



Sustainability Report 2021

Think Tomorrow.

SSI SCHÄFER

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Foreword by the Management

“At the same time, we developed a new SSI SCHAEFER mission statement as well as a new corporate strategy.”



Dear employees, customers and business partners,

For SSI SCHAEFER, 2021 was clearly a year of transformation. As we took up our activity as Group management, our top priority was to stabilize the main pillars of the company with a view to profitability and liquidity and to position the Group for the future. At the same time, we developed a new SSI SCHAEFER mission statement as well as a new corporate strategy. The resulting “SSI Strategy Roadmap 2023” focuses on six topics that we have begun to address and that we will continue to concentrate in the years ahead, namely profitability, innovation, growth, customer satisfaction, employee orientation and sustainability.

Over the past years, sustainability has clearly gained importance in our society. Important steps in this context were the Paris Agreement, which came into force in 2016, and the United Nations 2030 Agenda for Sustainable Development. Building on this, the European Commission published its action plan on financing sustainable growth in March 2018. Many capital market-oriented companies are already obliged to regularly report on their sustainability activities and even though these requirements are still voluntary for us, we want to live up to our responsibility as a medium-sized company headquartered in Germany and operating on a global scale and make a contribution to sustainable development.

Not only is our commitment to sustainability reflected in the fact that we joined the global “50 Sustainability and Climate Leads” initiative in 2020, but we continue to further our efforts. As the first intralogistics provider, we are an important part of this alliance and contribute to achieving the 17 UN Sustainable Development Goals.

We have also taken a close look at our own values and developed a value definition for ourselves, which is reflected in our commitment to a sustainable future at SSI SCHAEFER.

Five cornerstones of our value definition



1. Social justice. Respect for human rights, security, gender equality, cultural diversity and integration.



2. Environmental protection refers to our natural environment, including water, energy consumption, agriculture, biodiversity, animals, forests and air.



3. Economic development that refers to understanding the limits and potential of economic growth, as well as poverty reduction, responsible consumption, corporate sustainability, governance, energy efficiency and energy conservation, employment, education, and waste management.



4. Corporate governance that creates the framework for sustainable development as an overarching principle and promotes transparent and effective structures at a local, national and global level.



5. The corporate culture serves as a framework for sustainability, including the values and goals that we base our day-to-day business.

GRI 102-14
GRI 102-16

It was also important for us to know the external expectations of our stakeholders – customers, employees, business partners, our owners and investors, as well as society and the public at large – so that we can take them into account in our strategy process and place our sustainability efforts on a solid footing. Complemented by our internal perspective, this allowed us to identify the main topics for us and derive three action areas: *“Value-oriented corporate culture as the foundation for our dealings with stakeholders and resources,” “Using intelligent processes to create innovative and sustainable solutions for our customers” and “Responsible management by reducing impacts along our value chain”*. Last year, we developed specific sustainability goals and measures for each of these action areas and will report regularly on their implementation and progress.

Our first Sustainability Report is intended to give our stakeholders an insight into the sustainable initiatives, projects and solutions we are pursuing already today, our major challenges in the relevant action areas in the coming years, and how we plan to master them. As we are committed to high reporting quality, we have prepared this report in accordance with the global GRI (Global Reporting Initiative) standards for sustainability reporting.

“Our first Sustainability Report is intended to give our stakeholders an insight into the sustainable initiatives, projects and solutions we are pursuing already today, our major challenges in the relevant action areas in the coming years, and how we plan to master them.”

Besides our own sustainability focus and the involvement of our partners upstream in the supply chain, we see it as our task as a leading global intralogistics company to also support our customers in innovations and efficiency improvements in their logistics processes and supply chains in such a way that they operate not only successfully but also sustainably in the long term.

We look forward to an inspiring exchange with you!

Neunkirchen, August 2022

Steffen Bersch CEO	Bruno Krauss CFO	Harald Rackel COO
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Company portrait

Headquartered in Neunkirchen (Germany), the SSI SCHAEFER Group is a global group of companies and the world's leading solution provider of modular storage and logistics systems. On six continents, SSI SCHAEFER develops innovative solutions for various industries of its customers, thus shaping the future of intralogistics.

Our mission statement for a successful future

In 2021, we adopted a new mission statement that guides us as we move into the future and forms the basis for our SSI Strategy Roadmap 2023.

Our vision

As a technology leader, we supply the urbanized society with various goods and merchandise in a sustainable manner and measure the quality of our work by the satisfaction of our customers.

Our mission

We enable our customers to meet the growing expectations and needs of their customers more effectively, efficiently and sustainably with solution-oriented intralogistics.

This requires an intensive exchange and close cooperation and partnership with various stakeholders.

Our values

As a family business, we focus on shaping the future independently and pragmatically. We stand for cooperation in a strong Group and in long-term partnerships, for which respect for colleagues and business partners is essential. This is the only way we can jointly implement change and focus on sustainability in the management of all resources.

Corporate structure

The incorporation of "Fritz-Schäfer - fabrikmäßige Herstellung von Blechwaren aller Art" in 1937 laid the foundation for the 85-year history of the family

business. Over generations, the Schaefer family has shaped one of the world's largest intralogistics providers. Besides the SSI SCHAEFER Group, two sister companies, SCHAEFER WERKE and SCHAEFER SHOP, also operate under the name "SCHAEFER" - but independently of each other in diversified business segments.

Fritz Schäfer GmbH & Co KG Einrichtungssysteme headquartered in Neunkirchen is the parent company of the SSI SCHAEFER Group. In addition, there are some 70 subsidiaries operating worldwide as well as seven production sites. The Group employs a total of roughly 10,000 people.

SSI SCHAEFER is owned by a total of more than 20 shareholders, who are committed to running the SCHAEFER Group as an independent family business.

Organization of the SSI SCHAEFER Group (status: 2021)*

ADVISORY COUNCIL

MANAGEMENT

CEO Group

Steffen Bersch

CFO Group

Bruno Krauss

COO Group

Harald Rackel

GROUP FUNCTIONS

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> ▪ Compliance & Internal Audit ▪ HR & Internal Communication ▪ Marketing & External Communication ▪ Group Legal & Data Protection ▪ Strategy | <ul style="list-style-type: none"> ▪ Business Process Management ▪ HSE & Global Social Responsibility ▪ Finance: Accounting, Controlling Taxes ▪ IT & Information Safety | <ul style="list-style-type: none"> ▪ Plant Controlling ▪ Supply Chain Excellence ▪ Integrated Management System ▪ Procurement <ul style="list-style-type: none"> - Direct Spend Autom. - Direct Spend Non-Autom. - Indirect Spend ▪ Global Technology |
|---|--|--|

DIVISIONS (CEO)

- Logistics Solutions (LS)
- Customer Services (CS)
- Products & Equipment (PE)
- Waste & Packaging (WP)

FACTORIES (COO)

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Neunkirchen (DE) ▪ Graz (AT) ▪ Hranice (CZ) | <ul style="list-style-type: none"> ▪ Malaysia ▪ USA, Mexico |
|---|---|

REGIONS (CFO)

- North America
- Latin America
- APAC & MEA
- Northern Europe
- Central Europe
- Southern Europe

*Schematic illustration. No organization chart.

In 2020, a new management team that is unrelated to the family was appointed, which is controlled by the Advisory Council appointed by the shareholders.

In the financial year 2021, this Advisory Council had a total of 7 members.

The Group's management team is composed of Chief Executive Officer (CEO) Steffen Bersch, Chief Financial Officer (CFO) Bruno Krauss and Chief Operating Officer (COO) Harald Rackel. In 2020, the following matrix structure was implemented in the company: Below the Management Board, there are 14 different group functions that are responsible for strategic and administrative management and report to the respective member of the Management Board depending on their area of expertise.

Social Responsibility and Health, Safety & Environment (HSE) is assigned to the CFO. Besides the group function that is responsible for the contents and implementation of the sustainability strategy, the Global Sustainability Council (GSC) has been installed. The latter involves the Regional Heads as well as the heads of the group functions in managing and monitoring the sustainability strategy.

In 2021, SSI SCHAEFER comprised four overarching, global business units:

- Logistics Solutions
- Customer Services
- Products & Equipment
- Waste & Packaging

Each of these business units is headed by a Business Unit (BU) Manager who reports directly to the CEO.

The six regions in which the Group operates have a reporting line to the CFO. The plants in the individual regions are led by the plant managers and report to the COO.

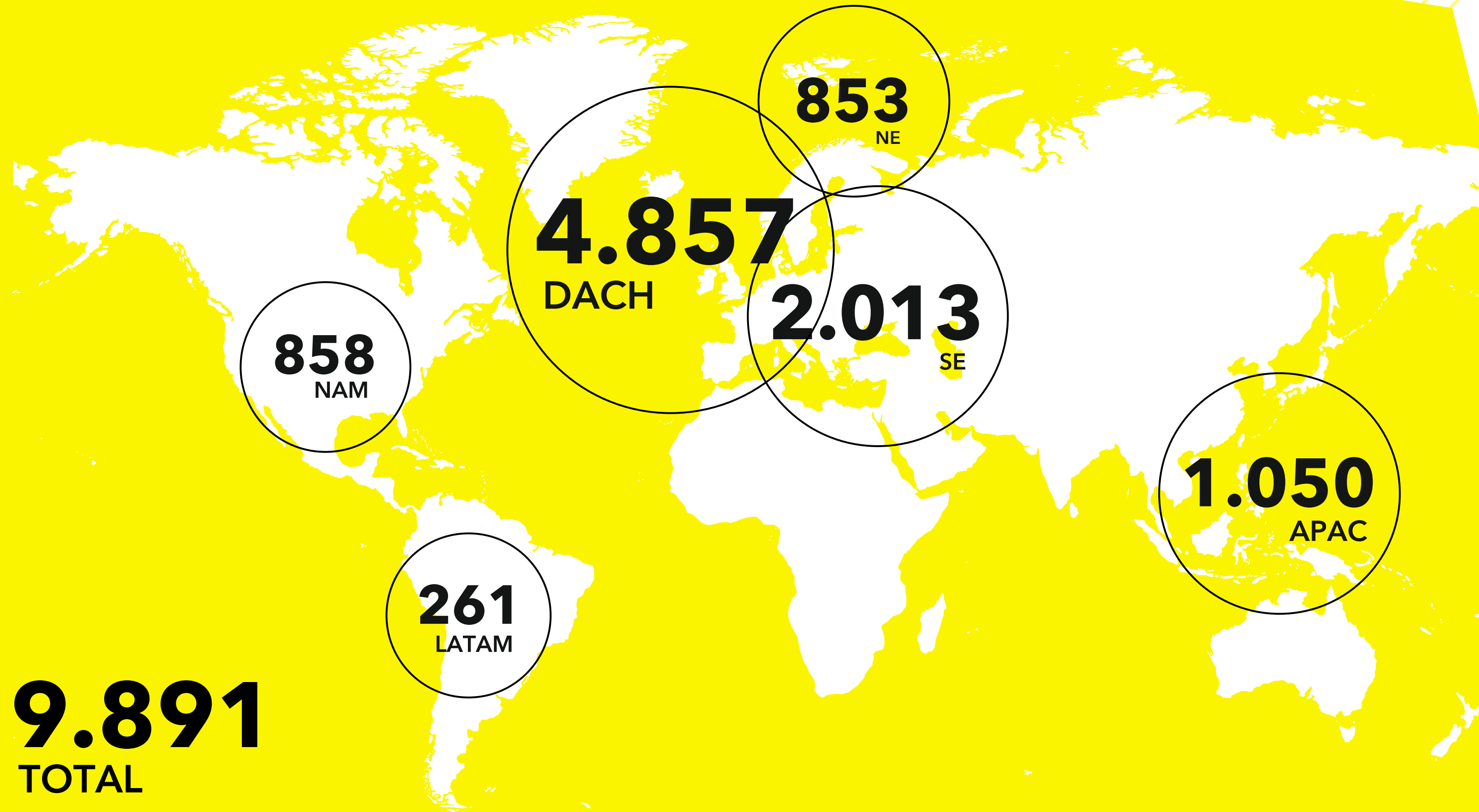
SSI SCHAEFER employees in action around the world

Headquartered in Neunkirchen (Germany), the SSI SCHAEFER Group has more than 70 branches on six continents, thus combining global and local strength across national borders. SSI SCHAEFER has a presence in APAC & MEA, Northern Europe, Central Europe, Southern Europe, North America and Latin America. Our seven manufacturing sites are located in Germany, Austria, the Czech Republic, the USA, Mexico and Malaysia.

Our employees form the basis for the success of our globally operating Group. As of 31 December 2021, we employed a total of 9,891 full time equivalent (FTE) people across our different locations. A breakdown of employees by region is provided on the following page:



Employees by Region



The business model in four business units

As a global corporation, SSI SCHAEFER is the first port of call for intralogistics solutions including software. The Group plans, designs and produces systems for setting up storage facilities and operations, manual and automatic storage, conveying, order picking and sorting systems as well as waste management and recycling solutions. In the past fiscal year, our Group comprised four business units, namely Logistics Solutions, Products & Equipment, Customer Services and Waste & Packaging.

Logistics Solutions

SSI SCHAEFER implements complex logistics systems, starting from system planning and consulting to turnkey systems as well as customized service and maintenance.

GRI 102-2



The intralogistics expert specializes in the following six market sectors and develops solution strategies for a wide range of requirements:

- **Food Retail:** Automated storage solutions for customers who store and ship food. Deliveries are made to wholesalers and stores as well as e-commerce channels. Most distribution centers have various requirements for both case and mixed pallets as well as temperature zones.
- **Food & Beverage:** Storage and order picking solutions for beverages, food, frozen food, dairy products
- **Retail & Wholesale:** Solutions for companies whose business is the intermediate storage and resale of mostly non-food products to retailers or end customers. Depending on the respective submarket sector, the entire product range of SSI SCHAEFER is used.
- **Healthcare & Cosmetics:** Storage solutions for the pharmaceutical and cosmetics sectors. Deliveries are made primarily to pharmacies, drugstores as well as beauty stores and e-commerce customers.
- **Industry:** Automated storage and transport solutions for the industrial sector.

GRI 102-2
GRI 102-6

Target customers are manufacturers in the mechanical and plant engineering, automotive and electrical engineering sectors. The solutions range from warehouse logistics in production-related environments and spare parts logistics to the use of robotics and automated guided vehicles.

- **Fashion:** All customers who sell or produce apparel and accessories. The goods can be conveyed or stored horizontally, suspended or packed.

To ensure automated material flows within a warehouse, SSI SCHAEFER has developed the WAMAS® logistics software, which can be used to control and monitor all intralogistics processes. The Group employs a total of 1,100 software experts who are responsible for new digital solutions and provide customers with advice on high-performance products for linking software and hardware components. As a certified SAP partner, SSI SCHAEFER also supports solutions such as SAP Extended Warehouse Management (EWM) and assists its customers during introduction and ongoing operation.

Products & Equipment

The SSI SCHAEFER Products & Equipment unit offers a broad portfolio of products and solutions for manual and semi-automated intralogistics, which forms the basis for solutions that are tailored to customers' specific requirements. Thanks to the modularity of the portfolio, the products are optimized for integration and scalability. The business unit breaks down into the following four product sectors:

- **Containers:** The product range comprises numerous storage, picking and transport containers for manual as well as semi-automatic and fully automated warehousing.
- **Racking:** One of the most versatile pallet racking systems on the market for individual solutions.
- **Shelving:** Variable and high-quality shelving systems for manual storage in single or multi-level design.
- **Dynamic Systems:** Semi-automated storage and picking solutions that are adapted as required.

Customer Services

To serve the highly complex logistics systems in the best possible way, the SSI SCHAEFER Customer Services unit provides an innovative portfolio of services for maximum availability of all systems. The Service Account Managers use the latest technologies to effectively answer all service requests. The services break down into the following three areas:

- **Reactive Services** comprise 24/7 support, 365 days a year. SSI SCHAEFER has experienced engineers at over 90 service locations worldwide. In addition, augmented support allows service technicians to follow what is happening in real time, enabling them to respond quickly to service inquiries.
- **Preventive Services** include preventive maintenance by specially trained service technicians using a computer-aided maintenance management system (SSI SCHAEFER CMMS). The range of services also includes inspections, safety checks, system monitoring as well as training for business partners' employees.

- **Life Cycle Management** comprises constant support and assistance for customers across the entire service life of their facility and beyond. With the retrofit approach, SSI SCHAEFER experts bring the system up to the latest technology. In addition, business partners across the globe benefit from a 24/7 spare parts service.



Waste & Packaging

SSI SCHAEFER designs comprehensive, needs-based system solutions and modular concepts for waste management and recycling. Products are optimized for integration into existing structures and are supported by software solutions. SSI SCHAEFER has played a pioneering role in the development of new disposal systems for both the commercial and municipal sectors, thus setting new standards in waste management.

Business performance in the reporting year

In the financial year 2021, SSI SCHAEFER generated revenues of € 1,865 million and exceeded the projected budget with an order volume of € 1,978 million. Accounting for approx. 90%, the intralogistics segment, which SSI SCHAEFER operates as general contractor as well as product supplier and service provider, is the most dominant. The SSI SCHAEFER Logistics Solutions unit made the biggest contribution to total revenues (52%). Of the six regions in which the SSI SCHAEFER Group operates, Central Europe was the region with the highest sales last year. In this region, Germany is the most important market, characterized by good growth and the largest market coverage.

South-East Asia and Australia are the regions with the highest growth rates and are of great importance to SSI SCHAEFER.

In spite of difficult circumstances due to the ongoing Covid-19 pandemic and plant shutdowns as well as supply shortages and interruptions, SSI SCHAEFER received incoming orders of just under € 2 billion in the financial year 2021, 17.5% above the previous year. Sales revenues rose by approx. 30% to € 1.865 billion.





Associations and initiatives - broadening our own horizon and shaping the future

To further develop our company, it is important to start an exchange with other enterprises and external experts. In order to broaden our horizon and help shape our industry, we are active members of associations and initiatives that are in line with our company slogan "Think Tomorrow."

SSI SCHAEFER was the first company of the intra-logistics industry to join the "50 Sustainability & Climate Leaders" initiative. As part of the initiative, international enterprises take responsibility and leadership in the fight against climate change (cf. chapter Sustainability Strategy & Management, p. 13).

For several years, SSI SCHAEFER has been one of 250 member companies of the VDMA Materials Handling and Intralogistics trade association, the leading intra-logistics association in Europe. In early 2022, our CEO Steffen Bersch was elected as the association's new Management Board Chairman. In this role, he will represent the interests of German and international enterprises from the fields of automated guided vehicles, industrial trucks, cranes, storage technology and continuous conveyors, and will continue to drive forward trends of the future such as sustainability and digitalization.

In addition, the companies of the SSI SCHAEFER Group are active in more than 200 other external initiatives and associations at a local level.

Sustainability Strategy & Management

Sustainability as we understand it is a combination of corporate citizenship, ecology and economic viability. Sustainable operation and ecological action ensure the future viability of our company. This holistic approach characterizes the sustainability strategy of SSI SCHAEFER.

Our business activity is based on a value-oriented corporate culture. As a family business, we are therefore committed to shaping the future independently and pragmatically and rely on the trusting cooperation within a strong Group. We attach great importance to implementing change in a spirit of partnership and actively promote sustainability in the handling of all resources.

Two dimensions of sustainability at SSI SCHAEFER

Sustainability has two dimensions for SSI SCHAEFER: responsible operation along our own value chain and promoting the sustainability of our customers with the help of innovative and future-proof technologies.

Ongoing urbanization and customers' growing expectations with regard to the rapid availability of increasingly individualized and sustainable products are major challenges that we are facing. With modular and scalable solutions, we help our customers to operate successfully in their respective markets under these dynamic effects.

SSI SCHAEFER is part of the larger community

We see ourselves as a player in a social structure and want to make a contribution to sustainable development. To live up to our responsibility, it is important to understand the external expectations of our customers and their customers so as to consider them in our actions.

We therefore attach great importance to open and regular dialog, honesty and a spirit of partnership with all our stakeholders. The latter include above all customers, employees, business partners, shareholders and investors as well as society and the public at large. This forms the basis for the development of our sustainability strategy.

Roots and approach of the sustainability strategy

As part of the development of our 2023 Group strategy, we have defined sustainability as one of the top priorities of SSI SCHAEFER alongside profitability, innovation, growth, customer satisfaction and employee orientation. To put the topic on a solid footing, we developed a Groupwide sustainability strategy in 2021.

An analysis of our business environment to identify relevant topics forms the essential thematic basis of this sustainability strategy. For this purpose, mega-trends relating to the SSI SCHAEFER business model, the UN Sustainable Development Goals, the results of a peer group comparison and the corporate strategy of SSI SCHAEFER were considered in our analysis.

From the longlist of possible topics generated in this process, a shortlist of thematic fields with a total of 20 key topics was derived in a dialog with external sustainability consultants, which served as the basis for the stakeholder survey and the development of a materiality matrix:

• Responsible action

- Respect for human rights
- Compliance with rules
- Supply chain

• Sustainable value creation

- Digitalization
- Innovation
- Quality and product safety
- Stable and profitable growth
- Mindful use of resources

• Employees

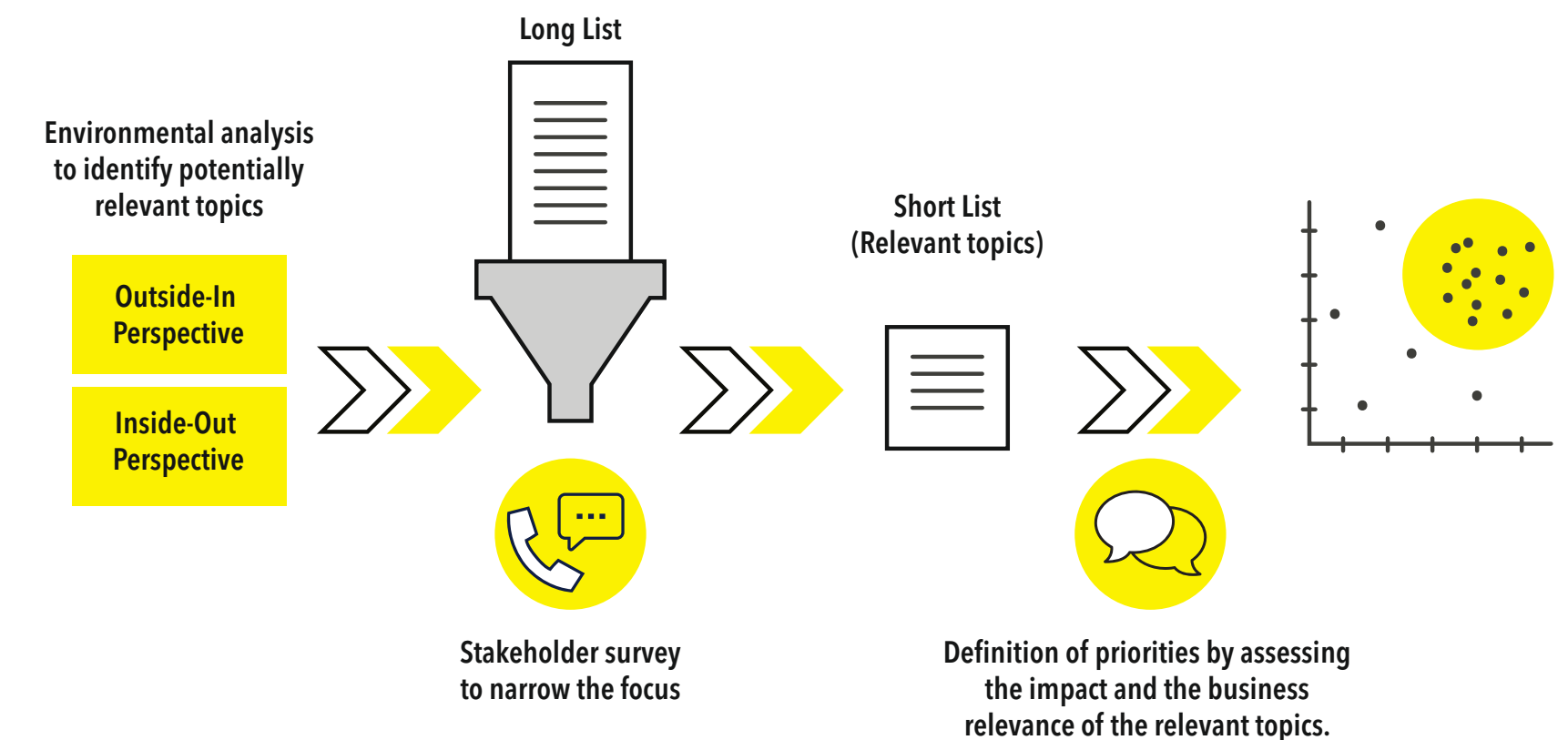
- Learning and development
- Responsible employer
- Diversity and participation
- Safe workplace

• Society and politics

- Corporate citizenship
- Good neighbor
- Stakeholder management

• Climate and environment

- Energy and climate protection
- Use of water
- Biodiversity
- Environmental management
- Reducing emissions



Involvement of key stakeholders and development of the materiality matrix

An important aspect of the sustainability strategy is the involvement of key stakeholder groups, whose views form the **first dimension** of the materiality matrix. In the context of stakeholder interviews at a national and international level, we were able to validate and weight the 20 key topics identified.

A total of eleven stakeholders from the key stakeholder groups

- Customers
- Suppliers
- Banks
- Associations
- Civil societies

initially completed a questionnaire with the aim of assessing, on the one hand, the relevance of individual aspects from the five thematic fields in general and, on the other hand, the performance of SSI SCHAEFER in these aspects in particular. Based on this, telephone interviews were held with the stakeholders surveyed to obtain further qualitative statements on their assessment.

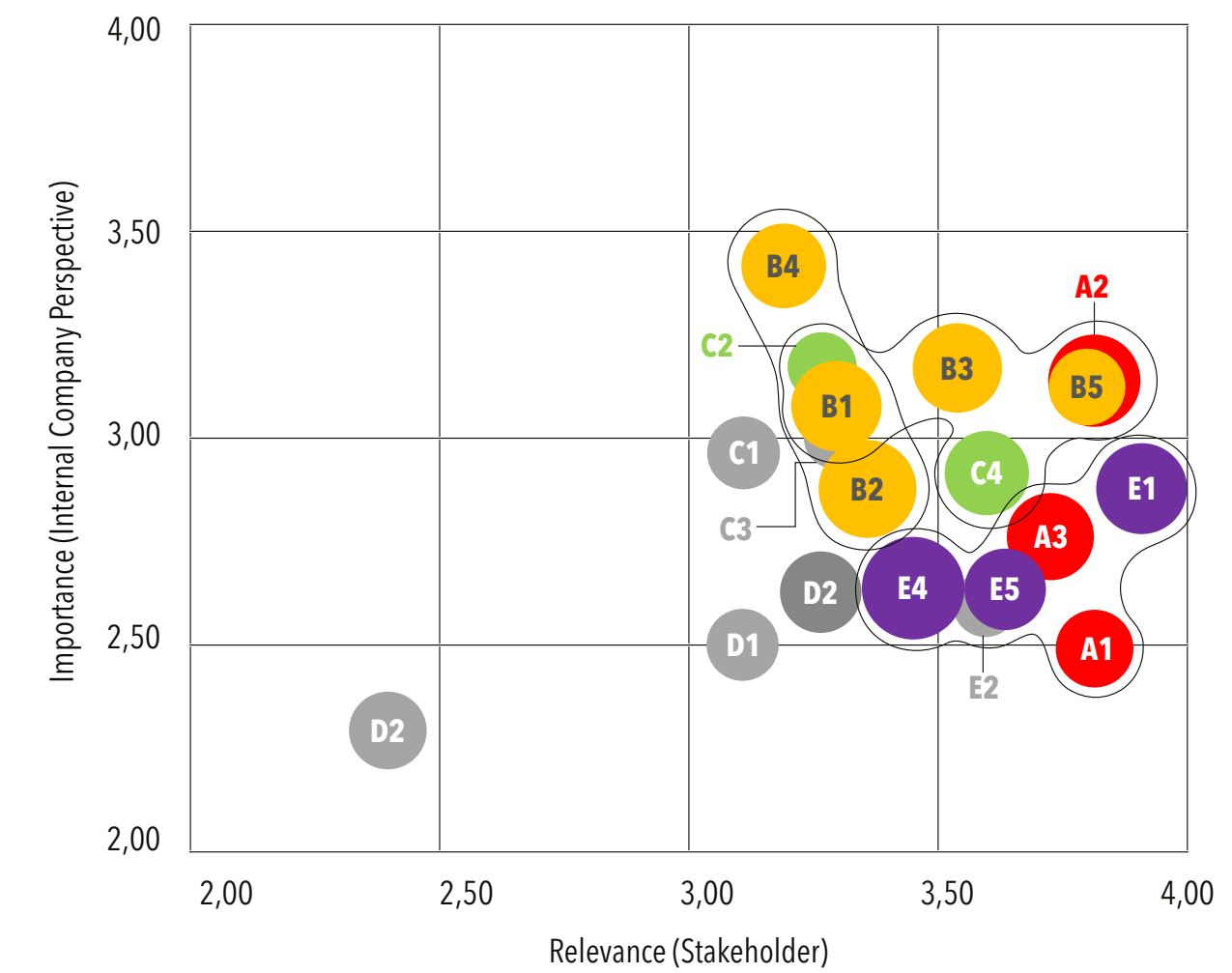
The most relevant topics from the stakeholders' perspective were energy and climate protection, respect for human rights, compliance with rules, mindful use of resources and supply chain. While the performance of SSI SCHAEFER with regard to the topics of safe workplace, respect for human rights, compliance with rules as well as quality and product safety was already rated positively by the stakeholders, they still see a need for action with regard to

important topics such as digitalization, innovation, energy and climate protection as well as environmental management.

The **second dimension** of the materiality analysis relates to the impact of the SSI SCHAEFER business activities (inside-out). For this purpose, all 15 members of our Global Sustainability Council received a questionnaire to assess the probability and intensity of the impacts of the SSI SCHAEFER business activities on the topics of the shortlist. The topics that were rated as most important in this context were profitable growth, quality and product safety, responsible employer, respect for human rights, digitalization and mindful use of resources.

In a third step, the three members of the SSI SCHAEFER management team assessed the topics with regard to their business relevance (**third dimension**).

The results of the two dimensions described above resulted in the materiality matrix presented below, in which the relevance (stakeholder assessment) is shown in the x-axis, while the importance (inside-out) is shown on the y-axis. Management's assessment of the business relevance is reflected by the size of the circles.



Definition of Action Areas

- | | |
|---------------------------------|----------------------------------|
| ■ A1 Respect of human rights | ■ C3 Diversity & participation |
| ■ A2 Compliance with rules | ■ C4 Safe workplace |
| ■ A3 Supply chain | ■ D1 Social engagement |
| ■ B1 Digitalization | ■ D2 Good neighbour |
| ■ B2 Innovation | ■ D3 Stakeholder-Management |
| ■ B3 Quality & product safety | ■ E1 Energy & climate protection |
| ■ B4 Stable & profitable growth | ■ E2 Water management |
| ■ B5 Mindful use of resources | ■ E3 Biodiversity |
| ■ C1 Learning & development | ■ E4 Environmental management |
| ■ C2 Responsible employer | ■ E5 Reducing emissions |

GRI 102-21
GRI 102-40
GRI 102-42, 102-43, 102-44
GRI 102-46

Value-oriented corporate culture as a foundation for our dealings with stakeholders and resources

- Compliance with rules
- Quality and product safety
- Mindful use of resources
- Responsible employer
- Safe workplace

Using intelligent processes to create innovative and sustainable solutions for our customers

- Digitalization
- Innovation
- Stable and profitable growth

Responsible management by reducing impacts along our value chain

- Respect for human rights
- Supply chain
- Energy and climate protection
- Environmental management
- Reducing emissions

In a further consolidation step, we grouped the topics that had received a high score in all three assessment dimensions and were closely related in terms of content into action areas. To define the action areas, the business strategy of SSI SCHAEFER was used in particular.

These three action areas were complemented by a fourth, process-oriented field of action to ensure that we at SSI SCHAEFER make it our mission to create the organizational preconditions for anchoring sustainability within our Group.

On this basis, we developed our SSI SCHAEFER Sustainability Policy & Roadmap, in the context of which we formulated strategic and smart* goals and coordinated them with the departments concerned and the management. Actions for the individual goals as well as indicators for measuring the degree of goal achievement were defined, preferably on the basis of the GRI standards of the Global Reporting Initiative.

Our sustainability goals make a contribution to the UN Sustainable Development Goals

By implementing our sustainability strategy, we want to make a contribution to achieving the UN Sustainable Development Goals (SDGs). We focus on the following SDGs:



In these Sustainable Development Goals, we see the maximized positive impact of our '4 action areas' strategy and our actions.

GRI 102-46, 102-47
* specific, measurable, ambitious, realistic and scheduled

Sustainability management as a strategic success factor

Sustainability is not just an issue for our headquarters. The Global Sustainability Council (GSC) therefore involves the five Regional Heads and the heads of the Group-wide responsible central departments in the management and pursuit of the goals.

Goal	Timetable	Indicator	Actions	Responsible
Development of a Group sustainability management strategy	12/2021	Yes/No	<ul style="list-style-type: none"> Management structure (GSC) Identification and naming of local sustainability contacts. 	Head of GSR
Implementation of a Group sustainability management strategy	12/2022	Yes/No	<ul style="list-style-type: none"> Implementation of local processes based on global processes Development and implementation of training for employees 	<ul style="list-style-type: none"> Head of GSR Regional Heads
Publication of the first SSI SCHAEFER Sustainability Report	Mid-2022	Yes/No	<ul style="list-style-type: none"> Development of a reporting structure Text & design Internal and external communication 	<ul style="list-style-type: none"> Head of GSR Head of Communication & Marketing
Involve employees in sustainability	End of 2022; ongoing	Yes/No	<ul style="list-style-type: none"> Sustainability project for trainees/apprentices 	Head of GSR

Value-oriented corporate culture as a foundation for our dealings with stakeholders and resources

SSI SCHAEFER has a value-oriented corporate culture. It forms the foundation for our dealings with stakeholders and resources. We have defined the main cornerstones for this and put them into practice.

- We develop an understanding for compliance in the company and in our environment.
- Design of a Group-wide strategic EHS (environment, health, safety) management system at all levels
- Creating and preserving jobs is the result of our attitude.

Goal	Timetable	Indicator	Actions	Responsible
The overall goal of the compliance organization is to create a culture of integrity in the company.	Ongoing	<ul style="list-style-type: none"> Percentage of employees with PC workstation who have completed Compliance eLearning Percentage of employees with PC workstation who have received the Compliance Brief Percentage of senior managers who have received personal training 	<ul style="list-style-type: none"> Access to the eLearning platform for all companies and all employees with a PC workstation Promotion of eLearning on the company-wide intranet "ONE" Regular reminder in case of non-completion Involvement of the Compliance Department in regular briefings by superiors/HSE Regular repetitions and feedback from superiors Organization of training by Group Compliance, either on site at the individual company, remote or at management meetings Raise awareness for compliance throughout the Group and commitment to compliance by the management 	Compliance Officer
Design of a Group-wide strategic EHS management system	12/2022	Yes/No	<ul style="list-style-type: none"> Introduction of an organizational structure Definition of Group standards Creation of data collection processes 	<ul style="list-style-type: none"> Head of EHS Regional EHS Managers
Definition of global KPIs for safety performance based on data collection	2022	<ul style="list-style-type: none"> Lost Time Injury Frequency Rate Unfallschweregrad 	<ul style="list-style-type: none"> Definition der zu erfassenden Daten Ausrollen des Reportingprozesses 	Head of EHS

Using intelligent processes to create innovative and sustainable solutions for our customers

SSI SCHAEFER has always understood innovation capacity as a challenge that benefits us, our partners and our customers. This attitude has made us one of the most sought-after intralogistics solution providers worldwide. The aspect of sustainability demands new innovative solutions from us both in production and in the services we offer.

Goal	Timetable	Indicator	Actions	Responsible
Reduce the pneumatics share in our product range (FT+, PCS, OCS) to 5%	2025	Products with pneumatics [%]	<ul style="list-style-type: none"> Develop alternatives to pneumatics Redesign the product range 	Global Technology
Introduction of a sustainability body in the product development process in 2022	2022	Yes/No	<ul style="list-style-type: none"> Define the composition of the sustainability body Constituent meeting of the sustainability body Adaptation of the product development process 	Global Technology

Responsible management by reducing impacts along our value chain

Our membership of the “50 Sustainability and Climate Leaders” initiative (see chapter Company portrait, p. 5) is both a motivation and an obligation for us to act in a measurably and visibly sustainable manner. One example of this is our consideration of a sustainable supply chain to permanently reduce or eliminate the negative impact of our actions - e.g. with strategies that give preference to recycled materials over virgin materials.

Goal	Timetable	Indicator	Actions	Responsible
Introduction of a new onboarding process for suppliers	12/2022	Yes/No	Purchase of software support	Procurement
Cover 50% of the top 100 suppliers (direct spend) with sustainability audits	2023	Percentage of suppliers audited	<ul style="list-style-type: none"> Risk analysis of the supplier base Development of an audit program Regular implementation of the audit program 	Head of Procurement
75% of buyers trained in sustainability	End of 2022	Percentage of buyers trained	<ul style="list-style-type: none"> Development of a training program Regular implementation of the training program 	Head of Procurement
Reduce mobility and travel-related emissions by switching to 20% electric or hybrid vehicles	2023	Percentage of electric or hybrid vehicles	<ul style="list-style-type: none"> Amendment of the Company Car Policy Infrastructure for charging electric and hybrid cars Purchase of electric or hybrid vehicles 	Procurement
Calculation of the carbon footprint for the largest 18 entities of SSI SCHAEFER (Scope 1 and 2)	Mid-2022	Carbon emissions in t CO2 per year	<ul style="list-style-type: none"> Obtain external support Collect energy consumption data of SSI SCHAEFER (18 largest entities) 	<ul style="list-style-type: none"> Head of GSR 18 largest SSI SCHAEFER entities
Publication of a carbon / climate strategy for the SSI SCHAEFER Group	12/2022	Carbon emissions in t CO2 per year	Definition of carbon target (scope 1 and 2)	C-Level

■ Field of action 1

Value-oriented corporate culture as a foundation for our dealings with stakeholders and resources

The corporate culture of SSI SCHAEFER is based on values and standards that apply to the entire Group. With over 70 subsidiaries and some 10,000 employees in six regions, we are a highly diversified organization - which makes it all the more important that we all comply with applicable rules and laws. It is only on this strong foundation that we can maintain responsible dealings with our stakeholders and use the resources that are available to us in a responsible manner.

Our most important stakeholder group in this context are our employees, who form the basis for the long-term success of our company. As a responsible employer, SSI SCHAEFER is always committed to creating an attractive working environment and attaches great importance to occupational health and safety. This way, we enable our team to meet the demands we make on the quality and safety of our products and solutions, while at the same time being mindful of the resources we use.



Compliance: More than just laws

Whether it is anti-corruption, diversity or environmental protection – at SSI SCHAEFER, compliance and sustainability are closely linked. This involves the question of how we live up to our corporate responsibility – towards the environment and society, towards our employees worldwide, our business partners, our suppliers, our service providers and the general public.

What are the values and maxims that guide our business activities? What do we do – and what do we refrain from? The answers to these questions are guided by international regulations and national laws as well as by internal guidelines we impose on ourselves.

Our Compliance Department, which reports directly to the Management Board, defines these guidelines and makes them known throughout the company. It monitors compliance, takes care of sanctions in the event of violations and answers employees' questions – in close cooperation with other group functions such as Legal, Finance, Human Resources or Procurement.

It is ultimately the responsibility of all our employees to actively ensure compliance in their daily work, with

managers and executives at all hierarchical levels having a special role model function in this respect.

Compliance helps secure corporate success

SSI SCHAEFER operates in more than 70 countries, each of which has its own laws and regulations that need to be complied with. Legislation is a dynamic process – laws are amended, some are dropped, new ones are introduced, such as the Supply Chain Due Diligence Act in Germany. As a global player, we always have to keep an eye on the legal situation, respond quickly to changes and adapt our processes and systems accordingly.

Violations of laws or guidelines might have considerable consequences for the individuals involved, their management and the company as a whole. It is therefore essential for us to prevent rule violations from the very beginning.

An important task of the Compliance Department in this context is to educate employees, as well as

to identify and sanction potential violations at an early stage.

If everyone adheres to the applicable rules and laws, the company will benefit in the long term, as professional compliance management helps to secure business relationships and thus also jobs in the company. After all, the company will be successful in the long term only if it has stable external relationships.

Our strategic approach

For us at SSI SCHAEFER, however, compliance means more than just adhering to laws. It stands for integrity and compliant behavior in general. We pursue the goal of putting integrity on a par with our business success. We have therefore made integrity and compliance focus topics in our sustainability roadmap.

In this context, integrity has three dimensions for us; in the individual dimension, integrity means that we strive to do the right thing out of inner conviction and do not allow external factors to divert us from the path of integrity. In the organizational dimension, integrity means that we anchor the topic in our business processes and thus create an (integrity) framework that gives employees security in their own actions. And integrity also has an impact on the company's assets. It strengthens our owners' trust in us and makes us more attractive to investors, customers and employees - this is how integrity supports the success and performance of SSI SCHAEFER.

With this approach, we want to be a role model in the intralogistics industry. Our **Code of Conduct for employees** defines ten principles that reflect our values. It is based on laws and regulations on the one hand and on internal guidelines on the other hand and applies to all SSI SCHAEFER employees. It serves as a guide in our daily work and as a decision-making aid in difficult situations.

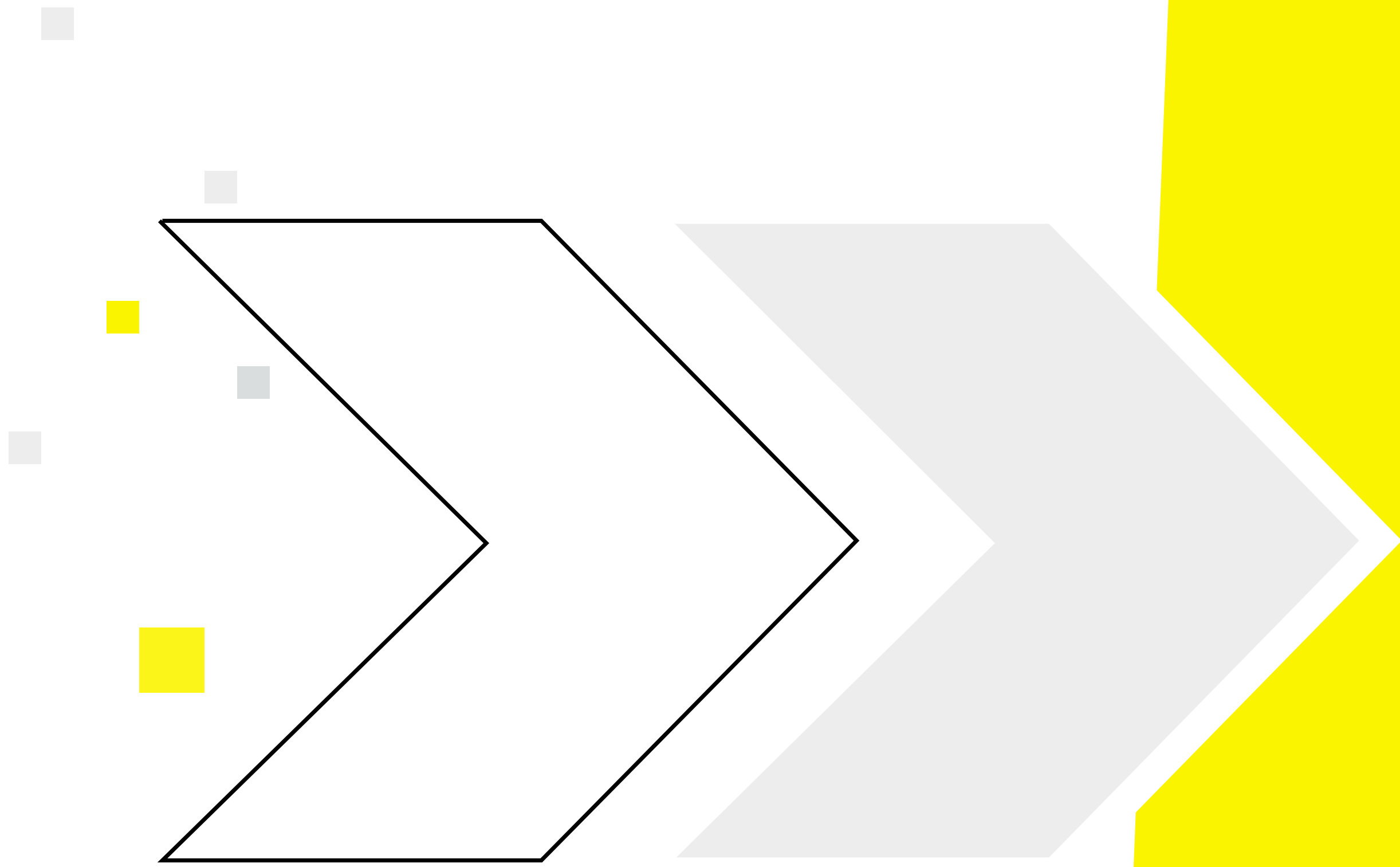
The Head of the Group Compliance Department is responsible for setting up the Compliance Management System. In this role, he reports directly to the Chief Executive Officer (CEO). To establish integrity and compliance measures throughout the Group, a project will be set up to bundle the various measures under a single roof. This will help us establish an appropriate Compliance Management System and have a positive influence on the corporate culture and the success of our company. The Compliance Management System will be developed and implemented along the three pillars "Prevent, Detect, Respond".

New Code of Conduct for employees and training concept

The first step towards an appropriate Compliance Management System was successfully completed in 2021. In April, we published a new Code of Conduct for employees and launched a communication campaign to publish it throughout the company.

The Compliance Team has set up a digital complaints system to detect violations of the rules; the **online tool** allows employees and external parties such as customers and suppliers to report violations of the law or the Code of Conduct, anonymously if they wish. The system is managed centrally by the Compliance Team, whose members take note of all complaints and investigate them. In the event of a rule violation, the team will take care of appropriate sanctions.

January 2022 saw the launch of an e-learning course on the Code of Conduct; the interactive online tool familiarizes employees with the Code of Conduct and trains them on how to apply it in specific situations in their daily work. Topics addressed include anti-corruption, competition law, human rights (see chapter Assuming responsibility, protecting human rights, p. 52), conflicts of interest and data protection.



Outlook

For 2022, we have set ourselves ambitious goals, most importantly the launch of the project to implement and further develop the Compliance Management System. Among others, the project will address the following aspects: hazard analysis, HR compliance, business partner audit, guidelines, compliance training and whistleblowing.

Our first target is for at least 80% - and in many regions as many as 97% - of our global staff with PC workstations to have completed the Compliance e-learning course rolled out at the beginning of the year by the end of 2022.

Moreover, all 170 members of the senior management are to receive face-to-face training this year. Here, too, our target is for at least 80% - or ideally 97% - of the senior managers to have completed this training by the end of the year.

Excellent quality, safe products

For complex organizations, professional and systematic quality management is indispensable to ensure quality, product safety and thus customer satisfaction and corporate success in the long term.

At SSI SCHAEFER, the group function "Integrated Management Systems (IMS)" is responsible for the quality management system and its contents. It also systematically controls all other management systems based on the ISO High Level Structure – e.g. for the environment, energy, information security and occupational safety. This includes, for instance, the maintenance and expansion of the certifications as well as the Group's complete audit management. The respective group functions are responsible for the specific contents of the management systems "Environment", "Energy", "Information Security" and "Occupational Safety".

Standardized quality management

Our customers make high demands on the quality of our solutions – they want our products to be easy to install and operate, to have a long service life and to be insensitive to failure. Maintenance and repair should be possible without major effort. And the data security of digitally controlled systems is also essential in times of increasing cybercrime.

How can we ensure the quality and safety of our offerings? The greatest challenge for a global player like SSI SCHAEFER is to establish uniform quality and safety standards at all locations, to monitor compliance with these standards and to systematically integrate quality management into the company's processes – e.g. already in the early stages of product development.

Our strategic approach

The excellence and quality of our solutions form the basis of our corporate success. To secure this success, we use a continuous improvement process, in which we set ourselves quality targets and define measures to achieve them. We implement these measures, check them for success – and optimize our products and processes. All our employees can participate in the improvement process by entering their suggestions for optimization in a central digital tool. After having been checked for feasibility, the ideas are incorporated into the process.

To establish and further professionalize a standardized quality management system, we will have the management systems of all larger entities within the SSI SCHAEFER Group certified according to five ISO standards by 2025: Quality (ISO 9001), Occupational Health and Safety (ISO 45001), Environment (ISO 14001), Information Security (ISO 27001) and Energy (ISO 50001).

Entities with more than 200 employees obtain an ISO 9001 certificate, while entities with over 500 employees additionally obtain an ISO 45001 certificate. Our plants are being certified to ISO 9001, 45001 and 14001. ISO 27001 is primarily relevant for the IT & Information Security group function.

The planned Group certification also has an impact on our supply chain, as the quality criteria play an important role in the assessment, selection and qualification of our suppliers. Compliance with the standards is checked by Procurement with the help of supplier audits (see chapter Securing sustainable supply chains worldwide, p. 55). As we are suppliers ourselves, we are open to audits by our customers at all times.

To control quality management efficiently, all relevant information is bundled centrally on a digital platform – including certifications, management assessment and key performance indicators. This allows us to keep an eye on the progress of our measures and to provide the data that is required for reporting to management or external certification bodies with just a few clicks.

Responsibility for strategic quality management rests with the group function “Integrated Management Systems”, the head of which reports directly to the management. The team cooperates closely with the group functions “Business Process Management” and “Social Responsibility & HSE”. The business units and plants are responsible for the practical implementation of quality assurance.

Ready for Group certification

In 2021, we made extensive preparations for Group certification and had them externally validated, so that we can start the process in Central Europe in 2022. Necessary requirements include standardized management system documents and processes, a management and process assessment, a management manual, clearly defined organizational and reporting structures, as well as a global audit program. All existing certificates were renewed successfully.



Exchange with stakeholders

We maintain a regular exchange with our stakeholders on the topic of quality management and external certification bodies. We attend conferences to obtain feedback and discuss best practices with representatives from other industries.



Outlook

The coming years will see us implement the Group certifications, starting in Austria in 2022, followed by Germany and Switzerland in 2023. We want to complete the project globally by 2025. The IMS group function and Procurement are also planning 25 supplier audits for 2022.



Mindful use of resources

Natural resources such as raw materials, water, solar energy and land are the basis for our life on earth. We humans are currently consuming more resources than ever before. This is a problem, as many resources are finite - e.g. fossil energy sources such as oil, coal or natural gas. At the same time, the global community's consumption of resources has an adverse impact on the environment, as it leads to soil degradation, water scarcity or loss of biodiversity, affects our ecosystems and intensifies climate change. The mindful use of natural resources is therefore an important pillar of the SSI SCHAEFER sustainability strategy.

Various business units at SSI SCHAEFER are responsible for the economical use of resources along the value chain, such as Procurement, production managers and the Social Responsibility & HSE group function. And quite obviously, every single employee is ultimately responsible for using resources responsibly.

Saving resources along the supply chain

As a manufacturer of intralogistics products and solutions, we source various raw materials from our suppliers for further processing. Particularly relevant to our business are steel and plastics, which are extracted from iron ore, nonferrous metals, crude oil and natural gas - and whose production consumes a lot of energy. The challenge is to positively influence the resource efficiency of our suppliers by incorporating standards in the contracts we award and by deliberately purchasing resource-saving or reused materials, as well as in negotiations (see chapter Securing sustainable supply chains worldwide, p. 55).

SSI SCHAEFER itself primarily uses renewable and non-renewable energy sources, water, land, air, gases and various building materials such as sand, stone and wood. We see further potential for considerable savings especially in our energy consumption and the use of fossil fuels (see chapter Stopping climate change, p. 59).

Our strategic approach

To save energy along the value chain and protect the climate at the same time, we are currently developing a comprehensive reduction strategy; we want to increase the energy efficiency of our processes, products and buildings and purchase electricity from 100% renewable sources or produce it internally (see chapter Stopping climate change, p. 59).

When purchasing steel and plastics, we are increasingly using recycled materials (see chapter Securing sustainable supply chains worldwide, p. 55). We save water and space by continuously optimizing our processes. For all new buildings, we will use renewable energy and sustainable building materials going forward. We also contribute to our customers' resource efficiency by designing our products and systems to be energy-efficient and space-saving.

Resource efficiency along the supply chain is managed and controlled by the Procurement group function and the production managers as well as by those responsible for the respective environmental and energy management systems (see chapter Excellent quality, safe products, p. 23 and Improving environmental performance, p. 62) and by the Social Responsibility & HSE group function.

The heads of the group functions and the production managers report directly to the management, while the Environmental Officers are integrated into the local organizations at the respective sites.

Energy efficiency and circular economy

In 2021, we planned various measures to improve our energy efficiency (see chapter Stopping climate change, p. 59). Where steel and plastics are concerned, we are already using recycled materials for some product groups (see chapter Securing sustainable supply chains worldwide, p. 55): Around 20% of the steel we use for production is recycled steel. Around one third of the plastic granulate for our waste containers comes from recycled plastic. Going forward, we want to further increase the recycled content of our products in consultation with our suppliers.

Exchange with external stakeholders

On the topic of sustainability and resource efficiency, we exchange ideas and opinions with members of the Sustainability Working Group at the German Mechanical and Plant Engineering Association (VDMA) and the Sustainability Working Group of the Bundesvereinigung Logistik (German Logistics Association). As a member of the 50 Sustainable Climate Leaders business initiative (see chapter Stopping climate change, p. 59), we regularly attend conferences and discuss new approaches to saving resources along the supply chain with other leading global organizations.



Outlook

As we refine and implement our global sustainability strategy, SSI SCHAEFER will place an even stronger focus on the issue of resource efficiency in the coming years. Following the development of our carbon reduction strategy, which will be completed in the third quarter of 2022, we will establish thematic working groups with members from all relevant business units to closely focus on saving resources in production and along our global supply chain in order to achieve our reduction targets.

Responsible employer

Sustainability starts with people. After all, our employees are the basis for the long-term success of our company. From the job interview to working for of our company to leaving the company - we are committed to ensuring fair working conditions and treating our employees responsibly.

The HR group function is responsible for human resources management at SSI SCHAEFER, while employee communication is managed by the Global Communication & Marketing group function as part of internal communications. HR ensures that employees with the right skills are deployed where they are needed in the company and provides systems that enable structured performance reviews and organized learning via the company's own platforms.

Change through new organizational structure

The new corporate strategy introduced in 2021 and the implementation of the new organizational structure (see chapter Company portrait, p. 5) will lead to a profound change in daily work at SSI SCHAEFER, as roles, areas of responsibility, processes and interfaces will have to be redefined in all business units. Such changes entail many questions on the part of

the workforce. This makes it all the more important to meet the need for information with comprehensive, transparent and sensitive employee communication and to demonstrate safe and stable leadership. In the context of the "together" project, we have laid an important foundation in this respect to allow a new, future-proof corporate culture to arise and grow.

The ongoing shortage of skilled labor throughout our line of industry is another challenge for HR management at SSI SCHAEFER. Finding suitable candidates is particularly difficult in software/IT, project management and production. We are countering the labor shortage by continuously increasing our attractiveness to potential applicants and by investing in the training and development of our employees (see chapter People matter, p. 69).



Our strategic approach

As a responsible employer, we at SSI SCHAEFER always strive to create an attractive working environment in which our employees feel comfortable and can deliver their best performance. We are interested in long-term employment relationships and trusting relations with our employees and support them in developing and advancing their personal skills at work.

Like all other group functions, HR is managed centrally, with the Head of HR reporting directly to the company's CEO due to the central role played by human resources. Each of the six regions has its own HR Manager, who has professional and disciplinary responsibility for the local HR employees in their country. The regional HR managers report technically to the head of the group function. Due to the diversification and the different cultural conditions in the individual regions, there is currently no universal management approach.

Our strategic approach for the DACH region is as follows:

Fair working conditions

We offer our employees not only a meaningful job in a value-oriented, international company, but also safe working conditions (see chapter A safe workplace for all, p. 33) as well as comprehensive health management. We attach importance to fair pay based on a transparent, performance-based remuneration scheme, including vacation allowance and Christmas bonus as well as overtime compensation. At many of our locations, feedback interviews between managers and employees are used to assess performance in a transparent manner. A works council represents the interests of our employees vis-à-vis the management, and there is a representative body for severely disabled employees for the German locations. In the event of difficulties with superiors or colleagues, our employees may use various complaints mechanisms.

Training and further education

We offer our employees diverse opportunities for training and further education (see chapter People matter, p. 69). With a wide range of online and face-to-face training courses, we support them in developing their professional and personal skills.

Company pension scheme

Our employees in Germany have the opportunity to supplement their statutory pension with a company pension - or to make provisions for their old age in countries where there is no state pension insurance.

Work-life balance

A good work-life balance is important for the health of our employees. SSI SCHAEFER offers them flexible working time schemes and - if permitted by their function - allows them to work part of their working hours from home. Employees may also take a sabbatical in consultation with their superior. We also attach great importance to the compatibility of work and family - and promote flexitime as well as parental leave, especially also for men and managers. In addition, the individual locations offer various recreational activities and employee initiatives.

Attractive additional benefits

Our employees have the opportunity to take advantage of attractive additional benefits - depending on the location, these include subsidized job tickets for public transport, bicycle leasing, employee discounts and a canteen allowance.

Modern employee communication

To promote trusting relationships and dialog between employees and management, we regularly use various formats of internal communication. This is the responsibility of the Global Communication and Marketing group function and includes, for instance, management newsletters, news articles and intranet videos, townhall meetings as well as coffee talks.

SSI SCHAEFER Academy and HR Universe

In 2021, the focus was placed on the implementation of the new organizational structure and the accompanying communication measures. Feedback interviews between employees and their managers took place throughout most of the company - they are the basis for the development of skills and further training measures of our employees. To further professionalize our range of training opportunities, we have launched the SSI SCHAEFER Academy (see chapter People matter, p. 69).

We are also in the process of standardizing our HR processes and have started planning a central HR Suite. Going forward, this HR Universe will enable us to manage data and documents centrally, to use standardized procedures worldwide, to automate processes and, for instance, to accelerate approvals when filling positions.

GRI 103-1, 103-2, 103-3

Feedback interviews for assessing performance as well as measures for skills and personality development will also be organized and documented in the HR Universe in the future.

Exchange with external stakeholders

When it comes to HR management as well as training and further education, we work with external trainers with whom we maintain a professional exchange. Through educational cooperations and sponsorships, we have regular contact with universities and schools and thus introduce potential future staff to our company.





Outlook

We want to further develop the new corporate culture in 2022 and implement it with the help of diverse measures. In the context of the SSI SCHAEFER Academy, we will also launch the Leadership + Management program for our top executives and systematize and standardize the annual feedback interviews between employees and their superiors worldwide. Our new HR Universe digital platform will be established successively starting 2022.

A safe workplace for all

Whether it is at our production sites, on customer construction sites, mobile customer service or in the offices, we are committed to ensuring a safe workplace for all our employees. We want to preserve and, if possible, even improve their health by taking a professional approach to occupational health and safety.

Occupational health and safety affects all SSI SCHAEFER locations and is an essential part of our daily work. The Social Responsibility & HSE group function manages occupational health and safety centrally and adopts policies and global processes, which are then implemented locally at the individual company sites in accordance with local conditions.

Creating a common understanding of safety

Our employees are in action all over the world. Every country has its own occupational safety laws but also its own working culture - and its own understanding of what occupational safety actually involves. We see this diversity as an opportunity, as it allows us to develop a common understanding of safety across all locations and thus improve cooperation and interaction in our everyday work.

Corporate success hinges on occupational safety

In fast-growing markets characterized by high competitive pressure, it is sometimes necessary to complete projects within the shortest possible time. This entails the risk of placing too strong a focus on efficiency and speed instead of safety. Yet occupational safety very much influences the efficiency and quality of a project, as it prevents accidents that may have dramatic consequences - not only for the people but also for the further course of the project. Organizations which comprehensively protect the health of their staff will automatically improve their performance and success. This principle is followed by SSI SCHAEFER.



Our strategic approach

SSI SCHAEFER is constantly working to further improve occupational safety and the behavior of employees in potentially dangerous work situations. This is done on the basis of our occupational health and safety management system, which is certified to ISO 45001 in some parts of the Group:

- We evaluate the safety standards in our plants, on customer construction sites and in the offices and take the necessary precautions to prevent accidents. Among other things, we provide all workers in the factories and on the construction sites with personal protective gear and conduct regular safety training.
- At ISO-certified locations, we regularly carry out internal and external safety audits.
- We analyze accidents and our safety behavior: what has happened, why has it happened, and what do we need to do to prevent the incident from happening again?

- The result is incorporated into our continuous improvement process and into employee safety training.
- There is a clearly defined reporting line for reporting accidents. We record accident figures globally using a digital tool and evaluate them as part of our reporting.

Occupational safety topics are an integral part of the exchange between production, projects and management. The local, regional and global Safety Managers regularly exchange information with each other and with the management levels. Open topics and projects are discussed, budgets are made available and information is shared. This ensures a constant flow of information across the company.

To report violations, employees and external parties may use the digital complaints system of the Compliance group function (see chapter Compliance: More than just laws, p. 20). Usually, however, employees report their complaints directly to their superior, the competent Safety Manager or the works council.

The Social Responsibility & HSE Group function, which was established in April 2021, is responsible for company-wide occupational safety standards, guidelines and strategy. It coordinates the cooperation and the exchange of the global occupational safety team.

The departmental heads report directly to the Board, with the top management team involved in all strategic decisions and measures.

The global occupational safety team currently has 25 members. Every region has its own Safety Managers, who are in close contact with the group head and act as multipliers. Some local organizations employ their own Occupational Safety Officers, who are led by the respective Safety Managers. Each production site has its own occupational safety organization, which is also part of the global network.

Global Occupational Health and Safety Guideline and network development

In 2021, we implemented various measures to refine and optimize occupational safety at SSI SCHAEFER. For instance, we started working on an internal Occupational Health and Safety Guideline for the entire SSI SCHAEFER Group. We want to publish the Guideline in 2022 and implement it at our locations worldwide. We have also built up an internal occupational health and safety network and introduced a monthly exchange of information.

GRI 103-1, 103-2, 103-3
 GRI 403-1, 403-2
 GRI 403-4
 GRI 403-7

Last year, the occupational health and safety management systems at five of our locations were additionally subjected to external audits.

Compared to the previous year, the accidents in our plants in Germany, Czechia, Malaysia, Austria, the USA and Mexico were reduced by 37% from 155 to 97 (accidents with ≥ 1 day lost). Besides continuous training of employees and the analysis of accident black spots, we were able to avoid hazards by using sensors and visual warnings for machines and forklifts.

Covid-19 testing and vaccination centers

In the context of the Covid-19 pandemic, we adapted our health and hygiene concept by introducing new hygiene guidelines as well as access restrictions to our company buildings. We installed certified testing and vaccination centers at some of our locations and additionally have rapid tests available for regular testing of our employees.

Exchange with external stakeholders

We maintain a regular exchange on occupational health and safety with a number of external players such as certification bodies, employer insurance companies, working groups in the German Mechanical and Plant Engineering Association (VDMA), local governments and authorities, local councils and fire protection authorities.



Outlook

A multi-day event of the global safety team is planned for May 2022, when we will develop a global occupational health and safety strategy as well as a timeline for its implementation. We also intend to develop a certification strategy to ISO 45001 and other management systems for the entire SSI SCHAEFER Group.

For the coming years, we aim to introduce the occupational health and safety system to ISO 45001 at all production sites of the SSI SCHAEFER Group. The certification goes beyond legal requirements and motivates us to review our safety processes even more systematically and to improve them continuously.

The approach also has implications for our supply chain, as the certification requires us to also evaluate our business partners with regard to their safety standards and conduct supplier audits.

At the same time, we want to establish a company-wide safety culture which is not only about complying with rules but also about being mindful in everyday work and assuming responsibility - not only for one's own safety but also for that of one's colleagues. The aim is to launch a behavior-based occupational health and safety program in the medium term.

With a view to strengthening cooperation within the global occupational health and safety network, we will mutually coach each other at our locations and harmonize our digital systems.



Together for the climate

SSI SCHAEFER is one of “50 Sustainability & Climate Leaders” worldwide. The initiative brings together leading international companies from various industries - and sets an example for more climate protection.

The challenge

Global climate change is arguably the greatest challenge of our time. Governments alone cannot win the fight against global warming: All people and organizations must pull together if we still want to achieve the 1.5 degree target.

Due to its high consumption of resources, the economy has a great responsibility. It must therefore drastically minimize its carbon footprint and act quickly, decisively and cohesively.

The solution approach

The **“50 Sustainability & Climate Leaders”** initiative brings together leading international companies from various industries. Together, they set an example for more climate protection and promote sustainable innovations. The 17 Sustainable Development Goals of the United Nations serve as their guidelines. On the **initiative’s online platform**, members show how they adapt their business models and activities to a sustainable future to inspire other companies.

SSI SCHAEFER was the world’s first intralogistics provider to join the initiative in 2020. Other members of the initiative include Microsoft, Novartis and Zeiss.

The effect

Together with other leading global enterprises, we are helping to achieve the UN Sustainable Development Goals - our storage and logistics systems support large corporations and SMEs across the globe in making their logistics processes and supply chains sustainable and efficient. Together with our customers, we reduce energy consumption, carbon emissions and waste, shorten transport routes and ensure healthy and safe working conditions in logistics centers and warehouses around the globe.

Field of action 2

Using intelligent processes to create innovative and sustainable solutions

SSI SCHAEFER is the world's leading solution provider of modular storage and logistics systems. We are continuously working on new and innovative products to provide our customers and their customers with sustainable and future-proof solutions.

Demand for intralogistics solutions is growing every year. To meet this demand - as well as our own ambitions - profitability and growth are part of our strategic core objectives. We can guarantee planning certainty and invest in the future only on the basis of stable growth. In shaping this future, sustainable innovations are of particular importance. They are essential for the future orientation of our company and our industry as a whole and should be seen in close connection with the sustainability aspects.

Digitalization is another major driver of intralogistics. Digital systems, products and processes allow us to make a significant contribution to increased sustainability and efficiency and create added value for ourselves, our customers and the environment.



The future is digital

Smart devices, apps and augmented reality – digital technologies can support us on our way to sustainable intralogistics and accelerate the journey. This is because they not only enable efficient data storage and fast communication, but also provide the technical basis for optimizing products and processes and designing them more resource-efficiently.

IT & Information Security is the group function that is responsible for digital systems at SSI SCHAEFER. Innovation management, in turn, is controlled by the Global Technology group function. Here, all employees can participate in the innovation process (see chapter Sustainable innovations, p. 42).

Using digitalization to save resources

Digitalization offers great potential for making intralogistics sustainable. With the help of intelligent control software, processes can be analyzed, designed effectively and automated. This allows companies to save energy and production resources and reduce emissions and waste along the value chain.

These approaches are not only consistently pursued by SSI SCHAEFER within our own organization – they also determine the digital solutions we develop for our customers.

But digitalization is also increasing the demands on security and data protection, because if an organization's data are available online, the risk of cyberattacks and data misuse increases. It is therefore important to technically protect IT systems and to educate and train employees in using software.

The environmental impacts of digital technologies are often ignored. They consume resources and energy – and leave a considerable environmental footprint. The use of green servers powered by electricity from renewable energy sources and durable, energy-efficient and recyclable devices are important milestones on the way toward sustainable digitalization. These are the topics we will consider in the development of our climate strategy this year (see chapter Stopping climate change, p. 59).

Our strategic approach

Digitalization is one of the main future drivers of intralogistics. At SSI SCHAEFER, we want to use digitalization to create added value – for our customers, for ourselves and for the environment and the climate.

We use digital technologies to make our data globally available, analyze it and optimize and automate our internal processes. For our customers, we develop innovative software solutions that help them make optimum use of their capacities and operate in a resource-efficient and sustainable manner.

To guarantee information security, we invest heavily in the protection of our IT systems and software products. Our information security management system is certified to ISO 27001 (see chapter Excellent quality, safe products, p. 23). We regularly train our employees on data protection and cybersecurity and inform them on current security topics in newsletters. They learn, for instance, how to recognize phishing e-mails and what to do in the event of a hacker attack.

The Head of the IT & Information Security group function reports directly to the Chief Financial Officer (CFO). Management is informed of the current status at monthly meetings. Our IT employees are deployed at various locations worldwide and have a global and/or regional function. The Head of the Global Technology group function reports to the management.

Document management and forward planning

In 2021, we took various measures to push ahead with digitalization at SSI SCHAEFER. For instance, we introduced a document management system so as to be able to centrally store and process all documents that are relevant for resource planning. A new fiber-optic network connection ensures that our digital collaboration will become even more efficient in the future.

For our customers, we have pushed ahead with the development of innovative software solutions that help them maintain their plants in a predictive and efficient manner (predictive maintenance) and precisely forecast incoming orders - based on industry-specific and product-specific data, e.g. seasonal sales peaks on Black Friday or in the run-up to Christmas (predictive order lines). This allows them to plan inventories and resources in advance and to avoid overloading the plants.

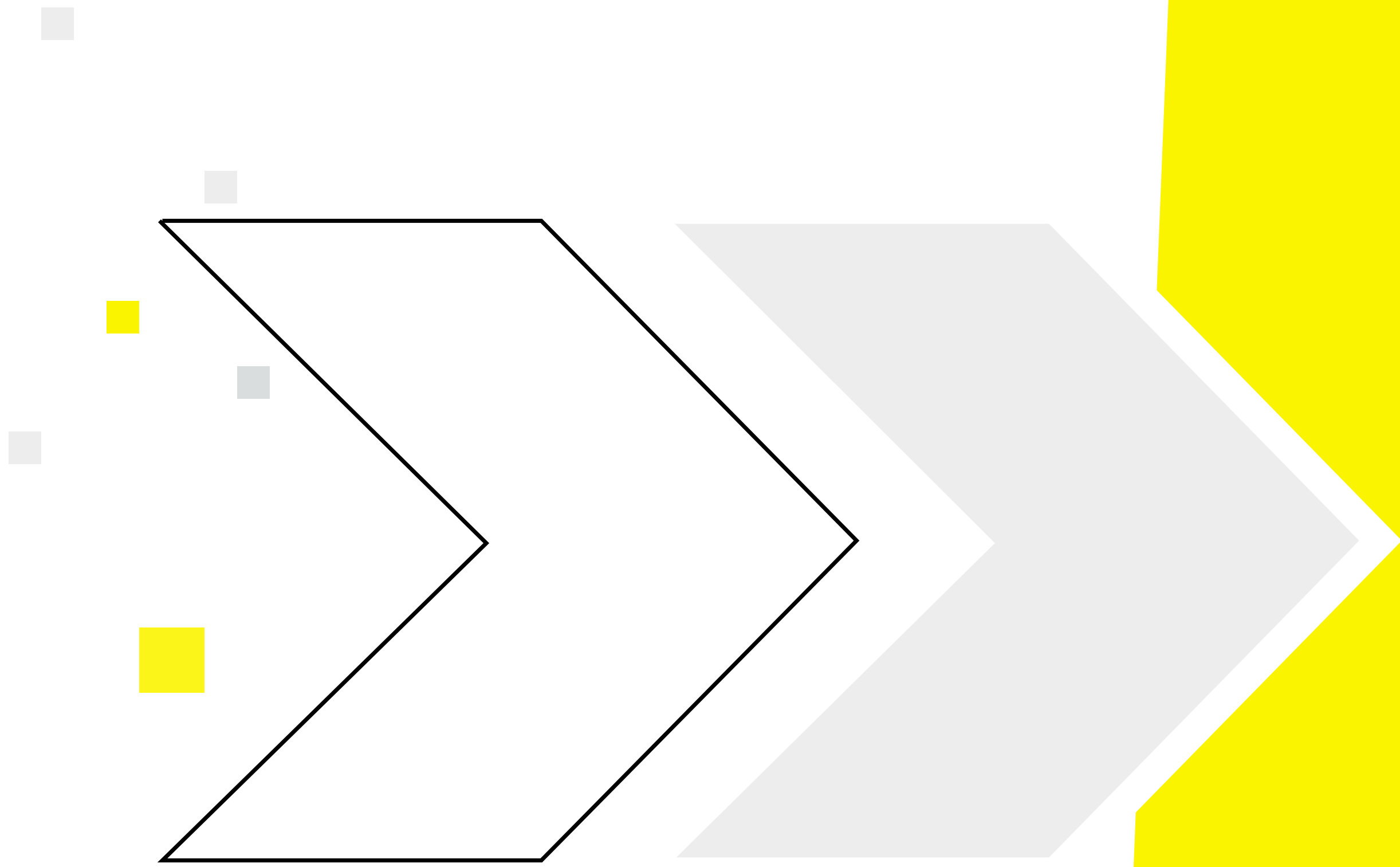
GRI 103-1, 103-2, 103-3

For these and other solutions, we have established a digital platform for the central storage and management of customer data. This use of data is rounded off by a security concept in compliance with all data protection requirements.

Exchange with stakeholders

We maintain a regular exchange with our customers and business partners on the topics of digitalization, data security and artificial intelligence, e.g. with Verein Netzwerk Logistik (VNL), GS1, Verband Intralogistik Schweiz (ILS), the Maschinenraum Berlin business network as well as with universities, management consultancies and companies from other sectors.





Outlook

In the coming years, we want to continue to expand our internal document management system and make technical improvements to our global data network. For our customers, we are pushing ahead with software solutions that use digital measurements and data analytics to make intra-logistics and the entire supply chain more energy-efficient and reduce greenhouse gas emissions (green warehousing and green supply chain).

Sustainable innovations

Innovations are an absolute necessity to keep our company fit for the future, enable sustainable operations and help master the climate crisis. Without innovation, change and long-term success in business are not possible.

Innovation management at SSI SCHAEFER is controlled by the Global Technology group function. All employees are invited to participate in the innovation process by submitting creative ideas and contributing their expertise.

Focus on customers

What does innovation mean? As there is no uniform definition of the term, a common understanding needs to be developed within the company. This is not an easy task, as there are many different views of the topic. The SSI SCHAEFER understanding of innovation is focused on the customer: For us, innovation means developing a new type of solution for a key need of our customers - and backing it up with a comprehensive analysis. We place our focus on innovative product solutions and business models.

GRI 103-1, 103-2, 103-3

To enable innovation, it is necessary to systematically keep an eye on the market and on society and to identify developments at an early stage. We see great opportunities for the future of intralogistics in the trends towards digitalization and resource efficiency along the supply chain (see chapter The future is digital, p. 39).

To ensure that we promote exactly those innovations that contribute to a sustainable transformation, we need incentives within the company and a structured innovation process in which we take greater account of sustainability criteria in the future.

Innovation means change - sometimes of a far-reaching nature. The uncertainties and reservations that arise in this process are only human and require all relevant perspectives to be considered in the innovation process at an early stage.

Our strategic approach

Our strategic approach is aimed at creating an innovation eco-system. For this purpose, we are working intensively on establishing a network with development partners and start-ups. We have entered into cooperations with research partners such as the Fraunhofer Institute for Material Flow and Logistics IML and various universities, e.g. the University of Siegen. In order to play a significant role in shaping the digital and sustainable transformation of German SMEs, SSI SCHAEFER joined the so-called "Machine Room" at the beginning of 2022. The innovation initiative was founded in 2020 in Berlin and now consists of over 40 member companies. Working with customers to implement cooperative innovation projects is another important component. We attend trade fairs and conferences and are in regular contact with the German Mechanical and Plant Engineering Association (VDMA) and the Bundesvereinigung Logistik (German Logistics Association BVL).

SSI SCHAEFER explicitly encourages employees to participate in shaping the future of the company. A newly developed innovation guideline for the Group creates the framework, as it formulates our understanding of innovation, provides guidance for employees and encourages them to submit their ideas.

We are working internally to further strengthen the innovation culture within SSI SCHAEFER and to advance networking and methodological expertise in the various regions of the Group so as to systematically take local impulses into account as well. After all, sustainability must be actively practiced locally.

Strategic control of innovation management is the responsibility of the Global Technology group function. The group head reports directly to the management. Final implementation of the innovation project takes place locally in the respective business units together with our customers. Innovation management is controlled using target indicators. Target achievement is reviewed annually.

Innovation system prepared

In 2021, we implemented various measures to drive innovation at SSI SCHAEFER. Apart from preparing an innovation guideline and process, we established a monthly management report with information obtained from market and competitor monitoring.

We have implemented various innovation projects, e.g. we are working on energy-efficient drives for the conveyor technology of our systems - as an alternative to the energy-intensive compressor technology widely used in intralogistics. Other innovation projects have been presented to the management, e.g. on topics such as urbanization, digitalization and robotics.





Outlook

In 2022 and 2023, we want to further expand our innovation management; we will publish our innovation guideline and innovation process and will launch a communication campaign to make them known to our employees, and thus make it easier for them to actively participate in the innovation process at SSI SCHAEFER. For this purpose, we will develop a digital platform as a central tool on which they can submit their ideas.

Besides working on our innovation system, we are driving several innovation projects. The focus will be on digitalization, robotics and energy efficiency along the supply chain.

Stable and profitable growth

Our corporate strategy 2023 defines our priorities for the coming years. Besides sustainability, innovation and customer satisfaction, these primarily include profitability and growth. After all, our business has to be viable so that we have long-term planning certainty, can make investments, safeguard jobs and further develop our company.

We aim to grow slightly faster than the market. In doing so, we focus on the sectors in which we already operate successfully, i.e. automotive, food, fashion, industry, pharmaceuticals, public sector customers and retail, as they will offer attractive opportunities for our company also in the future. Europe, the USA and Asia are strategically important output markets.

Our four business units, Logistics Solutions, Products & Equipment, Customer Services and Waste & Packaging, all contribute to profitability and growth at SSI SCHAEFER.

Logistics Solutions

The **Logistics Solutions** business unit develops customized intralogistics systems for our customers from various sectors – from warehouse equipment and conveyor technology to software.

The demands made on intralogistics solutions are becoming increasingly complex. The fast-growing online commerce leads to a growing number of orders, more customizable products and many returns. The end customers' desire for short delivery times meets varying product availabilities at suppliers and the need for space-saving storage. What is needed are intelligent, scalable and future-proof solutions that meet the requirements of the various sectors and can be flexibly adapted to company and market developments.

In 2021, the Logistics Solutions business unit was faced with sharp price increases for supplier products. Due to existing contracts, we were able to pass on only part of the additional costs to our customers. To minimize the risk to profitability and growth in the long term, we have taken various measures.

Our strategic approach

Stable and profitable growth is possible in the long run only if it is based on strong values such as responsibility for the environment and society and respect for human rights – especially in difficult times when market conditions are constantly changing.

Our goal is to offset the influences of our supply chain on our pricing wherever possible. We always maintain direct contact with our customers, use no intermediaries such as agents or brokers and pay no commission or fees.

Products & Equipment

The **Products & Equipment** business unit is responsible for the production and sale of solutions such as shelving systems and containers for manual and semi-automated intralogistics.

Our customers attach importance to low prices and fast delivery times. To adequately meet this demand, we need sufficient qualified staff and powerful digital tools that help us increase our efficiency.

Due to the Covid-19 pandemic, the business unit was faced with production downtime at its manufacturing sites, a temporary plant shutdown in Malaysia, supply shortages and project postponements in 2021, with the result that revenues fell short of expectations in the second half of the year after a very strong first half.

Our strategic approach

To ensure the business unit's growth and profitability in the long term, we have revised our strategy:

- Instead of individual solutions, we will increasingly rely on standardized product combinations, e.g. consisting of a shelving system and an order picking solution, and thus increase our revenues.
- At the same time, we will cut expenses by streamlining the product portfolio and focusing on the best-selling products. This will save costs in purchasing and production.
- New digital tools will ensure efficient workflows.

Focus on growth

2021 was a challenging year for Products & Equipment. We therefore focused on adjusting our strategy and already implemented the first measures.

For instance, we initiated projects to optimize our processes with a digital warehouse management system and a product configurator for our sales organization.

Customer Services

The Customer Services business unit is responsible for the maintenance, repair and safety of our systems at the customers' sites to ensure trouble-free operation.

The business unit's sales revenues increased strongly last year, while the headcount did not grow proportionately. The labor shortage throughout our industry (see chapter People matter, p. 69) is having an impact on our ability to deliver, which is reflected, for instance, in longer project lead times.

Focus on digital solutions

We believe that opportunities to accelerate revenue growth in spite of a lack of capacity will arise from marketing our digital services and solutions. This is because we need fewer employees for the technical support of software solutions compared to our offline offerings, which means that revenues can better be scaled. For this, we need to make customers aware of our digital solutions. The increasing threat of cyber-attacks worldwide, for instance, is increasing the demand for professional security software that protects the systems against hackers.

Complex systems require a lot of training

We have many different products and systems on the market, as our customers' systems run on different digital platforms, and we have in many cases also customized the software to meet customers' specific requirements. We therefore need a specialized service team for each system. This leads to high internal knowledge management efforts, which we address by providing regular training for our employees.



Remote service in spite of Covid-19

While the Covid-19 pandemic made it more difficult to train our experts on customers' existing systems on site, training was nevertheless possible thanks to web-based access to the systems and our augmented support, i.e. remote service by means of video and smart glasses.

Our strategic approach

To fully exploit the business unit's potential for growth, we have assigned a personal Service Account Manager to each of our corporate customers. They know the customer and the system very well, which allows them to identify gaps in the system and to offer customized solutions.

To reduce knowledge management efforts and the costs associated with it, we are phasing out outdated systems and migrating them to a standardized, modular and modern platform. This means that our customers can operate their systems as usual on an up-to-date system and every service employee is theoretically able to look after all our systems.

Personal Service Account Managers and professional CRM

In 2021, our Service Account Managers developed a service plan together with the customers. In the process, the long-standing experience and strengths of our account managers became apparent. Where there is a need for training, e.g. in the operation of individual systems or in process-related matters, we have developed a training program that we offer our employees two to three times a year.

We have transferred all information on customers and their systems to a customer relations management platform, which gives the Service Account Managers central access to all data, including the service history, and enables them to better identify the customer's needs. Any request for support may lead to an additional service offering that avoids the problem in the future.

Demand for sustainable investments and fair working conditions

Our customers are interested in solutions that will benefit them for as long as possible. For one customer, for instance, we have concluded a service contract for 20 years. They are also increasingly interested in compliance with fair and safe working conditions and human rights at SSI SCHAEFER.

Waste & Packaging

The Waste & Packaging business unit is responsible for the plastics business and produces waste containers, plastic containers for storage systems and individualized structural packaging that protects products during storage and transport.

We see great growth potential in packaging, as our customers attach importance to their products and parts not being damaged in the warehouse or on their way to the customer - customized packaging is therefore in high demand. The trend towards e-mobility with its sensitive, high-quality components also supports these developments.

The waste management and plastic containers segment is characterized by fierce competition. It is therefore important that we differentiate ourselves from the competition through product expertise in sales and additional services; we believe that digitalization will open up opportunities for creating added value for our customers.

Heavily impacted by the pandemic

The business unit was heavily impacted by the Covid-19 pandemic in 2021, as the prices for plastics and gas picked up sharply worldwide. Transport service providers, who deliver our containers and packaging to the customers, also increased their prices significantly.

Our strategic approach

We want to secure the stable growth of the plastics segment also in the future. We therefore focus on two core measures:

- Expansion of the specialized sales team with expert knowledge of our products so that we can provide our customers with the best possible advice.

- Development of digital solutions which, in conjunction with our products, ensure intelligent and efficient processes and thus offer our customers added value.

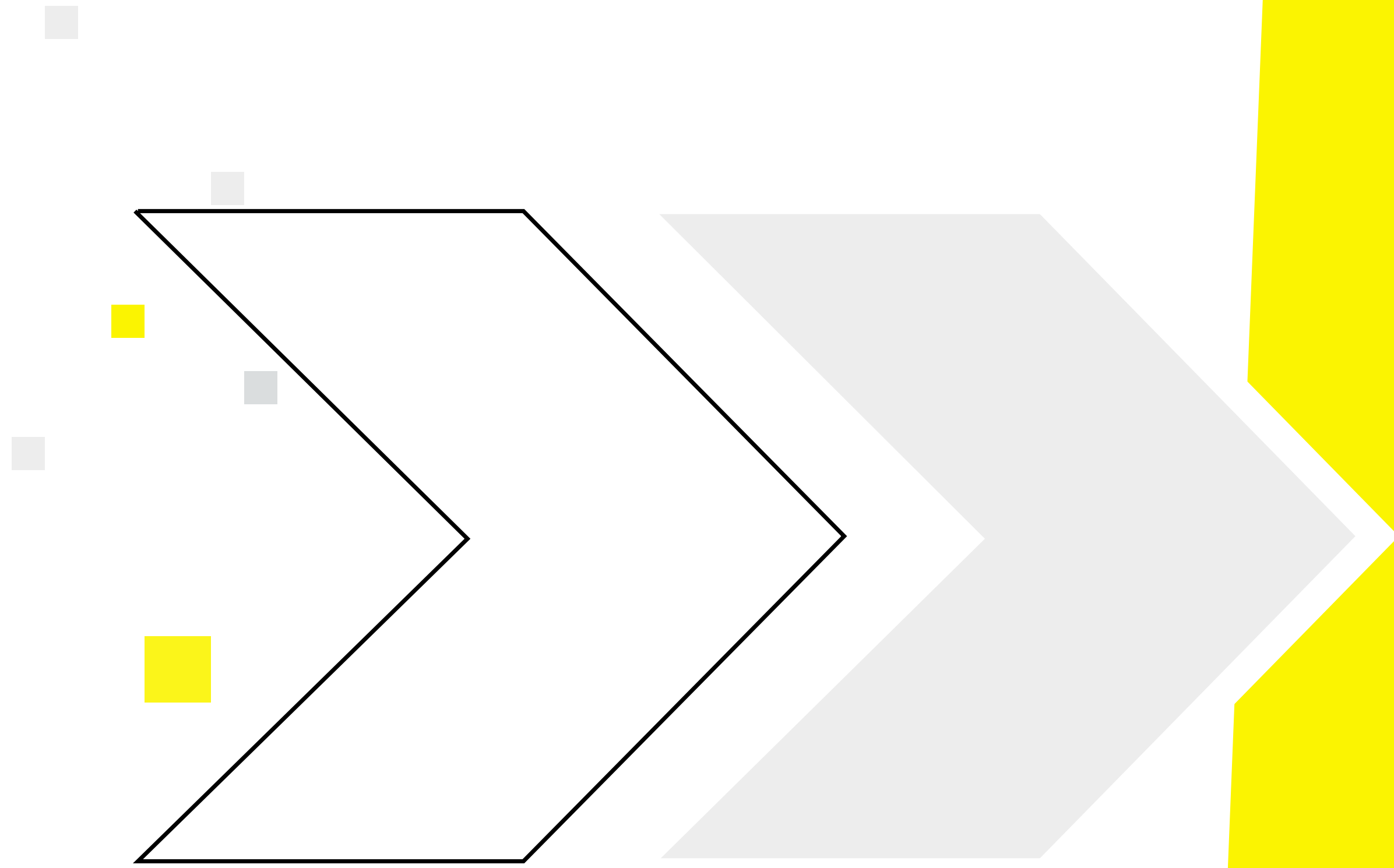
Investment in product development

To achieve our goals, we invested heavily in product development and digitalization in the past years and continue to do so today. For instance, we further developed **Dispondo**, our operations management system for the waste management sector, and launched new structural packaging specifically for e-mobility as well as plastic containers for automated storage systems.

Recycled materials are in demand

As more and more of our customers are paying attention to the carbon footprint along the supply chain, we are making increased use of recycled materials and bio-based plastics in our products. Under the European Green Deal, public sector customers are encouraged to purchase recycled products. As a result, we are seeing increased demand from local authorities for waste containers made from recycled plastics. Car makers also attach great importance to a high recycled content. Today, we are able to offer our customers products from up to 100% recycled materials, and we doubled the use of recycled plastics last year.





Outlook

Logistics Solutions

Going forward, we want to place even greater emphasis on sustainability in sales and marketing and continue to actively promote our sustainable intralogistics solutions.

Customer Services

We aim to continue growing the revenues of our Customer Services business unit at a disproportionate rate in the coming years. To achieve this goal, we focus on digital solutions, system monitoring, remote support, service agreements and security applications.

Products & Equipment

The improvement projects will continue in 2022 and form the basis for further growth in the coming years.

Waste and Packaging

In the coming years, we will continue the developments we have initiated and will ensure profitable and sustainable growth by means of focused sales activities and new products.



The future of agriculture is vertical

infarm, a food-tech start-up from Berlin, grows organic vegetables where they are needed - in the middle of the cities. Thanks to LogiFarm from SSI SCHAEFER, the greenhouses are not only space-saving and highly efficient, but also environmentally friendly.

The challenge

According to the United Nations, 80 percent of the world population will live in cities by 2030. At the same time, there are more and more people on earth - and the demand for food is growing rapidly. How can we ensure that all people will have access to healthy, fairly and sustainably produced food in the future?

The solution approach

One possible answer to this question is already a reality - "vertical farming" is the keyword. In fully automated high-tech greenhouses, Berlin-based start-up infarm grows lettuces, herbs, cabbage and mushrooms - one above the other, in gigantic high shelves. This is done purely organically and under perfect growing conditions. And it is done exactly where the products are needed: in metropolitan areas such as Berlin, London, Paris or Quebec.

SSI SCHAEFER developed the computer-controlled greenhouses together with infarm. Many of them are already in use in North America and Europe, with more of them at the planning stage. The main customers are large supermarket chains such as Walmart, Globus and Aldi.

The effect

The vertical farming solution saves space, as farmers can produce the same amount of fruit and vegetables on only 25 square meters as on almost two hectares of farmland. What is more, the intelligent system saves 95% water, 75% fertilizer and does not use any chemical pesticides at all. This makes vertical farming up to 400 times more efficient than traditional crop farming.

The fact that the products do not need to be transported is another big advantage. It not only reduces harmful carbon emissions but also helps avoid food waste, as many products do not survive the often long journeys over hundreds of kilometers from the farm to the consumer - and end up in the rubbish bin.

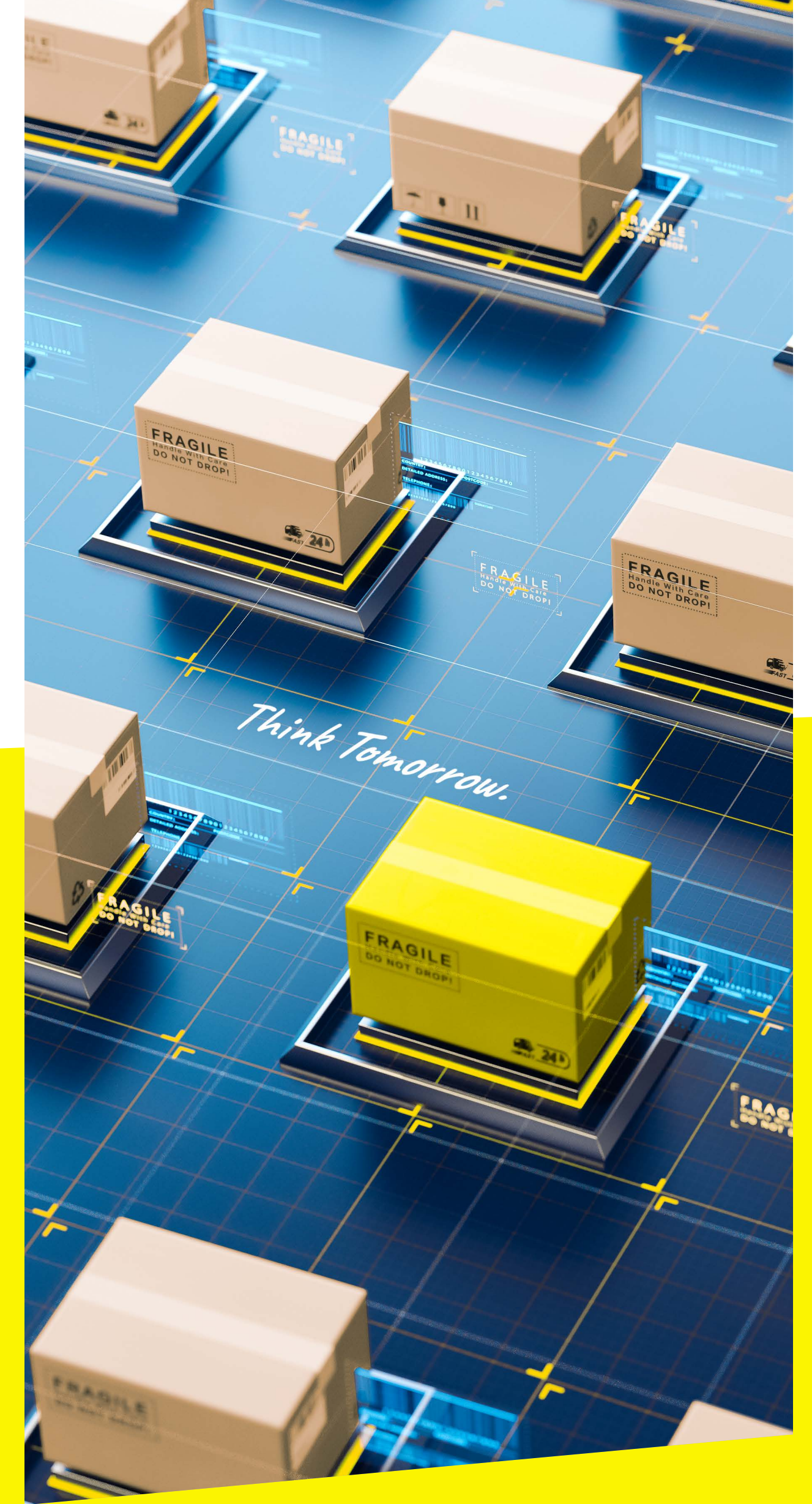
Our vertical farms deliver on our promise to help our customers worldwide to become sustainable with the help of future-proof solutions. At the 2020 World Expo in Dubai, we presented the innovation together with infarm, thus showing the world what the sustainable food supply of an urbanized society can look like.

Field of action 3

Responsible management by reducing impacts along our value chain

Corporate social responsibility is a top priority at SSI SCHAEFER, as it is the only possibility to find a collaborative way to make the world a more livable and sustainable place. For a globally operating group of companies like ours, it is essential to handle the various areas and processes within the value chain in a responsible manner.

Treating people with respect is one of the fundamental principles of our corporate governance. Only if we respect the rights of those we work with every day can we ensure sustainable supply chains worldwide and reduce the negative impacts of our actions in the long term. By precisely and continuously managing and tracking sustainability in our company, we can reduce emissions such as greenhouse gases, cut waste and wastewater, minimize environmental damage and thus make an active contribution to climate protection.



Assuming responsibility, protecting human rights

Protecting human rights is first and foremost a responsibility of the state. But enterprises also have a great responsibility to respect human rights in the world of work – e.g. the prohibition of child and slave labor, the right to decent wages, paid leave or safe and healthy working conditions or protection against discrimination in the workplace.

Human rights along the supply chain

Companies are bound by national laws. However, many countries lack a functioning system to adequately manage and control corporate compliance with human rights. SSI SCHAEFER attaches great importance to securing respect for human rights at our company locations worldwide – with the help of mandatory standards, regular controls and a functioning reporting and complaints system. Various teams work on this topic hand in hand.

The supply chain poses a greater challenge, though; to minimize the risk of our suppliers violating law or our guidelines, we oblige them – just like our

business partners – to endorse our Code of Conduct for Business Partners to respect human rights.

Our strategic approach

SSI SCHAEFER faces up to its social responsibility: protecting the human rights of our employees is a priority at all company locations. This is ensured by various business units:

- The Social Responsibility & HSE (Health Safety Environment) group function ensures safe and healthy working conditions at a material proportion of our production sites and offices, e.g. with the help of a certified safety management system.
- The Human Resources Department is responsible for fair pay for our employees, taking into account the minimum wage. It monitors that employees do not exceed the maximum permissible working hours, observe breaks and take paid leave (see chapter Responsible employer, p. 29).

- The Compliance Team has defined internal guidelines for respecting human rights in the Code of Conduct and provides online training to ensure that all employees are aware of the requirements. Managers have a special responsibility to ensure that the Code is complied with within their sphere of influence (see chapter Compliance: More than just laws, p. 20).

In the event of violations, employees may contact the Compliance Team or the Human Resources Department at any time. In addition, there is a company-wide whistleblower system that employees may use to make reports – also anonymously if they wish. In serious cases, the management may be contacted by e-mail.

The Compliance Team, Internal Audit, HR, Occupational Health and Safety and Purchasing are responsible for the Group as a whole. As group functions, they report directly to the management. The teams cooperate closely and maintain a regular exchange.

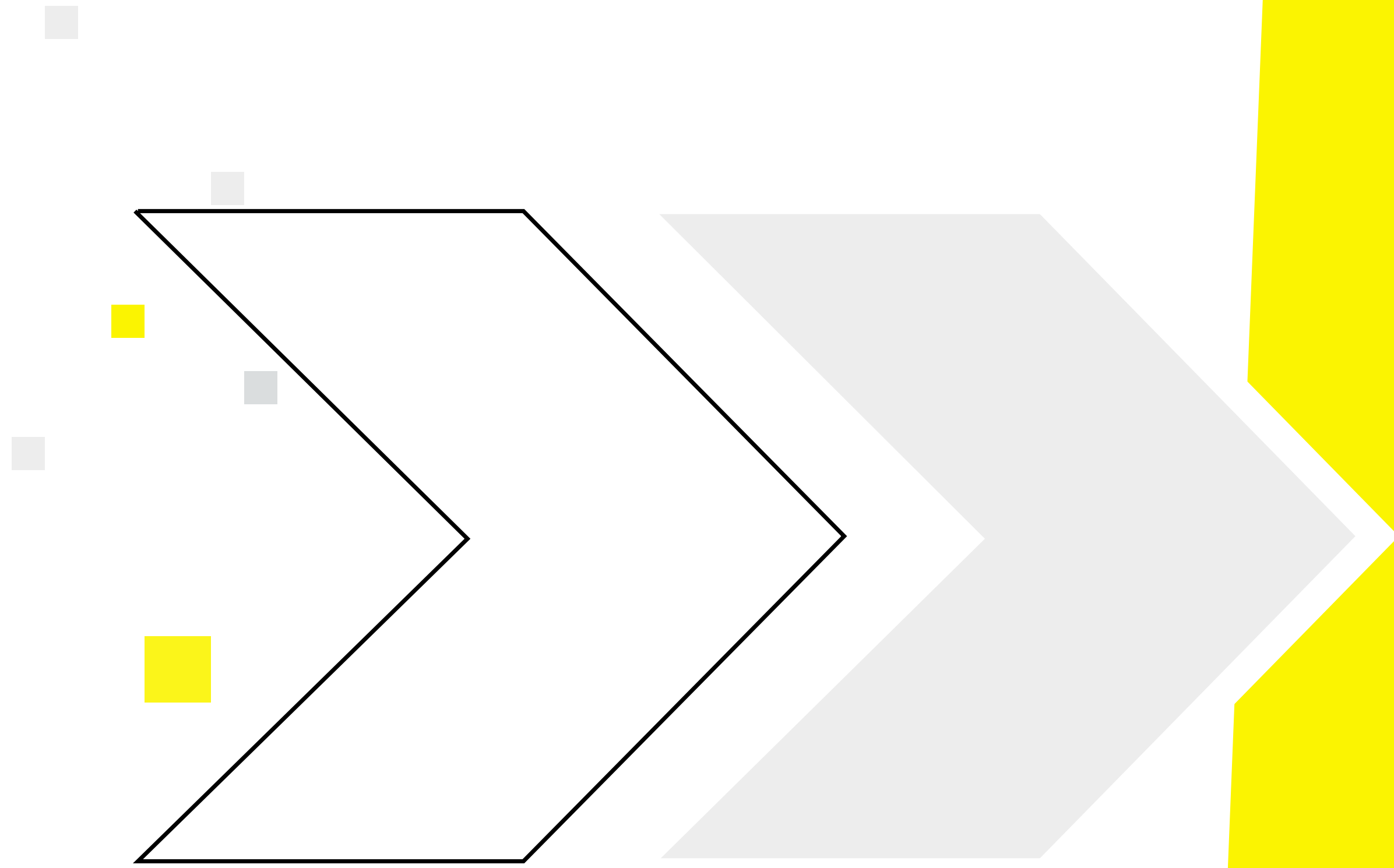
New Code of Conduct for Business Partners and audits

We have implemented various measures to protect human rights within the company - and increasingly also along the global supply chain. To ensure respect for human rights along the entire supply chain, we have developed a **Code of Conduct** specifically for our business partners, suppliers and service providers, which was published in November 2021. They sign it when a contract is concluded, thereby committing themselves to complying with our standards. The topic is also addressed in e-learning and classroom training courses (see chapter Compliance: More than just laws, p. 20).

Working group on business and human rights

To stay up to date on the topic of human rights, we actively participate in the working group on business and human rights of the German Mechanical and Plant Engineering Association (VDMA). We also maintain a regular exchange with external law firms.





Outlook

In the coming years, we will push ahead with the systematization and standardization of our locational and supplier audits and anchor the protection of human rights even more firmly in such audits. We have drawn up a Group-wide audit plan, which comprises audits on compliance with human rights as of 2023 at the latest.



Securing sustainable supply chains worldwide

We want to ensure sustainable action along the supply chain together with our suppliers. Our Code of Conduct for Business Partners defines behavioral rules that form the essential part of our cooperation.

Our purchasing organization has a global orientation and is divided into **Direct Spend und Indirect Spend**. In both areas, colleagues work as category managers in a product group structure across locations and are supported locally by operational buyers. The aim is to identify synergies and to pool purchasing volumes, knowledge and resources. **Direct Spend** product groups include, for instance, electronic components and components for our customer systems – but also raw materials such as steel.

Indirect Spend sources all goods and services we need for our company to operate effectively and efficiently. These range from packaging and office materials to fleet and mobility to IT systems, energy and services.

Supply shortages caused by Covid-19

To ensure we are able to supply our customers across the globe at all times, we rely on a functioning and dependable network of partners. This partial dependence on others exposes us to risks that we must manage as effectively as possible.

This can be quite a challenge, especially in times of crisis. Our company – like many other sectors – clearly felt this in 2021, when the Covid-19 pandemic led to severe global supply shortages for computer chips and electronic components, which still have not entirely been resolved. Supply problems also occurred for steel and plastics last year. Due to existing contracts, we have not yet been able to fully pass on the resulting price increases to our customers.

The supply crisis as an opportunity

This is why it is all the more important to systematically keep an eye on the market so as to be able to respond to problems at an early stage. Long-standing and trusting relationships with our partners and a constant flow of information play an important role in this context. Forward-looking project planning is also essential, as it allows us to place orders early and build up sufficient inventories. It is also important to reduce dependencies on individual suppliers to further minimize the risks.

Notwithstanding these difficulties, we also see the pandemic-related supply shortage as an opportunity, as it has forced us to adapt our processes and make them more resilient. We are well positioned for the future and can respond early and swiftly to potential shortages in the market.

Our strategic approach

Our responsibility does not end on our company's doorstep. Besides quality and reliability, sustainability criteria therefore also play a key role in the selection of and cooperation with our business partners. These include environmental standards just as well as fair working conditions and compliance with human rights in the factories of our suppliers - on the basis of the guidelines of the United Nations and the International Labor Organization (ILO). For instance, are the health and safety of the employees guaranteed? Are they paid the minimum wage? Do they have insurance cover at work?

All our manufacturing partners are carefully selected on the basis of these criteria, compliance with which is monitored on site. When the contract is signed, our suppliers undertake in writing that they will comply with our social and environmental standards; they complete a self-declaration, sign our guidelines as well as the SSI SCHAEFER **Code of Conduct** and receive compliance training, a standardized introduction to working with SSI SCHAEFER as well as special training, e.g. on assembling our systems.

GRI 102-11
GRI 103-1, 103-2, 103-3
GRI 204-1
GRI 308-1, 308-2
GRI 414-1, 414-2

By means of regular internal audits and certifications by external, independent organizations, we ensure that our suppliers meet the requirements. Should we become aware that one of our partners is violating laws or social or environmental guidelines, the Purchasing Department and our Compliance Team will jointly solve the problems together with the suppliers. Serious violations will result in us terminating the business relationship.

Wherever possible, we rely on local or regional suppliers to avoid long transport routes and the related carbon emissions and costs.

Organizationally speaking, our Strategic Procurement unit comprises Direct Spend and Indirect Spend, as outlined above, and is complemented by Supply Chain Excellence, each of which has its own management. The three group heads each report directly to the Chief Operating Officer (COO).

Global sustainability standards as of 2022

We have taken various measures to make our global supply chains more sustainable. In 2021, for instance, we restructured our purchasing organization.

Previously, each of the individual company locations was responsible for purchasing - with all of them planning and buying largely independently of each other. Going forward, purchasing will be managed centrally and processes will be harmonized. This will allow us not only to benefit from further price advantages and to cut costs and efforts but also to ensure uniform sustainability standards, to centrally monitor compliance with such standards and to identify potential risks at an early stage. The reorganization will be completed by mid-2022 in the DACH region and will then be implemented globally.

Recycling and climate protection in plastics purchasing

When it comes to raw materials, we are increasingly paying attention to environmental friendliness and recyclability: about one third of the plastic granulate we use to produce our waste containers is certified with the "Blue Angel" environmental seal - and consists of 100% recycled material. We also return our own plastic products to the cycle: waste disposal companies send us their damaged waste containers, we recycle them and use the plastic in our production process.

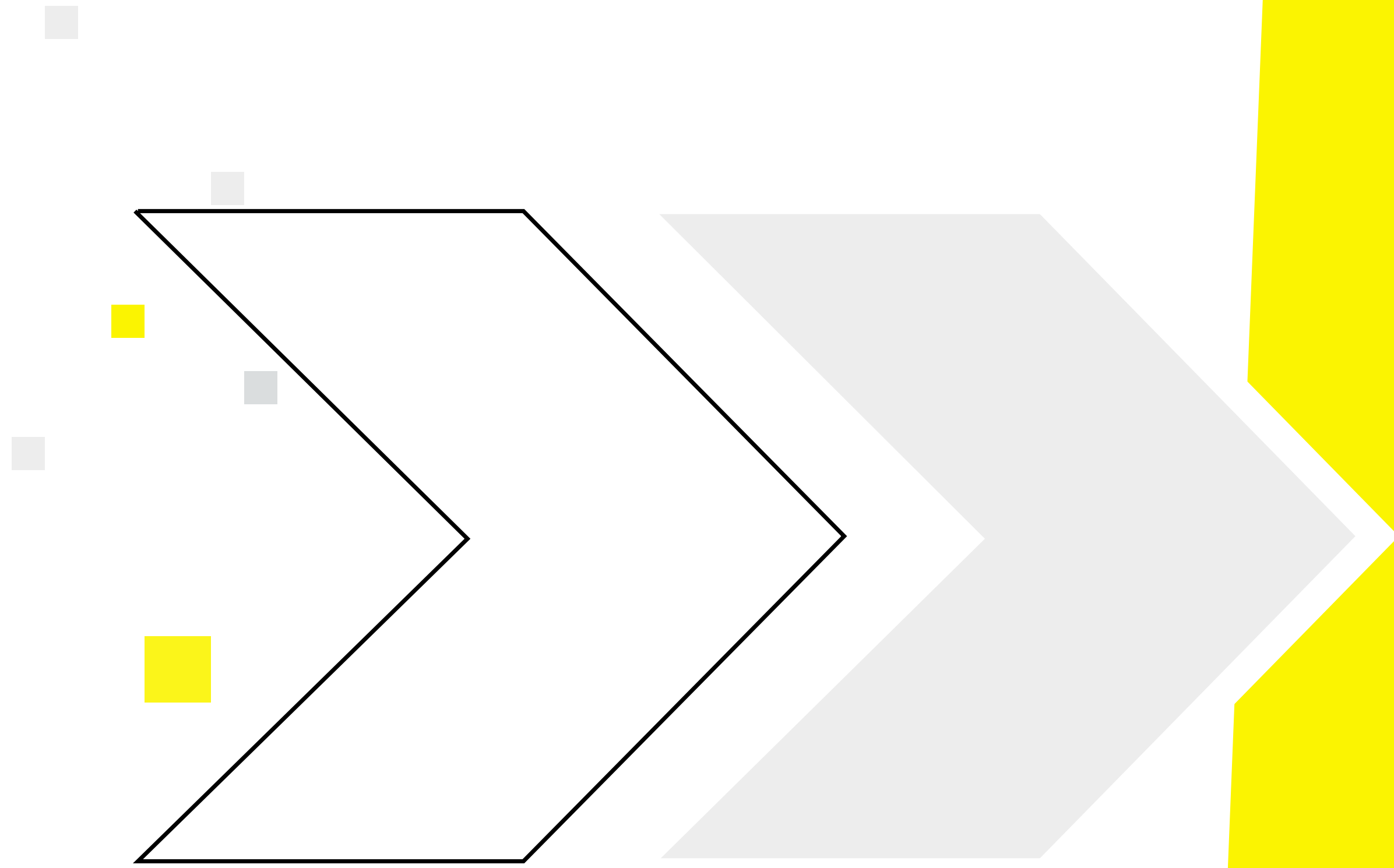
Paving the way towards green steel

Steel production is energy-intensive. When purchasing steel, we therefore attach importance to minimizing the impact of our business activity on the environment and the climate. Most of the steel we use for our products is recycled steel. Today already, our suppliers can produce it with reduced carbon emissions; the use of green electricity and hydrogen is expected to enable carbon-neutral steel production by 2045. We expressly welcome and support this important trend.

Business trips: Keeping an eye on our carbon footprint

Air travel, company cars, hotels: business trips, which – in spite of video telephony – cannot always be avoided, also have an impact on our carbon footprint. We therefore offset the carbon emissions of our company car fleet by using the DKV Climate Fuel Card. DKV passes on our contribution in full to myclimate Deutschland. Just recently, we introduced a software solution which now allows us to monitor the carbon emissions of our fleet at any time.





Outlook

Going forward, we want sustainability along the global supply chain to play an even more important role at SSI SCHAEFER. As part of the reorganization of the Purchasing Department, we intend to use performance indicators to manage sustainability issues in the future. They will also be incorporated in the target agreements with our purchasing staff. Together with our customers, we want to increase the share of recycled plastics in our production processes and also expand the share of green steel. We are about to launch a global travel program with an EcoVadis Platinum provider, which will show the carbon emissions per trip and thus allow our traveling staff to make responsible decisions. In the medium term, we plan to replace all company cars with combustion engines by e-cars.

Stopping climate change

Because of their high energy consumption and the processing of fossil resources, industrial enterprises contribute to the release of large quantities of greenhouse gases such as carbon dioxide and methane into the atmosphere. This leads to global warming - with serious consequences for people and the environment, which can already be felt today. SSI SCHAEFER is aware of its responsibility for climate protection. We are working intensively to avoid and reduce greenhouse gas emissions along our value chain.

The Social Responsibility & HSE group function is responsible for the topic of sustainability and, hence, also for the energy and climate policy of the SSI SCHAEFER Group.

Supply chain responsible for about 80% of carbon emissions

SSI SCHAEFER is not a particularly energy-intensive company, as about 80% of our carbon footprint is attributable to our upstream supply chain, the main source being the base material for the production of steel and plastics.

Our suppliers are already taking steps to reduce the carbon emissions in their material production processes. We very much welcome and support these efforts (see chapter Securing sustainable supply chains worldwide, p. 55).

We also have possibilities to improve our climate footprint in our direct sphere of influence. We see potential for carbon savings primarily in the generation and use of energy, in business travel and transport and in product development. We are already implementing sustainable pilot projects at some locations. We want to scale these approaches and pursue them aggressively for the Group as a whole going forward.

Our strategic approach

Where sustainability is concerned, SSI SCHAEFER is in the midst of a far-reaching transformation; since 2021, sustainability has been a mainstay of the company's strategy. With a view to further reducing our greenhouse gas emissions and protecting the climate, we want to develop a climate strategy as part of the sustainability strategy by the end of 2022. We have identified the following starting points:

- We support our suppliers on their way towards **carbon neutrality**, for instance by buying and using "green" steel and recycled plastics (see chapter Securing sustainable supply chains worldwide, p. 55).
- We pay attention to **energy efficiency** - in our **buildings** and interior design, in our **production processes** through the use of energy-efficient machinery, equipment and technologies, and in the **development of products and services** that help our customers protect the climate.
- We use **green energy** and support the energy transition - by planning to produce our own solar power on our company's premises and to purchase green electricity. We are gradually converting our vehicle fleet to e-mobility and provide our employees with company bicycles.

GRI 103-1, 103-2, 103-3
GRI 302-4, 302-5

We reduce **traffic and long transport routes** - by producing close to our customers wherever possible, buying locally, increasingly replacing business trips with video conferences and working from home part of the time.

We **compensate** for our carbon emissions - e.g. by offsetting our company car fuels with the DKV Mobility Card with compensation concept.

Our energy management system has been certified to ISO 50001 at some locations. We will extend certification to the entire Group by 2025 (see chapter Excellent quality, safe products, p. 23). This step will help us further improve our energy footprint and save greenhouse gas emissions.

Sustainable pilot project in Neunkirchen

In 2021, we already implemented initial measures to address the issue of carbon reduction in a more structured manner in the future.

At the Neunkirchen site, we launched a sustainable infrastructure project that will help reduce greenhouse gas emissions in the company.

GRI 103-1, 103-2, 103-3
GRI 302-4

We first calculated the site's carbon footprint to understand where we are standing right now and where there is potential for savings.

On this basis, we will develop a reduction strategy that will be implemented in the coming years. Some initial measures have already been put into practice: in 2021, we replaced forklifts and company cars with combustion engines by electric forklifts and hybrid cars and installed energy-efficient LED lights in large parts of the plants.

Environmental footprint influenced by Covid-19

The Covid-19 pandemic also helped us cut our emissions, as the contact restrictions forced us to reduce our global business travel by about 30% in 2019 and 2020. We do not expect to return to pre-pandemic levels in the coming years, as the teleconferencing and videoconferencing infrastructure put in place during the Covid-19 pandemic is a good alternative to on-site visits in many situations.

"50 Sustainable Climate Leaders" initiative

As a member of the **50 Sustainable Climate Leaders** initiative (see chapter Together for the climate, p. 37), we exchange ideas and opinions on sustainability and climate protection with other world-leading companies. We also maintain regular contact and knowledge exchange with the German Mechanical and Plant Engineering Association (VDMA) as well as industry associations - and with our customers worldwide.

Outlook

For the coming years, we have planned numerous activities to further improve the SSI SCHAEFER Group's energy management and to protect the climate.

- To have a reliable basis for our climate protection activities, we want to calculate the carbon footprint of the entire SSI SCHAEFER Group by 2023.
- In 2022, we will publish a climate strategy for the Group.
- Together with our suppliers, we aim to further reduce the greenhouse gas emissions that are generated in our supply chain, primarily in the production of steel and plastics.
- As far as product development is concerned, we want to extend our positive influence on the climate by increasingly offering our customers energy-efficient and recyclable products and by advising them accordingly.
- We intend to have the energy and climate management system of all larger entities of the Group certified to ISO 50001 (Energy Management) and ISO 14001 (Environmental Management) by 2025 (see chapter Excellent quality, safe products, p. 23).
- This first voluntary Sustainability Report will be followed by annual sustainability reports to GRI Standards as from the financial year 2022.
- The Neunkirchen site will be converted to 100% green electricity in 2022; we also plan to install photovoltaic systems at the site so that we will become largely self-sufficient in renewable energy in the medium term. Going forward, all vehicles with combustion engines will be replaced by electric and hybrid vehicles. We intend to install charging stations in 2022, which will be supplied with green electricity. We also consider energy efficiency when planning new buildings on the company premises - and will have all future buildings certified by the German Sustainable Building Council (DGNB).

Improving environmental performance

Our environmental management system is an important instrument we use to support and manage the sustainability of our company. It guides us in organizing our processes and responsibilities in such a way that they meet not only the demands we make on environmentally compatible action but also the requirements of our customers and society.

Environmental goals and indicators are defined and managed locally at the individual locations of SSI SCHAEFER, some of which have already been certified to ISO 14001. We are currently working on a global certification strategy, for which the group function Integrated Management Systems (IMS) (see chapter Excellent quality, safe products, p. 23) will be responsible for.

Keeping an eye on environmental impacts

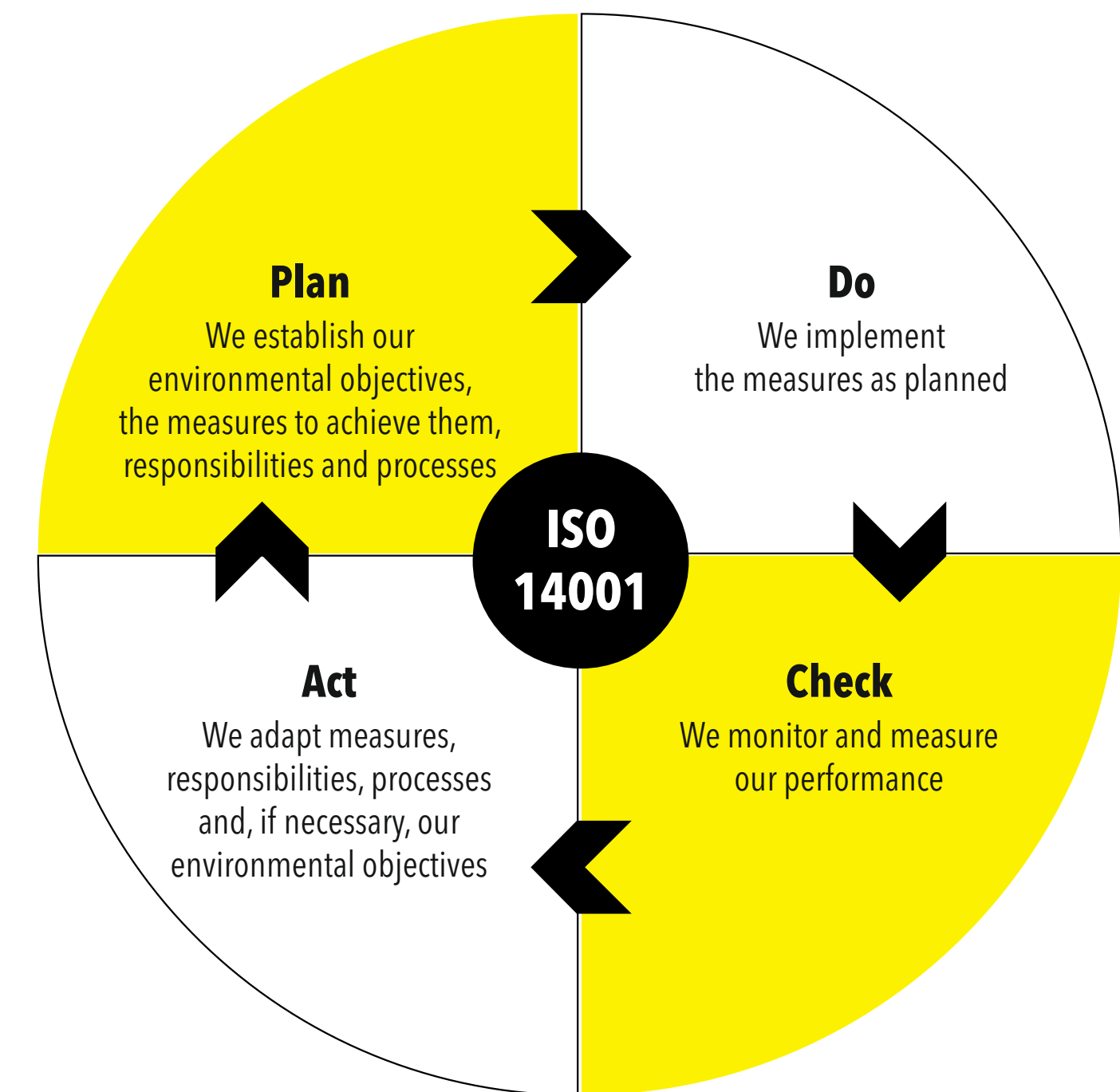
Professional environmental management has many advantages for a company such as SSI SCHAEFER, as it provides us with better information on our environmental impact and allows us to identify potential for optimization and initiate counter-measures earlier.

We are able to detect potential opportunities and risks of our business activity on the environment at an early stage and save costs by forward-looking action. Moreover, our environmental management system ensures that we meet all legal requirements. Overall, it helps us to continuously improve the environmental performance of our company and of our products and services also along the supply chains. This ultimately benefits our customers, too.

Our strategic approach

We aim to control environmental management consistently at all SSI SCHAEFER locations worldwide. To this end, we are developing a global Environmental Policy for the entire Group. We plan to have all of the Group's production sites certified to ISO 14001, the globally accepted and applied standard for environmental management systems.

The key elements of ISO 14001 are:



We regularly repeat this process and thus continuously enhance our environmental performance.

Our sites in Towcester and Andover (England), Hranice (Czechia) and Neunkirchen (Germany) have already been certified to ISO 14001. At these locations, we collect target figures on energy consumption, emissions, waste and wastewater. To review our performance, internal audits, management reviews and certifications by external appraisers are taking place on an annual basis.

Strategic environmental management at SSI SCHAEFER is centrally controlled by the Integrated Management Systems (IMS) group function, which develops environmental guidelines for the Group and coordinates the certification. The IMS head reports directly to the management. The Environmental Officers at the company's locations worldwide are responsible for implementation of the environmental management system at the local level.

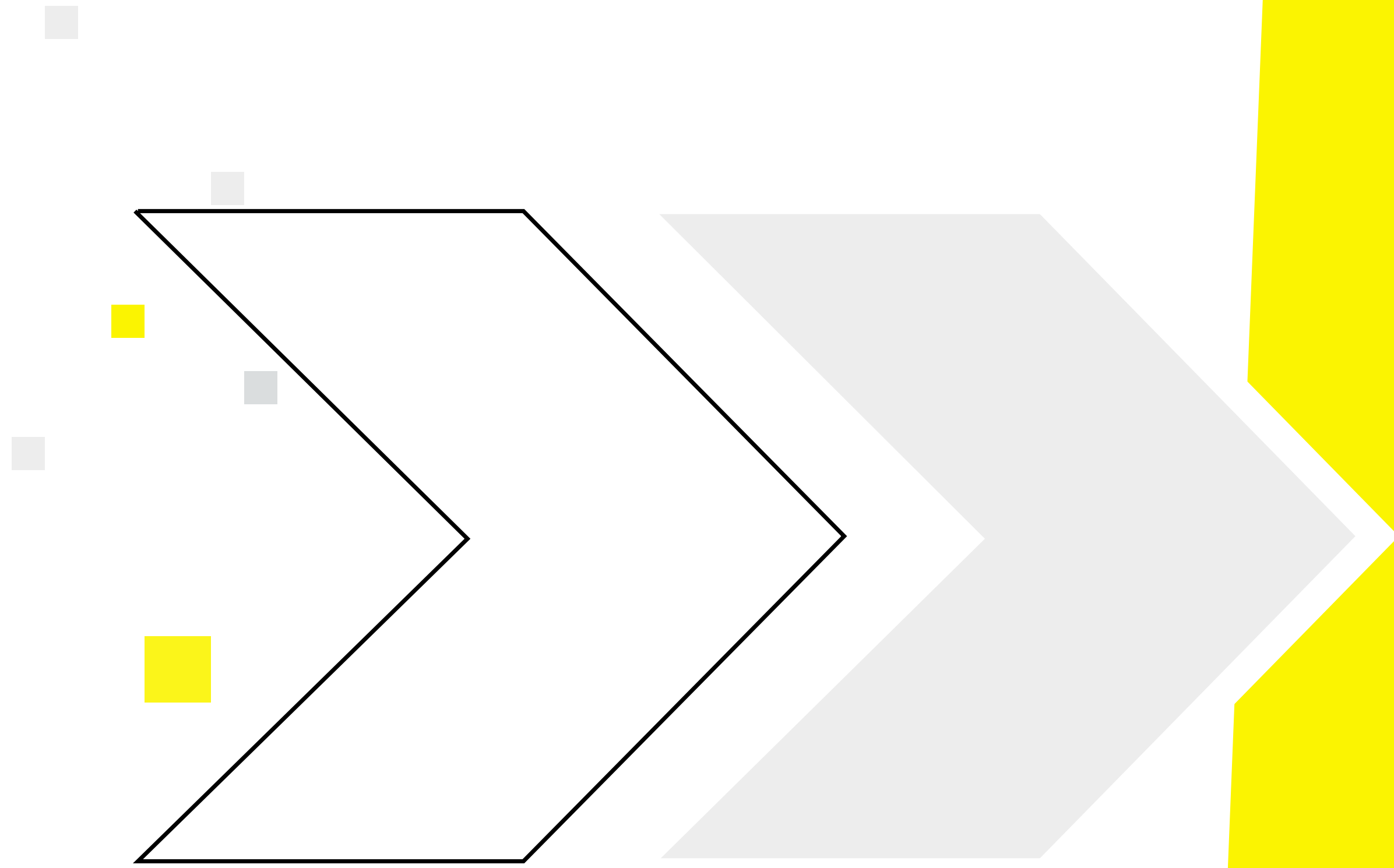
Optimizing the environmental footprint

Last year we took various measures to enhance our environmental performance. At a local level, process optimizations were carried out to save energy, materials, carbon and waste. For instance, we electrified part of our fleet of company cars and forklifts. With the help of an internal communication campaign and ongoing education, we were able to raise employees' awareness of environmental issues, which allowed us, for example, to optimize the separation of waste in the company. All existing ISO 14001 certificates were renewed.

Moreover, we calculated the carbon footprint for our Neunkirchen site and for the product of a well-known customer. The calculation of the carbon footprint of those SSI SCHAEFER entities that represent 80% of total revenues has been in progress since 2021 and is expected to be completed in 2022. Based on these results, we will be able to further improve our global carbon and environmental footprint by taking effective measures.

Exchange with external stakeholders

To keep up to date with the latest developments in environmental management, we regularly exchange information with external certification bodies, associations and consultants and attend specialist conferences.



Outlook

We intend to publish the Environmental Policy for the Group in 2022 and to implement it at a global level in the coming years. Starting 2023, we will successively have all larger entities of the SSI SCHAEFER Group certified to ISO 14001. We will start with Germany, Austria and Switzerland (see chapter Excellent quality, safe products, p. 23).

Reducing emissions

Greenhouse gases, waste, wastewater: most companies contribute to pollutants entering the environment through their business activities. This cannot always be avoided. To minimize our negative impact on the environment, however, we are continuously reducing our emissions.

The issue of pollutant emissions is also addressed by our environmental management system, which is currently managed locally at the individual company sites (see chapter Improving environmental performance, p. 62).

Emissions mainly caused by energy consumption and transport

Our global supply chain – especially the resource-intensive production of steel and plastics – accounts for a large part of the SSI SCHAEFER carbon footprint. Within the company, greenhouse gases are produced primarily by the consumption of energy and transport. In order to protect the climate, it is urgently necessary to avoid or reduce emissions along the supply chain (see chapter Stopping climate change, p. 59).

Our fleet of company cars, some of which are currently still powered by combustion engines, emits not only greenhouse gases but also carbon monoxide, nitrogen oxides and fine particles. Waste, wastewater and welding fumes are other emissions produced by SSI SCHAEFER. By reducing emissions of these pollutants, we cannot only mitigate our negative impact on nature and society but also save costs, e.g. in waste management.

Our strategic approach

2022 will see us define a comprehensive strategic approach for reducing greenhouse gas emissions within the company and along the global supply chain (see chapter Stopping climate change, p. 59). Emissions of other pollutants are monitored in the context of our environmental management activities (see chapter Improving environmental performance, p. 62). While a company-wide strategic approach to specifically reducing these emissions is not in place at present, we plan to develop it in the coming years.

To support the sustainability efforts of our customers, we use state-of-the-art technologies and processes to make our products and solutions as low in emissions as possible. In addition, we actively support our customers' sustainability initiatives.

Employees, business partners and customers may use the **online tool** provided by the Compliance group function to submit complaints about emission-related issues, even anonymously if they wish. Furthermore, they may directly contact their superior or the Head of Social Responsibility.

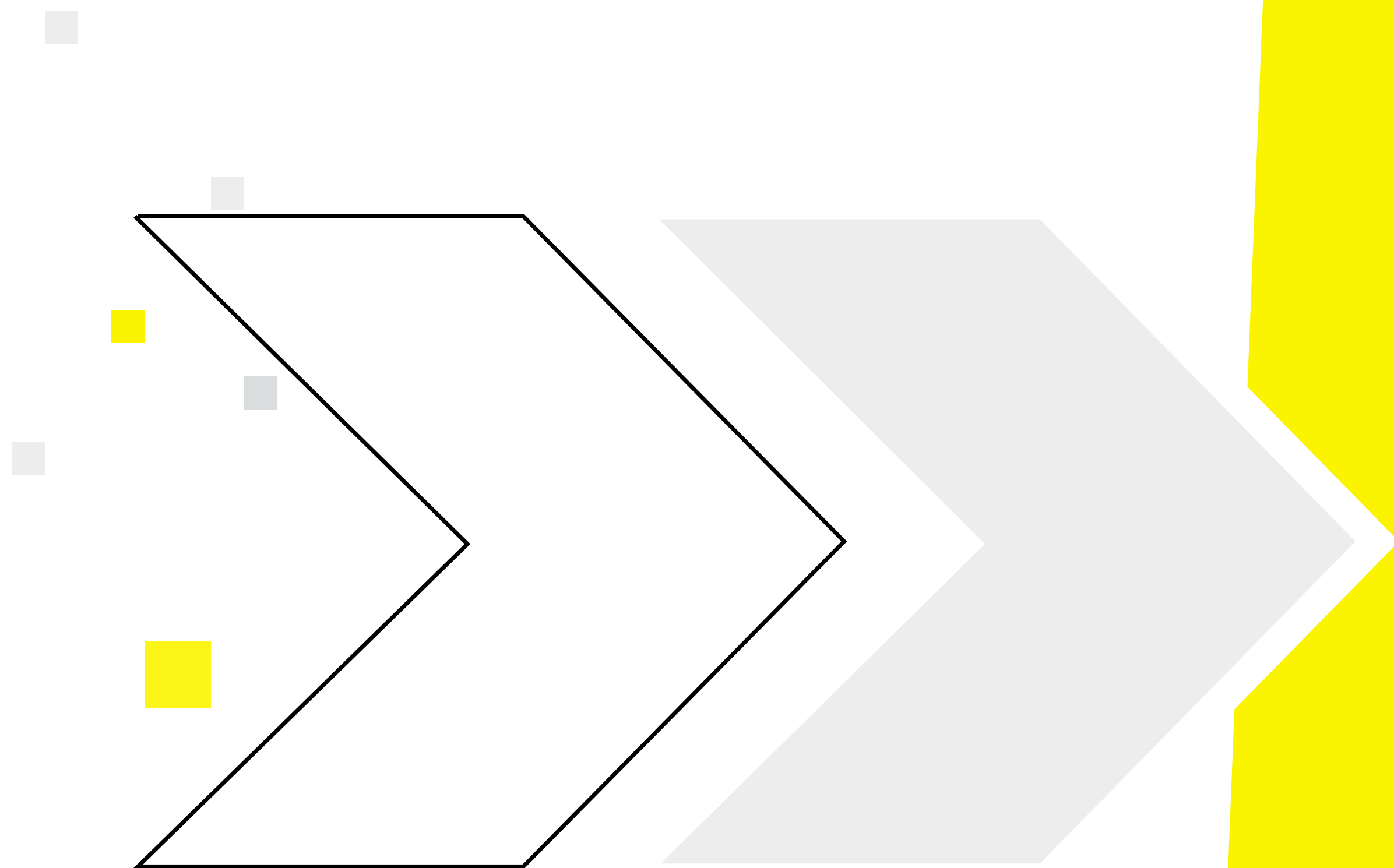
The group function Social Responsibility & HSE defines the environmental standards for the entire Group in cooperation with the group function Integrated Management Systems (IMS). The group function Global Technology keeps an eye on the emissions of our products and solutions. The heads of all three group functions report directly to the management. Monitoring and controlling the emissions at the company sites is the responsibility of the local management, together with the local Environmental Officers.

Reducing greenhouse gases

In 2021, we defined comprehensive measures to reduce carbon emissions in the company and along our supply chain and to protect the climate (see chapter Stopping climate change, p. 59). Last year we started to gradually change our fleet to e-mobility and to implement measures aimed at reducing transport and business trips - e.g. local production and procurement, video and telephone conferences to avoid business trips as well as mobile working - with a view to successively reducing emissions of further pollutants and fine particles.

GRI 103-1, 103-2, 103-3





Outlook

We will further expand our sustainability strategy in the coming years and implement it throughout the Group. We will also further professionalize and standardize our global environmental and energy management system. The systematic reduction of emissions will be an important element of this approach.

Fighting food waste

About one third of all food produced worldwide is lost on its way from the farm to the consumer - while at the same time millions of people go hungry. In the Philippines, a fully automated cold storage facility ensures that less food is wasted.

The challenge

According to **UN estimates**, more than 30% of the world's food ends up in the rubbish bin. Almost half of this is lost between the harvest and the store. At the same time, up to 811 million people are suffering from hunger - a waste of resources on an immense scale. But this is not the only problem, as 8 to 10% of the global greenhouse gas emissions are attributable to food that is thrown away unnecessarily.

Reducing food waste is therefore an urgent necessity - and it is a goal formulated in the United Nations' Sustainability Agenda (**SDG 12.3**). Logistics can help achieve this goal by ensuring that food is safely stored and delivered fresh and undamaged to the customer.

The solution approach

In the Philippines, a lot of food spoils because many places in the tropical country do not have the necessary infrastructure to maintain the cold chain. In the heart of the capital Manila, logistics service provider **ORCA Cold Chain Solutions** therefore built a gigantic cold storage facility to provide supermarket chains and restaurants with a place where they can store their sensitive fresh and frozen foods safely and efficiently. The first cold storage facility with help from SSI SCHAEFER was built in 2020. Thanks to full automation and software monitoring, it reduces the risk of product damage during storage to a minimum.

The effect

ORCA's new cold storage facility in Manila provides 20,000 pallet spaces on 8,000 square meters. The company can ship up to 4,800 pallets per day and thus helps to supply many people in the Philippines with fresh and undamaged food. ORCA and SSI SCHAEFER had sustainability in mind also when designing the building, which is climate-proof and can withstand typhoons and earthquakes. Thanks to state-of-the-art technology, it consumes up to 35% less energy than conventional cooling systems. During the Covid-19 pandemic, it even serves another purpose and is used to store refrigerated vaccines.

People matter

Employees are the foundation of a sustainable company. After all even the best strategy will be successful only if it is effectively filled with life. Not only by the management, but by each and every single employee.

Change begins in the mind. At SSI SCHAEFER, we are therefore committed to promoting a corporate culture that focuses on sustainable thinking and action. The communication of values and human resources development contribute to a sustainable and responsible corporate philosophy.

Our focus is on supporting our employees in the process of change, on developing their skills and their ability to act and on providing them with the knowledge and tools they need to fill our corporate culture with life and implement our corporate strategy in their day-to-day work.

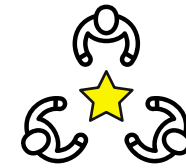
We know that we will not achieve sustainable change over night. But step by step in a continuous process.

Our values and principles

To shape change, we have defined six core principles and three leadership principles based on our vision, mission and values (see chapter Company portrait, p. 5). These principles allow us to move in the right direction and to move forward together. The core and leadership principles of SSI SCHAEFER not only determine the basic orientation of our company, but also influence our daily actions, whether in our communication with customers, in the implementation of projects or in our dealings with colleagues. Skills are derived from the core and leadership principles - skills that are important to us at SSI SCHAEFER and that we expect from all our employees.



Our core principles



Focus on customers

The ability to build a long-term win-win partnership with customers by focusing on identifying, understanding and meeting their needs.

Achieve and improve results

The ability to put plans into action and deliver high-quality results. This includes the personal desire to constantly optimize one's own performance and develop efficient solutions.

Work together

The ability to cooperate with others to jointly find the best solution for SSI SCHAEFER. This includes dealing openly with diversity in the company - even in difficult situations.

Take initiative

The ability to take proactive action. This includes acting quickly, thoughtfully and with determination in current situations and whenever opportunities or potential problems arise in the future.

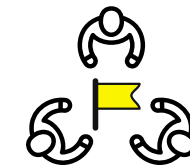
Challenge yourself

The ability to understand one's own strengths and areas of development and the willingness to learn and improve on an ongoing basis. This includes stepping out of your comfort zone and trying new things.

See the big picture

The ability to see the big picture and think outside the box. This includes recognizing patterns and key issues in complex situations. This skill is required to develop concepts, strategies and innovations.

Our leadership principles



These three principles apply specifically to our executives:

Lead employees and teams to success

The ability to lead employees and teams to performance. This includes creating the general conditions to achieve the company's goals in a targeted and inspired manner.

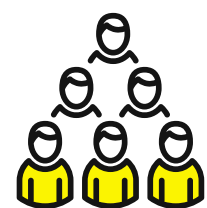
Promote employees

The ability to share expertise and enhance the long-term skills of others through guidance, coaching and development.

Get support

The ability to convince others by using a variety of tailor-made approaches. This is about understanding key stakeholders (customers, peers, matrix and management) and gaining their commitment. This should be done in the company's best interest.

To carry our core and leadership principles into the company, they are translated into core and leadership skills and integrated into our performance reviews. This way, they can be anchored in the company and made measurable. The principles are also incorporated into the contents of our internal training courses and continuing education program.



New employees are difficult to recruit

To implement sustainability at SSI SCHAEFER, we not only need a change in corporate culture, but also well-trained executives who are able to lead people and the organization into the future and steer them strategically. We also need well-trained employees who have the knowledge and the professional and generic skills that make SSI SCHAEFER unique.

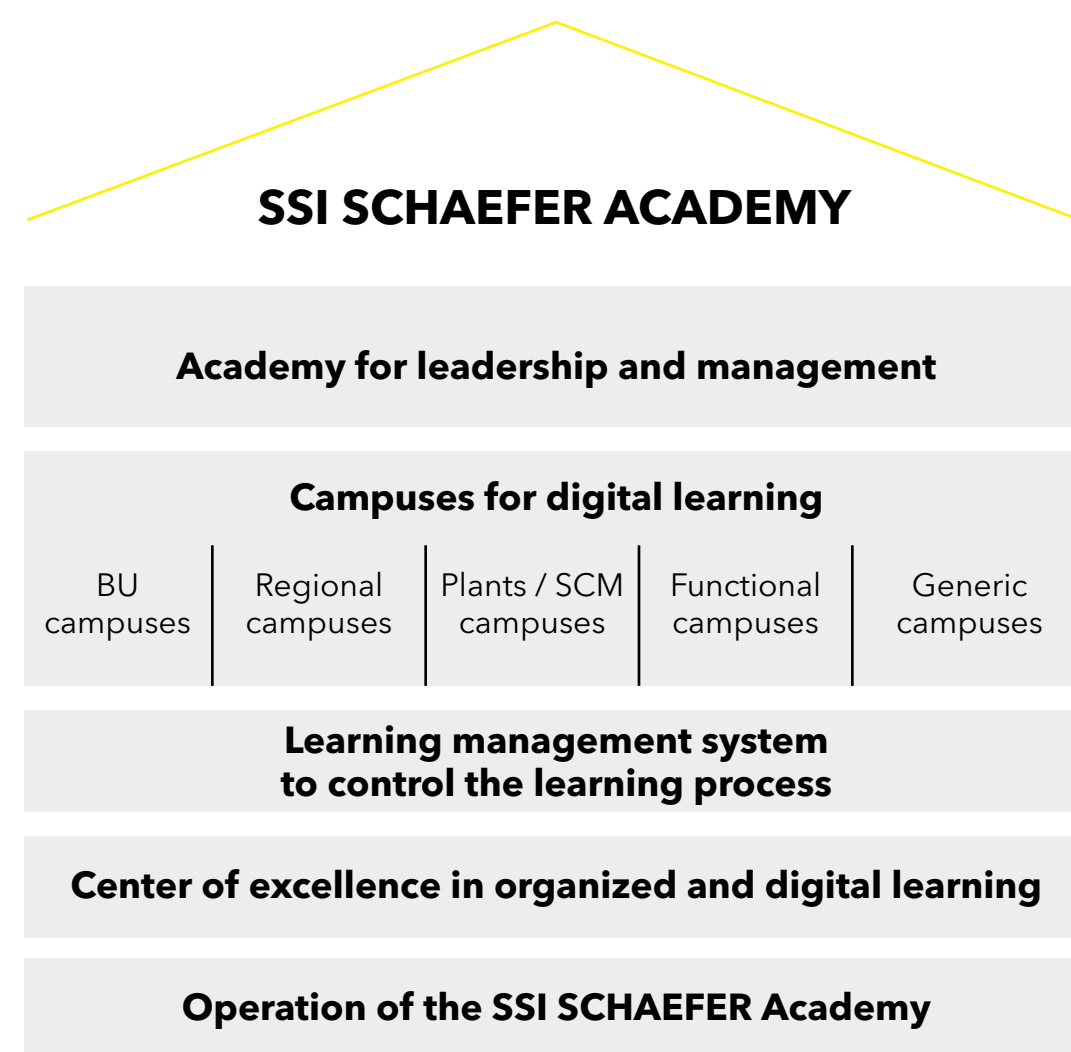
Due to the ongoing shortage of skilled labor in the industry, it is currently very challenging to recruit new employees. We therefore focus on increasing our attractiveness as an employer and on supporting our employees in improving their skills and developing within the company.



**Sustainable continuing education:
The SSI SCHAEFER Academy**

In 2021, we established the SSI SCHAEFER Academy for this purpose, which will be further developed in the current year. It allows our executives and employees worldwide to learn systematically in an organized, modern, efficient and attractive manner.

The SSI SCHAEFER Academy will offer classroom training and online courses on a wide range of relevant topics: from leadership as well as project and conflict management to specialist topics such as marketing and sales or compliance and finance to topics specific to the business units, regions and production sites. Employees have access to formats such as video-based e-learning, interactive learning and a wide range of documents that make learning up-to-date and varied.



Within the Academy, we have developed a leadership and management program that lasts a total of nine days. It supports our executives in developing both their leadership and their management skills and in creating a uniform understanding of good management and leadership at SSI SCHAEFER. The goal is to further develop SSI SCHAEFER in line with our corporate strategy and to lead it into a more sustainable future.

At various professional campuses within the SSI SCHAEFER Academy, all employees have the opportunity to learn digitally, interactively and efficiently. Their learning progress is documented in the system, and certifications are also possible, if required.

The Academy supports the business units in the development and production of customized digital learning content and keeps an eye on current learning trends such as virtual or augmented reality.

Promoting young talent

To promote young talent within the company, we launched a special development program for young potentials in connection with the corporate strategy in 2020 and continued to support them in 2021. In a mixture of virtual formats, personal exchange in the group and coaching sessions, the participants learn to increase their resilience in challenging situations, to reflect their personal values, goals and priorities and to manage themselves more effectively.

The program not only supports their personal development, but also gives them deeper insights into the different business units of SSI SCHAEFER. In addition, they have the opportunity to gain international work experience, establish contacts within the company and exchange ideas with the management. We intend to continue our Young Potentials Program in 2023 at the latest.





Efficiency meets social responsibility

Logistics service provider VVA needed more space in its Gütersloh warehouse. Instead of relocating, the Bertelsmann subsidiary has chosen the more sustainable option - and created optimal working conditions in the process.

The challenge

Whether it's children's books, novels, art books or specialist literature - the demand for print products is high, even in digital times. This has also been noticed by Vereinigte Verlagsauslieferung (VVA) of Arvato Supply Chain Solutions. For more than 200 publishing houses, the Bertelsmann subsidiary stores and ships books, magazines and calendars to retailers and consumers. In 2019, it became clear that the business was still growing but that the logistics center in Gütersloh (Germany) was nearing its capacity limits. A space-saving and sustainable solution was needed.

The solution

Together with SSI SCHAEFER, VVA modernized and expanded the existing center in Gütersloh - during ongoing operations. A sustainable storage and picking system was created in a limited space, allowing capacities to be significantly expanded.

The new system not only made it possible to retain the location but also to continue using the existing technology, which thus did not have to be disposed of or sold. When planning the construction, SSI SCHAEFER and VVA also thought about the future; additional extensions have been part of the concept from the very beginning - and are already planned in several construction stages. If required, they can be quickly implemented on the basis of the existing system.

The effect

Thanks to the **3D Matrix Solution** from SSI SCHAEFER, VVA now makes optimal use of the existing 900 square meters of its logistics center - the new system allows up to an additional 16 million items per year to be shipped. Apart from increased performance and flexibility, working conditions for the company's staff were also improved in the context of the modernization: SSI SCHAEFER, Darmstadt Technical University and start-up cellulation jointly developed the corresponding concept, which has since been used in other SSI SCHAEFER projects.

The integrated, multifunctional workstations facilitate not only order picking but also the reshelving of returns and meet the highest ergonomic standards, making work much easier. What is more, the warehouse is ready for the future, as the modular system can be flexibly adapted to changing market requirements.

Learn more...

Facts and figures

The 2021 Sustainability Report covers the entire scope of consolidation of the SSI SCHAEFER Group with its around 70 subsidiaries. Unless otherwise stated, the key figures contained in this chapter refer to the 18 biggest companies (BIG 18) of the SSI SCHAEFER Group, which together account for more than 80% of sales revenues.

18 biggest companies („BIG 18“) (GRI 102-4)

<p>Company: Schaefer Systems International Pte. Ltd.</p> <p>Country: Singapore Region: APAC & MEA</p>	<p>Company: Schaefer Systems Int. Sdn. Bhd.</p> <p>Country: Malaysia Region: APAC & MEA</p>	<p>Company: Schaefer Systems International Pty. Ltd.</p> <p>Country: Australia Region: APAC & MEA</p>	<p>Company: Fritz Schäfer GmbH</p> <p>Country: Germany (Neunkirchen) Region: Central Europe</p>	<p>Company: SSI Schäfer Automation GmbH</p> <p>Country: Germany (Giebelstadt) Region: Central Europe</p>	<p>Company: SSI Schäfer Automation GmbH</p> <p>Country: Austria (Graz) Region: Central Europe</p>	<p>Company: SSI Schäfer AG</p> <p>Country: Switzerland Region: Central Europe</p>	<p>Company: SSI Schäfer IT Solutions GmbH</p> <p>Country: Austria (Friesach) Region: Central Europe</p>	<p>Company: „SSI“Schäfer Gesellschaft m.b.H.</p> <p>Country: Austria (Wels) Region: Central Europe</p>
<p>Company: Fritz Schäfer GmbH & Co KG, Einrichtungssysteme</p> <p>Country: Germany (Neunkirchen) Region: Central Europe</p>	<p>Company: Schaefer Systems International, Inc.</p> <p>Country: USA Region: North America</p>	<p>Company: SSI Schäfer Ltd.</p> <p>Country: Great Britain Region: Northern Europe</p>	<p>Company: SSI Schäfer N.V./S.A.</p> <p>Country: Belgium Region: Northern Europe</p>	<p>Company: SSI Schäfer B.V.</p> <p>Country: Netherlands Region: Northern Europe</p>	<p>Company: SSI Schäfer s.r.o.</p> <p>Country: Czech Republic (Hranice) Region: Southern Europe</p>	<p>Company: INCAS S.p.A.</p> <p>Country: Italy Region: Southern Europe</p>	<p>Company: SSI Schäfer Sp.zo.o</p> <p>Country: Polen Region: Southern Europe</p>	<p>Company: SSI Schaefer S.A.S.</p> <p>Country: France Region: Southern Europe</p>



Compliance

Group Compliance Guidelines (GRI 205-2)

Compliance at SSI SCHAEFER is managed centrally by Group Compliance. The Compliance Officer reports directly to the CEO. Group Compliance works in alignment with the Group Management Board and cooperates closely with other Group Functions, e.g. Data Protection, Information Security, Human Resources, GSR, Legal and Finance.

As seen in the table below, the Compliance Management System (CMS) at SSI SCHAEFER consists of the categories Prevent, Detect and Respond, following best practice.

The basis of the CMS is formed by the Code of Conduct of the SSI SCHAEFER Group, which covers topics such as bribery and corruption, antitrust, conflicts of interest and discrimination in 10 chapters. Related is the Code of Conduct for Business Partners of the SSI SCHAEFER Group, which requires our business partners to adhere to the same standards of applicable law and self-imposed rules.

Focus areas in 2019 through 2021 were the creation and roll-out of the new Code of Conduct and the Code of Conduct for Business Partners, the implementation of a Group-wide Whistleblowing System and the execution of several internal investigations.



Prevent	Detect	Respond
Development & Improvement of the CMS	Whistleblowing System	Consequences for Misconduct
Code of Conduct & Guidelines	Internal Investigations	Case Tracking & External Reporting
Policies & Procedures	Risk Assessments	Elimination of Systematic Weaknesses
Trainings	Controls & Audits on Regular Basis	
Communication	Reporting to the Management and the Board	
Advice & Daily Business		
Integration into Business Processes		

Confirmed incidents of corruption and actions taken* (GRI 205-3)

	2021	2020	2019
Total number and nature of confirmed incidents of corruption.	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	0	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	0	0	0
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	0	0	0

* Not reported: Germany (Giebelstadt), Austria (Graz), Austria (Friesach), Switzerland only reported for 2021: USA

Legal actions for anti-competitive behavior, anti-trust, and monopoly practices* (GRI 206-1)

	2021	2020	2019
Total number and nature of confirmed incidents of corruption.	0	0	0
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.	0	0	0
Main outcomes of completed legal actions, including any decisions or judgments.	0	0	0

* Not reported: Germany (Giebelstadt), Austria (Graz), Austria (Friesach), Switzerland only reported for 2021: USA

Non-compliance with environmental laws and regulations* (GRI 307-1)

Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of	2021	2020	2019
total monetary value of significant fines	0	0	0
total number of non-monetary sanctions	0	0	0
Cases brought through dispute resolution mechanisms (number)	0	0	0

* Not reported: Germany (Giebelstadt), Austria (Graz), Austria (Friesach), Switzerland

Incidents of non-compliance concerning the health and safety impacts of products and services* (GRI 416-2)

	2021	2020	2019
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	0	0	0

* Not reported: Germany (Giebelstadt), Austria (Graz), Austria (Friesach) only reported for 2021: USA

Incidents of non-compliance concerning product and service information and labeling* (GRI 417-2)

	2021	2020	2019
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by i. incidents of non-compliance with regulations resulting in a fine or penalty ii. incidents of non-compliance with regulations resulting in a warning	0	0	0
If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	0	0	0

* Not reported: Germany (Giebelstadt), Austria (Graz), Austria (Friesach) only reported for 2021: USA

Non-compliance with laws and regulations in the social and economic area* (GRI 419-1)

Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:	2021	2020	2019
total monetary value of significant fines	0	0	0

* Not reported: Germany (Giebelstadt), Austria (Graz), Austria (Friesach) only reported for 2021: USA

Materials* (GRI 301)

Chemicals	Unit	2021	2020	2019
Argon	kg	467.705	424.335	668.975
Carbonic acid	kg	415.086	91.647	1.066.649
Oxygen	kg	134.351	172.520	251.236
Nitrogen	kg	1.234.230	892.107	546.330

Metals	Unit	2021	2020	2019
Steel	kg	161.143.477	122.986.256	138.286.092

Plastics	Unit	2021	2020	2019
Polypropylene	kg	32.574.271	29.108.871	21.195.206
High-density polyethylene	kg	17.979.420	23.133.211	not recorded
Polypropilene Recyklat	kg	645.930	680.389	not recorded
Recycled high-density polyethylene	kg	1.999.555	1.587.573	not recorded

Wood/paper/cardboard	Unit	2021	2020	2019
Wood (pallets)	kg	7.840.268	7.308.940	7.379.403
Paper and cardboard (unbleached)	kg	1.021.224	733.329	770.824

*No data are available from the production site in Austria (Graz) for 2020. No data are available for steel from the Czech Republic (Hranice) for 2020, so they are not included. The USA reported only plastics for 2020 and 2021.

Occupational health and safety

With respect to occupational health and safety, only values from the production sites were included in this first data collection. The largest production sites are located in Germany (Neunkirchen) and the Czech Republic (Hranice), followed by Austria (Graz), the USA and Malaysia. Inclusion of the non-production sites is planned for next year.

Work-related injuries (GRI 403-9)

For all employees:	2021	2020	2019
Number of fatalities as a result of work-related injuries	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	29	32	47
Number of recordable work-related injuries	113	138	196
Number of hours worked	7.640.603	7.698.306	8.423.447
Rate (recordable injuries per 200,000 hours worked)	2,96	3,59	4,65

Work-related ill health (GRI 403-10)

For all employees:	2021	2020	2019
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	43	37	63

For all workers who are not employees but whose work and/or workplace is controlled by the Group:	2021	2020	2019
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	0	0

Emmissions

Preliminary mark on the methods and conversion factors used to calculate CO2 emissions.

Greenhouse gas emissions were measured and calculated in accordance with the principles of the Greenhouse Gas Protocol of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) "A Corporate Accounting and Reporting Standard - Revised Edition" (GHG Protocol) and the supplementary "Corporate Value Chain (Scope 3) Accounting and Reporting Standard".

The calculations refer to the greenhouse gas carbon dioxide (CO₂). The emissions are indicated in metric tons of CO₂.

Scope 1 & 2 emissions:

Included activities

- Scope 1 and 2 emissions include all relevant emission sources for SSI SCHAEFER, including electricity, district heating, district cooling, fuels, bioenergy and refrigerants.

- Primary data (such as kWh of electricity or kg of refilled refrigerant) were collected for the so-called "BIG 18" (18 biggest companies (see page 74)) in the scope of consolidation of SSI SCHAEFER - Fritz Schäfer GmbH & Co KG. No extrapolation was made. The reported emissions represent approximately 80% (in terms of sales revenues) of the economic activities of the scope of consolidation.
- Primary data (such as distances traveled in company cars and liters of gasoline consumed) were collected for the companies mentioned.

Emission factors used

- Market-based emission factors were used, where available, to calculate total emissions. Where these were not available, the following reference values were used:
- Missing emission factors were mostly taken from the website www.eea.europa.eu (values for 2020) or the BAFA leaflet (2021). For Malaysia, an emission factor from 2017 was used as the most recent value available (IGES List 2021). For district heating at the Graz site, a report by the University of Graz on emission reductions was used.

For district heating at the Vienna site, the emission factor was taken from a leaflet by Wien Energie.

Data gaps

No data could be collected for the companies in Belgium and France, as the quantities consumed are settled as a lump sum with the rent and were not reported by the landlord to SSI SCHAEFER.

For the Wels (A) site, the value for district heating for 2021 is missing. Here, billing took place after the publication date of the report.

Scope 3 emissions:

Included activities

- For Scope 3 emissions, activity data were not collected for all categories of the GHG Protocol.
- In Category 1 (purchased goods and services), the quantities for argon, oxygen, nitrogen, steel, polypropylene, HDPE, wood (pallets) as well as paper and cardboard were recorded.

In addition, the data in Category 4 (upstream transportation) were recorded for the means of transport ocean-going vessels, airplanes and trucks, and in Category 6 (business travel) for national and international air travel. Transportation distances were partly determined from transportation costs and with the help of Internet-based navigation programs (Google Maps, luftlinie.org).

Emission factors

- For the calculation of emissions in Category 1, data from the BAFA information sheet on CO₂ factors from November 2021 and from BVSE (for recycled plastics) were used.

- In Categories 4 and 6, the emission factors were taken from a table provided by DEFRA (Department for the Environment, Forests and Rural Affairs, UK, 2021). The calculations are based on the following assumptions: Air travel and any material transports by air were calculated without return flight. For transports by ocean-going vessel, the use of container ships > 8,000 TEU was assumed, and for transports by truck, 100% utilization of the load capacity.

Data gaps

In Category 1, the data for the Graz site (A) in 2020 are missing completely. Similarly, the data for the use of steel at the site in the Czech Republic were not available for 2020.

In the Categories 4 and 6, data could be collected for the sites in Belgium, France, Austria (Friesach), Germany (Giebelstadt), Poland and the USA. The coverage in these categories is thus approximately 51%.

No values for transport by truck were available for Switzerland.



Energy consumption within the organization (GRI 302-1)

Consumption data		2021	2020	2019
Total energy consumption				
Direct energy consumption				
Heating oil	l	96.987	113.897	
Natural gas	kWh	81.610.909	73.737.716	
Biomasse	MWh	1.076	1.047	
Biogas		0	0	not recorded
Liquid gas	kg	73.069	187.888	
Indirect energy consumption				
Electrical energy from renewable sources	kWh	0	0	
Electrical energy	kWh	108.823.643	99.688.688	
District heating	kWh	13.106.624	24.516.514	
District cooling	kWh	98.000	80.000	

Activity data		2021	2020	2019
Business travel				
Business travel - international flights	km	6.847.037	5.366.888	
Business travel - domestic flights	km	441.880	499.375	
Transport of material to the construction site		42.898.024	43.249.241	not recorded
by container ship	tkm	28.652.593	30.810.952	
by air freight (international)	tkm	1.022.640	506.222	
by truck	tkm	13.222.791	11.932.067	

Greenhouse gas emission in t CO₂ (GRI 305)

	2021	2020
Total greenhouse gas emissions	526.274	439.215
Indirect energy-related greenhouse gas emissions (GRI 305-1)	16.893	15.701
Indirect energy-related greenhouse gas emissions (GRI 305-2)	39.329	35.933
Other indirect greenhouse gas emissions (GRI 305-3)	470.052	387.581

Detailed presentation of Scope 3 emissions (GRI 305-3)

	2021	2020
Total Scope 3 in t CO₂	470.052	387.581
Cat. 1 – Materials	453.805	373.095
Cat. 4 – Transport and distribution (upstream)	14.880	13.265
Cat. 6 – Business travel	1.368	1.221

Environment

With respect to environmental data, only values from the production sites were included in this first data collection. The largest production sites are located in Germany (Neunkirchen) and the Czech Republic (Hranice), followed by Austria (Graz), the USA and Malaysia. Inclusion of the non-production sites is planned for next year.

Water and effluents (GRI 303)

Water withdrawal* (GRI 303-3)

Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:		2021	2020	2019
Surface water	m ³	122.000,00	127.300,00	143.100,00
Groundwater	m ³	14.800,00	16.700,00	18.600,00
Seawater	m ³	0,00	0,00	0,00
Produced water	m ³	0,00	0,00	0,00
Third-party water (utilities/neighbors, etc.)	m ³	40.973,20	38.299,00	51.556,00

* Includes data on the production sites in the Czech Republic (Hranice), Germany (Neunkirchen), Malaysia and Austria (Graz)

Waste (GRI 306)

Waste generated* (GRI 306-3)

Total weight of waste generated in metric tons, and a breakdown of this total by:		2021	2020	2019
Metals	t	16.112,56	17.641,83	20.549,71
Paper and cardboard	t	323,24	284,75	486,40
Plastics	t	194,41	141,38	167,31
Other (rest, mixed)	t	1.518,29	1.548,19	1.618,60
Biodegradable	t	22,14	24,00	36,20

		2021	2020	2019
Total weight of hazardous waste generated	t	170,83	227,88	257,95

* Includes data on the production sites in the Czech Republic (Hranice), Germany (Neunkirchen), Malaysia and Austria (Graz)

Employees

Information on employees and other workers (GRI 102-8)

i. by employment contract and gender*

	2021	2020	2019
Men	4.991	5.001	4.171
Permanent contract	4.600	4.580	3.771
Temporary contract	391	421	400
Women	1.132	1.108	903
Permanent contract	1.054	1.034	821
Temporary contract	78	74	72
Total	6.123	6.109	5.074

* Reported as of 31 December of each year
 AUS: We sometimes employ project-related staff who are employed full-time but on a temporary contract. Temporary contract includes fixed-term contract (FTC) employees, i.e. non-permanent employees.
 Austria (Graz): Temporary including apprentices.
 INCAS (IT): Temporary employment relationships also include employment agencies and fixed-term contracts.
 Belgium: Only data for 2021 available.
 USA: Not included in this table as no data by contract category were available.
 Germany (Giebelstadt): Not included as no data were available.

ii. by employment relationship and gender**

	2021	2020	2019
Men	5.628	5.585	4.701
Full-time	5.495	5.474	4.615
Part-time	133	111	86
Women	1.301	1.268	1.048
Full-time	1.097	1.061	899
Part-time	204	207	149
Total	6.929	6.853	5.749

** Reported as of 31 December of each year.
 Austria (Graz): Including apprentices and leavers, only data for 2021 and 2020 included.
 Belgium: Only data for 2021 available.
 Germany (Giebelstadt): Not included as no data were available.

iii. by age***

	2021	2020	2019
Men	5.514	5.497	5.645
< 30 years	1.362	1.438	1.531
> 30 and < 50 years	2.825	2.753	2.832
> 50 years	1.327	1.306	1.282
Women	1.275	1.244	1.286
< 30 years	298	310	361
> 30 and < 50 years	694	664	675
> 50 years	283	270	250
Total	6.789	6.741	6.931

*** Reported as of 31 December of each year.
 Austria (Graz): Including apprentices and leavers.
 Belgium: Only data for 2021 available.
 Germany (Giebelstadt): Not included as no data were available.
 PL: Not included as no data by age were available.

Diversity and equal opportunity* (GRI 405-1)

Top management positions**	2021		2020		2019	
	absolute	percentage	absolute	percentage	absolute	percentage
Men	84	91%	81	93%	46	88%
< 30 years	0	0%	0	0%	0	0%
> 30 and < 50 years	43	47%	37	43%	17	33%
> 50 years	41	45%	44	51%	29	56%
Women	8	9%	6	7%	6	12%
< 30 years	0	0%	0	0%	0	0%
> 30 and < 50 years	6	7%	3	3%	5	10%
> 50 years	2	2%	3	3%	1	2%
Total	92	100%	87	100%	52	100%

Management positions**	2021		2020		2019	
	absolute	percentage	absolute	percentage	absolute	percentage
Men	278	83%	258	88%	225	86%
< 30 years	16	5%	16	5%	13	5%
> 30 and < 50 years	184	55%	164	56%	152	58%
> 50 years	78	23%	78	27%	60	23%
Women	55	17%	38	13%	36	14%
< 30 years	7	2%	2	1%	2	1%
> 30 and < 50 years	39	12%	25	9%	23	9%
> 50 years	9	3%	11	4%	11	4%
Total	333	100%	294	100%	261	100%

* Only reported for 2020 and 2021: Austria (Graz)
only reported for 2021: Belgium, Czech Republic (Hranice)

** At the time of data collection, there was still the challenge that there were no uniform Group-wide definitions for the management levels so that the data reported were based on the country-specific classifications.

Incidents of discrimination and corrective actions taken* (GRI 406-1)

	2021	2020	2019
Total number of incidents of discrimination during the reporting period	1	2	0
Status of the incidents and actions taken with reference to the following:			
i. incident reviewed by the organization	1	2	0
ii. remediation plans being implemented	1	2	0
Men	1	1	0
Women	0	1	0

* Only reported for 2021: Belgium

GRI content index

This report has been prepared following the GRI Standards: "Core" option.

GRI-Standard	Disclosure	Page	Comment
101: Foundation 2021 102: General disclosures 2021			
Organizational profile			
102-1	Name of the organization	5	
102-2	Activities, brands, products, and services	8-11	
102-3	Location of headquarters	5, 7	
102-4	Location of operations	5, 7, 74	
102-5	Ownership and legal form	5	
102-6	Markets served	7, 9	
102-7	Scale of the organization	5, 11	
102-8	Information on employees and other workers	5, 7, 83	
102-9	Supply chain	55	
102-10	Significant changes to the organization and its supply chain	-	In the financial year 2021, there were no significant changes to the organization and its supply chain.
102-11	Precautionary Principle or approach	56	
102-12	External initiatives	12	
102-13	Membership of associations	12	
Strategy			
102-14	Statement from senior decision-maker	4	

GRI-Standard	Disclosure	Page	Comment
102-15	Key impacts, risks, and opportunities	-	See the 2020 consolidated financial statements of Fritz Schäfer GmbH & Co KG (Management report: 3.2 Opportunity and risk reporting) https://www.bundesanzeiger.de ; The 2021 consolidated financial statements are expected to be completed in September 2022.
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	3-5, 13	
102-17	Mechanisms for advice and concerns about ethics	20, 21	
Governance			
102-18	Governance structure	7	
102-19	Delegating authority	6	
102-20	Executive-level responsibility for economic, environmental, and social topics	6	
102-21	Consulting stakeholders on economic, environmental, and social topics	13, 15	
Stakeholder engagement			
102-40	List of stakeholder groups	15	
102-42	Identifying and selecting stakeholders	15	
102-43	Approach to stakeholder engagement	15	
102-44	Key topics and concerns raised	15	
Reporting practice			
102-45	Entities included in the consolidated financial statements	6, 89	
102-46	Defining report content and topic Boundaries	15, 16	
102-47	List of material topics	16	

GRI-Standard	Disclosure	Page	Comment
102-48	Restatements of information	-	This is the first Sustainability Report of the SSI SCHAEFER Group, accordingly there were no restatements of information.
102-49	Changes in reporting	-	
102-50	Reporting period	89	
102-51	Date of most recent report	89	
102-52	Reporting cycle	89	
102-53	Contact point for questions regarding the report	90	
102-54	Claims of reporting in accordance with the GRI Standards	86	
102-55	GRI content index	86	
102-56	External assurance	89	
201: Economic performance			
103-1	Explanation of the material topic and its Boundary	45-48	
103-2	The management approach and its components	45-48	
103-3	Evaluation of the management approach	45-48	
201-1	Direct economic value generated and distributed	-	See the 2020 consolidated financial statements of Fritz Schäfer GmbH & Co KG (Consolidated income statement) https://www.bundesanzeiger.de ; The 2021 consolidated financial statements are expected to be completed in September 2022.
203: Indirect economic impacts			
103-1	Explanation of the material topic and its Boundary	39, 40, 42, 43	
103-2	The management approach and its components	39, 40, 42, 43	
103-3	Evaluation of the management approach	39, 40, 42, 43	
203-1	Infrastructure investments and services supported	68	
203-2	Significant indirect economic impacts	37, 50, 68	

GRI 102-54, 102-55

GRI-Standard	Disclosure	Page	Comment
204: Procurement practices			
103-1	Explanation of the material topic and its Boundary	56	
103-2	The management approach and its components	56	
103-3	Evaluation of the management approach	56	
204-1	Proportion of spending on local suppliers	56	
205: Anti-corruption			
103-1	Explanation of the material topic and its Boundary	75	
103-2	The management approach and its components	75	
103-3	Evaluation of the management approach	75	
205-2	Communication and training about anti-corruption policies and procedures	75	
205-3	Confirmed incidents of corruption and actions taken	76	
206: Anti-competitive behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	76	
301: Materials			
103-1	Explanation of the material topic and its Boundary	27	
103-2	The management approach and its components	27	
103-3	Evaluation of the management approach	27	
301-1	Materials used by weight or volume	77	
302: Energy			
103-1	Explanation of the material topic and its Boundary	27, 59, 60	

GRI-Standard	Disclosure	Page	Comment
103-2	The management approach and its components	27, 59, 60	
103-3	Evaluation of the management approach	27, 59, 60	
302-1	Energy consumption within the organization	81	
302-4	Reduction of energy consumption	59, 60	
302-5	Reductions in energy requirements of products and services	59	
303: Water and effluents			
303-3	Water withdrawal	82	
305: Emissions			
103-1	Explanation of the material topic and its Boundary	65, 66	
103-2	The management approach and its components	65, 66	
103-3	Evaluation of the management approach	65, 66	
305-1	Direct (Scope 1) GHG emissions	81	
305-2	Energy indirect (Scope 2) GHG emissions	81	
305-3	Other indirect (Scope 3) GHG emissions	57, 81	
306: Waste			
103-1	Explanation of the material topic and its Boundary	-	A Group certification strategy for the SSI SCHAEFER Group is currently being developed. Individual locations have already been certified to management systems such as ISO 9001, ISO 14001, ISO 50001, ISO 27001 and ISO 45001.
103-2	The management approach and its components	-	
103-3	Evaluation of the management approach	-	
306-3	Waste generated	82	
307: Environmental compliance			
103-1	Explanation of the material topic and its Boundary	20, 21, 62, 63	
103-2	The management approach and its components	20, 21, 62, 63	
103-3	Evaluation of the management approach	20, 21, 62, 63	

GRI-Standard	Disclosure	Page	Comment
307-1	Non-compliance with environmental laws and regulations	76	
308: Supplier Environmental Assessment			
103-1	Explanation of the material topic and its Boundary	56	
103-2	The management approach and its components	56	
103-3	Evaluation of the management approach	56	
308-1	New suppliers that were screened using environmental criteria	56	
308-2	Negative environmental impacts in the supply chain and actions taken	56	
401: Employment			
103-1	Explanation of the material topic and its Boundary	30, 31	
103-2	The management approach and its components	30, 31	
103-3	Evaluation of the management approach	30, 31	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	In many countries in which the SSI SCHAEFER Group operates, there are legal regulations or collective agreements with which we comply. In general, we aim to provide the same benefits to all employees regardless of their employment contract status. This includes, for example, private pension schemes, health and accident insurance, parental leave and support for sports activities.

GRI-Standard	Disclosure	Page	Comment
403: Occupational health and safety			
103-1	Explanation of the material topic and its Boundary	34	
103-2	The management approach and its components	34	
103-3	Evaluation of the management approach	34	
403-1	Occupational health and safety management system	34	
403-2	Hazard identification, risk assessment, and incident investigation	34	
403-4	Worker participation, consultation, and communication on occupational health and safety	34	
403-5	Worker training on occupational health and safety	36	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	34	
403-9	Work-related injuries	78	
403-10	Work-related ill health	78	
404: Training and education			
103-1	Explanation of the material topic and its Boundary	30, 31	
103-2	The management approach and its components	30, 31	
103-3	Evaluation of the management approach	30, 31	
404-1	Average hours of training per year per employee	-	
404-2	Programs for upgrading employee skills and transition assistance programs	-	At present, the different data are not yet uniformly recorded across all companies. This is being developed.
404-3	Percentage of employees receiving regular performance and career development reviews	-	

GRI-Standard	Disclosure	Page	Comment
405: Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	84	
406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	85	
412: Human rights assessment			
103-1	Explanation of the material topic and its Boundary	52, 53	
103-2	The management approach and its components	52, 53	
103-3	Evaluation of the management approach	52, 53	
412-1	Operations that have been subject to human rights reviews or impact assessments	52	Group Compliance has not conducted any human rights audits on its own.
412-2	Employee training on human rights policies or procedures	52, 53	Since December 2021, there has been an e-learning module on the Code of Conduct, which includes a sub-chapter on human rights.
414: Supplier social assessment			
103-1	Explanation of the material topic and its Boundary	56	
103-2	The management approach and its components	56	
103-3	Evaluation of the management approach	56	
414-1	New suppliers that were screened using social criteria	56	
414-2	Negative social impacts in the supply chain and actions taken	56	
416: Customer health and safety			
103-1	Explanation of the material topic and its Boundary	23, 24	

GRI-Standard	Disclosure	Page	Comment
103-2	The management approach and its components	23, 24	
103-3	Evaluation of the management approach	23, 24	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	76	
417: Marketing and labeling			
103-1	Explanation of the material topic and its Boundary	23, 24	
103-2	The management approach and its components	23, 24	
103-3	Evaluation of the management approach	23, 24	
417-2	Incidents of non-compliance concerning product and service information and labeling	77	
419: Socioeconomic compliance			
103-1	Explanation of the material topic and its Boundary	20, 21	
103-2	The management approach and its components	20, 21	
103-3	Evaluation of the management approach	20, 21	
419-1	Non-compliance with laws and regulations in the social and economic area	77	

About this report

This year, SSI SCHAEFER Group presents its first voluntary Sustainability Report. The present report refers to the financial year 2021 (January 1, 2021 to December 31, 2021) and additionally includes selected information from the first months of the financial year 2022.

As the collection of key performance indicators did not start before 2021, historical figures for comparison are not available in some cases.

The editorial deadline for the Sustainability Report 2021 was August 2, 2021.

The Group plans to prepare an annual Sustainability Report in the future. The report for the financial year 2022 is expected to be published in mid-2023.

The Sustainability Report 2021 covers the entire basis of consolidation of the SSI SCHAEFER Group with its 74 subsidiaries. Unless otherwise stated, the performance indicators contained in this report refer to the 18 largest entities of the SSI SCHAEFER Group, which together account for more than 80% of sales revenues. For the next Sustainability Report 2022, the Group has set itself the goal of including the entire basis of consolidation in its sustainability reporting also with regard to the performance indicators.

The present Sustainability Report has not been audited. Going forward, the management of the SSI SCHAEFER Group will decide on the need for an external audit on an annual basis.

This Sustainability Report is available in German and English. In case of deviations, the German version shall apply.

Rounding note

When using rounded amounts and percentages, minor deviations may occur due to commercial rounding.

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Forward-looking statements

This Sustainability Report contains certain forward-looking statements relating to the future development of SSI SCHAEFER Group and its entities as well as to economic and political developments. These statements represent estimates that we have made based on all the information available to us at the time the report was prepared. Should the underlying assumptions fail to materialize or further risks occur, the actual results, developments and performance of the Group may differ from the estimates presented. Even if the actual results of SSI SCHAEFER Group, including its financial position and profitability as well as the economic and regulatory framework conditions, are in line with the forward-looking statements in this Sustainability Report, no guarantee can be given that this will continue to be the case in the future. SSI SCHAEFER Group therefore assumes no liability for the forward-looking statements presented in this report.

Your feedback

We want to continuously improve and develop our sustainability efforts. We therefore welcome your feedback on our Sustainability Report. You can send us your comments directly online to the above e-mail address.

Further reporting

For further information on SSI SCHAEFER Group and its commitment to sustainability, please visit our company website at **ssi-schaefer.com**

Think Tomorrow.

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