



SUSTAINABILITY REPORT 2022



#sustainabilityreport2022_2

ABOUT THIS REPORT

With the third, voluntary sustainability report, the GROB Group is also fulfilling their responsibility to inform the company's stakeholders. According to the present legal situation, there is no legal obligation for GROB to prepare this report. The report describes the company's performances based on non-commercial values.

This sustainability report is based on the current standards of the Global Reporting Initiative (GRI). According to their own assessment, GROB fulfills the GRI's "Core" option with their topics and content. This report was not audited by an external third party.

CONTENT AND STRUCTURE OF THE REPORT

The relevance of the topics was validated in discussions with various functionaries in the company and divided into the following action areas with regard to sustainability:

- Products and innovation
- Responsibility for employees
- Environment and energy
- Social commitment
- Sustainable supply chains

REPORTING PERIOD AND ADDITIONAL INFORMATION

Unless specified otherwise, the reporting period comprises the calendar year 2022. The statements basically refer to the main plant in Mindelheim. The sustainability report is published every two years.

The presented values are rounded in parts for better readability.

STATEMENTS ABOUT THE FUTURE

Predictions and statements about the future in this sustainability report are based on current estimates and are therefore subject to uncertainty.

NOTE ON GENDER

Diversity and equality are crucial for GROB. For reasons of better legibility, the simultaneous use of the language forms for male, female and diverse (m/f/d) is avoided.

SUSTAINABILITY REPORT 2022

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I. PREFACE

Dear readers,

As an international company, we consider it our responsibility to make our business practices as sustainable as possible. We are aware that sustainability is not only a question of our corporate responsibility, but also an opportunity to secure the success of our business in the long term.

Our sustainability report aims to give you an insight into the measures we have taken in this area. We have set ourselves the goal of reducing our environmental impact and promoting our social responsibility. To this end, we have optimized our production processes, among other things, in order to minimize energy consumption and waste. We also rely on renewable energies to make our energy supply more sustainable.

In addition, we are committed to creating fair working conditions and promoting employee satisfaction. We support local communities and non-profit organizations to create positive social changes.

We are proud that our company has already made significant advances in sustainability and we will continue to strive to continually improve our business practices. We are convinced that sustainability and economy can go hand in hand, and hope that you will accompany us on this path.

We wish you a good read.

Your GROB family and the management board of GROB-WERKE GmbH & Co. KG

Florian Gro

C. C rob Christian Grob Chairman of the Supervisory Board

German Wankmiller
Chairman
of the Board & CEO

Wolfram Weber Vice Chairman of the Board & CFO

Christian Müller Member of the Board & CSO

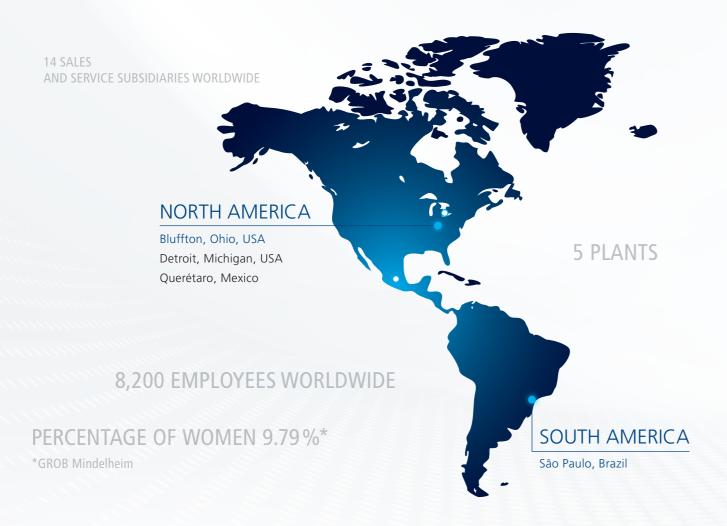


II. OUR FOUNDATION – THE GROB GROUP

GROB strives for continuous progress and improvement. The GROB Group not only wants to develop outstanding solutions and products for their customers, but they also feel that they have an obligation with regard to the environment and future generations. This is firmly anchored in the corporate philosophy and is lived every day.

As a global, family-owned company, GROB has been developing manufacturing systems and machine tools for more than 95 years. Customers include the world's leading automotive manufacturers, their component suppliers, and other companies from a broad range of sectors. GROB have international reach with production plants in Mindelheim (Germany), Bluffton, Ohio (USA), São Paulo (Brazil), Dalian (China), and Pianezza (Italy) as well as worldwide service and sales offices. The GROB Group employs 8,200 people worldwide and generates €1.60 billion in revenue (22/23 fiscal year) globally.

The portfolio ranges from universal machining centers to highly complex manufacturing systems with dedicated automation up to manual assembly stations and fully automated assembly lines. It also includes production plants for electric motors and manufacturing lines for battery and fuel cell technology. In addition, in-house solutions are implemented for the machining of turbine housings and the processing of structural and chassis components. The proprietary GROB-NET⁴Industry software, developed for the digitization and networking of production processes, enables production processes to be presented digitally and transparently.



Next steps

New GROB production plant in India

On May 4th, 2022, the foundation stone was laid for the six-million euro investment project, which is initially designed for 300 workplaces on an area of 4,675 m². The first turnkey projects and retrofits in India are already expected to go ahead in 2023.

New hall 14B at the Mindelheim headquarters

Due to the enormous growth of GROB, another hall will be built in Mindelheim in 2023. The approx. 10,000 m² area will be used for machine assembly in the future.

EUROPE

Mindelheim, Germany

Pianezza, Italy

Stratford-upon-Avon, Great Britain

Hengelo, Netherlands

Senlis, France

Baar, Switzerland

Poznań, Poland

INCOMING ORDERS FOR E-MOBILITY APPROX. 60% (FY 22/23)

PERFORMANCE €1.60 BILLION (FY 22/23)



GOVERNANCE AND ETHICS – GROB TAKES RESPONSIBILITY

COMPLIANCE – THIS IS OUR CONVICTION

Only a stable and reliable foundation enables sustainable success. To achieve this, GROB relies on clear rules, binding values, transparent structures, and respectful cooperation. GROB therefore defines compliance not only as compliance with the law. The commitment to integrity and compliance goes beyond national and international laws and industry standards and includes the values and rules to which GROB is committed. As a third-generation family business that operates worldwide, this is what the GROB management staff expect of themselves, their employees, and also their business partners.

THIS IS OUR WAY

GROB have set themselves the goal of establishing an effective Group-wide compliance management system that defines robust guidelines for entrepreneurial activity as an integral part of the GROB corporate philosophy.

It aims to identify compliance risks as early as possible, especially in challenging times like these, and to minimize them to the extent possible with suitable measures, as well as to eliminate any violations that have occurred and prevent them in the future. This allows GROB to protect its company, its representatives, and employees, as well as to assert its position as a responsible employer and fair business partner.

Although GROB already had various measures and checks in place that would have been considered a compliance organization in themselves, a structure explicitly referred to as a compliance management system was created in the years under review. Existing compliance processes are brought together under this umbrella and new measures are gradually rolled out across the Group, although it is also true that this type of compliance management system is never "finished". Instead, GROB will constantly work on to expand and improve the compliance structures. The first steps have already been taken.

TONE FROM THE TOP **CODE OF CONDUCT** WHISTLEBLOWER **TRAINING SYSTEM PROGRAMS COMPLIANCE DATA ORGANIZATION PROTECTION POLICIES AND PROCEDURES**

"TO US, RESPONSIBLE CORPORATE GOVERNANCE
MEANS SHAPING THE FUTURE WITH CLEAR RULES AND
TRADITIONAL VALUES."

Wolfram Weber, Vice Chairman of the Board & CFO of GROB-WERKE GmbH & Co. KG

EXPANSION OF GROB'S INTERNAL COMPLIANCE STRUCTURES

THE MANAGEMENT OF THE GROB GROUP TAKES RESPONSIBILITY AND PURSUES CLEAR EXPECTATIONS

This "tone from the top" is both an expression of the role model function of GROB management and the cornerstone of an effective compliance culture in the company. GROB's aim is to involve everyone – because, like any corporate goal, compliance can only be achieved together.

Code of conduct and the supplier sustainability standards – the core of the GROB compliance management system

The code of conduct (GROB compliance guideline) is another essential component of the GROB compliance culture. In it, GROB has collected all the central and essential ethical standards and rules of conduct – in particular regarding conflicts of interest, bribery, corruption and money laundering, competition law rules and antitrust law, as well as the responsible handling of gifts. GROB

places great importance on clear language as the GROB Group wants to ensure a common basic understanding and ensure that the code of conduct is valid across the entire Group. The code of conduct is available both on the Intranet and on the Internet in German and English; other languages will follow. In addition, the GROB Group's compliance team is available to all employees as a point of contact should they require support in understanding and implementing the requirements of the code of conduct in their day-to-day work.

With the supplier sustainability standards, GROB approaches its suppliers and business partners directly and addresses its fundamental expectations of them in the areas of business ethics, working conditions, compliance, environmental protection, and energy savings. The supplier sustainability standards are currently freely accessible in German and English on the GROB website and are the basis of the cooperation with all business partners of the GROB Group.

For GROB, neither the code of conduct nor the supplier sustainability standards are "set and forget" documents. On the contrary: GROB considers both codes to be a "living working basis" that are regularly adapted, taking into account the findings from the use of the compliance management system.

"INTEGRITY IS PART OF OUR IDENTITY. BREACH OF CONDUCT IS NOT TOLERATED IN THE GROUP – REGARDLESS WHETHER MAJOR OR MINOR, REGARDLESS OF THE REASONS."

Dr. Korbinian Feller, General Counsel / Head of Compliance of GROB Group

Compliance organization – short distances, ability to act fast

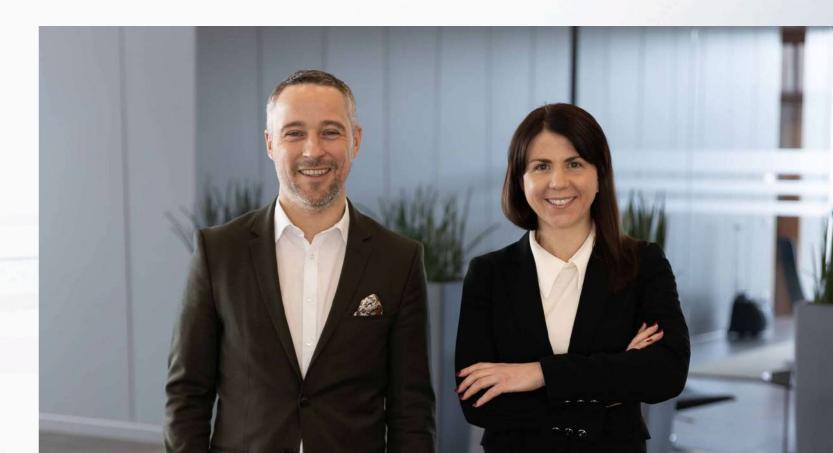
The compliance organization tailored to GROB's needs is directed by the Head of Compliance of the GROB Group (also the General Counsel). Together with his team in Mindelheim, he is responsible for the operation of the Group-wide compliance management system and its continuous improvement. In his role, the Head of Compliance reports directly to the Vice Chairman of the Board – whether in the form of regular reporting or on an ad-hoc basis in the event of special compliance-related incidents. This lean organizational structure enables short response times and the rapid implementation of necessary measures when required. In its day-to-day work, the compliance team maintains a close cooperation with other corporate units, in particular with (Group) data protection, the information security officer, and the management officer. For successful compliance communication, the compliance team also relies on coordination with all key interface units, such as the works council and risk management.

Regional compliance officers and compliance coordinators in the individual departments ensure that the compliance management system is transported to all subsidiaries of the GROB Group and that comparable compliance standards apply across the board.

Guidelines and procedural instructions – implementing compliance in day-to-day work and reinforcing the confidence of our employees to act

With the help of internal company guidelines and procedural instructions, GROB is gradually building up a framework that enables employees to act within the applicable law when carrying out their activities and to comply with the standards set by GROB – whether in their everyday work or in challenging situations. The GROB Group relies on best-practice standards by integrating, among other things, release regulations, segregation of duties, job rotations, signature regulations, and the dual-control principle as fixed components into the individual processes.

The procedural instructions and guidelines are, among other things, results of compliance risk analyses that the compliance team carries out and continuously refines for all business areas. An important component of these risk analyses are interviews with employees in which the compliance team analyzes individual processes for potential compliance risks together with the relevant persons and, if necessary, develops appropriate measures for risk avoidance and minimization.



EXPANSION OF GROB'S INTERNAL COMPLIANCE STRUCTURES

Whistleblower system - one for all

GROB values a transparent error culture. This also means that employees can address compliance-relevant issues with competent contact persons in the company. Previously, employees were able to raise their concerns either directly with their managers or the works council, or directly with the Head of Compliance. These proven reporting channels have now been expanded – also with a view to legal regulations on whistleblower protection and the Supply Chain Due Diligence Act, which entered into force on January 1st, 2023.

GROB has now established a whistleblower system that enables GROB employees as well as third parties to address suspected or actual misconduct and compliance risks via an online reporting platform set up on the GROB website. This online reporting platform is operated by an external provider, which means that the best possible standard of privacy and data protection can be guaranteed for the person providing the information themselves, but also for the persons affected by the information.

Since GROB also see their newly established whistleblower system as an early warning system, it should be as accessible as possible. The online platform is therefore already available in eight languages (German, English, French, Spanish, Polish, Italian, Portuguese, and Hungarian) and allows anonymous reporting if preferred by the whistleblower.

All incoming information – regardless through which of the aforementioned channels they are received – is registered and processed in strict confidence by the Head of Compliance or the Compliance Officer. The information received is first checked for plausibility and then investigated as thoroughly as possible, so that the necessary measures can be initiated on this basis. In all these steps, the compliance team only passes on information to third parties in accordance with the restrictive "need-to-know" principle.

It is expected that the online reporting platform will be widely accepted and that this fact alone will lead to an increase in reports in the near future. Depending on the content and quality of the information, this will be accompanied by an increase in internal investigations. GROB will use the knowledge gained from this to update the compliance management system and improve it if necessary.

Training and further education for employees – sustainably ensuring compliance awareness through continued training

GROB is in the process of setting up a comprehensive training system to increase employees' risk awareness when handling compliance issues and to maintain a high level of awareness of compliance risks.

Compliance training includes introductory training sessions for new employees and special data protection training that all employees must complete at regular intervals. In addition, functional units that are particularly exposed to risks, such as the Purchasing and Sales departments, already receive special training.

GROB is also planning to expand the training program to include online sessions, which will be divided into different blocks and cover specific compliance-related topics, such as antitrust law, anti-corruption, and export control, in addition to basic and refresher courses on compliance.

Participation in these online training units will be mandatory, staggered according to the specific compliance risk of the respective activity.

Data protection management – strengthening trust with clear structures

Data protection is an integral part of the GROB processes and business activities. It is essential for the GROB Group to protect the privacy of employees, customers, suppliers, and other concerned parties. GROB therefore see the

DATA PROTECTION



constant improvement of the data protection management system as one of its most important missions, so that employees, business partners, and other stakeholders can continue to trust GROB without reservation.

To achieve this, GROB closely monitors the regulatory developments as well as the reports, guidelines, recommendations, and statements of the responsible data protection authorities and the European Data Protection Board and implements new requirements in its data protection management system accordingly.

The most important normative basis for data protection is the General Data Protection Regulation (GDPR). Its regulations are reflected in the Group's data protection guidelines and, if necessary, supplemented by the respective local regulations in different countries.

The IT security architecture reflects the current legal requirements as well as the requirements of business partners, in particular, customers and insurers. It is constantly updated to reflect the state of the art and meet customer requirements, and to be able to be measured against international standards.

A comprehensive data protection organization also includes appropriate monitoring of data protection compliance. To be able to meet these requirements even better in the future, GROB will shortly establish a more comprehensive audit management process within the GROB Group as well as for monitoring the data protection compliance of its service providers.

"WE HAD NO CONFIRMED VIOLATIONS OF ANTI-CORRUPTION REGULATIONS AND INFORMATION SECURITY INCIDENTS IN THE 2021/2022 PERIOD!"

Dr. Monika Glogger, in-house lawyer, Compliance Officer of GROB-WERKE GmbH & Co. KG Klaus Zühlke, Information Security Officer of GROB-WERKE GmbH & Co. KG

III. BUILDING SUSTAINABILITY – OUR APPROACH

For more than 95 years, GROB has been practicing sustainability not only by maintaining and expanding its economic success over three generations, but also by always taking the effects of its own actions on the environment, climate, employees, and society into account.

GROB wants to use this evolved awareness of values to continue to take on ecological and social responsibility as a pioneer in the construction of highly innovative production and automation systems and so contribute to the preservation of a livable planet for future generations.

GROB ASSUMES ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

Sustainability goals that fit with GROB

To be able to continue to meet the demands for a contemporary interpretation of the concept of sustainability in the future, the management of the GROB Group, together with the owner family, have made it their mission to improve their own understanding of sustainability and to define specific milestones on this basis.

It soon became clear: to be prepared for the challenges of this age, the GROB Group wants to implement a well-founded sustainability strategy tailored to GROB, reflecting both its identity as a technology leader and its identity as a family-managed company.

GROB pursues a holistic approach that enables the company to meet the challenges of sustainable corporate management in a structured manner and with strategic foresight. In this respect, GROB wants to determine key sustainability goals in accordance with international standards and develop the associated measures to be implemented by GROB in consultation with their stakeholders. As GROB understands it, this is a generational challenge, which the GROB Group accepts with commitment and ambition!

GROB builds on its CO₂-footprint –
"If one does not know to which port one is sailing, no wind is favorable." (© Seneca)

True to this motto, GROB wants to create a foundation based on facts and figures for its sustainability strategy

that not only covers short-term desires, but is also designed for the long term. That is why GROB, with the support of First Climate Markets AG, calculated its individual corporate carbon footprint for the Mindelheim location in 2022 in order to be able to derive its risks and opportunities related to climate change. Now GROB is in the process of using the knowledge gained to derive individual reduction measures and climate protection projects.

This includes, for example, the expansion of an extensive e-charging station infrastructure on our company premises, the gradual installation of photovoltaic systems on the hall roofs in our main plant in Mindelheim, as well as the switch to regenerative energy sources for heat supply. We want to consolidate and expand these and other climate measures in the coming reporting period and include them in the planned strategy paper.

Create a sustainable future with digital transformation

Ultimately, digitization will also be an essential building block of the GROB sustainability strategy, the continuous progression of which within the group of companies will make an important contribution to the successful achievement of the sustainability goals. GROB is looking to digitize many processes in administration, design, and production (to the extent possible). This will save continuously increasing amounts of paper and at the same time frees up valuable employee resources.

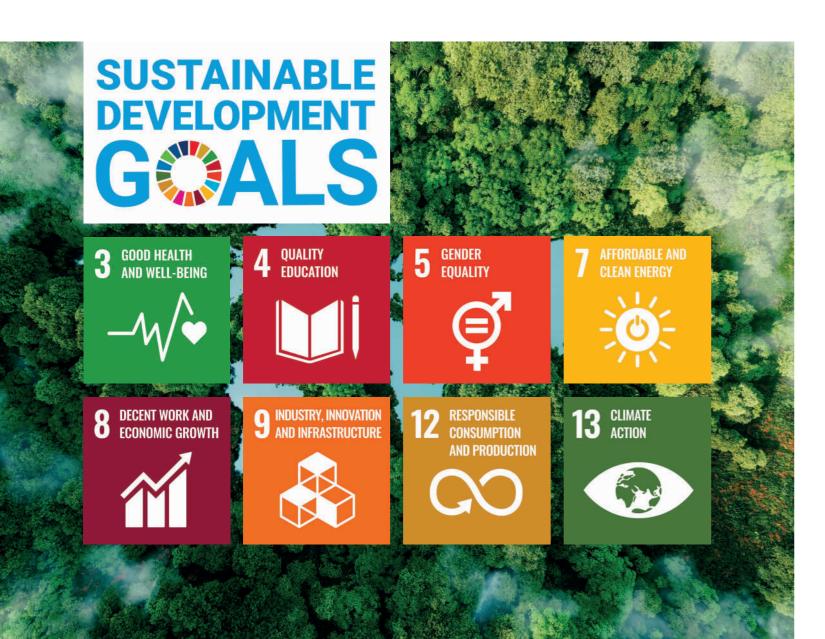
In addition, GROB wants to use the intelligent visualization of data to reduce space consumption in assembly and strengthen the process for retrieving required parts just-in-time. Above all, however, GROB relies on digitally supported innovations in its core business, the technology area, which reduce the energy and resource consumption

of the systems and components and promote their longevity. In this sense, GROB machines in production **CARBON** already have an energy saving mode, which switches off ancillary units when not in use and allows over 90 % of **FOOTPRINT** energy to be saved in idle mode. Using a program for virtual commissioning allows plants to be commissioned earlier, which not only reduces the commissioning time on the real machine, but also reduces material consumption, rework, and modifications enormously. Through the targeted use of digital communication options, GROB can significantly reduce the number of business trips and also offer its employees generous work-from-home models to improve employee satisfaction at the same time as enjoying the environmental benefits. **STAKEHOLDER** DIALOG **SUBSTANTIALITY ANALYSIS SUSTAINABILITY** INNOVATION **STRATEGY INDIVIDUAL** CLIMATE **PROTECTION PROJECTS**

OUR IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In 2015, the United Nations (UN) defined 17 goals (Agenda 2030) that are intended to ensure sustainable development on an economic, social, and ecological level worldwide. In addition to politics, these goals also affect the economy and civil society.

As a global company with locations on three continents, these goals serve as clear guidelines for GROB, in particular the eight SDGs, which the GROB Group can directly influence.





HEALTH & WELL-BEING

Responsible leadership and employee-oriented health management are essential building blocks for maintaining and promoting the well-being and performance of employees. The implementation and consistent compliance with all relevant safety factors at production facilities, subsidiaries, and construction sites ensures the safety and health of employees and third parties. The GROB products are developed according to the highest safety standards.



HIGH-QUALITY EDUCATION AND TRAINING

The individual and continuous advancement of the employees is a top priority. In addition, GROB provides flexible learning formats in combination with various personnel development programs and offers through the GROB Academy. To continue to meet the need for qualified specialists in the future, GROB provides training in a variety of professions. In addition, GROB specifically supports external educational institutions.



GENDER EQUALITY

Gender equality is a universal human right and is an inherent part what GROB is striving to achieve. Empowering women in professional life is vital both economically and socially and is continuously promoted by GROB by creating the corresponding framework conditions.



AFFORDABLE AND CLEAN ENERGY

For building and process cooling, GROB has been using highly energy-efficient groundwater cooling for many years. In addition, the GROB plants are supplied with renewable district heating by a local utility company. The timely expansion of photovoltaic systems and the increase in green electricity are other planned measures.



DECENT WORK AND ECONOMIC GROWTH

GROB offers its employees a wage that exceeds the wage under collective agreements as well as comprehensive social benefits and supports the compatibility of work and private life. The working conditions and work equipment at all locations worldwide of the highest standard. GROB is firmly convinced that employees can only give their full commitment and contribute their creativity if this is supported by the general operating conditions. GROB rejects child labor and forced labor in any form.



INDUSTRY, INNOVATION, AND INFRASTRUCTURE

In the constant pursuit of excellence, GROB recognizes changing market requirements at an early stage and develops innovative solutions based on extensive and versatile know-how. GROB is helping to shape the mobility of the future with its innovative products, such as stator, rotor, and electric motor assembly as well as battery and fuel cell assembly. GROB applies the highest standards that align with the principles of sustainability in its global modernization, renovation, and new construction projects in production and infrastructure.



SUSTAINABLE CONSUMPTION AND PRODUCTION

GROB is committed to protecting the environment, using resources responsibly, and using environmentally friendly materials and technologies in manufacturing its products. To make the value chain sustainable, GROB takes care to minimize the amount of waste and residues and to continuously increase the recycling rate. If the production areas need to be expanded, GROB ensures that space is used sparingly, including the creation of buffer areas.



MEASURES FOR CLIMATE PROTECTION

For fiscal year 2021/22, GROB has created a carbon footprint for its headquarters in Mindelheim based on the specifications of the Greenhouse Gas Protocol (GHGP). Emission categories scope 1, scope 2 and scope 3 were taken into account to determine the carbon footprint. GROB is currently in the process of defining medium- and long-term goals for reducing emissions and determining the necessary measures.

OUR STAKEHOLDER DIALOG

Trust and respect, reliability and credibility, as well as responsibility are the cornerstones of GROB's corporate mission statement, which aptly describe the stakeholder dialog.

GROB maintains a continuous dialog with its stakeholders. GROB knows the needs, concerns, and views of its interested partners and can incorporate them in the business decisions.



OUR CERTIFICATIONS

Highest quality and optimal working conditions with the lowest possible impact on nature and the environment are the daily maxims in the development and manufacture of GROB products.

To achieve this goal, GROB has established its integrated management system based on various standards for quality, environment, energy, and occupational health and safety. Compliance with these standards is regularly checked by accredited certification companies as part of on-site audits.

Sustainability in relation to the environment and energy begins, among other things, with the quality of the products. The fewer errors, rejects, rework, and service deployments, the fewer raw materials, energy, and ${\rm CO_2}$ emissions are consumed or generated. This is one of the reasons why the GROB quality management system is set up and certified according to ISO9001 and VDA6.4.

In addition to the standards mentioned, GROB has other certifications at the Mindelheim location:

- Quality management DIN EN ISO9001
- Quality management VDA6.4
- Environmental management DIN EN ISO14001
- Energy management DIN EN ISO50001
- Specialist water (AwSV) company according to WHG19
- Occupational health and safety management OHRIS with declaration of conformity ISO45001
- Welding technology DIN EN ISO3834-2
- Authorized economic operator
- Information security management TISAX

OUR CURRENT SUSTAINABILITY RATINGS

For several years, GROB has had its sustainability performance assessed by various specialized rating agencies. This type of assessment is used for self-reflection with regard to the activities at GROB as well as for verification purposes for customers and banks.

The financial market in particular is increasingly interested in supporting companies acting sustainably and ascribes importance to continuously improving ESG performance (environment, social and governance).

The results of the various assessments serve as an important input in the continuous pursuit to become a more sustainable company.

ECOVADIS 2022: BRONZE MEDAL

• Environment, labor and human rights, ethics, sustainable procurement

NQC | SUPPLIER ASSURANCE: 95 OF 100 POINTS IN SAQ 4.0

 Business management, working conditions and human rights, occupational health and safety, business ethics, environment, supplier management, responsible sourcing of raw materials







CDP – DISCLOSURE INSIGHT ACTION: CLIMATE CHANGE: C & WATER: C (scale: A to D-)

O Climate, water

IV. OUR FIVE FIELDS OF ACTION ON SUSTAINABILITY

The five fields of action on sustainability are the foundation of GROB's sustainability management. With these fields of action, GROB has defined clear guidelines that help the company recognize its ecological, economic, and social responsibility.

GROB has set itself the goal of implementing concrete measures in all fields of action to contribute to sustainable development. To recognize new development trends at an early stage and actively help shape these developments, GROB not only works closely with its customers, but is also involved in the Association of German Machine Tool Factories (VDW), in DIN and ISO standards committees, and in research projects with universities.

For example, a uniform standard for measuring energy consumption during the acceptance of machine tools (VDMA 34179) was developed together with the automotive industry and other machine tool manufacturers. For this purpose, a state-of-the-art measuring system was developed that enables a detailed analysis of the energy and media consumption of the machines. These analyses make a valuable contribution to the further optimization of the machines.



OUR PRODUCTS AND INNOVATION

MACHINING TECHNOLOGY AND UNIVERSAL MACHINING CENTERS

GROB's development engineers are constantly checking whether the use of new technologies can improve energy efficiency. For instance, a whole portfolio of measures to increase the energy efficiency of the machining centers has been developed. Most of these measures are now included in the standard configuration of the machines at no additional cost to the customer; further measures are available as options.

ENERGY EFFICIENCY MEASURES FOR GROB MACHINING CENTERS

STANDARD:

- LED work area lighting
- Needs-based selection of the motorized spindle according to process requirements
- Switch-off strategies
- Hydraulic power unit with needs-based intermittent duty
- Highly efficient drives
- Efficient cooling unit (for machines and cutting fluid)
- Regenerative frequency converter
- 24V supply with efficient switching power supplies

OPTIONAL:

- Double-spindle machining
- Energy-efficient components
- Frequency-controlled high-pressure pumps
- Frequency-controlled exhaust system for the work area

- MQL machining operations
- Duplex cooling unit
- Consumption monitoring
- Customized extraction strategies

DRIVE SYSTEMS

In the highly dynamic field of electromobility, a significant increase in productivity was achieved with the third generation of production systems for hairpin stators as a component of electric drives. This reduces the carbon footprint and the space requirements of the production facilities. Furthermore, GROB engineers are focused on the energy-intensive heating processes with heating furnaces when impregnating the stators. Work is currently underway to optimize the process control to reduce the required furnace capacity and to minimize losses by reducing the amount of exhaust air.

RESEARCH PROJECTS

GROB also works closely with renowned university institutes, such as the Institute for Machine Tools and Business
Administration of the Technical University of Munich and the Chair for Production Engineering of E-Mobility Components at the RWTH Aachen University. Among other things, this includes research on the digitization of production and on production concepts of the future (especially in the field of electromobility). Furthermore, GROB supports universities by providing machine tools for use in research and teaching as well as through guest lectures that delve into current practice. These extensive activities in the field of research and development will enable GROB-WERKE to maintain its position as a global market leader in the future and to provide its customers with highly productive and efficient production facilities.

"INCIDENTALLY: BY SWITCHING TO AN EFFICIENT CONTROL STRATEGY, WE WERE ABLE TO ACHIEVE ENERGY SAVINGS OF AROUND 30% WITH THE CUTTING FLUID COOLERS."

Dr.-Ing. Matthias Baur, Team Coordinator of the Test Department of GROB-WERKE GmbH & Co. KG

OUR PRODUCTS AND INNOVATION

BATTERY TECHNOLOGY

With the increasing demands in the automotive powertrain, the reliable assembly of battery systems and the efficient production of battery cells have become significantly more important.

In this field, GROB benefits from its many years of experience in assembly technology in the development and manufacture of highly automated production systems for the manufacture of energy storage devices. The high quality and safety requirements increase the technically demanding framework conditions for the production steps that GROB has undertaken in recent months. The very good market response shows that GROB is up to the challenge.

In the fully automated and highly flexible GROB production lines for battery modules, prismatic cells and pouch cells are stacked together to create battery modules of different sizes and are linked with contacting systems. Test systems at the start, inside, or at the end of the line ensure the highest product quality and safety.

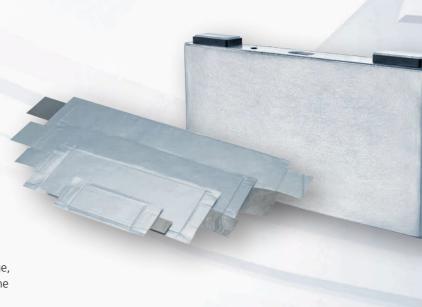
The system solutions for the final assembly of complete battery pack systems round out GROB's comprehensive portfolio in the field of battery storage systems. Finished battery modules are automatically positioned, fixed, and interconnected. The assembly of attachments such as cooling systems, connector plugs, cable harnesses, etc. is carried out manually or automatically, depending on requirements. Test systems such as those used in battery module assembly ensure the highest product quality and safety.



Besides battery module assembly, GROB also offers innovative solutions for the battery cell assembly of lithium-ion cells.

In addition to procedural innovations, GROB is developing a mini-environment system, which offers significant savings potential for energy consumption and a reduced carbon footprint for future cell production in Germany and Europe.

In addition, two pilot systems for different stacking technologies are in the final process development stage, which will form the basis for the commencement of the first series projects.



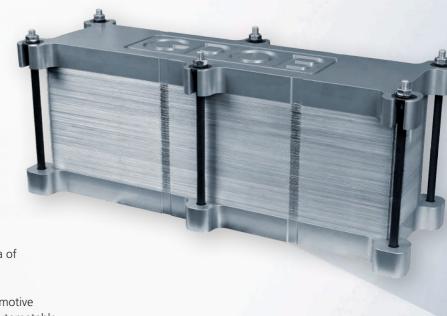
"MINI-ENVIRONMENT OFFERS A DEFINED PROCESS
ATMOSPHERE AND REDUCES INVESTMENT AND OPERATING
COSTS TO A MINIMUM."

Robert Schmalholz, Director of Electromobility Business Unit of GROB-WERKE GmbH & Co. KG



Fuel cell assembly is a promising technology within electromobility and is a key focus area of GROB's research and development.

For the assembly of components in the automotive fuel cell drive, GROB offers innovative and automatable manufacturing and assembly lines that guarantee a high degree of flexibility, precision, and reliability.



OUR PRODUCTS AND INNOVATION

SERVICE PACKAGES ENSURE PROTECTION AND COST EFFECTIVENESS

GROB's four service packages are specifically tailored to customer needs, offering customers a high degree of flexibility. Both preventive and reactive strategies can be covered and combined with the right selection of service agreements.

"Remote Support" ensures quick troubleshooting using remote machine diagnosis without requiring GROB experts to be on site. The "Maintenance Agreement" includes

both the replacement of relevant wear parts and extensive inspections that a technician carries out annually using special test equipment. In the "Service Level Agreement", GROB guarantees its customers reliable, fast response times for the hotline, technicians, and the provision of material.

The complete "GROB Production Safety" package combines all the advantages of the "Maintenance Agreement" and the "Service Level Agreement", ensuring optimal machine performance and production reliability. GROB service agreements also enable customers to better control and plan their costs for preventive maintenance and repair services, since they are agreed upon in advance. GROB machines not only save valuable energy in production, attention is also paid to energy efficiency in after-sales service.



REMOTE SUPPORT



SERVICE LEVEL AGREEMENT



PREVENTIVE MAINTENANCE AND INSPECTION



PRODUCTION SAFETY

GROB-NET⁴INDUSTRY

The networking of machines with the modules from GROB-NET⁴Industry can contribute to more efficient and flexible production. By integrating digital technologies, machines can communicate with each other and exchange data in order to automatically control and optimize production processes. This can lead to a reduction in production time, errors, and waste, thereby improving production efficiency and profitability, which in turn reduces resource consumption and environmental impact.

Overall, the use of GROB-NET⁴industry products helps make production more sustainable and environmentally friendly.



INDUSTRIAL PROPERTY RIGHTS

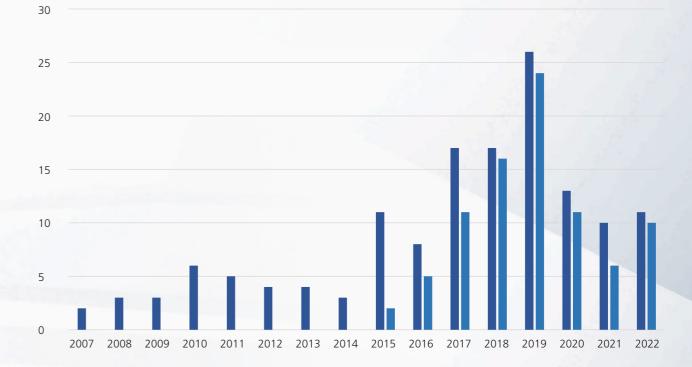
GROB comprehensively protects new developments related to machining and production equipment as well as the associated processes through industrial property rights applications. To do so, the Patent department conducts the necessary industrial property rights procedures and works together with numerous lawyers in Germany and abroad.

The number of applications for industrial property rights has risen sharply in recent years, particularly as a result of activities in the field of electromobility, with a peak in 2019 due to developments in hairpin production technology

for electric drives, and has consolidated in the years since due to the company's extensive activities, particularly in the field of electromobility. This can be traced back to the systems for hairpin technology that have been newly developed in recent years, especially in the field of electromobility, which have now gone into series production and are constantly being advanced and refined. In 2022, eleven initial applications and numerous secondary applications were filed abroad at a similar, stable level to previous years. Individual new technologies are recording increases in the number of patent applications, e.g., additive manufacturing or the manufacturing technology for electric drives with continuous hairpin.

INDUSTRIAL PROPERTY RIGHTS APPLICATIONS FROM 2007 TO 2022 (as of: January 1st, 2023)

- Total applications
- of which e-mobility



RESPONSIBILITY FOR OUR EMPLOYEES – FAIR AND ATTRACTIVE WORKING CONDITIONS

Companies have a great responsibility towards their employees. This primarily includes the creation of fair working conditions that correspond to the values of equality, dignity, and respect.

This includes aspects such as fair pay, working time regulations, occupational safety, health protection, equal treatment, and protection against discrimination. The GROB Group has taken extensive measures to ensure fair working conditions for employees. As a family-owned company, we constantly aspire

to achieve sustained growth through our own efforts. GROB has high standards but at the same time offers extensive opportunities for individual further development. The GROB Group therefore opens up a huge range of career paths in a global technology company.



EMPLOYEE HANDBOOK

The GROB employee handbook provides orientation on the most important requirements relating to the employment relationship. For example, it contains general regulations on the structure of the employment relationship or information on the GROB social benefits.

GROB AS AN ATTRACTIVE EMPLOYER

GROB employees are an important foundation for the company's economic success. GROB is continuously working to further improve its excellent reputation as an employer. GROB-WERKE combines the stability of more than 95 years of family history with the opportunities of an international technology company. This is also confirmed by external institutes and employer rankings - for example, GROB received the "Top Company" and "Open Company" awards from the "kununu" rating portal.

PERFORMANCE- AND MARKET-BASED REMUNERATION

Remuneration is based exclusively on professional qualifications and performance and is generally determined independent of gender. In Germany, GROB bases its wages and salaries on collective bargaining regulations, while the legal requirements are complied with worldwide. In the global regions, GROB bases the different remuneration models on the respective market conditions.

WORK-LIFE BALANCE - FLEXIBLE WORKING TIME MODELS

The compatibility of work and private or family life is important to employees. It is GROB's declared goal to offer employees an attractive working environment, including flexible working time models that are compatible with their respective life situations. GROB-WERKE lives up to this claim, in particular through a generous work-from-home regulation. The integration of almost all those returning from parental leave into working time models that suit them while at the same time taking on challenging tasks shows the success of GROB's approach. In addition, GROB offers partial retirement models to enable employees to make an appropriate transition into retirement.

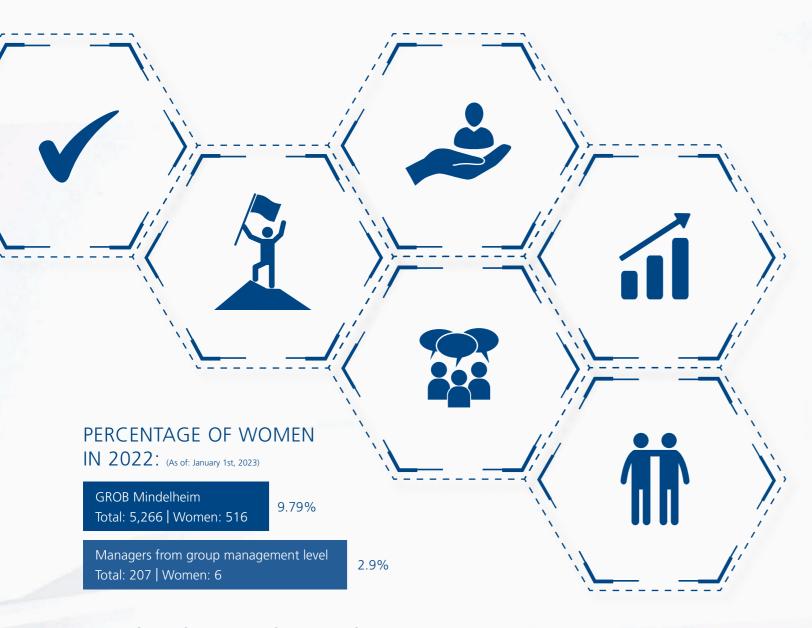
STRENGTHENING EMPLOYEE LOYALTY – AUGSBURG COMPANY RUN

In June 2022, over 6,000 runners once again took part in the 5.3-kilometer company run in Augsburg. The GROB team was also strongly represented again this year! Around 155 employees donned their GROB jerseys after work and took part in the company run. After their efforts, they ended the evening at the after-run party with a live concert.

"OUR EMPLOYEES ARE THE COMPANY'S BACKBONE,
OUR KEY SUCCESS FACTOR, AND THE DRIVING FORCE. THEY
ARE INSTRUMENTAL IN ENSURING THAT WE DO MORE THAN
JUST SURVIVE AMONGST THE INTERNATIONAL COMPETITION
AND THEY ALLOW US TO EXTEND OUR TECHNOLOGICAL
AND MARKET LEADERSHIP EVEN FURTHER.

Karl Hempfer, Division Manager of Human Resources Management of GROB-WERKE GmbH & Co. KG

FAIR AND ATTRACTIVE WORKING CONDITIONS



EMPLOYEES WITH DISABILITIES: (As of: January 1st, 2023)

GROB Mindelheim (additional compensation by awarding contracts to workshops for the disabled)

3.79%

These ratios do not yet meet the requirements set by GROB. GROB is looking to take targeted measures to make significant progress with both ratios in the next few years. The first signs of success can be seen in the percentage of female trainees.

PRINCIPLES OF OUR COOPERATION

ENTREPRENEURIAL THINKING AND ACTING

The processes at GROB are subject to continuous optimization. Economic decisions are always based on a cost-benefit analysis.

RELIABILITY AND CREDIBILITY

Keeping promises and observing agreements and arrangements are part of who we are at GROB and are a top priority. Statements by GROB are based on verified and current figures, data, and facts.

RESPONSIBILITY

GROB encourages employees to act independently and creatively. The development and implementation of innovative ideas and technical advancements are an important part of everyday work. GROB always considers the interactions between people and the environment.

TRUST AND RESPECT

Mutual trust is a critical factor when working at GROB. GROB attaches great importance to professional, fair, and honest interaction and treats its customers, partners, employees, and colleagues with respect, appreciation, and readiness to help at all times.

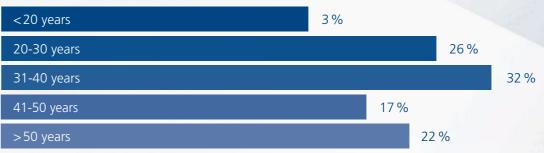
COMMUNICATION

Our cross-divisional cooperation is characterized by open, respectful, and solution-oriented conduct towards others. Discrimination of any kind has no place at GROB. We support the sharing of new ideas and the representation of individual opinions.

MOTIVATION AND OPTIMISM

With lived values and a common understanding of the company's goals, GROB constantly motivates its employees to strive to perform at their best

AGE STRUCTURE IN % AT GROB MINDELHEIM: (As of: January 1st, 2023)



FAIR AND ATTRACTIVE **WORKING CONDITIONS**

ACADEMY PROGRAM

	ACTUAL FIGURES FY 2022/23			TARGET FIGURES FY 2023/24		
	Number of training courses	Number of participants	Cost/h	Number of trainings	Number of participants	Cost/h
Internal training programs	380	3,642	25,809	400	3,833	27,162
Technical qualifications	188	878	22,538	200	934	23,975
Customized training/ Q-programs	87	927	12,940	90	958	13,372
Apprentice training	17	194	8,061	19	216	8,975
External training	155	291	8,955	150	281	8,647
BGHM seminars	52	102	1,723	30	58	979
Online training	_	_	_	_	_	_
TOTAL	879	6,034	80,026	889	6,280	83,110

	ACTUAL FIGURES FY 2022/23			TARGET FIGURES FY 2023/24		
	Number of training sessions	Number of participants	Cost/h	Number of training sessions	Number of participants	Cost/h
Company tours	11	275	688	30	750	1,876
Team development	10	146	2,797	20	292	5,593
LEAN Academy	46	367	1,734	40	319	1,507
Department presentations	22	184	432	42	351	824
TOTAL	89	972	5,651	132	1,712	9,800

PERSONNEL DEVELOPMENT PROGRAMS

	ACTUAL FIGURES FY 2022/23			TARGET FIGURES FY 2023/24		
	Number of training sessions	Number of participants	Cost/h	Number of training sessions	Number of participants	Cost/h
Student programs	5	69	373	6	50	270
Executive development programs	19	204	2,926	23	276	4,416
Construction site manager programs	3	28	763	4	32	872
Qualification programs	4	34	6,300	2	17	3,149
TOTAL	31	335	10,362	35	375	8,707

COMPARISON OF M & E AND THE ECONOMY AS A WHOLE

FISCAL YEAR	FY 2020/21	FY 2021/22	FY 2022/23
Number of employees (as of February 28th)	4,476	4,733	5,286
Advanced training costs	€ 428,860	€ 551,758.64	€ 773,392.33
Direct costs for advanced training/employee	€ 95.81	€ 116.58	€ 146.30 *
Advanced training days/employee	1.2 days	1.5 days	2.27 days
	GROB-WERKE*	M & E **	Overall economy ***
Direct costs for advanced training/employee	€ 146.30	€ 228.63	€ 629.00
Advanced training days/employee	2.27 days	1.2 days	2.6 days

Figures for GROB-WERKE without travel expenses for external training sessions; these are included in the other studies bayme vbm, M&E Benchmark (2020): Participation of 59 member companies

Advanced training survey by the German Economic Institute (Institut der deutschen Wirtschaft, 2020): Participation of 1,340 companies from all industries



#sustainabilityreport2022 #fieldsofaction_32

INITIAL AND ADVANCED TRAINING

Vocational training has a long tradition at GROB. GROB-WERKE is not only the largest employer in the region, but also the largest training company in the area. In Mindelheim alone, more than 2,058 young people have received training since the plant was founded, most of whom are still working in the company today. They all take the opportunity of the long-term prospects offered by the company and appreciate the security for their own life planning, including the opportunity for further in-house qualification.

STRUCTURE IN THE GROB GROUP

In the production plants in the USA, Brazil, and China, training sessions are also provided as needed. In order to balance and identify system-related, structural differences,

we are currently creating an examination pool with final examinations part 1 (40%) and part 2 (60%) that are qualitatively and quantitatively equivalent. In future, it should be possible to take a final exam equivalent to the chamber of commerce and industry exam with the same implementation criteria in the respective national language, regardless of the location.

GROB Mindelheim offers training for the following occupations:

- Electronics engineer for automation technology (m/f/d)
- IT specialist (m/f/d) specializing in system integration/application development
- Warehouse logistics specialist (m/f/d)
- Industrial manager (m/f/d)
- Industrial mechanic (m/f/d)
- Construction mechanic (m/f/d)
- Mechatronics engineer (m/f/d)
- Technical product designer (m/f/d)
- Materials tester (m/f/d) specializing in heat treatment technology/metal technology
- Machinist (m/f/d) for milling technology
- Medical assistant (m/f/d)
- Co-operative education program in mechanical engineering (m/f/d)
- Co-operative education program in electrical engineering and information technology (m/f/d)
- Co-operative education program in industrial engineering and management (m/f/d)
- Co-operative education program in mechatronics (m/f/d)



FLEXTIME DURING TRAINING

Since September 2020, apprentices have had the option of flexitime. Apprentices have the opportunity of flexibly arranging their working hours within a period of time specified by the company.

The new time model is extremely popular amongst apprentices and provides added motivation.

DIGITIZATION OF VOCATIONAL TRAINING

Since September 2020, a virtual 360° tour through the state-of-the-art GROB training center has been available online. Interested parties and applicants have the opportunity to find out about the various occupations requiring formal training and gain a first impression of vocational training at the GROB plants.

The vocational training department has been working on the introduction of administration software (e-bizA) for internal organization and administration since the summer of 2022. The system is scheduled to go-live in the fall of 2023. In future, it will facilitate cross-departmental planning, performance controlling

of apprentices, and the digital management of the report booklet.

At the beginning of the vocational training, all apprentices receive an iPad, which they use regularly in their everyday work and so can also use the new software (e-BizA) independently. This represents a significant improvement in the information structure. The new software also makes a significant contribution to relieving the organizational and administrative burden on the vocational training department.

GROB ACADEMY

GROB has been offering its employees initial and advanced training opportunities in its own GROB Academy for many years.

Exceptionally well-qualified employees are the key to securing and increasing competitiveness in a high-tech world. Especially in times of digitization and rapidly changing conditions, there is a need to build up new skills in order to be able to successfully counter these developments. The goal is therefore to give GROB employees the best possible preparation for the professional challenges.



"INCIDENTALLY: OF THE TOTAL OF 203 APPRENTICES,
32 ARE CURRENTLY WOMEN; THIS CORRESPONDS TO A
PERCENTAGE OF WOMEN OF 15.76%."

Werner Drexel, Training Manager of GROB-WERKE GmbH & Co. KG

"OUR GOAL IS TO GAIN 100 NEW TRAINEES IN TOTAL FOR GROB EVERY YEAR IN ORDER TO BE ABLE TO OFFER A TOTAL OF 300 YOUNG PEOPLE INTERESTING TRAINING POSITIONS IN THE MEDIUM TERM. BECAUSE THE YOUTH OF TODAY IS THE FUTURE OF TOMORROW."

Florian Grob, GROB-WERKE GmbH & Co. KG

INITIAL AND ADVANCED **TRAINING**

OFFERS AND WORKSHOPS

ENVIRONMENT DAYS

Together with the State Association for Bird Protection (LBV), GROB re-commenced the "Environmental Days" project after an forced two-year hiatus due to the coronavirus. Individual groups of third-year apprentices spend the day supporting the association in maintaining the surrounding nature conservation areas. They were deployed in the Hauser peat bog, in the nature study garden in Mindelheim, and in the Rothlache, a forest meadow, performing mowing and maintenance work.

NUTRITION WORKSHOP AND HEALTH MANAGEMENT

Healthy nutrition and health management is becoming increasingly important nowadays. To make apprentices

more aware of this topic, it is integrated into everyday activities at the GROB plants wherever possible. All apprentices receive free fresh fruit every day. There will also be a nutrition workshop again this year. GROB is supported by a state-certified dietitian. The life, food science, food processing, and also involves a joint cooking session and meal. Last year, the trainers at the Order of Malta Volunteers in Mindelheim also conducted a first aid course for the apprentices. This means that they are equipped for every situation in their daily activities as skilled workers, including as first aiders.

workshop includes topics such as healthy diet in everyday

FIT APPRENTICE CAMPAIGN

It's not just nutrition, your fitness will also play a major role in the future. For this purpose, the "Fit Apprentice" campaign was held in November 2022 and January 2023. Divided into four groups, the apprentices spent a whole day in a physiotherapy practice in Mindelheim. GROB-WERKE was also actively supported by the Techniker Krankenkasse health insurer. The therapists ha a challenging and very informative program in store for the apprentices. The apprentices were able to learn a lot from strength measurements, nutrition lectures, circuit training, ergonomic exercises, and much more. This training made a positive contribution to personal fitness and above all to the team spirit.

APPRENTICE EXCHANGE

BOSCH IN BLAICHACH

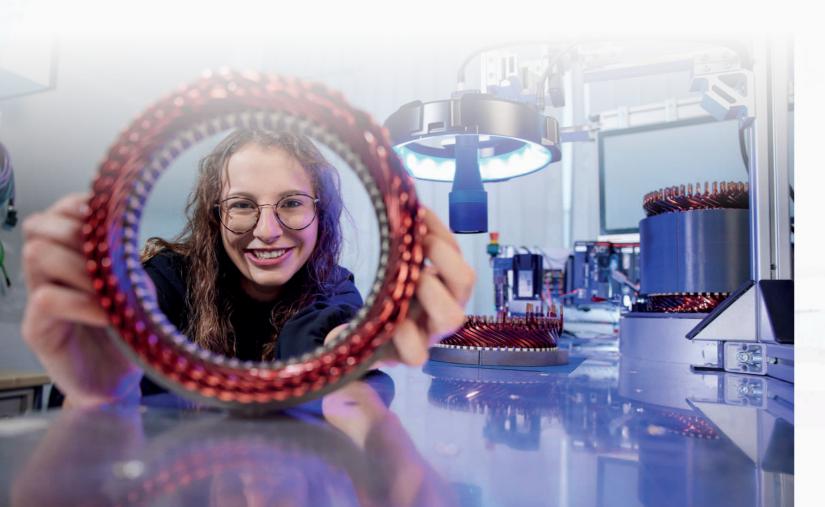
For several years, GROB has been organizing an annual apprentice exchange with Bosch in Blaichach. Two apprentices from Mindelheim work at BOSCH for a period of two weeks, and in return the trainees from the BOSCH plants join GROB in Mindelheim. This exchange is a great opportunity to gain experience in other companies and to develop both professionally and personally.

GROB-WERKE IN BRAZIL AND THE USA

In July 2022, the GROB training department organized an apprentice exchange with the subsidiaries in Bluffton in the USA and São Paulo in Brazil. After the registration and subsequent selection process, two of the apprentices traveled to Brazil and four to the USA. A new experience in a foreign country and in a different plant, the candidates thoroughly enjoyed their stay.

For three weeks they were able to actively participate, explore different departments, and get to know new work processes. Of course, there was also enough time on the weekends to explore the countries, visit the sights, and spend time with the local apprentices and trainers.

In return, a total of ten apprentices were welcomed as guests in Mindelheim – two apprentices from Brazil and eight from America, divided into: electronics engineers for automation technology, industrial mechanics and machinists. We were accompanied by two trainers from Bluffton to further adapt the training processes and to implement a few new ideas for the cooperation.





OCCUPATIONAL SAFETY AND HEALTH PROTECTION

GROB's management is aware of the importance of a positive attitude towards occupational health and safety and promotes this consistently at all levels.

As an employer, GROB is responsible for ensuring that all employees are able to work in a safe and healthy work environment. Furthermore, GROB always endeavors to make an additional effort to improve occupational health and safety above and beyond the required minimum standards. For this purpose, GROB established and introduced an occupational and health protection management system, among other measures.

In addition, GROB is certified according to the German occupational health and safety management system OHRIS (Occupational Health and Risk Management). OHRIS is an integral part of GROB's management system and demonstrably meets national and international standards. All GROB employees are required to actively participate in occupational health and safety in order to improve accident prevention and protection against work-related illnesses. Functional occupational health and safety is implemented in practice at GROB and is much more than simply a paper tiger. GROB does everything in its power to fulfill its obligations under the applicable laws and regulations on occupational health and safety.

ROLL-OUT OF THE INTERNATIONAL OCCUPATIONAL SAFETY TRAINING STRATEGY

Employees who work in the subsidiaries receive basic training in occupational safety at GROB for their work in the global environment. GROB ensures that the subsidiary employees receive basic training in occupational safety that at least corresponds to German law.

This includes:

- Training as a crane operator
- Training as an operator of scaffolds
- Operation of pedestrian propelled industrial trucks
- Work safety at elevated workstations





In the case of accidents with high downtimes, employees and managers are guided through a structured accident analysis. The moderation is carried out by GROB specialists for occupational safety. Everyone involved has the opportunity to get involved and implement their ideas and solutions to prevent further accidents.

This systematic analysis of accidents at work and the derivation of sustainable measures for the permanent reduction of hazards at the site is visualized by the comparison of key figures on accidents at work. The 1000-person rate serves as an example, which has since fallen significantly.

The development of the 1000-person rate (reportable accidents at work per 1000 full-time workers) shows that GROB features a very good level of safety.

By way of comparison: The frequency of reportable accidents is more than twice as high in comparable sectors on a national average.

Current figures from the wood and metal trade association (all companies) are not yet available for 2022.

BEHAVIOR-BASED OCCUPATIONAL SAFETY

Throughout Europe, the technical protection options in occupational safety are often fully utilized. For this reason, GROB regularly carries out focus campaigns to involve employees in occupational safety and to achieve a lasting change in attitude and behavior.

The following campaigns were carried out in 2022:

- Proper use of cut-resistant gloves
- Keeping escape and emergency routes clear
- Function of fire barriers/fire doors
- Driving behavior and lighting

OCCUPATIONAL SAFETY AND HEALTH PROTECTION

HIGH DEMANDS ON THE EMPLOYEES

In view of the extension of working life and the shortage of skilled workers, the area of occupational medicine is also faced with great demands at GROB. To meet future challenges and tasks, a significant increase in personnel of over ten percent by 2022 was necessary. For this reason, the headcount in the company medical service had to be expanded.

REINFORCEMENT OF THE MEDICAL ASSISTANT STAFF

In the second quarter, two positions in the areas of physiotherapy and health management were filled. In addition to acute treatment, these specialists actively support workplace health promotion, the ergonomic optimization of the workplaces in the assembly and manufacturingarea, among other measures, and contribute to the overall concept of health management at GROB. A new position was created in the area of medical assistants and filled with an apprentice.

OCCUPATIONAL MEDICAL CARE AT GROB

Two specialists in occupational medicine are currently looking after over 5,000 employees at our Mindelheim location. These employees are joined by up to 400 workers from various external companies and work contracts. After the Covid pandemic receded into the background in everyday work in the fall of 2022, the focus shifted back to the examinations in accordance with ArbMedVV (Ordinance onOccupational Health Care). The number of optional and compulsory medical check-ups has risen significantly compared to the previous year (149%). More frequent use was once again made of the occupational medicine consultation hours. In 2022 over 4,700 contacts were registered.

OPERATIONAL HEALTH MANAGEMENT AND PREVENTION

In 2022, due to the ongoing infection situation, health promotion measures were only carried out from the fall.

"EMPLOYEE HEALTH AND WELL-BEING AT THE WORKPLACE ARE A TOP PRIORITY FOR US."

Dr. Peter Pawlitzki, Company Physician of GROB-WERKE GmbH & Co. KG

In the first half of the year, the infection situation made it unreasonable to offer group courses or campaigns with many participants. From the second half of the year the first offers were then able to be launched with a total of 336 employees taking part in various measures. In addition, about 200 employees were vaccinated against influenza as part of the company flu vaccination. Quit smoking seminars, advice from a podiatrist and, in cooperation with a dermatologist, skin cancer screenings were also offered to all employees. Offers such as yoga, Pilates, and fascia training were supported by the statutory health insurance companies.

The health days in November on the subject of ergonomics at the PC workstation, which was offered over two days , also took place in cooperation with the statutory health insurance company. Here, participants were able to get advice from the company doctors on ergonomics issues at the computer workstation over two days. In addition, two modules on the subject of stress at work were offered (cardio-stress test and brief analysis of muscle tone in the shoulder and neck area). In the spring of 2023, GROB will also once again take part in the Augsburg company run.

OPERATIONAL REINTEGRATION MANAGEMENT (ORM)

As part of reintegration after a long absence due to illness, GROB is looking to further improve the process of operational reintegration management (ORM), which has been regulated in a works agreement since 2007.

In 2022, the integration team processed over 500 cases. For 2023, the plan is to adapt the internal process to the operational requirements and improve them to reduce long-term absences of skilled workers even more comprehensively and quickly.

4.748

outpatient contacts

NEW OCCUPATIONAL HEALTH CHALLENGES

From a occupational medicine perspective, interesting new tasks result from projects in the field of new technologies, such as the development of systems for battery cell assembly. Here, it is important to correctly assess and process the medical issues and challenges in dealing with the new technologies in order to achieve the best possible prevention for the employees.

Travel medicine will continue to be very important, especially when employees are sent to Southeast Asia or Central America.



ENVIRONMENT AND ENERGY – ENVIRONMENTAL MANAGEMENT

As a global company, currently with five production sites on three continents and numerous service and sales offices, GROB is aware of its responsibility for climate and environmental protection.

At all its locations, GROB is continuously working to improve energy and resource efficiency. The aim of environmental and energy management is to reduce production-related environmental impacts, to conserve resources, to increase energy efficiency, and to further develop the products to sustainably decrease their environmental impact (e.g., energy and operating resource consumption).

Energy efficiency is an integral part of the energy transition, as every kilowatt-hour of electricity or heat saved does not need to be laboriously generated and transported through grids. The energy saved also helps avoid CO₂ emissions and reduce costs.

The GROB-WERKE headquarters in Mindelheim have been certified according to the international environmental management standard DIN EN ISO 14001 since 2002. Most recently, the system was successfully re-certified in the summer of 2020. A total of four out of five production sites of the GROB Group are now certified according to DIN EN ISO 14001. These are the locations of Bluffton (USA), São Paulo (Brazil), Dalian (China), and the headquarters in Mindelheim (Germany).

As part of environmental management, all relevant environmental data is recorded regularly in the GROB environmental impact assessment with the corresponding key figures (heating energy, water consumption, recycling rate, and CO₂ emissions).

A regular interdisciplinary environmental meeting is held with participants from the areas of occupational safety, waste, energy, facility management, logistics, production, and maintenance. Items on the agenda of this meeting include the creation of the environmental and work safety

program for the following year, review of environmental aspects and applicable legal provisions, and update of annual reports for authorities. The environmental program is approved in the subsequent management review meeting.

BIRD DIVERSITY BIODIVERSITY

(PLANT AND INSECT DIVERSITY)

A flower meadow of native plants can be found on an area of approx. 7,500 m² near the largest production hall. This colorful and magnificent greenery not only impresses employees and hikers, but also offers a nutrient-rich habitat for various insects such as butterflies, bees, and bumblebees.

In addition to this flower meadow, there are around 200 shrubs and around 75 trees in the surrounding area. The tree species are native such as oak, rowan, hornbeam, maple, and wild cherry.

WASTE MANAGEMENT

WATER MANAGEMENT

EMISSIONS – CARBON FOOTPRINT

ENERGY MANAGEMENT

ENVIRONMENTAL MANAGEMENT

INNOVATIONS
IN RECYCLING

BIO-DIVERSITY

"APPROXIMATELY 26.9% OF OUR INTERNAL IMPROVEMENT PROPOSALS IN 2022 HAVE A DIRECT RELATIONSHIP TO ENVIRONMENTAL AND ENERGY ISSUES. THIS SHOWS THAT SUSTAINABILITY ISSUES ARE ALSO OF INCREASING CONCERN TO OUR EMPLOYEES."

Heinz Kolb, management representative of GROB-WERKE GmbH & Co. KG

ENVIRONMENTAL MANAGEMENT

WATER MANAGEMENT

In 2022, GROB-WERKE at the Mindelheim location consumed 41,288 m³ of water from the local waterworks. Compared to 2021, this represented an increase in water consumption by 3,994 m³. It should be noted here that both company performance (+33.6%) and the number of employees (+9.7%) increased significantly during this period. The waste water (approx. 39,737 m³) is fed via the sewage system to the municipal sewage treatment plant. The rest is disposed of by certified disposal companies.

WASTE MANAGEMENT

The total amount of waste increased by a total of 795 tons in 2022 (7,395 t) compared to 2021 (6,600 t). The total amount of waste consists of hazardous and non-hazardous wastes.

BIRD DIVERSITY

To preserve bird diversity, various nesting boxes for kestrels, house sparrows, and bats are installed on GROB's company premises.

INNOVATIONS IN RECYCLING

EMULSIONS

By changing the disposal company, we were able to sustainably improve the disposal of emulsions. The emulsions are now treated in a highly efficient treatment plant based on the principle of vacuum distillation.

The cleaned waste water is returned to the water cycle in drinking quality, in compliance with all limit values.

ORGANIC WASTE

Here, too, GROB replaced its regional disposal company. Organic waste is now specifically processed into electricity, heat, liquid substrate, and valuable fertilizer for agriculture.

BATTERY MODULES

Due to the new product line of battery module assembly, a small number of batteries (lithium-ion modules) need to be disposed of when running-in the processes and systems. The disposal company dismantles the battery modules down to the cell level. This means that the intact cells can be used in a second life or returned to battery production. This is a valuable contribution to optimal raw material utilization.

WASTE LOGISTICS

To reduce the logistics effort for the disposal company for paper, cardboard, and household waste, GROB has made a sustainable process change. Until now, the waste disposal company had to drive to 34 individual collection points with their compactor vehicle in order to empty the small containers.

Since 2022, GROB now has six presses each for cardboard and household waste and has placed these in pairs on the factory premises. The respective presses are filled with the aforementioned waste/recyclable materials internally using electric forklifts. As a result, the disposal company no longer has to visit 34 collection points in the plant every day, just six collection points once per week.

using electric forklifts. As a result, the disposal company no longer has to visit 34 collection points in the plant every day, just six collection points once per week.

COMPANY CANTEENS

GROB also pays attention to sustainability in the company canteens. GROB prefers regional suppliers and a seasonal menu. That means fresh fruit, vegetables, meat, and fish from the region. Here, attention is paid to speciesappropriate animal husbandry and the avoidance of preventive feeding with antibiotics. Our menu offers a selection of healthy, including vegetarian, dishes that are freshly prepared every day.

To protect the environment, GROB strives to reduce packaging. The sale of sandwiches prepackaged in plastic bags was altered to a bakery display with a refrigerated counter. Sandwiches are now offered with paper and parchment bags as packaging material. For take-out meals, reusable containers with wood cutlery are used, while in-house diners receive ceramic tableware and stainless steel cutlery.

OTHER NEW SUSTAINABILITYRELATED MEASURES IN THE AREA OF CATERING/COMPANY CANTEENS:

- Strip curtains were installed at all entrances to the cold rooms, which reduce air exchange and thus save 20-30% of energy.
- Cool rooms that were not required were closed and converted into storage rooms.
- Refrigerated displays in the canteens that were not being used to capacity were combined and the remaining refrigerated showcases were switched off.
- The van with loading ramp will be replaced by an electric van, and an electric car is also planned for guest hospitality.
- The introduction of one vegetarian day per week is currently being planned. GROB has just started nudging on the Kitchen intranet site.
- In addition, GROB wants to increase the proportion of organic food in the menu from 10% to 20%. GROB is currently preparing for organic certification.
- At the end of the food distribution, less food is refilled and produced for the self-service area, since the left-overs in this area need to be disposed of for hygienic reasons after the end of distribution.
- To save on aluminum foil and plastic bags when serving warm to-go snacks (e.g., sausages, meat loaf), these are wrapped in parchment paper on request.
- High-quality and environmentally friendly cleaning agents, whose suppliers are certified according to the environmental management system DIN EN ISO 14001, are used for cleaning the company cafeterias.

ENVIRONMENTAL MANAGEMENT

DATA FROM THE ENVIRONMENTAL IMPACT ASSESSMENT FOR THE MINDELHEIM LOCATION (excerpt)

INPUT

	2021	2022	DIFFERENCE [%]
Water [m³]	37,294	41,288	+10.7
Heating oil [I]	15,283	18,133	+18.6
Natural gas (heating purposes) [m³]	990,428	888,342	-10.3
Natural gas (process) [m³]	69,292	80,700	+16.5
Well water [m³]	2,957,637	2,966,034	+0.3
Diesel (vehicle fleet) [I]	416,484	422,825	+1.5

OUTPUT

	2021	2022	DIFFERENCE [%]
Total waste quantity [t]	6,600	7,395	+12
Hazardous wastes [t]	1,962	1,819	-7.3
Non-hazardous wastes [t]	4,638	5,576	+20.2
Quantity of recyclable wastes [t]	4,828	5,635	+16.7

KEY DATA

	2021	2022	TARGET VALUE
Heating energy/building volume [kWh/m³]	11.49	9.2	<12
Recyclables wastes/total quantity of wastes [%]	73	76	> 70
Water Use/employee [m³/employee]	7.77	7.84	<9
Recyclable material credit/disposal costs [%]	352	464	Currently without target definition

REFERENCE PARAMETERS

	2021	2022	DIFFERENCE [%]
Building volume [m³]	1,952,261	2,144,963	+9.9
Performance [€]	853,350,000	1,140,131,000	+33.6
Number of employees	4,797	5,266	+9.7
Recyclable material credit [€]	1,657,258	1,950,231	+17.7
Net disposal costs excluding sales tax [€]	469,991	420,055	-10.6

For the data and key figures, it must be taken into account that both the company's performance and the number of employees have increased significantly during this period.



"OUR GOAL IS TO BE CLIMATE-NEUTRAL BY 2035 AT THE LATEST.
WE ARE CURRENTLY WORKING ON DEFINING MEASURES AND
MILESTONES, ESPECIALLY IN SCOPES 1 AND 2, TO ACHIEVE
REDUCTIONS IN CO₂ IN THE SHORT AND MEDIUM TERM."

German Wankmiller, Chairman of the Board & CEO of GROB-WERKE GmbH & Co. KG

#sustainabilityreport2022 #fieldsofaction_48

ENERGY MANAGEMENT

For the 2021/22 fiscal year, the first carbon footprint for the headquarters in Mindelheim was created by a specialist external company. The basis for the calculation was the Greenhouse Gas Protocol (GHGP). Emissions from scopes 1, 2, and 3 were taken into account when calculating emissions.

EMISSIONS – CARBON FOOTPRINT

To determine the CO_2 emissions, the system boundaries (headquarters in Mindelheim in the 2021/22 fiscal year) were defined as a first step. The emissions associated with the company's activities were then identified. In the greenhouse gas balance, the emissions are basically divided into three areas (scopes 1, 2, and 3).

Scope 1 are direct emissions from emission sources owned by the company. Scope 2 emissions are indirect emissions caused by purchased energy. Scope 3 emissions are also referred to as indirect emissions. This is where upstream and downstream activities of the reporting company are taken into account.

The external company used UBS (Probas), DEFRA, Ecoinvent 3.8, GEMIS 5.0, International Energy Agency Data Services, Systain/Estell as the sources for the calculation. The emissions are given in CO₂ equivalents, as this unit of measurement standardizes the climate impact of the various greenhouse gases.

In the case of scope 1 emissions, the main emission sources with a share of approx. 93% are the natural gas procurement for the energy control center and the vehicle fleet. The scope 2 emissions include the purchased electricity and the purchased renewable district heating. Purchased goods and services, the upstream energy chain, transport, internal waste, business trips, and employee

commuting were taken into account for the scope 3 emissions. At 92.8%, scope 3 emissions account for the largest share of total emissions. The results of this first emission measurement are currently being used to define medium- and long-term goals for reducing emissions and the necessary measures are being identified.

ELECTRIC VEHICLE CHARGING POINTS

GROB has been supporting its customers from the automotive industry in their transition to electromobility for a number of years. GROB now also wants to implement this change in its locations. In order to better understand the needs of employees, an employee survey was launched at the end of 2022 to find out the future need for e-charging stations and to be able to plan the expansion of the charging infrastructure at the Mindelheim location accordingly.

NEW HALL 14A AT THE MINDELHEIM HEADQUARTERS

The successful development of incoming orders in the area of electromobility necessitated the construction of the new 16,200 m² hall 14A at the headquarters in Mindelheim. This is where electromobility systems are assembled. Hall 14A was built according to the extremely energy-efficient "Efficient House 40" building standard.

FISCAL YEAR 2021/22:

Carbon footprint [t CO₂e] ▶ share [%] for the Mindelheim location

Scope 1 emissions: 3,926.60 ▶ 2.6

Scope 3 emissions: 138,559.90 ▶ 92.8

Scope 2 emissions: 6,843.20 ▶ 4.6

Total emissions: 149,329.70



EFFICIENT GROUNDWATER COOLING

GROB's headquarters is in Mindelheim in the Unterallgäu district. One of the advantages of the Mindelheim location is that large amounts of groundwater are available at a shallow depth. GROB uses this groundwater for resource-conserving and energy-efficient cooling.

To do so, the cold groundwater is transported with well pumps. The coldness of the groundwater is then transferred to the respective building network via heat exchangers. The slightly warmed groundwater is then fed back into the aquifer. The temperature of the groundwater is only increased by a few degrees, within the range of natural seasonal temperature fluctuations. Compared to cooling with compression chillers, the use of groundwater cooling

is much more energy-efficient, since electricity is only required to pump the groundwater.

ENERGY CONSUMPTION

Energy consumption at the headquarters in Mindelheim essentially consists of the energy sources of electricity, district heating, and natural gas. All buildings in Mindelheim are supplied with centrally generated heat via heating networks. A large part of the plant is heated with regenerative district heating from a local supplier. The other part of the plant is supplied by a natural gas-powered energy center with an integrated combined heat and power plant (CHP), among other things. The CHP enables the particularly efficient use of natural gas, as in addition to heat, decentralized electricity is also generated for the plant, which does not have to be transported through the power grid.

Next steps

Photovoltaic systems will gradually be installed on suitable hall roofs. This is intended to increase the share of renewable electricity generation to the extent possible.

So far, heat has largely been supplied using natural gas as the energy source. This natural gas will be replaced by regenerative energy sources in the future. Various concepts are currently being investigated for this purpose. Possible alternatives are biomass boilers with wood chips (cuttings, waste wood) or heat pumps that are operated with electricity generated from renewable sources.

SOCIAL COMMITMENT

As an international company, GROB sees itself not just as an economic player, but also as part of society, with responsibility for social issues. GROB is firmly convinced that social commitment and economic success can go hand in hand. That is why GROB is involved in numerous projects and initiatives in order to take social responsibility and contribute to a better world.

ST. JOHN'S DAY-CARE CENTER "MINDELZWERGE"

Balancing work and family: The company day-care center Mindelzwerge was developed in cooperation with the Unterallgäu district office, the Unterallgäu district clinics, and GROB. Two groups, each with 15 children from the age of three months to 3 years of age, are cared for.

MEALS ON WHEELS

GROB's catering not only provides a large selection of fresh meals (mostly by regional suppliers) to its employees every day, but also caters for seniors (severely disabled with small pensions) and the day care center in Mindelheim free of charge.

PASSING ON CHRISTMAS PARCELS

GROB employees have received a generous gift package with many treats for many years. Surplus parcels that have not been picked up by a specific date are donated to social institutions, such as various foodbanks in the area or are passed on to the volunteer fire brigade.

COOPERATION WITH WORK-SHOPS FOR THE DISABLED

2022 also saw the continuation of the very positive cooperation between GROB and organizations of various workshops for people with disabilities, e.g., the Memmingen-Mindelheim workshops in Unterallgäu as well as the Wertachtal workshops in Kaufbeuren.

Fulfilling work assignments gives people with disabilities the opportunity to prove their ability and to contribute to social life. The workshops thus become a living and working space for disabled and non-disabled people. The product portfolio of the purchase orders placed with these institutions includes:

- Parts as per drawing
- Small component assembly
- Electric cables
- Motorized spindle boxes
- Different types of wipers

Moreover, GROB regularly makes donations for social purposes to the city of Mindelheim and the Unterallgäu district.

"EVEN IN THE SOCIAL SPHERE, IN VIEW OF THE VARIOUS GLOBAL CRISES AND THEIR EFFECTS, WE ARE FACED WITH GREATER DEMANDS THAN EVER, INCLUDING REGIONALLY AND LOCALLY."

Christian Grob, Chairman of the Supervisory Board of GROB-WERKE GmbH & Co. KG

BURKHART-GROB-SCHULE MINDELHEIM TECHNICAL SCHOOL

The training of young people has always been important to GROB-WERKE. This was one of the reasons behind the completion of the Burkhart-Grob-Schule technical school of Mindelheim in April 2015. The company owner at the time, Dr. Burkhardt Grob supported the construction of the school with a generous donation.

The Burkhart-Grob-Technikerschule is a part of the Mindelheim Vocational School. Mechanical engineering with a focus on mechatronics and automation technology is taught at the school.

GROB DONATES A WINNER'S TROPHY FOR THE KRAFTHAND TECHNOLOGY AWARD

GROB once again donated the winner's trophy for the 9th technology award of the specialist media company Krafthand. It has been a cherished tradition for 14 years now that this trophy is designed and produced by GROB apprentices. The trophy was handed over to Krafthand on November 17th, 2022 in the GROB training center in Mindelheim.



SUSTAINABLE SUPPLY CHAINS: IMPLEMENTATION OF THE SUPPLY CHAIN DUE DILIGENCE ACT

GROB is aware of the various global challenges along the supply chains in terms of social justice, equal opportunity, and environmental protection and once again takes responsibility.

STATUTORY DUTIES OF CARE – AN INCENTIVE FOR GROB

The years under review were characterized by the preparations for the Supply Chain Due Diligence Act ("LkSG"), which came into force on January 1st, 2023 and aims to improve the international human rights situation and the protection of the environment through the responsible design of supply chains.

For this purpose, the law formulates a range of corporate due diligence obligations that are intended to ensure that obligated companies disclose threats to human rights and environmental risks in their supply chain, prevent or minimize them with appropriate measures, and remedy violations that have already occurred. This is a requirement with regard to their own business area, which essentially also includes their (foreign) subsidiaries, as well as their direct and indirect suppliers.

Specifically, this means that companies must set up an appropriate risk management system with defined responsibilities, carry out regular and event-related risk analyses, establish coordinated preventive and remedial measures, and set up a complaints procedure that is easily accessible to all employees and external third parties. Companies are required to report regularly on the measures taken in this respect.

For GROB, these due diligence obligations defined by the LkSG are not simply additional regulatory requirements that must be met. Rather, GROB sees the requirements of the legislator as an opportunity, together with the other companies bound by the LkSG, to make an effective contribution to the sustainable design of the global value chain.

GROB has always valued respect for human rights and the environment, both inside and outside its own factory

gates. With the LkSG, GROB now has a clear framework for action that is equally binding for everyone and so not only contributes to legal certainty, but also to equal competitive opportunities.

As a long-standing company, GROB has access to a generally stable supply chain and stable business relationships despite the corona pandemic and global political crises. But GROB-WERKE does not want to rest on its laurels. In the course of implementing the requirements of the LkSG, business partners will in future be specifically checked for compliance with regulations on human rights and environmental protection, and this will be a determining factor for the establishment or continuation of the business relationship, etc.

Compliance with the supplier sustainability standards will be just as mandatory as a positive result in the associated risk analyses, which EcoVadis and its assessment tools IQ Plus and Ratings will conduct for GROB from 2023 onwards. In doing so, GROB first considers the potential risk to human rights and the environment that a supplier faces simply because of their industry affiliation and the country in which they have their company headquarters. Based on this, all those suppliers for whom a relevant risk level was identified in this abstract risk analysis are subjected to a specific risk analysis and specific preventive and remedial measures are derived as a result.

With a view to the requirements that the LkSG places on its own business area, GROB will also subject itself and its subsidiaries to the same analyses by EcoVadis and derive the necessary measures.

In the code of conduct and the supplier sustainability standards, GROB already has the basic documents with which to address the topic of human rights as well as ethical standards and codes of conduct essential for the GROB Group both internally and externally.



SUSTAINABLE SUPPLY CHAINS: IMPLEMENTATION OF THE SUPPLY CHAIN DUE DILIGENCE ACT

However, GROB would like to continue to use the findings from future mandatory risk analyses to create a declaration of principles tailored to the protected values of the LkSG, which will be the foundation for the preventive and remedial measures to be established.

SUSTAINABILITY AND
TRANSPARENCY ABOUT
SUPPLIERS – FROM THE
BEGINNING OF THE BUSINESS
RELATIONSHIP

GROB Purchasing is responsible for evaluating and qualifying new suppliers and service providers. The process for incorporating new suppliers is structured, centralized, and supported by a software for integrated supplier management.

The Supplier Relationship Management software ("SRM"), which GROB has been using since 2023, is a cloud-based solution, available worldwide, which GROB has configured and implemented together with the IT service provider Jaggaer (www.jaggaer.com) and internal parties involved in the process. New suppliers can find out more about the procurement organization of GROB Group and the requirements at https://www.grobgroup.com/unternehmen/lieferantenportal/. They can then independently apply using a digital process. The

incorporation process runs in two stages: in the first stage (small profile), the framework data of the company, references, certifications, and the basic suitability for supplying the selected product groups and locations are collected. Furthermore, the supplier confirms GROB's sustainability standards (Supplier Sustainability Standards), the general purchasing conditions, the non-disclosure agreement, and provides us with an excerpt from the commercial register and a bank statement via system upload. In the second step (large profile), GROB requests specific and detailed statements and proof of technology, materials, performance, and skills from the supplier – depending on the relevant (main) product groups.

The product group manager in Strategic Purchasing leads the incorporation and qualification process. They evaluate the supplier self-assessment, involve internal experts from development, engineering, and quality, if necessary, and approve the supplier at the end of the process. Depending on the relevance, criticality, and empirical values, a potential analysis and the agreement of necessary development measures takes place beforehand as part of an on-site visit.

After successfully passing the incorporation and qualification process, the new supplier is approved for

pending inquiries in the relevant product groups and any purchase orders.

The incorporation process described ensures transparency regarding the performance, quality, and reliability of the new business partner. It forms the basis for the strategic product group management. We classify our supplier pools based on the following product groups:

STRATEGIC PARTNERS/ PREFERRED SUPPLIERS

- Standard suppliers
- New suppliers
- In view
- Phase out

The classification and documentation in the Jaggaer SRM software controls the ability of the individual partners to make inquiries and orders. By supplementing typical purchasing criteria (prices, delivery times, technological competence, quality) with the criteria of sustainability and information security, GROB creates a holistic and responsible overall view of its suppliers.





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GROB-WERKE GmbH & Co. KG

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