

**SUSTAINABILITY REPORT**  
**EDAG GROUP 2022**





Holger Merz  
CFO

Cosimo De Carlo  
CEO

# STATEMENT OF THE GROUP EXECUTIVE MANAGEMENT

Ladies and Gentlemen,

This Sustainability Report has been published in order to inform you of our development, values and goals with regard to economic, ecological and social factors.



### Sustainability Policy in the EDAG Group

At EDAG, particular importance is attached to our sustainability policy, which involves both a long-term business policy and the integration of environmental and social aspects into our management systems. As a part of our corporate culture, it determines our actions with our business partners as well as our values such as trust, transparency, reliability and fairness. It is therefore a contribution towards safeguarding the future of our company, and also towards economic and social development.

As an internationally active company, EDAG makes a point of ensuring that human rights and accepted standards are complied with at our numerous locations across the globe, and affirms its support of the UN Global Compact principles.

Regular certifications by independent auditing organizations in areas such as quality management, information security, environmental management, occupational health and safety, and CSR management are more than just a means of ensuring that common standards are adhered to at EDAG. Over and above this, we see it as our task to employ a continuous improvement process to make the working environment safe for our employees, to minimize negative impacts on the environment, and to establish sustainable management as a key component of our management systems.

As one of the world's leading engineering companies in the mobility industry, it is also our intention to set benchmarks in the way we behave towards and deal with business partners and the environment. In order to make this transparent for our partners, too, we have defined our standards of behavior in our Code of Conduct. It is in line with our value system to combine corporate activities with ethical principles, and thus, by acting with integrity, ensure compliance with legal regulations at all times. In addition, the Code of Conduct provides our employees with guidelines for lawful and fair conduct in the course of their everyday business, and for the responsible handling of the resources available to them and of our environment.

As an engineering service provider with a workforce of some 8,400 highly qualified employees worldwide, the focus of our sustainability activities is on the social sphere. This is also reflected in the materiality analysis, which is based on GRI standards, and shows that 6 out of the 11 fields classified as being material to EDAG are in the "social issues" sphere. Nevertheless, we also aim to make continuous progress in the fields of "economy" and "ecology".

For the 2022 financial year, we set ourselves an ambitious CO2 emission reduction target of 8-10 % per employee. With a measured reduction of some 54 % per employee, we far surpassed this target. Group-wide, we succeeded in reducing our CO2 emissions (scope 1-3) by about 52 % in the 2022 financial year.

We reviewed our internal processes and structures in the 2022 financial year, and realigned some of them. Within the Group Executive Management, EDAG's Group CFO is responsible for all sustainability-related issues. As of this year, the reporting obligations this involves have been coordinated and consolidated in a central office.

In addition to continuously improving our internal sustainability indicators, we are also increasingly focusing our attention on our role as an enabler on the road to sustainable mobility. To this end, we significantly expanded our range of environmental sustainability services in the 2022 financial year. For more details, please see pages 22-24 of this report. As one of the most innovative engineering service providers, we provide our customers with the latest concepts and technologies for life cycle analysis, for example, or reducing greenhouse gases, saving materials and improving recyclability, etc. In this way, we, the EDAG Group, underline our responsibility for sustainable corporate development, and link economic factors with aspects of sustainability.

Arbon im April 2023



Cosimo De Carlo  
CEO



Holger Merz  
CFO



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# SUSTAINABILITY REPORT

## NON-FINANCIAL REPORT AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

### GENERAL DISCLOSURES

At EDAG Engineering Group AG (EDAG), particular importance is attached to sustainability. This involves both a long-term business policy and the integration of ecological and social aspects in the management system, and is part of our corporate culture which is built upon shared values such as trust, transparency, reliability and fairness in dealings with our business partners. We see sustainability as a contribution towards safeguarding the future of our company and towards long-term economical and social development.





It is our responsibility to ensure that our services are provided within a value chain that is consistent with international standards and principles governing corporate activity. For this reason, we have outlined our requirements with regard to working conditions and human rights, health and safety, the environment and business ethics in our [EDAG Supplier Code of Conduct](#).

Any and all companies in our supply chain, and from which we purchase products or services, are expected to observe relevant national laws, the principles set out in the United Nations Global Compact and our EDAG Supplier Code of Conduct when carrying out their activities. We therefore regard adherence to these principles as an essential condition for a lasting business relationship with our suppliers.

By committing to the UN Global Compact, EDAG has undertaken to ensure that human rights and accepted standards are complied with.

EDAG gives an account of its economic, ecological and social responsibility in this Sustainability and Corporate Social Responsibility (CSR) Report. The target groups of the report comprise our employees, our customers and suppliers, as well as investors and analysts, non-governmental organizations, politicians and authorities and interested members of the general public. It is our intention to inform these target groups about the impact of the activities we undertake in terms of corporate responsibility and sustainability.





This report was prepared with reference to the Global Reporting Initiative (GRI) standards, in order to increase the transparency and comparability of our sustainability reporting for the benefit of our target groups. Within the scope of a materiality analysis as specified by GRI, we have identified the sustainability issues that are important to EDAG. General disclosures in accordance with GRI 2: 2021 can be found in the various chapters of this report. For an assignment to the individual sub-items as indicated in GRI 2: General Disclosures 2021, we refer to the GRI Content Index.

We also, in the relevant chapters, indicate to which of the 17 UN Sustainable Development Goals (UN SDG) we contribute through the activities of our company.

For the 2022 financial year, we are also reporting on the taxonomy-compliant (aligned) portion of our revenue, operating expenses (OpEx), and capital expenditures (CapEx) as defined in the EU Taxonomy Regulation.

According to amendment §§ 289b et seq. of the CSR Guidelines Implementation Act in the German Commercial Code (HGB), capital market-oriented companies in Germany are obliged to publish a non-financial statement. EDAG meets this obligation within this report. The reporting period is the 2022 financial year (January 1 to December 31). The information relates to all material group companies of EDAG Engineering Group AG that are part of the EDAG Group's Annual Report. Any deviations have been identified as such.

The sustainability report contains future-related statements about anticipated developments. These statements are based on current projections, which by their nature include risks and uncertainties. Actual results may differ from the statements provided here.



# CORPORATE GOVERNANCE, BUSINESS MODEL AND STRATEGY

## Grundsätze der Corporate Governance

EDAG regards Corporate Governance as crucial in order to be able to perform successfully in international business and to promote the company's long-term and sustainable profitability.

Neither the Swiss Code of Best Practice for Corporate Governance (Swiss Code) nor the German Corporate Governance Codex are directly applicable to EDAG Engineering Group AG (EDAG Group AG). Nonetheless, EDAG Group decided to essentially comply with the Swiss Code, unless actual circumstances require a deviation from it.

The principles and objectives of Corporate Governance are stated in the Swiss Code of Obligations, the Articles of Association, Organizational Group Regulations, and the EDAG Group Code of Conduct. Articles of Association, Organizational Group Regulations, and the EDAG Group Code of Conduct are regularly reviewed and revised accordingly.

The Articles of Association can be downloaded at <https://ir.edag.com/edag/pdf/satzung.pdf>, and the Code of Conduct at [https://www.edag.com/fileadmin/user\\_upload/Group/Unternehmen/Compliance/EDAG\\_Code\\_of\\_Conduct.pdf](https://www.edag.com/fileadmin/user_upload/Group/Unternehmen/Compliance/EDAG_Code_of_Conduct.pdf).

EDAG's corporate governance is described in detail in the chapter "Corporate Governance Report" in the Group Management Report, to which reference is made at this point.

The compensation of the Board of Directors and the Executive Management is described in detail in the chapter "Compensation Report" in the Group Management Report, to which reference is made at this point.

## Business Model

With the parent company, EDAG Engineering Group AG, the EDAG Group is one of the largest independent engineering partners to the mobility industry. Within this industry, particular attention is focused on the development of passenger cars and utility vehicles, motorized and non-motorized two- and three-wheeled vehicles and mobility concepts, and on the corresponding production facilities. Our global network ensures our local presence for our customers.

Within the scope of our activities, we develop sustainable mobility and mobility concepts. We work on vehicles with alternative powertrains to facilitate CO<sub>2</sub>-free mobility. Our Production Solutions segment also develops intelligent factory concepts, to enable materials to be put to resource-saving and efficient use. With our CityBot concept and our Smart City Solutions department, we also provide opportunities for an intelligently networked transport system designed to optimize inner-city mobility and avoid congestion.

In this way, we are contributing to the UN's Sustainable Development Goals (SDGs) 9 and 11.



- Goal 9: Infrastructure, industry and innovation



- Goal 11: Sustainable cities and communities

For a detailed description of EDAG's business model, please see the chapter "Business Model" in the Group Management Report.



**Strategy**

In the course of its 50-year history, the EDAG Group has continually developed. Building on our strong roots in vehicle and production plant development, the company has, with our entry into the field of electrics/electronics and our expertise in the development of complete vehicles, established a leading international position as an innovative partner to the global mobility industry. Change is a constant companion and what drives the development of our company. By combining and expanding our cross-segment competencies and capacities in the field of software and digitalization, we are taking the next logical evolutionary step on the road to the mobility of the future.



With some 8,400 employees at almost 60 international sites, the EDAG Group now stands firmly alongside its customers as an innovative partner.

**Corporate Purpose**

The focus of our activities is always on people and their need for mobility. From this, our corporate purpose **"reinvent mobility - reinvent yourself"** is also derived.

This emphasizes our intrinsic motivation to reinvent ourselves every day and so be in a position to reinvent mobility for our customers, our partners and society as a whole, and, through technological solutions, to pave the way for change. The aim is to build on what has already been tried and tested, while at the same time promoting agility, new ideas and further developments. For our employees, "reinvent yourself" creates a balance between stability and change.

**Company Vision and Mission**

Our corporate purpose is the basis from which **the vision** for the EDAG Group is derived:

**"Working together to shape the mobility of the future. Efficiently. Safely. Sustainably."**



**Shaping the *future* of mobility *together*.**

**Efficient. Safe. Sustainable.**





This gives us a clear picture of the future, the compass of our company, **our mission**.

EDAG therefore pursues the following goals:

- Talent factory for all employees
- Competence center for new technologies and solutions
- An agile market and future-shaping company
- Source of inspiration & vision based on clear values
- An economically, ecologically and socially sustainable engineering service provider

Sustainability in its economic, ecological and social aspects is therefore an elementary component of our corporate strategy. The individual characteristics are interlinked and thus form a balanced basis for consistent, sustainable corporate management.

Operationalization of the targets is guaranteed in all fields and regions by using a process that is both bottom-up and top-down. The goals and the actions derived necessitate regular communication, critical review and evaluation by the EDAG management.

In addition to being based on legal requirements, all goals and measures are always founded on our internal EDAG guidelines, for instance our [Code of Ethics](#), [Code of Conduct](#) and [Employer Value Proposition \(EVP\)](#). This means that the interests of all relevant stakeholders are accommodated, and guarantees sustainable management.

Our strategies and objectives set high standards for our managers, while also representing a great opportunity: Intelligent, future-oriented staff management turns IQ into WeQ. This is completely in line with our mission: shaping the future of mobility together.

In other words: Through their actions, managers, but also all employees, have a special responsibility to bring EDAG's vision, mission and guiding principles to life.

By formulating our corporate policies and guidelines in concrete terms, we provide a common understanding of how to work together in our professional lives. This generates commitment, and therefore stability and orientation for all stakeholders.

## SUSTAINABILITY MANAGEMENT

Mankind is currently facing enormous challenges. Sustainable development is the only way of dealing successfully with problems such as climate change and the scarcity of resources. We are fully aware of this fact at EDAG. This is why sustainability has been an issue for us since the company was founded in 1969, and why EDAG has stood for the development of resource-saving, efficient and future-oriented mobility systems, components and vehicles and their production facilities for over 50 years. As we see it, sustainability also means accepting responsibility for our environment, our employees and our business partners. For us, responsible corporate management means reconciling economic activity with the concerns of ecology and society.

EDAG's sustainability management is part of our integrated management system. It is the task of our sustainability management to identify opportunities and risks at an early date, in order to develop and implement appropriate strategies and measures. Sustainability issues are regularly presented to the Group Executive Management in the course of management reviews, enabling us to keep a constant eye on targets and initiate appropriate measures where necessary. Specific responsibility for

sustainability issues within the Group Executive Management is allotted to the CFO. As of this year, the reporting obligations this involves have been coordinated and consolidated in a central office. This sustainability report was prepared by an interdisciplinary team with members from different EDAG divisions on behalf of the Group Executive Management, and then submitted to the Group Executive Management for inspection and approval.

In addition, EDAG also has its sustainability management reviewed by external and independent experts at regular intervals. The 2022 financial year saw a recertification of our corporate social responsibility by EcoVadis. During the review, EDAG was again awarded "silver status". This places EDAG among the top 25 % of the companies assessed by EcoVadis. An overview of all certifications held by the EDAG companies can be found online at <https://www.edag.com/en/edag-group/the-company-edag/certificates>. Further information on our contributions in the fields of social issues, economy and ecology can be found on our Group website at <https://www.edag.com/en/sustainability>.



## COMPLIANCE WITH LAWS AND REGULATIONS (GRI 2-27)

**Compliance** Besides the wide variety of opportunities open to EDAG as one of the world's leading engineering companies in the automotive industry, we also every day face growing challenges and ever-increasing responsibility. More than ever, therefore, one of the most important basic conditions for our success is to combine business activities with ethical principles and act with responsibility in all respects. For our company, unconditional compliance with legal requirements is imperative, and forms an integral part of the EDAG value system. These principles are anchored in the EDAG Code of Conduct. Our Code of Conduct is the binding basis outlining the rules for the proper behavior expected of all EDAG employees.

By committing to the UN Global Compact, EDAG has undertaken to ensure that human rights and accepted standards are complied with.

**Compliance Management System (CMS)** In order to be able to meet the increased demands, in our EDAG Compliance Management System (EDAG CMS) we have combined the organizational measures for the company that will guarantee the compliant conduct of EDAG's executive bodies and employees at all times. The objective of the EDAG CMS is to guarantee compliant behavior at all times when carrying out our business activities, therefore avoiding any damage being caused to the company or any of its employees as a result of infringements of applicable law and in-house guidelines. Our main focus here is preventive, with our compliance organization offering employees advice and support with regard to their responsibilities, so as to avoid the occurrence of any such infringement. The EDAG CMS has been integrated into the EDAG risk management system, and is therefore an integral part of our risk-based reporting system. For compliance-specific risks, please see the risk report in section 4.1 "Risk and Reward Report" in the Group Management Report.



## WHISTLEBLOWER HOTLINE



**Complaints / Notification System** In addition, we also have an electronic notification system, giving all company employees and stakeholders the opportunity to use the link <https://edag.integrityline.org> to report possible infringements while preserving the anonymity of those involved. Our Whistleblower Guidelines summarize the various options for submitting messages and information, while also providing information on how such information is handled at EDAG.

These guidelines also ensure that whistleblowers who, acting in good faith and motivated by a sense of responsibility, wish to draw attention to misconduct or grievances at EDAG will not be disadvantaged in any way. These guidelines therefore serve not only to uncover irregular conduct, but also and in particular to protect whistleblowers. By introducing these guidelines, we have implemented the uniform standards of the EU Whistleblower Directive for the better protection of whistleblowers in EDAG's rules and regulations.

No legal disputes arising from anti-competitive behavior or violations of antitrust and monopoly laws to which EDAG was a party were pending during the reporting period.

**Environmental Compliance** People in a large number of staff positions and functions ensure environmentally compliant operation by carrying out specific control and supervisory duties. These include the Environmental Management and Sustainability Officer, the Occupational Safety Management Officer, the Health and Safety Officers, the Hazardous Goods Officer, the company's Waste Management Officer, the Hydrogen Officer, the Fire Protection Officers and the Safety Officers. EDAG has introduced an environmental management system and is certified in accordance with ISO 14001:2015 at key locations in Germany. The certificates are available for inspection at <https://www.edag.com/en/edag-group/the-company-edag/certificates>.

No violations of the rules were identified during the reporting period. On account of our activities and our existing environmental management system, we rate environmental risks as low.

**Socioeconomic Compliance** No substantial fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic field were imposed on EDAG during the reporting period.

**Compliance with Human Rights, Labor Standards and Protection of Minorities in the EDAG Group** As an internationally active company, ensuring that human rights are complied with and that accepted national and international labor standards are observed at our many facilities worldwide is an essential element of EDAG's value system.

With the EDAG Code of Ethics, EDAG commits to the long-term support of the ten UN Global Compact principles and to continual improvement in their implementation. The EDAG Code of Ethics can be downloaded at <https://www.edag.com/de/edag-group/das-unternehmen/corporate-governance>. One of the principles established by the code is that EDAG supports and respects the protection of internationally proclaimed human rights within its sphere of influence, and ensures that EDAG is not complicit in human rights abuses.

EDAG is committed to creating for its employees a working environment free of discrimination and harassment in recruitment, employment and occupation, and with freedom of association. The right to collective bargaining is effectively recognized. EDAG categorically rejects all forms of child and forced labor.

The right of our employees to privacy is fully respected.

As an internationally active company, EDAG is clearly committed to diversity and general equality. This refers explicitly not only to gender, but also to age, sexual orientation, religious affiliation, ethnic origin, belonging to minorities or indigenous peoples, disabilities and other personal attributes of our employees.

EDAG plans to introduce a human rights management system with reference to internationally recognized standards (e.g. SA8000 or RSCI) in the 2023 financial year. This underlines the high level of commitment within the EDAG Group to protecting and complying with social and labor law standards.

**Compliance with Human Rights and Environmental Protection Standards in the Supply Chain** Respect for internationally recognized human rights and the protection of the environment and natural resources form the foundation of every modern society. We meet our social responsibilities by recognizing, preventing and ending human rights and environment-related risks and violations along our supply chains.

To guarantee these principles, we have implemented an extensive package of measures: Among other things, these include establishing an appropriate risk management system, carrying out a regular risk analysis of all EDAG Group suppliers, defining the necessary preventive measures, and specifying what remedial action needs to be taken should violations be identified.

In addition, EDAG is a member of a number of associations and organizations, including the following:

- Association of the German Automotive Industry (VDA)
- Association of German Engineers (VDI)
- Engineering-High-Tech-Cluster Fulda e.V.
- Federal Employers' Association of Personnel Service Providers (BAP)
- German Institute for Standardisation (DIN)
- Commercial Vehicle Cluster (CVC)
- Automotive Nord e.V. – ITS mobility
- Forschungsvereinigung Automobiltechnik (FAT)
- Agent-3D e.V.
- Carbon Components e.V.
- Bayern Innovativ GmbH
- Association of German Treasurers (VDT)
- Federal Association of Accountants and Controllers (BVBC)
- German-American Business and Cultural Association e.V.
- DIRK – German Investor relations Association

A key element of the risk management system that has been set up are EDAG's new guidelines for the implementation of the due diligence obligations in accordance with the German Supply Chain Sourcing Obligations Act (LkSG) which have been added to by the appointment of a human rights officer and the establishment of a complaints procedure by means of a legally compliant extension of our existing whistleblower system.

These extensive regulations apply throughout the EDAG Group. They are binding guidelines along the entire supply chain and relate to all of the EDAG Group's products and services, including its own operations, and both direct and indirect suppliers if there are actual indications of a breach of duty on the part of any of these. All of these measures are in support of the EDAG Group's declared intention to minimize or even eliminate the violation of human rights or environmental risks in our supply chain. We will not tolerate any violations or breaches of duty that are detected.



# MATERIALITY ANALYSIS

During the preparation of our 2019 sustainability report, a materiality analysis was carried out in compliance with the GRI requirements. An in-house team carried out all of the steps prescribed by the GRI. Details are set out in the 2019 sustainability report. In the 2022 financial year, we reviewed and adjusted the materiality analysis on the basis of the new GRI Universal Standards 2021. In feedback loops with various stakeholder groups, we then validated the existing materiality analysis. The results of the 2019 materiality analysis were confirmed, and, on the basis of the new nomenclature of the GRI Universal Standards 2021, the following 11 topics from the fields of economy, ecology and social issues were identified as material:

## A. Relevant topics according to GRI

### Economy

Topic	GRI topic
1. Economic performance	GRI 201
2. Anti-corruption policy	GRI 205
3. Anti-competitive behavior	GRI 206

### Ecology

Topic	GRI topic
1. Energy	GRI 302
2. Emissions	GRI 305

### Social issues

Topic	GRI topic
1. Occupation	GRI 401
2. Occupational health and safety	GRI 403
3. Training and education	GRI 404
4. Diversity and equal opportunity	GRI 405
5. Customer health and safety	GRI 416
6. Customer privacy	GRI 418

In comparison to the 2021 Sustainability Report, the topics of environmental compliance (formerly GRI 307), human rights assessment (formerly GRI 412) and socioeconomic compliance (formerly GRI 419) are, on the basis of the new nomenclature of the GRI Universal Standards 2021, no longer reported as separate topics.

Disclosures relating to the above-mentioned topics can be found under point 1.4 Compliance with Laws and Regulations (GRI 2-27) of this Sustainability Report.

## STAKEHOLDER DIALOG

EDAG is in regular and open dialogue with its stakeholders. In particular, this involves customers, suppliers, employees, investors and analysts, media representatives, and also associations and clubs.

The regular exchange with our stakeholders forms an important basis for our actions. This dialogue is a means of communicating the various positions, and helps us to constantly align our decisions with the different interest groups. We are in regular communication with our customers, both in the course of joint projects, and also at conferences and trade fairs. Our purchasing department is the point of contact for our suppliers. Our employees have the support of the personnel department and employees' representatives. We keep our staff informed by means of works meetings, our intranet and regular employee surveys, and also maintain a permanent exchange through an open culture. Our Investor Relations department is responsible for the dialog with the capital market. The press department is in continual contact with media representatives.

## B. Relevant topics according to UN SDGs

The EDAG Group's business model and our management approach to sustainable corporate governance also have a positive impact on four of the United Nations Sustainable Development Goals (UN SDGs).

### Specifically these are:



**Goal 4:** Quality education



**Goal 5:** Gender equality



**Goal 9:** Infrastructure, industry & innovation



**Goal 11:** Sustainable cities and communities

As already outlined in chapter 1.1 under "Business Model", we make a direct contribution to goals 9 and 11 of the UN SDGs through our activities as an innovation-driven engineering service provider.

Our contribution to goals 4 and 5 is described in the relevant chapters of this sustainability report.

## EU TAXONOMY

### Introduction

With the introduction of the EU Taxonomy Regulation, the European Union has defined a standardized classification system for sustainable economic activities. Although this lays down the following six environmental objectives, only the first two objectives are relevant for the reporting year:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

According to EU taxonomy guidelines, economic activities are "environmentally sustainable" if they

- Make a significant contribution to achieving one or more of the six environmental goals mentioned
- Do not materially impact achievement of the five other EU environmental targets ("Do No Significant Harm"; DNSH)
- Comply with minimum occupational safety and human rights requirements ("minimum safeguards")

Whether an economic activity makes a significant contribution to one of the objectives and does not materially impact achievement of the five other objectives must be assessed using technical screening criteria.

Against the background of the EU Taxonomy Regulation, we are reporting on the taxonomy-compliant (aligned) portion of our revenue, capital expenditures (CapEx) and operating expenses (OpEx) as defined in the EU Taxonomy Regulation for the 2022 financial year.

### Procedure

Compared to the previous year, there has been no change in the procedure for determining the relevant key figures. A condensed summary of the method we use is therefore provided below. For details of our method, please see the Notes in the 2021 Sustainability Report.

On the basis of the regulatory requirements, we identified the technical assessment criteria potentially relevant to the EDAG Group's business activities. As an engineering service provider for the global mobility industry, our activities cannot in their entirety be aligned to the requirements of the taxonomy.

With regard to EU environmental objective **No. 1 climate change mitigation**, we have identified the following criterion as being potentially relevant:

- 3.3 – Production, repair, maintenance, retrofitting, conversion of zero-emission vehicles

The EDAG Group does not operate any significant production facilities itself. It is, however, part of our business model to manufacture prototypes, test and aggregate bearers, low-volume series of vehicles or vehicle parts for our customers, and also to carry out corresponding retrofits or conversions. Emission-free technologies such as electric powertrains or fuel cell drives are increasingly being put to local use in these activities.

With regard to EU environmental objective **No. 2 climate change adaptation**, we have identified the following criterion as being potentially relevant:

- 9.2 – Research, innovation and development of products, solutions, technologies, processes and business models



The major part of our business activity is the provision of development services for customers in the global mobility industry. As an innovative service provider, we develop technologies for emission-free mobility, for instance electric or fuel cell vehicles and their components and accessories, but also highly efficient and resource-saving production processes and plants. In addition, new materials, lightweight design competencies, life cycle analyses and new mobility concepts are also used in our development projects. The following procedure was used to analyze taxonomy compliance:

- 1. Substantial contribution:** Compliance with the technical screening criteria was checked for each of the projects selected.
- 2. Do no significant harm (DNSH):** The DNSH criteria predominantly refer to compliance with legal requirements. Against this background, a routine assessment of DNSH compliance at Group level was appropriate. Deviating from this, we assessed DNSH compliance for the environmental objectives No. 1 "climate change mitigation" and No. 2 "climate change adaptation" at project level. Compared to the previous year, there has been no change in our assessment with regard to the DNSH criteria.
- 3. Minimum safeguards:** A Group-wide approach was adopted to ensure compliance with the minimum safeguards requirements. As an internationally operating engineering company, we are subject to regular and comprehensive auditing and certification by external institutes with regard to a wide range of criteria. The currently valid certificates are available at <https://www.edag.com/en/edag-group/the-company-edag/certificates>. We report on our social standards, and provide information on occupational health and safety and on the human rights assessment in the "Social issues" section of this Sustainability Report.

### Definition of Sales Revenues, CapEx and OpEx

**Sales revenues** as defined in the EU Taxonomy Regulation are defined as net sales revenues in accordance with IFRS, as reported in the Group profit and loss statement. Further information on sale revenues can be found in the section "Revenue Development" in the Group's Annual Report, starting on page 144.

**CapEx** as defined by the EU Taxonomy Regulation is calculated on a gross basis, i.e. without taking revaluations or scheduled/unscheduled depreciation into account. CapEx comprises investments in non-current intangible or tangible assets as shown in the consolidated statement of financial position, and additions to rights of use in accordance with IFRS 16.

**OpEx** as defined by the EU Taxonomy Regulation includes non-capitalizable expenses recognized in the Group profit and loss statement. Our business activities mainly consist of providing research and development services for our customers. In this context, personnel costs, building and IT costs all play a key role. In order to determine the proportionate OpEx rate as defined in taxonomy, we therefore defined all internal EDAG costs (excluding materials and services expenses and all adjustments in the earnings before interest and taxes) directly assigned to the respective taxonomy-compliant project as OpEx as defined in taxonomy.

Against the background of the above explanations, the taxonomy-compliant revenues and OpEx and CapEx rates for the reporting year and the previous year are shown in the table below:

	Sales revenues		OpEx		CapEx	
	2022	2021	2022	2021	2022*	2021
Total in € million	796.1	687.6	629.9	569.6	85.3	18.7
<b>Of which taxonomy compliant in € million</b>	200.9	167.0	115.2	156.5	2.5	0.4
<b>Proportion as %</b>	25.2%	24.3%	18.3%	27.5%	2.9%	2.0%
Of which non-taxonomy compliant in € million	595.2	520.6	514.7	413.1	82.8	18.3
Proportion as %	74.8%	75.7%	81.7%	72.5%	97.1%	98.0%

\* The CapEx values listed for 2022 also include additions from rights of use in accordance with IFRS 16; these are not shown in the previous year's figures.

The EDAG Group has the ambition to continually increase its taxonomy compliant revenue, OpEx and CapEx rates. The following major restriction must be mentioned here: As an engineering service provider, the precise nature of the activities in our projects depends entirely on what our customers have commissioned us to do. Insofar, considerable fluctuations may occur in the individual rates from one year to another.





## ECONOMY

### Economic performance (GRI 201)

As a listed company, EDAG regularly reports on its economic performance to all stakeholders at dates published in the financial calendar. The financial calendar can be downloaded at: <https://www.edag.com/en/edag-group/investor-relations/financial-calendar>.

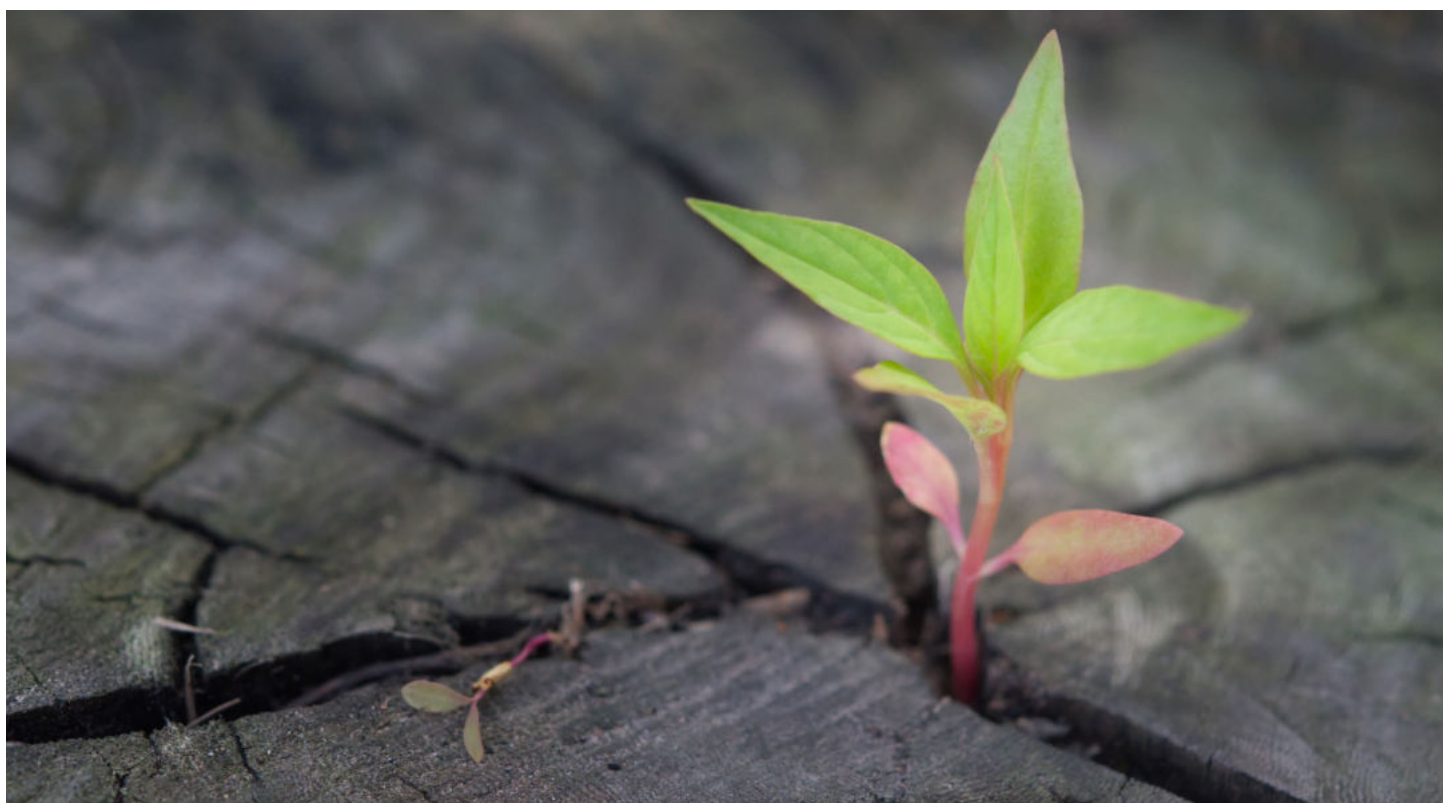
In its Annual Report, EDAG provides a comprehensive report covering all relevant economic performance factors in the reporting year. For the disclosures on economic performance required by GRI 201-1 for the 2022 financial year, please see the audited consolidated financial statements for 2022. These are available at: [https://ir-api.eqs.com//media/document/7b2b975e-a5f2-468d-ad97-83aa82040067/assets/EDAG\\_Annual\\_Report\\_2022\\_EN.pdf](https://ir-api.eqs.com//media/document/7b2b975e-a5f2-468d-ad97-83aa82040067/assets/EDAG_Annual_Report_2022_EN.pdf).

Management does not currently foresee any risks and opportunities associated with climate change that would have the potential to cause significant changes in business operations, income or expenses. EDAG's business model consists primarily in the provision of engineering services. Material goods are produced only to a very small extent. Therefore, no significant quantities of raw materials or land are used, nor are the effects of business activities on the environment in the form of emissions, for example, regarded as significant. The shift towards emission-free mobility could at best create opportunities

for EDAG, as there may be considerable development costs for alternatively-powered vehicles and new vehicle concepts. With its expertise in fields such as eMobility, lightweight design, new materials, sustainable vehicle development and networked and automated driving, EDAG therefore positioned itself accordingly at an early stage.

EDAG has a company pension scheme for its employees, which takes the form of defined benefit and/or defined contribution plans. In this way, provision is made for virtually all employees for the period after their retirement. For the disclosures on defined benefit pension plans required by GRI 201-3, please see chapter "Pensions and Other Post-Employment Benefits [28]" in the notes to the [consolidated financial statements for 2022](#).

EDAG receives public sector benefits for research and development activities and for the training of employees. For disclosures on financial assistance received during the reporting period by GRI 201-4, please see chapter "Other Income [3]" in the notes to the [consolidated financial statements for 2022](#).





### **Anti-Corruption and Anti-Competitive Behavior (GRI 205, 206)**

**Anti-Corruption** EDAG focuses on performance, customer orientation and the quality of its products and services. EDAG's success is based on the reputation our company has established on its way to becoming one of the world's leading independent engineering service providers. We firmly reject services based on illegal or ethically questionable behavior. For us, influencing business decisions with either attempted or actual bribery constitutes unacceptable practice. EDAG therefore expects all employees and business partners to refrain from corrupt behavior in any form whatsoever. No provision is made in the EDAG CMS for the examination of individual opera-

ting sites for corruption risks. We prefer to focus on prevention and education by operating a global training program.

Our anti-corruption policy affirms our commitment to combining entrepreneurial activity with ethical principles. The aim of the policy is to prevent any cases of corruption arising at EDAG. Recommendations for action and concrete rules of conduct for practical application help to permanently establish anti-corruption behavior at EDAG. As well as explaining the various forms that corruption can take and its consequences, the policy draws attention to corruption risks, and defines what steps to take if corruption is suspected. This additional instrument in the EDAG CMS therefore plays a significant role in preventing and combating corruption at EDAG. Anti-corruption training sessions are held on a regular basis, to effectively communicate the contents of the policy and our guidelines for the prevention of corruption





to our employees. Following the easing of the pandemic situation, these compliance training sessions were once again primarily held as attendance-based seminars during the reporting year.

For a compliance management system to be effective, it is essential that the attention of the company's employees should be continually drawn to the subject of compliance, so as to develop an awareness of critical issues in the daily working environment. One effective way of engendering this sensitivity for compliance is to provide appropriate training programs. In the financial year just ended, therefore, we again expanded the compliance training program, a central element of our CMS, and continued to offer our modular, web-based compliance training as an obligatory training activity for all EDAG Group employees. One module in this training program deals explicitly with gifts, invitations and other benefits. The module includes the examination of practical

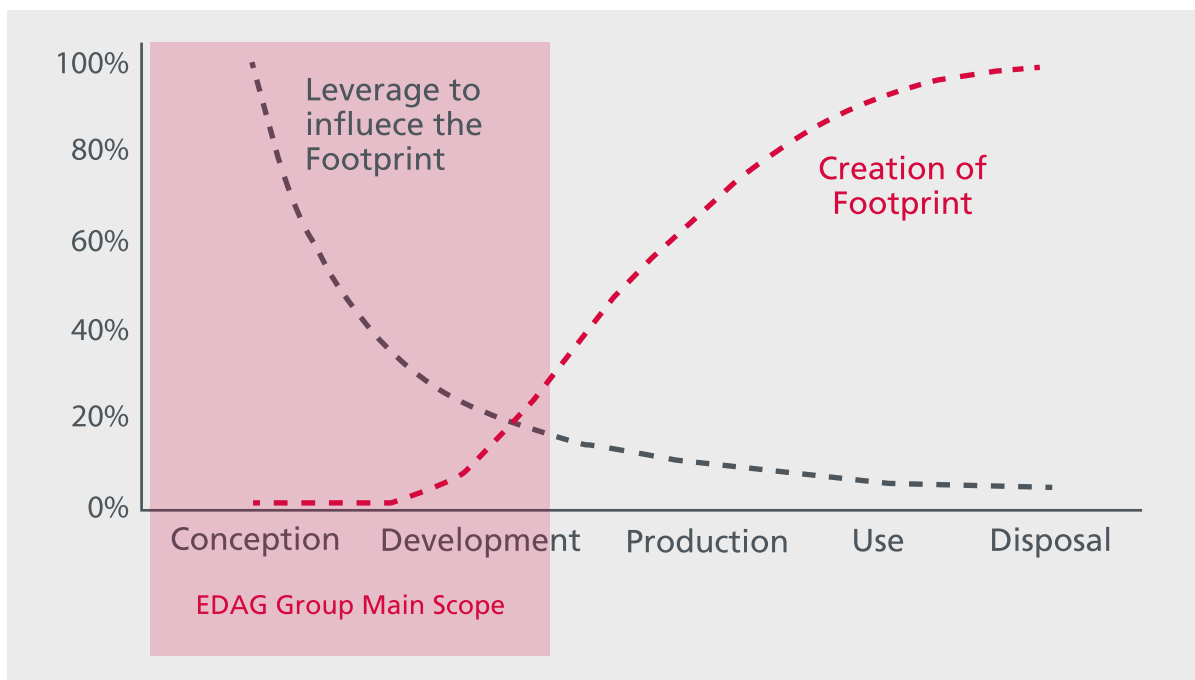
case studies, to ensure that our employees are always in a position to be able to assess which benefits are appropriate and consistent with standard business practice, and which are not. In order to be able to better monitor its effectiveness, the compliance training obligatory for all employees contains a "test module". With this additional assessment, we are able to determine the success of our training module more effectively and more directly, and at the same time it offers the employees the opportunity to check the knowledge they have acquired.

There were no confirmed cases of corruption in the EDAG Group in the reporting year.

## ENVIRONMENTAL ISSUES

As an engineering service provider to the global mobility industry, EDAG has neither substantial production facilities nor material flows. Environmental impacts might therefore occur mainly as a result of the management of office space and the IT infrastructure, the vehicle fleet, and travel activities. As part of our materiality analysis in accordance with the GRI standards, we have identified the following environmental issues as being relevant for EDAG: energy (GRI 302) and emissions (GRI 305). Despite the fact that our emissions are relatively low, we take

a wide range of measures to reduce our ecological footprint. As an engineering service provider, we can, of course, have a major impact on the future carbon footprint of our customers' products during the design and development phases of products, and in this way help our customers to bring sustainable products to market. Even though a product's material footprint develops during the production, use and disposal phases, the size of the footprint can be largely determined while it is still being created. The diagram below illustrates this point.



### Applying Innovative Strength to Make Sustainable Mobility Possible

As one of the most innovative development service providers, we see our role as that of an enabler on the road to sustainable mobility. An important interface for new technologies and their practical application has been created with our Sustainable Vehicle Development Competence Center. In this competence center, we have bundled our expertise to provide our customers with the latest concepts and technologies for reducing greenhouse gases, saving materials and improving recyclability, among other things.



In addition to the development of innovative concepts, we also offer our customers an extensive range of sustainable vehicle development services. In the 2022 financial year, we significantly enlarged our range of products and successfully completed projects for customers. In addition to this, we also expanded our range of sustainable vehicle development services.

During the design phase of a vehicle or its components, we are already able to take the expected carbon footprint for the entire life cycle into account. To this end, we use our own in-house software, QLCA (Quick Life Cycle Assessment). All it takes is a few clicks to assess the emissions of the materials used, the manufacturing phase and the entire life cycle. We use this information to make a substantial improvement to the products we help to design during the early stages of development. This enables the cost-effective and sustainable optimization of products for sustainable vehicles.

For a final and fully documented assessment of all environmental impacts, we use standard tools to generate life cycle assessments. In the process, not only are CO<sub>2</sub> emissions measured, but also a large number of other impact categories, for instance resource consumption, eutrophication and soil acidification. To this end, we have built up a team of employees from various disciplines who take DIN EN ISO 14040 as the basis for their work and so are able to generate internationally comparable data. Already, we have been able to evaluate different components and several complete vehicles for customers.

Environmental management continues to be an important element of our process and product data management portfolio. Apart from certification and audits in accordance with ISO

14001, this also includes the assessment of the materials contained. In this way, we can determine important properties such as recyclability, REACH classification, etc. in accordance with all current standards. We develop recycling concepts and create legal security for our customers throughout the entire life cycle.

The entire life cycle of the product needs to be considered from a very early stage - namely during its conception. In line with circular economy principles, options for reuse - possibly in other applications - or remanufacturing should first be looked at before recycling is considered. The essential thing here is to ensure that everyone involved in the development has the know-how required to improve the products. To this end, a range of training courses featuring all the essential basic information relating to sustainable vehicle development, the use of LCA tools and design for the circular economy was created, and a large number of employees have already taken these.

Active participation in research keeps us ahead in terms of know-how. One example here is the KOSEL project, successfully completed in 2022, in which a life cycle-oriented open-source platform for electric vehicles was designed. The aim here is to achieve a significantly longer service life for the key components by designing them for long-term durability and ensuring that wear parts, but also entire modules, can be quickly and inexpensively replaced. We are also involved in the Horizon EU DigiPrime project, in which a cloud platform with services for the circular economy is being developed. Also at European level, this year saw the start of the RECREATE project, in which we are researching new circular economy solutions for lightweight composites.



EDAG is also involved in the integration of new generations of powertrains and energy storage systems for battery electric cars (BEV), plug-in hybrids (PHEV) and fuel cells (FCEV). The aims are higher power densities and the avoidance of raw materials that are expensive and scarce, and the procurement of which is ethically problematic.

In our Production Solutions segment, we have built up extensive expertise in the development of smart factories. Our activities include the development of a process landscape in which production and IT processes are efficiently aligned. The aim here is to use resources effectively, in order to operate the production system on all channels (buildings, manufacturing, logistics, IT) with optimum added value. Smart factory means the intelligent linking of individual components, for instance:

- Flexible, modularized production
- Individualized automation
- Proactive production monitoring and control (smart maintenance, big data analytics)
- Intelligent logistics systems
- Smart building (BIM, modular building concepts, energetic optimization)

Apart from the development of the process landscape, EDAG is also involved in the following smart factory-related subjects:

- Use of efficiency-enhancing tools to lighten employees' workload
- Consultancy and realization service for the introduction of IT, PM and service solutions
- Energy management/simulation

In the Production Solutions segment, we started using a life cycle assessment analysis in production in the 2022 financial year. Logistics processes are also included, and these are simulated and evaluated to assess their sustainability.

For one customer, we also in 2022 successfully completed the concept planning for a recycling plant in which heterogeneous battery systems are dismantled. The aim here was to partially or fully automate the dismantling process of high-voltage batteries, while taking operating safety into account (safe diagnosis and discharge, including a safety and fire protection concept). The concept developed by Production Solutions enables the battery components to be correctly sorted and then made available for the downstream extraction of secondary raw materials, leading to cost-efficient recycling, even in high tonnages. When handling this project, EDAG Production Solutions was able to draw on more than 10 years of experience in the industrialization of battery systems. Within the EDAG Group's 360-degree approach, we complete the resource cycle from development through utilization to recycling in this project.

In addition to the previous focus on the performance figures "time" and "cost" in production, we will also be including sustainability figures. The aim is to make production as efficient as possible - not only from an economical, but also an ecological point of view.

As an engineering service provider, we offer comprehensive innovations and services across our segments, to enable our customers to create more sustainable products and production facilities. On the road to sustainable mobility, we see our role as that of an enabler of change. At the same time, we must stress the fact that the extent of our development services in the area of sustainability always depends on what our customers have commissioned us to do.

In-house initiatives aimed at reducing our environmental footprint therefore remain a central component of our sustainability management. Details are set out below.

**Energy (GRI 302)** One of the key objectives of our efforts to promote ecological sustainability is the efficient use of energy. As we carry out external certification programs, for instance our environmental management system in accordance with the DIN EN ISO 14001 standard, or our corporate social responsibility by EcoVadis and NQC, regular checks are carried out by independent authorities to guarantee our internal improvement process. On the other hand, we look at energy consumption both inside and outside of the organization. The aim is to reduce energy consumption and increase energy efficiency. To identify potential energy savings, energy audits in accordance with the DIN EN 16247-1 standard were carried out at various German locations, on the basis of the Energy Services Act. During these energy audits, specially trained energy auditors assessed potential for improving energy efficiency. The aim of the energy audits was to analyze the company's energy consumption and determine the energy baseline.

The energy sources used by EDAG are electricity, natural gas, district heating and fuels (diesel, gasoline). The most important energy users are heating, cooling units, lighting, machinery and IT technology. These were analyzed more closely during the energy audits. The efficient use of energy cuts costs for the company, and reduces greenhouse gas emissions.

EDAG's energy consumption mainly consists of electricity, gas and heat supplies.



	2021	2022	Difference
Total energy consumption	41,625 MWh	40,994 MWh	-1.5 %

#### Energy-saving measures introduced and implemented in 2022

- Conversion to LED technology of the lights at several German sites
- Energy-related rehabilitation measures carried out at existing buildings at various German sites
- Establishment of an energy team to identify energy-saving measures in the departments
- Raising employee awareness for the efficient use of energy
- Concept for shutting off rooms to save energy in unused areas

#### Energy-saving measures planned for 2023

- Continuation of gradual conversion to LED technology of the lights in Germany
- Further energy-related rehabilitation measures at existing buildings in Germany
- Renewal and optimization of selected heating systems in Germany
- Certification of selected German sites in accordance with ISO 50001, the globally valid energy management standard
- Commissioning of an energy monitoring software for energy flow visualization



<sup>1</sup> Calculated at 0.202 kg of CO<sub>2</sub> emissions per kWh of natural gas (source: Federal Office of Economics and Export Control)

<sup>2</sup> Calculated on the basis of 679 vehicles in the EDAG vehicle fleet in Germany with average CO<sub>2</sub> emissions of 106 g/km per vehicle x an average of 20,000 km per vehicle and year (= 1,439 t CO<sub>2</sub>) + 118 vehicles in the foreign vehicle fleet with average CO<sub>2</sub> emissions of 132.7 g/km per vehicle x an average of 20,000 km per vehicle and year (= 335 t CO<sub>2</sub>).

Across the Group, the total energy consumption within the company amounted to about 40,994 MWh in the reporting year, which was some 1.5 % down on the same period in the previous year. The total energy consumption in 2021 was 41,625 MWh. One reason for this saving is that 2022 was a relatively warm year, so there was a corresponding reduction in the amount of thermal energy used. Furthermore, the continuing Russia-Ukraine war led to a global energy crisis and the need to save energy. For this reason, and in view of the energy management system which was being set up in accordance with ISO 50001, an number of energy-saving measures were introduced and implemented. More significant savings were restricted by the increase in the group-wide workforce and increasing order volumes.

**Emissions (GRI 305)** The Paris Agreement and "renewable energy" and "climate protection measures" as two of the 17 sustainable development goals (SDG) demonstrate the global relevance of the issue of emissions. EDAG fully supports these aims. The reduction of greenhouse gas (GHG) emissions is one of the strategies pursued by EDAG within the context of the management approach. In this context, we examine direct GHG emissions (scope 1), indirect energy-related GHG emissions (scope 2) and other indirect GHG emissions (scope 3) in accordance with the categories (scopes) into which the Greenhouse Gas Protocol classifies GHG emissions.

**Scope 1** Direct greenhouse gas emissions (scope 1) comprise the gas consumed by the heating systems and some technical installations, and the company's vehicle fleet. Across the group, the gas consumption within the company amounted to about 7,168 MWh in the reporting year, which resulted in 1,448 t of CO<sub>2</sub> emissions<sup>1</sup>. At the end of 2022, EDAG's vehicle fleet in Germany included a total of 679 vehicles with average CO<sub>2</sub> emissions of 106 g/km per vehicle. In 2022, EDAG's vehicle fleet in the foreign subsidiaries included a total of 118 vehicles with average CO<sub>2</sub> emissions of 132.2 g/km per vehicle. The resulting CO<sub>2</sub> emissions amounted to 1,774 t<sup>2</sup>. This represents a relatively small reduction of 0.5 %. This development can be explained by the fact that on the one hand there were more vehicles in the fleet compared to 2021, and on the other by the increased number of business trips that were made as more and more corona pandemic restrictions were lifted. The reduction in vehicle-specific emissions was brought about by the company car directive featuring a weighting of CO<sub>2</sub> emissions using a bonus-malus system based on CO<sub>2</sub> flat rates, which was introduced in 2020. This gives preferential treatment to vehicles that have particularly low CO<sub>2</sub> emissions. As a result, our employees are encouraged to be more environmentally conscious in



their choice of vehicle. The new company car directive also enables plug-in hybrids, and since October 2022 wholly electric vehicles, to be included in the fleet.

Group-wide, therefore, direct CO<sub>2</sub> emissions (scope 1) amounted to about 3,222 tons in the reporting year; a reduction of 8 % compared to 2021.

**Scope 2** Indirect energy-related GHG emissions (scope 2) consist of electricity purchased for all company sites and district heating.

Across the group, the electricity consumption within the company amounted to about 31,514 MWh in the reporting year, which is approximately 1.3 % less than the previous year's value (31,923 MWh). In Germany, some 72 % of the power requirements came from regenerative energy sources in the reporting year. As a result, it was possible to reduce CO<sub>2</sub> emissions by some 12,000 t, compared to the previous year. The remaining power requirements were covered by the public grid, with the relevant local electricity mix. This results in CO<sub>2</sub> emissions of 2,941 t<sup>3</sup>. The purchase of district heating at the locations concerned amounted to approximately 2,312 MWh, resulting in 649 t of CO<sub>2</sub> emissions<sup>4</sup>.

The indirect energy-related CO<sub>2</sub> emissions (scope 2) amounted to approximately 3,920 t.; a reduction of 77 % compared to 2021.

**Scope 3** Scope 3 emissions at EDAG mainly consist of emissions caused by employees' commuting and business travel, paper consumption, water consumption, wastewater, and the volume of waste generated. GHG emissions are represented in the form of CO<sub>2</sub> emissions.

CO<sub>2</sub> emissions caused by employees' commuting and business travel in the reporting year amounted to approximately 4,001 t<sup>5</sup>. The increase in emissions from commuting and business travel in comparison with the previous year is primarily due to the lifting of the restrictions imposed during the corona pandemic and the sharp increase in travel this occasioned, and also to the increase in the number of employees in the EDAG Group compared to the previous year. CO<sub>2</sub> emissions from paper consumption in the reporting year amounted to approximately 31.0 t<sup>6</sup>. CO<sub>2</sub> emissions from water consumption in the financial year amounted to approximately 8.6 t<sup>7</sup>. CO<sub>2</sub> emissions due to wastewater generation amounted to approximately 13.3 t<sup>8</sup>. The volume of waste generated group-wide by the company in the reporting year amounted to 2,153 t, resulting in some 45 t of CO<sub>2</sub> emissions<sup>9</sup>. The significant increase in the amount of waste compared to the previous year is primarily due to increased construction and

- <sup>3</sup> Calculated at 0.265 kg of CO<sub>2</sub> emissions per kWh of electricity (Germany) and local data for the international sites
- <sup>4</sup> Calculated at 0.280 kg of CO<sub>2</sub> emissions per kWh of district heating. (source: Federal Office of Economics and Export Control)
- <sup>5</sup> Calculated on the basis of 7,315 employees (an average of 8,112 employees less company cars from scope 1) x 220 working days x an average commute of 10 km x 2 x 0.128 kg of CO<sub>2</sub> emissions x 0.56 (mobile work approximately 44 %) plus an estimated 1,658 t of CO<sub>2</sub> emissions from business travel (flights).
- <sup>6</sup> Calculated using IT evaluation concerning consumption of printer paper plus roughly estimated values for other paper (e.g. packing material, toilet paper, disposable towels)
- <sup>7</sup> Calculated on the basis of 8,112 employees x 220 working days x an average water consumption of 25 l a day x 0.344 kg CO<sub>2</sub> emissions x 0.56 (mobile work 44%)
- <sup>8</sup> Calculated on the basis of 8,112 employees x 220 working days x an average of 18.75 l of wastewater a day (equivalent to 75 % of the water consumption) x 0.708 kg CO<sub>2</sub> emissions x 0.56 (mobile work 44 %)
- <sup>9</sup> Calculated at 0.021 kg of CO<sub>2</sub> emissions per kg of waste transport

Overview	2021	2022	Difference
Waste (EDAG Germany)	721 t	1,704 t	+136%
of which hazardous waste	25 t	30 t	+20%

renovation activity in Germany, an increase in the number of employees worldwide, and an increase of a good 15 % in sales revenues and changes in inventories compared to the previous year.

Other indirect CO<sub>2</sub> emissions (scope 3) for the group as a whole therefore amounted to about 4,114 t in the reporting year. This is equivalent to an increase of some 47 % compared to the previous year, and is primarily attributable to the increase in travel

<sup>10</sup> Based on an optimized data basis, the value has been revised compared to the 2021 Sustainability Report

following the end of the corona pandemic, and also to the increase in the number of employees in the EDAG Group.

Total CO2 emissions for the EDAG Group (scopes 1, 2 and 3) amounted to 11,256 t in the reporting year. 23,656 t CO2 were emitted in 2021.

This represents a reduction of approximately 52 % in CO2 emissions compared to the previous year.

An average of 8,112 employees were employed by EDAG in the 2022 financial year. CO2 emissions per capita amounted to 1.39 t, compared to 3.01 t in 2021. This is equivalent to a reduction of approximately 54 %.

In our 2021 sustainability report, we set ourselves the target of reducing per capita CO2 emissions by 8 - 10 % in 2022. On the basis of the above analysis, we have clearly exceeded this target.



Summary of CO2 emissions	2021	2022	Difference
Scope 1	3,498 t <sup>10</sup>	3,222 t	-7.9%
Scope 2	17,357 t <sup>10</sup>	3,920 t	-77.4%
Scope 3	2,802 t <sup>10</sup>	4,114 t	46.8%
<b>Total CO2 emissions</b>	<b>23,656 t<sup>10</sup></b>	<b>11,256 t</b>	<b>-52.4%</b>
<b>Average number of employees</b>	<b>7,849</b>	<b>8,112</b>	<b>+3.4%</b>
<b>Average CO2 emissions per capita</b>	<b>3.01 t</b>	<b>1.39 t</b>	<b>-53.8%</b>

### Targets for 2023

Our declared aim is gradually to further reduce emissions and thus contribute to sustainable development in the economy. Our target for reducing CO2 emissions per capita in 2023 is 5 percent. In order to achieve the above-mentioned targets, we plan to implement the following measures in 2023:

- Complete supply (100%) of German EDAG sites with electricity from renewable sources
- Continuation of gradual conversion of the vehicle fleet to electric and hybrid vehicles
- Parallel to this, further systematic development of charging infrastructure at the EDAG sites in Germany
- Gradual start of conversion of international sites to supply these with electricity from renewable sources, if locally available

### Ecological Sustainability Activities in 2023

The EDAG Group is also planning several measures for improving ecological sustainability in 2023. In particular, these include:

- Introduction and certification of further EDAG sites in accordance with the ISO 14001 environmental management standard
- Introduction and certification of EDAG sites in accordance with the ISO 50001 energy management standard
- Continuing to raise the awareness of employees and train them in environmental and energy-related matters
- Improving our sustainability performance in customer portals

## SOCIAL ISSUES

**Occupation (GRI 401)** Human Resource Management is a key success factor for the engineering service provider's business model. For this reason, our personnel policy is systematically aimed at ensuring that, in order to be able to handle projects, execute orders and supply temporary staff, the employee qualifications and capacities required by our customers are available at all times.

The observation of shifts in demand on the part of our customers, constant monitoring of the labor markets relevant to EDAG, and anticipation of changes of attitude and expectations in employees, particularly among school leavers and university graduates, are all inducements to us to constantly examine and adapt our personnel policy strategies and activities.

An average of 8,412 employees (including apprentices) were employed by EDAG on the reporting date December 31, 2022. The breakdown of employees in compliance with the requirements of GRI 2-7 (Employees) is as follows:

In the current business year, human resources activities will continue to focus on furthering the company's goals by recruiting suitably qualified, skilled personnel and by implementing staff retention schemes. Key cornerstones of our strategy will be the constant improvement and automation of HR processes, outstanding commitment to education and training, and the development and maintenance of the employer brand.

### Recruiting, HR Marketing & Employer Branding

In 2022, EDAG offered numerous openings in diverse professions for people looking for apprenticeships, entry-level jobs or the next step in their careers.

Cross-site harmonization, standardization, and digitalization along a uniform recruiting process at our German sites mean that we can guarantee potential candidates a company-wide standard of quality. In the process, we have significantly expanded our team and invested in further training, so as to be able to meet increased manpower requirements.

#### EDAG Group headcount 12/31/2022

	Germany	Rest of Europe	North America	South America	Asia	Africa	Total
Number of employees (headcount)	5,962	1,275	283	146	746	0	8,412
Number of permanent employees (headcount)	5,661	1,274	274	146	746	0	8,101
Number of non-permanent employees (headcount)	301	1	9	0	0	0	311
Number of employees without guaranteed working hours (headcount)	0	0	0	0	0	0	0
Number of full-time employees (headcount)	5,094	1,231	278	144	746	0	7,493
Number of part-time employees (headcount)	868	44	5	2	0	0	919







Our Employer Value Proposition (EVP) forms the strategic basis for almost all measures in internal and external HR marketing, by means of which we present EDAG as an attractive employer. It is the basis for all campaigns, which we make available to specific target groups both online and offline, and for the creation of the corresponding contents on our careers page. In order to ensure that this, the basic strategy we are pursuing as an employer, is anchored even more securely in-house, we have begun to carry out special management training courses. These will be successively rolled out across all management levels in 2023.

The improvement of our candidate journey was also the target of numerous measures in 2022. We further optimized the careers page for mobile devices, for example, and simplified the application process.

In order to digitally recreate the entire employment cycle of an employee, we have adapted to the software infrastructure already in use by converting our recruiting management system to SAP Success Factors and introducing the SAP Success Factors onboarding module.

From the initial contact through the interviews and signing of the contract, to onboarding and the HR development processes, the new solution will enable us to apply a concept that is smooth, all-round, and will digitalize and standardize further steps. The fact that we have now implemented a standardized process for the time between signing the contract and the first day of work which makes it very easy for our managers to stay in contact with their future employees is of great added value. The onboarding system enables both interesting links to our pre-boarding brochure and also individually relevant information concerning an employee's first day at work to be shared.

All Welcome Day events in Germany and a number of international locations were carried out digitally in 2022, a practice started in 2020. Various process optimizations enabled us, even with the corona protection measures then in place, to welcome up to 150 participants to a virtual team event to welcome them to EDAG. Due to the high recruitment levels each month, since mid-2022 we have been holding Welcome Days twice a month to onboard all new employees more effectively.

Our Talent Relationship Management (TRM) system was also extended in 2022. Every year, the EDAG Group comes into contact with several thousand potential technical specialists and executives. For some of these talents, there is no suitable position at EDAG at the time initial contact is made. Our TRM enables us to register the candidates concerned in our TRM pool and then, by employing a variety of measures, maintain the relationship until a suitable vacancy is found and the person can be hired. We sent out specially compiled newsletters on a quarterly basis to invite people to both digital and analog events and report on new entry opportunities, and also sent gifts to surprise people on their birthdays and at Christmas. The measures brought their reward, and a number of people were hired.

The expansion of our in-house recommendation program also proved extremely successful. The enormous success of this recruiting channel led to our decision that, instead of holding separate campaigns, this bonus would be doubled and offered on a permanent basis for all newly recruited permanent employees.

A variety of different target group-oriented formats were used to address potential applicants. These include our presence at nearly 50 students' and technical job fairs at 20 locations. We continued to foster our cooperation with universities in 2022, and extended it with a number of projects with various universities.

The applicant training sessions we started to hold at various universities in 2020 also proved very popular in 2022. One university even included the training session as a mandatory course in its curriculum.

Close cooperation with the Formula Students' university teams, for example, enabled us to intensify our sustainable and promising exchange of ideas, resulting in 12 sponsorship contracts, and to further expanded our commitment to Formula Student in the international field with the Formula Student Austria partnership.

In addition to targeting students and graduates, we were able, as a result of our technical partnership with the DTM Team SSR Performance from Munich, to develop other relevant target groups in 2022. On the recruiting side, we supported a total of 100 potential talents with an affinity for motorsports at five race events, inspiring them to work for us.

In 2022, we created the basis for reaching another very relevant target group: by founding an in-house EDAG eSports community, we quickly and very successfully created

an internal platform which gaming fans in the workforce can use to arrange after work events meet and play together. Our medium-term objective is to carry out various external cooperation projects - tournaments for instance - in order to position EDAG in the gaming and eSports scene as an authentic employer for gaming fans, in this way arousing the interest of new candidates and further reinforcing ties with existing employees.

The use of new platforms and the expansion of the team enabled us in particular to further intensify and expand our practice of actively approaching interesting candidates not actively looking for a job. Our managers, too, received additional training in the use of social media platforms and were able to use their own network to help successfully fill interesting vacancies for new managerial staff and project leaders.

By employing the measures described, we have further expanded and optimized our recruiting. As a result, the EDAG Group was able to report 2,139 new appointments (including trainees) worldwide in the 2022 financial year.

In the 2023 financial year, we will gradually be transferring the findings and best practices of our new, digital processes to our main international subsidiaries. Already, our worldwide sites have been integrated into our new career website, where their job advertisements are now posted. Our digital onboarding concept has also been successfully adapted.



**Awards** 2022 saw the start of the certification process for the "Top Employer 2023" award, which we have successfully completed. In the externally conducted audit, key aspects including corporate strategy, HR development, diversity and company health management underwent extensive validation. We are delighted with the positive result, which shows that, in the currently challenging competitive environment; we are doing very well with the employee-centered approach of our HR work. At the same time, we also improved the validation results by putting the results of the previous year's validation to the best possible use and improving a number of processes.

Our apprentices once again achieved good to outstanding results in their final examinations in 2022. This is also the result of the qualified, company-wide support we provide for our junior employees in the EDAG Group. Particularly noteworthy is the fact that one of our Technical Product Designer apprentices was named not only Second Best Apprentice in Germany, but also Regional and Chamber of Commerce Champion. These awards

are also a visible symbol of the quality of the training offered by the EDAG Group.

**HR development** Within the context of the beEDAG project, we have implemented further future-oriented subjects for our employees in Germany. In this way, we will make career paths transparent for employees, thus creating new elements for our Group Talent and Performance Management. This applied in particular to the subject of job structure in 2022. This structure enables the above-mentioned career paths to be transparently presented and discussed on the basis of predefined requirements and responsibilities.

The specialist career path was continued in 2022. Again, jobs for technical experts were advertised and filled by qualified employees already working in the company. These experts' jobs are in particularly relevant fields of competence, and can be found on a specially created page in EDAGmind, the company's social intranet.

**HR Support** The provision of a comprehensive support system for our colleagues in all HR concerns is an essential element of our HR strategy. There are local HR Business Partners at all the major sites to support the executive staff with any matters or concerns. Individually named HR advisors are the employees' main contact partners. The communication of news and changes in the company, offers for employees and other HR-relevant matters play an important role in modern companies. Particularly in a dynamic company where many changes are happening, communication plays a crucial role. In addition to the above-mentioned contact persons, we contact our colleagues by means of regular mailings and videos, staff meetings, and most of all our new EDAGmind.





This cloud-based platform which was installed the year before has been further developed. It has been globally rolled out and, being multilingual and easy to handle, is accessible to all EDAG employees worldwide. Our aim here is to further improve cross-location and international communication. Also, knowledge and information are made available globally and efficiently. In this way, a joint, digital home has been created for everyone employed by the EDAG Group.

EDAG offers employees in Germany, in some cases also internationally, a wide range of attractive voluntary benefits. A holistic approach is taken here, in which the areas "workplace and work environment", "working time, family and social matters", "financial benefits" and "insurance and pensions" are intelligently linked.

#### Some of the individual elements of our voluntary benefits include:

##### Workplace and work environment:

- Height-adjustable desks, ergonomic chairs and state-of-the-art technology
- Team events, after-work events
- Company events, e.g. summer party, Christmas party
- Free water dispensers and coffee for all employees
- Subsidized lunch at our canteens and partner restaurants
- Job tickets
- Job bike

##### Working hours, family and social issues:

- Flexible working hours
- Attractive working time models for a good work-life balance.
- 30 days' annual leave
- Working time accounts to be used for sabbaticals and early retirement models
- Mobile work
- Preventive counseling in difficult situations
- Special leave for family events
- Company health management (reintegration management, screening tests, preventive health care courses, etc.)
- Regular sports courses, online fitness, subsidies for running events and further fitness and health tips
- eSports
- Bonus for employees celebrating a wedding or the birth of a child
- Bonus for employees celebrating company jubilees

##### Financial benefits:

- 13th salary equal to 85% of a monthly salary (payable in one or more installments)
- Compensation for overtime in accordance with company agreement and employment contract

- Profit sharing if predefined Group targets are achieved
- Project and function bonuses, individual performance-related bonus payments
- Additional monthly tax-free payment to a "Ticket Plus City Card" (prepaid money card)
- Capital-forming payments
- Premium for recommending a new member of staff
- Inventor's bonus
- Emergency loan through the employer
- Financial support for education and training measures
- Increase in short-time compensation
- Numerous online and local purchasing benefits (travel, furniture, clothing and much more) initiated by our Works Council
- Company car for employees from level 4

##### Insurance and pensions:

- Group accident insurance
- Attractive group contracts for life assurance and occupational disability insurance
- Comprehensive insurance for private cars used for business trips
- Company pension scheme in the form of direct insurance policies with employer contributions of up to 15%

In addition to fair compensation commensurate with performance, EDAG therefore also offers voluntary benefits in line with the principle of sustainable staff recruitment and retention.





### Working Conditions & Corporate Culture

We very carefully monitor the segments of the labor market relevant to EDAG, and focus very closely on the changing expectations, particularly of career entrants and university graduates, with regard to company and management culture, work organization and non-monetary conditions of employment. From this market information, EDAG derives strategies and activities with the aim of remaining an attractive employer for qualified employees and university graduates.

With the early transfer of responsibility in small projects, we meet the expectations of our younger managers, and systematically promote their development.

Tomorrow's working environment at EDAG is going to be more modern, digital, intuitive, deeply integrated and efficient. We are pursuing this target within the context of our fully integrated project "weEDAG" which we have been implementing and continuously expanding in the company since 2020.

On the one hand, weEDAG comprises software solutions for efficient and digital communication. In addition, the project also goes hand in hand with the physical workplace of tomorrow. In one of the key components of the project, a cross-functional team with members from HR, IT, the Works Council and Facility Management developed a concept for modern work environments. In its implementation, the project team works with the employees concerned to find solutions for improving cooperation that will best meet the individual and functional requirements of the working environment. This involves not only mobile work, but also the provision of individual multi-purpose areas that help to promote communication and collaboration, as well as concentrated work or confidential discussions. The overall benefits here are optimized space utilization and an increase in work efficiency. The concept of modern working environments was first implemented at four sites in the reporting year. Other sites will follow, e.g., when new sites are built, or existing ones converted.



Any measures that help to improve working conditions pay dividends when it comes to our corporate culture, which is characterized by transparent communication and honest and fair cooperation. Our employees are open to change, be this of a technological or organizational nature. We are shaping this change together with the aim of playing a determining role in the development of the mobility of the future.

On our way, we fully involve our employees. With this in mind, we plan to carry out a staff survey in 2023, in order to identify potential for improvement and further develop our corporate culture.

**Social Issues** Taking social issues into account is an essential aspect of our appreciation of our employees, but also of society as a whole. In concrete terms, what this means for us is creating flexible working conditions with opportunities for mobile working, flexible working hours and working time accounts, to promote a balance between work and

family life, and enable employees to care for family members.

The Company Health Management team helps managers and employees to create health-promoting working conditions, to gain health awareness and make healthy decisions.

Bearing in mind the great importance accorded to having well qualified employees at EDAG, we are also, in addition to the education and training offered in-house, actively involved in diverse projects for young people. One key element here is EDAG's cooperation with various universities.

In addition, we also support a large number of charitable organizations. In the financial year just ended, donations totaling € 72,253 were made to charitable associations and organizations worldwide.



## Occupational Health and Safety (GRI 403)

**Health Protection** Our aim is to operate equipment and processes in such a way that neither our employees nor the environment are endangered. Occupational health and safety has top priority at EDAG, and the aim is to protect our employees from work-related dangers and implement preventive measures to ensure their good health. To this end, we have implemented an occupational health and safety management system certified in accordance with ISO 45001 at key locations in Germany.

Within the framework of our company health management, we offer a wide range of activities aimed at improving fitness. These include running meetings and employee participation in company runs or other sporting events. Health days held in cooperation with health insurance companies, physiotherapy treatments, relaxation courses, health checks, and talks on a wide range of subjects are among the preventive and health promoting measures we continue to offer. More details can be found in the following section, "Company Health Management".

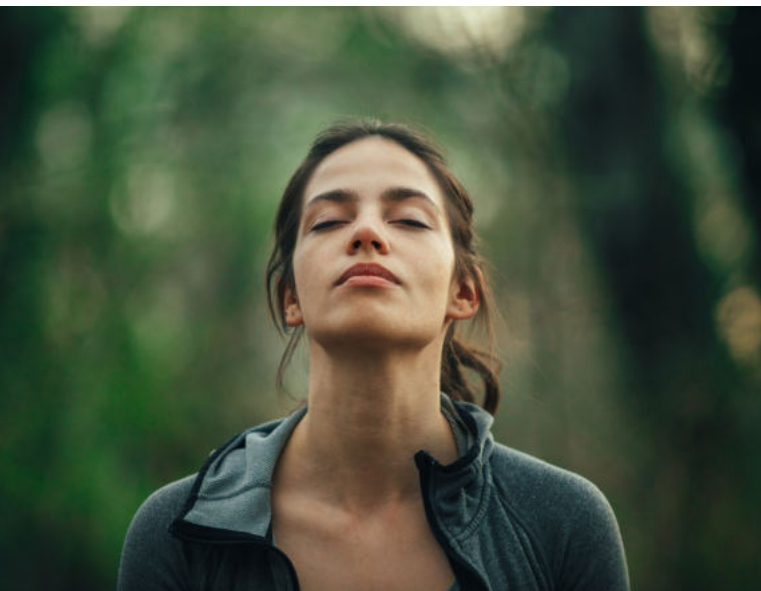
The corona pandemic exerted far less influence on our health protection activities in 2022. The corona crisis team established in 2020 continued as a central organizational unit to coordinate measures to protect the workforce and implement official

requirements. As the transition of the pandemic to an endemic state becomes more apparent, official requirements are gradually being withdrawn. There is currently therefore no need to continue to maintain a crisis team. The knowledge gained from the crisis team will be transferred to our occupational health and safety activities in 2023.

## Company Health Management

Protecting and safeguarding the health of our employees is of the utmost importance for EDAG. Our working world is in a state of constant change. A multitude of developments (including the corona pandemic) have resulted in shifts in the job-related expectations being made on employees, leading to new stresses and strains in the work environment.

The aim of our Company Health Management team is to help managers and employees to create health-promoting, motivating working conditions, to gain health awareness and to make healthy decisions. To this end, our Company Health Management promotes the physical and mental fitness of our workforce.



Apart from the fact that it goes without saying that our employees are provided with an ergonomic and safe workplace, in Germany, we also offer numerous opportunities to increase fitness and health. These include, for example, both digital and live activities dealing with key areas such as resilience and stress management, strength and exercise, and healthy eating.

Both during and after the corona pandemic, digitization has radically changed our working world. For many employees, mobile work has become a firmly established part of their lives, so in 2022 we continued to offer both digital and - increasingly - live activities.

#### These included:

- HIIT training and functional training
- Back classes
- Office aerobics – short breaks for exercise
- Online and live yoga courses
- Health coaching
- Live and online ergonomic activities
- Talks on nutrition, mental health and preventing diabetes
- Fasting courses
- Fit Brain - Combined program including motor skills, mobility and neurological exercises
- Healthy self-leadership and resilience for team leaders in a pilot project
- Germany-wide prevention checks including skin screening, heart rate variability measurements, heart age checks and long-term blood sugar checks
- Participation in running events throughout Germany

To ensure continuous development, since the middle of 2021, we have taken our company health management in Germany to the next level, and have been working with an external health insurance company on a holistic project designed to bring together our managers and employees in a healthy working atmosphere.

For the first time ever in 2022, we organized a blood donation session outside of the company in Fulda, a Company Health Management event with a positive social effect. We succeeded in motivating almost 100 employees to donate blood. Almost half of those participating were first time donors. We will be rolling out similar campaigns at other sites in 2023.

To complete our company health management services, we have also, since 2020, offered our employees in Germany an Employee Assistance Program (EAP). An EAP, also called external employee counseling, is holistic and preventive short-term counseling for health, professional and personal issues along the lines of the concept of "helping people to help themselves".

This service is free of charge, and available to all EDAG Group employees in Germany.

Company reintegration management for employees on long-term sick leave has been professionally organized and monitored by our Company Health Management team since mid-2020. The employees concerned are actively approached by our HR business partners who, with the assistance of our reintegration process, help them regain their ability to work.

In the 2022 reporting year, we gave our full attention to our Germany-wide psychological risk analysis. Following an online survey, we joined forces to carry out numerous analysis workshops for our workforce, to work out measures aimed at improving working conditions. Implementation of these improvement measures will constitute an essential part of our work in 2023.



**Occupational Safety** Annual safety briefings, inspections by the health and safety officers, and internal audits are held to ensure that employees are consistently advised and encouraged to use the work materials and equipment provided in a responsible and safe manner, and instructions are issued to ensure the correct handling of the hazardous substances that need to be processed and used in our day-to-day business.

In addition to the actual inspection of the business processes in connection with external standards, the general working conditions are also monitored in detail by carrying out internal audits and holding occupational health and safety committee meetings in cooperation with the safety officers and medical services. Certification in accordance with ISO 45001:2018 (occupational health and safety management systems) was successfully carried out for the central functions (Fulda and Wiesbaden), and in 2022 also at the Ingolstadt, Wolfsburg, Munich, Mönshheim and Recklinghausen sites.

In Germany, risk assessments are carried out at all sites, taking into account everybody potentially present at the site. The departments responsible have the competence of the health and safety officers to support them during these assessments. The health and safety officers are also neutral contacts for employees with regard to hazards in their own work environment. During work committee meetings for the EDAG sites in Germany, the relevant managers and workers' representatives are informed on a quarterly basis of the 1,000-man quota (lost working time due to downtimes in excess of 3 days due to industrial accidents, per 1,000 employees). The accidents, their causes and the measures taken to prevent their recurrence are also reported in this committee. An adjustment was made for the derivation of the 1,000-man quota in the reporting year. Work-related accidents occurring at any of the EDAG premises and on which we can exercise a direct influence with our occupational health and safety organization are analyzed in a differentiated evaluation.

The 1,000-man quota in the reporting year was 3.59 at the EDAG sites in Germany (previous year: 2.8), and 1.77 outside of Germany (previous year: 2.7).

Development of the 1,000-man quota	2020	2021	2022
<b>Germany</b>	3.57	2.8	3.59
<b>International</b>	<1	2.7	1.77





## Training and Education (GRI 404)

**Training** As it is becoming increasingly difficult to find well-trained specialist staff on the labor market, EDAG sees in-company training as being of paramount importance to the future development of the company.

For over 50 years now, EDAG has been assuming special responsibility towards young people and is regarded throughout Germany as a first-class training company. The outstanding achievements of EDAG's apprentices are reflected in the new "Top 10 training company" award presented by the Chamber of Commerce in 2022.

Commitment to in-company training at EDAG remains at its usual high level. Germany-wide, EDAG recruited 90 young people as apprentices or dual system students in the 2022 reporting year, and welcomed them with cross-site onboarding days during which they were able to get to know each other and network. The school leavers were able to choose from a wide range of occupations requiring formal vocational training, dual study programs and training-integrated study courses, to find their personal professional entry into the world of engineering. EDAG continually adjusts its training and study program to meet not only the industry's current technological requirements but also labor market requirements.

With regard to planned training needs for the start of the training and school year, the demand is great, with the departments signaling the need for almost 200 apprentices or students. With these young people, EDAG intends to generate fresh momentum and reinforce the EDAG teams. There are also plans for more EDAG open days, the first of which was held in November 2022, to offer school leavers career orientation. Another important task is to strengthen our cooperation with various educational institutions and schools and expand our social media presence covering training opportunities at EDAG.

A point of particular note is our commitment to encouraging girls to consider STEM professions. This also includes Girls' Day events at various EDAG locations which, having been suspended due to the pandemic, were resumed in 2022.

**Advanced Training** We constantly examine and monitor our HR development instruments and measures, and gear them to current requirements. Our training program is therefore regularly reviewed and adapted to ensure that it remains up-to-date and future-oriented. The digitalization of training sessions was accelerated in 2022; currently, we are working on new, contemporary methods of learning.

### Employees@EDAG

Average age: 37.7 years  
Average length of service:  
7.3 years

In the reporting year, we trained a total of 3,181 employees in 496 training programs in Germany.



In the reporting year, we trained a total of 3,181 employees in 496 training programs in Germany (previous year: 2,617 employees in 489 training programs). This accounted for 9,387 training days. Group-wide, external investments in training amounted to € 2,956 thousand in 2022 (2021: € 2.028 thousand).

Our commitment to the training and further education of our employees, as outlined above, and the special focus on promoting women in STEM professions both contribute directly to Goals 4 (Quality Education) and 5 (Gender Equality) of the UN SDGs.

The proportion of female employees throughout the Group was 20.6 percent.

## Diversity and Equal Opportunity (GRI 405)

### Age Structure and Continuous Employment

Besides pursuing the target of employee qualification, EDAG also strives to maintain a diversified workforce. Having a mix of experienced and young employees is an integral part of our personnel strategy. The average age of the employees at our key German companies is 37.7 years (previous year: 37.8 years), which is representative of a young, dynamic team. 27.6 percent of the workforce are younger than 30. The high level of the average length of service of employees (7.3 years [previous year: 7.7 years]) is an indication of employee satisfaction and identification with the company.

The voluntary fluctuation rate in 2022 was 12.2 percent in Germany (2021: 9.2 percent), and 16.6 percent in the rest of the world (2021: 16.9 percent).

The proportion of female employees throughout the Group was 20.6 percent (previous year: 19.9 percent).

By increasing the number of job advertisements in English, we succeeded in significantly increasing diversity in terms of nationality. Moreover, one of the goals of our recruiting activities is the targeted recruitment and promotion of female technical specialists and managers. To increase the diversity of our applications, we continued to focus on ensuring that our targeting became more diverse in the 2022 financial year. In order to increase the proportion of women applying for jobs, we changed our German company-wide communication to gender-neutral language on our careers site and in job advertisements, and focused more specifically on women in campaigns. Within a few months, the proportion of part-time positions offered was increased from 4 % to 67 % of all positions advertised.

Further, a gender equality project team was founded with members from the HR development, recruiting, marketing and CFO office, and this team developed measures aimed specifically at increasing EDAG's attractiveness as an employer for female employees. So, for example, a central contact point was created for all employees, where they can put forth their ideas, but also draw attention to possible grievances. With our international sites, we have also established a gender equality communication network in which we share our experiences every two months, and so learn from one another. Another important point is raising the awareness of our disciplinary managers: in the course of this year, they will be attending special training courses on the subject of diversity. In addition, partnerships with external networks are planned for 2023, in order to position the EDAG Group and the way it is perceived by the outside world accordingly.

We will be intensifying our efforts towards achieving this goal at all levels in the current financial year, here too, contributing directly to Goal 5 (Gender Equality) of the UN SDGs.

**Customer Health and Safety (GRI 416)** As an engineering service provider, EDAG has an influence on the health and safety of customers through its activities insofar as the interests of functional safety and compliance with the relevant rules for machine safety must be observed.

To this end, EDAG has built up the relevant expertise, and supports its customers in the development of safe products and the operation of production plants in which any risks to the health of the plant operators have been analyzed and constructively minimized.

There were no incidents in this connection in the reporting year, nor were any violations identified.

**Customer Privacy (GRI 418)** As an engineering service provider, EDAG handles particularly confidential and sensitive customer data. Both personal data and order-relevant data is processed. The loss of confidentiality of customer data has the potential to cause enormous damage to the customer's business, and would also undermine our customers' trust in EDAG. For this reason, great importance is attached to information security and data protection at EDAG.

A systematic information security management system was implemented at EDAG over 20 years ago. EDAG today maintains high standards in this area, a fact which is borne out by certification in accordance with ISO/IEC 27001 and the VDA information security standard, the TISAX standard.

In accordance with the classification of the data to be processed and any customer requirements over and above this, an IT and object infrastructure corresponding to the protection class is provided. Due to the fact that they receive regular training in relevant subjects, EDAG employees know how to act, and are aware of information security risks. The measures in the information security management system and their effectiveness are subjected to constant monitoring, in the form of audits for instance.

EDAG is constantly working on the improvement of this system. In 2021, the information security management system was upgraded to the requirements of the new TISAX version 5. In the first quarter of 2022, the high level of information security at more than 60 EDAG Group sites in Germany and worldwide was confirmed during a TISAX group audit. The maximum possible level of information security, prototype and data protection was achieved at each of the sites concerned.

Information security-related incidents are also recorded and processed within the framework of the information security management system. In 2022, there were no significant information security incidents to be reported.

Four data protection incidents involving personal data were reported to the Hessian supervisory authority in the reporting year. Measures to avoid any repetition were identified and effectively implemented.

The IT Security 2021+ program begun in 2021 was systematically continued in 2022. This is an extensive package of measures that in the long term and sustainably further optimize the security of the IT systems. Having built up a partnership with an established MSSP (Managed Security Service Provider), the incidences in IT systems are monitored 24/7 by an external SOC (Security Operations Center).



Furthermore, internal and external systems are checked, renewed or hardened in the IT Security 2021+ program. The information security processes, too, are further developed, and the number of available employees in the IT Security team has been doubled.

All audits carried out by external, neutral certification authorities in 2022 were successfully completed. Recognition of the information security management system was granted in an assessment carried out by CyberVadis.

In the reporting year, the introduction of a management system for the cybersecurity of vehicles was successfully certified in accordance with ISO/SAE 21434. This is about providing verification that, during the development of software for vehicles, cybersecurity is taken into account throughout the entire life cycle. All EDAG Group certificates are available online at <https://www.edag.com/en/edag-group/the-company-edag/certificates>.



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