panki AG

SUSTAINABILITY REPORT 2022

SHW panki RACING SYSTEMS CARRILLO KRENHOF

IMPRINT

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Registered in the Leoben district court under
FN 395143v

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ABOUT THIS REPORT

This report refers to the business activities of Pankl AG group headquartered in Kapfenberg, Styria, Austria in the fiscal year 2022 with balance sheet date December 31st, 2022.

The Pankl AG Sustainability Report 2022 was prepared in accordance with Global Reporting Initiative guidelines and will from now on be published annually. This report is the Non-financial Report of Pankl AG group in accordance with the Austrian sustainability and diversity improvement law (NaDiVeG) and Chapter 267a of the Austrian Commercial Code (§267a UGB). You can find further details regarding organisation and corporate management and structure as well as the business developments of the fiscal year 2022 in the annual reports of the group parent company Pierer Industrie AG as well as its subsidiaries Pankl Racing Systems AG and SHW AG. These reports can be downloaded on the appropriate websites.

The 2022 report describes results of Pankl AG with respect to major aspects regarding environment, society, and governance. We focus on issues which a materiality analysis carried out in 2022 identified as especially important for our business activities and our stakeholders.

This sustainability report was prepared on a voluntary basis and was not subject to an external audit. Data presented in this report was collected at group level and contains all fully consolidated companies especially Pankl Racing Systems AG and SHW AG in the same way as is the case in the financial statements of the company. This applies to all material aspects except explicitly stated otherwise for certain important issues.

We prepared this report with the greatest possible care and checked the correctness of data. Nevertheless, we cannot rule out sentence mistakes, calculation, and printing errors.

This report is published in the German and the English languages. When in doubt, the German version shall be relevant.

KEY RATIOS OF PANKL GROUP

EURk	2022	2021
Sales revenues	836,549	709,123
EBITDA EBITDA-margin in %	82,073 9.8	74,370 10.5
EBIT EBIT-margin in %	15,550 1.9	11,140 1.6
Net earnings after income taxes	357	3,463
Shareholders‘ equity in % of total assets	304,204 35.3	310,17 37.5
Operating free cash flow in % of revenues	-46,393 -5.5	-43,727 -6.2
Net debt	-321,107	-253,297
Capital expenditure in % of revenues	80,363 9.6	65,958 9.3
Working capital employed in % of revenues	197,577 23.6	156,931 22.1
ROCE in %	2.4	1.9

DEAR STAKEHOLDERS,

we are very pleased to be able to present to you this document which is the first sustainability report of Pankl AG. This report contains notes in accordance with the sustainability and diversity improvement law (NaDiVeG) for Pankl AG and includes all consolidated subsidiaries with special emphasis on the Pankl Racing Systems AG and SHW AG groups of companies. The sustainability report represents facts as at the end of the year 2022 combined with targets for 2023.

Also, the year 2022 was full of events. Major disturbances in previously well-functioning economic systems were caused by three years of corona pandemic, the war on Ukraine, major turbulences in energy and commodity markets, fears of an upcoming recession, and a massive cost of living crisis with double-digit inflation rates. Considering this challenging environment, it is important for us to present our progress in sustainability management.

In the past year, we carried out a materiality analysis with some of our stakeholders for the first time. Based on the results, we defined our sustainability strategy in more detail and expanded it further. We are driven by our commitment to the United Nations' sustainable development goals (SDGs), which we continuously implement into our business strategies and processes. We evaluate and, if necessary, modify our sustainability targets regularly.

We approach the sustainability issue fully in accordance with our moto "High Tech – High Speed – High Quality". We are convinced that also the automotive, racing and aerospace supply industries can contribute to a more sustainable environment. We execute a business model to balance financial and ethical values added.

Supervisory board chairman Stefan Pierer: „The Pankl Group's growth path focuses on innovation and digitalisation as well as sustainable acting in all company departments. Pankl stands for lightweight structures. Lighter means faster and more energy efficient. Together with our stakeholders we facilitate and realise ideas and future-orientated projects on the road, racetrack, and in the air."

In this sustainability report we present our key ratios according to the EU Taxonomy Directive. For this, we examined our revenues, operating expenses, and capital expenditure regarding taxonomy eligibility and conformity in accordance with the appropriate requirements.

Among other things, we pursue a continuous reduction of climate-changing emissions by restricting energy supply to climate-neutral sources. We focus to develop a climate strategy leading us to climate neutrality.

By 2040 at the latest, we aim to produce in a climate-neutral manner globally! We are pleased if we can execute our company targets successfully together with our business partners, suppliers, customers and advisers!

Finally, we wish to sincerely thank our staff members for their efforts to create a more sustainable future and are very happy for you to continue to engage with us on the matter.

Kapfenberg in April 2023

Wolfgang Plasser | Thomas Karazmann | Anton Hirschmann

PANKL AG
AT A GLANCE

RACE TO CLIMATE NEUTRALITY

All three areas of sustainability (environment, social, governance) are of major importance to Pankl AG. In the past years, the speed of Pankl AG focused mainly on the areas social and governance. Now the area environment starts to catch up. Sustainability measures aim to have the greatest possible impact on the environment, society, and the company itself. The decisive factors to carry out economic activities sustainably and to hence be able to shape the future in a positive manner are environmentally sound planning and execution as well as the efficient use of resources. Further important factors are social engagement and sound corporate leadership.

Effective and comprehensive sustainability management means to define detailed ambitions and action points.

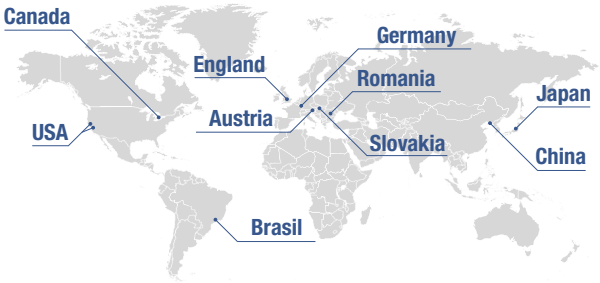
GLOBAL PRESENCE OF PANKL GROUP

Pankl AG was founded in 2018 and is an Austrian investment holding, majority-owned by Pierer Industrie AG. Pankl AG is the group parent company of the two operating companies Pankl Racing Systems AG (hereinafter referred to as „PARS“) headquartered in Austria and SHW AG (hereinafter referred to as „SHW“) headquartered in Germany. Both companies act globally and are together referred to as „Pankl Group”. Pankl Group develops, manufactures, and distributes high-tech and high-precision single components and complete systems in the markets: racing, luxury automotives, passenger cars, aerospace, truck and off-highway, motorcycles, and industrial applications.

In the year 2022, Pankl Group acted with about 4,300 employees in 20 locations worldwide and generated revenues of approximately €837m. The group invested a total of €80.3m for further growth.

PARS is an international leading producer of mechanical high-tech systems for dynamic applications in the global niche markets motor racing, luxury automotive and aerospace. The company produces engine components, turbo supercharger systems, automotive drivetrain and chassis systems, aerospace and jet engine driveshafts and other components, and forged parts in its locations in Kapfenberg (two plants) Bruck upon Mur, Köflach, Mannheim, Topolcany, Irvine, Cerritos, Leicester, Dalian and Tokyo.

SHW develops and manufactures premium mechanical and electrical pumps, engine components, sintered parts, and high-performance break discs for different types of drivetrains in the areas automotive, truck, and off-highway. The company develops high-strength and high-precision engine components in its powder metallurgy division. Production plants are located in the following nine locations worldwide: Aalen, Bad Schussenried, Tuttlingen, Neuhausen ob Eck, Timisoara, Toronto, Sao Paulo, Kunshan, Haimen.



PANKL AG AT A GLANCE

FUNDAMENTAL VALUES OF PANKL GROUP

HIGH TECH

Pankl Group develops and manufactures market leading technical systems based on most modern knowhow and actively engages in the implementation of new ideas. The group secures its technical leadership through intense research.

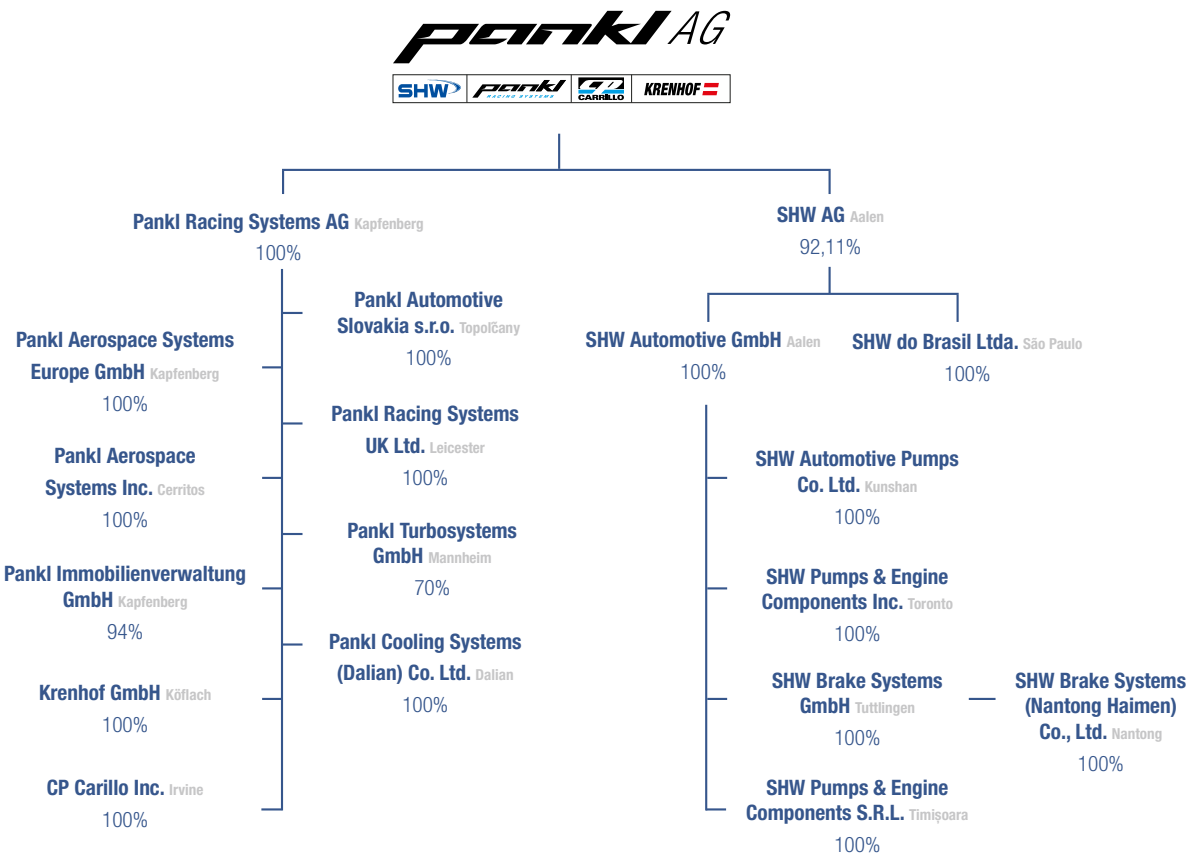
HIGH SPEED

Pankl Group aims to be the fastest in any area of its business, tries to make a difference and strives for continuous advancement. The group recognises its ability to achieve progress in its various business divisions and acts accordingly.

HIGH QUALITY

Pankl Group defines quality as perfection in every detail and focuses its energies and synergies to satisfy its customers' needs. Quality also means to achieve and maintain a long-term trusted relationship with business partners and colleagues.

GROUP STRUCTURE



LEGAL REPRESENTATIVES OF THE COMPANY

MANAGEMENT BOARD

WOLFGANG PLASSER

- CEO of Pankl AG
- CEO of Pankl Racing Systems AG and SHW AG
- Management board member of Pierer Industrie AG

THOMAS KARAZMANN

- CFO of Pankl AG
- Management board member of Pankl Racing Systems AG and SHW AG

ANTON HIRSCHMANN

- COO of Pankl AG

SUPERVISORY BOARD

STEFAN PIERER
Chairman

KLAUS RINNERBERGER
Deputy Chairman

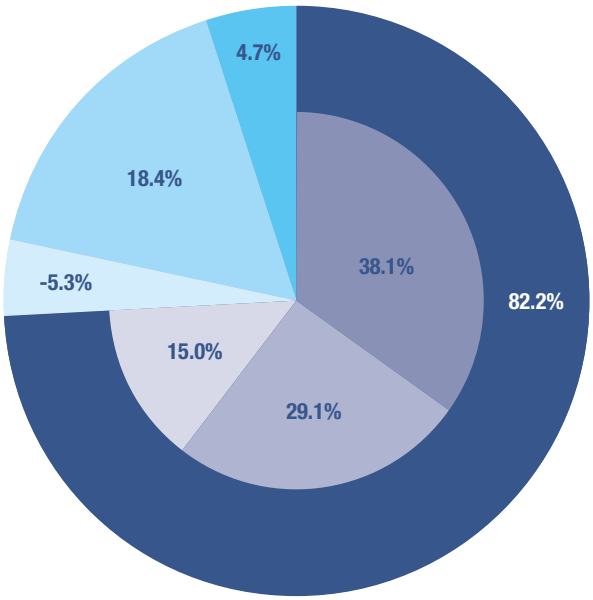
FRIEDRICH ROITHNER
Member

JOSEF BLAZICEK
Member

HELFRIED SORGER
Member

REVENUES BY DIVISION

Pankl-Group (consolidated)



in %	2022	2021
Powertrain	82.2	82.3
Racing	15.0	13.7
High Performance	29.1	25.9
Pumps and engine components	38.1	42.7
Aerospace	4.7	4.3
Break discs	18.4	17.5
Others and consolidation	-5.3	-4.2
total	**100.0**	**100.0**

REVENUES BY REGION

Pankl-Group (consolidated)

in EURk	2022	2021	Chg.
Europe	634,660	540,099	17.5%
North-America	142,212	106,393	33.7%
South-America	7,333	3,552	> 100%
Asia	48,630	56,892	-14.5%
Africa	102	11	> 100%
Oceania	3,612	2,176	66.0%
Total	**836,549**	**709,123**	**18.0%**

PANKL GROUP DIVISIONS

RACING (PARS)

Development of the racing division dates to 1985 when first connecting rods were produced for motor racing. The racing division is a market leading supplier for engine and drivetrain systems.

HIGH PERFORMANCE (PARS)

The high performance division specialises in the production of engine and drivetrain components for the luxury automotive industry and was expanded continuously in the past years.

AEROSPACE (PARS)

The aerospace knowhow dates to 1994 when the first rear-rotor drive shaft was produced. Pankl Aerospace acts as a tier-one supplier in the global aerospace market.

PUMPS AND ENGINE COMPONENTS (SHW)

SHW provides product solutions for all powertrain concepts. The company‘s mechanical and electrical pumps are used in passenger cars, commercial vehicles, trucks, agricultural and construction machinery as well as stationary generators and wind power plants.

SINTER METALLURGY (SHW)

SHW produces future-orientated components such as adjusting rings and rotors. Sinter parts are utilised in different areas and contribute to CO2 reductions.

BREAK DISCS (SHW)

The product portfolio of this segment ranges from raw casted high performance break disks to premium alloy, machined break discs and high-profile motorsports applications.

EMPLOYEES
GRI 102

EMPLOYEES OF PANKL GROUP (INCL. PANKL AG)

4,365

THEREOF AT PANKL RACING SYSTEMS AG

2,506

THEREOF AT SHW AG

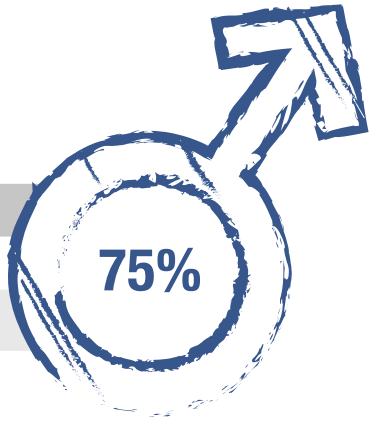
1,854

Versus previous year
+11.41%

Employees from
64
nations

Average age globally
38.3

Extent of employment	2022	2021	2020
Full-time	914	750	663
Part-time	170	129	101



Extent of employment	2022	2021	2020
Full-time	3,171	2,982	2,680
Part-time	110	57	49

OUR
SUSTAINABILITY MANAGEMENT

SUSTAINABILITY EMBEDDED IN THE ORGANISATION

Who plans for the future must also think about the future. Therefore, all decisions of Pankl Group are based on sustainability.

Validity and relevance of the sustainability strategy and its goals are reviewed in regular intervals and appropriate measures are defined to be able to achieve the targets. The whole management board, all managing directors and department heads are responsible together with the appropriate employees to manage, observe, and execute sustainability activities The management board is consulted and involved in any important decisions. There are regular progress reports.

Considering these aspects does not just contribute to global climate protection in the next decades but is also the long-term basis for the economic success of Pankl Group.

MATERIALITY ANALYSIS
MAJOR IMPACT AREAS

The materiality concept requires the information in a report to reflect the economic, ecological, and social impact of the company.

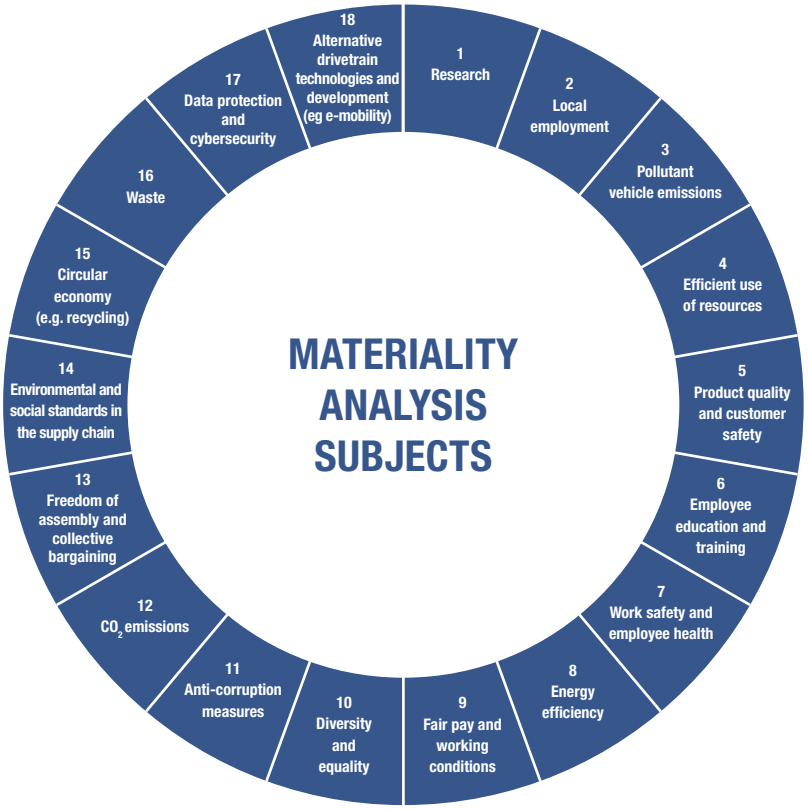
It is also important that this information has a major influence on stakeholder decisions. An aspect shall be considered material, if it has a short-, medium-, or long-term effect on the company's value added. Pankl Group selected its subjects of the materiality analysis in accordance with this definition.

In total, internal and external stakeholders were interviewed about 18 subjects, which covered besides environmental, employee and social matters also the areas human rights and anti-corruption and -bribery measures.

The focus in a first step was the general view of Pankl Group and in a second step the individual views of stakeholders were included to prioritise the relevant requirements of the respective stakeholders.

We identified appropriate subjects through analysis of the business model and the impact on involved stakeholders.

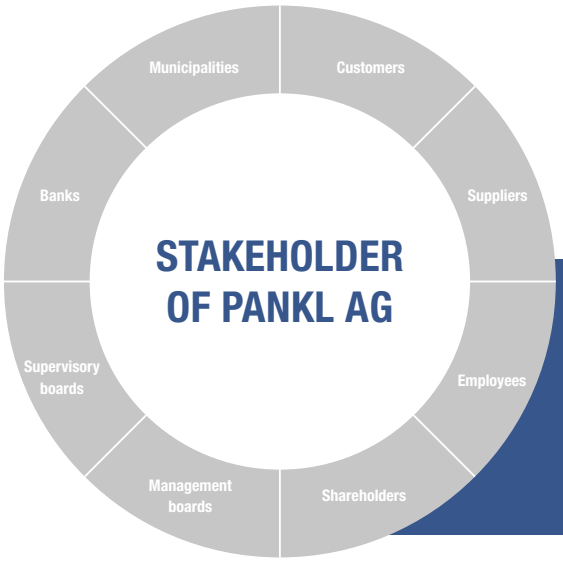
Stakeholders were able to introduce the r own subjects besides questions raised by Pankl Group. These will be evaluated in future materiality analysis on a regular basis and included in the interviews.



INVOLVEMENT OF STAKEHOLDERS AND OVERVIEW
GRI 102-40

Successful co-operation with different stakeholders and respectful handling of their concerns are the basis for the fulfilment of our social and ecological responsibilities as well as the achievement of favourable long-term economic results of Pankl Group. It is of major importance for the company to interact with internal and external stakeholders and to actively involve them in the business activities of Pankl Group. As a globally active company in the automotive and aerospace supply industries, we can have an impact on major areas of life for society as a whole.

Pankl Group takes stakeholders' involvement and opinions seriously. Therefore, we carried out a materiality analysis in 2022 for the first time and conducted interviews with several stakeholders. Internal and external stakeholders were able to communicate their views in a structured process, which led to the identification and appraisal of relevant factors regarding our sustainable, social, and economic acting.

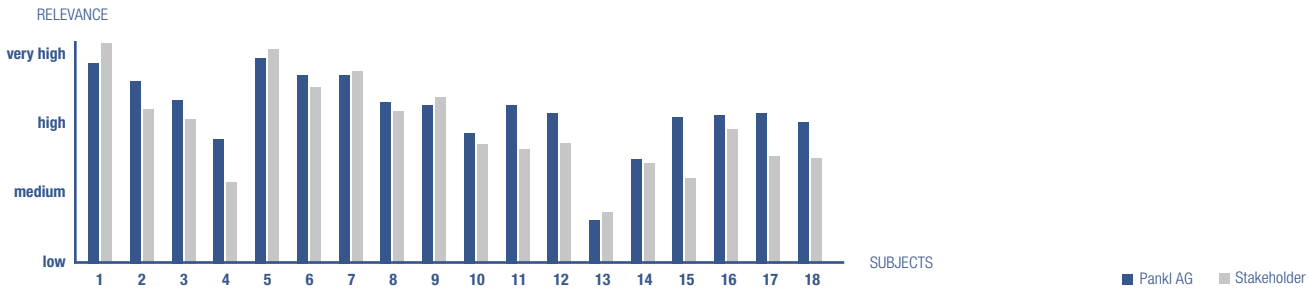


RESULTS OF MATERIALITY ANALYSIS 2022

Pankl Group's stakeholder interviews produced the following prioritisation of the five major subjects based on number of votes:

Pankl AG's view:	5, 1, 7, 17, 2
Stakeholders' view:	5, 1, 7, 9, 6

Materiality analysis results show that many of the queried items are important or very important for both, Pankl Group and its stakeholders. Hence, we must focus on these areas. The results were documented in a materiality matrix.



SUSTAINABILITY AS PART OF CORPORATE RESPONSIBILITY

The 2015 United Nations (UN) summit adopted the „Agenda 2030 for sustainable development“. All 193 UN member states undertook to develop implementation concepts for Agenda 2030 with its 17 targets for sustainable development, referred to as the Sustainable Development Goals (“SDGs”) on a regional, national, and international level by 2030. Pankl Group analysed the 17 targets for sustainable development regarding their importance for its own business activities.

The chart on page 19 shows the goals on which Pankl Group has the highest impact. These are allocated to the appropriate subjects. The wide-ranging business activities and the varied product portfolio of Pankl Group also affect other SDGs which are not explicitly mentioned in this report. The reason for this is that these are not considered to be primary goals. Other SDGs are mentioned in the contents of this report.

SDG 3 HEALTH AND WELLBEING

To assure a healthy life for all people of all ages and to promote wellbeing (3.8, 3.9)
Pankl Group contributes to SDG 3 in many areas. Employees‘ health and safety is of highest priority for the company. We continuously improve safety at the workplace and protection of employees’ health through comprehensive organisational instructions for all processes ranging from storage of raw materials, handling of hazardous materials and chemicals to operating machinery. Trainings, provision of information and many other services and measures aim to prevent accidents of any type and to provide the highest possible level of safety for staff. PARS conducted impulse seminars in co-operation with AUVA within the project „Pankl Protected“. These seminars dealt with the topics: actual safety at the workplace in the company, legal responsibilities, and basic laws and regulations.

SDG 4 HIGH-QUALITY EDUCATION

To assure inclusive, equal, and high-quality education and to promote possibilities of life-long l earning (4.4, 4.5, 4.7)
Life-long learning is a key requirement for a secured employability of Pankl Group employees and the general job market. Pankl Group provides access to education in different ways. This includes learning and education options for all employees as well as professional training and other training courses within the in-house Pankl Academy. We put particular emphasis on assuring quality and effectiveness of our training and education offers. At PARS within the Strategic Leadership Programme (SLP) we train junior executives on an annual basis. Pankl Group focuses on comprehensive training of young people within its apprentice courses to address the shortage of skilled staff.

SDG 5 GENDER EQUALITY

To achieve gender equality and to enable all women and girls to exercise self-determination (5.1, 5.5)
Diversity and equal opportunities are major components of successful personnel management. For Pankl Group, diversity and respect are integral and crucial elements of the corporate culture and are taken into consideration for the filling of any positions. Diversity strengthens Pankl Group's ability to innovate, unleashes employee potential, and contributes directly to business success. Pankl Group promotes changes in top management where there is room for improvement. The company introduces more women to top management positions and generally hires more women. In the past years, the portion of female staff increased continuously primarily in production departments. Besides the promotion of diversity and equality, Pankl Group aims to prevent any type of discrimination.

SDG 7 AFFORDABLE AND CLEAN ENERGY

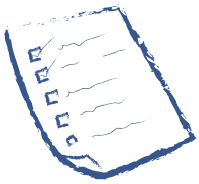
To assure access to affordable, reliable, sustainable, and modern energy for all (7.2, 7.3)
Group pursues a step-by-step transition of its energy supply to climate neutral technologies at all group locations and hence supports the further development of clean and renewable energy. The strategy contains the use of green electricity and to replace direct burning of fossil fuels by sustainable alternatives in the medium term. Pankl also aims to cover as much of its electricity needs as possible via own production. Pankl is a member of the e-Fuel Alliance, which promotes industrial development, global production, and the use of e-fuels in various sectors. In the area alternative drivetrains, Pankl develops and designs turbosystems components to improve power and efficiency of high-performance fuel cells. This contributes to commercial applications of this technology in industries such as aerospace.

SDG 8 HUMANE WORKING CONDITIONS AND ECONOMIC GROWTH

To promote lasting, broad, and sustainable economic growth, productive full employment, and humane work for everyone (8.2, 8.5, 8.7, 8.8)
Pankl Group contributes to the development of gross domestic product (GDP) in numerous countries through its global business activities and its pioneering role. Pankl Group undertakes to offer attractive jobs to enable employment, and hence promotes economic growth. Pankl Group promotes local economies, contributes to regional value added and hence creates numerous secure jobs through long-term capital expenditure and appropriate innovation efforts. Health and safety of employees and the protection of human rights have highest priority. Pankl Group puts great emphasis on issues such as future-orientated working practices, fair pay, development possibilities, and varied working environments and works continuously on improvements in these areas.

SDG 9 INDUSTRY, INNOVATION UND INFRASTRUCTURE

To build resistant infrastructure, to promote broad and sustainable industrialisation, and to support innovations (9.1, 9.2, 9.4, 9.5)
Steady growth shows through increasing production volumes, continuous extension of production facilities and rising number of employees. Pankl Group plays an important role for the regional economies. For Pankl Group innovation is a major drive to be able to offer even more efficient and resources-saving products and solutions to our customers.



SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION PATTERNS

To secure sustainable consumption and production patterns (12.2, 12.4, 12.5, 12.6, 12.7)
Pankl Group puts great emphasis on research and development and is characterised by high degrees of innovation and quality standards. This not just satisfies customer needs but also contributes to the issues efficient use of resources, circular economy, and long product life cycles in a major way. Furthermore, Pankl Group aims to keep materials waste as low as possible and the portion of recycled materials in production as high as possible.

SDG 13 CLIMATE PROTECTION MEASURES

To take measures to combat climate change and its impacts immediately (13.2, 13.3)
Pankl Group works continuously to optimise its production processes. This involves activities to use resources more efficiently, to push forward the utilisation of clean and environmental-friendly technologies, and to continuously promote innovations. The focus is decarbonisation and the saving of resources. Until 2040, goals are defined to reach climate neutrality, which will be made into reality via the most various measures.

SDG 16 PEACE, JUSTICE, AND SOUND INSTITUTIONS

To promote peaceful and inclusive societies allowing sustainable development, to provide access for all people to judicial systems, to build capable, accountable, and inclusive institutions at all levels (16.2, 16.5)
Integrity and compliance are requirements and the very basis of success and sustainable co-operation. Internal compliance mechanisms assure that there is no place for corruption and bribery. Furthermore, Pankl Group is aware of its responsibilities in the supply chain and works continuously to align it with ecological and social criteria.

SDG 17 PARTNERSHIPS TO ACHIEVE GOALS

To strengthen means of implementation, and to breathe new life into global partnerships for sustainable development (17.16, 17.17)
Pankl Group needs potent partners to drive forward a sustainable development of the company, both internally and externally, and to better overcome challenges in society. Therefore, Pankl Group co-operates with various organisations, companies, associations, and networks.

PARTNERSHIPS & CO-OPERATIONS FOR SUSTAINABILITY

Pankl works with regional universities, such as the Joanneum university for applied sciences, the Graz technical university, and the Montanuniversität Leoben on various joint projects. Pankl is also represented in many industry associations and networks, such as AC-Styria, the eFuel Alliance DE and AT, and the A2LT. Together with partners, Pankl develops technologies and materials further in an intense manner to pave the way for sustainable production techniques to be utilised in industrial applications.

SUSTAINABILITY RATINGS

Pankl Group's sustainability effort is favourably reflected in major ratings and rankings. This confirms our strategic approach and is also assistance and a benchmark for continuous further development. Markets and customers increasingly require rating and ranking information, which shows the growing importance. The whole Pankl Group wants to be measured against other companies and competitors to identify meaningful improvement measures and to spot important sustainability trends. Good results in recognised and relevant ratings strengthen the means of implementation of sustainability measures and promote employee satisfaction.

At the end of 2022, we completed and received the EcoVadis Rating successfully for the first time. Pankl Aerospace Systems Europe, a Pankl Group company, was evaluated in the areas environment, employment and human rights, ethics, and sustainable procurement and was awarded a gold medal. EcoVadis is considered the most reliable sustainability rating for companies worldwide. This shows customers and suppliers that Pankl Group is on the right track and takes the defined environmental and sustainability targets seriously. The efforts pay off in a major way.

Carbon Disclosure Project	EcoVadis	NQC, SUPPLIERASSURANCE
C	GOLD*	C75**
CDP DISCLOSURE INSIGHT ACTION	ecovadis	drive sustainability

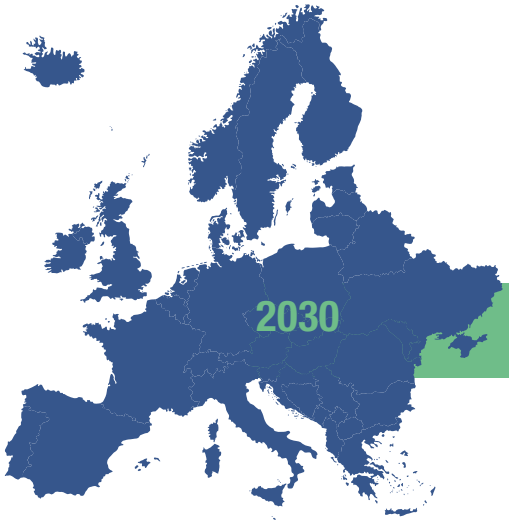
*Refers only to Pankl Aerospace Systems Europe GmbH
**Average over the whole Pankl Group

SUSTAINABILITY STRATEGY 2030

CLIMATE NEUTRAL PRODUCTION

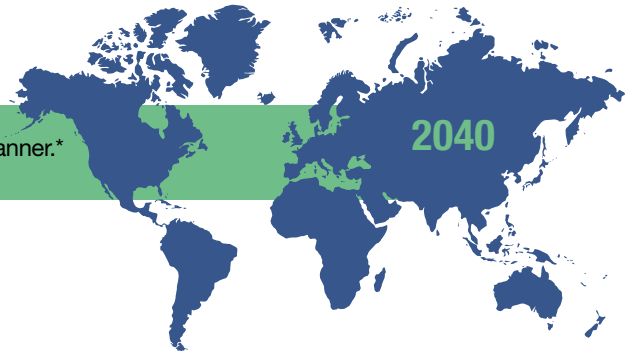
By 2040, Pankl Group will conduct its entire production in a climate neutral manner. In this respect, we focus primarily on reduction measures and energy supply from emission neutral sources.

By **2025** all Austrian facilities shall operate in a climate neutral manner*

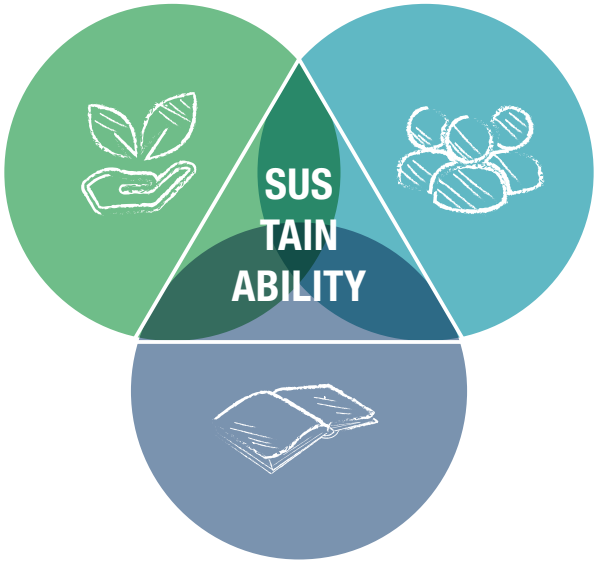


By **2030** all European facilities shall operate in a climate neutral manner.*

By **2040** all facilities worldwide shall operate in a climate neutral manner.*



**Scope 1 & Scope 2 according to the GHGP definition



ESG-TARGETS

ENVIRONMENT (E)	SOCIAL (S)	GOVERNANCE (G)
Decarbonisation (SDGs 7, 12, 13) Energy Greenhouse gases Emissions	**Health (SDGs 3, 4)**	**Business ethics (SDGs 9, 16, 17)**
Conservation of resources (SDGs 6, 12, 13) Water Waste Packaging Raw materials Chemicals	**Safety at the workplace (SDGs 3, 4)**	**Compliance (SDGs 5, 8, 16)**
	Diversity & Integration (SDGs 5, 10)	**Code of Conduct (SDGs 3, 4, 5, 8, 12, 13, 16)**
	Respect of human rights (SDGs 8, 10)	

In the coming years, Pankl Group will engage intensely in direct measures to achieve the defined targets. We will establish a climate strategy, which will contain the most important measures. Regarding environment this will include the determination of key ratios for lower energy consumption in the whole Pankl Group, the extension of own renewable energy production capacities, and the precise measurement of CO2 emissions as well as the achieved reductions. As far as conservation of resources is concerned, we focus on reduction of waste and water consumption, as well as a company-wide procurement strategy for sustainable raw materials and packaging.

Employee health is of highest priority for Pankl Group, hence there is a great focus to keep accident rates as low as possible.

In 2023, we plan to implement an online portal solution for supplier ratings to emphasise the importance of sustainability in the Pankl Group to our suppliers.

In terms of the supply chain, it is important to cooperate with partners and suppliers to reduce product-related emissions.

ENVIRONMENT

RACE TO CLIMATE NEUTRALITY

Pankl Group set climate goals (please see page 18), which are defined in more detail within ambitions in the areas decarbonisation and conservation of resources to support the 1.5 degree Celsius target from the Paris climate summit in 2015 and to counteract global warming. This detailed breakdown is shown in the table on page 19 and in the following chapters.

ENVIRONMENTAL TARGETS WITHIN THE SUSTAINABILITY STRATEGY

Pankl Group works continuously to improve the data basis for calculating the corporate carbon footprint (CCF). This leads to new findings which may be used to reduce greenhouse gas emissions further. Besides clearly defined goals and appropriate monitoring, further steps are necessary, which primarily also refer to areas within Scope 3 activities. Herein, the whole supply chain and the individual suppliers need to be included. In the coming years, we pursue a science-based targets initiative (SBTi) obligation to push forward climate protection in Pankl Group even further. These are scientifically substantiated corporate targets to specify a clearly defined path to reduce greenhouse emissions.

MANAGEMENT SYSTEMS IN THE WHOLE PANKL GROUP

Besides clear targets, and a sufficient will, there needs to be structured processes and efficient management of and support for all activities along the whole value chain, particularly in production processes to achieve major improvements for the environment and the climate. In the long-term, we will assure this via continuously improving technology and management processes, a group-wide environmental management system, and the training and active involvement of all participants.

The group-wide environment and sustainability guidelines contain applied principles and can be accessed on our sharepoint system and the PARS homepage.

Our management systems which are certified according to ISO standards comprehend all employees, processes, and activities in the respective locations. Internal and external audits evaluate effectivity of the management systems regularly. If required, we shall implement measures to improve the management approach.

Company	Location	ISO 9001	ISO 14001	ISO 50001
Pankl Racing Systems AG	Austria	✓	✓	
Pankl Aerospace Systems Europe GmbH	Austria	✓	✓	
Pankl Aerospace Systems Inc.	USA		✓	
Krenhof GmbH	Austria	✓	✓	
CP-Carrillo Inc.	USA	✓	✓	
Pankl Automotive Slovakia s.r.o.	Slovakia	✓	✓	
Pankl Racing Systems UK Ltd.	England	✓		
Pankl Turbosystems GmbH	Germany	✓		
Pankl Cooling Systems (Dalian) Co., Ltd.	China			
SHW AG	Germany	✓	✓	✓
SHW Automotive GmbH	Germany	✓	✓	✓
SHW Automotive Pumps Co. Ltd.	China			
SHW Pumps & Engine Components Inc	Canada	✓		
SHW Brake Systems GmbH	Germany	✓	✓	✓
SHW Pumps & Engine Components S.R.L.	Romania	✓	✓	
SHW do Brasil Ltda.	Brasil		✓	

DECARBONISATION

Efficient production is the first step to contribute actively to the protection of climate and environment. Energy input and consumption as well as related greenhouse gas emissions are decisive factors. Pankl Group emphasises strongly on energy management, production efficiency, the transition from fossil fuels to renewable energy sources, and the raising of awareness as a basis to initiate the required decarbonisation in the company. This drives forward developments in a successful manner and leads to a long-term rethink. In combination with energy management, we pursue the goal to further reduce future energy consumption and to keep resulting CO2 emissions as low as possible.

ENERGY
GRI 302

Efficiency is in the interest of any manufacturing company. Pankl Group has implemented numerous measures and activities to improve efficiency of production processes and to reduce energy consumption on a group-wide level. Internal activities refer to the realisation of energy efficiency projects in production processes, energy savings, energy conversion measures or the expansion of renewable energy production capacities, such as photovoltaic plants.

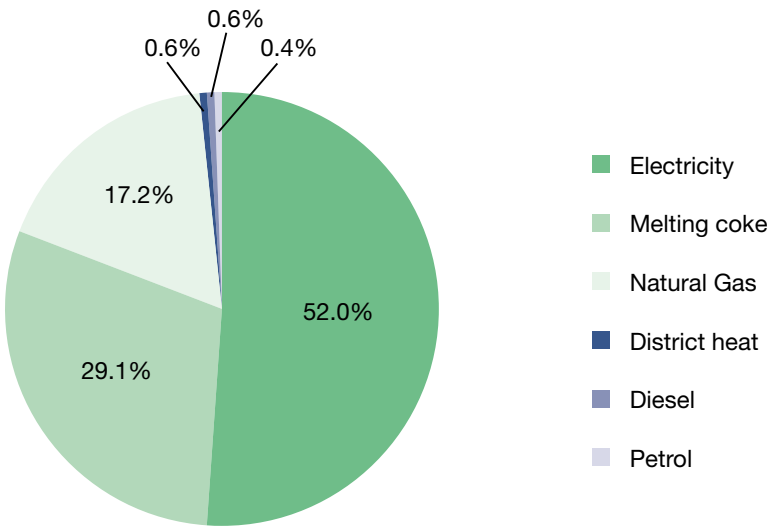
Every location is required to carry out an energy audit to reveal potential problems and to deal with such in further projects. We collect, evaluate, and execute as far as possible employee suggestions for improvements and ideas for measures to improve energy efficiency. The ISO 14001 certified environmental management system and especially SHW's ISO 50001 certified energy management system containing Plan-Do-Check-Act cycles are the basis to approach questions of energy efficiency on a systematic basis. Optimisations can happen at different levels.

The main key points are the following:

- Efficiency improvements via maintenance and repair measures
- Efficiency improvements via compressor settings
- Savings through technical building systems settings
- Expansion of waste heat utilisation
- Reduction of energy losses (leakages)
- Stabilisation of existing production processes

ENERGY MIX OVERVIEW [GWh]

Pankl Group's main energy sources are electricity, melting coke, natural gas, district heat and fuels with electricity accounting for the highest portion. In the group, electricity accounts for 50%, melting coke for 30%, and natural gas for 17% of the total energy consumption. District heat, diesel, and petrol account for a maximum of 0.6% each.



Four plants of Pankl Group (locations Tuttlingen, Köflach, Neuhausen and Aalen) account for more than 60% of the group's energy consumption. The remaining 40% refer to all other plants due to their size and process environment.

Krenhof GmbH located in Köflach, Austria is the plant with the largest electricity and natural gas consumption within the PARS group. Within the SHW group, the foundry in Tuttlingen is by far the largest energy consumer, followed by Neuhausen and Aalen. The total energy consumption of SHW group consists of electricity, melting coke and natural gas.

TOTAL ENERGY CONSUMPTION [GWh]

GRI 302-1, GRI 302-2

Numerous aspects need to be considered to be able to correctly interpret the development of the total energy consumption of Pankl Group. Besides production volumes of components, there are several factors which impact total energy consumption, such as heat treatment, adaptation of processes and methods, start-up of machinery after downtimes, lighting, cooling, and heating of buildings. In addition, there is an expansion of the product portfolio, procurement of new processing machines, and an increase in product complexity which impact on energy consumption. Potential location-specific factors or events along the value chain also need to be considered. Effects such as pre-production phases or product range changes at particular locations may also impact on the group-wide energy consumption.

ENERGY CONSUMPTION BY SOURCE [GWh]

GRI 302

Source	2022	2021	2020
Electricity	140.73	129.56	46.68
Melting coke	78.77	80.38	73.20
Natural gas	46.57	50.17	24.22
District heat	1.71	2.19	1.92
Fuel consumption of vehicles - diesel	1.68	1.55	0.29
Fuel consumption of vehicles - petrol	1.00	0.62	0.02

STRATEGIC GOALS

We have been working to build a sustainability strategy and to implement it in the whole company since 2022. The strategy aims to focus on the defined targets and shall incorporate the appropriate political frameworks. Our strategy 2030 contains goals such as the reduction of energy intensity, greenhouse gas emissions (Scope 1 and Scope 2 emissions), waste generation, and water consumption. Scope 3 emissions are also included in the strategy and will be reduced by an appropriate catalogue of measures in the coming years.

Pankl Group locations are characterised by a large degree of heterogeneity and have large differences in size, core processes and product portfolio. Therefore, it can be assumed that some locations will reach their reduction targets relatively easily at the beginning but may then need to gradually increase their innovation efforts to reach aimed reductions in succeeding years. Other locations are already efficiently organised and will hence find it more difficult from the start. Hence, we defined group-wide goals to take into consideration location-specific factors as good as possible at group consolidation.

In 2022, Pankl Group achieved a reduction of natural gas consumption of 4.13%. PARS recorded a reduction of 3.38% and SHW of 4.58%. This was achieved primarily through heat recovery, numerous building technology settings, replacement of heating boilers and heating curve adjustments. Total electricity consumption increased due to a rising number of machinery, which will, however, only show in the 2023 numbers.

ENERGY SUPPLY AND OWN PRODUCTION

The Austrian locations have already been supplied with green electricity for four years. From 2023 this will be extended to the German locations. On a global group scale this is not yet possible as some countries do not have enough green electricity. At Pankl Group, about 51% of energy consumption refers to electricity.

We plan to increase the portion of own electricity production and evaluate numerous photovoltaic options. In 2019 we started a project to build a photovoltaic plant, which was completed in 2021. We also evaluated feasibility of further plants at other locations. In this context we built a 330.8 kWp plant at the new PASE facility in Kapfenberg which went into operation in spring 2023. At the beginning of 2023, we started to build the new Pankl Academy building where we plan a further 200 kWp photovoltaic plant, which will go operational in 2024. During 2023, we evaluated further buildings and company car parks to extend our own production of electricity.

GREENHOUSE GAS EMISSIONS [tCO_2]

GRI 305

Pankl Group set the goal to be climate neutral in Austria and Germany by 2030. By then 100% of greenhouse gas emissions including Scope 1 and Scope 2 shall be eliminated. Emissions and the reduction goal are directly related to energy mix and efficient use of energy.

SCOPE 1 AND 2 EMISSIONS

Scope 1 emissions result from direct company activities such as burning of fuel. At Pankl Group there is a close correlation between amount of Scope 1 emissions and production-specific consumption of primary energy. The calculation of Scope 1 emissions contains all greenhouse gas emissions of PARS and SHW plants resulting from the burning of natural gas and fuels. Scope 2 emissions result from the consumption of secondary energy such as electricity, district heat or steam. Normally we buy such energy from energy supply companies. The table shown on page 25 quantifies emissions using the “marked-based” calculation method. This method uses specific factors from the energy supply company from which the group receives energy to arrive at the results.

Scope 1 GRI 305-1	2022	2021*	2020*
Total direct emissions	40,714	43,457	35,256
Heat (self-generated)	39,366	42,637	34,837
Company vehicle fleet	818	820	418
Cooling agents	529		
Scope 2 GRI 305-2			
Total indirectly generated emissions	27,105	47,620	20,207
Total indirectly generated emissions	26,983	47,302	20,055
Heat (purchased)	122		

*Data collection was adjusted in 2022.

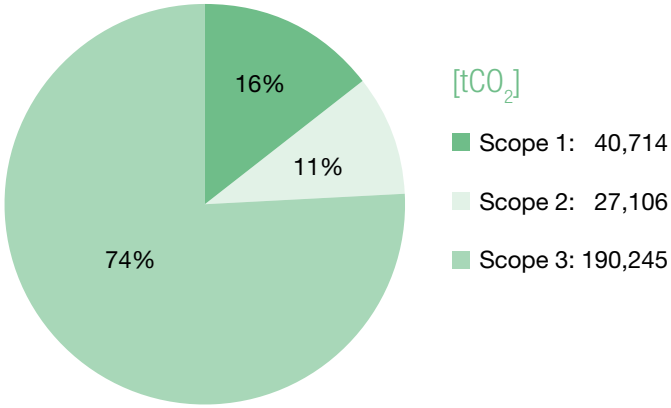
We refer to the results of the „location-based method“ for a comprehensive presentation of generated emissions. These emission quantities are calculated based on activity data and local or national grid factors. These describe average emissions from a defined geographic region. The Scope 2 emissions were calculated as follows: Purchased electricity for own use amounted to 49,164.76 tonnes of CO2, purchased heat, steam, and cooling for own use amounted to 104.95 tonnes of CO2.

SCOPE 3 EMISSIONEN

Scope 3 emissions are indirect emissions (Scope 3 – proportional fuel or energy related activities) which are generated at extraction, production, and processing of utilised energy sources, as well as emissions, which result from preceding or succeeding areas of the value chain. These activities are broken down in 15 categories in accordance with the Greenhouse Gas Protocol (GHG Protocol). Six of these categories are relevant for the business activities of Pankl Group and are listed in the table below. The current data situation does not allow independent valuation of preceding and succeeding transport activities.

Scope 3 GRI 305-3	2022*
Purchased goods and services	135,304
Upstream and downstream transportation and distribution	10,182
Waste generated in operations	21,255
Employee commuting	9,436
Business travel	529
End of life treatment of sold products	646

*The data collection was adapted in 2022. Therefore, there are no comparisons with previous years.



Since 2022, Pankl Group has been working on gradually expanding capture, calculation, and presentation of Scope 3 emissions. Currently available Scope 3 emission data comprise already used production and consumable materials, water consumption, packaging materials, available transport data, waste from operations, and business travel, which combines flights, rail journeys, and rental cars. 2021 data was updated to improve data quality and transparency. During 2023, we will review data completeness.

PRODUCT CARBON FOOTPRINT (PCF)

Current awareness within society lets us assume that in future Pankl Group customers will more and more focus on the carbon footprint of suppliers, which will hence become a major criteria for awarding contracts. In future, Pankl Group will increasingly deal with greenhouse gas emissions which are generated by single manufactured products over their whole lifecycle. Hence, Pankl Group will be able to provide customers with the specific carbon footprint of a single product (Product Carbon Footprint, “PCF”). Conversely, Pankl Group expects to gain further knowledge about the selection and utilisation of raw materials, and to contribute further to a circular economy.

With the availability of correct PCFs, Pankl Group will be able to offer customers carbon-neutral products. For every article with a production list generated in the Enterprise Resource Planning system (ERP system), it is possible to calculate, store and disclose a PCF automatically. The PCF calculator was already prepared in the ERP system and testing has been completed. The PCF of an article consists of the sum of the portions of utilised raw materials and purchased parts, the production emission values, and a surcharge rate for the corporate carbon footprint (CCF), which allocates the CCF to all products. The project will be completed in 2023Q2 and goes life first at the PARS facility in Bruck upon Mur.

CONSERVATION OF RESOURCES

It is our goal to manufacture products at the highest quality and at same time to keep the environmental impact as low as possible over the whole product lifecycle. Hence, raw materials and consumables used in production are of major importance. We aim to assure our high-quality standards via specific research and development (R&D) efforts, and close co-operation with customers and suppliers. A major focus of Pankl Group is high-performance lightweight construction of components resulting in vehicles consuming as little fuel as possible.

RAW MATERIAL CONSUMPTION [tonnes]
GRI 301-1

Lightweight components are further developed with the R&D department to satisfy market and customer requirements. For this, procurement, production, and R&D departments need to co-operate very closely. Besides many other aspects, environment and climate protection issues become more and more important. Pankl Group co-operates with many partners and experts worldwide developing new process materials to provide customers with mobility solutions fit for the future.

Materials	2022	2021*	2020*
Total	110,077	2,331	1,720
Aluminium	10,998		
Steel	80,152		
Titanium	285		
Quartz sand	14,762		
Limestone	3,442		
Metal powder	5		
Plastics	433		

*Data collection was adjusted in 2022. Therefore, no comparison values from previous years are available.

Pankl Group utilises different raw materials to build lightweight components, gearboxes, engine and turbo systems, drivetrain and chassis components, and forged parts. The main ingredients are the materials steel, quartz sand, and aluminium. Many of the manufactured products contain already finished components, which are assembled to a complete system. Furthermore, we manufacture forged parts at the Austrian plants Krenhof Kapfenberg and Krenhof Köflach.

In the coming years, supplier selection will become more and more important. Suppliers will have to conform to environmental and social standards and increasingly will be required to provide supplier ratings to show their actual environmental impact. We analyse potential new suppliers especially regarding “green” steel and aluminium.

UTILISATION OF RECYCLED MATERIALS [tonnes]
GRI 301-2

Pankl Group processes a large amount of non-renewable, mainly oil-based materials every year. Increasingly, these need to be recycled or replaced by renewable and environmental-friendly alternatives. Many companies, in particular in the automotive industry, face this challenge. Current activities refer to the use of recycled materials or green steel and the reprocessing of raw materials. At the Tuttlingen plant of SHW, we have been using emission-neutral scrap steel for years. Aluminium chips and grey cast iron are separately collected and re-melted on-site. This leads to recycling of raw materials according to the circular economy.

2022

1,518*

*Location Neuhausen

SALE OF MATERIALS [tonnes]

We put major emphasis on collecting chips resulting from metal cutting processes in groups of identical materials and to sell them to be re-used. In this way, we can avoid waste from purchased raw materials being valuable resources. Pankl Group is known for its lightweight components. Already their design aims at keeping consumption of materials and fuel used by the vehicles low.

Materials	2022	2021*	2020*
Total	14,652	1,233	1,329

*Data collection was adjusted in 2022.

Aluminium

Steel

Titanium

Brass

WATER [m³]
GRI 303-1

Careful and economic use of water is urgently required. Pankl Group meets up to this responsibility by taking care of the valuable resource, and by re-using water where possible deploying it most effectively. For this, numerous internal projects were started. Especially at the Austrian facilities we focus on using well water for processes.

Water is no constituent of our products per se, but is used in some process steps, such as cleaning or cooling. Hence, in the materials analysis we evaluated water as less important than other topics.

Water	2022	2021*	2020*
Total	150,137	138,707	91,513

*Data collection was adjusted in 2022.

SHW Brake Systems GmbH records the highest specific water consumption of all locations. Wastewater resulting from production at Pankl facilities is treated in in-house water treatment plants in accordance with local regulations. Relevant threshold values are strictly checked. At other production areas, the need for water is low and serves primarily for cooling products after production, cleaning, and process and machinery cooling. Consumed cooling water and wastewater from cleaning is collected, stored in earth tanks, and disposed. We have developed group-wide action plans to avoid respectively deal with incidents, which may lead to exceeding wastewater threshold values. We measure water quantities using meter readings. These refer to freshwater resources and well water exclusively. Up until now, we have not noted any impacts. If this changes in future, we shall immediately take appropriate measures.

WASTE [tonnes]
GRI 306

Important control parameters for sustainable production are the most efficient use of raw materials along the whole value chain, and specific avoidance of waste and rejects. It is important within a circular economy to optimise streams of materials within and outside the company, and to recycle materials and products wherever possible. This requires systematic waste management and a careful separation and documentation of different residual and waste materials, which is all a given for Pankl Group.

The production manager, R&D and the waste management officer are responsible for controlling the different production parameters. Various programmes and measures are used to optimise use of materials and reduction of waste and rejects.

Product design is decisive for efficient use of materials. Optimised use of materials can be achieved, for instance, by adjusting material thickness or form diameters. However, consideration must be given that material and product properties, as well as technological requirements of manufacturing processes are fulfilled. Pankl Group's R&D departments have been working to optimise the use of lightweight materials for years. The mission is to develop manufacturing processes further to avoid rejects and waste as much as possible without adversely affecting stability and function.

Waste GRI 306-3	2022	2021	2020
Total non-hazardous waste	46,871	49,837	42,402
Total hazardous waste	5,484	5,298	3,483
Metal waste	15,063	20,914	16,604
Aluminium waste	572	775	810
Waste to be disposed of	1,888	1,619	941
Waste to be recycled	31,236	28,148	24,988
Special waste	3,597	3,678	2,542

Waste management is part of the group-wide environmental management system which is ISO 14001 certified and an important element of thematic audits. We collect all relevant waste and scrap key ratios continuously and present them in the monthly production reports. These ratios include waste which is generated for instance through test-runs for the development of new materials or products. Certified and authorised waste disposal companies collect all waste and process in an orderly manner, mainly through incineration.

We have been using re-usable shipping crates for the transport of products for years. Within the company we use steel baskets for the transport of heavy forged parts, and wooden pallets and re-usable shipping crates to ship other goods to external destinations. Pankl Group can meet all requirements regarding size and type of packaging due to effective communication and co-ordination with customers. We have only very limited influence on packaging material used for raw materials delivered to us. We collect and separate such packaging and pass it on to the waste management company.

PACKAGING
GRI 301-3

We collected actual packaging data from PARS within the packaging strategy project. Based on this, we were able to identify the following materials as packaging:

Cartons

Wood

Foam

Paper

Plastic

Alu-compound

CARTONS

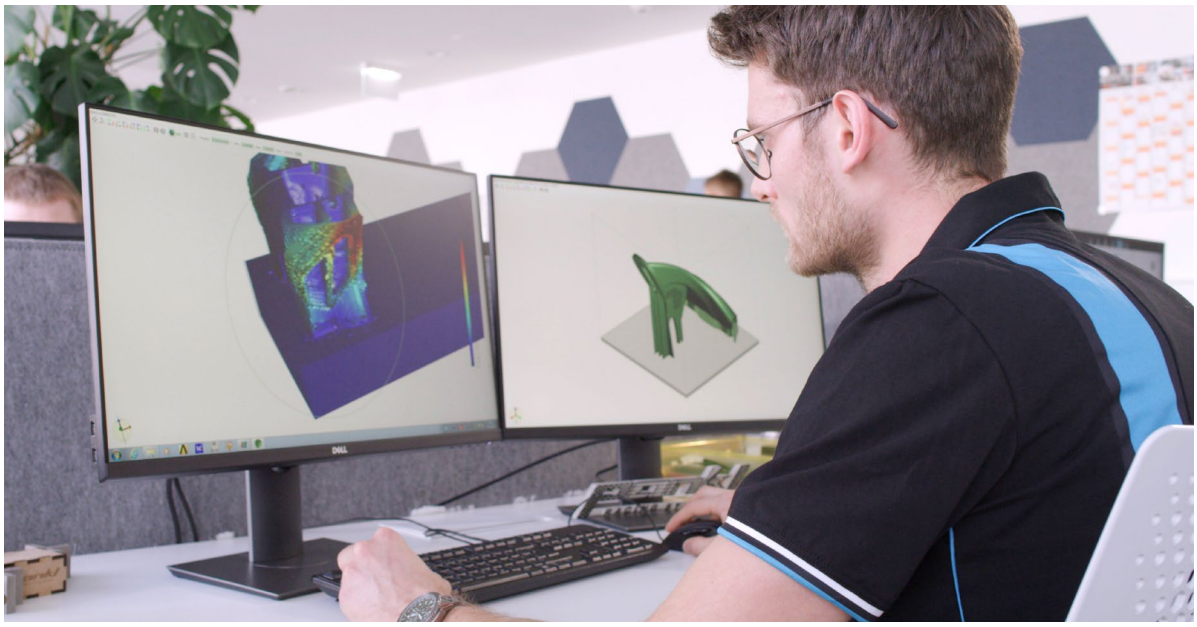
Deliveries to PARS using cartons are carried out based on food industry standards. There is a warranty that such cartons are free from any poisonous substances and are 100% recyclable. Hence, in this area we achieve a high degree of sustainability.

RE-USABLE PACKAGING

For the delivery of series-production goods to customers we use re-usable packaging systems exclusively. Packaging is adjusted to specific customer requirements and consists of foam, trays, pallets, pallet cages, etc. As far as possible, we use these over the whole year.

VCI-AIR CUSHION BAGS

Products susceptible to corrosion are stored and shipped in VCI packaging to protect them from corrosion. We developed VCI bags with integrated air cushion foil together with a supplier. This allows to save an additional foil in the packaging for the protection of the components.



RESEARCH & DEVELOPMENT

GRI 305

Research and Development (R&D) has a central role in Pankl Group. In the year 2022, an average of 353 persons were employed in Pankl Group for R&D activities. In the fiscal year 2022, expenses from intense research and development activities amounted to € 38.2m (2021: € 37.5m).

The materiality analysis shows very clearly the importance which different stakeholder groups place on R&D both internally and externally. It is the task of the whole Pankl Group to allocate a central role to R&D to drive innovation. Pankl Group emphases close co-operation with customers to be able to react to customer requests and requirements as good and as fast as possible.

HIGH QUALITY - QUALITY MEANS PERFECTION TO THE LAST DETAIL

This refers to product and service quality provided to the customer. Pankl Group offers creative and intelligent design and construction solutions, which aim at performance, resilience, efficiency, and environmental friendliness. Activities range from development of new materials and production processes, prototype development and simulation, to production optimisation. In-house quality management departments have the competency to release products after accurate inspection.

PANKL MOVES THE WORLD

Pankl Group is aware of its responsibilities with regard to the safety of its components. Millions of people are transported every day in vehicles and aircrafts which are equipped with products from Pankl Group. This increases the importance to select the right raw materials and to precisely process them in the various production steps. We can precisely trace back to the very raw material we receive in our production halls due to accurate recording of processes. Different machining processes allow to keep consumption of raw materials as low as possible without compromising product quality or safety.

Research & Development	2022	2021	2020
Number of employees (full-time) in %	8.08	6.58	7.19
Expenses in % of revenues	5.00	11.00	11.99

SOCIAL

WORKING AT PANKL AG

Employee satisfaction and a shared and living culture are the foundation of Pankl Group forming the basis for consistent success and growth and being the key for the further development of the company. Pankl Group achieves economic success due to the capabilities, knowhow, diversity, and commitment of its employees.

It is the task of Pankl Group to provide a stable and safe working environment. The daily work routine focuses on required basics and frameworks for health, safety, and personal development. An open and honest corporate culture is a major constituent. Healthy members of staff who identify with the employer are a major basis for sustainable corporate success.

Pankl Group emphasises especially on satisfaction of each employee and individual personal development models. The topics health, further education and training, and work-life balance are at the focus of personnel policies. The basis for Pankl Group's successful business activities are compatibility of work, family and leisure, employee representation, long employment durations, sound leadership, and employee benefits.

Many jubilar celebrations at all different locations every year evidence that Pankl Group is at the right track.

For the first time PARS launched the referral programme „employees recruit employees". Existing employees receive a special bonus if they can introduce new recruits. Due to the success of this programme in 2022, we extended it also to apprentices in 2023.

In the year 2022, PARS recorded a doubling of job applications and a tripling of the number of job interviews. These pleasing increases show the growing interest in Pankl Group, as well as Pankl's classification as a top employer. This was also confirmed by the top company award of the independent evaluation platform "Kununu".

The following employee ratios refer to the GRI guideline and the related calculation standards.

DIVERSITY, INTEGRATION & EQUAL OPPORTUNITIES
GRI 405

In the daily work life, Pankl Group focuses consciously on variety and diversity among employees. For Pankl Group this means to work with colleagues from all over the world, with the most different personalities, talents, age groups and experiences. We appreciate multi-cultural values and experiences. This is also reflected by the variety and internationality of markets, products, and business environments of Pankl Group.

Especially the automotive and metal industries seem to be considered sectors which are dominated by men. Hence, there are potential risks for the discrimination of women. At this point Pankl Group intervenes with a large range of ages, gender, and nationalities.

GENDER EQUALITY
GRI 405-1

In the year 2022, gender breakdown was on average 25% females to 75% males. This excludes employees on leave and employees who serve their national service. Pankl Group records a continuous increase of the portion of females in production departments and in new apprentices joining every year. We present technical jobs to young people of both genders and try to create excitement for this sector. At Pankl Group, we live equal opportunities and equal treatment and therefore promote precise gender-neutral speech.

AGES
GRI 405-1

The age structure of Pankl Group employees remains stable. Pankl Group is an international, open, and modern company which is evidenced by a large variety of nationalities and a wide age range of employees. Since 2022, PARS has been working with the “Senior Quality” platform to integrate job-seeking persons aged 45 or older into the labour market.

DIVERSITY
GRI 102-8

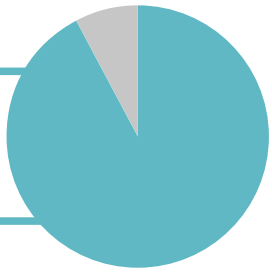
in %	2022	2021	2020
Management executives	**8.6**	**7.1**	**7.8**
Male	84.1	88.5	88.9
Female	15.9	11.5	11.1
Less than 30 years of age	9.0	7.2	8.5
30 to 50 years of age	70.0	70.5	70.8
More than 50 years of age	21.0	22.3	20.7
White-collar employees	**33.4**	**35.7**	**37.0**
Male	73.7	74.2	74.3
Female	26.3	25.8	25.7
Less than 30 years of age	25.1	24.1	22.5
30 to 50 years of age	53.5	53.2	54.1
More than 50 years of age	21.4	22.8	22.3
Blue collar workers	**53.3**	**53.9**	**51.4**
Male	76.5	78.6	78.7
Female	23.5	21.4	21.3
Less than 30 years of age	29.4	27.0	26.4
30 to 50 years of age	49.4	51.3	51.9
More than 50 years of age	21.2	21.6	21.9
Temporary staff	**4.8**	**3.3**	**3.9**
Male	70.4	75.6	82.9
Female	29.6	24.4	16.1
Less than 30 years of age	35.5	23.1	40.1
30 to 50 years of age	58.6	58.0	51.8
More than 50 years of age	5.9	9.9	8.0

EMPLOYEES BY CONTINENT
GRI 120-8

	2022	2021	2020
Total	**4,365**	**3,918**	**3,493**
Austria	*1,629*		
Germany	*1,665*		
Europe (excluding AT/DE)	495		
Africa	0		
Asia	243		
Australia	0		
North America	309		
South America	24		

COLLECTIVE AGREEMENTS
GRI 102-41

Employees with collective agreement:	3,848	(88.2%)
Employees with other agreements:	296	(6.8%)



MANAGEMENT BOARD UND SUPERVISORY BOARD
GRI 405-1

	2022	2021	2020
Management board and supervisory board	**8**	**8**	**6**
Male in %	100	100	100
Female in %	0	0	0
Less than 30 years of age in %	0	0	0
30 to 50 years of age in %	0	0	0
More than 50 years of age in %	100	100	100
Management board	**3**	**3**	**2**
Male in %	100	100	100
Female in %	0	0	0
Less than 30 years of age in %	0	0	0
30 to 50 years of age in %	0	0	0
More than 50 years of age in %	100	100	100
Supervisory board	**5**	**5**	**4**
Male in %	100	100	100
Female in %	0	0	0
Less than 30 years of age in %	0	0	0
30 to 50 years of age in %	0	0	0
More than 50 years of age in %	100	100	100

FLUCTUATION, DISABILITY AND LEAVE
GRI 405-1

Total number of employees, fluctuation, people with disabilities, and employees returning from leave	2022
Total number of employees	4.365
Average age globally	38,3
Fluctuation in %, globally	12
People with disabilities (more than 50% disability)*	62
Female employees returning from leave	15
Male employees returning from leave (incl. parental leave)	61
Departure of female employees during leave in %	0
Departure of male employees during leave in %	0

CULTURE

It is a matter of fact in Pankl Group that employees from different cultures and origins are treated in an open and unreserved manner. Pankl Group's members of staff are very international. Currently, Pankl Group employs 4,363 persons from 64 nations worldwide. Pankl Group extended recruitment of qualified personnel internationally. In co-operation with the association "Talents 4 Europe" PARS was able to recruit young, qualified persons and apprentices from Spain for the Austrian locations. Customised onboarding procedures as well as ongoing German-language courses allowed the new colleagues to be well integrated into the existing Pankl team. Accommodation was provided in the Pankl Tower at the Kapfenberg location.

WORK AND FAMILY

GRI 405

Combining work and family life continues to be a major topic. It is a major concern for Pankl Group to respect and take into consideration employee interests resulting from family responsibilities. Therefore, we regularly evaluate new family friendly rules. If possible, working hours can be defined in a flexible manner dependent on overall conditions. There is also the flexibility of remote working from the home office. If required, working hours may also be adjusted to accommodate care of family members. Older members of staff can retire early via partial retirement arrangements. As such schemes often involve reductions in pension payments, SHW compensates for such losses via wage increases.

Pankl Group complies with the relevant legal regulations regarding parental leave. Employees receive advice and support before parental leave as well as when planning to return from parental leave. Special focus is on facilitation of the comeback from parental leave. Flexitime solutions for parents are defined individually and after extensive consultations. Pankl conducts special interviews with parents to facilitate their return to Pankl after parental leave. In these conversations, special emphasis is put on individual wishes and requirements as well as mutually beneficial solutions. Also, prospective fathers may take parental leave, which is discussed individually. From 2022, Pankl also supports parents to secure nursery school places to facilitate the return to the workplace.

Pankl employees in the Austrian facilities receive financial grants for childcare, childbirth, and marriage.

Fortunately, Pankl employees evaluate the efforts of Pankl Group positively. Pankl was ranked 7th in an independent Austrian-wide survey in the magazine "Freundin" which was conducted in co-operation with Kununu in the category "family-friendly companies" in the engineering sector.

EMPLOYEE PROMOTION

EDUCATION AND TRAINING

GRI 404-1

At Pankl Group, we aim at continuous and individual promotion and advancement for all employees.

In 2022, all training offerings were provided after some had to be cancelled due to Corona in the previous years. Numerous such dropped training courses were also carried out in this year. In 2022, employees of Pankl Group completed a total of 54,629 training hours.

We carried out individual, departmental, internal, and external trainings as well as trainings across different locations, which were attended by employees from various Group entities.

Pankl Academy in Kapfenberg is the central point of contact for education and training in the group. By 2024, it will receive its own dedicated building to further emphasise the importance of sustainable education.

In autumn 2022, we published the new Pankl Academy Training catalogue which features numerous established training courses and some new ones in the areas: leadership and personal / social competences. The catalogue contains a broad offering of training courses which are available for employees at all Austrian locations of PARS and can be broken down in the following categories: management and leadership competences, personal and social competences, technical and methodological competences, apprentice academy, health and safety as well as internal trainings.

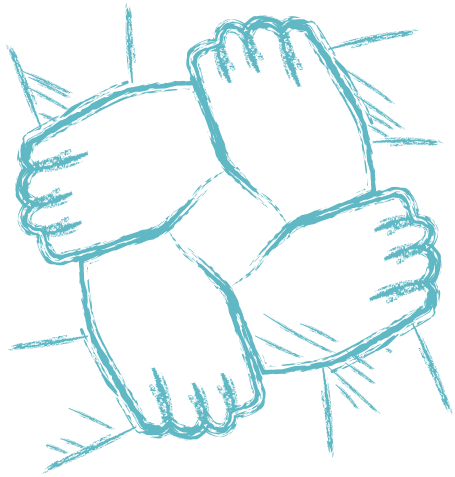
We prepared a Pankl-wide training and development plan for 2023 based on training requirements which were established together with the management teams at all locations. Besides the training courses offered in the Pankl Academy catalogue, this plan contains numerous additional, mainly technical trainings which are organised for employees in co-ordination with their supervisors during the year.

In 2022, to secure quality and effectiveness of the training offering, we established and successfully implemented a process to evaluate training measures.

Also in SHW there is further progress in the digitalisation of HR processes. From now on, all management executives and employees have access to a digital training and education catalogue for organisation and documentation. It provides a great selection of courses for the most different topics.

In 2022, we launched a new e-learning tool. This new platform will make preparation, execution, and follow-up of e-learning initiatives more efficient and sustainable. The tool is very user friendly and a long-term answer to the ever-increasing requirements towards e-learning. Many legally required e-learning projects can be handled by this tool. We plan the roll-out of the e-learning tool in 2023. We aim to start with courses for labour law, competition law, and product liability in 2023.

Besides the broad offering of training courses, our management executives carried out the annual performance reviews and appraisals with all employees at the Pankl Group locations as a major management tool. They focus especially on deriving and implementing potential measures resulting from the conversations.



PERSONAL DEVELOPMENT OF EMPLOYEES AND EXECUTIVES

GRI 404-1

In the Strategic Leadership Programme (SLP) 15 participants of Pankl Group qualified in six modules as future management executives. The training started with an assessment of and a personal conversation with each participant. Within such conversations, current management issues, targets and expectations are discussed and finally jointly evaluated. Very popular were our fireside chats, in which selected management topics were discussed with distinguished guests. The participants presented their projects in a celebratory conclusion of the modular executive training programme. The aim is to transfer the contents of the individual modules into everyday management.

In autumn 2022, we started a new training programme for office-team leaders which will conclude in 2023. Three modules deal with soft skills such as communication and leadership competences. The course completes with the presentation of practical projects and aims to facilitate a mutual exchange under the moto “learning together and from each other”. We plan a follow-up module three months after conclusion to assure effectiveness of the training.

In 2022, we implemented a new Pankl management executive programme for shift supervisors and team leaders in production-related areas. Ten participants from various group locations went through four soft skill modules dealing with personality and leadership topics as well as two technical modules to become qualified executive managers. The course focuses on theoretical inputs and the performance of specialised CIP-projects allowing participants to use their acquired knowledge directly in their working area.

In 2022 we continued with and further developed executive development programmes for all SHW management levels across all locations. We completed the third round of the SHW young executive and potential development programme, where already more than 40 talents qualified and are prepared for future workplace challenges.

EDUCATION AND TRAINING
GRI 404-1

	2022	2021	2020
Total employee training hours	54,628	26,157	23,594
Employee training hour rate in %	13.15	6.91	7.02
Total training hours of female employees	14,884	10,834	6,083
Female employee training hour rate in %	15.06	12.81	8.15
Total training hours of male employees	39,744	19,996	17,511
Male employee training hour rate in %	12.55	6.80	6.69
Total blue-collar workers (incl. apprentices) training hours	16,691	6,516	6,462
Blue-collar workers training hour rate in %	7.18	3.09	3.60
Total white-collar employee (incl. apprentices) training hours	32,490	18,179	16,377
White-collar employee training hour rate in %	22.31	13.01	12.66
Total management executives training hours	5,448	1,506	755
Management executives training hour rate in %	14.60	5.42	2.78
Number of apprentices	216	166	143
Commercial apprentices	36	21	16
Technical apprentices	180	145	127

FUTURE-ORIENTATED TRAINING & CAREER DEVELOPMENT

GRI 404-1

Pankl Group aims to be an attractive employer providing a variety of career and development possibilities to persons of all genders, ages, and nationalities. Therefore, internal apprenticeships at PARS are a significant component of our corporate personnel policies.

In September 2022, 42 young persons decided to start primarily technical apprenticeships at PARS. This includes 3 Spanish apprentices in the machining technology area, who started their training in September. In total, Pankl Group employs 214 apprentices, 178 of which are technical and 36 commercial apprentices.

In the past year we continued with our threefold method for apprentice training. In so-called "Pankl Apprentice Colleges" we offer apprentices vocational education in addition to specific technical training. We support and strengthen the personal and social competences of each apprentice. They complete five modules which strengthen teamwork, self-confidence, communication and presentation skills, conflict resolution, and entrepreneurial thinking.

This specific form of training is a Pankl tradition and of strategic importance for the Group.
In 2022, we again co-operated with the ABV training association. Apprentices are practically taught by qualified trainers in training workshops and also receive theoretical education preparing them for vocational college. Apprentices may also attend and complete additional courses on a voluntary basis.

Also SHW provides young talents the possibilities to get to know the company via practical internships and student trainee programmes. In addition, SHW assists in bachelor and master theses, which may open the doors to a successful start into work-life.

School leavers have a great selection of industrial, technical, and commercial training offers. In 2022, on average, there were 48 trainees in professional training at SHW.

HEALTH

GRI 403

Also in 2022, health and safety at the workplace was an important matter in Pankl Group. The Pankl Health Corners established in the Austrian facilities of PARS years ago provide employees with advice how to care about their health based on seasonal requirements monthly. This offering is also available online.

SHW co-operates with corporate medical services supporting employees in any issues to do with occupational health and preventive medicine. SHW produces and evaluates an annual health report together with the medical insurance providers. This allows to actively react and counteract to health problems of employees in a focused manner. A major further constituent of SHW's health management is the corporate integration management.

Health also refers to healthy eating, physical exercise, and various relaxation methods. Pankl Group supports this via health days and promotions, such as "healthy meals", which is subsidised at all Austrian PARS locations. This initiative provides the employees of both facilities with easy access to healthy food and regional fruits. Also, the in-house canteens focus on regional produce. The Austrian canteens receive their foodstuff primarily from local farmers around the region.

Our health programme „Pankl in Motion" which focuses on relaxation, physical exercise and nutrition offered the familiar heart strength coaching in the summer and autumn months which was well received by many of our colleagues. Our employees were able to get to know more about their current health conditions via heart rate variability measurements.

After a Corona induced break, trainings started again at the Pankl in Motion football team and the bi-weekly Full-Body-Workout.

On a regular basis, Pankl Group aims to provide its employees with offers and discounts for sports facilities, such as local gyms, the Kapfenberg indoor tennis centre (from 2022H2) and the Bruck upon Mur paddle tennis court. SHW employees at the German locations Tuttlingen and Neuhausen ob Eck can use a very special offering. They have access to the "Hansefit" employers programme providing discounts for many sports activities.

Health is also a major issue in apprentice training. There were two health workshops in which apprentices dealt with topics such as nutrition, mental health, and safe ways to deal with the internet.

New apprentices received introductory lectures from security and occupational health experts. There were also weekly sports lessons with qualified trainers during work hours. In summer 2022, we again organised the annual apprentice hiking trip.

In 2022, the annual spring, corona, and flue immunisation programmes were again carried out. In addition, preventive medical check-ups were offered.

SAFETY AT THE WORKPLACE

GRI 403

Pankl Group considers its employees and their health as a top priority. For this reason, we work continuously to ever increase safety levels at the workplace. In the past year the focus was on creating management executives' awareness.

Besides the established „Pankl Protected" training programme where management executives take part in training courses dealing with safety and responsibility on a recurring basis, we implemented a further tool called "SWAT – Safety Walk & Talk" in 2022. In this project selected management executives deal with currently four special topics, personal protective equipment, cleanliness and order, ergonomics, and mental stress at the workplace. This initiative is in a working progress mode, hence topics may be extended in future. On a quarterly basis, executives carry out on-site visits of previously defined production facilities to be able to enter into discussions with production personnel regarding the predefined focus topics. The resulting findings are a major output for the awareness of the executives in the areas health and safety. Additionally, the physical presence of the executives highlights to employees the major importance of these topics.

Safety at the workplace involves also suitable and secure workplace arrangements. In the Krenhof forging shop (PARS) and the Tuttlingen foundry (SHW) there can be high room temperatures during the summer months. Hence, we provide easy and cheap access to enough cold drinks. In 2022, we equipped protective clothing with ventilators in central areas to avoid heat stroke. We installed a new air conditioning system in the production office of the Krenhof forging shop and an air curtain at the forging press. Tools were covered with heat protection plates. These measures protect employees from direct heat.

SHW records not just actual accidents but also near-misses to detect potential dangers for the future. These are permanently dealt with to avoid accidents before they can happen. There are also regular security briefings for all employees.

WORK-RELATED INJURIES

GRI 403-9

Employees	2022	2021	2020
Calculation basis (work hours)	1,000,000	1,000,000	1,000,000
Productive hours (excl. temporary staff)	5,618,500	3,753,224	2,760,107
Number of work-related deaths	0	0	0
Rate of work-related deaths in %	0	0	0
Number of work-related injuries with serious consequences (without deaths) with an expected recovery period of more than 6 months	3	3	1
Rate of work-related injuries with serious consequences in %	53.40	79.93	36.23
Number of documented work-related injuries	232	168	157
Rate of injuries in %	41.29	44.76	56.88
Total of work-related injuries with more than one working day lost	91	74	-
LTIFR (Lost-Time Injury Frequency Rate) in %	16.20	19.72	-
Number of work accidents subject to registration by accident type			
Ligament lesions	6	8	3
Fractures	8	8	7
Contusions	39	29	24
Bruises	22	14	22
Cutting injuries	31	16	12
Strains	7	6	5
Other	23	6	8
Number of work accidents by accident cause or trigger			
Working materials / sharp and pointed objects	7	4	5
Collapse and fall of persons	7	4	3
Attention, stumbling, ankle twisting	21	32	30
Objects falling down or over	21	45	36
Personal protection equipment	9	6	3
Working tools / machinery	28	10	9
Working tools / handling of hand tools	19	13	12
Accidents during journeys	8	7	7
Vehicles and other means of transportation	0	0	0
Other	9	6	4

Temporary members of staff	2022	2021	2020
Calculation basis (work hours)	1,000,000	1,000,000	1,000,000
Productive hours	768,690	62,980	51,402
Number of work-related deaths	0	0	
Rate of work-related deaths in %	0	0	
Number of work-related injuries with serious consequences (without deaths) with an expected recovery period of more than 6 months	0	0	
Rate of work-related injuries with serious consequences	0	0	
Number of documented work-related injuries	34	1	
Rate of injuries in %	44.23	15.9	
Total of work-related injuries with more than one working day lost	14	3	
LTIFR (Lost-Time Injury Frequency Rate) in %	18.21	47.63	
Number of work accidents subject to registration by accident type			
Ligament lesions	1	0	
Fractures	0	0	
Contusions	1	0	
Bruises	2	2	
Cutting injuries	0	1	
Strains	1	0	
Other	5	0	
Number of work accidents by accident cause or trigger			
Working materials / sharp and pointed objects	0	0	
Collapse and fall of persons	1	0	
Attention, stumbling, ankle twisting	3	0	
Objects falling down or over	2	1	
Personal protective equipment	0	0	
Work tools / machineryl	1	0	
Work tools / handling of hand tools	0	0	
Accidents during journeys	0	0	
Vehicles and other means of transportation	0	0	
Other	0	0	

SOCIAL ENGAGEMENT

Pankl Group puts very much effort into its social engagement. An example of this is the ongoing integration of Ukrainian colleagues at the workplace and partly also in the private lives of our employees. As start-up support, we provide new colleagues at the Kapfenberg location with free accommodation at the Pankl Tower. There are also German language courses for new employees from Ukraine funded by Pankl Group.

Pankl Group supports charitable organisations and initiatives. In 2022 our focus was support for Ukraine. We carried out a group-wide donation campaign for the people in Ukraine. The donations from the employees were doubled by the company and transferred to Caritas for the best possible use.

The SHW works council initiated a donation campaign in the form of a Christmas raffle which raised €6,100 for the Urmel children cancer aid association and the support association Ulm for children suffering from leukaemia and cancer.

The state Baden-Würtemberg awarded SHW as a volunteer-friendly employer in civil protection. This annual award aims to recognise companies which support their employees serving as volunteers in different areas of civil protection such as disaster control or the fire brigade.

We resumed the blood donation initiative in co-operation with the Red Cross after it had to be suspended in previous years due to Covid restrictions. This involves at least two blood donation events directly at the Pankl facilities in Bruck upon Mur and Kapfenberg. At these events we welcome all Pankl employees and external persons.

In co-operation with the charity “We Help and Care” we prepared Burmese lunch menus in our Kapfenberg staff canteen with volunteers of the charity. The proceeds collected from the canteen as well as further donations of the employees were doubled by the company and given to the charity and its work.

SHW supports particularly workshops run by persons with disabilities and acquires some of their products.

In December 2022 all employees of Pankl Group received special t-shirts as a gift, which were designed by the artists of the charity “VOI fesch”. This organisation promotes artists with disabilities and organised the whole process from production to shipment to all global locations of Pankl Group

Pankl Group employees receive permanently attractive benefits. In 2022, SHW introduced the corporate benefit programme, a platform allowing SHW employees to buy goods and services at discounted prices. A special success is the company-bike model. Nearly 20% of employees use the possibility to lease an e-bike through the company.

In May 2022, PARS opened the doors of its gearbox plant to a public audience within the initiative “The Long Night of Research”. 246 interested persons followed the invitation! “The Long Night of Research” initiative is carried out every 2 years throughout Austria. Any person can experience science and research close-up, free of charge, and can interact with experts and discover what normally remains hidden. The Pankl divisions Additive Manufacturing, High Performance Systems, Heat Treatment Center and the personnel department provided presentation stations which could be visited during guided tours through the whole plant. The programme was complemented by have-a-go stations, exhibition vehicles and components.

GOVERNANCE

ETHICS

Pankl Group pursues principles which correspond to ethical standards, support responsible behaviour, and requires employees, management executives and board members to act in an economic, social, and environmental-friendly manner. This protects the reputation of a globally active and renowned company and helps to build sustainable values for all Pankl Group stakeholders. These principles are the very basis for any business activities and decisions and the foundation for an impeccable behaviour of all members of Pankl Group staff in terms of morals, ethics, and legality.

Pankl Group aims to create additional value for business partners, suppliers, customers, and advisers, to be an attractive employer, and to be a renowned company in the economy and society. We achieve this through the highest degrees of professionalism, integrity, and consistency.

COMPLIANCE & ANTI-CORRUPTION

COMPLIANCE-GUIDELINES
GRI 205

Pankl Group defines the term „Compliance“ as the sum of all instruments and measures which aim to secure legally correct behaviour of employees, management executives and board members with respect to all company specific legal regulations. Pankl Group subscribes to legal conformity and undertakes itself and for all employees, management executives and board members to comply with all legal directives. In every Pankl Group location the foundation and the basis for good co-operation and stable business relationships are observance of the law, honesty, ethics, morals, reliability, respect, and trust. This is reflected in the Code of Conduct which is valid on a group-wide basis.

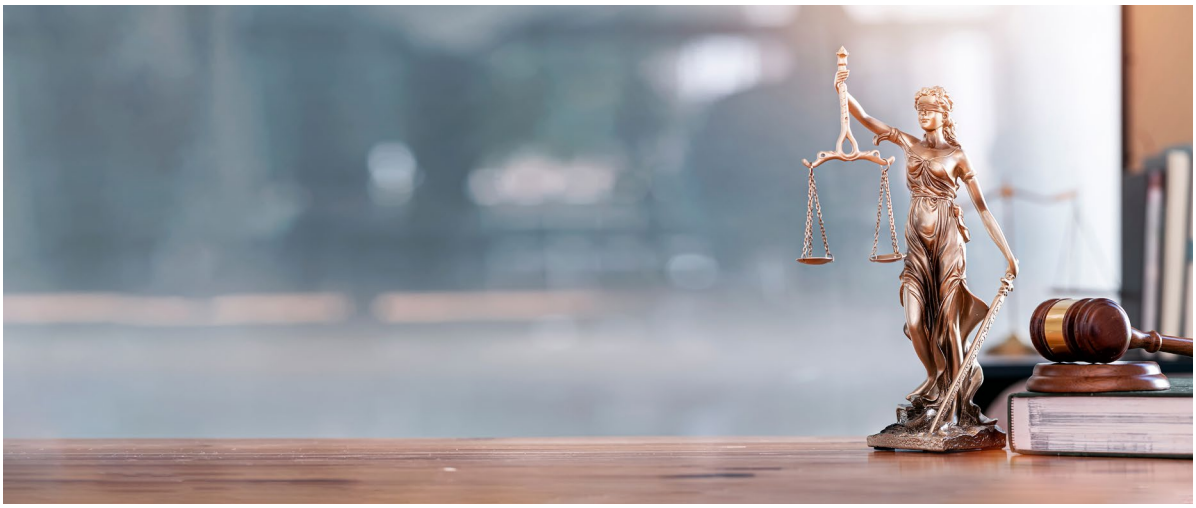
The Code of Conduct is based on values, mission statements and corporate goals of Pankl Group and defines any behaviour within and outside the group. Considering these values, Pankl Group complies with all national and international laws, rules and directives valid at the time. The clearly defined codes of conduct apply to employees, management executives and board members. Currently every operating unit has a dedicated Code of Conduct for employees of the appropriate group (PARS and SHW). New recruits are required to receive it and to sign that they adhere to it. The Codes of Conduct are also available in the personnel department and on the sharepoint system of PARS.

PARS organises annual trainings in the form of a quality dialogue and an event called “Startup” for new recruits. Management executives are responsible that every employee knows, understands, and considers binding all principles and rules globally. Management executives also must lead by example.

Pankl Group also expects from its business partners, suppliers, customers, and advisers legal conformity and the observance of laws. This is documented by a further Code of Conduct for business partners which is valid in the whole Pankl Group. This Code of Conduct was revised in 2022 and is published and available on the Pankl homepage in 5 languages. Pankl Group expects from its suppliers to comply with the value principles and all valid laws and regulations along the entire supply chain.

In 2023, we aim to roll out one comprehensive Code of Conduct for the entire Pankl Group, which applies to employees, management executives, board members, business partners, suppliers, customers, and advisers. This shall also incorporate the new supply chain duty-of-care law which is valid from 2023. The new Code of Conduct will be available on the Pankl homepage in 5 languages.

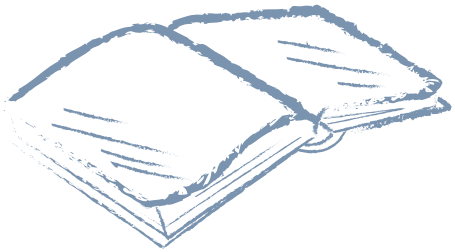
In 2023, Pankl Group also aims to complete consistent acceptance-of-gifts guidelines and to organise appropriate training.



RESPONSIBILITY & ORGANISATION

Pankl Group puts major emphasis on compliance with the laws and the appropriate Code of Conduct. We pro-actively involve the legal and personnel departments to make sure that all appropriate national and international regulations are followed. Every member of staff, management executive, and board member is responsible for compliance and implementation of the Codes of Conduct.

Respective compliance officers have overarching responsibility for compliance management. They are required to report to the management board regularly. In a dynamic competition environment, it is of major importance to continuously and transparently further develop compliance management systems. We optimise existing processes and evaluate guidelines on an ongoing basis. We implement new codes of conduct when new rules and regulations make it necessary. We currently work on a comprehensive and consistent system to assure that also every business partner, supplier, customer, and adviser are covered by the new Code of Conduct and that they all undertake to be bound by it. We aim to complete final roll-out in 2023.



For all compliance topics, there are procedural instructions which are available for all SHW employees in the intranet and for all PARS employees in the sharepoint system. In 2023, we aim to have also for SHW all documents on the sharepoint system. If required, we improve all necessary processes through internal and external audits on a regular basis.

FAIR COMPETITION & BAN OF CARTELS

GRI 206

Along the entire value chain, there is a danger of unfair competition and the creation of illegal cartels in daily interactions with business partners worldwide. Fair competition is the measure of all things. Therefore, Pankl Group undertakes to comply with all competition laws, regulations, and directives, especially cartel laws in all its markets, and to create equal competitive conditions. Any anti-competitive practices are strictly forbidden.

If group companies act on the market competing with competitors, they shall always comply with the principles of fair trade and business practices. Pankl Group strictly prohibits any unlawful, unfair commercial practices such as discrediting comments, spying on business secrets or anti-competitive arrangements with other competitors.

All employees, management executives, and board members of Pankl Group are required to comply with any legal restrictions which are especially derived from competition law and regulations. The ban of anticompetitive behaviour is comprehensive and includes any forms of conscious co-ordination replacing risk-based competition.

Internal guidelines and procedural instructions help employees to behave in a fair and correct manner in a competition law context. We improve these continuously to support detection and avoidance of violations. In 2023, we plan group-wide trainings in competition law for all employees affected.

ANTI-CORRUPTION, MONEY LAUNDERING, TERRORISM FINANCING
GRI 205-2

Pankl Group puts special emphasis on protecting itself from bribery and corruption, as it is an international company acting with numerous business partners within the most different legal and cultural environments. In this way, the company avoids financial losses and reputational damages and maintains trust of all stakeholders.

Pankl Group fully subscribes to all valid anti-corruption regulations and international guidelines such as UNCAC, US Foreign Corrupt Practices Act, UK Bribery Act, OECD principles for international companies and does not, in any way, tolerate any type of bribery or corruption. Pankl Group undertakes to do anything possible to combat money laundering, corruption, and terrorism financing.

Pankl Group takes measures to assure awareness and implementation of defined principles and sensitises its employees on these matters.

Pankl Group and all its employees, management executives and board members do not accept gifts from business partners, suppliers, customers, and advisers except such gifts are within a socially usual and reasonable scope and are in no way suitable to have an influence on decisions or actions. A further requirement is that the acceptance of such gifts does not violate any legal rules.

The Code of Conduct defines the frame in which the company, its employees, management executives and board members make decisions. Further procedural instructions are available for PARS employees in the sharepoint system and for SHW employees on the intranet. They deal with the permissibility of granting or accepting gifts within business transactions. In 2023, we aim to make these documents available to the SHW employees via the sharepoint system.

PARTY POLITICAL ACTIVITIES
GRI 415-1

Generally. Pankl Group does not allow any party political activities in its premises, with its resources or in its name. This means that not just Pankl Group is prohibited from any party political activities, but also any third parties must not carry out any party political activities in Pankl Group premises or using any of its resources for such purposes.

Pankl Group may only provide donations and sponsoring within the valid legal regulations. So far, there is no dedicated company related guideline available. We aim to complete such a guideline by 2024.

Pankl Group is explicitly prohibited from supporting political parties, candidates, or officials and from providing any contributions for religious matters. Only the management board can decide regarding donations and sponsoring.

TAX TRANSPARENCY
GRI 207

Pankl Group business activities generate taxes and fees worldwide.

Pankl Group's tax policy aims to secure that taxes and fees are always declared and paid in the correct amounts and on time. Employees responsible for tax matters undertake to behave in accordance with the laws when dealing with the tax obligations of the group. Through impeccable conduct, Pankl Group aims to provide a contribution to the economic and social functioning of the respective states.

Departments responsible for tax matters must allow for co-operative, factual and transparent interaction with tax authorities. We also involve external tax consultants with expert knowhow in special areas to fulfil our legal obligations and to complement the tax function in the group. Pankl Group companies pay wages and salary charges (such as income tax) and taxes on capital income directly to the respective tax authorities on behalf of the persons liable for such taxes.

Pankl Group pays direct taxes such as income tax, or corporation tax and indirect taxes such as value added tax, or fuel charges.

Pankl Group companies and Pierer Konzerngesellschaft mbH form a tax group within the meaning of the Austrian corporation tax law as good as possible. Pankl Group companies and Pierer Industrie AG, Wels, Austria form a tax group for value added tax matters. There are appropriate group and tax compensation agreements which define the respective details. The group tax burden is based on the countries and tax rates in which the group respectively its business partners are active.

Pankl Group companies act in accordance with OECD guidelines regarding the deliberate reduction of the taxable base and the cross-border relocation of group profits by multinational companies (Base Erosion and Profit Shifting, BEPS).

Pankl Group companies are located only in countries which contribute to the group's business activities. The group is not active in countries which are considered tax heavens. We use OECD guidelines, national laws, and EU regulations to calculate transfer prices within the group. Transfer pricing must always be at arm's length. An internal group guideline assures that required documentation regarding transfer prices is available.

Documentation is completed in accordance with the respective requirements either as Local Files or Master Files. The top parent company carries out country-by-country reporting to the respective tax authorities of the appropriate countries annually on 31 December for the past previous year.

EXPORT CONTROLS

Pankl Group strictly complies with international regulations to avoid violations of export control laws, such as dual use directive, EAR, or ITAR. We especially observe any country-related, goods-specific, or personal embargos. Employees, management executives and board members are required to comply strictly with the Code of Conduct valid at the time to follow international export control laws. In 2023, we aim to extend this also to the Code of Conduct for the entire Pankl Group including business partners, suppliers, customers, and advisers.

HUMAN RIGHTS

DISCRIMINATION
GRI 406-1

Pankl Group does not tolerate any violations of human rights and safeguards observance of the UN Human Rights Charta. The group ensures adherence to human rights when running its business and to not accept any discriminatory behaviour against job applicants, current and future employees, management executives, board members, business partners, suppliers, customers, and advisers. In the entire recruitment process, any type of discrimination is prohibited. Such processes are further accompanied by trained Human Resources staff.

Pankl Group promotes fair, respectful, and trusted interaction so that a working environment is created which is characterised by mutual trust and wellbeing and where everyone is treated with respect and dignity. Persons from the most different cultures and personal backgrounds shall be appreciated. As an international group, Pankl values diversity which derives from different origins, cultures, languages, and ideas of its employees. The corporate culture is based on welcoming all colleagues, to provide respect and appreciation, and to create an environment in which everyone has equal opportunities.

Pankl Group holds in high regard the personal dignity and personal sphere of each member of staff. All people are respected irrespective of age, gender, race, religion, disability, sexual orientation, or origin.

Pankl Group complies with all existing labour laws. This comprises all national labour regulations in the respective countries in which the appropriate group companies are based. These refer to matters such as working hours, minimum wages, bargaining agreements, works council, and freedom of assembly. In this regard we refer to the implementation of the provisions of core labour norms of the International Labour Organisation (ILO) in Austria, which can be accessed on the internet.

Pankl Group prohibits discrimination, mobbing, and harassment, in particular of a sexual nature, in any way or form such as improper advances, humiliating comments, jokes, rude expressions, suggestive gestures, and the display of relevant images in offices and production facilities of Pankl Group.

WHISTLEBLOWER-PLATTFORM

For Pankl Group it is important that ethical principles and general corporate standards are adhered to, and all relevant laws and rules complied with. This includes violations of national, and international law, EU-rules, and the Code of Conduct valid at the time.

In everyday working life it is possible that employees, management executives or board members become aware of shortcomings and notice actual or potential violations against regulations or the Code of Conduct. For this reason, Pankl Group has implemented a corporate, digital whistleblowing system. Key aspects of this system are that members of staff know that concerns are taken seriously, and people are not put under pressure.

Notifications or comments can be reported either via the respective superior officer or the compliance officer. If these lines of communication are not possible, then reports shall be delivered via the whistleblowing system itself also in anonymous form in all European locations. Whistle-blowers can use a defined internal process and can be sure not to be disadvantaged in any way for providing information.

Currently this whistleblowing system is available in all companies of Pankl Group within Europe. By 2024, we aim to extend this system to all global facilities and to include also external whistleblowers.

PROHIBITION OF CHILD LABOUR
GRI 408-1

The protection of the rights of children is of special importance to Pankl Group. We recognise the right of every child to be protected from economic exploitation, and from any type of activity, which is dangerous, may adversely affect education, health, or the physical, mental, cognitive, moral, or social development of the child. Pankl Group comprehensively secures compliance of UN rules regarding human and child rights, of ILO (International Labour Organisation) C138, the convention regarding minimum ages for employment, and ILO (International Labour Organisation) C182 regarding the convention to prohibit and to take immediate action against the worst forms of child labour.

The entire Pankl Group does not tolerate child labour. It is prohibited to employ persons which have not yet completed the 15th year of age. Further, all legal restrictions regarding the employment of persons which have not yet completed the 18th year of age have to be adhered to. If national laws regarding child labour have stricter standards, then these have priority and shall apply.

Pankl Group undertakes to take any preventive measures necessary to secure that no persons are employed in the group who are below the legal minimum age.

CYBERSECURITY, INFORMATION SECURITY & DATA PROTECTION
GRI 418-1

In the companies of Pankl Group, we take the topics data protection, information security and cybersecurity very seriously.

We focus on securing customer, supplier and employee data and on protecting our knowhow. Following our mission statement we also apply our principles “High Tech, High Speed, High Quality” to these topics.

We established all required management systems to deal with the topics data protection, information security and cybersecurity. Appropriate processes and procedural instructions are transparent and available to all relevant employees.

We carry out awareness trainings and make required investments in IT security systems and safety measures for facilities and buildings to eliminate the risk of losing data to unauthorised third parties. In the various companies of Pankl Group we appointed data protection officers to secure compliance with data protection regulations. They focus on rule-consistent data processing and are especially responsible for protecting the rights of persons affected.

In the past years due to the heightened threat level, we put particular emphasis on training and awareness of employees. We carried out digital courses and „face-to-face“ trainings. In 2023, we will roll out a revised training concept for data protection, information security and cybersecurity which will be compulsory for all employees. Furthermore, every employee can report potential security breaches via a central email address. It is also possible to report events anonymously in the established whistleblower platform of Pankl Group’s European facilities.

We control the increasing threats to IT systems by utilising “state-of-the-art” systems to actively repel attacks and AI-based and behaviouristic technology tools to detect malware. In addition, we subject existing systems to regular internal and external penetration tests in order to identify vulnerabilities. We secure patching of known security weaknesses via implemented update processes.

We review effectiveness of all these arrangements through regular external security tests and audits. Deviations are handled by risk management and appropriate measures defined and taken.

External audits examine compliance with data protection regulations valid at the time every three years. The combination of systems, measures, and processes prevents data breaches and resulting potential financial losses.

In the fiscal year 2023, it is the priority goal of the operating SHW units to close any gaps in terms of processes and transparency.

ANTI-CORRUPTION
GRI 205-2

	2022	2021	2020
Information of employees regarding anti-corruption (eg handing out of Code of Conduct, information brochures, information emails)			
Total number of persons informed about anti-corruption	1,184	553	466
Portion of persons informed about anti-corruption in %	28.50	14.92	13.94
Employees by type of employment			
Total blue-collar workers (including apprentices)	753	309	223
Portion of blue-collar workers in %	32.39	14.91	12.27
Total white-collar employees (including apprentices)	352	159	156
Portion of white-collar employees in %	24.17	11.77	12.40
Total management executives	79	73	75
Portion of management executives in %	21.17	25.89	27.99
Total management board and supervisory board members	8	8	6
Portion of management board and supervisory board members in %	100	100	100
Anti corruption trainings (eg e-learning or face-to-face training)			
Total number of persons with anti-corruption training	670	541	457
Portion of persons with anti-corruption training in %	16.13	14.60	13.67
Employees by type of employment			
Total blue-collar workers (including apprentices)	445		
Portion of blue-colar workers in %	19.14		
Total white-collar employees (including apprentices)	181		
Portion of white-collar employees in %	12.43		
Total management executives	44		
Portion of management executives in %	11.79		
Management and supervisory board members	0		
Portion of management and supervisory board members in %	0		

These key ratios comprise PARS only.

ANTI-CORRUPTION TRAININGS BY CONTINENT
GRI 205-2

	2022	2021	2020
Total number of employees	4,365		
of which persons with anti-corruption training	599		
Austria	470		
Germany	-		
Europe (excluding AT/DE)	-		
Africa	-		
Asia	129		
Australia	-		
North-America	-		
South-America	-		

COMPLIANCE, NON-DISCRIMINATION AND DATA PROTECTION
GRI 205, GRI 406, GRI 418

	2022	2021	2020
205-3: Compliance events	0	0	0
406-1: Discrimination events	0	0	0
418-1: Data protection complaints	0	0	0

CODE OF CONDUCT
GRI 414-1

	2022	2021	2020
Suppliers informed about Code of Conduct			
Total number of suppliers	38	92	156
Austria	-	2	3
Germany	-	7	4
Europe (excluding AT/DE)	9	4	-
Africa	-	-	-
Asia	26	-	-
Australia	-	-	-
North-America	3	-	1
South-America	-	-	-
Supplier response regarding Code of Conduct			
Total number of informed suppliers	38	13	7
Austria	-	-	-
Germany	-	-	-
Europe (excluding AT/DE)	9	-	-
Africa	-	-	-
Asia	26	-	-
Australia	-	-	-
North-America	-	-	-
South-America	-	-	-

Data collection is not yet complete.

EU-TAXONOMY

ART. 8 (L 443/9) FOR THE FISCAL YEAR 2022

Within the EU Action Plan on Sustainable Finance, it is essential that capital expenditure is driven towards sustainable projects and activities. In mid-2020, the EU Taxonomy Directive went into force. This is a comprehensive and legally binding classification system defining which business activities are considered sustainable in the EU. Every company must report its specific classification results annually.

As of now, the EU has published the conditions for two environmental goals (climate change mitigation and adaptation) within the EU Taxonomy. The descriptions in the delegated legal acts define which economic activities can be considered in principle.

EU Taxonomy requires a differentiation between taxonomy eligibility and taxonomy conformity to classify an economic activity as environmentally sustainable. In a first step we need to examine whether an economic activity is described in a delegated legal act and is hence taxonomy-eligible. Only such economic activities shall be considered environmentally sustainable if they fulfil certain criteria. In a second step we need to evaluate whether defined technical criteria are met to allow classification as taxonomy-conforming. Besides evaluation regarding conformity criteria, we also need to assess whether the taxonomy-eligible economic activities make a material contribution to an environmental goal defined in the Taxonomy Directive and do not adversely affect any other environmental goals in a major way ("Do No Significant Harm", DNSH-test). Furthermore, social minimum standards according to the OECD (Guidelines for Multinational Companies), UN (Guiding Principles on Business and Human Rights), ILO (Labour Standards), and the International Human Rights Charta must be secured.

In principle, all fully consolidated and equity-consolidated group companies must be included in this analysis with regards to their sales revenues, capital expenditure and operating expenses. Sales revenues are defined by the amounts shown in the appropriate positions of the profit and loss account. Capital expenditure (capex) is defined as additions to tangible and intangible fixed assets during the fiscal year under consideration and does not include depreciation, any revaluations or fair value adjustments. Capital expenditure also includes additions to tangible and intangible fixed assets resulting from company mergers (application of IFRS – IAS16, 38, 40, 41, IFRS 16 – or national accounting methods if IFRS is not applied). Acquired goodwill shall not be considered. Capital expenditure in long-term fixed assets, which are classified as "held for sale or distribution" shall only be included until the first point in time of the relevant classification.

Operating expenses (opex) are direct, not capitalised expenses for research and development, building renovation measures, short-term leasing, repair and maintenance, as well as all other direct expenses necessary to constantly maintain fixed assets by the company or third parties to assure their full working condition on a continuous basis.

Pankl AG is obliged to apply the regulations of the Taxonomy Directive due to Chapter 8, Number 1 of the Directive and Chapters 243b and 267a of the Austrian Commercial Code (§243b, §267a UGB). According to Chapter 245a, Paragraph 1 of the Austrian Commercial Code (§245a, Abs 1 UGB), Pankl AG is required to prepare consolidated financial statements in accordance with IFRS. The calculation of the key ratios sales revenues, capex and opex is based on the figures reported in the financial statements.

Any economic activities of Pankl AG which are listed in the EU catalogue can be considered taxonomy-eligible. Sales revenues, capex and opex which relate to these economic activities are classified as taxonomy-eligible.

Based on a comprehensive analysis of Pankl Group's economic activities, we derive at a quantification of the portion of taxonomy-eligible sales revenues, capex and opex according to the EU-Taxonomy for the fiscal year 2022.

The DNSH-test requires for all economic activities of Pankl AG a climate risk assessment based on certain criteria to exclude any potential adverse impacts on the environmental goal climate change adaptation. Such climate risk assessment was not available at the time the report for the fiscal year 2022 was published. Hence, we were not able to quantify the taxonomy-conforming portion of sales revenues, capex, and opex.

The EU Taxonomy Directive and the related delegated legal acts contain formulations and terms which are still subject to substantial margins for interpretation, clarifications for which have not yet been published. Therefore, we present our interpretations of such formulations and terms in the following paragraphs.

Representatives from our controlling and investor relations departments deal with the tasks resulting from the Taxonomy Directive in different roles.

KEY RATIOS

We allocate individual positions to an economic activity using defined rules to avoid any double-counting of economic activities. In the working papers we check continuously by using a formula that per position there is only one count in the allocation to an economic activity or a classification as not taxonomy-eligible.

KEY RATIO SALES REVENUES

The key ratio sales revenues is calculated as the portion of sales revenues related to taxonomy-eligible economic activities from the total sales revenues of the fiscal year. (Table on page 61)

The total sales revenues of the fiscal year 2022 amounted to €836.5m and form the denominator of the sales revenues key ratio in accordance with the EU Taxonomy. The sales revenues of €836.5m, as reported in the consolidated profit and loss account of Pankl AG (Item 8 of the Notes to the Consolidated Financial Statements) were reviewed over all group companies to determine whether they were achieved with taxonomy-eligible economic activities according to Annex I (climate change mitigation) or Annex II (climate change adaptation) of the Delegated EU Directive 2020/852. Through detailed analysis of the items contained in the sales revenues, we allocate the respective revenues to taxonomy-eligible economic activities. The sum of the sales revenues related to taxonomy-eligible economic activities for the fiscal year 2022, is the numerator of the key ratio. Such activities of Pankl Group are classified as the taxonomy-eligible economic activity “3.3. Production of low-carbon transportation technologies” in Annex I of the Delegated Directive.

Key ratio sales revenues

Economic activities (1)	Code(s) (2)	Total sales revenues (3)	Revenues portion (4)	Criteria for a material contribution: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	DNSH criteria ("no major adverse impacts"): Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum protection (17)	Taxonomy-conforming revenues portion, year 2021 (18)	Taxonomy-conforming revenues portion, year N-1 (19)	Category (enabling activities) (20)	Category (transitional activities) (21
		MEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (taxonomy-conforming)		0	0														0%			
revenues of ecologically sustainable activities (taxonomy compliant) (A.1)			0														0%			
A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-conforming activities)		0	0														0%			
			0	100							Y	N	Y	Y	Y	Y				
Taxonomy-eligible revenues from not environmentally sustainable activities (non-taxonomy-conforming activities) (A.2)																				
Total (A.1 + A.2)		**0**	**0**														0%			
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
Revenues from non-taxonomy-eligible activities (B)		836.5	1																	
Total (A + B)		**836.5**	**100**																	

KEY RATIO CAPEX

The capex key ratio refers to capital expenditure (capex) which is related to taxonomy-eligible economic activities or helps to achieve an environmentally sustainable business activity or refers to the acquisition of products or services of a taxonomy-eligible economic activity. (Table on page 63)

Total capital expenditure according to the EU Taxonomy Directive amounted to €79.58m and represents additions to tangible and intangible fixed assets including rights-of-use assets according to IFRS 16 (please see the Notes to the Consolidated Financial Statements, Items 22 and 23: Additions of tangible and intangible fixed assets in the fixed assets schedule, notes to capital expenditure in Item 3: Financial key ratios)

We analysed taxonomy eligibility based on Annex I (climate change mitigation) and Annex II (climate change adaptation) of the Delegated EU Directive 2020/852 in a step-by-step process. Based on defined rules regarding existing standard information in individual accounting entries, we carried out automised pre-allocation. This refers primarily to the allocation to positions, which are considered necessary to carry out the taxonomy-eligible economic activity of Pankl AG “3.3 Production of low-carbon transportation technologies” and to the acquisition of products and services of the activity “3.3 Production of low-carbon transportation technologies” which had mainly to do with the corporate vehicle fleet. In a second step we manually reviewed the descriptions of the respective positions especially in the area acquisitions of products and services of taxonomy-eligible or -conforming economic activities.

The main portion of taxonomy-eligible capex are positions which relate to the carrying out of the economic activity “3.3 Production of low-carbon transportation technologies”. This is followed by acquisitions of economic activities regarding buildings (e.g. 7.2 Renovation of existing buildings, 7.7 Purchase of buildings), renewable energy and electric mobility (e.g. 7.6 Installation, maintenance, and repair of technologies for renewable energy on-site, 7.4 Installation, maintenance, and repair of electric charging-stations in buildings or parking spaces), water and waste (e.g. 5.1 Construction, extension, and operation of water extraction, treatment, and supply systems, 5.5 Collection and transport of non-hazardous waste in source segregated fractions), and other matters such as IT hardware and non-production related machinery (e.g. 3.5 Production of other low-carbon technologies).

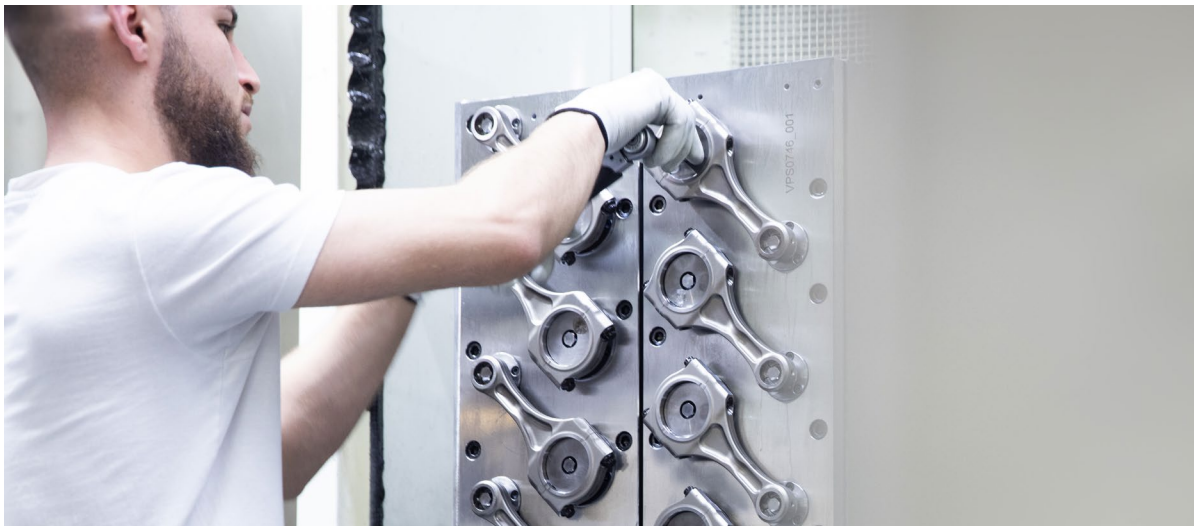
EU-TAXONOMY

Key ratio capex

Economic activities (1)	Code(s) (2)	Total capex (3)	Capex portion (4)	Criteria for a material contribution: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	DNSH criteria ("no major adverse impacts"): Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum protection (17)	Taxonomy-conforming capex portion, year 2021 (18)	Taxonomy-conforming capex portion, year N-1 (19)	Category (enabling activities) (20)	Category (transitory activities) (21)
		MEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (taxonomy-conforming)																				
			0																	
Capex of environmentally sustainable activities (taxonomy-conforming) (A.1)		0	0																	
A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-conforming activities)																				
Renovation of existing buildings		1.96	2																	
Installation, maintenance and repair of energy efficiency equipment		0.02	0																	
Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces		0.01	0																	
Freight rail transport		0.00	0																	
Construction of new buildings		0.04	0																	
Data processing, hosting and related activities		0.67	1																	
Market research, development and innovation		2.05	3																	
Installation, maintenance and repair of renewable energy technologies		0.12	0																	
Capex of taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-conforming activities) (A.2)		4.87	6																	
Total (A.1 + A.2)		**4.87**	**6**																	
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
Total non-taxonomy-eligible capex (B)		**74.71**	**94**																	
Total (A + B)		**79.58**	**100**																	

KEY RATIO OPEX

According to the EU Taxonomy, the opex key ratio gives the portion of operating expenses which relate to taxonomy-eligible economic activities or refer to the acquisition of products and services of taxonomy-related economic activities. (Table on page 65)



Total operating expenses amounted to €62.1m according to the EU Taxonomy Directive. To arrive at the denominator, we considered the bookkeeping accounts which reflect direct, not capitalised expenses for research and development, building renovation measures, short-term leasing, and maintenance and repair.

The numerator is arrived at from an analysis of the expenses mentioned in the bookkeeping accounts above and the related assets regarding taxonomy eligibility based on Annex I (climate change mitigation) and Annex II (climate change adaptation) of the Delegated EU Directive 2020/852. The main portion of taxonomy-eligible operating expenses refers to building renovations and freight.

In 2023, there may be disclosure deviations and amendments due to the further regulatory development of the EU Taxonomy.

EU-TAXONOMY

Key ratio opex

Economic activities (1)	Code(s) (2)	Total opex (3)	Opex portion (4)	Criteria for a material contribution: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	DNSH criteria ("no major adverse impacts"): Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum protection (17)	Taxonomy-conforming opex portion, year 2021 (18)	Taxonomy-conforming opex portion, year N-1 (19)	Category (enabling activities) (20)	Category (transitory activities) (21)
		MEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (taxonomy-conforming)																				
			0																	
Opex of environmentally sustainable activities (taxonomy-conforming) (A.1)		0	0																	
A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-conforming activities)																				
Freight transport services by road		15.8	25																	
Renovation of existing buildings		7.5	12																	
Acquisition and ownership of buildings		3.4	6																	
Collection and transport of non-hazardous waste in source segregated fractions		0.6	1																	
Data processing, hosting and related activities		3.1	5																	
Installation, maintenance and repair of energy efficiency equipment		0.0	0																	
Opex of taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-conforming activities) (A.2)		30.5	49																	
Total (A.1 + A.2)		**30.5**	**49**																	
B. NON-TAXONOMY-CONFORMING ACTIVITIES																				
Total non-taxonomy-eligible opex (B)		**31.6**	**51**																	
Total (A + B)		**62.1**	**100**																	

GRI CONTENT INDEX

DECLARATION OF USE

Pankl AG reported information contained in the GRI content index for the period January 1st, 2022 until December 31st, 2022 in accordance with the GRI standards.

USED GRI 1

GRI 1: Foundation 2021

GRI Standard	Notes	Pages in this report
GRI 2: General Disclosures 2021	2-1 Organisational details	4, 14
	2-2 Entities included in the organisation's sustainability reporting	4, 14
	2-3 Reporting period, frequency and contact point	4
	2-4 Restatements of information	4
	2-5 External assurance	-
	2-6 Activities, value chain and other business relationships	6ff
	2-7 Employees	11, 34-37
	2-8 Workers who are not employees	11
	2-9 Governance structure and composition	8
	2-10 Nomination and selection of the highest governance body	-
	2-11 Chair of the highest governance body	8
	2-12 Role of the highest governance body in overseeing the management of impacts	-
	2-13 Delegation of responsibility for managing impacts	-
	2-14 Role of the highest governance body in sustainability reporting	-
	2-15 Conflicts of interest	-
	2-16 Communication of critical concerns	-
	2-17 Collective knowledge of the highest governance body	-
	2-18 Evaluation of the performance of the highest governance body	-
	2-19 Remuneration policies	-
	2-20 Process to determine remuneration	-
	2-21 Annual total compensation ratio	-
	2-22 Statement on sustainable development strategy	14ff
	2-23 Policy commitments	-
	2-24 Embedding policy commitments	-
	2-25 Processes to remediate negative impacts	-
	2-26 Mechanisms for seeking advice and raising concerns	-
	2-27 Compliance with laws and regulations	4
	2-28 Membership associations	17
	2-29 Approach to stakeholder engagement	12-13
	2-30 Collective bargaining agreements	12-13, 35
GRI 3: Material Topics 2021	3-1 Process to determine material topics	12-13
	3-2 List of material topics	12-13
	3-3 Management of material topics	12-13
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	-
	201-2 Financial implications and other risks and opportunities due to climate change	-
	201-3 Defined benefit plan obligations and other retirement plans	-
	201-4 Financial assistance received from government	-

GRI Standard	Notes	Pages in this report
GRI 202: Market Presence 2016	202-1 Ratio of standard entry level wage by gender compared to local minimum wage	-
	202-2 Portion of senior management hired from the local community	-
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	-
	203-2 Significant indirect economic impacts	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	6, 48, 50
	205-2 Communication and training about anti-corruption policies and procedures	50, 54-55
	205-3 Confirmed incidents of corruption and actions taken	55
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	49
GRI 207: Tax 2019	207-1 Approach to tax	50
	207-2 Tax governance, control and risik management	50
	207-3 Stakeholder engagement and management of concerns related to tax	50
	207-4 Country-by-country reporting	50
GRI 301: Materials 2016	301-1 Materials used by weight or volume	27-28
	301-2 Recycled input materials used	28
	301-3 Reclaimed products and their packaging materials	27-28
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	21-24
	302-2 Energy consumption outside of the organisation	21-24
	302-3 Energy intensity	-
	302-4 Reduction of energy consumption	22-24
	302-5 Reduction in energy requirements of products and services	24
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	29
	303-2 Management of water discharge-related impacts	29
	303-3 Water withdrawal	29
	303-4 Water discharge	29
	303-5 Water consumption	29
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-
	304-2 Significant impacts of activities, products and services on biodiversity	-
	304-3 Habitats protected or restored	-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	24-26
	305-2 Energy indirect (Scope 2) GHG emissions	24-26
	305-3 Other indirect (Scope 3) GHG emissions	24-26
	305-4 GHG emissions intensity	25-26
	305-5 Reduction of GHG emissions	24-26
	305-6 Emissions of ozone-depleting substances (ODS)	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	29
	306-2 Management of significant waste-related impacts	29
	306-3 Waste generated	29-30
	306-4 Waste diverted from disposal	29-30
	306-5 Waste directed to disposal	29-30
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	-
	308-2 Negative environmental impacts in the supply chain and actions taken	-
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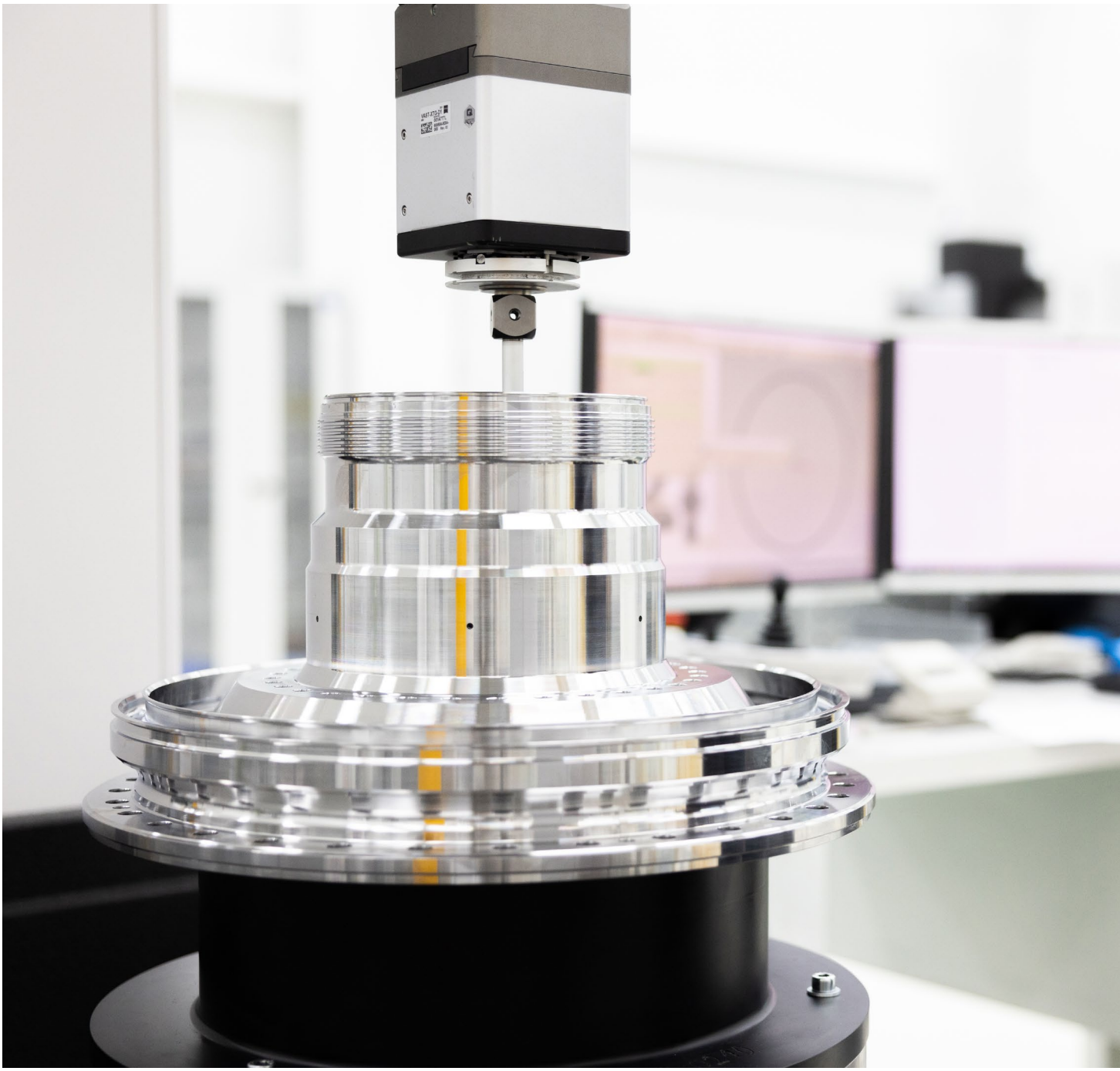

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PANKL RACING SYSTEMS AG

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SHW AG

https://www.shw.de/de/home/

GLOBAL REPORTING INDEX

https://www.globalreporting.org/

INTERNATIONAL LABOR ORGANISATION CONVENTION C138

https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138

INTERNATIONAL LABOR ORGANISATION CONVENTION C182

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CODE OF CONDUCT OF PANKL AG FOR BUSINESS PARTNERS

https://pankl.com/code-of-conduct/

SUSTAINABILITY REPORT OF PANKL AG

https://pankl.com/beteiligungen/nachhaltigkeit/

LABOUR STANDARDS OF THE INTERNATIONAL LABOUR ORGANISATION

https://www.ilo.org/berlin/arbeits-und-standards/kernarbeitsnormen/lang--de/index.htm

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