of electricity from renewable sources, we were able to reduce our CO<sub>2</sub> emissions by 1,135 t CO<sub>2</sub> in comparison with the previous year. Moreover, various campaigns and training activities were carried out at all GRAMMER locations to raise employee awareness for the economical and responsible use of energy.

In addition to technical CO<sub>2</sub> reduction activities, GRAMMER has also started additional initiatives to protect the environment and operate in an environmentally-friendly manner. The “Nomination Tree” initiative, which obliges suppliers all over the world to plant a tree for every new order, has been in place since 2021. This project is part of our commitment to protect the climate and the environment.

#### Outlook

In 2024, we will continue to work on our reduction targets, steadily increase the use of green electricity at our global locations and enhance our energy efficiency. In addition, the CO<sub>2</sub> emissions in the use phase of our products will be further reduced as well. We believe that the biggest lever for this is lightweight construction, which saves fuel while vehicles are operating.

#### GOALS

- Reduction of CO<sub>2</sub> emissions (Scope 1 and 2) by 50% by 2030 and by 100% by 2040
- Gradual transition to 100% green electricity at all locations around the world by 2025

#### 4.3 Waste

Waste negatively impacts the environment – in the soil, water and air. To the best of its ability, GRAMMER therefore attempts to reduce waste and, where waste is unavoidable, to recycle or otherwise reuse it. If materials are reintroduced to the cycle, this also helps to conserve natural resources. We dispose of our waste – properly – only after all other options have been exhausted.

One challenge for the uniform company-wide waste strategy is that the circular economy systems have developed differently from country to country. While Germany has a good recycling infrastructure, countries such as Turkey, Bulgaria and Mexico often only have landfills as an option. Opportunities lie in the development of innovative packaging systems, such as packaging made from recycled material, which can be reused in a closed loop.

#### Our strategic approach

At GRAMMER, we want to reduce waste, minimize hazardous waste, increase the recycling of waste and ensure that appropriate waste disposal and recycling methods are applied. The waste issue is a part of the strategic “Sustainable Company” initiative and is taken into account in the environmental management system already certified according to ISO 14001 at all GRAMMER locations. We regularly audit our waste disposal and produce annual waste reports to derive measures for optimization.

All waste flows have been analyzed with the aim of ensuring the utmost possible recycling, and contracts have been signed with certified waste disposal companies. Our stated aim is that waste should not end up in landfills.

In addition, we have set up a global improvement program for our internal packaging that particularly emphasizes reduction, reuse and recycling.

## Plastic waste reduced

We used various measures to improve our waste management in 2023:

- Plastic waste in production was reduced by regranulation. Plastic waste is ground directly where the machinery is located and sold to dealers who reintroduce the granulate into the cycle. In another initiative, waste was reduced by optimizing leather cutting.
- In packaging, options were found to reuse our suppliers' packaging materials for transport within our own locations.
- Moreover, packaging volumes for internal transport and plastic waste were reduced while at the same time increasing the share of recyclable packaging materials. The global recycling rate was improved through better pre-sorting and separation of materials. Moreover, a potential analysis was carried out for new reusable and recyclable packaging materials.
- Our paper consumption has been further reduced as well: Written correspondence with our suppliers was again handled almost entirely electronically in 2023.

## Outlook

In 2024, waste disposal will be continuously optimized and the waste volume (that cannot be reused/recycled) will be reduced by a further 2%. We intend to cut our landfill use as well.

## 4.4 Water

Drinking water is already scarce in many regions of the world today. According to UN estimates, almost half of the world's population already lives in areas threatened by water shortages for at least one month per year. Ongoing climate change is increasing the risk of drought in many places. GRAMMER wants to help to sustainably safeguard the water supply. We therefore use water sparingly and are constantly reducing our consumption.

The availability of drinking water at GRAMMER's locations already merits greater attention. The issue is becoming increasingly important for our customers as well: They are demanding transparency of their suppliers' water consumption. If water at our locations becomes scarce, that would affect production and the lives of employees in the area concerned. If we can reduce our water consumption now, we will be helping to conserve a valuable resource, and at the same time we will be better prepared for an acute water shortage. One opportunity lies in using the various means available for water treatment.

## Our strategic approach

Saving water is a strategic objective in the company-wide "Sustainable Company" initiative. The global and regional management teams set targets for cutting water consumption. These targets are a part of the sustainability roadmap and are followed by the plants. At global level, responsibility for this lies with the Group's Environment, Health and Safety and Energy managers and the CSR department; at the plants, it lies with the respective production management and the person responsible in environment, health and occupational health and safety management. They regularly report to management on the current status. Moreover, the results for the annual sustainability rating are regularly

reported to the CDP in the water security survey (see section 1.5, p. 6). Savings measures focus on water-intensive production processes such as injection and blow molding and cleaning processes for coating systems.

## Water consumption remains constant

Our global water consumption has increased slightly in comparison with the previous year – due to our new plant in Hefei (China) and starting glass processing for parts of our center consoles. However, through various measures, we have succeeded in keeping global water consumption in relation to revenue (2023: 0.151 m<sup>3</sup>/million EUR revenue) at a similar level to the previous year (2022: 0.148 m<sup>3</sup>/EUR m revenue).

## Outlook

We will continue to optimize our water use in 2024 and reduce water consumption in relation to revenue (m<sup>3</sup>/million EUR revenue) by 2% against the previous year.

## 4.5 Biodiversity

Biodiversity, which includes both fauna and flora, is essential to ensure the functionality of ecosystems. But many species are facing extinction – such as insects like bees and butterflies, which make sure that crops are pollinated and bear fruit. If the insect die-off continues, entire habitats and ecosystems would collapse. Since we are aware of our responsibility for our environment, GRAMMER is committed to the conservation of biodiversity.

We can make a contribution to conservation by running our facilities sustainably. One challenge is to incorporate the entire supply chain. In this context, it is important to first ascertain suppliers' impact on biodiversity in order to tackle joint biodiversity conservation projects moving ahead.

### Our strategic approach

The CSR, Environment, Health and Safety and Energy units are responsible for biodiversity at GRAMMER. The protection of biodiversity is taken into account in all relevant business areas, especially at the production sites. We plant the grounds in order to provide animals with a habitat; at Ursensollen (Germany), for example, the grounds are continuously designed with biodiversity in mind. When new locations are being established, internal standards ensure that the local biodiversity is impacted as little as possible. We raise employee awareness for conservation in the annual training on our environmental management system.

### Protection of insect diversity

Bees, bumblebees and butterflies play an important part in the conservation of agriculture and ecosystems. In 2023, we planted a field of flowers covering an area of 2,900 m<sup>2</sup> at our site in Ursensollen (Germany), and livestock ensure the ecological upkeep of our lawns.

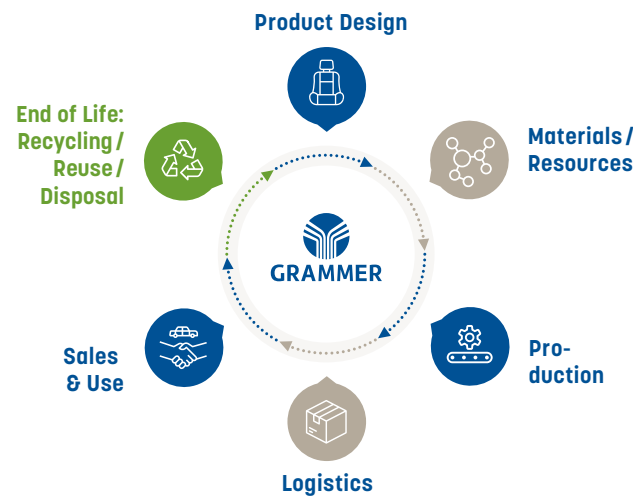


### Outlook

We will continue to broaden our commitment to biodiversity moving ahead and incorporate it into our business processes. Our efforts to raise employee awareness will be continued as well.

## 5. Supply chain

GRAMMER's suppliers, service providers and partners are an important part of the value chain. And their activities also have an impact on the environment, people and society. GRAMMER takes responsibility beyond the confines of its factory walls – and it is making its supply chain sustainable: We expect all suppliers, service providers and partners to live up to the same high environmental and social standards that we do. For instance, this includes fair working conditions, respecting human rights, the exclusion of conflict minerals, the reduction of carbon emissions, energy-efficient production and the avoidance of waste.



### 5.1 Supplier management for environmental and social standards

As a manufacturing company, GRAMMER is dependent on a global network of suppliers. For example, suppliers provide us with commodities, raw materials, parts, packaging, technology, tools and various services. In order to guarantee sustainability not just within the Company but along our supply chain as well, we ensure that suppliers live up to our environmental and social standards.

The ongoing conflicts in Ukraine and the Gaza Strip, attacks in the region surrounding the Suez Canal/Red Sea, and climatic effects (such as low water in the Panama Canal) will continue causing problems in supply chains. This can lead to suppliers making decisions that go against environmental and social standards. The new German Supply Chain Due Diligence Act (LkSG) can both counteract this and create transparency. We believe that an opportunity also lies in our digital structure and the support tools with which risk management and CSR issues can be efficiently guided in the supply chain.

### Our strategic approach

GRAMMER works with a Supplier Code of Conduct in order to manage sustainability in our supply chain. This covers all relevant sustainability criteria, as well as statutory guidelines, ethical and international standards, and the requirements of our system of values. The Supplier Code of Conduct has been a component of every digital supplier RFQ since 2017 and its contents were expanded in 2023. Suppliers have to sign it electronically before they can make an offer. In it, they undertake to fight child and forced labor, to pay their employees fairly and to protect the environment. The Supplier Code of Conduct can be accessed by all business partners at all times on the digital supplier portal.

GRAMMER uses its digital procurement platform to update supplier data each year and to have suppliers confirm compliance with its CSR guidelines, which are set out in the Code of Conduct and in contracts with Terms and Conditions (GTCs). Their compliance is monitored at regular intervals. Where necessary, we assist our suppliers with their ongoing development – or we disconnect from suppliers who do not live up to our environmental and social standards. Suppliers are digitally informed of relevant changes, such as new requirements.

Using a digital risk management system, we monitor geopolitical events and their effect on the supply chain at all times. In addition, we have implemented a software for sustainability issues that also fully covers the requirements of the German Supply



Chain Due Diligence Act. Here, suppliers must answer standardized questionnaires concerning the environment, anti-corruption, human rights, working conditions and responsibility in the supply chain and, if applicable, provide evidence for their answers with certificates. The system analyzes this information and these certificates independently to perform an assessment of the supplier. If necessary, possible countermeasures are subsequently defined within GRAMMER and documented in the system.

GRAMMER far exceeds the statutory requirements in its supplier management – and makes a positive contribution to a sustainable supply chain. Suppliers sign our standards and policies and carbon emissions are inquired about in the contract award process. Single-use packaging is increasingly being replaced with reusable packaging. We have set ourselves the target of buying electricity from renewable energies throughout the world by 2025. And in the “Nomination Tree” project, suppliers must continue to commit to planting a tree for every new order.

The sustainable supplier management officer is responsible for introducing, ensuring and complying with the relevant sustainability issues in the supply chain. He is aided by several employees; the team works closely with the CSR department.

### **Implementation of the new German Supply Chain Due Diligence Act**

In 2022, GRAMMER introduced an ESG risk management platform and created a reporting structure to receive supplier data for the new German Supply Chain Due Diligence Act. The ESG platform was also incorporated into our existing digital SCM<sup>1</sup> landscape comprising the e-procurement and SCM risk management system and the results are included in the tender information. In addition, employee training has been carried out on the German Supply Chain Due Diligence Act and the potential to reduce emissions in the supply chain. In addition, the supplier portal on the

website and our terms and conditions were updated in line with the new statutory requirements and ESG criteria.

Besides the introduction of the ESG system to comply with the German Supply Chain Due Diligence Act, we have also developed an internal SCM matrix. This specifies how we act in the case of violations, from minor to serious ones, and which units must be involved when to comply with the requisite escalation stages. This matrix and its definition were developed on the basis of the GRAMMER Group’s global risk management system. Cases that go beyond SCM are then also passed to central risk management to define global measures, if appropriate.

### **Outlook**

In the coming years, GRAMMER will establish even more transparency regarding compliance with environmental and social standards in its supply chain in accordance with German Supply Chain Due Diligence Act and further improve its sustainability. Among other things, carbon emissions within the global supply chain (upstream) will be reduced by 20 % by 2030 compared with the baseline year of 2021.

The Nomination Tree will be replaced by another initiative in the future: the “Top 100 Green Supplier Program.” It is aimed at promoting use of renewable energies and implementation of environmental management systems by our suppliers.

### **GOALS**

- 100% of global suppliers confirm the GRAMMER standard contract
- Transparency and management of compliance with human rights and environmental due diligence by our suppliers in accordance with the German Supply Chain Due Diligence Act

## **5.2 Procurement of commodities from an environmental perspective**

Natural resources are scarce, and their extraction and processing can cause harm to the environment, the climate and people. We therefore ensure that the commodities in GRAMMER products come from sustainable sources as far as possible – and that suppliers comply with our environmental and social standards along the entire supply chain.

Procurement of commodities has become far more complex as a result of the crises in recent years and the ever increasing geopolitical tensions. The limited availability of materials is presenting companies all over the world with challenges. This applies to environmental aspects as well; longer transport distances, for example, have to be tolerated. Another risk is that the extraction of commodities is often energy-intensive and can have a negative impact on people and the environment. The circular economy and the use of innovative materials from renewable resources (see section 3.3, pp. 11-12) are opportunities to mitigate this impact and to conserve resources.

### **Our strategic approach**

Generally, even when selecting its suppliers, GRAMMER ensures that they comply with environmental and social standards and do not use conflict materials. They make this commitment by signing our Supplier Code of Conduct (see section 5.1, pp. 16-17). When procuring plastic granulates, suppliers are advised that their specifications should be environmentally sustainable and that environmental impact should be avoided in production. In the early stage, we focus on choosing sustainable materials and technologies to reduce carbon emissions.

We use the global standard International Material Data System (IMDS) for the automotive industry to manage materials data.

<sup>1</sup> SCM = Supply Chain Management.

Carmakers use this system to manage the aspects of the materials used in their vehicles that are relevant to the environment and to reconstruct the entire material flow. It is the responsibility of the data creator to ensure that the requirements are passed on along the supply chain. GRAMMER therefore stipulates in its terms and conditions of purchase and in its Code of Conduct that its suppliers must use the database. In order to emphasize that the entire supply chain must comply with our requirements, the issue of human rights, the possibility of an audit and the transmission of responsibility to second-tier suppliers were added to the Company's Terms and Conditions and its Code of Conduct.

GRAMMER pays special attention to conflict minerals, such as zinc, tantalum, tungsten and gold, which are often mined in regions exposed to high conflict potential. We are systematically optimizing our processes to further exclude the use of conflict materials, the financing of conflicts and the violation of human rights. We determine the origin of metals in consultation with our suppliers as they are not sourced directly from mines or smelters but might be contained in intermediate products. To promote transparency along the supply chain, we produce annual reports based on the conflict mineral reporting template and the extended minerals reporting template (supplemented by cobalt and mica) published by the Responsible Minerals Initiative (RMI). The results are made available to our customers on request.

We expect our suppliers to source minerals contained in the components, parts and products that they produce from conflict-free sources, to introduce guidelines to this effect and to demand compliance from their own suppliers. We also expect our suppliers to collaborate with their own suppliers to trace conflict minerals at least to the smelter and to encourage them to use standard reporting procedures.

To control the supply chain sustainably and to verify compliance with standards, we use a digital procurement platform that is linked to a risk management and ESG risk management platform (see section 5.1, pp. 16-17). The supply chain management team is responsible for compliance with environmental and social standards in the supply chain.

#### **Risk management system established**

The SPHERA-SCM risk management software introduced in 2022 (previously "Riskmethods") has established itself as an integral component of supplier management. By linking with a separate ESG system, it gives the supply chain management team complete transparency regarding all human rights and environment-related events at suppliers. This integration allows a complete overview and helps the team to determine appropriate countermeasures.

#### **Outlook**

In collaboration with our strategic suppliers, we are currently working on additional targets for the procurement of sustainable materials. Cross-departmental discussions are also ongoing to use the ESG system for conflict materials, cobalt, and mica, REACH and also ROHS to improve efficiency within the Company and at suppliers. The aim is to operate free from conflict minerals, other dangers or environmentally harmful materials.

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#### **GOALS**

- [20 % reduction in carbon emissions within the global supply chain \(upstream\) by 2030 compared with the baseline year of 2021](#)
  - [Increase in the recycled content of raw materials](#)
- 

### **5.3 Working conditions and human rights**

Fair working conditions and respect for human rights are not just essential for a healthy work environment for GRAMMER's employees all over the world. They also foster trust in our Company among customers and the public at large. GRAMMER is aware of its responsibility – and it ensures that human rights are respected within the Company and along its supply chain.

One of the biggest risks for international companies is that they do not have absolute control over their downstream and upstream supply chains. Local law is not always compatible with international human rights standards, which can lead to discrimination. At the same time, there are many opportunities for companies to shape and improve the working conditions within their own operations. For example, these options include implementing a management system for occupational health and safety or creating more attractive working conditions to attract and retain qualified employees.

#### **Our strategic approach**

GRAMMER is committed to the core labor standards defined by the International Labour Organization (ILO) and the UN Universal Declaration of Human Rights. To emphasize its commitment to fair working conditions, GRAMMER's Executive Board has made a Human Rights Policy that can be viewed on the website. At all our plants around the world, we are introducing a management system for occupational health and safety according to ISO 45001 and thus guaranteeing fair and safe working conditions within the Company (see section 6.4, pp. 22-23). Moreover, we have created the position of a human rights officer who reports directly to the Executive Board.

The Employee Code of Conduct covers such matters as conduct in relation to human rights as well as child and forced labor. The Code of Conduct applies throughout the Group. Further information on the Code of Conduct can be found on GRAMMER's intranet pages in all relevant languages for all employees. Moreover, we are raising employee awareness of human rights issues on an ongoing basis with the "Compliance" e-learning module and in face-to-face training.

GRAMMER wishes to safeguard fair working conditions and human rights along its supply chain as well. The Supplier Code of Conduct and the Terms and Conditions have been updated in this regard to give even more weight to these issues. By signing them, suppliers undertake to uphold our environmental and social standards and to pass them on to their suppliers as well. We verify this with our ESG risk management software. The updated Supplier Code of Conduct and the Employee Code of Conduct have been available to employees on GRAMMER's website since January 2023.

A grievance mechanism has been set up as well: Employees and external stakeholders can report breaches of our standards anonymously using a complaints system. A position was established for this purpose in Legal, who contacts the Office for SCM Governance and Processes on receipt of reports from suppliers. We investigate any information received thoroughly and systematically, and we take appropriate action where necessary. This is the responsibility of an interdisciplinary team consisting of representatives from Compliance, Legal, HR and the Executive Board (see section 2.1, p. 7).

In order to manage the supply chain regarding sustainability issues and to establish transparency, GRAMMER uses a digital ESG risk management platform that requests data and supporting documentation for all relevant sustainability issues and generates a supplier rating.

### **Compliance e-learning launched**

In 2022, we launched mandatory e-learning on "Compliance," which also covers human rights issues. Currently, all material cases relating to the German Supply Chain Due Diligence Act are examined in a multi-departmental team with representatives from CSR, Compliance, Legal and Supply Chain Management; in the event of suppliers deviating from or violating the Act, the matter will be investigated immediately. A mechanism for measures was implemented in the ESG system to document and remedy such cases for this purpose.

### **Outlook**

The certification of occupational health and safety systems at all GRAMMER plants in accordance with ISO 45001 will be completed by the end of 2024. 77% of all plants are currently certified.

## **6. Employees and community**

Above all, GRAMMER owes its success as a company to the performance and dedication of its global team: With great personal commitment, GRAMMER's 14,000 or so employees around the world develop and produce solutions and innovations that make mobility safer, more comfortable and more sustainable for millions of people. We therefore attach great importance to the well-being of GRAMMER's employees – and to them all having the same opportunities to achieve their full potential. Responsibility as a corporate citizen is also an important part of our sustainability concept. GRAMMER therefore supports social and cultural initiatives all over the world.

### **6.1 Employee satisfaction**

Employees who enjoy coming to work and who feel comfortable and safe at work are the foundation for creativity, innovation and business success. That is why we wish to preserve and further enhance the satisfaction and engagement of our employees.

The changes in the world of work are not going unnoticed: The shortage of skilled workers across all industries are making it increasingly important for companies to create an even more attractive work environment so as to remain interesting as an employer. Employees' expectations have changed as well: In addition to fair pay, many also want a better work-life balance, individual development opportunities and flexible options for working from home. The cultural shift within the Company, which has accelerated in recent years, is helping to keep the GRAMMER Group attractive on the labor market and to retain employees in the long term.

### **Our strategic approach**

"Group Human Resources" (Group HR) is in charge of employee matters and of maintaining the corporate culture. Together with management, it is also responsible for turning employees into experts or managers and helps them to develop their respective strengths at work. Global HR is assigned directly to the CFO.

Various offers and benefits promote satisfaction among GRAMMER employees, such as fair pay according to the collective agreement, controlled and flexible working hours, remote working, various training and development options and a company pension. The "MyLife@GRAMMER" program provides employees with extra support through all stages of life; the range extends from childcare and caring for family members to health promotion and coaching on psychological stress, family, partnership or parenting issues.

A crucial factor in employee satisfaction is corporate culture. Employees can only feel comfortable at work and achieve their full potential when the corporate culture is characterized by trust and respect. We have therefore defined our four principles of cooperation and leadership in the "GRAMMER Way of Working" (WoW): Collaboration, Openness, Drive and Empowerment (CODE). Together with the Human Resources strategy, they guide and support GRAMMER's corporate strategy – and are system-



**Collaboration**

We support each other to achieve our common goals as one team.



**Openness**

We communicate in a timely, transparent and respectful manner.



**Drive**

We are always working with energy, speed and the dedication to deliver.



**Empowerment**

We enable employees to take ownership.

# TRUST & RESPECT

atically linked to sustainability concepts. The four CODE principles create the framework for respectful and trusting interactions. Various, sometimes mandatory, training courses, coaching sessions and workshops for management and employees help to ensure that the principles are put into practice throughout the Company and that the culture of mutual appreciation continues to grow. To this end, numerous workshops based on the WoW method were held in 2023. They focused on strategy, team development and worker participation.

WoW maturity checks were also carried out with the aim of determining the degree to which WoW culture has been implemented and providing help in the form of training or advice. We carry out company-wide surveys to assess employee satisfaction. This evaluates aspects that are key to employee motivation and loyalty, and areas for improvement are derived from the feedback.

Various global, regional and local projects have already been launched on the basis of the results.

**Next Generation Day: tomorrow's specialists**

The first GRAMMER Next Generation Day was organized in November 2023 in order to guarantee that we secure the specialists we need in the long term and to publicize the opportunities available at GRAMMER. Approximately 100 children of employees aged between 10 and 17 were invited to spend an interesting, varied day at GRAMMER and subsequently become familiar with their parents' jobs. The extremely positive feedback from the group of young participants and their parents is evidence of the huge success of the event.

**Outlook**

In 2024, we want to further enhance our employee satisfaction and will continually implement the measures derived from the employee survey globally.

Since the end of 2023, employees from all three regions have been trained as WoW ambassadors and given the necessary skills to continue promoting WoW and the WoW Code. Employees will start their own training and briefings from the second quarter of 2024.

**6.2 Employee development**

Qualified and motivated employees are a key building block for GRAMMER's success. This is why we encourage the development of skills at all locations around the world – and see ourselves as a learning organization.

Employee development is an investment in the future: In order to be consistently successful as a driving force in innovation, GRAMMER needs a culture of continuous learning. If we offer our employees interesting development opportunities, this also increases their job satisfaction and our appeal as an employer. If such training development opportunities are absent, the capacity for innovation suffers as a result. Sooner or later, there will also be a shortage of the skills needed to survive on the market in the long term.

**Our strategic approach**

The systematic and tailored advancement of all employees falls within the remit of HR Development and management. This takes into account both the individual capabilities and needs of employees as well as the current and future market requirements.

At the GRAMMER Academy, employees can learn more about issues such as project management, intercultural skills or presentation and communication techniques. The learning platform is home to a wide range of e-learning options that employees can take advantage of. A comprehensive range of training is available to our production employees as well so that they can expand their operational capabilities. This training takes place on site at the plants.



The average number of training hours per employee in Germany was 15 in 2023.

We wish to fill most key positions from within our own organization. Two advancement programs have therefore been developed specifically for managers and young professionals: The Talent Circle is designed for talented staff with the potential to progress to senior positions and responsibilities, while the Way of Leading program teaches managers the principles of leadership and employee development.

In conjunction with performance appraisals, development interviews are conducted between all employees and their respective managers at least once a year. Together, they analyze development requirements, define goals and agree corresponding training activities. These development interviews are based partly on our Group-wide succession planning, which is being devised as part of the talent management process applicable around the world.

We have also created the necessary transparency regarding vacant positions, both externally and internally, through the successful introduction of a new e-recruitment system. This gives all employees the chance to recognize and seize development and career opportunities.

### **Outlook**

In the coming year, we want to continue developing programs for managers, young professionals and specialists. Our range of virtual training and face-to-face training, coaching and mentoring is to be expanded as well. There are plans in the next few years to make our GRAMMER Academy e-learning platform available to employees at the plants as well.

### **6.3 Diversity and equal opportunities**

The basic values of trust and respect – and therefore diversity and equal opportunities for all employees – are embedded in the GRAMMER corporate culture, which is described by the WoW Code.

An open, tolerant and appreciative working culture has many advantages: Diverse and inclusive companies are seen as attractive employers. They attract qualified employees who are happy to work there and often remain within the Company for many years. Moreover, studies have shown that diverse teams work more successfully. When different perspectives are considered, this frequently leads to better decisions. However, if inclusive cooperation does not work, this can give rise to conflicts, thereby causing performance and innovation to suffer.

#### **Our strategic approach**

We do not see diversity as a passing fad – it is the reality we practice and has been for decades: The GRAMMER Group has 44 production and logistics facilities in 19 countries. Its workforce is correspondingly international and diverse. We actively encourage openness and respectful, appreciative interactions: In 2006, GRAMMER became one of the first companies to sign the Diversity Charter – thereby making a commitment to advocating for diversity and appreciation in the workplace. Equal opportunities for all employees are enshrined in the Code of Conduct. We take action against any form of discrimination or harassment at work – whether on the basis of ethnic origin, gender, religion or ideology, disability, age or sexual identity. Employees can report any incidents to the Compliance department using an internal whistleblower system. Intercultural training sessions, language courses and team-building exercises are offered for employees around the world to foster openness and a mutual understanding in mixed teams.

We seek a reasonable gender balance and support and encourage women at the Company. The share of women at GRAMMER is currently around 44%. The goal of keeping the global percentage of women at around 45% remains in effect. The target of 33% for the representation of women for listed companies was surpassed within the Executive Board. The global share of women in management positions at the first management level below the Executive Board is currently around 16.7%. Great importance is attached to equality in employee remuneration: We regularly review salary levels to ensure that women and men receive the same pay for the same performance. The internal net work of women, "Ladies@GRAMMER", enhances the professional sharing of experiences, provides the opportunity for mutual support and facilitates the transfer of expertise.

A representative body for employees with disabilities has been set up in Germany as well. It ensures that the interests of employees with disabilities are taken into account and promotes their integration into the Company.

The GRAMMER Diversity Week 2023 to mark the 11th German Diversity Day of the Diversity Charter in May addressed the issue of unconscious bias. A global campaign and numerous campaigns on various communication channels raised employees' awareness of this issue. A new e-learning module prepared especially for GRAMMER proved very popular. An area of the intranet focusing on diversity, equity, inclusion & belonging (DEIB) was significantly expanded to ensure information is accessible at all times. A global team will also devise a DEIB strategy including focus issues by the end of 2025.

### **Outlook**

The percentage of women in global top management is to be increased to 20% by 2030. Depending on the issue, we will grad-

ually implement the defined issues and measures in national project groups over the coming year. Our internal campaign and our range of DEIB training opportunities will also continue in 2024.

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## GOAL

– Increasing the percentage of women in global top management to 20% by 2030

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### 6.4 Occupational health and safety

Employee health and safety is paramount for a production company such as GRAMMER. The goal is to avoid work accidents and to actively help our employees to stay fit and effective.

This requires the introduction of a health and safety mentality across all levels of the Company's hierarchy: Employees share in the responsibility for safety in the workplace. The security culture within the Company can only grow if everyone is involved. The challenge is to establish a uniform health and safety standard for all GRAMMER locations around the world – despite the differences in national legislation.

#### Our strategic approach

GRAMMER runs a health and safety organization that encompasses all locations to guarantee employee health and safety in the workplace to the best of its ability. This organization consists of experts at global, regional and plant level. Plant management at each GRAMMER site is responsible for occupational safety and is supported by an Environment, Health and Safety manager.

GRAMMER has its health and safety certified in order to effectively integrate occupational health and safety into day-to-day practice: The ISO 45001 standard will gradually be implemented in all regions around the world. The certification rate currently stands at 77%.

We are constantly monitoring the development of employee health and safety within the Company and regularly organize health and safety campaigns. Accidents are thoroughly analyzed and company-wide measures are derived from this to reduce the safety risk moving ahead.

We measure the frequency of accidents in the Company using the lost time incident frequency rate (LTIFR). This measures the number of reportable accidents with at least one day of work lost per million hours worked in the GRAMMER Group worldwide. The LTIFR provides a visualization of the trend in the number of accidents over time. In the past few years, we have succeeded in steadily reducing the accident frequency rate from 6.17 (2020) to 4.04 (2021), 3.33 (2022) and 2.27 in the reporting year. The goal of continually reducing the LTIFR was thus achieved – which demonstrates that the steps taken are effective and that the culture of health and safety at GRAMMER is constantly improving. The global LTIFR target is reduced each year compared to the figure for the previous year.

At the sites in Germany, there are also health management committees that devise concepts for promoting employee health, such as the health task force in Ursensollen. In addition to advice on occupational medicine, GRAMMER also offers voluntary health services, such as annual flu and coronavirus vaccinations as well as eye tests.

GRAMMER attaches great importance to the mental wellbeing of its employees as well. We therefore offer professional support for social issues (see section 6.1, pp. 19-20). In many regions, services have been set up to offer employees advice on, for example, particular life situations or matters of work-life balance. We work with renowned external partners to ensure absolute confidentiality regarding sensitive issues.

### ISO 45001 certification at facilities

Good progress was made in the ISO 45001 certification of our facilities in 2023: 77% of all facilities around the world have now been certified. In addition, a uniform structure was established for the health and safety organization at all locations and the new organization was almost entirely put into practice. We have implemented occupational health and safety software, which digitally and centrally records relevant data, manages occupational health and safety and tracks trends within the Company.

### Global focus on safety and health

We hold campaign days, such as the "World Day for Safety and Health at Work", "World First Aid Day" and "Fire Prevention Day" at our facilities around the world throughout the year. In addition to providing lots of information, these include practical exercises for all employees, which were met with a great deal of interest.

For example, our Mexican facilities established a comprehensive program for employees to mark World Health Day on April 7. In addition to lectures on physical health or childhood cancer, colleagues could be tested for HIV or receive vaccinations.

The COVID pandemic kept us busy in 2023 as well. In addition to implementing all statutory requirements in the individual countries and providing regular testing and vaccination campaigns, GRAMMER took extra measures to reduce the risk of infection within the Company. Contact events were reduced and the risk of spreading the disease was avoided by remote working, less business travel and the restriction of outside visitors.

The measures to improve occupational health and safety were effective: We achieved the goal of an LTIFR of less than 4.5 in all regions and the goal of an absence rate of less than 5%: This was 4.17% in 2023 after 4.41% in the previous year.

## Outlook

The ISO 45001 certification of all GRAMMER locations is to be completed by the end of 2024. We also intend to finalize the implementation of the uniform health and safety organization in all locations. Moreover, various information campaigns and health and safety training events will be organized to further reduce the number of accidents and to promote the health of our employees.

## GOAL

- Introduction of ISO 45001 occupational health and safety certification at all GRAMMER locations by the end of 2024

## 6.5 Social Commitment

At GRAMMER, besides protecting the environment and the climate, sustainability also means accepting social responsibility and seeking to find a balance between the interests of employees, shareholders, customers and society at large. We therefore support a number of social projects, educational institutions and voluntary activities at our sites around the world. In doing so, we always observe the principles of our Code of Conduct and our global sponsorship policies.

Being involved in social projects can have a lot of advantages for companies: The commitment to the public interest has a positive effect on society, the environment and employees. At the same time, it improves their reputation, which can help them to attract new employees. In order to fully take advantage of these opportunities, it is important to manage social engagement globally so that it fits with the company's strategy. One challenge can be giving employees enough time from their daily duties to coordinate social projects and setting aside firm budgets. Moreover, it is not always easy to choose projects that will demonstrably benefit society, employees and the environment as their impact is often difficult to measure.

## Our strategic approach

Our donations and sponsorship activities focus on assisting social facilities and projects. Moreover, GRAMMER supports sports, concentrating in particular on young people in different team sports. In the area of secondary and tertiary education, we take part in various partnerships and development and sponsorship programs. The goal is to prepare young people for the employment market. We do not support political parties or similar lobby groups.

In order to even better combine individual employee engagement at locations with the Company's support, a rough concept has been drawn up that we will develop further. The Strategy, Marketing, Communication and CSR department is responsible for social engagement at GRAMMER.

## Global social initiatives

GRAMMER was again involved in social projects around the world in 2023. We carried out various activities as part of the "Green GRAMMER Week" at our Brazilian plant in Atibaia, including promoting environmental awareness in children aged from 6 to 10. Recyclable materials such as foam, textiles and pallet wood were used there to make products for donation. We started a children's summer camp in Beijing (China) to inspire and promote interest in science and environmentally friendly technology among the younger generation. These initiatives in Atibaia and Beijing successfully combine social and environmental aspects and reflect our commitment as a "Sustainable Company."

Employees participated in a special initiative at the Ursensollen and Haselmühl (Germany) plants. GRAMMER employees fulfilled the Christmas wishes of children from low-income families under the motto "Wish Tree." In total 242 packages were handed over to give these children a special, joyful Christmas. This campaign

emphasizes our commitment to social responsibility and sustainability.



In response to the severe earthquake in Turkey and Syria at the beginning of February 2023, GRAMMER donated EUR 10,000 to Aktion Deutschland Hilft e.V. – a relief organization active on the ground in crisis regions. This financial support helped provide immediate assistance.

## Outlook

In 2024, we intend to continue supporting our employees' volunteer work around the world, devise a comprehensive concept for social engagement and embed the issue even more deeply into the Company's structures.

## GOALS

- Improving and aiding volunteer work by GRAMMER employees around the world
- Fleshing out a concept for social engagement and embedding it in structures at GRAMMER locations around the world

## 7. Disclosures in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation)

### 7.1 Background and objectives

The European Union (EU) has made the process of transforming Europe's economy into a greener and more environmentally friendly system a priority for its political action. Channeling cash flows into sustainable investment is seen as the key to success. In the Taxonomy, the EU has created a classification system that classifies economic activities as Taxonomy-aligned if they are mentioned in the Regulation and satisfy its requirements. The requirements include proof that the activity makes a positive contribution to at least one of the six environmental objectives. In addition to a positive contribution, it must do no significant harm to any of the other environmental objectives. Moreover, there must be proof of compliance with minimum social standards and governance aspects.

### 7.2 Reporting by GRAMMER AG for the 2023 financial year

For the 2023 financial year, for the third year in a row, GRAMMER AG must report on the two environmental objectives of "climate change mitigation" and "climate change adaptation." The reporting obligation includes disclosures on the shares of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) that relate to Taxonomy-eligible and non-Taxonomy-eligible economic activities as well as disclosures on the share of existing and newly added Taxonomy-aligned economic activities of the above-mentioned performance indicators.

For the other environmental objectives "water and marine resources," "circular economy," "pollution prevention" and "biodiversity and ecosystems," disclosures must be provided on the shares of turnover, CapEx and OpEx that relate to Taxonomy-eligible and non-Taxonomy-eligible economic activities for the 2023 financial year. The disclosures take into account all the companies consolidated in the consolidated financial statements.

### 7.3 Taxonomy-eligible economic activities

GRAMMER AG operates in two business segments: GRAMMER develops and produces high-quality interior and operating systems and innovative thermoplastic components for the global automotive industry. GRAMMER produces driver and passenger seats for trucks, buses, trains and commercial vehicles.

Sustainability is embedded into the corporate strategy of the GRAMMER Group and is divided into five action areas: In addition to the development of sustainable products, these include cutting direct and indirect emissions, the efficient use of energy, commodities and materials, increasing the recycling rate and optimizing the carbon footprint in its supply chain and its own products.

In the company-wide strategic "Green Company" initiative that was launched in 2020 and renamed "Sustainable Company" in the course of 2022, GRAMMER is seeking to advance sustainability solutions throughout the Company as a whole. Furthermore, GRAMMER is striving for the common goal of reducing CO<sub>2</sub> emissions by 50% by 2030 and by 100% by 2040, thereby playing its part in achieving the 1.5 degree goal of the Paris Agreement.

All relevant business areas were taken into account in the review of the Taxonomy eligibility of GRAMMER's economic activities. A central result was that GRAMMER's primary economic activities can be assigned to the two activities 3.18. Manufacture of automotive and mobility components and 3.19. Manufacture of rail rolling stock constituents. The economic activities of GRAMMER AG must therefore be assigned to the NACE codes C.29.3 Manufacture of parts and accessories for motor vehicles and C.30.2 Manufacture of railway locomotives and rolling stock.

The following economic activities with the corresponding NACE codes were also identified as part of GRAMMER AG's activities:

6.5. Transport by motorbikes, passenger cars and light commercial vehicles (N77.11 Renting and leasing of cars and light motor vehicles – with total weight of 3.5 t or less)

7.3. Installation, maintenance and repair of energy efficiency equipment (F43.2 Electrical, plumbing and other construction installation activities)

7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and on parking spaces attached to buildings) (F42 Civil engineering)

7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (F43.2 Construction installation)

7.6. Installation, maintenance and repair of renewable energy technologies (F42 Civil engineering)

7.7. Acquisition and ownership of buildings (F41.1 Development of building projects; developer, F41.2 Construction of residential and non-residential buildings)

9.1. Close to market research, development and innovation (M72.1 Research and experimental development on natural sciences, engineering, agriculture and medicine)

### 7.4 Alignment assessment

GRAMMER has produced a procedural description for assessing alignment with the requirements of the Taxonomy Regulation and rolled it out in three regions. These have been addressed by the relevant locations in their region. The assessment of whether the economic activity makes a substantial positive contribution and

whether it does no significant harm to the other environmental objectives was performed by plant/site managers with the support of the local Accounting department and Plant Controlling. The individual results reported were consolidated and verified, first by regional Accounting and then by Accounting at the GRAMMER Group.

By contrast, the review of compliance with minimum safeguards in accordance with Article 18 of the Taxonomy Regulation in the areas of human rights, anti-corruption, bribery and fair competition was performed centrally for GRAMMER AG by Group Accounting with the support of the CSR, Legal, Compliance, Risk Management and Supply Chain Management departments.

The audit procedures for the substantial contribution, the criteria for avoiding significant harm and the minimum safeguards were only performed for sites within the EU, as in the reporting year only the costs incurred at sites in EU member states can be classified as sustainable and are directly related to taxonomy-aligned activities.

The combined results for the reviews performed can be found in the tables in section 7.6.

### **7.5 Taxonomy-eligible and Taxonomy-aligned turnover**

As outlined, GRAMMER is pursuing ambitious sustainability goals with its activities. GRAMMER's main economic activities are the economic activities 3.18. Manufacture of automotive and mobility components and 3.19. Manufacture of rail rolling stock constituents. In this regard, the share of taxonomy-eligible turnover is 8.19 % and the share of taxonomy-aligned turnover is 1.87% (see table on p. 26).

### **7.6 Taxonomy-eligible and Taxonomy-aligned CapEx and OpEx**

CapEx according to the EU Taxonomy relates to additions to tangible and intangible assets during the financial year in relation to the economic activities. OpEx includes direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair. Furthermore, OpEx comprises any other direct expenditures relating to the day-to-day servicing of assets of property, plant, and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

The share of Taxonomy-eligible and Taxonomy-aligned CapEx and the share of Taxonomy-eligible and Taxonomy-aligned OpEx were calculated in accordance with sections 1.1.2.2 and 1.1.3.2 of Annex 1 to the Commission Delegated Regulation supplementing the Disclosure Obligation (2021/2178).

The share of Taxonomy-eligible CapEx was calculated as 17.17 % and the share of Taxonomy-aligned CapEx as 2.03 % (see tables on pp. 27-28).

The share of Taxonomy-eligible OpEx was calculated as 8.19 % and the share of Taxonomy-aligned OpEx as 0.68 % (see table on p. 32).



## Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023 (1/2)

Economic activities (1)	Code(s) (2)	Absolute turnover (3) EUR m	Proportion of turnover (4) %	Substantial contribution criteria					
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)
				(Y;N; N/EL)	(Y;N; N/EL)	(Y;N; N/EL)	(Y;N; N/EL)	(Y;N; N/EL)	(Y;N; N/EL)
<b>A. Taxonomy-eligible activities</b>									
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>									
Manufacture of automotive and mobility components	CCM 3.18	38.20	1.66	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of rail constituents	CCM 3.19	4.92	0.21	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		43.12	1.87						
Of which enabling		43.12							
Of which transitional									
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>									
Manufacture of other low carbon technologies	CCM 3.18	143.53	6.23	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of rail constituents	CCM 3.19	2.23	0.10	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		145.76	6.32						
<b>Total (A.1 + A.2)</b>		<b>188.88</b>	<b>8.19</b>						
<b>B. Taxonomy-non-eligible activities</b>									
Turnover of Taxonomy-non-eligible activities (B)		2,116.01	91.81						
<b>Total (A+B)</b>		<b>2,304.89</b>	<b>100.00</b>						

**Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023 (2/2)**

Economic activities (1)	DNSH criteria (“Does Not Significantly Harm”)							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category „enabling activity“ (19)	Category „transitional activity“ (20)
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)			
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
<b>A. Taxonomy-eligible activities</b>										
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>										
Manufacture of automotive and mobility components	N/A	Y	Y	Y	Y	Y	Y	0.00	E	
Manufacture of rail constituents	N/A	Y	Y	Y	Y	Y	Y	0.00	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)										
Of which enabling									E	
Of which transitional										T
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>										
Manufacture of other low carbon technologies								0.00		
Manufacture of rail constituents								0.00		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)										
<b>Total (A.1 + A.2)</b>										
	<b>Proportion of turnover/Total turnover</b>				<b>Proportion of turnover/Total turnover</b>					
	<b>aligned per objective</b>		<b>eligible per objective</b>		<b>aligned per objective</b>		<b>eligible per objective</b>			
CCM	1.87%		8.19%		CE	0%		0%		
CCA	0%		0%		PPC	0%		0%		
WTR	0%		0%		BIO	0%		0%		

## Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023 (1/2)

Economic activities (1)	Substantial contribution criteria								
	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)
		EUR m	%	(Y;N; N/EL)	(Y;N; N/EL)	(Y;N; N/EL)	(Y;N; N/EL)	(Y;N; N/EL)	(Y;N; N/EL)
<b>A. Taxonomy-eligible activities</b>									
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>									
Manufacture of automotive and mobility components	CCM 3.18	1.45	1.50	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of rail constituents	CCM 3.19	0.18	0.19	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0.05	0.05	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.21	0.22	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.05	0.05	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Close to market research, development and innovation	CCM 9.1	0.02	0.02	Y	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1.97	2.03						
Of which enabling		1.97							
Of which transitional									

## Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023 (1/2)

Economic activities (1)	Code(s) (2)	Absolute CapEx (3) EUR m	Proportion of CapEx (4) %	Substantial contribution criteria					
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)
				(Y;N; N/EL)	(Y;N; N/EL)	(Y;N; N/EL)	(Y;N; N/EL)	(Y;N; N/EL)	(Y;N; N/EL)
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>									
Manufacture of automotive and mobility components	CCM 3.18	5.45	5.61	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of rail constituents	CCM 3.19	0.09	0.09	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	5.76	5.93	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.22	0.22	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	3.10	3.19	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Close to market research, development and innovation	CCM 9.1	0.09	0.09	EL	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		14.70	15.14						
<b>Total (A.1 + A.2)</b>		<b>16.66</b>	<b>17.17</b>						
<b>B. Taxonomy-non-eligible activities</b>									
CapEx of Taxonomy-non-eligible activities (B)		80.41	82.83						
<b>Total (A+B)</b>		<b>97.07</b>	<b>100</b>						

## Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023 (2/2)

Economic activities (1)	DNSH criteria (“Does Not Significantly Harm”)							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1 (18)	Category „enabling activity“ (19)	Category „transitional activity“ (20)
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)			
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
<b>A. Taxonomy-eligible activities</b>										
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>										
Manufacture of automotive and mobility components		Y	Y	Y	Y	Y	Y	0.00	E	
Manufacture of rail constituents		Y	Y	Y	Y	Y	Y	0.00	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings		Y	Y	Y	Y	Y	Y	0.00	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		Y	Y	Y	Y	Y	Y	0.00	E	
Installation, maintenance and repair of renewable energy technologies		Y	Y	Y	Y	Y	Y	0.00	E	
Close to market research, development and innovation		Y	Y	Y	Y	Y	Y	0.00	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)								0.00		
Of which enabling									E	
Of which transitional										T



## Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023 (2/2)

Economic activities (1)	DNSH criteria (“Does Not Significantly Harm”)							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1 (18)	Category „enabling activity“ (19)	Category „transitional activity“ (20)
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)			
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>										
Manufacture of automotive and mobility components								0.00		
Manufacture of rail constituents								0.00		
Installation, maintenance and repair of charging stations for electric vehicles in buildings								1.07		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings								0.09		
Installation, maintenance and repair of renewable energy technologies								0.00		
Close to market research, development and innovation								0.00		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								1.16		
<b>Total (A.1 + A.2)</b>										

	Proportion of CapEx/Total CapEx			Proportion of CapEx/Total CapEx	
	aligned per objective	eligible per objective		aligned per objective	eligible per objective
CCM	2.03%	17.17%	CE	0%	0%
CCA	0%	0%	PPC	0%	0%
WTR	0%	0%	BIO	0%	0%

## Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023 (1/2)

Economic activities (1)	Code(s) (2)	Absolute turnover (3) EUR m	Proportion of turnover (4) %	Substantial contribution criteria					
				Climate change mitigation (5) (Y;N; N/EL)	Climate change adaptation (6) (Y;N; N/EL)	Water and marine resources (7) (Y;N; N/EL)	Pollution (8) (Y;N; N/EL)	Circular economy (9) (Y;N; N/EL)	Biodiversity and ecosystems (10) (Y;N; N/EL)
<b>A. Taxonomy-eligible activities</b>									
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>									
Manufacture of automotive and mobility components	CCM 3.18	0.44	0.60	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of rail constituents	CCM 3.19	0.06	0.08	Y	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		<b>0.50</b>	<b>0.68</b>						
Of which enabling		<b>0.50</b>							
Of which transitional									
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>									
Manufacture of automotive and mobility components	CCM 3.18	5.35	7.28	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of rail constituents	CCM 3.19	0.17	0.23	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5.52	7.51						
<b>Total (A.1 + A.2)</b>		<b>6.02</b>	<b>8.19</b>						
<b>B. Taxonomy-non-eligible activities</b>									
OpEx of Taxonomy-non-eligible activities (B)		67.51	91.81						
<b>Total (A+B)</b>		<b>73.53</b>	<b>100.00</b>						

**Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023 (2/2)**

Economic activities (1)	DNSH criteria (“Does Not Significantly Harm”)							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category “enabling activity” (19)	Category “transitional activity” (20)
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)			
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
<b>A. Taxonomy-eligible activities</b>										
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>										
Manufacture of automotive and mobility components	N/A	Y	Y	Y	Y	Y	Y	0.00	E	
Manufacture of rail constituents	N/A	Y	Y	Y	Y	Y	Y	0.00	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)										
Of which enabling									E	
Of which transitional										T
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>										
Manufacture of automotive and mobility components								0.00		
Manufacture of rail constituents								0.00		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								<b>0.19</b>		
<b>Total (A.1 + A.2)</b>										

	Proportion of OpEx/Total OpEx		Proportion of OpEx/Total OpEx	
	aligned per objective	eligible per objective	aligned per objective	eligible per objective
CCM	0.68%	8.19%	CE	0%
CCA	0%	0%	PPC	0%
WTR	0%	0%	BIO	0%

## 8. About this report

### Basis of reporting

This combined separate non-financial report (NFR) has been prepared in accordance with the requirements of sections 315b and 315c in conjunction with sections 289c to 289e HGB for the 2023 financial year (January 1, 2023 to December 31, 2023). It contains the disclosures required by law on material matters pertaining to the environment, employees, social concerns, observance of human rights and anti-corruption and anti-bribery precautions. In addition, it discloses material risks in accordance with section 289c(3) no. 3 and 4 HGB where these are necessary for an understanding of the Group's business performance, results of operations and position as well as the impact on non-financial aspects. The mandatory disclosures pursuant to Article 8 of the EU Taxonomy Regulation 2020/852 are also included.

This report is the combined separate declaration for the GRAMMER Group and GRAMMER AG for the 2023 financial year in accordance with sections 289b and 315b HGB, which is made available to the general public on the Company's website under Company > Sustainability & social responsibility > Separate non-financial report.

The content deadline for the 2023 NFR was March 13, 2024. This NFR is available in both German and English. The German version takes precedence in the event of any discrepancies.

Unless stated otherwise, the contents refer to the entire GRAMMER Group including GRAMMER AG. In this report, the term GRAMMER Group also includes GRAMMER AG. In addition to its financial key performance indicators, the GRAMMER Group has also defined strategic and environmental, social and governance (ESG) targets, such as compliance, environmental protection, economic stability and growth, as ongoing performance indicators. A more detailed explanation of the key non-financial

performance indicators for GRAMMER AG can be found in the remuneration report. Detailed information on provisions can be found in the notes to the consolidated financial statements. Otherwise, there is no direct link between the amounts reported in the annual financial statements of the GRAMMER Group in accordance with section 289c (3) no. 6 HGB and the non-financial aspects. In some cases, reference is made to the content of the Group management report in accordance with section 315b (1) sentence 3 HGB.

The combined non-financial report has been prepared in reference to the Global Reporting Initiative (GRI) standards.

### Forward-looking statements

This non-financial report contains certain forward-looking statements concerning the future development of GRAMMER AG and its companies as well as economic and political developments. These statements are assessments made on the basis of all the information available to us at the time of reporting. If the underlying assumptions are inaccurate or other risks occur, actual results and the development and performance of GRAMMER AG can differ from the assessments shown. Even if GRAMMER AG's actual results, including its financial position and profitability as well as the economic and regulatory framework, are consistent with the forward-looking statements in this NFR, this does not guarantee that this will continue to be the case in the future. GRAMMER AG therefore accepts no liability for the forward-looking statements presented here.

### Review

This NFR has been reviewed by the Supervisory Board, which has satisfied itself of its legality, propriety and suitability for its intended purpose.

### Rounding differences

The use of rounded amounts and percentages can give rise to minor differences on account of commercial rounding.

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### Further reporting

Further information on sustainability at GRAMMER AG can be found on our [website](#).

## 9. GRI Index

### Statement of use

GRAMMER AG has reported the information cited in this GRI content index for the period 01.01.2023 to 31.12.2023 with reference to the GRI Standards.

### GRI 1 used

GRI 1: Foundation 2021

GRI Standard	Disclosure	Location	Comments
<b>GRI 2:</b> <b>General Disclosures</b>	2-1 Organizational details	<ul style="list-style-type: none"> <li>Annual Report 2023 (AR 2023) (p. 9); Dashboard 2023</li> </ul>	
	2-2 Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> <li>Combined separate non-financial report</li> <li>2023 (NFR 2023) (pp. 3-4); Organizational structure of sustainability</li> </ul>	
	2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"> <li>NFR 2023 (p. 34); About this report</li> </ul>	
	2-4 Restatements of information		No corrections or restatements were made during this reporting period.
	2-5 External assurance	<ul style="list-style-type: none"> <li>NFR 2023 (p. 34); About this report</li> </ul>	
	2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> <li>NFR 2023 (pp. 3-6); Sustainability at GRAMMER</li> <li>NFR 2023 (pp. 9-12); Products</li> <li>NFR 2023 (pp. 16-19); Supply Chain</li> </ul>	
	2-7 Employees	<ul style="list-style-type: none"> <li>AR 2023 (pp. 16-19); People at GRAMMER</li> </ul>	
	2-8 Workers who are not employees		All workers of GRAMMER AG are employees.
	2-9 Governance structure and composition	<ul style="list-style-type: none"> <li>NFR 2023 (pp. 3-6), Sustainability at GRAMMER</li> <li>AR 2023 (pp.14-21); Basis of the Group</li> <li>AR 2023 (pp. 84-97); Corporate Governance</li> </ul>	
	2-10 Nomination and selection of the highest governance body	<ul style="list-style-type: none"> <li>AR 2023 (pp. 84-97); Corporate Governance</li> <li>AR 2023 (pp. 98-100); Report of the Supervisory Board</li> </ul>	
	2-11 Chair of the highest governance body	<ul style="list-style-type: none"> <li>AR 2023 (pp. 84-97); Corporate Governance</li> <li>AR 2023 (pp. 98-100); Report of the Supervisory Board</li> </ul>	
	2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> <li>AR 2023 (pp. 98-100); Report of the Supervisory Board</li> </ul>	
	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> <li>AR 2023 (pp. 98-100); Report of the Supervisory Board</li> </ul>	



<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>	<b>Comments</b>
<b>GRI 2: General Disclosures</b>	2-14 Role of the highest governance body in sustainability reporting		The supervisory board of GRAMMER AG - as the highest controlling body - reviews the non-financial report and thus also the sustainability reporting.
	2-15 Conflicts of interest	• AR 2023 (pp. 98-100); Report of the Supervisory Board	
	2-16 Communication of critical concerns		The non-financial report is submitted to the supervisory board for audit.
	2-17 Collective knowledge of the highest governance body	• AR 2023 (pp. 98-100); Report of the Supervisory Board	
	2-18 Evaluation of the performance of the highest governance body	• AR 2023 (pp. 98-100); Report of the Supervisory Board	
	2-19 Remuneration policies	• AR 2023 (pp. 104-115); Remuneration Report	
	2-20 Process to determine remuneration	• AR 2023 (pp. 104-115); Remuneration Report	
	2-21 Annual total compensation ratio	• AR 2023 (pp. 104-115); Remuneration Report	
	2-22 Statement on sustainable development strategy	• AR 2023 (pp. 6-8); Letter from the Executive Board	
	2-23 Policy commitments	• NFR 2023 (pp. 18-19); Working conditions and human rights • Code of Conduct of the GRAMMER AG • Declaration of Principles on Respect for Human Rights of the GRAMMER AG	
	2-26 Mechanisms for seeking advice and raising concerns	• NFR 2023 (p. 7); Compliance and combating corruption and bribery • NFR 2023 (pp. 18-19); Working conditions and human rights	
	2-27 Compliance with laws and regulations		There were no significant violations of laws and regulations during the reporting period.
2-29 Approach to stakeholder engagement	• NFR 2023 (p. 6); Including of all stakeholders		
<b>GRI 3: Material Topics</b>	3-1 Process to determine material topics	• NFR 2023 (p. 4); Materiality analysis	
	3-2 List of material topics	• NFR 2023 (p. 4); Materiality analysis	
	3-3 Management of material topics		The management approaches can be found in the individual chapters
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	• AR 2023 (pp. 117-124); Consolidated Financial Statement	

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>	<b>Comments</b>
<b>GRI 205: Anti-corruption 2016</b>	3-3 Management of material topics	• NFR 2023 (pp. 7-8); Compliance and combating corruption and bribery	
	205-3 Confirmed incidents of corruption and actions taken	• NFR 2023 (pp. 7-8); Compliance and combating corruption and bribery	
<b>GRI 206: Anti-competitive Behavior 2016</b>	3-3 Management of material topics	• NFR 2023 (pp. 7-8); Compliance and combating corruption and bribery	
<b>GRI 301: Materials 2016</b>	3-3 Management of material topics	• NFR 2023 (pp. 11-12); Sustainable materials	
<b>GRI 302: Energy 2016</b>	3-3 Management of material topics	• NFR 2023 (p. 13); Energy	
	302-4 Reduction of energy consumption	• NFR 2023 (p. 13); Energy • NFR 2023 (pp. 13-14); CO <sub>2</sub> emissions	
<b>GRI 303: Water and Effluents 2018</b>	3-3 Management of material topics	• NFR 2023 (p. 15); Water	
	303-5 Water consumption	• NFR 2023 (p. 15); Water	
<b>GRI 304: Biodiversity 2016</b>	3-3 Management of material topics	• NFR 2023 (pp. 15-16); Biodiversity	
<b>GRI 305: Emissions 2016</b>	3-3 Management of material topics	• NFR 2023 (pp. 13-14); CO <sub>2</sub> emissions	
	305-1 Direct (Scope 1) GHG emissions	• NFR 2023 (pp. 13-14); CO <sub>2</sub> emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	• NFR 2023 (pp. 13-14); CO <sub>2</sub> emissions	
<b>GRI 306: Waste 2020</b>	3-3 Management of material topics	• NFR 2023 (pp. 14-15); Waste	
	306-2 Management of significant waste-related impacts	• NFR 2023 (pp. 14-15); Waste	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	3-3 Management of material topics	• NFR 2023 (pp. 16-17); Supplier management for environmental and social standards	
<b>GRI 401: Employment 2016</b>	3-3 Management of material topics	• NFR 2023 (pp. 19-23); Employees and community	
<b>GRI 403: Occupational Health and Safety 2018</b>	3-3 Management of material topics	• NFR 2023 (pp. 18-19); Working conditions and human rights • NFR 2023 (pp. 22-23); Occupational health and safety	
	403-1 Occupational health and safety management system	• NFR 2023 (pp. 22-23); Occupational health and safety	

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>	<b>Comments</b>
<b>GRI 403: Occupational Health and Safety 2018</b>	403-4 Worker participation, consultation, and communication on occupational health and safety	• NFR 2023 (pp. 22-23); Occupational health and safety	
	403-6 Promotion of worker health	• NFR 2023 (pp. 22-23); Occupational health and safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• NFR 2023 (pp. 22-23); Occupational health and safety	
	403-9 Work-related injuries	• NFR 2023 (pp. 22-23); Occupational health and safety	
<b>GRI 404: Training and Education 2016</b>	3-3 Management of material topics	• NFR 2023 (pp. 20-22); Employee development	
	404-1 Average hours of training per year per employee	• NFR 2023 (pp. 20-22); Employee development	
	404-2 Programs for upgrading employee skills and transition assistance programs	• NFR 2023 (pp. 20-22); Employee development	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	3-3 Management of material topics	• NFR 2023 (pp. 21-22); Diversity and equal opportunities	
	405-1 Diversity of governance bodies and employees	• NFR 2023 (pp. 21-22); Diversity and equal opportunities • AR 2023 (pp. 84-97); Corporate Governance	
<b>GRI 414: Supplier Social Assessment 2016</b>	3-3 Management of material topics	• NFR 2023 (pp. 16-17); Supplier management for environmental and social standards	
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions		Political parties or similar interest groups are not supported. This indicator is therefore not collected.
<b>GRI 416: Customer Health and Safety 2016</b>	3-3 Management of material topics	• NFR 2023 (pp. 9-10); Customer health and safety	
<b>GRI 418: Customer Privacy 2016</b>	3-3 Management of material topics	• NFR 2023 (p. 8); Data protection	