

Rounding differences may occur		Jan. 1 to Dec.	Jan. 1 to Dec.	Change	
		31, 2021	31, 2020	absolute	in %
Revenue	€m	430.5	378.7	51.8	13.7
R&D expenses*	€m	14.3	12.7	1.6	12.6
CO <sub>2</sub> emissions					
(Production countries: DE, CZ, USA, CN)	t	7,258	7,685	-427	-5.6
Energy consumption	MWh per				
(Production countries: DE, CZ, USA, CN)	€m revenue	68.6	75.9	-7.3	-9.6
Motor fuel energy consumption					
(Production countries: DE, CZ, USA, CN)	MWh	16,067	16,387	-320	-2.0
Wastewater (DE, CZ)	1	16,519	15,585	934	6.0
Total employees	number	1,782	1,770	12	0.7
Women at management level	percent	14.3	9.5	_	50.5
Accident rate	occupational				
	accidents per million				
	hours worked	4.9	4.5	0.4	8.9

<sup>\*</sup> Adjusted for one-off effects

Our sustainability targets		2025	2021	2019
Reduction in our carbon footprint	t CO₂/€m revenue	13.7*	16.8	19.5
Reduction in our energy consumption				
at ISO 50001-certified plants	MWh	15,208	16,401	17,481
Increase in separate collection rate	percent	90	79	_
Reduction in occupational accidents	per million hours worked	0	4.9	3.47

<sup>\*</sup> Target set on basis of 2019 revenue. 2025 revenue cannot be accurately forecast in order to set a precise target on that basis.

- Revenue of €430.5m at pre-COVID-19 pandemic level (2019: €436.5m)
- CO<sub>2</sub> emissions reduced 5.6% year on year
- Energy consumption per €m revenue reduced from 75.9 MWh in prior year to 68.6 MWh
- Accident rate of 4.9 (occupational accidents per million hours worked) well below industry average of 20.69 (2020 figure)





### **Foreword**

#### Dear Reader.

WashTec is no newcomer to sustainability. A WashTec automated carwash operating in combination with a water treatment system can wash and finish a car using around one-fifth of the fresh water needed for a carwash without water recycling. The formulations of our chemical products are based wherever possible on renewable ingredients. Our certified label for this product series is called Green Car Care. These points alone show that as part of the global mobility ecosystem, we contribute with our products and our business model to the sustainable use of resources.

In our operating activities, too, we are equally passionate about sustainability in terms of resources, energy, emissions and waste. We continuously improve our processes on the basis of regularly monitored performance indicators. In a cooperative working climate, we care for our employees with good work-life balance and flexible working arrangements.

But our ambition to help address the biggest challenges facing society today goes further than that. This is why we have introduced a comprehensive sustainability strategy, which we present for the first time in this report, and why in future years we are going to provide transparency on all our activities in an annual sustainability report. In this way, we are responding to the increased demand for comprehensive disclosures on economic, environmental and social sustainability. To conserve resources here as well, we are not publishing a printed sustainability report. All of the information is available online.

For our journey to fully embed sustainability at WashTec, we have established a cross-functional and cross-hierarchical team. We call this approach Obeya@WashTech. It is based on the recognition that truly important ambitions and transformations can only be achieved by taking into account as many perspectives as possible from across the whole organization. We provide you with an insight into our Obeya approach in this report. Our Sustainability Team – which includes Quality Management, Development, Human Resources, Procurement, Communication, Sales, Product Management, IT and Finance - likewise works on the basis of Obeya principles. As CEO, I have assumed responsibility for sustainability issues within the Management Board.

We attach great value to working in trusting partnership with our employees. It is they who make our Company what it is. Diversity is an important topic that we will make an even greater focus going forward. Hanna Göhler from Digital Habitat is an expert in this field and describes in a quest article what a wide-ranging topic diversity is. We naturally also report on how we approach the topic of diversity at WashTec.

Sustainability means assuming responsibility, for ourselves and for others. And sustainability also presents a great opportunity for WashTec's future. It is a pivotal topic for us. We see this report as a framework to prepare ourselves and our stakeholders for the future.

Working sustainably involves reflection. If you, our readers, are interested in our company, we would like to invite you to join us in a structured dialog and talk with us about our sustainability.

On behalf of the entire Management Board, I would like to thank all employees who have contributed to the implementation and maintenance of the sustainability processes and ultimately to the success of this report.



Chief Executive Officer

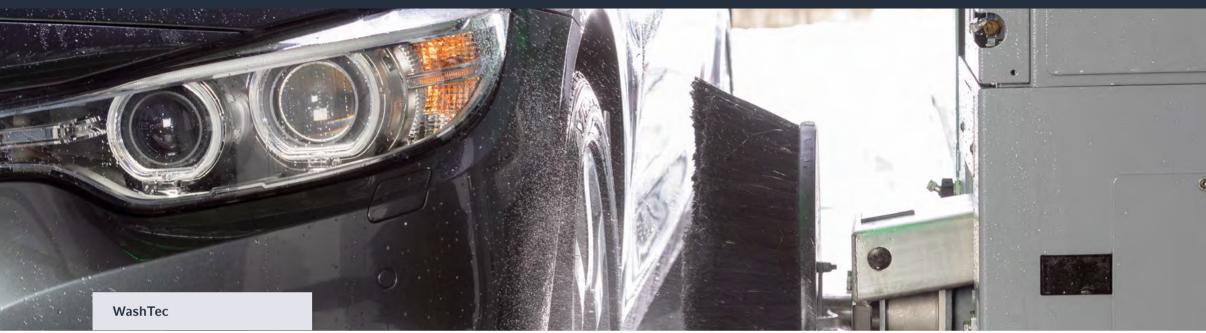


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Economic sustainability

## The WashTec Sustainability Program

WashTec is the international market leader in solutions for vehicle washing, with a comprehensive portfolio of carwash systems. The high standards that we set ourselves are embodied in our corporate philosophy.

Economic sustainability

Our Sustainability Program is based on the knowledge that every individual, every participant in economic life and every business enterprise has a duty to use all resources sparingly. On the one hand, this means we have to reexamine and optimize existing systems. At the same time, we also drive progress in sustainable carwash with new technologies. This also helps our customers save resources in the operation of our products. We attach great importance to quality, the environment and occupational safety in our entire process chain.

- Our Sustainability Program is based on working together on an equal footing both in our customer and supplier relationships and within the Company in relations with all employees. In continuous exchange with all stakeholders, we safeguard their interests with regard to economic, environmental and social aspects.
- We adopt targets to improve on all sustainability aspects that are material to us in order to meet the UN Sustainable Development Goals in our organization. By regularly tracking our targets, we evaluate our own performance to identify remaining scope for improvement.
- Working together with suppliers, we optimize our processes to use all resources sparingly. We apply technical standards, sustainability standards and the requirements specified in them to ensure that our sustainability performance is verifiable and comparable.

#### Our pathway to further developing our sustainable business approach:

#### Clear targets

- Binding sustainability targets for all business units by 2025 and 2030
- Review processes with success monitoring and adjustment measures

#### Openness to new ideas

- Acceptance of challenging ideas and improvements to existing processes
- Stakeholder dialog to understand their expectations
- Close communication with employee from all locations and functions

#### **Transparency**

- Annual publication of our sustainability report
- Certified management systems as the basis for our activities

The Sustainability Program has been adopted by the WashTec Management Board and Supervisory Board. It applies across all business activities. The program is communicated to all employees. Implementation of the Sustainability Program can be tracked in the sustainability report and is the responsibility of the CEO. The Sustainability Program is available to the public on the WashTec website.

#### Augsburg, April 2022

Dr. Ralf Koeppe	Dr. Kerstin Reden	Stephan Weber
CEO	CFO	CSO

## Organizational profile

WashTec is the leading provider of innovative solutions for carwash worldwide. The WashTec product range comprises all types of vehicle wash equipment as well as the associated peripheral devices, washing chemicals and water reclaim systems.

As specialists in environment-friendly vehicle wash systems, we work continuously on innovations that contribute to sustainable mobility for today and tomorrow.

WashTec also offers comprehensive servicing packages and digital smart service solutions spanning the entire product life cycle, including equipment maintenance, chemicals, equipment recycling, financing arrangements and operator management. The main revenue drivers are the Equipment, Service and Chemicals product ranges.

WashTec AG, headquartered in Augsburg, Germany, is the parent company of WashTec Carwash Management GmbH, AUWA Chemie GmbH and WashTec Holding GmbH, all of which are likewise based in Augsburg. WashTec AG directly owns 100% of these companies. The activities of the WashTec Group subsidiaries – with the exception of WashTec Carwash Management GmbH and AUWA Chemie GmbH – are organized under the holding company, WashTec Holding GmbH.

The shareholder structure and the distribution of shareholdings are shown on page 42 of the Annual Report 2021

WashTec has issued a total of 13.4 million shares. Institutional investors hold 54% of WashTec AG shares (as of December 31. 2021). The remaining 46% is in free float.

WashTec operates a total of six production sites:

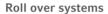
- Augsburg, Germany Production of carwash equipment
- Recklinghausen, Germany Production of carwash control systems
- Grebenau, Germany Production of AUWA washing chemicals
- Nýrany, Czech Republic Sheet metal fabrication and assembly of equipment and components for the Augsburg site
- Denver, USA Production of carwashes for the North American market
- Shanghai, China Production of carwashes for the Asian market

WashTec Cleaning Technology GmbH also manages the investments in a total of 15 foreign subsidiaries in all major markets in Europe, North America and Asia/Pacific.

A full overview of WashTec's organizational structure and presence on international markets is provided on pages 47 to 50 of the Annual Report 2021.

The total capitalization can be seen from the consolidated balance sheet on pages 101 and 102 of the Annual Report 2021. This shows the individual balance sheet items classified into current and non-current categories.

WashTec continuously updates its product and service portfolio. Digitalization in particular makes possible new, efficient and custom-tailored carwash and commercial vehicle wash products with great added value for customers.









€373.2 million (prior year €324.0 million) 86.7%

Water reclaim systems

Social sustainability



€6.3 million (prior year €8.1 million) 1.5%



Others

€51.0 million (prior year €46.6 million) 11.8%



Self-service



Services



Chemicals

## Fair partner to our employees

WashTec // Organizational profile

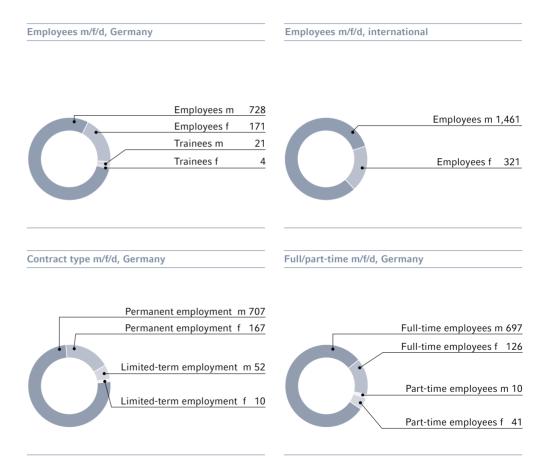
WashTec benefits from global reach. With our production sites in Augsburg, Germany, Nýrany, Czech Republic, Denver, USA, and Shanghai, China, we provide rapid, local service in markets around the world. For our sales activities, we use a network of sales locations in the world's regions. This allows us to serve our customers quickly and directly and to guarantee high service quality.

As of the December 31, 2021 reporting date, WashTec has 1,770 employees (prior year: 1,782) at all production and sales locations worldwide. Of these, 899 are employed in Germany. Most are employed full-time on permanent contracts.

For short-term peaks in demand, we make use of personnel service providers to supplement our production teams with temporary staff. In 2021, our temporary employment rate was 9.45%. Temporary staff are paid in accordance with a collective agreement for temporary employees.

As a member of vbm, the employers' association of the metal and electrical industry in Bavaria, we make use of the services and advice provided by the organization representing our industry. We implement collective and company-level agreements on working conditions and pay systems. In Germany, 86.87% of employees are paid at collectively agreed rates. Conversely, 13.13% of our team are paid on the basis of contracts not subject to collective agreements.

Dr. Ralf Koeppe, as Managing Director of WashTec Cleaning GmbH, is active in vbm as member of the executive committee for the Augsburg region. WashTec is also a member of the Association of the Bavarian Chemical Industry (VBCI).



Our personnel management system allows us to break down employee figures into m/f/d (male/female/diverse). No employee on our payroll is listed with the latter gender designation.

## The supply chain for WashTec products

WashTec's supplier network comprised around 4,200 suppliers from 34 countries worldwide in 2021. The main supplier countries, with over 200 individual suppliers, are Germany, the USA, Italy, France, the UK and Denmark.

Our production plants in Germany, the Czech Republic, the USA and China source a large proportion of vendor parts in local markets. The German market accounts for 75% of suppliers serving our production plants in Germany. Our plant in the Czech Republic has 56% domestic suppliers in its supplier pool. The equivalent figure for the US plant is 96%. In China, the proportion of local suppliers serving our production plant is 93%.

Expenditure for products and services purchased is shown in Note 8 in the Notes to the Consolidated Financial Statements on page 126 of the Annual 1, Report 2021.

The supply chain for the entire WashTec Group is primarily based on suppliers from the German and European market. For future supply chain resilience, we work continuously to increase local sourcing in each economic region. There were no significant changes in our supply chain during 2021 and none are planned.

The publication of our Sustainability Report creates the basis for future communication with suppliers as a stakeholder group. This enables us to unlock further potential for sustainability in our supply chain.



## Our basis for sustainability

WashTec // Organizational profile

As a contributor to the global economy, we are committed to and align our activities with the United Nations Sustainable Development Goals (SDGs). With wide-ranging activities to promote economic, environmental and social sustainability objectives, we contribute to the following SDGs:



SDG 3 Health and population

Keeping our employees and their families healthy and providing them with support; safe workplaces and minimization of risks relating to the COVID-19 pandemic



SDG 4 Education

Training and professional development in the WashTec employee development program



SDG 6 Water and sanitation

Economical water use at our operating locations and with our products



SDG 8 Sustained, inclusive and sustainable economic growth
Production sites and sales locations around the world for
decentralized production and to serve local markets directly



**SDG 10** 

Reduced inequalities
Recognition, appreciation and inclusion of all people regardless of cultural or social background, religion, gender, sexual orientation or other attributes – with our Diversity Program



SDG 11 Sustainable transport

Reducing energy-related greenhouse emissions from transport with our mobility policy



SDG 12 Chemicals and waste

Ongoing development of our product portfolio for sustainable washing chemicals



SDG 13 Climate change
Contributing to the climate target by reducing our CO<sub>2</sub> emissions



SDG 17 Global partnership for sustainable development
Assessment and implementation of all sustainability aspects for transparent and sustainable financial reporting



## Dialog and impetus for sustainability

WashTec takes part in trans-regional and regional initiatives to combat climate change. This reflects our view that business enterprises should act together in order to achieve progress. The impetus from these networks enables us to unlock further potential in our own organization.



At regional level, we are a member of the Bavaria Environmental and Climate Pact. This agreement between the Bavarian state government and Bavarian industry provides a basis for joint activities and open exchange on climate, environmental and sustainability issues. The Pact is a voluntary network that encourages cooperative activities at members' own initiative to place climate action in Bavaria on a broad footing. It also aims to enhance public acceptance of measures to protect the environment and the climate. All members are required to have environmentally efficient organizational policies, documented, for example, by an environmental management system in accordance with ISO 14001.

From our Augsburg base, we participate in regional dialog and contribute to climate targets in the greater Augsburg area. This involvement enables us to move in line with other companies in the region. It naturally also helps us achieve widespread visibility for our activities.

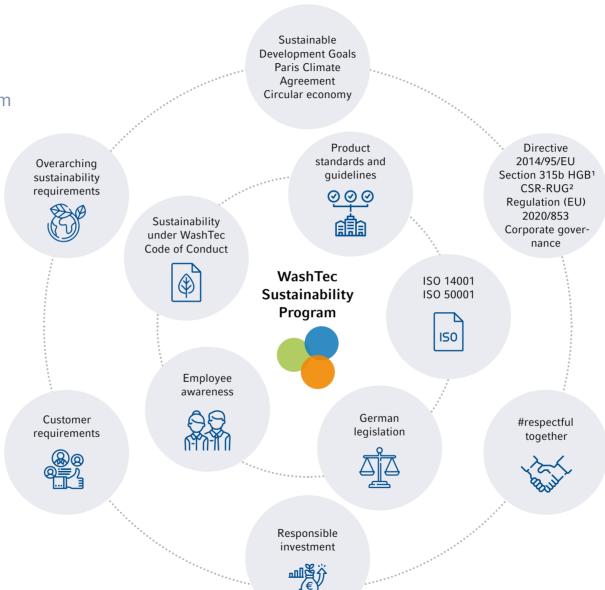


Participation in workshops and events as part of the 14th EcoProfit Club program in Augsburg in 2021 enabled us to add to our knowledge and share experience around preventive environment protection. With mutual exchange and jointly developed targets, we have already been able to help Augsburg unlock major potential savings in electricity consumption and CO<sub>2</sub> emissions.



By participating in the Augsburg Climate Offensive, WashTec contributes to reducing CO<sub>2</sub> emissions in the greater Augsburg area. The alliance sets out its climate ambition in a nine-point plan. One of those points is cooperation with Augsburg businesses in order to back up the climate targets with corporate targets. Another focus of the city initiative is the mobility transition, with comprehensive mobility management for the various modes of transport.

The WashTec Sustainability Program is based on a wide range of influencing factors, both within and outside of the Company. Presented in the chart are the main frameworks and principles involved in our sustainable alignment.



1 HGB:

Handelsgesetzbuch (German Commercial Code)

<sup>2</sup> CSR-RUG:

CSR-Richtlinie-Umsetzungsgesetz (CSR Directive Implementing Act)

## The WashTec strategy for sustainable corporate governance

In the manufacture and use of all products and services, WashTec aims to contribute to sustainable resource management. This makes it necessary to be able to measure progress in sustainable activities. Doing so shows the contribution that the company makes to sustainability. Based on specified criteria and metrics, stakeholders such as customers, investors and employees can assess companies in this regard and make decisions accordingly.



## Reporting obligations today and tomorrow

WashTec is already subject to sustainability reporting obligations. The basis for this today is the Non-Financial Reporting Directive (NFRD) (EU Directive 2014/95), Germany's CSR Directive Implementation Act (CSR-RUG) and the EU Taxonomy Regulation. In the future, our sustainability reporting is to be based on the proposed EU Corporate Sustainability Reporting Directive (CSRD).



In our latest separate combined non-financial report on pages 37 to 40 of the Annual Report 2021, we publish information on the first two environmental objectives under the EU Taxonomy. For fiscal year 2022, companies will be required to publish information on all six environmental objectives.



### Our management system

The companies in the WashTec Group work according to the specifications of our quality management system and are certified in accordance with the ISO 9001, ISO 14001 (environmental management) and ISO 50001 (energy management) standards. These certifications enable us to quantify sustainable activities. Consequently, we are already able to publish multi-year performance indicators in this Sustainability Report.

In the medium term, we will develop additional sustainability performance indicators and will include them in our reporting. Among other things, this includes extending the coverage and scope analysis of our carbon footprint. WashTec will also place an increased focus in the coming years on data collection, data maintenance and auditability.

We implement legal requirements such as the German Supply Chain Act in a timely manner. Likewise, we expect business partners to comply with applicable laws and regulations, as well as to meet and continue developing high ethical standards in business operations. These principles and rules are set out in our Code of Ethics. In the context of our international business relationships, we compiled a suppliers' declaration in 2017, which all material business partners have signed with legally binding force in order to guarantee compliance with WashTec's principles. We will significantly expand the scope of our regular supplier audits in light of the Supply Chain Act.



## Sustainability by design in our products

Sustainability is a fundamental principle of our business model, as automated vehicle washing is integral to the sustainable use of water as a resource. We present our business model in the Annual Report 2021 and on page 8 of this Sustainability Report. As the globally leading provider of innovative carwash solutions, we see ourselves as a pacesetter for innovation. We develop our vehicle wash equipment as well as the associated peripheral devices, washing chemicals and water reclaim systems as sustainable solutions. As specialists in environmentfriendly vehicle wash systems, we work continuously on innovations that contribute to sustainable mobility for today and tomorrow.









### ( ) Sustainable carwash

The environmental objective "sustainable use and protection of water and marine resources" under the EU Taxonomy, the pursuit of UN SDGs 6 and 10 and the global trend towards sustainability ensure that operators and consumers will increasingly focus on optimized, resource-efficient carwashes. Such systems are based on an optimum combination of the three components wash system, washing chemicals and water treatment. Not all carwashes are equipped yet with water treatment systems. In some countries and regions, water and wastewater charges are so low that operators have not yet invested in water treatment.

Increasing environmental awareness among carwash customers, increasing regulation governing the use of environmental resources, regional and seasonal water scarcities, and investors and other stakeholders demanding transparency about companies' sustainable business models are all factors driving sustainable operating approaches for carwash.

WashTec is already working on such approaches with major key accounts. The Company's long-term goal is to be able to offer all carwash customers a system with maximum sustainability. We see it as our duty to provide information and propose custom-tailored solutions so that more and more customers integrate water treatment into their systems.



## Washing chemicals

Alongside the carwash equipment itself, washing chemicals are the main component responsible for successful vehicle washing. These are also optimized to enhance the effectiveness of water treatment.

As the European market leader in washing chemicals for carwash, we decided a number of years ago to consistently develop our formulations using a modular system of sustainable ingredients. We market these products with the Green Car Care label. Our sustainable washing

chemicals are based on strict, self-imposed specifications for which we obtain external validation. We are already able to supply a large part of our portfolio as sustainable products in Green Car Care quality. Going forward, we are intensifying our marketing activities to increase sales of these products.



# Sustainability in washing chemicals means ...

- using ingredients from natural renewable resources instead of petrochemical feedstocks: Sustainable supply chains play an important role here, as renewable resources have to be sustainably cultivated and harvested.
- ... the ingredients we use are based on organic compounds and are biodegradable: We have expertise in the development of high-performance washing chemicals from readily biodegradable components - such as detergents, solvents and ester oils - with no compromise on quality. The definition of "readily biodegradable" applied by WashTec and our suppliers is based on OECD criteria.
- ... close collaboration with ingredient suppliers: This enables us to make use of additional ingredients of sustainable quality and also to document and supply our remaining products with our Green Car Care label. For this reason, we do not add any colorants to our Green Car Care products. This collaboration with suppliers of ingredients is established on a long-term basis and ensures product availability.
- ... highly concentrated chemical products that are suited to the economical dispensing system on our carwashes: Concentrated formulations enable us to reduce product weight and volume in transportation to our customers.





By recycling process water, water treatment systems can significantly reduce the consumption of fresh water. Depending on the carwash configuration, the dimensioning of the water treatment system, the selected wash programs, the number of washes and the types of vehicles, significant volumes of fresh water can be saved.

Reducing fresh water consumption while taking into account the above-mentioned factors is the core sustainability focus in WashTec's business model. The washing process and the water treatment process are interdependent and need to be carefully calibrated to each other. A further outcome of this is that it ensures high quality in the washing process.



## **Opportunities of digitalization**

Going forward, data-based smart services will supplement the established business model based on equipment, chemicals and service.

Smart services offer potential for enhanced customer value. Such services are often driven by external impetus, such as changing customer needs. They depend on two enabling factors: connected equipment, and implementation of digital content in the Company's IT universe. We already implement digital services to improve the washing process and our products for greater sustainability.

Our digital platform, my.washtec, makes it possible to connect carwashes with WashTec. As a result, our service technicians are kept informed and are better able to plan their call-outs. This guarantees high system availability for our customers and enables fast, preventive service. Looking ahead, we expect that it will help avoid unnecessary service call-outs, with a resulting reduction in our carbon footprint. With remote support for our customers, we already expect to make significant progress in conserving resources here in the short term. We will see the first quantifiable short-term benefits of our remote support solution in the form of lower fuel consumption per million euros of service revenue.



### **Energy-efficient service**

Service agreements quarantee our customers optimum support and supplies of replenishment products such as washing chemicals for the operation of their equipment. We are constantly working to enhance the sustainability of our vehicle fleet. Examples include the use of fuelefficient service vehicles, route optimization, and weight optimization in the delivery of parts for service calls.

An important element here is the switch to electric vehicles. We are currently testing the latest electric service vehicles on the market in pilot projects. This means we will soon have a clear picture of what vehicles are suitable for our business. Conversion of the vehicle fleet is to be completed in the medium term by 2030.



## **Energy and resource-efficient production and logistics**

We work continuously to streamline our value streams in production and to optimize logistics. Industry 4.0 projects are in progress to implement the flow of information allowing value and logistics streams to be managed in real time.

We also track energy flows. On the basis of this data, we develop our sustainability projects, which are summarized in the Environment and Energy Roadmap 2025. These projects relate to areas such as our recycling and waste policies and optimized water use in production.

## Carbon footprint

WashTec does not have energy-intensive production operations. We nevertheless plan to invest continuously in reducing energy consumption. Our target is to achieve a 30% reduction in  $CO_2$  emissions per million euros of revenue in our business activities by 2025 relative to the 2019 baseline. The carbon footprint is calculated for energy use in production, administration and our service units. WashTec currently tracks Scope 1 and 2 emissions in Germany, the Czech Republic, the USA and China. These are also the countries where we have our production plants.

In the medium term, we will expand our data collection to include Scope 3 emissions and integrate the remaining national companies into our reporting. A prerequisite for this is systematic data collection. As a first step, we will compile estimates of  $CO_2$  emissions at our national companies. Once we have initial data here, we will be able to estimate the scope for improvements in energy efficiency. We can then compare sites on the basis of standardized parameters in order to specify  $CO_2$  reduction targets for each of these business units.

We do not currently plan any offsetting of CO<sub>2</sub> emissions.

## **R** Employees

WashTec's top priority is customer satisfaction. Satisfied customers and product innovation require a team of excellent employees. We know that to maintain our Company's successful onward development, we have to reinforce our position in competition for the best talent in years ahead.

One basic area where we already do well today, and where our employees are well placed, is good work-life balance and an extensive package of employee benefits. We have already launched a program of measures to shape a working culture that leads to strong, successful products. This cuts across several social sustainability aspects and contributes to our reputation as an attractive employee on the labor market. Our strategy includes the following measures:

- We are fostering the development of our corporate culture as a mechanical engineering company with strong digital transformation and sustainability credentials. Our Obeya approach shows us the way forward here. This enables our workforce to assume broad responsibility and to work successfully on projects across disciplines and hierarchies.
- Diversity is a key success factor. We occupy a strong position here with the aid of external support and promote the development of an open corporate culture. As a result, we are already well placed in the short term to offer talented candidates a good basis for applying their skills.

## Stakeholder dialog

Customer requirements and discussions in our team are one key source of impetus. A further broad field for generating new ideas in our corporate context, however, is regular and focused dialog with all stakeholders. In this connection, with our new, publicly available Sustainability Report, we aim to enter into dialog with additional stakeholders in the near future.

## Our principles for ethical and sustainable business

The basis of our dealings with business partners is our Code of Ethics. This sets out our expectations for law-abiding conduct and compliance with all applicable laws, regulations and standards in personal and business dealings. Working relationships with all of our stakeholders are expected to be characterized by the observance and continued development of high ethical standards.

Our Code of Ethics has been in effect since 2005 and is mandatory for all business relationships. It is an integral part of employment contracts for our employees.

Everyone involved in business life – whether as a producer of capital goods, as a user of machinery and equipment or as an employee – contributes with their own means and capabilities to creating a sustainable economy.

#### **Our Sustainability Program**

WashTec takes every opportunity in its business activities to preserve and create economic, environmental and social values. By systematically weighing and acting on opportunities, we secure our corporate future as part of the wider economy. With our durable capital goods, we also help business partners implement their own sustainable business models. In the development of our products, we consider all options for economical use of resources. This contributes towards safeguarding an intact environment for future generations. We have set out this ambition in our newly formulated Sustainability Program and publish it for the first time in this Sustainability Report.

We apply the same high standards in cooperation with our international supplier network. As a machinery and mechanical engineering company, we are subject to numerous international rules and regulations, all of which contribute to transparent and responsible supply chains. Carwash equipment is mainly produced in Europe and the USA. Most suppliers are likewise

located in Europe and America. WashTec thus largely operates with its production and supply chain in countries that maintain high standards in terms of respect for human rights.

#### Sustainability under the WashTec Code of Conduct

In order to provide a clear and consistent basis, WashTec compiled a Code of Conduct for Suppliers in 2017, which all material business partners have signed with legally binding force to ensure compliance with WashTec's principles. We consider the established processes to be appropriate and viable for the identification and elimination of questionable ethical and human rights matters.

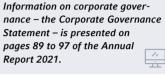
We set out our ethical and sustainable standards:

in our Corporate Philosophy (corporate values and leadership principles),

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- in our Sustainability Program,
- in our Code of Ethics,
- in our Code of Conduct for Suppliers,
- in our quality, safety, environmental and energy policies
- in our Safety Rules.

Voluntary commitments and declarations from our partners in the supply chain are audited as a basic element of our supplier audit process. Any noncompliance or divergence is recorded in the supplier audit and addressed in the audit review meeting. No divergence was identified in this process in the reporting year.



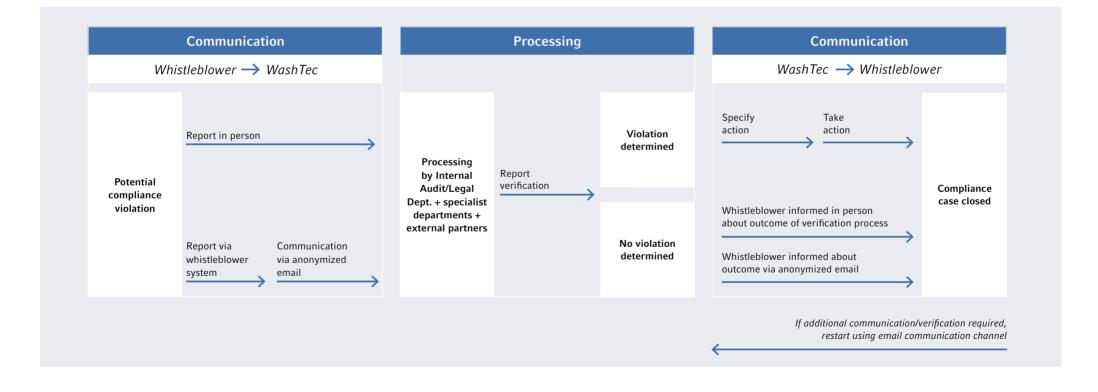


## Whistleblower system

As a matter of course, all stakeholders can confidentially address any concerns with their known points of contact within the organization (including supervisors, works councils and the human resources, legal and internal audit departments). In addition to the communication channels and verification procedures integral to our everyday business activities, violations

of the rules on responsible corporate governance and integrity can be reported via our whistleblower system – anonymously if desired. Reports received via the whistleblower system are processed in the Legal and Internal Audit department in Augsburg. The whistleblower system is accessible on the WashTec website.





## Structures for all sustainability-related processes

All activities surrounding the sustainability of our products and production processes are of utmost importance to WashTec. Responsibility for implementing economic, environmental and social topics – generally grouped under the heading of sustainability – lies with the CEO. The CEO works in close consultation with the Chair of the Supervisory Board's Corporate Strategy and Sustainability Committee, which was newly established in 2022 and which oversees the Company's sustainable orientation for the Supervisory Board.

The composition and responsibilities of the Management Board, the composition of the Supervisory Board and the composition of the Supervisory Board committees are presented on pages 9, 151 and 152 of the Annual Report 2021.

The Group-wide sustainability strategy and implementing measures are decided and tracked via sustainability officers at headguarters and in each of our plants. To place this work on a sound basis throughout the Group, the managing directors of WashTec subsidiaries are also involved in all processes aimed at improving our sustainable corporate activities. Responsibility for sustainability is ensured at the highest level by directly involving top management at subsidiaries. In this way, goal setting and implementation are delegated from the management level to functional heads.

A special role in our sustainability activities is played by the Sustainability Obeya Team, which develops and assesses the feasibility of cross-functional ideas for sustainability projects.

#### Organizational implementation of sustainable corporate strategies

Group companies are purposefully involved in order to ensure a broad information base at headquarters and that measures are implemented throughout the organization.



## Teaming up for great ideas

**Obeya means space:** A space is used to enable creative outcomes in cross-hierarchical collaboration.

**Obeya creates flexibility:** Employees have the flexibility to quickly accommodate new requirements in their project solutions.

**Obeya pools knowledge:** Combining the knowledge of experts from different areas fosters innovation and co-creation.

Obeya drives WashTec forward. A **lean management** method for easy, cross-functional workplace collaboration, Obeya originates from Japanese industry. The term literally means "big room". Takeshi Uchiyamada introduced the method in 1993 for people to work on projects on equal terms in a cross-departmental expert group. The goal was nothing less than the car of the future – at Toyota.

What is at stake at WashTec, too, is nothing less than the future: How do we best shape fast and efficient processes to develop **solutions for the future of carwash**? How can we harness the benefits of the digital world for our customers with future products for high-performance and sustainable vehicle washing?

For WashTec as a tradition-rich mechanical engineering and service company, these questions presented a completely novel set of challenges. Integrating **digitalization** and **smart services** into the standard mechanical features of a carwash involves a cultural transformation. So we decided to take the method that worked so well for Takeshi and apply it in our own organization, supercharging our idea generation and development process to quickly arrive at workable solutions for these new products.

**Obeya** brings together employees with expertise in different disciplines in Obeya teams. They listen to each other, take ideas on board and collaborate on solving problems. All this takes place in a culture of open discussion without hierarchical barriers. It makes no difference whether the team interacts in a physical or virtual space. The only requirement is that the space must enable open collaboration free of preconceived ideas and on the basis of mutual respect.

Since 2020, we have applied this new collaborative approach with a total of seven Obeya teams – **including with colleagues from our international locations**. When putting the teams together, we bring together the expertise we need for each project goal. We form teams purely on the basis of the required skills, examine all facets of the task at hand and work collaboratively on solutions.



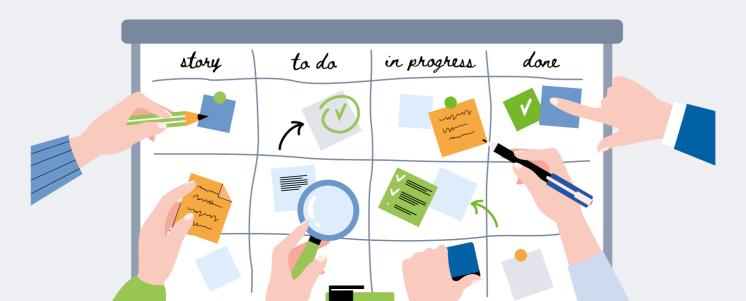
Our teams have already shown that this project approach works not only for cars, but also for carwashes. As a result, we already have **platform solutions** and **smart services** on the market today and are able to provide added value for our customers – such as the ability to monitor their equipment, change program settings or check carwash consumption data online. And there is plenty more to come in tomorrow's digital world.

As part of our lean management journey, we make use of **agile working methods**. We address internal issues for our future strategic orientation alongside market-specific issues and questions of corporate culture. WashTec's cross-functional, international and diverse Obeya teams are currently working on eight strategic initiatives:

- Digitalization
- Products & Solutions
- Leadership & Spirit
- North America
- China
- France
- Sustainability
- Diversity

The Obeya teams of relevance to environmental and social responsibility are the **Leadership & Spirit**, the **Sustainability** and the **Diversity** teams. In a team atmosphere detached from everyday work demands, the Sustainability Obeya Team, for example, gathers all ideas for a resource-efficient corporate strategy and is able to launch decided measures unhindered by hierarchical decision-making channels. Another highly successful team is the **Diversity Obeya**. This project team, which was formed at the initiative of co-workers themselves, addresses all issues surrounding a diverse and open corporate culture.

With these new working methods, we are well positioned for the future. For our workforce at international locations in particular, we are able to ensure close exchange with our Augsburg headquarters. Based on the "space, flexibility, knowledge" formula, we approach additional members of the workforce and invite them to contribute to WashTec's future success as part of the Obeya team.



## Stakeholder engagement

WashTec // Stakeholder engagement

With our Integrated Management System (IMS) based on DIN EN ISO 9001:2015, we already have a comprehensive overview of our stakeholders and their regular or occasional concerns. Internal and external binding commitments are continuously monitored. Current concerns raised by stakeholders are collated and addressed in a process that forms part of the IMS. An example is the impact of truck traffic around our operating sites.

A standardized process for stakeholder dialog based on the WashTec Sustainability Program is currently under development.

#### Communication with our customers

Continuous dialog with customers is integral to our market success. The addition of digital features to our product portfolio means that customers can communicate with us more quickly and directly than ever before.

To obtain precise information on customer satisfaction, every time we install a new gantry carwash, we follow up with an automated and standardized online customer satisfaction survey. In the event of negative feedback, we implement specific improvements based on details from customer's statements and direct contact with the customer.

If customer feedback raises issues that require cross-cutting changes to our processes, we address those issues in relevant expert teams. Feedback from customers indicated very high customer satisfaction levels in the 2021 reporting year, as in previous years.

Sustainability topics are increasingly an issue in communication with our customers. Questions relate, for example, to our Company's impact on waste generation, water resources or energy efficiency. We cover a wide range of these questions in this Sustainability Report. The performance indicators presented here document our activities and our progress in reducing our Company's environmental and social impact.

#### Internal perspective

In developing our sustainability activities for this first report, we initially looked to the members of the Sustainability Obeya Team and their assessment in order to determine the relevance of different aspects. We supplemented this by consulting a member of the Supervisory Board to incorporate the shareholder perspective.

For targeted stakeholder engagement on the sustainability topics in this first Sustainability Report, our Sustainability Team is developing suitable dialog formats that will be launched in the course of 2022 following publication of the report. This primarily relates to broad dissemination of the report among all employees together with communication measures to present our program and activities. Individual publications are already planned in the 2022 communication plan.

## Reporting practice

Covering fiscal year 2021 (January 1 to December 31, 2021), this Sustainability Report 2021 marks a milestone in our corporate communications, presenting a complete overview of sustainability activities at WashTec in a single publication for the first time. It contains additional information going beyond the disclosures that are required by law and that are published in the separate combined non-financial report as part of the Annual Report 2021. This voluntary sustainability reporting will be provided annually in the future.

WashTec has based this report on the Global Reporting Initiative (GRI) standards 2016. The definitions in those standards are applied in the general section and for the material aspects.

For reasons of conciseness, WashTec does not present the company information required by the GRI standards in full in the Sustainability Report, and instead refers for this information to the relevant sections of the Annual Report. Content is cross-referenced to pages in the Annual Report in the GRI content index (pages 78 to 82).

Except as otherwise stated, the Sustainability Report covers all WashTec divisions and locations. For the GRI Economic Sustainability and Social Sustainability aspects, this level of coverage is already met for the reporting of the required performance indicators; for the Environmental Sustainability section, data on individual aspects is not yet available at the required detail level for all sites. Where the coverage level differs, this is stated for the aspect concerned.

#### Completeness of reporting

Social sustainability

Individual aspects are supplemented in the report by content that is highlighted in the UN Sustainable Development Goals (SDGs).

This relates to the environmental impact of our products, in particular regarding the use of water in customers' equipment and the composition of washing chemicals. We consider these aspects – which come under SDG 6 – to be an indispensable part of our sustainability reporting. Our responsibility for ensuring sparing use of all resources means that we and our customers place a special focus on the water use and water consumption of our carwashes. These concerns and the solutions we develop to address them contribute directly to the performance of our business. We therefore present these aspects in the Economic Sustainability section.

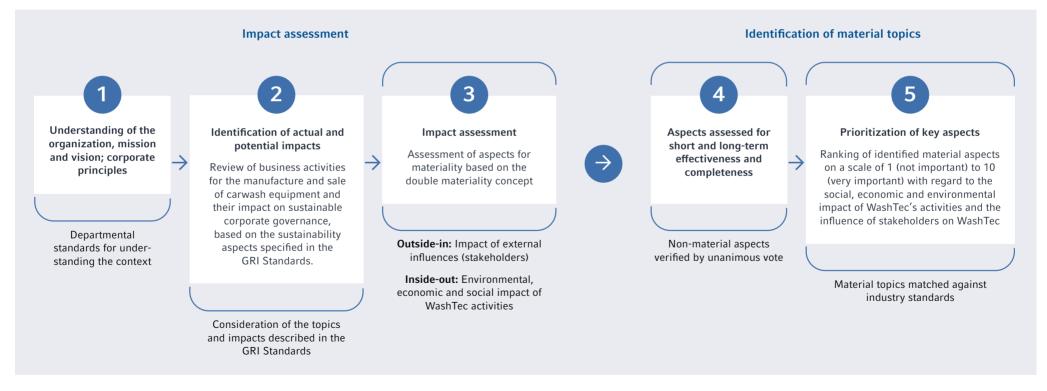
Conversely, a number of aspects have been unanimously identified as immaterial for WashTec. This is partly because of statutory requirements that apply to us in Germany as our main place of business; examples include the anti-corruption and fair competition aspects. With regard to two aspects - significant risk of child labor and forced/compulsory labor – we refer to our internal organizational principles with systematic monitoring of our production locations. WashTec does not operate any business locations that influence indigenous groups or local communities. WashTec does not donate to political parties.



#### Relevant sustainability topics for WashTec and its internal stakeholders

Ahead of presenting our sustainability activities for the first time, we launched a series of workshops. The workshop participants reflected the entire value chain associated with the WashTec business model. In open discussion, the following topics were addressed and their materiality to WashTec decided:

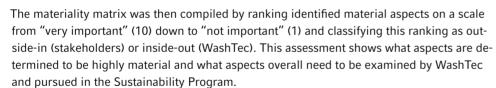
#### Material aspects identification process





#### The WashTec materiality matrix

The process for identifying material aspects for the Company is based on an overview of all aspects listed in the topic-specific GRI standards. These comprise the GRI 200, GRI 300 and GRI 400 groups of standards. Each of the topics referred to in those standards was assessed for its materiality to WashTec. This involved determining the impact of WashTec's business activities in the manufacture of its products. These matters were openly discussed in the interdisciplinary Obeya Team. The individual process steps and the identification of material aspects on the basis of the double materiality concept are presented on page 28. Actual and potential impacts on corporate governance were identified by determining whether topics impact business activities now and in the future. This process step also led to a number of aspects being identified as non-material. Those aspects are stated on page 25.



#### Our action areas

The material aspects – as identified in the process just described – are already backed up to a greater or lesser extent with action measures in the various functions.

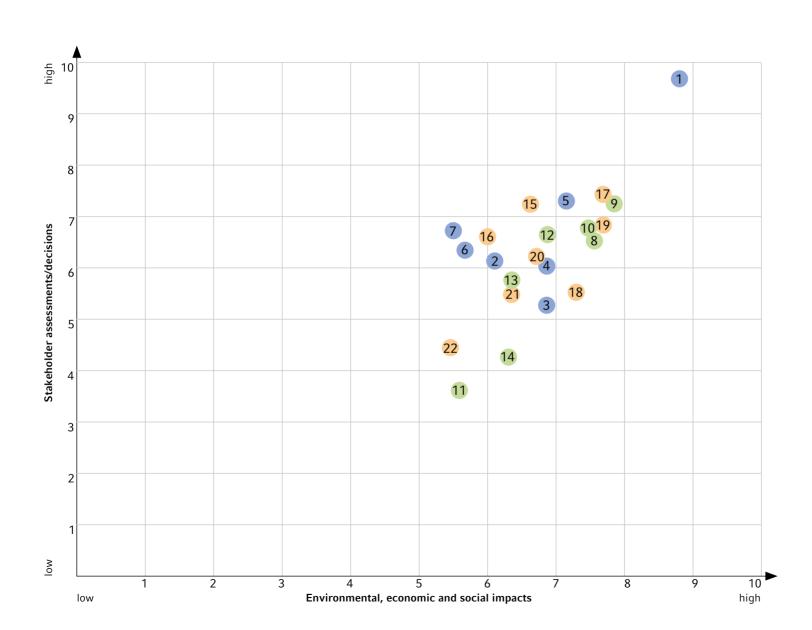
As specified in the GRI standards, WashTec's activities are grouped under Economic Sustainability, Environmental Sustainability and Social Sustainability topics and linked with measures and activities. We thus present our existing programs and initiatives in summary form along with the projects currently in progress. WashTec's Sustainability Program includes numerous activities that are to be rolled out initially by 2025.

The lists of measures for each individual sustainability topic area are based on programs already launched within the Group. These programs represent an outcome, among other things, of processes specified in the Integrated Management System using the plan-do-check-act approach, which is implemented for numerous activities and performance indicators at WashTec.

Individual activities are presented in the WashTec Sustainability Report either qualitatively or in quantitatively measurable form using key performance indicators. Responsibility for implementing the measures lies with each function, with progress continuously tracked in regular management reviews and by the Sustainability Obeya Team.







#### **Economic sustainability**

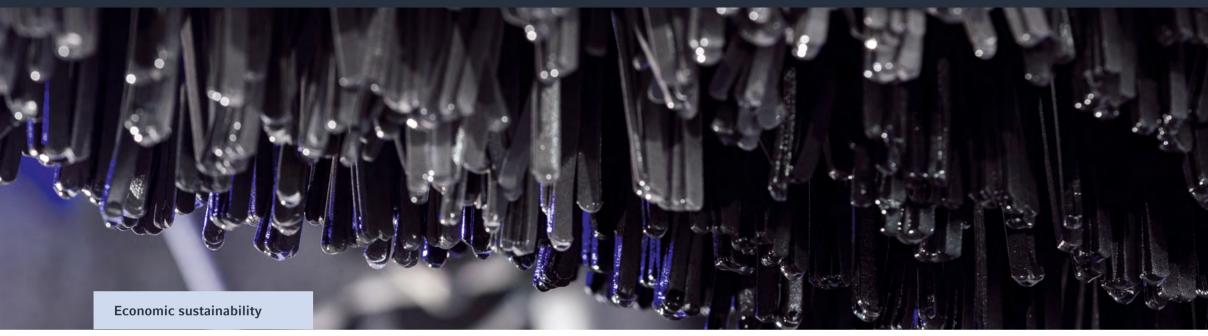
- 1 Success with sustainable products and services
- 2 Market presence as regional employer
- 3 Indirect economic impacts
- 4 Procurement practices/local procurement
- 5 Customer health and safety
- 6 Marketing and product labeling
- 7 Customer privacy

#### **Environmental sustainability**

- 8 Materials and resources
- 9 Energy
- 10 Water and wastewater
- 11 Biodiversity
- 12 Emissions
- 13 Waste
- 14 Supplier environmental impact

#### Social sustainability

- 15 Employment
- 16 Employer/employee communication
- 17 Occupational safety and health
- 18 Training and education
- 19 Diversity and equal opportunity
- 20 Equal treatment
- 21 Freedom of association/collective bargaining
- 22 Supplier social audit



WashTec Sustainability Program Leadership in sustainable carwash ......30 Success with sustainable products and services ......31 Resource-efficient system operation.......33 Environment-friendly chemical products for carwash......38 Digital products for environment-friendly carwash...............39 Data as the basis for continuous product and process optimization......40 Safety in product handling ......41 Action plans ......42











## **WashTec Sustainability Program**

Economic sustainability // WashTec Sustainability Program

Leadership in sustainable carwash



Activities with a dotted circle are the subject of an action plan. The action plans are listed at the end of the relevant sections. Items without a dotted circle are explained in the text of the following section.

## Success with sustainable products and services\*

Our main products on which our business is based are carwashes. Alongside these, we market numerous supplementary product groups, enabling us to provide operators with everything they need for efficient and sustainable carwash operation from a single source. This business model has proven resilient, even in difficult economic times. Looking ahead, sustainability considerations will become increasingly important in our market.

Automated washing is the most sustainable way of cleaning vehicles of road dirt. A WashTec gantry carwash with a water reclaim system uses about one-fifth as much water as manual washing. As a rough guide, a gantry carwash needs between 14 and 30 liters of fresh water per car.

Three building blocks form the basis for sustainable car washing at WashTec. These add up to a control system that allows any vehicle wash to be optimized:

- The wash process, with numerous program settings for maximum resource efficiency
- Washing chemicals, in the form of Green Car Care products developed by WashTec subsidiary AUWA
- The water treatment system, which recirculates washing water in various process stages and cuts water consumption to a minimum.

Our eco-efficiency action plan for WashTec carwashes is based on several steps. Right from the development stage, we work to make our systems sustainable by design.

Social sustainability

Our objectives here include:

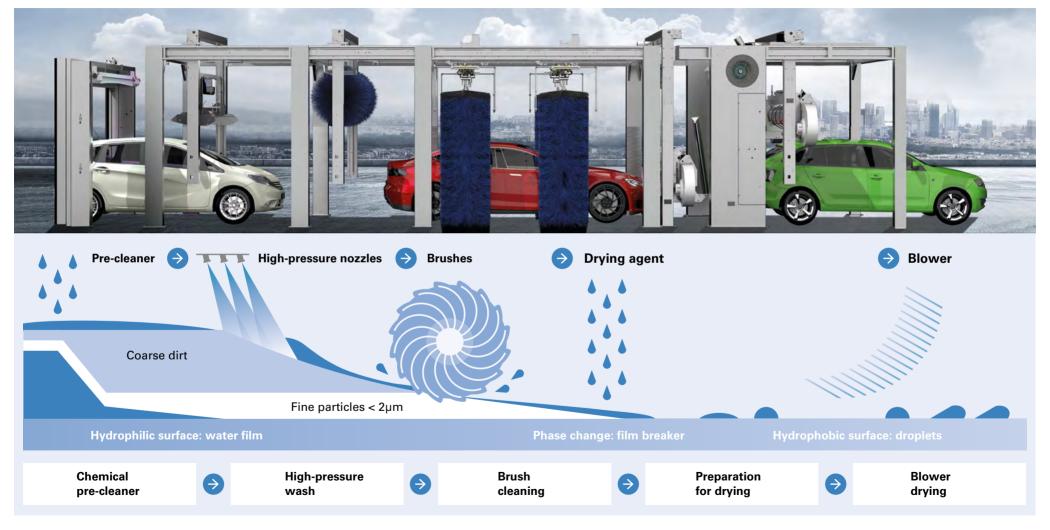
- Minimizing carwash energy consumption
- Environment-friendly production methods
- Formulation of green washing chemicals
- Designing water recirculation systems.

We see great potential for improving environmental sustainability for our customers in increased use of sustainable care products and in economical water use based on recirculating systems. Using digital technology, we collect data from the field in order to provide custom-tailored, sustainable carwash solutions.

We aim to continuously optimize fresh water consumption in the washing process for all vehicle wash models by 2025. In line with this, we will place increased emphasis in sales on the benefits of water treatment systems for reducing fresh water consumption in carwash. We will step up our marketing activities here in order to position our green, vehicle-safe carwash solutions more prominently in the market.

<sup>\*</sup> All consumption figures cited in product descriptions are examples. The many possible system permutations and differences in user choices make it impossible to state standardized consumption data.

Social sustainability





Economic sustainability // Success with sustainable products and services

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## Resource-efficient system operation

The process steps in a carwash are based on the relationship – known as Sinner's circle after the chemist Hubert Sinner – between the four factors time, temperature, mechanical action and chemicals. These four factors are varied between the individual carwash subprocesses for an optimum cleaning outcome and minimum resource use.



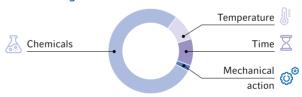
Sustainable carwash is influenced by numerous extraneous factors. These include the local ambient temperature, the kind of dirt encountered on vehicles according to the region and time of year, and also the shape of vehicle. Legal requirements also have to be complied with. WashTec advises customers on all aspects surrounding the sustainable configuration and use of their carwash equipment.

WashTec also analyzes data from carwashes in order to improve sustainable carwash design. All new systems sold today are equipped with a data link to WashTec, allowing them to be used to obtain field data - and enabling users to be provided with detailed support in operating and optimizing their systems.

The data obtained provides a comprehensive picture of the operating modes and wash programs used on carwashes run by our customers. We provide users with configuration advice to match local market conditions, enabling them to optimize their systems around sustainable criteria. And our customers can rely on our long-term support in after-sales service, helping them to continue delivering the most sustainable carwash in their market. As we know from our customers, resource efficiency is an increasingly important consideration for operators everywhere.

#### Carwash process steps in detail

#### **Pre-cleaning**



In pre-cleaning, washing chemicals are used to treat stubborn dirt on the vehicle so that it can be more easily removed in subsequent stages.

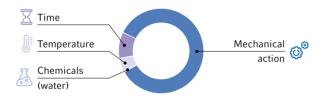
The effectiveness of the pre-cleaning stage at loosening severe dirt and grime depends on the choice and concentration of the pre-cleaner. This is applied to the vehicle as a foam or spray together with fresh water. The effect of pre-cleaners is based on the action of detergents and the concentration of other active ingredients. Appropriate pre-cleaning products are used on different parts of the vehicle. These specifically target the kind of dirt encountered there. Examples include rim cleaners, insect removers and asphalt removers.



The high-pressure wash stage removes large quantities of dirt and hard particles together with the pre-cleaner.

In this case, the parameters for wash effectiveness are the volumetric flow rate through the spray system and the pressure with which the water is applied to the vehicle surfaces. The system usually uses flat-jet and rotating point-jet nozzles that spray water onto the vehicle surface at a specified distance and angle.

To minimize water consumption at the high-pressure wash stage, WashTec recommends fitting a water treatment system so that water can be reused. No wash chemical products are used at this stage of the process.



#### **Brush cleaning**

The brush station removes fine particles from the vehicle's surfaces. This stage of the carwash process depends for its effectiveness on the design of the brushes in terms of material and their position relative to the vehicle surface. The brushes are fed with water through nozzles during the wash process to avoid scratching the paintwork. A brush shampoo may also be added to the water.

This process stage can also usually be fed with recirculated water if a water treatment system is installed.



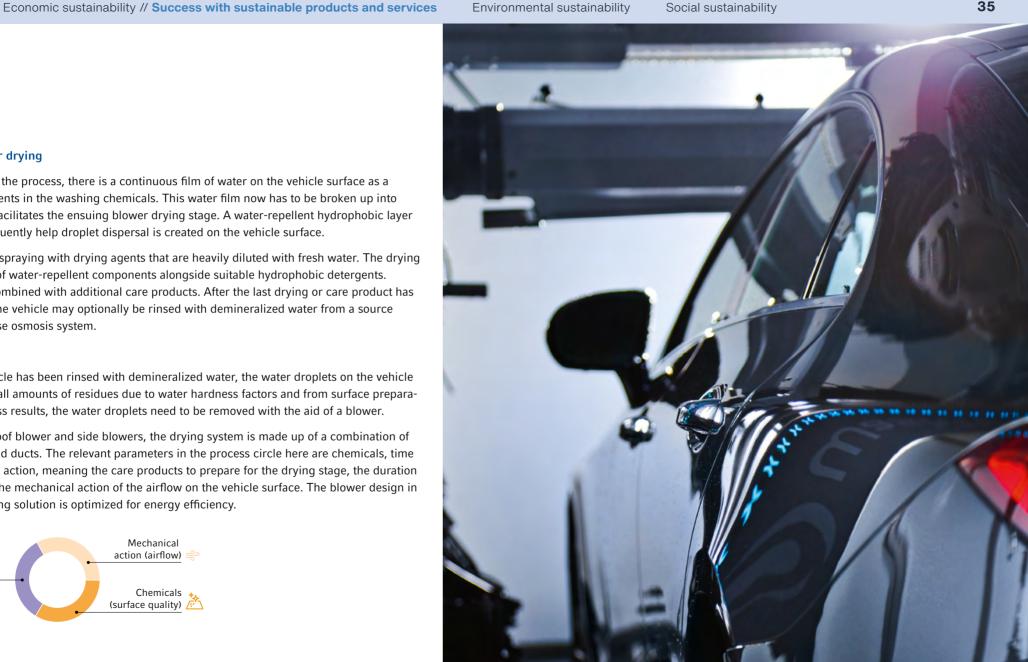
This is done by spraying with drying agents that are heavily diluted with fresh water. The drying agents consist of water-repellent components alongside suitable hydrophobic detergents. These can be combined with additional care products. After the last drying or care product has been applied, the vehicle may optionally be rinsed with demineralized water from a source such as a reverse osmosis system.

#### Blower drying

Unless the vehicle has been rinsed with demineralized water, the water droplets on the vehicle still contain small amounts of residues due to water hardness factors and from surface preparation. For spotless results, the water droplets need to be removed with the aid of a blower.

Comprising a roof blower and side blowers, the drying system is made up of a combination of fans, nozzles and ducts. The relevant parameters in the process circle here are chemicals, time and mechanical action, meaning the care products to prepare for the drying stage, the duration of drying, and the mechanical action of the airflow on the vehicle surface. The blower design in WashTec's drying solution is optimized for energy efficiency.





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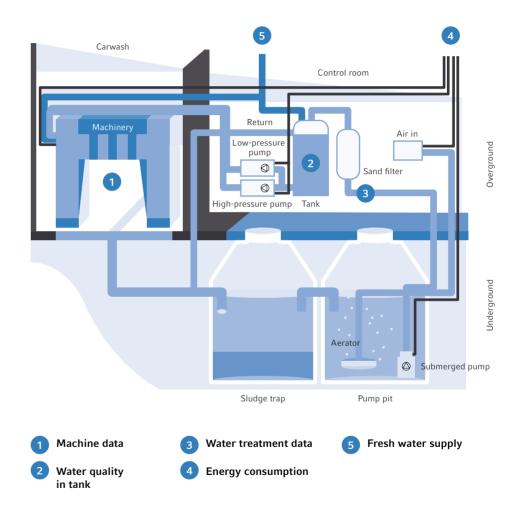
Economic sustainability // Success with sustainable products and services

In our water treatment system, used water from the carwash is collected in a settling pit or sludge trap. Suspended solid particles separate out by sedimentation and settle as sludge. The remaining water is then fed via a pump pit and filtration system to a storage tank for recirculation. This recirculated water can then be reused in the carwash.

Settled sludge has to be removed and disposed of at regular intervals. The quantity of water lost from the system with the sludge is topped up with fresh water.

Depending on the design, either the carwash system discharges filtered used water to the sewer system, or the pit system has an overflow to the sewer.

The main functions of the water treatment plant are continuous recirculation of the water in the system and aeration of the recirculating system. Both of these functions are necessary in order to maintain the oxygen content and quality of the recirculated water. These process stages combine biological processes with microbiological and physical separation. A flowchart showing the system principle is presented on the next page.



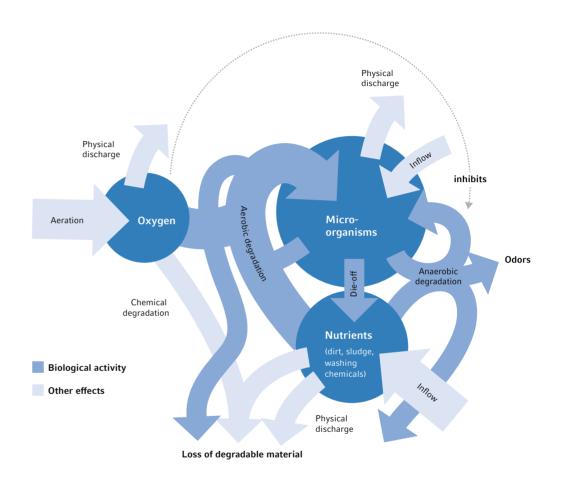
Detailed cross-section of a water treatment system. WashTec supplies the entire machinery.

Suitable additives can be an aid to effective water treatment and water quality. Flocculants help separate particles from the water and remove them from sludge. Means of adding oxygen – including aeration and oxidants such as ozone and hydrogen peroxide – improve system oxygen saturation and redox potential while preventing odors.

Economic sustainability // Success with sustainable products and services

Direct water sources for the water treatment system include mains water, well water and rainwater; an indirect source is recirculated water from the carwash.

The WashTec water treatment system is compatible with WashTec carwashes and can also be incorporated into carwashes from other manufacturers. All system components are provided. We assist in project planning of the trades required for installing the sludge pit and pump pit, which are usually located underground. Demand for water treatment systems depends on local circumstances from region to region, as described in the strategy section on page 17. We expect that demand for water treatment systems will rise in step with growing awareness of water as a resource and increasing water scarcity.



Social sustainability

Water treatment process flows (no anaerobic degradation at high oxygen levels)



# Environment-friendly chemical products for carwash

Besides water, the key to the perfect carwash consists of washing chemicals selected to match the amount and type of dirt involved. We aim to help minimize the impacts on our environment. With this in mind, as part of our standard Green Car Care range, we have developed the TecsLine product group in line with sustainable criteria. The products are made from ingredients of biogenic origin.

We base this product group on verifiable standards in accordance with a self-developed set of criteria for sustainable washing chemicals. There are no generally recognized industry standards. WashTec and AUWA consequently offer customers the only complete range of carwash products that meet verifiable sustainability standards. On our behalf, an external testing organization verifies and documents compliance with our self-imposed standards for this product line.

- The active washing ingredients are formulated on a 100% biogenic basis, and all palm oil-based substances meet MB quality. MB (mass balance) is a supply chain model in which the use of recycled or biogenic raw materials is arithmetically combined and allocated to end products. The reductions in greenhouse gas emissions and in fossil resources are thus likewise arithmetically allocated to the individual products. This all means we are already able to document a sustainable supply chain for a key basic ingredient of our sustainable washing chemicals.
- Products in the Green Car Care range are made without colorants as a matter of principle.
- All AUWA formulations for vehicle washing are free of nitrilotriacetic acid (NTA). Green Car Care formulations are also free of hydrohalic acids (HF and HCl), phosphate, hydrocarbons and substances of very high concern (SVHCs).

In addition to selecting ingredients on the basis of sustainable criteria, we generally market our products in highly concentrated form. This also reduces freight volumes.



Chemical products from the WashTec development labs: innovation continued through the pandemic

Featuring 75 washing and care products (as of December 2021) based on 100% biogenic detergents, our Green Car Care product range meets with great interest from customers. We place a major focus on promoting and increasing the adoption of our Green Car Care range in our selling activities.

### Digital products for environment-friendly carwash

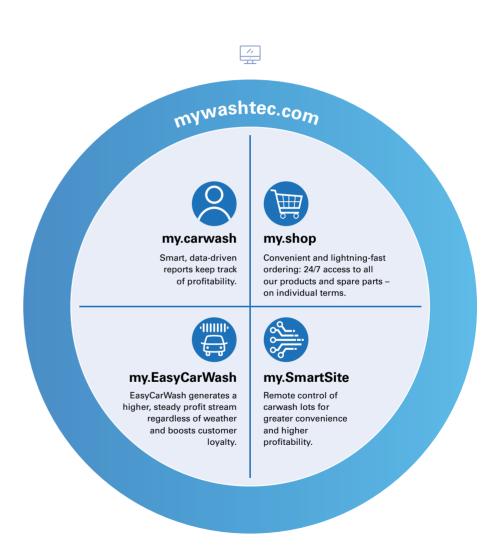
Digital solutions open up numerous new business opportunities for carwash. We have integrated our services on a digital platform based on the WashTec cloud architecture. Operating services and other services for carwash operators, user-friendly solutions for wash program selection and subscription plans for carwash users are all provided through the cloud-based software solution, mywashtec.com.

Economic sustainability // Success with sustainable products and services

For enhanced sustainability in carwash operation, the platform provides operators with online analysis options that supply full information on system efficiency. Automatically generated reports on realtime operating data help with data analysis and with determining the course of action in the event of a fault. Required spare parts and washing chemicals are displayed and can be ordered directly via the online shop. The data link also enables us to provide remote maintenance and diagnostics. This means service technician call-outs can be avoided or else better planned with the aid of accurate fault analysis.

We make use of data transmitted from sensors to continuously optimize all operating and consumption parameters. At the same time, information from carwashes operated by our customers is used as a data resource at WashTec for adjustments in system design. This creates additional scope for improving consumption data with the aid of data from the field. We present the interrelationships in graphical form on page 40.

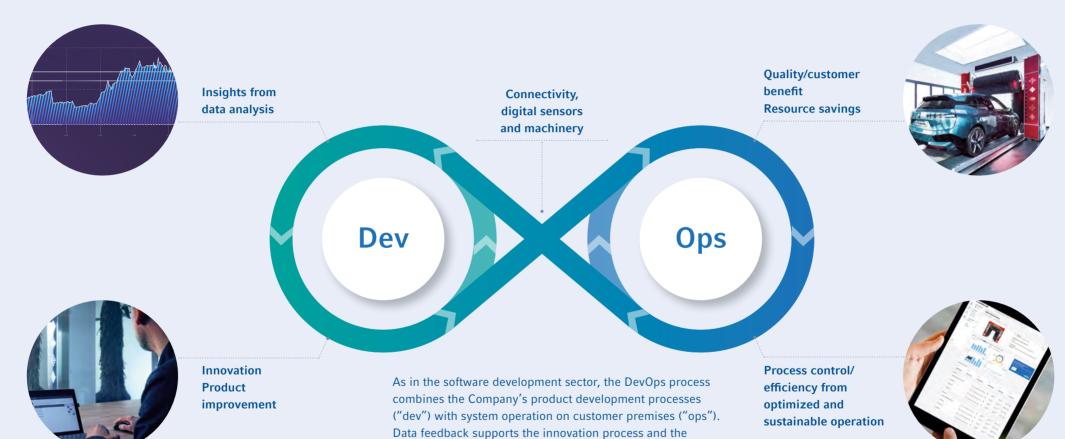
The close integration of newly sold carwashes with our mywashtec platform is backed up by a comprehensive data security policy. We continuously update our security standards in accordance with legal requirements and our own stringent data security policies. To coordinate these tasks and communication with carwash operators, we have created the position of Cloud Operation Manager. In this way, we ensure a high standard of data security in the integration of our carwashes with the mywashtec platform.



Social sustainability



### Data as the basis for continuous product and process optimization



continuous improvement of carwash operation. On-board data analytics within the carwash system also makes it possible to implement and document system optimization

without an external data link.

### Safety in product handling

WashTec machinery is designed and built in accordance with the Machinery Directive and is CE-marked after assembly on customer premises.

To help with safe system operation, WashTec provides training programs for carwash operators when a carwash is installed. The safety training on installation is mandatory and is documented at the time the system is taken into operation. This record of completed training is part of our handover and commissioning documents, which in future can also be accessed on mywashtec.com. Safety instructions are provided in the form of signage on relevant parts of the carwash and in the operating manual.

To provide our customers with continued support during system operation, we make available video training on proper care and maintenance in three languages. The videos can be viewed free of charge on our website.

In addition, we have developed e-learning programs for employees and distributors that are available on academy.washtec.com. We are able to track users' learning progress in these training programs on our platform.

As our service employees are in regular and close contact with customers, we receive ongoing feedback from the field that can be used in product development and to obtain pointers for continuous improvements in system safety. Our service team also continue to use the WashTec Message App (Safety App) for internal sharing of system safety information.



The videos on proper care and maintenance are available at https://www.washtec-uk.com/ services/maintenance-support/ service-videos/



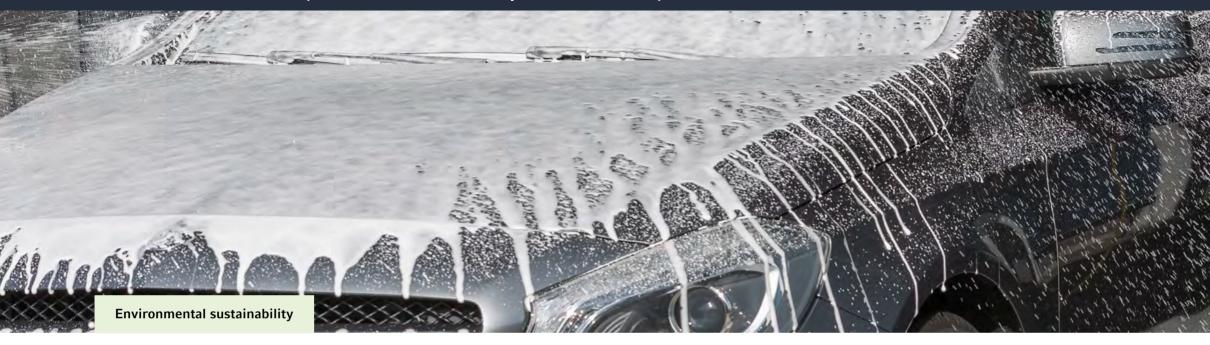


## **Action Plan |** Developing products for the future

We want to	Performance indicators	Target	Date	Measures	Year-end 2021 status
drive forward resource-efficient carwash operation	Liters of fresh water per wash	Improve fresh water economy in tunnel carwashes by 10% per wash and per vehicle	2023	Tunnel carwash fresh water reduction project	<ul> <li>Project specification completed and project started</li> </ul>
by minimizing the water consumption of our products in use with customers.		Estimated data on fresh water consumption according to wash program available at time of purchase decision	2025	Measurement of actual fresh water consumption in live operation	<ul><li>Project progress according to specified schedule</li><li>Preliminary trials</li></ul>
		Convince customers of the sustainability approach in water treatment systems	2025	More prominent promotion of water treatment systems in selling activities	<ul><li>Sales targets specified</li><li>Specification of communication measures</li></ul>
		Reduced water input in water treatment system	2025	Optimization program for water treatment systems	■ Evaluation of optimization potential
support our customers in the safe operation of our carwash systems with comprehensive safety training at installation time and during system operation.	Completion of training recorded in handover documents	100% target achievement	Review annually	Safety training for customers/operators, with completion to be recorded in handover documents, scheduled as mandatory in CRM system	
	Number of additional training sessions completed	Increase e-learning tool usage figures	Review annually	Training of new employees at operator sites via WashTec e-learning or by field service	

## **Action Plan |** Developing products for the future

We want to	Performance indicators	Target	Date	Measures	Year-end 2021 status
ensure constant high standards of data protection and data security	Completion of mea- sures/documentation	100% target achievement	Review annually	Review authorization policies for all software applications	<ul> <li>Measures specified, enterprise-wide policy in development</li> </ul>
protection and data security	of ongoing steps		unnauny	ware applications	poney in development
by means of an updated WashTec data				Training of all relevant employees via	Workflow specified for revision and
protection and data security policy for all worldwide sites and functions.				WashTec learning platform with all training documented	monitoring of all authorization policies
					■ Training plan reviewed
				Use ERP modules to ensure data protection	- <b>M</b> 11
				compliance	Module configuration started
				Cloud Operations Manager involved as data	Available from 2022
				security officer for maximum security across all enterprise-wide cloud platforms	

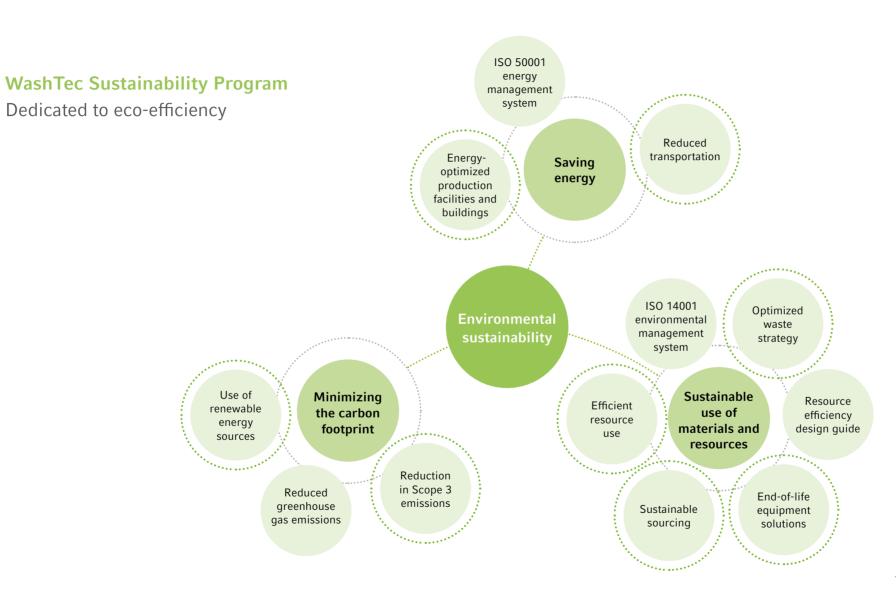












Social sustainability

Activities with a dotted circle are the subject of an action plan. The action plans are listed at the end of the relevant sections. Items without a dotted circle are explained in the text of the following section.

### Our environmental program



Environmental issues have high priority in our Sustainability Program. The ranking of individual environmental aspects is shown in our materiality matrix on page 28.

One of the greatest challenges of our time, affecting all economic life, is climate change. The United Nations Sustainable Development Goals (UN SDGs) set out in Agenda 2030 also include numerous goals that contribute towards environmentally sustainable development. WashTec works to deliver on its responsibility to minimize the use of resources.

The environmentally sustainable alignment of our activities follows from our social responsibility to operate as a sustainable business enterprise. We are also subject to statutory requirements regarding our environmentally relevant activities. These include EU and national legislation, all of which is listed in our legal register and is applied in our day-to-day business. In 2021, WashTec was not subject to any proceedings or fine or penalty notices relating to noncompliance with environmental regulations.

WashTec supports sustainable initiatives and takes part in networks and agreements to work together with other companies in this regard. Among others, these include the Bavaria Environmental and Climate Pact. 2021 also saw us join the Ökoprofit Augsburg program. We are additionally in close contact with other companies in the Augsburg region. As a member of the Swabian Chamber of Industry and Commerce Committee for Environment and Energy, WashTec exchanges views on focal topics related to environmental protection and climate change mitigation.

We distinguish between resource consumption in the manufacture of our machinery and equipment and resource consumption in its operation. For our customers, resource inputs and consumption are key to the efficiency and sustainability of their operations. The efficiency of our products is a driver of WashTec's business success. We therefore classify the resource-efficient design of our carwashes under economic sustainability.

WashTec has a certified environmental management system in accordance with ISO 14001 and a certified energy management system in accordance with ISO 50001. The external audit of the energy management system in accordance with ISO 50001 was completed in 2021. This system is to be recertified in 2022. The environmental and energy management systems and the process instructions they contain thus constitute the operating processes relating to our Company's environmental and energy aspects. We combine our activities around environmental aspects in a single management approach, as the tasks in the various topic areas involved are frequently closely related. For all efficiency measures relating to resource efficiency, we make use of the potential offered by digitalization. Previously paper-based processes and tasks that required employees to travel and attend in person – such as in dealings between operating locations or with customers – have been migrated to digital solutions. Regular management reviews and monthly tracking of key performance indicators provide us with timely information on consumption data for energy, water, consumables and of quantities of recyclable and residual waste. We are also optimizing travel activities to minimize the environmental impact of business travel.



A cross-functional environmental and energy team serving all sites is responsible at WashTec for continuously analyzing environmental and energy-related issues during the year and for inferring and implementing measures to enhance sustainability. The human, financial and capital resources needed for this purpose are specified and allocated as part of budget planning. On a higher level, the management teams of our country organizations and the associated managerial control layer are informed at regular meetings about our environment-related projects and their outcomes. Decision-making on environmental measures that involve capital expenditure lies with the Management Board.

Environmental and energy efficiency at WashTec generally relates to all sites worldwide. The production sites currently have top priority for the implementation of environment-related and resource-efficiency measures. We have already launched initial measures at all German production sites and at our plant in the Czech Republic and track them in the environmental and energy management system. As part of the certified processes, WashTec conducts internal audits in which the status of environmental and energy activities is also audited alongside the core processes. Based on the potential identified in those audits, measures are inferred and priorities set in the management review.

Resource efficiency in the manufacture of our products spans all environmental aspects to varying degrees of intensity. We focus on:

- Reducing emissions in particular our carbon footprint
- Energy efficiency
- Economical water use
- Minimizing waste and implementing recycling where feasible.

We present our targets in relation to these material aspects and their context in detail on pages 55 to 57. In the same section, we also show the path to goal achievement in the case of long-term projects. The performance indicators for the various aspects are based on the topic-specific GRI standards. Implementation of the environmental and energy management targets is enshrined in target agreements with management.

Our environmental and resource efficiency activities, including relevant key performance indicators, are regularly communicated in-house to employees at workplace meetings and in the WashTec newsletter. In addition, training is provided in our online training tool to raise awareness of these activities among the workforce. Four environment-related training courses were provided in 2021, each of which was taken by an average of 526 people.

Our path to improving energy efficiency and reducing our carbon footprint, Scope 1 and Scope 2

In our Environment and Energy Roadmap 2025, we cover the following key targets, with 2019 as the base year:

- Reduction of production site energy consumption at ISO 50001-certified sites by 13% per €m revenue
- Reduction of the production site carbon footprint by 30% per t/€m revenue

The individual measures relating to these targets are shown on pages 56 to 57. We have selected 2019 as the base year as it is representative of a fiscal year with normal business operations and without pandemic-related restrictions.





#### Sustainable use of materials and resources

Economical use of resources is a material aspect for WashTec. We therefore continuously review our equipment manufacturing processes, logistics and distribution.

Environmental sustainability // Sustainable use of materials and resources

Sustainable supply chains are important to us. To ensure systematic application of the right criteria here, we are developing a criteria list for sustainable sourcing in 2022. The requirements under Germany's Act on Corporate Due Diligence Obligations in Supply Chains, which apply to our Company from 2024, are already taken into account in these activities. Details are provided in the action plan on page 55.

As well as in material procurement, we also take account of sustainability aspects in the design of our products and systems. We are in the process of developing a resource efficiency design quide. This will provide test procedures and decision aids to ensure that all options are used for resource-efficient raw material selection and environment-friendly production processes. It includes both the goal of making our carwashes more economical in terms of consumables and energy while in operation at our customers and the goal of ensuring endof-life recyclability. The separate disposal of all parts from end-of-life equipment is currently carried out by a specialist company. We took back 1,203 t of end-of-life equipment in 2021.

#### Efficient resource use

Efficient use of resources can be achieved by reducing material input and by using recycled materials. We make use of both of these possibilities. These processes are part of our ISO 14001 environmental management system. The action areas relating to material savings and waste reduction cover all material flows within the Company.

We are purposefully reducing paper consumption in our organization. In 2021, we reduced our paper consumption by 37% by changing printer configurations. This project is still in progress. The use of digital tools makes particular sense for assembly and commissioning

instructions, and we can expect paper savings of around 85% here compared to the 2019 baseline. A further positive environmental effect is achieved by using recycled paper. The switch to recycled paper took place partly at the instigation of employees and was completed at all German plants in 2021.

Economical use of water is a very important component of our business model at WashTec. We therefore cover the use of water in the operation of our systems in the economic sustainability section. Irrespective of this, however, we also use water in our production processes – most notably in the production of our washing chemicals at Grebenau.

Uncontaminated wastewater is discharged there into the public sewer system. As of September 2021, flushing water arising in the production process is no longer discharged to the local wastewater treatment plant, which is unable to handle the resulting large surges in volume. This wastewater is currently taken by a specialized company, which processes it in a biological treatment plant for contaminated water. The contamination of this wastewater results solely from flushing and cleaning processes at the site. Its COD value averages 3,000 mg O<sub>2</sub> per liter. The water is not contaminated with toxic substances. No waterbodies or associated habitats are affected by surface runoff or wastewater discharges at any site. As a result of changes to the plant, we are able to switch to a continuous rate of discharge from 2022 and can consequently return to using the local sewer system in Grebenau. At our remaining plants, we discharge water into the public sewer system without being subject to any special requirements.



Economic sustainability

In our Environment and Energy Roadmap, we have set the target of a 90% separate collection rate by 2025. This will result in improved material disposal and recycling. The figure stood at 79% in 2021 (prior year: 79%). To achieve the 90% separation rate, we have specified and started implementing further measures for 2022.

At the same time, of course, we also focus on reducing our total waste volume. Up to now, for example, we have used disposable packaging in transportation between our production sites in Recklinghausen, Augsburg and the Czech Republic. By switching to reusable packaging from 2022, we expect to reduce the paper/cardboard waste fraction by 4,500 units and foams by 6,500 units.

For packaging outgoing shipments, we have so far used bubble wrap as one of the filling materials. In 2021, we changed our packaging to use crinkle paper instead. We are currently piloting a closed-loop system in which filling material from inbound deliveries is collected and reused for outbound product shipments. After completion of the pilot phase, we expect a significant reduction in the paper and cardboard waste volume.

Our team at Grebenau make the complete range of AUWA carwash products and ship them to customers worldwide. In accordance with legal requirements, customers are able to return the containers used for this purpose via a packaging compliance scheme of which WashTec is a licensee. Because they have been used for cleaning and rinsing chemicals, these containers have to be disposed of as hazardous waste. In 2021, 110 t of packaging - comprising containers for our washing chemicals in various sizes – was disposed of through via the packaging compliance scheme. These waste quantities are classified in WashTec's hazardous waste fraction.

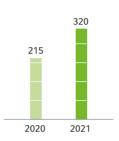


Waste balance: German and Czech plants



The German and Czech plants generated 2,232 t of waste in 2021. This represents an increase of 3.6% compared to 2019. The waste volume includes 112 t of flushing water in Grebenau that temporarily had to be disposed of separately. Only non-hazardous waste is included in the 2019 figure.

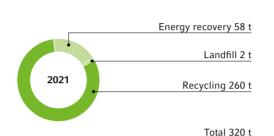
Hazardous waste: German and Czech plants (t)



Hazardous waste can be presented in areater detail from 2020. The hazardous waste volume was 320 t. Most of the hazardous waste - 311 t or 97% - relates to the Grebenau plant. 110 t of this is packaging that goes to customers and is disposed of via the packaging compliance scheme.

Hazardous waste: German and Czech plants, by destination (t)

Environmental sustainability // Materialien und Rohstoffe nachhaltig einsetzen



81% of a total of 320 t of hazardous waste is processed in recycling operations. Less than 1% of hazardous waste has to be sent to landfill.

Water consumption: German and Czech plants



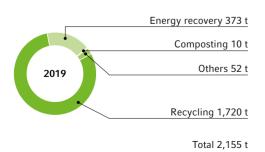
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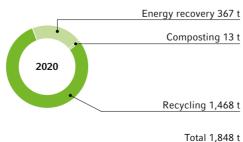
Compared to our 2019 baseline, we reduced water consumption at our German and Czech production sites by 4.4%.

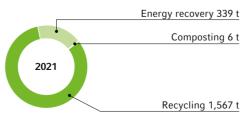
Tables and figures marked with an asterisk (\*) include all data available for analysis up to mid-February 2022. In some instances, this data has been supplemented with estimates or projections.

Take-back of end-of-life equipment in Germany (t)

Non-hazardous waste: German and Czech plants, by destination (t)

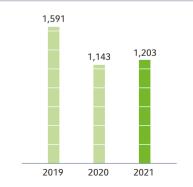






Total 1,912 t

Hazardous waste is not presented separately in the waste volume for 2019. It is not therefore possible to compare and assess the waste volumes for 2021 against the baseline.



1,203 t of end-of-life equipment was taken back by WashTec in 2021. Equipment take-back is currently implemented on the French and German markets.

### Saving energy

WashTec does not have energy-intensive production operations. We nevertheless plan to invest continuously in reducing energy consumption. To achieve our carbon reduction target, we need to exploit the potential for energy savings at all sites. This includes continuously working to enhance employee awareness of ways to save energy. These activities were launched in 2020 with our Environment and Energy Roadmap 2025.

One finding of the analyses for our Environment and Energy Roadmap is that information on energy-relevant areas is needed at a high level of detail. To obtain data transparency for this continuous improvement process, WashTec introduced energy data software at Augsburg as a pilot project in 2021. Once its introduction is complete and initial operating results are available, we plan to roll out this software to other sites. The improved data transparency will allow us to track energy flows, especially for our main energy-consuming assets, and to identify the causes of base and peak loads. We were already able to infer initial findings with regard to the potential for optimization in 2021. Further measures will follow once we have a complete fullyear dataset across all metering and data points for 2022.

#### **Energy consumption**

Energy consumption data in our organization is systematically monitored in our energy data management system in accordance with ISO 50001. This system documents the process for the management of such data. The data provides the basis for measuring our key performance indicators and is used among other things to track our continuous improvement.

With the exception of data on travel by our workforce, data on energy consumption outside of the organization is not currently collected.

Further progress was made in reducing our overall energy consumption at our production sites in 2021 relative to the 2019 baseline. With total energy consumption of 29,544 MWh, we were able to reduce total energy consumption by 1,578 MWh or 5% compared to the baseline. The largest share of energy is consumed by our vehicle fleet. At 16,067 MWh, fleet energy consumption was 9.1% down on the 2019 baseline. Our energy consumption-related key performance indicators are shown on page 52.



The measures in 2021 mainly related to the sites in Germany and included:

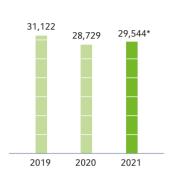
- Actively disconnecting district heat supplies in the summer months
- Converting lighting system to LED solutions in accordance with site-specific targets for Augsburg, Grebenau and Recklinghausen
- Decommissioning obsolete IT equipment
- Re-roofing a building with thermal insulation
- Downsizing the vehicle fleet.

The above measures resulted in energy savings of 307.5 MWh.

Independently of the data from our energy data software, we see further potential for reducing our energy consumption in the years 2022 to 2025 in our mobility strategy, which we present in the action plan on page 55. Further savings will come from the ongoing conversion to LED lighting and from expanding the district heat supply at the Augsburg and Grebenau sites.

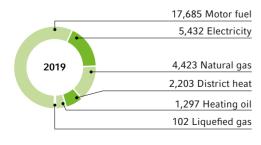






Total energy consumption in 2021 was 29,544 MWh; we achieved savings of 1,578 MWh, or 5.1%, relative to our 2019 baseline. This figure is adjusted for the quantity of electricity sold to the local grid from our photovoltaic system in Grebenau.

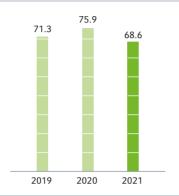
Energy consumption DE, CZ, USA and CN (production countries) 2019 (MWh)



Total 31,142 MWh

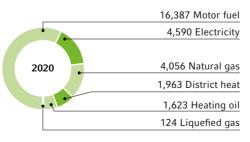
Total energy consumption DE, CZ, USA and CN (production countries), in MWh/€m revenue

Environmental sustainability // Saving energy



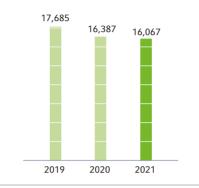
The total energy consumption of all plants in 2021 was 68.55 MWh per €m revenue. This represents a 3.9% reduction relative to the baseline.

#### Energy consumption DE, CZ, USA and CN (production countries) 2020 (MWh)



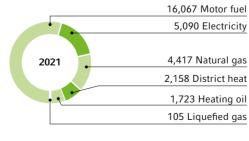
Total 28,743 MWh

Motor fuel energy consumption DE, CZ, USA and CN (production countries), fleet, in MWh/a



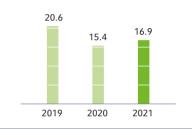
The largest energy source at WashTec is motor fuel (including for forklifts), with a 54% share. We reduced motor fuel energy consumption by 9.1% relative to the 2019 baseline.

#### Energy consumption DE, CZ, USA and CN (production countries) 2021 (MWh)



Total 29,560 MWh

Electricity fed into the grid: Grebenau photovoltaic system, in MWh/a



A photovoltaic system is installed at the Grebenau site. This fed 16.9 MWh into the grid in 2021.

Tables and figures marked with an asterisk (\*) include all data available for analysis up to mid-February 2022. In some instances, this data has been supplemented with estimates or projections. It may be subject to minor adjustments in the 2022 report.

### Minimizing the carbon footprint

We determined the carbon footprint for all production sites in the entire WashTec Group for the first time in 2020. This consequently relates to our sites in Germany, the Czech Republic, China and the USA. The figures are calculated on the basis of DIN EN ISO 14064-1 using the GEMIS and DEFRA databases. In terms of the categories under DIN EN ISO 14064-1, the figures are limited to Category 1 "Direct GHG emissions and removals" and Category 2 "Indirect GHG emissions from imported energy". These comprise emissions from in-house heat generation, the corporate vehicle fleet including leased vehicles in WashTec's control, air conditioning, purchased district heat and purchased electricity. They do not include categories 3 to 6 under DIN EN ISO 14064-1. For clarity of presentation, we use the term "Scope 1" from the Greenhouse Gas Protocol for Category 1 direct greenhouse gas emissions and the term "Scope 2" for indirect emissions.

With the current figure of 7,258 t CO<sub>2</sub>e, we have corrected our emissions data relative to the figures stated in the 2020 Annual Report. The figure now published additionally includes emissions data for all leased vehicles in WashTec's control and thus covers all Scope 1 and Scope 2 emissions. We have restated the figures for 2019 (the base year) and 2020 accordingly. The data is presented on page 54.

#### Use of renewable energy sources

An important goal to which WashTec is committed is the reduction of  $CO_2$  emissions at our production sites. Our target here is a 30% reduction in our  $CO_2$  emissions by 2025 relative to the 2019 base year.

We reduced our  $CO_2$  emissions from 7,685 t  $CO_2$ e in 2020 to 7,258 t  $CO_2$ e in fiscal year 2021. This corresponds to a saving of 427 t  $CO_2$ e (prior year 840 t). In total, this means we have already achieved a 14.9% reduction in our  $CO_2$  emissions compared with 2019.

Our production plants in Germany have been supplied exclusively with 100% certified green electricity since the beginning of 2021.

#### Mobility strategy and fleet conversion

As part of our Environment and Energy Roadmap 2025, we are implementing an array of measures to reduce our carbon footprint in fleet management. Side by side with a new car policy from the first quarter of 2022, which includes an incentive arrangement for fully electric vehicles, we have launched a project to establish charging infrastructure for electric cars and forklifts. Fleet electrification will be a major focus going forward. Diesel forklifts were already phased out in 2021.

Cars, vans and forklifts are only part of the Company's mobility, and WashTec developed and began implementing a mobility policy for the Augsburg site in 2021. This includes national and international business travel, on-site transportation and employee commuting. The recommendations and measures in the mobility policy show the potential for improvement in the carbon footprint.

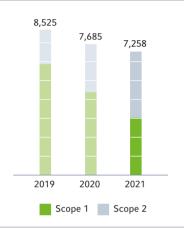
Implementation of the zero-emission strategy that follows from the operational mobility management policy has already begun and will make the vehicle fleet in Germany 100% carbon-neutral by 2030. Across Europe, the WashTec Group vehicle fleet is to consist of over 80% alternative propulsion vehicles by 2030.

#### **Outlook for Scope 3 emissions**

In addition to these measures, we also expect a significant reduction in our emissions from air travel relative to the years before the COVID-19 pandemic, as shown in the overview on page 54. The experience gained in remote digital communication during the pandemic can be used to enable new ways of working together and contribute to a permanent reduction in  $CO_2$  emissions from business travel.

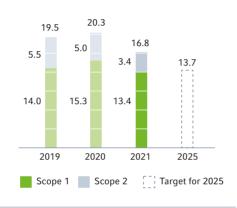


## WashTec carbon footprint (Scope 1 & 2), in t



 $CO_2$  emissions from WashTec production plants, including the vehicle fleet, totaled 7,258 t  $CO_2$ -equivalents. This represents a reduction by 1,267 t or 14.9% relative to the 2019 baseline.

## WashTec carbon footprint (Scope 1 & 2), in t/€m revenue



The carbon footprint totaled 16.8 t/ $\in$ m revenue in 2021. Our target of a 30% reduction in the carbon footprint by 2025 corresponds to a target figure of 13.7 t CO<sub>2</sub> emissions per  $\in$ m revenue based on the revenue of  $\in$ 437m in 2019.

## WashTec carbon footprint (Scope 3) in thousand kilometers flown/metric tons/kilograms per kilometer



 $CO_2$  emissions from air travel totaled 44 t in 2021. The  $CO_2$  emission figure of 0.26 kg per kilometer flown is due to relatively short-haul flights. These have higher  $CO_2$  emissions per kilometer than longer flights.

We want to	Performance indicators	Target	Date	Measures	Year-end 2021 status
conserve resources by increased use of environment-friendly and sustainable materials.			As-is analysis by 12/2022	Examine use of recycled, reprocessed, recyclable and more sustainable materials	Project at idea phase
increase sustainable sourcing by basing material procurement on international social and environmental standards.	Percentage of WashTec Code of Conduct documents signed	100% signature rate for production materials and processes		Award contracts in compliance with environmental and economic requirements  Require suppliers to comply with WashTec Code of Conduct for Suppliers (Supplier Declaration)	Specimen award process includes environmental criteria  Standardized request for Supplier Declaration
consider product end of life in the procurement process by analyzing the entire material life cycle.	Recycling to disposal ratio			Increase end-of-life machinery recycling rate	Recyclability specified as component selection criterion
apply an optimized waste strategy by systematically reducing waste volumes and targeting a consistently high separate collection rate.	t waste/€m revenue	90% separate collection rate at Augsburg plant	2025	Strict separate collection of waste fractions based on comprehensive training program for employees, service providers and suppliers and transfer to other sites	Reporting system, including process instructions, available for DE and CZ plants in 2021
			Annually	Reduction of waste volume and hard-to- recycle packaging, e.g. by switching to reusable packaging for transportation between plants	Packaging instructions specified and integrated into standard supplier quality assurance agreement
				Reduction in paper waste	Reduction in waste volume by 13% relative to 2020

## Action plan | Saving energy

We want to	Performance indicators	Target	Date	Measures	Year-end 2021 status
use energy-optimized production facilities and buildings by switching from diesel/gas/heating oil to electricity and alternative energy sources.	Energy consumption MWh p.a. and per €m revenue	13% reduction in energy consumption in MWh per €m revenue at ISO 50001-certified sites (2019 baseline: 40.1 MWh/€m revenue)	2025	Electricity consumption Switch off or replace dated equipment Improve LED conversion rate (lighting) to 100% Detect compressed air leaks and optimize compressors at Augsburg site Base and peak load optimization at Augsburg, Grebenau and Recklinghausen sites Optimize and improve efficiency of electric power infrastructure at Augsburg site  Thermal energy production	Total energy consumption: 38.1 MWh per €m revenue (5.2% reduction from baseline)  Pandemic-related measures such as airing/
				and consumption: Switch to efficient and sustainable heating systems	heating in 2020/2021 reduced potential savings
				Energy management: Introduce energy data management soft- ware for transparent consumption tracking	Software introduced December 2021
reduce transportationby optimized route planning for service staff.	Fleet fuel consumption in MWh p.a.	100% electric vehicles	2030	Mobility strategy with route optimization  E-car policy for company cars and vans	Fuel consumption 2021 (DE): 6,574 MWh/a (21.1% reduction from baseline)

## Action plan | Minimizing the carbon footprint

We want to	Performance indicators	Target	Date	Measures	Year-end 2021 status
increase use of renewable energy sources by switching our electricity provider.	tCO₂e/a absolute and per €m revenue	Approx. 13.7 tCO <sub>2</sub> /€m revenue (baseline: 2019 revenue)	2025	<ul> <li>Energy supply:</li> <li>Energy supply based on certified green power at DE plants</li> <li>Check availability for US, CZ, CN sites</li> <li>Optimize heat generation at Augsburg and Grebenau sites</li> </ul>	Convert to green power in DE, reduce CO <sub>2</sub> emissions (absolute) by 14.9% from 2019 baseline
				On-site transport: Convert on-site industrial trucks to electric power with charging infrastructure	Replace 100% of diesel forklifts, including fueling station, at DE and CZ plants
reduce our carbon footprint (Scope 3) for travel and commuting by new mobility strategy and fleet conversion	tCO₂e/a absolute from air travel		2025	Employee mobility:  Switch vehicle pool to EVs  Increase use of digital communication solutions	<ul> <li>Pool vehicles reduced by 40% and 100% switched to at least hybrid</li> <li>Full digital communication solutions rolled out worldwide (2020)</li> <li>Workplace agreement on mobile working (2021)</li> </ul>
				Offer remote service solutions  Develop mobility strategy:  Car policy from 2025 EVs offered as standard  Link travel policy to sustainability	mywashtec.com solutions  Electric vehicles used in Austria sales territory

WashTec Economic sustainability

Environmental sustainability

Social sustainability



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Ensuring high standards of occupational safety
Action plans









Activities with a dotted circle are the subject of an action plan. The action plans are listed at the end of the relevant sections. Items without a dotted circle are explained in the text of the following section.

Corporate policies geared to the needs of our workforce are a basis of our business and corporate success. Our social responsibilities include creating and maintaining a supply of secure jobs and training places. We work here in compliance with the respective national legal requirements. In Germany, these include:

- Collective bargaining agreements at each site
- The General Act on Equal Treatment
- The Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors
- The Workplace Ordinance
- Requirements of employers' liability insurance institutions.

#### **Employees and social**

Since all activities surrounding responsible management of our working relationship with employees fit together in a closely interlocking package of measures, we combined our management approach under the topic heading of "Employees and social". This serves to provide a high degree of transparency as to the strategically consistent positioning of our human resources activities and allows us to develop and implement an integrated approach for all sites. Factors shaping our strategy in HR policy include the all-important globalization of our activities and agile adaptation to rapidly changing work processes. These result in changing

tasks, roles and, above all, skills and knowledge. A further factor is the age structure of the workforce. Added to these factors is the various ways in which the digital transformation can make work more flexible in terms of both location and character ("new work"). In collaboration with management at our individual operating sites, we identify the measures needed.

Our successful corporate development is rooted in in-depth awareness of the needs and potential of our workforce at all locations. The Human Resources (HR) function, which is under the direction of the CEO, coordinates cross-cutting measures. These are implemented by local HR managers. The principles guiding the development of our HR policy are based on our Code of Ethics, our Corporate Guidelines and national legal requirements at our operating locations. In 2021, WashTec was not subject to any fine or penalty notices relating to noncompliance with laws and/or regulations in the social and economic area.

The development of our employee and social program is based in particular on:

- A consistent and long-term employment policy
- Constructive communication between employer and employees
- Increased initial and further training

Social sustainability // Our employee and social program

Equal treatment, equal opportunities and diversity.

In addition to our successful team development activities, we have also selected a number of measures for social projects. We consider it important to follow a regional approach in this regard. The projects we support are listed on page 66. These activities consist of individual measures and are not based on a rigid approach.



#### **Cultural Transformation**

The radical transformation of the world of employment calls for a new approach to how we work together at WashTec. Demands on the types of work performed and on workplace environments have changed, and digitalization is bringing in new ways of working as a team. In preparing WashTech for the future, we are taking a proactive approach to the transition at all working levels and across the Group as a whole.

#### Leadership principles

In our Cultural Transformation program, we have been working since March 2020 to redefine our corporate culture and leadership principles. This process is actively driven by our Leadership & Spirit Obeya Team, which involves other cross-functional teams in each step of the project. External experts provide support in the further development of our corporate values and leadership principles. A key part of this redefinition progress involves integrating our "new work" and sustainability focus. The Group-wide program takes in employee interviews and a workshop. Once finalized, our new corporate values and leadership principles will be introduced into everyday operations using a specially devised roadmap. These efforts are designed to further develop and enhance our corporate identity, while integrating the topics of new work, sustainability and diversity into everything we do at WashTec.

We expect that the program's measures and outcomes will further increase job satisfaction among our employees. Regular employee surveys and feedback sessions with management give us an insight into the mood across our workforce, telling us what our employees want and need. We also use these measures to improve prospective employees' perception of WashTec as an employer and strengthen our Group-wide corporate identity. As a measurable success factor in this transformation, we also expect to see greater interest in our Company in recruiting processes as well as an increase in the level of satisfaction among our employees.

Criteria for measuring success, such how these newly developed corporate values and corporate culture impact our daily operations, will be developed as integral parts of our transformation program.

#### Obeya culture

A major part of our transformation process involves the introduction of Obeya culture as a form of interdisciplinary collaboration. Building interdisciplinary and cross-hierarchical teams makes agile working a reality across the WashTec Group. Pages 22 and 23 describe how Obeya culture has developed at WashTec over time. And because the concept is easily implemented across sites and locations, we have also established international teams – not least with the aim of promoting collaboration at all our WashTec sites. We currently have eight Obeya teams, each with a set of thematic priorities aimed at promoting international collaboration.



In our Internal Communications Plan 2022, the Obeya teams' activities are integral to the wider editorial program. In addition, using a video called Obeya@WashTec, we explain the approaches used in the Obeya way of working and the development opportunities they bring. We want to use the Obeya work approach to address yet more cross-cutting topics and involve employees in shaping our business structures and design.

### Intensifying employee development

At WashTec, the internal and external conditions for human resource development have changed. Greater globalization of our activities, the rapid adaptation of employee skills needed in the face of new technologies, and also the age structure of our workforce call for new strategies in human resources development and management. Thus, as mentioned earlier on page 61, we need to develop new leadership styles and introduce new forms of collaboration. To recruit new talents and give them the skills they need for the work they will perform in the future, we must combine a modern corporate culture with WashTec's longstanding tradition as market leader in the automated carwash sector.

We start out here from a position that presents both challenges and opportunities. One aspect is that we have a large number of employees who have been working with WashTec for many years. The average length of service is 16 years at our German production sites and 12 at our international sites, including all sales locations. This means we need to lower the average age of our employee base and recruit new, younger staff. We want to gradually reduce the average workforce age of 46 in Germany and 45 in our branches worldwide. This is the only way to safeguard continuity and innovativeness across the WashTec Group.

#### Attractiveness as an employer

Our positioning as an employer starts with the basic principles:

#### Fair pay

WashTec is a member of the employers' association, whose collective bargaining agreements serve as an objective benchmarking tool for pay grades. The job description assigned to a given pay grade is agreed between the employer and employee representatives. The classifications in the remuneration system are solely based on criteria that can be applied equally to female and male employees – as prescribed by the Germany's Transparency in Wage Structures Act (Entgelttransparenzgesetz).

Workplace agreements provide for employer top-ups for retirement benefits, individual and team performance bonuses, profit sharing and pay components in excess of those contained in collective wage agreements.

#### Work-life balance

Flexible working hours and wide-ranging flextime arrangements – largely governed by workplace agreements – help employees balance work with family and personal commitments. These include parental leave arrangements with flexible returns to work, models to accommodate emergency leave to care for a family member, and options to convert pay components into time off in lieu. We also have options for home working and remote working with flexible hours.

#### Age-related career exit solutions

Social sustainability // Intensifying employee development

With the above-average, well-financed, partial or early retirement provisions contained in the collective wage agreements used in the metalworking and electrical industries, WashTec enables the transition to full retirement with solutions that go beyond the collectively agreed, legally binding quota. In acute, illness-related cases, for example, we provide for personalized arrangements such as pension bridge payments to enable employees a smooth transition into retirement.



We have also devised a package of measures to better position WashTec on the recruitment market. With our newly devised, high-visibility and high-recognition employer brand message, we aim to increase the number of applications from candidates wanting to work at WashTec. The new approach addresses target groups across all recruiting channels. Between now and 2025, we will continue piloting new data-driven recruiting tools. We also see considerable potential in our employees serving as ambassadors to promote WashTec in the outside world.

Those measures were developed as part of a project launched in 2021. As of 2022, we are intensifying our talent search and recruitment efforts via our internal and external communications. With a new-look careers portal, we aim to attract greater attention on the jobs market between now and the end of the year.

#### Training and human resource development

One area of activity in recruiting new talent involves an enhanced vocational education and training program. Among other things, we are stepping up cooperation with schools and intensifying our presence on technology information platforms and at jobs fairs. We will also be launching recruitment campaigns to attract young talents. The platforms we currently target include the Fit for Job careers fair run by the German Chambers of Industry and Commerce (IHK), the Pyramid Higher Education Fair, and the AzubiSpot apprenticeship and training event. We also participate in the annual Girls' Day and Boys' Day campaigns.

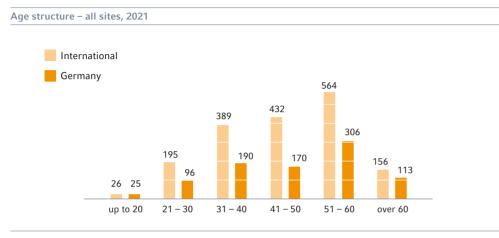
In addition, we are stepping up our activities when it comes to digitalizing training, expanding our apprenticeship and training program and adapting the processes we use in recruiting. By restructuring our apprenticeship and training program, we will also cover new career fields such as industrial computer science. The strategic program takes in our Augsburg assembly site as well as our production sites in Grebenau and Recklinghausen.

As an additional step in reducing the average age of our team, we are introducing an ongoing stream of support for young talents during and after their training. Once their training is completed, that support will be supplemented with follow-on training plans designed to promote the development of our young employees.

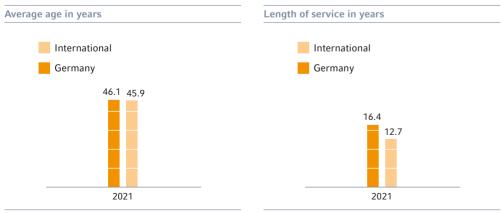
Initial signs of the program's success can be seen in click rates on our careers portal, and in the number of applications received since the new-look website was launched.

#### Junior staff and junior management program

In addition to recruiting career entrants, skills development also plays an important role in planning our future workforce and teams. In our continuing education and training program for the period up to 2025, the skills of all our employees will be systematically documented and developed as part of an assessment process. This enables us to provide the targeted e-learning, coaching and mentoring programs we need. The systematic development program will be introduced and implemented in stages. Associated activities will be agreed and adopted in the period 2022 to 2023.

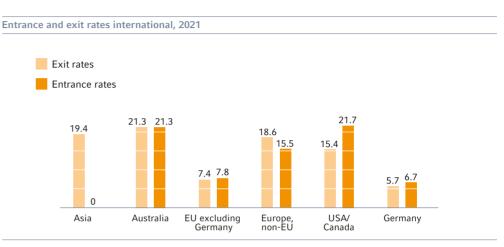


The age structures at our German and international sites show similar distributions of employees in the different age groups.



The average age of our workforce is 46.1 years at our German sites and 45.9 years at our international sites.

The average length of service for employees is 16.4 years at our German sites and 12.7 years at our international sites.



The entrance and exit rates at the various sites are presented as combined figures in relation to the regions concerned. The number of exits includes retirements.

Our employee data relates to the entire WashTec workforce. This report covers the combined workforce numbers across all WashTec sites, including sales branches.



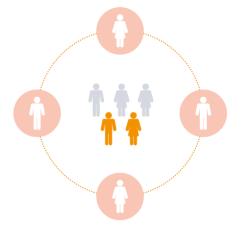
### Promoting equal opportunities and diversity

Showing each other respect and treating people as equals – this is how we should interact with others, be they co-workers or people we encounter in everyday life. WashTec expects mutual respect and fosters a corporate culture of equality and appreciation. We regard a zero-tolerance policy and protecting employees from discrimination as being fundamental to promoting constructive teamwork and progress in the Company. Our employees' diverse abilities and skills, backgrounds and perspectives contribute to our dynamic, creative workplace and not least to our success.



In a quest article, "Diversity management: from strategy to mindset" (pages 67 to 69), Hanna Göhler from Digital Habitat explains the importance of diversity in a corporate setting. During 2021, WashTec took a deep dive into diversity management and what it requires. In a series of workshops and informational events, we raised employee awareness to the topic under the hashtag #respectfultogether.

The basis for our diversity-related activities is provided by Germany's General Act on Equal Treatment (Allgemeines Gleichbehandlungsgesetz). But the prevailing legal framework is not our only quide in this regard. In 2021, working closely together with our team, we formulated a diversity policy for WashTec. This sets out all rules for respectful working relationships. We address all relevant matters arising in relation to the workforce in a newly established diversity committee, which is made up of two diversity officers and three additional members from the Management Board, the Works Council and HR. In addition, we use diversity ambassadors to disseminate the subject of diversity together with related quidance across all corporate units and levels.





#### **Diversity Committee**

#### ... two diversity officers,

appointed on the basis of predefined criteria, liaise between the Diversity Committee members and our diversity ambassadors

#### ... three members

from the Management Board, the Works Council and HR.

... responsible for dealing with complaints based on a jointly structured process

#### Diversity ambassadors

... champion diversity, assist with prevention measures and act as initial touch points for employees who experience discrimination

#### **Diversity measures**

Diversity and mutual respect are an ongoing responsibility for all involved throughout the Company, First, we need to disseminate our vision of respectful working relationships across all units and levels. To date, we have recruited 19 diversity ambassadors in various units to take the workplace diversity message out to the WashTec world. As some units are not yet represented, we would like to recruit yet more colleagues to represent employees' needs. To ensure we reach every part of the Company, diversity awareness must also be promoted at our international sites.

In our Diversity Obeya Team, and for communications concerning our diversity activities, we have chosen the term Diversity Ambassador to describe employees who take the diversity message out to our company units.

We continuously report on and include the topic in our internal communications, and also inform employees in our Letter from the Management Board, a regular newsletter and at our workplace meetings. In implementing our diversity policy at international level, from 2022 all branches will be integrated into related activities, taking account of local conditions. Also in the course of 2022, our diversity ambassadors will attend a series of ten workshops where they will receive training and detailed information.

The workshops will focus on:

- Discrimination in everyday life, racism, LGBTQ+, prevention and education for victims of violence
- Training for diversity ambassadors on topics surrounding diversity management (such as diversity awareness, diversity management basics and sensitization to diversity culture) and communication
- An introduction to Germany's General Act on Equal Treatment (Allgemeines Gleichbehandlungsgesetz) for management staff
- Diversity-focused e-learning modules and classroom-based training for all employees

#### **Equal opportunity**

The share of female employees in technical professions still remains small, both in production and in engineering. With 19% in Germany and 18% internationally, we see room for improvement in the percentage of female employees at WashTec. The share of women in our management positions worldwide is 14.3%. As we realign our corporate culture, we are ensuring that female employees are involved in the process. For example, in strategic projects such as creating the Obeya teams, some 50% of the employees involved are women. And when filling vacant executive positions in 2021, we were able to fill two out of four with women.

Pay parity between female and male employees at WashTec in Germany has already been implemented in full. In the course of 2022, we plan to assess the situation in our country units.

#### Local responsibility

In addition to the responsibilities WashTec assumes as an employer, and thereby assuming a social role, we also provide local-level support for social projects. In doing so, we place importance on establishing a link to the region concerned. We have been sponsoring Der Bunte Kreis e.V., a registered charitable organization based in Augsburg, since 1996. With a 70-strong team of professionals, Der Bunte Kreis assists children with disabilities or suffering serious illness and also their families, providing psychological, social, medical and financial support. Because in many cases, the time-intensive care of sick children and support for their family members is only partially funded by the statutory health insurance funds, WashTec as one of the main sponsors and also at the initiative of our staff – provides ongoing support to Der Bunte Kreis in the form of monetary donations.

A further component of our social responsibility efforts involves our sponsorship of the nonprofit organization Wildwasser e.V., which we began in 2021. The specialist counseling center advises victims of sexualized violence aged ten and over. Their program includes specialist counseling for victims, their family members and professionals, supervised self-help and stabilization groups, as well as support and prevention programs.

Wherever there are many people, there is diversity. Diversity is nothing out of the ordinary - it is part of being human. The key question in the corporate context is how to deal with diversity and why a company should address it.

Diversity management is a cross-cutting responsibility

Companies address diversity for various reasons: social responsibility, legal requirements and business interests. Systematic diversity management follows a range of goals, addresses the interpersonal dimension and also includes strategic considerations. Diversity management is perceived as credible when it initiates long-term structural changes that contribute to improving the working climate and invite a change of mindset. One important goal is for all employees to feel that they are recognized and acknowledged within the organization with their individual personality. The aim is to develop social togetherness and a sense of "us". From this it is evident that diversity management is not a self-contained project that can be worked through like a checklist. Cultural work of this kind takes time and the willingness of all employees to reflect and also adjust their own behavior. Over time, an awareness of diversity and an open, honest culture develops within the organization. In this change process, it is important for top management to believe in it and for managers to take diversity awareness skills seriously and lead by example.

Diversity strategies can include building heterogeneous teams or promoting specific skill sets, such as intercultural skills in global organizations. It makes sense to connect strategy development to the organization's internal sustainability principles and align it thematically to current challenges faced by the enterprise. Megatrends such as digital transformation and demographic change provide suitable impetus for reviewing existing processes and introducing targeted diversity measures. In the course of business process digitalization, for example, some companies have now introduced software programs for recruitment and selection. It is important to check here that formal requirements such as school-leaving qualifications do not automatically screen out people whose skills and talent would actually make them a good fit for the team. In this way, a modern approach to employee selection incorporating future-oriented diversity management ensures that suitable applicants can be recognized with their talents and successfully recruited. Examples like this from corporate life show how sustainable diversity management is a cross-cutting task and not just a standalone measure. Diversity should be considered in all decisions.

Social sustainability // Promoting equal opportunities and diversity









Social responsibility is more than a trend

What kind of world do we want to live in? How do we shape that world and what can the enterprise contribute? Companies demonstrate social responsibility by adopting specific measures to deliver on their responsibility towards other people in society. They embrace equal opportunities, by all means with a political ambition to address social inequality.

This can be achieved, for example, by focusing one diversity activity on a dimension such as social origin. A broader implementation of corporate social responsibility (CSR) concepts promotes socially positive decisions and aims for the Company to make additional commitments regarding the global value chain that go far beyond legal and contractual obligations. The Sustainable Development Goals, the United Nations framework for addressing the most urgent challenges for humanity and the environment, contain numerous starting points for companies to demonstrate social responsibility. In the context of diversity, SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities) provide a thematic basis for how enterprises can shape specific opportunities for action.

#### Legal requirements are critical

The legal basis of employment in Germany is German employment law. The General Act on Equal Treatment (AGG) implements the four EU non-discrimination directives. Its purpose is "to prevent or stop discrimination because of racism or on the grounds of ethnic origin, gender, religion or belief, disability, age or sexual identity" by private-sector actors, which include employers. The Act contains rights and obligations both for employers and for employees. Under existing employment relationships, employees have the right to protection against discrimination and all companies must establish a complaints body for the purpose. To avoid creating a work climate that gives rise to compensation claims, companies are well advised to comply with the law and operate a zero tolerance policy on discrimination. This is precisely where implementation of the law, organizational culture and human interaction intersect.

#### Business purposes and success through diversity

For many companies, one driver for establishing diversity management is the desire to harness diversity. This is because a company can only serve a market that it resembles from within. For this reason, it is important both to consciously promote existing potential and to establish a well structured, diversity-aware talent program to attract new applicants and overcome the skills shortage. Alongside diversity and inclusion, principles of agility are also key to long-term corporate success. A shared feature of these is that they are about values of equality, change of perspective and an open-minded attitude towards mistake-tolerant collaboration. Many of the necessary agility-related skills correspond to what is described as diversity awareness. These include an attitude that tolerates contradictions and ambiguities and integration of that attitude into the work process. Another is openness to engage with other perspectives. Accordingly, a diversity-sensitive attitude is also necessary with a view to business purposes when it comes to developing new products, winning new markets or targeting specific groups.

Diversity management also has outward impact and is mission-critical in terms of employer attractiveness. Many employees attach importance to companies embracing and living out diversity-related values.

All of these diversity measures tangibly benefit the business, enhancing both employee satisfaction and the Company's market position in the long term.

#### Diversity awareness unlocks new realms of possibility

A key element of integrated diversity management is a participation-oriented working culture. This way of working together calls for transparency and an attitude where people meet on an equal footing and are open to each other. Diversity can be enriching and a fertile source of new ideas, as well as being challenging. People can learn to deal with both of these aspects and acquire tools, such as the Obeya principles, that invite them to create new realms of possibility. If we also conceive of Obeya as a human-centered leadership culture, then the people in the organization need to be prepared to embrace a paradigm shift. The same goes for addressing diversity-related issues. Diversity management involves changes to existing structures, strategies and organizational cultures. Leadership and team skills also include diversity awareness. Successful diversity management invites everyone in the organization, regardless of function and area of responsibility, to commit to an open-minded work culture and respectful collaboration, and enables ways of working together that offer space for everyone to develop possibilities.

Hanna Göhler is an organizational development and diversity management consultant. She helps companies and organizations in their digital transformation and serves as an anti-bias facilitator. She is a member of the International Society for Diversity Management (idm) in Berlin and founder of Digital Habitat.



To support our workforce, we hire temporary workers as needed. The share of temporary hires in Germany and



internationally is equal, at 9%.

WashTec

WashTec is a training employer: Some 3% of our

workforce at our German sites are trainees.

Our workforce KPI indicates slow growth in our employee figures. The figures from 2021 will be used as the baseline in measuring our future success.

The statistical populations for the percentages shown here are 899 individuals for our sites in Germany and 883 for our international sites.

Our personnel management system allows us to break down employee figures into m/f/d (male/female/diverse). No employee on our payroll is listed with the latter gender designation.

### **Ensuring high standards of occupational safety**

We see ensuring the occupational safety and health of employees as a top priority – not just for our WashTec employees, but also for customers' teams and users of our car wash systems. Experience shows that whatever preventive measures are taken, it is never possible to eliminate a residual risk of potential accidents at work. Our topmost goal is an occupational accident rate of zero. This is based on the assumption that all accidents are avoidable - and is why we also document near-misses to identify and minimize or even eliminate risk.

For occupational safety reporting, we have identified seven KPIs, which are assessed on a monthly basis and compared with the respective targets. This enables us to identify any variance and correct it at an early stage.

The accident frequency rate is the most significant KPI in our management reviews and is determined for the entire WashTec Group. Continuous improvement of HSE processes and management systems over the years has ensured that the number of occupational accidents is consistently well below the industry average (2021: 20.69 accidents) reported by the employers' liability insurance association. Once again in fiscal year 2021, there were no occupational accidents with fatal or serious injuries, meaning with lasting injury or resulting in a pension entitlement.

In the 2021 reporting year, the number of occupational accidents per million hours worked was 4.94, slightly higher than the previous year's 4.49. Work-related accidents are recorded from the first day an employee is reported unfit for work. The COVID-19 pandemic did not have any impact on the accident rate non-financial performance indicator in fiscal year 2021.

#### Regular internal audits and site visits

In ensuring the high degree of occupational safety provided at WashTec, we comply with the SCC (Safety Certificate for Contractors) standard. We perform SCC audits in accordance with our in-house auditing matrix and oversee our sites in Germany as well as our international sites in Austria, Denmark, Italy, Norway, Spain, the Netherlands and the UK. Our SCC management system also includes subcontractor audits, thus giving us an insight into occupational safety at sites involving contracts awarded externally. Site inspections are a component of our Quality, Health, Safety & Environment (QHSE) management process. We engage two accredited auditors for our audits, and use an auditing questionnaire to evaluate performance and compliance.

We conducted three audits in 2021 (prior year: three). These were performed in Germany, Norway and Denmark. Regular QHSE inspections were also held according to the audit plan at our plants in Germany and the Czech Republic, and in our service units. Covering 16 categories, the inspections revealed high standards of safety right across the board. The number of inspections conducted with no nonconformities reported was 99% at our plants and 97% in our service units (compared with 98% at our plants and 99% in service in the previous year).

#### Regular training and accident prevention

To prevent accidents and near-misses, both existing and newly detected risks are regularly assessed. Management is informed of the results of the risk analysis in our management review. For identified potential risks, follow-up measures are derived, planned and implemented in cooperation with the units concerned. We introduced a new software solution to meet occupational safety requirements in 2021. In the course of the transition process, the existing risk assessments were updated to ready them for integration into a PDCA process.

The analyses are supplemented with training modules and workplace-related demonstrations with mandatory attendance. Each module involves a test as proof that the learning objective has been achieved. At the start of 2021, we introduced a new learning platform for in-house training. The cross-departmental software can be used by HR Development, Occupational Safety and Health, and the Global Service team. It is also part of the integrated management system. It was introduced in 2021 and a total of 18 occupational safety courses were attended by 10,040 employees. The number of occupational safety courses held in 2021 was exceptionally high and is used as a KPI in calculating the performance-related component of our managers' pay. Our target of a 95% global implementation rate was reached in 2021.

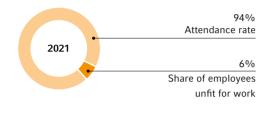
Also as part of occupational safety, we have introduced health management measures. In Germany, these include occupational health check-ups at our plants in Augsburg, Grebenau and Recklinghausen – all conducted in accordance with the requirements laid down by the accident insurance provider, and including all necessary examinations. Some 292 such check-ups were performed in 2021. In addition, 65 people received COVID-19 vaccinations administered by a Company physician. The employee health and safety measures implemented in response to the pandemic included a hygiene plan with associated instructions and rules which, at minimum, met locally applicable requirements, and also other, voluntary measures. These included the creation of a COVID-19 Crisis Response Team and placement of carbon dioxide meters and indoor air filters in workspaces. Policy provisions on remote working were also rolled out at all WashTec sites.

For matters concerning occupational safety and health, our international sites are overseen by designated points of contact, for example via regular online meetings and also site visits. Safety-related incidents and inquiries from subsidiaries, dealers and key account customers are processed without delay. Training programs on occupational safety cover all sites and their respective teams.

#### **Near-miss reporting**

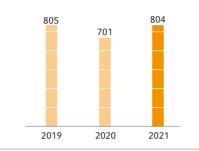
Via the WashTec safety app, we manage all activities involving occupational safety and health. This includes standard risk analyses as well as reporting of accidents and near misses. With the exception of China, the easy-to-use app is available at all WashTec sites. Since 2018, our team in China has been using a web-based version of the WashTec safety app, which they can access using PCs and VPN clients. The mobile version for smartphones proved unfeasible because local provision could not be ensured via the app store. Employees can use the app to report details of an incident quickly and easily. When evaluating reports, a set of reporting categories and criteria give a good insight into the areas of occupational safety and health that need to be improved. The app also allows reports to be flagged as relating to material damage or personal injury, thus providing a basis on which incidents can be classified and addressed.

A total of 804 near-misses were reported in 2021 (prior year: 701). On the basis of the reported incidents, we identify scope for improvement and risks in order to take targeted action to enhance occupational safety. The process for ensuring high standards of occupations safety and health is set out in our integrated management system.



In 2021, we recorded an absenteeism rate of 6%.

#### Reported near-misses



In 2021, 804 near-misses were reported via the app.

#### Occupational safety trainings (all sites)



In 2021, WashTec conducted 18 health, safety and environment (HSE) training sessions with a total of 10,040 attendees.

### Social sustainability // Action plans

## Action plan | Strengthening cultural transformation

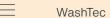
We want to	Performance indicators	Target	Date	Measures	Year-end 2021 status
continuously evolve our WashTec values and adapt them to the requirements of an agile and digital business world  by further elaboration and Group-wide implementation of our core values.		Confidence in leadership, value-based work culture and strong identification with the Company	End of 2023	Cultural transformation  Goal definition and implementation of cultural change with support from external specialists  Project for further development of new corporate image	
update our values and leadership principles throughout the Group for a digital and diverse working world with projects to introduce and implement a modern corporate culture.		International cross-hierarchical and cross-functional project teams	End of 2023	Further development of corporate and leadership culture driven by Leadership & Spirit Obeya	<ul> <li>Project development and launch of Leadership &amp; Spirit Obeya</li> <li>Introduction of Obeya working methods with eight Obeya teams</li> </ul>

## Action plan | Intensifying employee development

We want to	Performance indicators	Target	Date	Measures	Year-end 2021 status
update our initial and further training programs      by reorganizing industrial and commercial training.			2023	Training program to be supplemented with additional occupational profiles, two-year traineeships and college-based training (co-op degree program, BA)	
J. C.			2022	Modernization and digitization of training	Digital report book and tools introduced for all trainees
			2022	Revised recruiting process  Recruitment day with assessment elements, advice and feedback from trainers  Introduction of a test process (online) with feedback	Initial trials conducted
enhance WashTec's employer brand visibility		<ul> <li>Mentions of WashTec in relevant media</li> <li>Number of communication activities</li> </ul>	Ongoing	<ul> <li>Specify employer value proposition and core messages for the identified target groups</li> </ul>	Employer position and core messages developed
by transparent, group-specific internal and external communication.				<ul> <li>Authentic employer message with strong recognition value and WashTec constantly prominently positioned in the employ- ment market</li> </ul>	Strategy formulated
				Internal and external communication with press releases on trade fair appearances and events, annual reports, quarterly statements, annual general meeting, campaign days such as Girls' Day/Boys' Day, sustainability report and awards	<ul> <li>Continuous communication activities based on communication plan</li> </ul>

## Action plan | Promoting equal opportunities and diversity

We want to	Performance indicators	Target	Date	Measures	Year-end 2021 status
<ul><li> create a respectful and diverse work environment</li><li> with a diversity action plan.</li></ul>	Complaints under the General Act on Equal Treatment (AGG)	0	Ongoing	General diversity policy (prevention, communication and reaction)  Training on the General Act on Equal Treatment for employees, managers and works council	Complaints process established
	Number of newslet- ters, Management Board letters and workplace meetings	3 newsletters 1 Management Board letter 2 workplace meetings	Ongoing	Communication to raise awareness of and promote equal treatment  Newsletter on diversity (explaining the concept of diversity, introducing the Diversity Committee, etc.)  Presentation of parts of the diversity policy at the workplace meeting	2 newsletters 1 Management Board letter 2 workplace meetings
	Number of new ambassadors	Target: all units	Ongoing	<ul> <li>Recruit diversity ambassadors</li> <li>Communication (newsletters, workplace meetings, etc.)</li> <li>One-on-one communication</li> </ul>	19 ambassadors – not yet all units covered



## Action plan | Ensuring high standards of occupational safety

We want to	Performance indicators	Target	Date	Measures	Year-end 2021 status
identify potential for error in our operating processes by constant and standardized tracking of all safety-relevant incidents.	Number of occupational accidents per million hours worked > 1 day	0	Ongoing/ annually	Continuous quality assurance by inspections (plants, service and assembly)  Safety specialists and safety officers trained via employers' liability insurance association  Training and refresher courses for first aiders  Safety training at plants, in field force and in service	4.94 occupational accidents  Number of safety training sessions conducted: 18 in 2021
	Number of reported near-misses per employee worldwide	0.4	Ongoing/ annually	Maintain constant high-level reporting quality:     Use QHSE app internationally for improved reporting quality     Identify potential for improvement from inspections, near-misses and accidents and implement in the form of aids, training and/or technical modifications	0.46 reported near-misses per employee
	Number of preventive medical checkups at plants in Germany	<ul> <li>100% takeup of mandatory checkups</li> <li>Offer of two additional checkups or similar</li> </ul>	Ongoing/ annually	<ul> <li>Preventive checkups</li> <li>Vehicle-based work</li> <li>Screen-based work</li> <li>Offer and plan additional voluntary checkups</li> <li>Advertise health programs in internal communication media</li> </ul>	<ul> <li>Legal requirements complied with in relation to age and outcome</li> <li>65 COVID-19 vaccinations provided for employees in 2021 in addition to public vaccination scheme</li> <li>Voluntary offer of medical checkups, such as eye examinations, with occupational physician</li> </ul>

### GRI Content Index (GRI Standards 2016)

WashTec // GRI Content Index

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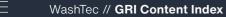
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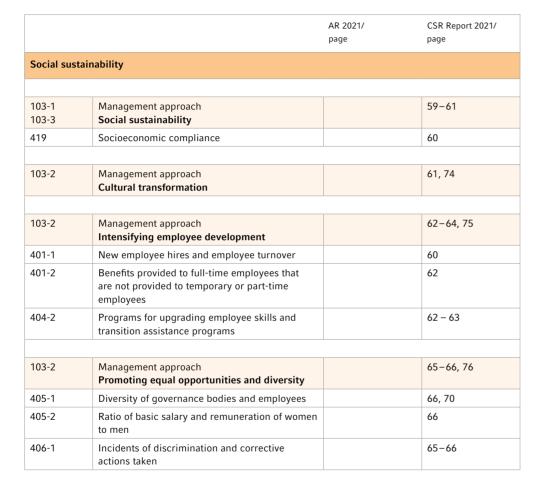
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