

Sustainability in practice



“Through our activities, we want to make a real and measurable contribution to the global energy transition and thus create long-term value – for the environment, for society and for our company.”

Fabrice Billard

CEO as of April 1, 2022



Online AR
[report.burckhardtcompression.com/
sustainability-report](https://report.burckhardtcompression.com/sustainability-report)

OUR COMMITMENT TO SUSTAINABLE VALUE CREATION

Burckhardt Compression is an industrial technology company specializing in reciprocating compression solutions for all types of gases. With a company history stretching back over 178 years and products with a useful life to more than half a century, we base our business decisions on a long-term perspective. And we approach sustainability with the same mindset: pragmatic, focused on the long-term, creating value and impact driven.

Story #1

Creating impacts where they matter

In order to use limited resources in a targeted way, sustainability must be impact-driven and relevant. That is why we work closely with our customers and develop robust solutions to tackle their challenges.

Our compressors are used mostly in upscaled industrial and energy supply processes. Hence the main environmental impact is in the use phase for our customers. With our technology and engineering expertise, we help our customers reduce energy consumption, greenhouse gas emissions and resource use.

EXISTING COMPRESSOR ADAPTED TO NEW PROCESS

This past fiscal year we worked with a leading European oil and gas company to resize the capacity of a compressor to reflect new process requirements. The customer needed a solution that required a reduction in gas flow of more than 50%.

We started by conducting a detailed inspection along with a technical analysis. From this, we developed our solution to overhaul the existing compressor and adapt it to the new specifications. The right sizing of a compressor has a particularly significant effect on efficient energy use. This meant the customer did not have to purchase a new compressor or resort to the bypass system, enabling it to make optimal use of the existing resources.

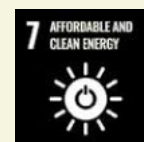
The savings potential that we can unlock together with our customers exceeds our direct impact in operations many times over.



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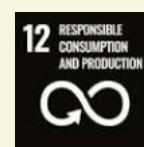
EXAMPLE CONTRIBUTIONS TO THE SUSTAINABLE DEVELOPMENT GOALS SDGs



SDG 7
Enabling energy savings of 1'800 MWh per year through the resizing of an existing compressor system.



SDG 13
Reduction of CO₂ emissions resulting from energy savings.



SDG 12
Reuse and upgrade of a compressor system.

CONSIDERABLE ENERGY SAVINGS ACHIEVED

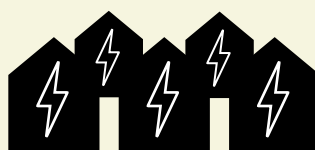
The fully revamped compressor is as good as new, thanks to our overhaul of all major components and upgrade to high-performance components. This has enabled us to successfully transition the compressor to the next lifetime.

Our customer will be able to save about 1'800 megawatt hours of electricity per year, thanks to the modified process.

Considerable energy savings enabled

1'800 MWh

per year is equivalent to:



Annual electricity consumption of >500 average Swiss households.

or



Approximately a third of the annual electricity consumption in 2021 of our Winterthur site, including head office.

Story #2

Innovating to tackle the energy transition

Compressors have been instrumental in important developmental advances in the industry. At Burckhardt Compression, we believe that technology and innovation are crucial to meet the sustainability challenge.



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energy-transition](https://report.burckhardtcompression.com/energy-transition)

Since we were established more than 178 years ago, we have set new benchmarks and pushed boundaries to find solutions for both today and tomorrow. We are currently focusing our minds and developing new technologies for LNG transport as well as hydrogen mobility and energy.



Bridging technology paving the way to sustainable shipping

Burckhardt Compression's Laby®-GI fuel gas compressors play a crucial role in the current transition of the shipping industry. The compressors enable liquefied natural gas (LNG) to be used as a fuel instead of the more carbon-intensive and sulfur-rich heavy fuel oil. This provides a short and medium-term interim fuel to meet the more stringent international environmental requirements until zero-emission solutions are developed. Greenhouse gas emissions are reduced by up to 25% compared with heavy fuel oil, thanks to use of gas as a fuel and modern ship design.



Our Laby®-GI Compressor is the world's only completely oil-free and leakage-free high-pressure reciprocating compressor for the use of gas as a fuel in the shipping industry.

However, for LNG to serve as an interim form of fuel in shipping, efficient and in particular leakage-free use is crucial. All Laby®-GI compressors are gas-tight, thus preventing gas emissions into the atmosphere. We are also the only manufacturer capable of compressing gas to 300 bar by means of a large ring-seal compressor system without cylinder lubrication. Oil-free compression of the gas renders oil separation and filtration of the gas superfluous and saves up to 1'200 liters of lubricant per year.

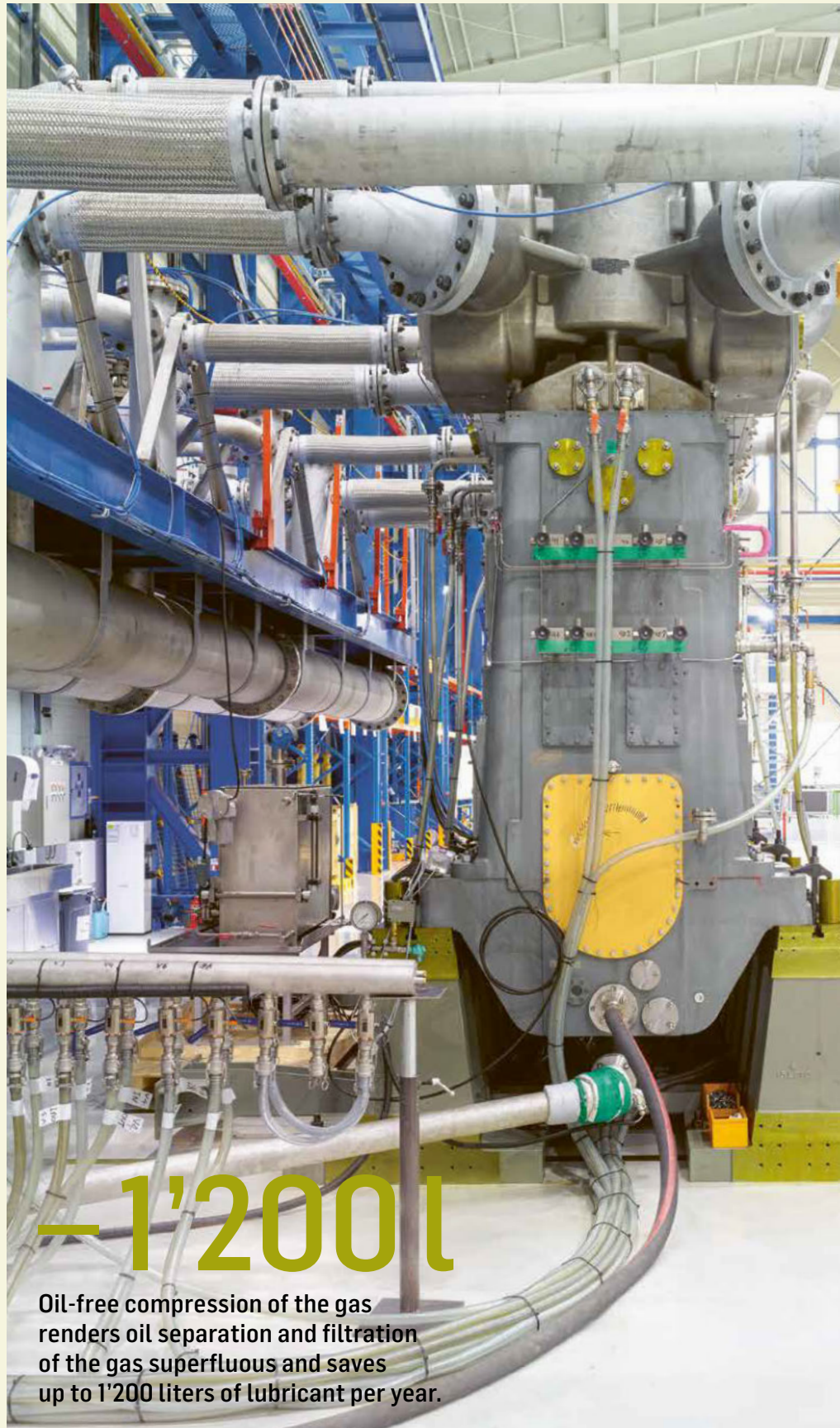
**EXAMPLE CONTRIBUTIONS
TO THE SUSTAINABLE
DEVELOPMENT GOALS
SDGs**



SDG 13
Reduction of greenhouse gas emissions through the non-leaking use of LNG as a fuel in shipping instead of heavy fuel oil.



SDG 12
Responsible use of resources through operation without cylinder lubricants.



- 1'200 l

Oil-free compression of the gas renders oil separation and filtration of the gas superfluous and saves up to 1'200 liters of lubricant per year.

Another step toward efficient use of hydrogen in the energy transition

Successful energy transition depends on a wide range of technologies for the production and storage of renewable energy. Hydrogen has the potential in this context to be an essential stepping stone in the energy transition in specific fields of application, such as heavy-duty transport, and as a complement to existing technology, such as battery-powered electromobility. The use of hydrogen is not new to Burckhardt Compression; we have decades of experience in the compression of this gas. However, in order to be used on a broad and efficient scale as part of the energy transition, new requirements for the compression of this gas must be met.

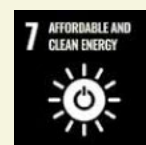
We are working intensively on the further development of our compressor solutions and in this fiscal year we were able to launch an oil-free compressor with a discharge pressure of 550 bar and high capacity. The large high-pressure reciprocating compressors have been specifically developed for use in a variety of hydrogen applications and are particularly suitable for hydrogen trailer filling and hydrogen fuel stations with high capacity. These compressor solutions have been designed for mass flows in excess of 150 kg/h and help to reduce the number of compressors required.

With our new seals for oil-free high-pressure reciprocating compressors, we are able to support the forthcoming volume upscaling in the various hydrogen applications in a cost-efficient way.

550 bar

In this fiscal year we were able to launch an oil-free compressor with a discharge pressure of 550 bar and high mass flows.

EXAMPLE CONTRIBUTIONS TO THE SUSTAINABLE DEVELOPMENT GOALS SDGs



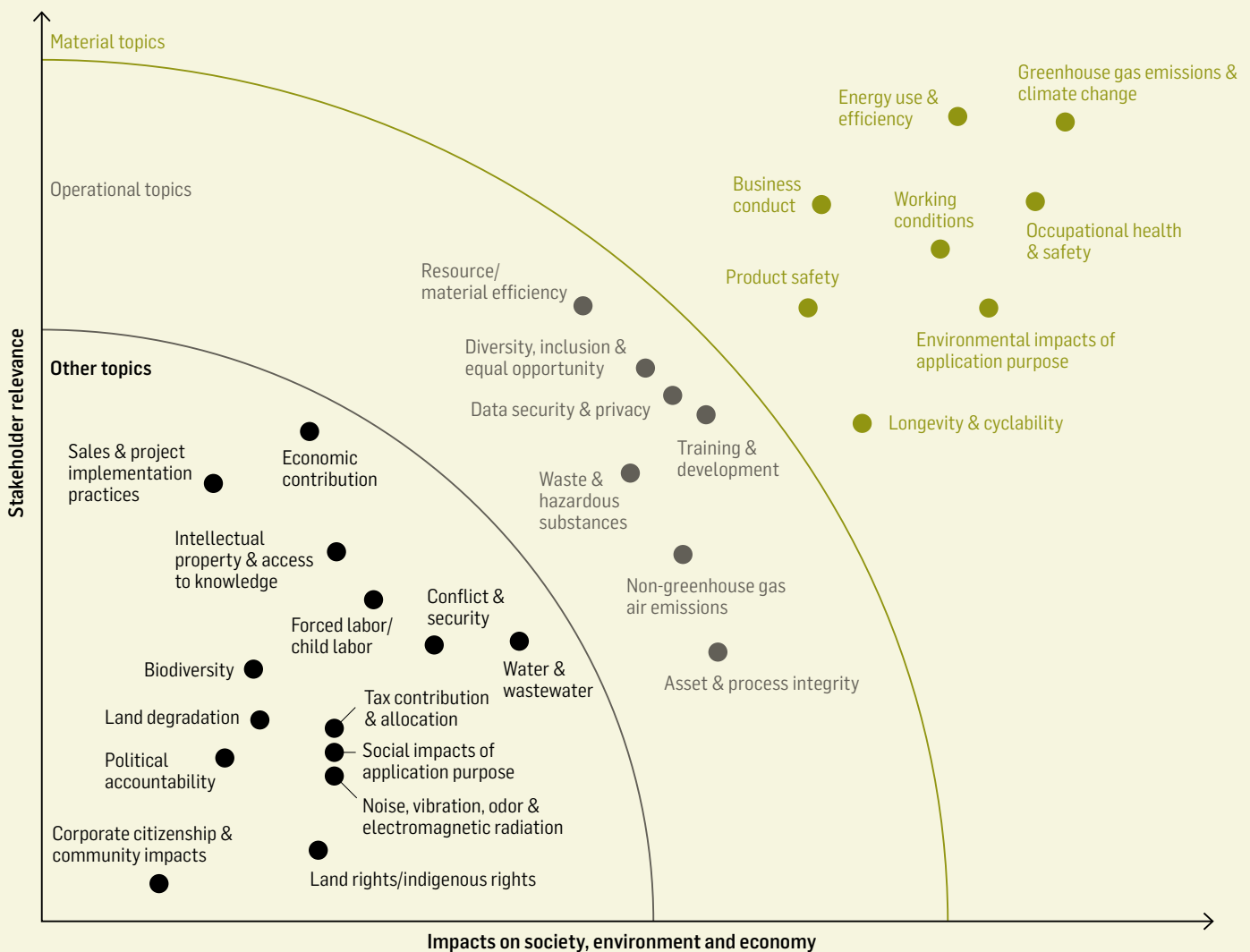
SDG 13/SDG 7

Development and promotion of technologies for the energy transition.

SUSTAINABILITY REPORT 2021

Our sustainability roadmap follows an impact driven approach, is focused on material topics and has a firmly anchored governance.

Burckhardt Compression materiality matrix



OUR IMPACT-DRIVEN APPROACH

We aspire to create sustainable values with our products and services by incorporating economic, environmental and social aspects in equal measure into our activities.

We have a long track record of implementing high standards in terms of working conditions, employment relations, environmental management, health and safety at work and our durable and repairable products. This is a comprehensive commitment that we continue to expand.

Focus on eight material topics

We used a materiality analysis to determine where our company's activities have the greatest impact on society, the environment and the economy, and which topics are relevant to our stakeholders. For this purpose,

we conducted an impact analysis, where we assessed actual and potential positive and negative impacts of our activities along the value chain. The aspects of scale, scope and likelihood of impacts were taken into account as assessment categories. In addition, we gathered the views and concerns of our key stakeholders – investors, customers, employees and suppliers – online and in person. This materiality matrix provides guidance and focus for the further integration of our sustainability efforts into business activities. It will be reviewed at regular intervals and adjusted if required.

The topics located in the top-right of the matrix were identified by us as material. For each of the eight material topics, we have appointed a topic leader, who together with subject matter experts will further develop our approach.

Material topics

| | | | value chain impacts | | |
|-------------|---|--|---------------------|----------------|-----------------|
| | | | supply chain | own operations | use/end-of-life |
| Environment | 1. Greenhouse gas emissions & climate change | Impacts on climate change, including greenhouse gas emissions along the value chain, and mitigation of climate change risks. | ● | ● | ● |
| | 2. Energy use & efficiency | Energy consumption, efficiency and sources for the production, provision and operation of Burckhardt Compression's products and services. | ● | ● | ● |
| | 3. Longevity & cyclability | Fostering a long lifecycle and the circularity of materials and products in Burckhardt Compression's business activities, including maintenance and repair services. | ● | ● | ● |
| | 4. Environmental impacts of application purpose | Environmental impacts of the use case of Burckhardt Compression's products and services, including the contribution to a sustainable energy transition. | ○ | ○ | ● |
| Society | 5. Working conditions | Employment terms including working hours, compensation, and labor-management relations as well as the satisfaction of employees with those terms. | ● | ● | ○ |
| | 6. Occupational health & safety | Maintaining and promoting a safe and healthy working environment for workers involved in the production and provision of Burckhardt Compression's products and services. | ● | ● | ● |
| | 7. Product safety | Maintaining and promoting the safe and healthy operation of Burckhardt Compression products and maintained products of other brands. | ○ | ○ | ● |
| Economy | 8. Business conduct | Ensuring and promoting that Burckhardt Compression's business activities are conducted in compliance with regulations, standards and ethical principles. | ● | ● | ● |

We have also identified several "operational topics". These are important to us as well, but we will not pursue them with the same strategic approach as the material topics. They will be integrated into the operational business activities at the departmental level. The "other topics" may be of greater relevance for a specific subsidiary, but not across the whole Group. We address these topics on a situation-specific basis.

Strategic focus on the UN Sustainable Development Goals (SDGs)

Burckhardt Compression is committed to supporting the Sustainable Development Goals (SDGs) as defined by the United Nations. These SDGs address the world's most pressing sustainability challenges and are to be achieved as part of Agenda 2030 for Sustainable Development.

Our strategic approach to sustainability is based on our eight material topics and is aligned with the SDGs mentioned above. We have stated five sustainability ambitions, each linked to a strategic SDG and directly related to our material topics:

- Safeguarding human health (SDG 3: Good health and well-being)
- Promoting prosperous work (SDG 8: Decent work and economic growth)
- Tackling climate change (SDG 13: Climate action)
- Driving energy transition (SDG 7: Affordable and clean energy)
- Valuing natural resources (SDG 12: Responsible consumption and production)

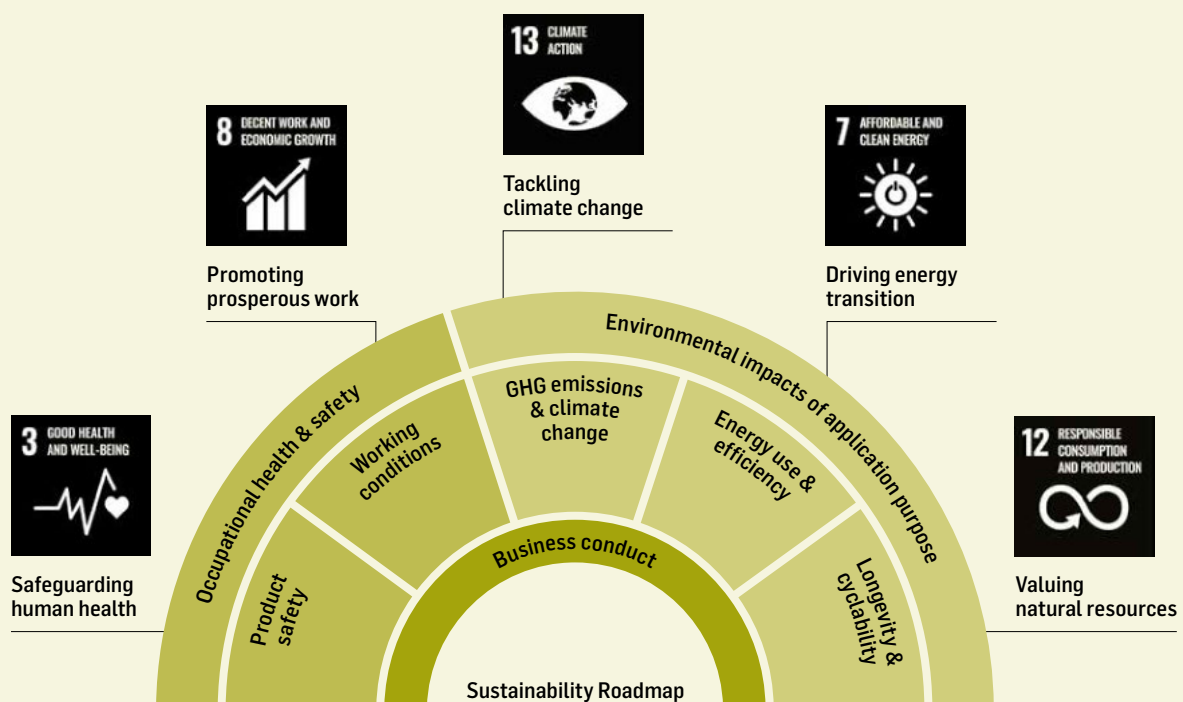
We have also identified six additional SDGs to which we can make a contribution.

Overarching due diligence on human rights and international environmental standards

The focus on our material topics and sustainability ambitions includes an overarching due diligence approach. We acknowledge the responsibility to respect internationally recognized human rights and international environmental standards. We incorporate the precautionary principle into our activities and decision making, such as the consideration of environmental requirements in product design, the consideration of human rights in our supply chain and the assurance of safe product operation at our customers' sites.

Supply chain management plays a key role in this. Burckhardt Compression uses its suppliers' experience to continuously improve its products, because an important part of the value creation is provided by them. We source raw materials for the foundry in Shenyang, China, raw materials and semi-finished products for the manufacture of compressors in our factories and components and other accessories to complete and maintain the compressor systems on-site. For this, we have an established global supply chain, with core suppliers for production located in the wider regional area.

Strategic sustainability framework



Through our recently devised Code of Conduct for business partners, we set the same high standards for suppliers as we do within our company, and we also include them in our environmental and quality policy. We conduct checks on-site or when goods arrive to ensure observance of specifications and verify it by reviewing the required audit reports. In addition, we adopted a policy on conflict minerals in the reporting period. In the future, we will work even more closely with our suppliers on joint solutions for the energy transition and increase transparency relating to raw materials in our supply chain.

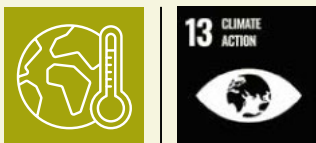
Ongoing development of our sustainability approach

Over the reporting period, we made significant progress in systematically integrating sustainability into our business. We have enhanced management approaches for our material topics in cross-functional teams and defined key performance indicators, which are presented for the first time in this Sustainability Report. This report has been prepared in accordance with the GRI Standards: Core option. It is the first comprehensive Sustainability Report by the Burckhardt Compression Group prepared in line with international standards.

Enhancement of our sustainability performance is a long-term commitment, and we intend to and will harness more potential. In the next fiscal year, we will build specifically on the successes and findings from this year. We will in particular optimize data collection and define targets for the material topics under the new mid-range plan 2023–2027. In doing this, we want to ensure that the sustainability strategy is an integral part of our business strategy.

OUR MATERIAL TOPICS

1. GREENHOUSE GAS EMISSIONS AND CLIMATE CHANGE



Topic lead: President Systems Division

Tackling climate change is one of the most pressing global challenges. The potential consequences of climate change are grave, in some cases irreversible, and affect individuals, organizations and countries alike. The Paris Agreement of 2015 is a legally binding international treaty between states on climate change. It recognizes the need to limit global warming to below 2°C above pre-industrial levels, preferably as low as 1.5°C. To achieve this global goal, immediate and decisive action is required at all levels to reduce greenhouse gas emissions worldwide.

Burckhardt Compression recognizes its responsibility and the potential to reduce its greenhouse gas emissions across the entire value chain. Our activities and technology make an increasing contribution to combating climate change and to supporting Sustainable Development Goal 13: Climate action.

The bulk of the emissions associated with our business activities arises in the use phase of our compressors, due to their long lifetime of 30–50 years. Other emissions occur in our operating facilities, where we have the most direct influence, and in logistics and the materials used.

Our approach

Burckhardt Compression endeavors to reduce the company's carbon footprint and optimize emissions during the use phase of the compressors. In an initial phase, we focus on three key areas:

- Reduction of the company's carbon footprint
- Evaluation and optimization of the impact of our inbound and outbound logistics
- Improvement of the carbon footprint of compressors

Our climate policy is the basis for all our activities related to climate change and part of our wider environmental policy. Our environmental management system, certified in accordance with ISO 14001, is the most important instrument in reduction of our environmental footprint. Each subsidiary takes responsibility for reducing its own greenhouse gas emissions and sets relevant targets. Our sites in India and Switzerland, for example, have set long-term reduction targets as part of industry initiatives or government agreements.

Reduction of greenhouse gas emissions during the use-phase of our compressor systems is an integral part of our product and innovation management and our service offer.

Progress in fiscal year 2021

For the first time, we consolidated environmental data at Group level to calculate direct (Scope 1) and energy-related indirect (Scope 2) greenhouse gas emissions.

To evaluate emissions in inbound and outbound logistics, we have prepared a data collection for the coming fiscal year. In addition, we calculated the product emissions of different compressors over their entire life cycle in order to put our emissions in an overall context.

On an operational level, we were able to continue with various projects to reduce our emissions. The measures implemented locally relate in particular to the reduction of electricity consumption and the increase in the proportion of renewable energies. For example, Burckhardt Compression's electricity consumption in Switzerland was converted to 100% renewable energies in the reporting period. Burckhardt Compression India was able to significantly reduce Scope 1 and Scope 2 emissions through a comprehensive energy audit. At our foundry in Shenyang, China, we successfully completed the conversion from coal-fired to electric furnaces.

Greenhouse gas emissions also play a vital role in our continued product development and collaboration with our customers. We see high potential for avoidance of gas leakage, particularly where greenhouse gases are compressed. With this in mind, we launched a research and development project in the reporting period to evaluate various approaches for comprehensive emissions management of existing compressors. In addition, we have invested heavily in digitalization and are one of the pioneers in our industry. Solutions such as UP! Solutions Remote Support contribute to a reduction of greenhouse gas emissions through decreased travel by service technicians.

Our performance

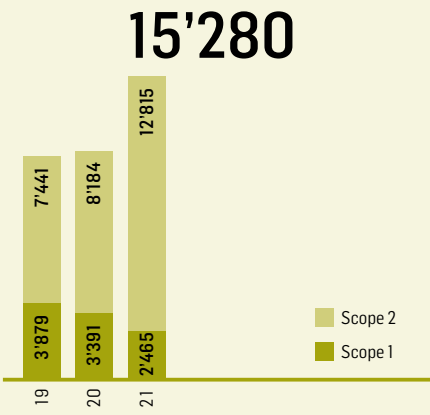
The absolute greenhouse gas emissions for Scope 1 and Scope 2 are 15'280 tonnes of CO₂ equivalents (CO₂e). Scope 1 emissions have decreased in recent years, while Scope 2 emissions have increased, mainly due to the switch from coal-fired to electric furnaces at the Shenyang Yuanda foundry, while casting production has increased significantly.

Chosen compressor supplier for renewable diesel production plant

Burckhardt Compression has been chosen as a partner for a clean, renewable diesel production plant in northern Europe. The project aims to upgrade an existing plant for the production of clean, renewable diesel based on different raw materials. The plant upgrade ensures co-processing of 40% renewable feedstock and is designed to be expanded to 100% renewable feedstock in the future.

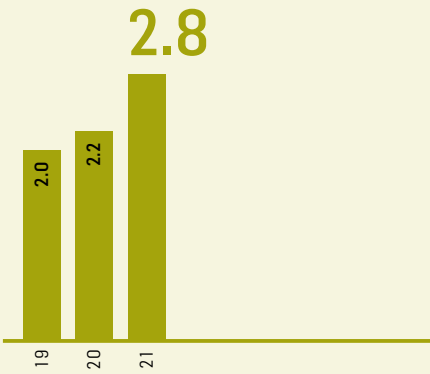
Greenhouse gas emissions

in tons of CO₂e



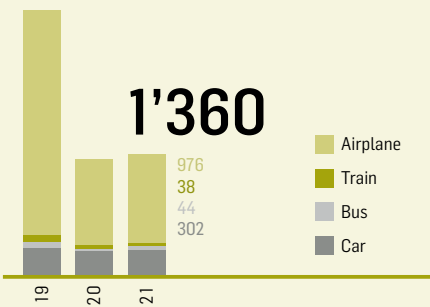
Greenhouse gas emissions intensity Scope 1 and 2

Tons of CO₂e/1'000 working hours



Greenhouse gas emissions business travel

Tons of CO₂



Business travel forms only a small part of Burckhardt Compression's other indirect greenhouse gas emissions (Scope 3), but can be directly influenced. Compared with the previous year, the number of business trips has increased again slightly, but is still significantly below the level of 2019. By strengthening our digital infrastructure, we will reduce travel frequency in the medium term.

H₂ diaphragm compressor for Hungarian project for green hydrogen

The Hungarian government has announced it will support various projects to convert surplus electricity into gas energy. One of the successful tenders is the "Aqua-marine" project, which includes a hydrogen plant in an underground gas storage facility operated by Hungarian Gas Storage Ltd. The produced hydrogen is mixed into natural gas and utilized in their own gas engines and furnaces, therefore reducing CO₂ emissions.

A top priority in our efforts to tackle climate change is to reduce carbon emissions generated from business operations. However, over the entire life cycle of a compressor, other potential arises where we can achieve a much higher impact. In fiscal year 2020, Burckhardt Compression India calculated the emissions of a compressor over its entire life cycle for the first time. In this fiscal year, we added three more compressors to the calculation to better understand our Scope 3 emissions. The results show very clearly that emissions during the use phase account for by far the greatest proportion. This is attributable to the high power range of our compressors, their long lifetime and their uninterrupted operation.

Outlook for fiscal year 2022

With the fundamental findings from this year, we will begin the next stage of developing a road map for the long-term reduction of greenhouse gas emissions in line with the Paris Agreement. We also plan to extend the greenhouse gas inventory to further Scope 3 categories.

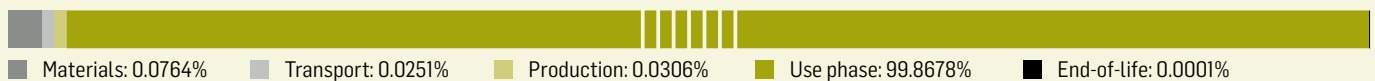
Another focus is on a joint reduction of greenhouse gas emissions with our customers.

Greenhouse gas emissions of various compressors over the entire life cycle

in %

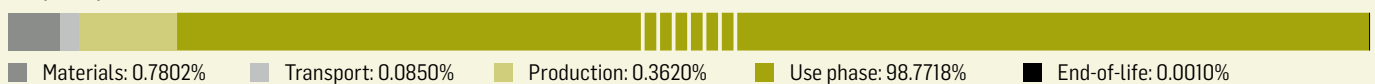
Process Gas Compressor 2B1Y

Life cycle 20 years



Diaphragm Compressor MD10

Life cycle 20 years



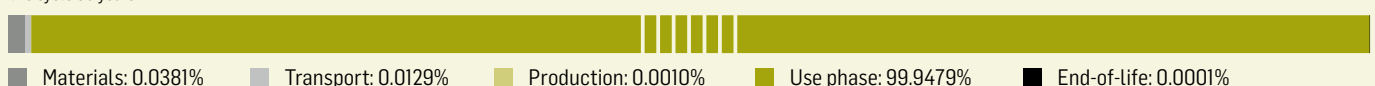
Laby®-GI Compressor 5LP250-V

Life cycle 30 years



Hyper Compressor K8

Life cycle 30 years



2. ENERGY USE AND EFFICIENCY



Topic lead: Vice President Compressor Engineering & Manufacturing

The development of society depends on the conversion, use, storage and transmission of power. Reliable and affordable access to power is a basic need. However, the extensive demand for energy is also tied to significant environmental impacts. The use, efficiency and type of energy therefore assume a special significance for sustainable development, combined with far-reaching social, economic and environmental implications.

As an industrial technology company specializing in the compression of all types of gases, Burckhardt Compression occupies a key position in the energy system. Our activities require a significant amount of energy in the manufacturing process and even more in the operation of our compressors. Our technology is also used to provide, transmit and store energy. This means Burckhardt Compression has significant potential to support the energy transition and thus support Sustainable Development Goal 7: Affordable and clean energy

The biggest impact of our activities is in the use phase of our products.

Our approach

Burckhardt Compression endeavors to reduce energy demand, promote renewable energies and contribute to the energy transition through its technology. The focus is on:

- Energy use, energy efficiency and energy quality, including renewable energy in our operations.
- Use and efficiency of energy in the operation of our products at customers' sites throughout the use phase.

Our environmental policy and ISO 14001-certified environmental management system form the basis of all activities related to energy consumption in our value chain. Each subsidiary takes responsibility for reducing its greenhouse gas emissions and sets relevant targets.

Our Winterthur site, for example, is in the process of implementing a multi-year project to save energy in production operations and offices. As another example, the factory in Pune has won the GreenCo Star Performer Award several times. GreenCo is an initiative created by the Confederation of Indian Industry (CII). GreenCo's rating system takes a holistic approach to measurement of the results of corporate environmental initiatives.

The energy use and efficiency of our compressor systems forms an integral part of our product and innovation management. Through our comprehensive services, we improve the energy requirements of our own and third-party compressor systems throughout their entire life cycle.

Progress in fiscal year 2021

In the reporting period, Burckhardt Compression continued its measures to reduce energy consumption in different sites. In India, for example, we achieved energy savings of more than 95'000 kWh in 2021 for the local site by conducting an energy-saving audit and carrying out several specific projects. In addition, for the first time we have undertaken a global consolidation of the energy consumption of all subsidiaries, an important basis for the planned corporate target setting.

We are increasingly turning to renewable energy sources in our operations. In the reporting period, the subsidiary in Italy and the facility and headquarters in Switzerland managed to switch their electricity supply over entirely to renewable energy sources.

In terms of products, we have developed and approved for sale the next, more energy-efficient generation of Laby®-GI compressors. It features significantly improved energy efficiency compared with previous versions. In the service segment, we have stepped up our approach to energy saving through revamps and upgrades.

New-generation Laby®-GI compressors for LNG ships

The latest generation of Laby®-GI compressors, type 5LP250-V, marks another milestone in the further evolution of our products. This version features in particular a significantly improved energy efficiency compared with previous versions. We obtain a 5% higher quantity of compressed gas with an average of 5% (50 kW) lower power requirement. Assuming an annual operating time of 4'000 hours, this means recurring savings of 200 MWh per compressor.

Our performance

Compared with the previous year, our energy consumption has increased in absolute terms by 9.9% and our energy intensity by 8.0%. Most part of the increased energy demand is due to the switch from coal-fired to electric furnaces and the increased production at the Shenyang Yuanda foundry.

We increased the Group-wide proportion of renewable electricity compared with the previous year thanks to the conversions in Switzerland and Italy. Nevertheless, much scope for progress still remains.

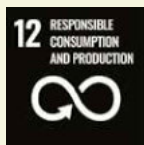
With product improvements and services, we managed to reduce our customers' energy consumption in the reporting period. We currently evaluate a limited number of projects for energy savings and will present these transparently in the future.

Outlook for fiscal year 2022

In the current fiscal year 2022, we will set out a road map to increase the share of renewable electricity across the Group. In addition, we are planning short- and long-term targets at Group level to increase electricity efficiency in our operations. Local energy-saving measures at operational level will continue as planned. For example, our factory in Pune, India, is in the process of applying for "Platinum" status under the GreenCo initiative.

We will set targets based on newly defined key performance indicators and initial data collected on compressor energy consumption and put in place regular data collection. This will allow us to improve and report on our offering and the impact of energy consumption savings through our service activities in the future.

3. LONGEVITY AND CYCLABILITY



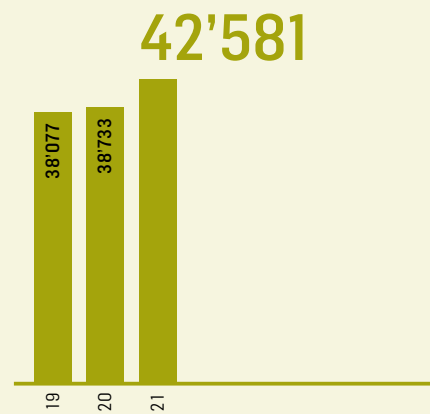
Topic lead: President Services Division

A large number of natural resources are finite, and the extraction of raw materials is frequently associated with significant environmental and social consequences. It is thus essential to keep raw materials for longer in the use phase and to close loops in order to be able to use materials repeatedly.

Our compressors are made mainly of iron and steel, materials that are easily recyclable. They are relatively material-intensive to manufacture due to the physical demands of the high pressures involved. However, with their lifetime life of 30-50 years, our compressors are also very durable. More than half of active compressors equipped with a Burckhardt Compression serial number have been in service for more than 20 years, the oldest for 92 years. We secure this long lifetime through the services we provide for our own compressors and those from other manufacturers.

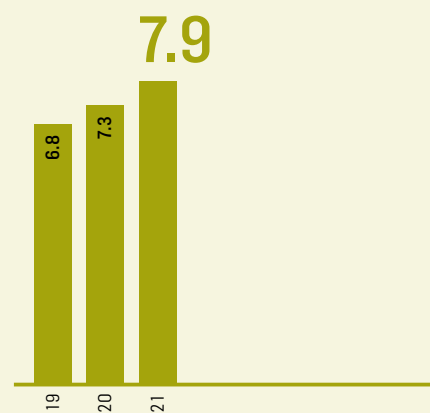
Energy consumption

in MWh



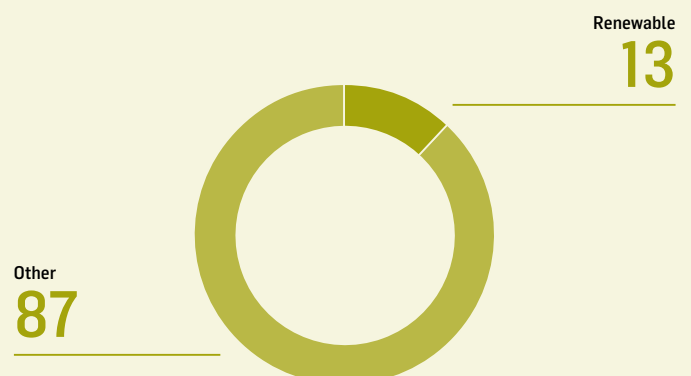
Energy intensity

MWh/1'000 working hours



Share of renewable electricity

in %



In the manufacture and servicing of compressors, we have a significant amount of scope to contribute to a circular economy and support Sustainable Development Goal 12: Responsible consumption and production.

Significant impacts result from the raw materials used for our compressors, the replacement of components during the use phase and the use of operating materials such as lubricant.

Our approach

Burckhardt Compression fosters long life cycles and the circularity of materials in its products and services. Our holistic approach centers on five aspects:

- Longevity of new products through technology, engineering, easy maintenance and optimized wear parts
- Longer life cycles of existing compressor systems through retrofitting, overhauling and longer maintenance intervals
- Repairing of components and compressors
- Use of recycled materials, in compliance with material requirements and standards
- Recyclability of our products

To foster longevity, we use our in-depth technical knowledge to develop reliable, long-lasting and high-performance compressor solutions. With innovations such as our Persisto® materials and Redura® sealing systems, we achieve maximum performance for efficient, reliable and long-lasting operation. To achieve our long product lifetime of 30–50 years, we offer a full range of reliable services and durable compressor components developed in-house.

By reconditioning equipment, we support the short recycling loop with a comprehensive range of revamp and upgrade services, as well as our refurbish programs for entire compressor systems. We also repair and re-

Overhaul of a hyper crankcase in a polyethylene unit

After 180'000 operating hours, equal to more than 20 years of standard operation, a low-density polyethylene (LDPE) manufacturer discovered hard scuffing damage on the contact surfaces between the hyper compressor crankcase and the distance pieces. Working to an extremely tight deadline, Burckhardt Compression successfully overhauled the compressor and put it back into operation. The movement and vibration of the distance pieces and cylinders were significantly reduced, extending the lifetime of the plunger, packing and elastic rod. In addition, oil leakage between the crankcase and the distance pieces was minimized.

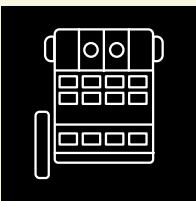
refurbish compressor components, such as valves, using our global network of service centers.

Progress in fiscal year 2021

One focus in the reporting period was the advancement of our long-term approach to condition-based maintenance of compressors. The long-term goal actually represents a paradigm shift in compressor maintenance: moving away from standardized replacement plans based on the operating cycle to predictive maintenance based on the actual condition of the compressor. In addition to improving quality and efficiency, our data-based approach extends the lifetime of the equipment and individual parts.

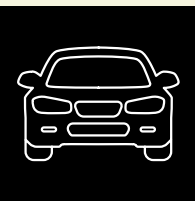
Operating hours in comparison

LABY® Compressor 3K160



Weight:
9t
Operating hours:
8'000 per year

Passenger car



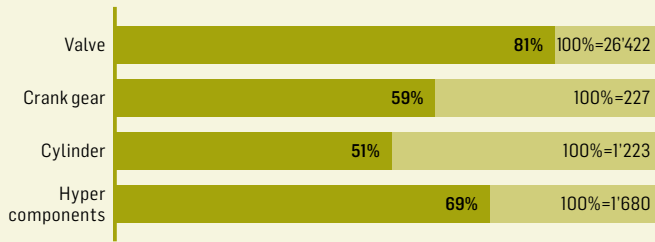
Weight:
1.5t
Operating hours:
5'000 total*

* Assumption: 300'000 km with Ø 60 km/h

When our specialists carry out the first service, an average passenger car has already quit service a long time ago.

Proportion of reused or refurbished components in service work in 2021 for selected key components.

in %



100% = Total components recycled or newly manufactured by Burckhardt Compression for service activities.

Through the acquisition of Rotterdam-based company Mark von Schaick BV in the reporting period, we significantly expanded our capability for complex repairs of main parts, such as crankshafts.

We also looked more closely at recyclability and analyzed the materials used throughout the product range. The predominant proportion by weight relates to ferrous materials, such as steel and cast iron. They account for an average share of more than 95% and are highly recyclable, with established markets available for this in most regions.

In addition, we carried out initial clarifications with our suppliers as to how much of the input materials used come from recycled sources. This revealed a mixed picture, depending on the recycling maturity of the respective regional markets. In Europe, our suppliers can rely on an established recycling market, which explains why the proportion of recycled materials tends to be higher than in Asian supply chains. Our plant in Switzerland profits from this in particular, with a predominantly regional supply chain.

Emergency repair of a 50-year-old nitrogen compressor

A leading stainless steel products manufacturer based in Italy contacted Burckhardt Compression after sudden and extreme vibration caused the 50-year-old dry compressor to come to an unexpected standstill. Our root cause analysis found that the compressor was still technically sound, but cracks in the foundation and damaged anchor bolts were causing the malfunction. Thanks to our prompt intervention, the base was repaired on site and the compressor was put back into operation within the client's tight schedule, ready for the coming years of operation.

Our performance

Repair instead of replacement is a key component in the circular economy. We thus recorded the portion of reused or refurbished components in service activities for selected key parts for the first time in fiscal year 2021. The data demonstrates our contribution to the circular economy through our services; for example, for valves the share of refurbished components is 81% in all service interventions.

Outlook for fiscal year 2022

We will continue our condition-based maintenance initiative in the current fiscal year 2022. This undertaking will continue until 2025 and, along with our digital offering, will be one of the main themes in the Services division.

Another focus will be to enhance our extensive service activities with an emphasis on revamping, upgrading and reprocessing manufacturing compressor systems in order to extend their operational life. In doing so, we want to be able to better measure and manage the impact of our service performance on lifetime and the circular economy in particular.

4. ENVIRONMENTAL IMPACTS OF APPLICATION PURPOSE



Topic lead: Vice President Sales Systems Division

Our core competence is mastering gas compression technologies for a wide range of gases. Gas plays a crucial role in the process industry and the energy supply. The range of applications is very broad, from conventional energy supply to industrial gases to renewable energy systems. A significant part of the indirect environmental impact of our business activities depends on the application purpose.

Through innovative solutions in the development of new compressor systems and components as well as customized services, we can support our customers to drive the transformation to a sustainable economy. We have the potential to contribute to three of our strategic Sustainable Development Goals (7, 12 and 13). The main impacts of this topic are related to the use-phase of our products and services.

Compressor for a new green hydrogen production plant in Switzerland

Burckhardt Compression received an order for a Diaphragm Compressor for a green hydrogen production plant in Switzerland. The compressor system is designed for hydrogen mobility applications and capable of discharging hydrogen at a high pressure and high purity, suitable for fuel cells.

Our Approach

Burckhardt Compression is committed to the long-term alignment of its business activities with a sustainable economic system. We identified four positive impact areas:

- Climate change mitigation
- Energy transition
- Circular economy
- Environmental pollution prevention

We are expanding the areas of application for our customers and supporting the transition to a sustainable economy through our continuous innovation in compressor systems, materials, components, and services.

Marine applications: Liquefied natural gas represent a short and medium-term bridge fuel for marine applications to comply with tightening international regulations on greenhouse gas emissions until zero-emissions solutions are developed. Modern ship designs are introducing gas as fuel instead of carbon-intensive and high-sulfur content heavy fuel oil helping to reduce greenhouse gas emissions by up to 25%. Burckhardt Compression Laby® and Laby®-GI fuel gas compressors play an essential role in the current transition of the shipping industry. The large portfolio available and the flexible compressor concepts can provide fuel gas to all types of modern dual-fuel engines. All applied compressor types are of gastight design, allowing fuel gas compression up to 300 bar with zero emissions to the environment.

Hydrogen distribution and fueling applications: We are supporting the development of hydrogen mobility by developing a range of compressors, including diaphragm and reciprocating compressors that meet the specific technical challenges of these new applications. Examples are the innovative materials and ring geometries which enable process gas compressors to be operated without oil lubricants for hydrogen trailer filling and in fueling applications for hydrogen-powered trains, trucks, or buses, with pressures of up to 550 bar. The technological advantages of reciprocating compressors for this application are unrivaled efficiency and long service lives.

Hydrodesulfurization: Process gas compressors per API 618 are used specifically in industrial processes for the desulfurization of fuels.

Progress in fiscal year 2021

During the reporting period, we developed a sustainability screening approach to better structure our business activities from an environmental impact perspective. This classification system makes use of international standards such as the EU taxonomy for sustainable activities or South Korea's K-Taxonomy, without claiming to fulfil these sometimes complex, technical implementation requirements. The main purpose of this screening system is to serve as a high-level compass for the targeted further development of our business activities towards a sustainable economy. As we are in the market for capital goods, this transformation towards a sustainable economy is taking place over the long-term.

At the business level, we have continued to expand our activities that contribute to a sustainable economy. We were able to achieve a strong growth in H₂ Mobility & Energy and to help the industry solve specific compressor related technical challenges. This is not least due to our increased R&D and the strengthening of our business development resources for these markets. Examples for the success are:

- We entered a partnership with Shell Renewables and Energy Solutions for the development of heavy-duty hydrogen refueling station compressor systems. Burckhardt Compression is building a new test facility in Winterthur, Switzerland, dedicated to the advancement of sealing technologies and solutions for hydrogen refueling stations serving heavy-duty vehicles.
- Burckhardt Compression has signed a contract with Jiangsu Hongjing New Material Company Ltd. to equip three production lines for EVA (ethylene-vinyl acetate copolymers) and LDPE (low-density polyethylene) with three Booster-Primary and three Hyper Compressors. Specifically, the three 200 kilotons per year photovoltaic class ethylene-vinyl acetate copolymers plants will help to satisfy the worldwide demand for EVA polymer, which, shaped as a film, is used in solar panels as an insulating and sealing agent around the solar cells.

Our Performance

We have applied our sustainability screening approach on new projects in part of the Systems Division as a pilot, representing 52% of the total order intake:

- We classified around 9% of the total order intake as new energy applications. Examples are green hydrogen projects in H₂ Mobility & Energy or projects for the solar panel industry.
- Around 10% of the total order intake is classified as being transitional with environmental advantages but not yet fully sustainable. Examples are Industrial Gas applications, biogas applications in Refinery, dual fuel LNG applications in Gas Transport & Storage and grey hydrogen projects in H₂ Mobility & Energy.
- Around 33% of total order intake is classified as conventional applications. Examples are conventional petrochemical application without a clear link to a sustainability use-case or the traditional refinery business.
- 48% of the total order intake has not yet been classified.

Outlook for fiscal year 2022

In the coming fiscal year, we will continue our development of innovative non-lube, high-pressure and high-flow hydrogen compressor systems to meet the specific technical challenges along the hydrogen value chain and enable the conversion of heavy-duty transport towards clean energy solutions. Equally, we will continue to strengthen our compressor solutions for LNG carriers and LNG fueled ships to support the short-term replacement of marine heavy fuel by natural gas as a propulsion fuel.

We will make use of our evaluation system for business activities as a compass for allocating our resources towards a sustainable economy in a mid- to long-term. A roll-out is planned to also include key business activities from the Services Division and the remaining business activities from the Systems Division. In doing so, we will further align our approach with the external developments such as the EU taxonomy.

Compressor supplier for a hydrogen liquefaction plant in South Korea.

The order includes three Process Gas Compressor API 618 systems for the compression of hydrogen within the liquefaction process. The new installation in South Korea is the largest hydrogen liquefier plant worldwide. It is part of the country's strategy to remain a global leader in the development of hydrogen as clean energy. It will be able to produce up to 90 tons of liquefied hydrogen per day. The liquefaction plant is planned to start production in 2023.

5. WORKING CONDITIONS



Topic lead: Chief Human Resources Officer

Jobs with decent working conditions are a basic premise for the development of individuals and society. They drive prosperity and provide a livelihood for people. Our employees are central to our success, and we are proud of our global and diverse workforce. As an industrial technology company with production sites and service centers worldwide, we employ a broad range of skilled personnel.

With our engagement in providing good working conditions, we contribute to the targets of the Sustainable Development Goal 8: Decent work and economic growth. We believe our most direct impact concerns the working conditions of our more than 2'700 employees around the world. In addition, we recognize our responsibility to exercise due diligence in the review of working conditions in our supply chain.

Our approach

Burckhardt Compression is committed to upholding fundamental international labor standards and strives to provide conditions that overall exceed the local industry average. To achieve this, we focus on three areas:

- Dialog and relations
- Terms and compensation
- Organizational culture

The impacts on employees from suppliers, contractors and outsourced activities are managed mainly through our responsible procurement approach.

Dialog and relations:

We acknowledge and support freedom of association as set out in our Code of Conduct. Open dialog with employees is a central priority for Burckhardt Compression and is fostered in various ways. In addition to employee surveys and continuous exchange with line managers, employees are informed online several times a year in person by members of the Executive Management about the state of the business and other matters, with questions answered. Furthermore, we maintain several harmonized digital and office-based platforms for regular exchange of information with our employees. Our online platform and mobile application "BC Connect" is an exchange platform accessible to all employees and allows them to receive, comment on and write messages. Other dialog tools are used at local level in the form of collective bargaining and employee representation. 63% of Burckhardt Compression's employees worldwide are covered by a collective agreement.

Terms and compensation:

Burckhardt Compression offers attractive terms and conditions of employment adapted to prevailing requirements on an ongoing basis. We benchmark our salaries against external salary surveys conducted by Willis Towers Watson and have an ongoing monitoring system in place to eliminate significant salary differences between equivalent jobs. We have greatly expanded our flexibility in terms of staff working from home and have enhanced our infrastructure to enable our employees to work comfortably from any location.

Organizational culture:

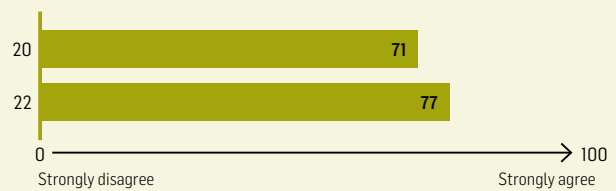
We are convinced that our well-established corporate culture forms the foundation of our competitiveness. The reputation that Burckhardt Compression enjoys and the mutual trust that exists within the Group depend mainly on the integrity and conduct of each and every employee. A comprehensive values program called "Values and Behaviors" ensures that employees in all Group locations and companies share and actively uphold the same corporate values and principles. The internal Code of Conduct is designed to set fundamental standards and principles for how employees should interact and behave toward partners, stakeholders and the environment. A global Speak Up channel operated by a third party is available to report violations of our standards, values and behavioral guidelines.

Rating from employee survey

January 2020 and January 2022

Average points scored for the statement:

"All in all, I am satisfied with my current work situation"



Average points scored for the statement:

"I would recommend Burckhardt Compression to others as a good place to work"



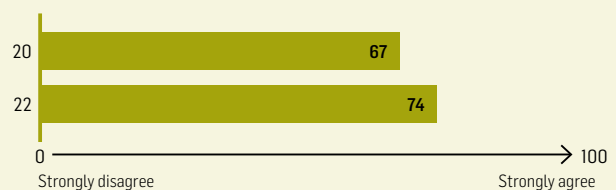
Average points scored for the statement:

"The top management provides information to employees in a way they can understand"



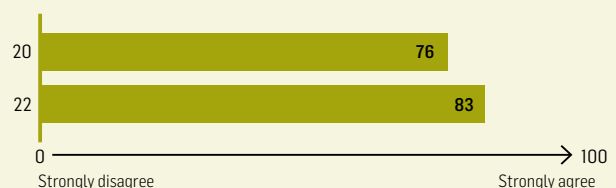
Average points scored for the statement:

"My work generally provides me with sufficient opportunities to balance my work life and my private life"



Average points scored for the statement:

"In our company employees are treated with respect, no matter what job they perform"



Progress in fiscal year 2021

Burckhardt Compression continuously adapts its working conditions to current requirements; for instance, in response to the pandemic in the reporting period. We have further expanded our remote working concept in line with the needs and wishes of our employees. The cooperation between employees and line managers working from home has functioned impeccably. We are convinced that flexible working arrangements bring many advantages, reinforce mutual trust and satisfy the wish of many employees for more personal responsibility and self-organization. This is why, during the reporting period, Burckhardt Compression Switzerland added extra options to its policy on remote working. At Group level, a related recommendation for further flexibility with regard to remote working options was passed on to all subsidiaries, which implement this recommendation tailored to the local conditions.

During the reporting period, we conducted our biennial worldwide employee survey. As in past years, the high participation rate of 90% was very pleasing and reflects the high level of engagement of our staff. On a positive note, overall employee satisfaction and engagement increased compared with the last survey. Both ratings rank above the industry average, which marks Burckhardt Compression out as an attractive employer. The results from this survey are systematically evaluated as a basis for continuous improvement.

Our performance

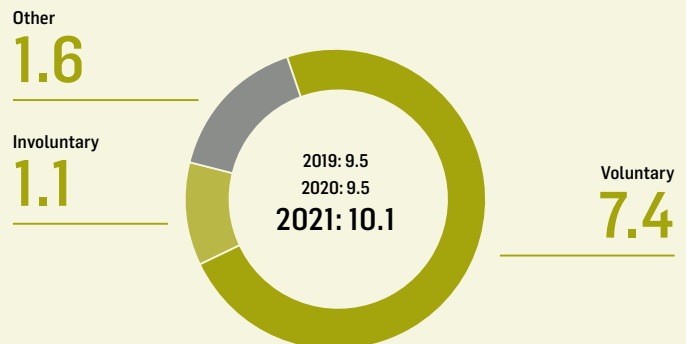
The average score for the statement "All in all, I am satisfied with my current work situation" rose to 77 out of a possible 100 points, an increase by 6 points compared with the last survey. This confirms our efforts to create and continuously improve attractive working conditions. For the statement "I would recommend Burckhardt Compression as a good place to work", we improved our rating by several points to 84. High levels of employee loyalty and identification with the company are also confirmed by the fact that the typical employee has been with the company for 8.4 years.

Among the most attractive employers in Switzerland

Burckhardt Compression ranks as one of the most attractive Swiss employers in 2022. This ranking is based on an independent survey of employees. This survey of employees was carried out by data analyst Statista via an online access panel, combined with input from the readers of Handelszeitung and Le Temps. More than 1'500 employers with 200 or more employees in Switzerland were identified for the survey. Burckhardt Compression was placed an excellent 30th in the overall rankings, up there with last year's good result. Within its own sector of mechanical and plant engineering, Burckhardt Compression ranked fifth.

Employee turnover ratio

in % of yearly average of full time equivalent



The employee turnover rate increased to 10.1% in the reporting period. This figure includes all departures, including fixed-term employment contracts that came to an end. Of this, 7.4 percentage points are accounted for by voluntary departures, which is above the target figure of 5%.

Outlook for fiscal year 2022

In the coming fiscal year, we will continue to use the findings from the employee survey to identify the most important areas in order to improve employee satisfaction. Based on the findings, we will derive the specific measures to be adopted locally in order to address the specific needs of our employees in the different regions. We are also working on introducing a global award program for exceptional team performance. This will reward teams that have particularly excelled and contributed to the success of the company through their performance.

6. OCCUPATIONAL HEALTH AND SAFETY



Topic lead: Vice President Quality & Infrastructure

Healthy and productive employees are the key to added value for our customers. The protection of physical integrity and promotion of mental well-being are therefore top priorities. By providing a safe working environment and promoting health, we can help achieve Sustainable Development Goal 3: Good health and well-being, and also Sustainable Development Goal 8: Decent work and economic growth. Our influence in this area extends to our own employees, to external employees in our workplaces and to working conditions in supply chain companies.

Our approach

We are committed to the prevention of accidents and work-related illnesses and to the promotion of the mental well-being of employees and workers whose work or workplace is under the control of Burckhardt Compression. We focus our approach on two components:

- Occupational health and safety system and prevention culture
- Mental health and well-being

The impact on employee health and safety in our supply chain is controlled through the responsible procurement approach

Our occupational safety policy and management system certified in line with ISO 45001 form the basis that governs all activities relating to health and safety in the workplace. All Burckhardt Compression sites are certified in accordance with ISO 45001, apart from the subsidiaries SAMR Métal Rouge, Prognost and Arkos Field Service, all of which have their own health and safety systems. Numerous measures ranging from detailed risk assessments, safety inspections accompanied by management to workplace safety training and mandatory wearing of protective footwear, protective eyewear and other work-relevant protective equipment demonstrate their effectiveness in a steadily reducing risk exposure. Creation of a culture of prevention through raising awareness and involving employee representatives in the safety committee at each site is an important part of to our approach.

To promote physical and mental health, the Dr. BeWell program was launched in 2019. Implemented locally, this includes a varied range of physical exercises as well as preventative measures and special topics. The program is just one of the ways in which Burckhardt is improving employee satisfaction, health, and motivation is improved and reducing absences.

Progress in fiscal year 2021

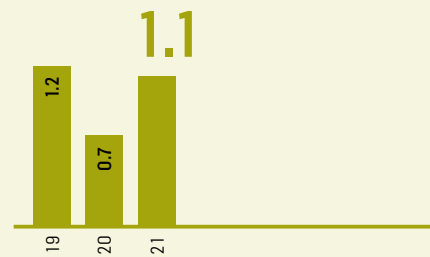
We were able to successfully recertify our management system at Group level in accordance with the new ISO 45001 standard during the reporting period. We systematically incorporated the findings and advice of the local certification bodies. These represent the basis for the ongoing improvement of our management system in the years ahead.

This year, we successfully integrated our new subsidiary in Sweden into the Group health and safety management system.

In January 2022, we carried out a global employee engagement survey, which included the topic of health and safety in the workplace. The feedback is particularly valuable for further development of our management system.

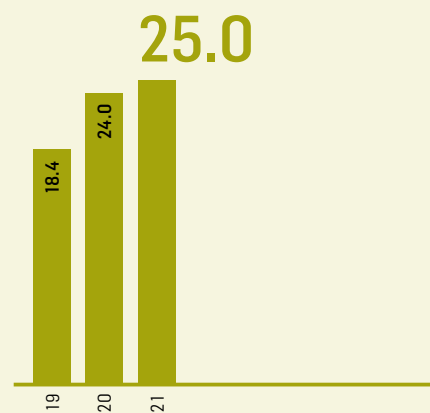
Lost Time Injury Rate (LTIR)

Per 200'000 hours worked



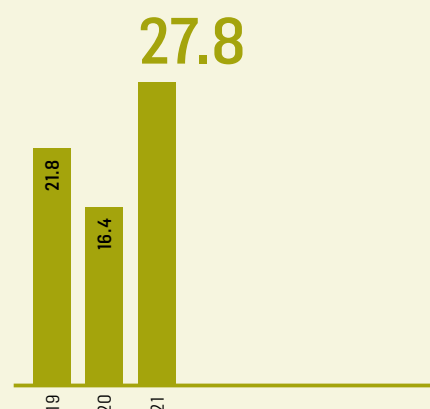
Severity Rate (SR)

Lost days/recordable incidents



Lost Time Workday Rate (LTWR)

Per 200'000 hours worked



We rigorously pursued our management approach to mitigate the effects of the pandemic in the reporting period. We oriented the measures and implementations to the local number of cases and hazard assessments. We effectively countered the effects of the pandemic by implementing comprehensive protective measures at our sites, allowing working from home as a precautionary measure and communicating effectively. Its highest priority at all times has been to safeguard the health of its employees and their families, as well as that of its customers and business partners.

Our performance

The Lost Time Workday Rate (LWTR) has increased from 16.4 to 27.8, due to the highly increased workload in the factories and related new hires and use of temporary personnel. We thoroughly analyze the cause of every accident, both those with and those without loss of work days, and implement corrective measures. We are engaging in appropriate efforts at every level; on the part of management, executives and the workforce. In the reporting period, we recorded no fatal accidents, mirroring the situation in previous years.

In the employee survey, we were able to improve on the topic of health and safety by 8 points compared to the last survey.

An important indicator for us concerning mental health and well-being is work-life balance, which is regularly surveyed as well. Compared with the results of the past survey, we improved our score from 67 to 74 points.

Outlook for fiscal year 2022

One focus will be to continue to bolster our safety culture, which we will achieve by continuing the campaign to raise awareness and provide information at local level that was launched in fiscal year 2021.

A second focus will be on internal coordination and integration within the Group. In fiscal year 2022, we will focus on the two locations Shenyang and Shanghai in China and on our companies Arkos and BCUS in the US. The aim is to align local approaches and achieve continuous improvement through shared learning experiences.

Program to raise health and safety awareness

In fiscal year 2021, we launched a broad awareness-raising program on the topic of occupational safety. Using various media, including leaflets, videos and on-site installations, we highlighted the most important sources of danger. As a result, we were able to sharpen awareness and in the long-term strengthen our safety culture at our operating sites.

7. PRODUCT SAFETY



Topic lead: Vice President Contracting Systems Division

Compressors are a critical equipment in various applications in the process industry and energy provision. System safety and reliability is one of the most important areas of expertise in our business due to the high pressures, continuous operation, integration in complex industrial processes and the individual hazard potentials of the compressed gases. By ensuring product safety, we make a contribution to Sustainable Development Goal 3: Good health and well-being. The main effects are in the use phase and extend over the compressors' decades of operation.

Our approach

Burckhardt Compression endeavors to ensure safe operation of compressor systems in every phase of their life cycle. Our approach encompasses five main areas of risk mitigation:

– International norms and standards

Where available, we use and follow international standards for the development, production, commissioning and maintenance of compressor systems. This includes the evaluation of safety risks and certification in accordance with mandatory laws and standards.

– Simulation, calculation and testing

Our comprehensive knowledge of calculation and simulation allows us to optimize the dimensioning of compressor systems. We also use specific testing and inspection procedures to ensure safety and functionality.

– Outstanding processes

Defined working principles, processes and our ISO 9001-certified quality management system ensure our processes meet the strict requirements.

– Control systems and maintenance

Our compressor systems are fitted with a minimum protection system that shuts down the system in the event of a critical disruption. Our PROGNOST®-SILver system for monitoring and diagnosing the condition of reciprocating compressors and our UP! solutions for long uptime and maximum reliability are key tools in increasing operational reliability, extending service intervals and preventing breakdowns.

– Documentation and training

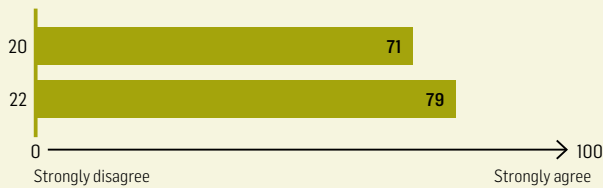
To ensure the smooth operation of compressor systems, we produce a specific set of operating documents for each system and also offer a wide range of training modules available either online or at our training centers.

Rating from employee survey

January 2020 and January 2022

Points scored for the statement:

"My workplace is designed to prevent any harm to my health"



Progress in fiscal year 2021

During the reporting period, we began to establish new skill centers to maintain and continually improve the high quality of our design standards for new product lines across all our plants. In addition, we carried out a comprehensive review of our internal product approval process. This defined approval process is particularly important to both our global quality commitment and product safety. It ensures that we meet the required international standards and norms.

Our 8D report provides us with an industry-wide practical method of checking problems with compressor systems. It uses an eight-stage approach to evaluate a problem and determine lasting solutions. During this reporting period, we revised and strengthened the collection and processing of these reports. With this, we aim to strengthen the findings from the cross-case analysis, which also concern quality and product improvements, in addition to product safety.

We successfully completed an extensive test of our high-pressure compressors for marine applications. The construction of the new test facility in Winterthur for the further development of sealing technologies and solutions for hydrogen filling stations at pressures up to 900 bar is also forging ahead. In addition to technical feasibility, strict compliance with extremely high safety standards and procedures plays a decisive role in the successful operation of this new generation of compressors.

Our performance

As part of the approval process, 100% of the new product configurations have been through a risk and design assessment that includes product safety.

No incidents related to the product safety of our compressors were registered over the reporting period. Similarly, no violations of regulations or voluntary codes took place in relation to product safety.

The number of compressors fitted with a Burckhardt Compression control system is currently running at 29%. We are firmly convinced that our solutions offer significant added value in terms of reliability and safety, which is why we want to increase this percentage.

Successful expansion of customer training in online and hybrid formats

We offer a comprehensive training program to support safe and appropriate operation of compressors. The change to online and hybrid formats allowed us to compensate for the cancellation of on-site training courses caused by the pandemic and we are almost back to the pre-pandemic level, with 35 customer training sessions. The recently developed online training course for the particularly safety-related use of oxygen gases enabled us to double the training capacity for this module.

Outlook for fiscal year 2022

Our focus for the coming period will be on the further implementation and reinforcement of the process improvements started in 2021, in addition to the continuous implementation of our approaches to risk minimization. In the field of control systems, we have developed a strategy for a wider and more proactive distribution of Burckhardt Compression compressor control systems, which we will put into practice. As part of our digitalization initiatives, we will also initiate new approaches to taking our engineering base, operational data evaluations for product improvements and customer training to the next level.

8. BUSINESS CONDUCT



Topic lead: General Counsel

Unethical business practices have the potential to damage the economy and society. They cause economic losses, promote social inequality and undermine democratic processes. As a global business with a far-reaching network of business partners, we are obliged to conduct our business ethically, legally and in an environmentally and socially responsible manner. Ensuring our business conduct is in accordance with legal and international standards is a fundamental precondition, as it is for other material sustainability topics.

Our approach

Burckhardt Compression undertakes to carry out its business activities in an ethical, legal and environmentally and socially responsible manner. We expect every business partner with which we have a business relationship

to conduct itself in a similar manner. We assess every aspect of our business relationship and focus particularly on:

- No corruption
- Free competition
- Export compliance

Our Code of Conduct defines the fundamental standards and principles for employee interaction and with partners, stakeholders and the environment. With the Code of Conduct for business partners, our suppliers, local agents and partners commit to conduct their business in an ethical, legal and environmentally and socially responsible manner. We train our employees in the fields of anti-corruption, compliance with free competition and adherence to export controls. We have introduced audits of control procedures to prevent corruption and anti-competitive practice.

Our Speak Up reporting system is a complaints channel operated by an independent third party. It allows employees, business partners and third parties that are aware of suspected misconduct to register it in the reporting system. The system is designed to allow protection of the identity of the reporting party and comments to be made anonymously.

Progress in fiscal year 2021

We revised our Code of Conduct during the reporting period. It was forwarded to every employee in the Group and is available on the website in 11 languages.

We also produced a new Code of Conduct for our business partners, which includes instructions and explanations. This Code of Conduct has been signed by suppliers and business partners representing more than 80% of our purchasing volume.

To further raise awareness of compliance with the law in the areas of anti-corruption and free competition among the employees concerned, a new training module was produced for these subject areas during the reporting period. In total, 385 employees who deal with these areas in their work have successfully completed this module.

Speak Up was launched in the reporting period, and all employees and business partners were informed that it had gone live. The system had a successful launch, and this is reflected in the levels of activity in its first year.

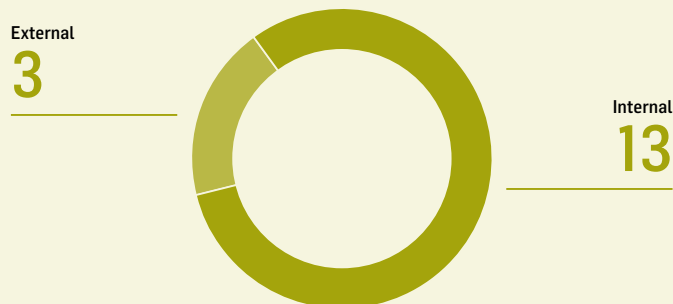
Our performance

A total of 16 suspected cases were recorded on the Speak Up reporting system: 13 by employees and three by external business partners. All the cases were processed and closed within the reporting period. One serious violation of our Code of Conduct was identified and in 11 further cases, measures were put in place. The average processing time to the conclusion of the investigation was 71 days.

No violations of competition law or instances of corruption connected to our business activities were identified during the reporting period.

Our existing processes and preliminary clarifications of export controls have proven their worth. Twelve requests for clarification of export regulations were forwarded to the appropriate authorities during the reporting period. Of these, eleven cases were approved, and one was rejected

16 Speak Up notifications



by the authorities. Six approved requests concerning Russia were subsequently cancelled due to changing legislation on March 4, 2022. No violations of export controls were identified.

Due to Russia's war with Ukraine, the Board of Directors and the Executive Management have decided not to accept any new contracts from or with Russia since mid March 2022. This applies to both the Systems and Services Divisions. We do not have any subsidiaries in either Russia or Ukraine. We will comply with the export control provisions and legal sanctions applicable.

Outlook for fiscal year 2022

We are planning to further strengthen our review activities in order to comply with export controls. A first step in this direction is the increased inclusion of this topic in our internal audits. We are increasing awareness of the need to observe our Code of Conduct through a range of measures, such as training sessions and internal communication

OUR COMMITMENT

Firmly anchored sustainability governance

The very top of our organization is committed to sustainability. Responsibilities are clearly defined at every level and closely linked to strategy. All sustainability-related activities are supervised by the Board of Directors. The Strategy and Sustainability Committee supports the CEO in developing corporate strategy and advises the Board of Directors on all matters relating to strategy and sustainability.

All members of the Executive Management are also members of the Sustainability Executive Team, which is responsible for the strategic approach at Group level and compliance with our sustainability road map.

Every material topic is led by a member of senior management. These managers form the sustainability steering group, which is responsible for implementing the sustainability road map and defining the topic-specific management approach.

Sustainability governance at Burckhardt Compression



Implementation is supported by designated experts in the field and key local individuals in the subsidiaries. They provide technical expertise and ensure on-site implementation.

A designated sustainability manager leads and moderates the sustainability-related activities at Group level and, as a technical expert, supports all functions and subsidiaries with implementation of the road map.

Our employees are the key to our success

Together we are successful and create sustainable value. Burckhardt Compression is thus engaged in the advancement of all employees and a diverse workforce and structure. They are a vital factor in the implementation of our sustainability ambitions.

We appreciate our employees' expertise and promote knowledge sharing. Personal training and development is part of the annual appraisal and performance review process and is financially supported by the company. To ensure the ongoing development of technological expertise and personal and managerial skills within the company, employees around the world participate in internal technical, product and leadership training modules, which are conducted across the Group several times a year through a range of programs. To provide even more support for the professional development of our employees, we are also planning to introduce a new development process in 2022 to determine individual training priorities.

We promote and support new talent at all levels and are committed to the Swiss system of apprentice training. The company currently has 46 apprentices in Switzerland and 18 in India in eight occupations. Burckhardt Compression is a founding member of the initiative launched under the

Recognition of good investor relations

Leading Swiss business newspaper Finanz und Wirtschaft gives investor relations and transparency an A– rating (A is the highest rating) and growth a B– rating. In the ranking of annual reports conducted by HarbourClub and business magazine Bilanz, Burckhardt Compression's Annual Report 2020 came in at a good 47th (from a total of 238 companies) in the "Value Reporting Print" category and 19th in the "Value Reporting Online" category.

auspices of the Swiss Federal Office for Professional Education and Technology and the Swiss-Indian Chamber of Commerce to establish an apprenticeship system in India based on the Swiss model; the company is also a corporate sponsor of the AZW Training Center in Winterthur for vocational career pathways.

Burckhardt Compression has a fundamental belief that mixed teams perform better. In the reporting period, women made up 20% of the Board of Directors and 20% of Executive Management. Of the global workforce, 15.2% is female.

Dialog with our stakeholders

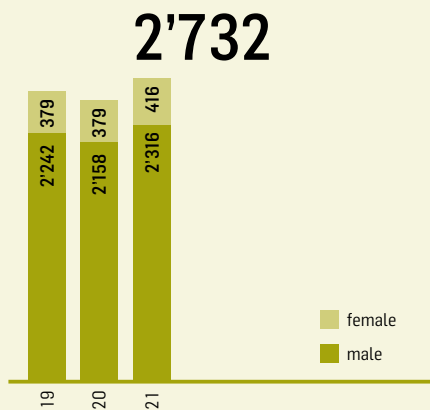
The appropriate involvement of our various stakeholders is extremely important to Burckhardt Compression. We have identified four key stakeholders within our sustainability management: customers, employees, investors and suppliers. We are engaged in more detailed discussions with them and actively involve them in identifying material topics. In addition, we also maintain an open dialog with other stakeholder groups, such as the media, the scientific community, associations, civil society and the state, as required.

Customers

Burckhardt Compression seeks long-term customer relations. The longest-standing customer relationship dates back to 1885, when the company supplied BASF in Ludwigshafen with one of the first compressors ever built. Customer satisfaction is measured using various tools. The results are evaluated as part of the management process with the divisional management teams, and actions are initiated and implemented in accordance with the results. For example, customer surveys were carried out in the reporting period with a focus on the Services Division. Customer priorities in the field of sustainability were climate, energy and occupational safety. All three topics are key elements of our approach to sustainability.

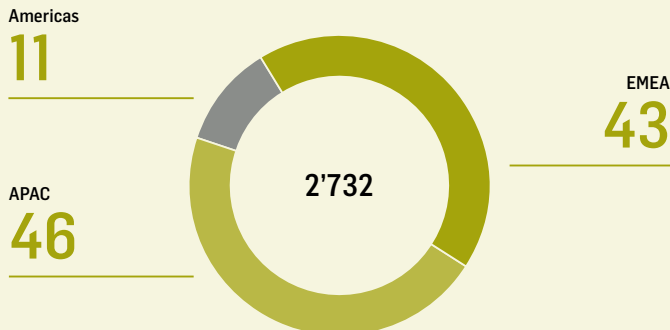
Global workforce by gender

Employees (full-time equivalents)



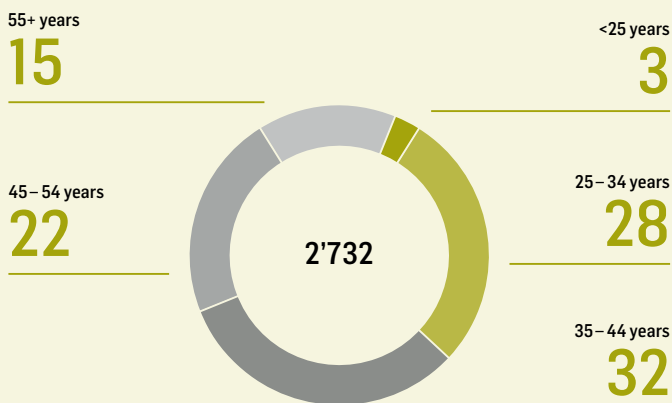
Global workforce by region, 2021

in %



Global workforce by age, 2021

in %



Investors

Burckhardt Compression maintains open and transparent dialog with its investors and other interested parties. The aim of investor relations is to accurately portray the company and its markets to enable a fair valuation of Burckhardt Compression stock.

In recent years, the importance of ESG (Environment, Social, Governance) rating agencies have also increased significantly for our investors. We have therefore incorporated the findings of the most important agencies into the development of our sustainability approach. Important sustainability priorities for our investors include climate change, business conduct and energy consumption. All three are covered in the material topics.

Employees

Open dialog with employees is a central priority for Burckhardt Compression and is carried out in different ways. The most important dialog channels are described in this report in the material topic working conditions. The most important priorities for employees are health and safety at work, working conditions and training and development. We actively deal with the first two within our material topics. Training and development is a central pillar of our HR management.

Suppliers

We work closely with suppliers in the development phase, with the aim of long-term partnerships. Suppliers are qualified using a set process and evaluated through the measurement of key performance indicators. Exchanges and performance review take place on a regular basis via on-site visits, virtual meetings, audits or virtual inspections. Strategic procurement is an integral part of Burckhardt Compression's strategic management cycle. We aim to provide further incentives for our suppliers with a global award system in the categories of performance and sustainability in the coming fiscal year. The central sustainability priorities for suppliers are occupational health and safety, energy consumption, and business conduct. All three topics are key elements of our approach to sustainability.

EcoVadis silver medal award

Burckhardt Compression was awarded the EcoVadis silver medal for sustainability management with its place in the top 25% in the sector. EcoVadis is one of the largest platforms for assessment of supplier sustainability and is used by many Burckhardt Compression customers.

Extended key figures

| | | 2021 | 2020 | 2019 |
|---|--|--------|--------|---------|
| Environmental metrics ¹ | | | | |
| Energy use | MWh | 42'581 | 38'733 | 38'077 |
| Electricity | | 27'180 | 18'917 | 18'137 |
| Fuels and combustibles ² | | 9'861 | 11'681 | 13'114 |
| District heating | | 5'541 | 8'135 | 6'827 |
| Energy intensity (energy use/working hours) | MWh/1'000 working hours | 7.9 | 7.3 | 6.8 |
| Greenhouse gas emissions Scope 1 ³ | tCO ₂ e | 2'465 | 3'391 | 3'879 |
| Combustibles | | 1'243 | 2'373 | 2'578 |
| Fuels | | 994 | 793 | 1'133 |
| Others | | 228 | 225 | 168 |
| Greenhouse gas emissions Scope 2 ^{4,5} | tCO ₂ e | 12'815 | 8'184 | 7'441 |
| Electricity | | 11'869 | 6'796 | 6'276 |
| District heating | | 946 | 1'389 | 1'166 |
| Greenhouse gas emission intensity (Scope 1 and 2/working hours) | tCO ₂ e / 1'000 working hours | 2.8 | 2.2 | 2.0 |
| Greenhouse gas emission business travel (Scope 3) | tCO ₂ e | 1'361 | 1'211 | 3'429 |
| Water ⁶ | m ³ | 83'810 | 91'218 | 121'803 |
| Waste ⁶ | t | 2'805 | 2'606 | 2'408 |

¹ With the exception of the key figures for water consumption and waste, the data relate to all sites of the Burckhardt Compression Group. The data collection for environmental data is performed by calendar year. The greenhouse gas inventory was calculated according to the WRI/WBCSD Greenhouse Gas Protocol Standard. 'Operational control' was selected as the consolidation approach.

² From fossil sources.

³ Scope 1 includes all directly caused emissions (e.g. combustion of fuels, loss of refrigerants).

⁴ Scope 2 includes emissions caused with purchased energy (electricity, district heating).

⁵ Reported according to the market-based approach under the Greenhouse Gas Protocol Scope 2 standard. The location-based approach results in emissions of 13'278 tCO₂e in 2021 (2020: 8'575 tCO₂e, 2019: 7'801 tCO₂e)

⁶ Data refer to the production and assembly sites of the Burckhardt Compression Group, including headquarter (Switzerland, India, China, South Korea, United States).

| | | 2021 | 2020 |
|---------------------|-----|-----------|-----------|
| Employees | | | |
| Number of employees | FTE | 2'732 | 2'538 |
| Permanent | | 2'508 | 2'339 |
| Male/Female | | 2'145/363 | 2'000/339 |
| EMEA | | 1'152 | 1'037 |
| APAC | | 1'066 | 1'014 |
| Americas | | 290 | 288 |
| Temporary | | 224 | 199 |
| Male/Female | | 171/53 | 158/40 |
| EMEA | | 16 | 13 |
| APAC | | 207 | 185 |
| Americas | | 1 | 1 |
| Full-time | | 2'628 | 2'445 |
| Male/Female | | 2'256/372 | 2'103/342 |
| Part-time | | 104 | 93 |
| Male/Female | | 60/44 | 55/37 |



| | 2021 | | 2020 | |
|---|------------|------------------|------------------------|-------------------------------|
| | FTE | % yearly average | FTE | % yearly average |
| New employee hires (% of yearly average) | 451 | 17.1% | 149 | 5.8% |
| | FTE | % end of year | FTE | % end of year |
| New employee hires (% of end of year) | 451 | 16.5% | 149 | 5.9% |
| Male | 382 | 16.5% | 119 | 5.5% |
| Female | 69 | 16.6% | 30 | 7.8% |
| <25 years | 45 | 50.2% | 16 | 20.3% |
| 25–34 years | 171 | 22.2% | 54 | 6.9% |
| 35–44 years | 121 | 13.7% | 35 | 4.5% |
| 45–54 years | 69 | 11.6% | 27 | 4.9% |
| 54+ years | 45 | 11.4% | 17 | 4.8% |
| EMEA | 208 | 17.8% | 76 | 7.3% |
| APAC | 172 | 13.5% | 54 | 4.5% |
| Americas | 71 | 24.4% | 19 | 6.6% |
| | FTE | % yearly average | Headcount ¹ | % yearly average ¹ |
| Employee turnover (% of yearly average) | 266 | 10.1% | 249 | 9.5% |
| | FTE | % end of year | Headcount ¹ | % end of year ¹ |
| Employee turnover (% of end of year) | 266 | 9.7% | 249 | 9.6% |
| Male | 230 | 9.9% | 214 | 9.8% |
| Female | 36 | 8.7% | 35 | 8.8% |
| <25 years | 17 | 19.1% | 19 | 23.5% |
| 25–34 years | 82 | 10.6% | 77 | 9.8% |
| 35–44 years | 87 | 9.9% | 53 | 6.7% |
| 45–54 years | 36 | 6.0% | 39 | 6.9% |
| 54+ years | 44 | 11.1% | 61 | 16.7% |
| EMEA | 95 | 8.1% | 101 | 9.2% |
| APAC | 106 | 8.3% | 82 | 6.8% |
| Americas | 65 | 22.2% | 66 | 22.8% |

¹ Turnover data for 2020 is based on headcount.

| | 2021 | 2020 | 2019 |
|---|------|------|------|
| Occupational health and safety¹ | | | |
| Lost Time Injury Rate (LTIR) ² | 1.1 | 0.7 | 1.2 |
| Severity Rate (IR) ³ | 25.0 | 24.0 | 18.4 |
| Lost Time Workday Rate (LTWR) ⁴ | 27.8 | 16.4 | 21.8 |

¹ The data collection for occupational health and safety data is performed by calendar year.

² Rate per 200'000 working hours for number of recordable incidents with lost time > 1 working day.

³ Number of lost days/incidents subject to registration with loss > 1 working day.

⁴ Rate per 200'000 working hours for total of lost workdays.

GRI content index

| GRI standard | Disclosure | Page(s) | Further information and omissions |
|--|---|--------------|---|
| GRI 101: Foundation 2016 | | | |
| GRI 102: General disclosures 2016 | | | |
| Organizational profile | | | |
| GRI 102: General disclosures 2016 | 102-1 Name of the organization | 94 | Burckhardt Compression Holding AG |
| | 102-2 Activities, brands, products and services | 94 | |
| | 102-3 Location of headquarters | 94 | |
| | 102-4 Location of operations | 116–117 | |
| | 102-5 Ownership and legal form | 94 | |
| | 102-6 Markets served | 7 | |
| | 102-7 Scale of the organization | 6, 11, 15–17 | |
| | 102-8 Information on employees and other workers | 58 | |
| | 102-9 Supply chain | 40–41 | |
| | 102-10 Significant changes to the organization and its supply chain | 100–101 | |
| | 102-11 Precautionary approach or principle | 40–41 | |
| | 102-12 External initiatives | – | – GreenCo by CII Confederation of Indian Industry |
| | 102-13 Membership of associations and interest groups | – | – AZW Winterthur, Board – CII Confederation of Indian Industry – EFRC - European Forum for Reciprocating Compressors – ICAAMC - Compressor Applications and Machinery Committee – Joint Chamber of Commerce Switzerland – CIS/Georgia – SWISSMEM - Schweizer Maschinen-, Elektro- und Metall-Industrie – Swiss Mechatronics – Swiss-American Chamber of Commerce – Swiss-Chinese Chamber of Commerce – Swiss-Indian Chamber of Commerce – Switzerland Global Enterprise |
| Strategy | | | |
| GRI 102: General disclosures 2016 | 102-14 Statement from senior decision-maker | 8–10 | |
| Ethics and integrity | | | |
| GRI 102: General disclosures 2016 | 102-16 Values, principles, standards and norms of behavior | 50 | |
| Governance | | | |
| GRI 102: General disclosures 2016 | 102-18 Governance structure | 55–56, 66–79 | |
| Stakeholder engagement | | | |
| GRI 102: General disclosures 2016 | 102-40 List of stakeholder groups | 56–57 | |
| | 102-41 Collective bargaining agreements | 50 | |
| | 102-42 Identification and selection of stakeholders | 56 | |
| | 102-43 Approach to stakeholder engagement | 39, 56–57 | |
| | 102-44 Key topics and concerns raised | 56–57 | |



| GRI standard | Disclosure | Page(s) | Further information and omissions |
|-----------------------------------|---|---------|---|
| Reporting practice | | | |
| GRI 102: General disclosures 2016 | 102-45 Entities included in the consolidated financial statements | 116–117 | |
| | 102-46 Defining report content and topic boundaries | 38–40 | |
| | 102-47 List of material topics | 39 | |
| | 102-48 Restatements of information | – | – |
| | 102-49 Changes in reporting | – | – |
| | 102-50 Reporting period | – | 01.04.2021 – 31.03.2022 |
| | 102-51 Date of most recent report | – | 01.06.2021 |
| | 102-52 Reporting cycle | – | Yearly |
| | 102-53 Contact point for questions regarding the report | – | sustainability@burckhardtcompression.com |
| | 102-54 Claims of reporting in accordance with the GRI Standards | 41 | |
| | 102-55 GRI content index | 60–64 | |
| | 102-56 External assurance | – | This report has not been externally verified. |

| GRI standard | Disclosure | Page(s) | Further information and omissions |
|---|--|-----------|-----------------------------------|
| Material topics | | | |
| Greenhouse gas emissions and climate change | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 41 | |
| | 103-2 Management approach and its components | 41–42 | |
| | 103-3 Evaluation of the management approach | 42–43 | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 42, 58 | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 42, 58 | |
| | 305-4 GHG emissions intensity | 42, 58 | |
| Energy use and efficiency | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 44 | |
| | 103-2 Management approach and its components | 44–45 | |
| | 103-3 Evaluation of the management approach | 45 | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 45, 58 | |
| | 302-3 Energy intensity | 45, 58 | |
| Longevity and recyclability | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 45–46 | |
| | 103-2 Management approach and its components | 45–46 | |
| | 103-3 Evaluation of the management approach | 46–47 | |
| Own indicators | Reused or refurbished components | 47 | |
| Environmental impacts of application purpose | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 47 | |
| | 103-2 Management approach and its components | 47–48 | |
| | 103-3 Evaluation of the management approach | 49 | |
| Own indicators | Sustainability evaluation of business activities | 49 | |
| Working conditions | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 49 | |
| | 103-2 Management approach and its components | 49–51 | |
| | 103-3 Evaluation of the management approach | 50–51 | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 51, 59 | |
| Own indicators | Score satisfaction work situation | 50 | |
| | Score workplace recommendation | 50 | |
| Occupational health and safety | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 51 | |
| | 103-2 Management approach and its components | 51–52 | |
| | 103-3 Evaluation of the management approach | 52–53, 59 | |



| GRI standard | Disclosure | Page(s) | Further information and omissions |
|--|---|---------|---|
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | 52 | b. All employees who are under the care and control of Burckhardt Compression (including external employees on our premises) are covered. |
| | 403-2 Hazard identification, risk assessment, and incident investigation | – | a. The EOHS team (Environment, Occupational Health and Safety team), under the direction of the Quality Team and Safety Officer, is responsible for conducting risk assessments using risk graphs. The risk assessment will be used for training and awareness activities in the respective work area. Safety inspections are used for risk mitigation. b. Notifications will be made using a dedicated EOHS notification form. c. A work stoppage procedure is in place to stop work in the event of an unsafe situation. d. There is a procedural policy for reporting near misses, incidents, investigations, nonconformities, and corrective and preventive actions. |
| | 403-3 Occupational health services | – | There is a company ambulance service at the site in Winterthur, which is operated in conjunction with surrounding companies. |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | – | A specific procedure for Consultation & Participation, Communication regulates the involvement of employees. Involvement takes place at all levels (steering committee, core team, execution teams). |
| | 403-5 Worker training on occupational health and safety | 52 | In addition to mandatory training during induction, regular specific training is provided on work-related hazards, first aid, and emergency and evacuation. |
| | 403-6 Promotion of worker health | 52 | Non-occupational services and offerings depend on country-specific implementation and may include the following: – regular health check-ups – access to medical facilities – other preventive measures, for example as part of our Dr. BeWell program |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 40–41 | This aspect is covered in our approach to due diligence. |
| | 403-8 Workers covered by an occupational health and safety management system | 52 | i. 100% are covered by an occupational health and safety management system. ii. 100% of employees are covered by an internally audited system. iii. 89.8% are covered by an externally certified system. |

| GRI standard | Disclosure | Page(s) | Further information and omissions |
|--|---|---------|-----------------------------------|
| Product safety | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 53 | |
| | 103-2 Management approach and its components | 53–54 | |
| | 103-3 Evaluation of the management approach | 54 | |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | 54 | |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 54 | |
| Business conduct | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 54 | |
| | 103-2 Management approach and its components | 54–55 | |
| | 103-3 Evaluation of the management approach | 55 | |
| GRI 205: Anti-corruption 2016 | 205-3 Confirmed incidents of corruption and actions taken | 55 | |
| GRI 206: Anti-competitive behavior | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 55 | |



SASB Mapping

SASB SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

| Topic | SASB Accounting Metric | Code | Reference | Further Information and omissions |
|---------------------------------------|---|--------------|-----------------------------------|---|
| Energy Management | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | RT-IG-130a.1 | GRI 302-1 GRI 302-3 Page 58 | Percentage grid electricity is not evaluated separately until now. We are working on making this breakdown available in the future. |
| Employee Health & Safety | (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) | RT-IG-320a.1 | GRI 403-1 to 8 Pages 53, 58 | We do not yet track near miss frequency rate (NMFR). We are evaluating the possibility of providing such information in the future. |
| Fuel Economy & Emissions in Use-phase | Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles | RT-IG-410a.1 | n/a | Not applicable to our products. The vast majority of Burckhardt Compression's compressors are powered by electricity. |
| | Sales-weighted fuel efficiency for non-road equipment | RT-IG-410a.2 | n/a | |
| | Sales-weighted fuel efficiency for stationary generators | RT-IG-410a.3 | n/a | |
| | Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines | RT-IG-410a.4 | n/a | |
| Materials Sourcing | Description of the management of risks associated with the use of critical materials | RT-IG-440a.1 | Pages 41, 74 | |
| Remanufacturing Design & Services | Revenue from remanufactured products and remanufacturing services | RT-IG-440b.1 | | We do not yet track revenue along this breakdown. We are evaluating the possibility of providing such information in the future. |

SASB ACTIVITY METRICS

| Activity Metric | Code | Reference | Further Information and omissions |
|--|-------------|----------------------|---|
| Number of units produced by product category | RT-IG-000.A | n/a | This information is not communicated publicly for business reasons. |
| Number of employees | RT-IG-000.B | GRI 102-8 Page 58 | |