



FLABEG

ADDED VALUE IN GLASS

FLABEG Automotive Group Sustainability Report 2022

FLABEG
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FUNCTION

FLABEG Sustainability Report 2022

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Foreword

Dear Friends of the Company,

Today, we are proud to present FLABEG's first sustainability report for 2022. In a time of considerable geopolitical uncertainty, it is essential not to lose sight of our efforts towards sustainable business practices. We particularly want to be transparent about our efforts towards a more sustainable future. In this report, we want to share with you our current results and progress towards more sustainable business practices and give you a first insight into how we are addressing the challenges we face. We report on our efforts in the areas of energy efficiency, waste reduction, environmental impact, as well as our efforts to create an inclusive and diverse working environment in order to continue to be a representative company and a sustainable employer for future generations. We believe that sustainable business is not only crucial for the environment, but also for our society, our business, all employees, and our future generations. Therefore, our ambition is to continuously improve and be a leader in our industry.

For FLABEG, 2022 was marked by the continuing impact of the Covid 19 pandemic, the resulting supply shortages of semiconductors and the resulting decline in production in the automotive industry, as well as the sharp rise in energy costs. Despite these challenges, we have met the increasing environmental demands of our customers and strengthened our commitment to people and the environment through various efforts.

We hope this report gives you a comprehensive understanding of our efforts and progress towards a more sustainable future. We appreciate your interest in our company and look forward to your feedback.

Yours sincerely

Director Legal & Compliance



Figure 1: Lena Plato, Director Legal & Compliance

Company profile

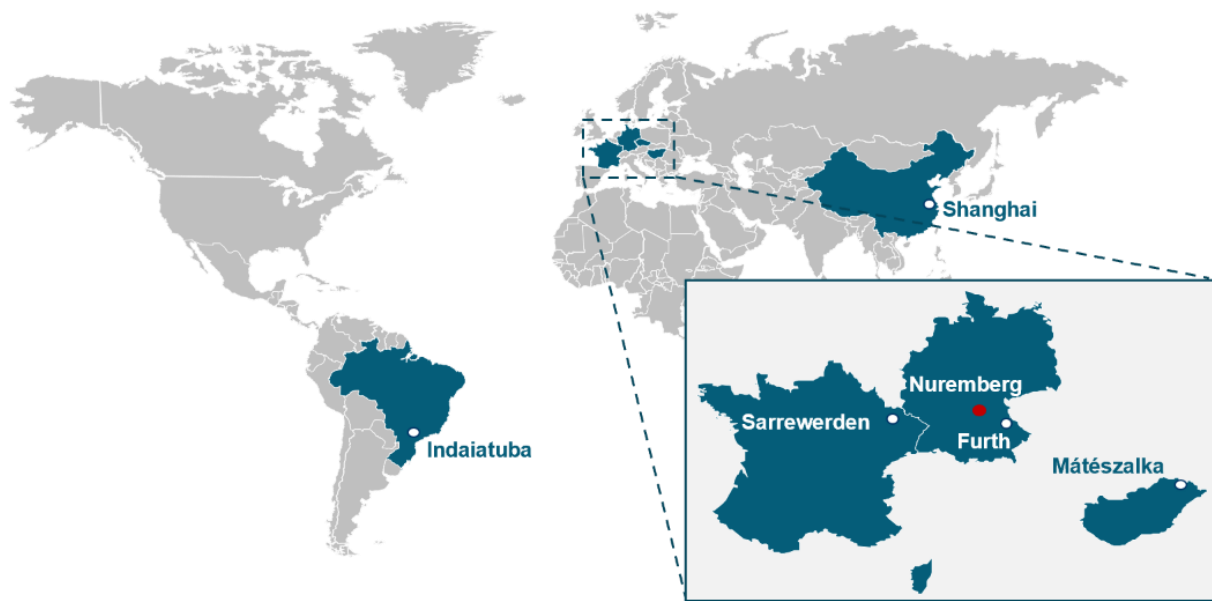


Figure 2: FLABEG locations worldwide

FLABEG is a leading glass finisher headquartered in Nuremberg, Germany. With five other production sites worldwide, FLABEG is also active in Furth im Wald/Germany, Sarrewerden/France, Mátészalka/Hungary, Shanghai/China, and Indaiatuba/Brazil.

The company was founded in 1882 and can thus already look back on a 140-year company history characterized by growth and innovative strength. FLABEG supplies its products and services mainly to the automotive industry, but customers from other sectors such as the cosmetics industry also value FLABEG as a reliable supplier. The product range includes exterior and interior mirror glasses as well as display cover glasses and components for HUD systems. In addition, customers from the medical technology and aerospace industries rely on FLABEG products, as do museums and collectors who want to protect high-quality pictures from harmful UV radiation with practically reflection-free glass. The state-of-the-art production facilities and the dedicated team of experts have made FLABEG an important player in the glass processing industry.

The company is actively committed to sustainable business practices and attaches great importance to the protection of the environment as well as the health and safety of its employees and fair business practices. FLABEG strives to continuously improve its products and adapt them to the changing needs of its customers.

Overall, FLABEG is a company with a remarkable history and a commitment to excellence in all areas. With its 1,100 global employees from numerous nations, global sales of EUR 75.4 million were generated in the 2021/22 financial year. With innovative technologies as well as the pursuit of sustainability, FLABEG has made a significant contribution to the glass processing industry and will continue to play an important role in the future.



Figure 3: FLABEG Headquarter in Nürnberg, Germany

Business model

FLABEG Automotive Glass Group GmbH (FLABEG Holding) is the financial and management holding company of the FLABEG Group and the ultimate parent company of all FLABEG subsidiaries in Germany and abroad.

FLABEG Holding is responsible for setting and pursuing the company's goals. It is also responsible for the leadership, control, and management instruments, including risk management and resource allocation. FLABEG Holding performs these tasks within the scope of its legal powers throughout the corporate organization. The legal independence of the group companies is maintained. Operational management is the responsibility of the Executive Board of the FLABEG Group, which acts as the sole personally liable partner. The Executive Board is supported by central functions.

FLABEG Holding is divided into three operating divisions: Automotive Glass, Imagineering Glass and Functional Glass. The Automotive Glass division offers exterior mirrors, interior mirrors, head-up displays, instrument glasses and 2D/3D display glasses and glasses for center console applications. The Imagineering Glass division comprises the business units Touch Application and Digital Signage. The third division is active worldwide in the anti-reflective glass business in the field of cosmetic mirrors and in light art (interior design).

Our three divisions are supported in their business activities by the central functions of FLABEG Holding, our global shared service departments, so that synergies of the group can be used optimally. Responsibility for the implementation of business activities in the regions and countries lies with the country companies. The management bodies of these national companies run their business within the framework of the respective legal regulations, statutes, and business conditions as well as according to the rules of our globally applicable principles for proper corporate governance.

Added value

With innovative products and solutions, FLABEG creates added value for its stakeholders along all stages of the value chain. We operate five production sites in five countries worldwide, invest in research and development (in the 2021/22 financial year, investments in research and development amounted to 3% of sales), work closely with our customers and suppliers, and contribute to economic development in our target markets. As an employer, we create jobs in both industrialized and emerging and developing countries and contribute to purchasing power through wages and salaries. By paying taxes and duties, we support the financing of the community and thus also the public infrastructure.

The analysis of value-added shows that a large part of the turnover generated flowed back into the global economy: The largest share of value added - 42.7 % of total output - went to our employees in the form of wages and pension benefits. The public sector received 3.2 % in the form of tax revenues, while lenders also received 3.2 % through interest. The remaining value is used for investments in future growth.

Distribution of turnover and earnings

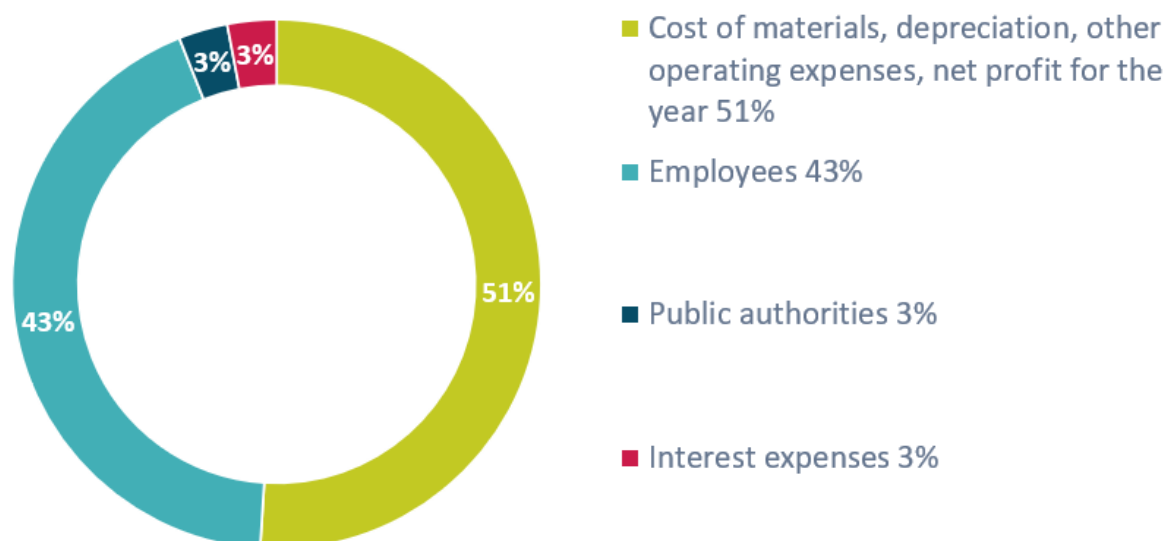


Figure 4: Distribution of turnover and earnings

Strategy



Figure 5: Franz Xaver Weiss, Group CEO

Sustainability strategy reflects our company's clear focus on holistic and sustainable growth. We want to create more value for our stakeholders, develop our business responsibly and economically and strengthen our position in the field of sustainability. Our corporate purpose describes what unites all of us at FLABEG:

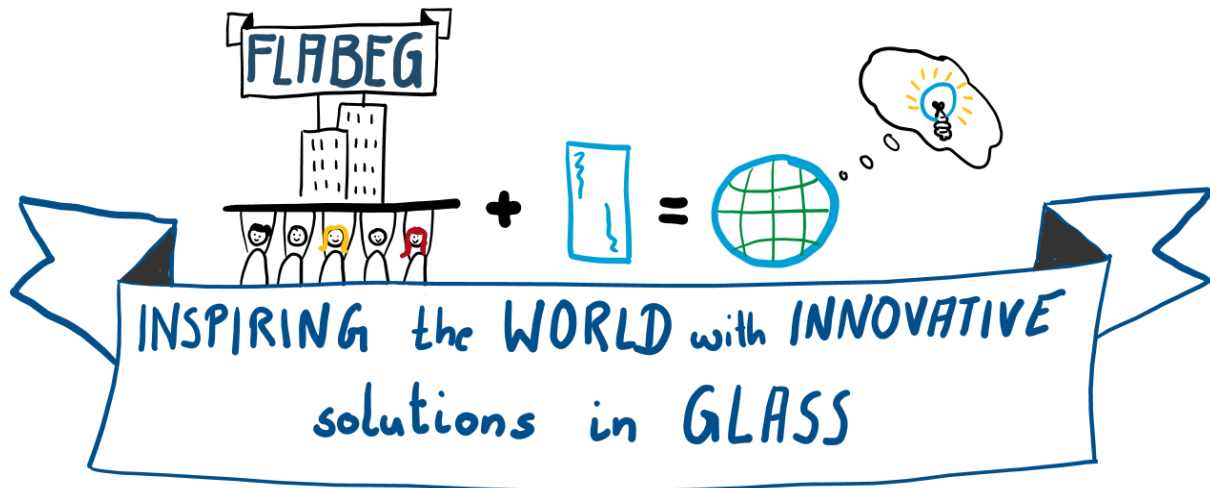


Figure 6: FLABEG vision, copyright Christine Buchanan

With our valuable employees, an inspiring pioneering spirit, our know-how, as well as our products and technologies, we want to enrich and improve people's lives every day and ensure a secure and sustainable future for future generations. We ensure this through our corporate purpose.

As a glass processing company our corporate purpose is to provide our customers with high-quality and innovative glass products that meet their specific requirements. We strive to meet our customers' expectations and help them make their own products more effective and efficient as well as safer, thereby adding value.

Our goal is to offer our customers a wide range of glass products that can be used in various applications and industries. We use state-of-the-art technologies and materials to ensure that our products meet the highest quality standards and satisfy our customers' requirements. In doing so, we want to take responsibility for people, the environment and society and contribute to an active

and sustainable circular economy. This includes strengthening reusable systems to reduce packaging waste and focusing on the use of glass as one of the oldest and most natural materials. Furthermore, there is a clear focus on equal opportunities, education, and the well-being of all employees. In addition, we ensure transparency in our cooperation with our stakeholders.

Sustainability is at the core of our business strategy, along with digitalization, innovation, and transparency, which ultimately generate competitive advantage and business growth. One of the world's greatest threats and challenges is climate change. It is therefore the responsibility of every company to take the necessary measures. FLABEG is also contributing to the fight against climate change and recognizes its leading role in bringing about transformative change in the glass processing industry. In doing so, we are in direct exchange with our customers, partners and investors who are interested in finding sustainable solutions together with FLABEG. The latter are very interested in the implementation of FLABEG's sustainability strategies.

As a company, we attach great importance to responsible management and the assumption of corporate responsibility. We are aware that we are not only responsible for our financial performance, but also for our contribution to society and the environment. Therefore, when making decisions, we consider not only the interests of our investor, but also the needs of our customers, employees, suppliers, and society. We integrate social and environmental concerns into our business processes and are committed to sustainable development. In concrete terms, this means that we implement environmental standards, use renewable energies, promote social projects, and ensure fair working conditions for our employees and suppliers. We know that our decisions have an impact on our environment, and we want to ensure that this impact is as positive as possible. Our quality system includes an assessment of the environmental impact for each project with the aim of keeping it as low as possible. For example, the use of chemicals in car washes is reduced to an absolute minimum.

It is also important for us to communicate transparently with our stakeholders. We disclose our Corporate Social Responsibility (CSR) measures and regularly report on our progress in terms of sustainability and social responsibility.

We believe that responsible corporate governance not only benefits society and the environment but can also bring long-term economic success. We are convinced that our CSR measures can help to gain the trust of our customers, employees and investors and thus build long-term relationships.

We rely on our strengths, the innovative capacity of our business units, the outstanding know-how of our employees and the numerous ways in which our products interact with customers and consumers. We see our company as a significant player and partner in society, and we want to work with others to make this fundamental change happen.

The three dimensions of sustainability at FLABEG

The three dimensions of the sustainability strategy are the ecological, social and economic dimensions.

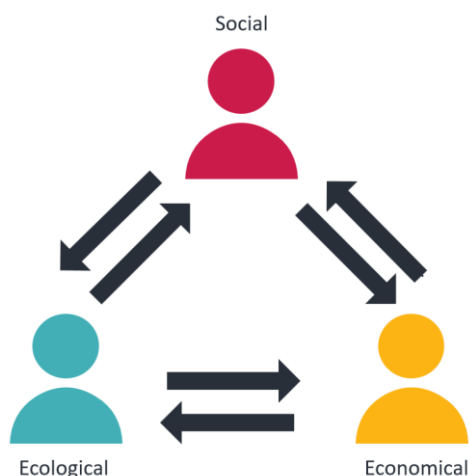


Figure 7: The three dimensions of sustainability at FLABEG

The environmental dimension refers to the protection of natural resources and the reduction of environmental impacts. Companies can implement this dimension by implementing environmentally friendly practices such as the use of renewable energy, recycling and reducing emissions and waste.

The implementation of the first dimension at FLABEG (ecology)

CO-2 footprint

Result CO-2 emission FLABEG 2021

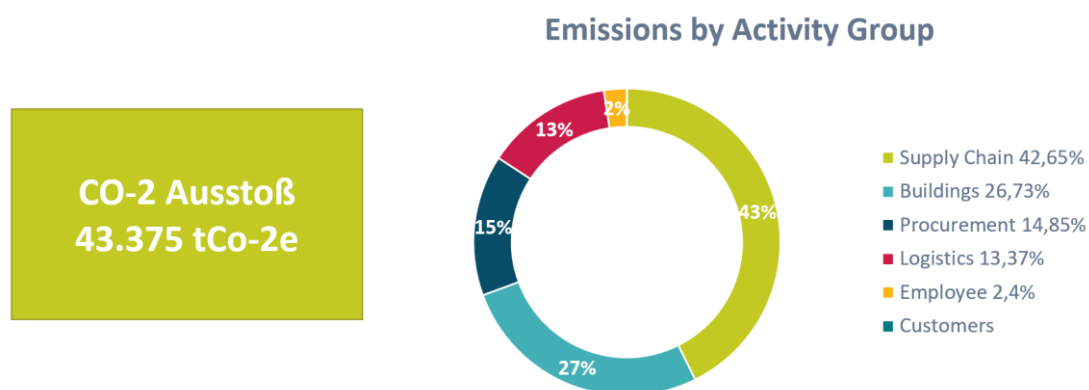


Figure 8: CO-2-emission FLABEG 2021/2022

For the financial year 2021/2022 (April 2021 to March 2022), FLABEG's gross footprint was 46,234.09 tons of carbon dioxide equivalent {(tCO-2e) (site-based approach)}. Due to the use of

electricity from renewable sources, 2,859.16 tCO₂e could be deducted (market-based approach). In summary, the net emissions of FLABEG emissions in 2021 amounted to 43,374.93 tCO₂e.

Results CO₂ analysis 2021

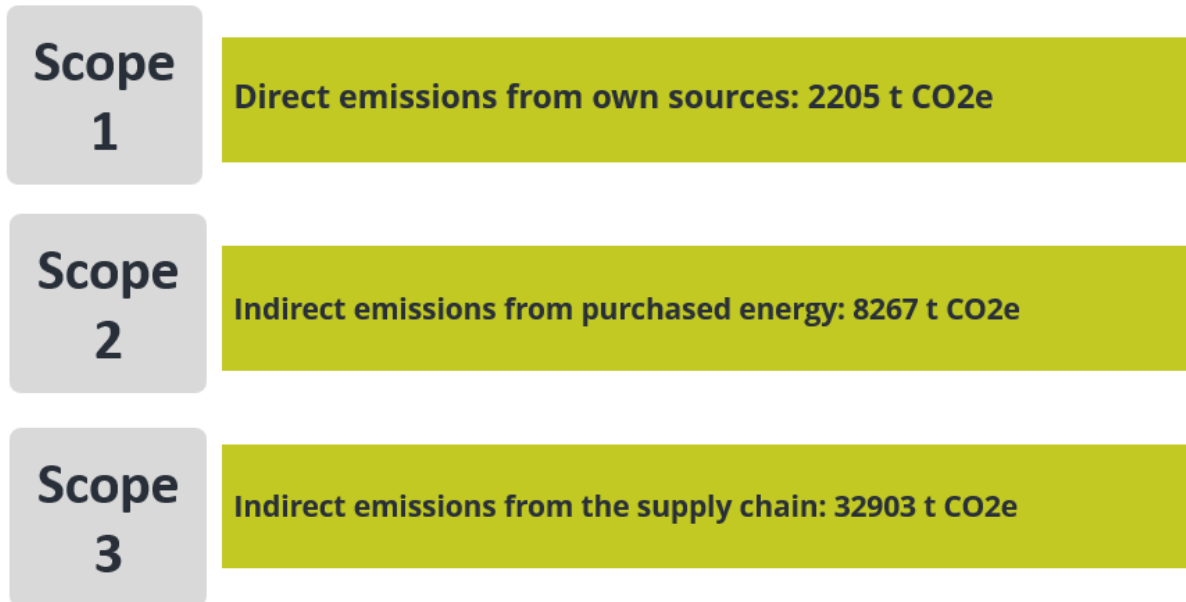


Figure 9: Results of CO₂-analysis 2021/2022

Only 2205 t CO₂e were emitted from our own sources, 8267 t CO₂e from indirect emissions from purchased energy and 32903 t CO₂e from indirect emissions mainly from supply chain activities.

Worldwide production standards are implemented at all locations in accordance with strict German, national and international legislation. This results in high requirements for the added value of our products, which are at the top of the list compared to international rankings and imply a high sustainability aspect.

By investing in high-quality and durable machinery that is always kept technologically up to date, FLABEG makes an important contribution to the conservation of resources. FLABEG invested in an oven for curing screen prints in Germany. By choosing electric instead of natural gas heating, this oven with an output of 90 KW avoids emissions of 400 t CO₂e/year when used 24 hours/5 days on 200 days/year.

Transport and logistic

FLABEG is committed to optimizing transport and logistics processes along the entire value chain. In doing so, we pay particular attention to environmental compatibility and resource efficiency and are constantly evolving.

Our goal for 2025 is to reduce emissions from the transport of our products by 15 percent compared to the base year 2015.

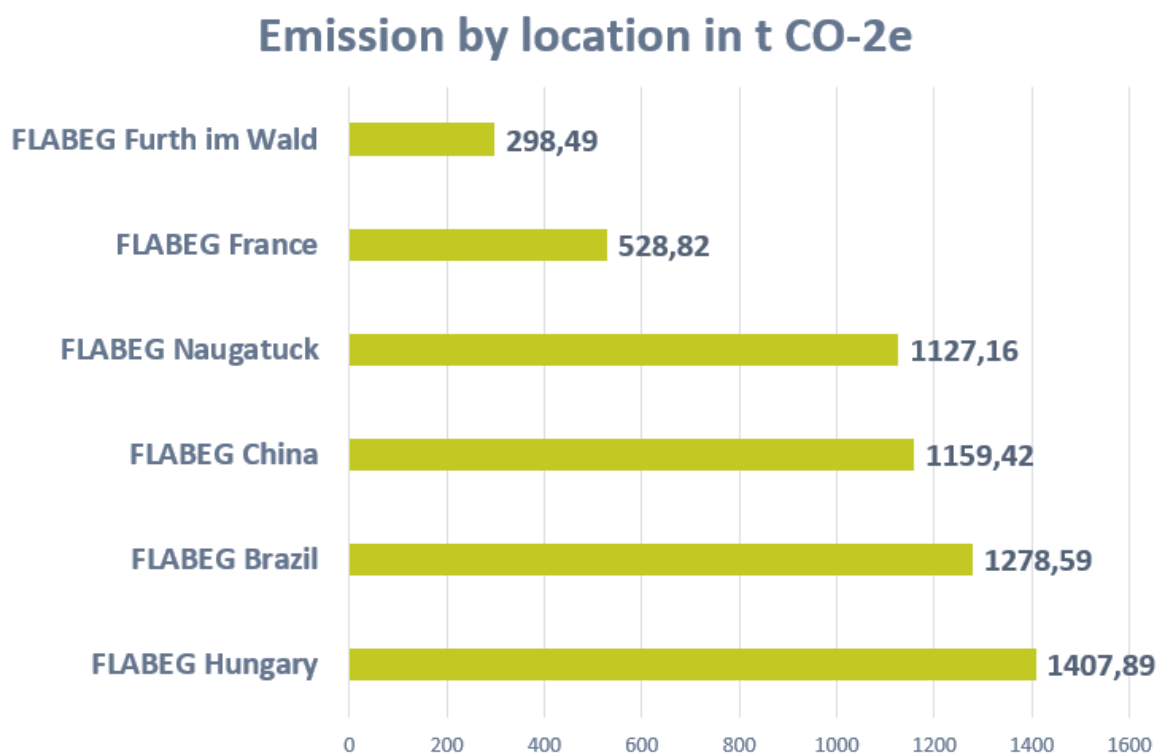


Figure 10: Emissions by location in t CO-2e

The graph shows the CO-2 emissions in 2021 of the individual locations based on the logistics area.

The differences between the sites result from the distances to internal FLABEG suppliers of semi-finished mirrors used as raw material for the final products, which has a negative impact on sites such as Hungary, Brazil, or Naugatuck, but also from the distance of the FLABEG plants to their customers for final products. Here Furth im Wald and France are somewhat favored with a limited number of overseas sales. On this basis, a reorganization is planned that will have an effect from 2023. FLABEG Naugatuck, which acts as a distribution center for the products manufactured by the other units, will no longer function as such. Customers will be served directly by the plants that manufacture the parts. On a conservative assumption, this will result in a saving of at least 1000 tCO-2e per year, while maintaining the same level of sales.

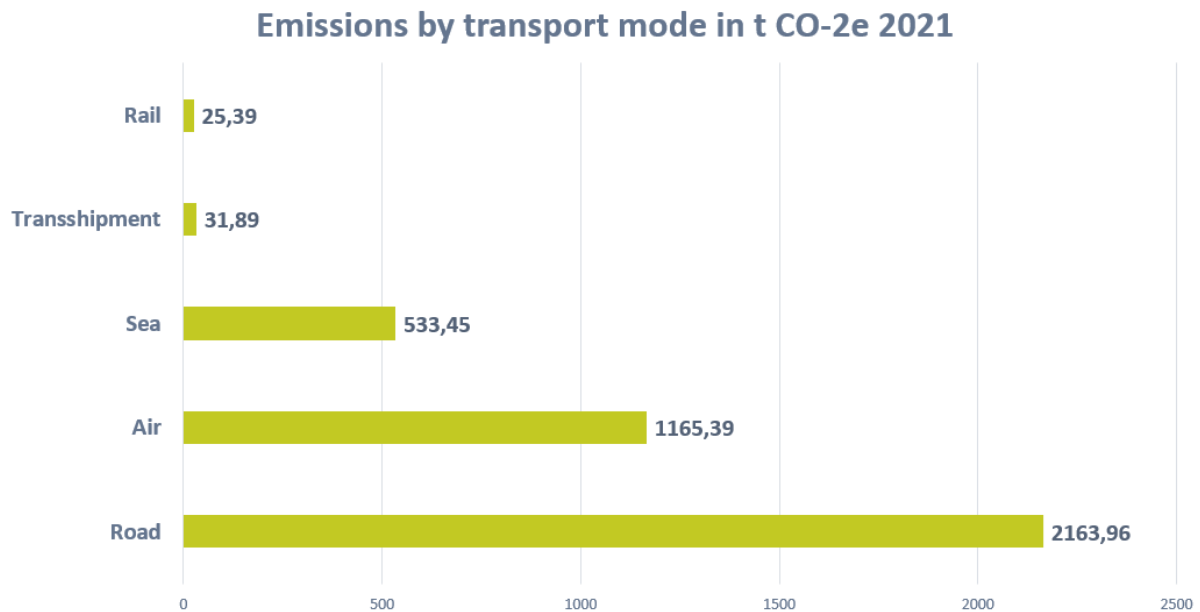


Figure 11: Emissions by transport mode in t CO-2e 2021

The graph shows that FLABEG is trying to shift most of its transport to road and sea freight. For the future, the company will focus on gradually reducing air freight as well, focusing more on sea freight and significantly reducing CO-2 emissions in logistics through local production.

The biggest impact will occur in 2024 and later, where a target of 2500-3000 tCO-2e is realistic.

Packaging, materials, regional production, waste management and circular economy

Packaging optimization is another important focus within FLABEG, as the focus here is not only on efficiency and cost reduction, but also on environmental compatibility. By optimizing packaging, the number of materials used and thus the environmental impact can be reduced. There are various aspects that need to be considered. One important aspect is the size of the packaging. Here, it is important to design the size of the packaging in such a way that it offers sufficient protection for the products on the one hand and saves space on the other and is also designed to optimize weight. This can be achieved, for example, by using specially adapted packaging or by optimizing transport pallets. If it makes ecological sense, reusable packaging is used. Paper and cardboard resulting from the packaging of goods purchased in France are shredded in the shredder and 100% reused on site for the packaging of subsequent consignments.

Even if, according to the rule of thumb, 1 ton of paper means 1 ton of CO-2e emissions, the +/- 20 tons of paper and cardboard saved in this local circular economy system must be promoted.

Another aspect is the choice of materials. Here, environmentally friendly materials such as recycled paper or bioplastics are increasingly used to reduce the environmental impact. The use of reusable packaging is also becoming increasingly popular in society in order to reduce the consumption of disposable packaging.

Packaging material

In addition to the size and choice of material, the shape of the packaging also plays an important role. Here, special packaging is developed that is adapted to the shape of the glass and thus optimizes protection as well as taking customer requirements into account. Novel packaging concepts are patented to secure a competitive advantage. The stackability of the packaging is also considered here in order to save space during transport.

Packaging optimization is a complex topic at FLABEG that encompasses many different aspects. By constantly optimizing product packaging, not only can the environmental impact be reduced, but efficiency can also be increased. Companies that dedicate themselves to this topic can thus achieve both ecological and economic advantages.

FLABEG makes sure that the emissions from the return transport of empty reusable packaging are considered and solved in a sustainable manner. For the internal transport of goods, maximum sustainable foldable and wooden container solutions are used. This enables us to reduce emissions from the return transport of empty containers by a factor of five.

FLABEG Shanghai has taken several measures to avoid packaging material when using reusable boxes for customers, thus eliminating the use of paper and cardboard boxes altogether. The same approach is required from suppliers where technically possible (e.g., for belts). Another way to reduce packaging material waste is to reuse packaging material received - e.g., boxes we receive from FLABEG France, or wooden pallets used by local suppliers. Packaging design is also a way to reduce waste. For example, by changing the design of reusable boxes, we have been able to reduce the number of damaged boxes (waste) from several dozen per month to a few per year.

Regional and environmental friendly production

Wir produzieren regional an unseren Produktionsstandorten nahe unserem Kunden. Durch die Verkürzung der Transportwege kann der CO₂-Ausstoß erheblich reduziert werden. Denn bei der Bearbeitung von Glas werden in der Regel Ressourcen und Energie verbraucht, wodurch es zu einem We produce regionally at our production sites close to our customers. By shortening transport routes, CO₂ emissions can be significantly reduced. This is because the processing of glass usually consumes resources and energy, resulting in CO₂ emissions. Local production reduces these emissions because less energy and resources are needed for transport.

Another advantage of FLABEG's local, customer-oriented production is the creation of local jobs. This promotes the local economy and strengthens the community. The use of environmentally friendly materials and processes also reduces environmental impact, which benefits both consumers and manufacturers.

Environmentally friendly production can be realized in several ways. For example, renewable energy such as solar energy, wind energy or hydroelectric power can be used to power the

production processes. The use of recycled or biodegradable materials can also reduce the environmental impact. FLABEG is currently working on the use of renewable energies at all production sites, such as photovoltaics on the roofs of the production buildings.

FLABEG Shanghai is located close to several Tier1 companies, so transport distances to customers are limited. For most customers, local logistics companies are used to consolidate FLABEG's freight with others, optimizing transport routes to the destination.

Another way to reduce CO₂ emissions is to optimize planning together with customers - delivering as large batches as possible, combining all programs running at the customer's plant, reducing delivery frequencies while using the customer's storage capacity or a local external warehouse.

Overall, local, and environmentally friendly production helps to reduce CO₂ emissions and minimize environmental impact. This is where we would like to focus at FLABEG in the future.

Waste

In many countries there are strict regulations for the disposal of glass waste. In some cases, there are also incentives for companies that use recycled glass, such as tax breaks or grants. FLABEG separates its glass waste by grade and transfers it to local recycling companies. Thanks to the clear and simple FLABEG process procedures and the attention paid to the categorization of glass types at the collection points, recycling companies highly appreciate FLABEG waste glass. Compared to container glass collection on the street, our waste is of the highest possible purity.

Another aspect that contributes to FLABEG's ecological responsibility is the separation of waste at all company locations. Here, 80-95 per cent of the waste generated in the company buildings is recycled into the economic cycle for further processing.

Reducing production waste is an important aspect of promoting a circular economy. This is because in a circular economy, resources are reused, and waste is avoided. This can help reduce environmental impact and increase sustainability.

Reducing production waste starts with the planning and design of products and processes.

Modern process technologies are characterized by improved utilization of the consumables used (e.g., coating materials, screen printing inks) with a simultaneous increase in product output. Extensive analyses, from which process optimization programs are continuously derived regarding material use and output, contribute not only to increasing the efficiency of our processes, but also to conserving valuable resources and energy. In doing so, we successfully make use of the modern tools of lean management or the Six Sigma methodology.

By using reusable or recyclable materials at FLABEG, the amount of waste can be reduced. In the future, FLABEG will also develop a waste management system to reduce the amount of waste and recover valuable resources. At the same time, successful implementation of this strategy can also lead to enormous cost savings and further improve FLABEG's image.

Glass recycling management

In total, the recycling of glass waste at FLABEG corresponds to 4000 t CO₂e from the purchased glass.

Recycling of glass

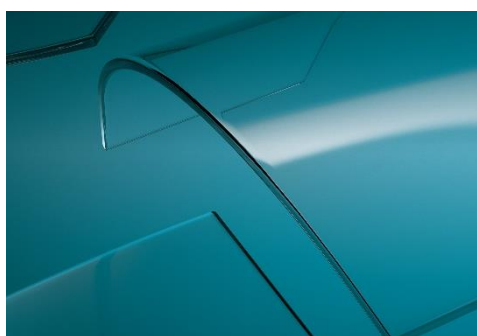


Figure 12: curved glass

The circular economy in glass processing at FLABEG refers to the principle of using glass waste as raw materials for new products instead of landfilling or incinerating it. The benefits of this are numerous at FLABEG. Recycling our glass waste saves resources such as quartz sand, soda, lime, and dolomite, which are needed in the production of new glass. The glass waste produced is collected and further processed by certified recycling companies and can be

reintroduced into the circular economy. The production of new glass from recycled glass requires less energy than the production of glass from new raw materials. This is because melting recycled glass requires a lower melting temperature. In addition, the use of recycled glass reduces the amount of glass waste that ends up in landfills. This reduces the environmental impact of glass waste.

Raw materials consumption

The glass industry has the potential to promote sustainable raw material consumption by focusing on environmentally friendly and socially responsible procurement of raw materials. An important aspect of this is the avoidance of conflict minerals, which are often extracted under inhumane conditions and with serious environmental consequences. FLABEG is committed to this.

Sustainable raw material consumption in the glass industry already starts with the selection of raw material suppliers. FLABEG ensures that suppliers comply with internationally recognized social and environmental standards and do not use conflict minerals in their supply chains. Transparent communication and cooperation with suppliers can help to meet these requirements and minimize the risks of conflict minerals. In addition, the glass industry can also focus on resource-efficient production to reduce raw material consumption. For example, the use of recycled glass can help reduce the need for new raw materials and minimize the environmental

impact. Optimizing production processes can also help reduce the consumption of energy and raw materials.

FLABEG Shanghai carries out various initiatives to maximize the use of raw materials. This starts with purchasing raw materials in optimal sizes (agreement with the glass supplier). Process scrap is carefully separated into different categories so that the local scrap collector can transport certain types of glass to the nearest glass manufacturer. Optimizing internal processes to avoid unnecessary scrap is one of the team's main goals.

Going paperless in the office can also help reduce environmental impact and strengthen sustainability. Paper is one of the main sources of office waste, and paper production requires large amounts of resources, water, and energy. Reducing paper consumption can significantly reduce the office's environmental footprint.

One approach to paperless working in the office is the digitization of documents and processes. Instead of printing paper documents, they can be scanned and stored in a digital database. By using email, online collaboration tools and cloud storage, processes such as collaborative work on documents or communication with colleagues can also be designed without the use of paper. The transformation process to a paperless company is in full swing at FLABEG. Among other things, the entire HR department, including the application process, will be implemented purely digitally in the future. Many other departments, such as the IT department, already work 100 per cent digitally. Documents will no longer be printed out for signature, but only a legally secure digital signature system will be used at all locations. Furthermore, we consistently refrain from using fax technologies.

If an original document is still required, it is printed exclusively on environmentally friendly recycled paper in greyscale.

Sewage and wastewater disposal

Our highly automated and energy-efficient glass washing machines are specially designed to reduce energy consumption while ensuring effective cleaning of glasses. In addition, the water used is continuously purified by means of centrifugation, so that only the smallest amounts of process water are discharged.

The implementation of the second dimension at FLABEG (social)

The social dimension encompasses a company's responsibility towards its employees, customers, and society. Companies should ensure fair working conditions, equal opportunities, and diversity, as well as engage in social projects and contribute to strengthening the community.

As a company, we are aware that the second dimension of sustainability - social responsibility - plays an important role in the long-term success of the company.



Figure 13: Together hand in hand at FLABEG

We understand that we are not only responsible for our environmental impact, but also for our social impact on our employees and the communities in which we operate.

To ensure that we meet our social responsibilities, we have implemented several measures. One of the most important aspects is creating safe and fair working conditions for our employees. We are proud to comply with all labor laws and actively promote equality, diversity, and inclusion. We ensure that all employees are treated fairly, regardless of their ancestry, religion, gender, or sexual orientation. We also place great importance on the health and well-being of our employees and have therefore implemented various programs to support their physical and mental health.

Through extensive flextime, vacation, mobile office and home office arrangements, we grant our employees the opportunity to work flexibly. By eliminating the need to travel to work, stress has been reduced and productivity increased. In addition, the models promote family-friendly working. For the necessary rest of our employees, we grant vacation entitlements beyond the legal requirements. We also demonstrate our family-friendliness by partially reimbursing childcare costs. For employees with long commutes, we try to provide financial relief with our mobility allowances.

Another important aspect of social sustainability is compliance with ethical standards in the supply chain. We ensure that our suppliers and subcontractors do not exploit workers or violate environmental regulations. We ensure that our suppliers and subcontractors pay fair wages and do not use child labor or forced labor.

As a company, we are also proud to be actively involved in our community. We support local education and environmental programs and promote economic development in our region. We work closely with our neighbors to ensure that our activities do not negatively impact the local community.

As a company, we have chosen to participate in the annual international Girl's Day to help promote women in STEM subjects. We firmly believe that women are often still underrepresented in these fields and therefore want to make an active contribution to counteracting this trend.

Our participation in Girl's Day is just one part of our comprehensive strategy to support women in STEM subjects. We have already taken various measures to create an attractive working environment for women and to provide them with the necessary resources and support to succeed in these fields.

These include, for example, targeted further education and training measures to promote women in STEM subjects and improve their career opportunities. We also support the establishment of women's networks and actively engage with the public to raise awareness of the importance of women in STEM professions. To strengthen the perception of our highly qualified women at FLABEG, we introduce them monthly via social networks and highlight their important role at FLABEG.

We are proud that our commitment to promoting women in STEM subjects has already shown initial success. Our female employees now work successfully in many areas of our company and make a significant contribution to its success.

We are sure that through our participation in Girl's Day we can inspire even more young women to take up STEM subjects and thus help close the gender gap in these areas. We are ready to continue working towards this goal and look forward to playing an active role in promoting women in STEM subjects in the future.

FLABEG also supports the local fire department in Furth im Wald.

We understand that the social dimension of sustainability requires an ongoing commitment, and we will continue to evaluate and expand our actions to improve our social impact. We believe that a successful and sustainable future can only be achieved by integrating environmental and social responsibility and we are proud to play our part at FLABEG.

FLABEG as employer

FLABEG's business model is geared towards the long term and growth and includes our employment policy. As a reliable employer, we want to live up to our responsibility and offer our employees security and perspective in a volatile time.

FTE overview per entity	Fiscal year 21/22
FLABEG Automotive Shanghai Co., Limited	325
FLABEG Automotive Germany GmbH	220
FLABEG France S.A.S.	132
FLABEG Brasil Limitada	215
FLABEG Kft	171
FLABEG Czech S.R.O.	0
FLABEG Technical Glass US Corporation	33
FLABEG Automotive Glass Group GmbH	25
FLABEG Group	1.121

Table 1: FTE overview per entity

Safeguard the rights of all employees

As a medium-sized company, it is important to us that we not only achieve our economic goals, but also live up to our social responsibility. One of the most important aspects of our social responsibility is to safeguard the rights of our employees.

We believe that employees are the most important asset of our company and without their important and continuous work and commitment we could not be successful. Therefore, we ensure that all employees at FLABEG are treated fairly, and their rights are upheld.

We ensure that all working conditions comply with applicable laws and that our employees are not discriminated against. We promote an open and transparent corporate culture and take any complaints or concerns raised by our employees seriously. We have already fully implemented the Whistleblower Protection Act (see <https://www.FLABEG.com/info/whistleblower.html>), which was passed by the German parliament but has not yet come into force and have set up a whistleblower hotline that gives our employees worldwide the opportunity to anonymously voice concerns or complaints in their own language without fear of reprisals.

We also promote the health and well-being of our employees by offering various programs to promote physical and mental health. We offer flexible working hours and remote office models to enable our employees to achieve a better work-life balance. In addition, our employees at individual locations could participate in the Benefit Business Bike Leasing program.

We also believe that all employees should have a voice in our company. We offer regular employee surveys to hear their opinions, needs and ideas. We work closely with our employees to continuously improve our working conditions.

FLABEG Sustainability Report 2022

We are proud that the absenteeism rate of our employees is below the industry average, as the following overview shows.

FLABEG group absence rate	Unit	21/22	22/23
Absence / Illness (only continuation of payments)	%	3,6%	3,8%

Table 2: FLABEG group absence rate

We are aware that we should not only treat our employees fairly, but also promote their development and careers. To this end, our managers use the annual appraisal interview to discuss the effectiveness of training measures with their employees and to define new training and development measures for the current fiscal year, always with the aim of improving the skills and knowledge of our employees.

Within the FLABEG Group, we have also been able to significantly increase the training offered and the further training of all employees compared to previous years.

FLABEG group qualification	Unit	21/22	22/23
Qualification	Hrs/empl./year	15,5	23,4

Table 3: FLABEG group qualification

We also support the professional development of our employees by creating internal promotion opportunities and helping them to further develop their career goals.

Overall, we believe that safeguarding the rights of our employees is an essential part of our sustainability strategy. We understand that this requires an ongoing commitment, and we will continue to evaluate and improve our actions to enhance our employee rights. We are proud to live up to our social responsibility and make a positive contribution to a sustainable future.

Performance-related and market-orientated remuneration

As a company, it is important for us to fulfill our responsibility in social sustainability. An important component of this is the performance-related and market-oriented compensation of our employees.

Through market-oriented compensation, we ensure that our employees are paid fairly and appropriately and that we can attract and retain talent. We base this on benchmarks that reflect current market trends and the salaries of comparable positions in other companies. It is particularly important to us to increase the proportion of women in all our workforces and to remunerate them so that there is no gender gap in compensation at FLABEG.

In addition, we also attach great importance to performance-related remuneration. We aim to reward our employees for their performance and contributions to the success of the company with our bonus and profit-sharing models. With our annual target agreement and review meetings, we motivate our employees to give their best with clearly defined targets and contribute to the success of the company. Employees receive clear feedback in relation to the goals, which are recorded in a way that is measurable and transparent for everyone. In this way, we can be sure that everyone feels they are being treated fairly. At the same time, our employees are given a higher degree of personal responsibility. They can independently achieve the goals they have set themselves in consultation with their managers. The regular review meetings help us to adapt agilely to changing market situations and give our employees security in their actions.

Our compensation policy is holistic and covers not only financial remuneration but also other aspects of work such as work-life balance, working conditions and development opportunities. We would also like to emphasize our comprehensive and attractive company pension scheme, which is designed to help ensure that our employees are secure in their old age. We want to create a working environment that inspires and motivates our employees to give their best. We also promote employee satisfaction and loyalty through a performance-related and market-oriented compensation policy. If our employees feel they are paid fairly and appropriately and their performance is recognized, they are more satisfied and stay with the company longer. This reduces fluctuation and lowers costs for the company.

Diversity and equal opportunities

As a company, we are aware of our responsibility to ensure equal opportunities and diversity as part of social sustainability. We see the diversity of our employees as a valuable treasure and an important basis for our success. We have taken various measures to promote equal opportunities and diversity in our company. These include, for example, targeted recruitment campaigns, training and awareness-raising measures, and the creation of flexible working conditions. Extensive flextime, vacation, mobile office, and home office arrangements also give part-time employees the opportunity to pursue specialist and management careers and thus pursue their career goals.

We are actively committed to ensuring that all employees have the same opportunities, regardless of gender, age, ethnic origin, sexual orientation, or physical impairment. We promote the careers of women and offer them the same development opportunities as their male colleagues. We also offer people with disabilities an inclusive working environment that enables them to realize their full potential.

In addition, we are also committed to promoting diversity in our company. We value the different experiences, knowledge and perspectives of our employees and want to ensure that all voices are

heard. Through targeted training and awareness-raising measures, we sensitize our employees to the importance of diversity and inclusion and thus promote a respectful working environment.

We are convinced that equal opportunities and diversity are not only ethically and morally right, but also offer economic benefits. A diverse workforce promotes the company's creativity, innovation and flexibility and enables us to respond to the needs of our customers and clients.

Overall, we see equal opportunities and diversity as important aspects of social sustainability in our company. We actively work to ensure that all employees have the same opportunities, regardless of gender, age, ethnic origin, or physical impairment. We promote diversity in our company and value the different experiences, knowledge, and perspectives of our employees. We believe that an inclusive and diverse workforce is an important component of our success.

Internationality – for FLABEG more than just a claim

As a company, we believe that internationality is more than just an aspiration - it is a necessity to succeed in today's globalized economy. We see ourselves as part of a global community and believe that by collaborating and exchanging with people from different cultures and backgrounds, we can expand our own capabilities and business potential.

Therefore, we are committed to creating an international work environment that facilitates collaboration across geographic boundaries. We encourage the exchange of knowledge and experience between our employees and colleagues from different countries and cultures, supporting the personal and professional development of everyone.

To ensure that we remain internationally competitive as a company, we have also developed a strategy for global expansion. We are committed to expanding into new markets and maximizing our business potential by focusing on the needs of our customers in different regions of the world. We invest in the training of our employees to ensure they have the necessary skills to succeed in international business environments.

In addition to promoting internationality within our company, we are also involved in various international initiatives and projects. We are proud to be part of the global community and actively contribute to solving global challenges. For example, we have so-called Travelling Engineers on board who support our international sites in meeting the technical challenges of tomorrow. In addition, we create the opportunity to promote international exchange of experience and to gain experience abroad with secondments. Furthermore, all HR managers worldwide have developed a Global HR Roadmap to show solutions how we as a company can counter the shortage of skilled workers.

Overall, we view internationality not just as an aspiration, but as a basic requirement for our business growth and success. We strive to create an international work environment and expand

our global operations to maximize our reach and serve our customers worldwide. We believe that through our international efforts we can also have a positive impact on the global community.

No discrimination and for equal opportunity

As a company, we firmly believe that discrimination of any kind is unacceptable and that all employees should have the same opportunities to develop their skills and potential. We believe that diversity is a strength and that as a company we can benefit from the different backgrounds, experiences, and perspectives of our employees.



Figure 14: Equal opportunity at FLABEG

To prevent discrimination and promote equal opportunities, we have developed clear policies and procedures for the recruitment, promotion, and remuneration of our employees. We ensure that all our employees are treated fairly, regardless of gender, age, ethnic origin, sexual orientation, religion, or disability. In addition, we train our employees annually to raise their awareness of discrimination and ensure that they are aware of how they can help prevent discrimination. We also promote the exchange of knowledge and experience between our employees to strengthen understanding and appreciation of diversity.

Overall, we regard the fight against discrimination and for equal opportunities as an obligation that we take seriously as a company. We believe that it is not only our moral responsibility to prevent discrimination, but also our responsibility as an employer to ensure that we realize the full potential of our employees and succeed as a company. We are proud to be a company committed to diversity and equal opportunity and will continue to work to create a work environment that is fair and respectful for all.

Compatibility of work and private life

In our company, it is important to us that our employees have a good balance between their professional and private lives. We believe that this is not only beneficial for the well-being of our employees, but also for our corporate culture and the success of our company.

To ensure that our employees have a good balance between their professional and private lives, we offer flexible working time models that allow them to balance their work with other parts of their lives such as family, friends, or hobbies. Our employees also have the option of working from home or independently of location if this is possible for their work. In addition, we cater to the life phases (offspring, caregiving, travel affinity, etc.) of our employees with appropriate part-time models.

We also regularly organize events and activities that not only strengthen the team but also promote the well-being and work-life balance of our employees. We have created a corporate culture in which it is normal for our employees to take breaks and enjoy their free time to recharge their energy and creativity.

We believe that a good work-life balance also helps our employees be more productive, motivated, and happy. By promoting a good work-life balance, we have created an environment where our employees can give their best while feeling part of a supportive and motivating work community.

Overall, we view consideration of our employees' personal lives as a commitment that we take seriously as a company. We believe that promoting a work-life balance contributes to a positive work environment and a successful business. We will continue to work to ensure that our employees have a good balance between their professional and personal lives while successfully driving our business forward.

Employee satisfaction

It is essential for our company that our employees are satisfied. We believe that the satisfaction of our employees is an important factor for the success of our company. Satisfied employees are motivated, committed and contribute to a positive corporate culture.

We live an open and transparent corporate culture in which it is possible for our employees to express themselves, to contribute ideas and suggestions and to voice their opinions. For this purpose, we use the tools employee survey, improvement suggestion system and regular face-to-face meetings between our employees from all levels and the top management.

We also promote open communication between the different departments and levels of our company to ensure that all employees are involved and heard. In addition, we organize team building activities, summer parties as well as Christmas parties every year to strengthen the "we" feeling.

We also value the health and well-being of our employees and have introduced various measures to promote this. For example, we offer free health checks and fitness programs to ensure our employees stay healthy.

Overall, we consider employee satisfaction a priority that impacts the success of our business. We recognize that our employees are the backbone of our business and that without them there would be no growth and development. Therefore, we will continue to take steps to ensure that our employees are satisfied and feel valued.

The satisfaction of our employees is underpinned by the low level of staff turnover that we can boast across the Group.

FLABEG group people turnover	Unit	21/22	22/23
People turnover	%	1,4%	1,1%

Table 4: FLABEG group people turnover

Support and development measures for employees

As a company, we are committed to identifying, nurturing, and developing talent. We believe that investing in our employees not only helps to improve their skills, but also contributes to improving the performance of our company.

In the annual employee appraisal, our managers agree with their employees which promotion and development measures should be implemented in the coming year so that our employees can realize their full potential. These include training and development, coaching, mentoring programs, job rotation and special development programs for talented employees.

One example of our support measures is our mentoring program, which offers our employees the opportunity to learn from experienced managers and achieve their career goals.

We recognize that our employees have different talents and abilities, and we encourage the development of individual strengths and interests. We offer our employees the opportunity to participate in training and workshops tailored to their specific needs to ensure that they can improve in their field.

Our development measures are not only focused on professional development, but also on the personal development of our employees. We help them develop soft skills such as communication, teamwork and problem solving to ensure they can do their jobs successfully and thrive in difficult situations.

Throughout, we consider the promotion and development of talent to be an important investment in the future of our company. We are aware that our employees are the backbone of our company and that they feel valued through continuous promotion and development. We will continue to take measures to ensure that our employees can realize their full potential.

Occupational health and safety

Occupational safety and health protection are of great importance to our company. We are aware that our employees are our most important asset and that it is our responsibility as an employer to provide them with a safe and healthy working environment.

To ensure this, we have taken various measures to improve the working conditions of our employees. These include, for example, regular inspections to check working conditions to ensure that they comply with legal requirements and that all necessary safety precautions are taken.

We have also held special and regular training sessions and workshops for our employees to inform them about the various aspects of occupational health and safety. These training sessions cover topics such as the use of protective equipment, the handling of machinery and the prevention of accidents.

In addition to preventing accidents, promoting the health of our employees is also an important aspect. We have therefore introduced various health programs aimed at promoting the physical and mental health of our employees.

To ensure that our occupational health and safety measures are continuously improved, we conduct regular reviews and analyses. We take our employees' feedback seriously and are committed to continuously improving their working conditions.

Powerful IT systems as well as ergonomically equipped workplaces play an important role in supporting health protection activities in our company. It enables us to work effectively and efficiently and provide our employees with the best possible working environment.

Overall, we consider occupational health and safety to be a high priority in our company. We are proud to be able to support our employees with a safe and healthy working environment. We will continue to take measures in the future to ensure that we can maintain and continuously improve our occupational safety and health standards.

Regular communication on safety issues

Regular communication on security issues in the company is crucial to ensure the safety and well-being of employees. Security here includes emotional security, cybersecurity and other aspects in addition to the physical environmental security of the individual. Security is not just a one-off issue at the time of recruitment, but is regularly communicated and monitored to ensure that employees are aware of the latest security protocols and procedures.

Regular communication takes place in various ways, such as regular safety meetings, training and workshops, safety tours, safety briefings and regular information via email or the FLABEG intranet. While safety meetings and training provide a deeper understanding of specific safety protocols, safety briefings and regular information via email or intranet can provide employees with regular reminders and updates on the company's safety policies. Internal and external audits ensure the high quality standards we set for ourselves.

In addition, it is important to ensure that employees understand the importance of safety and take responsibility for their own safety and the safety of their colleagues. Communication should also provide opportunities for employees to provide feedback and suggestions for safety improvements to promote a culture of continuous improvement.

Overall, regular communication on safety issues is an essential part of occupational safety and health in the company. Through continuous communication and monitoring, companies can ensure that employees are aware of the latest safety protocols and procedures, thus ensuring the safety and health of employees.

Respect of human rights

In today's social and political debate, the question of how companies should fulfil their responsibility to respect human rights and what care they should take in doing so is increasingly coming into focus.

FLABEG understands its commitment to respect internationally recognized human rights as an integral part of its claim to conduct all business in an ethical and legal manner. FLABEG has always developed and implemented comprehensive codes, standards and processes to communicate clear ethical and social values to its employees, customers, suppliers, investors and the communities in which it operates. These also include clear expectations regarding respect for human rights.

As a company, we are committed not only to making profits, but also to meeting our social and environmental responsibilities. To ensure that our behavior is in line with our values and purpose, we have established a Code of Conduct (see <https://www.FLABEG.com/info/compliance.html>). In 2017, FLABEG introduced its Code of Conduct, which includes a clear and active commitment to supporting human rights. In doing so, the company expects its employees to respect local customs, traditions and social values, and to respect the human right to a free and fulfilling life.

FLABEG ensures compliance with its codes and standards through auditing and compliance processes. In addition, FLABEG also fulfils its responsibility to respect human rights along the value chain. This is done in particular through effective supplier management.

FLABEG closely monitors current developments related to human rights at international and national level. These include, for example, the National Action Plans for Business and Human Rights and the UK Modern Slavery Act. The company is adapting and developing its approach in line with the resulting expectations.

Our codes and standards, alongside legal requirements, form the basis for our decisions and actions around the world. We not only comply with the applicable laws in the respective countries, but go beyond them. Our standards are designed to support the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights.

Our comprehensive codes and standards cover a wide range of issues, including working hours, occupational health and safety, data protection, non-discrimination, fair remuneration, freedom of association and collective bargaining, and "zero tolerance" for child and forced labour. We have specifically tailored our codes and standards to the requirements of our business and regularly update them to ensure they reflect our commitment to supporting and respecting internationally recognized human rights.

The implementation of the third dimension at FLABEG (Economy)



Figure 15: Economic changes affect FLABEG

The economic dimension refers to the creation of long-term economic success for the company and the simultaneous creation of value for stakeholders. Companies can achieve this dimension by creating innovative products and services, reducing costs and increasing efficiency, and maximizing profitability and growth.

Sustainability Management

In our company, we are aware of the global responsibility we bear as an internationally active company. For this reason, we have committed ourselves to implementing uniform codes and standards worldwide that are binding for all our employees. Our goal is to create uniform standards and rules of conduct that apply in all business areas and cultures in which we operate.

Our codes and corporate standards are based on our corporate purpose, vision, mission and values. We have derived binding rules of conduct and summarized them in a system of codes and standards. These apply to all our employees worldwide.

Our Code of Conduct (see <https://www.FLABEG.com/info/compliance.html>) is the core of our global standards. It contains the most important corporate and operational principles and ensures that we always behave ethically and responsibly. We have also established guidelines for dealing with potential conflicts of interest in order to take preventive action against corruption.

By implementing uniform codes and standards worldwide, we ensure that our company acts ethically and responsibly at all levels. We believe that this enables us to make an important contribution to promoting a sustainable and transparent economy.

Compliance with competition and antitrust law, safety, health, environmental and social standards, as well as respect for human rights and public affairs, are fundamental to us as a company. To ensure that all our employees worldwide internalize and implement these principles, we have developed binding rules of conduct in the form of codes and corporate standards.

Our Code of Conduct contains the most important corporate and action principles that apply to all business areas and cultures in which we operate. We have also developed guidelines for dealing with potential conflicts of interest in order to concretize and prevent corruption. These rules are binding for all employees.

We are aware of our responsibility as a company and are committed to sustainability and the protection of the environment. Therefore, environmental and climate protection issues are also a central part of our codes and corporate standards. We are also committed to implementing the principles of the UN Global Compact.

You can find all our codes and corporate standards on our website. We are proud that we can thus guarantee uniform standards and rules of conduct for all employees of our company worldwide.

Evaluation of the economical footprint

Assessing our footprint across the entire value chain is of great importance to us. We want to ensure that our products and services are environmentally responsible not only during manufacture and use, but also during disposal and recycling.

To ensure this, we use representative life cycle assessments for all our product categories. This enables us to record and evaluate energy and resource consumption as well as greenhouse gas emissions in all phases of the value chain.

In addition, we also collect data on the raw materials and packaging materials we use and the transport we commission. This data helps us to evaluate our suppliers and logistics partners with regard to ecological and social aspects and to improve them if necessary.

By assessing our footprint across the value chain, we can take targeted action to reduce our environmental impact and achieve our sustainability goals.

Stakeholder Management

As a company, we have a responsibility to our stakeholders to ensure that we act sustainably and minimize our impact on the environment. Stakeholders are any individuals or groups who are

affected by our activities or have an influence on our business. Our stakeholders include customers, employees, suppliers, investors, regulators, communities and the environment.

Our sustainability stakeholder management involves a variety of activities to ensure that we meet our stakeholders' expectations while acting in a sustainable manner. We identify and analyze our stakeholders to understand their expectations and needs. We regularly take feedback and work with our stakeholders to ensure that our decisions and actions are in line with their expectations and needs.

We have also integrated a commitment to sustainability and environmental protection into our corporate strategy. We continually set targets and measure our progress in reducing our environmental footprint. We have comprehensive policies and procedures for sustainability in all areas of our business, from procurement to production and delivery.

As a company, we also have a responsibility to educate and inform our stakeholders about the impact of our activities on the environment. We inform them of our efforts to act sustainably and encourage them to work with us to minimize our impact on the environment.

Overall, our sustainability stakeholder management is an important part of our business strategy. We are committed to sustainability and strive to improve our relationships with our stakeholders by communicating transparently and openly and actively working towards a sustainable future.

Our factories are certified to ISO 50001 and ISO 14001. This guarantees independent monitoring and continuous improvement. In addition, at the German plant, worker protection is ensured by the Bavarian State Government's OHRIS (Occupational Health and Risk Management System) management system.

Compliance

Our compliance organization is globally responsible for all preventive as well as reactive measures. We have integrated management systems and a clearly defined organizational structure with clear responsibilities. We provide our employees with specially adapted training to ensure that they understand our requirements and can implement them in their daily work. We have also established internal reporting and grievance channels so that our employees can report violations of our Code of Conduct (see <https://www.FLABEG.com/info/compliance.html>), internal standards or relevant laws. For anonymous reporting, we offer a compliance hotline operated by an independent external provider and available worldwide. We encourage our employees and third parties to use the hotline or alternative reporting channels to inform us of violations. We are committed to a culture of compliance and strive to ensure that all employees understand the importance of complying with norms, standards and laws and implement them in their daily work.

Our organization operates globally and our employees work in different countries with different legal and value systems. We recognize that there is a higher risk of corruption in some countries and we reject any violations of laws and standards and unfair business practices, regardless of location.

To ensure that our employees understand clear rules of conduct and avoid conflicts of interest, we rely on regular training and communication. We believe that our managers play a special role in compliance. As role models for their employees, they have a special obligation to adhere to our rules of conduct.

To ensure this, all our management employees worldwide are required to participate in our e-learning and classroom training. These measures cover various compliance topics such as data protection, competition law or anti-corruption. We rely on targeted training and information transfer to ensure that our employees are able to recognize and avoid compliance violations.

Our goal is to ensure that our employees in all countries and at all locations comply with and understand the same high standards and rules of conduct. Through regular training and open dialogue with our employees, we aim to ensure that we act as a compliance organization, relying on our employees as a key element.

Data protection as an integral part of sustainability management

As a responsible company, the protection of personal data is a key concern for us. That is why we have introduced a data protection management system that is integrated into our sustainability management. Our goal is to minimize data protection risks and to protect the rights and freedoms of our customers, employees and other data subjects.

Our data protection management is led by a central external data protection officer who reports directly to the management. An internal data protection coordinator is in constant contact with the external data protection officer in order to anticipate changes and requests at an early stage. The responsibilities and competences in data protection management are clearly defined and laid down in a data protection organization.

We have adopted a comprehensive data protection policy that sets out the principles and requirements of our data protection management system. Our data protection processes and procedures are designed to comply with this policy. Personal data is processed exclusively on a lawful basis and in compliance with the principles of data economy, purpose limitation, transparency, integrity and confidentiality.

Over 100 processes that process personal data are collected in a register of processing activities (VVT) and are continuously adapted and reviewed.

We are aware that the success of our data protection management depends significantly on the awareness and training of our employees. Therefore, we regularly offer our employees training and information on the topic of data protection and raise their awareness through fictitious attacks (e.g. phishing simulations). Here, the results are in a good range every year. We have also developed an internal communication concept to ensure that all employees are informed about our data protection policy and processes.

Location/entity	Targets	Failed	%
FLABEG Automotive Shanghai Co., Limited	76	1	1
FLABEG Automotive Germany GmbH	92	24	26
FLABEG France S.A.S.	64	5	8
FLABEG Brasil Limitada	11	2	18
FLABEG Automotive KFT	68	6	9
FLABEG Technical Glass US Corporation	4	2	50
FLABEG Automotive Glass Group GmbH	27	10	37
FLABEG Group	342	50	15

Table 5: Results of the yearly IT phishing campaign 2022

We continuously monitor and review compliance with our data protection policy and processes. We rely on internal audits as well as regular reviews by external data protection experts. The results of these audits and monitoring are incorporated into continuous improvement processes to constantly optimize our data protection management.

Our data protection management is an integral part of our sustainability management and supports us in ensuring the protection of personal data and minimizing data protection risks. We are aware of our responsibility and continuously strive to improve and ensure the protection of personal data.

Product safety

As a company that takes sustainability seriously, it is of paramount importance for us to ensure that our products meet the highest standards of safety and quality. We are aware of our responsibility and do everything necessary to ensure that our customers and the environment are protected from harmful products.

Our product safety management includes various measures to ensure that all our products comply with applicable legal requirements. These include internal testing, reviews and audits by independent third parties to ensure that our products are safe, reliable and of high quality. We work closely with our suppliers to ensure that the components and materials they produce also meet our high safety and quality standards.

As part of our sustainability strategy, we are also committed to the environmentally friendly production and disposal of our products. We work to optimize our production processes to reduce resource consumption and minimize waste. In addition, we are committed to designing our products to be durable and recyclable. Our commitment to product safety and sustainability go hand in hand. By ensuring that our products are safe and environmentally friendly, we can make an important contribution to protecting society and the environment and building a sustainable future.

As a company, we are aware of our responsibility to protect the environment and the health of our employees and customers. In this context, we naturally also comply with the REACH regulation, which is a European chemicals regulation and is intended to ensure the protection of human health and the environment. REACH stands for Registration, Evaluation, Authorization and Restriction of Chemicals and has been in force since 1 June 2007. Our obligation is to properly register and evaluate the substances we produce or import to ensure that they can be used safely. In addition, we must ensure that hazardous substances can only be used under certain conditions or with special permits. Each feedstock is assessed against a checklist in terms of its potential hazard to humans and the environment. If a limit value is exceeded, substitutes are sought.

Our production processes and supply chain are regularly monitored to ensure that we meet all REACH requirements and always comply with the latest regulations. We are also actively engaged in developing and using alternatives to hazardous substances in order to protect our environment and our employees.

Our company believes that REACH compliance and the implementation of environmentally friendly and sustainable business practices go hand in hand. We are continuously committed to designing our products and processes to be safe and environmentally friendly, contributing to a more sustainable future.

Procurement

Our company places great emphasis on sustainability along our supply chains and uses a responsible sourcing approach. We not only want to ensure the success of our company, but also contribute to protecting the environment and society. Close cooperation and intensive exchange with our suppliers are of great importance to us. We are convinced that only through such

cooperation can sustainable business, process and production practices be achieved. In doing so, we rely on cooperation, trust and responsibility as central elements of our strategy.

Procurement in the course of sustainability is an important part of our business. We take our responsibility along the supply chain seriously and expect our suppliers to comply with all applicable laws and regulations and to continuously improve their business practices to minimize the impact of their operations on the environment and to protect workers' rights.

In addition, we are committed to ensuring that our suppliers fulfil their responsibilities with regard to respecting human rights and eliminating child labour and forced labour. We also expect our suppliers to be transparent and fair in their business relationships and to ensure that their employees are treated fairly.

Our company attaches great importance to sustainability along our supply chains and relies on a responsible procurement approach in this regard. We not only want to ensure the success of our company, but also help protect the environment and society. Close cooperation and intensive exchange with our suppliers are of great importance to us in this regard. We believe that sustainable business, process and production practices can only be achieved through such cooperation. In this context, we rely on cooperation, trust and responsibility as central elements of our strategy.

Procurement in the course of sustainability is an important part of our business. We take our responsibility along the supply chain seriously and expect our suppliers to comply with all applicable laws and regulations and to continuously improve their business practices to minimize the impact of their operations on the environment and protect workers' rights.

In addition, we are committed to ensuring that our suppliers fulfill their responsibilities with regard to the observance of human rights and the elimination of child labor and forced labor. We also expect our suppliers to be transparent and fair in their business relationships and to ensure that their employees are treated fairly.

We work closely with our suppliers to ensure that they comply with the Code of Conduct. We conduct regular audits to ensure that our suppliers comply with the Standards, and we are committed to ensuring that our suppliers continuously improve their sustainability performance.

Our binding Supplier Code is an important part of our sustainability strategy and demonstrates our commitment to responsible business practices along our supply chain. We are convinced that only by working closely with our suppliers and implementing high standards of sustainability can we achieve a sustainable future for all.

Sustainable Finance



Figure 16: Jürgen Eichhammer, Finance

Sustainability has become an important issue in today's business world. Companies are increasingly being asked to minimize their environmental impact and assume social responsibility. One way to do this is through sustainable financing and financing instruments. Sustainable financing refers to the financing of projects that aim to solve social or environmental problems, while financing instruments such as green bonds or sustainability loans are specifically designed to finance projects that have a positive impact on the environment and society.

From the perspective of companies, sustainable financing and financing instruments offer many advantages. For one, they can help improve the company's image by demonstrating that the company is taking social and environmental responsibility. In addition, they can also help minimize the company's risks by ensuring that the company is investing in a sustainable future. Another benefit is that sustainable financing and financing instruments can be cheaper than conventional financing in some cases. However, there are also challenges in implementing sustainable financing and financing instruments from a business perspective. One of the main reasons is the lack of understanding and knowledge about these instruments, especially among smaller companies. Another obstacle is the limited availability of sustainable financing instruments and the difficulty in obtaining them. To overcome these challenges, companies need to be proactive and educate themselves on what sustainable financing tools are available and how they can use them. In addition, it is important to build partnerships with financial institutions and service providers to access sustainable financing instruments.

Overall, the implementation of sustainable financing and financing instruments is a positive development from a business perspective. Companies can minimize their environmental impact, improve their image and minimize the company's risks by investing in a sustainable future.

Our investor is also committed to responsible investment as a signatory to the United Nations Principles for Responsible Investment ("UN PRI") since 2014 (performance is recognized with a consistent A- or A+ rating):

- Alignment of the sustainability framework with the UN PRI, the UN Sustainable Development Goals and the Task Force for Financial Climate Disclosures.

- 5-star rating / top 7th percentile in the Private Debt asset class and 4-star rating / top 17th percentile in the Investment & Stewardship Policy (UN PRI 2021).
- Strict ESG exclusion criteria

It is critical for our investor to understand the environmental, social and governance ("ESG") aspects of the companies in which they invest, as these are key elements for long-term value creation. As a result, they integrate ESG assessments into our investment decisions and promote sustainability by providing rates linked to the achievement of ESG targets for our borrowers.

We see this as an incentive to also encourage FLABEG to invest responsibly and sustainably.

Goals and ambitions

Reduce CO-2 footprint

At FLABEG, we want to contribute to the reduction of CO-2 emissions in the coming years. We are aware that as part of the global community we have a responsibility to preserve our environment and that reducing greenhouse gas emissions is a crucial step in combating climate change.

To achieve this goal, we will take various measures. For example, we will design our production to be as energy efficient and emit as little CO-2 as possible. We will also review and optimize our transport and supply chains to minimize the CO-2 footprint of our products. In addition, we naturally implement all necessary requirements according to ISO certifications.

For example, we are developing a new company car policy for the future. This includes the use of e-vehicles without exception. We will also educate our employees about climate change and the effects of CO-2 emissions. In addition, we offer employees the opportunity to purchase job bikes. This offer not only reduces the CO-2 footprint, but also promotes the health and work-life balance of our employees. We will encourage all employees to make environmentally conscious decisions and actively contribute to reducing CO-2.

We recognize that implementing these measures will present challenges, but we believe they are necessary to ensure a sustainable and responsible approach to the environment. We will continuously work to improve our processes and products to further reduce our CO-2 emissions and make a positive contribution to combating climate change.

Reduction of resources

As a company in the glass processing industry, we see the creation of a circular economy as one of our most important goals. We are aware that our world's resources are limited and that there is an urgent need to shape our production and consumption habits so that we waste as little as possible and reuse and recycle as much as possible.

Our goal is to design our production so that we produce as little waste as possible and use our raw materials as efficiently as possible. We are committed to ensuring that our glass products are not simply disposed of at the end of their life, but are recycled and returned to the production process. In doing so, we work closely with other companies such as recyclers and government agencies to ensure that our products are as environmentally friendly as possible. In addition, we provide our customers with information and solutions on how to return our products to the circular economy after their useful life or if damage occurs.

We are aware that creating a circular economy is a major challenge, but we are determined to take on this challenge and fulfill our responsibility as a company to make a positive contribution to conserving our resources and protecting our environment.

We believe that a circular economy is not only beneficial for the environment, but also offers economic advantages. By reusing and recycling materials, we can reduce costs while making our production more efficient and sustainable.

Overall, we firmly believe that creating a circular economy is an important step in shaping a sustainable and responsible future. We are ready to take on this challenge and will continuously work to improve our processes and products in order to achieve our objectives.

Glass is a natural resource that has played an important role in human history. It is a versatile material used in a wide range of products, from window panes to medical devices. As a company committed to sustainability, we see glass as a valuable resource that we intend to make greater use of in the future.

Glass is a material that is ideal for creating a circular economy. It is 100% recyclable and can always be returned to the production process. We are therefore committed to ensuring that our glass products are not simply disposed of at the end of their service life, but are recycled and returned to the production process.

In addition, glass is an environmentally friendly material that contains no harmful chemicals and produces significantly fewer emissions during production than many other materials. By using glass as a natural resource, we can help reduce the CO₂ footprint of our products and make our contribution to climate protection.

Another advantage of using glass as a natural resource is its durability. Unlike many other materials, glass can last for several decades or even centuries without compromising its quality or performance. This means that our products are durable. In addition, our products are optimized specifically for its intended use. High resistance to external influences makes glass a durable product.

Overall, we are convinced that the use of glass as a natural resource is an important step towards a sustainable future. We will therefore continue our efforts to make our glass products as environmentally friendly as possible and to drive the creation of a circular economy.

Green IT

As a company, we have the opportunity to optimize our IT systems and switch to sustainable technology solutions. This will not only help us reduce our CO-2 emissions and energy consumption, but also lower our operating costs and underpin our image as an environmentally conscious company.

One way we are optimizing our IT systems is by switching to energy-efficient hardware and software products that consume less energy and last longer. At FLABEG, for example, equipment is given a second life cycle in a less intensively used area of the company after initial use, if possible.

Another approach is to consolidate our IT systems and use virtualization technologies to optimize our server utilization and thus save energy. We proactively delete unused data inventories (in accordance with legal requirements) and thus reduce "data waste". Another aspect is the move to cloud computing technologies to make our infrastructure more flexible and scalable while reducing our energy consumption. When selecting cloud service providers, we also look for appropriate certified companies to keep our footprint as low as possible. A 2018 study found that cloud platforms are up to 93 percent more energy efficient and 98 percent more CO-2 efficient than on-premises solutions. As a result, FLABEG also chose to strategically move its server infrastructures to a hyperscaler.

By using sustainable IT solutions, we as a company will actively reduce our environmental footprint and demonstrate our commitment to environmental issues. At the same time, this will reduce our operating costs and optimize our business processes to remain competitive. Overall, the use of Green IT solutions offers FLABEG an opportunity to achieve our sustainability goals and at the same time gain economic benefits.

Purchase of green electricity

As an environmentally conscious company, we are committed to using renewable energies to reduce our ecological footprint and actively contribute to climate protection. That is why we already use green electricity to operate selected sites. This has enabled us to significantly reduce our CO-2 emissions and make an important contribution to protecting our environment. Our plant in Furth in Wald already uses 100 percent green electricity.

In the future, we would like to further expand our sustainability strategy and increasingly rely on green electricity at our subsidiaries as well. We will support our subsidiaries in making the switch to renewable energies and help them implement environmentally friendly technologies and

processes. By using green electricity, together we can help drive the energy transition and reduce our dependence on fossil fuels.

As a company, we are aware of our responsibility towards the environment and are actively committed to climate protection. That is why we have decided to contribute to the energy transition by means of photovoltaics on our production buildings. By installing photovoltaic systems, we can use self-generated electricity and thus cover our energy needs from renewable sources.

The solar panel systems are installed on our roofs and can produce a significant amount of electricity. The electricity generated is used directly on site and can help reduce CO₂ emissions and energy costs. In addition, we can feed surplus electricity into the grid, helping to stabilize the power grid.

By using solar energy, we can further expand our sustainability targets and make our energy supply less dependent on fossil fuels. In this way, we are not only contributing to the energy transition, but also setting an example for climate protection and a sustainable future.

FLABEG Shanghai worked with the local government and landlord to develop a plan to obtain the most energy possible from the solar panels at the neighboring plant and to improve the energy mix that FLABEG Shanghai obtains from local energy suppliers (less coal, more solar and hydro energy). This plan was implemented in 2022.

Equal opportunity

As a company, we are committed to equal opportunities and to promoting and protecting the diversity of our employees. We are convinced that a diverse workforce is not only an important step toward equality and social justice, but also makes a significant contribution to increasing our competitiveness.

We have taken various measures to realize equal opportunities in the company. These include promoting women in management positions and creating gender parity at management level. We are convinced that a balanced gender distribution at management level can help ensure that different perspectives and experiences are incorporated into decision-making processes, thus achieving better decision-making quality.

We have therefore set ourselves the goal of increasing the number of women in management positions and achieving gender parity at management level. We have taken targeted measures to achieve this, such as promoting women in our talent management program, implementing diversity training and introducing flexible working models.

We are proud that we have already made progress toward gender parity at management level in recent years and will continue to work on advancing these goals in the future. We are certain that

a balanced gender distribution at management level is not only an important contribution to equal opportunities, but will also contribute to greater innovative strength and a successful future for our company.

Trainings

As a company, we attach great importance to the well-being and continuous training of our employees. We are convinced that only a motivated and well-trained team is able to lead our company successfully into the future.

We therefore offer our employees individual and regular training, education and continuing education courses to give them the opportunity to expand and deepen their skills and knowledge. In this way, we can ensure that our employees are always kept up to date and are able to develop continuously.

In addition, we attach great importance to the well-being of our employees. We offer a pleasant working environment, flexible working models and numerous opportunities to promote work-life balance. Because only when our employees feel good can they realize their full potential and work successfully.

We are proud that we have created a working environment in which our employees feel comfortable and can continuously develop. We are convinced that this is an important contribution to the satisfaction of our employees and the long-term success of our company. This is also reflected in the long length of service of many employees.

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On our website we offer all environmental and sustainability reports published since 2023 for download. In addition, you will find further documents such as, Corporate Purpose, Vision, Mission and Values, Code of Conduct, and many more.

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