



SUSTAINABILITY REPORT

2019

Imprint

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Our Company

01

Foreword

✦ GRI 102-14

Dear Readers,

As a medium-sized, owner-operated enterprise, the EBZ Group is one of the world's leading equipment manufacturers and engineering service providers for body-in-white technology in the automotive industry. Our work is defined by a passion for detail, and we are flexible and open to new impulses, as we and our employees share a burning enthusiasm for engineering. An innovative spirit of development has shaped our enterprise since the company began operations.

The consequences of our dynamic and innovative thinking and acting is not only the increasing influence of digital change at the core of our business activities, but also the fact that sustainability has become an important part of corporate culture and continues to grow in significance.

Sustainability in this context is a multi-faceted process for us, going far beyond purely environmental aspects and involving a greater assumption of more far-reaching responsibility. We want to assume responsibility as an employer for our employees, responsibility as a company for our services and products, responsibility for our dealings with customers and suppliers and, also, responsibility for our society.

In particular, the goal and results of this understanding are a responsible attitude towards resources, be it during our everyday work, in the planning and development of our products or with regard to environmental and climate protection. In addition, good working conditions for our employees and health and safety have the highest priority. We live from our commitment and the inventiveness of our employees, which is why we want to create an environment in which they feel comfortable.

We have anchored sustainability in our corporate culture and strategy within this self-image and draw upon it to define our goals. Implementation in this

respect is realised by individual departments. This decentralised organisation of sustainability management makes a rapid response to opportunities and risks possible and enables dynamic implementation in compliance with the respective framework conditions.

We work continuously to harmonise economic and ecological aspects in the context of sustainable corporate management. We do not want to stagnate in this respect, but rather to continue developing with regard to our products and services, our employees and our ecological responsibility. True to our motto **CHALLENGE ACCEPTED**, we also adopt new approaches wherever necessary and adapt processes to new challenges and requirements.

This is, for example, evident in our response to digital change and the application of artificial intelligence in the context of process design and optimising. Digitisation, the global megatrend, poses new challenges for us as a medium-sized enterprise. We face and embrace these challenges – in a measured, reasoned manner in line with our corporate culture, but always with an eye on the opportunities that we are presented with as a result.

Our motto – CHALLENGE ACCEPTED – could not be more suitable, given the circumstances under which our first Sustainability Report was developed. The following pages were written during the Corona crisis which completely altered both our economic and social lives and forced us all to face major challenges. As regards our own company, we have managed to master these challenges relatively effectively. Given the rapid development of the crisis and its consequences, it remains to be seen whether this can be continued.



However, what is certain is that this crisis will change many things and continue to bring forth new challenges. So let us remain motivated and committed in future and open to new opportunities and impulses, particularly in an era of great change.

Markus Müller
Board Member
(CFO)

Thomas Bausch
(CEO)

Alexander Schmeel
Board Member
(COO)

Corporate Profile

Organisation Profile

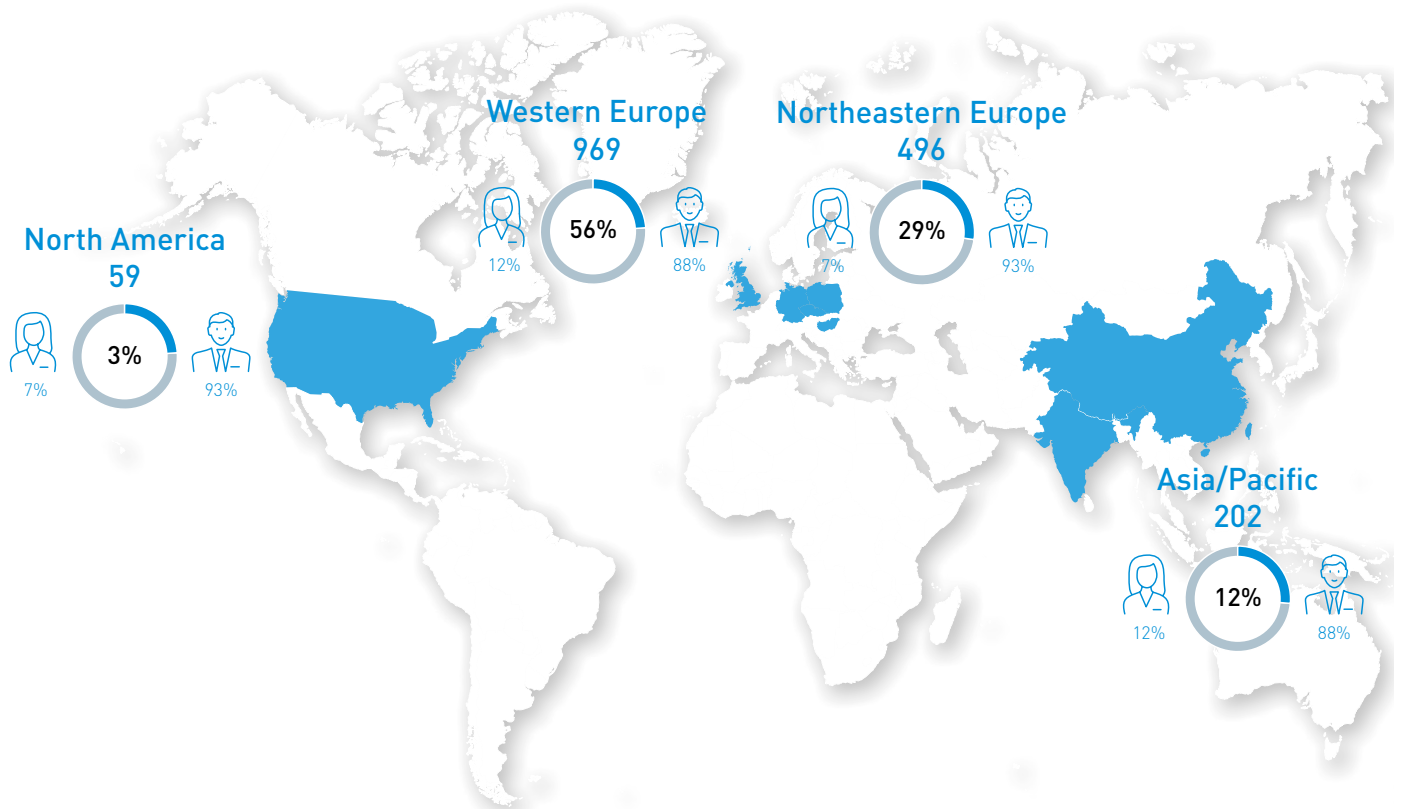
EBZ Group at a glance

📍 GRI 102-1; 102-3; 102-5; 102-7; 102-8

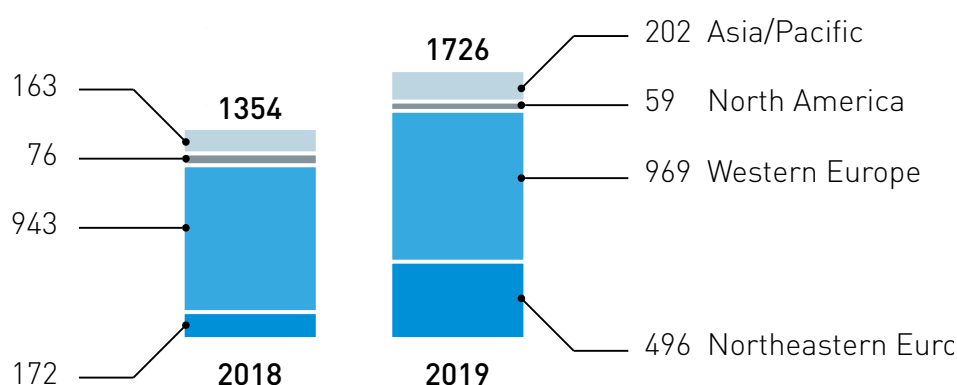
In addition to EBZ SE, the management holding and parent company headquartered in Ravensburg, the EBZ Group also includes 16 operative subsidiaries (7 in Germany, 6 in other parts of Europe, including the company in the UK, and 3 outside Europe). EBZ SE is registered as a European Company (Societas Europaea, SE), a public limited company under European law in which a variety of primarily commercial functions are centralised in the sense of a shared service organisation. EBZ SE is therefore responsible

for sales, purchasing, the management control system, finance and accounting, IT, Investment, Environment, Occupational Safety department, Organisational and process development HR, Central marketing, Press and PR and Law. The operative business of the EBZ Group is realised by the EBZ SE subsidiaries. The Chair of the entire EBZ Group is employed at EBZ SE.

The EBZ Group employed 1,726 personnel in 2019, 967 of these at locations in Germany, 498 at locations in Europe and 261 at locations outside Europe. 97 personnel were employed at the managing EBZ SE in the reporting year. EBZ SE employed 89 personnel in the reference year of 2018.



EBZ Group employee figures according to region



Employee figures of operative subsidiaries

Subsidiary	Country	2018	2019
EBZ Engineering Bausch & Ziege GmbH, Ravensburg	Germany	1	1
EBZ NHC Composites GmbH, Schemmerberg	Germany	23	25
EBZ SysTec GmbH, Ravensburg	Germany	624	643
EBZ Ravensburg GmbH, Ravensburg	Germany	87	88
EBZ Ammerbuch GmbH, Ammerbuch	Germany	40	40
EBZ Wolfsburg GmbH, Wolfsburg	Germany	28	27
EBZ Bm FormTec GmbH, Ravensburg	Germany	48	46
EBZ SysTec Shenyang Ltd., Shenyang	China	91	127
EBZ SysTec Inc., McCalla	USA	76	59
EBZ SysTec India Pvt. Ltd, Gurgaon	India	72	75
EBZ Ungarn Kft., Budapest	Hungary	20	17
EBZ Composites Hungary Kft., Nyirbátor	Hungary	3	5
EBZ Automation Engineering Sp. zo.o., Gliwice	Poland	99	134
EBZ Design Engineering Sp. zo.o., Szczecin	Poland	50	55
EBZ SysTec UK Ltd., Birmingham	UK	3	2
EBZ Hoffmann s.r.o., Ostrožská Nová Ves	Czech Republic	-	285



Competent partner from initial concept planning to commissioning

★ GRI 102-2

The EBZ Group is among the specialists in system construction and tool making. As an innovative enterprise, the EBZ Group supports automotive projects over the entire product development process and the complete process chain of tool making and system construction. The EBZ Group is a one-stop provider of everything from engineering to the manufacture and commissioning of production systems and forming tools. It is a competent partner for BIW production, from initial concept planning, design and simulation to commissioning of equipment. In particular, activities from the digital creation process to construction of a virtual BIW are among the core competences of the EBZ Group. The EBZ Group has every resource necessary to single-handedly realise system projects in the area of tool making, vehicle body plant construction, assembly technology and the manufacture of special machines. With its Tool Making, System Construction and Engineering product areas, the EBZ Group is among the most established manufacturers in the sector. The EBZ Group relies on consistent working processes and professional project management when realising its projects. With its broad range of services, a global presence that benefits customers and the specific location know-how of its employees, the EBZ Group offers the market a unique portfolio.

Networked and in demand on an international level

★ GRI 102-4; 102-6

In terms of countries and markets, the EBZ Group is represented in Germany at four locations in Ravensburg, Ammerbuch (near Stuttgart), Wolfsburg and Schemmerhofen (near Biberach) and through subsidiaries in China, the UK, India, Poland, the Czech Republic, Hungary and the United States. However, it also works for its customers outside these countries and markets.

Supply chain

★ GRI 102-9

The EBZ Group maintains an international network of approx. 1,700 suppliers. We procure our products and services from the most varied supply chains, ranging from small family businesses to large enterprises. The purchasing volume for 2019 was approx. 190 million euro.

Significant changes in the organisation

★ GRI 102-10

The EBZ Group acquired the Czech firm KOVOVÝROBA HOFFMANN s.r.o. in July 2019. The KOVOVÝROBA HOFFMANN s.r.o. service portfolio encompasses the manufacture of body sections and press dies for the automotive industry. One speciality of the company is prototype construction. For the EBZ Group, the acquisition of KOVOVÝROBA HOFFMANN s.r.o represents an optimum addition to the service portfolio and strengthens its global presence. Prototype construction is a strategically important add-on and allows the Group to offer customers an even broader range of products. The EBZ Group aimed for continuity during this takeover. The company was run as before, and all the around 285 employees kept their jobs. KOVOVÝROBA HOFFMANN was integrated as a 100% subsidiary in the EBZ Group as EBZ Hoffmann, s.r.o.

Sustainable management also means adapting to other requirements and reacting to economic circumstances. This can also involve decisions that are difficult to take and have negative consequences for employees. Despite our efforts to retain and create jobs, we were forced to make a decision in mid-2019 to close the EBZ Wolfsburg GmbH plant by the end of the 2019 reporting year.

The volume of orders had shrunk so severely that it proved impossible to find enough work for personnel employed in the company. The general market situa-

tion did not support the possibility of a positive continuation of the company in economic terms. At the time the company was shut down, there was a total of 27 employees and two managers left in the plant who, in the main, were able to take up new employment positions without delay.

Risk management – our precautionary approach

★ GRI 102-11

As a global player, the EBZ Group is also exposed to a variety of economic risks. The aim is to exploit business opportunities to the full through controlling risks. This goal is supported through uniform risk management which enables us to identify, analyse and assess risks. The risk management system is integrated in the Quality management system (QM system) and regarded as a continuous process in which continual planning, implementation and improvement occur. Decisive action on the part of our risk management is demonstrated in the identification of internal risks. The most important information source in this context is our own employees, as they have the required process and technical know-how. Technical and methodological support during the realisation of risk analyses is available via the risk management portal which can be accessed by every employee.

The EBZ Group pursues the following risk policy principles:

- Risks and opportunities for the company should be analysed and measures determined to ensure the continued existence of the company.
- Risks should be consciously taken and opportunities actively exploited to secure business success.
- Timely and open communication of risks and opportunities is necessary.
- Employees should be actively involved in risk management, and risk-based thinking and action should be encouraged.

External initiatives and memberships in associations and interest groups

★ GRI 102-12; 102-13

As part of our corporate and, also, social responsibility, the EBZ Group is involved in a series of organisations and associations. For example, we are actively involved in the Wirtschaftsforum Pro Ravensburg e. V., an economic forum, and the Verein Förderer und Alumni der DHBW Ravensburg (VFA), the association of patrons and alumni of the Baden-Wuerttemberg Cooperative State University.

Additionally, the EBZ Group is also a member of the following associations:

- IHK Bodensee-Oberschwaben (Chamber of Industry and Commerce)
- Bundesverband Materialwirtschaft, Einkauf und Logistik e. V. (BME) (Association for Supply Chain Management, Procurement and Logistics)
- Unternehmensverband Südwest (Employers' Association)
- Verband Deutscher Werkzeug- und Formenbauer e. V. (Association of German Tool and Mould Makers)

Ethics and Integrity

Good relations as the basis for long-term corporate development

★ GRI 102-16

The daily interaction with each other and correct behaviour towards business partners and third parties form the basis of our long-term and sustainable corporate development and our success. We do not measure performance solely on results, but also on the manner in which these are achieved. We are obliged in this respect to meet the expectations and needs of all stakeholders (shareholders, customers, employees, suppliers and the company) to the same degree. Honesty and trust, personal responsibility and correct conduct form the basis of our values in this respect.



Code of Conduct as a guideline and orientation

These principles are laid down in our Code of Conduct. This Code of Conduct provides us with an ethical framework grounded in laws, regulations and international agreements, but also based in particular on our values and principles.

The rules defined in the Code of Conduct apply to both our cooperation within the company and the image we present to the outside world. Dealings with each other are characterised by mutual respect, fairness, professionalism and honesty. Equal opportunity and diversity are promoted as prerequisites for good relations and a positive working atmosphere.



Management

✦ GRI 102-18

EBZ SE is a European company with a dual management system consisting of the Executive Board that manages the company and the Supervisory Board that monitors management.

The activities of the Executive Board encompass to a large extent the strategic orientation of the company and responsibility for central functions and business units. The priority here is close cooperation between the Executive Board and individual departments.

Members of the Executive Board are Thomas Bausch as Chairman of the Board and CEO, Markus Müller as

CFO and Alexander Schmeh as COO. The members of the Board are appointed by the Supervisory Board.

The Supervisory Board consists of three members. These are currently also all male and German nationals. The Supervisory Board is elected every five years. The Executive Board and Supervisory Board regularly obtain information on significant issues, thus making it possible to react effectively and dynamically to internal and external developments.

Development of our Sustainability Report

Involvement of Stakeholders

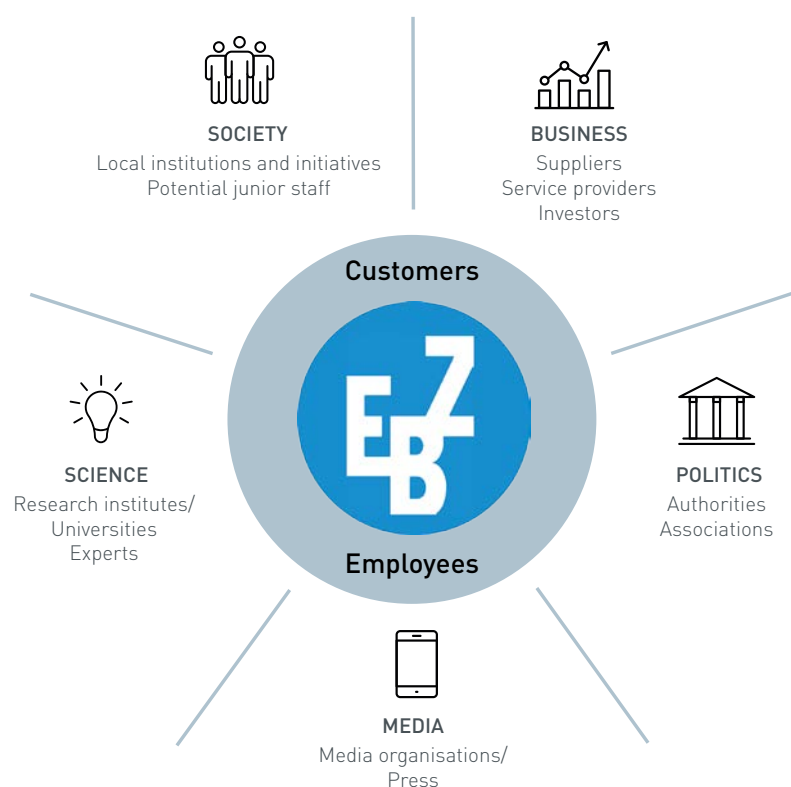
[List of stakeholders](#)

★ GRI 102-40

EBZ Group communication channels with its stakeholders

Stakeholders	Involvement
EBZ Group	Personal meetings between company management, executives and employees, dialogue between the Executive and Supervisory Boards
Employees	Personal meetings with executives, intranet, company suggestion scheme, events
Suppliers/Service providers	Personal dialogue, supplier self-assessment
Customers	Personal dialogue, media
Investors	Personal dialogue
Media organisations/Press	Personal dialogue, annual report, website, events, social media
Local institutions/initiatives	Events, social projects, website, social media
Potential young talent	Personal dialogue, platforms, social media, press, cooperations
Associations	Personal dialogue
Research institutes/Universities	Personal dialogue, cooperations
Authorities	Personal dialogue, website, press

The following groups are particularly important for the EBZ Group:



Collective bargaining agreements

★ GRI 102-41

Our success is supported by our employees. Appreciation and respect when dealing with other employees are therefore a high priority. This is also reflected in decision-making processes in which the interests of our employees are taken into consideration.

The EBZ Group and its decision makers believe in close cooperation with the works council¹ that represents the interests of employees in dealings with the EBZ Group as employer. The result of this cooperation is a series of works agreements. The EBZ Group is not a member of the employers' association and not bound by any collective agreements.

Determination and selection of stakeholders / Approach for involvement of stakeholders

★ GRI 102-42; 102-43

The exchange with our stakeholders provides a basis for our continuous further development. This exchange is important for the better analysis and implementation of the demands made of us and, also, to achieve our own goals in a predictable manner. This is why we foster a regular exchange with a variety of social groups, collectively known as our stakeholders. In this context, responsibility for the exchange with different stakeholders lies with the respective departments and, in particular, company management. An exchange here in the form of a personal dialogue is particularly relevant for the EBZ Group.

¹ There is a works council for the Ravensburg location that includes the EBZ SE, EBZ Ravensburg GmbH, EBZ SysTec GmbH and EBZ BM FormTec GmbH companies

Important stakeholder issues

★ GRI 102-44

Aside from the identification of issues of significance to us, an important element of our own corporate and sustainability strategy is, in particular, the identification and examination of important stakeholder issues. This is the only approach that allows the EBZ Group to plan responsibly and, as a consequence, sustainably with regard to economic, ecological and social aspects, and then to act accordingly.

Civil society in recent years has been mainly pre-occupied with the issues of climate protection and digitisation. This also has an impact on politics, the economy and industry and, consequently, on us and our stakeholders.

In addition, issues of significance to our stakeholders have also been included in the context of the materiality analysis, with the results of this materiality analysis also reflecting the issues important to our stakeholders.

Reporting Procedure

Procedure for determining the contents of the report and the differentiation of topics

★ GRI 102-46

A project team was appointed to compile the first Sustainability Report for the EBZ Group, and this group planned and implemented reporting. The basis of reporting was an intensive assessment of the requirements of the GRI Standards and, building on this, the materiality analysis conducted at the beginning of 2020.

The materiality analysis was conducted in the context of a workshop in which issues of significance from the point of view of the respective stakeholders were identified and discussed. The project team adopted a step-by-step approach in this respect:

1st step:

Preselection and identification of potential issues. The preselection was also made in the context of a workshop. Input from the respective departments was drawn upon to determine the preselection, along with input from other internal and external sources and, also, derived from the analysis of global standards.

2nd step:

The preselected issues were presented to participants in the materiality analysis workshop and evaluated from the point of view of the respective stakeholders.

3rd step:

The distribution of results of the evaluation of issues subsequently led to the identification and assessment of issues of significance for the EBZ Group.

4th step:

The assessment and, consequently, the results of the materiality analysis were presented to the Executive Board and adopted by this body.

Significant issues

★ GRI 102-47

- Occupational and health safety
- An attractive workplace, finding and promoting talent
- Data protection, information and IT security
- Digitisation/Innovation
- Energy management and emissions
- Promotion/Support
- Research and Development
- Social commitment/Economy for the common good
- Customer relations/satisfaction
- Long-term growth
- Employee training and further education
- Environmental management

Facts relating to reporting

★ GRI 102-45; 102-50; 102-51; 102-52; 102-54

This Sustainability Report has been forwarded by the EBZ Group. The information in the report therefore relates to the entire EBZ Group and all associated EBZ SE companies. Instances where qualitative or quantitative information does not apply to the entire EBZ Group are appropriately highlighted.

The Sustainability Report 2019 was published in June 2020 as the first sustainability report in the EBZ Group. The reporting period is the financial year of 2019. This report was compiled in accordance with the GRI Standards: Core option. The report was not audited externally.

A completely revised version of the EBZ Group Sustainability Report is published in a two-year cycle.

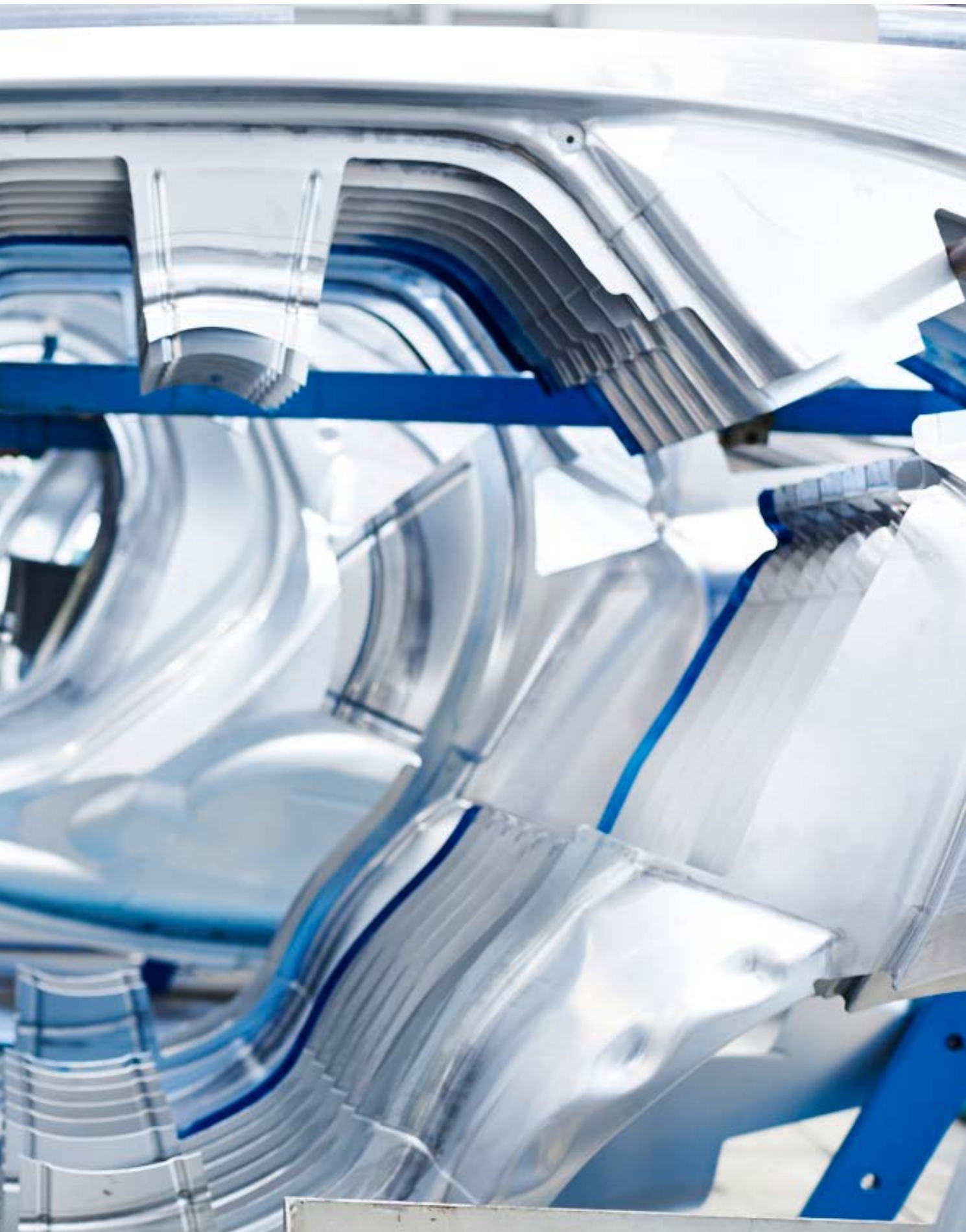


#staytogether #coronavirus #covid19

The COVID-19 pandemic has hit us in the midst of the creation and publication process for our first Sustainability Report. The entire world is currently battling the coronavirus and faces the challenge of slowing the spread of this virus.

In order to protect our workforce, our customers and business partners, we in the EBZ Group have taken numerous measures to maintain operational work in our company and meet our responsibility towards our stakeholders.

Thanks to a modern and safe IT infrastructure and the know-how of our central IT department, the EBZ Group succeeded within a few days in arranging for the majority of employees to work from home offices to ensure frictionless communication and global collaboration, despite the crisis and both internally and externally.



Our Know-how

02

Research & Development

We love challenges, and we really only get started where others have already given up. For us, research and development means investing in the future. This involves continuous improvement of existing products and services and the creation of innovations as important pillars of the success of the EBZ Group – both today and in future.

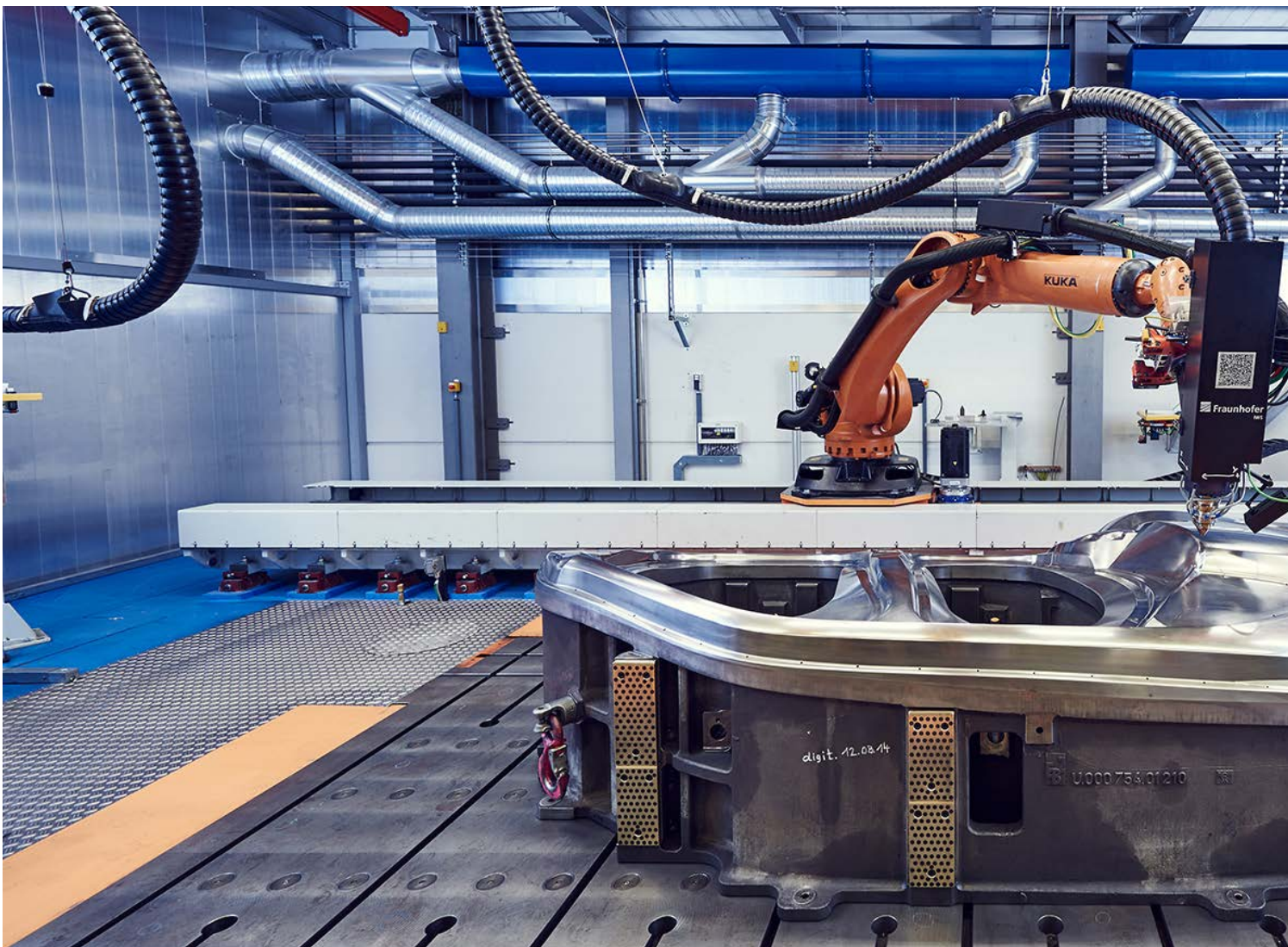
Technology & Innovation Center (TIC)

Much of the research and development work takes place in our Technology & Innovation Center (TIC) at the Ravensburg location. A dynamic and motivated

team of eight employees and several students labour continuously here to implement ideas and innovations. The TIC is the one-stop venue for everything from the original idea to its implementation, taking care of mechanical design, the mechanical structure, e-design, electric installation and writing of software.

Key TIC activities include in particular the following:

- Co-development of standards and their testing through continuous trials.
- Testing and improvement of technologies and the achievement of process assurance.



- Development of concepts and the appropriate structuring of test series and very small batches.
- Development of software packages for robots and other systems (e.g. microcontrollers or PLC).
- Design, programming and commissioning of different drive technologies.

The TIC has an extensive test centre at its disposal to realise these tasks, with a test laboratory for electronics and a large test system for every type of robot application and materials handling technology.



Technological competence and innovativeness in system construction and tool making

Good ideas arise where a variety of views and solutions meet, generating constructive discussion and cooperation. Employees from a variety of professions also meet on this basis in the TIC, enabling them to contribute their differing experience and know-how to development work and drive it forward. Mechanical and electrical engineering technicians and engineers work together in the TIC with automation technicians, welding engineers and both bachelor and master's degree students.

These undergo regular training and further education in appropriate departments relevant to their particular technological areas to ensure that development work is conducted at the highest level and, also, that TIC employees can continually consolidate and expand their expertise.

Internal and external approach to research and development work

Continuous improvement of our products and services depends primarily on understanding what is important for our customers. With this in mind, customer benefit is at the heart of our development work, particularly regarding our ability to be a one-stop provider of tailored solutions. However, we are not exclusively customer driven during development of new products and improved services and processes, but primarily through our own innovative and development spirit. This combination of customer-oriented development work and our own innovativeness enables us to exploit improvement potential more effectively and, as a pioneer, contribute to shaping the future of system construction and tool making.

Formation of an internal development approach:

- The EBZ Group recognises potential future technologies or USPs and how these differentiate us from the competition.
- High prices on the market provide the incentive to provide appropriate technology oneself.
- Already existing technologies should be adapted to meet EBZ requirements (e.g. enhancement of quality level).

Formation of an external development approach:

- The customer employs a new technology that is first tested and improved by the EBZ Group.
- The customer requires a feasibility study and a complete problem solution, with or without implementation.
- Prior development in the TIC enables the customer to save time, money and space while simultaneously increasing plant availability.
- The challenges of a product the customer receives have already been mastered in the TIC – so the customer receives a tested product ready for series production.

Involvement of sustainability aspects in R&D

Energy recovery using press dies? That this is possible was demonstrated by the EBZ Group through its new servo spotting press. This press recovers energy by feeding the energy generated during the downwards movement of the press back into the mains. The TIC was involved to a significant degree in its development.

The EBZ Group also offers its customers the chance to adapt our products appropriately in terms of sustainability aspects through use of the latest technologies. For example, it is possible to equip EBZ materials handling systems with energy recovery technology, to save on motors through an intelligent drive system or to achieve and provide a higher level of energy efficiency through installation of the latest LED technology. Through an intelligent flexible gripper, the EBZ Group also offers the chance to save on component

grippers, reducing the space requirement at the customer's premises and, consequently, conserving considerable levels of resources.

Industry 4.0

The EBZ Group is also moving towards Industry 4.0, and intelligent networking of our products and processes plays a crucial role here. We render our products network-compatible, thus facilitating preventive maintenance and transparent evaluation of all product-relevant data.

Protecting patents

We want to ensure the effective protection and management of the intellectual property we use, especially intellectual property we have developed ourselves. Of a total of 20 EBZ Group inventions registered for patent, one invention was registered for patent in 2019.

An employee invention management system is in the planning to promote the ideas and inventiveness of our personnel in a more targeted manner.

Scientific cooperation

An exchange of scientific ideas ensures the high standards of one's own R&D work and promotes continuous further development. EBZ SE is a founding member of the Werkzeugbau Akademie GmbH which was established from the machine tool laboratory of RWTH Aachen University and the Fraunhofer Institute for Production Technology IPT. The aim of this cooperation is to merge industry and research in joint research projects, inform members of the state of current research work and encourage joint practicable processing of projects while taking the tasks and problems of members into consideration.

Further scientific cooperations with universities are planned for 2020.

Digitisation & Innovation

Digital change. Digitisation. Digital transformation. Buzzwords that, in the 21st century, are increasingly encountered in almost every sector and company, including the EBZ Group. Digitisation is regarded as an innovation driver for technological, economic and social change.

As a medium-sized family enterprise with traditional business segments and deep roots in Upper Swabia, the EBZ Group regards digitisation as a particularly attractive option for expansion of its own business models, opening up new markets completely and effectively withstanding pressure from large corporations on an international level.

Progressive digitisation, our growth and internationalisation make greater demands on our digital systems.

Our approach to digitisation

The EBZ Group anchors various aspects of digitisation in its long-term corporate strategy to ensure it emerges successfully from this phase of digital change. In an important step on the road to a superordinate digitisation and innovation concept, the EBZ Group established the position of Chief Strategy Officer (CSO) in the 2019 financial year.

One focus of the CSO's digitisation work is on the potential for our business development. In terms of success, the identification of specific customer advantages, the active involvement of all stakeholders, the central IT department within our company and the experience of external know-how are decisive. The EBZ Group therefore increasingly embraces strategic cooperations with internationally active companies and regional start-ups that make a variety of contributions to the topics of digitisation and innovation.





When it comes to the development and manufacture of innovative, flexible and efficient production systems and tools for BIW production, the EBZ Group is one of the leading enterprises. From the creation of offers and concept development to design and on-site commissioning, our customer development process exhibits a high degree of digitisation. The latest CAx and ERP have been employed for years in the EBZ Group in this respect. These provide the optimum basis for a holistic digitisation and innovation strategy.

Progressive digital transformation of our business processes results in increasing and, most importantly, larger data volumes. For this reason, we have dedicated financial and human resources in recent years to the search for new systems that support our growth and the development of market opportunities on a sustained basis.

Our ERP transformation

With the SAP S/4 HANA project start in the reporting year, the EBZ Group has established its ERP environment on a new foundation and, with the integration of a holistic ERP landscape, offers the possibility to create a contemporary transformation capability in the company. We exploit the new development in the ERP environment to reconsider existing processes and prepare these for the next innovation level.

Our PDM outlook

A further significant component of our digitisation strategy is the flexible and centralised management of our product data. Parallel to the start of the ERP transformation, different product data management systems were sought for this purpose.

The combination of a new ERP environment and promising product data management offers the EBZ Group equally promising solutions on the road to digital transformation and creates the technical foundation for smart products, innovative processes and digital business models.

Digitisation during day-to-day work

Digitisation and networking have found their way into every area of the EBZ Group and, also, the working life of our employees. Modern information and communication technologies shape the working day of most of the workforce. The provision of mobile terminal devices is also increasing in importance and grows steadily.

The EBZ Group consistently promotes the integration of IT in the internal apprentice training programme. For this reason, our training workshop was equipped with tablets and laptops in the reporting year that enable the apprentices to access a digital training platform (see also section “Employee Training and Further Education” on page 34).

Responsible Performance

03

Environmental Management

No change without action. This applies in particular with regard to the environment and the responsible use of energy and raw materials. We work continuously to harmonise economic and ecological aspects in the context of sustainable corporate management. This continuous process is recorded through our environment and energy management system which is mainly designed to conserve resources and preserve the environment we all live in.

In addition, we want to protect the health of our employees, customers and business partners through our environment and energy management, thus meeting their expectations. We are also concerned with meeting statutory requirements, which is why we have an environmental and energy management system certified to the international ISO standard. In particular, our energy and environmentally intensive main production location in Ravensburg operates according to both management systems. EBZ SE and EBZ SysTec GmbH are certified according to ISO 14001 (environment) and ISO 50001 (energy), while EBZ Ravensburg GmbH and EBZ BM FormTec GmbH are certified pursuant to ISO 50001.

Environmental organisation

Overall responsibility for the area of environmental and energy management rests with the Chief Financial Officer (CFO) of the EBZ Group who delegates tasks and authority to the Head of the Central Investment, Environmental and Occupational Safety department and has appointed the latter to be the Environmental and Energy Management Officer. The Executive Board receives reports at regular intervals.

Environmental protection and energy efficiency have an interface function in the EBZ Group in which all management officers are equally involved in the main location, particularly in the areas of Wastewater and Waste, Energy Management & Emissions, Hazardous Materials Transportation, Water Pollution Control, Occupational Safety and Health Protection. The operative implementation of environmental protection

and energy specifications and measures occurs centrally through the appropriate management officers in cooperation with individual technical departments.

Wastewater and Waste

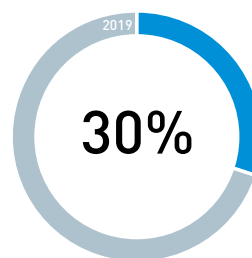
♻️ GRI 306-2

The volume of wastewater¹ and waste in the EBZ Group is continually recorded at its main production location by the specialised company representatives and waste management officers and disposed of by a certified disposal company.

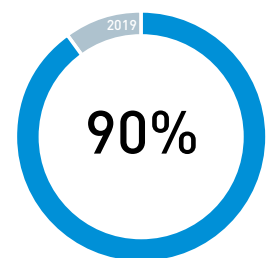
We work continuously to reduce the volume of hazardous waste to be disposed of in the company. This is achieved in part through the selection of appropriate substitutes. For example, at the main production location in Ravensburg, the turpentine-based cleaning agent for metal surfaces was replaced by an organic-based cold cleaner.

Where waste cannot be avoided, we endeavour to recycle our waste products and dump or dispose of as little as possible.

A total of approximately 930 tonnes of waste was recycled in the 2019 reporting year. Of this, around 277 tonnes were subjected to material and 652 tonnes to energetic recycling.



Recycling quota =
material recycling

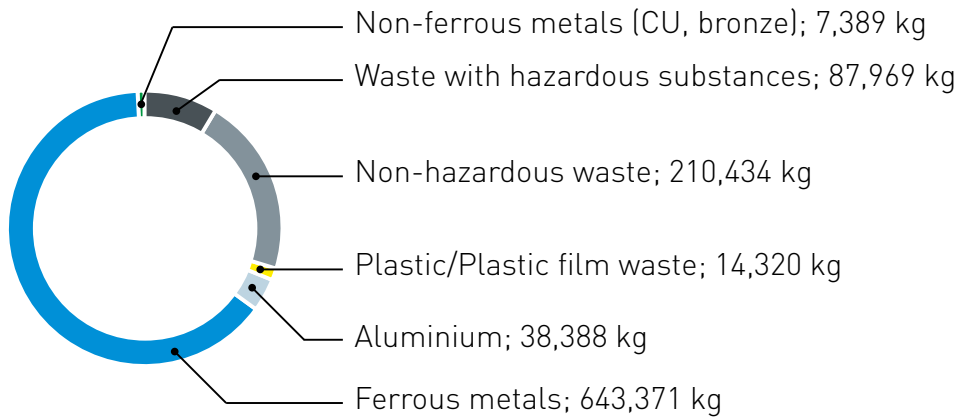


Recovery quota =
sorting quota

¹ EBZ only records industrial wastewater from the production and laboratory area (process water)

Recycling and the disposal of waste and hazardous waste are always realised with the required care and pursuant to local regulations and only entrusted to certified disposal companies. The recovery and recycling quota for the 2017 and 2018 financial years was over 80% pursuant to the former legal framework. According to the new Commercial Waste Ordinance (GewAbfV), the recycling quota for the 2019 reporting year was 30% and the recovery quota 90%.

We have introduced six categories in our waste disposal log which indicate the following waste details and volumes for the 2019 financial year:



Environmental Compliance

GRI 307-1

No relevant sanctions or fines were imposed on the EBZ Group in the 2019 financial year for breaches of environmental laws and/or regulations.

Energy Management & Emissions

Energy and emissions

The fight against climate change is one of the most urgent objectives of our time. As a company involved in system construction and tool making, we too are called upon to make our contribution, with energy saving and the avoidance of climate-damaging emissions being the goal of and challenge facing the EBZ Group.

The Energy Management Handbook of the EBZ Group at the Ravensburg location serves as the basis for our energy orientation. It is a tool for structuring of our energy-relevant processes and, simultaneously, acts as a guideline for the improvement and stability of our energy efficiency. Our energy-relevant organisation is reflected here, as are relevant workflows and regulations. The Energy Management Handbook provides binding stipulations for management and employees on how our energy goals are to be achieved, systematically and continuously.

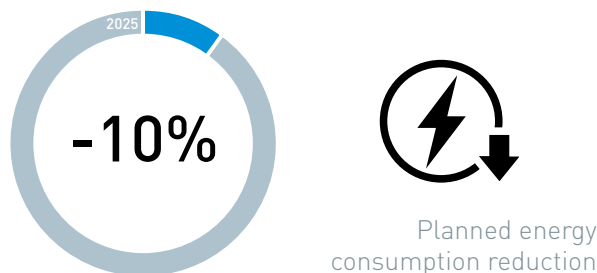
Our employees are also required to participate continually and actively in the shaping and implementation of energy management potential. For example, we sensitise our employees through briefings held annually regarding efficiency measures during day-to-day working life.

Infrastructure for electric vehicles

Since 2019, the EBZ Group has provided nine charging stations at the Ravensburg location for company cars, and a further expansion is planned and has already been implemented at EBZ NHC Composites GmbH with the installation of two further charging points. Hereby, in the context of company car choice, we offer the necessary infrastructure to make a switch to an EV more attractive.

Energy target

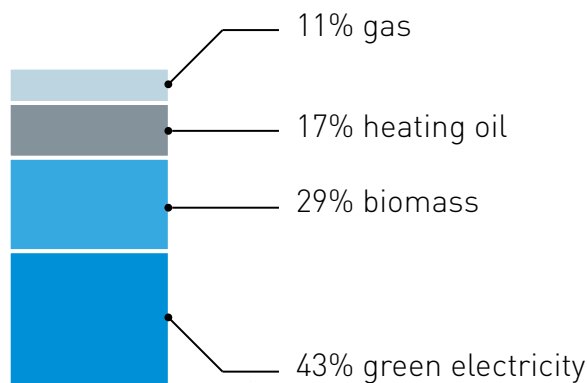
We have defined a clear goal for the Ravensburg location, aiming to reduce our energy consumption by 10% by the year 2025. The energy consumption reduction is calculated on the basis of the base year 2017.



Achievement of the energy target is measured on the basis of measurable energy consumption and the resulting energy saving in MWh.

CO₂ emissions, on the other hand, play an insignificant role when it comes to illustrating the energy target analysis. The EBZ Group at the Ravensburg location sources 100% green electricity which has zero CO₂ relevance and, consequently, represents an insignificant factor for improvement of the energetic starting point.

We use a variety of energy sources such as electricity (green electricity), gas, heating oil and biomass (district heating) for our business activities at the Ravensburg location.



Energy consumption within the organisation in MWh

✦ GRI 302-1

	2017	2018	2019
Electricity (green electricity)	8,670	7,867	7,138
Gas	1,908	1,609	1,822
Heating oil	2,544	2,473	2,805
Biomass (district heating)	5,029	4,880	4,908
Total (MWh)	18,151	16,828	16,672

Reduction of energy consumption

✦ GRI 302-4

The energy-relevant measures implemented at the Ravensburg location between 2017 and 2019 also had a positive effect on our energy efficiency in the 2019 reporting year. These efficiency measures included the comprehensive conversion of the lighting in our production halls to a modern LED system, modernisation of heating systems and the energetic refurbishment of the building façade.

Direct greenhouse gas emissions

✦ GRI 305-1

	2017	2018	2019
CO ₂ emissions (t CO ₂ /a)	1,208	1,124	1,256
CO ₂ intensity (t CO ₂ /employee ¹)	1.43	1.30	1.42

When converting energy consumption to CO₂ equivalents, we use the CO₂ factor from the information leaflet on CO₂ factors dated 1 January 2019 issued by the Federal Office for Economic Affairs and Export Control (BAFA) for gas, heating oil and biomass (wood).

¹ Relative to the number of employees at the Ravensburg location. Not taken into consideration: temporary workers, working students, trainees, holiday workers

Sustainable Procurement

Responsible service provision begins with procurement

In addition to providing quality products, we also expect our suppliers to observe statutory regulations and certain environmental protection standards. Therefore, the EBZ Group checks its suppliers regularly with regard to their environmental management certification status. At the beginning of any possible cooperation, the certification status, among other things, of potential new suppliers is queried and checked through supplier accreditation. The environmental management aspect of the supplier is always included in the annual supplier assessment.

Target achievement with regard to implementation of ISO 14001 is measured annually in the performance indicator system within the balanced scorecard. Of 63 A-suppliers in the 2019 reporting year, 33 suppliers were able to produce evidence in the form of an environment certificate. Suppliers who are not yet certified are continually urged to strive for certification. Suppliers without a certificate risk downgrading in the assessment and, ultimately, also losing their accreditation status. The Purchasing department is responsible for supplier assessment. The Purchasing department in the EBZ Group is subdivided into the areas of general purchasing, technical purchasing, casting and external processing purchasing and production parts. Each unit is independently responsible for related suppliers in this respect.

Complaints management is also decentralised, being handled by the respective purchasing unit. The supplier is informed immediately of complaints, and subsequent measures implemented by the supplier are checked internally at EBZ. Corrective measures can be demanded and implemented in good time through continuous communication with both the supplier and internally at EBZ.

In the course of supplier assessment and supplier management, Purchasing continuously checks possible improvement measures with regard to our goal of achieving sustainable procurement. This occurs in particular in the context of workshops.

In addition to compliance with different environmental protection standards, the fact that business activities in the context of the supply chain should take the social responsibility towards our own employees, employees of the client and its customers and society in general is of major relevance for the EBZ Group. We have anchored this responsibility within the supply chain in our General Terms and Conditions of Purchase¹ (issued July 2018). Both the client and contractor affirm their commitment to observance of the principles and rights adopted by the International Labour Organization (ILO) in the Declaration on Fundamental Principles and Rights at Work (Geneva, 06/98), the guidelines of the United Nations Global Compact initiative (Davos, 01/99) and the UN Guiding Principles on Business and Human Rights (2011).

The following principles are particularly important in this respect:

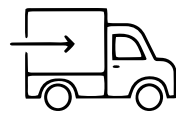
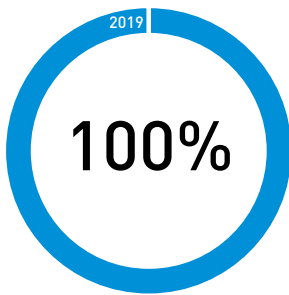
- Respect for human rights
- Prohibition of child and forced labour
- Positive and negative freedom of association
- No discrimination on the grounds of sex, ethnicity, religion or ideology, etc.
- Observance of occupational safety and health protection requirements
- Protection against individual arbitrary personal measures
- Observance of socially adequate working conditions
- Remuneration that enables securing of one's existence, including social and cultural participation

¹ Retrievable from the EBZ Group website at: https://www.ebz-group.com/images/pdf/Downloads_EBZ_Gruppe/AEB_EBZ_Gruppe_f%C3%BCr_Europa_-dt_-_0718.pdf

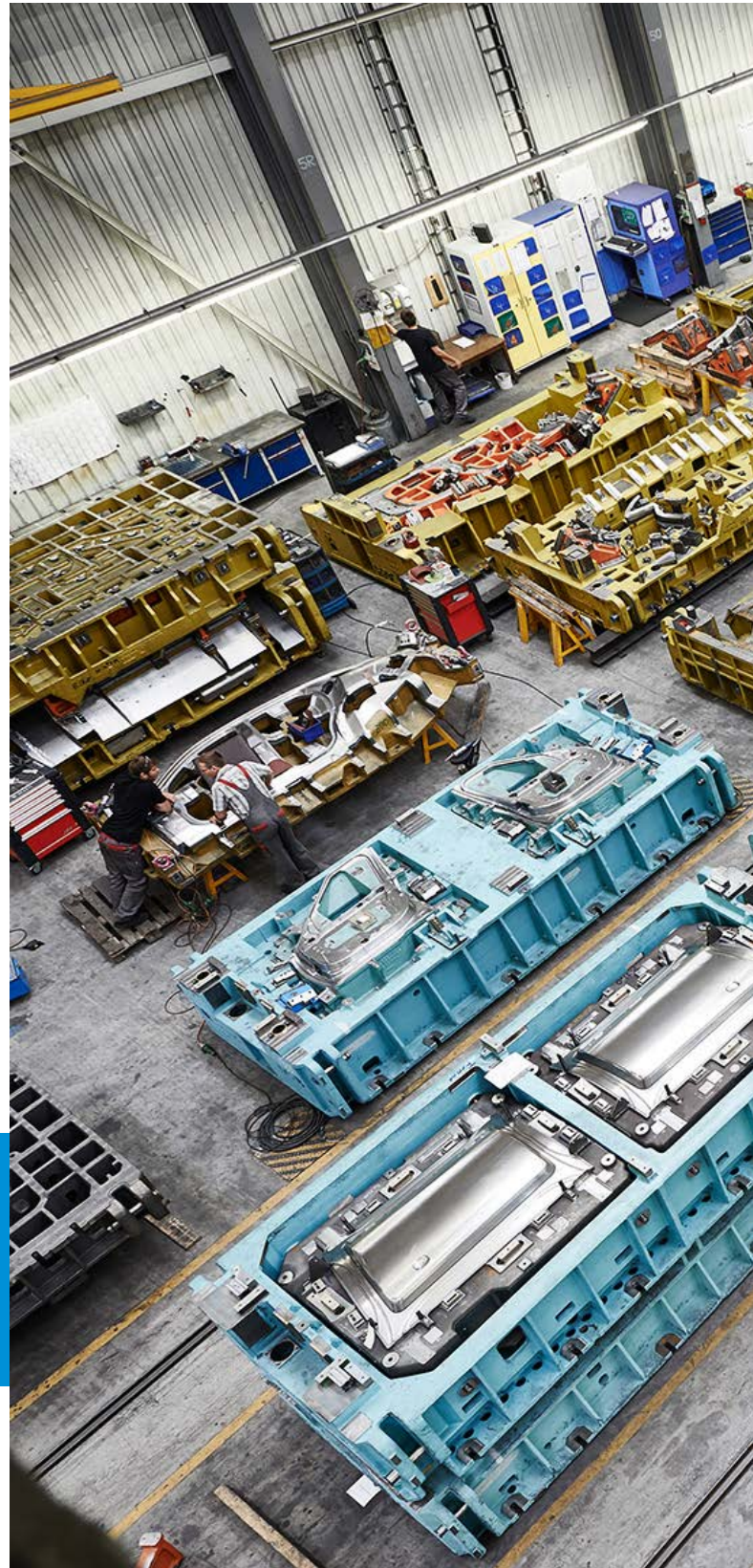
Environmental assessment of suppliers

★ GRI 308-1

100% of new suppliers were assessed on the basis of environmental criteria in the 2019 reporting year. No violations of rules and regulations governing forced and child labour or infringements of the principles of freedom of association were identified during the examination of new suppliers.



Supplier assessment





Responsible Employer

04

Safe workplaces and the promotion of employee health are basic principles of the EBZ Group, which is why both principles are firmly anchored in operational processes.

Occupational Safety and Health Protection

Implementation of the principles begins for us with the observance of laws and regulations on occupational safety and health protection.

Operative responsibility for the implementation and execution of laws and regulations lies with individual managers within their area of responsibility. They bear responsibility for ensuring that requirements relevant to occupational safety are observed and employees behave in a manner that conforms to occupational safety. This is achieved through sensitizing of employees to occupational safety, but primarily by exemplifying conduct that conforms to safety and the fact that occupational safety and health protection are considered of equal importance to other corporate goals in decisions.

We steer our goals and measures with regard to occupational safety and health protection on the basis of an integrated management system (IMS)¹ that regulates processes of occupational safety and health protection relevance within the EBZ Group. The IMS Management Handbook is a significant component of the IMS.

This enables the documentation of existing processes and recording of our goals and planned further development. Regular

coordination meetings are held between the occupational safety committee and individual departments for planning of our processes. Risks are systematically recorded and evaluated in the context of risk assessments. The majority of accidents at work recorded in both the 2019 reporting year and the reference years of 2018 and 2017 involved eye and cutting injuries².

Accidents at work are evaluated annually since 2019 using the key Lost Time Injury Rate (LTIR) figure to obtain meaningful comparative data³. The accident frequency rate in 2019 was 4.4 accidents per 200,000 working hours performed, 17% lower than 2018 (5.3 accidents per 200,000 working hours performed).

Likewise, the health rate for employees at the Ravensburg location was 95.46% for the 2019 reporting year. This quota was 95.98% for the previous year (2018).

Health management

★ GRI 403-6

In addition to classic occupational safety in which the primary objective is the avoidance and prevention of accidents, our goal is to promote the health of our workers in a sustainable manner. A variety of projects and offers are promoted for this purpose. For example, employees at the Ravensburg location can avail of sport, fitness and therapeutic facilities on preferential terms. Special framework conditions are agreed with the respective facilities that apply exclusively to EBZ employees of the location. In addition, the EBZ Group at the Ravensburg location has offered flu vaccination for all employees since 2018. We also offer the employees of our German companies the chance to participate in a company bicycle leasing scheme.

1 The IMS encompasses the areas of quality management, the environment, energy, information security, data protection and occupational safety

2 Relative to accidents recorded within EBZ SysTec GmbH

3 Applies to the Ravensburg location with the EBZ SE, EBZ SysTec GmbH, EBZ Ravensburg GmbH and EBZ BM FormTec GmbH companies

EBZ Group preventive measures for promoting health continue to include the gradual transformation of monitor workstations to ergonomic workplaces through the provision of desks with height adjustment and ergonomic office chairs.

Management system for occupational safety and health protection

✦ GRI 403-1

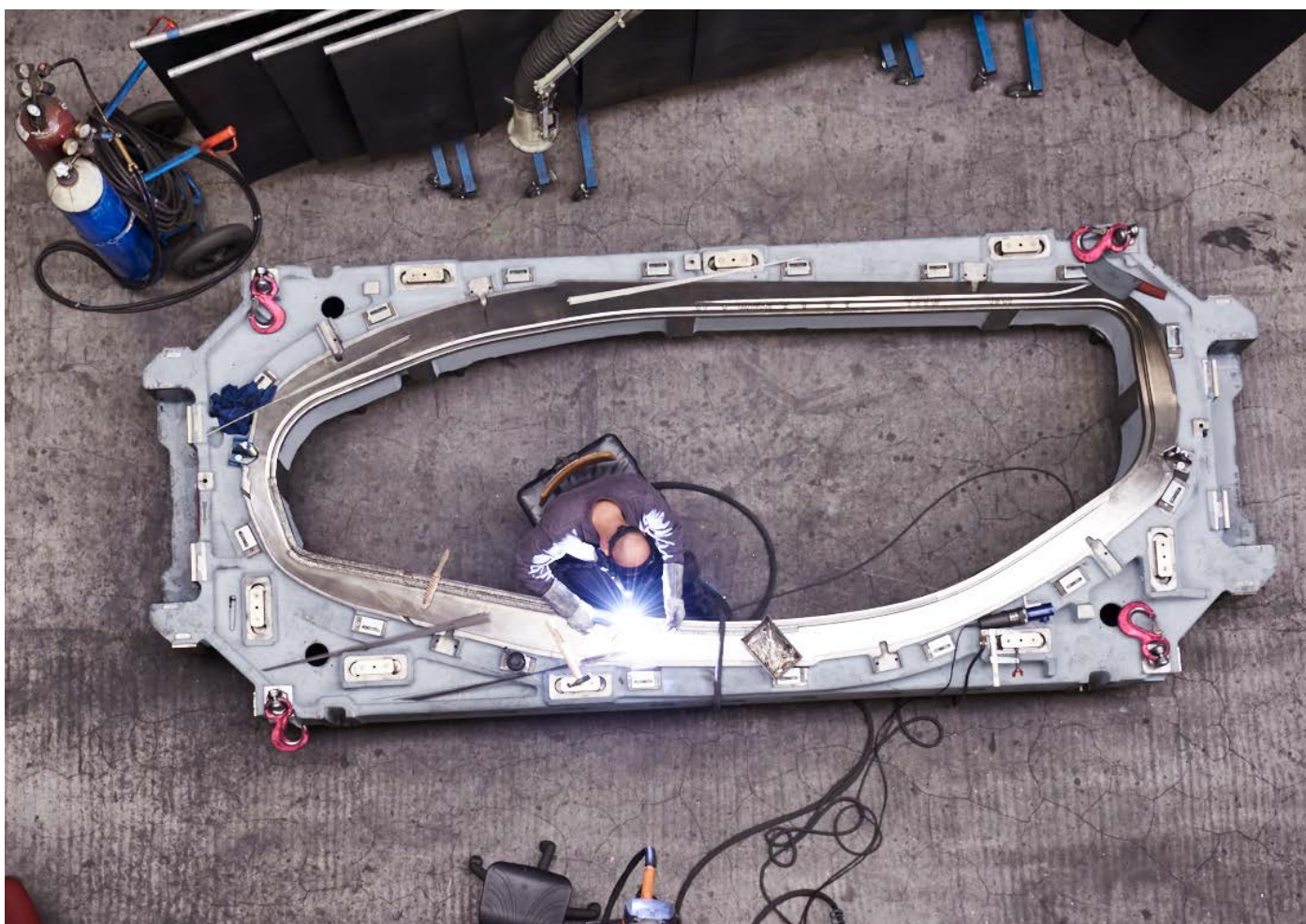
Regular occupational safety committee (ASA) meetings are held in the EBZ Group in accordance with the German Occupational Safety Act (ArbSchG). These ASA meetings are organised by management in individual locations and companies. Employees are represented at these meetings by the works council.

Employee training in occupational safety and health protection

✦ GRI 403-5

Instruction courses given by managers are held annually for employees. Newly recruited employees take part in classroom instruction on occupational safety in the context of their induction. In addition, training courses are also offered for first aid responders and fire safety personnel.

Instruction for visitors and non-employees is organised by the respective business unit manager. Sensitizing through instruction on conduct conforming to occupational safety is further supported through the issuing of flyers.



Attractive Workplace

Our success rests on the high degree of competence, comprehensive know-how and reliability of our employees who, with confidence, good faith and vision, act as part of international teams. The higher the qualification and better the training conditions of our employees, the easier it is for us to maintain and optimise our high quality standards. This is why we strive to create an environment in which our employees

feel comfortable and wish to participate. We create an attractive working environment for this purpose through fair remuneration that reflects performance and additional benefits such as a company pension.

As a medium-sized enterprise, we stand for high development potential and diverse operating and career options. We achieve these dynamic development options for our employees through short decision-making channels and flat hierarchies. Encouraging



the commitment of qualified employees to the company and the development of managers from our own ranks are particularly important to us in this respect.

Responsible management decisions and a consistent personnel policy not only enable us to create secure jobs for our employees, but also a personal atmosphere. We regard the inclusion of our employees' interests to be very important. Company management and the human resources department attach enormous

importance to constructive relations and creative cooperation with the works council in this context.

The personnel policy for the Ravensburg¹ location is centrally controlled through the HR department in cooperation with responsible parties in the departments. The subsidiaries act, in principle, independently in personnel questions, but orient themselves in the creation of contracts and personnel policy on the models and guidelines of the central HR department, particularly the Code of Conduct that applies throughout the Group.



Employment

Newly recruited employees and employee fluctuation

✦ GRI 401-1

	Recruited ²	Fluctuation ³
< 30 years	61	25
30-50 years	35	27
> 50 years	10	17
Total	106	69
Male	93	67
Female	13	2

1 EBZ SE, EBZ SysTec GmbH, EBZ Ravensburg GmbH, EBZ BM FormTec GmbH

2 Includes new employees at the Ravensburg location. Active personnel (without contract workers, working students, trainees, inactive jobs, employees exempted from normal duties)

3 Including retirements and the termination of fixed-term contracts

Employee Training and Further Education

✦ GRI 404-1

As an innovative mechanical engineering enterprise, we regard the promotion of training and further education as particularly important. The training and further education of our employees enable the EBZ Group to participate actively in the development and promotion of individual know-how and achieve the appropriate qualification of employees. We shape the future of the company and, through targeted support and promotion, ensure long-term success and employee satisfaction.

It is important for us to recruit skilled and managerial personnel from our own ranks and retain qualified and motivated employees in the company in the long term. We support our employees from the apprenticeship or beginning of their professional lives through their entire careers in the company through an appropriate choice of development and further education measures. We adapt these individually to the requirements of particular areas of activity and personal needs and interests.

Regardless of whether a technical or managerial career is involved, we promote the continued maintenance and steady expansion of the skills and competences of our employees through diverse qualification programmes.

Vocational training in the EBZ Group

At the Ravensburg location, the EBZ Group offers seven different training options¹ ranging from tool-makers and industrial clerks to IT specialists. The EBZ Group employed a total of 94 apprentices² in the 2019 reporting year. In addition to the classic apprenticeship, the EBZ Group offers the opportunity to do a dual study programme in ten different technical and business disciplines.

- 1 We also offer a technical product designer apprenticeship at the Ammerbuch location
- 2 Total number of trainees in Chamber of Industry and Commerce apprenticeship occupations and students of the Cooperative State University/Ulm Model



Moreover, we offer the chance to gain a Bachelor of Engineering in mechanical engineering, design and development and mechatronics according to the so-called Ulm Model in cooperation with the Ulm University of Applied Sciences. A cooperation with the Weingarten University of Applied Sciences since 2019 offers a Bachelor of Engineering in mechanical engineering production technology, also pursuant to the Ulm Model. The cooperation in the Ulm Model with Weingarten University was largely conceived and promoted with the participation of the HR department at the Ravensburg location. The Ulm Model enables the optimum linking of a university education with vocational training. Students spend alternating practical and theoretical periods in the company and at the university, obtaining two full-fledged qualifications in only nine terms: a Chamber of Industry and Commerce apprenticeship occupation and a Bachelor of Engineering.

As every year, the EBZ Group held its Career Day in 2019. People interested in vocational training can get to know the company at the Ravensburg location and obtain information here on an apprenticeship or dual studies at the EBZ Group through a direct exchange with apprentices, students and educators. In addition to the classic training content of an apprenticeship, the EBZ Group attaches enormous value to the promotion and expansion of soft skills. The appren-



tics undergo regular instruction and training for this purpose in topics such as correct behaviour in the business world or the use of different presentation techniques. We promote team spirit among apprentices through outings of the respective apprenticeship years held every year. In addition to the chance to gain experience in respective departments, a visit to the OEM made it possible again in the reporting year to obtain an intimate insight into the processes and development of "own" products at the customer's premises. We believe it is important to enable our apprentices to gain these insights, as they draw the gaze of the individual beyond his or her own training, provide motivation and promote enthusiasm for engineering.

We begin encouraging potential young talent even before an apprenticeship with the EBZ Group. We make it possible for school pupils researching careers to take a closer look at one of our technical apprenticeship occupations or dual study programmes in a one-week job experience course. We also offer students regular practical term places. The EBZ Group is also a cooperation partner of numerous schools in the vicinity of Ravensburg, offering support such as job applicant training for pupils in this role.

Digitisation: Vocational training 4.0 in the EBZ Group

Following an investment of half a million euro in 2018 in the development of its own training centre and procurement of a teaching robot and 3D printer, the EBZ Group and its apprentices are now taking the next step towards digitisation of vocational training. This commenced with a digitisation pilot project for the 17 new apprentices who began their apprenticeship in 2019. Learning was completely digitised to complement previous options in the apprenticeship. Equipped with laptop and tablet, the apprentices gained access to a digital training platform, meaning paper and folders could be completely dispensed with. Documents, drawings and tests were digitised. Depending on the learning progress, the training instructors can activate individual content and check the progress attained. The purpose here is not to provide instructors with a checking option, but rather to impart knowledge efficiently and encourage practical use of knowledge sources. The digital learning platform not only allows training instructors to configure learning content in this context, as apprentices are also encouraged and have the chance to post their own content. The platform should be a standard in future for all 100 apprentices.

Average number of hours for training and further education per annum and employee

★ GRI 404-1

Key further education figures¹

	2019
No. of individual measures	1,442
No. of internal EBZ training measures	92
Average number of hours per annum and employee	15.4 hrs.
Hours dedicated to ...	
- occupational safety	1.9 hrs. (12.3%)
- expertise	9.3 hrs. (60.4%)
- methodical expertise	1.0 hrs. (6.5%)
- social competence	3.2 hrs. (20.8%)
Average number of hours per annum and apprentice/student (m/f)	15.7 hrs.

Key figures for advanced vocational training²

	2018	2019
Master craftsman/woman	8	4
Technician	6	12
Bachelor	3	6
Master's	7	9
Other (e.g. advanced tech. college cert. (FH-Reife))	3	3
Total	27	34

1 The key figures mentioned take internal and external seminars into consideration. Hours expended for vocational training and studies and hours for advanced training events are not included in these key figures. Moreover, no differentiation was made according to gender in the collection of data, as this is irrelevant for the company. A headcount is used when determining the number of employees, regardless of whether full-time or part-time employees are involved

2 Number of persons in advanced vocational training (full time with work release agreement, parallel to employment)

Programmes for improvement of employee competences and for transition assistance

★ GRI 404-2

The EBZ Group offers its employees diverse programmes for improving their competences.

Specialised qualification	<ul style="list-style-type: none"> • Software skills (CATIA V5, Siemens NX, Process Simulate, etc.) • Robot programming & control technology • Occupational safety, environmental protection, data & information security • Language training 	<p>Training on the Job</p> <ul style="list-style-type: none"> • EBZ groupwide induction phases and projects • Strong international cooperation • Internal Technology & Innovation Center (TIC) • Horizontal & vertical extension of tasks • Individual freedom of action and areas of responsibility • Structured CIP and QM processes
Leadership seminars	<ul style="list-style-type: none"> • Netiquette & business etiquette • Intercultural skills • Time management • Professional presentations • Assertiveness 	
Young talent promotion programme	<ul style="list-style-type: none"> • Successful moderation • Successful negotiations • Calm and confident at work • Communication & conflict management 	
Project management qualification	<ul style="list-style-type: none"> • Effective leadership • General management • Legal framework for managers • Change management 	

In the area of advanced vocational training, the EBZ Group offers its employees the following support options:

- Work release agreement with guaranteed right of return to complete advanced vocational training as a full-time employee (e.g. master craftsman, technician, Bachelor or Master's studies).
- Temporary reduction of working time to complete advanced training measure parallel to employment.
- Educational time according to the Educational Time Act Baden-Württemberg (BzG BW).

- Financial subsidy to the training costs for advanced vocational training (e.g. Master's studies parallel to employment).
- EBZ bursary for Bachelor studies at the Ravensburg-Weingarten University of Applied Sciences (RWU) for mechanical engineering production technology.

Transition assistance programmes for pre-retirement planning are granted and agreed individually. Part-time models are usually chosen for this purpose, taking working time accounts into consideration. Moreover, continued employment is also possible to a limited degree after the legal retirement age.



Data protection in the EBZ Group –
Confidentiality and integrity
of your personal data

Responsible Enterprise

05

Data Protection, Information and IT Security

The prerequisite for the development of innovative technologies and qualified engineering services in the EBZ Group is intensive cooperation with the customer. The EBZ Group has been closely networked with the automotive industry for many years now and, as a consequence, has a degree of access to confidential information. The protection of customer data and information is therefore extremely important for the EBZ Group.

In addition to the challenges of progressive networking, new technologies and digital trends, the regulatory and statutory requirements governing the protection, confidentiality, integrity and availability of business and personal data, information and IT systems have increased.

Through the development of a uniform standard at the main Ravensburg location, the EBZ Group ensures secure handling of the data and information of employees and customers, but also business partners and other data throughout the Group. Therefore, comprehensive technical and organisational measures have been taken for the protection of confidential data and information. IT security in particular plays a key role in this respect.

Data protection and information security organisation

The EBZ Group has anchored data protection and information security in corporate policy and internal guidelines and directives. The demands of national and international data protection legislation and needs of our customers for information security form the basis of our actions in this respect. Our guidelines and directives on data protection and information security reflect these specifications and are valid throughout the Group. They define fundamental principles and conduct for all EBZ Group employees when handling data and information during daily working life and lay down in concrete terms the general principles on data protection and information security defined in our Code of Conduct.

The data protection and information security organisation is coordinated. The EBZ Group Executive Board is assigned responsibility at the main location for management of the issue of data protection and information security and appropriate management representatives are appointed. Together with management from the central IT and HR departments, the chair of the works council and the quality management officer, the data protection and information security officers work closely together in a team and coordinate processes and system requirements relating to data protection and information security within the EBZ Group. The data protection and information security officers report to the

Executive Board on current developments. Data protection and information security coordinators are appointed in the EBZ subsidiaries or, if necessary, data protection and information security officers are nominated. Implementation of data protection and information security is realised locally at subsidiary locations by the appropriate coordinators or management representatives.

The data protection and information security organisation of the EBZ Group exercises the authority to issue directives in the areas of data protection, information security and IT security. It issues binding directives throughout the Group and checks their observance and correctness at regular intervals.

We require our employees to observe the rules when handling confidential and personal data and information described in concrete terms in the data protection and information security directives. Furthermore, we train all employees through basic classroom instruction in the areas of data protection and information security. In addition, employees of the EBZ Group are required to report incidents of relevance to security.

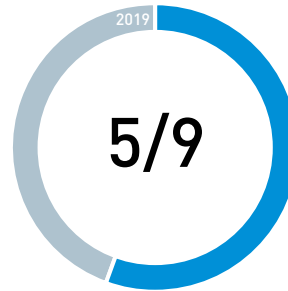
Aims and objectives

Our objective is to protect the confidential business and personal data and information of our employees and customers, business partners and other third parties in all our business processes and avoid security breaches, particularly incidents that violate the personal rights of employees and customers, business partners and other third parties. The EBZ Group takes numerous technical and organisational measures for this purpose.

Evaluation

The information security management system of the EBZ Group¹ at the main Ravensburg location and Wolfsburg and Ammerbuch locations meets the requirements of the Trusted Information Security Exchange (TISAX) – a standard for information security defined by the automotive industry.

This standard is based on the Information Security Assessment questionnaire of the VDA (VDA ISA) and inspired by ISO 27001. The assessment of information security was realised by an external inspection service provider. The inspection results can only be retrieved via the ENX Association portal. Current results are valid until 2022.



Locations with current TISAX approval

Measures, results and key figures

Implementation of the EU GDPR occurred in the 2018 financial year. The processing records of the EBZ Group were revised and updated the following year.

Customer requests led to an organisational separation of responsibility into the data protection and information security areas in the 2019 financial year. In the course of this organisational change, the guidelines and directives on data protection and information security valid throughout the Group were adapted to current statutory regulations and customer requirements.

¹ EBZ SE, EBZ SysTec GmbH, EBZ BM FormTec GmbH, EBZ Wolfsburg GmbH, EBZ Ammerbuch GmbH

In addition, data protection declarations and consent texts for employees and data protection declarations for EBZ online offers, applicants, business contacts, customers and video surveillance were revised and translated into English. Moreover, indication signs at the main Ravensburg location for video surveillance pursuant to Art. 13 of the EU GDPR were renewed for video surveillance, thus creating a valid template for the European subsidiaries.

Furthermore, the beginning of the 2019 financial year saw basic training commence for all EBZ Group employees, and this will be repeated in 2021. This basic training will be held every two years. In addition, the content of existing basic training on data protection and information security was revised in the context of the organisational change and adapted to the current regulatory environment.

A total of 378 employees in the EBZ Group received training on data protection and information security through classroom instruction in the 2019 financial year.

In 2019, the first EBZ Group companies had already undergone and passed the external audit conducted according to the new standard of the automotive industry governing information security. The inclusion of further companies¹ within the scope of external information security audits is planned for the 2020 financial year. In addition, the standardised questionnaire on information security of the VDA will also be used for inspection purposes within the EBZ Group in the context of audits conducted internally. These conform to standards and are conducted globally.

¹ EBZ Ravensburg GmbH, EBZ Ungarn Kft.

² Classroom instruction

Data protection and information security training seminars

	2018	2019
Number of instructed employees ²	22	378
Number of these in Ravensburg	6	378
Number of these in Wolfsburg	16	-

Security incidents

The EBZ Group recorded no inquiries regarding data protection from the responsible supervisory authorities in the 2019 financial year relating to protection of the privacy of third parties and the infringement of data protection. Moreover, there were no complaints received from customers regarding the loss, manipulation or corruption of customer data.

Long-term Growth

Continuity and growth through reason, intelligence and the required dynamism

The business success of the EBZ Group is based on its values and know-how which are primarily sustained and advanced by our employees. We strive for long-term security and continuity for our customers, our company and our employees. Further development and growth are not at odds with this goal in any respect. This is why company management is committed to the further promotion and development of increased efficiency based on reason and intelligence.

Economic performance

★ GRI 201-1

The EBZ Group generated a turnover of EUR 508,895,000 in 2019. However, this indicator required under GRI standards does not reflect the economic performance of the EBZ Group. Accounting in the EBZ Group adheres to German Commercial Code standards (Handelsgesetzbuch – HGB), and the Group can

only classify its orders as turnover after the transfer of risk. Sales fluctuations may occur due to conditions in the industry, and turnover as an indicator cannot take these adequately into consideration. Consequently, the EBZ Group always uses overall performance as an indicator to illustrate its economic performance (= turnover +/- changes in inventories).

EBZ Group value added statement

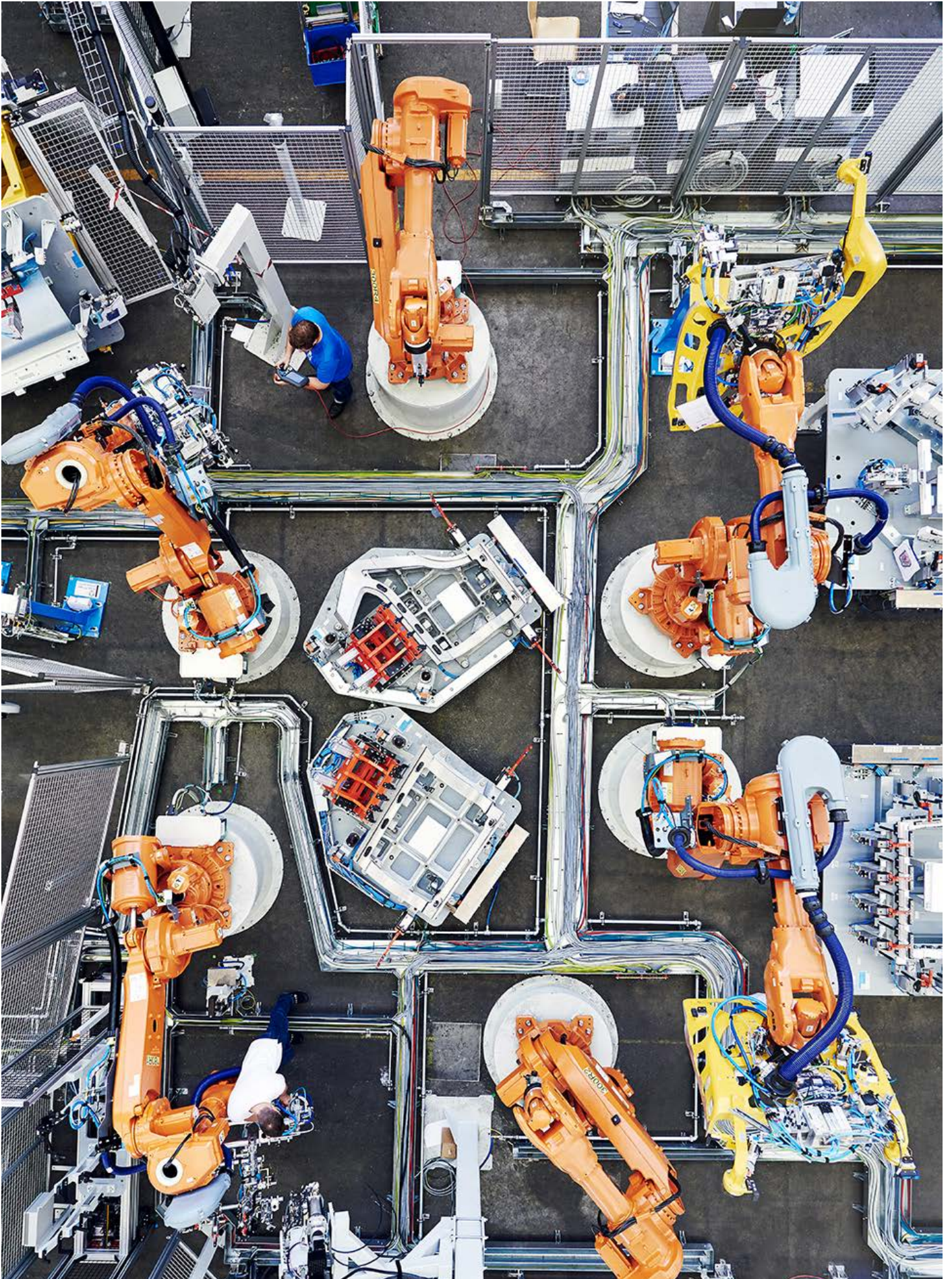
In EUR	2018	2019
Revenue	360,750,000	508,895,000
Operating costs	- 259,363,000	- 396,964,000
HR costs	- 80,292,000	- 86,723,000
Payments to investors	- 802,000	- 752,000
Payments to the state (taxes)	- 6,201,000	- 5,138,000
Investments at municipal level (e.g. voluntary donations)	- 40,528	- 53,455
Retained value	14,051,472	19,264,545

As a company with international locations, our employees ensure our success in a variety of markets. Our international presence enriches our company and brings many advantages with it for us. An international presence in this respect also means diversity, particularly the diversity of our employees with regard to differing experience and different perspectives and approaches, and diversity with regard to culture, age and gender.

Market presence – Proportion of senior managers recruited from the local community

★ GRI 202-2

We promote the recruitment of local employees. However, we do not record the proportion of local managers, as it is irrelevant for strategic personnel management in the EBZ Group. The majority of employees working in our foreign subsidiaries are local. Only a small number of managers from the German companies are seconded to these subsidiaries.



Social Commitment

Social responsibility and commitment

★ GRI 413-1

Economic success also brings a growing responsibility towards our society. Social responsibility is not merely an expression for us. We embrace this responsibility and act in its spirit through involvement in social and cultural initiatives and their promotion. We attach particular importance in this respect to the support of initiatives and projects in the immediate region and participate in numerous fundraising campaigns and sponsoring initiatives.

In addition to monetary donations and donations in kind for educational and cultural projects, the EBZ Group implements a continuous fundraising programme intended for regional facilities for children in need. Under the motto "EBZ for Kids with 0.x", we support the Children's Foundation (Kinderstiftung) in Ravensburg together with our employees. With the agreement of the employees, the cent amount of the net remuneration is donated to this cause. This donation achieved by the employees is doubled by company management.

The EBZ Group also provides support through sponsoring of sports events and regional sports associations and teams such as the Ravensburg National Ice Hockey League members, the Tower Stars, and the town football club. The EBZ Group participates in the annual Rutenfest (birching festival) with a donation of € 10,000, thus supporting the culture and customs of the region.

Every year, the EBZ Group opens the gates of its Ravensburg location to the families of employees. In addition to being an opportunity to thank the employees, this family celebration also offers the chance to gain an insight into the career opportunities offered by the company.

Compliance

The observance of laws, regulations and internal company directives and guidelines are basic requirements for sustained successful company development. Our Code of Conduct, which was updated in 2018, provides a cornerstone for conduct in conformity with the law at all levels of the EBZ Group. It is binding for all EBZ Group employees and regulates dealings with business partners and customers. It provides a guiding framework in issues such as the observance of laws and regulations, fair competition, the selection of business partners, suppliers and service providers, equal opportunities and tolerance, the avoidance of conflicts of interest, the handling of information and data protection, communications, fair working conditions, occupational safety and environmental protection.

Although the EBZ Group still has no centrally controlled compliance management system, numerous corporate policies and standards which apply throughout the Group have been defined to date. These guidelines are checked regularly and revised and adapted if necessary. Corporate policies can be accessed by employees via the intranet.

Compliance activities to date were primarily initiated by individual departments and company management, then developed and implemented in cooperation with EBZ Group in-house lawyers. Even without a central compliance management system, our goal is clearly defined through the guidelines created and internal measures, namely the prevention of breaches of laws and regulations and the early identification of any misconduct.

With our focus on continuous further development, we are aware that further potential exists with regard to the process required to achieve this aim, potential in the form of an even more efficient and, consequently, sustainable approach, developing a centrally controlled compliance structure in the form of a compliance management system. In addition, we want to analyse and assess in future the opportunities a system of this kind offers a medium-sized enterprise

such as the EBZ Group. On this basis, a decision can be reached regarding the extent to which the implementation and realisation of a system of this kind can begin in the EBZ Group.

No fines were incurred by the EBZ Group due to a failure to observe laws and regulations in the previous years or 2019 reporting year.

Customer Relations

Flawless processes, timely processing and safe products – the EBZ Group makes every effort to ensure the sustained success of its customers. This is why the EBZ Group stands for high quality standards, safety and reliable products and services. Our customers in the automotive industry in particular set very high quality standards here which we are obliged to observe. In addition to securing long-term business relations, this corporate reputation also ensures the sustainable enhancement of customer satisfaction and safety.

To ensure that this remains so, we strive in the context of our quality management to continuously improve our products, services and processes. This means we are at all times up to date, technically and with regard to continually changing statutory and regulatory provisions.

Observance of requirements

The objective we have set ourselves is to observe all statutory regulations, standards and norms governing our products and services, and equipment and its safety, including their labelling. Changes are implemented by us without delay. To this purpose, we respect the regulations in force in the respective regions and countries where our business activities take place.

Overall responsibility for quality management lies within the Executive Board with the Chief Financial Officer. The CFO has been assigned the duties and authority of the Head of Central Quality Management.

The Central Quality Management department is responsible for the establishment and maintenance of a quality management system. In addition, it issues binding regulations throughout the Group and regularly checks to ensure their observance. The quality policy is anchored in our corporate policy and publicly accessible on our company website. Each managing director of the subsidiaries is responsible for the operative implementation of statutory, normative and internal requirements governing product safety and quality.

The Central Quality Management unit is responsible for ensuring that suitable framework conditions throughout the entire company promote a culture of quality, and that employees act independently in a spirit of quality awareness. Manufactured products and services undergo several quality assurance processes during the customer development process. As an independent unit, Quality Assurance contributes in this respect to the definition of all inspections necessary to ensure this requirement. Standard tests relevant to the inspection process are also conducted regularly by external and certified companies.

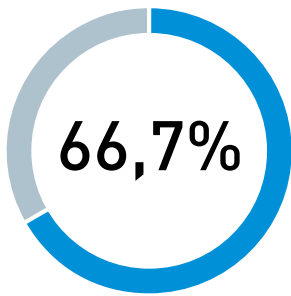
As early as the planning process, we create the basis for safe operation of our production systems and smooth deployment of our tools. Feasibility studies, failure mode and effects analyses (FMEA) and process simulations are among the instruments employed in this context, thus safeguarding the selection of machines and production processes. All process conditions are systematically analysed through multistage risk assessments. The purpose of this analysis is to ensure the effective avoidance of deviations and/or limitation of their effects. However, we also take our obligation to ensure safety extremely seriously during production, purchasing, quality management and sales and following delivery of our systems and tools.

The Machinery Directive of the European Union plays a central role in this respect, as it applies to all our production systems and forms the basis for acceptance by our customers. CE representatives check the observance of these directives internally and are a fixed component of safety discussions.

Efficacy assessment of our management approach

Internal reviews of our locations, business processes and our suppliers are conducted during the year by our Quality Management department in and together with selected departments. The audit programme extends over three years and encompasses all value-adding departments. In addition, the conformity of our quality management is audited annually by an external certification company.

ISO 9001:2015 forms the basis of our quality management system. Group certification coverage is 66.7% in this context.



Degree of ISO 9001 certification coverage

Measures, results and key figures

We had our processes and management systems certified once again pursuant to ISO 9001 in the 2019 business year. Additionally, the EBZ SE and EBZ Sys-Tec GmbH companies at the main Ravensburg location are certified pursuant to VDA 6.4. Furthermore, we conduct regular internal audits of our processes and supplier assessments. This enables us to identify and eliminate any errors in our approach.

- Number of supplier assessments in **2019**: 108 (average result 90.89)
- Number of supplier assessments in **2018**: 111 (average result 89.68)
- Number of supplier assessments in **2017**: 115 (average result 89.92)

Complaints process

The EBZ Group takes complaints very seriously, with the emphasis being to remedy the cause as quickly as possible. Any deviations detected are analysed intensively in cooperation with the relevant departments and, insofar as possible, immediately remedied. Following discontinuation of the emergency measure, a reoccurrence of the deviation is systematically prevented through medium to long-term measures. The EBZ Group has concluded insurance policies in the context of risk management to cover any liability cases and claims and limit residual risks for the company.

Customer health and safety / Marketing and labelling

✦ GRI 416-2; 417-2

In the 2019 financial year, the EBZ Group did not receive any reports of possible infractions regarding effects on the health or safety of our customers or in connection with product and service information and labelling which resulted in a fine, sanctions or warnings. Equally, the EBZ Group did not record any breaches of voluntary rules of conduct.

Protection of customer data

✦ GRI 418-1

The EBZ Group recorded no inquiries regarding data protection from the responsible supervisory authorities in the 2019 financial year relating to protection of the privacy of third parties and the infringement of data protection. Moreover, there were no complaints received from external parties with regard to loss, manipulation or corruption in relation to customer data. In the reporting year, the EBZ Group recorded two losses of hardware within the company. No loss of customer data occurred during this. Moreover, these breaches were not related to events in the preceding years.



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