

The Qlar logo is positioned in the top right corner of the page. It features the word "Qlar" in a white, sans-serif font. The letter "Q" is notably larger than the other letters. The background behind the logo is a photograph of a dense forest with bright green leaves, viewed from a low angle looking up at the canopy.

Qlar

Qlar Sustainability Report 2024

Driving **circular**
transformation

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Qlar Driving circular transformation

Foreword

Transforming to a sustainable future



Dr. Jörg Ulrich,
CEO Qlar Group

Dear reader,

We are delighted to present our second **Sustainability Report**, reaffirming our unwavering dedication to environmental responsibility and social commitment. Tackling complex challenges is deeply embedded in our identity, and we bring this same mindset to addressing one of the most pressing issues of our time: **securing a sustainable future for our shared planet**. Our business model is designed to help customers optimize their processes with sustainability at the core, enhancing efficiency and conserving natural resources. **Driving circular transformation** is a fundamental principle for us. It guides all our initiatives to create positive change in the industries and communities we engage with. With a workforce of **+1,100 employees** spanning four continents and diverse sectors, we fully embrace our responsibility as a global employer, corporate citizen, and ethical business partner.

This report outlines our continued efforts to integrate sustainability into our operations, striving to make a meaningful impact. Our commitment is rooted in an awareness of urgent environmental challenges and the critical role businesses play in addressing them. By leading through action, we cultivate a culture of sustainability that extends beyond our own organization. As the business environment evolves, particularly within the EU, we align our practices with emerging standards such as the **European Green Deal** and the **Circular Economy Action Plan**, and we closely track developments related to the **Corporate Sustainability Reporting Directive (CSRD)**. These frameworks establish ambitious goals for carbon reduction, resource efficiency, and reinforce transparency and accountability. However, our sustainability efforts go far beyond regulatory compliance. They are about embracing innovation, fostering resilience, and generating long term value for both our shareholders and stakeholders.

We trust that this report offers a comprehensive overview of our sustainability initiatives, accomplishments, and future objectives. We are excited to continue this journey, working hand in hand with our employees, partners, and the wider community to build a sustainable future together.

I would like to thank our employees, partners and customers for supporting us on our sustainability journey. Together, we will continue to drive positive impact and shape a more sustainable future for all.

Best regards,

Dr. Jörg Ulrich – CEO Qlar Group

The future is cirQlar



Who we are

Qlar, formerly known as **Schenck Process**, is a leading global supplier and technology partner of sustainable products, integrated solutions, and services for process-critical bulk materials applications in our current target industries: **infrastructure, energy, chemicals, performance materials and alternative fuels.**

The product range includes solutions for **industrial weighing, feeding, conveying, milling and grinding, and related digital applications of the CONiQ product family.**

+1,100

Employees

>240

Mio. EUR revenues in 2024



Weighing:

- Static & dynamic scales
- Mass flow meters



Feeding:

- Gravimetric & volumetric feeders/loaders



Conveying:

- Bulk material handling
- Mechanical & pneumatic conveyors

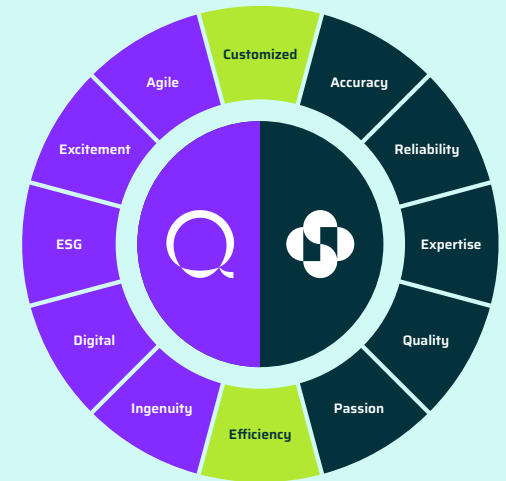


Milling & grinding:

- Mills



Automation



Building on more than **140 years of experience** in holistic bulk material processing through our heritage as **Schenck Process, Qlar** enables the green transformation of material processing with efficient and precise solutions for all industries.

Our core remains the same. But we leverage this solid foundation to successfully shape the green transformation of our customers. This is represented in our circle of values, which combines our traditional and new beliefs.

Our locations worldwide

Our **Europe hub** includes the headquarter in Germany and sales offices in Italy, Spain, France, Turkey, Austria, Ukraine & Poland.

The **UK** and the **Czech Republic** are considered separately in this report since they are stand alone technology centers with many employees.

Geographic footprint

Serving customers in **>120 countries** with **7 technology centers** supported by **19 sales offices** in EMEA and APAC and **>40 sales agents** across the globe.



● 7 technology centers
● 19 sales offices

Our main industries

	Infrastructure	Energy	Chemicals	Performance materials
Applicable end industries	(Green) Steel	Coal	Batteries	Plastics
	(Green) Cement	Biomass	Paint & coatings	Recycling
	Alternative fuels		Fertilizer & agrichemicals	
	Transport & yard logistics			

Over 50 % of our revenue is coming from infrastructure industry. With CO₂ emission intensiv end Industries like: cement (with~7 % global CO₂ emissions) and iron/steel (~7-9 % global CO₂ emissions).

This is why we focus on helping our customers drive green cement and green steel initiatives!

Our commitment to sustainability

Resources are finite. Our ingenuity isn't.

Unlike raw materials, our determination to find better solutions is endless. Our mission to develop sustainable new technologies can help you towards Net Zero and reduce the amount of resources you need. Or even replace them entirely.

Making a positive contribution

Contributing to the protection and preservation of the natural environment means leading by example. We are committed to making our own processes as sustainable as possible, aligning our actions with the advice we give our customers. That's why we continuously evaluate our value chain to identify opportunities to reduce waste, minimize energy consumption, and increase the use of more environmentally friendly materials wherever possible.

Driving positive impact externally

We collaborate closely with our customers to safeguard the environment. From reusable plastics to sustainable cement, our technologies and solutions help reduce the need for natural resources and support our customers on their path toward "Net Zero".

A prime example is our MultiFlex Feeder, which not only cuts energy consumption in cement production but also transforms non-recyclable waste into alternative fuels, contributing to a more circular economy.



Materiality insights

To achieve comprehensive materiality, we gathered insights from various stakeholders **in 2023**. This included **interviewing all members of our leadership team**, conducting a **company-wide survey** with 42 % participation from our employees, **interviewing three major customers**, and receiving further feedback from 27 top customers through a **customer survey**. Additionally, to encompass diverse stakeholder perspectives, we conducted a **supplier survey**, receiving input from 13 companies in our supply chain. Finally, we did an **outside-in assessment for investors**, using the main priorities of ESG rating agencies (esp. MSCI and SASB) as a proxy.

To understand which of the ESG topics are the most relevant for Qlar we asked each of our stakeholders to rank the following topics in a materiality assessment:

Environment:

- Carbon emissions (scope 1-3)
- Energy consumption
- Water usage
- Waste management
- Circularity and sustainable innovation

Social:

- Health and safety
- Responsible and sustainable supply chain
- Employee well-being
- Social impact and community development

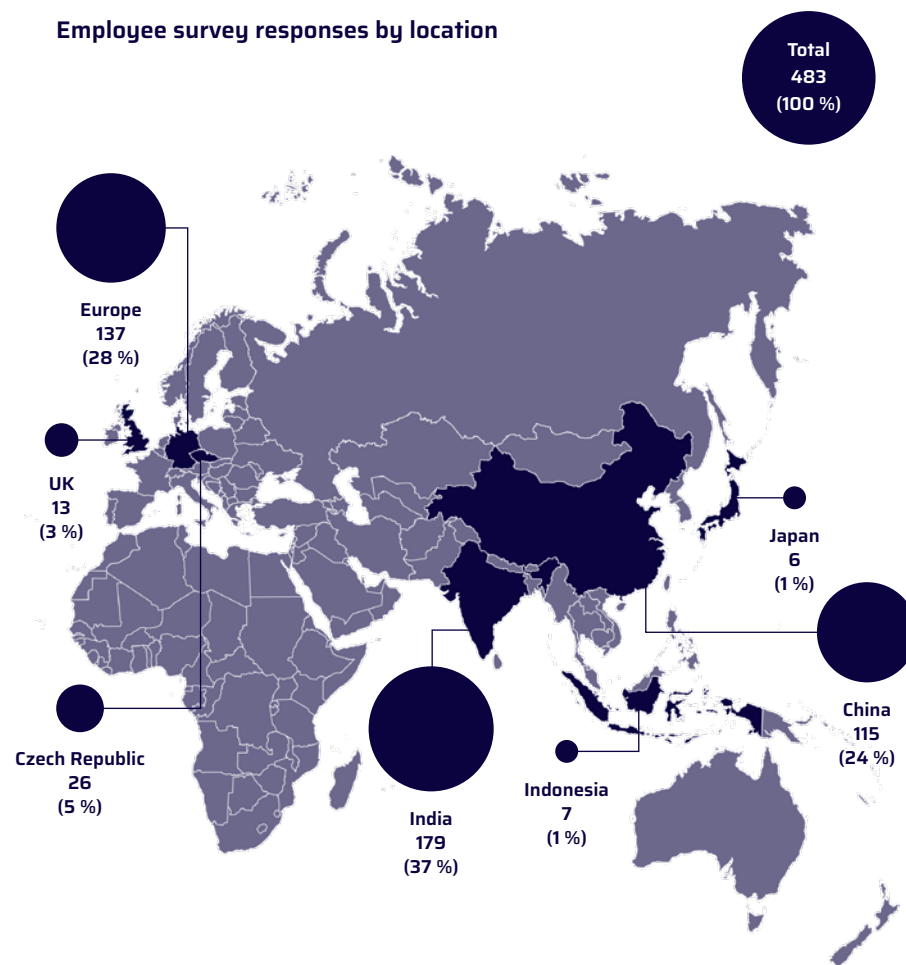
Governance:

- Business ethics
- Regulatory compliance
- Corporate gov. & accountability
- ESG incentives and advocacy¹
- Human rights

This report is structured along these 15 topics and the order is according to the outcome of the double materiality assessment.

¹ ESG incentives and advocacy is in this report included under corporate gov. & accountability

Employee survey responses by location



Materiality insights

Double materiality

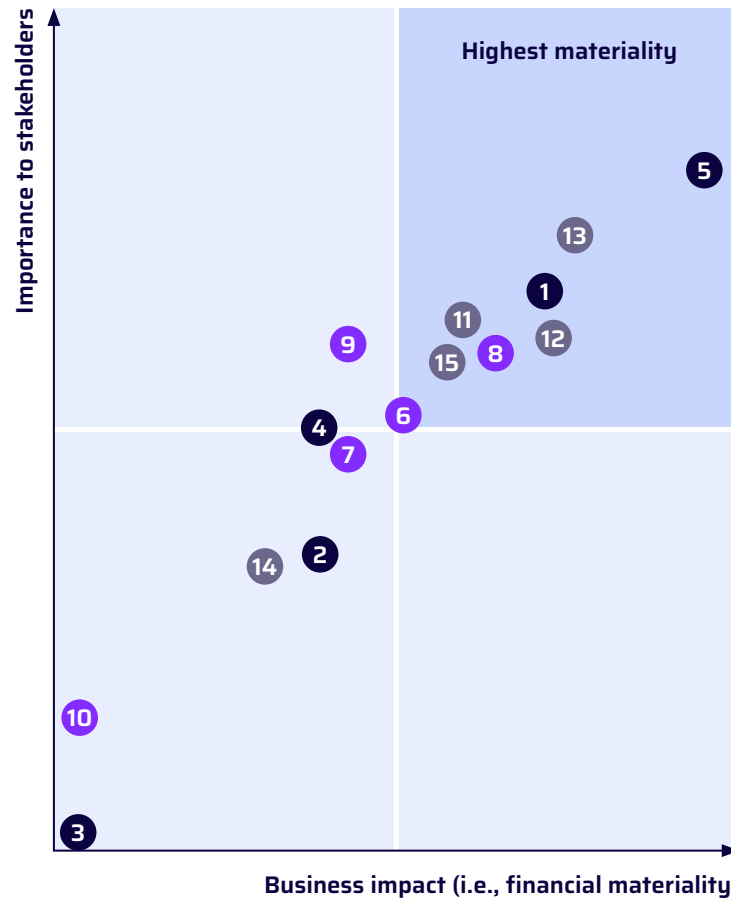
Sustainability topics presented in this matrix are mapped in terms of their internal impacts (X-axis) and external impacts (Y-axis).

Based on employees, senior leadership, investor perspectives, customers and suppliers input Qlar’s higher priority material topics are:

- **Circularity and sustainable innovation**
- **Corporate governance & accountability**
- **Carbon emissions (scope 1-3)**

Governance topics **'Regulatory compliance'**, **'Business ethics'** and **'Human rights'** are material across both axis. Social topics **'Employee well-being'** and **'Health and safety'** are material on the Y-axis.

SPG double materiality assessment



Environment

- 1 Carbon emissions (scope 1-3)
- 2 Energy consumption
- 3 Water usage
- 4 Waste management
- 5 Circularity and sustainable innovation

Social

- 6 Health and safety
- 7 Diversity and inclusion
- 8 Responsible & sustainable supply-chain
- 9 Employee well-being
- 10 Social impact and community development

Governance

- 11 Business ethics
- 12 Regulatory compliance (inc. cybersecurity and data privacy)
- 13 Corporate gov. & accountability
- 14 ESG incentives and advocacy
- 15 Human rights

ESG strategy

At Qlar, our **ESG strategy** is meticulously crafted to integrate seamlessly with our corporate identity and overarching operational goals.

Our approach combines the insights from the double materiality assessment with Qlar's strategic direction, particularly reflecting our rebranding and core values. This process involves a thorough review of our strengths and vulnerabilities, enabling us to leverage Qlar's unique capabilities while mitigating any gaps. By adhering to industry standards and setting ambitious targets for key performance indicators (KPIs), we not only foster a culture of excellence but also **position Qlar as a leader in ESG performance.**

Through this structured approach, Qlar upholds its responsibility to stakeholders and sets the stage for sustainable growth and value creation, reinforcing our commitment to driving positive change across all dimensions of our business.

The ESG pillars and foundation will be driven by ambitious commitments, aligned with Qlar's strategic focus.

Purpose statement	Leading the global transition to a cirQlar economy		
ESG pillars	Qlar for circularity	Qlar for decarbonisation	Qlar for our people
Commitments	We strive to create sustainable products that enable the development of a circular economy	We work to drive down carbon emissions, both from our operations and in our supply chain	We champion employee well-being, health and safety
Action priorities and metrics	<ul style="list-style-type: none"> 100 % of the Qlar portfolio is electric Green and sustainable OE business with >25 % of revenue in green and circular economies² with the ambition to concentrate growth in these verticals 35 %³ of waste was recycled in 2024 - our goal is to continue to improve the circularity of our operations 	<ul style="list-style-type: none"> We commit to a 55 % reduction in our scope 1 & 2 emissions by 2033 (vs 2023 baseline) We commit to a 36 % reduction in our scope 3 emissions by 2033 (vs 2023 baseline) We commit to using 100 % renewable electricity by 2033 Our long-term goal is to be net-zero across all scopes by 2050 	<ul style="list-style-type: none"> All producing locations certified according to ISO45001 (occupational health & safety) We aim to raise the share of women in management positions to 30 % by 2030 and went from 22 % in 2023 to 27 % in 2024 We intend to repeat our employee satisfaction survey annually starting 2024
Qlar governance	Robust corporate governance and accountability with strong policies in place , across business ethics and human rights, and a target of 100 % completion rate for all compliance trainings by 2025. Committee in place to ensure oversight of ESG strategy and implementation of KPI targets.		
Core values	Qlar's values build the baseline for a sustainable business. We as Qlar stand for: customer focus, agility, innovation, ownership and collaboration.		

² Included are the industries Green Steel, Green Cement, Green Energy, Circularity (incl. Alternative Fuels), Batteries, Digital, Yard Logistics & Rail

³ Among all locations that reported their recycling rate

A hand wearing a bright yellow nitrile glove is holding a clear plastic bottle horizontally. The bottle is positioned over a forest floor covered in pine needles and moss. The background is a blurred forest scene with sunlight filtering through the trees. The overall image has a purple and blue color overlay.

Environmental

Working towards a greener future

Circularity and sustainable innovation

Committed to driving sustainability

Qlar remains dedicated to helping customers minimize waste in all its forms - whether it's energy, CO₂ emissions, downtime, rejects, or the consumption of air and water. Through innovative products and deep process expertise, we reflect our unwavering commitment to the circular economy. Our guiding principle - Reduce, Repair, Reuse, Recycle - shapes every aspect of our operations. With a fully electrified and digitally connected product portfolio, we demonstrate a proactive approach to environmental responsibility.

Leveraging expertise for a greener economy

Our extensive experience in delivering sustainable process solutions is the foundation of our strategy for advancing a greener economy. Over 25 % of our products already operate within green and circular economies, and we are well-positioned to expand this focus.

By strengthening long-term client partnerships, we aim to deliver tailored, high-impact solutions that drive meaningful environmental progress.

Driving the circular economy

Plastics are an essential part of modern life, but their production and disposal put immense pressure on the planet's resources. As demand grows, sustainability depends on moving away from the traditional "take-make-dispose" model. The key lies in a circular economy, where materials are continuously recycled, reused, and kept in the loop.

At Qlar, we support every step of the plastics value chain with precision metering, feeding, and material handling solutions - from raw material production and processing to collection and recycling. Our approach minimizes waste and maximizes efficiency, ensuring a smarter, more sustainable industry.



"Engineering CirQlar products for a better tomorrow."
Benjamin Weber,
 CTO & Managing Director
 Qlar China



Circularity and sustainable innovation

Circular economy & battery production

Our solution for recycling

Together with our valued partner KraussMaffei we were able to install our SIMPLEX FB feeder for example at Stora Enso's premises to reliably dose natural fibers with feed rates of up to 1,500 kg/h and bulk densities between 0.17 and 0.30 kg/dm³. The poorly flowing, light and fluffy bulk material is a challenge and could only be handled thanks to the extensive engineer experience at Qlar.

KraussMaffei
Pioneering Plastics



LIW Feeder SIMPLEX FB Mini
Volumetric feed rate:
40-4,000 l/h



LIW Feeder SIMPLEX FB
Volumetric feed rate:
500-63,000 l/h



Gravimetric weighfeeder MultiFlex NG
Volumetric feed rate:
10,000-300,000 l/h



Enhancing battery production for a renewable future

As the world shifts towards renewable energy technologies, efficient energy storage is becoming increasingly vital. Batteries play a key role in storing energy from renewable sources and ensuring a stable, reliable supply. Qlar enhances battery production with advanced systems that optimize every stage of the process, from raw material handling to final product assembly. Currently serving the European market with weighing equipment, we are already supplying Chinese producers with both weighing & feeding equipment. Our loss-in-weight feeders address the challenges of batch processing in electrode paste production, delivering high-quality, consistent output by minimizing pressure fluctuations and impurities.

Further developing our product has lately led to promising test results in dosing material for the battery production. This, of course, increases the momentum of the global roll-out process. We aim to be able to meet the worldwide demand for innovation in the near future.

New battery feeder

Developed by Qlar's R&D team, the battery feeder is highly reliable in terms of precision and safety in battery production. This new innovation handles extremely hygroscopic and toxic materials with enhanced dust tightness and integrates seamlessly into containment systems, setting new industry standards.

The feeder offers:

- **Cleanliness:** Superior dust control to minimize emissions
- **Accuracy:** High consistency and quality with a flexible, efficient modular design

The Feeder represents Qlar's commitment to driving the green transformation by minimizing risks and optimizing production efficiency in the battery industry.



Circularity and sustainable innovation

Case study in the green steel industry

Transforming a conventional steel plant into a modern green steel facility

In 2024, this end customer ranked among Europe's largest steel producers with an output of approximately 4 million tons of flat steel products for the automotive and machinery industries.

Qlar will be the key contributor in the transformation process and is going to realize safe, economical and efficient process flows with feed rates of up to **1,200 t/h** in the new green steel production line.

We will supply the complete weighing and dosing technology for the first execution stage of the new production line/plant modernisation with a scheduled production start in 2026.

Being able to address the new green steel markets demand, our end customer is setting himself up to be competitive in the mid-term future. Through the establishment of a new electric arc furnace and direct

reduced iron within the existing plant, first orders have already been received.

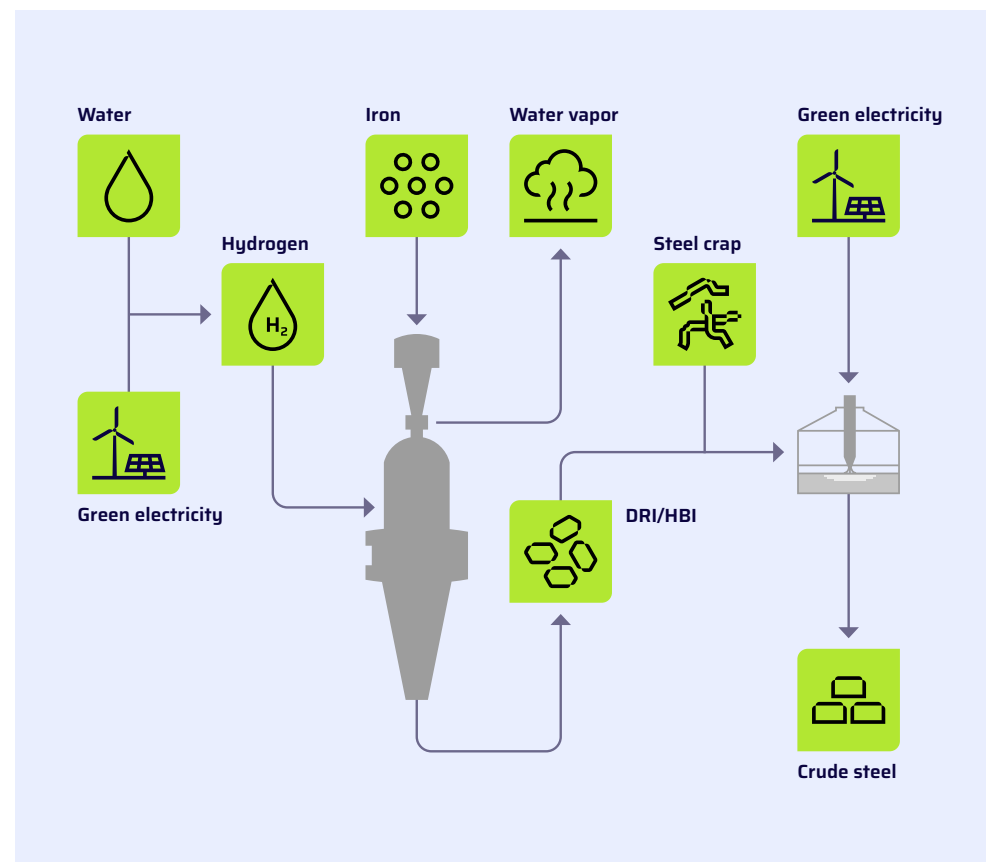
Our solutions will combine both **electronics & software and electro-mechanical hardware** components, including advanced and field-tested products such as:

- Load cells and weighing mounts
- Conveyor belt scales
- Weighfeeders
- Hopper scale weighing components
- Crane scale weighing systems
- Ladle transfer car weighing systems
- Scrap pallet weighing systems
- Other dosing and weighing systems

Controllers

Over the next decades, Qlar will support this and other end customers to successfully develop into efficient and reliable producers of green steel for all types of industries and simultaneously reducing CO₂ emissions in a big scale.

The path to green steel



Circularity and sustainable innovation

Green cement

Advancing green cement solutions

Cement, the second most consumed product globally, is responsible for about 7 % of global CO₂ emissions. Acknowledging the urgent need for innovation in this sector, Qlar has established itself as a key driver of growth in green cement solutions. By promoting the use of alternative fuels, reducing coal dust, increasing oxygen content during combustion, and lowering clinker content, our solutions significantly enhance the ecological balance of the entire industry. Our portfolio of technologies - including coal dust handling systems, kiln feed systems, belt weigh feeders, and bin weighing solutions - supports pioneering projects such as oxyfuel, calcined clay, and LEILAC initiatives. These solutions enable the use of alternative raw materials and advanced processing methods to drastically reduce emissions and improve overall efficiency. As a result, Qlar prevents far over **650 tons of waste per hour** from reaching landfills or polluting the oceans, reinforcing our commitment to environmental protection.

Case study in green cement: Cement Ożarów reduces CO₂ emissions in cement production with Qlar's technology

Challenge: Reduce coal usage while increasing alternative fuel reliance in cement production.

Solution: Installation of Qlar's MULTICELL MIN XR system, enabling precise coal dosing (0.55-17 t/h) and seamless integration with existing infrastructure.

Impact:

- Coal feed rate reduced to as low as **0.3 t/h**
- Annual savings of up to **€ 900,000**, assuming a coal price of € 110/t
- Significant **CO₂ reduction** by increasing alternative fuel usage (household waste)

Deployment: Delivered and commissioned with minimal production downtime.

Result: Enhanced sustainability, improved efficiency, and compliance with emission targets, showcasing cost-effective modernization without extensive system overhauls and not blocking the production processes during implementation for too long.

Learnings: Here the work of Qlar exemplifies ongoing innovation, driving environmental and operational progress in cement production that is also, without a doubt, scalable to many other industries.

That perfectly aligns with our vision of a cirQlar economy and assures us of the feasibility of our ambitious goals for the future.

Driving circular transformation often comes with hefty cost-reductions e.g. due to reusing waste materials, being another rock-solid reason besides protecting the environments we live in, for why everyone should start to think cirQlar now!



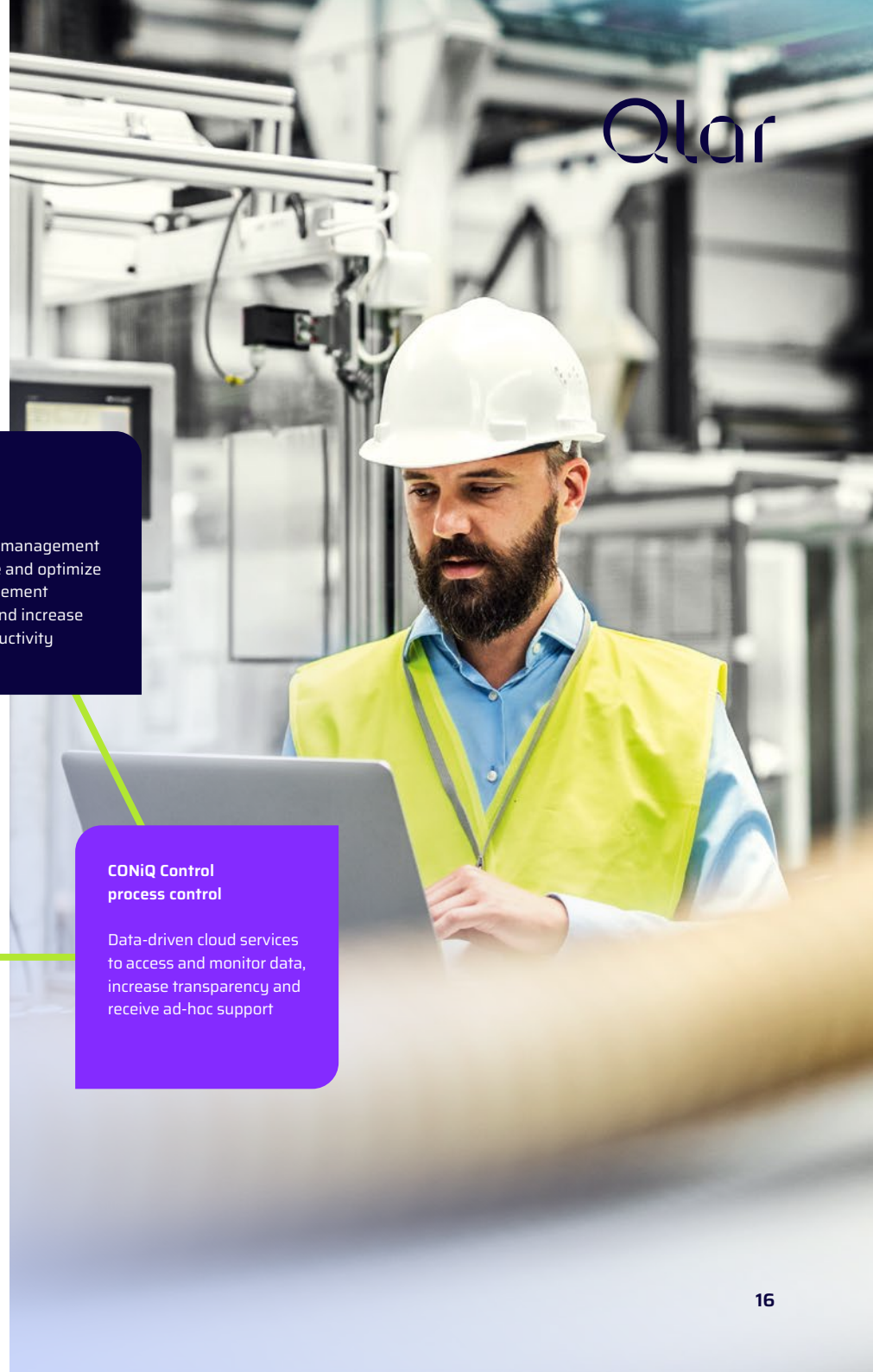
Circularity and sustainable innovation

Digital

As a technology leader in industrial-grade processing technologies Qlar addresses global secular trends not only in green/circular economy, but also in digital transformation.

We do have a deep domain expertise based on >140 years of experience in process solutions and automation capabilities with an evolving digital toolkit providing additional solutions to customers. An accumulated experience of >70 k mission-critical process applications as part of Qlar's core DNA with the vast majority of it include CONiQ controllers as basis for data mining and further digital solutions.

Our digital ecosystem is structured around three main digital solutions. This framework allows us to organize and develop all our existing and future digital solutions within this triangle.



Carbon emission

Our commitment to decarbonization

Decarbonization is at the heart of Qlar’s strategic vision for a greener future. Our deep commitment to sustainability drives us to minimize our environmental impact and promote sustainable practices across all aspects of our operations. Sustainability is embedded in our business model, and we contribute to global climate change combat efforts. By focusing on decarbonization, we aim to reduce our carbon footprint, support the transition to a low-carbon economy, and align with the core values outlined in our ESG Strategy House – ensuring that sustainability remains a fundamental pillar of our corporate identity and that we truly act in a circular manner.

Carbon emissions baseline

Understanding our baseline emissions is essential for setting realistic and impactful decarbonization targets. Our emissions baseline follows the **European Sustainability Reporting Standards (ESRS)** and is calculated according to the **GHG Protocol**. This model integrates activity data from Qlar’s operations and value chains, combined with emission factors from various sources. This way we can be even more precise in tackling internal reduction potentials and at the same time set ambitious and public targets.



“Sustainability counts in business as in private life and what’s good for the climate is good for future business and life.”
Manfred Bruckner,
CSO & Managing Director
Qlar Europe

Scope	Source of emission	CO ₂ e in kt	% of total
1	Direct emission	1,143 ⁴	0.3 %
2	Purchased electricity, steam, heat & cooling	2,111 ⁵	0.6 %
	Total scope 1 and 2	3,254	1.0 %
3.1	Purchased goods & services	31,775 ⁶	9.5 %
3.2	Capital goods	390	0.1 %
3.3	Fuel and energy-related activities	746 ⁷	0.2 %
3.4	Upstream transportation and distribution	5,951	1.8 %
3.5	Waste generated in operations	216	0.1 %
3.6	Business travel	1,247	0.4 %
3.7	Employee commuting	651	0.2 %
3.9	Downstream transportation and distribution	1,351	0.4 %
3.11	Use of sold product	286,645 ⁸	85.9 %
3.12	End-of-life treatment of sold products	1,559	0.5 %
	Total scope 3	330,531	99.0 %
	Total scope 1, 2 and 3⁹	333,785¹⁰	100 %

⁴ Scope 1 GHG emissions were calculated based on the purchased quantities of commercial fuels (such as natural gas and heating oil) using emission factors.

⁵ The reported scope 2 emissions value is a market-based number.

⁶ Scope 3.1 emissions were calculated with the average-data method based on material volume for Germany and on spend data for other business units, given unavailability of volume data. For top categories, a conversion to volumes was done to allow using more granular region-specific consumption-based emission factors. The conversion was based on an average of a sample of spend data which then was extrapolated for the total spend data. The conversion factors of other units were used for India and Japan due to a lack of data. The units that are most comparable due to the business model and the environment were selected here (PIN = PCN Factor and PJP = PDE Factor).

⁷ Scope 3.3 emissions were calculated using WTT emission factors and T&D losses.

⁸ Scope 3.11 emissions are estimated using Qlar’s experts’ assumptions on a lifetime of 8 to 30 years, continuous 24-hour uptime for 345 days per year for most products and are linked to geography-specific emission factors from the IEA emission database. Only exception to these assumptions are the mills, where Qlar’s internal milling experts estimated a continuous uptime of 16 hours per day across 335 days per year. 3.11 was calculated with a conservative approach of 70 % capacity utilization.

⁹ Scope(s) 3.8, 3.10, 3.13, 3.14 and 3.15 have been excluded as they are not present in Qlar’s operations

¹⁰ The footprint was calculated following the GHG Protocol standard in a model combining activity data from Qlar’s own operations & value chains, with emission factors from various sources (e.g., UK DEFRA, McKinsey Catalyst Zero).

Carbon emission

Carbon emission targets

To effectively address our carbon footprint, we have set ambitious decarbonization targets:

- Scope 1 & 2 emissions: We commit to a 55 % reduction by 2033, based on our 2023 baseline.
- Scope 3 emissions: We aim for a 36 % reduction by 2033, relative to our 2023 baseline.
- Net-Zero goal: Our long-term objective is to achieve net-zero emissions across all scopes by 2050.

“We work to drive down carbon emissions, both from our own operations and in our supply chain.”

Carbon emission baseline

For Qlar, Scope 3 activities constitute approximately 99 % of our total emissions, with direct emissions (Scope 1 & 2) accounting for just 1.0 % of our overall emissions. The largest portion of our Scope 3 emissions comes from downstream activities, particularly the 'Use of sold products', which accounts for around 85.9 % of total emissions. The next largest category is 'Purchased goods and services', contributing 9.5 % of the baseline.

To reach these targets, we have identified several key levers:

Scope 1 & 2:

- Switching to renewable electricity
- Applying energy efficiency measures in buildings
- Converting our fleet to BEV's and biodiesel
- Replacing gasoline with bioethanol
- Substituting natural gas with biomethane

Scope 3:

- Increasing the scrap content of the steel we purchase
- Transitioning part of our steel purchases from basic oxygen furnace (BOF) to electric arc furnace steel
- Using biofuels in international maritime container transport
- Switching from natural gas to biogas in the casting and final processing of the steel we purchase
- Using biodiesel in road transportation
- Utilizing green electricity in the manufacturing of electronic sensors

By implementing these measures, Qlar is committed to driving significant reductions in our carbon emissions and advancing towards a more sustainable and environmentally responsible future.

Carbon emission

Scope	Source of emission	Deviation to 2023
1	Direct emission Reasons & measures behind the positive development: Less fossil energy carriers and electrification of inventories as well as heating systems	-20 %
2	Purchased electricity, steam, heat & cooling Reasons identified: Production site ramp up in India end of '23, extensive usage of painting line in China and increased operation time of AF test centre in Czech Republic, energy demand partially shifted to electricity from former fossil fuels/carriers Planned Countermeasures: <ul style="list-style-type: none"> • Switching to exclusively renewable electricity in Germany and Czech Republic as of 1st Jan 25. • Installation of a new 290KW solar power plant in Bangalore, India in Q1 2025. • And we aim to switch all production facilities to exclusively renewable electricity latest by 2030. 	+31 %
3	Total Scope 3 (exl. 3.11) Reasons & measures behind the positive development: Higher share of environmentally friendly transportation methods especially in downstream logistics (e.g. ship vs air freight)	-10 %
3.11	Use of sold product Reasons identified: +25 % more products sold in the energy intense milling & grinding sector, account for all the emission growth in this category. Marginal increases of other product categories are neglectable. Planned Countermeasures: Natural abatement of global energy grids will drastically reduce our products CO ₂ footprint and our R&D team is working on reducing the energy demand of our mills, by using our new milling & grinding test center.	+25 %
Total	Reasons identified: Increase of 3.11 lead to an overall upswing of emissions, as 3.11 makes up ~86 % of the total emissions.	+19 %

Closely monitoring latest developments

To stay on track and achieve our targets by the target year 2033, it is of utmost importance for us as a globally operating company to closely, actively and annually monitor the development of various carbon emission values across different scopes. Whether it's operating resources, the share of energy types or the use of sold products - all provide valuable insights into key focus areas and the general direction we are heading.



Waste management

Driving effective waste Management

Effective waste management is a cornerstone of our commitment to environmental stewardship and sustainable practices. Proper waste handling not only reduces the environmental impact of our operations but also boosts operational efficiency and aligns with global sustainability goals. By prioritizing waste reduction, material reuse, and recycling, we actively contribute to the circular economy – reducing our ecological footprint and setting a benchmark for responsible resource management in our industry. We take a meticulous approach to waste separation, ensuring that materials are recycled or disposed of properly. In 2023, we achieved a recycling rate of 35 %¹¹ – a testament to our ongoing efforts to refine waste handling processes and drive continuous improvement.

¹¹ Among all locations that fully reported their waste production amounts

Strengthening our commitment to sustainable waste management

At Qlar, our commitment to sustainability is reflected in our ongoing efforts to enhance the circularity of our operations. We aim not only to increase recycling rates but also to embed waste reduction strategies throughout our business. This includes reassessing production processes, improving material efficiency, and partnering with suppliers who prioritize recyclable and sustainable materials. Moving forward, we are setting ambitious targets to further improve waste management – boosting the percentage of recycled waste, minimizing overall waste generation, and integrating circular economy principles into daily operations. Through these actions, Qlar remains dedicated to reducing our environmental footprint and promoting sustainability within the global manufacturing sector.

“Circularity is in our company’s name. Waste management is not just about waste for us – we see it as an opportunity and a valuable resource!”
Blanka Hodková,
HSEQ Manager
Qlar Czech Republic



Qlar total waste in 2024		
Non-hazardous waste (e.g. wood, plastic, paper, metal scrap & residual waste)	740,676	kg
Hazardous waste (e.g. old paints, waste oil, batteries, electronic waste, solvent)	27,625	kg
Total waste	768,301	kg



Waste reduction

Strong system efficiency to limit waste generation

Energy consumption

Managing energy consumption

Understanding and managing our energy consumption is critical, as it directly impacts our environmental footprint. A thorough assessment of our energy sources and usage supports our commitment to reducing carbon emissions and achieving our sustainability goals. Recognizing the environmental impact of fossil fuels, we are actively transitioning to more sustainable energy alternatives:

Transitioning vehicle fleets: To reduce our dependence on fossil fuels, we are shifting our transportation methods. This includes converting our diesel fleet to battery electric vehicles and biodiesel options, while transitioning our gasoline fleet to bioethanol.

Energy efficiency in buildings: We are implementing energy efficiency measures across our facilities to lower energy consumption and enhance operational sustainability.

Replacing natural gas with biomethane: As part of our strategy to reduce Scope 1 emissions, we are substituting natural gas with biomethane, a renewable energy source that significantly lowers emissions.

Through these efforts, Qlar is working to minimize its environmental impact while driving progress toward a more sustainable future.

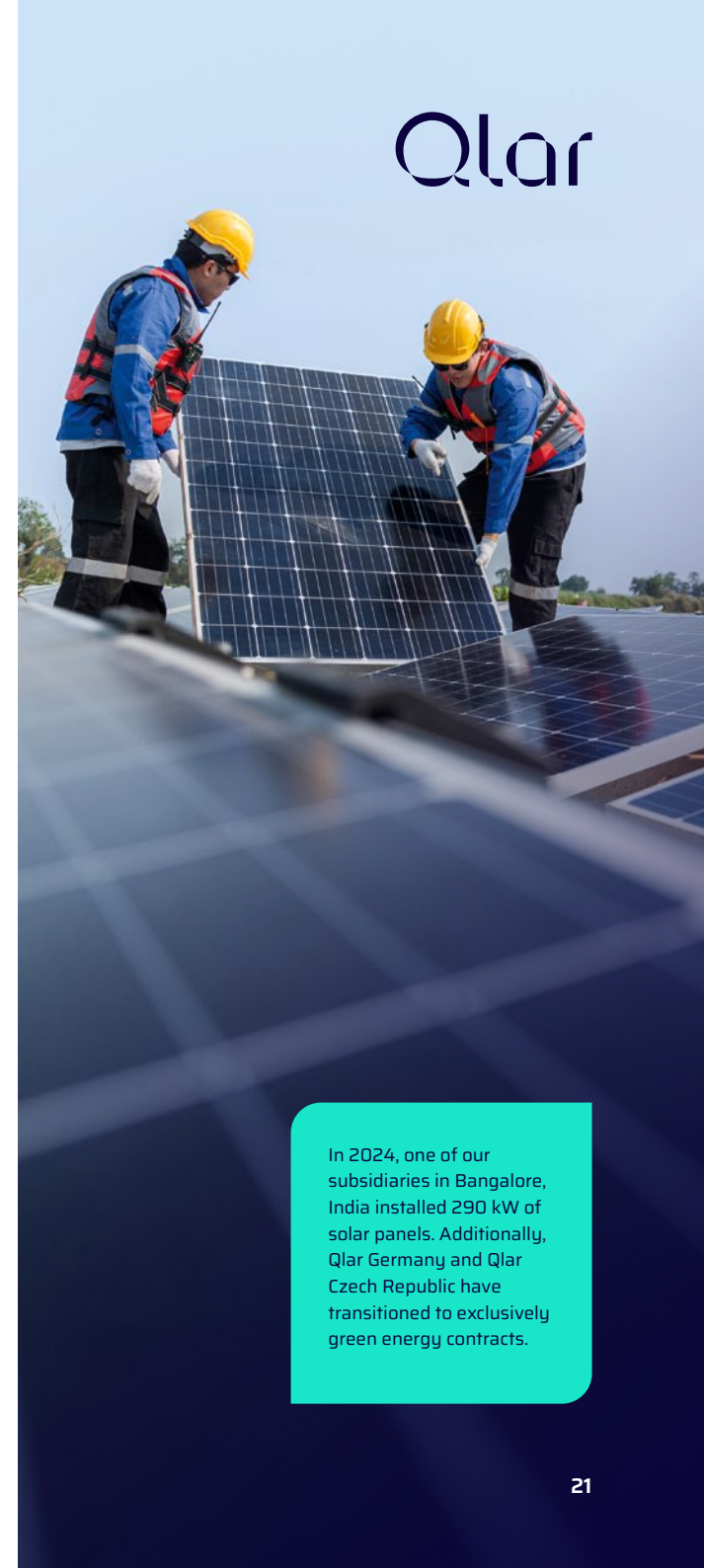
Commitment to renewable electricity

We are committed to sourcing **100 % of our electricity from renewable sources by 2033**. This transition is essential to ensure that our electricity consumption has a minimal environmental impact. It not only contributes to the global expansion of renewable energy but also supports our **Scope 2 emissions reduction targets**, reinforcing our dedication to sustainability and environmental responsibility.

Energy type ¹²	Share 2024	Vs 2023 in % points ¹³
Electricity	39 %	+11
Natural gas	36 %	-10
LPG	1 %	<1
Diesel	17 %	+1
Gasoline	7 %	-2

¹² Converting each energy type to kWh with certain conversion factors

¹³ Only indicate in-/decrease no evaluation "good vs bad development" done here



In 2024, one of our subsidiaries in Bangalore, India installed 290 kW of solar panels. Additionally, Qlar Germany and Qlar Czech Republic have transitioned to exclusively green energy contracts.

Energy consumption

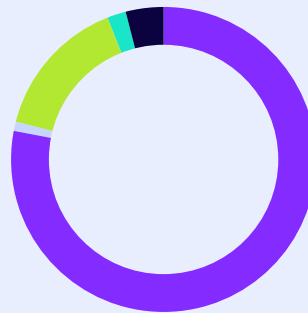
Focus on operating inventories

Operating inventories, such as transportation and other operational resources, hold significant potential for reducing CO₂ emissions. Vehicles and transportation equipment, for example, can theoretically be powered entirely by renewable energy sources, leading to a substantial reduction in Scope 1 emissions. Qlar's ESG Committee has started closely monitoring the development and allocation of each subsidiary's operating resource inventory. This allows us to systematically reduce the carbon footprint generated by these assets. While there is still considerable potential for improvement, internal trends reflect a strong commitment to adopting environmentally friendly solutions. From 2025 onwards, we will primarily lease battery electric vehicles (BEVs) and aim to operate all forklifts and other internal transportation resources globally on renewable energy.

Knowing our inventories

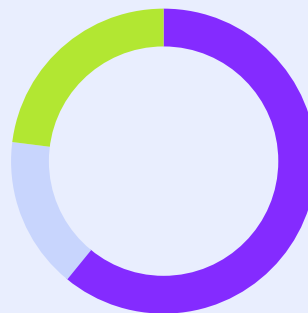
Understanding how our operating resources are allocated in 2024 has not only clarified the impact of each measure we might take but also outlined which actions we should prioritize in the near- and mid-term future.

Type of resource

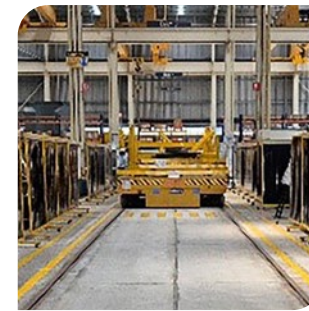


- **Cars**
78 %
- **Trucks**
1 %
- **Forklifts**
15 %
- **Generators**
2 %
- **Others**
4 %

Type of drive



- **Combustion-powered**
61 %
- **Hybrids**
16 %
- **Electrically-powered**
23 %



Battery-operated trolley for inter bay material movement in India



Battery-powered forklift for internal logistic matters in China



Battery-powered electric van for service missions in Germany

Water usage

Managing water usage

While water usage at Qlar, as a machine-building company, is less intensive than in some other industries, its management remains a key aspect of our sustainability efforts. Responsible water usage helps minimize environmental impacts, ensures compliance with environmental regulations, and positions us as a leader in sustainability. In 2024, Qlar's total water consumption was 11,084 cubic meters. This relatively modest amount reflects the nature of our operations and underscores our commitment to efficient water management, even in areas where water is not a primary resource. We are dedicated to ensuring that our water usage is managed responsibly. We strive to continually improve our water efficiency and sustainability practices, setting a positive example within the machinery manufacturing sector and beyond.



"Both professionally and privately, I am committed to sustainability in my projects because I want to secure a future worth living for my grandson by using energy and water efficiently and thus protecting our resources."

Jürgen Seeger,
Facility Manager
Qlar Europe



Social
Living up to our responsibility

Health and safety

Protecting our Qlar family

Ensuring the safety and well-being of our employees, customers, contractors, and visitors at all our locations and construction sites is a top priority at Qlar. Our commitment to a zero-harm culture begins with maintaining security standards that align with company best practices and are grounded in thorough risk assessments. On an individual level, this commitment means that every one of us is responsible for upholding these standards - because everyone's safety matters. To reinforce the importance of health and safety, we have established not only a Health and Safety Policy but also a Group Policy (GD-35: Health, Occupational Safety and Environment Program - Management Requirements). Promoting a global exchange of best practices is a key element of our continuous improvement efforts, ensuring that we maintain the highest standards of safety across our operations.

Our HSEQ approach

We have established clear and standardized procedures to address high-risk activities with potentially serious consequences. Our **"Qlar Cardinal Commitments"** outline ten core principles designed to eliminate or reduce these risks - ensuring that everyone goes home safely at the end of each day.



"Together as the Qlar family, we bear responsibility for the health and safety of each individual member. By supporting each other, we create a work environment in which we can grow and succeed together. We never forget that occupational safety is not a state but a continuous process."

Frank Erbrecht,
Global Director HSEQ
Qlar Group

Quality, safety, and environmental protection are fundamental to our operations. To uphold recognized standards globally, Qlar holds a range of relevant certifications across multiple countries. Below is a summary of the certifications we have obtained.

All of our producing subsidiaries hold ISO 9001 (quality) as well as ISO 45001 (occupational health and safety). In terms of environmental certificates, 86 % of our operating locations hold ISO 14001 (environmental management) and we aim to reach 100 % until 2026.

ISO 9001:2015 in Germany, UK, Czech Republic, India, China, Japan

Germany: ISO 45001:2018, Waagen-Richtlinie 2014/31/EU (NAWID) und Messgeräte-Richtlinie 2014/32/EU (MID), Directive 2014/34/EU, EN1090, Directive UKSI 2016:1107, CPR (Construction Products Regulation), DE/TUR/QAR23.0017/00

Czech Republic: Directive 2014/34/EU, Directive UKSI 2016:1107 ISO 14001 & ISO 45001

United Kingdom: ISO 14001 & ISO 45001, Directive 2014/34/EU, Directive UKSI 2016:1107

India: ISO 14001, ISO 45001 and 2014/34/EU (only BLR)

China: ISO 14001 & ISO 45001

Our cardinal commitments



Hazard, injury & incident reporting

I will report all hazards, incidents, injuries or near misses immediately.



Plant & mobile equipment

I will never operate equipment without appropriate training, authorisation and licensing.



Fitness for work

I will always come to work free from fatigue and the effects of drugs and alcohol.



Exclusion zones

I will comply with site exclusion zone requirements including intangible areas for mobile equipment.



Suspended loads

I will obey all instructions and barriers during lifting activities and I will never enter the drop zone of a suspended load.



Safety devices

I will never tamper with safety devices/guards or operate equipment if safety devices are missing, altered or damaged.



Isolation of plant & equipment

I will never work on plant or equipment without ensuring effective isolation.



Working at heights

I will never work at any height where there is a risk of injury from falling without a safe system of work.



Vehicles & forklifts

I will operate vehicles/forklifts in a safe and responsible manner, in accordance with all laws and site rules.



Confined spaces

I will never enter a confined space unless I am trained, competent and specifically authorised to do so.

Responsible and sustainable supply chain

Holding our standards upright

Our statement

“The Qlar Group is firmly committed to conducting its business activities in full compliance with all applicable legal requirements, guided by the highest standards of integrity and honesty.”

Our mission

As a manufacturing company, it is essential for us to carefully evaluate the origins of the steel we use, particularly in the context of promoting responsible and sustainable supply chains within our ESG (Environmental, Social, and Governance) framework. By ensuring that our steel sourcing aligns with our sustainability commitments, we can mitigate risks associated with unethical practices or environmental harm in our supply chain. By prioritizing steel from responsible sources, we actively contribute to driving positive change within the industry – encouraging suppliers to adopt greener practices and supporting the transition toward a more sustainable future. This approach not only strengthens our ESG performance but also reinforces our reputation as a socially and environmentally responsible company, fostering trust and confidence among stakeholders and customers.

Strengthening supplier accountability

Since it is crucial to pay close attention to where resources like steel, energy or other parts of our products originate from, our producing locations are focused on informing every new supplier acquired about “**Our Mission**” – always checking if the other end is harvesting goods from responsible sources that our corporate philosophy aligns with.

For instance, our **Chinese subsidiary** lets every new supplier sign our “**supplier code of conduct**” to make sure they are informed about all requirements.

Apart from that, every new order Qlar places, contains the supplier Code of Conduct to guarantee the outside world knows what is important to us in terms of procurement and adding value to our products to sustainable and responsible sources.



Strategy house statement:

Qlar for decarbonization

“We work to drive down carbon emissions, both from our own operations and in our supply chain.”

“Responsible and sustainable supply chains are both customers and environmental demand!”

Qing Li,
Head of Order
Management
Qlar China



Driving responsible sourcing through supplier engagement

As an international company, Qlar is committed to responsible sourcing, extending our efforts beyond the implementation of supplier codes of conduct by fostering deeper engagement with our suppliers. Beyond mere compliance, we actively collaborate with suppliers on sustainability initiatives to drive meaningful change throughout the supply chain. This includes offering **training and support** to help suppliers meet ethical and environmental standards, increasing **transparency** by sharing information on sourcing practices, and incentivizing compliance through **fair contracts** and **long-term partnerships**. Our **supplier relationship management** strategies – such as regular audits and performance evaluations – are key to maintaining high standards.

Through comprehensive assessments, we can identify areas for improvement and work closely with suppliers to address any gaps. Additionally, promoting a culture of **accountability and continuous improvement** across the supply chain is supported by regular communication, feedback mechanisms, and recognizing suppliers who demonstrate outstanding commitment to responsible sourcing principles.

Employee well-being

Creating a common feeling of belonging

Fostering a culture of engagement and initiative

We prioritize empowering employee growth. It is our belief that our people's passion and commitment drive continuous improvement for our customers, shaping our company's identity. We invest in their individual ambitions, from providing workshops to tailored training and feedback sessions. Empowering our employees is pivotal for our organizational growth because it:

Boosts engagement and motivation: Empowered employees drive productivity, serving as our engine in the global market.

Enhances job satisfaction and retention: Empowered employees are happier and more likely to stay, reducing turnover and boosting morale.

Improves decision-making and adaptability: Empowered employees make quicker decisions and adapt more readily to change, enhancing our agility and competitiveness.

At Qlar, empowering employees isn't just a strategy - it's fundamental to our organizational success and deeply incorporated into our ESG strategy house.

Our business model is intrinsically linked to sustainability, driving us to make responsible decisions that affect our people and the planet positively. With over 1,100 employees across four continents, we fully embrace our role as a global employer, corporate citizen, and ethical partner.

Our sustainability strategy, deeply integrated into our operations, focuses on environmental protection, social responsibility, our people, and governance, ensuring that we contribute effectively to a sustainable future.



"Nurturing a culture of care isn't just a responsibility we follow; it's an integral part of our commitment towards well-being of our employees."
Rajesh Pathak,
Managing Director
Qlar India

Qlar Launch events at all our subsidiaries in 2024:



Employee well-being

Creating a common feeling of belonging

Proven execution

The continuous growth and professional development of our employees is a top priority. Through our diverse learning platforms, we provide a wide range of training opportunities. By expanding our **employee's expertise** across various areas of the workplace, our team contributes to a forward-thinking, responsible, and sustainable work environment. Whether focusing on workplace safety, diversity, or inclusion, each participant has gained valuable insights that enhance their daily work and foster continuous improvements in working conditions.

At Qlar, our training programs emphasize key aspects of workplace **culture and safety**.

We offer comprehensive labor safety courses to equip employees with the skills to recognize hazards, follow safety protocols, and effectively respond to emergencies. Additionally, we promote an **inclusive and respectful** company culture through our diversity and inclusion (DEI) initiatives. These sessions address unconscious bias, effective communication, and conflict resolution - ensuring a workplace where respect and collaboration thrive. Further, we provide targeted training to **prevent harassment and discrimination**, ensuring employees

understand company policies, legal frameworks, and the significance of empathy and active listening in maintaining a **safe and welcoming** environment.

Well-trained employees drive organizational resilience and sustainability. By empowering them with the necessary skills and knowledge, companies can enhance productivity, reduce turnover, and cultivate a culture of ongoing improvement. Investing in employee development reflects a strong commitment to human capital - an increasingly recognized factor in long-term business success.

By prioritizing high-quality training programs, businesses create workplaces where employees feel secure, valued, and empowered. As ESG principles continue to shape corporate strategies, fostering employee growth and learning remains essential for us to be a **responsible and future-ready** organization.

Understanding our employees needs through the annual Employee Satisfaction Survey

To receive direct input from what truly drives Qlar - its employees worldwide - and in line with our ESG strategy and social targets, we conducted an employee satisfaction survey in September 2024. The last survey

of this kind was rolled out in 2017 and provided valuable insights for our company at the time.

With our new name and strategic direction we will now conduct this survey annually, to continue on this successful path. The approach helps us identifying the potential of Qlar as an employer for over 1,100 people in a direct and streamlined way, allowing us to set effective targets.

The survey, helps us identify key areas that need attention to maintain our attractiveness as a high value employer.

All employees were given the opportunity to participate in the survey via email. In the 2024 survey, around 60 % of employees participated, which represents the majority of our workforce and is therefore a solid response rate. Each question in the survey referred to one of the following topics:

- Collaboration
- Working environment
- Employer attractiveness
- Leadership
- Internal communications
- Career development opportunities

Employee well-being

Creating a common feeling of belonging

Next steps

Based on the findings from the survey, our expert team has developed a comprehensive action plan containing several measures aimed at further increasing employee satisfaction with Qlar. Ambitious targets for 2025 have been set and will be reviewed after the first half of 2025. Each target and its progress will be monitored and acknowledged closely. Additionally, the team will plan the rollout of the 2025 survey, building on this year's developments.

This way, Qlar ensures continuous and dedicated work towards improving global working conditions. And gives everyone the opportunity to develop and grow in an employee-friendly environment.

Best practice 2024



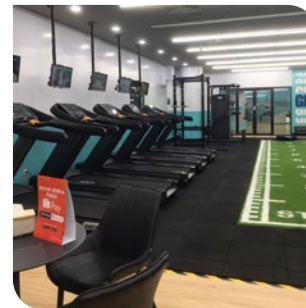
Attending in business-sports events in **Germany**



International Yoga Day celebrated in **India**



Festively ringing in the new year in **China**



Complimentary gym memberships in **Indonesia**



Qlar launch events in **all locations**



Celebrating the festival of lights (Deepawali) in **India**

Diversity and inclusion

Making everyone feel at home

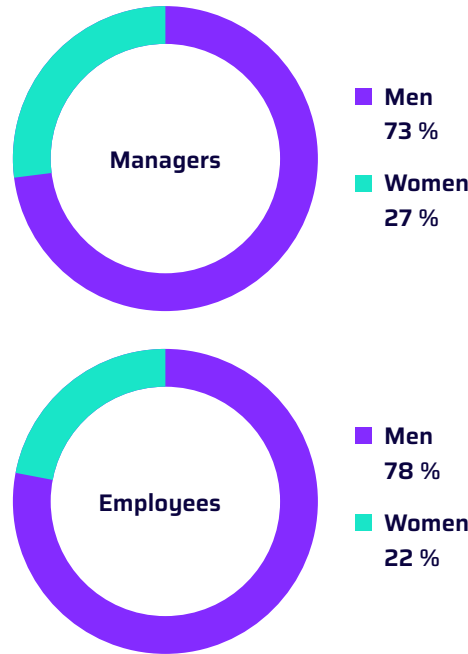
Our vision and what we do for it

Our family is open to everyone. But we also know that our industry has a long way to go to become truly diverse and inclusive. Thus, we are pushing forward with a strategy designed to break down barriers so we can attract, engage, and retain more diverse talent - always considering regional needs. Through our initiative “More than a label” we proactively foster a more open culture where everyone can feel safe, valued and respected for who they are.

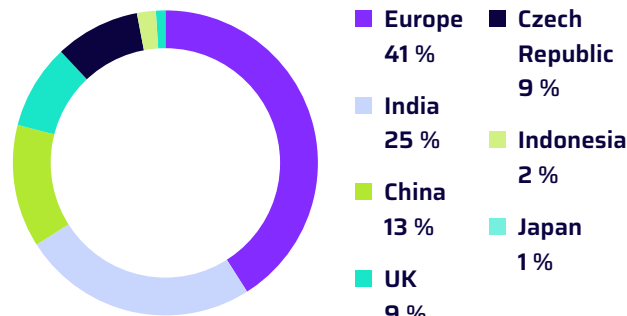
At Qlar, we are dedicated to fostering an inclusive environment and addressing gender pay gap disparities through proactive analysis and comprehensive strategies, ensuring transparency, fairness, and opportunities for all. To ensure fair compensation practices, we conducted a thorough analysis of our global workforce, grouping employees by position and department. Our findings revealed a minimal global gender pay gap of only 1.29 %, reflecting our dedication to equity and transparency.

In alignment with our commitment to diversity, we have set ambitious future targets to further enhance our diverse workforce. This goal underscores our commitment to cultivating a more diverse and inclusive workplace where diverse perspectives drive innovation and growth.

2024 Qlar by gender allocation



2024 Qlar by location allocation



Strategy house statement:
Qlar for the people
 “We aim to raise the percentage of women in management positions to 30 % by 2030.”



“At Qlar, diversity and inclusion drive our success. With our rich mix of cultures and perspectives, we believe that diverse teams spark innovation and lead to better solutions. Inclusion means every voice is heard and valued. When we collaborate across backgrounds, we challenge ideas, grow stronger, and make smarter decisions. A culture of respect and belonging helps us all thrive. Let’s continue building a workplace where everyone feels supported and celebrated. Together, we are stronger”
Shashi Shekar Reddy,
 Senior Manager HR & General Assistant
 Qlar India

Social impact and community development

A merit of sustainable business practices

Social responsibility's imperative

Rooted in our corporate culture is a steadfast commitment to enriching the communities we serve. Recognizing the interdependence between society and business, we prioritize community development, seeing it as both a moral responsibility and a strategic necessity.

Our dedication to community development drives sustainable growth and prosperity. Providing access to education, healthcare, and economic opportunities empowers individuals, laying the groundwork for innovation and economic resilience.

Encouraging social cohesion and inclusivity fosters unity and diversity within communities. Initiatives that champion diversity cultivate environments where everyone can flourish, promoting a just and equitable society.

In times of crisis, our sense of humanitarian duty compels us to take action. From emergency aid to global health challenges, we remain unwavering in our commitment to alleviating human suffering. Flourishing communities reinforce economic stability, while investments in infrastructure and job creation stimulate local economies, ensuring no one is left behind during periods of economic uncertainty.

Supporting community growth and assisting those in need goes beyond corporate responsibility - it is a moral imperative. By fostering progress, unity, compassion, and shared prosperity, we help pave the way for a brighter future.

As a company with a global presence spanning 15 countries, we recognize our role not just as a business entity but as an integral part of the communities we serve. Our dedication to social impact and community development remains at the heart of our corporate values.



"Helping the communities we work in is important because it's more than about business - it's about people. When we support those around us, we build trust. For me, it's rewarding to see how even small actions can create lasting change and make a meaningful impact."

Sefti Resmiawati,
Senior Accountant
Qlar Indonesia



Social impact and community development

A merit of sustainable business practices

Local initiatives and support

From student sponsorships and apprenticeships to donations for those impacted by the war in Ukraine, we remain committed to supporting the communities where we live and work. Our assistance is tailored to address their unique challenges, whether through local initiatives, fundraisers, direct contributions, or in-kind donations.

Our dedication to creating a positive societal impact knows no borders. By actively engaging with and supporting local communities through targeted programs, charitable contributions, and global initiatives, we uphold our role as a responsible corporate citizen.

Through these collective efforts, we aim to promote sustainable development and enhance the well-being of the communities we serve - both locally and worldwide.



Qlar Group 2024

- Average employee turnover: 16.67 %
- Average number of vacant positions: 154



Training and empowering apprentices and dual students in **Germany**



Employees rescued a lost child in the streets of Bangalore in **India**



Recycling old cellphones to collect money to donate in the **Czech Republic**



Blood donation camp in **India**





Governance

Leading the way to a more circular future

Corporate governance and accountability

Qlar operates in a business environment where technical and innovation competence, proximity to customers and speed in response are crucial. Qlar has therefore chosen a decentralized operating model with Europe incl. UK and CZ, China and India being the key main hubs of the business with regional MDs reporting to the CEO. Furthermore, drive group synergies, selected functions have been installed to coordinate group-wide initiatives, e.g. CSO leading global green initiatives, CTO coordinating platform developments. and a decentralized approach, with the Managing Director of each entity reporting directly to the CEO.

The base for all activities are our policies, which are addressed to all Qlar employees and stakeholders. Those are supported by the Group Directives (GD), which define the rules for the work of the Group and are addressed to the relevant stakeholders. In addition to that our Integrated Management System (IMS) defines the context, responsibilities, documentation, and continuous

improvement. It includes the planning, implementation, monitoring, and continuous improvement of all relevant processes and activities in the areas of quality, occupational health and safety, environmental and risk management including corporate social responsibility. The control of the IMS Manual, all Policies and GDs is the responsibility of the Global HSEQ Director and its review is part of the annual Management Review process. We embrace a culture of continuous improvement in all aspects of the organization. The underlying principle that drives this culture is the PDCA-Cycle (Plan-Do-Check-Act).

Furthermore we have installed committees and forums to drive key initiatives group-wide. The committees, that have decision-making authority include Compliance, HSEQ, Circular Technology, Digital Transformation and the ESG committee, which is responsible for this report and the topics described here. Our forums are market oriented and focused on industries and cross-regional alignment, e.g. I&E, Metals, C&P and Aftermarket & Marketing.



“For us at Qlar, a strong and structured governance provides the foundation for our long-term success, and we use clearly arranged accountability as the key to upholding our commitments, building trust, and driving sustainable growth.”

Leo Zimmermann,
Business Development & CEO Assistant
Chairman ESG Committee
Qlar Group

Corporate governance and accountability

ESG incentives and advocacy

Bonus and incentive schemes are coordinated centrally and executed regionally. A global Remuneration Committee incl. CEO and shareholders decides on bonus targets and bonus scheme changes. Qlar's bonus scheme has been extended in 2023 to not only set financial targets (sales, EBITDA, Cash Flow) but to give also more gravity to non-financial targets. For all top 50 managers, personal measurable targets have been introduced worth 15 % of the overall bonus. As Qlar is progressing, it is planned to expand the incentive scheme beyond the top 50 managers in the subsequent years.

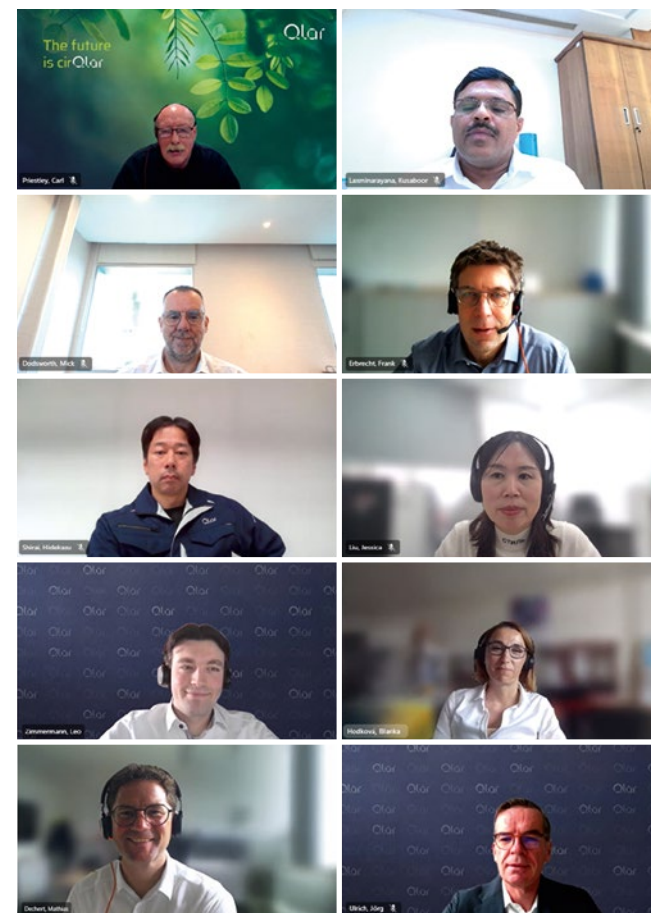
ESG Committee

Established at the beginning of 2023, the Qlar ESG Committee plays a pivotal role in governing our ESG strategy and ensuring the achievement of set targets outlined in our ESG strategy house. The committee will oversee the governance of the ESG strategy and ensure the execution of targets put in place to ensure that the plan set out in the rest of the document is achieved.

Comprising members tasked with ESG responsibilities from each location, the committee ensures global representation and dissemination of ESG initiatives. Moreover, the CEO Jörg Ulrich is also a member of the committee to provide direct feedback to and from the Qlar executive team.

The ESG Committee convenes at least quarterly to oversee the execution of targets, track progress, and create a yearly comprehensive report. Including regular assessment of progress towards achieving the greenhouse gas emission reduction targets.

Its mandate extends to ensuring Qlar's compliance with all legally required ESG reporting, underscoring our commitment to transparency and accountability in our sustainability efforts.



Corporate governance and accountability

Our endeavours are paying off

At Qlar, sustainability is at the core of our mission, and we are proud to announce that our dedication has been recognized with a **Bronze Medal from EcoVadis**, a globally renowned sustainability rating platform. This achievement highlights our ongoing commitment to responsible business practices and reflects the progress we have made in this area.

EcoVadis is one of the world's most trusted providers of business sustainability ratings, assessing companies across a wide range of industries and global supply chains. With a comprehensive evaluation system, EcoVadis analyzes organizations based on four key pillars: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. These assessments are used by companies worldwide to benchmark their sustainability performance and drive continuous improvements.

By providing an objective and independent evaluation, EcoVadis helps businesses build transparency, enhance their corporate social responsibility strategies, and foster more sustainable practices across industries.

Over the past decade, we have worked diligently to enhance our sustainability performance, identifying and addressing areas for improvement. Through continuous effort, strategic initiatives, and targeted actions, we have significantly improved our rating across all EcoVadis evaluation criteria. This milestone is a testament to the hard work and dedication of our entire team, demonstrating our ability to drive positive change while maintaining operational excellence.

This recognition aligns perfectly with our vision of a **cirQlar future** and is further reinforced by our recent rebranding

from Schenck Process to Qlar in May 2024. Our name change represents a renewed focus on sustainability, innovation, and circularity, which are integral to our long-term business strategy.

Currently, **Qlar ranks among the top 22 %** of companies assessed by EcoVadis worldwide - a remarkable achievement that underscores our position as a responsible and forward-thinking organization. While we celebrate this success, we remain committed to continuous improvement, **striving for even higher sustainability ratings in the future**. By fostering innovation, engaging stakeholders, and integrating sustainable practices into every aspect of our operations, we aim to strengthen our international standing and further contribute to a more sustainable industrial landscape.



Regulatory compliance

Approach to Compliance at Qlar

We hold steadfast to our corporate values of ethics, responsibility, integrity, and compliance. These values are not merely words but are deeply ingrained in our corporate culture, embraced by every employee, and exemplified by our management. Our commitment to compliance is unwavering, and we strive for excellence in both performance and ethical standards across all facets of our operations.

Tone at the Top Commitment

Our CEO's "Tone at the Top" commitment underscores the paramount importance of compliance throughout the organization. This commitment sets the tone for ethical behavior and accountability at every level of our company. By internally publishing trainings, videos and news updates on our "Tone at the Top", we reinforce the communication of its values and additionally are able to integrate a certain degree of awareness in everyone's daily work. This awareness is of course necessary to approach certain, partially sensitive topics in the right manner.

Compliance Management System

Our Compliance Management System is a cornerstone of our corporate governance. Led by a dedicated team, supported by the Qlar executive team and Advisory Board, it ensures that our activities consistently align with the law and internal regulations while upholding ethical responsibility. We have established this system based on internationally recognized standards, reflecting our values, identifying risks, and providing clear guidance on proper conduct.

Our **Code of Conduct** and various compliance directives, policies, instructions, and guidelines serve as guiding principles for all employees worldwide. These encompass a wide range of areas, including competition regulations, anti-corruption measures, sanctions, export control laws, and fair treatment of employees and business partners. Furthermore, we have specific guidelines addressing sensitive issues such as the handling of gifts and invitations.

Operating on a two-tiered structure, our Compliance Management System encompasses both group-level oversight and regional accountability. The Excellence Committee Compliance, reporting to the Qlar executive team, oversees compliance at the group level, while each regional company is supported by a dedicated local Compliance Officer.

Compliance Reporting System

We have established a robust compliance reporting system, encouraging all employees to report any suspicions of compliance breaches. Employees are encouraged to first report concerns to their superiors or local Compliance Officer. However, recognizing that there may be instances where this is not feasible or appropriate, our Excellence Committee Compliance stands ready to receive reports of perceived violations. Every piece of information is treated with utmost seriousness, processed systematically, and handled confidentially.

For those who prefer to report violations externally, we have engaged an independent law firm to operate a whistleblower hotline. This ensures an additional layer of confidentiality and impartiality for those who may feel more comfortable reporting concerns through external channels.

In the fiscal year 2024, Qlar received notifications of 11 different compliance concerns. Each notification was diligently investigated and resolved in accordance with our Code and applicable procedures, reaffirming our commitment to upholding the highest standards of ethics and integrity.

Regulatory compliance

Material and product compliance

It is absolutely crucial that our products not only meet legal standards but also adhere to industry-specific regulations and guidelines. Take, for instance, explosion protection, an area demanding stringent adherence to safety protocols, where **our products must align with specific requirements** to guarantee their safe use and operation.

Patent compliance

Patent compliance oversees the thorough examination and formal registration of patents, **ensuring that our innovations are legally protected**. This department navigates the intricate landscape of intellectual property law, ensuring that our patents meet all legal requirements and regulations. Moreover, patent compliance diligently monitors patent terrain, mitigating risks of infringement and ensuring our continued innovation within a legally secure framework.

Cybersecurity and data privacy

Training employees in data privacy and cybersecurity is essential to mitigate risks associated with cyber threats,

Various cybersecurity and data privacy trainings are a compulsory part of our on-boarding process, to make sure all employees are well-equipped to safeguard sensitive information and aware of the best practices for preventing data breaches and cyber threats. These trainings include QR Code Fishing, Phishing Foundations and Security Awareness Training.

ensure compliance with regulations, and protect sensitive information. By educating staff on best practices for data handling and recognizing potential threats, we at Qlar can reduce the likelihood of successful cyber attacks and minimize the impact of data breaches. **Cultivating a culture of security through regular training sessions** empowers our employees to play an active role in safeguarding organizational assets and adapting to emerging cybersecurity challenges.

This becomes more important everyday, since potential threats become more sophisticated constantly. In addition to our commitment to training, We invest heavily in cutting-edge technology and employ stringent security measures to fortify our digital infrastructure against evolving cyber threats. **Our dedicated cybersecurity experts continuously monitor and assess our systems, proactively identifying and addressing vulnerabilities before they can be exploited.** This proactive approach not only enhances our resilience to cyber attacks but also demonstrates our unwavering dedication to maintaining the trust and confidence of our customers and partners. As cyber threats continue to evolve in sophistication and frequency, We remain steadfast in our mission to stay ahead of the curve and ensure the security and integrity of all data entrusted to us.



“For Qlar, compliance does not only mean to obey to all applicable laws, rules, regulations, policies and procedures. It also means integrity, fairness, transparency, and reliability in our daily work.”

Dirk Scholz,
CFO Qlar Group

Human rights

Our company is deeply committed to protecting human rights within our operations and across our global supply chain. Upholding human rights is a core value that guides our actions and decisions every day.

We believe:

- In the inherent dignity and worth of every individual.
- Compliance with all applicable laws and regulations related to human rights is non-negotiable.
- In fostering a safe, inclusive, and supportive work environment for our employees.
- That responsible supply chain management includes holding ourselves and our partners accountable for ethical practices.
- In actively engaging with the communities where we operate and contributing positively to their development.
- In continuously improving our policies, practices, and initiatives related to human rights.

We believe that protecting human rights is not just a statement; it is an integral part of our identity and mission.

Qlar for our people! – as part of our strategy house we are dedicated to creating a world where everyone is treated with dignity, equality, and respect. Join us on this journey toward a brighter future for all.

Business ethics

Importance of high ethical standards

In today's complex and interconnected business landscape, the importance of upholding ethical standards cannot be overstated. Business ethics not only dictate how organizations conduct themselves but also significantly impact the working atmosphere and overall success. At Qlar it is our imperative to proactively address ethical concerns and create an environment where every employee feels empowered to uphold integrity in all aspects of work.

We delve into the measures taken by forward-thinking companies like Qlar to supply healthy working environments through robust governance frameworks centered around business ethics to underpin its cruciality.

Bribery and anti-corruption policy:

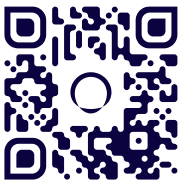
One of the foundational pillars of ethical governance is a robust bribery and anti-corruption policy. This policy serves as a clear stance against any form of bribery or corrupt practices within our organization. By establishing strict guidelines and consequences for non-compliance, we at Qlar deter unethical behavior and promote a culture of integrity. To ensure an ongoing process of improvement and holding our own standards high at all times, close attention is paid to encourage each individual through trainings and workshops.



“Our ESG commitment includes our pledge to do businesses with customers and suppliers ethically and in compliance with the local laws and the basic principles of human rights. I believe this approach will create a win-win situation for us and for our stakeholders, for this generation as well as for future generations.”

Harold Wijatno,
Managing Director
Qlar Japan

Qlar



Still questions? Contact us:
www.qlar.com/contact

05.25 · All information is given without obligation.
All specifications are subject to change.

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