KEUCO

Sustainability Report 2023/2024



Sustainability Report 2023/2024
of KEUCO GmbH & Co. KG
for the Hemer and Gütersloh sites



Prologue

Warm welcome to the second sustainability report of KEUCO GmbH & Co. KG

For years, sustainability has been an essential aspect of our corporate philosophy. Our goal is to actively contribute to climate protection and firmly anchor this claim in the company. Only ecological action secures our economic future. We are rising to this challenge and continuing the path we have taken. This is the only way we can help shape the future for future generations.

Numerous individual projects in the areas of economic, ecological, and social aspects of sustainability have developed and established from this. We have set ourselves the goal of intensifying topics such as greater resource efficiency, water protection, and social contributions.

A lot has happened since our first sustainability report. What this entails in detail, where we have already been able to bring about changes, which priorities we have set and what goals we have, you will find out in this second sustainability report.

We would be happy to take you on this journey.



Lubert Winnecken, Managing Director of KEUCO

CONTENT

1. Introduction 8

1.1. Initial situation and basis of the report 8

1.2. Contributors 9

2. General 10

2.1. Basic Information (B1) 10

2.1.1. General Company Data 11

2.1.2. Principles of our actions 13

2.2. Business Model and Sustainability (C1) 14

2.3. Sustainability practices and policies (B2 and C2) 15

2.3.1. Sustainable Innovations 16

2.3.2. Sustainable Production 18

2.3.3. Socially and ecologically sustainable supply chains 20

2.3.4. Climate protection 22

3. Environment 27

3.1. Energy and greenhouse gas emissions (B3 and C3) 28

3.2 Climate Risks (C4) 32

3.3 Pollution of air, water and soil (B4) 32

3.4 Water consumption and extraction (B6) 33

3.5 Resource use, circular economy and waste management (B7) 34

4. Social ... 37

4.1 Own Workforce (B8) ... 37

4.1.1 Employees ... 37

4.1.2 Gender distribution at management level ... 40

4.1.3 Additional Staff ... 41

4.2 Supplementary information on the workforce (C5) ... 41

4.2.1 Opportunities and Pay Equity ... 42

4.2.2 Work-Life Balance ... 44

4.2.3 Qualification and Further Training ... 45

4.2.4 Flexible Working Environment ... 46

4.2.5 Demographic Change ... 46

4.2.6 Integration and Diversity ... 46

4.3 Guidelines and Practices with Regard to Human Rights (C6) ... 47

4.4 Occupational Safety and Health (B9) ... 51

4.4.1 Health and Safety ... 52

4.4.2 Health ... 54

4.5 Community – Social Engagement ... 55

5. Corporate Policy ... 57

5.1 Convictions and fines for corruption and bribery (B11) ... 58

5.2 Revenue from critical sectors (C8) ... 58

5.3 Gender Diversity in Supervisory Bodies (C9) ... 59

6. Conclusion and Outlook ... 61

7. Attachments ... 62

1. Introduction

1.1. Initial situation and basis of the report

In 2023, KEUCO prepared and published the first sustainability report based on the reporting years 2021 and 2022. The report is based on the reporting standard of the German Sustainability Code (DNK), the Global Reporting Initiative (GRI), the United Nations Development Goals (SDGs) and the requirements of the International Labour Organisation for the Promotion of Social Justice and Human and Labour Rights (ILO).

The 2021/2022 report is now being updated for 2023 and 2024, so that concrete comparative figures are now available. Development trends and action strategies can be derived from this. These are each documented, compared and classified below.

Initially, the double materiality analysis according to the ESRS (= European Sustainability Reporting Standards) from the 2021/2022 report was repeated. The results of the material sustainability aspects on the topics and sub-topics of the reporting years were compared. They are largely identical. The table with the main IROs (Impact Risks Opportunities) can be found in the appendix to the report (see Appendix 1).

Within the framework of voluntary reporting, KEUCO uses the VSME standard of the EFRAG (European Financial Reporting Advisory Group) for this report. The VSME standard (Voluntary Sustainability Reporting Standard for non-listed micro, small and medium-sized enterprises) is aimed at small and medium-sized enterprises that do not fall within the scope of the CSRD (Corporate Sustainability Reporting Directive) and still wish to provide sustainability information in the areas of environmental, social and governance (ESG).

The VSME standard defines basic modules, which are intended as a minimum requirement for small and medium-sized companies, and comprehensive modules that go beyond this. The modules are basically divided into four areas: General, Environment, Social and Corporate Policy.

KEUCO has oriented itself to this structure and discloses in this report relevant data and information on both the basic and comprehensive modules in accordance with this structure (see Annexes 2 and 3). Numerous information and tables are included in the appendix for better legibility and overview. In addition, the simultaneous use of the language forms male, female and diverse (m/f/d) is avoided. All personal designations apply equally to all genders.

There is no reporting obligation for KEUCO, but it is our concern to examine the company from a sustainability perspective and thus make it fit for the future. We have made this promise to ourselves and to future generations. The aim is to make material topics and content on sustainability transparent, easily understandable and public.

Deutscher Nachhaltigkeits Kodex

GRI

SUSTAINABLE DEVELOPMENT GOALS

International Labour Organization

1.2. Contributors

Sustainability is not a single project - sustainability is teamwork, attitude and shared responsibility. This applies both to the daily implementation of our sustainability goals and to the preparation of this report.

The report includes the essential data required for the development, production and marketing of our high-quality products. We look at the Hemer and Gütersloh production sites. Employees at both locations and from all areas of the company – from materials management, production, galvanisation, quality control, Human resources, controlling, marketing/development and sales, building management and logistics were involved in the preparation of this report. The cross-departmental sustainability team at the Hemer and Gütersloh sites made it possible to combine and prepare all relevant data. Their expertise, sense of responsibility and commitment make the difference - and once again confirm:

Sustainability can only be achieved together.



2. General

2.1. Basic information (B1)

KEUCO GmbH & Co. KG was founded in 1953 in Hemer, Westphalia under the name Paul Keune + Co. KG. From a small company to a group of companies. From day-to-day routines to technically complex processes. A lot has changed over the seven decades since it was founded, but the goal and vision of the early days has always remained the same: make bathrooms more beautiful, better and more comfortable.

KEUCO's first-class quality continues to be developed and produced in Germany - at two locations in North Rhine-Westphalia. Its headquarters are located in Hemer, Westphalia. From the original market leader for bathroom accessories, KEUCO has continuously expanded, renewed and supplemented its range and today offers numerous "Made in Germany" fittings, accessories, mirror cabinets, washbasins and bathroom furniture. With many years of know-how, KEUCO knows how to skilfully merge tradition and innovation to create first-class bathrooms for the future. In addition to Germany, these are mainly exported to neighbouring European countries, but also far beyond. KEUCO has received numerous design awards, such as the Red Dot Award, Design Plus Award, IF Design Award, German Design Award and the Iconic Award, for its innovative bathroom design concepts and products. This is backed by more than 400 employees worldwide who position KEUCO as a well-established team in the premium segment of the sanitary industry. They all share the passion to make every minute in the bathroom perfect, but also the pleasure of working for a market-leading traditional company like KEUCO. As part of a large family company that values and understands its employees, the individual competencies are combined to form the KEUCO brand. The principal shareholders are all family members of the company founders. 100% of the company's shares are family-owned. Today, KEUCO is headed by Lubert Winnecken (CEO). In order to be successful in the long term, to be able to count on satisfied employees and to be able to compete, ecological components and social aspects have always played a major role for KEUCO in addition to economic factors. A successful future is only possible in combination with this triad.

2.1.1 General company data

The following general company data distinguished KEUCO in the reporting year:

Report format:	Individual reporting
Legal form:	GmbH & Co. KG
NACE Code:	Manufacture of metals (C25)
Balance sheet total 2024 (in kEuro):	42,000
Net revenue 2024 (in kEuro):	76,400
Employees (in heads):	335 (Average 2024) in Hemer 63 (Average 2024) in Gütersloh
Country and Locations:	Germany 58675 Hemer, Oesestr. 36 33334 Gütersloh, Hülsbrockstraße 86
Geodata:	Hemer: 51.397873,7.785275 Gütersloh: 51.9436,8.4283
Certifications:	Listing in the German Sustainability Code (DNK)





2.1.2 Principles of our actions

In 2010, we developed and manifested the principles of our actions in an intensive process. They are posted so that they are clearly visible to all employees. We continue to stick to these principles. The following is firmly anchored in it.

Our commitment is to:
We transform the bathroom into a space for personal well-being. We achieve this through products that offer added value for the customer through a perfect combination of aesthetics and function, tradition and innovation. Top quality and sustainability contribute to success. To achieve this, the following principles are binding on all of us:

Quality control:
We stand for uncompromising quality. The aim of our daily activities must be to design product and service quality in such a way that errors are ruled out. This applies to all employees and processes. The quality of our products and services secures the existence of our company and our workplaces.

Environmental and occupational health and safety:
We operate our processes in such a way that the environmental impact is as low as possible, resources are conserved and employees are not endangered. We feel committed to doing this for the generations to come.

Partnership:
Reliability in our relationship with the customer as well as with our suppliers and colleagues is essential. Friendliness and mutual respect create a climate of trust.

Staff Members:
KEUCO lives through its employees. Therefore, they are deployed according to their abilities and promoted in their professional and social competence so that they meet the requirements of their tasks. Our employees are willing to take responsibility towards the colleague, the customer and the supplier. Every employee agrees to the continuous improvement process. He/she is committed to him/herself and strives continuously for the highest level of perfection. The commitment of all employees is consistently geared towards the satisfaction of our customers. The success of our company is based on the competence of our employees.

Leadership:
Our managers are predictable and consistent. You are fair and capable of self-criticism and lead in a goal-oriented manner. Our managers promote the social and professional development of their employees.

Innovation and change:
We see ourselves as an organisation that is constantly evolving and learning, where necessary changes and improvements are brought about immediately. Managers and employees see themselves as a team that is shaped by the "we" idea and is oriented towards the task and not the hierarchical structure. Innovation and change are mandatory building blocks of our daily actions.

Economic success and social responsibility:
We see profits as the basis for securing businesses and creating and securing attractive jobs. In doing so, we are taking on social responsibility as a company.

With our business activities focused on Germany for the financial years 2021 to 2024, we are making a significant economic contribution to the regions of our Hemer and Gütersloh production sites.

2.2 Business model and sustainability (C1)

KEUCO produces fittings and accessories at its headquarters in Hemer. The heart is the electroplating process, in which the high-quality surfaces are created. The surface gives the products a special deep shine, is easy to clean and makes them robust and durable. It is an essential quality and design feature of our high-quality Fittings and Accessories. Mirror cabinets and light mirrors made of aluminium with the latest LED lighting technology are manufactured at the Gütersloh plant. Only high-quality materials are used in KEUCO mirror cabinets. The aluminium body is ideal for humid rooms. Soft-closing hinges, clever glass drawer dividers and mirrored doors on both sides characterise the mirror cabinets. Production also enables customisation, so that no wishes remain unfulfilled.

The business model of KEUCO GmbH & Co KG has significant environmental impacts, particularly in the product area of Fittings and Accessories. The use of chemicals, water and energy as well as the associated emissions, but also the associated consumption of resources, are the key factors. This is also increasingly reflected in the legal framework conditions applicable in this regard. As part of our sustainability strategy, we aim to minimise these impacts. With our products manufactured exclusively in Germany, we can meet the highest social and ecological requirements. With a predominant share of German and European suppliers, this also applies to a large extent to our supply chains. For suppliers outside the European Economic Area, special attention must be paid to ensuring compliance with minimum environmental standards, human rights and international labour regulations.



2.3. Sustainability practices and policies (B2 and C2)

In order to specifically identify our largest and most important levers, the sustainability topics relevant to KEUCO were developed and defined in the 2021/2022 report according to the principle of materiality. The sustainability topics emerged from a materiality analysis, for which both influences and impacts that have or will have an external impact on KEUCO in the reporting year or in the future, as well as impacts of our entrepreneurial activities on the outside, on the environment and society, were considered. In doing so, we have aligned ourselves with the 17 United Nations Sustainable Development Goals (SDGs). In a first step, the most important stakeholders were defined and asked for their assessment as part of a SDG-based questionnaire. The stakeholders surveyed were representatives from trade, associations, financial institutions and employees of our company. In a second step, the results were reflected in the assessment by the sustainability team and management based on the same questionnaire.

Our materiality matrix is attached.

Economic, ecological or social influences and impacts from outside to the company (outside-in) and from the company to the outside (inside-out) were defined as material from the point of view of the most important stakeholders and the company itself. The latter was represented by the newly introduced sustainability team, which represents KEUCO's various disciplines with experience and know-how.

The basis for this report was the review of the materiality analysis. The renewed materiality analysis from the inside perspective has shown that the four fields of action from the 2021/2022 reporting year also apply to 2023/2024.
These are as follows:

- Sustainable innovations (Chapter 2.3.1)
- Sustainable production (chapter 2.3.2)
- Socially & environmentally sustainable supply chains (Chapter 2.3.3)
- Climate protection (Chapter 2.3.4)

2.3.1. Sustainable innovations

Our goal is to develop products that perform reliably and provide pleasure even after many years of daily use. We create high-quality products in which form and function are in harmony and which impress with their durability. At the same time, we attach great importance to developing our products with sustainability aspects in mind so that they can be produced in a resource-saving manner and returned to the cycle. The focus here is on keeping energy consumption as low as possible and using valuable raw materials sparingly.

Moreover, it is our ambition to design products that also bring joy to future generations, offer added value, accommodate trends and are thus future-proof. This applies not only to the design, but also to the responsible use of energy and water during use.

KEUCO products are characterised by high quality, durability, a long-term purchase guarantee and high standards of design and functionality. We produce water-saving fittings and use energy-saving LED technology for mirror cabinets and light mirrors. Today, our focus is primarily on the aspects of function and design. With the "Sustainable Innovation" field of action, we are expanding this focus to include additional sustainability perspectives and anchoring these as a central component of our innovation management.

It is our claim not to use materials or processes that are prohibited by law (e.g. REACH) or other regulations (e.g. UBA = Federal Environmental Office). To ensure this in the long term, we plan to introduce a product development database that lists materials suitable for inserting into our products.

A particular focus here is on the topic of electroplating. We currently use a process that uses chromium trioxide (Cr VI) for our chrome surfaces. Since chromium trioxide has been placed on the banned substances list by ECHA (= European Chemicals Agency), the development of an alternative process has the highest priority. This new process must meet the high requirements of the sanitary industry in terms of corrosion resistance, abrasion resistance and durability.

It is currently still pending as to when an alternative procedure will be available. The EU Commission is currently conducting consultations on this, the results of which will determine the further timetable and the final entry into force of the ban.

In the future, studies will be carried out in the area of mirror cabinets to analyse the use of alternative materials. The analysis takes place over the entire product life cycle and compares aluminium with other materials, for example, in order to optimise the use of resources in a targeted manner. Our goal is to achieve innovation leadership in mirror cabinets and cosmetics mirrors - especially with regard to the use of resources over the entire life cycle.

The cradle-to-cradle approach differs from the classic linear economy, as it is a closed-loop approach in which no materials are lost. All fabrics should be reusable without loss of quality - that is our long-term goal. With the described project for mirror cabinets, we are taking the first steps in this direction. In the coming years, we plan to develop further concepts and systematically integrate corresponding criteria, such as the use of recycled materials and recyclability, into our product development.


KEUCO

2.3.2. Sustainable production

The manufacturing of our products is within our direct sphere of influence. We therefore have a great responsibility, and also a great potential for social and ecological sustainability at our locations.

For this reason, we have defined "sustainable production" as one of our key topics and defined it with vision, goals and measures- We strive for social and environmental sustainability in our production. Ecological sustainability should be reflected in particular in the reduction of the use of resources (focus on energy and water consumption), but also in the reduction of the use of environmentally harmful materials. For us, social sustainability in production puts the employee at the centre. The aim is to further increase the protection of employees. In the long term, we want to develop and implement occupational safety and health management concepts that go beyond the legally prescribed standards. This also includes the continuous further training of our staff.

Objectives

We have set the following goals:

- Reduction of energy consumption (electricity, gas, district heating, fuels)
- Reducing waste and increasing the recycling rate
- Further reduce occupational accidents and also record near misses in the future to prevent occupational accidents at best
- Simplifying/streamlining processes through digitalisation

We take targeted measures with the aim of:

- Improving workforce health
- Reduction of costs due to sickness-related absences while
- Increase performance and competitiveness
- Enhancing employee satisfaction
- Increase attractiveness as an employer (employer branding)
- Strengthen education and training to address skills shortages

We plan to achieve these goals with the following projects and measures:

Resource consumption (focus: water and energy)
At our production sites, we will systematically use the available resources sensibly. To this end, we want to raise KEUCO employees' awareness of how to handle resources and equip them with various tools to meet this goal. In addition, the work environment, production areas, buildings and infrastructure will also be gradually redesigned holistically in order to make better use of resources. One example from the current reporting period is the investment in a new roof over the company, which means a more pleasant climate for the employees as well as energetic improvements for KEUCO.

Occupational safety
In the future, we not only want to meet the legal minimum requirements, but also to develop a modern occupational safety concept with targeted measures in order to maintain the company's competitiveness and take into account the changing working conditions. In order to set uniform standards across all locations, our occupational safety specialist is now in charge of both locations in Hemer and Gütersloh. As a result, processes are optimised and standardised, thereby reducing the workload.

Health Prevention
With targeted measures as part of holistic health management, KEUCO wants to maintain or even improve the health and work ability of employees. The transformation from occupational health promotion to the establishment of targeted occupational health management is successful. Strategies and concepts are developed so that the workforce can cope better and in the long term with the professional requirements and burdens. Examples of health prevention include our blood donation days, which have been successfully established for over 15 years, health weeks, casino campaigns, influenza vaccination days, company campaigns with the trade association for wood and metal (e.g. lifting/carrying or noise protection), but also smaller individual measures, such as the ergonomic further developments of the workplaces. We are also learning about future technologies, such as the use of exoskeletons or AI, in order to continuously reduce the load on our production and logistics employees and maintain employability.

Training (incl. employability)
We plan to tackle the shortage of skilled workers effectively with targeted training and further education.

Governance
The implementation of the planned measures requires, in particular, the adjustment of our current procurement process for energy and energy-relevant systems, as well as our health and training management.

2.3.3. Social and environmentally sustainable supply chains

Our impact on the environment and society does not start with our own manufacturing process, but at the very front of the value chain. For this reason, our third key field of action is "Sustainable Supply Chains".

Together with our suppliers, we want to minimise risks by acting responsibly and further develop long-term relationships. Therefore, when selecting suppliers, we pay attention to compliance with ethical standards, a responsible way of working as well as occupational health and safety and environmental protection.

Objectives

The following objectives have already been implemented:

- By the end of 2023, 80% of our existing and future suppliers have been assessed under environmental and social sustainability aspects.
- Since 2024, 100% of new suppliers have been assessed based on social criteria.
- We have audited 80% of critical suppliers for human rights compliance or conducted a human rights impact assessment.
- We want to continue to have 100% knowledge of negative impacts in the supply chain and actions taken.

The following measures and projects were defined for this purpose:

Compliance with human rights due diligence
Our aim is to comply with the Supply Chain Due Diligence Act within its scope of application.

Alignment of the product portfolio to Made in Germany
Our goal is to align our product portfolio to "Made in Germany".

Supplier screening
Screening of existing and future suppliers on the topic of environmental and social sustainability.

Packaging concept
Our goal is to develop concepts for maximum efficient shipping packaging and thus reduce emissions.

KEUCO Logistics
Optimisation of logistics expenses with central measures such as centralisation of the supply chain and reduction of the number of shipments. Further information can be found in the sections "Depth of value creation", "Human rights" and "Emissions".

Delimitations
We comply with the requirements of the Supply Chain Due Diligence Act within its scope of application. Certifications according to ISO standards are not considered. The handling of conflict minerals does not play a role either, as they usually do not find their way into KEUCO products. Greenhouse gas emissions in the supply chain are not a central subject of this field of action, as this will be addressed at a later stage in the area of climate protection.

Key Performance Indicators
The relevant key figures for this field of action can be found in the overview of performance indicators (see Process Management).

Governance
The implementation will be accompanied by adjustments in the area of supplier management as well as logistics and shipping. Implementation is ensured as described elsewhere (see Process Management).

2.3.4 Climate protection

Climate protection is the global challenge of the future. We want to contribute and develop environmentally friendly products that save water and energy. We want to become independent of fossil fuels, save energy and produce in an environmentally friendly way. Therefore, "climate protection" is our fourth key area of action.

Objectives

Our ultimate goal is to be a climate-neutral company along the entire value chain by 2045. This will be done through different approaches. When purchasing or refitting systems and building technology, the focus should also be on energy-saving and environmentally friendly systems. The purchase of green electricity has now been successfully implemented. The existing share of self-generated renewable energies is to be further expanded.

Our objectives have been defined as follows:

Objective 1: Reduction of CO_2 emissions (Scope 1 and 2) -40% by 2032

Objective 2: Climate neutrality at least (in Scope 1 and 2) by 2045

Achievement of objectives: Progress in CO_2 reduction
By the end of 2024, a cumulative reduction of CO2-emissions in the areas of Scope 1 and Scope 2 of a total of 22.27% compared to the base year could be achieved. This marks a significant milestone on the road to achieving the targeted emission reduction of 40% by 2032. This progress underlines the effectiveness of the measures implemented so far and confirms our strategic direction in climate protection.

The following projects and measures will support the achievement of the objectives:

Energy-efficiency
The aim should be to continuously optimise our energy efficiency. This is to be implemented through energy efficiency projects. The prerequisite for this is the creation of a holistic energy monitoring system and, at the same time, the regular implementation of energy audits. Regular awareness-raising among employees is just as much a part of this as the development of internal framework conditions to simplify energy-efficient investments. An example of this is the acquisition of a compressed air leak detection device during the reporting period. This helped to identify numerous leaks in Hemer and Gütersloh and save resources and energy.

Renewable energy procurement
One goal was to switch to 100% renewable energy by 2024. In the medium term, there is also a desire to switch to renewable energies for gas and district heating, subject to the possibilities and technical innovations.

By switching to green electricity, we were able to achieve our goal in 2024 as planned. It has not been possible to expand in-house generation so far. Despite all efforts, green gas and green district heating are not currently available on the market.

Regenerative self-generation
It is our intention to further expand our own renewable energy generation within the scope of our capabilities.

Reduction of fleet consumption
We are gradually reducing the consumption of our fleet. The focus of the measures is currently on Scopes 1 and 2.

Governance
The implementation of the planned measures requires, in particular, the adjustment of our previous procurement process for energy and energy-relevant systems.

Preparing for the EU Packaging Regulation
The new EU Packaging Regulation - officially "Packaging and Packaging Waste Regulation (PPWR)" - is a key element of the European Green Deal and will enter into force on 11 February 2025. It replaces the previous Directive 94/62/EC and applies directly in all Member States from 12 August 2026.

KEUCO strives to comply with the EU packaging regulations, which are now being introduced gradually.

Since 2024, we have been working on a company-wide roadmap that ensures the gradual adjustment of our packaging processes and materials.

Objectives

The aim is to improve the recyclability of our packaging, increase the use of recycled materials and consistently avoid unnecessary packaging. In doing so, we are guided by the EU's requirements in order to take on both environmental responsibility and ensure long-term compliance.

Our roadmap includes:

- analysis of existing packaging solutions,
- the development of sustainable alternatives,
- the integration of our supply chain into the transformation process,
- as well as transparent communication with our customers and partners.

With this step, we are reaffirming our commitment to a resource-saving circular economy and making an active contribution to reducing packaging waste in Europe.


Made in Germany
Edition 400 Armaturen
51502 010100
Einhebel Waschtischmischer
ohne Zugstangen-Ablaufgarnitur
verchromt
Single lever basin mixer
without pop-up waste
chrome-plated
KEUCO
keuco.com



3. Environment

The main focus of the sustainability analysis is the environment.

We examine the developments in energy and greenhouse gas emissions during the reporting years, look at our CO_2 footprint and the intensity of greenhouse gases.

Climate risks, pollution of air, water and soil are presented. Water is an important resource for our production. In addition to water consumption and withdrawal, we look at the materials and raw materials that are essential to us through to the circular economy and our waste management. According to the materiality analysis, biodiversity is not relevant in this context.

Resource efficiency and climate protection are closely linked. For example, there are also resource efficiency measures in the area of emissions with the aim of causing fewer emissions through reduced energy consumption. In addition, our key field of action for climate protection is primarily focused on the use and generation of renewable energies.

In the future, we want our production to be characterised by social and environmental sustainability. Among other things, this should be reflected in the consumption of resources, particularly energy and water. But the amount of environmentally harmful materials is also to be reduced.

Our goal is to be a climate-neutral company along the entire value chain by 2045. The way forward is set by the intermediate target of reducing our Scope 1 and 2 emissions by 40% by 2032.

When considering the values in the reporting periods, it must be taken into account that restructuring measures were taken in the 2023 and 2024 reporting years. The measures were accompanied by staff reductions. In the period 06/2023 to 04/2024, KEUCO registered short-time work. During this time, some departments did not work on Fridays. This also has an impact on water and energy consumption and must be taken into account when considering developments. However, global political developments such as crises in Ukraine, among others, are also leading to declining sales and thus lower energy and material consumption.

At the same time, measures were taken to conserve resources and save energy, such as new windows, LED lighting, a heat-insulating roof, etc. Against the background of internal measures and external influences, developments in the area of the environment can be seen.

3.1. Energy and greenhouse gas emissions (B3 and C3)

First of all, we look at VSME standard for energy and greenhouse gas emissions. The following information is based on the methods of the GHG Protocol Corporate Standard, an internationally recognised framework for the recording and reporting of greenhouse gas emissions. Greenhouse gases (GHG) are gaseous substances that contribute to global warming. They will be summarised normatively based on their contribution to global warming using a uniform unit of measurement, the CO_2 equivalents (CO_2e). A distinction is made between direct emissions from own sources (Scope 1) and indirect emissions from purchased energy (Scope 2). The latter are reported according to the VSME standard using the location-based approach; market-based values can be presented in addition.

The calculation is made in accordance with the five principles of the GHG Protocol: Relevance, completeness, consistency, transparency and accuracy. These ensure the traceability of emissions data and promote reliable, comparable reporting in terms of internal control as well as external requirements.

In addition, the average values of the double reporting years are shown.

In its first report, KEUCO set itself the goal of using natural resources more efficiently. Renewable energies are to be used more intensively and the production materials inserted are to be used as effectively as possible. Our declared goal is to reduce electricity consumption by 5% by 2026 and gas and district heating by 10% by 2026. Fuels for motor vehicles are to be reduced by 15% by 2031. We aim to reduce our waste by 10% by 2026. We are on this path. This report shows how far we have come.

Energy consumption in MWh

	Ø 2021-2022			**Ø 2023-2024**		
	Renewable energy	non renewable	Total	Renewable energy	non renewable	Total
Electricity Supply	1,205.24	2,215.46	3,420.71	1,840.13	1,386.63	3,226.76
Quote	**35.23 %**			**57.03 %**		
Self-production	35.12			29.16		
From crude oil and petroleum products		1,282.13	1,282.13		1,215.85	1,215.85
Made from natural gas		4,493.97	4,493.97		3,246.13	3,246.13
other fossil sources		470.90	470.90		398.21	398.21

To manufacture our products, we need energy in the form of electricity and heat at our production sites. Process-related heat requires the electroplating production step in particular.

The comparison of the reporting periods in terms of energy consumption clearly shows that total electricity consumption has decreased - by a total of 5.67%.

Since 2024, electricity has come from 100% renewable energies. This significantly increased the electricity quota, i.e. the share of renewable energies, from 35% to 57%.

Both sites have been generating electricity with photovoltaics for years. The energy generated in this way is used 100% by the company itself. Self-generation of energy, e.g. from solar energy, fell by 16.97% (from 35.12% to 29.16%).

Consumption of crude oil and petroleum products has decreased. The fleet was reduced, fewer annual kilometres were driven and new cars were registered as electric cars.

In addition to gas heating, a combined heat and power plant was also used in Hemer to produce electricity and heat until May 2023. Following a technical defect, the combined heat and power plant was no longer used. Since then, gas has only been used for heat generation, which has significantly reduced consumption. Overall, natural gas consumption fell by 27.77%.

The plant in Gütersloh heats with district heating - fossil sources that are also declining: -15.44%.

Targeted savings in terms of energy and greenhouse gases are being gradually implemented through numerous individual measures. Potential savings in production, within the buildings and the infrastructure should be identified. Gradually, individual areas are to be redesigned holistically in order to make optimum use of and conserve natural resources.

Here are just a few of them:

Monthly leakage checks of the compressed air installation will be carried out from mid-2023. A suitable device was purchased for this purpose and used in the company. The results are used to derive the necessary measures to rectify the loss of compressed air in the short term and thus save energy. (Chapter 2.3.4)

In many areas, traditional lighting has been replaced by energy-saving LED lighting, including in the distribution centre and within production. The replacement is planned for 2025 at the Hemer plant. In Gütersloh, too, the operation switched to energy-saving LED lighting.

Numerous windows were replaced with modern windows with heat-insulating glazing. In 2021 and 2022, a total of approx. 182 square metres of window area were renovated.

When purchasing or retrofitting systems and building technology, the focus is on energy-saving and environmentally friendly systems.

The use of a modern extraction system also reduces energy consumption. The grinding plant's exhaust air systems for heat recovery are still in use.

In material management, too, it must be a matter of course to keep resource consumption as low as possible when procuring raw materials and materials. Sustainable aspects and alternatives will be given more importance.

CO_2 footprint
The recording of our carbon footprint is based on the methodology of the Greenhouse Gas Protocol. The footprint was calculated using the ecocockpit of the state of NRW. The emission factors used are taken from the ecocockpit and include, in particular, the current emission factors of the energy efficiency competition (EEW). The base year for our calculations and thus also the starting point for future improvements is 2021. The average values for 2021 and 2022 and 2023 and 2024 were used to present the developments in the reporting years.

Based on the data from the CO_2 footprint, it can be seen that greenhouse gas emissions have been reduced by more than 20% in both scopes.

CO_2 emissions in tonnes

Scope	Emission sources	p.a. Ø 2021+2022	p.a. Ø 2023+2024	Deviations
1.1	Direct emissions from combustion processes of stationary plants	903	652	-27.8 %
1.2	Direct emissions from combustion processes of mobile plants	409	389	-4.9 %
	Total 1.1 + 1.2	**1,312**	**1,041**	**-20.7 %**
2.1	Indirect emissions from purchased electricity	1,480	1,120	-24.3 %
2.2	Indirect emissions from district heating/ -cooling, steam	132	112	-15.2 %
	Total 2.1 + 2.2	**1,612**	**1,232**	**-23.6 %**
	Total	**2,924**	**2,273**	**-22.3 %**


Störungs-/Warnungs-Historie
Buderus

3.2 Climate risks (C4)

No material risks could be determined as part of the double materiality analysis (see Chapter 2.3.4.)

3.3 Pollution of air, water and soil (B4)

This section collects information on emissions to air, water and soil as well as pollutant releases. The aim is to create transparency about direct or indirect environmental impacts from business activities.

Voluntary measurements are carried out regularly at the electroplating emission source, which considers the essential pollutants. Released pollutants that are released via the air in the electroplating emission source are measured several times during the year. The measured values were always below the permissible limit value.



3.4. Water consumption and withdrawal (B6)

This chapter deals with water consumption and the potential impact of the business on water resources and marine ecosystems. In addition to water consumption, abstraction and discharge, reports can be made here on the type and quantity of water sources used as well as risks of water scarcity or pollution and measures to protect water quality and availability. In addition to the use of raw materials, the significant environmental risks of our business operations arise from the use of water and chemicals in particular for the manufacture of our products.

More than 25 years ago, we switched to our own well water in electroplating in consultation with the environmental authorities. We process this ourselves and use it in the electroplating process. Since then, we have significantly reduced the use of drinking water. Overall, there were hardly any changes in this context in the reporting years.

Water consumption - both tap water, groundwater and wastewater - is declining compared to the reporting periods. There are many reasons for this, such as a decline in production and short-time work.

Water consumption in m³

	Ø2021-2022	Ø 2023-2024	Deviations
Tap water	12,216	9,721	-20.42 %
Groundwater	13,612	5,438	-60.05 %
Total water withdrawal	**25,828**	**15,159**	**-41.31 %**
Wastewater	15,196	11,723	-22.85 %
Total consumption	**10,632**	**3,436**	**-67.68 %**

3.5 Resource use, circular economy and waste management (B7)

This chapter describes how efficiently the company uses materials and raw materials and to what extent circular economy principles are implemented. It shows which raw materials are used, the proportion of renewable or recycled materials and what strategies exist for waste prevention, reuse or recycling. It also explains what measures the company has taken to increase resource efficiency throughout the product life cycle and reduce environmental impact.

Materials
The diagram below shows the production materials used. The data collected includes assemblies and merchandise. These were also assigned to the materials. The criterion for allocation is the largest raw material share by weight within the assembly or traded goods.

Material flow rates in kg

	Ø 2021-2022	Ø 2023-2024	Deviations
Raw-material	2,366,448	1,425,466	-39.76 %
Auxiliary and operating materials	587,462	384,859	-34.49 %
Preliminary products/ semi-finished products	777,798	473,889	-39.07 %
Total	**3,731,708**	**2,284,214**	**-38.79 %**

Compared to the previous reporting period, total material consumption was reduced by almost 39%. The biggest decline was in raw materials.

Waste management
In Hemer, a waste prevention concept was drawn up in collaboration with the waste and environmental officer. Parts of the concept are already being put into practice.

Waste in kg

	Ø 2021-2022	Ø 2023-2024	Deviations
non-hazardous waste for recycling	251,511	201,726	-19.79 %
Hazardous waste for recycling	14,333	14,288	-0.31 %
Sub-total amount	265,844	216,014	-18.74 %
non-hazardous waste for disposal	0	0	
Hazardous waste for disposal	97,254	86,605	-10.95 %
Sub-total amount	97,254	86,605	-10.95 %
Total	**363,098**	**302,619**	**-16.66 %**
Recycling rate	73.22 %	71.38 %	

Waste disposal of hazardous waste is carried out in compliance with the law together with the disposal company.

Overall waste was reduced by 16.6%. The recycling rate remains at >70%

With the introduction of the plastics fraction in 2023/2024, a significant step was taken towards legally compliant "separate collection" in accordance with Section 3 of the Commercial Waste Ordinance. KEUCO fully complies with this requirement.

The further course of action is the internal "optimised" recording and further prevention or reduction of mixed waste, which also includes, for example, the reduction of hygiene paper, which is currently still disposed of via the "mixed packaging".


KENCO

The sustainable success of our company is based on the people who shape it with their knowledge, creativity and commitment every day. For us, sustainability means creating a working environment that offers long-term prospects, promotes equal opportunities and supports the personal and professional development of our employees. In doing so, we attach particular importance to a respectful corporate culture, healthy working conditions and a work-life balance.

Our goal is to reconcile the needs of our employees with the environmental and economic requirements. Through targeted measures, we not only want to ensure the motivation and performance of our team, but also make a contribution to a future-proof working world.

4.1. Own workforce (B8)

4.1.1 Employees

In the 2024 reporting year, 411 employees were employed by KEUCO in Germany, of which 404 had permanent contracts.

Average number of employees

	2021-2022	2023-2024	Deviations
Permanent contracts	433	417	-16
Fixed-term contracts	25	7	-18
Total	**458**	**424**	**-34**

In 2024, 94 employees left the company, which corresponds to a staff turnover rate of 22.9%. Compared to the other reporting years, but also in the company's history as a whole, this is unusually high and must be considered in the overall context. 2024 is an exceptional year in many respects. The tense macroeconomic situation in Germany, particularly within the sanitation industry, led to a structural adjustment of human resources.

After the short-time work phase, a moderate and socially acceptable reduction in staff was implemented. This included, among other things, the deliberate non-replenishment of positions after retirement or redundancies of employees as well as the possibility of an early, voluntary retirement for employees nearing retirement. This reduced the need for regular redundancies to a minimum and made changes in a fair and responsible manner.

In addition, there were further organisational restructuring measures to strategically align the company for future challenges and developments.

We are aware that the long-term retention of our employees is an essential success factor for the sustainable development of our company. In order to retain skilled workers and foster their enthusiasm, we relied on a corporate culture characterised by respect, openness and participation. Regular feedback discussions also give our employees the opportunity to take responsibility and contribute their potential.

We expect that the economic situation will improve significantly in the coming years and that the company will be able to retain and recruit employees again.

We are therefore continuously working on measures and offers for our employees that offer everyone the opportunity to develop individually, seize career opportunities, enjoy their daily work and at the same time perform at their best.

A variety of factors determine whether an employer is perceived as attractive in the eyes of its employees. In addition to factors such as the employer's image and philosophy, the accessibility of the workplace and collegial interaction play a crucial role. Transparency in fundamental matters is also an important prerequisite for ensuring that the employer's treatment of employees can be perceived as equally fair.

KEUCO offers many options to make the working climate and human interaction as pleasant as possible for our employees. This includes, among others: flexibility, equal treatment and modern workplace equipment.

Health and prevention programs also support the health of our employees. Through joint projects and an open dialogue culture, we create a working environment in which people like to get involved and take responsibility. Our goal is not just to be a workplace, but a place of personal growth, safety and inspiration.

We provide humane, healthy and safe working conditions to maintain the performance and mental and physical well-being of our employees. Our employees are continuously encouraged and challenged. We not only comply with legal requirements and obligations, but also create guidelines that go beyond the legal requirements.



4.1.2 Gender distribution at management level

In the 2024 reporting year, the company employed a total of 13 executives at management level, 11 of whom were men and 2 women. This corresponds to a ratio of 5.5: 1 in favour of male managers. A look at the development in recent years shows that the proportion of female managers has remained unchanged at two people since 2021, while the number of male managers fluctuated between 10 and 12. The resulting annual ratios were between 5: 1 and 6: 1.

This underrepresentation of women in management positions illustrates that, despite good progress in other areas, there are still structural challenges when it comes to gender equality at management level. Promoting diversity and equal opportunities therefore remains a central strategic goal for the future development of the company. Targeted measures must be taken to sustainably increase the proportion of female managers - for example through transparent career paths, mentoring programs, flexible working models and an inclusive corporate culture that actively supports diversity.

The following overview shows the development of the gender distribution in management positions over the last four years:

Gender distribution

	Male	Female	Ratio Men: Women
2024	11	2	**5.5: 1**
2023	12	2	**6: 1**
2022	10	2	**5: 1**
2021	11	2	**5.5: 1**



4.1.3 Other workforce

In addition to the regular workforce, 10 external employees worked permanently and exclusively for KEUCO - mainly as part of commercial representations. About half of these people operate abroad, which underlines the international networking of the sales structures.

In addition, 29 plant and staff leasing staff were employed at the Hemer site via external personnel service providers. This model enabled flexible personnel support, particularly for project-related needs or to cover seasonal fluctuations.

4.2. Supplementary information on the workforce (C5)

KEUCO is committed to active diversity management and thus equal opportunities for all employees. We do not tolerate or accept discrimination of any kind - whether based on ethnic origin, gender, religion or belief, disability, age, sexual identity or personal status. The same applies to disadvantages due to children or family obligations, such as caring for relatives.

Diversity is not only welcome at KEUCO, but also a strategic success factor. We consciously promote them, create inclusive working conditions and want to benefit our company from this diversity in the long term.

Together, our employees form the KEUCO team: a team of different personalities, backgrounds and skills. This wide range of experiences enables people to learn from each other, complement each other and work together on an equal footing.

Measures according to VSME:

- Transparent and fair recruitment processes and objective selection criteria apply.
- Flexible working time models and mobile working arrangements help to better reconcile private and professional commitments.
- Training courses to raise awareness of unconscious bias (=unconscious bias/implicit biases), non-discriminatory communication and inclusive leadership are under construction.
- Return conversations after parental leave or caregiving periods are structured to ensure a fair reintegration.
- Diversity will be taken into account as a strategic element in the future as part of management development.

4.2.1 Fairness of opportunity and remuneration

For us, equal opportunities means offering all employees fair and equal opportunities - from recruitment to further development within the company. A key element here is a non-discriminatory selection process. In addition to professional suitability, we pay particular attention to ensuring that employees' values and mindset match the corporate culture. Decisions are made regardless of gender, age, religion, belief, sexual orientation, disability or social origin.

Another focus is on promoting the proportion of women, especially in specialist and management positions, as promoting diversity and equal opportunities is an essential part of our sustainability strategy. In particular, strengthening the share of women in management positions and enabling flexible working time models for managers are key areas of action.

Since July 2024, a female manager has been part-time in charge of the HR department at KEUCO. This example illustrates that responsible management tasks can also be performed successfully on a part-time basis. This underlines our ambition to promote modern and future-oriented management models that place equal emphasis on competence, result orientation and management quality.

By implementing this measure, we are helping to remove existing structural barriers and further improve the work-life balance. In this way, we make a sustainable contribution to the further development of our corporate culture and to strengthening diversity at management level.

The proportion of women in management positions remained constant from 2019 to 2024. Another highlight is our female surface coating trainee in a traditionally male-dominated field of work - an example of diversity and targeted development. We are very pleased to have taken on this apprentice as a trained surface coater.

We also attach great importance to fair and competitive salaries. Our compensation structures are reviewed regularly to ensure that equal work is equally rewarded regardless of gender or other personal characteristics. We offer competitive salaries and benefits that both motivate and contribute to long-term retention. Remuneration is based on market analyses, the function in the company and the qualifications and performance of the individual. Uniform remuneration principles apply to all employees - including students, interns and temporary staff - while complying with legal minimum standards.

Our goal is a transparent and comparable remuneration system. We deliberately refrain from publishing key figures in accordance with GRI 102-38 and 102-39, as they are not decisive for assessing the fairness of our remuneration structure from the company's point of view.

The remuneration of management and second-level managers is also designed in line with the market - consisting of a fixed and a performance-based component. In addition to a company car for private use, they receive variable remuneration components with a long-term incentive effect, for example when achieving strategic goals. The decision is made by the Management Board or the shareholders' meeting.

As a responsible employer, we consider performance-based remuneration, a productivity system and comprehensive social benefits to be an integral part of our corporate self-image. The aim is to enable all employees to live a safe life and to create fair development prospects.

Compensation system

Paragraph	Labour — remuneration, collective bargaining and training (B10)	Ø 2023-2024 Number/Rate (Reporting year 2024)
42a	Do the workers receive the minimum wage defined in the respective countries or more?	100.00
42b	Average gross hourly wages of male employees	€ 28.41
	Average gross hourly wage of female employees	€ 23.38
	Gender Earnings Gap	121.51 %
42c	Percentage of workers covered by collective agreements	16.80 %

In the 2024 reporting year, all KEUCO employees received remuneration that at least corresponded to or exceeded the statutory minimum wage in Germany.

The average gross hourly wages were €28.41 for male employees and €23.38 for female employees. The reported gender pay gap is 21.51%. It must be taken into account that this key figure must be interpreted in a context-dependent manner and is influenced by different types of employment, qualification levels or areas of activity. KEUCO continues to actively promote equality.

The share of employees covered by collective bargaining agreements was 16.8% in 2024 - a decline compared to the base year 2021 (24.0%). The reasons for this are the slightly reduced number of employees at the Gütersloh site, where we have a collective bargaining effect. At the Hemer site, we are based on the metal tariff, but are not officially bound by the tariff.

4.2.2 Work-life balance

As an employer, we believe in supporting our employees in reconciling work and private life. In doing so, we want to strengthen identification with the company and our position in the competition for skilled workers. To promote this, we rely on flexible working time models, mobile working options and part-time offers. We also support parents with maternity leave, parental leave and returning to work. We are continuously working on expanding these possibilities and are increasingly committed to the effective use of digital solutions.

In addition to the 30 days of holiday per year, we offer special leave for special events in life such as the birth of children, weddings, relocations or funerals.

Even seemingly small measures, such as short walks through car parks right outside the door or lunch to take home from our casino, make it easier to reconcile work and family with many small building blocks.



4.2.3 Qualification and further training

KEUCO relies on quality - and not just in our products. Whether in product development, production or administration: Our first-class products for bathrooms can only be created by qualified employees and delight our customers. Continuity is important to us. Many KEUCO employees have been with our company for years. Specialists who master their compartment. People who keep learning, who are curious and have visions.

The most important factors for this are:

- Ongoing professional development
- Training and coaching of managers
- In the company, decision-making paths are short and hierarchies are flat
- We are committed to the further training of our employees - strengths are promoted
- Teamwork and collegial cooperation are important to us
- Further training of soft skills
- Continuous vocational training
- Introduction of new software for digitization (Tisoware workflow), ProAlpha, Softgarden, SAGE, etc.

KEUCO understands further training as an essential component of sustainable personnel development. In recent years, the training budget has been continuously increased - even by around 25% between 2019 and 2022. This development underlines the clear commitment to the qualification and long-term development of employees.

In 2023, training expenditure totalled €89,582.19. A budget of €74,387.97 was reported for 2024.

The economic framework conditions as well as the necessary restructuring measures led to a temporary reduction in training opportunities in the 2024 reporting year. Priority was deliberately given to legally required training as well as qualifications that were directly required for the performance of the activity. This was done in the spirit of fairness and responsibility towards the entire team - especially in a year that was also characterised by personnel adjustments.

At the same time, the goal remains to expand the training budget again in the coming years and thus actively promote the individual development of all employees.

4.2.4 Flexible working environment

At KEUCO Credo, family attitude is tangible in many ways. Birthday greetings and personal words are just as much a matter of course as the "open" doors in the office. Flat hierarchies enable a positive working environment and short decision-making paths.

4.2.5 Demographic change

We are facing demographic change at various levels. On the one hand, at the level of the promotion of young talent with our training programme, on the other hand at the level of our existing employees with comprehensive efforts for further training, but also through high employee retention.

4.2.6 Integration and diversity at KEUCO

Increasing societal diversity and demographic change make integration a central component of our corporate strategy. For years, we have taken into account the health characteristics of our employees and developed individual solutions together with the occupational doctor, the works council and the representatives for the severely disabled. This includes, among other things, the targeted recruitment of people with severe disabilities and the transfer to suitable (protective) jobs, if available.

As part of the company's reintegration management (BEM), structured discussions are held with employees, which facilitate a return to everyday work through step-by-step measures.

A strategic goal by 2030 is the comprehensive ergonomic revision of all workplaces. These include a modern lighting concept and the successive fitting of height-adjustable desks.

Integration at KEUCO involves more than just health aspects: Language barriers are specifically reduced by internal VHS language courses or language courses sponsored by KEUCO in order to enable all employees to participate actively. Societal developments such as digitization, value change and migration require a corporate culture that offers opportunities. Diversity is a living success factor at KEUCO, which plays a central role in recruiting specialists in particular.

At our locations in Hemer and Gütersloh, employees from 18 nations work - from a wide range of age groups, cultural, ethnic and religious backgrounds. This wide range of perspectives increases creativity in the company, supports innovative approaches to solutions and promotes our ability to adapt.

As part of our HR strategy, we focus on non-discriminatory workplaces and equal opportunities - regardless of gender, origin, age, religion, status, family situation, sexual identity or disability.

4.3. Human rights policies and practices (C6)

As a responsible company with production sites in Germany, KEUCO sees respect for human rights as an essential part of its self-image. Our own workforce is subject to clear principles of our actions that focus on social justice, fairness and protection.

The previous internal guidelines already address key human rights issues:

- Child labour: KEUCO does not support any form of child labour and also expects this from all suppliers. Compliance with legal regulations is a matter of course for us.
- Accident prevention: An internal accident investigation with subsequent derivation of measures has been established. The inspection is carried out by the security officer (SIFA) and the management. Relevant topics are continuously addressed in the regular ASA meetings (occupational safety committee).
- Forced labour, trafficking in human beings and discrimination are currently not separate components of the internal guidelines, but it is planned to explicitly integrate these topics as the Code of Conduct is further developed.

Complaints mechanisms
Employees have various options to contact internal contact points if necessary or in the event of violations of their rights. This includes:

- The respective supervisors and HR
- The whistleblower system with an anonymous reporting point via the company website
- The anonymous works council mailbox named "Position"
- Personal contacts such as the works council, the representatives of the severely disabled or the youth and trainee representatives (JAV)
- Managing Director Lubert Winnecken is always open to the concerns of his employees and has already communicated this several times at works meetings.

So far, no reports have been received via the whistleblower system - a sign of a lived culture of trust that nevertheless does not lead to inactivity: KEUCO closely monitors the effectiveness of the measures and continuously checks to what extent further improvements can be implemented to protect employees.

Human rights at suppliers and supply chains
When selecting suppliers, KEUCO always pays attention to compliance with ethical standards, a responsible way of working and occupational and environmental protection. Together with our suppliers, we want to minimise risks in the supply chain by acting responsibly and strengthen and further develop stable long-term relationships. To ensure this, we had set ourselves some goals and achieved the following:

- By the end of 2023, 80% of our existing and all future suppliers have been assessed under environmental and social sustainability aspects.
- In 2024, 81% of our existing suppliers were assessed.
- Since 2024, 100% of new suppliers have been assessed on social criteria.

In addition, we have set ourselves the goal of screening 80% of critical suppliers for human rights compliance or conducting a human rights impact assessment.

We also want to have 100% knowledge of negative impacts in the supply chain and actions taken.

Human rights abuses

	2021-2022	2023-2024
Are there confirmed human rights violations in relation to:		
Child labour	No	No
Forced labour	No	No
Human trafficking	No	No
Discrimination	No	No
Accident prevention	No	No
Miscellaneous	No	No
Are there any further confirmed human rights violations regarding:		
Labour in the value chain	No	No
Affected communities	No	No
Outlets & End Users	No	No
Discrimination	No	No
Accident prevention	No	No
Is there a complaints mechanism for these stakeholder groups?	**Yes**	**Yes**

Strategies and measures
The majority of KEUCO's suppliers are based in Germany. These are bound accordingly by German law. As a result, compliance with ethical standards, responsible working practices and occupational health and safety and environmental protection are currently not reviewed beyond the applicable legal requirements. Our few Asian partners have been visited several times in the past and also this year to get an idea of the working conditions and compliance with ethical standards. All partners have adequate working conditions and no abnormalities were found.

The aim is to continue to ensure compliance with human rights in accordance with the law. For this purpose, it is examined whether our suppliers' production complies with the international occupational health and safety conditions of the ILO (= International Labour Organisation). In particular, the topics of child and forced labour are considered. In order to ensure compliance with human rights, KEUCO will comply with the applicable provisions of the Supply Chain Due Diligence Act within its scope of application.

By the end of 2023, the following steps were implemented for KEUCO as part of the implementation of the scope of application of the Supply Chain Due Diligence Act:

- Definition of responsibilities within the company
- Definition of responsibility for regular risk analyses
- Taking preventive and remedial measures
- Establishment of a whistleblower complaints procedure

Compliance with human rights is ensured at the German production sites in Hemer and Gütersloh.

In addition, a questionnaire was created in 2023 to incorporate social criteria into supplier selection. This questionnaire asks questions about compliance with human rights, minimum wages and occupational safety, for example.

When evaluating the supplier survey on the topic of sustainability, we were pleased to note that, to the best of our knowledge, all the suppliers surveyed comply with the relevant legislation.

Objectives so far and strategic adjustments
The evaluation of our suppliers has so far been based primarily on classic commercial criteria such as quality, delivery performance, price development and reliability. These factors remain relevant, but will be complemented by environmental and social aspects in the future. Sustainability, fair working conditions and social responsibility are becoming increasingly important when selecting and evaluating our partners.

As part of this strategic realignment, we also deliberately separated ourselves from individual suppliers in 2023/2024. For example, cooperation with an Indian supplier was terminated and direct procurement from Taiwan was discontinued. These decisions reflect our ambition to act not only economically, but also ethically and sustainably.

Risks arising from business activities
In the past, human rights violations were not separately considered when considering possible risks within the supply chain. Since the majority of suppliers have their production sites in Germany, the risk of human rights violations can be assessed as very low. In the future, KEUCO will pay particular attention to human rights violations in the risk assessment, especially for suppliers with international headquarters and production sites. In this context, we will also take into account the GRI performance indicator 412-3 and carry out on-site visits to our critical suppliers.



4.4. Occupational health and safety (B9)

With strategies and concepts, KEUCO is to be prepared for the future in order to increase the performance of employees and at the same time further reduce the number of occupational accidents and illnesses.

The well-being of all employees is particularly important to us. Because a large proportion of our employees perform physically demanding activities, we are particularly committed to their health and safety.

The following is therefore important for modern occupational health and safety: Continuous evaluation of existing regulations in terms of feasibility, bureaucracy reduction, effectiveness and simplification through greater digitalisation.

Both the protection and improvement of the safety and health of all employees and the prevention and minimization of hazards and risks are our top priorities. However, the data on work-related illnesses cannot be reliably consolidated, as legal prohibitions conflict: It is not legally possible (German Temporary Employment Act) to access the occupational illnesses of external companies. Even due to the sensitivity of the data, it is currently not possible to draw direct conclusions about the cause of diseases.

To collect data from our employees, we use our internal systems such as accident reports and reintegration interviews. In addition, no diagnoses are recorded. Only the reports from the three largest health insurance companies provide us with the main diagnoses of all diseases in anonymised form for a fraction of our workforce. However, the causes can also lie in the private environment. It is not possible to state here whether these are work-related, hereditary or private illnesses. For this reason, we do not present the diagnoses in this reporting year.

4.4.1 Occupational safety

KEUCO is firmly committed to the goal of avoiding all work-related accidents and is committed to the "zero accident" philosophy. Our safety culture is based on legal requirements, trade association guidelines and internal standards, which are implemented and further developed through regular workplace inspections, accident analyses and ASA meetings.

All reported incidents are analysed jointly by the supervisors and our occupational safety specialist in order to derive targeted measures to prevent future accidents. The regular risk assessment is the responsibility of the managers, supported by safety specialists and occupational physicians.

One focus is on the early detection and assessment of potential focal points of danger. For this reason, KEUCO introduced an additional tool for reporting near misses in 2024: an anonymous mailbox, supplemented by a specially developed form that makes reporting easier for employees using structured guiding questions. No feedback has been received so far - yet the measure strengthens prevention and promotes a proactive safety culture.

In order to increase understanding and attention to safety-relevant topics, the training offering is being continuously digitised - including media such as video clips and image material for illustration purposes.

Occupational health care is provided by our company doctor - including preventive examinations, vaccinations and advice directly on site or in the practice. It also provides important tips for optimising health-promoting conditions during workplace inspections.

Topics such as noise protection, new technical facilities (e.g. extraction system in grinding shop), ergonomics, first-aid and fire protection concepts as well as feedback from employees and the works council are regularly addressed and implemented. For example, in the coming year 2025, an action day on the subject of noise is also planned with the employers' liability insurance association in order to continuously raise awareness of health issues or, if necessary, implement further measures.

Occupational injuries

Paragraph	Workforce – Health and Safety (B9)	2021-2022 Number/Rate (Base year 2021)	2023-2024 Number/Rate (Reporting Year 2024)
41a	Number of reportable accidents	8.00	5.00
	Total working hours for the reporting year	1,207,725	822,000
	Rate of Reportable Accidents	0.0000000066240	0.00000608272506
41b	Number of deaths due to work accidents or work-related illnesses	0.00	0.00

In the 2024 reporting year, a total of five reportable occupational accidents were registered at KEUCO. This corresponds to an accident rate of 0.00000608 based on a total working time of around 822,000 hours. Compared to the base year 2021 with eight reportable accidents, there is a positive development in occupational safety in the company. Fortunately, there were no fatalities due to work-related accidents or illnesses during the reporting period.

These key figures reflect KEUCO's continuous efforts to ensure safe working conditions and to integrate preventive measures into everyday work.

Measures:
At KEUCO, workplace safety has the highest priority. Occupational safety is a central component of our sustainability strategy and an essential factor for the long-term success of the company. Together with our external occupational safety specialist and eight internal safety officers, we consistently implement all applicable specifications for production and office workplaces.

Our measures include regular risk assessments, which serve as a central tool for systematically identifying and documenting risks in work processes and deriving suitable measures according to the T-O-P principle (technical - organisational - personal).

To minimise hazards, we rely on strict safety standards and consistent personal protective equipment (PPE) in the production areas. In the area of hearing protection, we offer custom-made earmolds on request, as well as various alternatives - regulated by a separate works agreement - to ensure maximum comfort and effective protection. An external fire protection officer regularly checks compliance with all fire protection regulations. He also trains our current 25 fire protection assistants and imparts practical knowledge on prevention and legal responsibility.

Our 43 first aiders are active throughout the company and enable fast and qualified assistance in an emergency.

The handling of hazardous substances is carried out across departments according to a strict training, documentation and control system - with the aim of reliably minimising health risks.

All employees receive safety training at the start of their work and at least once a year in order to refresh their knowledge and convey new requirements. Occasional briefings are also carried out if, for example, the workplaces change, a new machine is purchased or employees are temporarily leased to other areas of the company or are also relocated in the long term.

As part of our business activities, potential risks include health risks to our manufacturing employees from handling chemicals, from contaminated air, and from risk of injury when operating machines. Additional health risks may result from handling heavy objects in production and/or logistics. We address all these risks with occupational safety measures as described above.

Deadlines and measures

	2021-2022	2023-2024	Deviations
Number of ASA sessions Hemer	4	4	0
Number of ASA meetings GT	2	2	0
Occupational medicine appointments Hemer	12	10	-2
Occupational Medicine Appointments Gütersloh	4	4	0
Hemer vaccination dates	2	2	0
Vaccination appointments Gütersloh	2	2	0

4.4.2 Health

At KEUCO, we want to maintain or even improve the health and work ability of our employees with targeted measures as part of holistic health management. The transformation from occupational health promotion to the establishment of targeted occupational health management is successful.

Strategies and concepts are developed so that the workforce can better cope with the professional demands and pressures.

Health management includes:

- Analysis of absenteeism reports with the help of health insurance funds
- Derivation of strategy/definition of goals/yearly priorities
- Derivation of measures such as health days, offers as part of the BGF
- Seasonally varying fruit range and water dispenser freely available

Measures:
In close cooperation with the health insurance funds and our occupational doctor from GESA in Hemer, we offer our employees comprehensive occupational health examinations, compulsory or special care and vaccinations (annual flu vaccination). We are currently on the way from occupational health promotion to occupational health management and already have a wide range of offers, such as the blood donation day, health days with the health insurance funds, company campaigns with the trade association for wood and metal, fitness dishes in the canteen and much more.

4.5 Community - Social commitment

KEUCO sees itself as an active part of society and is involved in social, cultural and sporting projects both regionally and supra-regionally. We pay special attention to charitable initiatives in the immediate vicinity of our locations.

In view of macroeconomic developments in 2024, we were forced to reduce our commitment on a selective basis - without calling into question our fundamental commitment to social responsibility. For this reason, we have reduced our international commitment and increased our focus on local projects.

An example of our long-standing local commitment is the cooperation with the primary school in the Becke-Oese district, which has existed since 2009. The school is only a few minutes' walk from Hemer. As part of the lunch service, the children regularly visit our company restaurant - for many a daily highlight that not only offers healthy food, but also creates social closeness.

KEUCO subsidises the costs for the warm lunch of the OGS children and also supports language development in cooperation with a speech therapist. The costs are fully covered here. Even with smaller campaigns, we show our commitment: For example, we finance marzipan pretzels or donate non-cash prizes or our products for the tombola.

We are also actively involved in local sports and leisure activities. We regularly support the Hemeran handball club HTV and the ice hockey club Iserlohner Roosters. Since the establishment of the Landesgartenschaugelände in 2010, we have been a sponsor of the Sauerland Park and support its development through product donations and benefits in kind. This commitment underlines our connection to the region and our aspiration to actively help shape social participation.

We are also organising blood donation campaigns directly at the Hemer site together with the German Red Cross. Despite growing challenges in donation willingness, the "Save Life - Donate Blood!" campaign was also able to mobilise over 50 donors per appointment in previous years. In 2025, we can look back proudly on 15 years of these successful blood donation campaigns.



KEUCO has no direct influence on legislative processes and has not submitted any opinions or input on legislative initiatives to date. In addition, there is no political involvement or membership in political organisations.

KEUCO is a member of industry associations that focus on professional industry interests and are not politically involved. Donations to political parties are not made.

KEUCO attaches great importance to the results of the REACH regulation (= regulation for the registration, evaluation, authorisation and restriction of chemical substances). The company fully complies with the requirements of this EU regulation and thus actively contributes to protecting human health and the environment from potential risks from chemical substances.

In accordance with the "Principles of Our Action", KEUCO sees itself as a learning and continuously evolving organisation that proactively shapes changes. A central element is the consistent compliance of all employees with legal and regulatory requirements.

In order to avoid the appearance of misconduct, KEUCO obligates all employees to conduct themselves in compliance with laws and guidelines.

Managers are required to monitor compliance with the compliance guidelines. At the same time, each employee remains personally responsible for acting in accordance with the law and for seeking dialogue with supervisors, HR, the Works Council or another confidential adviser in the event of uncertainty.

Since 1 May 2023, the overall responsibility for compliance has been with the CFO. This is accompanied by the strategic further development of corresponding measures and target definitions.

All employees are obliged to familiarise themselves with legal requirements and internal company guidelines. In the event of uncertainties, direct exchange with managers is planned. Violations can have consequences under employment law.

VDMA

VDS
Vereinigung Deutsche Sanitärwirtschaft e. V.

5.1. Conviction and fines for corruption and bribery (B11)

KEUCO stands for legally compliant and integer business conduct. No cases of corruption or bribery were reported or verified during the period 2021-2024. Accordingly, no fines have been imposed for violations of anti-corruption or bribery laws. The legal requirements in the social and economic area were fully complied with.

KEUCO sees transparent and ethical management as a fundamental component of the company's values.

- Convictions or fines: None
- Fines imposed: 0.00 €
- Confirmed incidents of corruption: None

5.2 Revenue from critical sectors (C8)

KEUCO does not generate revenue from sectors that are classified as critical with regard to ethical or environmental standards. These include, but are not limited to, controversial weapons production, tobacco processing, fossil fuels, pesticides and agrochemicals. Due to this position, KEUCO is not excluded from access to EU reference benchmarks that are in line with the Paris Agreement.

- Controversial weapons: 0.00 €
- Tobacco production: 0.00 €
- Fossil fuels: 0.00 €
- Pesticides and agrochemicals: 0.00 €
- Exclusion from EU reference benchmarks: No

5.3.Gender diversity in supervisory bodies (C9)

KEUCO recognises the importance of equal opportunities and diversity in management structures. There is currently a 1:5 gender ratio in the governance body.

The company strives to ensure a more balanced distribution in the long term and promotes diversity as an integral part of sustainable corporate governance.





6. Summary and outlook

The sustainability report has been prepared in accordance with the requirements of the VSME standard to ensure transparency, coherence and traceability.

Both upstream and downstream stages of the value chain were included in the sustainability reporting. A great deal of emphasis was placed on the systematic collection and analysis of all material ESG aspects - including the direct and indirect impacts of our business activities. Established processes were used for data collection in order to reliably evaluate and prepare all relevant information.

Of course, KEUCO uses the opportunity to exclude certain confidential information, such as intellectual property or innovations, from publication in accordance with the VSME standard for competitive reasons.

The continuous further development of sustainability reporting is a high priority at KEUCO. Internal processes are in place to regularly evaluate methods and techniques, including digital solutions for data collection and processing.

Particular attention: KEUCO in 2024

2024 presented KEUCO with exceptional economic challenges that affected both our industry and global markets. Despite these circumstances, KEUCO has not lost sight of the principles of sustainability. Quite the opposite: Our values and philosophy remained firmly anchored. The legislative changes initiated by the EU in the area of sustainability have not prompted us to abandon reporting - but rather encouraged us to continue our consistent journey.

Sustainability is an integral part of the KEUCO DNA. Our actions remain long-term, transparent and responsible. This report is an expression of our commitment to sustainability - even and especially in times of uncertainty.

7. Attachments

Appendix 1: ESRS Topics
Outcome of the significant sustainability aspects

ESRS Thematic standards	ESRS Subtopics	
E1: Climate Changes	~~Adaptation to climate change~~	No IROS material
	Climate protection	
	Energy	
E2: Environmental pollution	~~Pollutants~~	No IROs identified
	~~Contamination of water~~	No IROS material
	~~Soil contamination~~	No IROs identified
	~~Pollution of living organisms and food resources~~	No IROs identified
	Substances of concern	
	Substances of particular concern	
	~~Microplastics~~	No IROS material
E3: Water and marine resources	Water	
	~~Marine Resources~~	No IROs identified
~~**E4:** Biodiversity and ecosystems~~	~~Direct causes of biodiversity loss~~	No IROs identified
	~~Effects on the state of species~~	No IROs identified
	~~Effects on the extent and condition of ecosystems~~	No IROs identified
	~~Impacts and dependencies of ecosystem services~~	No IROs identified
E5: Circular Economy	Resource inflows, including resource use	
	Resource outflows related to products and services	
	Waste	

ESRS Thematic standards	ESRS Subtopics	
S1: In-house staff	Working Conditions	
	Equal treatment and equal opportunities for all	
	~~Other work-related rights~~	No IROS material
S2: Labour in the value chain	Working Conditions	
	Equal treatment and equal opportunities for all	
	~~Other work-related rights~~	No IROS material
S3: Affected communities	Economic, social and cultural rights of communities	
	Civil and political rights of communities	
	~~Special rights of indigenous peoples~~	No IROs identified
S4: Consumers and end users	Information-related impacts for consumers and/or end users	
	Personal safety of consumers and/or end users	
	~~Social inclusion of consumers and/or end users~~	No significant IROs
G1: Corporate Governance	Corporate culture	
	Protection of whistleblowers	
	~~Animal welfare~~	No IROs identified
	~~Political engagement and lobbying~~	No IROs identified
	~~Management of relationships with suppliers, including payment practices~~	No significant IROs
	Corruption and bribery	

Appendix 2: Overview of VSME modules

Basic Modules	Comprehensive modules
General	
B1 — Basic Information	C1 — Business Model and Sustainability
B2 — Sustainability practices & policies	C2 — Description of sustainability practices & policies
Environment	
B3 — Energy and greenhouse gas emissions	B3 — Inclusion of Scope 3
B4 — Pollution of air, water and soil	C3 — GHG reduction targets and climate transition
B5 — Biodiversity is omitted, as it is not relevant for KEUCO.	C4 — Climate risks
B6 — Water consumption and extraction	
B7 — Resource use, circular economy and waste management	
Social media channels	
B8 — Own Workforce	C5 — Supplementary information on the workforce
B9 — Occupational Safety and Health	C6 — Guidelines and Practices with a Focus on Human Rights
B10 — Remuneration, collective agreement, training	C7 — Serious human rights violations
Corporate Governance	
B11 — Convictions and fines for corruption and bribery	C8 — Revenues from critical sectors
	C9 — Gender Diversity in Supervisory Bodies

Appendix #3: Relevant VSME modules

The table shows the assessment of the relevance of the individual topics for the reporting company. It specifies whether an issue is relevant (i.e. applicable and to be reported) or not relevant (not to be reported) - based on internal assessment and the requirements of relevant stakeholders.

Module	Relevance
General	
B1 - Basic information	Yes
B2 - Sustainability practices & policies	Yes
C1 - Business model and sustainability	Yes
C2 - Description of sustainability practices & policies	Yes
Environment	
B3 - Energy and greenhouse gas emissions	Yes
B3 - Inclusion of Scope 3	No
C3 - GHG reduction targets and climate transition	Yes
C4 - Climate risks	No
B4 - Pollution of air, water and soil	no
B5 - Biodiversity	no
B6 - Water consumption and withdrawal	Yes
B7 - Resource use, circular economy and waste management	Yes
Social media channels	
B8 - Own workforce	Yes
C5 - Additional Workforce Information	Yes
C6 - Human rights policies and practices	Yes
C7 - Serious human rights violations	Yes
B9 - Occupational health and safety	Yes
B10 - Remuneration, collective agreement, training	Yes
Corporate policies	
B11 - Convictions and fines for corruption and bribery	Yes
C8 - Revenue from critical sectors	Yes
C9 - Gender diversity in supervisory bodies	No

Appendix 4: Sustainability practices, policies and initiatives

This appendix presents the company's existing measures to promote sustainable development. This includes operational practices, formalised policies, and planned initiatives that pursue environmental, social, or business ethical objectives. The information creates transparency about the current sustainability strategy and shows the extent to which the company pursues concrete goals and systematically measures progress.

Topic	Practices/initiatives available or planned	The public sector	Objectives
Climate Changes	Yes	Yes	Yes
Circular Economy	Yes	No	Yes
In-house staff	Yes	Yes	Yes
Business practices	Yes	Yes	No

KEUCO

KEUCO GmbH & Co. KG
P.O. Box 1365
D-58653 Hemer

Telephone +49 2372 904-0
info@keuco.de

keuco.com