



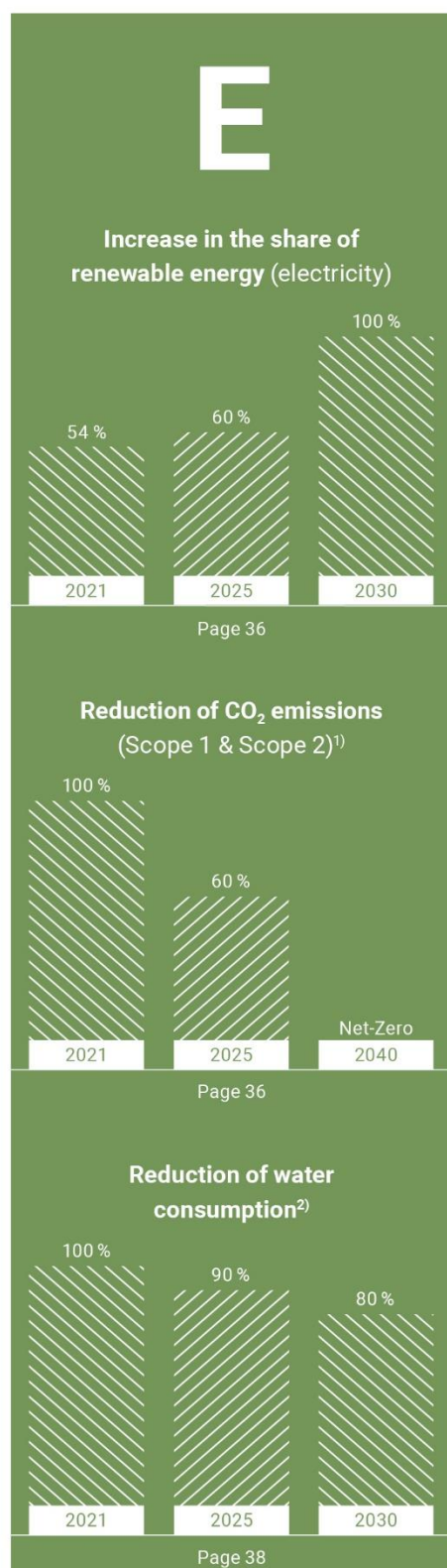
Trusted Partner.

RENK

SUSTAINABILITY REPORT 2023

Together for a
sustainable future.

Goals at a glance



¹⁾ Relative indicator: kg CO₂e per €1,000 in revenue.

²⁾ Relative indicator: m³ per €1,000 in revenue.

³⁾ Lost Time Injury Frequency Rate.

⁴⁾ Lost-time accidents per 1,000,000 hours worked (according to standard set by German employers' liability insurance association).

⁵⁾ Lost-time accidents per 200,000 hours worked (according to U.S. Occupational Safety and Health Administration standard).



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Greetings from the management board



Susanne Wiegand and Christian Schulz

Dear Readers,

RENK stands for responsibility. We have made it our mission to enable a safe and sustainable future. For over 150 years, it has been a matter of course for us to ensure that our business activities contribute to the economically stable and environmentally responsible development of our society. Our employees, partners, and customers trust us to do this.

We are a “Trusted Partner” for sustainability. As a leading provider of drive technology for military vehicles and naval vessels, we play an important part in preserving peace, democracy, and security. With our innovative solutions for the use of hydrogen, carbon technologies, and heat pumps, we help our customers to lower their energy consumption, reduce their emissions, and operate sustainably.

With our Sustainability Strategy 2025 and the definition of six fields for action, we are committed to working for a world that is fit for the future. We have set ourselves ambitious targets and plan to become climate neutral (Scope 1 & Scope 2, “net zero”) worldwide by 2040. We already purchase electricity from renewable sources at all our German production sites. At the end of 2023, we installed solar panels at our site in Brazil in order to use self-generated, emission-free electricity in future. This step marks an important milestone on our path to climate neutrality and motivates us to keep working towards the achievement of our global “net zero” goal.

At the same time, responsibility is a priority for us across the entire supply chain. Last year, we began making our complex supply chains transparent. In the future, a global supplier management system will ensure that RENK complies with all due diligence obligations with regard to suppliers, materials, and raw materials. We have therefore created the basis for a sustainable supplier management system that ensures compliance with the requirements of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG).

In addition, this sustainability report provides many further insights into how RENK and its over 3,700 employees contribute to a sustainable global society.

We hope you find it interesting.



Susanne Wiegand

CEO



Christian Schulz

CFO



01

Strategy & management

A forward-looking strategy sees sustainable business activities as an opportunity for the company. In order to proactively meet the challenges and opportunities of today, sustainability is an essential and integral part of successful corporate management.

1. Strategy and management

☑ > We take responsibility for the quality and integrity of our products and services, for our employees, and for our environment. Sustainability is the foundation of our business development, especially in uncertain and challenging times. Our Code of Conduct describes our values as the basis for our actions and is binding for every employee.

“According to the definition of our sustainability strategy, we will evolve continuously and will review our activities on an ongoing basis on the way to achieving our goals. As an organization, we are in the process of reducing our emissions in line with the economy and society as a whole. We are therefore making our ambitions clear with quantitative targets as well. We will evaluate the measures that are necessary in order to achieve these targets every year.”

Dr. Markus Grube
Head of Corporate Development

1.1 Sustainability strategy and organization

We underpin our ambition through our participation in the UN Global Compact and through a commitment to the Science Based Targets Initiative (SBTi). As part of this, we will update and extend our climate targets in 2024. Both upstream and downstream processes in our supply chain will be taken into account in our “near-term”/“net zero” target. By signing the UN Global Compact, we commit to aligning our strategy and activities with the Sustainable Development Goals (SDGs). Our self-image, our values, and our commitments from our stakeholder initiatives all flow into our sustainability strategy, which we developed in 2022. It is driven by a globally active ESG team within the RENK Group, led by the Head of Corporate Development. The latter reports directly to the CEO and CFO of the RENK Group on the subject of sustainability.



Sustainability management

In order to give the topic the necessary priority, the central ESG team was established in 2022, consisting of the Head of Corporate Development, Chief Human Resources Officer, Chief Legal Officer, Head of Quality, Health, Safety & Environment (QHSE) Management, and Head of Procurement Excellence. This team is supported by employees from the respective areas and pursues the goal of cross-business unit management of sustainability as a strategic field of action. The Corporate Development department acts as the central coordination point for all ESG activities and manages the cross-functional ESG team. In addition, there is regular exchange with our internal and external stakeholders.



Left to right:

Dr. Carsten Greisert (Head of Quality, Health, Safety & Environment Management),

Brigitte Schnakenbourg (Chief Human Resources Officer),

Alexander Pingert (Head of Procurement Excellence),

Christin Mayer (Corporate Development Manager),

Luisa Fischer (Compliance Manager),

Rafaela Dafelmair (Quality Manager),

Florian Köhler (Chief Legal Officer),

Dr. Markus Grube (Head of Corporate Development),

Sustainability strategy

Ecological, social, and societal sustainability are integral parts of RENK's corporate strategy. Through the high efficiency and durability of our products and through our service over the entire life cycle, we help to continuously support our customers in achieving their own sustainability goals. In addition, as a systemically relevant partner for military mobility solutions, RENK contributes to ensuring state security and defense capability, which are necessary to ensure a free society, economic prosperity, and social and ecological sustainability.

RENK is convinced of the value-added contribution of sustainable solutions, structures, and processes. That is why we are resolutely implementing measures for sustainability, climate protection, and environmentally sound waste disposal at our own sites. We have set ourselves targets for the key performance indicators relevant to achieving our sustainability strategy, taking into account an internal competitive analysis. We want to be a driving force for sustainability in our industries and thus meet the increasing expectations and requirements of our stakeholders (customers, suppliers, employees, public, competitors, and investors).

We regularly review and sharpen our strategy and adjust the relevant topics and target parameters on this basis. The materiality analysis was reviewed in the reporting year 2023 and confirmed by the Management Board of RENK Group AG. Both the sustainability strategy and the related targets set for 2025 and 2030 were therefore maintained in 2023.

Key topics

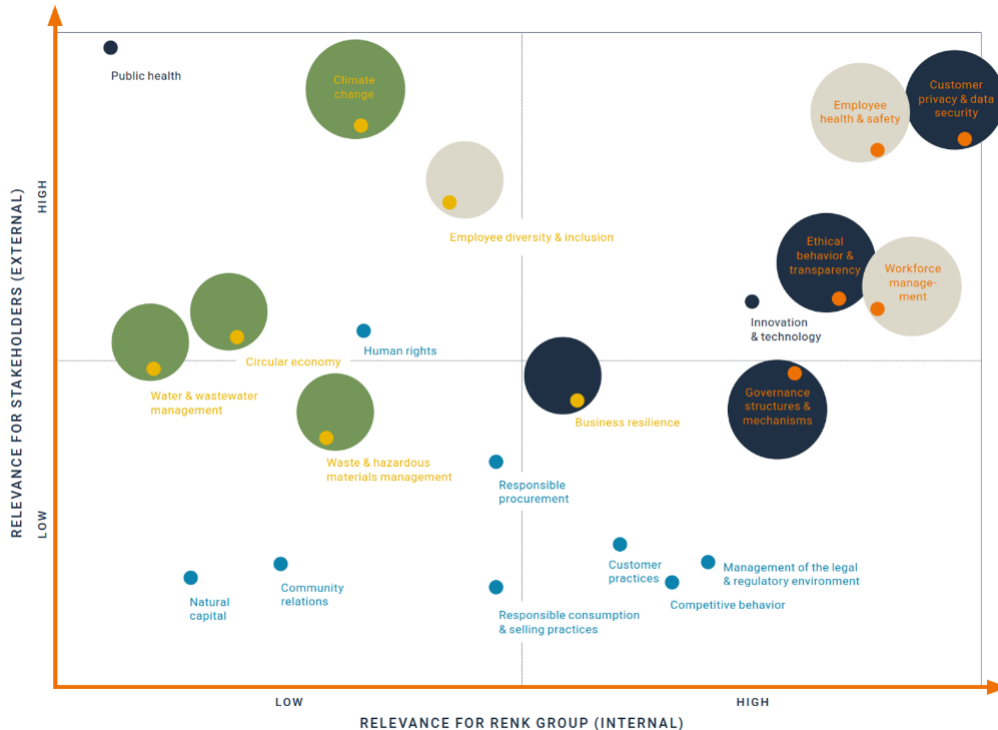
In the reporting year 2023, we organized a workshop at which the Management of RENK Group AG reviewed the materiality analysis conducted in 2022 to ensure that it was up to date and confirmed it once again.¹⁾ The analysis ensures that both the expectations and requirements of our stakeholders and the impact of RENK's corporate actions on the environment, society, and the economy are identified.

The most important stakeholders considered in the materiality analysis in 2022 include customers, employees, suppliers, investors, and competitors. The RENK ESG team has determined the importance of the various stakeholders by means of a combined assessment, based on impact and relevance for the company. Negative impacts have not been integrated into the analysis to date. Based on this, we identified the sustainability categories that are material for our stakeholders. The Management Board and the first management level of the RENK Group were also intensively involved in the prioritization of the sustainability categories. This was followed by a weighting of the results in order to take into account the different relevance of the stakeholder groups for RENK. As a result, we focus on six top categories, which are depicted in the materiality matrix.

The sustainability strategy was developed in close cooperation with the Management Board. Based on the results of the materiality analysis, we have defined key performance indicators for each category. Targets have been set for each of these and projects have been set up to ensure that the targets are met. We will continue to regularly engage with our stakeholders in the future to review our key categories and readjust our sustainability strategy.

In 2024, we will conduct a double materiality analysis in accordance with the requirements of the ESRS²⁾ drawn up by the EFRAG³⁾ and will thus implement the requirements of the CSRD.⁴⁾ Based on the results of the new materiality analysis, we will carry out a comprehensive review of our sustainability strategy and adjust it if necessary. The results will be presented in the management report of the annual report in the future.

Materiality matrix



Key topics

ENVIRONMENTAL

- Climate change

SOCIAL

- Employee health & safety
- Workforce management

GOVERNANCE

- Customer privacy & data security
- Ethical behavior & transparency
- Governance structures & mechanisms

- Medium relevance/impact
- Highest relevance/impact
- Further priorities

¹⁾ The materiality analysis was prepared using Datamaran software.

²⁾ European Sustainability Reporting Standards.

³⁾ European Financial Reporting Advisory Group.

⁴⁾ Corporate Sustainability Reporting Directive.

Our contribution to the global Sustainable Development Goals

RENK is guided by the 17 Sustainable Development Goals (SDGs) of the United Nations. These goals and their 169 subgoals are intended to ensure sustainable development worldwide at the economic, social, and ecological levels. They relate to politics, society, science, and companies. At RENK, we particularly support those SDGs that are especially in line with RENK's sustainability strategy and that we have the greatest opportunities to influence with our business:

UN goals

RENK's contribution



Ensure healthy lives and promote well-being for all at all ages.

The **physical and mental health of all employees** is particularly important to RENK. We provide a safe and secure work environment.



Achieve gender equality and empower all women and girls.

RENK is committed to **promoting women in management**. Our **employees are treated equally at their workplace** and have **equal access to professional development**.



Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

It is important to RENK to support its customers in achieving their sustainability goals. Therefore, we focus on offering **innovative, durable, highly efficient products**.



To reduce inequalities within and among countries.

RENK has expressly committed itself to guaranteeing and creating **equal opportunities for everyone** – regardless of characteristics that make an individual unique.



To ensure sustainable consumption and production patterns.

RENK is realigning its value-added processes through **resource-efficient technologies, the use of secondary raw materials, and the promotion of the circular economy**.



Taking urgent action to tackle climate change and its impacts.

As part of the RENK environmental action plan, we contribute to climate protection both with **measures within the Group** and with **our sustainable products**.

RENK's targets for 2025 and 2030

Based on the materiality analysis and in line with our sustainability strategy, eight overarching sustainability goals were defined in 2022 in the areas of environment, social, and governance to help meet national and international targets. In addition to the respective target values, the table below also provides information on the respective reference year or value and the status quo of target achievement for the 2023 reporting year. The status of target achievement is discussed in more detail in the respective topic-specific chapters.

Category	Goal	Target value 2025	Target value 2030	Reference year/value	2023 Jan 1–Dec 31	Audited
E	Increase in the share of renewable energy (electricity)	60%	100%	2021 (53.5%)	55.8%	✓
	Reduction of CO ₂ emissions (Scope 1 & Scope 2)	-40%	Net zero (for EU) (2040 net zero for RoW)	2021 (25.0 kg CO ₂ e / € 1,000 in revenue)	22.9 kg CO ₂ e / € 1,000 in revenue	✓
	Reduction of water consumption	-10%	-20%	2021 (0.085 m ³ / € 1,000 in revenue ¹⁾)	0.1150 m ³ / € 1,000 in revenue ²⁾	✓
S	Increase in the share of women in leadership positions ³⁾	16%	20%	2022	11.9%	✓
	Increase in the training ratio regarding leadership development	100%	100%	n/a	n/a ⁴⁾	-
	Reduction of work-related accidents (LTIFR) ⁵⁾	<10 ⁶⁾ / <2.0 ⁷⁾	<10 / <2.0	2021 (14 / 2.8)	8.6 / 1.7	✓ / -
G	Local implementation of guidelines	100%	100%	n/a	n/a ⁸⁾	-
	Increase in the training ratio regarding the topics of customer privacy, data security, and ethical behavior	100%	100%	2021 n/a	95%	-

¹⁾ Headcounts were used for extrapolation purposes when calculating the key figures for which real consumption was not available.

²⁾ The enormous increase in water consumption was largely due to a major water-pipe burst at RENK's Muskegon site.

³⁾ Leadership positions are defined as positions with a disciplinary management function.

⁴⁾ Once the workforce management system and the connected global learning platform have been implemented, the KPI will be measurable from 2024.

⁵⁾ Lost Time Injury Frequency Rate.

⁶⁾ Accidents with lost time per 1,000,000 working hours (according to the German Employer's Liability Insurance Association standard).

⁷⁾ Accidents with lost time per 200,000 working hours (according to US Occupational Safety and Health Administration standard); figure not audited.

⁸⁾ The subsidiaries will report on the local implementation of guidelines from 2024. The key figure will be consolidated and reported after the complete response.

Initiatives

For the implementation of the sustainability strategy and promotion of a common understanding of sustainability, generally accepted initiatives and associations are of great relevance to RENK. The aim is to shape corporate action along internationally recognized sustainability standards and thus contribute to effective sustainability management.

UNGC	- Commitment to the United Nations Global Compact (UNGC) in 2022, thereby contributing to a fair and sustainable global economy - Member of UNGC Deutschland e. V. since 2023 - Participation in the Climate Ambition Accelerator program in 2023 - Attendance of the annual conference in Berlin in 2023
SBTi	- Commitment to the Science Based Target Initiative (SBTi) in 2022 - Goal: to minimize the impact of climate change and align the necessary measures to the 1.5°C target of the Paris agreement - Environmental action plan incorporating science-based targets for CO₂ reduction under development - Validation of RENK's goals by the SBTi planned in 2024
CdV	- Signing of the Diversity Charter (CdV) in 2023 - Voluntary commitment by RENK to promote a prejudice-free working environment
Blue City Augsburg	- Member of the "Blue City Augsburg" network (headquarters of the RENK Group) - Support for the climate-friendly development of the city of Augsburg - Goal: to further improve the climate through innovations that conserve resources, digital technologies, and joint action
KUMAS	- Member of the association KUMAS – Kompetenzzentrum Umwelt e. V. since 2004 - Goal: to create a favorable framework for the environmental economy and the promotion of sustainable development in Bavaria

Ratings

RENK underwent various ESG ratings for the first time in the reporting period. The results enable opportunities and risks to be clearly identified and promote transparency toward stakeholders.

- In the ESG Risk Rating by **Sustainalytics**, RENK achieved a score of 22.6 (medium risk)¹⁾, putting it in the top 15% for its industry.²⁾
- EcoVadis** is a global provider of sustainability ratings and intelligent, collaborative tools to improve the performance of global supply chains. RENK initiated the assessment process in the reporting year 2023. The result will be communicated in the next report.
- The Group also achieved an **S&P Global Corporate Sustainability Assessment (CSA)** rating of 26/100 points. < ☒

¹⁾ The risk ratings are based on the final assessment score: negligible risk (0-10), low risk (10-20), medium risk (20-30), high risk (30-40) and severe risk (40+).

²⁾ RENK is assigned to the "Machinery" sector

1.2 Governance and compliance

☑ > For RENK Group AG and its subsidiaries, corporate governance means responsible, fair, and reliable action at all levels of the company – on the Supervisory Board, on the Management Board, and toward all stakeholders. Building on RENK's corporate values, this also includes transparent documentation and communication as well as trust-based cooperation, which forms the basis for good corporate governance within the RENK Group.

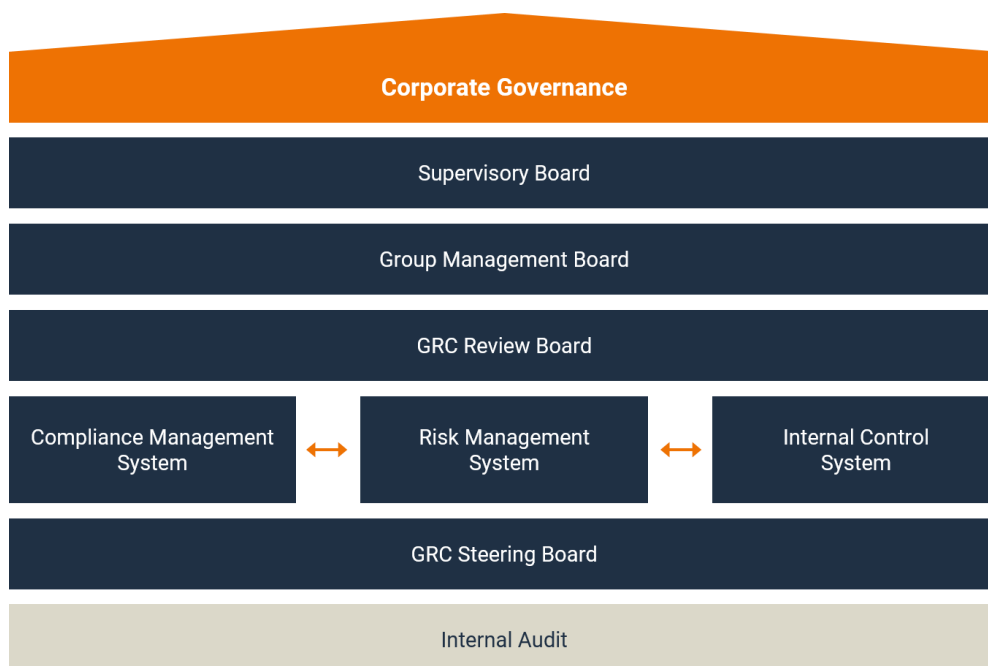
The corporate governance structure fosters an open and risk-mitigating compliance and integrity culture, while also promoting the strategic business areas.

"It goes without saying that we will act with integrity and in compliance with the law, both in everyday working life at the company and in our dealings with business partners. We firmly believe that compliance with legal and ethical standards will contribute to the lasting success of our business, and we require this of our suppliers too. Our systematic internal training and awareness-raising are an important part of our compliance culture."

Florian Köhler
Chief Legal Officer

Governance, Risk & Compliance (GRC) Review Board

As part of RENK's governance, risk and compliance model, which was revised in the reporting year 2023, the Ethics & Compliance function is a component in the second line of defense, along with other divisions (three-line model).¹⁾ The core task of the Ethics & Compliance function is thus to support the Management Board and the segments in managing compliance risks. The Ethics & Compliance function is one of several steering groups within the Governance, Risk & Compliance (GRC) Review Board and reports anticipated compliance risks to the latter on a quarterly basis. The GRC Review Board is made up of at least one member of the Management Board, the Chief Legal Officer, the Controller segment, the Head of Finance, and the Head of Internal Audit.



¹⁾ Three-line model of the Institute of Internal Auditors (IIA).

Governance guidelines

To manage the RENK Group's business activities, ensure the legality of all business transactions, and counter other material risks, the Management Board of RENK Group AG issues internal regulations, including in the form of guidelines. The Group companies must implement the requirements of all guidelines in full. Additional measures based on requirements specific to the company, business, or country can be incorporated into local concepts. The guidelines apply in full to all employees of the RENK Group. The aim is to maintain a high level of security that is consistent throughout the Group. Any changes made to guidelines in the reporting year 2023 can be found in the section [compliance framework and guidelines](#). < 

Export control

The Federal Republic of Germany has one of the strictest export control systems in the world. The export of German RENK products is mainly regulated by the Foreign Trade and Payments Act (Außenwirtschaftsgesetz, AWG) in conjunction with the Foreign Trade and Payments Ordinance (Außenwirtschaftsverordnung, AWV). The guidelines for the licensing authorities represent the political principles of the Federal Government for the export of other military equipment of June 26, 2019.

Other military equipment is listed in Part I Section A of the Export List, an annex to the AWV. The licensing requirement essentially relates to the export of these goods. This includes not only goods, but also technology, software, as well as technical assistance, trade services, and brokering services. Foreign trade, in particular the export of military equipment, can be restricted by imposing licensing requirements or prohibitions. In German law, requirements at the European level are implemented in the respective items of Annex I of the EC Dual-Use Regulation and the German export lists.

The relevant national export control laws apply accordingly to every other country from which RENK products are distributed. Consequently, all international exports are subject to our internal export control organization.

Licenses for the export of other military equipment are only granted if the end use of the goods in question has previously been assured by way of a corresponding written assurance of the end user. The granting of licenses may additionally be made contingent on the consent of the recipient country to on-site checks of the end use.

The RENK Group takes the sensitive issue of export control extremely seriously and ensures compliance with national and international legal regulations through numerous internal labor standards and guidelines. Generally applicable standards are implemented at Group level to ensure compliance with the relevant regulations.

The export control departments concerned monitor individual transactions with a focus on export control and economic sanctions and, where necessary, apply to the relevant authorities for the appropriate export licenses. By adhering to internal rules and processes designed to ensure compliance with legal requirements, the RENK Group ensures that its export business is successful within the scope of the applicable regulations.

Compliance management

 > As a globally active group of companies, the RENK Group is committed to its social and legal responsibility. That means that we comply with applicable laws, respect fundamental ethical values, and act sustainably.

Ethics & Compliance is a fundamental component of RENK's corporate strategy and culture and is practiced by all employees. This begins with the Management Board of RENK Group AG and includes all local directors, managers, and employees within RENK.

To protect the company and its employees from legal and reputational risks, RENK has a Group-wide compliance management system (CMS). The objective of the CMS is the prevention and, if applicable, the early identification of violations of the law such as corruption, money laundering, breaches of competition law, and breaches of foreign trade law. Another CMS focus is on data privacy and information security. The CMS serves to actively manage risks and plays a role in protecting RENK and its employees.

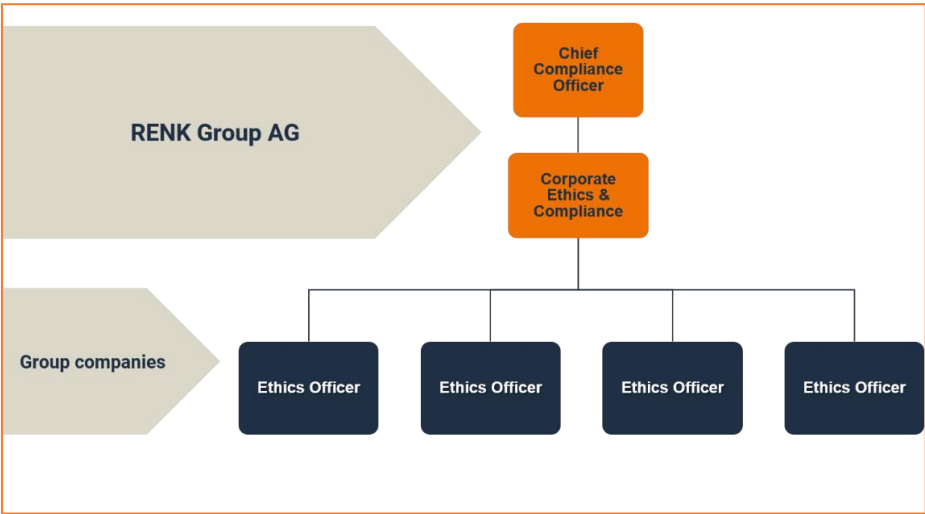
The structure of RENK’s CMS is based on national and international standards and includes the following key elements:



RENK’s compliance organization

The Management Board of RENK Group AG set up the compliance organization, which is run by the Chief Compliance Officer. The Compliance function comes under the responsibility of the CEO. The Chief Compliance Officer reports directly to the CEO and also reports regularly to the Supervisory Board of RENK Group AG on the CMS, current compliance risks, and any incidents. Significant compliance risks and incidents are escalated on an ad hoc basis, outside the regular reporting process.

The Chief Compliance Officer oversees the Corporate Ethics & Compliance department, which is run by the Lead Compliance Officer and implements and refines the Group-wide CMS. An “Ethics Officer” was appointed for each Group company for the first time in the reporting year. Ethics officers are not full-time compliance managers, but rather managers or employees who take on a special responsibility for ethics and compliance. The only exceptions are sites with a large number of employees, which makes a full-time compliance manager necessary. Ethics officers support the Corporate Ethics & Compliance department with the effective implementation of compliance measures at the respective sites and with questions arising in this regard at the sites.



Compliance framework and guidelines

Binding ethical principles of conduct as well as compliance requirements are laid down for all employees in the RENK Code of Conduct. This Code of Conduct is the central element of internal compliance and an essential component of our corporate culture. It contains guidelines on acting with integrity and in accordance with the law. The obligations it contains apply within the entire Group as well as to external partners and the public. The Code of Conduct thus forms the framework for all decisions made by RENK and its employees. It was revised again in the reporting year and, in particular, was adapted to the requirements of the LkSG.

Various compliance guidelines supplement the Code of Conduct. They help employees to ensure compliance with legal requirements and to implement internal compliance processes. A Group-wide process for granting donations and sponsorships was implemented in the reporting year. In accordance with this process, each donation or sponsorship must comply with legal and internal regulations and requires a separate audit by the Corporate Ethics & Compliance department.

In addition, specific instructions and approval processes for dealing with conflicts of interest and secondary employment were introduced. Business decisions must be made solely on the basis of objective criteria and must not be influenced by personal interests or relationships. To maintain objectivity, professional and personal interests must be kept strictly separate.

[!\[\]\(a6eac08c103efb51b40f958fe35f07bb_img.jpg\) Further information on the RENK Code of Conduct](#)

Detection of compliance violations

An open and transparent communication culture is an essential component of well-functioning compliance. In the event of doubts regarding correct conduct in the business environment, RENK expressly encourages its employees to address these openly and to seek help or advice. Thanks to the compliance training they have undergone, the posters displayed, and the distribution of flyers, all employees know who to turn to if they have any doubts or questions.

RENK has clear and transparent processes in place to ensure that compliance violations are identified, resolved, and remedied without delay. The "RENK Integrity Line" digital whistleblower system can be used to report potential violations of the law or of guidelines online. The creation of this secure digital mailbox enables whistleblowers to communicate with the Corporate Ethics & Compliance department anonymously. The RENK Integrity Line is available in several languages and is open to all employees of RENK, as well as customers, suppliers, and other third parties.

The Corporate Ethics & Compliance department examines and processes incoming reports. Processing takes place within a defined incident management process, which was introduced in the reporting year and ensures that confidentiality is maintained and that the whistleblower is protected.

RENK tolerates no violations of laws or internal guidelines. If any compliance violations are detected, they will be examined and appropriate and adequate sanctions will be implemented. The Incident Response Committee, on which the Corporate Ethics & Compliance department is represented, decides on implementation. Sanctions range from consequences under labor law and civil law to criminal charges, depending on the severity of the violation. The implementation of sanctions is monitored within the Group. In 2023, one suspected case was classified as serious. This relates to the export control category. It focuses on potential work failures that could have led to a formal violation of export regulations and were reported to the competent authority.

Compliance training

We conduct mandatory compliance training for all employees in order to create awareness of how to deal with integrity-related issues and convey the necessary knowledge about legally compliant and transparent behavior. The compliance training concept follows a target group-oriented approach. This means that an employee's training is always geared to their respective area of work and thus to their specific risk exposure. Depending on the subject matter, we provide employees with e-learning and/or face-to-face or virtual training sessions, which must be repeated at defined training intervals.

In-person and virtual training sessions are intended primarily for the risk groups of purchasing, sales and service/after sales, and for new employees. The content was tailored to the prevailing compliance risks in the respective area of work and organized interactively.

E-learning courses ensure consistent, Group-wide compliance knowledge at all levels of the company and can be completed independently and flexibly in the workplace. All employees must complete basic "Code of Conduct" training. The training ratio is 95%. Mandatory in-depth modules are also offered. In the reporting year, in-depth modules on information security, export control, prevention of corruption, and data protection were rolled out.

Data protection and information security

RENK takes the protection of personal data seriously. Our company has internal processes and guidelines to ensure that personal data of employees, former employees, customers, suppliers, and other data subjects is processed exclusively within the framework of data protection law. RENK has an external data protection officer who plays a central role together with the internal data protection coordinators and sets global standards. The latter report directly to the Management Board. Further information on relevant "governance" key figures, including on violations, can be found in section 6.

RENK regards the security of its information and the data of its customers as a top priority. In particular, we take protection against cyber threats very seriously. RENK operates a cyber security program to prevent, identify, and respond to malicious activities that could compromise the confidentiality, availability, and integrity of information. This is supported to a large extent by our central Cyber Defense Center (CDC), which protects RENK's digital territory and combines important operational security functions. Continuous monitoring and analysis of the security situation helps to avert damage and minimize risks. RENK has a security organization and ISO 27001 certification based on the "IT-Grundschutz" guidelines issued by the Federal Office for Information Security (BSI).

This certification attests to the implementation of the necessary technical, organizational, and infrastructural security measures in order processing at the core German sites in Augsburg, Rheine, and Hanover. The management of IT vulnerabilities is a dynamic process that includes constant scanning, correction, and validation. Quantitative key figures relating to weaknesses are continuously monitored and evaluated. To minimize risks due to human activity, we provide mandatory training and awareness-raising for our employees once a year (e-learning) as well as further measures during the year and as required (e.g. e-mail, newsletter, Intranet) with regard to security threats and the correct way to handle information. RENK constantly updates and improves its information security system in order to be optimally prepared to prevent and mitigate failures of IT systems and serious cyber security incidents. < ☒

Transparent risk management

The report on opportunities and risks can be found in section 8.2 of the combined management report of the RENK Group AG Annual Report 2023.

Human rights due diligence

As a global group of companies, RENK is committed to respecting human rights unconditionally. RENK strongly believes that the assumption of social responsibility for the well-being of people is the foundation for lasting success. Observance of human rights, both within its own area of business and in the supply chain, is therefore a fundamental part of good corporate governance for RENK and is anchored in our sustainability strategy.

In the reporting year, we set up the “Human Rights Committee,” a central authority for the implementation of human rights due diligence in accordance with the German LkSG and equivalent international standards. The requirements of the LkSG will become mandatory for RENK from 2024, but a large number of measures were implemented in the reporting year to ensure full implementation.



Left to right:
Luisa Fischer (Compliance Manager),
Alexander Pingert (Head of Procurement
Excellence),
Christin Mayer (Corporate Development
Manager),
Dr. Carsten Greisert (Head of Quality, Health,
Safety & Environment Management)

This includes a revision of the Supplier Code of Conduct, which describes RENK’s values and basic principles that suppliers and other business partners must observe. The Supplier Code of Conduct is binding and forms the basis for cooperation. The requirements contained in the Supplier Code of Conduct are based on laws and internationally recognized standards such as the UN Global Compact, the Universal Declaration of Human Rights, and the labor standards specified by the International Labor Organization (ILO). The priority is to protect life and the physical and mental health of people. In addition, a supplier screening process was introduced in the reporting year to identify and limit risks relating to human rights and the environment in the supply chain, and the Management Board published a human rights declaration. With the digital whistleblower system “RENK Integrity Line” mentioned above, RENK has an appropriate complaints procedure that allows violations of human rights and environmental damage to be reported confidentially.

➞ [Further information on the RENK human rights declaration](#)

➞ [RENK Supplier Code of Conduct](#)



02

Products & development

We take our responsibility seriously by continuously developing our products, services, processes, and capabilities. Innovation, openness to technology, and sustainability as future drivers enable long-term customer loyalty.

2. Products and development

RENK's product portfolio

At RENK, we see it as our mission to enable a safe and sustainable future. We are one of the world's leading manufacturers of mission-critical drive solutions for a wide range of defense and civil end markets. We produce, sell, and maintain equipment such as gear units, power packs, hybrid drive systems, chassis systems, plain bearings, couplings, and test systems. Our aim is to meet the global need for peace and security and a world that conserves resources and to contribute to a safe, sustainable future.

"Climate change and decarbonization are one of the biggest challenges of our time, if not the biggest. At RENK, we are aware of our responsibility and make a significant contribution with some of our core technologies to the improvement of energy efficiency and the expansion of renewable energies, for example in the areas of hydrogen, CCUS, large industrial heat pumps, and wind energy."

Nadine Despineux,
CEO Marine & Industry Division

For military land vehicles, we develop and produce high-quality, efficient mobility solutions for tracked and wheeled vehicles such as shift-reverse steering transmissions, chassis systems, engines and, if required, hybrid drive systems. These include mission-proven, extremely powerful, reliable, and weight-optimized transmission or engine solutions for any application, which are used by over 70 armed forces worldwide.

With its industrial and marine gear units and couplings, RENK offers a broad product portfolio. Whether for mega-yachts, icebreakers, commercial shipping, the navy, or research vessels – our customized drive solutions impress with precision, reliability, and sustainability. Our marine gear units are used by naval forces and governments of more than 40 countries worldwide. We are therefore the technology leader and a leading global supplier of complex propulsion systems for naval vessels.

We develop and produce gear units, plain bearings, and couplings for various industrial sectors. The durability and high efficiency of our products help our customers to increase their sustainability and efficiency.

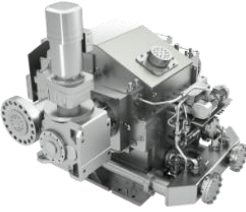
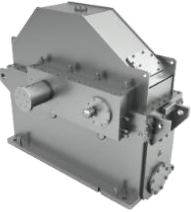
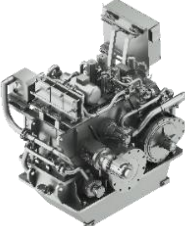
We also offer test systems for the development, production, and quality assurance of systems, products, and components. Our customers come from the defense, aerospace, mobility, and marine industries, for whom we supply turnkey solutions or perform in-house testing as a service.

In our sustainability report, we focus on selected products from our portfolio that stand out because they either offer significant efficiency advantages or enable new technologies.

RENK turbo gear units, couplings, and plain bearings have often been used in energy generation systems in the past. They significantly improve the operational reliability, efficiency, and sustainability of conventional power plants and hydropower plants. Through continuous development, we have further optimized our plain bearings technology and thereby set new standards for on and offshore wind turbines with a capacity of 5 megawatts or above.

RENK turbo gear units are used in new energy markets, such as the hydrogen economy (e.g. gear units for compressors), energy transport, and climate-neutral cycles through the capture and subsequent use of carbon (carbon capture (usage) & storage), energy storage and large heat pumps for district heating networks, as well as process heating and cooling, and also play an important role in the development of new solutions.

Sustainable products

		Advantages
<u>IFPS</u> (Integrated Front-End Power System)		▪ Savings compared to conventional ship generators approx. 1,090 t CO₂ per year ▪ Space-saving front-end installation ▪ Usage of efficient permanent magnet generators
<u>PSC</u> (Propeller Shaft Clutch)		▪ Function to be integrated into RENK gearbox ▪ Unique possibility of decoupling the propeller shaft – without manual intervention ▪ Significant contribution to the overall energy efficiency of large commercial ships
<u>etaX® and HET-Gear®</u> (High Efficiency Technology) gear boxes®		▪ Reduction of losses by 50% ▪ Efficiency up to 99.6% ▪ At an output of 100 MW, power savings of up to 700 kW and CO₂ savings of up to 1,246 t per year are possible
<u>Turbo Transmission</u>		▪ Turbo gearbox portfolio for the new emerging markets of hydrogen production and transport, and carbon capture, utilization and storage (CCUS)
<u>Marine special gearboxes</u>		▪ Material savings for marine gears of around 11% for wheel sets and housings ▪ Weight reduction of approx. 10% ▪ As a result, less fuel consumption and thus CO₂ savings
<u>Condition Monitoring / TechCompanion</u>		▪ Reduces downtime ▪ Intelligent condition monitoring ▪ Fast and CO₂-neutral maintenance through TechCompanion app

2.1 Electrification and hybridization

Alternative drive technologies that are low emission and climate friendly are no longer confined to the automotive industry. Complex powertrains in industrial applications, shipbuilding, and military vehicles also enable efficiency advantages to be achieved and operating costs to be reduced and help ensure compliance with emissions directives. A large proportion of the world's ships already run on a hybrid drive combination, which can lead to significant fuel savings, lower energy losses, and therefore higher efficiency.

PTO solutions for maritime applications

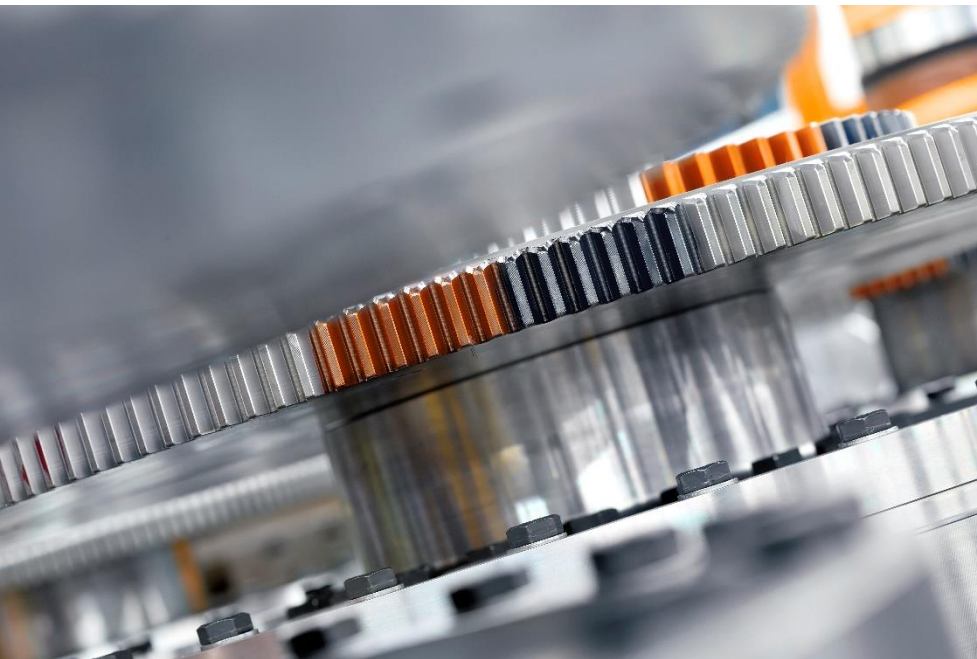
One of the most important arguments for a new ship design is sustainability and energy efficiency. RENK enables its customers to meet the increasing requirements in this field by providing maritime Power Take Off (PTO) solutions for applications such as two-stroke diesel engines. Compared to conventional sets on board, PTO solutions can generate electricity more efficiently due to the increased efficiency of the main propulsion engine. Among other things, this leads to fuel savings and an associated reduction in exhaust emissions. The possibility of main engine power generation is playing an important role in the increasingly strict environmental legislation on ship emissions. This will make such a system indispensable in the future.

The RENK IFPS is one of the PTO systems from our product catalog. This front-end solution consists of a single-stage gearbox, one or more generators, and the associated frequency converters, as well as the transformers for connection to the ship's grid.

Its design enables front-end installation, which is particularly space saving and thus creates valuable additional cargo space on board, which can also be integrated into existing ship designs.

Mounted directly on the front of the engine, the system requires no additional substructure, reducing both installation and material costs. The modular concept also allows the adaptation of multiple generators of the same size. The advantage here is that the rated power of the system can be scaled from 500 kW to 2,000 kW without additional axial space.

The major competitive advantage of the IFPS system is its high efficiency. Thanks to the increased speed provided by the gearbox, particularly efficient permanent magnet generators can be used with the IFPS. Due to the high fuel consumption of large cargo ships, the efficiency advantage leads to significant overall fuel and thus emission savings compared with other PTO solutions.



This means that our IFPS saves 1,090 t of CO₂ per year compared to a conventional ship generator.¹⁾ The RENK IFPS was installed on a series of six new, particularly environmentally friendly tankers. The ships run on a new type of methanol propulsion and thus reduce both CO₂ and other pollutant emissions, such as NO_x emissions, by around 60%.

¹⁾ Output of 2.5 MW based on 4,000 operating hours per year.

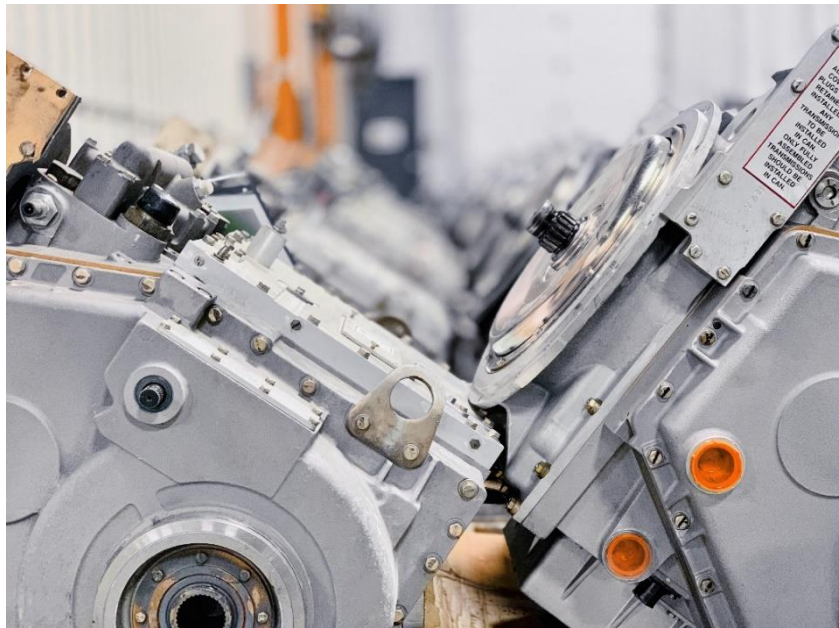
PTO solutions for military vehicles

Military hybrid vehicles offer a number of advantages over conventional all-diesel vehicles. Key benefits include reduced fuel consumption and emissions, improved performance, and other important functional features:

- RENK not only offers the required components for hybrid systems, but also develops and implements complete system solutions.
- We believe that our transmission portfolio for tracked vehicles is the most comprehensive on the market. Most of our transmissions have a PTO/Power Take In (PTI) solution or these can be easily retrofitted.
- An electric motor-generator developed by us can be integrated with the PTO/PTI solution to generate electricity or to provide electrical drive power from the energy storage system. Alternatively, a motor-generator can be integrated between the diesel engine and the transmission or directly in the transmission.
- In addition to purely electric driving, meaning the provision of electrical energy both for consumers in the vehicle and externally, the diesel engine can also be started by means of an electric motor, thus eliminating the need for a conventional starter motor.
- For this purpose, RENK has the scalable power electronics and control system qualified for military applications.

The future belongs to the hybrid drive: The motor generator operates – in combination with an electrical energy storage system – as a motor that supplies the powertrain with additional drive power in parallel with the combustion engine. This combination delivers more power overall or enables the use of a smaller combustion engine.

During negative acceleration (braking maneuvers), the electric machine, which then operates as a generator, generates electric current that recharges the energy storage unit. In the process, we were able to show that significant fuel savings is possible compared to a conventional diesel drive. In addition, the exclusive use of the electric drive allows the vehicle to move silently or to operate silently in the operational position for extended periods without running the combustion engine. Moreover, logistical journeys, such as driving out of the workshop and depot or loading onto rail/ship, can be carried out purely electrically. This is advantageous in terms of reduced wear on the combustion engine, especially during cold starts, as well as noise and exhaust emissions.



PTH solutions for maritime applications

For ships transporting hazardous materials, special requirements apply with regard to safety at sea. For such ships, redundant ship propulsion is mandatory in order to rule out the possibility of the ship becoming unable to maneuver as far as possible and to enable a safe return to port. Many ships in this category now have two completely separate drive trains. To avoid the high investment costs for this and still enable redundant propulsion with only one ship's propeller, a Power Take Home (PTH) solution is necessary.

For ships with a four-stroke main engine, this function can be integrated into a shiftable RENK gear unit. For ships with a two-stroke main engine, decoupling of the main engine from the propeller shaft is required. The Propeller Shaft Clutch (PSC) from RENK offers the unique possibility of performing the decoupling quickly and safely via a hydraulic system directly at the propeller shaft without manual intervention by the shipboard personnel. With the main engine decoupled, the propeller can be driven redundantly via an additionally installed generator. Like our PTO solutions, this generator contributes significantly to the overall energy efficiency of large merchant vessels. In addition, the PSC contributes to safety on our oceans.

In this application, RENK's PSC is installed on the first ships for transporting liquid CO₂. These ships are an integral part of the European plans for storing CO₂ by safely transporting the gas to its destination, thanks in part to RENK's innovative technology.

Electrification for military vehicles

Modern military vehicles require more and more electrical energy on board – whether to power energy-intensive command and weapon systems or to operate communication systems and air conditioning or protective ventilation systems, or to electrify cooling systems for internal combustion engines due to their design. A particularly large amount of power is required to operate protection, sensor, fire control, and weapon systems, such as ECM (electronic countermeasures), high-energy laser systems, and HPM (high-power microwave) systems.

In addition to the engine alternators, our integrated starter alternators, which are inserted as a flat "disc" between the combustion engine and the transmission for the mechanical drive train and make the alternator, starter, and flywheel superfluous, make a significant contribution to this. They

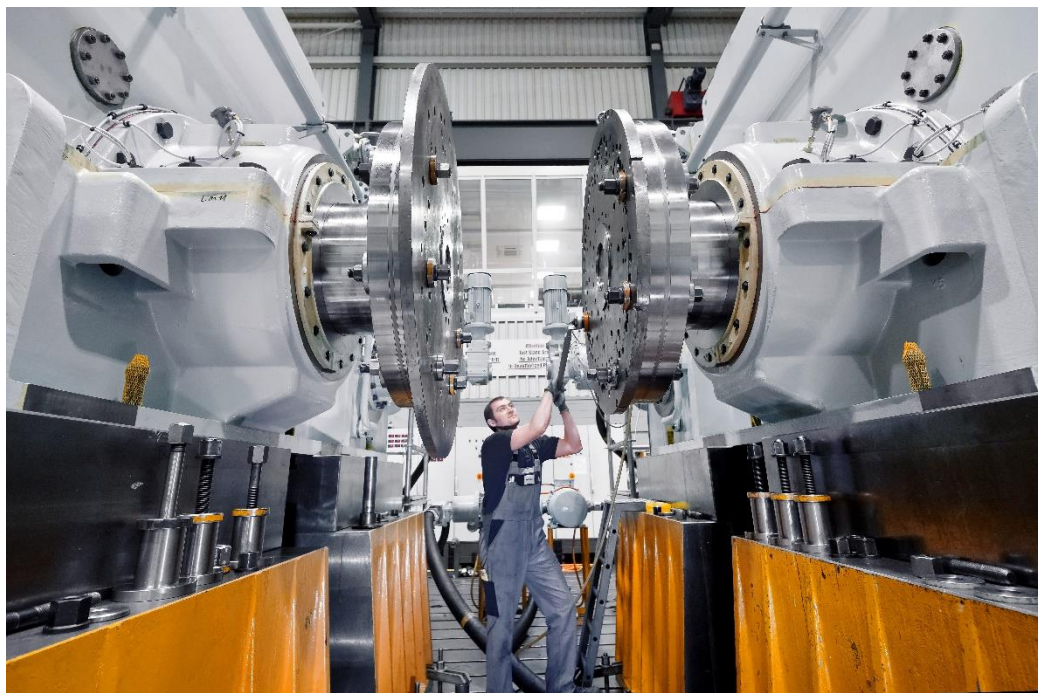
deliver many times the power of conventional alternators. The elimination of these add-on parts and their power transmission to and from the engine (belt drive, clutch engagement and disengagement) reduces complexity and the failure rate. An additional voltage output allows power to be supplied to external consumers as needed. A vehicle equipped with an intelligent hybrid solution can be used as a mobile power plant that is ready for operation in a short time and can thus replace or supplement static and cumbersome infrastructure elements. We also have the necessary power electronics, transformers, and control systems for this purpose.



2.2 Renewable energies

To drive global climate protection, the use of renewable energies is essential – especially to make areas such as the mobility and energy sectors fit for the future. Increasingly affordable electricity from solar and wind power is transforming entire industries, especially in the chemical, cement, plastics, and steel sectors. Energy-specific challenges in the generation and storage of renewable energies require specific and individual solution concepts to achieve the best level of efficiency.

In the reporting year, RENK addressed the entire value chain of new energies, defining initiatives to drive internal developments and jointly shape change by providing technical advice to customers and partners. In the context of the energy transition, we see enormous demand for services relating to hydrogen, CCUS (carbon capture, use and storage), industrial heat pumps, wind power, and other forms of energy storage.



Energy from hydrogen

Challenges in the transformation to green energy arise primarily from availability, which fluctuates and is unevenly distributed worldwide. In order to meet the demand for energy from sustainable, volatile sources, new forms of storage are needed in addition to an increase in capacities for their generation, which make it possible to use surplus energy. Concepts for transport and distribution also play an important role here. As an established manufacturer in this market, RENK completed a large number of projects in the reporting year. For example:

- In the hydrogen sector, RENK offered technical consulting services to various new and existing customers, especially in connection with CO₂-free steel production.
- As part of a project, RENK supplied integral gear units to a manufacturer of green hydrogen for logistics and transport companies. These are used in the nitrogen cooling circuit to liquefy hydrogen.

Promotion projects on hydrogen

RENK believes that hydrogen is a major energy carrier of the future. In particular, green hydrogen is of paramount importance as an emission-free energy carrier, as well as other hydrogen-based compounds such as methanol and ammonia for specific industries. The German government also sees the promotion of green hydrogen as an important step towards achieving the goals of the Paris climate agreement, as it can be used above all in transportation where electrification is not practical or not possible.

In order to actively advance actions relating to the promotion of hydrogen, RENK has been actively involved in the network of the Hydrogen Alliance Bavaria since 2022. This networking, information, and interest platform for hydrogen stakeholders in Bavaria offers, among other things, workshops, technology brokerage, and initial project consulting for alliance partners in order to advance the strengthening of the hydrogen economy together with the Center Hydrogen.Bavaria (H2.B). In addition, the development of an H₂ strategy and roadmap is intended to ensure a rollout of hydrogen use in a broad range of applications.



RENK is also participating in the ProHyGen project, which aims to develop a prototype of a floating H₂ offshore generator and to plan a 15-MW offshore hydrogen park. The project is taking place in conjunction with another project entitled "Scientific investigation of a grid-independent decentralized floating offshore hydrogen generator" within the scope of the funding guidelines for international hydrogen projects issued by the German Federal Ministry of Education and Research (BMBF).

As part of our membership of the German Machinery and Equipment Manufacturers Association (VDMA), we also participate in formats on climate-friendly energy technology. In the Power-to-X (P2X) network, we contribute to raising awareness of technologies, as well as to their further development and transformation.

In 2023, RENK joined the "New Energy Systems" industry sector of Swissmem (the Association of the Swiss Mechanical, Electrical, and Metal Industries). This sector focuses on innovative technologies and applications, in particular energy production (solar, wind, H₂, etc.), energy storage, energy transport and distribution, application, and energy management systems. Here, dialog with stakeholders is just as important as the relationship with associations that play a role in the energy sector. This commitment offers RENK an opportunity to advance its own business development through cooperation and knowledge transfer and to promote synergies of theory and practice. RENK is currently working on becoming a member of the globally recognized Hydrogen Council and thus expanding its activities in this segment not only nationally but also across borders.

RENK is involved in several lighthouse projects in connection with hydrogen and heat pumps, including SALCOS (Salzgitter, LOW CO₂ Steelmaking). This covers the individual steps involved in the provision of green steel and includes hydrogen production and the switching of steel production from blast furnaces to direct reduction, initially based on natural gas and later on hydrogen. A complete switch to direct reduction facilities allows hydrogen to fully replace carbon, which was previously essential in order to produce steel, thereby reducing CO₂ emissions by more than 95%. RENK also supplies turbo gear units for the Eiranranta and Katri Vala heat pump facilities in Helsinki, which generate district heating and cooling from waste heat from the treatment of wastewater. The Eiranranta heat pump facility alone will reduce its carbon dioxide emissions by about 80,000 metric tons per year, as it will replace heat generation from fossil fuels in the winter and will generate district cooling in the summer.

Wind energy

The importance of wind power technology as an alternative to fossil fuels is increasing, both for direct grid feed-in and as an energy source for the decentralized production of green hydrogen. The falling cost of electricity means that low component prices, long-lasting product performance with a low failure rate, and continuously optimized efficiency are the decisive factors for competitiveness.

Our plain bearing solutions are designed as wear-free main rotor bearings and high-performance plain bearing systems for the planetary stages of wind turbine gearboxes. These are currently the main driver for achieving a marketable power density of our customers' turbines. This is made possible by maximum reliability and service life for wind turbines up to the multi-megawatt range. Thanks to their operational reliability, our plain bearing systems promote productivity and value creation. Maximum availability and ideal efficiency ensure maximum energy feed-in through sustainable customer solutions characterized by optimal power generation costs.



Promotional projects on wind energy

The promotion of wind energy is an essential building block for mitigating climate change and its consequences. The expansion of renewable energies, especially wind power, is indispensable for the protection of biodiversity and thus of central importance for future energy supply. One wind turbine supplies 2,000 to 3,500 households with sustainable electricity, which illustrates the great importance of wind energy.

In order to actively promote development in this area as well, RENK is actively involved in funding programs, including the ErWind project. The sponsor is the German Federal Ministry for Economic Affairs and Climate Action.

The aim of the project is to improve the recording of input loads on system test benches for wind turbines. For this purpose, a rotating sensor for up to 6 MW system test benches is to be developed, which can record the input loads in all six degrees of freedom. The project results will contribute to the further development of system test benches for wind turbines. This is expected to increase the reliability of wind turbines.

2.3 Conserving resources

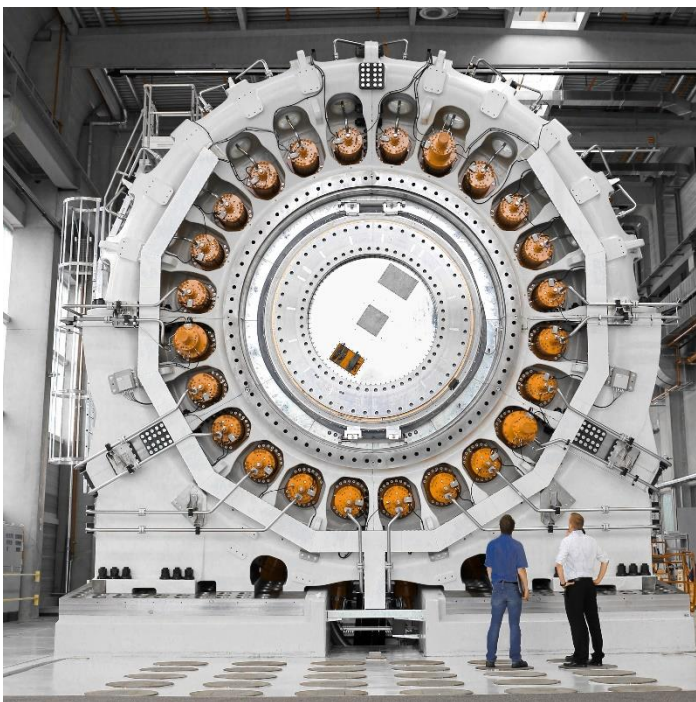
Natural resources, such as water and rare earths, are only available in limited quantities. To prevent waste, the efficiency of installations must be continuously optimized. Minimizing the use of raw materials and maximizing recycling help to reduce the ecological footprint and protect ecosystems. Innovative concepts and efficient products make it possible to save resources and reduce emissions.

Energy recovery for test benches

Conserving resources is also an important issue in the manufacture and operation of test benches. Our RENK Test Systems GmbH keeps this in mind when developing and modernizing each test bench. We use this energy-saving technology ourselves in the final inspection of our transmissions for tanks. The diesel drive engine is replaced by an electric one that replicates its characteristics and characteristic curve. The electrical line generated during the braking and steering tests in the two output machines simulating the vehicle weight is then used to feed the drive motor. Only the small power loss of the transmission thus has to be supplied externally in the form of electric current. No fossil fuels at all are used. Due to the availability of increasingly better motor and converter technology, energy recovery has also become standard in test bench construction. The energy required for testing circulates in the closed circuit and only a small part of the loss energy required in the system has to be supplied as consumption. An energy saving of 90% is possible with this method.

Mechanical energy recovery, which has long been used successfully in mechanical engineering, often has decisive advantages. Test benches with mechanical power feedback are usually less expensive and can be integrated into a smaller installation space. In addition, more accurate performance data can often be achieved for a specific application.

Large test rigs for helicopter main gear units, for example, an area in which RENK is the market leader, are available in both designs, i.e. with mechanical and electrical energy recovery. After analyzing the test requirements, the structural conditions, future application planning, and many other criteria, we determine a suitable design together with the customer.



Increase in efficiency

The RENK etaX® and HET-Gear® (High Efficiency Technology gear units) were specially developed for use in energy production and for driving compressors. The primary objective is to reduce energy losses by approx. 50% compared to a standard Turbo Transmission with the same power output. Whereas in standard gearboxes the gearing in the gearbox housing is surrounded by an air-oil mixture under normal pressure, the interior of the etaX® and the HET-Gear® is under vacuum.

With an efficiency of up to 99.6% compared with a conventional turbo gear unit, power savings of up to 700 kW are possible for an output of 100 MW, resulting in CO₂ savings of up to 1,246 metric tons per year.¹⁾ In one project, for example, we delivered an HET-Gear® with a rated power of 100 MW and a power loss of only 420 kW in November 2023. As a result, our delivered etaX® and HET-Gear® gearboxes have achieved savings of 700,410 metric tons of CO₂ for our customers to date.

¹⁾ Using data from the German electricity mix 2016 - 2022, source: Federal Environment Agency

Optimization of gearbox lubrication

Almost all of our gears are oil lubricated. With splash lubrication, the gears themselves convey the oil from a sump to the tooth mesh. With recirculating lubrication, a defined quantity of lubricating oil is delivered directly to the tooth mesh via a pressure oil system.

RENK has significantly reduced the oil quantity in turbo gear units through the following optimization measures:

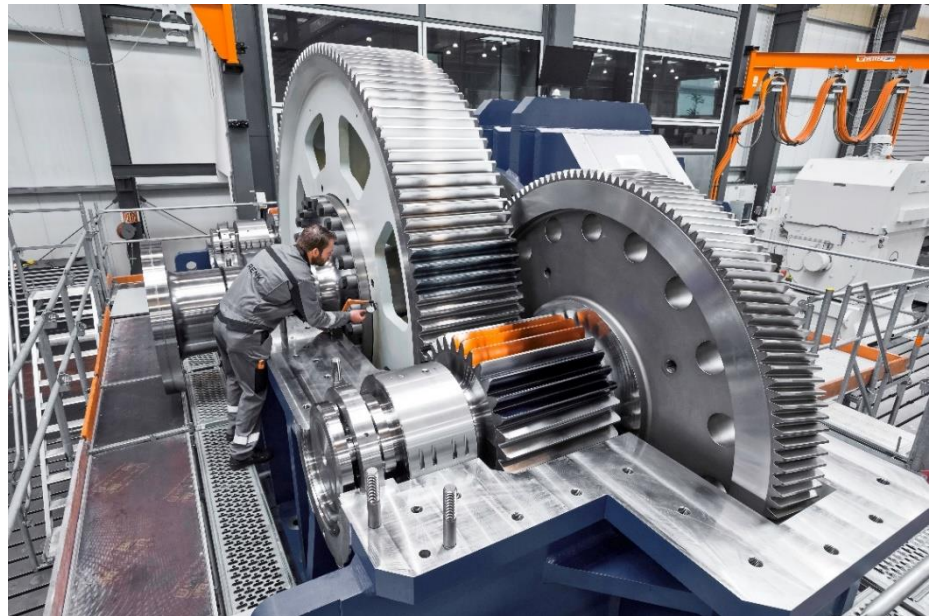
- Exact determination of the oil quantity for gearboxes by using the latest software for calculation and simulation.
- Reduction of the air content in the oil through design changes.

With these measures, RENK reduced the oil quantities by up to 50% and thus the power loss. Measurements on a 70 MW gear unit at a peripheral speed of 150 m/s show that the power loss was reduced by 170 kW. This means that the CO₂ savings per gear unit amounts to approx. 558 metric tons per year.

Industrial oil treatment

Around 40 million metric tons of lubricating oils are consumed worldwide every year. Their production and disposal cause very high CO₂ emissions. As part of a pilot project, RENK, in cooperation with a customer, tested a new process on two bearing test rigs developed by RENK, which allow used industrial oils to be reprocessed several times.

The main hydraulic system used on the test benches has a capacity of over 30,000 liters of hydraulic oil. It supplies the power required for testing the gigantic bearings. The used oil normally has to be replaced every three years to prevent malfunctions in the two sensitive test systems.



Until now, the reuse of purified industrial oils has usually been associated with a deterioration in efficiency. Highly purified hydraulic oil becomes lubricating oil, then grease, and finally ends up in combustion, which releases large quantities of CO₂. This cycle is broken by the tested process.

Instead of replacing the entire volume of oil in the main hydraulic system on the two large-bearing test rigs after three years, hydraulic oil is now regularly removed in smaller units of around 4,000 liters, reprocessed, and returned. If the CO₂ consumption of this reprocessing is compared with that of producing a new oil, calculations by an independent institute show a saving of around 96%, i.e. approx. 126 t CO₂ in three years.

A patent for a new plain bearing

In developing a new plain bearing, our primary aims were to improve efficiency and protect the environment. We succeeded in doing this with the AM12 plain bearing, a hydrodynamic radial plain bearing that is used to support high-speed gear shafts with one rotational direction in particular.

The innovative bore profile of the AM12 bearing, together with the optimized cooling design, ensured an impressive performance this summer at the Augsburg plant in test runs of the 70 MW gear unit prototype, thanks to its high efficiency and rotodynamic stability. Compared with conventional plain bearings, friction was reduced by 28% and the quantity of lubricating oil required was reduced by as much as 35% with the AM12 bearing. For the rating of the prototype at 70 MW, a reduction of approx. 100 kW in storage losses is expected, as well as lower peak storage temperatures.

This technological achievement thus improves the efficiency of the gear unit while simultaneously ensuring a longer service life for the bearing and the oil. The use of the AM12 plain bearing could save around 328 metric tons of CO₂ every year. This helps to conserve resources and supports RENK's goal of operating more sustainably. In addition to this technical advance for our company, we have successfully filed a patent application for the AM12 plain bearing.



2.4 A sustainable product life cycle

To ensure sustainable and efficient manufacture as well as use and disposal of a product, it is essential to consider its product life cycle from the very beginning. RENK attaches particular importance to the durability and maintainability of its products as well as to intelligent and efficient service in order to make the product life cycle more sustainable.



Durable products

Durability is a decisive quality feature of RENK products and at the same time contributes to lower resource consumption. Our products are designed for a useful life of 40 years and beyond. After reaching this useful life, they can be repaired and overhauled to remain in operation for decades longer.

While maintaining the same service life, we are able to reduce the size of gears through more targeted gear design, more accurate manufacturing, and the monitoring of operating condition. The service life of gears is limited by tooth breakage, pitting, or wear.

The respective strengths are determined by the load, the geometry of the gearing, and the materials selected. To improve the material and resource efficiency of our gear units, we have extended our load limits for gear teeth.

For our transmissions, this means:

- Reduced center distances
- Reduced oil quantity and volume
- More compact design
- Material savings of up to 11% for wheelsets and housings
- Weight reduction of up to 10%

This weight reduction results in less fuel consumption, a reduction in raw materials, and lower CO₂ emissions.

Our service activities also support our customers in maximizing the service life and availability of their equipment. For overhauls and repairs, we make sure that as many components as possible are prepared for further use. In modernization projects, we work with our customers to achieve maximum improvement in plant efficiency and at the same time recondition the plant components that are essential for operation for further use.

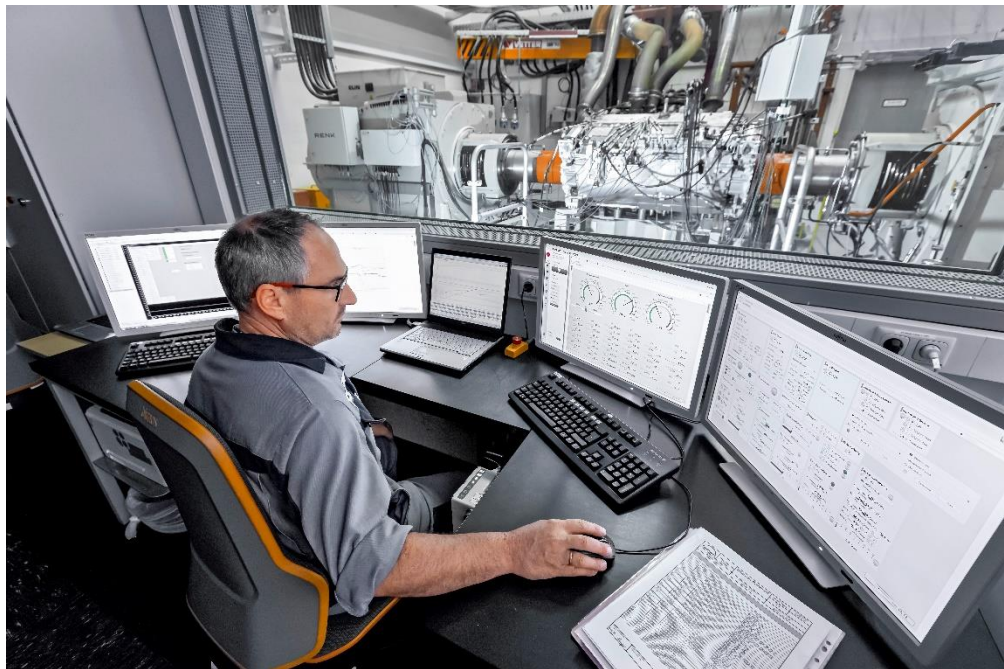
Intelligent condition monitoring

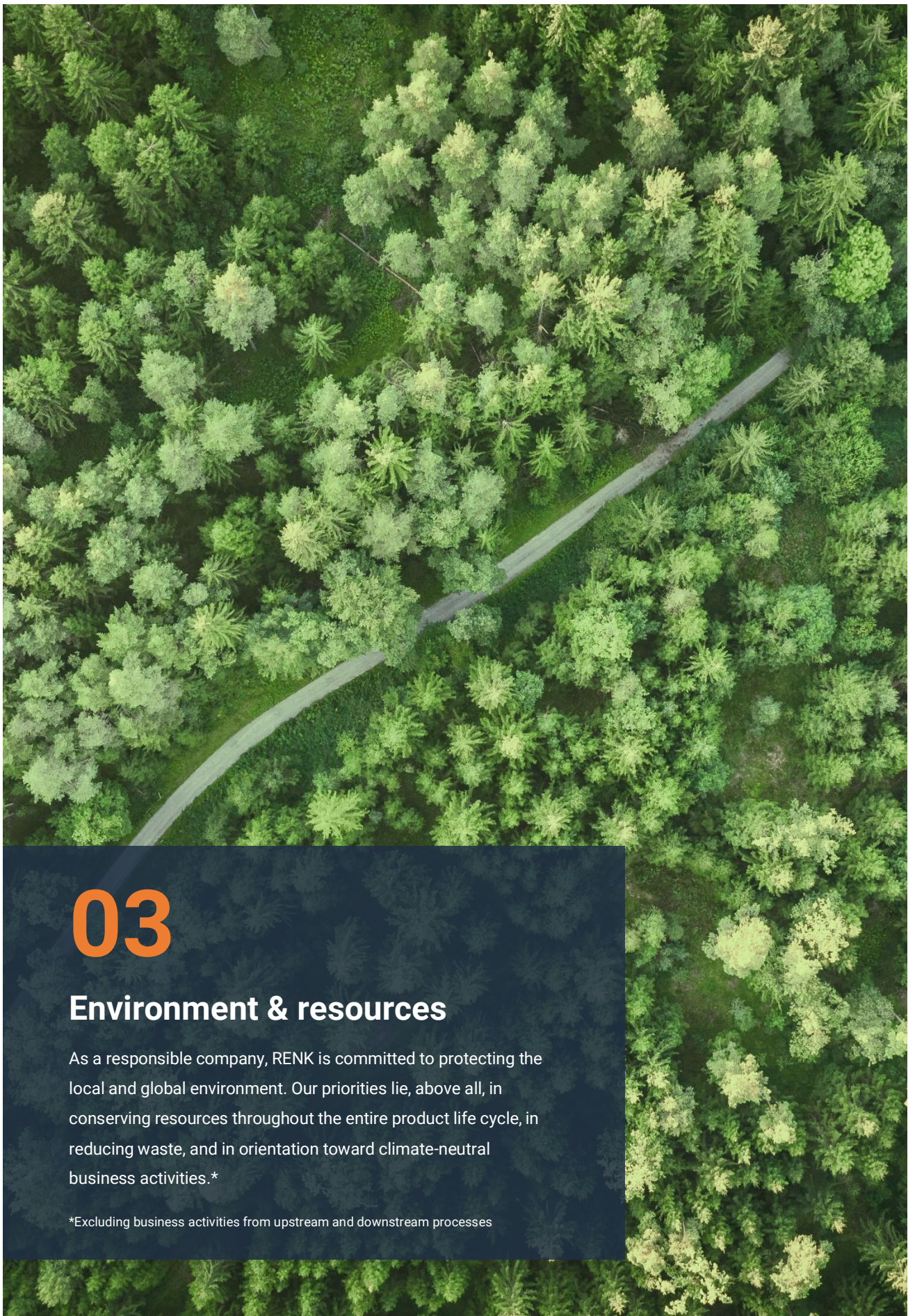
Proactive action can extend machine life and avoid potential consequential damage. This requires detailed knowledge of the machine behavior. RENK's condition monitoring solution supports our customers in operating their RENK gear units as gently as possible and with maximum efficiency. This ensures availability from the first hour of operation throughout the entire machine life cycle. Through optimized maintenance work, we make an additional contribution to the longevity of our products.

Intelligent condition monitoring enables our customers to schedule overhauls of wear parts, such as bearings, as needed, maximizing maintenance cycles with low risk of unplanned downtime. Due to the timely overhaul of wear parts and the detection of incipient damage, our condition monitoring solution helps to avoid consequential damage, protect components, and reduce resource consumption. The reduced number of repair measures and the lower use of materials enable sustainable plant operation. This benefits our customers and also nature. Our diagnostic approach goes beyond the RENK gearbox and supports plant operators in the safe operation of the entire plant.

Virtual service support

Our excellent remote support helps our customers in any situation quickly, saves CO₂, and ensures maximum usability of the plant at all times. This support consists on the one hand of our TechCompanion service app, with which we provide on-site assistance, and on the other hand of our online training courses for the operation and repair of gear units. In this way, we avoid service personnel traveling to the site of operation or training, thus reducing travel-related CO₂ emissions.



An aerial photograph of a dense, lush green forest. A narrow, light-colored path or road winds through the trees, starting from the bottom left and curving towards the top right. The trees are mostly coniferous, with varying shades of green, suggesting different species or perhaps some autumnal tints. The overall scene is a top-down view, looking straight down into the canopy.

03

Environment & resources

As a responsible company, RENK is committed to protecting the local and global environment. Our priorities lie, above all, in conserving resources throughout the entire product life cycle, in reducing waste, and in orientation toward climate-neutral business activities.*

*Excluding business activities from upstream and downstream processes

3. Environment and resources

3.1 Environmental management

☑ > As a company, RENK wants to make a significant contribution to the protection of the environment and of natural resources. In the reporting year, we broke down our Group-wide environmental program for our individual sites and drew up individual work programs. Various initiatives were launched to make products, processes, and supply chains more environmentally friendly and sustainable. To ensure better management, we collect data on energy consumption, resource use, emissions, waste, and wastewater. This transparency of all processes at RENK sites forms the basis for the continuous improvement of environmental performance. The evaluation is based on defined parameters and processes. In doing so, we are guided by international specifications such as ISO 14001.

"We have recognized the need to respond to the climate crisis and have drawn up project plans to achieve our environmental goals. There is a clear focus here on cooperation with all our employees and stakeholders worldwide. It is important to emphasize that not only large steps, but also small ones, can achieve something."

Dr. Carsten Greisert

Head of Quality, Health, Safety & Environment Management

The main goals of our environmental program are to reduce CO₂ emissions, cut energy and water consumption, and reduce the amount of hazardous and nonhazardous waste disposed of at all RENK Group sites. In this context, it should be emphasized that one of our greatest levers for protecting the environment lies in the reduction of greenhouse gas emissions and the reduction/efficiency of energy use at our sites. In 2023, we backed up the goals and initiatives of the environmental program with concrete actions. Our focus was primarily on conducting feasibility studies, but also on implementing our first projects, especially those relating to the use of renewable energies and the improvement of energy efficiency. Further measures are currently being planned for 2024.

Responsibilities and procedures

Environmental and occupational health and safety are an integral part of RENK's sustainability strategy and are managed centrally at Group level. Local teams at the sites translate the strategic goals defined in the Quality, Health, Safety & Environment (Q-HSE) corporate policy into HSE guidelines, local targets, and concrete measures. The Head of Q-HSE Management reports directly to the Chief Operations Officer on the degree of target achievement and compliance with the guidelines. Since 2023, all environmental and energy issues at the RENK sites have been coordinated in close cooperation with the coordinators in the central specialist department and with the local HSE managers.

[Further information on the RENK Q-HSE policy](#)

The RENK Group's corporate activities strive for continuous improvement in terms of environmental impact, conservation of natural resources, product-related environmental aspects, and the overarching sustainability strategy. These are important control variables for achieving profitable and long-term growth in harmony with the environment.

In order to achieve the goals of our environmental program, we established an individual annual target for each site, the achievement of which is regularly monitored. The planning, assessment, and control of measures resulting from these site-specific environmental targets are also regularly coordinated and defined with the coordinators in the central specialist department and the HSE managers.

Introduction of a global environmental management system

In order to drive forward the global standardization of all environmentally relevant corporate processes, RENK has decided to establish a cross-site environmental management system in accordance with ISO 14001. In this regard, we are initially concentrating on those sites with the greatest environmental impact and highest energy consumption. The aim is to ensure the permanent improvement, harmonization, and further development of environmental performance through regular internal and external audits.

In accordance with ISO 14001, the local HSE managers inform the management of the certified sites about the current status in management reviews on a regular basis, or at least once a year. Among other things, possible new targets and the status of projects already started are discussed, documented, and evaluated.

In 2023, we updated the environmental aspects to be determined for the sites in accordance with ISO 14001 and developed a harmonized and standardized assessment matrix in accordance with ISO 14001. All certified sites have a site-specific opportunity and risk assessment in accordance with ISO 14001. The planned gradual rollout of certification to all other production sites in the future also makes it possible to aggregate these opportunities and risks at the RENK Group level in line with ISO 14001.

While our sites in Augsburg, Hanover, and Winterthur successfully maintained their certificates, our site in Rheine was also certified in accordance with ISO 14001 in 2023. In 2024, we plan to have our site in Bath (UK) certified in accordance with ISO 14001. The first coordination meetings with the central specialist department and the local HSE team took place in the reporting year.

3.2 Energy and emissions

Climate neutrality by 2040¹⁾

The fact that our CO₂ emissions have a significant and lasting impact on climate change is an aspect we recognize and respond to. Based on our target of climate neutrality by 2040, an environmental program was introduced in 2022 to reduce energy consumption and CO₂ emissions systematically and sustainably.²⁾ This will be updated in 2024 as part of the new sustainability strategy.

Lowering energy consumption

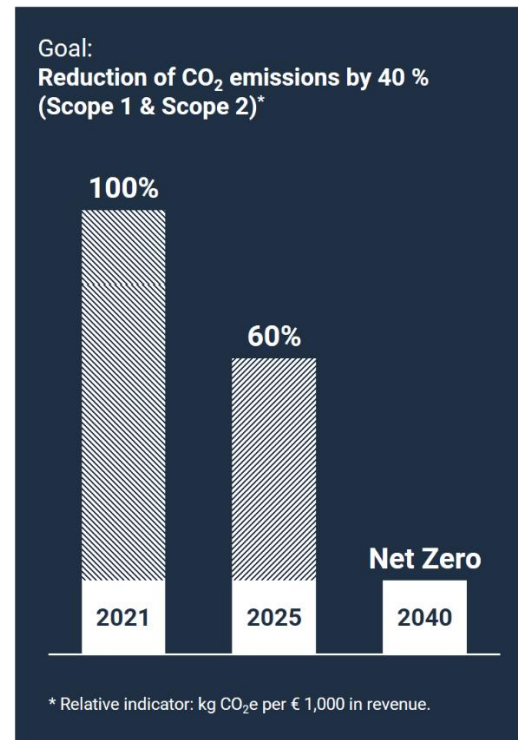
As an interim goal on the way to climate neutrality, we want the RENK Group's total energy requirements to be met by renewables and to be constantly reduced.

As defined in the sustainability strategy, 60% of all our purchased electricity is to come from renewable sources by 2025. We already purchase 100% of the electricity used at all RENK's production sites in Germany from renewable sources.³⁾ We consider this target ambitious due to the limited availability of electricity from renewable sources at our major production site in Michigan. We use electricity to power our machines and test benches and for the heat treatment process, among other things.

Total energy consumption (electricity) in the reporting year was 55,464,825 kWh (previous year: 53,940,136 kWh). Compared to the previous year, absolute energy consumption increased by 2.8%, in line with the increase in sales. Renewable energies accounted for 55.8% of this. Due to the switch to renewable electricity at the Starnberg site and the higher utilization of capacity at our Augsburg, Hanover, and Rheine sites, where we already obtain electricity from renewable sources, the share of renewable energies increased by 1.5 percentage points year on year. The installation of a new photovoltaic system at our site in Guaramirim (Brazil) in Q4 2023 will also contribute to a rise in the share of renewable energies in the future.

As electricity is an important source of energy for RENK, we are pushing ahead strongly with projects to increase energy efficiency at all our sites. To identify opportunities for energy efficiency enhancement, we began carrying out external energy audits at all our sites in 2023 and will repeat these every four years. These began at our German sites in the reporting year. We initiated an energy efficiency analysis at our U.S. site in Muskegon in consultation with external advisers. We plan to integrate the first measures into the environmental program for Muskegon in 2024. In addition, we plan to introduce an energy management system at the sites within the EU that are affected by the Energy Efficiency Directive by 2025.

As well as reducing our electricity consumption, another key factor is the modernization of our heating systems. We will conduct our first joint assessment of this at our main production sites in Germany in 2024 to enable targeted investment in modern technology.



¹⁾ Climate neutrality relates exclusively to Scope 1 & Scope 2. For this purpose, compensation measures from CO₂ certificates are also used.

²⁾ The consumption relevant for CO₂ balancing, in particular electricity and gas consumption, was taken into account with country- or site-specific emission factors.

³⁾ This electricity is converted into CO₂ emissions with the emission factor 0 g CO₂ per kWh into CO₂ emissions.

Energy-saving projects launched and partly completed in the reporting year include the installation of energy-saving LED lighting as well as energy-efficient building refurbishment. At our sites in Winterthur and Muskegon, we began replacing our complete, conventional hall lighting with LEDs in 2023.

Reducing our emissions

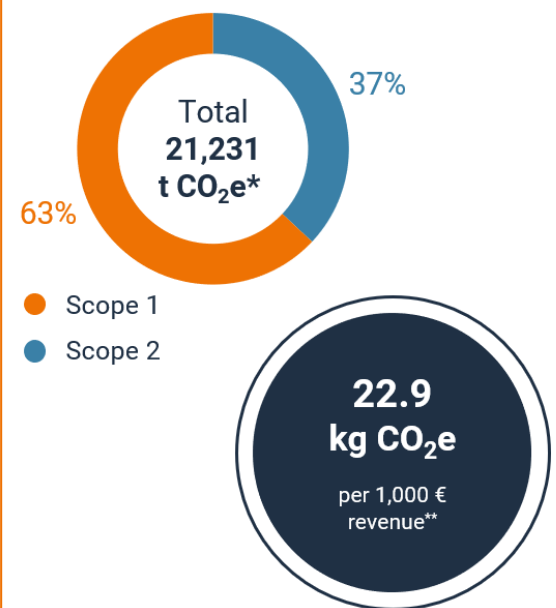
We aim to reduce our CO₂ emissions (Scope 1, Scope 2) in relation to revenue to 60% of the 2021 baseline by 2025. We have identified the emissions generated in the upstream and downstream value chain (Scope 3) as another important factor. In the reporting year 2023 we began bringing transparency to our complex supply chain, including through the gradual introduction of a tool for software-based determination and monitoring of the associated CO₂ emissions. ESG criteria are an important component of supplier assessments to ensure sustainability throughout the supply chain.

In the reporting year, we reduced CO₂ emissions in relation to revenue in our own operations by 10% (previous year: 25.5 kg CO₂e per € 1,000 in revenue). The switch to CO₂-neutral energy sources played a crucial role in this. Key points included the switch to a green electricity contract at our site in Starnberg and the installation of a PV system in Q4 2023 at our site in Guaramirim (Brazil). This enabled us to achieve revenue growth while reducing our CO₂ emissions slightly compared with the previous year.

In order to create awareness of more efficient use of electricity and other energy sources in everyday working life, it is important to sensitize our employees and managers to this issue. To that end, we produced informational brochures in the reporting year and distributed them at our sites. These are to be provided as mandatory online training from 2024 and will thus support our employees in achieving our environmental goals.

We also want to support our employees in reducing their personal CO₂ footprint. As part of this, we installed a total of 22 charging stations for electric vehicles at our sites in Augsburg, Starnberg, and Guaramirim (Brazil) in 2023. Further charging columns are planned, including at our Hanover site. In addition, we made company bicycles available to employees at all our sites in Germany in 2023. Our employees thus have the opportunity to lease a bicycle at a low cost.

Status Quo 2023: Greenhouse gas emissions



* CO₂ equivalents are a unit of measurement used to standardize the climate impact of different greenhouse gases.
** Scope 1 & Scope 2.

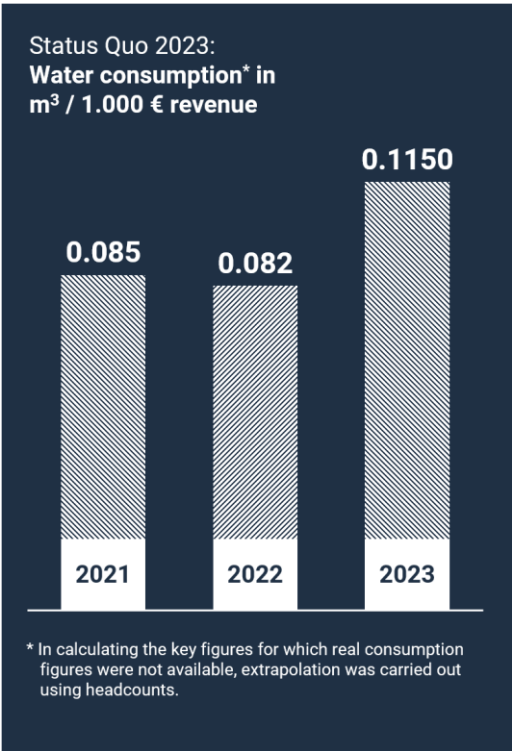
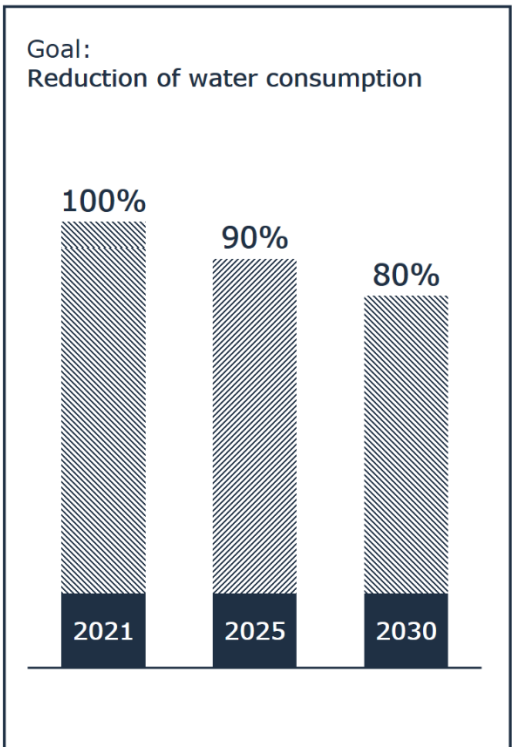
3.3 Material and resource efficiency

Reducing our water consumption

In order to contribute to the conservation of increasingly scarce global water resources, the RENK Group plans to reduce its water consumption by 10% by 2025 as a proportion of revenue. To achieve this goal, we are relying above all on awareness training for our employees.

We need water at our production sites for sanitary purposes, cooling production machinery, and for industrial applications. Since we believe that we already handle water very efficiently in our production processes, we consider savings in its use for sanitary purposes to be a relevant lever. Wastewater is discharged into the public sewer system and treated in public wastewater treatment plants.

Municipal sources are the main source of water for all sites. Industrial wastewater that has received in-house pretreatment prior to discharge is discharged into the public sewer system. Strict monitoring of treatment and pollutant parameters ensures compliance with all local discharge limits set by local authorities. RENK does not discharge wastewater into natural waters or groundwater.



Total water withdrawal in the reporting year was 106,392 m³ (previous year: 69,313 m³), an increase of about 53%. This was largely due to a major water-pipe burst at our site in Muskegon and to a series of unscheduled, water-intensive product tests. Measures to mitigate this risk were coordinated with the site and mainly involve close condition monitoring and regular preventive maintenance of water pipes.

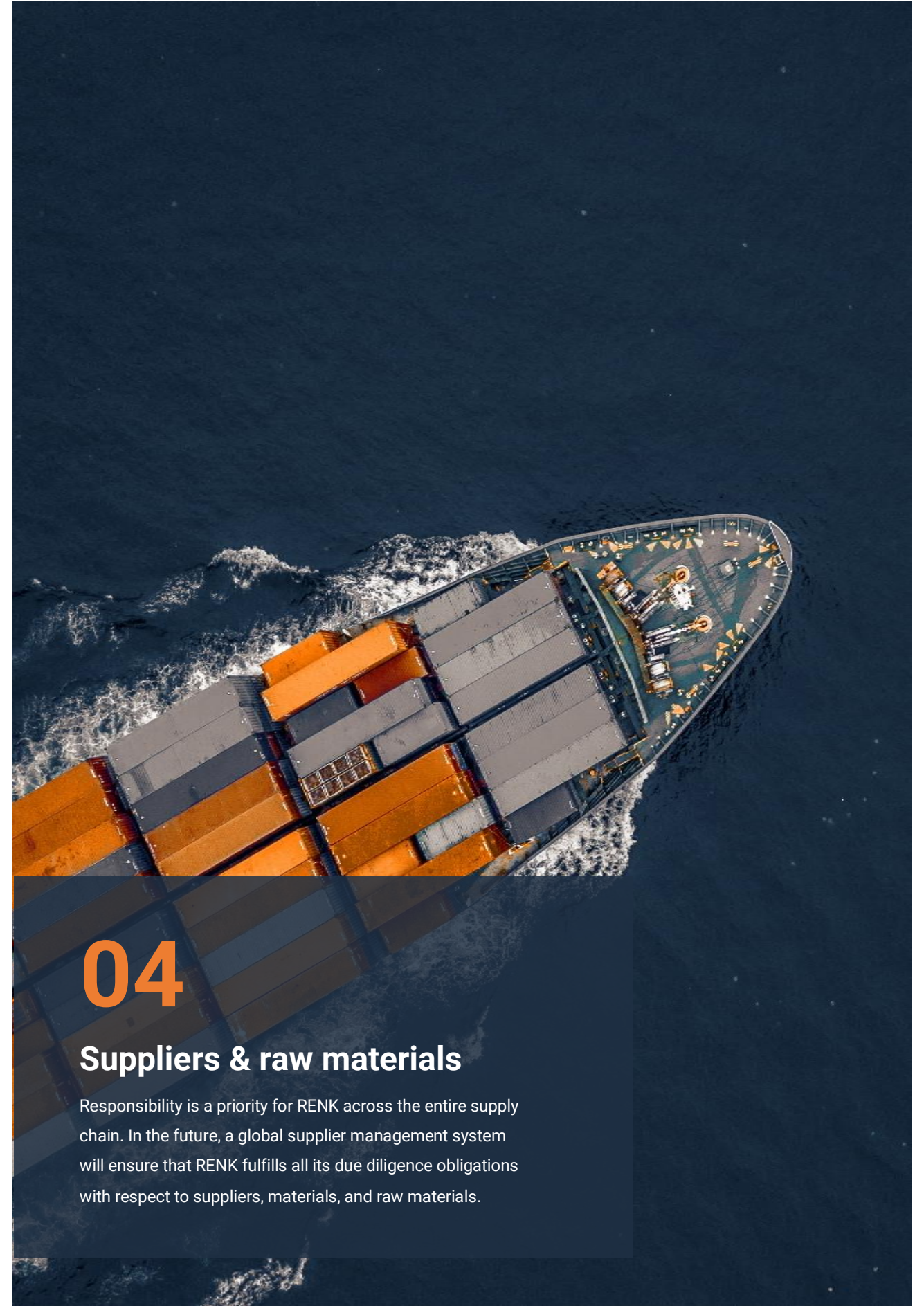
We do not intend to carry out any further water-intensive product tests in the next few years. As a matter of principle, facilities relevant to water protection must be operated in such a way that there is no risk of contamination of water bodies and soils. So far, no case of unintentional pollution has been recorded at RENK. Since 2023, we have documented the issue of water contamination at all affected production sites in site-specific emergency plans. < ☑

Dealing with waste disposal

Waste management is another important point in RENK's environmental program and is currently being addressed independently at RENK's individual sites. The main sources of waste generation are our production and office sites. The total volume of waste produced in the reporting year was 6,413,697 kg, of which 5,441,300 kg was recycled.

First and foremost, we want to avoid waste. However, if we cannot reduce waste further, it will be sent for recycling by a recognized organization. By 2025, our focus is on expanding recycling processes at our sites and on replacing hazardous and environmentally harmful raw materials in our products. In summer 2023, we integrated the issue of replacement of hazardous substances into a cross-site obsolescence management project. A substitution process that will apply to the entire RENK Group will be developed as part of this project.

In addition, individual sites are conducting a feasibility study on the extent to which they can increase the recycling rate. Possible considerations relate to switching of waste for recycling (Abfall zur Verwertung – AZV) from thermal recycling to sorting in order to increase the proportion of recyclable waste. We made progress here at our sites in France and China. In France, waste has no longer been fully processed for energy since March 2023, but instead has been recycled where possible. In Shanghai, cardboard boxes and waste paper have been sent for recycling since this year. We also switched from thermal recycling to sorting of waste in Augsburg in Q3 2022.



04

Suppliers & raw materials

Responsibility is a priority for RENK across the entire supply chain. In the future, a global supplier management system will ensure that RENK fulfills all its due diligence obligations with respect to suppliers, materials, and raw materials.

4. Suppliers and raw materials

4.1 Minimum requirements for suppliers

Global orientation of supply chain management

Through the global orientation of supply chain management within a global purchasing organization as a central function of the RENK Group, we have established central control and management functions. These functions build responsible and sustainable cooperation with global suppliers.

"Integrity is a vital requirement at RENK. It is therefore essential to us that our suppliers also comply with our values and standards as well as safe and sustainable business practices. With the tools we have introduced globally, we have closed the loop for evaluation and, in the future, sustainable management of our supply chain."

Bernd Holzinger
Head of Supply Chain Management

As already mentioned, our Supplier Code of Conduct for the entire RENK Group was updated and published globally. Our Code of Conduct was also sent to all suppliers of the RENK Group with support from the system, and acceptance of and compliance with the Code of Conduct was ensured and documented centrally. In the reporting year, we also began developing and drafting a global supply chain policy to standardize our supply chains and support the preparation of a global supplier management system. At the same time, the responsibility of the RENK Group to comply with national laws and internationally recognized guidelines is ensured centrally.

[➔ Further information on the RENK Supplier Code of Conduct](#)

Standardization and expansion of global guidelines

We continuously review national and international purchasing and supplier guidelines to meet the requirements of the RENK Group for responsible cooperation with all suppliers and ensure compliance. We consider current changes and extensions on an ongoing basis and integrate them into our supplier management strategy. In the reporting year 2023, a review of local and national purchasing and supplier guidelines began. The final version will be established and published in 2024.

Introduction of the RENK Supplier Portal

Our aim is to harmonize, bundle, and centrally manage the global supply chain and purchasing processes. The RENK Group introduced a global supplier management system in the reporting year, which ensures compliance with named laws and guidelines in a system-supported, automated, and comprehensive manner. Potential and existing suppliers undergo a registration and qualification process supported by self-disclosures, individual questionnaires, third-party data, and other information. We collect the specific qualifications, certificates and certifications of suppliers, track them over time, request them automatically with the support of the system when they expire, and take them into account in supplier management and when awarding contracts. The supply chain is managed transparently and actively with regard to possible risks. With these initiatives, the RENK Group has created the basis for sustainable supplier management.

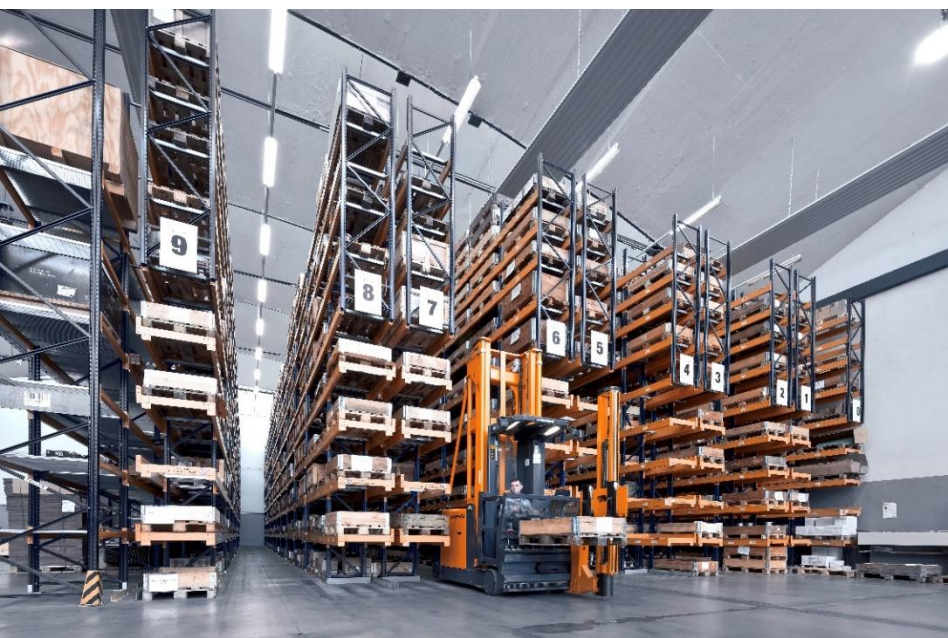
Introduction of global supplier risk and ESG management

With the introduction of the RENK Supplier Portal, we subjected all suppliers of the RENK Group to an initial risk categorization. An initial risk profile will also be created at the beginning of 2024 and will be supplemented with third-party data from external providers. To make this possible, the RENK Group has entered into global cooperation agreements with the providers Dun & Bradstreet and Riskmethods. This ensures compliance with current national and international requirements.

We evaluate suppliers according to various risk categories, create a risk profile, and manage identified potential risks. Elementary components of this profile are ESG-relevant scorings and data collected in individual questionnaires. Our Global Commodity Management teams define the management of these supplier segments according to strategic, operational and tactical aspects within individual commodity group strategies. We check and, if necessary, supplement the results of the risk analysis with on-site audits. On the system side, algorithms form the data-supported backbone for evaluation and for activating system-supported action plans. The algorithms are based on external data or answers from supplier questionnaires. We support responsible buyers in executing and tracking the action plans, thus ensuring target achievement. Third-party data is also integrated into the system on a regular and automated basis. In this way, we ensure active monitoring, which enables comprehensive, transparent reporting including the up-to-date status of all data.

Fulfillment of the due diligence requirements of the LkSG

With the introduction of the supplier management system in combination with global supplier risk and ESG management, the RENK Group ensures all requirements for compliance with the duties of the LkSG and other requirements such as the UK Modern Slavery Act. However, with a globally operating purchasing organization, the RENK Group not only meets local, regional, or national requirements. It also takes into account all guidelines and requirements that apply in the markets of its subsidiaries – or in those of the respective suppliers – and ensures compliance with them.



Outlook 2025

By 2025, the RENK Group plans to establish ESG criteria as a fixed component of the supplier award and selection process alongside commercial and qualitative aspects. The supplier management system will be expanded to include a tender and contract management system. The evaluation of the criteria is automated and system supported. By providing and collecting this data, the RENK Group will be able to anchor ESG criteria in its commodity group strategies and in supplier development in the future. ESG criteria will be established as a key performance indicator within purchasing and used in initiatives to save, reduce, and avoid CO₂ emissions, for example.

4.2 Material compliance

Comprehensive material requirements

The RENK Group is committed to the responsible use of critical materials. When selecting our suppliers, we ensure compliance with all necessary specifications for materials and substances.

In doing so, we are guided by relevant legislation such as Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), Restriction of Hazardous Substances (RoHS), the EU Directive on Persistent Organic Pollutants (POPs), local chemical regulation, and the Dodd-Frank Act. Since 2021, we have been using the SCIP database of the European Chemicals Agency (ECHA) for the declaration of substances of very high concern (SVHC). Within its General Terms and Conditions of Purchase, the RENK Group ensures the handling of conflict minerals or components that are subject to further relevant legislation, such as the REACH chemicals regulation. In addition, we keep ourselves informed about updates or changes in regulations through constant exchange with our industry association VDMA.

[➞ Further information on RENK's General Terms and Conditions of Purchase](#)

Since 2022, we have introduced a central material compliance process at our sites within the EU. A Group-wide Material Compliance Corporate Guideline has also been drawn up in connection with this. This summarizes all criteria and regulatory frameworks of importance to the RENK Group in a standard process to map the flow of information regarding SVHC in our products. The Material Compliance Process defines how we inform our customers about so-called prohibited and declarable substances. Our suppliers are required to inform us immediately as soon as new information on the ingredients of their products becomes available.

[➞ Further information on the RENK Material Compliance Guideline](#)

At RENK's European sites, the majority of products containing SVHC contain lead. This heavy metal is predominantly used in our purchased electronic components (as a component of solders) or as a component of free-cutting steel for optimized machining processes in metal-cutting production processes. Avoiding health risks is one of the core objectives of our sustainability strategy. We have therefore set ourselves the goal of reducing the number of materials containing lead as far as possible through substitution. Our cross-site obsolescence management project helps us in achieving our goals.

Responsible procurement

In addition to the appropriate handling of hazardous materials, the responsible procurement of raw materials such as tin, tungsten, tantalum, or gold is also an important concern of the RENK Group. The reason for this is that the extraction of these materials in some countries helps finance armed conflicts and human rights violations. RENK uses the Responsible Minerals Initiative (RMI) approach to track the regions from which sub-tier suppliers source components with critical raw materials and to be able to initiate targeted measures in the supply chain if necessary.

Because we are aware of our social responsibility as a company, compliance with human rights and social standards is a fundamental core of our business activities. We want to ensure compliance with human rights and ecological as well as social standards with regard to the materials we use. For this reason, we published our first report on conflict minerals for our sites in Augsburg, Hanover, and Rheine in the reporting year 2023, based on the requirements of the RMI. This report will also be made available to our stakeholders, such as customers, on request. We plan to extend the validity of the report on conflict minerals to the entire RENK Group at the beginning of 2024. We are currently working on the definition of a Group-wide conflict minerals program, which will also be published in 2024.

A photograph of a man and a woman standing in a factory. The woman, on the left, has long blonde hair and is wearing a dark blue blazer over a white shirt. The man, on the right, is balding with glasses and is wearing a white button-down shirt. They are both smiling. The background shows industrial machinery, including large orange overhead cranes and metal structures.

05

Employees & health

Motivated and healthy employees are essential for the success of a company. A secure working environment characterized by equal opportunities contributes to long-term loyalty and plays a significant role in identification with the values and visions of the company.

5. Employees and health

5.1 Talent acquisition

☑ Attracting talent is an elementary building block for RENK to position itself in the future as an employer of choice. To this end, we rely on high-quality training, very close cooperation with colleges and universities, and targeted measures for attracting both young and experienced talent.

“To ensure that we remain a good employer in the future, we make sure that diversity, fairness in all aspects of cooperation, and open and constructive dialog with our employees are on the agenda at all our sites.”

Brigitte Schnakenbourg
Chief Human Resources Officer

Talent acquisition

RENK is increasingly focusing on a modern employer image in order to attract talent. We raised the profile of the RENK Group significantly in the reporting year, mainly through our social media presence. We have also recruited around 200 employees for our German sites through campaigns such as “Employees recruit employees” since 2022. In 2024, we will roll out the campaign globally across the entire RENK Group.

At our main site in Augsburg, we drew attention to ourselves through monthly campaigns such as trade show participation, sponsoring, and increased presence at events in the reporting year. Our sponsorship of the German Bundesliga club FC Augsburg, for example, helped to make us more visible publicly.

RENK employs particularly experienced recruiters, especially at our sites in Germany and the U.S. In addition, we established efficient recruiting processes in 2023 that are transparent for applicants and are currently managed on a decentralized basis by our sites.

Our workforce management system that we introduced in 2023 forms the basis for our global recruitment platform. The implementation of this, which began in the reporting year, will allow us to map the complete recruitment cycle from 2024 and make our vacancies visible worldwide, both internally and externally.



Cooperation with colleges and universities

In Germany, RENK is in regular contact with various colleges and universities. The aim is to bind young graduates to the company at an early stage through internships, thesis work, and student traineeships. At university fairs at the locations and beyond, we inform students about the company itself as well as offers and development opportunities at RENK. There are various opportunities to join RENK while still studying. Student traineeships have proven their worth for many years. Voluntary and mandatory internships also allow students to join the company. Increasingly, we are also awarding bachelor's and master's theses on sometimes very specific issues. In addition, RENK presents its range of products and services to young engineering scientists in particular during tours of the plant or participation in university trade fairs.



In the future, various projects are planned to expand our school and university partnerships. On the one hand, we want to carry out more student projects at RENK with support from professors. On the other hand, we want to promote guest lectures by RENK employees at universities and research institutions as well as teaching assignments for an entire semester. There are already employees who hold lectureships and thus provide insights into our company. As well as participation in various university and job fairs at the locations where it operates in Germany, RENK established a network in 2023 consisting of working students, interns, and bachelor's and master's students to promote networking and exchange.



High-quality vocational training

The RENK Group offers a training program for individuals interested in a career in mechanical engineering and the manufacturing industry. The program provides apprentices with the necessary skills and knowledge to succeed in a wide range of functions within the company. In the reporting year 2023, we trained 136 apprentices in eight occupations in Germany, the U.S., France, and the U.K. During their training, apprentices work with experienced specialists and gain practical experience in various areas such as manufacturing, engineering, and quality control. At RENK, we attach great importance to safety and quality. Our apprentices internalize the importance of these factors throughout their training. They also learn about the company's commitment to sustainability and environmental responsibility. Apprentices at our sites in Germany, the U.K., and Switzerland implemented various measures in the reporting year to make careers with vocational training at RENK attractive to future apprentices. These measures included training days and job shadowing days for young people, as well as production and sharing of images and film material for social media and participation in various regional competitions.

5.2 Development of our employees

The development of our employees is of great importance for RENK, as well as for the specific career development of each individual. By promoting skills and competencies and providing opportunities to grow into management positions, we enable our employees to develop their full potential and achieve their career goals within our company. This development not only creates job security but also strong job satisfaction and motivation. It also creates a sense of belonging and community within the company, which increases employee engagement and retention.

"I joined RENK in 2001 as a process planner in the production of vehicle transmissions. Since then, I feel my personal and professional development at RENK has been optimal. Working with our highly skilled and motivated employees to produce products that are technically very sophisticated, and knowing that this contributes to security and a free society in the Western world, is what drives me on every day."

Stefan Müller

Head of Production for Vehicle Transmissions,
Augsburg

RENK education catalogs

The trends, issues, and crises of our time are increasingly changing work requirements. By regularly updating our RENK education catalogs, we improve the knowledge of our employees and managers on topics related to new technologies and digitalization. We focus on areas such as IT, safety and environment, design and engineering, commercial administration and finance, as well as soft skills and languages.

We are aware that providing employees with the skills and knowledge they need to perform their jobs effectively is essential for their professional development and the company's competitiveness. Our training program therefore covers both technical and social skills and encourages employees to take on new tasks and develop within the company.

Our workforce management system, which we introduced in 2023, will also simultaneously serve as a global learning platform, that will allow us to train our employees on specific topics in all countries once its implementation is completed in 2024. The combination of local education catalogs and training courses is intended to offer employees a diverse range of learning opportunities that will enable them to master the challenges of a constantly changing world and shape their environment. In the reporting year we produced brochures dealing with sustainability in the workplace, particularly with regard to waste and electricity. The related awareness training will be rolled out globally in 2024 and will be compulsory for employees and managers.



Competencies in functions and committees

It is important to us that our employees take an active role in both national and international conferences and committees. By participating in these events, they gain valuable experience, deepen their expertise, and make valuable contacts. They act as ambassadors for RENK and strengthen our reputation in the industry. We believe that this active participation can also help motivate and inspire our employees to delve even further into their field of expertise and continuously develop themselves. In addition, this experience and knowledge contributes to the development of a broader skills base that enables our teams to develop innovative solutions to customer problems and strengthen the competitiveness of our company.

Our employees represent RENK at the following conferences and on the following committees, among others:

Function at conferences:

- Presidium of the VDI Conference on Gears, Garching (Munich)
- Program Committee for the VDI Conference Rolling and Plain Bearings

Committees:

- Chair of ISO/TC123/SC 3 “Dimensions, tolerances and construction details”
- Advisory Board for the DIN Standards Committee on Rolling and Plain Bearings (NAWGL)
- Chair of the DIN Standards Committee in the specialist field of plain bearings for “Terminology” (NA 118-02-01 AA), “Dimensions, tolerances and construction details” (NA 118-02-03 AA), and “Calculation of plain bearings” (NA 118-02-04 AA)
- Committee for the API Calculation Specification for Turbo Transmissions, API 613
- Chairman of the Board of the Antriebstechnik e.V. Research Association
- CH Standards Association (SNV) NK25, Gearing and Gears committee
- Spokesman of the German Delegation to ISO Committee TC60/SC2/WG6 “Gear calculations”
- Spokesman for TechHub Bayern
- Member of the VDMA Committee for Research & Innovation
- Member of local trade association A3
- Chair of the project support committee for “Spur Gears” at the Antriebstechnik e.V. Research Association

Focus on leadership development

We develop new managers through targeted local training measures. In Germany, they are given the opportunity for further training as part of the cross-hierarchy and cross-functional RENK Leadership Program. The program contains three modules: leadership personality, leading challenging employee discussions constructively, and recognizing and resolving conflicts.

In addition, the program enables managers to correctly assess the behavior of their employees and to develop target agreements in the course of the annual performance appraisal meetings. In the future, the focus of management development will be on four engagement drivers:

- **Contribution** (What contribution do I make to the success of the company?)
- **Competence** (Can I develop my competences?)
- **Relationship and socialization** (How can I build an efficient, open, and diverse team?)
- **Manager support** (Am I supporting my colleagues?)

These four drivers also form the basis for the structure of the new leadership development program that will be launched in 2024. We want to empower our managers to positively influence the engagement level of their employees. It has become clear that competence is the driver that offers the greatest development potential.

In the reporting year, we developed management guidelines which will also be incorporated into the new leadership development program. In addition, a pilot project has been underway since the end of 2023 to implement the management guidelines in one of our three segments.

We launched a series of workshops for managers on the subject of “unconscious bias” at our German-speaking sites in the reporting year to raise awareness of unconscious prejudices. A total of 142 people took part in these workshops, including 111 managers and 31 employees from the HR department.

Goal for 2025:
Training ratio regarding leadership development*



* Figure not audited.

5.3 Modern, social, and diverse working environment

Social responsibility

As a modern employer, we offer our employees attractive benefits. These include flexible working hours, collectively agreed and special payments, a company pension scheme, mobile working, and health management.

Johann Julius Renk was already committed to social responsibility for his employees back in 1890, when he founded his factory health insurance fund. We continue to build on this tradition today. We live the social partnership and work constructively with the trade unions. Creating fair, competitive working conditions is an important goal for our company.

In order to ensure open communication among employees, respectful cooperation between all areas and levels of the company is an important issue in RENK's day-to-day operations. All employees have the right to join or support a trade union or works council. The company expressly respects this right; employees and employee representatives may not be disadvantaged in any way.

In Germany in particular, the Works Constitution Act forms an important basis for cooperation based on trust. All bodies representing employees, such as works councils, the central works council, and representatives on the employer side, form an essential part of the corporate culture. In the event of operational changes, employee representatives are informed comprehensively and in good time.

Another body that is intended to make everyday work easier for employees at the German sites is the representative body for disabled people. It actively promotes the rights and representation of individuals with disabilities. This body has the task of promoting the integration of disabled people into the company. It represents their interests in the company and provides them with advice and assistance.

The Youth and Trainee Council (JAV) ensures that the rights of trainees and dual students are adequately represented at all German sites.

Transparent workforce management

As mentioned above, we began rolling out a global workforce management system in 2023. The aim is to gradually establish transparent, standardized, harmonized, and automated processes that will enable us to develop the organization based on facts and data. The system, Cornerstone, is a cloud-based solution and will include the modules recruitment, salary development, performance management and goal setting, succession planning, and learning. In the reporting year 2023, we conducted another global employer engagement survey based on Gallup Q12®. Our engagement model is based on four drivers:

- **Contribution** (What contribution do I make to the success of the company?)
- **Competence** (Can I develop my competences?)
- **Relationship and socialization** (Do I feel part of a group/part of RENK?)
- **Manager support** (Am I getting the support I need from my manager?)

RENK's eNPS¹⁾ increased significantly compared with the previous year from 2.3 to 17.4. This increase is due to numerous improvement measures that were initiated immediately after the employee survey in 2022. For example, regular discussions take place in our segments between managers and employees to encourage the exchange of opinions and ideas. The order situation has also improved considerably at individual sites, which has had a positive impact on our employees' basic satisfaction. We will continue conducting the employee survey once a year.

¹⁾ Employee Net Promoter Score (key figure for employee satisfaction).

Promoting diversity and equal opportunities

For the RENK Group, diversity and equal opportunity in the workplace are crucial to a productive and inclusive work environment. A diverse workforce brings a variety of perspectives and ideas, fosters innovation, and can lead to better decision-making. We recognize that a diverse workforce helps us to understand and serve our customers better.

Regardless of our employees' backgrounds, equal opportunity helps ensure that everyone has a fair chance to succeed and reach their full potential at RENK. This is not only morally and ethically correct and appropriate, but also beneficial to the growth and success of our company.



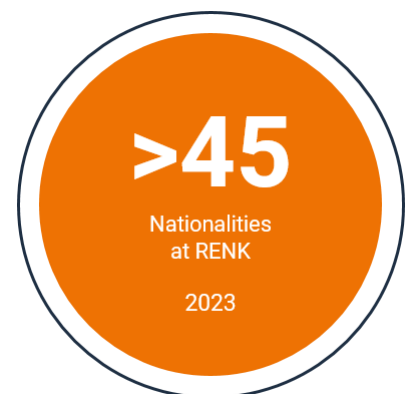
Diversity and equal opportunity are fundamental values of RENK's sustainability strategy. We aim to create a work environment that is inclusive of all employees and respects their cultural backgrounds, experiences, and perspectives. RENK also has a zero-tolerance policy towards discrimination and harassment of any kind. Binding ethical principles of conduct are laid down for all employees in the RENK Code of Conduct. To underscore our ambitions, we signed the Diversity Charter in the reporting year.

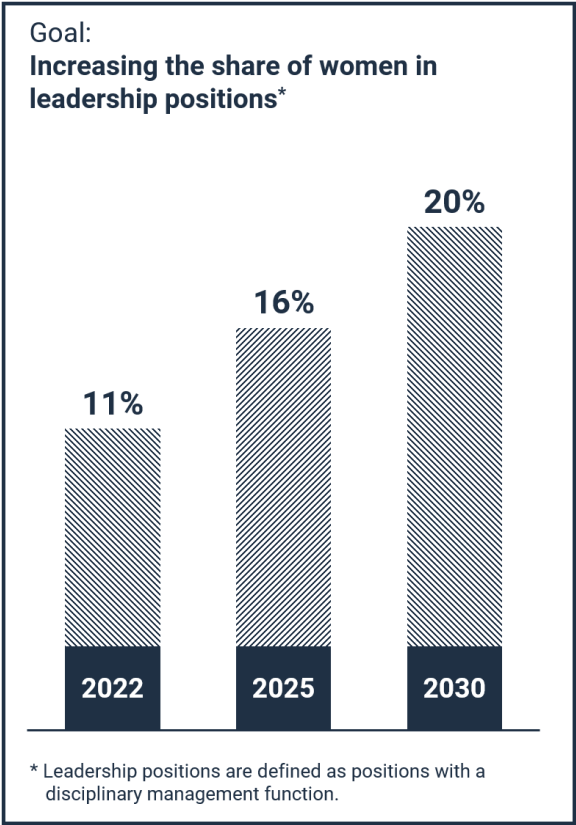
[➔ Further information on the RENK Code of Conduct](#)

We launched a series of workshops for managers on the subject of "unconscious bias" in the reporting year to gradually raise awareness of unconscious prejudices among all employees. We plan to establish this series as basic training with regard to RENK's values and to make it available to all employees of the RENK Group.

The introduction of a global workforce management system will additionally help us to ensure that the Diversity Policy is also applied in our HR processes – from recruitment to salary classification and development, to career and development opportunities.

[➔ Further information on the RENK Diversity Policy](#)





Diversity at all levels

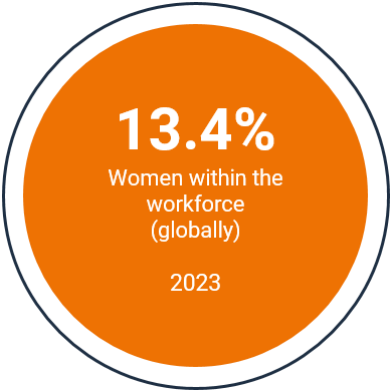
The topic of diversity in all dimensions is of particular importance at RENK and a focus of our sustainability strategy. We are aware that gender diversity promotes a more inclusive and equitable working environment, which can lead to higher employee satisfaction and retention. In the reporting year, 13.4% of our workforce was female; 11.9% of management positions and 25% of Supervisory Board positions were held by women. Although we are a pioneer in our sector, with 50% women at Group Management Board level, we are aware that the proportion of women at lower levels is significantly too low. For this reason, we have set ourselves a target quota of 16% for 2025 and 20% for 2030.

In order to increase the number of women in management positions, we primarily consider internal female junior staff in succession planning. We also aim to ensure that, every time a management position is filled, at least one woman with the same qualifications is represented in the final selection. To increase the number of applications from talented women, a gender-neutral approach and strategic career development are used to target them, bring them into the company, and give them the opportunity for further development.

In addition to gender diversity, the RENK Group aims to monitor and increase the proportion of managers from foreign backgrounds. To achieve this, the entire application process

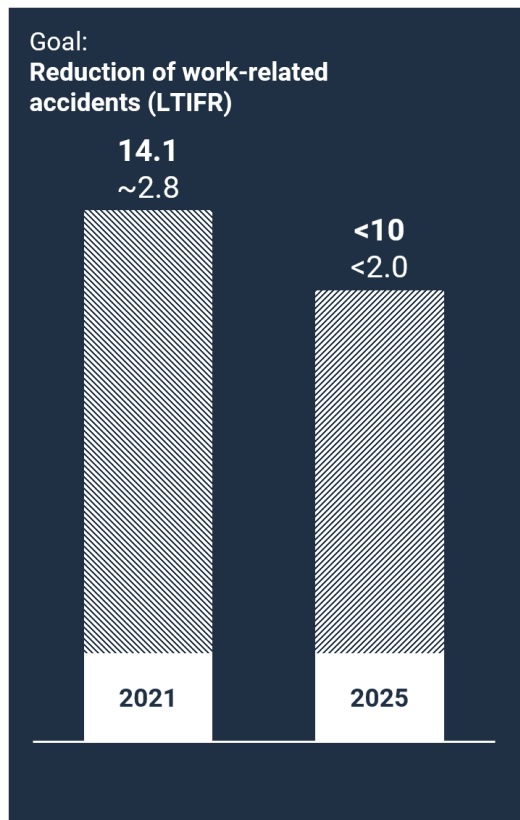
follows a global approach. Job advertisements for all sites are created in English and published via international platforms. In addition, global HR consultants are increasingly being engaged to find ideal candidates.

At this point, it should be noted that there is a change in the scope of data collection for key personnel figures for the 2023 reporting year. While only the active workforce (i.e. excluding temporary employees, apprentices and dual students) was considered in 2022, the key personnel figures now relate to the total workforce. In addition, our minority holding Modest-Tree Media Inc. was not taken into account.



5.4 Occupational health and safety

Our employees are one of the most important pillars of RENK. Ensuring that they have a healthy and safe working environment is therefore our priority. Global megatrends are increasingly bringing change in the world of work. Alongside technological upheavals and the ongoing effects of the COVID-19 pandemic, demographic change is leading to an aging workforce, for example.



Uniform occupational health and safety standards

Managers and employees are called upon to comply with statutory and internal RENK requirements relating to occupational safety and to report unsafe situations or hazards to their supervisors. Among other things, risks are identified and assessed on the basis of activity-related and workplace-related risk assessments. If necessary, measures are taken to minimize risks. The occupational safety specialists at the respective sites support and advise managers and employees in the performance of their duties.

In the reporting year, we developed an HSE strategy and established a corporate policy on "health, safety, and environmental incident" reporting. Its application includes monthly reporting of key HSE figures at site level and a uniform, targeted channel for reporting incidents to the RENK Group's management.

In addition, since the reporting year we have held meetings several times a year at each site under central HSE leadership to follow up on the occupational safety targets and measures defined in the sustainability strategy and – if necessary – coordinate further measures. One of our central goals is to reduce the accident rate (LTIFR¹⁾) to <10 by 2025. We achieved this goal ahead of schedule in the reporting period, when we reduced the accident rate to 8.6²⁾ / 1.7³⁾ (previous year: 11.9/2.4). This substantial improvement shows that the measures that have been introduced are effective.

Regulated responsibility

In order to significantly support a reduction in the accident rate, every occupational accident that results in the loss of at least one day or one shift is investigated in a standardized process newly introduced in the reporting year (ad hoc incident report). The ad hoc report, including a brief description of the accident and a definition of the measures to be taken, is prepared by the safety officer (HSE officer) at the respective site. The incident is then explained in more detail in a meeting and, if necessary, further measures are decided. Participants in these meetings include the direct supervisor, the site's safety specialist (HSE officer), the Chief Operations Officer, and the head of the RENK Group's central QHSE office. The aim is to raise awareness of the topic of occupational safety and health protection at both the work level and the management level and to prevent recurrence.

In order to comply with legal requirements and further develop the company's own occupational safety processes and standards, the RENK Group will introduce a comprehensive and central HSE management system in the coming years. The focus topic of HSE management for 2023 was employee training on safety and health in the workplace. The aim is to raise employee



¹⁾ Lost Time Injury Frequency Rate.

²⁾ Lost-time accidents per 1,000,000 hours worked (according to standard set by German employers' liability association).

³⁾ Lost-time accidents per 200,000 hours worked (according to U.S. Occupational Safety and Health Administration standard); figure not audited.

awareness and thus prevent incidents. Training was provided at the individual sites and the number of training sessions conducted was reported back to the central Q-HSE department. RENK has set itself the goal of paying greater attention to near misses. All employees are to be encouraged to report them via a standardized reporting process at their respective sites. Serious near misses are also communicated by means of the ad hoc reporting system described above.

ISO 45001 certification

Our sites in Augsburg, Hanover, Rheine, Winterthur, and Bath are already officially certified to ISO 45001. This means that these sites have a documented management system including all the points required by this standard. Individual risk assessments are prepared for each workplace and are kept up to date. In some cases, this is done in close cooperation with our medical officers. At our largest site in Augsburg, our employees have access to an on-site medical center staffed by medical personnel.

RENK attaches particular importance to employee participation in the context of health and safety. Across the sites, both managers and employees are regularly informed and involved in committees set up specifically for the topic of occupational safety and health. To improve occupational safety and health in the workplace, individual measures are implemented for each site.

At the main site in Augsburg, employee participation is ensured through regular exchange with employees. They actively participate in the development, implementation, and evaluation of safety and occupational health topics. The consulted group is made up of employee representatives from various areas. The aim is to ensure continuous improvements in the area of health and safety and to initiate and encourage measures and projects.

Health promotion

To ensure the health of our employees, the HSE managers at the individual RENK sites rely on preventive and needs-oriented measures as part of health management. Cooperation partners at the German sites are the health insurance funds. The measures include preventive checkups as well as training and fitness courses held during and outside working hours. They target common stressors and strains in everyday working life and aim to promote health awareness and behavior conducive to good health. < ☑





06

Appendix

The appendix comprises the non-financial sustainability indicators material to RENK, general information on the sustainability report, and the independent auditor's report.

6. Appendix

6.1 About this report

Background and framework

We consider it particularly important to report on our sustainable corporate actions. Our sustainability report entitled “Trusted Partner – Working Together for a Sustainable Future” for fiscal year 2023 is based on our Sustainability Strategy 2025. It shows the extent to which targets have been achieved and provides details of planned projects.

RENK has reported with reference to the GRI standards for the period January 1 to December 31, 2023. Section 6.4 contains the GRI content index. This clearly shows which indicators RENK addresses in the report and which topics are defined as material, together with a reference to the respective report pages. In order to identify the material topics, a comprehensive materiality analysis was carried out in 2022.

Principles of data collection and presentation

The report is a closing-date analysis as of December 31, 2023. All domestic and foreign subsidiaries indirectly or directly controlled by RENK Group AG are included in the report. The report covers 100% in terms of revenue and employees and includes all major sites.

In this sustainability report, we focus on key performance indicators that represent the core of the implementation of our sustainability strategy. In the coming years, further indicators will be added if they are required for reporting in accordance with the CSRD and existing indicators will be removed if they are no longer required. Data aggregation, which forms the basis for the key figures included in the report, was mainly carried out using unit-specific software. The data for the report was validated for each site and plausibility was checked centrally.

To ensure comparability, we have presented the annual development of the key figures where possible. A comparison of the reporting year with 2021 is only possible in isolated cases, as the prerequisites for data collection were fulfilled in 2022 and 2023 or will be fulfilled in the future. Figures have been rounded in accordance with standard commercial practice, so there may be discrepancies between the totals of the individual amounts in the tables and the totals given.

RENK reports the GHG emissions recorded in accordance with the GHG Protocol. Emissions of greenhouse gases are recorded as CO₂ equivalents using conversion factors and reported accordingly as CO₂e. We have recorded all available consumption. Headcounts were used to extrapolate when calculating the key figures for which real consumption data was not available.

In the reporting year, we covered 100% of our own employees. The published key figures therefore cover 100% of our employees. This is in contrast to the previous year, when only permanent staff were included. Key personnel figures in this report are stated in headcounts. The date of consideration for personnel indicators is December 31, 2023.

Forward-looking statements

This report contains forward-looking statements based on plans, expectations, estimates, and forecasts made by the management of the RENK Group at the date of this report. These plans, expectations, estimates, and forecasts depend on a large number of assumptions and are subject to unforeseeable events, uncertainties, known and unknown risks, and other factors, which may mean that actual results or the actual financial position, development, or performance differ significantly from those stated or implied in these forward-looking statements. The RENK Group assumes no obligation to update such forward-looking statements or to adjust them to take account of events or developments occurring after the date of this report, unless it is required to do this by law.

External audit

The sustainability report was audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft on behalf of the Management Board of RENK Group AG for the purpose of obtaining limited assurance. The audit included all information marked "☑." The auditors' report can be found in section 6.3.

Editorial notes

RENK is committed to diversity and inclusion and tries to express this through gender-neutral wording, among other things. For reasons of readability, we have refrained from consistently using masculine, feminine, or miscellaneous terms.

The report is available for download in both German and English on our website at <http://www.renk.com>.

If you have any questions or suggestions, you can reach us at the e-mail address sustainability@renk.com.

6.2 Sustainability key figures

The following are non-financial indicators for measuring the sustainability performance of RENK Group AG. The reporting period covers fiscal year 2023. In the course of preparing the non-financial report for RENK Group AG, selected qualitative and quantitative disclosures were subjected to a business audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) for the purpose of obtaining limited assurance. Key figures audited in this context are marked with "☑".

Key figures "Environmental"

Energy consumption					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Total energy consumption	kWh	121,854,858	121,548,620	GRI 302-1	✓
Of which combustibles and fuels (Scope 1)	kWh	66,673,781	64,842,854	GRI 302-1	✓
Of which from non-renewable sources	kWh	–	64,842,854	GRI 302-1	
Of which from renewable sources	kWh	–	–	GRI 302-1	
Of which from utilities (Scope 2, market-based)	kWh	55,181,077	56,705,766	GRI 302-1	✓
Of which renewable energies (electricity)	kWh	29,312,899	30,957,288	GRI 302-1	✓
Power consumption (total value)	kWh	53,940,136	55,464,825	GRI 302-1	
Thermal energy consumption (total value)	kWh	–	1,240,941	GRI 302-1	
Extent of reduction in energy consumption achieved as a direct result of energy saving and energy efficiency initiatives	kWh	–	306,237	GRI 302-4	
Energy intensity	kWh/EUR	0.14	0.13	GRI 302-3	

Emissions					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Greenhouse gas emissions¹⁾	t CO₂e	21,606	21,231	GRI 305	✓
Direct greenhouse gas emissions (Scope 1)	t CO ₂ e	13,417	13,355	GRI 305-1	✓
Indirect greenhouse gas emissions (Scope 2)	t CO ₂ e	8,189	7,876	GRI 305-2	✓
Intensity of GHG	kg CO₂e / € 1,000 revenue	25.5	22.9	GRI 305-4	✓
Organisation-specific parameter for calculating the quotient	EUR	–	–	GRI 305-4	
Extent of reduction in greenhouse gas emissions as a direct result of initiatives to reduce emissions	t CO₂e	–	375	GRI 305-5	

¹⁾ The accounting of emissions is based on different sources for the emission factors for each country.

Waste for recycling and disposal					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Accumulated waste	kg	–	6,413,697	GRI 306-3	
Recycled waste	kg	4,812,174	5,441,300		

Water					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Water consumption ¹⁾	m³	69,313	106,392	GRI 303-5	✓

¹⁾ Headcounts were used to extrapolate when calculating the key figures for which real consumption data was not available.

Further key figures (Environmental)					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
% of all operating sites for which an environmental impact assessment was carried out	%	–	21		
% of all operational facilities certified to ISO 14001, EMAS or another environmental management standard	%	–	21		

Key figures “Social” ²⁾

Employees in general					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Total ³⁾	Number	3,073	3,700	GRI 2-7	✓
By region					
Of which in Germany	Number	2,191	2,666	GRI 2-7	✓
Of which in Europe w/o Germany	Number	320	407	GRI 2-7	✓
Of which in America	Number	492	542	GRI 2-7	✓
Of which in Asia	Number	70	85	GRI 2-7	✓
By gender					
Of which male	Number	2,684	3,203	GRI 2-7	✓
	%	87.34	86.57		
Of which female	Number	389	497	GRI 2-7	✓
	%	12.66	13.43		
Of which diverse	Number	0	0	GRI 2-7	✓
	%	0	0		
By age⁴⁾					
Of which in age group < 30 years	Number	–	709		
	%	–	19.25		
Of which in age group 30 - 50 years	Number	–	1,695		
	%	–	46.01		
Of which in age group > 50 years	Number	–	1,280		
	%	–	34.74		

²⁾ For all key figures, all employees of the RENK Group have had the option since 2019 of stating their gender as “diverse.”

³⁾ This figure relates to the total workforce. Only the Active Workforce (i.e. excluding subcontracted employees, apprentices, and dual students) was reported in the previous year, which means that a direct comparison is not possible. Key figure of “total workforce” for 2022: 3,297

⁴⁾ The difference compared with the total workforce is due to 16 subcontracted employees whose age was not recorded.

Age and duration of employment					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Average age	Years	43.8	43.1		
Average duration of employment	Years	13.8	11.6		

Employees by type of contract					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Employees which are covered by collective bargaining agreements	Number	2,191	2,603		
Of which tariff	%	89.2	92.6		
Of which non-tariff	%	10.8	7.4		
By region ¹⁾	Number				
Of which in Germany	%	–	2,603		
Of which in Europe w/o Germany	%	–	0		
Of which in America	%	–	0		
Of which in Asia	Number	–	0		

¹⁾ The collective agreement only applies to Germany.

Share of women					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
RENK total	%	12.7	13.4		
New hires	%	13.7	12.3		
In control bodies	%	33.3	25.0		
In the Management Board	%	50.0	50.0		
In leadership positions ²⁾	%	11.0	11.9		
In management positions in revenue-generating functions ³⁾	%	–	4.2		
Proportion of women in top management positions, i.e. a maximum of two levels below the CEO or comparable positions	%	–	12.2		

²⁾ Relates to managers with a disciplinary management function excluding the site in France, as the data available was not complete.

³⁾ Positions in the Marine & Industry, Vehicle Mobility Solutions, and RENK Test Systems segments are regarded as revenue-generating functions.

Apprentices					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Apprentices total	Number	98	136		
By gender					
Of which male	Number	93	124		
Of which female	Number	5	12		
Of which diverse	Number	0	0		

Dual Students ¹⁾					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Dual students total	Number	15	10		
By Gender					
Of which male	Number	12	8		
Of which female	Number	3	2		
Of which diverse	Number	0	0		

¹⁾ A dual-study program is a German study model. This key figure therefore only relates to RENK sites in Germany.

Employees by employment relationship I					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Permanent employees	Number	3,036	3,441	GRI 2-7	✓
By region					
Of which in Germany	Number	2170	2,471	GRI 2-7	✓
Of which in Europe w/o Germany	Number	316	383	GRI 2-7	✓
Of which in America	Number	492	521	GRI 2-7	✓
Of which in Asia	Number	58	66	GRI 2-7	✓
By gender					
Of which male	Number	2655.0	2,991	GRI 2-7	✓
Of which female	Number	381	450	GRI 2-7	✓
Of which divers	Number	0	0	GRI 2-7	✓
Fixed-term employees	Number	37	259	GRI 2-7	✓
By region					
Of which in Germany	Number	21	195	GRI 2-7	✓
Of which in Europe w/o Germany	Number	4	24	GRI 2-7	✓
Of which in America	Number	0	21	GRI 2-7	✓
Of which in Asia	Number	12	19	GRI 2-7	✓
By gender					
Of which male	Number	29	212	GRI 2-7	✓
Of which female	Number	8	47	GRI 2-7	✓
Of which divers	Number	0	0	GRI 2-7	✓

Employees by employment relationship II					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Full-time employees	Number	2,927	3,193	GRI 2-7	✓
By region					
Of which in Germany	Number	2071	2,240	GRI 2-7	✓
Of which in Europe w/o Germany	Number	295	350	GRI 2-7	✓
Of which in America	Number	491	521	GRI 2-7	✓
Of which in Asia	Number	70	82	GRI 2-7	✓
By gender					
Of which male	Number	2621.0	2,834	GRI 2-7	✓
Of which female	Number	306	359	GRI 2-7	✓
Of which divers	Number	0	0	GRI 2-7	✓
Part-time employees	Number	146	507	GRI 2-7	✓
By region					
Of which in Germany	Number	120	426	GRI 2-7	✓
Of which in Europe w/o Germany	Number	25	57	GRI 2-7	✓
Of which in America	Number	1	21	GRI 2-7	✓
Of which in Asia	Number	0	3	GRI 2-7	✓
By gender					
Of which male	Number	63	369	GRI 2-7	✓
Of which female	Number	83	138	GRI 2-7	✓
Of which divers	Number	0	0	GRI 2-7	✓
New hires					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Total	Number	365	917	GRI 401-1	✓
By region					
Of which in Germany	Number	268	567	GRI 401-1	✓
	%	73.4	61.8	GRI 401-1	✓
Of which in Europe w/o Germany	Number	45	120	GRI 401-1	✓
	%	12.3	13.1	GRI 401-1	✓
Of which in America	Number	47	199	GRI 401-1	✓
	%	12.9	21.7	GRI 401-1	✓
Of which in Asia	Number	5	31	GRI 401-1	✓
	%	1.4	3.4	GRI 401-1	✓

Leavings					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Total	Number	262	528	GRI 401-1	✓
By region					
Of which in Germany	Number	167	360	GRI 401-1	✓
	%	63.7	68.2	GRI 401-1	✓
Of which in Europe w/o Germany	Number	34.0	43	GRI 401-1	✓
	%	13.0	8.1	GRI 401-1	✓
Of which in America	Number	58	113	GRI 401-1	✓
	%	22.1	21.4	GRI 401-1	✓
Of which in Asia	Number	3.0	12	GRI 401-1	✓
	%	1.2	2.3	GRI 401-1	✓

Parental leave¹⁾					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Entitlement to parental leave²⁾	Number	–	2,411	GRI 401-3	
Of which male	Number	–	2,112	GRI 401-3	
Of which female	Number	–	299	GRI 401-3	
Of which diverse	Number	–	0	GRI 401-3	
Entry into parental leave	Number	11	16	GRI 401-3	✓
Of which male	Number	0	3	GRI 401-3	✓
Of which female	Number	11	13	GRI 401-3	✓
Of which diverse	Number	0	0	GRI 401-3	✓
Returnees from parental leave	Number	13	9	GRI 401-3	✓
Of which male	Number	2	0	GRI 401-3	✓
Of which female	Number	11	9	GRI 401-3	✓
Of which diverse	Number	0	0	GRI 401-3	✓
Remainers after parental leave (12 months)³⁾	Number	2	10	GRI 401-3	✓
Of which male	Number	0	1	GRI 401-3	✓
Of which female	Number	2	9	GRI 401-3	✓
Of which diverse	Number	0	0	GRI 401-3	✓

¹⁾ Only applies to RENK sites in Germany.

²⁾ This key figure corresponds to the Active Workforce (i.e. excluding subcontracted employees, apprentices, dual students, interns, partially retired employees, employees on parental leave, and employees on long-term sick leave).

³⁾ Relates to individuals who stayed at the company for at least 12 months after parental leave (longer than 6 months).

Diversity in control bodies					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Persons in control bodies - Supervisory Board	Number	12	12	GRI 405-1	✓
Of which male	%	66.7	75.0	GRI 405-1	✓
Of which female	%	33.3	25.0	GRI 405-1	✓
Of which diverse	%	0	0	GRI 405-1	✓
Of which in age group < 30 years	%	0	0	GRI 405-1	✓
Of which in age group 30 - 50 years	%	50.0	41.7	GRI 405-1	✓
Of which in age group > 50 years	%	50.0	58.3	GRI 405-1	✓
Persons in control bodies - Board¹⁾	Number	18	20	GRI 405-1	✓
Of which male	%	94.4	90.0	GRI 405-1	✓
Of which female	%	5.6	10.0	GRI 405-1	✓
Of which diverse	%	0	0	GRI 405-1	✓
Of which in age group < 30 years	%	5.5	0	GRI 405-1	✓
Of which in age group 30 - 50 years	%	55.6	60.0	GRI 405-1	✓
Of which in age group > 50 years	%	38.9	40.0	GRI 405-1	✓

¹⁾ Relates to members of the Advisory Board.

Diversity in management levels					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Persons in management positions²⁾	Number	–	402		
Of which male	%	–	88.3		
Of which female	%	–	11.9		
Of which divers	%	–	0		
Of which in age group < 30 years	%	–	2.5		
Of which in age group 30 - 50 years	%	–	48.3		
Of which in age group > 50 years	%	–	49.3		

²⁾ Relates to managers with a disciplinary management function excluding the site in France, as the data available was not complete.

Diversity according to function					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Production	Number	1,697	2,082	GRI 405-1	✓
Of which male	%	95.4	95.2	GRI 405-1	✓
Of which female	%	4.5	4.8	GRI 405-1	✓
Of which diverse	%	0	0	GRI 405-1	✓
Supply Chain	Number	216	253	GRI 405-1	✓
Of which male	%	73.6	72.7	GRI 405-1	✓
Of which female	%	26.4	27.3	GRI 405-1	✓
Of which diverse	%	0	0	GRI 405-1	✓
Sales	Number	352	403	GRI 405-1	✓
Of which male	%	79.3	77.4	GRI 405-1	✓
Of which female	%	20.7	22.6	GRI 405-1	✓
Of which diverse	%	0	0	GRI 405-1	✓
Design / R&D	Number	501	544	GRI 405-1	✓
Of which male	%	91.0	92.1	GRI 405-1	✓
Of which female	%	9.0	8.1	GRI 405-1	✓
Of which diverse	%	0	0	GRI 405-1	✓
Administration	Number	307	418	GRI 405-1	✓
Of which male	%	55.1	53.8	GRI 405-1	✓
Of which female	%	46.0	46.2	GRI 405-1	✓
Of which diverse	%	0	0	GRI 405-1	✓
Other key figures					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Turnover rate¹⁾	%	4.3	7.4		
Severely disabled employees²⁾	%	4,1	3.7		
Temporary workers	Number	62	75		
eNPS (Employee Net Promoter Score)	Score	2.3	17		

¹⁾ Only applies to RENK sites in Germany.

²⁾ Only applies to RENK sites in Germany.

Health and safety in the workplace					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Employees covered by an occupational health and safety management system	%	–	79.9	GRI 403-8	
% of all operating sites for which a health & safety risk analysis was carried out	%	–	35		
Number of days lost due to work-related injuries, fatalities and illnesses	Number	–	855.5		
Fatalities due to work-related injuries	Number	0	0	GRI 403-9	
FAFR	Ratio	0	0	GRI 403-9	✓
Work-related injuries with serious consequences (LTI)	Number	55	42	GRI 403-9	✓
LTIFR	Ratio ¹⁾	11.9	8.6	GRI 403-9	✓
	Ratio ²⁾	2,4	1.7		
Documentable work-related injuries	Number	–	386	GRI 403-9	
Number of hours worked	Number	–	4,867,910	GRI 403-9	

¹⁾ Accidents with lost time per 1,000,000 working hours (according to the German Employer's Liability Insurance Association standard).

²⁾ Accidents with lost time per 200,000 working hours (according to the US Occupational Safety and Health Administration standard); key figure not audited.

Key figures "Governance"

Training					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Employees trained on Code of Conduct	%	90.0	95.0		

Laws and regulations ³⁾					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Violations of laws and regulations	Number	0	1	GRI 2-27	✓
Cases in which fines were imposed	Number	0	0	GRI 2-27	
Cases in which non-monetary sanctions were imposed	Number	0	0	GRI 2-27	
Fines paid for violations of laws and regulations	Number	0	0	GRI 2-27	✓
	EUR	0	0	GRI 2-27	✓
Fines paid for violations of laws and regulations from previous reporting periods	%	0	0	GRI 2-27	
	EUR	0	0	GRI 2-27	

³⁾ For RENK, this refers exclusively to compliance incidents. Other material incidents are not taken into account.

Protection of customer data					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Received substantiated complaints related to customer privacy breaches		–	0		
Of which complaints from external parties recognized as well-founded by the organization	Number	0	0	GRI 418-1	✓
Of which complaints from supervisory authorities	Number	0	0	GRI 418-1	✓
Total number of identified cases of data theft and data loss related to customer data	Number	0	0	GRI 418-1	✓
Further key figures (governance)					
	Unit	2022 01.01.-31.12.	2023 01.01.-31.12.	Standard	Denotation
Number of reports using whistleblower procedures¹⁾	Number	5	13		
Of which number of data protection incidents	Number	–	2		
Of which export control incidents	Number	–	1		
Of which number of information security incidents	Number	–	2		
Coverage of internal audit / risk assessment on business ethics issues					
Coverage by business premises	%	–	60.0		
Coverage of certified anti-corruption management system					
Coverage by business premises	%	–	0		
Coverage by number of employees	%	–	0		
Coverage of information security management system (ISMS) certified according to ISO 27000					
Coverage by business premises	%	–	15.8		
Coverage by number of employees	%	–	70.0		

¹⁾ For RENK, this refers exclusively to confirmed incidents.

6.3 Auditors' report

Independent Practitioner's Report in a Limited Assurance Engagement on Sustainability Information

To Renk Group AG, Augsburg

We have performed a limited assurance engagement on the disclosures denoted with "✓" in the sustainability report of Renk Group AG, Augsburg (hereinafter "the Company"), for the period from 1 January to 31 December 2023 (hereinafter the "Report"). Our engagement in this context relates solely to the disclosures denoted with the symbol "✓".

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Report with reference to the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI-Criteria") and for the selection of the disclosures to be evaluated.

This responsibility of Company's executive directors includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as they have considered necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

Audit Firm's Independence and Quality Management

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Management 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality management for audit firms (IDW Qualitätsmanagementstandard 1: Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis - IDW QMS 1 (09.2022)), which requires the audit firm to design, implement and operate a system of quality management that complies with the applicable legal requirements and professional standards.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the disclosures denoted with "✓" in the Report based on the assurance engagement we have performed.

Within the scope of our engagement we did not perform an audit on external sources of information or expert opinions, referred to in the Report.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the disclosures denoted with "✓" in the Company's Report for the period from 1 January to 31 December 2023 have not been prepared, in all material aspects, with reference to the relevant GRI-Criteria. This does not mean that a separate conclusion is expressed on each disclosure so denoted.

In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Assessment of the process for conducting the materiality analysis in accordance with the GRI criteria.

- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Identification of the likely risks of material misstatement of the Report under consideration of the GRI-Criteria
- Analytical evaluation of selected disclosures in the Report
- Insight into the processes for collecting, controlling, analyzing and aggregating selected data at specific company locations
- Evaluation of the presentation of the selected disclosures regarding sustainability performance
- Inquiries on the relevance of climate-risks

Assurance Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures denoted with “√” in the Company’s Report for the period from 1 January to 31 December 2023 have not been prepared, in all material aspects with reference to the relevant GRI-Criteria.

Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement. The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward the Company. We do not assume any responsibility towards third parties.

Munich, 25 March 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Hendrik Fink
Wirtschaftsprüfer
(German Public Auditor)

ppa. Sarah Riffelmacher

6.4 GRI content index

RENK Group AG has reported on the information specified in this GRI content index for the period from January 1, 2023 to December 31, 2023, with reference to the standards of the Global Reporting Initiative (GRI). The standards relevant for RENK as well as related information can be found below in tabular form.

The organization and its reporting practices		
GRI Standard		References and comments
2-1	Organizational details	AR A. 1. Description of Business
2-2	Entities included in the organization's sustainability reporting	P. 55
2-3	Reporting period, frequency and contact point	P. 55
2-4	Restatements of information	P. 55
2-5	External assurance	P. 67, 68
Activities and workers		
GRI Standard		References and comments
2-6	Activities, value chain and other business relationships	AR A. 1. Description of Business
2-7	Employees	P. 58 - 65
2-8	Workers who are not employees	No information is available for 2-8, since there is no database available for the reporting year. These indicators must first be developed.

Governance		
GRI Standard		References and comments
2-9	Governance structure and highest body	AR A. 8.1. Essential internal control system features AR C. 4. Supervisory Board Report
2-10	Nomination and selection of the highest governance body	AR A. 8.1. Essential internal control system features AR C. 4. Supervisory Board Report
2-11	Chair of the highest governance body	AR A. 8.1. Essential internal control system features AR C. 4. Supervisory Board Report
2-12	Role of the highest governance body in overseeing the management of impacts	Since the 2022 financial year, the Supervisory Board has regularly reviewed the development of the ESG strategy, the objectives and the achievement of objectives. The Supervisory Board's regular engagement with ESG issues (regardless of whether they are classified as critical) is ensured by the fact that it is a defined "focus topic" of a meeting in accordance with the schedule for the Supervisory Board's meeting year and is always prioritised on the agenda of the meetings in the event of urgent issues.
2-13	Delegation of responsibility for managing impacts	The Executive Board has delegated the operational management of the ESG programme to the heads of Corporate Development, Quality Management, Legal & Compliance and Human Resources. The Supervisory Board took note of the ESG strategy at its meeting in 12/2022 and has been regularly informed about the progress of the ESG programme since then.
2-14	Role of the highest governance body in sustainability reporting	Since the 2022 financial year, the Supervisory Board has regularly reviewed the development of the ESG strategy, the objectives and the achievement of objectives. The Supervisory Board's regular engagement with ESG issues (regardless of whether they are classified as critical) is ensured by the fact that it is a defined "focus topic" of a meeting in accordance with the schedule for the Supervisory Board's meeting year and is always prioritised on the agenda of the meetings in the event of urgent issues.
2-15	Conflicts of interest	AR C. 4. Supervisory Board Report
2-16	Communication of critical concerns	AR C. 4. Supervisory Board Report
2-17	Collective knowledge of the highest governance body	Not applicable, as no measures were taken in the reporting year.
2-18	Evaluation of the performance of the highest governance body	AR C. 4. Supervisory Board Report
2-19	Remuneration policies	Restrictions due to confidentiality obligations acc. legal form
2-20	Process to determine remuneration	Restrictions due to confidentiality obligations acc. legal form
2-21	Annual total compensation ratio	Restrictions due to confidentiality obligations acc. legal form

Strategy, policies and practices		
GRI Standard		References and comments
2-22	Statement on sustainable development strategy	P. 5, 7, 8
2-23	Policy commitments	P. 18, 43
2-24	Embedding policy commitments	Information is not available
2-25	Processes to remediate negative impacts	Information on the elimination of the impacts is currently not available. Non-financial risks will not be included in the risk management system until 2024.
2-26	Mechanisms for seeking advice and raising concerns	P. 16
2-27	Compliance with laws and regulations	P. 65, 66
2-28	Membership associations	Information is not available

Stakeholder engagement		
GRI Standard		References and comments
2-29	Approach to stakeholder engagement	P. 9
2-30	Collective bargaining agreements	S. 59 As a general rule, collective bargaining agreements in Germany are taken into account for relevant employee groups. Collective agreements of other organizations do not apply.

GRI 3: Material Topics 2021		
GRI Standard		References and comments
3-1	Process to determine material topics	P. 9
3-2	List of material topics	P. 9

GRI 302: Energy		
GRI Standard		References and comments
3-3	Management of material topics	P. 34, 35 The management approach is still being developed and will be refined over the next few years. All impacts will be recorded and measures to avoid or mitigate the impacts will be defined in 2024.
302-1	Energy consumption within the organization	P. 57
302-2	Energy consumption outside of the organization	Information not available in the reporting year. Coverage of Scope 3 planned for 2024.
302-3	Energy intensity	P. 57
302-4	Reduction of energy consumption	P. 57
302-5	Reductions in energy requirements of products and services	Information not available in the reporting year. Coverage of Scope 3 planned for 2024.

GRI 305: Emissions		
GRI Standard		References and comments
3-3	Management of material topics	P. 34 The management approach is still being developed and will be refined over the next few years. All impacts will be recorded and measures to avoid or mitigate the impacts will be defined in 2024.
305-1	Direct (Scope 1) GHG emissions	P. 57
305-2	Energy indirect (Scope 2) GHG emissions	P. 57
305-3	Other indirect (Scope 3) GHG emissions	Information not available in the reporting year. Coverage of Scope 3 planned for 2024.
305-4	GHG emissions intensity	P. 57
305-5	Reduction of GHG emissions	P. 57
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable, as no ozone-depleting substances were emitted in the reporting year.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information not available in the reporting year. Partial scope 3 coverage planned for 2024.

GRI 401: Employment		
GRI Standard		References and comments
3-3	Management of material topics	P. 45 - 51 The management approach is still being developed and will be refined over the next few years. All impacts will be recorded and measures to avoid or mitigate the impacts will be defined in 2024.
401-1	New employee hires and employee turnover	P. 61, 62
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P. 49 - 51 Additional services are primarily offered at German locations of RENK GmbH and affiliated companies based in Germany.
401-3	Parental leave	P. 62
GRI 403: Occupational Health and Safety		
GRI Standard		References and comments
3-3	Management of material topics	P. 52, 53 The management approach is still being developed and will be refined over the next few years. All impacts will be recorded and measures to avoid or mitigate the impacts will be defined in 2024.
403-1	Occupational health and safety management system	P. 52, 53
403-2	Hazard identification, risk assessment, and incident investigation	P. 52, 53
403-3	Occupational health services	Information not available.
403-4	Worker participation, consultation, and communication on occupational health and safety	P. 52, 53
403-5	Worker training on occupational health and safety	P. 52, 53
403-6	Promotion of worker health	P. 52, 53
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employees are instructed through appropriate training to observe RENK's internal guidelines in the context of their work, regardless of the actual place of work.
403-8	Workers covered by an occupational health and safety management system	P. 65
403-9	Work-related injuries	P. 65
403-10	Work-related ill health	Information not available.
GRI 405: Diversity and Equal Opportunity		
GRI Standard		References and comments
3-3	Management of material topics	P. 50, 51 The management approach is still being developed and will be refined over the next few years. All impacts will be recorded and measures to avoid or mitigate the impacts will be defined in 2024.
405-1	Diversity of governance bodies and employees	P. 63
405-2	Ratio of basic salary and remuneration of women to men	Restrictions due to confidentiality obligation according to legal form.

GRI 418: Customer Privacy		
GRI Standard		References and comments
3-3	Management of material topics	P. 13 - 18 The management approach is still being developed and will be refined over the next few years. All impacts will be recorded and measures to avoid or mitigate the impacts will be defined in 2024.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P. 66



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