



*Ensinger GmbH • Financial Year 2021/2022*

# *Sustainability Report*

Ensinger 

Ensinger 



## 04 Introduction

About this Sustainability Report  
Message from the Executive Board  
Ensinger in a Nutshell

## 08 Strategy and Processes

Business Model  
Strategic Initiatives  
Corporate Vision  
Corporate Mission  
Corporate Values  
Disciplinary Responsibility  
Integration of Sustainability into the Management System  
Rules and Processes  
Operationalisation and Control  
Incentive Systems  
Risk Management  
Materiality  
Priorities and Goals for Sustainability

## 16 Environment

Management System and Certifications  
Consumption of Energy and Environmental Resources  
Measures to Reduce Energy Consumption  
Photovoltaics  
Recycling  
Waste Generation  
Corporate Environmental Footprint  
Data Quality  
System Boundaries  
Carbon Footprint  
Reduction Targets: Science-Based Targets  
Environmental Impact



## 28 Social

Workers' Rights  
Representation of Interests and Participation  
Business Environment, Culture, Leadership  
Help with Difficulties and Crises  
Occupational Health and Safety Protection  
Equal Opportunities  
Education and Training  
Charitable Commitment  
Wilfried and Martha Ensinger Foundation



## 34 Corporate Governance

Compliance with the Law and Directives  
Organisation of Compliance  
Compliance Management  
Code of Conduct  
Whistleblowing  
Supply Chains  
Political Influence  
Mission Statement



# Introduction

## About this Sustainability Report

As a family business, we at Ensinger are convinced that we are a sustainably managed and operating company. Even the founder placed great importance on creating real added value with the products, giving employees security and prospects, and showing consideration for society and the environment. But how far does the sustainability practised at

Ensinger really go? In order not to make things too easy for ourselves and to consistently follow the path of sustainability, we have decided to speak transparently and clearly about our actions and not to leave out open problems and recognised deficits. Our actions should be concrete, measurable and verifiable. In this sense, this report serves as a status report on our situation, our self-assessment as well as the goals and milestones on the way to socially and environmentally compatible management.

**Report content and framework.** The term and the concept of sustainability are understood here in a comprehensive sense, namely as a desired development of society, and thus of the company that enables all people to satisfy their needs without depriving future generations of their livelihoods<sup>1</sup>. These needs and the protection of livelihoods are made tangible by the 17 Sustainable Development Goals of the United Nations<sup>2</sup>. In circles of the financial sector and institutional investors, the concept of social investment in

particular has become established for sustainable corporate management, and with it the classification according to the main topics of environmental, social and governance (ESG for short). The spectrum of strategies and measures with which the company management aligns itself to these social goals beyond profit maximisation is determined and evaluated. This presentation forms the conceptual framework of this report.

The reporting standard of the German Sustainability Code (DNK)<sup>3</sup> also served as an important orientation aid. Without explicitly referring to it, reference is made to almost all sub-aspects of the 20 criteria of the Code. In accordance with

§ 315c in conjunction with § § 289c to 289e of the German Commercial Law (HGB), the report also summarises all topics that were classified as significant by the management as a result of the materiality analysis with regard to environmental, employee and social concerns, respect for human rights and the fight against corruption and bribery. The key figures and graphs shown are based on definitions and data from the internal reporting system. In most cases, the information is compatible with the standards of the Global Reporting Initiative (GRI)<sup>4</sup>, an internationally recognised standard for sustainability reporting. For the next reporting year, the aim is to show all information in GRI-compatible form.

**Scope and reporting period.** Unless otherwise stated, all statements apply to the activities of the Ensinger Group at its German locations (Ensinger Germany) and thus mainly to Ensinger GmbH, Nufringen. Statements that refer to the entire Ensinger Group are marked separately. As of the next reporting year, it is planned to extend the scope to the international group of companies and only report for the German plants on a case-by-case basis if the data definition and quality does not yet permit a consolidated presentation. The reporting period refers to the Group's financial year, which differs from the calendar year, from April 2021 to March 2022 (referred to as "2022").

**Structure of the report.** The report is divided into four chapters. The first chapter, **Strategy and Processes**, explains processes and regulations that ensure that aspects of sustainability are taken into account in daily activities. It also shows what influences sustainability has on and from the company and what goals the company has set for itself.

<b>E</b> Environmental	<b>S</b> Social	<b>G</b> Governance
<ul style="list-style-type: none"><li>• Greenhouse Gas Emission</li><li>• Energy</li><li>• Biodiversity</li><li>• Resources</li><li>• Environmental Protection</li></ul>	<ul style="list-style-type: none"><li>• Product Responsibility</li><li>• Working Conditions &amp; Standards</li><li>• Social Engagement</li><li>• Occupational Health &amp; Safety Protection</li></ul>	<ul style="list-style-type: none"><li>• Partnerships</li><li>• Compliance<ul style="list-style-type: none"><li>&gt; Corruption</li><li>&gt; Bribery</li><li>&gt; Money Laundering</li><li>&gt; Human Rights</li></ul></li><li>• Risk &amp; Reputation Management</li></ul>

<sup>1</sup> Based on the definition of the United Nations Brundtland Commission, 1987: [www.un.org/en/academic-impact/sustainability](http://www.un.org/en/academic-impact/sustainability).

<sup>2</sup> [sdgs.un.org/goals](http://sdgs.un.org/goals).

<sup>3</sup> Guide to the German Sustainability Code, at [www.deutscher-nachhaltigkeitskodex.de](http://www.deutscher-nachhaltigkeitskodex.de).

<sup>4</sup> [www.globalreporting.org](http://www.globalreporting.org).

---

A second chapter, **Environment**, is devoted to questions of environmental and climate protection as well as resource consumption. Finally, under **Social** issues, aspects of working conditions in the company and charitable commitment are discussed. In the chapter **Corporate**

**Governance**, ethical-legal issues are presented in the context of corporate governance.

I would like to thank all the people who contributed to this report, namely Stefanie Klenk, Corinna Kohler and Markus Schroth.

It would be nice if the reactions to this report - critical and encouraging - would help us to continue on the path we have chosen.

Klaus Ensinger  
Sustainability Manager



**T**  **DAY**  
**F**  **R**  
**T**  **MORROW**

As a family business, we are aware of our social responsibility. In line with the motto “Today For Tomorrow”, we therefore take responsibility for our actions and set the course today for tomorrow.



fairness and trust, compliance with the law and a social attitude are, we believe, essential prerequisites for the long-term existence and prosperity of the company. Finally, sustainable action also means forward thinking, and such action today, in the face of major changes in the political environment and the transformation of entire markets, includes a well-positioned management of risks in order to adapt to these changes in good time. Understood in this way, sustainability is not a “must-have” but a potential for growth, prosperity and profitability of the company and an important concern for the entire workforce.

Even though some things have been achieved, there is no reason to be satisfied. There are great challenges and tasks ahead of us. But we are confident that we will also achieve the goals we have set ourselves with regard to sustainable action in the coming year.

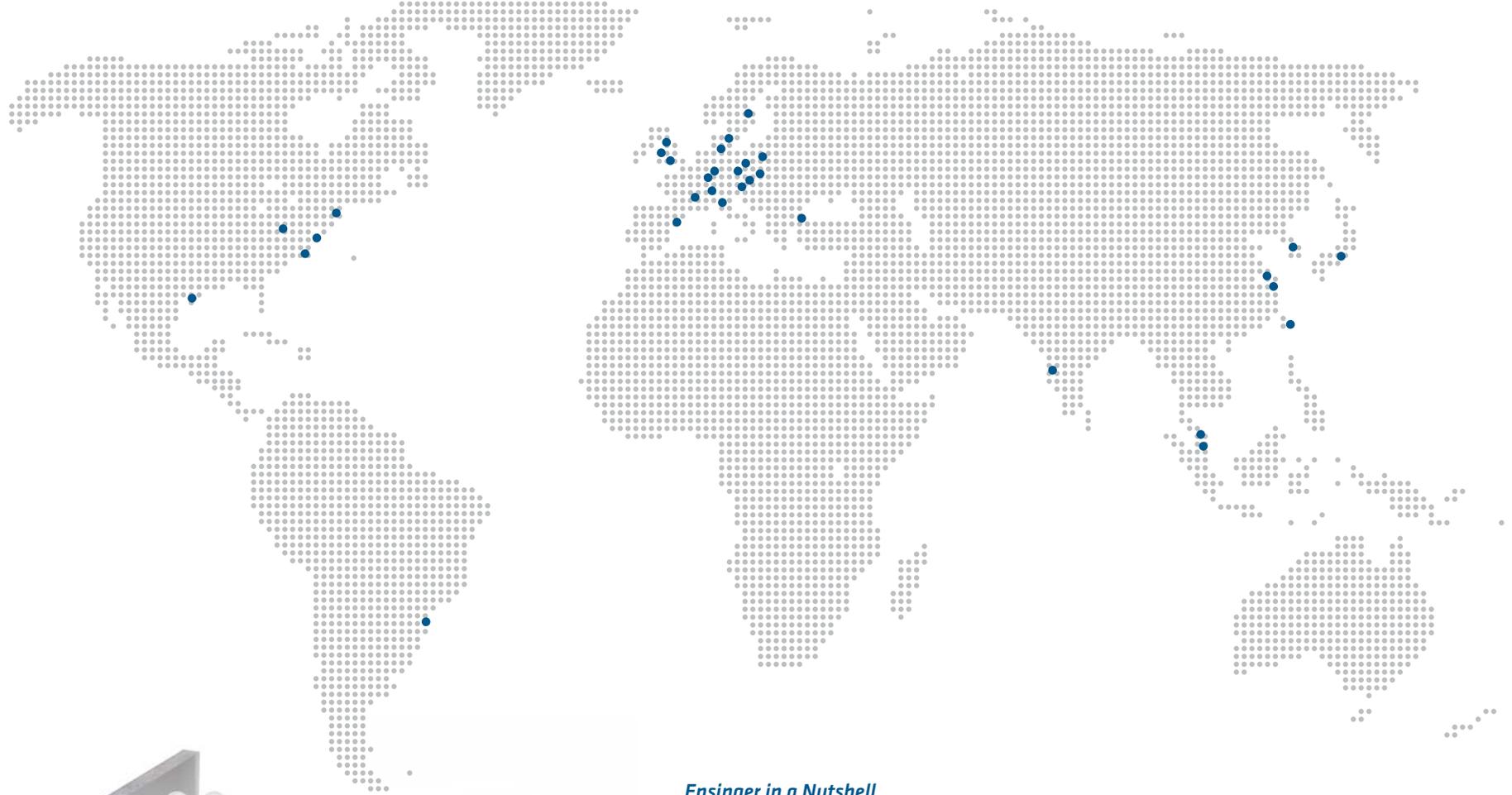
The Management

Dr Oliver Frey, Dr Roland Reber, Ralph Pernizsak

### **Message from the Executive Board**

Sustainability, in all its facets, has become increasingly important for businesses and the economy and has evolved from a “nice-to-have” to a “must-have”. Assessed in this way, sustainability joins a list of important issues that need to be considered and dealt with. But if the art of good leadership is to convey orientation and meaning, the question must also be answered at this point whether sustainable action is more like a compulsory exercise or has a deeper meaning that can also be communicated. The

answer is easy for us, because we believe that sustainable action can be very well aligned with the values of the company and today’s requirements, and is part of even the core of Ensinger’s identity. This starts with the materials we use, the engineering plastics. Properly designed and used, they have the potential to significantly reduce energy consumption, and thus emissions to the atmosphere. Sustainability is also inherent in the company’s core values: Long-term relationships with our stakeholders based on



### ***Ensinger in a Nutshell***

The Ensinger Group is engaged in the development, production and distribution of compounds, semi-finished products, composites, finished parts and profiles made of engineering plastics. Ensinger uses a variety of manufacturing processes to process thermoplastic engineering and high-performance plastics, including extrusion, machining, injection moulding, casting and sintering. With a total of 2,600 employees at 33 locations, the family-owned company is represented by production facilities or sales offices in all major industrial regions worldwide.

**Mission**

**Growth**

**Efficiency**

**Strategy**

**Vision**

**Corporate Values**

**Corporate Policy**

**Innovation**



---

# Strategy and Processes

# Strategy and Processes

## Business Model

Innovative materials play a decisive role in industrial progress today. Ensinger has made it its business to offer the customers in industry and trade modern plastics of the highest quality and with exemplary service. The focus is on semi-finished products for mechanical processing into parts and components as well as profiles, finished parts and compounds.

The range of processes used is wide and extends from established technologies (compounding, extrusion, injection moulding) to special processes (casting, hot compression moulding, additive manufacturing).



Compounds



Stock Shapes



Sintered Plastics



Profiles & Tubes



Injection Moulding



Machined Parts



Additive Manufacturing



Composites



P84 Powder



Insulating Profiles

The materials used for industrial applications are based on so-called engineering plastics, with a particular focus on high-performance plastics that can withstand high mechanical, chemical and thermal stresses. Ensinger supplies its products to customers in many high-growth industries. The focus is on general mechanical engineering, the window and facade industry, medical technology and the automotive and aerospace supply industry, as well as electronics.



Food



Mechanical



Medicine



Aerospace



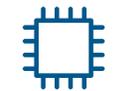
Energy



Construction



Automobile



Semiconductor

## Strategic Initiatives

The social and industrial environment is undergoing enormous change. As part of its strategic planning, the management decided to focus on key external challenges and to initiate changes in the company in the form of strategic initiatives. Strategic initiatives are lead projects that are pursued with high priority and are controlled using special methods.



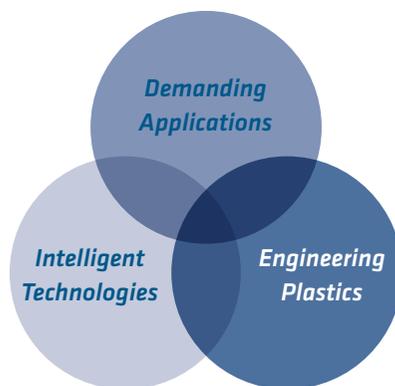


An important strategic initiative is the development of new sources of growth for the company. The principle of combining the various building blocks of the entire range of products and processes into integrated services is being increasingly pursued. The focus of the second initiative, the efficiency initiative, is on synergies and rationalisations, which should lead to the saving of resources and enable further growth with available funds. A third strategic initiative is to strengthen the innovative power in the company. A new unit, called the New Business Factory, was created for this purpose, in which new business ideas are generated, evaluated and further developed. Promising innovations are driven forward by specially staffed teams, comparable to a start-up structure. Finally, the basis and trigger for many changes in the company is the advancing digitalisation. A newly developed project planning (IT roadmap) centrally pursued by the management, ensures that processes are increasingly digitalised and the opportunities of this technological revolution are used.

### Corporate Vision

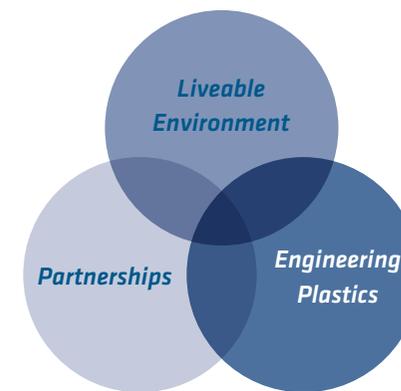
The company's vision illustrates the benefits of the company for its customers. The company's founder, Wilfried Ensinger, was convinced that only a distinctive differentiation of performance and constant innovation would ensure the company's success and continued

existence. That is why the company's vision is defined by a triad of demanding applications (operation areas), intelligent technologies, and a focus on modern engineering plastics. The better the company succeeds in developing an innovative solution differentiated by application, process and material in cooperation with the customer, the higher the benefit and ultimately the satisfaction for both parties will be.



### Corporate Mission

The company mission clarifies the motive or the actual meaning behind the economic activities and the work for the company. For Ensinger's employees, the company should ultimately serve society and contribute to the well-being of the people who deal with it. The motivation and drive of the work is therefore to create an environment that is as liveable as possible, and to work together in partnership at all levels. The possibilities and fascinating potentials of technical plastics form the material basis for this.



### Corporate Values

Cooperation and the way decisions are made in the company are based to a large extent on shared values. The pursuit of sustainability, especially the social dimension of sustainability, is also based on values, in particular the values of diversity, respect, honesty, solidarity and the search for solutions that are sustainable in the long term. Ensinger's corporate values (see next page) have been based on this for many years. They have their origin in the company's mission statement<sup>5</sup>, a corporate constitution document that has been valid for more than thirty years.

<sup>5</sup> Mission Statement on p. 37.

### **Corporate Values**

#### Longevity and independence

We look for sustainable and balanced solutions that meet the concerns of all parties involved and the environment as far as possible. If possible, the company should remain independent.

#### Development and entrepreneurship

All employees should be given the freedom and opportunity to take entrepreneurial risks.

#### Diversity and openness

We tolerate each other and value diversity and differences among people. We put facts and problems openly on the table and inform employees about critical issues.

#### Respect and trust

We show ourselves sincere appreciation and assume good motives and good behaviour from others first.

#### Honesty and solidarity

We do not lie to each other and do not hide our intentions and motives. We work together across divisions and help staff in critical situations.

#### Technical affinity and analytics

As a technically driven company, we see technical progress and engineering plastics as an opportunity to improve our world. When solving problems, we take an analytical approach and work with the help of data and facts.

---

### **Disciplinary Responsibility**

The company's management and advisory board discuss key aspects of sustainability and ensure that appropriate goals and measures are set and pursued. To support them, the staff position of a "Sustainability Manager" has been established, which is assigned to a member of the Executive Board and has technical authority to issue directives. From this position, open questions are analysed, concepts and recommendations for action are developed and information is published.

### **Integration of Sustainability into the Management System**

A company gives due place to sustainable action if its frame conditions (corporate policy), long-term goals (strategies) and measures refer to important aspects of sustainability. Ensinger has committed itself to sustainable action at various points over many years and has derived corresponding goals and measures. Particularly worth mentioning are:

- Principles of employee development, environmental protection and legally compliant behaviour in the company's mission statement (p. 37)
- Environmental protection, formulated in the environmental and energy policy and controlled via environmental and energy management systems (ISO 14001 and 50001)
- Establishment of safe working conditions, formulated in the occupational health and safety policy
- Ethically correct business conduct, respect for the human rights and dignity, and the prevention of bribery and corruption, formulated in the company's Code of Conduct (p. 38)

Increasingly, considerations of sustainability are finding their way into the strategies of the product lines. In this way, goals and projects for a way of doing business in material cycles, and measures for a more efficient use of resources are defined. However, the strategies will have to be adapted to a greater extent in order to meet further challenges in the context of sustainability. Corresponding focal points and goals will be developed in the current business year.

### **Rules and Processes**

Measures are defined and planned for all the above-mentioned principles and goals. Important topics are organised and controlled in the form of projects. The main tasks, responsibilities and processes are regulated in an ISO 9001 certified management system. A summary of all goals and activities on aspects of sustainability in the form of a sustainability strategy is not intended. The underlying view is that elements of sustainability influence all important decisions and should be found at the appropriate places in the management system.

### **Operationalisation and Control**

Whether and to what extent the projects and measures towards more sustainability bring about the desired results must be analysed and assessed on the basis of indicators. Not all aspects of sustainability have yet been adequately assessed with suitable and standardised indicators. However, significant progress has been made in recent years. Particular attention has been paid to the systematic recording of environmentally relevant processes such as the consumption of natural resources, as well as general environmental impacts such as the emission of greenhouse gases. Employee-related processes are also increasingly

better recorded and measured. There is room for improvement in data and evaluations on corporate compliance, the consolidation and standardisation of data across the entire group of companies, and the lack of alignment with the GRI standards.

### **Incentive Systems**

Ensinger uses relatively few financial incentives that establish a link between specific goals and employee remuneration. A one-sided focus on targets with monetary incentives is thus to be avoided. This also applies to targets and measures with regard to sustainable behaviour.

### **Risk Management**

The Sustainability Unit identifies and evaluates important sustainability risks, especially those that can lead to negative effects on the non-financial aspects defined according to the German Commercial Law (HGB). These include, in particular, environmental concerns, employee concerns, respect for human rights and the fight against corruption and bribery. Like all areas, the sustainability department feeds its risk analysis into the central risk management system and the central risk register. The synopsis of all risks ensures that risks are managed across the board. The organisation of risk management is currently being adapted. In the future, a fixed committee will regularly discuss the main risks together with the Executive Board and initiate projects to minimise these.

### **Materiality**

The principle of materiality originates from Anglo-Saxon accounting (materiality accounting) and obliges reporting to address all truly significant issues - here in the context of

# Strategy and Processes

sustainability - and to assess them as objectively as possible. A distinction is made between an external and internal perspective. On the one hand, with a view to the company's environment, all significant opportunities and risks arising from changes in the ecosphere and social development must be recorded and interpreted ("outside-in perspective"). Conversely, it is also important to address the significant ecological and social consequences of the company's business activities on its environment ("inside-out").

Such an analysis should be significantly influenced by the perspectives of the people and groups who have a close relationship with the company, the so-called stakeholders. The management and the advisory board of Ensinger have repeatedly and loosely sought the opinions of stakeholders and have presented their own ideas. Discussions were held with representatives of customers, suppliers and service providers, employees, financing partners, shareholders and applicants as well as municipalities, politics and authorities. Finally, various dimensions were described in more detail in workshops.

The results were then summarised in a materiality analysis (figure above). The statements of the employees ("Ensinger") and external persons ("Stakeholder") were recorded separately and plotted on two axes. From this summary, the management selected focal points for which goals and measures were formulated (underlined in italics).

## Materiality analysis

Relevance for stakeholders	Very high	<ul style="list-style-type: none"> <li>- <b>Social concerns</b></li> <li>- Environmental pollution</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Climate protection and strategy</b></li> <li>- <b>Compliance and integrity</b></li> </ul>
		<ul style="list-style-type: none"> <li>- Occupational health and safety protection</li> <li>- Protection of water and marine resources</li> <li>- Equal opportunities</li> <li>- Rights of workers</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Adaptation of business strategies</b></li> <li>- Attractive working environment</li> <li>- Education and training</li> <li>- Environmental/social standards in the supply chain</li> <li>- Management of the risks</li> </ul>
	Medium	<ul style="list-style-type: none"> <li>- Corporate policy</li> <li>- Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>- Whistleblowing</li> <li>- Sustainability organisation</li> <li>- Data security/protection</li> </ul>
		Medium	Very high

■ Environment   
 ■ Social and society   
 ■ Strategy and governance   
 \_ Focal points and goals

### Priorities and Goals for Sustainability

The current focal points from the materiality analysis are:

**Complete climate strategy.** In the reporting year, the focus was on the adoption of a climate strategy to limit climate-damaging greenhouse gases by the company. For the first time, all greenhouse gas emissions were calculated and summarised in a balance sheet by polluter (p. 21 ff.). From this, the targets for the reduction of greenhouse gases are currently being derived, which are to be in conformity with the goals of the Paris Climate Agreement. To confirm their conformity, the targets are to be submitted to the Science Based Target Initiative (SBTi, p. 25) for validation (review). Corresponding measures are provided for the targets in their planned version (Transition Plan).

**Social concerns.** The varied commitment of the company and the employees to the common good is currently registered and clearly presented, both within the framework of the Wilfried and Martha Ensinger Foundation and outside it. Further ideas and initiatives are to be evaluated in order to further strengthen the commitment.

**Adaptation of business strategies.** The transformation of society towards sustainable behaviour is calling into question the strategies of all product areas. The acceptance of plastics is declining and Ensinger is also challenged to demonstrate credibly through performance that this class of materials has a future. To this end, it is necessary to reduce its own ecological footprint with new products and processes and to support customers in decarbonising their activities and products. The company should also contribute to mitigating the negative impacts of plastics on the environment, even if it is not directly responsible for such impacts. As part of the strategic planning, these focal points are addressed for all areas.

**Compliance Management.** Ensinger has efficient structures in place to ensure compliance with applicable law. However, the system is not complete in the sense of a management system. The missing elements are to be defined and supplemented in the course of the current year. A material focus here is the increased supervision and control of the supply chains.



**Energy Policy**

**Climate Protection**

**CO<sub>2</sub>**

**Recycling**

Biodiversity

Species Protection

**Environmental Protection**



---

**Environment**

## Environment

The question of what impact products made of plastics have on ecological aspects of sustainability cannot be answered in a blanket manner, because many influences (which can also change) have to be taken into account in the assessment. Today, “plastic” has a bad reputation and that is understandable. Countless products are only used once and end up in landfills or even in rivers and oceans, where they cause great damage. However, it should not be forgotten that plastic products cover important requirements at low cost and often have a significant positive impact on the environment. For example, ultra-thin and stretchable films keep food fresh and thus prevent large losses of resources with minimal energy input.

Semi-finished products and components from Ensinger are used in a wide range of applications. Their intended use is not always known in detail. However, where this insight is available, it often becomes apparent that the products can help to improve the ecological footprint of the components in which they are used. Their manufacturing balance is comparatively good and they help to save weight and therefore fuel, avoid the use of lubricating oils and greases and reduce assembly and maintenance costs. Plastics can also make a decisive contribution to insulation and thermal insulation. Ensinger’s thermal insulation profiles (insulbar®) offer a prominent example of this.

So it is not least ecological aspects that have accelerated the growth of these materials.

**insulbar® profiles for thermal insulation.** The “thermal break” was developed by Wilfried Ensinger at the end of the 1970s to insulate windows, doors and façades made of aluminium and steel. In this process, fibre-reinforced plastic profiles are “rolled in” between an inner and an outer shell of the metal frame. This creates a firm connection. As a result, the plastic profile suppresses the flow of heat between the shells of the frame - a captivating and successful solution in the face of the challenges of the first energy crisis. Without the key technology of thermal break, the use of high-quality metal frames in building construction would be unthinkable. Today, most metal windows and façades around the world are insulated in this way.



The principle: Plastic profiles between metal shells insulate the window frame.

In more than forty years of constant development, sophisticated structures with diverse interiors have emerged from the first simple profile shapes, created to meet the increasing demands of customers for energy efficiency, freedom of design and cost reduction. Today, fine hollow chamber profiles made of specialised plastic

formulations are used, modified with foams or lined with radiation-reflecting foils.



Modern complex profile geometries improve the insulation enormously.

The developers paid particular attention to making the manufacture of the product itself as resource-friendly as possible. A milestone on this path was the reprocessing and use of recycled plastics, especially production residues from the manufacture of fibres and textiles, but also from reusable covers and housings from end-of-life vehicles. The use of recyclates significantly reduces the environmental impact: the used materials are sent into a new product life cycle. The energy-intensive production of a plastic from monomers (polymerisation) can be omitted.

Ensinger offers its customers comprehensive technical and environmental advice. The spectrum ranges from the design of the overall system for an optimal insulation effect to performance measurements and the issuing of certificates (Environmental Product Declarations (EPD), cradle-to-cradle certificates, etc.).



### Management System and Certifications

Ensinger considers the preservation and protection of the environment to be an important part of its responsibility. As stated in its environmental policy, the company strives to continuously improve its environmental performance and to use raw and auxiliary materials as well as energy and water as efficiently as possible. Ensinger continues to strive to avoid water and air pollution and to minimise the use of hazardous chemicals and waste generated. Efforts to achieve this have been intensified in recent years. As early as 2010, the company introduced an environmental management system in accordance with ISO 14001 and had the Rottenburg-Ergenzingen site certified, followed by the Nufringen and Cham sites in 2020. In order to evaluate and improve energy-related performance, an energy management system in accordance with ISO 50001 was introduced at all three German sites in 2012. “Energy teams” elicit potential for improvement at all sites and initiate measures. Within the framework of improvement projects of the CIP programme, possibilities to further reduce the amount of production waste, emissions and waste water are also being investigated.

In order to be able to fully and properly assess the impact of environmental pollution and greenhouse gas emissions, a corporate environmental footprint has now been added to the system for the first time (p. 21).

### Consumption of Energy and Environmental Resources

In the reporting year 2022, the energy consumption of gas and electricity of the German plants increased by 11 % to 69,647 MWh compared to the previous year. This development is essentially due to a strong increase in production utilisation. The consumption of process water also correlates with the production volumes, but remained constant. Specific water consumption<sup>6</sup> was thus reduced. The consumption of fuel and heating oil even decreased in absolute terms: The number of business trips remained relatively low, especially long-distance trips. The replacement of an aging oil heating system helped to reduce the consumption of heating oil.

<sup>6</sup> Ratio of annual water consumption (m<sup>3</sup>) to annual production volume (in tonnes).

<sup>7</sup> Calculated saving from the fact that the total production was produced in higher batch sizes and with higher utilisation.

### Ensinger Germany: Consumption of energy, fuels and process water

Business year	2020	2021	2022
Gas consumption (MWh)	10,360	11,388	11,747
Electricity (MWh)	53,454	51,778	57,900
Fuels (MWh)	2,086	1,314	1,148
Heating oil (MWh)	853	469	272
Water consumption (m <sup>3</sup> )	21,821	24,876	24,288
Specific water consumption (m <sup>3</sup> /to)	0.49	0.51	0.43

### Measures to Reduce Energy Consumption

In order to successively reduce the consumption of electricity, several projects were initiated in the energy teams and the divisions. In the reporting year, they mainly concerned the optimisation of the production facilities. The main focus was on the use of optimised tools to improve output and reduce the reject rate. The use of new and more efficient drive motors and the optimised use of compressed air also contributed to reducing energy consumption.

The energy refurbishment of buildings played only a minor role in the reporting period. The ongoing replacement of conventional lighting with LED lighting has been largely completed.

### Ensinger Germany: Energy savings from improvement projects

Business year	2020	2021	2022
Energy savings (kWh) from projects (without scrap)	269,442	417,024	415,613
..of which from reduced scrap	-	-	172,856
Savings (kWh) from increased utilisation <sup>7</sup>	-	-	1,247,857

# Environment

## Photovoltaics

The increased use of electricity from the company's own photovoltaic systems installed on the grounds of the factories is pleasing. Already today, the installed capacity in Germany is 750 kWp. Almost 360 MWh of electricity is thus generated annually from three plants and around 130 tonnes<sup>8</sup> of CO<sub>2</sub> emissions are saved each year. Another plant with an output of 930 kWp is under construction on the factory premises of the site in Cham (Bavaria). Plants with an output of 500 kWp are in use on roofs and open spaces of the foreign plants. Further systems with an output of 530 kWp will be erected and connected in the course of the current financial year.



## Recycling

The recycling or reprocessing of plastic scraps is an important measure that can reduce environmental impact. Ensinger has extensive experience in this field. Careful process management and know-how ensure that no impurities are introduced into the reprocessed material and that polymer chains are not broken down. This is the only way to maintain the technical properties of the materials at a high level and to manufacture products that can perform the desired functions. For in-house reprocessing, production waste, cutting residues and surplus stock items are pre-sorted, crushed, ground and added to certain recipes in the factories. A proportion that cannot be processed in the company's own cycle is sold to external companies (Materials to third parties, p. 21). The reported recycling rates indicate the share of in-house residues in the total production volume. This does not include purchased recyclates from external production, which are added to the formulations according to customer specifications in order to reduce the CO<sub>2</sub> balance of their products. This share of recycling has increased in recent years.

### Ensinger Germany: Recycling

Business year	2020	2021	2022
Reused leftovers (to)	-	1,874	1,668
Production volume (to)	44,425	49,002	56,937
Recycling rate (%)	-	3.8	2.9

In the future, the share of recycled products in the material volume is to be increased significantly. An important step on this path are insulating profiles made of the material insulbar<sup>®</sup> RE, which are now in high demand. They consist of 100 % recycled polyamide from certified external sources. Compared to profiles made of virgin material, the consumption of fossil fuels is reduced by 92 %, CO<sub>2</sub> emissions by 91 % and water consumption by 78 %, which is confirmed by the Environmental Product Declaration (EPD). In the semi-finished products division, precautions are being taken to increase internal processing capacities in order to be able to feed larger quantities of production residues (offcuts, chips) back into the manufacturing process. The division is participating in an industry-wide initiative of the European Plastic Shapes Manufacturers (EPSM) to

<sup>8</sup> Current emission factor for electricity mix from Germany: 0.355 kg CO<sub>2</sub> per MWh.



create a cross-manufacturer system for taking back and reprocessing production residues from semi-finished products.

### Waste Generation

Most of the waste generated is directly related to the manufacture of the products and the tools required for shaping them. Accordingly, the waste generated mainly comprises residual pieces and chips of plastic and metal as well as fractions of wood, cardboard and paper. Due to the increased production volume, the total amount of waste generated in 2022 increased by 4 % compared to the previous year. The specific waste generation, i.e. the ratio of waste generation to the quantity of products produced, fell from 5.04 % to 4.52 %. This improvement resulted from the higher occupancy rate and increased production batch sizes. In one production area, the batch-size-dependent scrap rate was significantly reduced through technical adjustments and the use of new tools.

#### Ensinger Germany: Waste generation

Business year	2020	2021	2022
Total waste generation (to)	2,656	2,472	2,574
Of which plastics to third parties <sup>9</sup> (to)	1,210	1,046	977
Hazardous waste <sup>10</sup> (to)	183	186	211
Specific waste generation (%)	5.92	5.04	4.52

### Corporate Environmental Footprint

Data on resource consumption is recorded in the company on all major environmental issues. However, it was not possible to comprehensively assess the *impact* of the company's activities on the environment. In this reporting year, the basis for a standardised life cycle assessment was therefore developed for the first time in cooperation with environmental engineers from sinum AG (St. Gallen Switzerland). The result is a statement of the environmental impact and the CO<sub>2</sub> emissions. The aim is to provide a data basis for decision-making and communication.

**Environmental impact.** The instrument of life cycle assessment (LCA) according to the principles of ISO 14040 is used to *record environmentally relevant data*. The ecological scarcity method is used to *estimate the total environmental impact* (LCIA)<sup>11</sup>. The ecological scarcity method weights various environmental impacts - for example pollutant emissions or consumption of finite resources - by means of so-called eco-factors and derives burdens from them. The eco-factor of a particular substance is in turn derived from environmental legislation or corresponding political goals<sup>12</sup>. The calculation and addition of various environmental impacts of an activity finally results in the total impact in the form of an absolute number of points (environmental impact points, or eco-points (EP)). The higher this number, the higher the cumulative negative environmental impact of the activity.

**Carbon footprint.** The calculation of greenhouse gas emissions (Carbon footprint) corresponds to the standard of the Greenhouse Gas (GHG) Protocol<sup>13</sup>. The weight factors of the greenhouse gases for the global warming potential (emission factors) are taken from the current Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)<sup>14</sup>. The modelling of the company and the calculation of the values were carried out with the expert system REGIS using data from the environmental database ecoinvent<sup>15</sup>.

### Data Quality

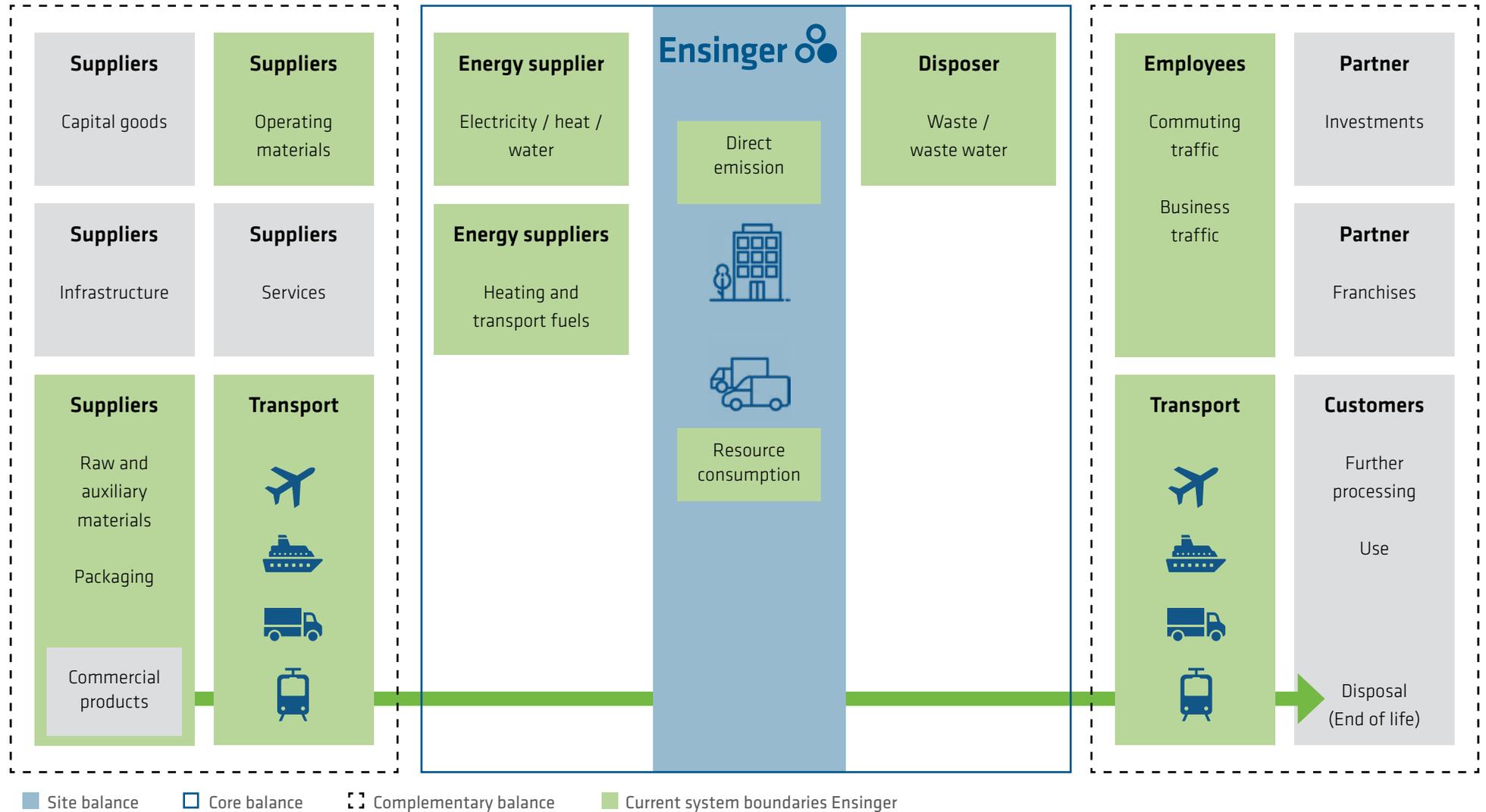
The first data collection for the company's German plants took place in the reporting year 2021. These recordings were repeated for the current reporting year 2022 and again significantly refined. The data basis thus allows a reliable calculation of the environmental impacts. For future reporting years, the international Ensinger plants and branches will also be successively included in the recording.

<sup>9</sup> Plastics to third parties means plastic scraps and pieces that are recycled by third parties.  
<sup>10</sup> The term "hazardous waste" describes various categories of waste for which the procedures of disposal are prescribed by law, in particular waste oils, oil-contaminated operating materials, aerosol cans, batteries, etc. Their generation increased proportionally to the production volume.  
<sup>11</sup> Life Cycle Impact Assessment.  
<sup>12</sup> Swiss Eco-Factors 2021 according to the Ecological Scarcity Method. Methodological fundamentals and their application in Switzerland. Environmental studies no. 2121. Federal Office for the Environment, Bern, 2021.  
<sup>13</sup> WRI/WBCSD Greenhouse Gas Protocol: A corporate Accounting and Reporting Standard (revised edition).  
<sup>14</sup> Intergovernmental Panel on Climate Change, Climate Change 2013, Fifth Assessment Report.  
<sup>15</sup> ecoinvent, Life Cycle Assessment Database, v38.

# Environment

## System Boundaries

System boundaries for the data collection of the life cycle assessment





The figure shows which activities of the value chain with their energy and material flows are included in the data collection (fields highlighted in green)<sup>16</sup>. The environmental impacts that can be directly influenced by the company are recorded and balanced. These are resource consumptions and emissions that arise at the company location as a result of the company's activities. These include, in particular, emissions from fossil fuels consumed by the company, such as heating oil, natural gas and fuels. These variables are summarised in the so-called site balance. The consumption of resources at the site in turn causes further environmental impacts that arise elsewhere. For example, the generation of electricity and fossil fuels in turn requires energy and causes further environmental impact. The company's waste and wastewater also have to be treated, which requires additional energy and generates further waste such as sewage sludge. These categories of environmental impacts are a direct consequence of the company's activities and are therefore summarised together with the site balance in the core balance.

All other environmental impacts considered are recorded in the complementary balance. They are not caused directly by the company, but by their suppliers or customers in the value chain. However, since they are indirectly triggered by the demand and supply from the company's side, their inclusion is necessary and makes sense. In this way, mere shifts of environmental problems, as opposed to genuine environmental improvements, can also be recognised and be presented. The environmental impacts of externally

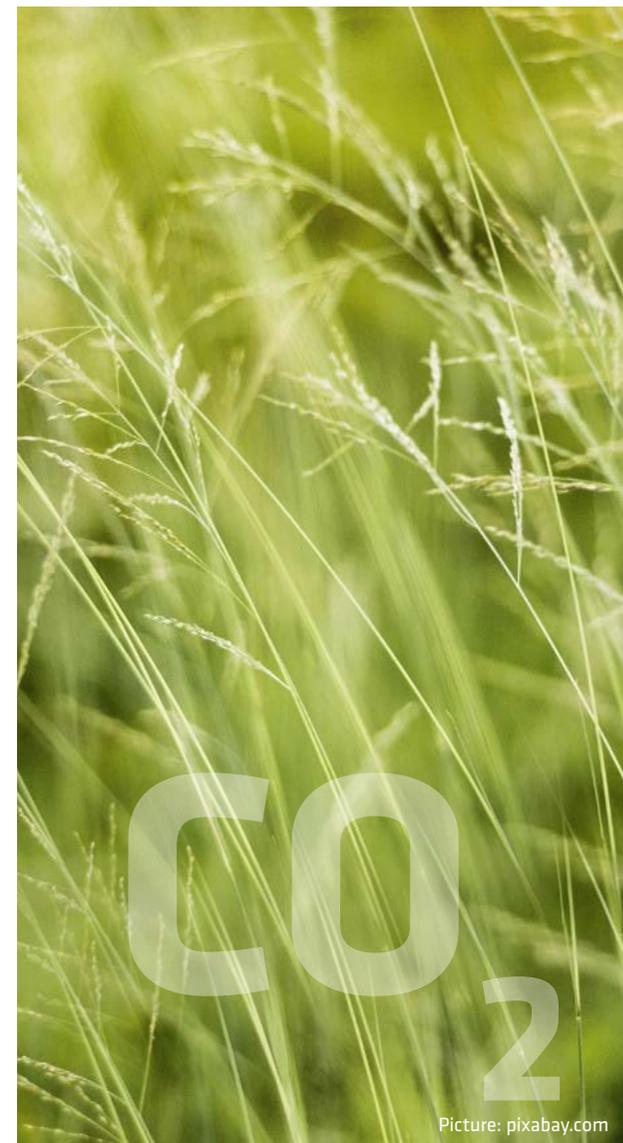
procured goods such as raw materials, packaging materials and auxiliary and operating materials are among the important variables of the complementary balance. Transport services to and from the company, as well as commuting and business trips by company employees are also part of the complementary balance.

Other environmental impacts, such as those from the building infrastructure and machinery, as well as from the processing and use of the products by customers (fields highlighted in grey), are not included in the analysis.

Finally, the total balance of environmental impacts is composed of the core and the complementary balance.

### **Carbon Footprint**

For the presentation of the carbon footprint, the results are usually subdivided into so-called scopes 1 to 3 according to the GHG Protocol<sup>17</sup>. Scope 1 stands for all emissions resulting from the operation of facilities owned by the company (heating systems, furnaces, but also company vehicles). Scope 2 includes emissions resulting from the generation of electricity purchased by the company. Scope 3 includes emissions that arise as a consequence of the company's activities from sources that are not owned or controlled by the company. These include the extraction, production and transport of purchased raw materials, consumables and supplies, the business and commuting traffic of the workforce, and the transport, use and disposal of products sold.

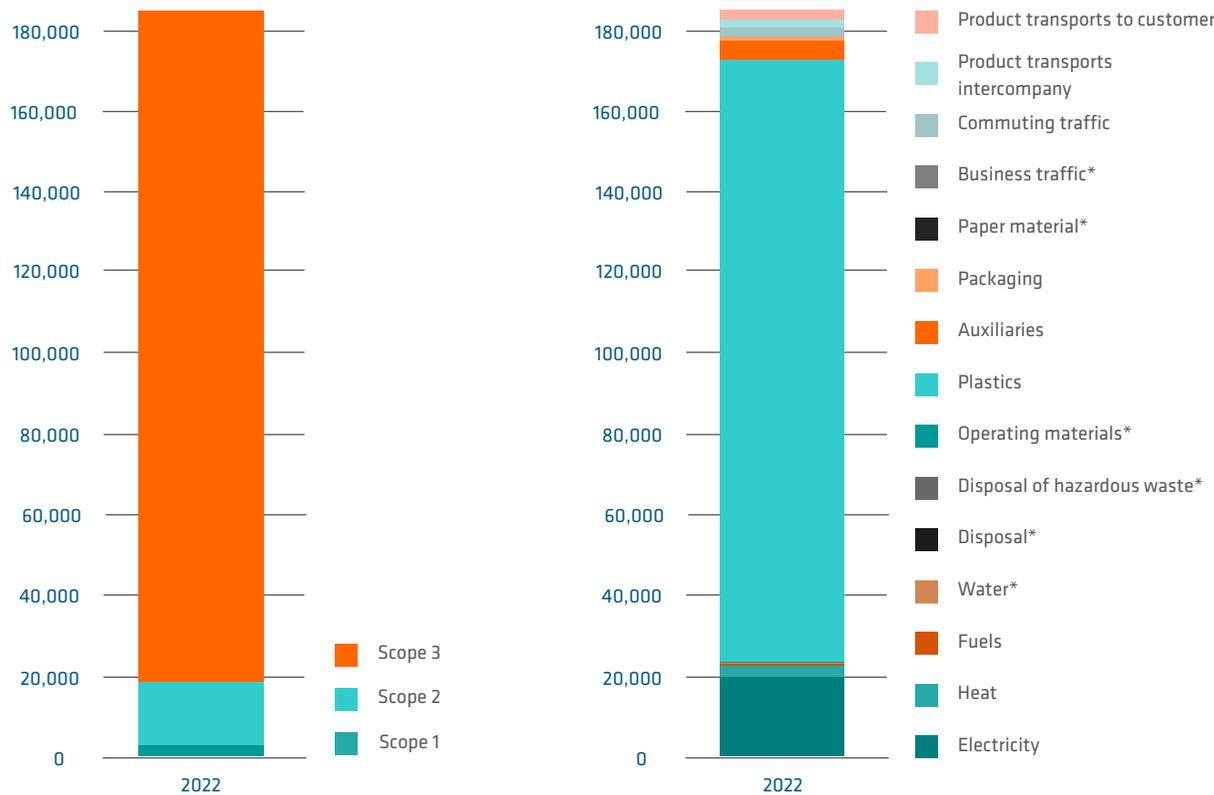


<sup>16</sup> The company's activities are structured here according to the categories of the ECOPRO methodology, a standardised life cycle assessment by sinum AG with a breakdown according to environmental impacts that can be influenced directly and indirectly.

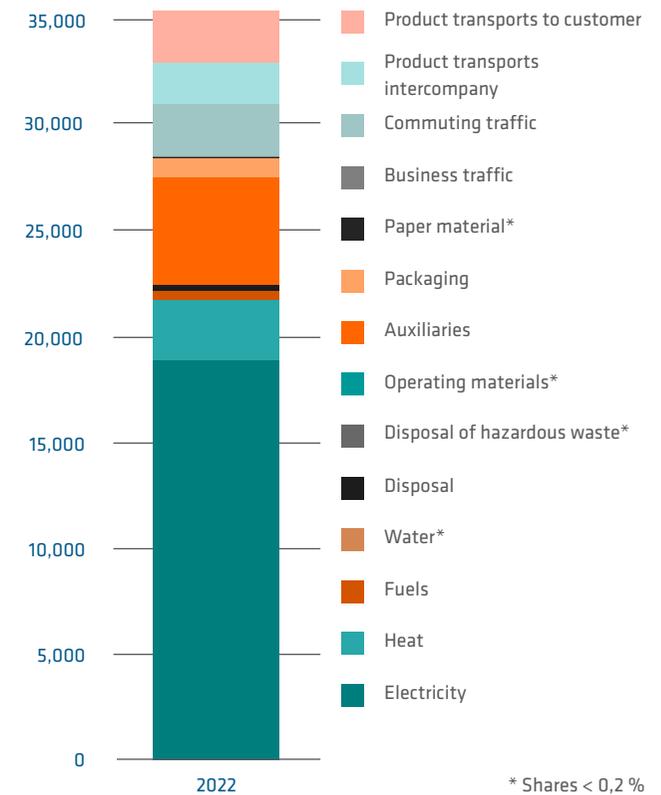
<sup>17</sup> Where appropriate, the results are also reported using the system boundaries of the ECOPRO method.

# Environment

Ensinger Germany: Carbon footprint by polluters in tonnes and GHG Protocol (Scopes) [CO<sub>2</sub>eq]



Ensinger Germany: Carbon footprint without position Plastic raw materials (19 % of the total balance) [CO<sub>2</sub>eq]



In the reporting year, greenhouse gas emissions amounted to about 185,000 tonnes of CO<sub>2</sub> (figure on the left), or, more precisely, CO<sub>2</sub>-equivalents (CO<sub>2</sub>eq)<sup>18</sup>. Scope 1 emissions accounted for about 1.5 % of this, primarily from gas and oil-fired furnaces and heating (“heat”), and 8.1 % from Scope 2 emissions, arising from the generation of electricity purchased by the company. The majority of the emissions (90.4 %) thus originates from Scope 3, and in particular

from the production of goods that the company purchased from upstream suppliers. By far the largest share of this can be traced back to the production of plastic granulates used as raw materials (81 % of the total balance).

Broken down by polluters (figure in the middle), it is evident that purchased raw materials and the generation of purchased electricity account for the majority of emissions.

After excluding the largest item of purchased plastic raw materials (figure on the right), it becomes apparent that a drastic reduction of the carbon footprint depends primarily on the decarbonisation of purchased energy in the form of electricity and heat. Auxiliaries, the transport of finished goods to customers<sup>19</sup>, internal transport and employee commuting also play an important role.

\* Shares < 0,2 %

<sup>18</sup> In addition to CO<sub>2</sub>, other gases that also have an effect on the warming of the Earth's atmosphere are taken into account in the calculations. Their share is calculated according to their warming potential in relation to the warming potential of CO<sub>2</sub>.

<sup>19</sup> Emissions for transport of raw materials are already included in the figures for raw materials.



### Reduction Targets: Science-Based Targets

Climate change requires comprehensive efforts from all social groups and, first and foremost, from the manufacturing industry. Ensinger acknowledges this responsibility and is committed to making its contribution to curbing global warming. In assessing its environmental impact and deriving measures, the company is guided by international standards and established institutions. For the definition of greenhouse gas reduction targets, Ensinger has committed to the Science Based Target Initiative (SBTi)<sup>20</sup> to design its targets in conformity with the requirements of the Paris Climate Agreement and to submit them to this institution for review. The targets are aligned with the ambitious criterion of limiting global warming to 1.5 °C using scientific methods - hence the name. Due to increased delays in processing and completion of the review by the SBTi, it is not possible to predict the approval period.

According to the current state of planning, the goal is to reduce greenhouse-relevant emissions by 45 % by 2030 and to achieve Net Zero<sup>21</sup> by 2045. Net zero essentially means reducing the emissions in the company's sphere of influence to a large extent in absolute terms. Compensatory measures to reduce the CO<sub>2</sub> footprint outside the value chain (offsets), such as support for reforestation, etc., are not envisaged for the Net Zero state. Everything depends on reducing the company's own emissions. Only small, unavoidable remnants of technical reduction measures are allowed, such as the extraction of carbon dioxide from the ambient air with subsequent storage (Direct Air Capture and Storage)<sup>22</sup>.



Picture: jcompon - freepik.com

In order to achieve the targets in Scope 1 and 2, it will be necessary to save more energy and also to introduce measures that do not yet pay off in the short to medium term. Thermal energy should no longer be generated from fossil fuels but by means of electricity. Electricity, in turn, should come from renewable sources. In the medium term, all energy purchased should come from renewable sources. There is also an obligation to formulate

reduction targets for emissions in Scope 3 in accordance with the SBTi requirements<sup>23</sup>. Ensinger should formulate a target to reduce these emissions by 45 % by 2030, in line with the 1.5°C reduction target.

A long-term plan with quantified measures to achieve the climate goals (Transition Plan) is also in preparation.

<sup>20</sup> The SBTi is a joint initiative of CDP, UNGC, WRI and WWF that develops methods and criteria for effective climate protection in companies and validates corporate targets.

<sup>21</sup> [www.sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf](http://www.sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf), retrieved 02.07.2022.

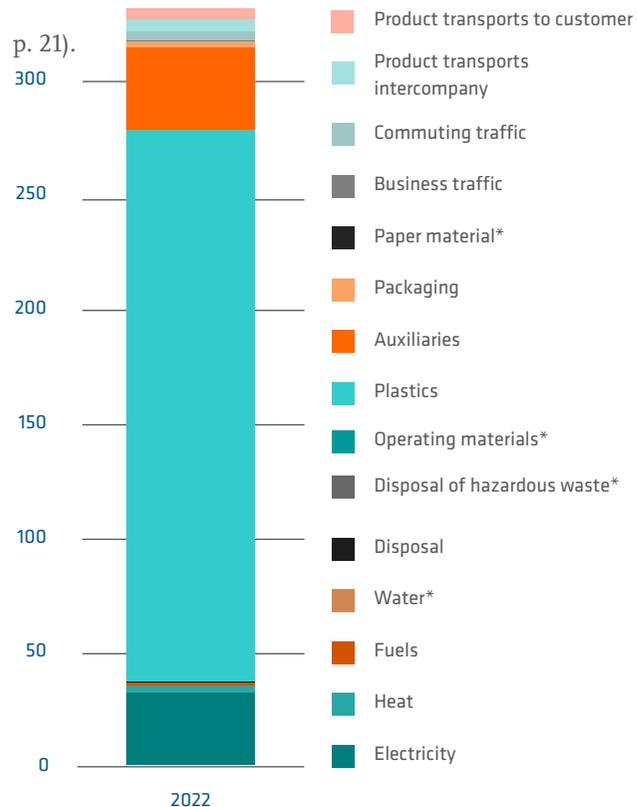
<sup>22</sup> The SBTi assumes that despite all efforts, companies will not succeed in eliminating all direct emissions, so that residual emissions will have to be reduced through technical solutions.

<sup>23</sup> The SBTi obliges companies to set targets for scope 3 emissions if this share of total emissions exceeds the threshold of 40 %.

## Environmental Impact

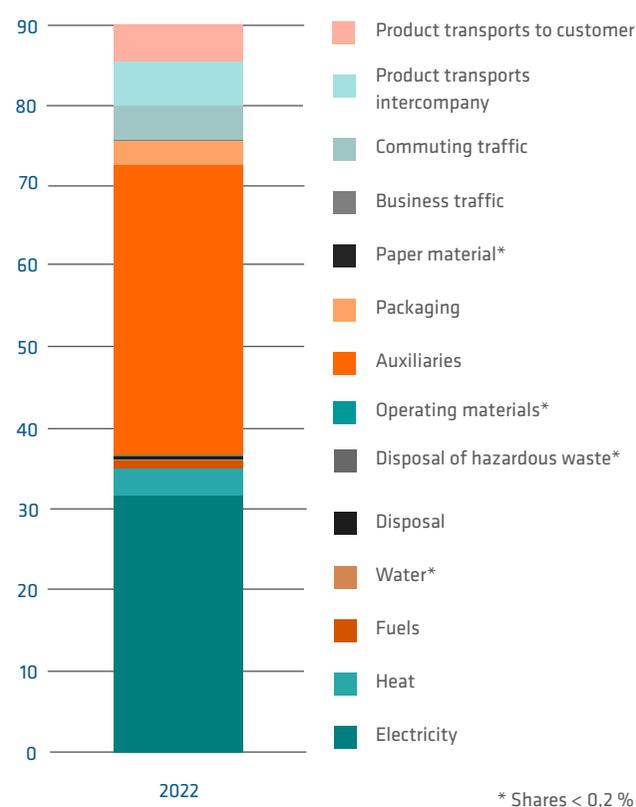
In addition to greenhouse gas emissions, other environmental impacts are recorded in life cycle assessment. These include, in particular, the consumption of scarce ecological resources and the pollution of the soil and the atmosphere with hazardous substances. The impacts are weighted with eco-points (EP) and added up (cf. explanations

**Ensinger Germany: Environmental impact in total, in billions EP, total [bn EP]**



The consolidated environmental impact of the GmbH amounts to 335 billion EP (figure left). Here, too, the raw materials used dominate the picture with a burden of 244 billion EP. Only just under 1 % of the environmental impact occurs at the company's locations. The impact from the purchase of energy and the disposal of waste account for

**Ensinger Germany: Environmental impact excluding purchased raw materials [bn EP]**



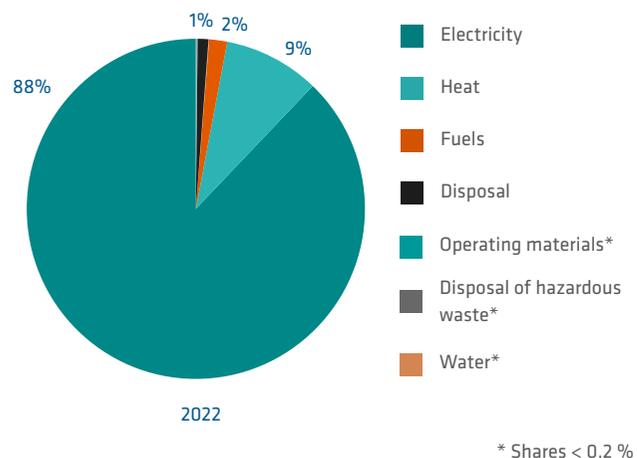
about 10 % of the total burden. Thus, 11 % of the impact is attributable to the core balance, but 89 % to the complementary balance.

Excluding the item of purchased raw materials (figure right), the cumulative environmental impact amounts to just under 90 billion EP. Significant environmental impacts arise at this level from the consumption of electricity, oil and gas, purchased auxiliaries, packaging, the transport of goods to and from the company and the commuting of employees. The category of auxiliaries has a significantly higher environmental impact than the corresponding item in the carbon footprint. The background to this is in particular the compound antimony trioxide. This oxide plays an important role for use in flame retardants as well as laser-markable plastics. The rare element antimony is used for its production. Its exploitation and processing are leading to a shortage of deposits. Another critical factor is the growing dependence of customers on a few mining countries and the resulting risk of default. Whether more environmentally friendly alternatives can be found was not conclusively clarified at the time of the report's completion.

\* Shares < 0,2 %



### Ensinger Germany: Environmental impact in EP at core balance level

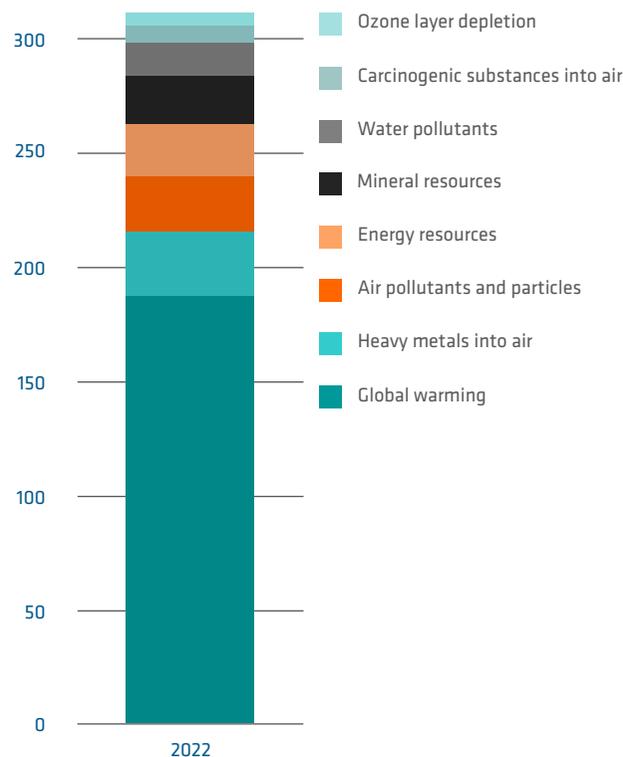


At the level of the core balance (approx. 36 million EP, 11 % of the total impact), electricity consumption dominates as a polluter, followed by heat. This is followed at a considerable distance by the consumption of fuels, the use of industrial water, the disposal of waste and the operating materials used. Even at this detailed level of observation, the consumption of water has no significant impact on the environment. This also applies to the disposal of waste and wastewater. For foreign subsidiaries in countries with lower standards for waste disposal, higher burdens can be assumed here in the future (e.g. for hazardous waste in underground disposal sites). The burden from operating materials is mainly due to the solvents and dry ice used. It should be noted that no refrigerants had to be refilled in the 2022 financial year. Here, too, a higher proportion of pollution may have to be expected in the future.

<sup>24</sup> SO<sub>2</sub>, NO<sub>x</sub>, NMVOC, NH<sub>3</sub>, PM<sub>10</sub>, PM<sub>2.5</sub>.

<sup>25</sup> Benzene, dioxins, PAHs.

### Ensinger Germany: Environmental impact in EP by impact (indicators)



The consolidated environmental impact in this figure is not broken down by polluter categories (e.g. electricity and gas), but by environmental impact categories. Only impacts with a share of more than 1.5 % of the total impact are shown. The greatest environmental impact is the warming of the earth's atmosphere, followed by air pollution by heavy metals, pollutants and fine dust particles<sup>24</sup>, the exploitation of energy and mineral resources, the contamination of water with pollutants and air pollution by carcinogenic substances<sup>25</sup>.



Picture: Wirestock - freepik.com

**Social Concerns**

**Health Protection**

**Working Conditions**

**Ethics**

**Equal Pay**

**Justice**

**Participation**

**Non-profit status**



---

**Social**

## Workers' Rights

Ensinger respects national employee rights and relevant ILO conventions, in particular with regard to working conditions, health and safety at work, fair pay, the prohibition of discrimination of any kind, and information and participation rights.

## Representation of Interests and Employee Participation

In Germany, the Labor Law regulates the participation rights of employees. Their interests are represented by the general works council and the local works councils, the youth and trainee representatives and the representatives of severely disabled persons. Important topics of participation include working hours, remuneration, occupational health and safety and other personnel matters. On all issues relevant to participation, the management maintains a regular, cooperative and constructive dialogue with the employee representatives. Other opportunities for participation that go beyond the legal framework include freely accessible information events organised by the management ("Ensinger Compact"), regular information provided by managers, the company magazine and the company suggestion scheme. Employees are kept up to date on aspects of sustainability via a newsletter.

## Business Environment, Culture, Leadership

Even beyond the legal regulations, the company wants to offer a working environment that promotes the motivation and potential of its employees. In this context, task- and performance-related pay, flexible working time models and flexitime arrangements for a better work-life balance as well as various social benefits play an important role. The focus is on an appreciative corporate culture, which is also reflected in the management principles and corporate values (p. 37). Respectful interaction, short decision-making processes, flat hierarchies and thus the opportunity to take responsibility and initiative are strived for. Cohesion and objective, goal-oriented cooperation are also important.

In view of the great importance of good leadership for personal well-being, the training programme for all managers has been revised. Besides additions to the offerings, the new leadership trainings include a more detailed discussion of the leadership principles than before. Participants now have the opportunity to discuss their impressions and experiences with a member of the executive board or a division manager. In addition, training content is now much more tailored to the individual target groups and leadership roles at Ensinger.

Involuntary turnover and ratings in company portals can be used as indicators of employee satisfaction. They indicate a comparatively good rating.

### Ensinger Germany: Involuntary fluctuation<sup>26</sup>

Business year	2018	2019	2020	2021	2022
Involuntary turnover (%)	1.9	2.3	2.8	1.7	2.0

## Help with Difficulties and Crises

Employees who are experiencing personal or professional difficulties have the opportunity to get support from their HR Business Partners and works councils. Volunteer mentors within the company also offer their help. Finally, there is the possibility of making use of an external assistance scheme (Employee Assistance Program). A hotline can be used to establish contact with specialists (doctors, psychologists, lawyers, etc.). This service is free of charge for all company employees and their family members and has been well received since its introduction.

Despite all the adverse effects of the Corona pandemic, the sickness rate in the year under review was only slightly above the company's long-term average.

### Ensinger Germany: Sickness rate<sup>27</sup>

Business year	2018	2019	2020	2021	2022
Sickness rate (%)	5.5	5.5	6.6	5.4	6.9

<sup>26</sup> Involuntary turnover is defined as the ratio of terminations by employees to the total number of employees in the company.

<sup>27</sup> The sickness rate is the ratio of sick days to target working days of all employees.



### Occupational Health and Safety Protection

In any industrial-commercial environment, the health of the workforce is exposed to hazards. In the manufacturing environment of a plastics processor, it is in particular the possible contact with hot surfaces of products and tools, navigating and moving heavy objects, contact with sharp edges and burrs as well as night work that can affect the health of the acting persons. Ensinger's protection system is suitable for effectively countering these hazards. At its heart is the work of occupational safety specialists and departmental safety officers. They analyse possible hazards with the employees on site and ensure that standards and requirements are met. Based on the hazard analyses, protection concepts, remedial and preventive measures are initiated and adapted. Regular briefings and addressing employees after incidents are also an integral part of the work spectrum. The occupational safety management was certified for the first time in 2013 according to BS OHSAS 18001 and for the first time in 2019 according to ISO 45001.

By observing and analysing the processes and involving all those involved, it has been possible to reduce the accident rates at all locations in recent years and to keep them at a low level. The rate of reportable accidents is relatively constant. In the reporting year, there were no accidents classified as serious. The total number of days lost due to accidents decreased by 18 % to 492 days compared to the previous year.

In recent years, a comprehensive fire protection concept has helped to reduce the latent dangers of a fire outbreak even further. At its core are fire protection training sessions with evacuation drills, which are carried out in close cooperation with the local fire brigades. In the year under review, there were no fire incidents and no false alarms due to defective fire detectors.

#### Ensinger Germany: Key figures on occupational safety

Business year	2018	2019	2020	2021	2022
Number of reportable accidents <sup>28</sup>	-	34	33	27	34
Rate of reportable accidents <sup>29</sup>	-	2.4	2.3	2.0	2.5
Fire alarm with fire brigade operation	-	3	0	2	0

<sup>28</sup> A reportable accident is an accident that has occurred during an insured activity during working hours on the company premises and results in a time loss of more than three calendar days. The day of the accident is not counted.

<sup>29</sup> The Recordable Incident Rate (RIR) is calculated as the number of recorded accidents per 200,000 hours worked. Values below 3.0 are usually considered good.

The shift models in the company are geared towards occupational health requirements. In fully continuous shift operation, work is done in 4- or 5-shift mode. Occupational physicians ensure the medical care of the workforce, offer vaccinations and provide information on various health issues.

### Equal Opportunities

Providing equal opportunities for all employees of the company requires efforts at different levels. Firstly, it should be possible for all persons to perform their professional duties alongside their role in the private sphere, especially within the family, without significant restrictions. To this end, the company offers extensive flexible working time arrangements and, where possible, mobile working from home. Equal opportunities also refers to the possibility to develop professionally. In addition to good training and development opportunities (p. 32), employees should also be able to apply internally and take on more advanced tasks. The ratio of successful internal applications to the total number of positions offered varies greatly, but shows that it is nevertheless possible to offer in-house advancement opportunities to a considerable number of employees.

#### Ensinger Germany: Quota of internal appointments to vacant positions

Business year	2018	2019	2020	2021	2022
Rate of internal appointments (%)	-	-	51	32	24

Finally, it should be possible for all employees to have access to positions at all levels of the hierarchy, regardless of gender, age or origin. The company places particular emphasis on increasing the proportion of women and giving them access to management positions. Unfortunately, in a technical industrial environment, this approach often fails due to a lack of applications. In the reporting year, the number of women at the upper management level (profit/service centre management) rose to 14 %, but at the department management level it fell to 8 %. The proportion of women in the total workforce has remained constant over the last five years.

## Ensinger Germany: Proportion of women at management level overall

Business year	2018	2019	2020	2021	2022
Share of women in upper management (%)	-	-	-	0	14
Proportion of women at head of department level (%)	-	-	-	11	8
Proportion of women in the workforce (%)	20.3	20.3	19.9	19.3	19.8

## Education and Training

Ensinger attaches great importance to the company's own training. For this reason, the company began training young people in primarily technical professions at an early stage. To this day, the focus is on the four-year training programme for tool mechanics and plastic moulders. The range of apprenticeships has been constantly expanded over the years. The number of applications for certain apprenticeships and the in-house demand for junior staff fluctuates over time. In the reporting year, 62 people were trained in 13 apprenticeship professions at the locations.

## Ensinger Germany: Number of trainees, trainee rate

Business year	2018	2019	2020	2021	2022
Number of trainees	59	69	72	67	62
Trainee rate (%)	4.4	4.9	5.1	4.9	4.4

All staff members should also have access to the possibility of constant further training and of acquiring knowledge and skills for new tasks and the development of their own personality. Annual planning of training measures helps to allocate the appropriate resources and the necessary time. Key figures for this effort - costs and number of days invested in training in total and per staff member - will be collected annually in the future, as soon as the information is available for retrieval via a corresponding software, which is currently being introduced.

## Charitable Commitment

The company's charitable commitment to society is an important concern for management and staff. The company's commitment is multifaceted. The main focus is on supporting the Wilfried and Martha Ensinger Foundation, which promotes social, scientific and cultural projects. However, direct support is also given to associations and initiatives in the communities around the plants. The company facilitates the voluntary participation of employees in chamber committees and in higher education. Employees are released for other voluntary activities on a case-by-case basis. In the reporting year, Ensinger received an award from the Ministry of the Interior of the State of Baden-Württemberg as a volunteer-friendly employer in civil protection.

## Wilfried and Martha Ensinger Foundation



The Wilfried and Martha Ensinger Foundation projects and organises the main charitable projects for the company and the owner family. Its activities focus on social projects in Africa (Nigeria), Eastern Europe (Ukraine) and India. In addition, scientific work in plastics technology at German-speaking universities and cultural projects in southern Germany are supported. In the social projects, the foundation works closely with local cooperation partners. The projects are supervised over many years in order to achieve lasting improvement. A current focus is the foundation's involvement in India, which began in 2007.

**Focus on India.** The starting point was Martha and Wilfried Ensinger's personal acquaintance with an Indian nun, Daphne Sequeira, the former head of the Torpa Rural Development Society for Women (TRDSW). This non-governmental organisation promotes the development prospects of women and children in the city of Torpa (state of Jharkhand) and the surrounding villages.



Women in this rural region are supported in setting up small businesses with financial resources and handicraft courses. Girls have access to high-quality English-language education at the Children of the New Dawn School. Over time, the trusting cooperation with this institution and the local leaders has led to the initiation of further projects with similar focuses in other parts of the country.

**Haregaon (Maharashtra), promotion of girls.** In Haregaon, a village in the state of Maharashtra, the low rainfall is barely enough to cultivate the land of the small farmers. Many parents are tempted to marry off their daughters at an early age, so that they are no longer a financial burden. The accommodation in the boarding school St. Theresa High School prevents early marriages and offers the girls a good education. Most of the girls who finish school in Haregaon go on to further education.



The COVID 19 pandemic had a severe impact on the livelihoods of people in the region. During the ordered lockdowns, many villagers could no longer pursue their gainful employment. Due to the financial bottlenecks, parents of boarding school students were not able to pay the school fees and maintenance costs due. The Ensinger Foundation decided at short notice to provide additional support to St. Theresa High School during this critical time. 50 boarders and 250 external students received grants for school fees and food. The purchase of teaching materials was financed for several grades. The foundation also contributed to the cost of purchasing an all-terrain vehicle, which is used for daily grocery shopping and transporting groups of students.

<sup>30</sup> Revolving: The reflows from the loans are used again to issue new loans to more women.

**Bhokar (Maharashtra), support for women.** The projects of the Ashankur Charitable Trust, supported by the Wilfried and Martha Ensinger Foundation, pursue the goal of helping women in this city to establish their own economic livelihood. The women, organised in self-help groups, receive interest-free loans from a revolving fund<sup>30</sup>. They use the funds for their agricultural and handicraft training and to set up their own businesses. In their families, the successes give the women status and respect - combined with the opportunity to make their own decisions, which further increases their self-confidence. The picture below left shows a course room for aspiring tailors.

**Mumbai, paediatric ward at Cardinal Valerian Gracias Hospital.** The hospital in the north of the city of Mumbai offers high-quality health care. The range of medical services is broad. With the help of donations from the Wilfried and Martha Ensinger Foundation, a paediatric intensive care unit (PICU) was opened last year. Modern medical technology and specialists now ensure that seriously ill infants, children and adolescents receive optimal treatment. The picture below right shows Archbishop Felix Machado and members of the ward at the inauguration of the unit.



**Fair corporate governance**

**Compliance**

**Responsibility**

**Participation**

**Justice**

**Partnerships**

**Transparency**



---

# Corporate Governance

# Corporate Governance

## Compliance with the Law and Directives

For Ensinger, good corporate governance and compliance means acting responsibly and in accordance with the legal requirements of all countries in which the company operates, and behaving with integrity in everyday life, towards all stakeholders, especially employees and business partners.

## Organisation of Compliance

For the German companies, it is part of the internal legal department's task to make all employees aware of the need to behave in accordance with the rules and with integrity, to publish internal guidelines, to train necessary knowledge, to prevent compliance risks and to punish rule violations. The legal department also appoints and supervises external partners with special powers in the context of compliance (especially data protection). The enquiry of possible irregularities and legal violations is an integral part of the company reporting of the entire group.

## Compliance Management

On behalf of the Executive Board, a working group analysed the Group's compliance management and pointed out certain weaknesses. There is a lack of systematic analysis of possible risks of violations and recommendations derived from this. There are also too few controls to detect possible violations of the law and no Group-wide effective body to ensure uniform in-house compliance standards worldwide. In order to remedy this deficit, it was decided to make provisions for the establishment of a complete compliance management. A corresponding proposal is to be submitted for decision by the middle of the current business year.

## Code of Conduct

All employees of the Group are required to comply with legal regulations in the internal guidelines, in particular the "Code of Conduct" (p. 38). Any form of bribery, corruption or agreements relevant under cartel law are explicitly prohibited. In its Code of Conduct, Ensinger also undertakes to respect human rights at all its sites. People are to be treated with respect and tolerance. Appropriate remuneration, equal opportunities and fair working conditions must be guaranteed. Forced labour and child labour are prohibited. National guidelines and relevant ILO conventions apply.

## Whistleblowing

In order to give employees and external third parties the opportunity to anonymously report legal violations, criminal offences, discriminatory behaviour and other actions contrary to the company's Code of Conduct, a so-called whistleblowing hotline has now been set up by a specialised provider. Employees' tips are reviewed by external experts and forwarded to the management and the company's legal advisor with an assessment and recommendations.

## Supply Chains

Suppliers are also obliged to comply with human rights and applicable law. A majority of them have committed themselves to this by means of their own Codes of Conduct. In accordance with the applicable purchasing conditions, Ensinger is entitled to conduct audits of suppliers in order to verify compliance with these obligations. Currently, such audits are not carried out systematically. With the necessary adjustments to the German Supply Chain Act, corresponding measures will be adopted and initiated.

## Political Influence

Ensinger supports the concerns of small and medium-sized businesses and is an active member of the local chambers of industry and commerce. In addition, the company is a member of stakeholders in the plastics industry, in particular the Gesamtverband kunststoffverarbeitende Industrie (GKV) and the European Plastics Converters (EuPC). No lobbying activities were promoted separately or outside these associations and no political initiatives or parties were supported.

## Ensinger Germany: Payments to chambers of industry, industry associations and political parties (in thousands of euros)

Business year	2018	2019	2020	2021	2022
Payments to chambers of industry	-	-	-	11.6	12.1
Payments to industry associations	-	-	-	38.0	50.5
Payments to parties	-	-	-	-	0



## **Mission Statement**

- 1. We want to promote the use of technical plastics in trade and industry and develop individual solutions for our customers.*
- 2. We deliver products and services that benefit our customers and give them competitive advantages. Our solutions are innovative, of high quality, functional and economical.*
- 3. We take a leading and formative role in our markets.*
- 4. We are active worldwide and strive for continuous growth, which is made possible by constantly new products.*
- 5. We consistently optimise our processes in order to produce excellent products, to achieve the maximum productivity, to avoid waste of any kind and to further lower costs.*
- 6. We strive for a balanced and fair relationship with our business partners and maintain long-term and stable relationships.*
- 7. We want to generate a profit that allows us to secure the existence and further development of the company and to provide an adequate return on the capital invested.*
- 8. Our company is formed by committed and qualified employees. We promote professional and personal development of our employees and actively involve them in the company's activities.*
- 9. We expect our employees to show a high degree of initiative, to take responsibility, to be willing to perform, and to be open to innovation. We expect our managers to act with foresight and prudence, identification with the company's objectives and exemplary leadership.*
- 10. We contribute to the protection of the environment and respect the applicable laws.*

# Corporate Governance

---

## Code of Conduct

Our actions are based on the Ensinger mission statement, which shapes our relationship with our business partners as well as with our employees, colleagues and the owners of our company. Respecting and upholding these values will also be the basis of our continued business success. Our reputation in the market and in public is carried by the conduct of our employees. The basis of this reputation is respect for our corporate values, the law and our internal rules and instructions.

With this Code of Conduct, we want to summarise the most important mandatory standards and provide employees with a guideline for directing their actions. The most important driver and first point of contact for all questions related to this Code of Conduct are our managers. We expect our managers to actively exemplify the principles of our mission statement and this Code of Conduct as part of their role model function and to communicate and demand this to their employees. This Code of Conduct is part of the Ensinger risk management system and applies to all Group companies and subsidiaries of the Ensinger Group. The provisions of this Code of Conduct do not create any rights in favour of third parties.

### **Customers, suppliers and business partners**

#### Supplier selection

In accordance with our mission statement, we strive to create a relationship with our business partners that is based on partnership and is balanced and fair. When selecting a supplier it is important to ensure that our business partners comply with the values referred to this Code of Conduct.

#### Competition

The Ensinger Group is committed to fair competition. All employees are required to obey the applicable laws against restraints of competition. Unlawful agreements on prices or other conditions, territories or customers as well as the abuse of market power contradict the values of the company.

#### Bribery and corruption

The Ensinger Group generally rejects bribery and corruption and does not tolerate such behaviour. All employees must ensure that no personal dependencies or obligations to business partners arise. In particular, employees may not give or accept gifts or other benefits which, when viewed reasonably, must be assumed to improperly influence the actions or decisions of the recipient. Strict standards must be applied to public officials in particular. Gifts of money are prohibited in any case. Standards under national law must be complied with.

#### Business secrets

Business secrets of partners are treated confidentially by the Ensinger Group and its employees. Any disclosure to third parties is prohibited and applies to all members of the company even after termination of the employment.



## ***Leadership and staff***

### *Role model function*

Our executives act as role models and ensure in their area of responsibility that violations of this Code of Conduct do not occur.

### *Tolerance and equal opportunities*

The Ensinger Group respects human rights worldwide. All employees are treated with dignity and respect.

### *Working conditions*

The Ensinger Group offers its employees appropriate remuneration and fair working conditions. All forms of forced labour are rejected. Child labour is only tolerated to the extent permitted by law and on condition that the child has reached a minimum age of 15 years. Excluded from this age limit are legally permissible company internships as part of a vocational orientation.

### *Health and safety at work*

Working hours shall be in accordance with applicable national law or relevant ILO conventions. Overtime must be on a voluntary basis. National and international regulations for ensuring health and safety at work shall be complied with. Appropriate systems shall be put in place to avoid risks to health and safety.

### *Environmental protection*

In accordance with its mission statement, Ensinger observes the goals of sustainable environmental protection and uses natural resources responsibly.

## ***Implementation and compliance***

### *Measures and advice*

Ensinger shall bring this Code of Conduct to the attention of its employees in an appropriate manner and at regular intervals and shall help them to avoid violations of the law and this Code of Conduct. In particular, it is also the responsibility of managers to ensure compliance with this Code of Conduct.

### *Complaints and tips*

Every employee has the possibility and the right to report violations of the Code of Conduct or corresponding suspected cases to Ensinger. The contact person for this purpose is, at the employee's choice, his or her supervisor or a member of an employee representative body. Any employee who makes use of this right shall not suffer any disadvantages whatsoever as a result, and shall be actively protected against such measures.

**Contact**

Ensinger GmbH  
Rudolf-Diesel-Straße 8  
71154 Nufringen  
Germany  
Tel. +49 7032 819 0  
sustainability@ensingerplastics.com  
ensingerplastics.com