

Sustainability Report 2020 Index



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e immerse ourselves in future concepts every day to make our active contribution to a valuable and sustainable economy of tomorrow."

Dipl.-Ing. (Univ.) Markus BinderManaging Director

Dear Ladies and Gentlemen,

As a supplier to the automotive sector we have consistently been developing in many ways over the past few years. The idea of sustainable management and action has always played an important role for us. After all, we are entrenched in our region and want to preserve it in the most sustainable way possible for us, our employees, and also for our posterity.

Despite the Corona virus, 2020 was a year in which we continued to advance the framework conditions for our employees. We are stepping up our activities in the area of sustainable mobility. In addition to mobility by car, it is also important to us to support our employees in other ways of reaching their workplace. Here we see not only local public transport, but also the possibility of support for the purchase of bicycles and e-bikes as well as the charging of e-cars.

We support the further development of our home region in many ways. Therefore, we continue the consistent path of our company, invest time and money in the further training of our employees in order to develop innovative process technologies and thus secure the company's continued existence. For us as a company with a history spanning more than 95 years, sustainability is not just a phrase, it is a strategy that we embrace.

This report is intended to provide an overview of the core areas of products and innovations, the environment and quality, but also to pay tribute to the employees as the core of the company and to highlight the social commitment of our company in the 2020 reporting year. In the individual sections we show how we are actively shaping the current changes in our industries, which topics we are particularly developing further and what we intend to do in the future.



REPORT OUTLINE AND REPORTING PERIOD

For the legally required disclosure of nonfinancial information by the EU Directive to be applied for the first time in 2018, the company Binder Slovakia, s.r.o. (hereinafter referred to as Binder) publish a non-financial statement on a voluntary basis.

This sustainability report is based on the new standards of the Global Reporting Initiative (GRI). An external audit of the report contents by an independent third party is not required. The relevance of the topics was discussed in talks with officials as well as in exchanges with employees and managers.

Our company has addressed and summarised the four areas of production and innovation, environment and quality, employees and the company's social commitment in the annual sustainability report.

The reporting period corresponds to the 2020 financial year (1 January to 31 December). The statements refer to Binder Slovakia, s.r.o.

The sustainability report is available in German and English. In addition, the Binder companies make further topics available online or these contents can be requested from us accordingly. For reasons of better readability, we have refrained from using both the feminine and masculine forms of language. General personal terms refer to all people regardless of their gender. We would also like to point out that the values shown have been rounded to improve readability.



2015

COMPANY PROFILE

Many industrial sectors, especially the automotive industry, are confronted with technological progress, climatic changes and even further expanded globalization. This is where the know-how, the many years of experience and the product portfolio of the Binder company come into play, together with the production processes and concepts developed here for the manufacture of parts and assemblies.

Operating site in **Sered**, Slovakia

150 Employees

95 Years of company history and experience ensures continuity

With products for the automotive sector, Binder contributes to the technical and economic advantage of leading companies. Innovation and the highest quality create an overarching concept across the entire spectrum of metal production and processing - from concept optimization and development, planning and prototype development to realization in series production. In the process, Binder has established itself on the market as a confident and creative solution finder. Economic success, effective action, environmentally friendly production processes and fair treatment of employees form a unity. We are committed to these principles.

For us, acting sustainably means ensuring long-term and profitable growth while maintaining a balance between people, the environment and profit. For over 90 years, we have managed this balancing act. In the future, too, sustainable action will be an integral part of our corporate strategy.



TIG welding on a component





Automotive: manufacturing and logistics

RESPONSIBILITY FOR PEOPLE AND NATURE

The basis of our considerations on sustainability is the division into the areas of **ecology**, **economy** and **social issues**. At Binder, we are convinced that sustainability must be considered from all of the aforementioned points of view in order to be able to exist in the long term.

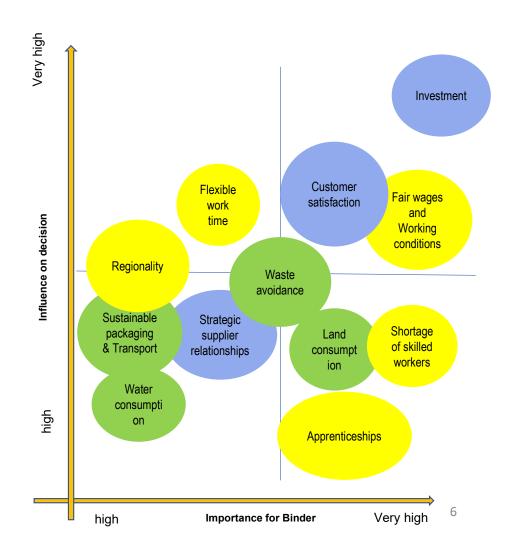
Ecology: the protection of the environment, the careful use of resources and the avoidance of waste form the ecological basis of sustainability.

Economy: investments in future markets and products, as well as innovations that can be transferred into products or processes, ensure the financial basis for the long-term continuation of the company with an acceptable return, which in turn is necessary for investments.

Social: we are convinced that a company can only be as good as its employees. Dealing with our employees in a trusting and respectful manner is a basic corporate principle for us. The requirements of the legal occupational health and safety regulations are very important to us. In addition to safety aspects at the workplace, the family-run company is also concerned with providing its employees with a pleasant social environment. A consistent training and further education program, regular training courses and seminars ensure that the employees are always up to date with the latest developments and can develop optimally.

In the adjacent chart, the important aspects mentioned by employees and managers have been assigned to the areas of **ecology**, **economy** and **social issues** mentioned at the beginning. Ecological aspects are shown in green, economic aspects in blue and social aspects in yellow.

The possibility of influencing the decision is shown at the top, and the importance for Binder is shown on the right.

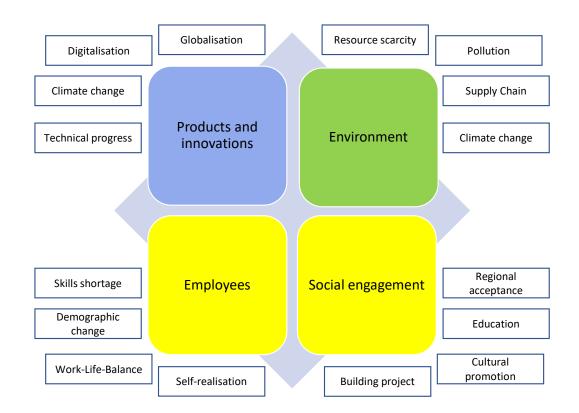


OUR FOUR FIELDS OF ACTION FOR SUSTAINABILITY

Our entrepreneurial activities are driven by holistic developments and trends. They are closely interlinked. In this section, we show how Binder takes these topics into account in its day-to-day business.

We implement innovative ideas and develop or optimize processes in order to continuously improve our products. In doing so, the environmental concept, the involvement of our employees in work processes and developments as well as the sustainable continuity of our company play a role for us. This plays an important role in securing jobs in the region in the long term. Ethical and moral values are just as much a focus for Binder as the avoidance of unnecessary resources in the manufacturing process. Through our globally active customers, we act globally without losing touch with our home region and thus with our employees. The development of innovative ideas is a common theme throughout our company's activities.

We attach great importance to recycling and disposal. However, since some of our products are built into our customers' components, Binder does not generally take care of the recycling or disposal of old components. We provide our customers with the necessary information on the material and chemical composition of semi-finished products and components.



INVESTMENTS LEAD BINDER INTO A NEW COMPANY ERA

After a major expansion of our company was implemented last year, 2020 was marked by the acquisition of new machines in the field of non-destructive testing technology (FPI).

Energy-efficient and high-performance machines that meet the current requirements of the economy and the environment form the core of additional production activities here. During implementation, we focus on low energy requirements and space consumption, take into account the necessary occupational safety requirements and involve our employees in the design of their workplaces right from the start. The investments of previous years were consistently continued as well. Future plans continue to be directed towards resource-saving energy sources and environmentally conscious production processes.

Products and innovations

2018



New hall construction

2019



Set-up of robot systems and milling machine

2020



Special process FPI

BINDER IN THE REGION AND IN THE PUBLIC EYE

As a company entrenched in the region, we at Binder strive to shape planning and development in harmony with local residents and politicians. We do not want to hide, on the contrary, we have a lot to offer in the region!

For us, sustainability also means committing to home, origin and region!



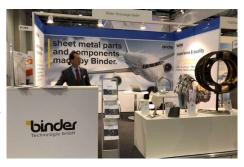
Die neue Lehrwerkstatt



In the course of the construction of the new halls 4 and 5, Binder also invested heavily in a completely new training centre. We were able to move into this last year. We see training as a central component of our company. As trainers, we not only ensure that skilled workers will be available on the labour market in the future, but also that our company is entrenched in the region.

It is important to us that our employees also feel good in their free time and find an extensive range of cultural and sporting activities in their - in our - home region. Participation in regional activities (be it sports, culture or educational work) is therefore not simply a case of giving something away. Rather, it is a matter of the heart for us. We also support culture in the region. One example is the concert series at Kalvarienberg in Pobenhausen, which attracts visitors from the greater area between Munich and Ingolstadt (but also beyond) to the events.

In addition, after an interruption due to Corona, we are of course once again represented at national and international trade fairs and exhibitions - now in accordance with standards set by Corona regulations. In particular, the companies Binder Technologie GmbH and Binder Parametric Metal GmbH take advantage of the opportunity to present themselves to a larger audience and to raise their profile.



Social engagement

Spende: 3000 Euro für Sozialstation

Southern Herburg Barry Company Company

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Mentions in daily newspapers

EMPLOYEES AS A VALUABLE PART OF THE BINDER FAMILY BUSINESS

Employees

Further training opportunities, information events, company events and a canteen in the company: the employees are the focus at Binder. And that regardless of gender, age or nationality. Because the topic of equal rights and equality is lived and practised in the company.

Binder attaches great importance to training and further education. Whether it is in the commercial and technical traineeships (almost 7% of our employees are trainees), in the possibility of completing a dual course of study, or taking advantage of an internal or external further training measure - there are many opportunities at Binder.

We are also always interested in recognising and promoting hidden potential in our employees. With us, a job in production, for example, is not a "one-way street", but often enough a stepping stone to a job as a programmer or a similar position.

In addition, we support our employees within the framework of the Company Pension Strengthening Act (BRSG) - the company supports its employees here with an attractive offer and a subsidy of 20 % for the time after working life. The company also subsidises employee meals in the in-house canteen and supports the purchase of a bicycle or e-bike as part of the JobRad offer.



A ppreciation as part of a sustainable corporate culture.

WASTE MANAGEMENT

The best waste management prevents unnecessary production through consistent planning. This is exactly where Binder comes in - and the waste that is produced has been sorted carefully for years, explains Raymond Weiss, who has been responsible for environmental management and employee safety at Binder for many years.

The biggest potential for waste reduction in a metal processing company is to minimise metal scrap and maximise material utilisation. This is ensured through the use of digital simulation and planning. Production can further support this by consistently avoiding producing rejects.

In addition, the consumption of the resources electricity, natural gas and water is constantly monitored and savings targets are set and their achievement evaluated as part of annual optimisation projects. This is part of the annual management assessment as part of the environmental certification according to the ISO 14001:2015 standard.

Municipal waste, paper waste and hazardous waste are also collected.

The consumption figures are shown on the following page in annual comparison.

Regional company with international orientation and sustainable business management.





KEY FIGURES ON CONSUMPTION AND WASTE QUANTITIES BRAUTLACH SITE

Key figures on consumption and waste quantities

The following consumption figures relate to all the companies operating at the Brautlach site (Karl Binder GmbH, Binder Technologie GmbH, Binder Parametric Metal GmbH), as it has not yet been possible to separate the waste into the individual companies.

	2017	2018	2019	2020	Trend absolut	Trend bezogen auf Umsatz
Electricity [MWh]	3503	3503	4387	4618		-
Natural gas [MWh]	794	882	714	732		
Water [m³]	1396	(2552)	(2882)	893	_	_
Municipal waste [to.]	15,05	(27,02)	20,80	20,00	→	→
Paper waste [to.]	12,68	18,75	16,76	13,39	→	-
Wood [to.]	21,01	28,37	49,55	34,19	/	→
Hazardous waste oil, emulsions, oil filters/operating fluids (m³)	42,10	39,32	51,90	17,00	_	_

Evaluation

The values for 2018 and 2019 are distorted due to construction activities and are therefore in some cases given in brackets. The consumption of electricity, gas and water in 2020 is within the expected range (due to Corona, the start of series production of new products was later than planned, employees went into the home office, weather conditions).

If the waste quantities are put in relation to the turnover achieved, a reduction can be seen throughout, with the exception of the waste type wood. The waste type wood will be examined in more detail in 2021 in order to understand the increase.

The emissions specifically for Binder Technologie GmbH are listed on the following page.

EMISSIONS BINDER TECHNOLOGIE GMBH

	GHG Emissions Summary for Binder Technologie GmbH in [to] CO2	Year			
Scope	Activity Type	2020	2021	2022	2023
Scope 1	Stationary combustion	25,192			
	Mobile combustion	18,622			
	Fugitive emissions from air-conditioning	0,000			
	Other fugitive or process emissions				
	Scope 1 - Total	43,814			
Scope 2	Purchased electricity - location based	0,000			
	Purchased electricity - market based	874,428			
Purchased heat and steam	Purchased heat and steam	0,000			
	Scope 2 - Location based + heat and steam	0,000			
	Scope 2 - market based + heat and steam	874,428			
Scope 3	Purchased goods and services				
	Capital goods				
	Fuel-and energy-related activities (not included in scope 1 or scope 2)				
	Upstream transportation and distribution	1,349			
	Waste generated in operations				
	Business travel	4,263			
Employe	Employee commuting	5,668			
	Upstream leased assets				
P U E C	Downstream transportation and distribution				
	Processing of sold products				
	Use of sold products				
	End-of-life treatment of sold products				
	Downstream leased assets				
	Franchises				
	Investments				
Scope 1 (Biogenic)		0			
Scope 2 (Biogenic)					
Scope 3 (Biogenic)		0			

Presentation and data source: GHG Emission Calculation Tool, Date: March 2021

Calculation of emissions

Emissions are calculated by determining consumption based on the requirements of the Greenhouse Gas Protocol (GHG Protocol).

The sectors considered are as follows:

Scope 1

All direct emissions, i.e. emissions from sources within the boundaries of the country.

Scope 2

indirect emissions from externally generated and purchased electricity, steam, heating and cooling

Scope 3

all other indirect emissions, including those from production, transport of purchased goods or distribution and use of own products, as well as emissions due to business travel

The calculation of waste disposal has been omitted yet, as these are accounted for the entire site

Accounting period:

01.01.2020 - 31.12.2020

Organisational boundaries

Binder Technologie GmbH

EMISSIONS BINDER TECHNOLOGIE GMBH

Evaluation

The highest emissions are caused by purchased electrical energy and gas heating.

Notes and measures for more accurate recording of emissions

The electrical energy consumed has so far been allocated to the individual companies on the basis of short-term power measurements on the respective machines (in 2020 26% of total consumption). This method reaches its limits, especially in times of irregular component call-offs by customers. In future, the machines of Binder Technologie GmbH will receive their own electricity meters in order to be able to record annual consumption more precisely. A project has already been started for this purpose. The completion of the project is still planned for 2021.

Stationary combustion includes the consumption of natural gas for heating the halls. The allocation to Binder Technologie GmbH is based on a fixed percentage via the share of space occupied by Binder Technologie GmbH at the site (19% of total consumption). This can be retained, as the areas can be determined very precisely.

The consumption of the items "upstream transportation and distribution", "business travel" and "employee commuting" on which the emission values are based will be recorded more precisely from 2021.

The waste volumes for the waste types municipal waste, paper waste and wood have not yet been included in the balance sheet. Projects are being set up to analyse the waste volume with the aim of being able to allocate the waste quantities more precisely to the individual companies and to significantly reduce them as a result.

Measures to reduce emissions

A photovoltaic project that was originally planned to be implemented in 2021 was postponed to 2023 due to the reduced production quantities caused by the Corona pandemic and the resulting drop in sales. This project involves an investment of $\mathfrak{C}900,000$ and achieves a projected yield of 1,300 MWh per year. This could cover the entire electricity demand of Binder Technologie GmbH (1,200 MWh in 2020).

The vehicles owned or leased will be electrified step by step. Electrification of the company fleet already began in August 2020. In August 2021, only one vehicle was still a pure combustion engine.

Similarly, efforts are already being made to choose the most environmentally friendly means of transport for company travel. However, the Corona crisis has drastically reduced company travel and also limited the use of public transport.

SOCIAL KEY FIGURES BRAUTLACH SITE

Social key figures

	2017	2018	2019	2020
Health rate [%] (sick hours / target hours)	4,71	4,56	4,06	4,46
Accident rate [number of accidents/100 employees]	0,45	0,89	0,42	1,21
Fluctuation (termination AG) (termination/number of MA [%])	6,2%	4,0%	3,1%	5,1%
Fluctuation (termination of employment) [%]	3,8%	5,6%	5,0%	4,0%
Number of nationalities [number]				15
Average length of service [Y]	10,0	9,9	10,2	10,1
Proportion of female employees [%]	18,5%	16,5%	18,4%	23,5%

Evaluation

The health rate has deteriorated slightly due to the generally longer corona sick leave and quarantine, but is not bad compared to the value of the manufacturing industry. The fluctuation values (employers (AG) and employees (AN)) are still at too high a level, especially in the commercial sector the influence of the labour market in Ingolstadt is clearly visible (payment).

Outlook and Objectives

In the future, exit interviews will be held, if possible, in order to find out the reasons for resignations by employees. In addition, employees will be graded in order to enable a sector comparison in terms of pay.

