

SUSTAINABILITY REPORT  
EDAG GROUP 2020





Holger Merz  
CFO

Cosimo De Carlo  
CEO

# STATEMENT

## OF THE GROUP EXECUTIVE MANAGEMENT

Ladies and Gentlemen,

This Sustainability Report has been published in order to inform you of our development, values and goals with regard to economic, ecological and social factors.

### **Sustainability Policy in the EDAG Group**

At EDAG, particular importance is attached to our sustainability policy: this involves both long-term business policy and the integration of environmental and social aspects into our management systems.

As a part of our corporate culture, it determines our actions with our business partners as well as our values such as trust, transparency, reliability and fairness. It is therefore a contribution towards safeguarding the future of our company, and also towards economic and social development.

As an internationally active company, EDAG makes a point of ensuring that human rights and accepted standards are complied with at our numerous locations across the globe, and affirms its support of the UN Global Compact principles.

Regular certifications by independent auditing organizations in areas such as quality management, information protection, environmental management, occupational health and safety, and CSR management are more than just a means of ensuring that common standards are adhered to at EDAG. Over and above this, we see it as our task to employ a continuous improvement process to make the working environment safe for our employees, to minimize negative impacts on the environment, and to establish sustainable management as a key component of our management systems.

As one of the world's leading engineering companies in the automotive industry, it is also our intention to set benchmarks in the way we behave towards and deal with business partners and the environment. In order to make this transparent for our partners, too, we have defined our standards of behavior in our [Code of Conduct](#).

It is in line with our value system to combine corporate activities with ethical principles, and so, by acting with integrity, ensure compliance with legal regulations at all times. In addition, the Code of Conduct provides our employees with guidelines for lawful and fair conduct in the course of their every-day business, and for the responsible handling of the resources available to them and of our environment.

As an engineering service provider with a workforce of some 8,000 highly qualified employees worldwide, the focus of our sustainability activities is on the social sphere. This is also reflected in the materiality analysis, which is based on GRI standards, and shows that 8 out of the 14 fields classified as being relevant to EDAG are in the "social" sphere. Nevertheless, we also aim to make continuous progress in the fields of "economy" and "ecology". One thing that is particularly pleasing is that, compared to the previous year, we succeeded in reducing our CO<sub>2</sub> emissions (scope 1 – 3) by 7% in 2020. Even if, to some degree, this reduction is attributable to the corona pandemic, it is still an incentive to continue setting ourselves ambitious targets and achieving these by employing equally ambitious measures.

With the outbreak of the corona pandemic, 2020 presented the global economy with unprecedented challenges. The EDAG Group, too, was severely tested, with areas of our sustainability policy, occupational health and safety for instance, being affected. For more details, please see the relevant sections in this Sustainability Report.

What the corona pandemic has shown us all is that the successful management of crises calls for fully integrated management systems and a corporate policy designed with sustainability in mind. We, the EDAG Group, are firmly and unequivocally committed to these ideals.

Arbon April 2021



Cosimo De Carlo  
CEO



Holger Merz  
CFO

<sup>1</sup> In order to make the document easier to read, no parallel use is made of gender-specific forms; only the masculine form is used. All such references to persons apply equally to all genders.







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# SUSTAINABILITY REPORT

## NON-FINANCIAL REPORT AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

At EDAG Engineering Group AG (EDAG), particular importance is attached to sustainability. This involves both a long-term business policy and the integration of ecological and social aspects in the management systems, and is part of our corporate culture which is built on shared values such as trust, transparency, reliability and fairness in dealings with our business partners. We see sustainability as a contribution towards safeguarding the future of our company and towards economical and social development.



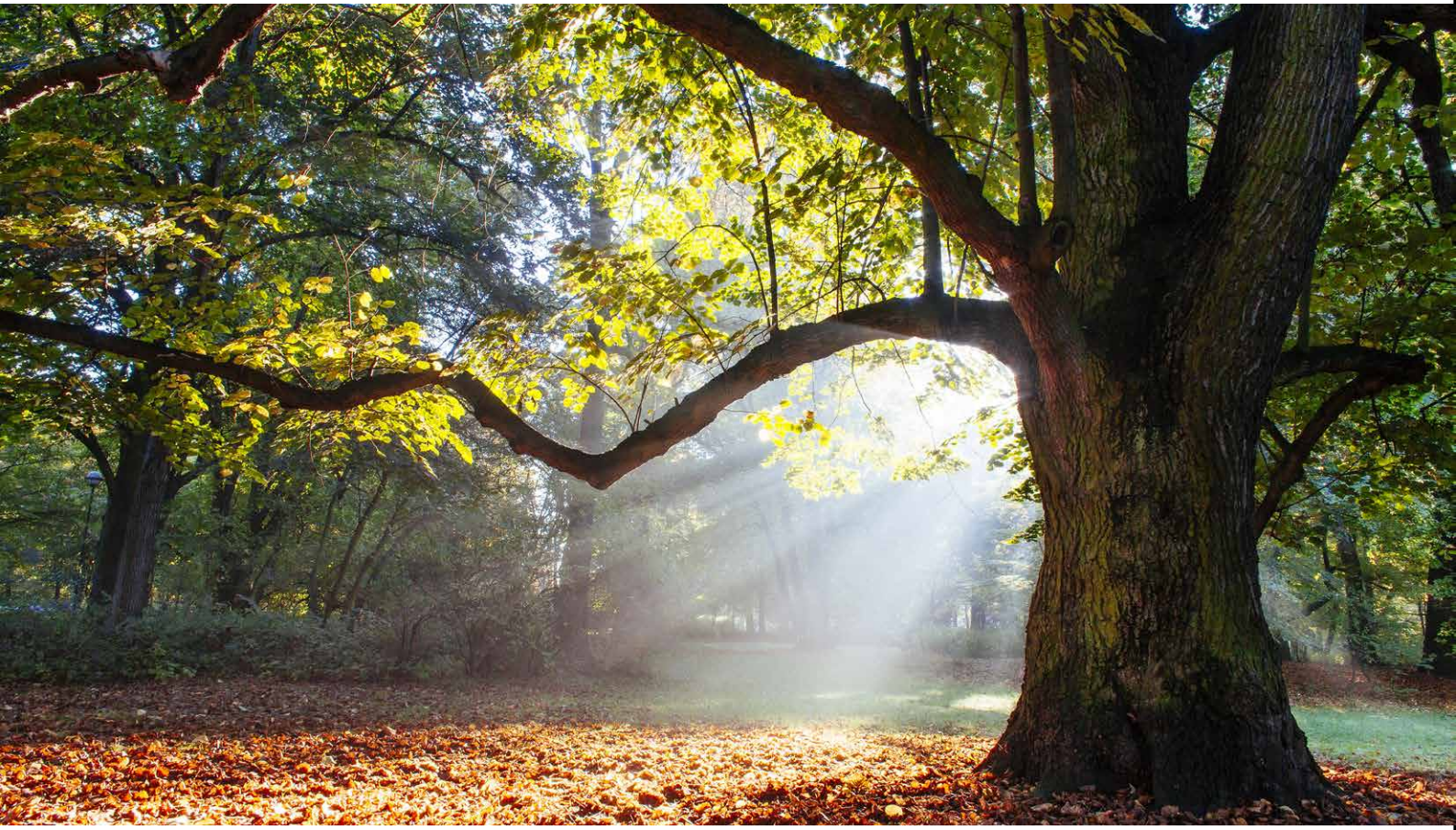
It is our responsibility to ensure that our services are provided within a value chain that is consistent with international standards and principles governing corporate activity. For this reason, we have outlined our requirements with regard to working conditions, health and safety, the environment and business ethics in our EDAG Supplier Code of Conduct.

Any and all companies in our supply chain, and from whom we purchase products or services, are expected to observe relevant national laws, the principles set out in the United Nations Global Compact, and our EDAG Supplier Code of Conduct when carrying out their activities. We therefore regard adherence to these principles as an essential condition for a lasting relationship with our suppliers.

By committing to the UN Global Compact, EDAG has undertaken to ensure that human rights and accepted standards are complied with.

EDAG gives an account of its economic, ecological and social responsibility in this Sustainability and Corporate Social Responsibility (CSR) Report. The target groups of the report are our employees, our customers and suppliers, as well as investors and analysts, non-government organizations, politicians and authorities, and interested members of the general public. It is our intention to inform these target groups about the impact of the activities we undertake in terms of corporate responsibility and sustainability.





This report was prepared with reference to the Global Reporting Initiative (GRI) standards, using the "core" option, in order to increase the transparency and comparability of our sustainability reporting for the benefit of our target groups. Within the scope of a materiality analysis as specified by GRI, we have identified the sustainability issues that are important to EDAG.

We also, in the relevant chapters, indicate which of the 17 UN Sustainable Development Goals we make a contribution to through the activities of our company.

According to amendment §§ 289b et seq. of the CSR Guidelines Implementation Act in the German Commercial Code (HGB), capital market-oriented companies in Germany are obliged to publish a non-financial statement. EDAG meets this obligation within this report. The reporting period is the 2020 financial year (January 1 to December 31).

The information relates to all material group companies of EDAG Engineering Group AG that are part of the **EDAG Group's Annual Report**. Any deviations have been identified as such.

The Sustainability Report contains future-related statements about anticipated developments. These statements are based on current projections, which by their very nature include risks and uncertainties. Actual results may differ from the statements provided here.



# CORPORATE GOVERNANCE, BUSINESS MODEL AND STRATEGY

## Corporate Governance Objectives

EDAG regards Corporate Governance as crucial in order to be able to perform successfully in international business and to promote the company's long-term and sustainable profitability.

Neither the Swiss Code of Best Practice for Corporate Governance (Swiss Code) nor the German Corporate Governance Codex are directly applicable to EDAG Engineering Group AG (EDAG Group AG). Nonetheless, EDAG Group AG decided to essentially comply with the Swiss Code, unless actual circumstances require a deviation from it.

The principles and objectives of Corporate Governance are stated in the Swiss Code of Obligations, the Articles of Association, Organizational Group Regulations, and the EDAG Group Code of Conduct. Articles of Association, Organizational Group Regulations, and the EDAG Group Code of Conduct are regularly reviewed and revised accordingly.

The Articles of Association can be downloaded at <https://ir.edag.com/edag/pdf/satzung.pdf> the Code of Conduct at [https://www.edag.com/fileadmin/user\\_upload/Group/Unternehmen/Compliance/EDAG\\_Code\\_of\\_Conduct.pdf](https://www.edag.com/fileadmin/user_upload/Group/Unternehmen/Compliance/EDAG_Code_of_Conduct.pdf).

EDAG's corporate governance is described in detail in the chapter "Corporate Governance Report" in the **Group Management Report**, to which reference is made at this point.

## Business Model

With the parent company, EDAG Engineering Group AG, the EDAG Group is one of the largest independent engineering partners to the automotive industry, and specializes in the development of vehicles, derivatives, modules and production facilities.

The business is organized in the following segments: Vehicle Engineering, Production Solutions and Electrics/Electronics. The principle we work on is that of production-optimized solutions. This means that we always ensure that development results are in line with current production requirements. Our main focus is on the automotive and commercial vehicle industries. Our global network ensures our local presence for our customers.

Within the scope of our activities, we develop sustainable mobility and mobility concepts. We work on vehicles with alternative powertrains to facilitate CO<sub>2</sub>-free mobility. Our Production Solutions segment also develops intelligent factory concepts, to enable materials to be put to resource-saving and

efficient use. Our Production Solutions segment also develops intelligent factory concepts, to enable materials to be put to resource-saving and efficient use. With our CityBot concept and our new Smart City Solutions department, we also provide opportunities for an intelligently networked transport system designed to optimize innercity mobility and avoid congestion. In this way, we are contributing to the UN's Sustainable Development Goals (SDGs) 9 and 11.



- Goal 9: Infrastructure, industry & innovation



- Goal 11: Sustainable cities and communities

For a detailed description of EDAG's business model, please see the chapter "Business Model" in the **Group Management Report**.

## Strategy

As a capital market-oriented company, our primary objective is to bring about a sustained increase in EDAG's company value (market value of equity), i.e. across the different industrial cycles. This is to be achieved by means of a strategy composed of the following five central areas, each with its own operationalizable objectives:

- Growth by intensifying and extending our international customer portfolio
- Customer enthusiasm on account of our technological know-how and innovative ability
- Attractiveness as an employer
- Profitability through professional project and resource management, by further optimizing our as-sets and infrastructure, and increasing automation in the development process
- Systematic expansion of activities in "best cost countries", in order to meet customer requirements on competitive terms while guaranteeing sustainable growth

As interdependencies exist between these areas of activity and their objectives, all measures are applied analogously, and goals pursued simultaneously. We also see strategy as a continual process, and therefore subject any goals we have set to critical scrutiny, adjusting them wherever necessary.

For a detailed description of EDAG's strategy, please see the chapter "Targets and Strategies" in the **Group Management Report**.



## SUSTAINABILITY MANAGEMENT

Mankind is currently facing great challenges. Sustainable development is the only way of dealing successfully with problems such as climate change and the scarcity of resources. We are fully aware of this fact at EDAG. This is why sustainability has been an issue for us since the company was founded in 1969, and why EDAG has stood for the development of resource-saving, efficient and future-oriented mobility systems, components and vehicles for over 50 years. As we see it, sustainability also means accepting responsibility for our environment, our employees and our business partners. For us, responsible corporate management means reconciling economic activity with the concerns of ecology and society.

EDAG's sustainability management is part of our integrated management system. It is the task of our sustainability management to identify opportunities and risks at an early date, in order to develop and implement appropriate strategies and measures. Sustainability issues are regularly presented to the Group Executive Management in the course of management reviews, enabling us to keep a constant eye on targets and initiate appropriate measures where necessary. The "Sustainability Expert Group" consisting of employees from various EDAG departments including Environmental Management, Quality Management, Investor Relations and Risk Controlling collects data, carries out analyses, and provides the Group Executive Management with recommendations concerning activities. The Sustainability Report is prepared by the Expert Group on behalf of the Group Executive Management, and approved at a meeting of the Executive Management.

In addition, EDAG also has its sustainability management reviewed by external and independent experts at regular intervals. The 2020 financial year saw a recertification of our corporate social responsibility by EcoVadis. During the review, EDAG was again awarded "bronze status", and what is more, performed significantly better than in the previous year. An overview of all certifications held by the EDAG companies can be found online at <https://www.edag.com/en/edag-group/the-company-edag/certificates>. Further information on our contributions in the fields of society, economy and ecology can be found on our Group website at <https://www.edag.com/en/edag-group/the-company-edag/sustainability>.





## STAKEHOLDER DIALOGUE

EDAG is in regular and open dialogue with its stakeholders. In particular, this involves customers, suppliers, employees, investors and analysts, media representatives, and also associations and clubs.

The regular exchange with our stakeholders forms an important basis for our actions. This dialogue is a means of communicating the various positions, and helps us to constantly align our decisions with the different interest groups. We have regular exchange with our customers in the course of joint projects, and also at conferences and trade fairs. Our purchasing department is the point of contact for our suppliers. Our employees have the support of the personnel department and employees' representatives. We keep our staff informed by means of works meetings, our intranet and regular employee surveys, and also maintain a permanent exchange through an open culture. Our Investor Relations department is responsible for the dialog with the capital market. The press department is in continual contact with media representatives.

In addition, EDAG is a member of a number of associations and organizations, including the following:

- Verband der Automobilindustrie (VDA) [Association of the German Automotive Industry]
- Verein Deutscher Ingenieure (VDI) [Association of German Engineers]
- Engineering-High-Tech-Cluster Fulda e.V.
- Bundesarbeitgeberverband der Personaldienstleister e.V. (BAP) [Federal Employers' Association of Personnel Service Providers]
- Deutsches Institut für Normung e.V. (DIN) [German Institute for Standardization]
- Commercial Vehicle Cluster (CVC)
- Automotive Nord e.V. – ITS mobility
- Forschungsvereinigung Automobiltechnik (FAT) [a research association]
- Agent-3D e.V.
- Carbon Components e.V.
- Bayern Innovativ GmbH
- Verband Deutscher Treasurer e.V. (VDT) [Association of German Treasurers]
- German-American Business and Cultural Association e.V.

## MATERIALITY ANALYSIS

During the preparation of the 2019 sustainability report, a materiality analysis was carried out in compliance with the GRI requirements. The "Sustainability Expert Group" carried out each of the steps prescribed by the GRI. Details are set out in the 2019 sustainability report. In the 2020 financial year, the group of experts validated the materiality analysis in feedback loops with various stakeholder groups. The results of the 2019 materiality analysis were confirmed, and the following 14 topics from the fields of economy, ecology and social issues identified as relevant:

### A. Relevant topics according to GRI

#### Economy

Topic	GRI Topic
1. Economic performance	GRI 201
2. Anti-corruption policy	GRI 205
3. Anti-competitive behavior	GRI 206

#### Ecology

Topic	GRI Topic
1. Energy	GRI 302
2. Emissions	GRI 305
3. Environmental compliance	GRI 307

#### Social

Topic	GRI Topic
1. Occupation	GRI 401
2. Occupational health and safety	GRI 403
3. Training and education	GRI 404
4. Diversity and equal opportunities	GRI 405
5. Human rights assessment	GRI 412
6. Customer health and safety	GRI 416
7. Customer privacy	GRI 418
8. Socioeconomic compliance	GRI 419

### B. Relevant topics according to UN SDGs

The EDAG Group's business model and our management approach to sustainable corporate governance also have a positive impact on four of the United Nations Sustainable Development Goals (UN SDGs).

#### Specifically, these are:



Goal 4: Quality education



Goal 5: Gender equality



Goal 9: Infrastructure, industry and innovation



Goal 11: Sustainable cities and communities

As already outlined in chapter 1.1 under "Business Model", we make a direct contribution to goals 9 and 11 of the UN SDGs through our activities as an innovation-driven engineering service provider.

Our contribution to goals 4 and 5 is described in the relevant chapters of this sustainability report.





## ECONOMY

### Economic performance (GRI 201)

As a listed company, EDAG regularly reports on its economic performance to all stakeholders on dates published in the financial calendar. The financial calendar is available at: <https://www.edag.com/de/edag-group/investor-relations/financial-calendar>.

In its Annual Report, EDAG provides a comprehensive report covering all relevant economic performance factors in the reporting year. For the disclosures on economic performance required by GRI 201-1 for the 2020 financial year, please see the audited **consolidated financial statements** for 2020.

Management does not currently see any risks or opportunities associated with climate change that would have the potential to cause significant changes in business operations, income or expenses. EDAG's business model consists primarily in the provision of engineering services. Material goods are produced only to a very small extent. Therefore, no significant quantities of raw materials or land are used, nor are the effects of business activities on the environment in the form of emissions, for example, regarded as significant. The trend towards emission-free mobility could at best create opportunities for EDAG, as it may give rise to considerable development costs for alternatively-powered vehicles and new vehicle concepts. With its expertise in fields such as eMobility, lightweight design, new materials and networked and automated driving, EDAG therefore positioned itself accordingly at an early stage.

EDAG has a pension scheme for its employees, which takes the form of defined benefit and/or defined contribution plans. In this way, care is taken of virtually all employees for the period

after their retirement. For the disclosures on defined benefit pension plans required by GRI 201-3, please see chapter "Pensions and Other Post-Employment Benefits [27]" in the notes to the **consolidated financial statements** for 2020.

EDAG receives public sector benefits for research and development activities and for the training of employees. For disclosures on financial assistance received during the reporting period by GRI 201-4, please see chapter "Other Income [3]" in the notes to the **consolidated financial statements** for 2020.

### Anti-corruption and anti-competitive behavior (GRI 205, 206)

**Compliance** Besides the wide variety of opportunities open to EDAG as one of the leading engineering companies in the automotive industry, we also face challenges that become more demanding every day, and take on ever-increasing responsibility. More than ever, therefore, one of the most important basic conditions for our success is to combine business activities with ethical principles and act with responsibility in all respects. For our company, unconditional compliance with legal requirements is imperative, and forms an integral part of the EDAG value system. These principles are anchored in our EDAG Code of Conduct. Our **Code of Conduct** is the binding basis outlining the rules for proper behavior expected of all EDAG employees.



By committing to the UN Global Compact, EDAG has undertaken to ensure that human rights and accepted standards are complied with.

In order to be able to meet the increased demands, we have combined the organizational measures in the company that guarantee the compliant conduct of EDAG's executive bodies and employees at all times in our EDAG Compliance Management System (EDAG CMS). The objective of the EDAG CMS is to guarantee compliant behavior at all times when carrying out our business activities, therefore avoiding any damage being caused to the company or any of its employees as a result of infringements of applicable law and in-house guidelines. Our main focus here is preventive, with our compliance organization offering employees advice and support with regard to their responsibilities, so as to avoid the occurrence of any such infringement. The EDAG CMS has been integrated into the EDAG risk management system, and is therefore an integral part of our risk-based reporting system. For compliance-specific risks, please see the risk report in section 4.1 "Risk and Reward Report" in the [Group Management Report](#).

In addition, we also have an electronic notification system, giving all company employees and stakeholders the opportunity to use the link <https://edag.integrityline.org> to report possible infringements while preserving the anonymity of those involved.

No legal disputes arising from anti-competitive behavior or violations of antitrust and monopoly laws to which EDAG was a party were pending during the reporting period.

**Anti-corruption** EDAG focuses on performance, customer orientation and the quality of its products and services. EDAG's success is based on the reputation our company has established on its way to becoming one of the world's leading independent engineering service providers. We firmly reject services based on illegal or ethically questionable behavior. For us, influencing business decisions with either attempted or actual bribery constitutes unacceptable practice. EDAG therefore expects all employees and business partners to refrain from corrupt behavior in any form whatsoever. No provision is made in the EDAG CMS for the examination of individual operating sites for corruption risks. We prefer to focus on prevention and education by operating a global training program.

Our anti-corruption policy affirms our commitment to combining entrepreneurial activity with ethical principles. The aim of the policy is to prevent any cases of corruption arising at EDAG. Recommendations for action and concrete rules of conduct for practical application help to permanently establish anti-corruption behavior at EDAG. As well as explaining the various forms that corruption can take and its consequences, the policy draws attention to corruption risks, and defines what steps to take if corruption is suspected. This additional instrument in the EDAG CMS therefore plays a significant role in preventing and combating corruption at EDAG. Anti-corruption training sessions are held on a regular basis, to effectively communicate the contents of the policy and our guidelines for the prevention of corruption to our employees. On account of the pandemic situation, these compliance training sessions were held online during the reporting year, in the form of webinars.



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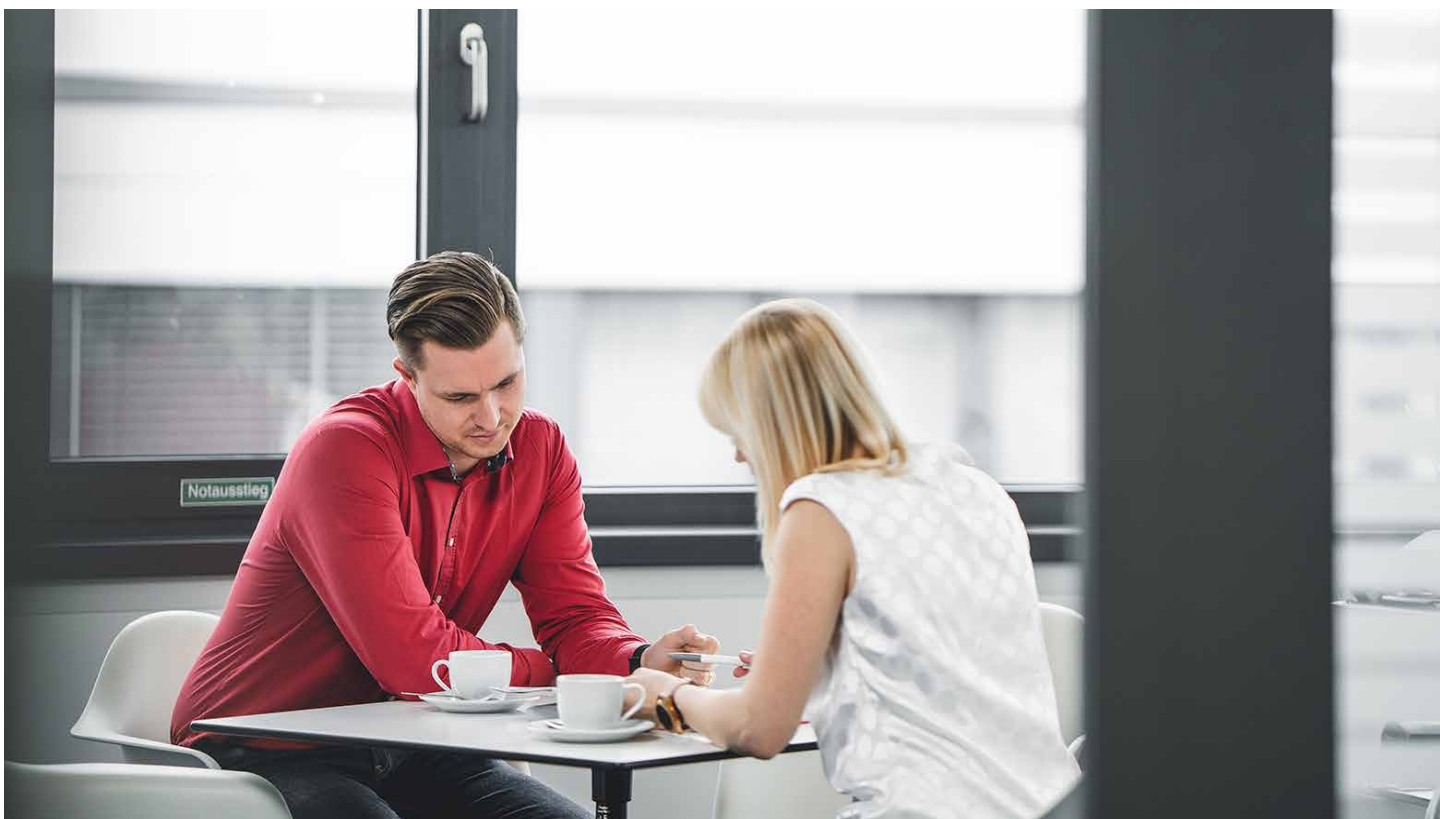
There were no confirmed cases of corruption in the EDAG Group in the reporting year.

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For a compliance management system to be effective, it is essential that the attention of the company's employees should be continually drawn to the subject of compliance, so as to develop an awareness of critical issues in the daily working environment. One effective way of engendering this sensitivity for compliance is to provide appropriate training programs. In the 2020 financial year, therefore, we again expanded the compliance training program, a central element of our CMS, and continued to offer our modular, web-based compliance training as an obligatory training activity for all employees. One module in this training program deals explicitly with gifts, invitations and other benefits. The module includes the examination of practical case studies, to ensure that our employees

are always in a position to be able to assess which benefits are appropriate and consistent with standard business practice, and which are not. In order to be able to better monitor the effectiveness of the compliance training obligatory for all employees, a "test module" has been added at the end. With this additional assessment, we are now able to determine the success of our training module more effectively and more directly, and at the same time it offers the employees the opportunity to check the knowledge they have acquired.

There were no confirmed cases of corruption in the EDAG Group in the reporting year.





## ENVIRONMENTAL ISSUES

As an engineering service provider to the global automotive industry, EDAG has neither substantial production facilities nor material flows. Environmental impacts might therefore occur mainly as a result of the management of office space and the IT infrastructure, the vehicle fleet, and travel activities. We are nevertheless aware of the fact that the provision of our services might also have an adverse effect on the environment. We use our globally networked innovative strength to reduce our ecological footprint. Our innovations also help our customers to become more eco-friendly. As part of our materiality analysis in accordance with the GRI standards, we have identified the following environmental issues as being relevant for EDAG: energy (GRI 302), emissions (GRI 305) and environmental compliance (GRI 307). Environmental impacts might therefore occur mainly as a result of the management of office space and the IT infrastructure, the vehicle fleet, and travel activities. As part of our materiality analysis in accordance with the GRI

standards, we have identified the following environmental issues as being relevant for EDAG: energy (GRI 302), emissions (GRI 305) and environmental compliance (GRI 307).

**Energy (GRI 302)** One of the key objectives of our efforts to promote ecological sustainability is the efficient use of energy. As we carry out external certification programs, for instance our environmental management system in accordance with the DIN EN ISO 14001 standard, or our corporate social responsibility by EcoVadis, regular checks are carried out by independent authorities to guarantee our internal improvement process. On the other hand, we look at energy consumption both inside and outside of the organization. The aim is to reduce energy consumption and increase energy efficiency. To identify potential energy savings, energy audits in accordance

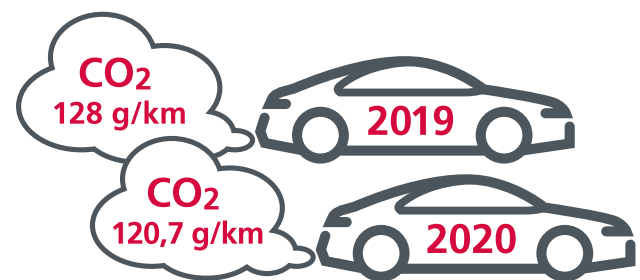
with the DIN EN 16247-1 standard were carried out at various German locations, on the basis of the Energy Services Act. During these energy audits, specially trained energy auditors assessed potential for improving energy efficiency. The aim of the energy audits was to analyze the company's energy consumption and determine the energy baseline.

The energy sources used by EDAG are electricity, natural gas, district heating and diesel. The most important energy users are heating, cooling units, lighting, machinery and IT technology. These were analyzed more closely during the energy audits. The efficient use of energy cuts costs for the company, and reduces greenhouse gas emissions.

EDAG's energy consumption mainly consists of electricity, gas and heat supplies. Across the Group, the total energy consumption within the company amounted to about 44,274 MWh in the reporting year, which was 3.3% down on the same period in the previous year. The total energy consumption in 2019 was 45,777 MWh. The main reason for this reduction was the COVID-19 pandemic, which led to an average of 25% of all employees working from home throughout the entire year, as a result of which the EDAG sites consumed less energy.

**Emissions (GRI 305)** The Paris Agreement and "renewable energy" and "climate protection measures" as two of the 17 sustainable development goals (SDG) demonstrate the global relevance of the issue of emissions. EDAG fully supports these aims. The reduction of greenhouse gas (GHG) emissions is one of the strategies pursued by EDAG within the context of the management approach. In this context, we examine direct GHG emissions (scope 1), indirect energy-related GHG emissions (scope 2) and other indirect GHG emissions (scope 3) in accordance with the categories (scopes) into which the Greenhouse Gas Protocol classifies GHG emissions.

**Scope 1** Direct greenhouse gas emissions (scope 1) comprise the gas consumed by the heating systems and some technical installations, and the company's vehicle fleet. Across the group, the gas consumption within the company amounted to about 8,478 MWh in the reporting year, which resulted in 1,866 t of CO<sub>2</sub> emissions<sup>2</sup>. At the end of 2020, EDAG's vehicle fleet in Germany included a total of 650 vehicles with average CO<sub>2</sub> emissions of 120.7 g/km per vehicle. In 2019, there were 680 vehicles in the German fleet, with average CO<sub>2</sub> emissions of 128 g/km per vehicle. In 2020, EDAG's vehicle fleet in the foreign subsidiaries included a total of 107 vehicles with average CO<sub>2</sub> emissions of 142.4 g/km per vehicle. Due to the COVID-19 pandemic, we made significantly fewer business trips in 2020. We are therefore including an additional 25 % of the business trips on which the figures for 2019 were based. The CO<sub>2</sub> emissions amounted to 1,405 t<sup>3</sup>. This represents a reduction of 21 %. This reduction was mainly brought



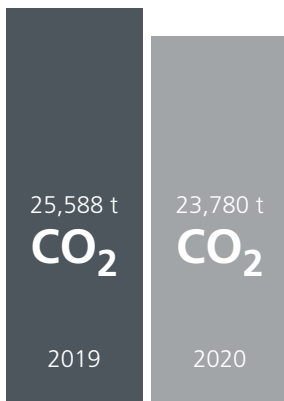
Development of average CO<sub>2</sub> Emissions per vehicle in EDAG's German fleet

about by two measures: A company car directive featuring a weighting of CO<sub>2</sub> emissions using a bonus-malus system based on CO<sub>2</sub> flat rates was introduced in 2020. This gives preferential treatment to vehicles that have particularly low CO<sub>2</sub> emissions. This is to serve as an incentive to our employees to be more environmentally conscious in their choice of vehicle. The new company car directive also enables plug-in hybrids to be included in the fleet for the first time ever.

Group-wide, therefore, direct CO<sub>2</sub> emissions (scope 1) amounted to about 3,271 tons in the reporting year; a reduction of 37 % compared to 2019.

**Scope 2** Indirect energy-related GHG emissions (scope 2) consist of electricity purchased for all company sites and district heating purchased for the Wolfsburg and EDAG Poland facilities. Across the group, the electricity consumption within the company amounted to about 34,076 MWh in the reporting year, which resulted in 17,958 t of CO<sub>2</sub> emissions<sup>4</sup>. The purchase of district heating at the locations concerned amounted to approximately 1,720 MWh, resulting in 53 t of CO<sub>2</sub> emissions<sup>5</sup>. The indirect energy-related CO<sub>2</sub> emissions (scope 2) amounted to approximately 18,011 t.; an increase of 18 % compared to 2019.



Development of EDAG Group's Total CO<sub>2</sub> Emissions

**Scope 3** Scope 3 emissions at EDAG mainly consist of emissions caused by employees' commuting and business travel, paper consumption, water consumption, waste water, and the volume of waste generated. GHG emissions are represented in the form of CO<sub>2</sub> emissions. CO<sub>2</sub> emissions caused by employees' commuting and business trips in the reporting year amounted to approximately 2,270 t<sup>6</sup>. CO<sub>2</sub> emissions from paper consumption in the reporting year amounted to approximately 160 t<sup>8</sup>. CO<sub>2</sub> emissions from water consumption in the financial year amounted to approximately 19 t<sup>8</sup>. CO<sub>2</sub> emissions due to wastewater generation amounted to approximately 30 t<sup>9</sup>. The volume of waste generated group-wide by the company in the reporting year amounted to 919 t, resulting in 19 t of CO<sub>2</sub> emissions<sup>10</sup>. Group-wide, therefore, other indirect CO<sub>2</sub> emissions (scope 3) amounted to about 2,498 t in the reporting year. This is a reduction of 51 % compared to 2019.

Total CO<sub>2</sub> emissions for EDAG (scopes 1, 2 and 3) amounted to 23,780 t in the reporting year. 25,588 t CO<sub>2</sub> were emitted in 2019. This represents a reduction in emissions of 7 % in the 2020 financial year, compared to the previous year.

An average of 8,142 employees were employed by EDAG in the 2020 financial year. CO<sub>2</sub> emissions per employee amounted to 2.92 t, compared to 2.96 t in 2019. This is equivalent to a reduction of 1.4 %. In our 2019 sustainability report, we set ourselves the target of reducing CO<sub>2</sub> emissions per employee by 3% in 2020. On the basis of the above analysis, we have not achieved this target. One of the main reasons for the discrepancy was the material cutback on personnel from an average workforce of 8,625 in 2019 to an average of 8,142 in 2020.

An average of 8,142 employees were employed by EDAG in the 2020 financial year.

Our target for reducing CO<sub>2</sub> emissions per employee in 2021 is 3 percent.

Our declared aim is to gradually further reduce emissions and thus contribute to sustainable development in the economy. Our target for reducing CO<sub>2</sub> emissions per employee in 2021 is 3 percent.

#### In order to achieve the above-mentioned targets, we plan to implement the following measures in 2021:

- Expansion of the "mobile working" pilot project to reduce CO<sub>2</sub> emissions caused by employees traveling
- Evaluation and implementation of energy-saving measures from the energy audits in accordance with DIN EN 16247-1 (Energy Services Act) by Facility Management
- Revision of the waste management concepts of the sites by the waste management officer in co-operation with the external waste disposal company

**Environmental Compliance (GRI 307)** GRI standard 307 Environmental Compliance represents one of our key environmental aspects. The EDAG Compliance Management System (EDAG CMS) ensures that all organs and employees behave in compliance with the rules at all times. The EDAG CMS has been integrated into the EDAG risk management system. In addition, people in various staff positions and functions ensure environmentally compliant operation by carrying out specific control and supervisory duties. These include the Environmental Management and Sustainability Officer, the Occupational Safety Management Officer, the Health and Safety Officers, the Hazardous Goods Officer, the company's Waste Management Officer, the Hydrogen Officer, the Fire Protection Officers and the Safety Officers. No violations of the rules were identified during the reporting period. On account of our activities and our existing environmental management system, we rate environmental risks as low.

We also include our suppliers in our efforts to promote sustainability and our environmental management system. We formulate our expectations as to the behaviour of our suppliers and business partners with regard to working conditions, health and safety, the environment and business ethics with the help of the EDAG Supplier Code of Conduct (which can be downloaded at [https://www.edag-engineering.de/fileadmin/edag/downloads\\_files/04\\_services/EDAG\\_Lieferanten\\_Code\\_of\\_Conduct.pdf](https://www.edag-engineering.de/fileadmin/edag/downloads_files/04_services/EDAG_Lieferanten_Code_of_Conduct.pdf)). With regard to environmental issues, we expect our suppliers to comply with the national environmental laws, regulations and standards currently in force. We also expect our suppliers to set up and utilize an appropriate environmental management system (e.g. in accordance with ISO 14001), to minimize environmental pollution and hazards, and improve environmental protection in day-to-day business operations. Our suppliers are therefore specifically asked about environmentally relevant certification (e.g. ISO 14001 or ISO 50001) in supplier's self appraisals.

For EDAG, sustainability also means protecting natural resources and improving biodiversity by setting up its own sustainability projects, such as the wildflower meadow project in Wolfsburg.

- <sup>2</sup> Calculated at 0.22 kg of CO<sub>2</sub> emissions per kWh of natural gas.
- <sup>3</sup> Calculated on the basis of 650 vehicles in the EDAG vehicle fleet in Germany with average CO<sub>2</sub> emissions of 120.7 g/km per vehicle x an average of 20,000 km per vehicle and year (= 1,569 t CO<sub>2</sub>) + 107 vehicles in the foreign vehicle fleet with average CO<sub>2</sub> emissions of 142.4 g/km per vehicle x an average of 20,000 km per vehicle and year (= 305 t CO<sub>2</sub>) less 25% as an average quota for people working from home in 2020 due to the corona pandemic.
- <sup>4</sup> Calculated at 0.527 kg of CO<sub>2</sub> emissions per kWh of electricity.
- <sup>5</sup> Calculated at 0.031 kg of CO<sub>2</sub> emissions per kWh of district heating.
- <sup>6</sup> Calculated on the basis of 8,142 employees x 220 working days x an average commute of 10 km x 2 x 0.128 kg of CO<sub>2</sub> emissions plus an estimated 500 t of CO<sub>2</sub> emissions from business travel (trips/flights and overnight stays) x 0.75% (working from home due to the COVID-19 pandemic).
- <sup>7</sup> Calculated on the basis of 8,142 employees x an average of 28 kg paper a year x 0.939 kg of CO<sub>2</sub> emissions (fresh fiber paper) x 0.75 % (working from home due to the COVID-19 pandemic).
- <sup>8</sup> Calculated on the basis of the water consumption of 56,701 m<sup>3</sup> x 0.344 kg of CO<sub>2</sub> emissions
- <sup>9</sup> Calculated on the basis of the water consumption of 56,701 m<sup>3</sup> x 0.75 waste water x 0.708 kg of CO<sub>2</sub> emissions.
- <sup>10</sup> Calculated at 0.021 kg of CO<sub>2</sub> emissions per kg of waste.

#### In 2020, our principle ecological/sustainability activities were:

- Holding the „Green Day“ sustainability project in Munich in January 2020, to increase employee awareness at the various sites in Munich
- Introduction of the digital salary slip for employees, to save paper and CO<sub>2</sub>. Participation is on a voluntary basis, and for every 100 participants, an additional 100 trees are donated to the Plant-for-the-Planet organization
- Introduction of the e-learning module “Environmental Protection & Sustainability” aimed at informing and motivating our employees
- Implementation of the “wildflower meadow” sustainability project to improve biodiversity, insect protection and species diversity
- Maintaining, updating and further developing the environmental management system and self assessments in the sustainability portals
- Updating, revising and upgrading the key environmental indicators

#### Outlook and aims of our sustainability activities in 2021:

- Establishment of a new EDAG Competence Center for Sustainable Vehicle Development with the aim of minimizing the ecological footprint of a vehicle to the greatest degree possible during its development
- Holding further “Green Day” sustainability projects at other EDAG sites, possibly Fulda
- Maintaining existing and setting up further wildflower meadow projects



## SOCIAL

**Occupation (GRI 401)** Human Resource Management is a key success factor for the engineering service provider's business model. For this reason, our HR policy is systematically aimed at ensuring that, in order to be able to handle projects, execute orders and supply temporary staff, the employee qualifications and employee capacities required by our customers are available at all times.

The observation of shifts in demand on the part of our customers, constant monitoring of the labor markets relevant to EDAG, and the anticipation of changes of attitude and expectations in employees, particularly among school leavers and university graduates, are all inducements to us to constantly examine and adapt our HR policy strategies and activities.

An average of 8,142 employees (including apprentices) were employed by EDAG during the reporting period. Geographically, these were organized as follows:

	<b>2020</b>
<b>Geographical breakdown</b>	
Germany	5,815
Rest of Europe	1,320
North America	284
South America	171
Asia	552
<b>Total</b>	<b>8,142</b>

In the current business year, human resources activities will continue to focus on furthering the company's goals by recruiting and supporting suitably qualified, skilled personnel. Key cornerstones of our strategy will be the constant improvement and automation of HR processes, outstanding commitment to education and training, and the development and maintenance of the employer brand.

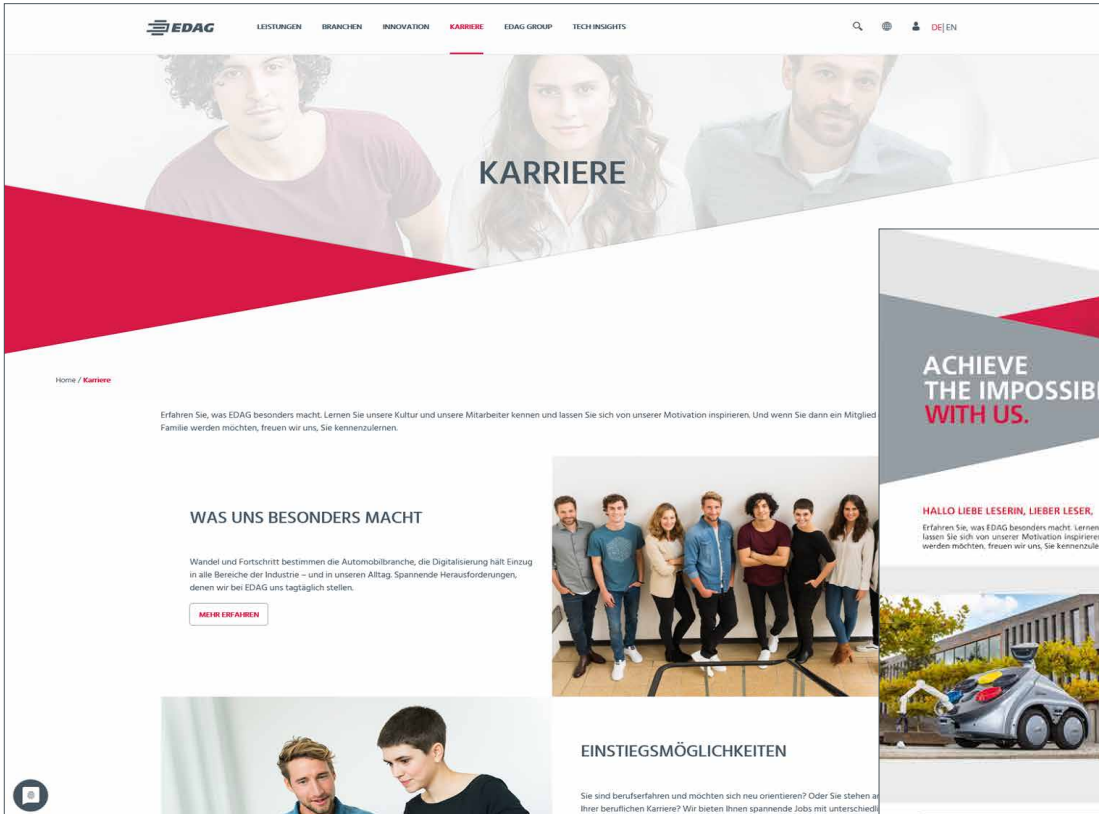
### **Recruiting, HR Marketing & Employer Branding**

In 2020, EDAG offered apprentices, career entrants and people with work experience a wide variety of jobs in their various intended professions, thus offering continual career opportunities.

Location-spanning harmonization and standardization in the form of a uniform recruiting process guarantee company-wide quality standards in our contact with applicants and potential candidates.

With the intention of presenting EDAG as an attractive employer with numerous career opportunities for people with work experience and career entrants, the company implemented a new approach to employer attractiveness in its HR marketing program. Within the context of employer branding, employees are taking on a more active role as brand ambassadors.



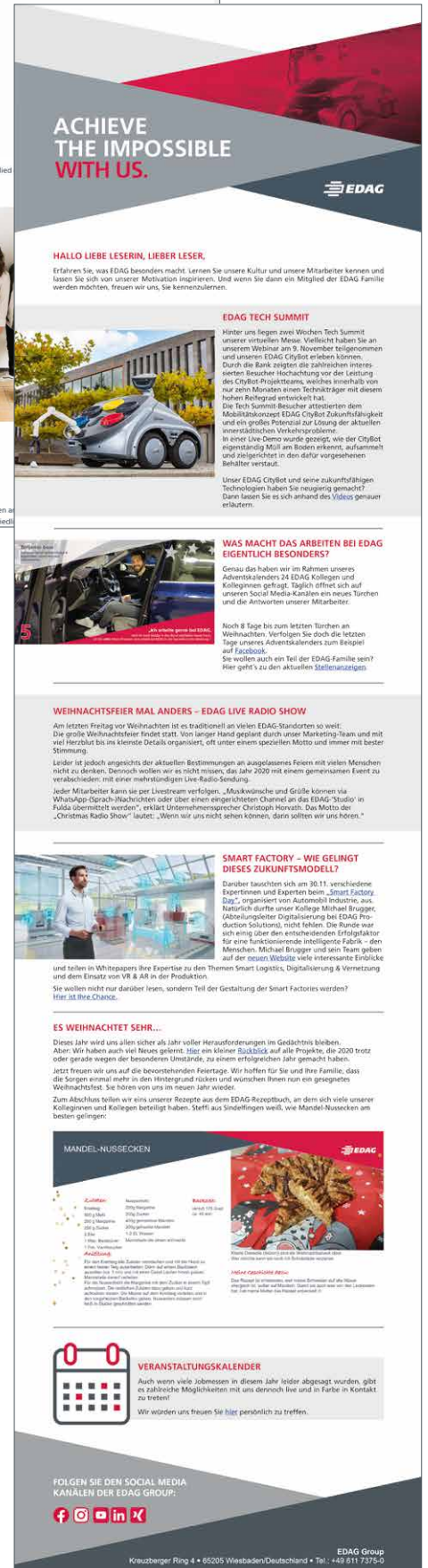


The concept of a fully integrated employer brand (EVP) provides an elementary, company-wide basis for viability in our internal and external HR work.

We completely restructured our careers website in the 2020 financial year. In addition to assuring an appealing design and optimized user guidance, the main focus was on the background processes. A standardized software tool now covers the entire recruiting process, from the initial contact, through interviews and the conclusion of a contract, to the onboarding process for new employees. We have fully digitalized the Welcome Day, so that, even with the corona protection measures currently in place, new colleagues can experience their first day at EDAG in a virtual team event.

Another new introduction in 2020 was our Talent Relationship Management (TRM) system. Every year, the EDAG Group comes into contact with several thousand potential technical specialists and executives. For some of these talents, there is no suitable position at EDAG at the time initial contact is made. Our TRM enables us to register the candidates concerned in our TRM pool and then, by employing a variety of measures, maintain the relationship until a suitable vacancy is found and the person can be hired.

A variety of different target group-oriented formats were used to address potential applicants. Importance continued to be placed on a goal-oriented presence at graduates' and specialist



job fairs – mainly virtual in 2020. Our target groups were addressed by means of outdoor advertising, involving for instance the radio, the railways and advertising columns, by placing advertisements in selected print and online media, and by making intensive use of social media platforms. In particular, candidates were actively and intensively addressed. In addition, cooperation projects with universities and careers days gave potential new employees an opportunity to find out more about the company. We continued to foster our cooperation with universities in 2020, supporting interested parties in a number of ways, for instance by offering specific applicant training sessions. These were also offered in a virtual format, to enable us to continue our activities despite the the current changes in conditions.

We will gradually be transferring the findings and best practices of our new, digital processes to our main international subsidiaries in the current financial year. Already, our worldwide sites have been integrated into our new career website, where their job advertisements are now posted.

Recruitment of women for technical and managerial positions is to be stepped up in the current financial year, e.g. by holding networking events

**Awards** Once again, our apprentices achieved good to outstanding results in their final examinations in the reporting year. These grades are the result of our training system. A number of awards were particularly gratifying: one of our industrial mechanic apprentices finished as the best in his year group in 2020, and we also had two regional champions in the State of Hesse. These awards are a visible symbol of the quality of training offered by the EDAG Group.

**HR Development** 2020 saw the successful continuation of the project launched at the beginning of 2019 with the aim of introducing an attractive career model in the EDAG Group. Under the project name "beEDAG", we implement various concepts to create prospects for our employees and the basis for a structured implementation of the EDAG Group's Talent and Performance Management, which is specifically tailored to the corporate group's needs. The results we aim to achieve are greater employee loyalty through transparency, and greater employer attractiveness in the highly competitive market for specialists and managers.

We are continuing with our three tried and tested career paths, Line, Project and Sales, to which the Specialist career path has also been added. To this end, we define future-oriented topics to sharpen the competitive edge EDAG has acquired in terms of knowledge.

New instruments for the systematic advancement of talent in the company were implemented in the reporting year, and serve as a basis for systematic succession planning and individual staff development. The core element of these measures is a "people review", which was first held for all managerial staff at EDAG in 2020. Using an IT-based process, all the managers were assessed, and potential for development worked out. This promotes individual employee development, while also securing the group-wide succession planning for positions that are critical for the company's success.



beEDAG

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## EDAG Code of Ethics

EDAG supports the ten UN Global Compact Principles.

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**HR Consulting** The provision of a comprehensive support system for our colleagues in all HR concerns is an essential element of our HR strategy. This is guaranteed by having HR business partners at all the major sites, and individual contact persons for all employees. The communication of news and changes in the company, offers for employees and other HR-relevant matters play an important role in modern companies. Particularly in a dynamic company where many changes are happening, communication plays a crucial role. In addition to the above-mentioned contact persons, we contact our colleagues by means of regular mailings and videos, staff meetings, and most of all our intranet.

We will be replacing our existing intranet in the course of the current financial year. There is to be a global rollout of the new, cloud-based platform, which will be multilingual, easy to handle and available to all EDAG employees worldwide. Our aim here is to further improve cross-location and international communication. Also, knowledge and information will be made available globally and efficiently. In this way, a joint, digital home will be created for everyone employed by the EDAG Group.

Company reintegration management for employees with long-term illnesses is organized in the EDAG Group by the Company Health Management team. The employees concerned are actively approached by our HR business partners, who provide help and support for their return to work.







In addition, EDAG offers employees in Germany, in some cases also internationally, a wide range of attractive voluntary benefits. A holistic approach is taken here, in which the areas "workplace and work environment", "working time, family and social matters", "financial benefits" and "insurance and pensions" are intelligently linked.

#### Some of the individual elements of our voluntary benefits include:

##### Workplace and work environment:

- Height-adjustable desks, ergonomic chairs and modern technology
- Team events, after-work meetings and regular company events
- Free water dispensers and coffee for all employees
- Subsidized lunch at our canteens or partner restaurants
- Job tickets

##### Working time, family and social matters:

- Flexible working hours
- Attractive working time models to for improved work-life balance
- Working time accounts to enable sabbaticals to be taken
- Preventive counseling in difficult situations
- Special leave for family events
- Occupational health management (reintegration management, screening tests, preventive health care courses, etc.)
- Regular sporting courses, online fitness, subsidies for running events and further fitness and health tips
- Bonus for those celebrating a wedding or the birth of a child
- Bonus for employees celebrating company jubilees

##### Financial benefits:

- 13th salary equal to 85% of a monthly salary (payable in one or more installments)
- Numerous online and local purchasing benefits (travel, furniture, clothing and much more)
- Additional (tax-free) cash deposits into the "Ticket Plus Card" every month
- Capital-forming benefits
- Premium for recommending a new member of staff

##### Insurance and pensions:

- Group accident insurance
- Attractive group contracts for life assurance and occupational disability insurance
- Company pension plans in the form of direct insurance policies with employer contributions of up to 15%
- Working time accounts to enable early retirement

In addition to fair compensation commensurate with performance, EDAG therefore also offers voluntary benefits in line with the principle of sustainable personnel recruitment and development.

### Working Conditions & Corporate Culture

We very carefully monitor the segments of the labor market relevant to EDAG, and focus very closely on the changing expectations, particularly of career entrants and university graduates, with regard to company and management culture, work organization and non-monetary conditions of employment. From this market information, EDAG derives strategies and activities with the aim of remaining an attractive employer for qualified employees and university graduates.

With the early transfer of responsibility in small projects, we meet the expectations of our younger managers, and systematically promote their development.

Tomorrow's working environment at EDAG is going to be more modern, digital, intuitive, deeply integrated and efficient. We are pursuing this target within the context of our fully integrated project "weEDAG".

On the one hand, weEDAG comprises software solutions for efficient and digital communication. In addition, the project also goes hand in hand with the physical workplace of tomorrow. In one of the key components of the project, a cross-functional team with members from HR, IT, the Works Council and Facility Management is developing a modern

work environment. The project team is working with employees to find solutions for improving cooperation that will best meet the individual and functional requirements of the working environment. This involves not only flexible working arrangements and working from home, but also the provision of multi-value areas which should make desk sharing possible. Aspects such as the agility, space efficiency, productivity and working environment of this workplace concept are currently being evaluated in pilot project. In the next phase, our new buildings currently being constructed in Ingolstadt and Munich will benefit from the findings of this evaluation.

Any measures that help to improve working conditions pay dividends when it comes to our corporate culture, which is characterized by transparent communication and honest and fair cooperation. Our employees are open to change, whether of a technological or organizational nature. We are shaping this change together with the aim of playing a determining role in the development of the mobility of the future.

On our way, we fully involve our employees. With this in mind, we plan to carry out another staff satisfaction survey in 2021, in order to identify potential for improvement and further develop our corporate culture.







**Social Issues** Taking social issues into account is an essential aspect of our appreciation of our employees, but also of society as a whole. In concrete terms, what this means for us is creating flexible working conditions with opportunities for mobile working, flexible working hours and working time accounts, to promote a balance between work and family life, and enable employees to care for family members. Our company health management promotes the physical and mental fitness of our workforce.

Bearing in mind the great importance accorded to having well qualified employees at EDAG, we are also, in addition to the education and training offered in-house, actively involved in diverse educational projects for young people. For instance, as well as working on cooperation projects with diverse universities, EDAG is also a member of several support associations. In addition to this, as associates of the non-profit organization "Gemeinnützigen Perspektive GmbH", we also assist teenagers and young adults in their search for work. The target group of this project are young people with handicaps, who cannot find jobs without help.

EDAG also donates to the employees association "Belegschaft e.V.", which primarily helps members of the EDAG workforce and their direct dependents who, through no fault of their own, find themselves in (economic) need. The association, which has its registered office in Fulda, also serves to support charitable and non-profit organizations. The association exclusively and directly pursues charitable purposes.

Voluntary and charitable organizations have had a particularly hard time generating funds this year. EDAG therefore demonstrated its solidarity, and donated amounts to selected charitable, regional organizations. Donations totaling € 16,000 were made to non-profit associations in Braunschweig, Fulda, Ingolstadt and Stuttgart at the end of the financial year





## Occupational Health and Safety (GRI 403)

**Occupational Health** Protecting the health of our employees is of the utmost importance at EDAG. To this end, we have implemented an occupational health and safety management system certified in accordance with ISO 45001 at key locations in Germany. In addition, within the framework of our occupational health management, we also offer a wide range of activities aimed at improving fitness. These include running meetings and employee participation in company runs or other sporting events. Health days held in cooperation with health insurance companies, physiotherapy treatments, relaxation courses, health checks, and talks on a wide range of subjects are among the preventive and health promoting measures we continue to offer.

On account of the corona pandemic, the 2020 financial year presented our company with completely new occupational health and safety-related challenges. EDAG's management responded with a comprehensive program of measures at the very beginning of the pandemic, in this way ensuring health protection.

### Specific measures implemented include:

- Establishment of a Corona Crisis Team as a central organisation
- Development of rules on the hygiene and infection prevention measures applicable at all EDAG premises
- Setting up of a hotline for employees with questions on infection prevention, reporting and measures
- Creation of an intranet page with information on the coronavirus
- Installation of disinfectant dispensers at all entrances and in the sanitary rooms
- Upscaling of IT capacities for mobile working, to provide mobile access for some 6,000 users
- Conclusion of a company agreement regulating more flexible working hours, mobile work and supplementary payments to top up short-time allowances, in order to alleviate social hardship
- Development, production and distribution to all EDAG employees of the "EDAG mask4all"
- Regular information to the workforce on how to deal with the virus

Thanks to the immediate implementation of these measures and the disciplined way in which the workforce adhered to the new rules, it was possible for the infection to be controlled at all times, and the spread of the disease within the company to be reduced to a minimum.

And at the beginning of 2021, the focus of our Crisis Team is still firmly on the coronavirus. We immediately provided every employee with three FFP2 masks so that everyone had an initial supply. Staff can obtain additional medical masks flexibly via an online tool. All protective measures will remain in force and be adjusted in line with official requirements. We regard this as a vital contribution towards beating the pandemic.

In 2021, our company health management will for the time being continue to focus on offering diverse digital courses, for instance "yoga at the workplace", as public meetings cannot yet be held.

**Occupational Safety** Annual safety briefings, inspections by the health and safety officers, and internal audits are held to ensure that employees are consistently advised and encouraged to use the work materials and equipment provided in a responsible and safe manner, and instructions are issued to ensure the correct handling of the hazardous substances that need to be processed and used in our day-to-day business.

In addition to the actual inspection of the business processes in connection with external standards, the general working conditions are also monitored in detail by carrying out internal audits and holding occupational health and safety committee meetings in cooperation with the safety officers and medical





services. A certification program in accordance with ISO 45001 (occupational health and safety management) was carried out for the central functions (Fulda and Wiesbaden) and for the Munich offices.

In Germany, risk assessments are carried out at all sites, taking into account everybody potentially present at the site. The departments responsible have competence of the health and safety officers to support them during these assessments. The health and safety officers are also neutral contacts for employees with regard to hazards in their own work environment. During work committee meetings for the EDAG sites in Germany, the relevant managers and workers' representatives are informed on a quarterly basis of the 1,000-man quota (lost working time due to downtimes in excess of 3 days due to industrial accidents, per 1,000 employees). The accidents, their causes and the measures taken to prevent their recurrence are also reported in this committee.

The 1,000-man quota in the reporting year was 4.29 in Germany (previous year: 4.42), and below 1 outside of Germany (previous year: 1.6).

### **Training and Education (GRI 404)**

**Training** Vocational training, which supports the future development of the company, is afforded high priority at EDAG. For over 50 years, EDAG has demonstrated particular responsibility in this area. Group-wide, our trainee quota in 2020 was 4.2 percent (2019: 5.1 percent). The fact that our apprentices repeatedly receive local and national-level awards for their excellent examination results is evidence of the high quality and continuity of EDAG's training scheme.

In the reporting year, the EDAG Group continued its high-level commitment to occupational training, and group-wide hired 75 young people as apprentices or





work-study students. In 2020, school leavers were able to choose from a wide range of occupations requiring formal vocational training and dual study programs, to find their personal professional entry into the world of engineering. EDAG continually adjusts its training and study program to meet not only the industry's current technological requirements but also labor market requirements.

A point of particular note is the company's commitment to encouraging girls to consider "MINT"-based professions (mathematics, IT, natural science, technology). This also includes Girls' Day events at various EDAG locations. Nationwide, this day is an integral part of the vocational training activities to showcase at an early stage the work areas in vehicle and production plant engineering for girls.

A regular feature of our training program is the MINT Girls Camp, which is held in Fulda. In cooperation with various educational institutions, the focus

is on familiarizing young girls with professions in the fields of mathematics, computer science, natural science and technology (in German: MINT).

Due to the corona pandemic, it was unfortunately not possible for either Girls Day or the MINT Girls Camp to be held in 2020. Infection rates permitting, we plan to participate in these activities again in the current financial year.

**Advanced Training** With the start of the "beEDAG" project in 2019, we began to take a fresh look at all of our HR development instruments and measures, and gear them to future requirements. Once the analysis had been completed, work was



The voluntary fluctuation rate in 2020 was 6.8 percent in Germany, and 10.3 percent in the rest of the world.

The proportion of female employees throughout the Group was about 20.1 percent.

In the reporting year, we trained a total of 2,194 employees in 535 training programs in Germany.

begun in the reporting year on implementing new measures. These included in particular the uniform software systems for staff development and communication already described in greater detail above. We have revised our training program, gearing it to the specific needs of our departments in areas of future relevance. In addition to training sessions, we have also been using new learning methods - for instance blogs, podcasts and webinars - to impart knowledge and skills in-house.

One achievement we would like to highlight are the training measures undertaken in the Production Solutions segment. We took colleagues from the classic fields of mechanical engineering and, in a full-time, 17-week course carried out in cooperation with the vocational training center in Fulda, trained them to become specialists in robotic and automation technology. This creates the basis for Industry 4.0-related projects among our workforce, thus securing sustainable employment in our company.

In the reporting year, we trained a total of 2,194 employees in 535 training programs in Germany. Group-wide, investments in training amounted to € 2,030 thousand (2019: € 3,343 thousand).

In the current financial year, one of the focuses of our activities within the context of beEDAG will be the implementation of new training courses in a specially introduced learning module. The processes and best practices are also to be introduced at international level, namely at our major foreign subsidiaries.

The success of the training program carried out in the Production Solutions segment is also to be adapted for parts of our our Vehicle Engineering segment. This will sharpen the skills profile of our employees and bring them right up to speed with the requirements of the future.

Our commitment to the training and further education of our employees, as outlined above, and the special focus on promoting women in MINT professions both contribute directly to Goals 4 (Quality Education) and 5 (Gender Equality) of the UN SDGs.





## Diversity and Equal Opportunities (GRI 405)

### Age Structure and Continuous Employment

Besides pursuing the target of employee qualification, EDAG also strives to maintain a diversified workforce. Having a mix of experienced and young employees is an integral part of our personnel strategy. The average age of the employees at our key German companies is 37.5 years (previous year: 36.7 years), which is representative of a young, dynamic team. 28.2 percent of the workforce are younger than 30. The high level of the average length of service of employees (7.5 years [previous year: 6.9 years]) is an indication of employee satisfaction and identification with the company.

The voluntary fluctuation rate in 2020 was 6.8 percent in Germany (2019: 9.6 percent), and 10.3 percent in the rest of the world (2019: 11.5 percent).

The proportion of female employees throughout the Group was 20.1 percent (previous year: 20.7 percent).

### Employees@EDAG

Average age: 37,5 years  
Average length of service:  
7,5 years

One of the goals of our recruiting activities is the targeted recruitment and promotion of female technical specialists and managers. We will be intensifying our efforts towards achieving this goal at all levels in the current financial year, here too, contributing directly to Goal 5 (Gender Equality) of the UN SDGs.

### Human Rights Assessment (GRI 412)

As an internationally active company, ensuring that human rights are complied with and that accepted standards are observed at our many facilities worldwide is an essential element of EDAG's value system.

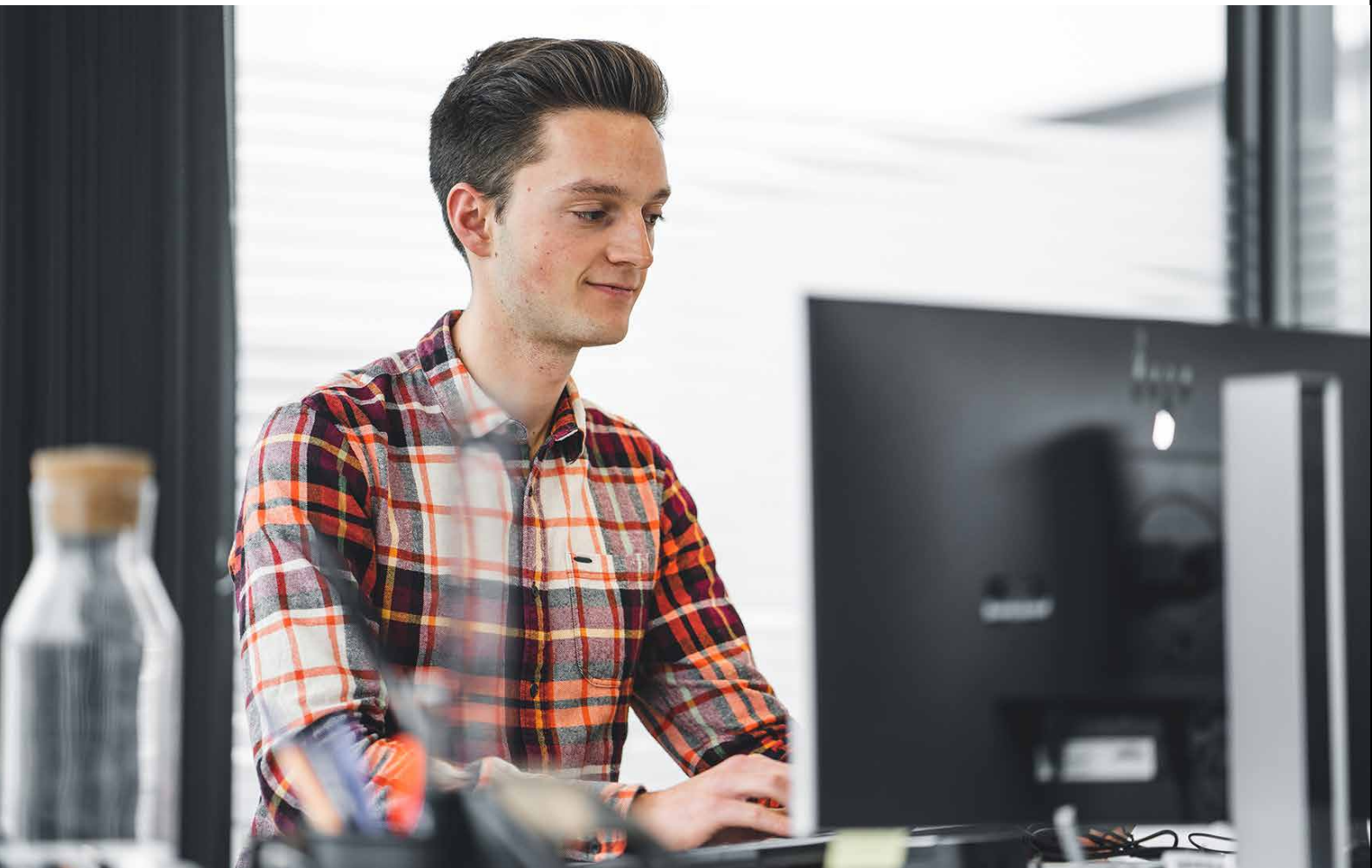
With the EDAG Code of Ethics, EDAG commits to the long-term support of the ten UN Global Compact principles and to continual improvement in their implementation. The EDAG Code of Ethics can be downloaded at <https://www.edag.com/de/edag-group/das-unternehmen/corporate-governance>. One of the principles established by the code is that EDAG supports and respects the protection of internationally proclaimed human rights within its sphere of influence, and ensures that EDAG is not complicit in human rights abuses.

Apart from this, EDAG does not currently pursue any concrete concepts for the prevention of human rights abuses. The reason for this is that, on the strength of a risk analysis which has been carried out, we are at present unable to identify any direct effects on or abuse of human rights in relation to our business activities, so there is currently no need to take concrete steps to prevent any negative impact

**Customer Health and Safety (GRI 416)** As an engineering service provider, EDAG has an influence on the health and safety of customers through its activities insofar as the interests of functional safety and compliance with the relevant rules for machine safety must be observed.

To this end, EDAG has built up the relevant expertise, and supports its customers in the development of safe products and the operation of production plants in which any risks to the health of the plant operators have been analyzed and constructively minimized.

There were no incidents in this connection in the reporting year, nor were any violations identified.







**Customer Privacy (GRI 418)** As an engineering service provider, EDAG handles particularly confidential and sensitive customer data. Both personal data and order-relevant data is processed. The loss of confidentiality of customer data has the potential to cause enormous damage to the customer's business, and would also undermine our customers' trust in EDAG. For this reason, great importance is attached to information and data protection at EDAG.

A systematic information protection management system was implemented at EDAG over 20 years ago. EDAG today maintains high standards in this area, a fact which is borne out by certification in accordance with ISO/IEC 27001 and the VDA information protection standard, the TISAX standard. In accordance with the classification of the data to be processed and any customer requirements over and above this, an IT and object infrastructure corresponding to the protection class is provided. Due to the fact that they receive regular training in relevant subjects, the EDAG employees know how to act, and are aware of information security risks. The training sessions concerned are subjected to constant monitoring, for instance in the form of audits.

EDAG is constantly working on the improvement of this system. In 2020, for example, the level required by TISAX was confirmed in external audits carried out at 17 locations, most of them in Germany, but also at some of our international sites.

Information protection-related incidents are also recorded and processed within the framework of of this information protection management system. In 2020, two data protection incidents involving personal data were reported to the Hessian supervisory authority. Both incidents were examined by the supervisory authority, and the measures recommended to avoid a repetition were accepted. Further, there was no evidence of any relevant cases of breach of customer data confidentiality in 2020 (data leaks, data theft or data loss). All audits carried out by external, neutral certification authorities in 2020 were successfully completed

**Socioeconomic Compliance (GRI 419)** No substantial fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic field were imposed on EDAG during the reporting period.

**YOUR GLOBAL  
MOBILITY  
ENGINEERING  
EXPERTS**

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