

SUSTAINABILITY REPORT 2022

Trusted Partner –
Working Together for
a Sustainable Future



Dear Readers,

In 1873, Johann Julius Renk, a locksmith and turner from Augsburg, founded a small workshop for the automated production of gears. A century and a half has passed since then, and we will celebrate our 150th anniversary in 2023.

RENK is a global technology leader and partner for safe, innovative and sustainable mobility and drive solutions. The core of our brand is the deep integration of engineering, production and testing expertise as well as maintenance and services over the entire product life cycle. RENK solutions are technical masterpieces and world leaders in terms of precision, efficiency and reliability.

We produce security: As a systemically relevant partner for military mobility solutions, RENK helps ensure state security and defense capability, which form the basis for a free society, economic prosperity and social and ecological sustainability.

Thanks to the high efficiency of our products, we help our customers to reduce their energy consumption and contribute to sustainability. Climate protection and sustainable management are the defining issues of the coming years and will determine the future viability of companies. With our products and services, we support the transformation to a sustainable economy and society.

At the same time, we also align our business activities to social and ecological standards. Last year, we developed and launched our Sustainability Strategy 2025. Our most important goal is to become climate neutral (Scope 1 & Scope 2, "Net-Zero") by 2040. By joining the UN Global Compact, we are underpinning our claim to achieve our goals.

Our goals are anchored in the organization by defining six key areas for action. We have drawn up a concrete roadmap for our sustainability targets up to 2025 and backed them up with verifiable key performance indicators in order to integrate them into our corporate strategy, corporate culture and day-to-day business. In this report, you can get an idea of the goals we have set and the progress we have already made.

We wish you an informative read.

Susanne Wiegand

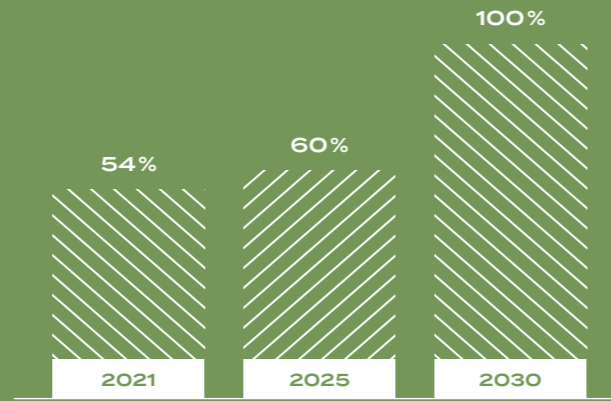
Chairwoman of the Group Management Board
CEO

Niklas Beyes

Member of the Group Management Board
CFO

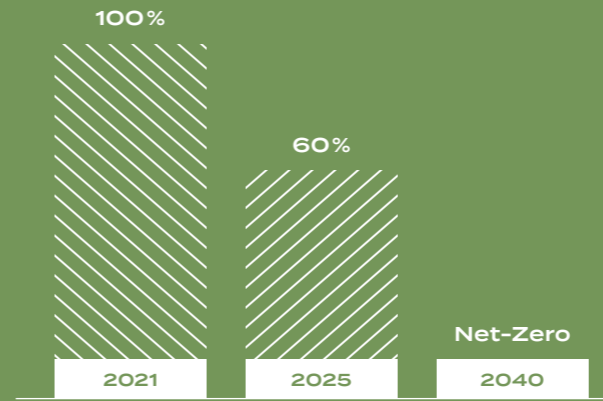
E

Increase in the share of renewable energy (electricity)



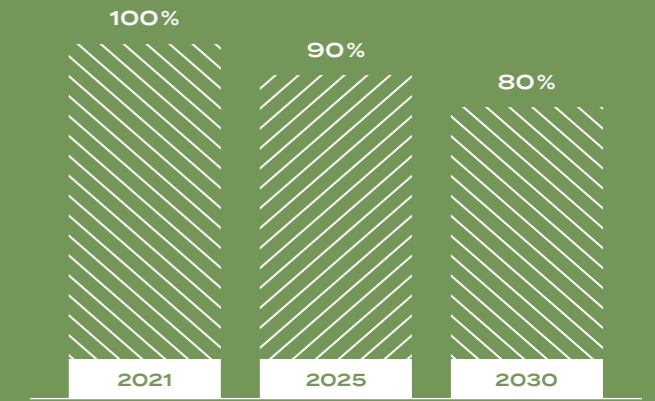
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Reduction of CO₂ emissions (Scope 1 & Scope 2)¹



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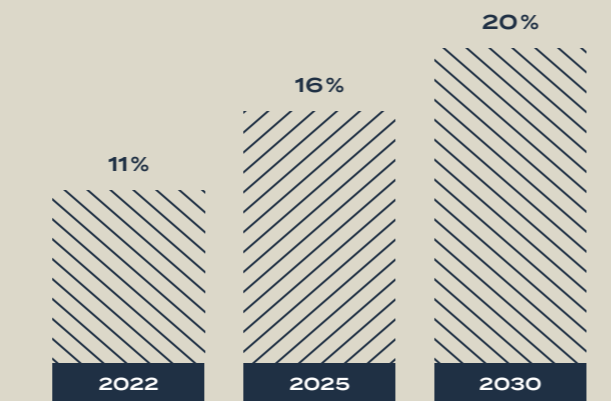
Reduction of water consumption²



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S

Increase in the share of women in leadership positions



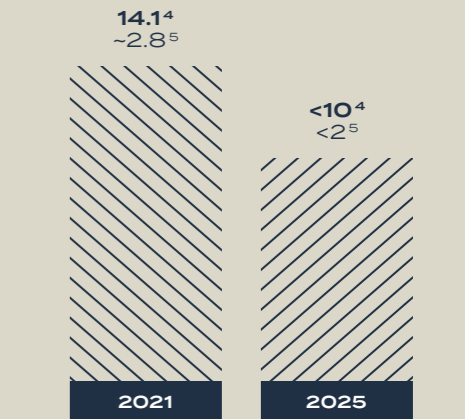
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Increase in the training ratio regarding leadership development



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Reduction of work-related accidents (LTIFR³)



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Local implementation of guidelines



Increase in the training ratio regarding the topics of customer privacy, data security and ethical behavior



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

² Relative ratio: m³ per €1,000 of revenue.

³ Lost Time Injury Frequency Rate.

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

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

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Meaning of the symbols used in this report:

 > <  Audited disclosures

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01

Strategy & management

A forward-looking strategy sees sustainable entrepreneurial action as an opportunity for the company. In order to proactively meet the challenges and opportunities of today, sustainability is an essential and integral part of successful corporate management. It ensures future viability and meets the requirements of stakeholders.

RENK at a glance

150 years of RENK expertise

> 20 locations

3,000+ employees

9 production sites

> 845 m€ revenue

4 divisions

1.1 RENK at a glance

Trusted Partner

Since its founding in 1873, RENK has developed into a global technology leader and partner for safe, innovative and sustainable mobility and drive solutions. We are systematically relevant for key industries and future markets in civil and military sectors – from infrastructure and security to renewable energies.

"RENK has successfully mastered many changes in its 150-year corporate history. The durability and efficiency of our products is an important part of our DNA – as is the strong identification of our colleagues with RENK. We are proud to present our first sustainability report in this anniversary year."

*Dr. Markus Grube,
Head of Corporate Development*

The core of our brand is the deep integration of engineering, production and testing know-how as well as maintenance and services over the entire product life cycle. Due to this unique system competence, we can continuously develop, test, produce and maintain our products in reliably high quality.

RENK solutions are technical masterpieces and world leaders in terms of precision, efficiency, durability and reliability. They withstand extreme forces over the long term and run in a fail-safe manner even under the most difficult conditions.

To meet this high standard, we rely on more than 3,000 excellently trained employees worldwide, state-of-the-art sites, efficient manufacturing processes, and the development and use of digital solutions.

The backbone of our company is expertise, passion and the high level of identification of our employees with our company. We stand for value orientation, diversity and internationality, and are proud of our 150-year tradition.

Our expertise

The RENK Group is a world-leading supplier of highly efficient drive and control technology. We develop systems for the reliable use of high forces and torques to drive vehicles, ships and machinery. Customers and users from the defense and industrial sectors rely on RENK's technical solutions for performance and endurance in demanding operations with minimal fault tolerance.

RENK's offering includes the development, design, manufacture, testing and service over the lifetime of customized drive systems that convert power from various energy sources. Headquartered in Augsburg, Germany, the Group operates production facilities in Germany, the U.S., Switzerland, the UK and France, as well as a network of technical support and maintenance sites around the world.

Our target markets have gained enormously in importance in recent years. With our innovative and mobility solutions for military vehicles and navy ships, we contribute to global security by supporting NATO countries as well as NATO allies.

- We are systematically strengthening and expanding our global footprint, both in production and in service. This applies in particular to the growth markets in the Indo-Pacific region and to our strong hubs in Europe and the U.S.
- We are part of the respective ecosystem at our global locations, creating jobs and contributing to value creation and technology development.

Hydropower, carbon capture, utilization and storage, and the hydrogen industry are important ecological growth markets that have gained further importance as a result of the energy transition. With our experience in corresponding plants, our portfolio and our motivation, we can and will make our contribution to this change.

- We are actively driving our growth in the major future areas of electrification, decarbonization and digitalization.
- We are developing new solutions for applications in renewable energies, hydrogen and sustainable drive systems.

With over 20 production and service locations in Europe, America and Asia, we are where our customers are and where our solutions are used. RENK's innovative portfolio means that the company can offer its customers around the world standardized and customized gear units, drive elements, plain bearings and test systems of the highest quality and precision.

In a total of four business units (divisions), RENK offers its customers in the civil and military sectors an innovative range of standardized and customer-specific mobility, test and propulsion solutions.

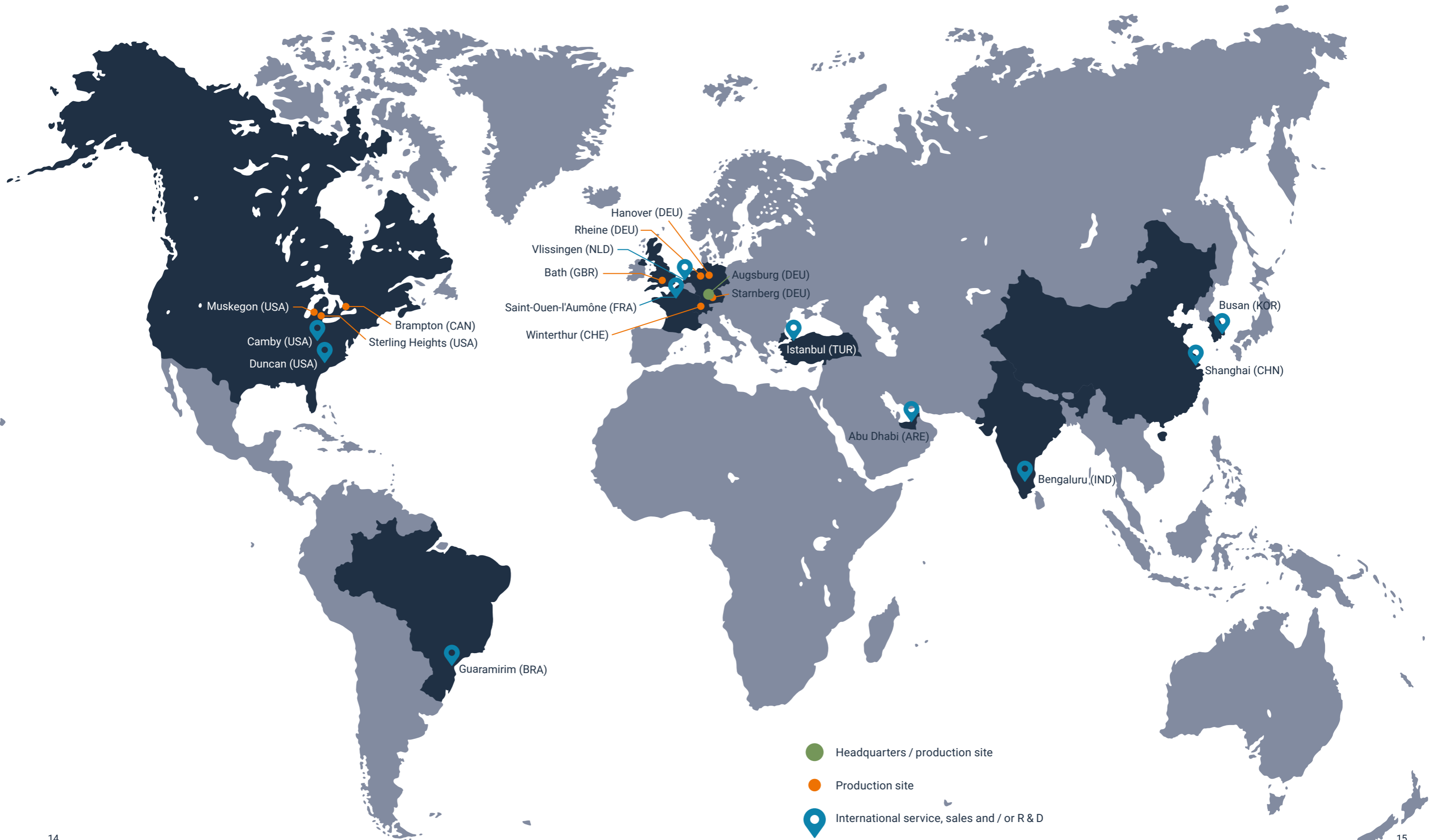
In our Vehicle Mobility Solutions division, we develop and produce high-quality mobility solutions for tracked and wheeled military vehicles such as transmissions, suspension systems, clutches, engines, and hybrid drives. These include field-proven, extremely powerful, reliable and weight-optimized transmissions for any terrain or complex powerpack solutions.

Within the Marine & Industry division, RENK offers a broad product portfolio of gear units and couplings. Whether in commercial shipping, marine or stationary gear units for a wide range of industrial applications, for example in the cement and plastics industries or in power generation, our low-emission, tailor-made drive solutions impress with their precision, reliability and sustainability. In addition, the high efficiency and durability of our gear units help our customers to achieve their sustainability targets. Our portfolio in turbo gear units also serves the new markets of hydrogen generation and transport as well as carbon capture, utilization and storage (CCUS), thus helping to shape the energy systems of the future.

In our Slide Bearings division, we are the world's leading company, especially in hydrodynamically lubricated standard and special slide bearings. RENK has always defined the industry standard here. Our slide bearings are used in ships and submarines, as well as in hydroelectric power plants, in the oil and gas industry, in the generation and transport of hydrogen, in the storage and utilization of carbon dioxide (CCUS), and in wind turbines – both in the gear unit itself and in the main rotor bearing. In this way, our innovative solutions increase the efficiency and longevity of the energy systems of the future.

With its Test Systems division, RENK is an established supplier of turnkey, customized test systems. Our extensive portfolio, which can be used to test powertrains of all kinds, from those found in commercial and rail vehicles through to turbines for aircraft engines and wind turbines, serves worldwide customer needs such as the increasing requirements for testing components as well as for complete systems. In this way we support the trend toward steadily increasing energy efficiency.

RENK locations



1.2 Sustainability strategy and organization

✔ > We take responsibility for the quality and integrity of our products and services, for our employees and for our environment.

Sustainability is the foundation of our business development, especially in uncertain and challenging times. Our Code of Conduct describes our values as the basis for our actions and is binding for every employee. We underpin our claim through our participation in the UN Global Compact and the Science Based Targets Initiative.

By signing the UN Global Compact, we commit to aligning our strategy and activities with the Sustainable Development Goals (SDGs).

Our self-image, our values and our commitments from our stakeholder initiatives all flow into our sustainability strategy, which we developed in the year under review (see page 18). It is driven by a globally active ESG team within the RENK Group, led by the Head of Corporate

Development. The latter reports directly to the CEO and CFO of the RENK Group on the subject of sustainability.

Sustainability management

In order to give the topic the necessary priority, the central ESG team was established in the reporting year, consisting of the Head of Corporate Development, Chief Human Resources Officer, Chief Compliance Officer, Head of Quality, Health, Safety & Environment (QHSE) Management and Head of Procurement Excellence. This team is supported by employees from the respective areas and pursues the goal of cross-business unit management of sustainability as a strategic field of action.

The Corporate Development department acts as the central coordination point for all ESG activities and manages the cross-functional ESG team. In addition, there is a regular exchange with our stakeholders.



From left to right: Brigitte Schnakenbourg (Chief Human Resources Officer), Dr. Carsten Greisert (Head of Quality, Health, Safety & Environment Management), Rafaela Dafelmair (Quality Manager), Florian Köhler (General Counsel / Chief Compliance Officer), Dr. Markus Grube (Head of Corporate Development), Christin Mayer (Corporate Development Manager), Alexander Pingert (Head of Procurement Excellence), Luisa Fischer (Compliance Manager)



Sustainability strategy

Ecological, social and societal sustainability are integral parts of RENK's corporate strategy.

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

We are convinced of the value-added contribution of sustainable solutions, structures and processes. That is why we are resolutely implementing measures for sustainability, climate protection and environmentally sound waste disposal at our own sites.

We have set ourselves targets for the key performance indicators relevant to achieving our sustainability strategy, taking into account a competitive analysis. We want to be a driving force for sustainability in our industry and thus meet the increasing expectations and requirements of our stakeholders (customers, suppliers, employees, public, competitors and owners).

We regularly review and sharpen our strategy and adjust the relevant topics and target parameters on this basis.

Key topics

As part of the development of our sustainability strategy, we conducted a materiality analysis for the first time in the reporting year.¹

The analysis ensures that both the expectations and requirements of our stakeholders and the impact of RENK's corporate actions on the environment, society and the economy are identified.

The most important stakeholders considered in the materiality analysis include customers, employees, suppliers, investors and competitors. The RENK ESG team has determined the importance of the various stakeholders by means of a combined assessment, based on impact and relevance for the company.

"We are convinced that sustainable development is not possible without entrepreneurial action. Therefore, as part of our sustainability strategy, we have set specific goals for ourselves."

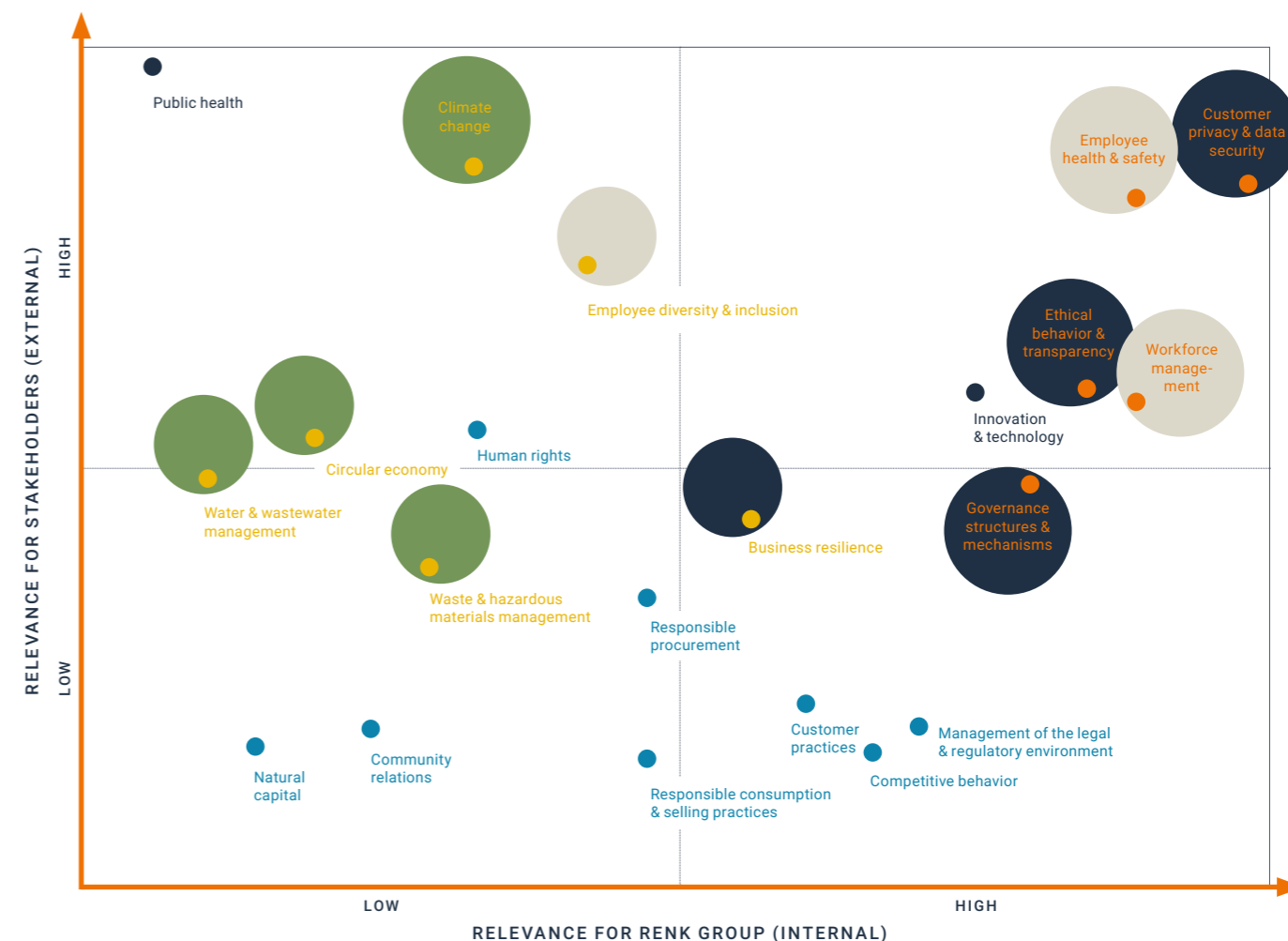
*Christin Mayer,
Corporate Development Manager*

Based on this, we identified the sustainability categories that are material for our stakeholders. The Management Board and the first management level of the RENK Group were also intensively involved in the prioritization of the sustainability categories. This was followed by a weighting of the results in order to take into account the different relevance of the stakeholder groups for RENK. As a result, we focus on six top categories, which are depicted in the materiality matrix (see graphic p. 19).

The sustainability strategy was developed in close cooperation with the Management Board. We will explain the details of its implementation in 2023 in the next report. In the future, we will continue to regularly engage with our stakeholders to review and readjust our key categories and thus our sustainability strategy.

ENVIRONMENTAL ▪ Climate change	SOCIAL ▪ Employee health & safety ▪ Workforce management	GOVERNANCE ▪ Customer privacy & data security ▪ Ethical behavior & transparency ▪ Governance structures & mechanisms
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Materiality matrix



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

¹ The materiality analysis was prepared using software on the Datamaran platform.

Goals and sustainability conditions

The applicable framework for the preparation and implementation of sustainability reporting is provided by various international organizations.

RENK is guided by the 17 Sustainable Development Goals (SDGs) of the United Nations. These goals and their 169 subgoals are intended to ensure sustainable development worldwide at the economic, social and ecological levels. The goals relate to politics, society, science and companies.

Given the high importance of sustainability at RENK, the six goals that are most closely linked to RENK's sustainability strategy are addressed below.

The Global Reporting Initiative (GRI) – a non-profit foundation – aims to ensure transparency and comparability in corporate sustainability strategy reporting through a standardized reporting framework. Overall, this framework consists of three series of standards – the GRI Universal Standards (applicable to all organizations), the GRI Industry Standards (applicable to specific industries) and the GRI Topic Standards (disclosures on a specific topic). RENK has reported with reference to the GRI Standards for the period January 1 to December 31, 2022.

The Greenhouse Gas Protocol (GHG Protocol) is a transnational standard for greenhouse gas accounting and also forms the basis for GRI reporting, which is also used in the RENK Sustainability Report.

SUSTAINABLE DEVELOPMENT GOALS



Goal

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



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

Achieve gender equality and empower all women and girls.



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

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



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

To reduce inequalities within and among countries.



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

To ensure sustainable consumption and production patterns.



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

Taking urgent action to tackle climate change and its impacts.



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

RENK's contribution

RENK's targets for 2025 and 2030

Based on the materiality analysis and in line with our sustainability strategy, eight overarching sustainability goals were defined in the areas of environment, social and governance to help meet national and international targets.

Category	Goal	Target value 2025	Target value 2030	Reference year	Reporting year 2022	Denotation	Reference
E	Increase in the share of renewable energy (electricity)	60 %	100 %	2021 (53.5 %)	54.3 %	☑	p. 49
	Reduction of CO ₂ emissions (Scope 1 & Scope 2)	-40 %	Net-Zero (for EU) (2040 Net-Zero for RoW)	2021 (25.0 kg CO ₂ e / € 1,000 revenue)	25.5 kg CO ₂ e / € 1,000 revenue	☑	p. 48
	Reduction of water consumption	-10 %	-20 %	2021 (0.085 m ³ / € 1,000 revenue ¹)	0.082 m ³ / € 1,000 revenue ¹	☑	p. 50
S	Increase in the share of women in leadership positions ²	16 %	20 %	2022	11.0 %	☑	p. 69
	Increase in the training ratio regarding leadership development	100 %	100 %	n / a	n / a		p. 64
	Reduction of work-related accidents (LTIFR) ³	<10 ⁴ / <2.0 ⁵	<10 ⁴ / <2.0 ⁵	2021 (14)	11.9 ⁴ / ~2.4 ⁵	☑	p. 70
G	Local implementation of guidelines	100 %	100 %	n / a	n / a		-
	Increase in the training ratio regarding the topics of customer privacy, data security and ethical behavior	100 %	100 %	2021 n / a	90 %		-

Initiatives

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

As an essential first step, RENK committed to the ten principles of the **United Nations Global Compact (UNGC)** in the year under review, thus contributing to a fair and sustainable global economy. These principles are the basis for corporate governance with integrity and a future-oriented economic order.

In the course of defining RENK's sustainability targets, we intend to reduce our greenhouse gas emissions in line with the internationally recognized standard of the **Science Based Targets Initiative (SBTi)**. The overarching goal is to minimize the impact of climate change and align the necessary measures to the 1.5°C target of the Paris agreement. Based on science-based targets for CO₂ reduction, RENK has developed an Environmental Action Plan that provides the framework for its emissions targets.

In the reporting year 2022, we initiated the process of signing the **Diversity Charter (CdV)**. The focus of this association is on the voluntary commitment of companies to promote a prejudice-free working environment. In doing so, are committing ourselves to supporting diversity in practice, the appreciation of this diversity and its far-reaching positive effects on the company and society. < ☑

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

² Leadership positions are defined as positions with a disciplinary management function.

³ Lost Time Injury Frequency Rate.

⁴ Accidents with lost time per 1,000,000 hours worked (according to standard set by German employers' liability insurance association).

⁵ Accidents with lost time per 200,000 hours worked (according to U.S. Occupational Safety and Health Administration Standard); KPI not audited.

1.3 Governance and compliance

✓ > For RENK, corporate governance means responsible, fair and reliable action in all areas of the company – on the Supervisory Board, on the Group Management Board and with all stakeholders. Building on our corporate values, this also includes transparent documentation and communication as well as trust-based cooperation. The Group Management Board leads by example in this respect.

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

Clear reporting structures

The Risk and Governance Board (RGB) is a key corporate governance body at RENK. Its members are the Chief Compliance Officer, the Head of Corporate Development, the Head of Quality, Health, Safety & Environment (QHSE) Management, the Head of Investment Controlling and Risk Management, and the Group Management Board. As a permanent member of the RGB, the Chief Compliance Officer reports on relevant risks.

The RGB serves to support the management in the performance of its duties and the structuring of risk and integrity management. Among other things, this ensures the Group's ability to manage compliance issues. The main objectives of the RGB are to ensure compliance with internal and external legally compliant business processes. This includes in particular the clear definition and allocation of responsibilities.

Transparent risk management

Entrepreneurial activity is constantly exposed to risks. In order to exploit market opportunities, RENK consciously takes justifiable entrepreneurial risks, provided that appropriate business success can be expected as a result. As a matter of principle, risks jeopardizing the Group's existence must not be assumed or, if unavoidable, must be minimized by suitable measures. To this end, an effective risk management system geared to the needs of the business activities has been set up, which provides the necessary information at an early stage for the purpose of managing the company.

The control process in risk management comprises the phases of identification, analysis, assessment, control, monitoring and communication. Risks are assessed taking into account their respective probability of occurrence and amount of damage in accordance with a gross and net assessment, whereby the net assessment takes into account risk-reducing measures that have already been implemented. If a quantitative assessment is not possible, a qualitative assessment can also be made. The basis for assessing the materiality of such a net assessment is the budgeted operating cash flow and the budgeted operating profit of the RENK Group. Those risk-mitigating measures are defined and implemented by the risk officers in their areas and checked for their effectiveness.

The RENK Group's risk and opportunity report in the Group management report provides comprehensive information on the company's risk management system and on major risks, their probability of occurrence and financial impact. This also includes risks in connection with the RENK Group's products and business activities.

"Our ethical principles should be reflected in all business decisions around the world. This requires strong governance processes and compliance measures that are implemented throughout the Group."

*Florian Köhler,
General Counsel / Chief Compliance Officer*

The RGB ensures that there is a consistent and transparent picture of the processes in the business areas. Corresponding risk scenarios are derived from this, which are evaluated on the basis of a uniform methodology and translated into risk mitigation measures. Both the monitoring and the development of further measures are the responsibility of the RGB. In this regard, the Corporate Governance and Compliance department provides the relevant guideline structure for controlling and monitoring RENK GmbH and all subsidiaries. < ✓



Export control

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

Other military equipment is listed in Part I Section A of the Export List, an annex to the AWV. The licensing requirement essentially relates to the export of these goods. This includes not only goods, but also technology, software, as well as technical assistance, trade and brokering services.

Foreign trade, in particular the export of military equipment, can be restricted by imposing licensing requirements or prohibitions. In German law, requirements at the European level are implemented in the respective items of Annex I of the EC Dual-Use Regulation and the German export lists.

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

Compliance management

✔ > As a globally active group of companies, the RENK Group is committed to its social and legal responsibility. Among other things, this means that RENK complies with applicable laws, respects fundamental ethical values and acts with integrity. In line with the imperative of sustainability, we are aware of our responsibility for the economic, social and ecological effects of our actions.

To protect the company and its employees from legal and reputational risks, RENK has a Group-wide compliance management system (CMS) which is constantly being optimized. The focus is on preventing regulatory



sanction risks (especially in the case of corruption, competition violations, money laundering, occupational health and safety and environmental protection, as well as compliance with foreign trade law). Another CMS focus is on data privacy and information security. The CMS was restructured and enhanced in the reporting year. The aim is to prevent compliance violations from occurring (prevention), to uncover any compliance violations that do occur despite preventive measures (detection) and to pursue them immediately and systematically, as well as to mitigate any risks identified accordingly (response).


The CMS is based on national and international standards. Certification in accordance with the auditing standards of the Institute of Public Auditors in Germany (IDW) is in preparation.

The implementation of the CMS is ensured by a global compliance organization that was also newly established in the reporting year and consists of central specialist departments at Group level and local compliance contacts. The head of the global compliance organization is the Chief Compliance Officer, who reports directly to the Group Management Board.

Code of Conduct

Binding ethical principles of conduct as well as compliance requirements are laid down for all employees in the RENK Code of Conduct. This Code of Conduct is the central element of internal compliance and an essential component of our corporate culture. The obligations it contains apply within the company as well as to external partners and the public. The RENK Code of Conduct thus forms the framework for all decisions made by the company and its employees. In the year under review, it was adapted to reflect the current legal situation and increasing customer requirements.

Various compliance guidelines supplement the Code of Conduct. In the reporting year, the focus was in particular on revising the anti-corruption guidelines. The donations policy contains clear and comprehensible rules on the acceptance and issue of donations, thus ensuring that gifts, hospitality and invitations to events remain within the bounds of what is appropriate and are not used to influence business partners or authorities. RENK counters corruption risks arising from the engagement of sales-supporting business partners by imposing specific auditing and documentation requirements, which are set out in a business partner policy.

 Further information on the RENK Code of Conduct:



Detection of compliance violations

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

RENK has clear and transparent processes in place to ensure that compliance violations are identified, resolved and remedied without delay. In the year under review, we introduced a digital whistleblower system (RENK Integrity Line) for reporting compliance violations. Employees can use it to report violations online at any time, anywhere in the world and in various languages – anonymously if they wish. The RENK Integrity Line is available not only to employees but also to third parties, in particular customers and suppliers, via the RENK Group website.

Reports of possible compliance violations are investigated objectively, confidentially and exclusively by trained employees within the Group Compliance department. Compliance violations are not tolerated and are consistently pursued. RENK does not tolerate hostility or discrimination against employees who express concerns about misconduct within the company.

Compliance training

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

In 2022, classroom and virtual training sessions were primarily aimed at the risk groups of management, purchasing, project management, marketing, sales and service/after-sales, as well as new employees. The content was tailored to the prevailing compliance risks in the respective area of work and prepared interactively.

We have also rolled out mandatory e-learning courses on the Code of Conduct and information security worldwide. Employees can complete e-learning independently and flexibly at their workplace. 89.5% of invited employees completed the Code of Conduct e-learning module in 2022. Additional employees (particularly from blue-collar areas without e-learning options) have been and are being trained in person. As a result, the training rate is currently over 90%.

In 2023, the aim is to roll out additional e-learning courses and further digitize the training program. The main topics of these training courses will be export control, antitrust law, data protection, anti-corruption, and money laundering prevention.

Data protection and information security

RENK takes the protection of personal data seriously. Our company has internal processes and guidelines to ensure that personal data of employees, former employees, customers, suppliers and other data subjects are processed exclusively within the framework of data protection law. RENK has an external data protection officer who plays a central role together with the internal data protection coordinators. The latter report directly to the management.


RENK regards the security of its internal information and the data of its customers as a top priority. In particular, we take protection against cyber threats very seriously. RENK has a security organization and ISO 27001 certification based on the IT-Grundschutz guidelines issued by the Federal Office for Information Security (BSI). This certification attests to the implementation of the necessary technical, organizational and infrastructural security measures in order processing at the core sites in Augsburg, Rheine and Hanover. To ensure the preventive detection of cyber threats, we continuously carry out global testing and auditing measures. We also have a central Cyber Defense Center (CNC) to proactively detect and defend against cyber threats and attacks and to eliminate vulnerabilities. Continuous monitoring and analysis of the security situation helps to avert damage and minimize risks. Provisions have already been made for the unlikely event of damage. For example, a framework agreement exists through which external support can be requested if required. < 

Human rights due diligence

As a globally active group of companies, RENK assumes its human rights responsibility and the associated due diligence obligations – both in its own business area and throughout the entire supply chain.

The Supplier Code of Conduct describes RENK's values and basic principles that suppliers must observe. Core topics are respect for human rights, equal opportunities and non-discrimination, as well as safety in the workplace. The Supplier Code of Conduct is binding and forms the

basis for cooperation. We are currently introducing more extensive supplier onboarding processes and digitizing the existing supplier risk management system.

 **Further information on the Supplier Code of Conduct**



The requirements contained in the Supplier Code of Conduct are based on laws and internationally recognized standards such as the UN Global Compact, the Universal Declaration of Human Rights and the labor standards specified by the International Labor Organization (ILO). The priority is to protect life and the physical and mental health of people.

In the reporting year, we initiated the implementation of the German Supply Chain Due Diligence Act (LkSG) as well as a project for further international compliance with equivalent standards. One of the aims is to introduce a supplier screening process to identify and limit human rights and environmental risks in the supply chain. The requirements of the LkSG will be mandatory for RENK GmbH from 2024. Since we as a company are aware of our special responsibility for the working conditions at our suppliers, we support the requirements of the LkSG. For this reason, full implementation is to be realized as early as 2023.



02

Products & development

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

RENK's product portfolio

RENK is one of the leading suppliers of drive and control technology worldwide and offers a broad product portfolio in this field.

For military land vehicles, we develop and produce high-quality mobility solutions for tracked and wheeled vehicles such as shift-reverse steering transmissions, chassis systems, engines and, if required, hybrid drive systems. These include mission-proven, extremely powerful, reliable and weight-optimized transmission or engine solutions for any terrain, which are used in over 30 armies worldwide.

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

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

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

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

2.1 Electrification and hybridization

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



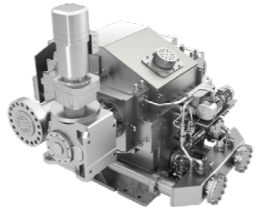
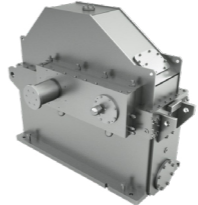
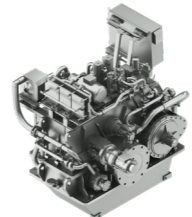

PTO solutions for maritime applications

One of the most important arguments for a new ship design is sustainability. RENK enables its customers to meet the increasing requirements in this field by providing maritime PTO (Power Take Off) solutions for applications such as two-stroke diesel engines. Compared to conventional sets on board, PTO solutions can generate electricity more efficiently due to the increased efficiency of the main propulsion engine. Among other things, this

leads to fuel savings and an associated reduction in exhaust emissions. The possibility of main engine power generation is playing an important role in the increasingly strict environmental legislation on ship emissions. This will make such a system indispensable in the future.

The RENK IFPS (Integrated Front-end Power System) is one of the PTO systems from our product catalog.

Sustainable products

		Advantages
<p>IFPS (Integrated Front-end Power System)</p> <p>p. 34</p>		<ul style="list-style-type: none"> ▪ Savings compared to conventional ship generators approx. 1,090 t CO₂ per year ▪ Space saving front-end installation ▪ Usage of efficient permanent magnet generators
<p>PSC (Propeller Shaft Clutch)</p> <p>p. 35</p>		<ul style="list-style-type: none"> ▪ Function to be integrated into RENK gearbox ▪ Unique possibility of decoupling the propeller shaft – without manual intervention ▪ Significant contribution to the overall energy efficiency of large commercial ships
<p>etaX[®]- und HET- (High Efficiency Technology) gear boxes[®]</p> <p>p. 41</p>		<ul style="list-style-type: none"> ▪ Reduction of losses by 50 % ▪ Efficiency up to 99.2 % ▪ At an output of 100 MW, power savings of up to 380 kW and CO₂ savings of up to 1,277 t per year are possible
<p>Turbo gearboxes</p> <p>p. 41</p>		<ul style="list-style-type: none"> ▪ Turbo gearbox portfolio for the new emerging markets of hydrogen production and transport, and carbon capture, utilization and storage (CCUS)
<p>Marine special gearboxes</p> <p>p. 42</p>		<ul style="list-style-type: none"> ▪ Material savings for marine gears of around 11 % for wheel sets and housings ▪ Weight reduction of approx. 10 % ▪ As a result, less fuel consumption and thus CO₂ savings
<p>Condition Monitoring / TechCompanion</p> <p>p. 43</p>		<ul style="list-style-type: none"> ▪ Reduces downtime ▪ Intelligent condition monitoring ▪ Fast and CO₂ neutral maintenance through TechCompanion app

This front-end solution consists of a single-stage gearbox, one or more generators and the associated frequency converters, as well as the transformers for connection to the ship's grid. Its design enables front-end installation, which is particularly space-saving and thus creates valuable additional cargo space on board.

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

The unique selling point of the IFPS system is its high efficiency. Thanks to the increased speed provided by the gearbox, particularly efficient permanent magnet generators can be used with the IFPS. Due to the high fuel consumption of large cargo ships, the efficiency advantage leads to significant overall fuel and thus emission savings compared with other PTO solutions. This means that our IFPS saves 1,090 t of CO₂ per year compared to a conventional ship generator.¹

The RENK IFPS was installed on a series of six new, particularly environmentally friendly tankers. The ships run on a new type of methanol propulsion and thus reduce both CO₂ and other pollutant emissions, such as NOX emissions, by around 60 %.

PTO solutions for military vehicles

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

- RENK not only offers the required components for hybrid systems, but also develops and implements complete system solutions.

- We believe that our transmission portfolio for tracked vehicles is the most comprehensive on the market. Most of our transmissions have a PTO (Power Take Off) / PTI (Power Take In) system or can be easily retrofitted.
- A motor-generator developed by us can be integrated with the PTO / PTI solution to generate electricity or to provide electrical drive power from the energy storage system. Alternatively, a motor-generator can be integrated between the diesel engine and the transmission or directly in the transmission.
- In addition to purely electric driving, meaning the provision of electrical energy both for consumers in the vehicle and externally, the diesel engine can also be started by means of an electric motor, thus eliminating the need for a conventional starter motor.
- For this purpose, RENK has the scalable power electronics and control system qualified for military applications.

The future belongs to the hybrid drive: The motor-generator operates – in combination with an electrical energy storage system – as a motor that supplies the powertrain with additional drive power in parallel with the combustion engine. This combination delivers more power overall or enables the use of a smaller combustion engine. During negative acceleration "braking maneuvers," the electric machine, which then operates as a generator, generates electric current that recharges the energy storage unit. In the process, we were able to show that significant fuel savings are possible compared to a conventional diesel drive. In addition, the exclusive use of the electric drive allows the vehicle to move silently or to operate silently in the operational position for extended periods without running the combustion engine. In addition, logistical journeys, such as driving out of the workshop and depot or loading onto rail/ship, can be carried out purely electrically. This is advantageous in terms of reduced wear on the combustion engine, especially during cold starts, as well as noise and exhaust emissions.

PTH solutions for maritime applications

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

"We offer our customers value-added and technologically leading solutions in the field of renewable energies, which make the energy transition possible in the first place. By helping to reduce emissions, we are making an active contribution to fighting climate change. RENK is a reliable partner, which is why this conviction is deeply rooted in our corporate strategy."

*Nadine Despineux,
CEO Marine & Industry Division*

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

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

Electrification for military vehicles

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

In addition to the engine alternators, our integrated starter alternators, which are inserted as a flat disc between the combustion engine and the transmission for the mechanical drive train and make the alternator, starter and flywheel superfluous, make a significant contribution to this. They deliver many times the power of conventional alternators. The elimination of these add-on parts and their power transmission to and from the engine (belt drive, clutch engagement and disengagement) reduces complexity and the failure rate. An additional high-voltage output allows power to be supplied to external consumers as needed (electrical export power). A vehicle equipped with an intelligent electric solution can be used as a mobile power plant that is ready for operation in a short time and can thus replace or supplement static and cumbersome infrastructure elements. We also have the necessary power electronics, transformers and control systems for this purpose.

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



2.2 Renewable energies

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

In the year under review, RENK addressed the entire value chain of new energies, defining initiatives to drive internal developments and jointly shape change by providing technical advice to customers and partners. In the context of the energy transition, we see enormous demand for the topics surrounding hydrogen, CCUS and other forms of energy storage.

Energy from hydrogen

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

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

Promotion projects on hydrogen

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

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

RENK is also participating in the ProHyGen project, which aims to develop a prototype of a floating H₂ offshore generator and to plan a 15-MW offshore hydrogen park. The project is taking place in conjunction with another project entitled "Scientific investigation of a grid-independent

decentralized floating offshore hydrogen generator" within the scope of the funding guidelines for international hydrogen projects issued by the German Federal Ministry of Education and Research (BMBF).

As part of our membership of the German Machinery and Equipment Manufacturers Association (VDMA), we also participate in formats on climate-friendly energy technology. In the Power-to-X (P2X) network, we contribute to raising awareness of technologies, as well as to their further development and transformation. In the reporting year, RENK also participated in the Hydrogen Technology Expo 2022 in Bremen as a listed manufacturer of the VDMA. Topics included technology openness in the transformation of mobility and energy systems and shaping the further expansion of hydrogen technology. Further involvement in this network is already being planned and will be completed by other networks at national level (Hydrogen Alliance Bavaria). Within the framework of these activities, we see ourselves as a technology-open partner for the realization of large-scale infrastructural projects within the scope of our ambitious global climate targets.

In 2023, RENK will join the "New Energy Systems" industry sector of Swissmem (the Association of the Swiss Mechanical, Electrical and Metal Industries). This sector focuses on innovative technologies and applications, in particular energy production (solar, wind, H₂, etc.), energy storage, energy transport and distribution, application, and energy management systems. Here, dialog with stakeholders is just as important as the relationship with associations that play a role in the energy sector. This commitment offers RENK an opportunity to advance its own business development through cooperation and knowledge transfer and to promote synergies of theory and practice.

RENK is currently working on becoming a member of the globally recognized Hydrogen Council and thus expanding its activities in this segment not only nationally but also across borders.

Wind energy

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

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

Promotional projects on wind energy

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

In order to actively promote development in this area as well, RENK is actively involved in funding programs, including the ErWind project. The sponsor is the German Federal Ministry for Economic Affairs and Climate Action. The aim of the project is to improve the recording of input loads on system test benches for wind turbines. For this purpose, a rotating sensor for up to 6 MW system test benches is to be developed, which can record the input loads in all six degrees of freedom. The

project results will contribute to the further development of system test benches for wind turbines. This is expected to increase the reliability of wind turbines.



2.3 Conserving resources

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

Energy recovery for test benches

Conserving resources is also an important issue in the manufacture and operation of test benches. Our Test Systems Division keeps this in mind the efficiency of installations must be continuously optimized. We use this energy-saving technology ourselves in the final inspection of our transmissions for military vehicles. The diesel drive engine is replaced by an electric one that replicates its characteristics and characteristic curve. The electrical line generated during the braking and steering tests in the two output machines simulating the vehicle weight is then used to feed the drive motor. Only the power loss of the transmission thus has to be supplied externally in the form of electric current. No fossil fuels at all are used.

Due to the availability of increasingly better motor and converter technology, energy recovery has also become standard in test bench construction. The energy required for testing circulates in the closed circuit and only a small part of the loss energy required in the system has to be supplied as consumption. An energy saving of 90 % is possible with this method.

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

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

Increase in efficiency

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

With an efficiency of up to 99.2 % compared with a conventional turbo gear unit, power savings of up to 380 kW are possible for an output of 100 MW, resulting in CO₂ savings of up to 1,277 metric tons per year.¹

As a result, our delivered etaX® and HET gearboxes® have achieved a saving of 615,158 tons of CO₂ for our customers to date.

Optimization of gearbox lubrication

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

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

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

With these measures, RENK reduced the oil quantities by up to 50 % and thus the power loss. Measurements on a 70 MW gear unit at a peripheral speed of 150 m/s show

that the power loss was reduced by 170 kW. This means that the CO₂ savings per gear unit amount to approx. 570 metric tons per year.¹

Industrial oil treatment

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

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

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

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



¹ Using data from the German electricity mix 2021, source: Federal Environment Agency.

2.4 Sustainable product life cycle

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

Durable products

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

While maintaining the same service life, we are able to reduce the size of gears through more targeted gear design, more accurate manufacturing and monitoring of operating condition. The service life of gears is limited by tooth breakage, pitting or wear. The respective strengths are determined by the load, the geometry of the gearing and the materials selected. To improve the material and resource efficiency of our gear units, we have extended our load limits for gear teeth.

For our transmissions, this means:

- reduced center distances
- reduced oil quantity and volume
- more compact design
- material savings of up to 11 % for wheelsets and housings
- weight reduction of up to 10 %

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

Our service activities also support our customers in maximizing the service life and availability of their equipment. For overhauls and repairs, we make sure that as many components as possible are prepared for further use. In modernization projects, we work with our customers to

achieve maximum improvement in plant efficiency and at the same time recondition the plant components that are essential for operation for further use.

Intelligent condition monitoring

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

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



Virtual service support

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



03

Environment & resources

As a responsible company, RENK is committed to protecting the local and global environment. Our priorities lie above all in conserving resources throughout the entire product life cycle, in reducing waste and in orientation toward climate-neutral business activities.¹

¹ Excluding business activities from upstream and downstream processes.

3.1 Environmental management

Protecting the environment and natural resources is an integral part of our sustainability management. In the reporting year, we launched an environmental program with various initiatives to make our products, processes and supply chains more environmentally friendly and sustainable. To this end, we collect data on energy consumption, resource use, emissions, traffic, waste and wastewater. This transparency of all processes at RENK sites forms the basis for the continuous improvement of environmental performance. The evaluation is based on defined parameters and processes. In doing so, we are guided by international specifications (ISO 14001).

"Already today, part of the electricity we need is provided by renewable sources. By 2040, we want to achieve the target 'CO₂ Net-Zero' for Scope 1 & 2 emissions. Our Group-wide environmental program is helping us to achieve this."

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

✓ > The main goals of our environmental program are to reduce CO₂ emissions, cut energy and water consumption, and reduce the amount of hazardous and nonhazardous waste at all RENK Group sites. In this context, it should be emphasized that one of our greatest levers for protecting the environment lies in the reduction of greenhouse gas emissions and the reduction / efficiency of energy use at our sites. In 2023, we will back up the goals and initiatives of the environmental program with concrete measures.

Responsibilities and procedures

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

🌐 Further information on the RENK Q-HSE Group Policy



2022
Introduction of our environmental program

Main goals of our environmental program:

- Reduction of CO₂ emissions
- Reduction of energy and water consumption
- Reduction of the amount of hazardous and non-hazardous waste at all locations of the RENK Group
- Reduction of greenhouse gas emissions
- Reduction / efficiency of energy use at all our locations

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

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

Introduction of a global environmental management system

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

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

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

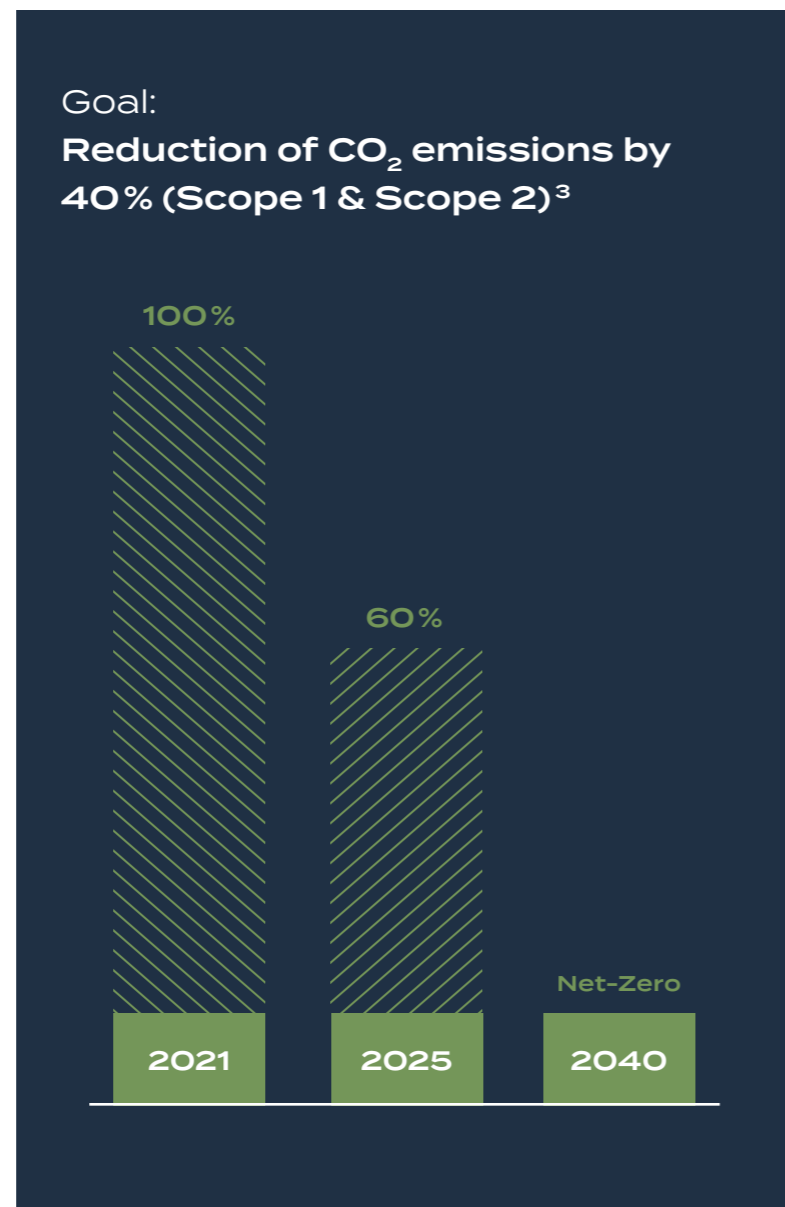
While Augsburg, Hanover and Winterthur are already certified, ISO 14001 certification is planned for the Rheine site for 2023. To this end, the site launched a project in the year under review coordinated by the central specialist department. We intend to have all RENK production sites ISO 14001 certified. Furthermore, RENK is aiming for its first EcoVadis certification in 2023 and plans to demand this from its suppliers as well. Thus, in the area of sustainability, we are not only focusing on the performance of our sites but are also broadening our perspective to include our supply chain.

📄 Further information on our supply chain management system from p. 54

3.2 Energy and emissions

Climate neutrality by 2040¹

✓ > The fact that our CO₂ emissions have a significant and lasting impact on climate change is an aspect we recognize and respond to. Based on our target of climate neutrality by 2040 (with regard to Scope 1 & Scope 2), an environmental program was adopted last year to systematically and sustainably reduce energy consumption and CO₂ emissions.²



¹ Climate neutrality relates exclusively to Scope 1 & Scope 2. For this purpose, compensation measures from CO₂ certificates are also used.
² The consumption relevant for CO₂ balancing, in particular electricity and gas consumption, was taken into account with country- or site-specific emission factors.
³ Relative indicator: kg CO₂e per € 1,000 in revenue.

Lowering energy consumption

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

As defined in the sustainability strategy, 60 % of all our purchased electricity is to come from renewable sources by 2025. We already purchase 100 % of the electricity used at all RENK sites in Germany from renewable sources.⁴ We consider this target ambitious due to the limited availability of electricity from renewable sources in Michigan, where our main production site is located. We use electricity to power our machines, test benches and heat treatment process, among other things. As electricity is an important source of energy for RENK, we are pushing ahead strongly with projects to increase energy efficiency at all our sites. To identify opportunities for energy efficiency enhancement, we will be carrying out energy audits at all our sites starting in 2023 and every four years.

Energy-saving projects launched and partly completed in the reporting year include the installation of energy-saving LED lighting and the improvement of compressed air efficiency in production machinery, as well as energy-efficient building refurbishment. A feasibility study on the installation of photovoltaic systems is currently in progress at our Saint-Ouen-l'Aumône site in France.

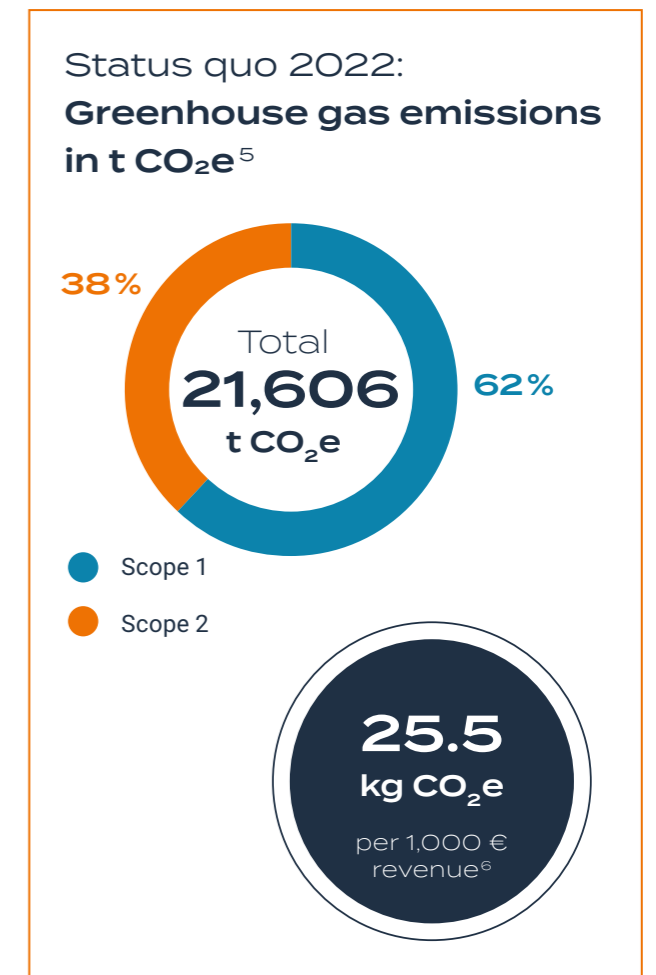
Reducing our emissions

We aim to reduce our CO₂ emissions (Scope 1 & Scope 2) in relation to revenue to 60 % of the 2021 baseline by 2025. We have identified the emissions generated in the upstream and downstream value chain (Scope 3) as another important factor. First, in 2023 we will bring transparency to our complex supply chain, among other things through software-based determination of the associated CO₂ emissions. The consideration of ESG criteria in our procurement process also plays an important role in promoting greater sustainability in the RENK

⁴ This electricity is converted into CO₂ emissions with the emission factor 0g CO₂ per kWh.
⁵ CO₂ equivalents are a unit of measurement used to standardize the climate impact of different greenhouse gases.
⁶ Scope 1 & Scope 2; figure not audited.

supply chain and is an aspect that we intend to address in more detail.

📖 Further information on our supply chain management system from p. 54



In order to create awareness of the more efficient use of electricity and other energy sources in everyday working life, it is important to sensitize our employees and managers to this issue. This will be done through appropriate awareness training starting in 2023. We also want to support our employees in reducing their personal CO₂ footprint. We will define concrete measures in 2023 as part of the environmental program. ✓

3.3 Material and resource efficiency

Reducing our water consumption

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

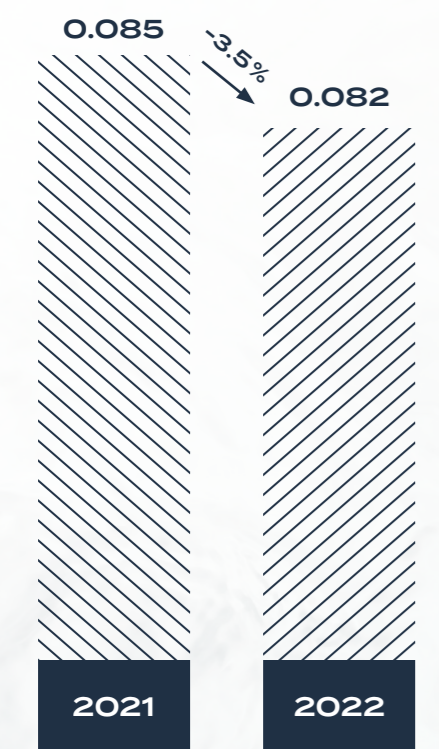
We need water at RENK's production sites for sanitary purposes, cooling production machinery and for industrial applications. Since we believe that we already handle water very efficiently in our production processes, we consider savings in its use for sanitary purposes to be a

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

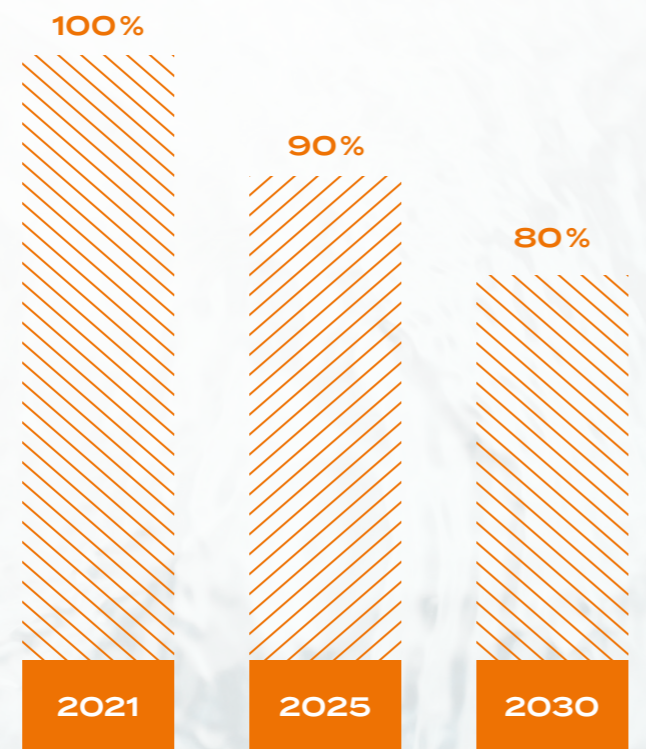
Total water withdrawal in the year under review was 69,313 m³ (previous year: 69,255 m³). In relation to our revenue, water consumption decreased by 3.5 %.

As a matter of principle, facilities relevant to water protection must be operated in such a way that there is no risk of contamination of water bodies and soils. So far, no case of unintentional pollution has been recorded at RENK. As of 2023, we are firmly integrating the issue of water contamination into a documented emergency plan at all production sites. Through the resulting measures, we also aim to systematically reduce water-related production risks. < ✓

Status quo 2022:
Water consumption¹ in
m³ / 1,000 € revenue



Goal:
Reduction of water
consumption



¹ In calculating the key figures for which real consumption figures were not available, extrapolation was carried out using headcounts.

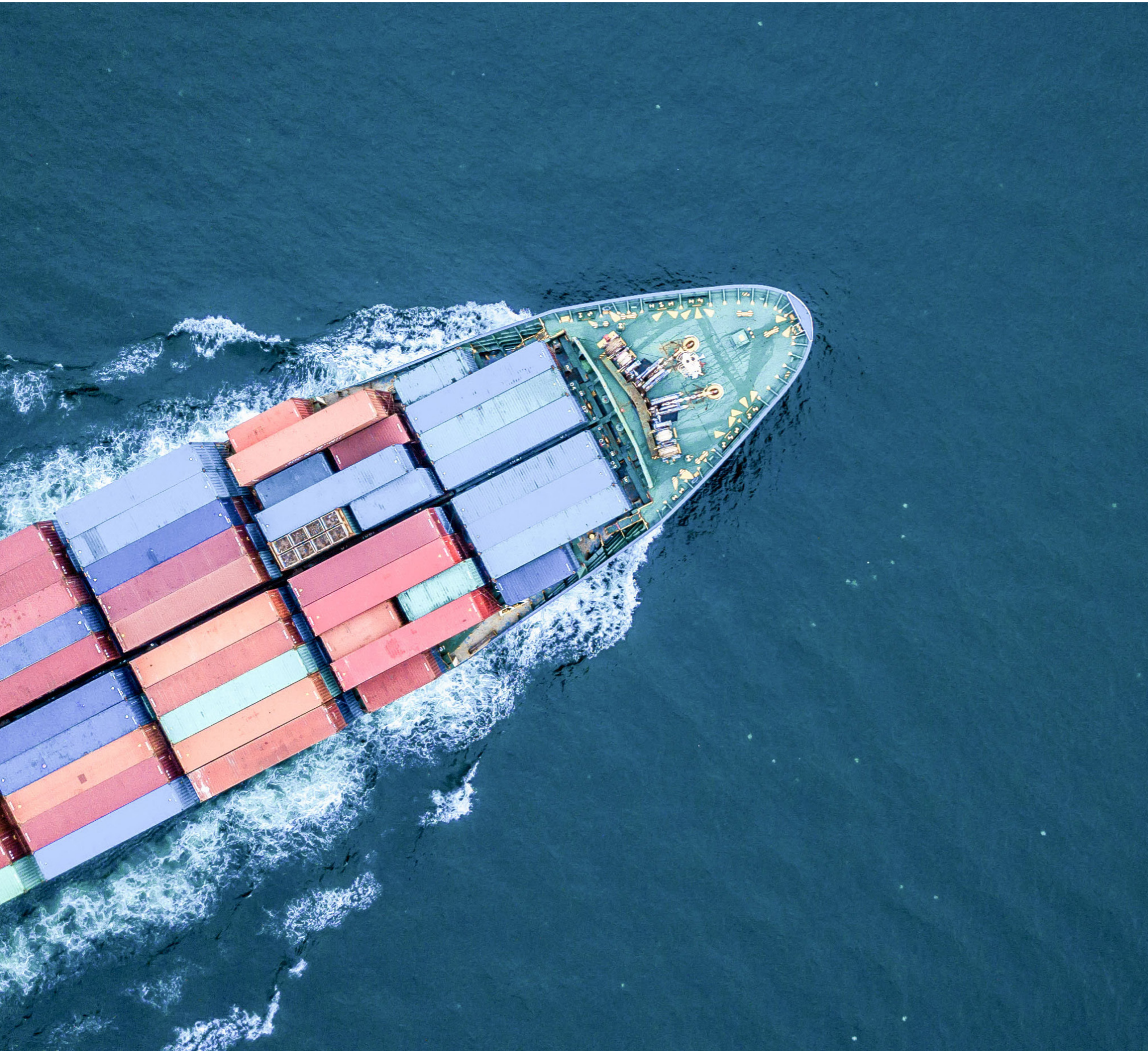
Dealing with waste disposal

Waste management is another important point in the newly adopted RENK environmental program. At present, the individual RENK sites are independently responsible for this topic. The main sources of waste generation are our production and office sites.

First and foremost, we want to avoid waste. If we cannot reduce waste further, it should be sent for recycling by a recognized organization. By 2025, our focus is on expanding recycling processes at our sites and on substituting hazardous and environmentally harmful raw materials in our products. As a first step, a project to develop a substitution process valid for the entire RENK Group will start in 2023. In addition, individual sites are conducting a feasibility study on the extent to which they can increase the recycling rate. Possible considerations relate to switching of waste for recycling (Abfall zur Verwertung – AZV) from thermal recycling to sorting in order to increase the proportion of recyclable waste.

Status quo 2022:
Waste disposal in t





04

Suppliers & raw materials


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

4.1 Minimum requirements for suppliers

Global orientation of supply chain management

Through the global orientation of supply chain management and the creation of a global purchasing organization as a central function of the RENK Group, we have established central control and management functions.

These functions build responsible and sustainable cooperation with global suppliers. In 2021, we revised the Supplier Code of Conduct and expanded it to include further important sustainability aspects. A new revision is currently underway and will be published in 2023. In the reporting year, we also began developing and drafting a global supply chain policy to standardize our supply chains and support the preparation of a global supplier management system. At the same time, the responsibility of the RENK Group to comply with national laws and internationally recognized guidelines is ensured centrally.

 **Further information on our Supplier Code of Conduct:**



Standardization and expansion of global guidelines

We continuously review national and international purchasing and supplier guidelines to meet the requirements of the RENK Group for responsible cooperation with all suppliers and ensure compliance. We continuously consider current changes and extensions and integrate them into our supplier management strategy. In 2023, the RENK Group will bundle local and national purchasing and supplier guidelines and merge them into global guidelines.

Introduction of a global supplier management system

Our aim is to harmonize, bundle and centrally manage the global supply chain and purchasing processes. In the first quarter of 2023, the RENK Group will introduce a global supplier management system and ensure compliance with named laws and guidelines in a system-supported, automated and comprehensive manner. In the future, potential and existing suppliers will undergo a registration and qualification process supported by self-disclosures, individual questionnaires, third-party data and other information. We collect the specific qualifications, certificates and certifications of suppliers, track them over time, request them automatically with the support of the system when they expire, and take them into account in supplier management and when awarding contracts. We subject all RENK Group suppliers to a risk assessment. For this purpose, we create a risk profile and enrich it through the respective supplier profiles with third-party data, such as from EcoVadis or Integrity Next. This ensures compliance with current national and international requirements and makes the supply chain transparent with regard to potential risks. In this way, the RENK Group creates the basis for sustainable supplier management.

"Volatile markets and disruptions to global supply chains determine our day-to-day business. It is therefore essential that we work responsibly with our suppliers over the long term. In our global supply chain management, we ensure, among other things, that ethical principles are observed along the global supply chain."

Bernd Holzinger,
Head of Supply Chain Management

Introduction of global supplier risk and ESG management

As part of the introduction of a central, global supplier management system, the RENK Group will establish a supplier risk and supplier ESG management system simultaneously.

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

Fulfillment of the due diligence requirements of the LkSG

With the introduction of the supplier management system in combination with global supplier risk and ESG management, the RENK Group ensures all requirements for compliance with the duties of the LkSG and other requirements such as the UK Modern Slavery Act. However, with a globally operating purchasing organization, the RENK Group not only meets local, regional or

national requirements. It also takes into account all guidelines and requirements that apply in the markets of its subsidiaries – or in those of the respective suppliers – and ensures compliance with them.

Outlook 2025


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

4.2 Material compliance

Comprehensive material requirements

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

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

 **Further information on our General Terms and Conditions of Purchase:**



 **Our Conflict Minerals Policy:**



In the reporting year 2022, we were able to complete the pilot project "Implementation of the Material Compliance Target Process", which applies to our sites within the EU. Part of the project was also the development of a Group-wide Material Compliance Corporate Guideline. This summarizes all criteria and regulatory frameworks of importance to the RENK Group in a standard process to map the flow of information regarding SVHC in our products.

The Material Compliance Process defines how we inform our customers about so-called prohibited and declarable substances. Our suppliers are required to inform us immediately as soon as new information on the ingredients of their products becomes available.

At RENK's European sites, 95 % of the products containing SVHC contain lead. This heavy metal is predominantly used in our purchased electronic components (as a component of solders) or as a component of free-cutting steel for optimized machining processes in metal-cutting production processes. Avoiding health risks is one of the core objectives of our sustainability strategy. We have therefore set ourselves the goal of reducing the number of materials containing lead as far as possible through substitution. The start of a central project for this is planned for 2023.

Responsible procurement

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

chain if necessary. Because we see ourselves as a company with strong roots in social responsibility, compliance with human rights and social standards is a fundamental core of our business activities. We therefore want to ensure compliance with human rights and ecological as well as social standards with regard to the materials we use. For this reason, we will publish a Group-wide report on conflict minerals from 2023 onwards, based on the requirements of the RMI. We also intend to make this report available to our customers on request.





05

Employees & health

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



5.1 Talent acquisition

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

Acquisition of experienced talents

To attract experienced talent, we employ particularly experienced recruiters at our sites in Germany and the U.S. who focus on approaching and attracting such people. Since the reporting year, they have been receiving support from various employee networks through campaigns such as "Employees recruit employees", for example. This has already enabled RENK to recruit over 100 employees in Germany. In 2023, we will roll out the campaign globally at our sites.

In the competition for young and experienced talent, we focus on a professional employer image, particularly in Germany. At the same time, we have established efficient recruiting processes that are transparent for applicants and managed decently by our sites. Our social media presence will be strengthened in 2023 to help RENK noticeably raise its profile. In Augsburg, we want to draw attention to ourselves through monthly campaigns such as trade show participation, sponsoring and increased presence at events. In addition, we intend to introduce a global recruiting platform in 2023 that will make our vacancies visible worldwide, both internally and externally.

The interaction of these measures is intended to create a multiplier effect among the various target groups.



Cooperation with colleges and universities

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

"We are convinced that social responsibility and successful business go hand in hand. This is reflected in our daily work: how we attract and develop talent, for example, or create a modern, safe and diverse working environment."

*Brigitte Schnakenbourg,
Chief Human Resources Officer*

In the future, various projects are planned to expand our school and university partnerships. On the one hand, we want to carry out more student projects at RENK, accompanied by professors. On the other hand, we want to promote guest lectures by RENK employees at universities and research institutions as well as teaching assignments for an entire semester. Currently, there are already employees who hold lectureships and thus provide insights into our company. There are also plans to create a Group-wide RENK network between working students, interns and bachelor's and master's students, as well as to get to know various departments and locations through regular lectures and thus create further points of contact.



High-quality vocational training


The RENK Group offers a high-quality training program for individuals interested in a career in mechanical engineering and the manufacturing industry. The program provides apprentices with the necessary skills and knowledge to succeed in a wide range of functions within the company. In the reporting year 2022, we trained around 100 apprentices in seven occupations in Germany, the U.S., France and the UK.

During their training, apprentices work with experienced specialists and gain practical experience in various areas such as manufacturing, engineering and quality control. At RENK, we attach great importance to safety and quality. Our apprentices internalize the importance of these factors throughout their training. They also learn about the company's commitment to sustainability and environmental responsibility.

Together with the MAN Energy Solutions training center, we support the annual regional "Jugend forscht" competition at our headquarters in Augsburg, in which our trainees also regularly take part.



5.2 Development of our employees

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

In the reporting year, training programs were highly dependent on location. In 2023, we intend to introduce a global learning platform that will allow us to train our employees on specific topics in all countries. The combination of local education catalogs and training courses is intended to offer employees a diverse range of learning opportunities that will enable them to master the challenges of a constantly changing world and shape their environment. From 2023, we will also offer training courses focusing on sustainability in order to raise awareness of this issue among both employees and managers.

RENK education catalogs

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

"I started working for RENK in 1991 as a project engineer. The decisive factor for me to switch to RENK was the extremely high technical level. In the course of my career, I have found optimal conditions here for my personal and professional development."

Mathias Karrer,
Managing Director RENK Test System GmbH

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



Competencies in functions and committees

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

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

Function at conferences:

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

Committees:

- Chair of the BDI Safety Committee
- Chair of ISO/TC123/SC 3 "Dimensions, tolerances and construction details"
- Committee for the API Calculation Specification for Turbo Transmissions, API 613
- Chairman of the Board of the Antriebstechnik e.V. Research Association
- CH Standards Association (SNV) NK25, Gearings and Gears committee
- Spokesman of the German Delegation to ISO Committee TC60/SC2/WG6 "Gear calculations"
- BDSV-BMVg Capability and Armaments Cooperation Expert Group

Focus on leadership development

We develop new managers through targeted local training measures. In Germany, they are given the opportunity for further training as part of the cross-hierarchy and cross-functional RENK Leadership Program. The program contains three modules: leadership personality, leading challenging employee discussions constructively, and recognizing and resolving conflicts. In addition, the program enables managers to correctly assess the behavior of their employees and to develop target agreements in the course of the annual performance appraisal meetings. In the future, the focus of management development will be on engagement drivers. The target here is a training rate of 100 % by 2025. < ✓

Goal for 2025:
Training ratio regarding leadership development



5.3 Modern, social and diverse working environment

Social responsibility

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

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

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

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

Another body that is intended to make everyday work easier for employees is the representative body for disabled people. It actively promotes the rights and representation of individuals with disabilities. This body has the task of promoting the integration of severely disabled people into the company. It represents their

interests in the company and provides them with advice and assistance.

At RENK, the Youth and Trainee Council (JAV) ensures that the rights of trainees and dual students are adequately represented.

Transparent workforce management

In 2023, we want to introduce a global workforce management system. The aim is to establish transparent, standardized, harmonized and automated processes that will enable us to develop the organization based on facts and data. The system, Cornerstone, is a cloud-based solution and will include the modules recruitment, salary development, performance management and goal setting, succession planning, and learning.

In the reporting year 2022, we conducted the first global employer engagement survey based on Gallup Q12®. Our engagement model is based on four drivers:

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


This model is also the basis for future leadership development. We want to empower our managers to positively influence the engagement level of their employees. It has been found that the driver competence is the one that offers the greatest development potential. The employee survey is to be repeated at least once a year.



Promoting diversity and equal opportunities

For the RENK Group, diversity and equal opportunity in the workplace are crucial to a productive and inclusive work environment. A diverse workforce brings a variety of perspectives and ideas, fosters innovation and can lead to better decision making. We recognize that a diverse workforce helps us better to understand and serve our customers. Regardless of our employees' backgrounds, equal opportunity helps ensure that everyone has a fair chance to succeed and reach their full potential at RENK. This is not only morally and ethically correct and contemporary, but also beneficial to the growth and success of our company.

Diversity and equal opportunity are elementary values of RENK's sustainability strategy. We aim to create a workplace that is inclusive of all employees and respects their cultural backgrounds, experiences and perspectives. RENK also has a zero-tolerance policy toward discrimination and harassment of any kind. Binding ethical principles of conduct are laid down for all employees in the RENK Code of Conduct.

 Further information on the RENK Code of Conduct:



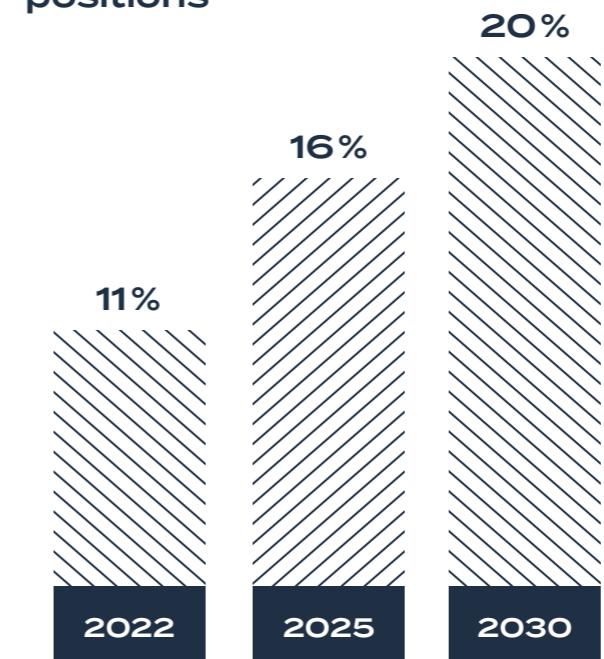
The introduction of a global workforce management system will additionally help us to ensure that the Diversity Policy is also applied in our HR processes – from recruitment to salary classification and development to career and development opportunities.

To emphasize our ambitions, we committed to the ten principles of the UN Global Compact in the reporting year and initiated the process of signing the Charta der Vielfalt. Various activities are already planned for 2023, for example as part of International Women's Day and Diversity Day.





Goal: Increasing the share of women in leadership positions¹



(Gender) diversity at all levels

The topic of gender diversity is of particular importance at RENK and a focus of our sustainability strategy. We are aware that gender diversity promotes a more inclusive and equitable working environment, which can lead to higher employee satisfaction and retention. In the reporting year, 12.6 % of our workforce was female; 11.0 % of management positions and 33.3 % of our Supervisory Board were held by women. Although we are a pioneer in our sector, with 50 % women at Group Management Board level, we are aware that the proportion of women at lower levels is significantly too low. For this reason, we have set ourselves a target quota of 16 % for 2025 and 20 % for 2030.

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

In addition to gender diversity, the RENK Group aims to significantly increase the share of executives with foreign background at the top two management levels.² To achieve this goal, the entire application process follows a global approach. Job advertisements for all locations will be in English and published via international platforms. In addition, global HR consultants are increasingly being engaged to find the ideal candidates.

¹ Leadership positions are defined as positions with a disciplinary management function.
² Corresponds to the top two levels below the Group Management Board.

5.4 Occupational health and safety

✓ > Our employees are one of the most important pillars of RENK. Ensuring them a healthy and safe working environment is therefore our priority. Global megatrends are increasingly bringing change in the world of work. Alongside technological upheavals and the effects of the coronavirus pandemic, for example, demographic change is ensuring an aging workforce.

Uniform occupational health and safety standards

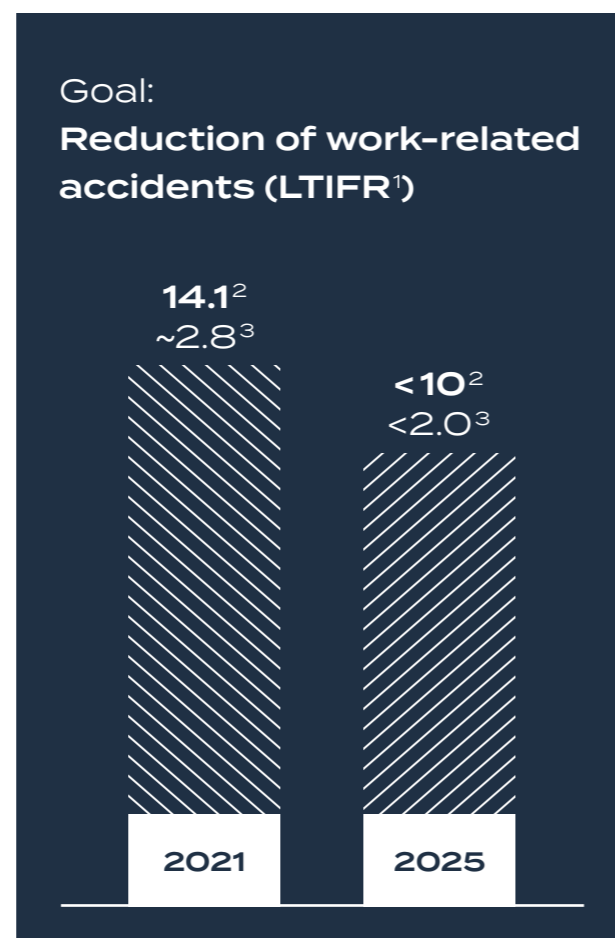
Managers and employees are called upon to comply with the statutory and RENK-internal requirements on the subject of occupational safety and to report unsafe situations or hazards to their supervisors. Among other things, risks are identified and assessed on the basis of activity- and workplace-related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

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

In addition, starting in 2023, meetings will be held several times a year at each site under central HSE leadership to follow up on the occupational safety targets and measures defined in the sustainability strategy and – if necessary – coordinate further measures. One of our central goals is to reduce the accident rate (LTIFR) to <10 by 2025. In the reporting period, it was already reduced to 11.9 (previous year: 14.1).

Regulated responsibility

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



is to raise awareness of the topic of occupational safety and health protection at both the work level and the management level and to avoid repetition.

In order to comply with legal requirements and further develop the company's own occupational safety processes and standards, the RENK Group will introduce a comprehensive and central HSE management system in the coming years. Among other things, this will take into account international occupational safety standards.

The focus topic of HSE management for 2023 will be employee training on safety and health in the workplace. The aim is to raise employee awareness and thus prevent incidents. RENK has set itself the goal of paying greater attention to near misses. All employees are to be motivated to report them via a standardized reporting process at their respective sites. Serious near misses are also communicated by means of the ad hoc reporting described above.

ISO 45001 certification

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

RENK attaches particular importance to employee participation in the context of health and safety. Across the sites, both managers and employees are regularly informed and involved in committees set up specifically for the topic of occupational safety and health. In order

to mitigate the impact on occupational safety and health directly associated with our business relationships, individual measures are implemented for each site.

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

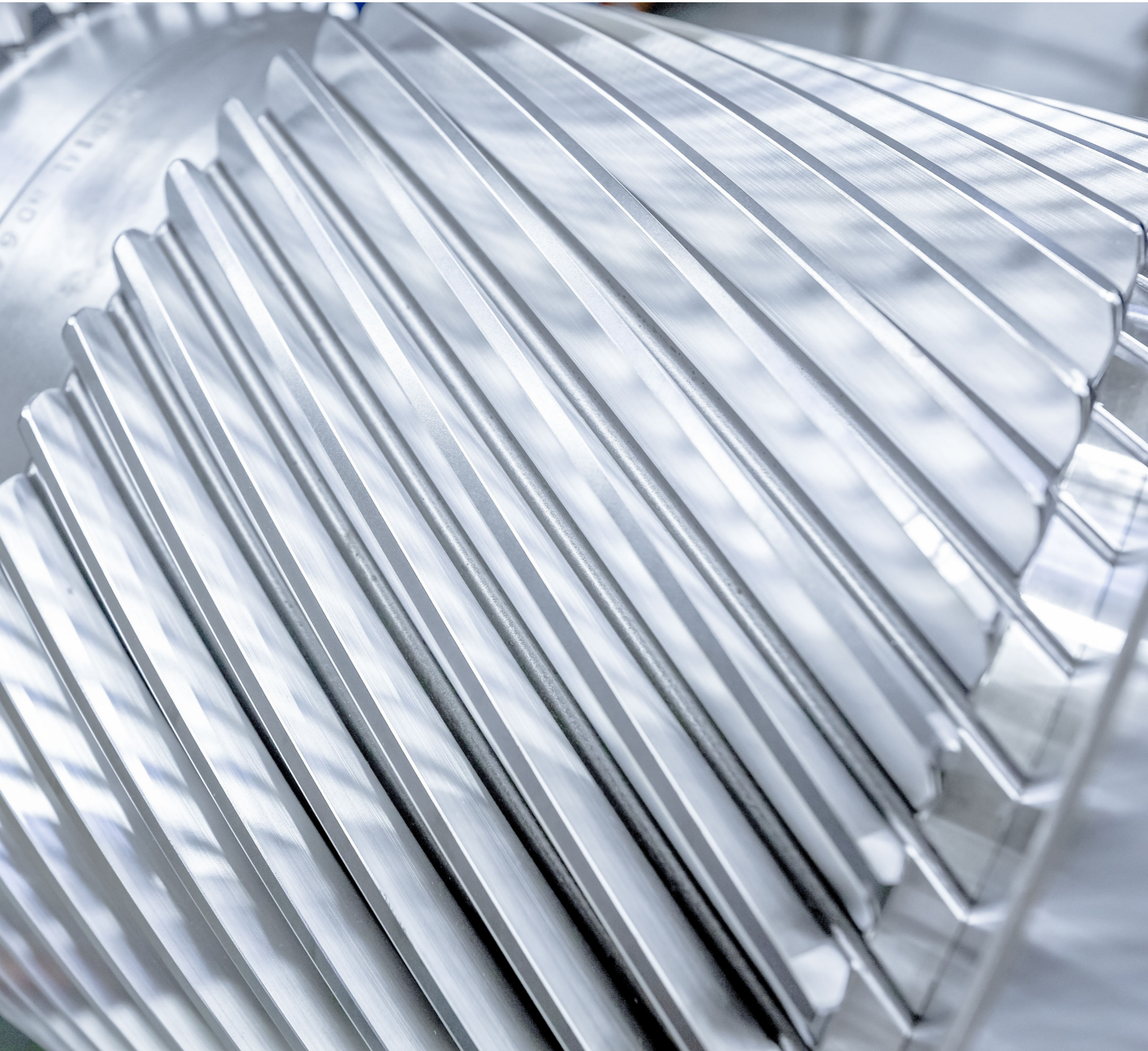
Health promotion

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

¹ Lost Time Injury Frequency Rate.

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

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



06

Appendix

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

6.1 About this report

Background and framework

Our sustainability report entitled *Trusted Partner – Working Together for a Sustainable Future* for fiscal year 2022 is the first of its kind for the RENK Group. We consider it particularly important to report on our sustainable corporate actions. The report is based on our Sustainability Strategy 2025, shows the status quo and the status of target achievement, and addresses planned projects.

RENK has reported with reference to the GRI standards for the period January 1 to December 31, 2022. Section 6.4 contains the GRI content index. This clearly shows which indicators RENK addresses in the report and which topics are defined as material, together with a reference to the respective report pages. In order to identify the material topics, a comprehensive materiality analysis was carried out in the reporting year (see section 1.2).

External audit

The sustainability report was audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft on behalf of the RENK Group's management for the purpose of obtaining limited assurance. The audit statement can be found in section 6.3.

Principles of data collection and presentation

The report is a closing-date analysis as of December 31, 2022. All domestic and foreign subsidiaries indirectly or directly controlled by RENK GmbH are included in the report. The report covers 100 % by revenue and employees and includes all major locations.

In this sustainability report, we focus on key performance indicators that represent the core of the implementation of our sustainability strategy. In the coming years, further indicators will be added that are required for reporting

in accordance with the GRI standards. Data aggregation, which forms the basis for the key figures included in the report, was mainly carried out using unit-specific software. The data for the report was validated for each site and plausibility checked centrally.

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

RENK follows the guidelines set out in the GHG Protocol when recording GHG emissions. Emissions of greenhouse gases are recorded as CO₂ equivalents using conversion factors and reported accordingly as CO₂e. We have recorded all available consumption. In the calculation of key figures for which real consumption figures were not available, extrapolations were made using headcounts.

In the reporting year, we covered 100 % of our own employees. The published key figures therefore cover 100 % of our employees. Key personnel figures in this report are stated in headcounts. The date of consideration for personnel indicators is December 31, 2022.

Forward-looking statements

For a holistic presentation of the sustainability strategy, the statements go beyond the status quo. The forward-looking statements made are based on the assumptions and estimates of the management valid at the editorial deadline. As such statements are subject to risks and uncertainties, we reserve the right to make corrections to these statements in our next report. We may also adjust sustainability targets in response to feedback from our stakeholders.

Editorial notes


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

On our website www.renk.com, the report is available for download in both German and English. The next sustainability report is expected to be published in spring 2024.

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





6.2 Sustainability key figures

The following are non-financial indicators for measuring RENK GmbH's sustainability performance. The reporting period covers fiscal 2022. In the course of preparing RENK GmbH's non-financial reporting, selected qualitative and quantitative disclosures were subjected to a




business audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) for the purpose of obtaining limited assurance. Key figures audited in this context are marked with a  symbol.

Key figures "Environmental"

Energy consumption

	Unit	2022	Standard	Denotation
Total energy consumption	kWh	121,854,858	GRI 302-1	
Of which combustibles and fuels (Scope 1)	kWh	66,673,781	GRI 302-1	
Of which from utilities (Scope 2)	kWh	55,181,077	GRI 302-1	
Of which renewable energies (electricity)	kWh	29,312,899	GRI 302-1	
Energy intensity	kWh/EUR	0.14	GRI 302-3	

Emissions

	Unit	2022	Standard	Denotation
Greenhouse gas emissions ¹	t CO ₂ equivalents	21,606	GRI 305	
Direct greenhouse gas emissions (Scope 1)	t CO ₂ equivalents	13,417	GRI 305-1	
Indirect greenhouse gas emissions (Scope 2)	t CO ₂ equivalents	8,189	GRI 305-2	
Intensity of GHG	kg CO ₂ e / € 1,000 revenue	25.5	GRI 305-4	

Waste for recycling and disposal









	Unit	2022	Standard	Denotation
Hazardous waste for disposal	kg	527,622	GRI 306-5	
Non-hazardous waste for disposal	kg	3,365,618	GRI 306-5	
Recycled waste	kg	4,812,174	GRI 306-4	

Water

	Unit	2022	Standard	Denotation
Water consumption ²	m ³	69,313	GRI 303-5	

Key figures "Social"

Employees by region and gender

	Unit	2022	Standard	Denotation
Total ³	Number	3,073	GRI 2-7	
By region				
Of which in Germany	Number	2,191	GRI 2-7	
Of which in Europe w/o Germany	Number	320	GRI 2-7	
Of which in America	Number	492	GRI 2-7	
Of which in Asia	Number	70	GRI 2-7	
By gender				
Of which male	Number	2,684	GRI 2-7	
Of which female	Number	389	GRI 2-7	
Of which diverse ⁴	Number	0	GRI 2-7	

Age and duration of employment

	Unit	2022	Standard	Denotation
Average age	Years	43.75	-	
Average duration of employment	Years	13.81	-	

Employees by type of contract (Germany)

	Unit	2022	Standard	Denotation
Employees by type of contract (Germany)	Number	2,191	-	
Of which covered by collective bargaining agreements	%	89.2	-	
Of which not covered by collective bargaining agreements	%	10.8	-	

¹ The accounting of emissions is based on different sources of the emission factors per country.

² Headcounts were used to extrapolate when calculating the key figures for which real consumption data was not available.

³ Active workforce without temporary workers, apprentices and dual students.

⁴ Since 2019, all employees of the RENK Group have had the option of stating their gender as "diverse".

Share of women

	Unit	2022	Standard	Denotation
RENK total	%	12.6	-	
New hires	%	13.7	-	
In control bodies	%	33.3	-	
In leadership positions (total)	%	11.0	-	
In the Group Management Board	%	50.0	-	

Apprentices (Germany)

	Unit	2022	Standard	Denotation
Apprentices total	Number	98	-	
By gender				
Of which male	Number	93	-	
Of which female	Number	5	-	
Of which diverse ¹	Number	0	-	

Dual students (Germany)

	Unit	2022	Standard	Denotation
Dual students, total	Number	15	-	
By gender				
Of which male	Number	12	-	
Of which female	Number	3	-	
Of which diverse ¹	Number	0	-	

¹ Since 2019, all employees of the RENK Group have had the option of stating their gender as "diverse".**Employees by employment relationship I**

	Unit	2022	Standard	Denotation
Permanent employees	Number	3,036	GRI 2-7	☑
By region				
Of which in Germany	Number	2,170	GRI 2-7	☑
Of which in Europe w/o Germany	Number	316	GRI 2-7	☑
Of which in America	Number	492	GRI 2-7	☑
Of which in Asia	Number	58	GRI 2-7	☑
By gender				
Of which male	Number	2,655	GRI 2-7	☑
Of which female	Number	381	GRI 2-7	☑
Of which diverse ¹	Number	0	GRI 2-7	☑
Fixed-term employees	Number	37	GRI 2-7	☑
By region				
Of which in Germany	Number	21	GRI 2-7	☑
Of which in Europe w/o Germany	Number	4	GRI 2-7	☑
Of which in America	Number	0	GRI 2-7	☑
Of which in Asia	Number	12	GRI 2-7	☑
By gender				
Of which male	Number	29	GRI 2-7	☑
Of which female	Number	8	GRI 2-7	☑
Of which diverse ¹	Number	0	GRI 2-7	☑

Employees by employment relationship II

	Unit	2022	Standard	Denotation
Full-time employees	Number	2,927	GRI 2-7	☑
By region				
Of which in Germany	Number	2,071	GRI 2-7	☑
Of which in Europe w/o Germany	Number	295	GRI 2-7	☑
Of which in America	Number	491	GRI 2-7	☑
Of which in Asia	Number	70	GRI 2-7	☑
By gender				
Of which male	Number	2,621	GRI 2-7	☑
Of which female	Number	306	GRI 2-7	☑
Of which diverse ¹	Number	0	GRI 2-7	☑
Part-time employees	Number	146	GRI 2-7	☑
By region				
Of which in Germany	Number	120	GRI 2-7	☑
Of which in Europe w/o Germany	Number	25	GRI 2-7	☑
Of which in America	Number	1	GRI 2-7	☑
Of which in Asia	Number	0	GRI 2-7	☑
By gender				
Of which male	Number	63	GRI 2-7	☑
Of which female	Number	83	GRI 2-7	☑
Of which diverse ¹	Number	0	GRI 2-7	☑

¹ Since 2019, all employees of the RENK Group have had the option of stating their gender as "diverse".

New hires

	Unit	2022	Standard	Denotation
Total	Number	365	GRI 401-1	☑
Of which in Germany	Number	268	GRI 401-1	☑
	%	73.4	GRI 401-1	☑
Of which in Europe w/o Germany	Number	45	GRI 401-1	☑
	%	12.3	GRI 401-1	☑
Of which in America	Number	47	GRI 401-1	☑
	%	12.9	GRI 401-1	☑
Of which in Asia	Number	5	GRI 401-1	☑
	%	1.4	GRI 401-1	☑

Leavings

	Unit	2022	Standard	Denotation
Total	Number	262	GRI 401-1	☑
Of which in Germany	Number	167	GRI 401-1	☑
	%	63.7	GRI 401-1	☑
Of which in Europe w/o Germany	Number	34	GRI 401-1	☑
	%	13.0	GRI 401-1	☑
Of which in America	Number	58	GRI 401-1	☑
	%	22.1	GRI 401-1	☑
Of which in Asia	Number	3	GRI 401-1	☑
	%	1.2	GRI 401-1	☑

Parental leave (Germany)¹

	Unit	2022	Standard	Denotation
Entry into parental leave	Number	11	GRI 401-3	✓
Of which male	Number	0	GRI 401-3	✓
Of which female	Number	11	GRI 401-3	✓
Of which diverse ¹	Number	0	GRI 401-3	✓
Returns from parental leave	Number	13	GRI 401-3	✓
Of which male	Number	2	GRI 401-3	✓
Of which female	Number	11	GRI 401-3	✓
Of which diverse ¹	Number	0	GRI 401-3	✓
Remainers after parental leave (12 months)	Number	2	GRI 401-3	✓
Of which male	Number	0	GRI 401-3	✓
Of which female	Number	2	GRI 401-3	✓
Of which diverse ¹	Number	0	GRI 401-3	✓

Diversity in control bodies

	Unit	2022	Standard	Denotation
Persons in control bodies – Supervisory Board	Number	12	GRI 405-1	✓
Of which male	%	66.7	GRI 405-1	✓
Of which female	%	33.3	GRI 405-1	✓
Of which diverse ¹	%	0	GRI 405-1	✓
Of which in age group < 30 years	%	0	GRI 405-1	✓
Of which in age group 30 - 50 years	%	50.0	GRI 405-1	✓
Of which in age group > 50 years	%	50.0	GRI 405-1	✓
Persons in control bodies – Board	Number	18	GRI 405-1	✓
Of which male	%	94.4	GRI 405-1	✓
Of which female	%	5.6	GRI 405-1	✓
Of which diverse ¹	%	0	GRI 405-1	✓
Of which in age group < 30 years	%	5.5	GRI 405-1	✓
Of which in age group 30 - 50 years	%	55.6	GRI 405-1	✓
Of which in age group > 50 years	%	38.9	GRI 405-1	✓

¹ Since 2019, all employees of the RENK Group have had the option of stating their gender as "diverse".

Diversity according to function

	Unit	2022	Standard	Denotation
Production	Number	1,697	GRI 405-1	✓
Of which male	%	95.4	GRI 405-1	✓
Of which female	%	4.5	GRI 405-1	✓
Of which diverse ¹	%	0	GRI 405-1	✓
Supply Chain	Number	216	GRI 405-1	✓
Of which male	%	73.6	GRI 405-1	✓
Of which female	%	26.4	GRI 405-1	✓
Of which diverse ¹	%	0	GRI 405-1	✓
Sales	Number	352	GRI 405-1	✓
Of which male	%	79.3	GRI 405-1	✓
Of which female	%	20.7	GRI 405-1	✓
Of which diverse ¹	%	0	GRI 405-1	✓
Design / R&D	Number	501	GRI 405-1	✓
Of which male	%	91.0	GRI 405-1	✓
Of which female	%	9.0	GRI 405-1	✓
Of which diverse ¹	%	0	GRI 405-1	✓
Administration	Number	307	GRI 405-1	✓
Of which male	%	55.1	GRI 405-1	✓
Of which female	%	45.0	GRI 405-1	✓
Of which diverse ¹	%	0	GRI 405-1	✓

Further key figures

	Unit	2022	Standard	Denotation
Turnover rate (Germany)	%	4.3	-	
Leadership positions	Number	353	-	
Severely disabled employees (Germany)	%	4.1	-	
Temporary workers	Number	62	-	
eNPS (Employee Net Promoter Score)	Score	2.3	-	

Occupational safety

	Unit	2022	Standard	Denotation
LTI ¹	Number	55	GRI 403-9	☑
LTIFR ¹	Ratio	11.9 ³	GRI 403-9	☑
	Ratio	~2.4 ⁴	-	
FAFR ²	Ratio	0	GRI 403-9	☑

¹ Work-related injuries with severe consequences.

² Fatalities due to work-related injuries.

³ Accidents with lost time per 1,000,000 hours worked (according to standard set by German employers' liability association).

⁴ Accidents with lost time per 200,000 hours worked (according to U.S. Occupational Safety and Health Administration Standard).

Key figures "Governance"

Training

	Unit	2022	Standard	Denotation
Employees trained on Code of Conduct ⁵	%	90	-	

Laws and regulations

	Unit	2022	Standard	Denotation
Violations of laws and regulations	Number	0	GRI 2-27	☑
Fines paid for violations of laws and regulations	Number	0	GRI 2-27	☑
	EUR	0	GRI 2-27	☑

Protection of customer data

	Unit	2022	Standard	Denotation
Received substantiated complaints related to customer privacy breaches				
Of which complaints from external parties recognized as well-founded by the organization	Number	0	GRI 418-1	☑
Of which complaints from supervisory authorities	Number	0	GRI 418-1	☑
Total number of identified cases of data theft and data loss related to customer data	Number	0	GRI 418-1	☑

⁵ The training on Code of Conduct includes the topics of anti-corruption, anti-money laundering, antitrust law, whistleblowing, data protection, avoidance of conflicts of interest and export control.

6.3 Auditors' report

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

To Renk GmbH, Augsburg

We have performed a limited assurance engagement on the disclosures denoted with (✓) in the sustainability report of Renk GmbH, Augsburg (hereinafter "the Company"), for the period from 1 January to 31 December 2022 (hereinafter the "Report"). Our engagement in this context relates solely to the disclosures denoted with the symbol (✓).

Responsibilities of the Executive Directors

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

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

Independence and Quality Control of the Audit Firm

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

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschafts-

prüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

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

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

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the disclosures denoted with (✓) in the Company's Report for the period from 1 January to 31 December 2022 have not been prepared, in all material aspects, with reference to the relevant GRI Criteria. This does not mean that a separate conclusion is expressed on each disclosure so denoted.

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

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

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Assessment of the process for conducting the materiality analysis in accordance with the GRI criteria
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Identification of the likely risks of material misstatement of the Report under consideration of the GRI-Criteria
- Analytical evaluation of selected disclosures in the Report
- Insight into the processes for collecting, controlling, analyzing and aggregating selected data at specific company locations
- Evaluation of the presentation of the selected disclosures regarding sustainability performance

Assurance Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures denoted with (✓) in the Company's Report for the period from 1 January to 31 December 2022 have not been prepared, in all material aspects, with reference to the relevant GRI-Criteria.

Intended Use of the Assurance Report

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

Munich, 26 April 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Hendrik Fink ppa. Sarah Riffelmacher
Wirtschaftsprüfer
(German Public Auditor)

6.4 GRI content index

RENK GmbH has reported on the information specified in this GRI content index for the period from January 1, 2022 to December 31, 2022, with reference to the standards of

the Global Reporting Initiative (GRI). The standards relevant for RENK as well as related information can be found below in tabular form.

GRI 2: General Disclosures 2021

The organization and its reporting practices

GRI Standard	References and comments
2-1 Organizational details	pp. 12 - 13 RENK GmbH is privately owned and directly wholly controlled by RENK FinCo GmbH. RENK FinCo GmbH is indirectly held by Limited Partnerships, which form the private equity fund Triton Fund V. Triton Fund V is part of a group of investment funds managed and advised by the Triton Group.
2-2 Entities included in the organization's sustainability reporting	Further information on corporate governance.
2-3 Reporting period, frequency and contact point	pp. 74 - 75
2-4 Restatements of information	2-4 is not applicable, as this is the first non-financial report.
2-5 External assurance	pp. 74 - 75 pp. 82 - 83

Activities and workers

GRI Standard	References and comments
2-6 Activities, value chain and other business relationships	RENK is active in the development, manufacturing and sale of drive technology products and general mechanical engineering. Not all information is available for 2-6.
2-7 Employees	pp. 79 - 80
2-8 Workers who are not employees	No information is available for 2-8, since there is no database available for the year under review. These indicators must first be developed.

Governance

GRI Standard	References and comments
2-9 Governance structure and highest body	Further information on corporate governance.
2-10 Nomination and selection of the highest governance body	Further information on corporate governance.
2-11 Chair of the highest governance body	Further information on corporate governance.

2-12 Role of the highest governance body in overseeing the management of impacts	Further information on corporate governance.
2-13 Delegation of responsibility for managing impacts	Further information on corporate governance.
2-14 Role of the highest governance body in sustainability reporting	Further information on corporate governance.
2-15 Conflicts of interest	Further information on corporate governance.
2-16 Communication of critical concerns	Further information on corporate governance.
2-17 Collective knowledge of the highest governance body	Not applicable, as no measures were taken in the reporting year.
2-18 Evaluation of the performance of the highest governance body	Further information on corporate governance.
2-19 Remuneration policies	Restrictions due to confidentiality obligations according to legal form.
2-20 Process to determine remuneration	Restrictions due to confidentiality obligations according to legal form.
2-21 Annual total compensation ratio	Restrictions due to confidentiality obligations according to legal form.

Strategy, policies and practices

GRI Standard	References and comments
2-22 Statement on sustainable development strategy	p. 3
2-23 Policy commitments	p. 29 pp. 56 - 57
2-24 Embedding policy commitments	Information is not available.
2-25 Processes to remediate negative impacts	pp. 26 -29 Information on the elimination of the effects is not currently available. Non-financial risks will not be included in the risk management system until 2023.
2-26 Mechanisms for seeking advice and raising concerns	p. 28
2-27 Compliance with laws and regulations	p. 85
2-28 Membership associations	Information is not available.

Stakeholder engagement

GRI Standard		References and comments
2-29	Approach to stakeholder engagement	<p><i>p. 18</i></p> <p>The following stakeholder groups are regularly involved: owner, owner's representatives. These hold regular discussions with the management on current business developments and the status of strategy implementation as well as other strategic and operational issues.</p> <p>Employees: RENK has been conducting regular employee surveys since 2022. In addition, employee representatives are delegated to the Supervisory Board – this also applies to representatives of the owner.</p> <p>Customers: RENK conducts regular customer satisfaction surveys.</p>
2-30	Collective bargaining agreements	<p><i>p. 77</i></p> <p>As a general rule, collective bargaining agreements in Germany are taken into account for relevant employee groups. Collective agreements of other organizations do not apply.</p>

Specific standard details

GRI 3: Material Topics 2021

GRI Standard		References and comments
3-1	Process to determine material topics	<i>pp. 18 - 19</i>
3-2	List of material topics	<p><i>p. 19</i></p> <p>No comparison with previous year possible due to first-time non-financial reporting.</p>

GRI 302: Energy

GRI Standard		References and comments
3-3	Management of material topics	<p><i>pp. 46 - 49</i></p> <p>Information not yet available in the reporting year, as this is the first non-financial report. Recording of all impacts and definition of measures to avoid or mitigate impacts will take place in 2023.</p>
302-1	Energy consumption within the organization	<p><i>p. 76</i></p> <p><i>pp. 74 - 75</i></p>
302-2	Energy consumption outside of the organization	<p>Information not available in the reporting year. Partial scope 3 coverage planned for 2023.</p>
302-3	Energy intensity	<i>p. 76</i>
302-4	Reduction of energy consumption	<p>Information not yet available in the reporting year, as this is the first non-financial report.</p>
302-5	Reductions in energy requirements of products and services	<p>Information not available in the reporting year. Partial scope 3 coverage planned for 2023.</p>

GRI 305: Emissions

GRI Standard		References and comments
3-3	Management of material topics	<p><i>pp. 46 - 49</i></p> <p>Information not yet available in the reporting year, as this is the first non-financial report. Recording of all impacts and definition of measures to avoid or mitigate impacts will take place in 2023.</p>
305-1	Direct (Scope 1) GHG emissions	<p><i>p. 22</i></p> <p><i>p. 76</i></p> <p>Country-specific emission factors were used as a basis for calculation. RENK GmbH reports in accordance with the operational control approach of the GHG Protocol and reports CO₂ equivalents.</p>
305-2	Energy indirect (Scope 2) GHG emissions	<i>p. 76</i>
305-3	Other indirect (Scope 3) GHG emissions	<p>Information not available in the reporting year. Partial Scope 3 coverage planned for 2023.</p>
305-4	GHG emissions intensity	<i>p. 76</i>
305-5	Reduction of GHG emissions	<p>Information not available in reporting year. Partial coverage of Scope 3 planned for 2023.</p>
305-6	Emissions of ozone-depleting substances (ODS)	<p>Not applicable, as no ozone-depleting substances were emitted.</p>
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<p>Information not available in the reporting year. Key figures to be developed in 2023.</p>

GRI 401: Employment

GRI Standard		References and comments
3-3	Management of material topics	<p><i>pp. 61 - 65</i></p> <p>Information not yet available in the reporting year, as this is the first non-financial report. Recording of all impacts and definition of measures to avoid or mitigate impacts will take place in 2023.</p>
401-1	New employee hires and employee turnover	<p><i>p. 81</i></p> <p>Grouping by age group and gender not possible in reporting period, as information not available. Key figures must be developed in 2023.</p>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p><i>p. 66</i></p> <p>Additional benefits are primarily offered at German locations of RENK GmbH and affiliated companies based in Germany.</p>
401-3	Parental leave	<p><i>p. 82</i></p> <p>Information on the total number of employees entitled to parental leave as well as return and retention rates not available in the reporting year. Key figures to be developed in 2023.</p>

GRI 403: Occupational Health and Safety

GRI Standard		References and comments
3-3	Management of material topics	<i>pp. 70 - 71</i> Information not yet available in the reporting year, as this is the first non-financial report. Recording of all impacts and definition of measures to avoid or mitigate impacts will take place in 2023.
403-1	Occupational health and safety management system	<i>pp. 70 - 71</i>
403-2	Hazard identification, risk assessment, and incident investigation	<i>pp. 70 - 71</i>
403-3	Occupational health services	Information not available in reporting year.
403-4	Worker participation, consultation, and communication on occupational health and safety	<i>pp. 70 - 71</i>
403-5	Worker training on occupational health and safety	<i>pp. 70 - 71</i>
403-6	Promotion of worker health	<i>p. 71</i>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<i>pp. 70 - 71</i> Employees are instructed through appropriate training to observe RENK's internal guidelines in the context of their work, regardless of the actual place of work.
403-8	Workers covered by an occupational health and safety management system	Information not available in reporting year. Key figures to be developed in 2023.
403-9	Work-related injuries	<i>p. 84</i>
403-10	Work-related ill health	Information not available in reporting year.

GRI 405: Diversity and Equal Opportunity

GRI Standard		References and comments
3-3	Management of material topics	<i>pp. 66 - 69</i> Information not yet available in the reporting year, as this is the first non-financial report. Recording of all impacts and definition of measures to avoid or mitigate impacts will take place in 2023.
405-1	Diversity of governance bodies and employees	<i>p. 82</i>
405-2	Ratio of basic salary and remuneration of women to men	Restrictions due to confidentiality obligation according to legal form

GRI 418: Customer Privacy

GRI Standard		References and comments
3-3	Management of material topics	<i>pp. 24 - 29</i> Information not yet available in the reporting year, as this is the first non-financial report. Recording of all impacts and definition of measures to avoid or mitigate impacts will take place in 2023.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<i>p. 85</i>



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