



The  
SUSTAINABILITY  
Code

# Declaration of conformity 2022

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PLEUGER Industries GmbH

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Indicator set

GRI SRS

Contact

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## Indicator set

The declaration was drawn up in accordance with the following reporting standards:

GRI SRS

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# General

## General Information

Describe your business model (including type of company, products / services)

PLEUGER INDUSTRIES is an international manufacturer and supplier of submersible motors, pumps, thrusters and plunger pumps and related services with headquarters in Miami, USA and Hamburg, Germany. It is renowned worldwide across the energy, mining, water and industrial processing industries for high reliability and outstanding longevity. The products are designed, engineered and manufactured to solve tough applications in very challenging and harsh environments.

The company has been operating in the market for more than 90 years. With this experience PLEUGER INDUSTRIES provides a unique expertise in electric submersible motors and pumps, as well as required corresponding services. The key strategic resources for the business are the engineering know-how and deep industry experience, which allows PLEUGER INDUSTRIES to meet the demands of customers worldwide.

On its path to a sustainable future, PLEUGER INDUSTRIES is extending the business model to include flow control and maintenance monitoring services.

PLEUGER INDUSTRIES recognizes the growing significance of sustainability within its operations. Over the past years, the company has made important strides towards promoting sustainable practices, which will be detailed in the forthcoming Sustainability Report. With the reporting year 2022 PLEUGER INDUSTRIES introduces a structured, framework-based sustainability reporting. Where this report remains silent on certain aspects, KPIs, goals etc. to be reported in connection with DNK, this is done with the intention to reserve such aspects, KPIs, goals etc. for further consideration during the sustainability journey in the upcoming years.

### Additional remarks:

As this report is written in English, numbers are presented and formatted as common in Anglo Saxon countries.

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# CRITERIA 1–10: SUSTAINABILITY POLICY

## Criteria 1–4 concerning STRATEGY

### 1. Strategic Analysis and Action

The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.

For 2022 (reporting year) PLEUGER INDUSTRIES decided to align all previous efforts in the area of sustainability under the umbrella of structured reporting and ESG Management. As an important move on this path PLEUGER INDUSTRIES defined key sustainability statements (see below), which will provide guidance for detailed goal and measure definition. The company encompasses three critical dimensions: environment, resources economy, and social responsibility.

#### **Key Sustainability Statements**

Our Purpose and our Mission – we care about our ESG footprint and follow our Code of Conduct. We help our global partners focus on investing and preserving capital in a sustainable and compliant manner, through sustainable management and aligning with the 17 goals for sustainable development (SDGs) of the UN. We are a trusted partner providing high quality personalized services and products. We help our customers and the sector to stay compliant on their ESG path. Our people invest time and effort to get to know our customers, so that we know how to best serve them. Our ESG understanding underpins PLEUGER INDUSTRIES' activities across all jurisdictions where we or one of our affiliates operate. It sets out our global approach to sustainable purpose and forms the basis of our decisions by focusing on business ethics and compliance, people and culture and community involvement. Please see criterion 6 for further information on underlying codes and standards.

#### **Business ethics and compliance framework**

The core of this framework is a strong governance and a robust risk and compliance framework. This framework is supported by procedures and systems to ensure that we apply high levels of personal and professional integrity at all times. With the support of our risk and compliance function we put in place the mandatory policies and procedures including a code of conduct

and an initial assessment of the reputation of potential customers, identification and monitoring of our customers (through initial and ongoing screening of customers, ongoing review of customers files and transaction monitoring) as well as ongoing training throughout our employees' careers to ensure that the highest standards of compliance are embedded right across our Group operations.

**Environment**

We believe that achieving global climate neutrality is of absolute importance. We are dedicated to evaluating and enhancing our processes and products for optimization of our carbon footprint and resource utilization.

**People and culture**

Fostering openness, sustainability, and respect are our key objectives. We value everyone and strive to work as one team. We invest significantly in our people and their working environment by creating and maintaining a safe and healthy workplace and ensuring their ongoing professional and personal development. We strive to create workplaces which promote mutual trust and respect and where every person feels responsible for the performance and reputation of our Group. We respect each other's individual rights and customs. We work towards achieving a diverse workforce, recruiting, employing and promoting people only on the basis of objective criteria and the qualifications and abilities needed for the job to be performed. We continuously engage with our people at a local and at a Group level to translate our core values into action. We do this through communications and engagement, information and consultation to assist them in realizing their full potential. We promote integrity and professionalism throughout the Group and pride ourselves in leading by example which we do by setting the proper communication tone from the top of our organization. We consider ourselves to be approachable and hold these attributes up as being key when putting our core values into actions.

**Corporate Social Responsibility**

We encourage our people to give something back to their local communities, whether it is time, effort or a financial contribution. Our key focus areas are the community, health, education and the environment. It's important that we contribute our part to build a better world for current and future generations. Our support is delivered through initiatives which

- support local communities and those in need;
- Support local initiatives for the development and education of young people in the areas we live;
- Support our environment protection and reduce our carbon foot print.
- Ethical Governance: Maintain transparency and integrity.
- Stakeholder Communication: Keep stakeholders informed about ESG efforts.
- Circular Economy: Promote recycling and reuse for sustainability.

We welcome all supporting initiatives from all sources but especially those from our own people.

## 2. Materiality

The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.

### **INSIDE-OUT VIEW**

In the initial approach, which is reflected by the initial report of 2022, PLEUGER INDUSTRIES has identified the following areas of high materiality.

#### **Product Development**

PLEUGER INDUSTRIES is bringing to the market a new type of medium size motor that will cover two frame sizes. This allows for lower stock, less deliveries and thus a decrease in the product Scope 2 carbon footprint.

#### **Focus on renewable energy markets**

PLEUGER INDUSTRIES has developed a plan to grow our business within the renewable energy markets, mainly starting with the offshore sector. Being a well-known supplier to the offshore industry the company will utilize the existing knowledge and help customers to bring the offshore wind power to land.

#### **Business Transformation**

PLEUGER INDUSTRIES is in the process of transition from an equipment supplier to a system and knowledge supplier, and will be offering flow control as well as online machine monitoring services. This machine monitoring allows for a predictive maintenance approach, helping to reduce the number of off-shore human hours as well as the transport means for bringing person off/onshore.

#### **Transportation and Storage**

In co-operation with customers PLEUGER INDUSTRIES has developed robust transportation and storage devices that are modular and can be recycled for use within a product range. These devices are leased out to the customers and reduce the number of one-way wooden boxes. A further advantage in the storage containers lies in reduction of product losses, due to mistreatment of wooden boxes under storage before installation of the pump units. PLEUGER INDUSTRIES will further explore and promote this solution on the market.

**Internal carbon footprint reductions**

Part of the company strategy is reducing of carbon footprint per produced unit. PLEUGER INDUSTRIES is already exchanging all fluorescent tubes by LED panels. Additionally, the machine park is under evaluation and replacement decisions are made taking into account the energy consumption as well as deploying machines allowing for a more flexible usage that will reduce the total number of machineries in the company's facilities. Further internal options for reduction of carbon footprint will be evaluated in the course of the sustainability journey. The company is currently planning on installation of electric charging stations on its premises to permit their employees charging electric cars on its premises.

**OUTSIDE-IN VIEW**

PLEUGER INDUSTRIES is seeking to reduce the number of materials utilized in its products, and at the same time re-insourcing a number of production steps. This reduces the impact of disturbances along the supply chain and better control of the way energy, required for machining, is produced. We are pro-actively checking on upcoming EU regulations and other international standards with respect to HSE regulations, and trying to replace materials even earlier than required by law.

PLEUGER INDUSTRIES has closed the office in Moscow and stopped all new trading or new request coming from Russian Federation companies. Further on Pleuger is paying increased attention to unexpected or unusual orders by companies located in third countries known not to support the sanctions applicable to Russia. Not only the sanctions against Russia have an impact on the way PLEUGER INDUSTRIES is doing business, but it sharpened our environmental awareness. PLEUGER INDUSTRIES avoids delivering products to companies known for taking part in destruction of high conservation value areas, ship breaking, products or activities that impinge upon the lands owned or claimed under adjudication by indigenous and/or vulnerable peoples or groups.

**Risk assessment** Based on the assumptions as stated above, PLEUGER INDUSTRIES is aiming to engage into a risk and materiality assessment as part of upcoming sustainability journey. For the initial reporting year 2022, the identified risks and chances as part of double materiality assessment are based on the assumption that sustainable business in terms of Environmental, Social and Economic impacts will be beneficial in the long term.



### 3. Objectives

The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

As mentioned under the criterion "Strategic Analysis and Action", in 2022 PLEUGER INDUSTRIES has initiated a structured, framework based ESG reporting and management. In the course of this initiative further goals, measures and processes will be developed beyond the first reporting year.

For the creation of those, in 2023 the company is planning to engage in workshops on management and operational levels. So far, key statements for the development of further goals have been made under criterion "Materiality" of this report.

As a starting point in the structured sustainability journey, for the reporting year 2022 PLEUGER aims to perform ESG related data gathering, that is expected to be available for the Hamburg site (reference is made to criterion 11-13). Data gathering will be rolled out across all manufacturing sites and as far as applicable local sales offices too. The depth of data preparation and consolidation will be further developed to be in line with European regulation requirements by latest 2026.

In 2023 Pleuger Industries is signing an agreement for data protection audit to enhance the standards and requirements that company can adhere.

### 4. Depth of the Value Chain

The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

PLEUGER INDUSTRIES seeks to ensure that the company operates in an environmentally sound manner, as well as ethically, responsibly, and profitably in everything it does, and that all these actions are in line with principles from the OECD guidelines for multinational enterprises and other relevant international guidelines. Our business principles apply to all business contacts, partners and suppliers and will form a part of the cooperative and purchasing processes including all relevant agreements.

All suppliers and business contacts are required to commit to the antibribery and anti-corruption policy and take all possible actions to mitigate the risk of corruption. Suppliers shall as far as possible also ensure that all their sub-contractors comply with the said principles. Breach of such compliance is considered as a deviation and will be

handled with highest importance by the parties. Starting from 2023 suppliers will be asked to sign a declaration on general compliance, labour & employment, Health and Safety as well as business, finance and economy aspects, that allows for auditing of our suppliers on all of above.

Our value chain can be roughly divided into stages, each carrying specific sustainability aspects as follows:

**Development** We continue to develop our product range based on customer requirements and feedback from sales, as well as taking legal requirements into account. Energy efficiency is a key factor during development, as is the way new pump hydraulics are developed. Modern CFD methods and 3D printing reduces materials usage in trials and fewer transportation is required bringing first sample materials in. The PL series of Hydraulics developed in this way has increased efficiency of up to 85%.

**Procurement** Raw materials are procured via suppliers and sub-suppliers based on specifications from industry standards and product development. The recently developed PL series of Hydraulics various parts that are interchangeable, allowing for fewer transportation needs along the supply chain, and in turns reduced use of resources as well and lower GHG emissions. We review supplier performance on a regular basis by means of interviewing. ESG aspects are part of these reviews, no actions were derived from any interview in the reporting year.

**Production and Distribution** We apply the German standards for occupational safety and work ergonomics and consider this as being of great importance. We offer a variety of preventive measures, such as health checks and vaccinations to our workforce. We produce in Germany with a high level of vertical integration and package and deliver our products to our customers worldwide. To ensure a long service life for our products, we offer an extensive spare parts and repair service. This is well known by our customers and constantly being communicated further. We are continually working to reduce greenhouse gas emissions when it comes to sales and the associated delivery to our customers. All of above is well known by our customers and constantly being communicated further.

**Use phase** Our submersible pumps and motors are in operation for up to several decades, depending on the given operating conditions. Additional advantage in the sector of downstream SCOPE 3 Emissions is achieved by this long and maintenance free product lifecycle, which helps avoid replacement and repair needs on large scale. Permanent Magnet Technology (PMM), which is used in a high range of products manufactured at PLEUGER INDUSTRIES, significantly reduces the energy consumption of the submersible pumps during their lifecycle.

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**Recycling and disposal** We generally have no information about the end of the useful life and the subsequent disposal process at the customer. At the end of their useful life, our products, which are largely made of recyclable materials (steel, bronze, Copper), may be recycled or parts of them are disposed of. As a consequence we cannot focus on this area. However, starting from 2024 we are considering issuing steps for gathering information on the subsequent scrapped equipment and offer recycling programs. No additional problems arising in the value chain are known at the moment but evaluating is an ever ongoing process and thus has no target date.

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## Criteria 5–10 concerning PROCESS MANAGEMENT

### 5. Responsibility

Accountability within the company's management with regard to sustainability is disclosed.

PLEUGER INDUSTRIES has identified that a strong governance and a robust risk and compliance framework provides a vital contribution to success. In order to maintain and further develop high level of personal and professional integrity, building on up to 2025 the company will establish an executive department for Sustainability, Quality and Environmental Affairs, with responsibilities across all PLEUGER sites. This department will also cover Health and Safety aspects.

### 6. Rules and Processes

The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

Starting in 2023, PLEUGER INDUSTRIES will implement crucial organizational changes to enhance our commitment to Environmental, Social, and Governance (ESG) principles. This comprehensive governance system will include a strong organizational focus on compliance, health and safety, and other key risk areas. The board of directors will assume ultimate responsibility for overseeing the company's governance, reinforcing our dedication to sustainability and ensuring robust oversight in critical areas.

In 2023 workshop is planned to be performed that aims to identify the internal processes and instruments already in place, which can be developed into more ESG dedicated processes.

With regard to implementation of ESG into an integrated management system, PLEUGER INDUSTRIES has identified that the following frameworks and certifications - ISO 9001; ISO 14001; ISO 45011 and ISO 50000, - would provide the best results.

ISO 9001 is already in place and as part of the continuous improvement process more will come to be developed stepwise.

A full deployment of all of the mentioned standards across the entire

organization requires an overall strategy, which due to the size of the organization is not readily at hand but will be developed along the same timeline as the SQE department\*.

\*Department for Sustainability, Quality and Environmental Affairs (Reference is made to criterion five "Responsibility").

## 7. Control

The company states how and what performance indicators related to sustainability are used in its regular internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

The principles of our actions are defined in our code of conduct, which applies to all employees and managers. It covers the topics of human rights, working conditions, environment as well as integrity and compliance. The code is available via our web site.

The utilization of performance indicators shall be developed alongside the sustainability journey in the next years. As stated in criteria two, five and six, the current reporting initiative and initial measures taken for its realization shall lay the foundation for further development of appropriate performance indicators.

## Key Performance Indicators to criteria 5 to 7

Key Performance Indicator GRI SRS-102-16: Values

The reporting organization shall report the following information:

- a.** A description of the organization's values, principles, standards, and norms of behavior.

The principles of our actions are defined in our code of conduct, which applies to all employees and managers. It covers the topics of human rights, working conditions, environment as well as integrity and compliance. The code is available via our web site.

<https://www.pleugerindustries.com/en/esg-code-of-conduct>

## 8. Incentive Systems

The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

For reasons of competition protection, at the moment no information with regard to remuneration system is intended to be disclosed.

PLEUGER INDUSTRIES has implemented a transparent and fair compensation system that is based on performance and experience. The company also regularly reviews and adjusts its pay scales to ensure that employees are fairly compensated for their work and based on standardized criteria to keep up with industry standards. This provides a fair and transparent compensation system based on job role, experience, and performance. For managers part of the remuneration is based on targets achieved. The annual total compensation is not published for reasons of confidentiality.

## Key Performance Indicators to criteria 8

Key Performance Indicator GRI SRS-102-35: Remuneration policies

The reporting organization shall report the following information:

- a.** Remuneration policies for the highest governance body and senior executives for the following types of remuneration:
  - i.** Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;
  - ii.** Sign-on bonuses or recruitment incentive payments;
  - iii.** Termination payments;
  - iv.** Clawbacks;
  - v.** Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.
  
- b.** How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.

For managers part of the remuneration is based on targets achieved. The annual total compensation is not published for reasons of confidentiality.

Key Performance Indicator GRI SRS-102-38: Annual total compensation ratio

The reporting organization shall report the following information:

a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

The annual total compensation is not published for reasons of confidentiality.

## 9. Stakeholder Engagement

The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.

An initial stakeholder analysis was performed in 2018, when PLEUGER INDUSTRIES was re-established as an independent company. The stakeholder scheme has been maintained since then on a regular basis and currently our:

- Customers
- Employees
- Suppliers
- The Government (Authorities)

have been identified having specific expectations with respect to occupational health and safety as well as environmental aspects, the decision to formalize our ESG activities was made. The dialogue with our stakeholders is realized depending on the relationship.

**Customers** During supplier evaluations customers ask on a regular basis about aspects related to HSQE. As a reaction we documented our sustainability work in form of a sustainability report and Health and Safety self-assessment report. Quality aspects are covered by the ISO 9001:2015 certificate.

**Employees** The works council plays an important role in promoting employee participation and ensuring that workers' voices are heard. Environmental awareness of our employees is ever growing, and the company is promoting this by means of the HVV Job ticket, and the initiative

introducing "BusinessBike" lease schemes by 2024.

**Suppliers** We are in regular exchange with our suppliers and starting from 2023 suppliers will be asked to sign a declaration on general compliance, labour & employment, Health and Safety as well as business, finance and economy aspects, that allows for auditing of our suppliers on all of above.

**Authorities** In line with export compliance as well as other regulations, we are strengthening our risk replies and although being a SME are not yet obliged to are preparing for implementation of the LkSG. We also prepare for introduction of a whistle-blower protection system by end of 2023.

## Key Performance Indicators to criteria 9

Key Performance Indicator GRI SRS-102-44: Key topics and concerns

The reporting organization shall report the following information:

- a. Key topics and concerns that have been raised through stakeholder engagement, including:
  - i. how the organization has responded to those key topics and concerns, including through its reporting;
  - ii. the stakeholder groups that raised each of the key topics and concerns.

In the reporting year 2022 no relevant topics or concerns were mentioned by stakeholders.

## 10. Innovation and Product Management

The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

As mentioned in criterion two "Materiality", Innovation and Product Management have been identified as significant areas in terms of sustainability



impact. Thus, PLEUGER INDUSTRIES is bringing a new type of medium size motor on the market that will cover two frame sizes. This allows for lower stock, fewer deliveries and thus a decrease in the product Scope 2 carbon emissions. Our innovation process follows a phase gate principle, allowing for constant re-evaluation of ideas and developments also with respect to sustainability aspects. Modern CFD methods and 3D printing reduce materials usage in trials and fewer transportation is re-quired bringing first sample materials in.

The quantitative effect of this measures cannot yet be named with this initial reporting.

The company is permanently improving the technology to meet sustainable targets through its construction (waterfilled/oil-less/efficient/silent) and optimized maintenance free time. This move is also influenced by our customers, especially from the offshore wind sector where unmanned platforms require safe remote operability. Thus, the technological contribution to Scope 3 emissions becomes a significant product advantage in terms of sustainability.

PLEUGER is growing from being a pump supplier into a flow control company, having more influence on how and where the products are being used and utilized. Promoting energy recovery by means of our submersible motor-pumps will also be part of our journey towards an even more sustainable product range.

Besides this PLEUGER INDUSTRIES cooperates with Fraunhofer Institute to optimize technologies for renewable energy storage systems. For this reporting period further details of this cooperation cannot be revealed for reasons of confidentiality.

## Key Performance Indicators to criteria 10

### Key Performance Indicator G4-FS11

(report also in accordance with GRI SRS): Percentage of assets subject to positive and negative environmental or social screening.  
(Note: the indicator should also be reported when reporting to GRI SRS)

PLEUGER INDUSTRIES has not made any financial investments in 2022.

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## Criteria 11–20: Sustainability Aspects

### Criteria 11–13 concerning ENVIRONMENTAL MATTERS

#### 11. Usage of Natural Resources

The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.

PLEUGER INDUSTRIES specializes in the production of submersible motor pumps, reciprocating pumps, offshore thruster propulsion units. Due to the core constitution of the products, the company processes steel, copper and bronze in the manufacturing process. Another resource which plays a significant role in operations is water. Water is used for the required testing of submersible pump units and subsequent cooling. PLEUGER INDUSTRIES relies on global sourcing of raw materials. The risks associated with the increase of political insecurities (War in Ukraine, potential increase of sanctioning on state level) are closely observed and monitored.

PLEUGER INDUSTRIES' operations require electricity, which is obtained from external energy providers. The company utilizes forklifts for internal transport, with vast majority being converted to electrically operated. Natural gas and fuel oil are also important natural resources, which are consumed for heating and manufacturing. Diesel and gasoline are used for the small car fleet of the company, that is containing three vehicles, one of them is a hybrid model. The main resource consumptions at PLEUGER INDUSTRIES in 2022 were as follows\*:

Resource	Unit	Consumption 2022
Electricity	kWh	1,317,031
Natural Gas	kWh	698,707
District Heating	kWh	2,330,361
Heating Oil**	l	120,498
Diesel (internal use)**	l	2,046
Diesel/Gasoline (company cars)	l	4,634
Water	m <sup>3</sup>	4464.355

\*Mainly based on data for main production site Hamburg

\*\*Based on purchased quantities

In the year 2022 PLEUGER INDUSTRIES started structured and separated tracking of waste production. The following waste amounts were recorded for the year. As planned optimization PLEUGER INDUSTRIES is willing to implement a deeper waste separation and tracking processes until 2024.

Waste Type	In T
Old wood	49.85
Machining emulsions and solutions	17
Lubricants	5
Solvents	0.4
Paint and varnish waste	1.8
Scrap metal	128.695
Cardboard/paperboard	7.49
Mixed waste	15.5

With regard to the soil used by the company for required business operations, the following figures were gathered for the initial reporting:

- Total soil covered at main production site Hamburg: 40,878 m<sup>2</sup>
- Work shop area with sealed surface coverage: 16,990 m<sup>2</sup>
- Office area with mainly sealed surface coverage: 4,026 m<sup>2</sup>

With the year 2022 PLEUGER INDUSTRIES starts collecting, evaluating and analysing its resource consumption to assess its resource efficiency.

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## 12. Resource Management

The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.

PLEUGER INDUSTRIES, as a manufacturing company with a naturally energy- and resource-consuming production process, is seeking ways to optimize its use of resources alongside growing business targets. As a significant milestone on the sustainability journey PLEUGER INDUSTRIES starts a structured measuring and monitoring of the resources as well as risks associated with such resources as displayed under criterion 11. This involves the initialization of evaluating procedures and processes to minimize waste, optimize resource consumption and lower emissions. Still, for the initial reporting no formal goals have been set in this area.

PLEUGER INDUSTRIES complies with regulatory environmental requirements and commits to internal quality and occupational safety standards documented in the HSE Policy Document and self-assessed in a regular evaluation process, which is also documented and can be provided to customers and stakeholders on demand. As part of its sustainability strategy.

PLEUGER INDUSTRIES considers to raise awareness for Sustainability among employees. As a measure on purpose the company has motivated the employees and provided the opportunity to participate in the cycling program of the city of Hamburg. 23 employees participated 2022 in the program and cycled 4,741 km with the bike instead of using vehicles. The avoidance of CO<sub>2</sub> emission has been evaluated with 730 kg CO<sub>2</sub>. PLEUGER INDUSTRIES plans to implement a bicycle lease scheme by 2023, where employees can choose from attractive offers promoting the healthy and environmentally friendly way of commuting to and from work.

As a dedicated measure planned for 2023 PLEUGER INDUSTRIES is going exchange the lighting elements in the Hamburg office buildings. As a result, significant energy optimization is expected in this area. Production floor lighting is a further potential measure on the optimization pathway.

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## Key Performance Indicators to criteria 11 to 12

Key Performance Indicator GRI SRS-301-1: Materials used

The reporting organization shall report the following information:

- a.** Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:
- i.** non-renewable materials used;
  - ii.** renewable materials used.

We do not consider this for our initial reporting (2022).

Our products are mainly made of Steel, Nickel-Aluminium Bronze and Copper. The market availability of such materials produced by green matters is not given to any extent allowing for reporting here.

Packing for shipment to our customers is mainly made of wood, which is a renewable material, but also cardboard and plastic film are in use.

Key Performance Indicator GRI SRS-302-1: Energy consumption  
The reporting organization shall report the following information:

**a.** Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.

**b.** Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.

**c.** In joules, watt-hours or multiples, the total:

**i.** electricity consumption

**ii.** heating consumption

**iii.** cooling consumption

**iv.** steam consumption

**d.** In joules, watt-hours or multiples, the total:

**i.** electricity sold

**ii.** heating sold

**iii.** cooling sold

**iv.** steam sold

**e.** Total energy consumption within the organization, in joules or multiples.

**f.** Standards, methodologies, assumptions, and/or calculation tools used.

**g.** Source of the conversion factors used.

Resource	Unit	Consumption 2022
Electricity	kWh	1,317,031
Natural Gas	kWh	698,707
District Heating	kWh	2,330,361
Heating Oil**	l	120,498
Diesel (internal use)**	l	2,046
Diesel/Gasoline (company cars)	l	4,634

\*Mainly based on data for main production site Hamburg

\*\*Based on purchased quantities

Pleuger uses Electricity with a share of renewable energy of 57.2%.

District heating in Hamburg has a share of 20.2% renewable energy.

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Key Performance Indicator GRI SRS-302-4: Reduction of energy consumption

The reporting organization shall report the following information:

- a.** Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.
- b.** Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.
- c.** Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.
- d.** Standards, methodologies, assumptions, and/or calculation tools used.

We do not consider this with the initial reporting. Reporting an energy consumption trend takes comparing it with the last years. The Corona pandemic of 2020 and 2021 may falsify the statistic result.

Key Performance Indicator GRI SRS-303-3: Water withdrawal  
The reporting organization shall report the following information:

- a.** Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:
  - i.** Surface water;
  - ii.** Groundwater;
  - iii.** Seawater;
  - iv.** Produced water;
  - v.** Third-party water.
  
- b.** Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:
  - i.** Surface water;
  - ii.** Groundwater;
  - iii.** Seawater;
  - iv.** Produced water;
  - v.** Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.
  
- c.** A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:
  - i.** Freshwater ( $\leq 1,000$  mg/L Total Dissolved Solids);
  - ii.** Other water ( $> 1,000$  mg/L Total Dissolved Solids).
  
- d.** Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

We do not consider this with the initial reporting. As Sustainability management was of lower importance in the past, no detailed information can be revealed for 2022.

At our plants only freshwater is being consumed. The source is local and thus not coming from areas suffering from water stress. The total amount of freshwater consumed in 2022 adds up to 4664.355 m<sup>3</sup>.

Key Performance Indicator GRI SRS-306-3: Waste generated  
The reporting organization shall report the following information:

- a.** Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.
  
- b.** Contextual information necessary to understand the data and how the data has been compiled.



Waste Type	In [t]
Old wood	49.85
Machining emulsions and solutions	17
Lubricants	5
Solvents	0.4
Paint and varnish waste	1.8
Scrap metal	128.695
Cardboard/paperboard	7.49
Mixed waste	15.5

The total waste generated in 2022 adds up to 225,735 tons, with the above shown distribution. Sustainability management was of lower importance in the past, so no detailed information on waste was recorded. This is on the way of being fully implemented in the company by 2025.

## 13. Climate-Relevant Emissions

The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.

As mentioned in criterion 12, with the reporting year 2022 PLEUGER INDUSTRIES sets the target to establish structured monitoring in the area of resource efficiency and emission monitoring. Within this initialization process, for the reporting year 2022 the SCOPE 1 and SCOPE 2 Emissions will be taken into consideration, but no formal goals have been set in this area, for the reason that we are evaluating to build a new facility by 2026. Implementing all requirements of GEG with the new buildings will allow for a significant reduction in both scope 1 and scope 2 emissions. We have set one intermediate target for 2023, which is changing over to 100% renewable electricity.

Still, with regard to SCOPE 3 Emissions, it's important to mention, that the Permanent Magnet Technology (PMM), which is used in a high range of products manufactured at PLEUGER INDUSTRIES, significantly reduces the energy consumption of the submersible pumps during their lifecycle. Additional advantage in the sector of downstream SCOPE 3 Emissions is achieved by long and maintenance free product lifecycle, which helps avoid replacement and repair needs on large scale. PLEUGER has also reduced SCOPE 3 emissions by the way new pump hydraulics are developed. Modern CFD methods and 3D printing reduces materials usage in trials and fewer

transportation is required bringing first sample materials in. The PL series of Hydraulics developed in this way has increased efficiency of up to 85%, various parts of this series are interchangeable, again allowing for fewer transportation needs along the supply chain.

A positive impact on GHG emissions is also provided by the consumption of energy with a high share of renewable energy. According to utility bills 57,2% of supplied energy for the main production site Hamburg were supplied with renewable energy. Additionally, to be mentioned as measures already taken for emission optimization by PLEUGER INDUSTRIES: transition to electrified forklifts; onboarding of hybrid cars into the car fleet; motivation campaign for participation in municipal cycling program; particular change to energy efficient LED lighting.

Thus, the SCOPE 1 and SCOPE 2 Emissions are calculated as follows:

Resource	Unit	Consumption 2022*	Conversion in MWh***	Emission Factor in t CO <sub>2</sub> /MWh***	t CO <sub>2</sub>
<b>SCOPE 1</b>					<b>365.45</b>
Heating Oil**	l	120,498	1,255.59	0.277	347.80
Diesel (internal use)**	l	2,046	20.38	0.266	5.42
Diesel/Gasoline (company cars)	l	4,634	46.15	0.265	12.23
<b>SCOPE 2</b>					<b>1,075.71</b>
Electricity****	kWh	1,317,031	1,317.0	0.2147	282.77
Natural Gas	kWh	698,707	698.7	0.201	140.44
District Heating	kWh	2,330,361	2,330.4	0.28	652.50
<b>TOTAL SCOPE 1 + 2</b>					<b>1,441.16</b>

\*Mainly based on data for main production site Hamburg

\*\*Based on purchased quantities

\*\*\*Source: Informationsblatt CO<sub>2</sub>-Faktoren; Bundesamt für Wirtschaft und Ausfuhrkontrolle;

Versionsnummer 1.3, 30.11.2022

\*\*\*CO<sub>2</sub> Factors include Kyoto related GHG

\*\*\*\*Based on energy mix provided by electricity supplier

The industry in which PLEUGER INDUSTRIES operates, naturally includes the sources of emissions as mentioned above. PLEUGER INDUSTRIES thus is seeking to search for efficiency optimization and emission reduction options.

## Key Performance Indicators to criteria 13

Key Performance Indicator GRI SRS-305-1: Direct (Scope 1) GHG emissions

The reporting organization shall report the following information:

**a.** Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

**b.** Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub> or all.

**c.** Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.

**d.** Base year for the calculation, if applicable, including:

**i.** the rationale for choosing it;

**ii.** emissions in the base year;

**iii.** the context for any significant changes in emissions that triggered recalculations of base year emissions.

**e.** Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

**f.** Consolidation approach for emissions; whether equity share, financial control, or operational control.

**g.** Standards, methodologies, assumptions, and/or calculation tools used.

Resource	Unit	Consumption 2022*	Conversion in MWh***	Emission Factor t CO <sub>2</sub> /MWh***	t CO <sub>2</sub>
<b>SCOPE 1</b>					<b>365.45</b>
Heating Oil**	l	120,498	1,255.59	0.277	347.80
Diesel (internal use)**	l	2,046	20.38	0.266	5.42
Diesel/Gasoline (company cars)	l	4,634	46.15	0.265	12.23
<b>SCOPE 2</b>					<b>1,075.71</b>
Electricity****	kWh	1,317,031	1,317.0	0.2147	282.77
Natural Gas	kWh	698,707	698.7	0.201	140.44
District Heating	kWh	2,330,361	2,330.4	0.28	652.50
<b>TOTAL SCOPE 1 + 2</b>					<b>1,441.16</b>

\*Mainly based on data for main production site Hamburg.

\*\*Based on purchased quantities.

\*\*\*Source: Informationsblatt CO<sub>2</sub>-Faktoren; Bundesamt für Wirtschaft und Ausfuhrkontrolle;

Versionsnummer 1.3, 30.11.2022.

\*\*\*CO<sub>2</sub> Factors include Kyoto related GHG.

\*\*\*\*Based on energy mix provided by electricity supplier.

## Key Performance Indicator GRI SRS-305-2: Energy indirect (Scope 2) GHG emissions

The reporting organization shall report the following information:

- a.** Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.
- b.** If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.
- c.** If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.
- d.** Base year for the calculation, if applicable, including:
  - i.** the rationale for choosing it;
  - ii.** emissions in the base year;
  - iii.** the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e.** Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f.** Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g.** Standards, methodologies, assumptions, and/or calculation tools used.

see table above (GRI SRS-305-1)

Key Performance Indicator GRI SRS-305-3: Other indirect (Scope 3) GHG emissions

The reporting organization shall report the following information:

**a.** Gross other indirect (Scope 3) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

**b.** If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.

**c.** Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.

**d.** Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.

**e.** Base year for the calculation, if applicable, including:

**i.** the rationale for choosing it;

**ii.** emissions in the base year;

**iii.** the context for any significant changes in emissions that triggered recalculations of base year emissions.

**f.** Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

**g.** Standards, methodologies, assumptions, and/or calculation tools used.

Currently, we have no profound data basis on Scope 3 GHG emissions and therefore no targets in this regard have been specified. A plan for collecting Scope 3 data will be developed by 2025.

Key Performance Indicator GRI SRS-305-5: Reduction of GHG emissions

The reporting organization shall report the following information:

- a.** GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO<sub>2</sub> equivalent.
- b.** Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.
- c.** Base year or baseline, including the rationale for choosing it.
- d.** Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
- e.** Standards, methodologies, assumptions, and/or calculation tools used.

Currently, we have no profound data basis on Scope 3 GHG emissions and therefore no reduction targets in this regard have been specified.

## Criteria 14–20 concerning SOCIETY

### Criteria 14–16 concerning EMPLOYEE-RELATED MATTERS

#### 14. Employment Rights

The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.

PLEUGER INDUSTRIES is situated in Hamburg, Germany and this means that the highest employees rights standards are to be adhered based on the German labour law. PLEUGER INDUSTRIES has implemented a transparent and fair compensation system that is based on performance and experience. The company also regularly reviews and adjusts its pay scales to ensure that employees are fairly compensated for their work to keep up with industry standards. The company is a member in the employer's association "Nordmetall" without having a commitment to the underlying collective bargaining agreement ("ohne Tarifbindung").

Nevertheless, PLEUGER INDUSTRIES has concluded an in-house collective bargaining agreement ("Haustarifvertrag") with IG Metall labour union and this agreement is based on the framework collective bargaining agreement ("Manteltarifvertrag") of IG Metall. This provides a fair and transparent compensation system based on job role, experience, and performance.

PLEUGER INDUSTRIES offers a company pension scheme through the pension fund "Metallrente" in form of direct insurance policy ("Direktversicherung").

People from many different nationalities and origins are part of PLEUGER INDUSTRIES as employees or in other roles. Therefore, PLEUGER INDUSTRIES tolerates no discrimination and harassment and ensures together with its works council that employees' complaints are addressed promptly and effectively.

PLEUGER INDUSTRIES actively engages with its works council to promote employee participation in company decision-making processes. The works council has a say in a range of topics, including pay, working hours, as well as

health and safety. The company regularly consults with the works council on important issues that affect employees, and seeks its input on proposed changes to policies and procedures. The works council plays an important role in promoting employee participation and ensuring that workers' voices are heard. Beyond the involvement of the works council the employees can always contact their manager or the HR department to discuss the points of concern. Further, this can always be done anonymously by putting a letter into a postbox, which can only be accessed by the HR department.

In 2024, a whistle-blower system will be set up on the PLEUGER web site. Reports of legal violations or abusive behaviour can also be submitted here anonymously. We do not yet have an active whistle-blower system for 2022, so we do not have any goals.

By prioritizing workplace safety, fair wages, and protection against discrimination and harassment, and actively involving its works council and the employees in decision-making processes, PLEUGER INDUSTRIES has created a positive and supportive work environment where employees feel valued and respected.

We apply the German standards for occupational safety and work ergonomics, which we plan to roll out globally and check whether they are adhered to. Currently only our site in France has additional production facilities, so in 2023 we concentrate on reviewing this site. Office areas in further countries are planned to be reviewed at a later stage, but no later than 2025.

We prepared a risk analysis for the area of ethics in the reporting period; an analysis for the supply chain is planned in 2024. We definitely see the risk of violations of employee rights in the area of the upstream supply chain (see criterion 20).

## 15. Equal Opportunities

The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.

PLEUGER INDUSTRIES is committed to promoting equal opportunities and eliminating discrimination in all aspects of employment, including recruitment, hiring, training, promotion, and compensation.

At the time of this report, we cannot provide any quantitative goals for equal opportunities. Our qualitative goal is to constantly act within the framework of



equal opportunities. For instance there is an inhouse collective bargaining agreement (“Haustarifvertrag”) in place which, amongst another measures, ensures that there are no differences in remuneration based on gender, race or origin. For 2024, we plan to set both qualitative and quantitative goals. The company believes that diversity and inclusion are key to its success, and strives to create a work environment where all employees feel valued, respected, and empowered. Every new joiner at PLEUGER INDUSTRIES receives the PLEUGER INDUSTRIES’ code of conduct and commits to it with their signature. The company is proud to employ people from diverse backgrounds and will not tolerate any form of discrimination or harassment. Appropriate actions are taken to address any complaints or concerns in a timely and effective manner and the employees are free to address these to the different stakeholders in the company or anonymously in the employee’s post-box. PLEUGER INDUSTRIES regularly reviews its policies and practices to ensure that they promote equal opportunities and support diversity and inclusion.

A balance between one’s professional responsibilities and personal life is essential for ensuring fairness and equal access to opportunities for all individuals. PLEUGER INDUSTRIES recognizes the significance of supporting working parents and promoting family-friendly policies that enable individuals to effectively manage their work commitments while taking care of their families. Therefore, different measures such as flexible working hours as well as flexible start and end of work (in each case to the extent possible) are implemented to create an environment where individuals can pursue their careers without compromising their familial responsibilities. Flexible possibilities to change for Part time employment (and back) are given. Parental leave is promoted on all levels of employment.

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## 16. Qualifications

The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

Demographic change and a shortage of skilled workers have made it clear to the industry where risks lie and how important it has become to find qualified, motivated and responsible employees. As part of counteracting these risks PLEUGER INDUSTRIES is investing in the skills development and training of the employees. To ensure that all employees have a profound knowledge of basic industrial health and safety requirements and skills, the Company regularly publishes and displays "safety moments" that team leaders and managers discuss within their group. Additionally, regular trainings on health and safety are scheduled and people attended are registered. PLEUGER INDUSTRIES currently establishes the yearly in-house training on hazardous substances directly at the workplaces, ensuring that the content of the training is specific to the workplace. The company has identified areas of operations where specialized training is required to deal with potential hazards. For those areas special training is provided on a regular basis.

The company will provide regular training and development opportunities to help the employees build their skills and advance their careers. The clear focus is on new (digital) tools which are onboarded and implemented by and within PLEUGER INDUSTRIES: recently Salesforce was onboarded and the employees received the comprehensive training to this tool.

PLEUGER INDUSTRIES will also be transparent about its performance evaluation criteria and will provide employees with constructive feedback on their performance to help them grow and develop in their roles.

In relation to the challenges of demographic change, the goal is to maintain the employability of older employees. For this purpose, they are permanently qualified to the necessary extent, measures to promote health are defined and work ergonomics are optimized as part of the operational improvement system. These goals are permanent and have no deadline.

## Key Performance Indicators to criteria 14 to 16

Key Performance Indicator GRI SRS-403-9: Work-related injuries  
The reporting organization shall report the following information:

**a.** For all employees:

- i.** The number and rate of fatalities as a result of work-related injury;
- ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
- iii.** The number and rate of recordable work-related injuries;
- iv.** The main types of work-related injury;
- v.** The number of hours worked.

**b.** For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number and rate of fatalities as a result of work-related injury;
- ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
- iii.** The number and rate of recordable work-related injuries;
- iv.** The main types of work-related injury;
- v.** The number of hours worked.

**You will find the remaining numbers c-g of the indicator SRS 403-9 in the GRI standard and may additionally report them here.**

Key Performance Indicator GRI SRS-403-10: Work-related ill health

The reporting organization shall report the following information:

**a.** For all employees:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

**b.** For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

**You will find the remaining numbers c-e of the indicator SRS 403-10 in the GRI standard and may additionally report them here.**

For monitoring HS performance against targets, we count the number of accidents, as well as other incidents and classify them. Please see below standing table. The number of time-loss free days is counted, with the aim of having Zero accidents at site requiring reporting to employers' liability insurance association. This goal was reached in 2022.

Time losses occurring due to accidents people have while on their way to and from work are counted separately, as the company has little if not no influence here. The Lost time incident listed in below standing table for 2022 is due to such an accident.

Description \ Year	2019	2020	2021	2022
Total Man Hours	258,588	288,862	299,693	299,016
Number of Fatalities	0	0	0	0
Number of Lost Time Incidents	0	3	3	1
Number of Restricted Workday Cases	0	0	0	0
Number of Medical Treatment Cases	0	0	1	0
Number of First Aid Cases	0	1	2	0
Number of Near Misses	3	1	2	1
LTIFR per 200,000 manhours	0	2.28	4.34	0.67
RIFR per 200,000 manhours	0	2.28	2.28	0.67
Occupational Health illness (work related) (GRI SRS-403-10 KPI)	0	0	0	0
Environmental Incidents (Major)	none	none	none	none
Environmental Incidents (Serious)	none	none	none	none
Environmental Incidents (Medium)	none	none	none	none
Environmental Incidents (Minor)	none	none	none	none
Security Incidents (Major)	0	0	0	0
Security Incidents (Serious )	0	1	0	0
Security Incidents (Medium)	0	0	0	0
Security Incidents (Minor)	0	0	1	0

Key Performance Indicator GRI SRS-403-4: Worker participation on occupational health and safety

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

- a.** A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.
- b.** Where formal joint management–worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.

Workplaces are evaluated for hazards and risks. Within the assessment potential risks are described, classified, and suitable measures are derived. We hold quarterly occupational health and safety committee meetings (Arbeitssicherheitsausschuss "ASA"). The committee consists of the department heads of the workplaces, the workers council, the safety officers, the occupational health and safety specialist. The meetings of the ASA serve for control of implementation and improvement of measures defined during workplace assessment.

Key Performance Indicator GRI SRS-404-1: Average hours of training

The reporting organization shall report the following information:

- a.** Average hours of training that the organization's employees have undertaken during the reporting period, by:
  - i.** gender;
  - ii.** employee category.

Due to the different recording methods and the fact that on-the-job training is not recorded, it is not possible to present evaluable figures.

Key Performance Indicator GRI SRS-405-1: Diversity

The reporting organization shall report the following information:

**a.** Percentage of individuals within the organization's governance bodies in each of the following diversity categories:

- i.** Gender;
- ii.** Age group: under 30 years old, 30-50 years old, over 50 years old;
- iii.** Other indicators of diversity where relevant (such as minority or vulnerable groups).

**b.** Percentage of employees per employee category in each of the following diversity categories:

- i.** Gender;
- ii.** Age group: under 30 years old, 30-50 years old, over 50 years old;
- iii.** Other indicators of diversity where relevant (such as minority or vulnerable groups).

Detailed data regarding gender and age distribution is not available for the reporting year 2022. The percentage of employees defined as female was about 14%. We are currently enhancing our HR statistical reporting tool, more details will be published starting with the reporting year 2023.

Key Performance Indicator GRI SRS-406-1: Incidents of discrimination

The reporting organization shall report the following information:

**a.** Total number of incidents of discrimination during the reporting period.

**b.** Status of the incidents and actions taken with reference to the following:

- i.** Incident reviewed by the organization;
- ii.** Remediation plans being implemented;
- iii.** Remediation plans that have been implemented, with results reviewed through routine internal management review processes;
- iv.** Incident no longer subject to action.

No reports were submitted in our anonymous and external reporting channel for affected parties in 2022.

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## Criterion 17 concerning RESPECT FOR HUMAN RIGHTS

### 17. Human Rights

The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.

PLEUGER INDUSTRIES upholds and respects the fundamental human rights of all individuals, regardless of their background or identity. Please consult our code of conduct, available from our web site for details. Human rights are essential to promoting social justice, ethical business conduct, and sustainable development and therefore, the company promotes the protection of human rights in all of its operations, including in the supply chain, and it will work to identify and address any potential human rights risks.

PLEUGER INDUSTRIES has sites and branches in countries with a very high human rights standard. Therefore, it sees no acute need to improve the human rights observance within the operating area of itself. Nevertheless, PLEUGER INDUSTRIES recognizes the importance of engagement with its supply chain for higher standards for human rights, including non-discrimination, fair labour practices, and the elimination of forced or child labour.

Our goal is to comply with all ILO standards, human rights and related human rights due diligence obligations in accordance with the UN Charter of Human Rights at any time, at any location. A concrete timeframe is not yet defined and will be worked out along with our ESG journey.

We do not accept customers or suppliers activities involving money laundering, corruption or bribery, child labour, forced labour, the mining and trade of rough diamonds unless Kimberley certified, destruction of high conservation value areas, ship breaking, products or activities that impinge upon the lands owned or claimed under adjudication by indigenous and/or vulnerable peoples or groups without full documented free prior and informed consent (FPIC) of such peoples or groups. As part of our risk mitigating strategy, our customer/supplier acceptance processes include a mandatory review of our customers' activities to ascertain they are not involved in such activities.

## Key Performance Indicators to criteria 17

Key Performance Indicator GRI SRS-412-3: Investment agreements subject to human rights screenings

The reporting organization shall report the following information:

- a.** Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.
- b.** The definition used for ‘significant investment agreements’.

All relationships with customers and suppliers are based on German law, and since this is part of German law, the provisions of CISG automatically apply to international sales contracts. No consolidated information is available on the proportion of human rights clauses in contracts. Apart from such contracts, no investment agreements were made in the reporting year, therefore no assessments for compliance with human rights aspects have been performed.

Key Performance Indicator GRI SRS-412-1: Operations subject to human rights reviews

The reporting organization shall report the following information:

- a.** Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

Suppliers, customers and personnel on the sanction lists are regularly scanned. Further active examination in regard to the upholding of human rights was not performed in 2022. Within the company all subsidiaries are committed to complying with the PLEUGER code of conduct which requires compliance with human rights aspects throughout the organisation. The Management is personally in regular and close contact with all branches, 100 % compliance was recorded during the visits. Still, starting from 2024 and onwards we will introduce formal internal compliance audits to ensure that documented information is available.

Key Performance Indicator GRI SRS-414-1: New suppliers subject to social screening

The reporting organization shall report the following information:

- a.** Percentage of new suppliers that were screened using social criteria.



We screen 100% of our suppliers by means of a questionnaire.

Key Performance Indicator GRI SRS-414-2: Social impacts in the supply chain

The reporting organization shall report the following information:

- a. Number of suppliers assessed for social impacts.
- b. Number of suppliers identified as having significant actual and potential negative social impacts.
- c. Significant actual and potential negative social impacts identified in the supply chain.
- d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.
- e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

We screen 100% of our suppliers by means of a questionnaire. Further active examination in regard to the upholding of human rights was not performed in 2022. The new ERP System which will be in place by 2024 offers better possibilities for regular follow up of suppliers. Still, being a medium sized company, PLEUGER is not yet obliged to follow LkSG by 100% but we are investigating possibilities to enhance our screening by means of Web based platforms by 2025.

## Criterion 18 concerning SOCIAL MATTERS

### 18. Corporate Citizenship

The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

PLEUGER INDUSTRIES is deeply connected to the area of Hamburg and has a long tradition of manufacturing pumps with an outstanding quality. It operates worldwide and is very proud of being able to support the unique needs of different clients in different countries. The same attitude is being applied in respect of the its corporate responsibility – PLEUGER INDUSTRIES is using its

best efforts to support the local communities as well as the charity projects around the world.

The most prominent pump of PLEUGER INDUSTRIES is situated in Hamburg. Since 1987 the company in cooperation with HAMBURG WASSER and other sponsors, supports the operation of "Alsterfountain". The PLEUGER INDUSTRIES pump is refurbished, maintained and cleaned every winter in order to be ready for use in the coming season. This is PLEUGER INDUSTRIES' contribution to the beauty of Hamburg. The applied technology of PLEUGER INDUSTRIES has further enabled to make the operation of "Alsterfountain" more efficient and reduced the energy consumption in comparison to the previous years by 22%. Additionally, the oxygen enrichment of the water lead to a better quality of the water in the Alster lake.

PLEUGER INDUSTRIES values the importance of the next generations engineers and has established the regular exchange of experience and know-how with different universities in Germany in order to explore new ways of construction, manufacturing and development. The company co-operates with Fraunhofer Institute to finalize technologies for renewable energy storage systems and more.

In 2022 PLEUGER INDUSTRIES and its employees were deeply touched by the war in Ukraine and tried to support Ukraine as much as was possible through donations and otherwise. For the support of Ukraine, the contact with a logistics company that collects donations and transports them directly to Ukraine was established. Through this collaboration, the employees have been able to contribute in this humanitarian crisis by delivering medication, food, consumer goods for children and adults, as well as accessories and equipment. Additionally, whiteboards were donated to facilitate the first school lessons for children arriving in Germany from Ukraine.

The non-exhaustive list of donations and other measures of PLEUGER INDUSTRIES can be found below:

- Donations to various Jewish Chabad communities in Germany, e.g. Frankfurt am Main, Düsseldorf, Essen
- Donations to education and development institute Jewish Chabad Lubawitsch Berlin
- Donations to Anklam chronical book
- Support children's hospice and local communities
- Support school project on children gardening

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## Key Performance Indicators to criteria 18

Key Performance Indicator GRI SRS-201-1: Direct economic value generated and distributed

The reporting organization shall report the following information:

- a.** Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:
  - i.** Direct economic value generated: revenues;
  - ii.** Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;
  - iii.** Economic value retained: 'direct economic value generated' less 'economic value distributed'.
  
- b.** Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.

For reasons of competitive sensitivity, we currently publish our key financial figures exclusively on our annual accounts.

## Criteria 19–20 concerning ANTI-CORRUPTION AND BRIBERY MATTERS

### 19. Political Influence

All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

Current legislative procedures relevant to us include, for example, the Supply Chain Due Diligence Act (LkSG) and laws on mandatory reporting on the topic of sustainability as well as EU regulations such as PFAS regulations.

We are member of the Nordmetall association to represent our interests and have not made any submissions ourselves. No donations are being made to political parties. We are not involved in any political organizations.

## Key Performance Indicators to criteria 19

Key Performance Indicator GRI SRS-415-1: Political contributions  
The reporting organization shall report the following information:

- a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.
- b. If applicable, how the monetary value of in-kind contributions was estimated.

No donations are being made to political parties.

## 20. Conduct that Complies with the Law and Policy

The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

PLEUGER INDUSTRIES is against corruption and bribery. We will not tolerate behavior in which unfair means are used to conduct business. PLEUGER INDUSTRIES' employees must not offer, receive or accept any benefits from business partners that might impair an objective and fair business decision or even create such an appearance.

The responsibility for compliance lies with the upper management. By means of leading by example, our managers create a work atmosphere of mutual trust and respect and where every person feels responsible for the performance and reputation of the company.

This is an important part of our Code of Conduct. If an employee has concerns or complaints about the points listed in this Code of Conduct or is aware of any breach of the Code of Conduct contained therein, we encourage him to

report immediately for clarification to his superior or the department of HR. This can also be done anonymously or in a confidential manner. If an employee is not satisfied with the result of the clarification, the concern or complaint may be submitted not only to the supervisor, but also to the management board or the works council. PLEUGER INDUSTRIES does not allow reprisals under this Code of Conduct for complaints made in good faith.

In addition to publishing our Code of Conduct we have set out a goal to create trainings concepts to raise the awareness at all levels by 2024.

PLEUGER will not enter, or maintain, relationships with individuals or organizations engaged in, or suspected of having engaged in, illegal or activities which go against our code of conduct. New customers and suppliers are accepted in accordance not only with applicable laws, rules and standards on money laundering, terrorist financing, and international sanctions but also in accordance with our risk appetite policy.

The following potential areas that could fall into the review of Governance compliance have been identified: money laundering, corruption or bribery, child labour, forced labour, the mining and trade of rough diamonds (unless Kimberley certified), destruction of high conservation value areas, ship breaking, products or activities that impinge upon the lands owned or claimed under adjudication by indigenous and/or vulnerable peoples or groups. Through our global supply chain corruption and possibly breaching human rights have been identified as one of the highest risk scorings, and countermeasures are defined with the highest priority.

## Key Performance Indicators to criteria 20

Key Performance Indicator GRI SRS-205-1: Operations assessed for risks related to corruption

The reporting organization shall report the following information:

- a.** Total number and percentage of operations assessed for risks related to corruption.
- b.** Significant risks related to corruption identified through the risk assessment.

We reviewed two out of two production facilities (Hamburg and Orleans. No cases of corruption have been found in 2022.

Key Performance Indicator GRI SRS-205-3: Incidents of corruption

The reporting organization shall report the following information:

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

There were no reports on cases of corruption in 2022 and consequently no measures were initiated.

Key Performance Indicator GRI SRS-419-1: Non-compliance with laws and regulations

The reporting organization shall report the following information:

- a.** Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
  - i.** total monetary value of significant fines;
  - ii.** total number of non-monetary sanctions;
  - iii.** cases brought through dispute resolution mechanisms.
- b.** If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.
- c.** The context against which significant fines and non-monetary sanctions were incurred.

There were also no reports on non-compliance with laws and regulations in 2022.

# Overview of the GRI indicators in the Sustainable Code declaration

In this Sustainable Code declaration, we have reported according to the "comply or explain" principle on the GRI indicators listed below. This document refers to the GRI Standards 2016, unless otherwise noted in the table.

Areas	Sustainable Code criteria	GRI SRS indicators
STRATEGY	1. Strategic Analysis and Action	
	2. Materiality	
	3. Objectives	
	4. Depth of the Value Chain	
PROCESS MANAGEMENT	5. Responsibility	GRI SRS 102-16
	6. Rules and Processes	
	7. Control	
	8. Incentive Systems	GRI SRS 102-35 GRI SRS 102-38
	9. Stakeholder Engagement	GRI SRS 102-44
	10. Innovation and Product Management	G4-FS11
ENVIRONMENT	11. Usage of Natural Resources	GRI SRS 301-1
	12. Resource-Management	GRI SRS 302-1 GRI SRS 302-4 GRI SRS 303-3 (2018) GRI SRS 306-2 (2020)*
	13. Climate-Relevant Emissions	GRI SRS 305-1 GRI SRS 305-2 GRI SRS 305-3 GRI SRS 305-5
SOCIETY	14. Employment Rights	GRI SRS 403-4 (2018)
	15. Equal-Opportunities	GRI SRS 403-9 (2018)
	16. Qualifications	GRI SRS 403-10 (2018) GRI SRS 404-1 GRI SRS 405-1 GRI SRS 406-1
	17. Human Rights	GRI SRS 412-3 GRI SRS 412-1 GRI SRS 414-1 GRI SRS 414-2
	18. Corporate-Citizenship	GRI SRS 201-1
	19. Political Influence	GRI SRS 415-1
	20. Conduct that Complies with the Law and Policy	GRI SRS 205-1 GRI SRS 205-3 GRI SRS 419-1

\*GRI has adapted GRI SRS 306 (Waste). The revised version comes into force on 01.01.2022. In the course of this, the numbering for reporting on waste generated has changed from 306-2 to 306-3.