



Sustainability Report 2020
#WashTecInside



Sustainability Report

In our understanding, sustainable business means safeguarding and expanding economic, environmental and social values. Sustainable business practices secure the future of our Company. Our long-lived capital assets create lasting value, and through their sparing use of resources, we contribute to preserving an intact living environment for future generations. We have a long track record of delivering on our responsibility to employees and society. As a manufacturer of automated carwash equipment, we also contribute with our business model to the sustainability of our customers' business models.

WashTec meets the highest standards, not only of product and service quality, but also in environmental protection. In our operations, we always aim for maximum efficiency in the use of materials and resources.

This is consistently reflected in our latest sustainability report, which we have presented for many years. We also supplement this with a separate combined non-financial report. In doing so, we meet the requirements of the CSR Directive Implementation Act, which have to be observed in reporting since fiscal year 2017.

1. Separate combined non-financial report

We based our preparation of the separate combined non-financial report on the **Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)** and describe our policies in accordance with the requirements of GRI 103: Management Approach.

Besides financial aspects, additional disclosures must also be provided on certain non-financial aspects to the extent that they are material within the meaning of Section 289c (3) of the German Commercial Code (HGB). The non-financial aspects on which information must be provided comprise environmental, employee and social matters, respect of human rights, and anti-corruption and bribery. We set out in the report whether each aspect is material to the company and the general public.

For a detailed report on our risk management and a description of prevailing risks with the potential to have a material impact on the onward development of the WashTec Group, please see the combined management report in Section 4, Outlook, opportunities and risk report, starting on page 74. No material risks from our business activities, business relationships, products and services have been identified for which it is highly probable that they have, or will have, severe adverse impacts on the above-mentioned aspects.

The content of the separate combined non-financial report is reviewed by the Supervisory Board. In the sustainability report, this review solely relates to heading 1, Separate combined non-financial report, and not to the information under heading 2, Implementation of sustainability at WashTec.





1.1 Description of the business model and diversity policy

For a description of the business model, please see the combined management report under General Information about the Group, section 1.1, Business Model, beginning on page 46.



For a description of the diversity policy, please see the combined management report under Corporate Governance Declaration, section 8.1, on page 88.

1.2 Environmental matters

WashTec faces up to its responsibility towards the environment and human society. In the 2019 reporting year, we intensified our review of the impact of our business activities on environmental matters.

Objective/policy

We want to expand our actions in the direction of a more environmentally sustainable business operations. Germany has a special responsibility for climate action as a leading industrialized nation. As a German company, WashTec is keen to contribute to the German government's climate action program, which targets a 55% reduction in carbon emissions in Germany by 2030 compared to 1990 levels. We intend to significantly reduce the Group's carbon footprint at international level within five years (2021-2025).

Measures

Significant reduction of the carbon footprint by the end of 2025

In order to identify the reduction potentials of the carbon footprint, an Environment and Energy Roadmap 2025 will be developed on the basis of which concrete quantitative reduction targets will be adopted in 2021. There are measures to improve

fuel economy in the vehicle fleet. The main projects here are route optimization to cut fuel consumption, reduced transportation speeds and continuously increasing the use of electric vehicles. All vehicles newly purchased by WashTec are equipped with economical, latest-generation diesel engines with particle filters. A bonus/penalty system for emission levels gives employees with an entitlement to a company car additional incentives to choose low-emission vehicles. Optimizing the compressed air network, converting the entire plant to 100% LED lighting, and base/peak load optimization are other focal areas in the 20 projects developed in 2020. We also aim to step up efforts in the areas of raising employees awareness, transparency on energy data the application of alternatives.

Processes/due diligence

Introducing energy software will provide WashTec with greater transparency regarding energy flows and consumption. In figures that were determined for the year 2019, the total carbon footprint is 6,338 tonnes CO₂ equivalent/year (t CO₂e/a), or 3.4 t CO₂e per employee (1,874 employees), or relative to WashTec Group revenue (€436.5m), 14.5 t CO₂e/€m. All production plants internationally are included in the analysis: those in Germany, the Czech Republic, China and the USA. The figures stated are calculated on the basis of DIN EN ISO 14064-1 and 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". Specifically, these comprise emissions from in-house heat generation, the corporate vehicle fleet, air conditioning, purchased district heat and purchased electricity. They do not include Category 3 "Indirect GHG emissions from transportation", Category 4 "Indirect GHG emissions from products an organisation uses", Category 5 "Indirect GHG emissions (use of products from the organisation)" and Category 6 "Indirect GHG emissions (other sources)".

Outcomes

The implementation of the first measures will deliver initial results under the Environment and Energy Roadmap 2025. We will report extensively on this as of 2022.

1.3 Employee matters

Objective/policy

We are conscious of our responsibility towards the workforce and their families, as well as towards the people who work with WashTec and operate or use the equipment we produce. Among other things, the focus here is on the safety and health of our employees in the workplace. Experience shows that whatever preventive measures are taken, a residual risk of a potential accident at work cannot be completely ruled out. The paramount goal remains to reduce the number of work-related accidents significantly respectively the avoidance of accidents. We therefore analyze accidents and near-misses to prevent them from recurring. To achieve this goal, existing and new hazards are regularly assessed in order to identify potential accident risks in advance. Suitable measures are taken to eliminate potential risk for employees wherever possible and at least reduce it to an acceptable level.

Every accident can have a serious impact on the person involved, but also consequences for WashTec. High occupational safety standards play an essential part in ensuring that everyone is safety-conscious. By maintaining high levels of process reliability in occupational safety and health, WashTec contributes to general public welfare. We measure continuous improvement toward a zero-accidents target on the basis of the accident rate [work accidents/million hours worked].

Measures

In close collaboration between operating departments and the Health, Safety and Environment (HSE) Department, appropriate measures are jointly initiated to further enhance employee safety. A common understanding of safety issues, supported by training courses and regular instruction as well as workplace inspections, also results in continuously rising acceptance among employees. This is an important step in further accident risk.

Preventive measures include hazard analyses carried out in the various operating departments. They are systematically supported in this by WashTec's in-house HSE department. On the basis of the identified potential hazards, measures are derived, planned and implemented. A further aim alongside occupational safety is to identify and implement aids that reduce physical effort as part of health management.

As well as accidents, other critical situations are also recorded and analyzed. For this purpose, near-misses are identified, recorded and evaluated, and appropriate measures are taken to eliminate or at least reduce the risk potential in advance. To raise employee awareness, help identify potential causes of accidents in advance and eliminate hazards before an accident is caused, we provide a range of instruction modules using our training tool. The message app introduced for all worldwide WashTec employees in 2018 – which makes it easier for everyone to report accidents and near misses – was once again revised in 2020. Use of the app is now more intuitive and documents can be captured more easily. The area manager is informed by e-mail and is responsible for ensuring that immediate action is taken. This enables us to quickly eliminate accident risks. Reports are analyzed on a group basis and collated to provide content for further training units.

A function for performing quality, health, safety and environment (QHSE) inspections has also been added to the app. These inspections are carried out by supervisors at regular intervals. Their purpose is to compare target and actual performance and also to systematically identify improvements, potential and risks. The questionnaire is adapted to specifications for each area so that the inspections are carried out according to the relevant requirements. Here, too, systematic evaluation enables focal points to be identified and suitable action taken. Measures are also directly assigned to those responsible to aid and ensure follow-up.

WashTec Tower significantly reduces potential work hazards for our service technicians.

The WashTec Tower is a further piece of equipment that has significantly reduced potential work hazards for our service technicians. Comprising a special mobile scaffold, the WashTec Tower ensures safe working at height. A project was carried out in 2019 to look at how the WashTec Tower is transported in service

vehicles. The knowledge gained, and the revised requirements for service vans, were used in collaboration with fleet management to implement a new van racking system.

We use the new tool to train relevant occupational safety topics. In addition, we can provide product and service training for employees and outside partners as e-learning training. As mentioned earlier, instruction modules end with a test to show that the content has been understood and can be implemented.

Processes/due diligence

In collaboration with the operating departments, the HSE department carries out ongoing preventive measures such as audits, training and risk assessments to increase safety and raise awareness around occupational safety and health among managers and employees. The HSE department also ensures that occupational safety considerations are incorporated in product development and improvement so that parts are safe for workers to carry, assembly and replace. If unsafe situations or potential hazards are identified nevertheless, employees are required to follow the principle of "If you are not sure, STOP".

The HSE department provides training for all employees via the training tool. This makes it possible to track which participants have completed the training by the prescribed date and passed a final test. Taking and passing a test are obligatory. Any failure to do so is escalated up the chain of command and if necessary as far as the Management Board. This ensures that all employees and external partners know the training content. Compliance with the training content is verified among other things with the aid of QHSE inspections.

Outcomes

The accident rate, which is the relevant indicator for employee matters, is determined for the entire Group. Continuous improvement of HSE processes and management systems over the years has ensured that the number of occupational accidents is consistently below the industry average reported by the employers' liability insurance association. There have been no occupational accidents with fatal or serious injuries, meaning with lasting injury or resulting in a pension entitlement.

In the 2020 reporting year, the number of occupational accidents per million hours worked, at 4.49 as of the year-end (prior year: 3.5), remained significantly below the industry average of 21.16 reported by the employers' liability insurance association. Introduction of the WashTec Message app significantly increased reporting quality with regard to hazardous situations, near misses and accidents. The gain in transparency aids in the detailed analysis of incidents and results in instructions being revised accordingly.

Number of occupational accidents per million hours worked significantly below industry average

Awards for successful safety activities conferred by major customers in the petroleum industry in past years verify the high standards of safety at WashTec.

1.4 Social matters

We take our social responsibility seriously and make a contribution for the chronically ill and disadvantaged by supporting the organization **Bunter Kreis e.V.**. For further information, please see the sustainability report under 2.6, Social commitment. A comprehensive policy and a plan of measures do not exist in this respect.

1.5 Respect for human rights

In the supplier declaration drawn up in 2017, all significant business partners undertake to comply with WashTec's principles and rules

We work with suppliers and service providers worldwide. We expect all employees as well as our business partners to operate in compliance with the law. Likewise, WashTec expects business partners to comply with applicable laws and regulations, as well as to meet and continue developing high ethical standards in business operations. WashTec has defined rules and principles in a Code of Ethics.

In the context of our international business relationships, WashTec also compiled a suppliers' declaration in 2017, which all material business partners had signed with legally binding force in order to guarantee compliance with WashTec's principles.

As part of the machinery and plant engineering sector, WashTec operates in an industry that already meets high standards.

Wash equipment is mainly produced in Europe and the USA. Most suppliers are likewise located in Europe and America. WashTec thus largely operates in countries that maintain high standards of respect for human rights. We therefore consider the described measures on this complex of issues to be sufficient.

1.6 Anti-corruption and bribery

The WashTec Code of Ethics sets out rules for anti-corruption and bribery. WashTec expects employees and business partners worldwide to comply with all legal requirements. The Code of Conduct for Suppliers (formerly Supplier Declaration) additionally introduced in 2017 requires business partners to comply with high ethical standards.

Production and suppliers in the value chain mainly operate in countries that are not very susceptible to corruption and bribery. To prevent corruption and bribery nonetheless, WashTec has set down the corresponding principles in its Code of Ethics and additionally incorporates these principles by reference in the Code of Conduct for Suppliers. Within the Group, corruption and bribery are combated through worldwide compliance training and audits by the Internal Audit department.

WashTec additionally set up a whistleblower system in 2016 that allows employees and external parties to report violations anonymously. We therefore consider the existing measures on this complex of issues to be sufficient.

2. Implementation of sustainability at WashTec

2.1 Product responsibility

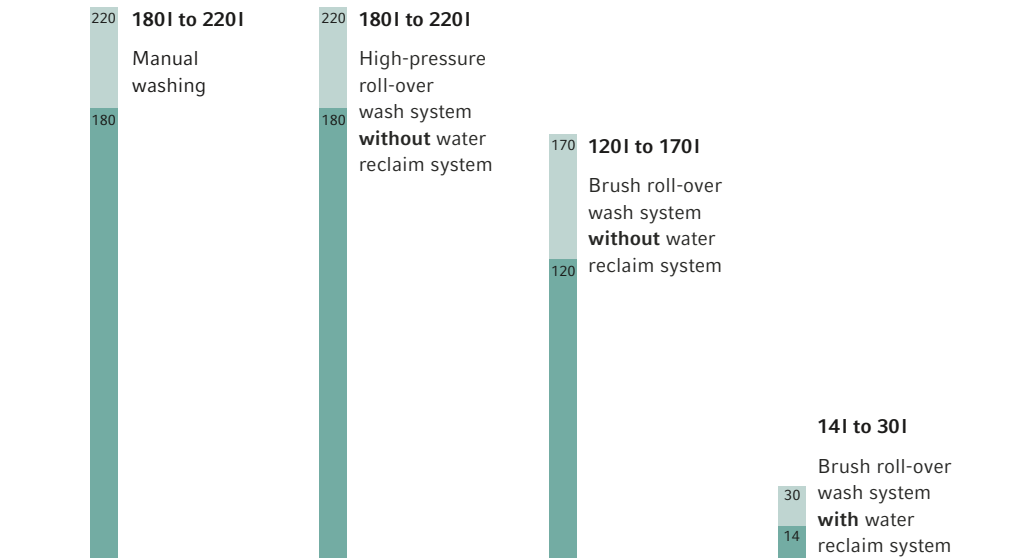
WashTec car washes

- WashTec products enable operators to use their systems efficiently and economically for carwash.
- This is achieved with low energy and water consumption, the option of using water reclaim systems, and optimized metering of eco-friendly chemicals – all for improved environmental performance.
- WashTec offers local analysis to help customers arrive at the optimum product specification for their site and prevent both over-dimensioning and under-dimensioning of wash capacity.

All WashTec equipment meets all prevailing environmental regulations and offers a water-saving alternative to manual car washing, which is prohibited in Germany and various other countries. WashTec also expects to see increasing regulation in markets with lower environmental standards or where water is scarce. This means greater potential for environment-friendly automated car washes with water reclaim systems. The water reclaim systems for gantry carwashes were designed on a modular basis in 2019 to provide the right amount of reprocessed water for the respective product. These water reclaim systems have resulted in a platform that can be precisely configured to operator needs. Scandinavian countries especially have increasingly strict environmental requirements, and other countries are also considering a ban on manual car washing. For many years, WashTec has used the Scandinavian Nordic Swan label for particularly environment-friendly carwash chemicals.

The importance of water availability and the consequences of water pollution is demonstrated by WashTec in discussions with customers and illustrated by means of videos.

Fresh water consumption (liters per wash)



Source: WashTec Analysis

In automated car washing, water and other substances such as wash chemicals and oil remain in a closed cycle and so cannot seep into the ground or groundwater. Since clean water is indispensable for car washing, WashTec offers water recovery systems that, by treating the process water, reduce fresh water consumption during car washing by up to

90%. Thus, for example, a modern gantry carwash with water reclaim equipment uses only between 14 and a maximum of 30 liters of fresh water during a standard wash compared to 44 liters of fresh water consumed during a standard wash with a modern washing machine.

WashTec and AUWA chemical products

With all WashTec and AUWA products, the focus is on sustainability and responsible resource use.

WashTec and AUWA stand for excellent and environmentally friendly vehicle cleaning and care.

The product range encompasses a broad line-up of high-concentration cleaning and care products for all carwash needs.

Formulations developed for the each application are available for manual car washing and/or deployment in mechanized carwashes. The product range is supplemented by special solutions for water recovery systems and for the cleaning and care of wash equipment and wash bays, as well as an extensive range of accessories.

Environmental responsibility is a priority for all products. Strict and seamless quality controls ensure that all AUWA products always satisfy all prevailing statutory requirements and meet wastewater thresholds when properly used.

Compliance with the highest environmental and health standards is likewise a matter of course. For example, all active washing substances are biodegradable, and cleaning agents are free of aggressive solvents and petroleum products – despite their high performance. In addition, the products meet AUWA's own sustainability criteria as market leader. These set standards in the industry and far exceed legal requirements. Corresponding products carry the AUWA Green Car Care ecolabel. Products specially developed for Scandinavian markets additionally meet the requirements of the Nordic Swan Ecolabel. Moreover, many wash chemical products are tested to DHI criteria and to ÖNORM B5106, which focuses on wastewater performance.

All AUWA products work with all WashTec water recycling systems. In combination, these ensure high water quality and reduce fresh water consumption in each wash. The highly concentrated and high-yield products guarantee the highest wash quality with minimum dispensing and consumption quantities per wash. Specific recommendations on the product packaging help prevent the use of excessive quantities.

2.2 Production

Equipment

The majority of equipment production takes place at the Augsburg headquarters, where the production plant is continuously modernized and reorganized. In addition, our subsidiary in Denver, Colorado (USA) produces carwash equipment primarily for the North American market. Equipment for the Asian market is assembled by our company in Shanghai, China. Our subsidiary in Nýřany, Czech Republic, manufactures equipment and components for final assembly in Augsburg. Control units are manufactured in Recklinghausen for the entire Group.

The products are installed and maintained at customer premises by over 600 company service technicians, subcontractors and service technicians employed by distributors. Service technicians are on the road with modern, specially-equipped service vehicles, which themselves carry along suitable equipment and fittings ranging from tools and spare parts to safety equipment.

The average service life for carwash equipment is between seven and ten years. At the end of its service life, equipment is then professionally disassembled and either refurbished or recycled. All functional specification documents for the development of equipment at WashTec require maximum possible reuse or recycling.

Our aim is to ensure that the products can be reused or recycled as completely as possible

Virtually all existing peripheral components can be used again in the event of equipment replacement; this also extends to system control units. The findings of our sustainability assessments have an influence on ongoing product development in terms of ecological aspects such as lifetime water and energy consumption. This is where customer utility and sustainability come together.

Chemicals

The wash chemical products sold by AUWA are developed in our laboratories in Augsburg and Grebenau in close cooperation with the WashTec R&D Department and produced at our Grebenau plant.

In the production of AUWA products, conservation of scarce resources is always a priority. Fillers – materials not relevant to product performance – are avoided. Raw materials are selected according to strict sustainability criteria. This means the use of 100% biogenic active wash substances in mass balance quality and no use of dyes or polyphosphate. Critical substances such as NTA, halogen acids and SVHCs have not been used for many years. Compliance with the criteria, including for the entire production process, is continuously monitored by an external testing institute.

Wash chemical products are high-concentration products that are automatically diluted and apportioned in the wash equipment. In addition to saving weight, this also saves on packaging, thus minimizing transport costs.

2.3 WashTec environmental scorecard 2020

The WashTec environmental scorecard is divided into the two main areas of waste and energy. At WashTec, an environmental and energy team is responsible for continuously analysing environmental and energy-related issues and deriving and implementing measures to increase sustainability. The analyses are used to identify measures and implement them accordingly.

Waste

In 2020, WashTec generated 2,240 tons of waste material in Germany, mainly due to production and office waste and from taking back packaging and end-of-use equipment. The figure for the Nýřany location in the Czech Republic is 966 tons. At 90% by weight, most of this relates to metals from the production processes. In the aggregate, a year-on-year reduction of 12% was achieved in Germany, including the Nýřany location. All types of waste are systematically separated into single-material fractions. High separate collection rates are achieved as a result of well-organized recycling centers and bin rules at plants and offices. At the Augsburg headquarters, for example, the rate is 79%. A rate of at least 90% is the target for each and every plant. Disassembled old systems are either refurbished or professionally recycled by authorized service providers. Packaging placed on the market by WashTec is either disposed of or recycled by a service provider. WashTec is also working to improve its recycling rate.

Material flow analyses, more and better employee training and awareness-raising, additional bin systems and better bin labeling aim to help raising the recycling rate. Auditing of waste disposal providers will be stepped up in 2021 as a basis for raising the recycling rate.

Energy

Internationally, fleet fuels and electricity account for the largest share of energy requirements, making up 68% of the total. Total energy consumption fell by 8% year on year. The main energy sources in Germany are likewise vehicle fleet fuels at 47% and electricity at 16%, with energy requirements down 10% on the prior year. At least 62% of the electricity purchased by WashTec throughout Germany in 2019 and 2020 was generated from renewable sources. This figure is significantly higher than the national average of 44%. WashTec thus actively contributes to lowering CO2 emissions. The goal is to reduce the main forms of energy consumption. A measure implemented by the company in 2020 was to switch purchased electricity entirely to green power from 2021.

In 2020, for the first time, all WashTec trainees were trained as energy and resource scouts by the Swabia Chamber of Industry and Commerce. Workshops on the subject and projects carried out by trainees themselves made them important energy ambassadors within the company. Additional analytical energy efficiency consulting was instrumental in laying the basis for transparency and awareness-raising.

WashTec took part in the City of Augsburg's EnergiePlus consulting program in order to uncover further potential and possible sources of error with regard to energy efficiency.

In 2020, four diesel pool vehicles at Augsburg were replaced with hybrid vehicles. We also offer all visitors a free electric-car parking space with a charging point.

General

WashTec considers it an overarching obligation to use and support sustainable alternatives and to join networks and agreements on collaboration with other enterprises.

In 2020, WashTec was once again a member of the Bavarian Environmental and Climate Pact. In addition, we will join the Ökoprofit Augsburg program from 2021.

This promotes sustainable product development and design to save energy in the production and use stages, as well as to avoid and reduce waste or ensure that parts are recycled.

Certifications

Since 2000, WashTec has been certified under the ISO 9001 and ISO 14001 standards, which lay down globally recognized requirements for responsible quality management and environmental management systems. With its ISO 14001-based environmental management system, WashTec takes part in the Bavarian Environmental and Climate Pact for Sustainable Growth with Environmental and Climate Protection. This is a voluntary agreement between the Bavarian state government and Bavarian industry which, among other things, creates an obligation to provide additional environmental protection going far beyond the standards required by law. In addition, WashTec has held SCC (Safety Certificate Contractors) certification since 1999. Compliance with this standard by engaging in preventive measures serves to protect the safety and health of employees and also includes additional environmental protection.

By introducing the energy management system WashTec can better record and control the energy flows in accordance with ISO 50001

An energy management system in accordance with ISO 50001 was additionally introduced and certified during 2016 in fulfillment of our responsibility for sustainability. Introducing an energy management system enables WashTec to better document and monitor energy flows for more efficient energy use. Certifications routinely performed by DEKRA also verify compliance with statutory provisions and standards, thus providing legal certainty.

The company also provides the auditors with verification of ongoing development in this area. In addition, an energy team has been tasked with investigating significant energy-related issues and taking appropriate action to further improve energy consumption. Most such issues overlap with environmental concerns.

Ecological aspects are an integral part of WashTec's strategic planning, from product development to resource management in production. WashTec also regularly specifies an integrated management systems (IMS) policy from which Group-wide environment targets are derived. Analyses are performed on these targets and measures identified to attain them, with projects for implementation and attainment measurement. Target attainment and onward development of the occupational safety and health, energy, environmental and quality management systems are regularly monitored and presented in an annual management review. Our implemented continuous improvement process aids in the attainment of the Company's adopted targets.

2.4 Stakeholder dialogue

WashTec shares as a sustainable investment

In view of its sustainable business model, WashTec's shares are a target for investment funds specializing in sustainable investment. In 2018, WashTec was rated Sustainability Class C and incorporated in the Sustainable Hidden Champions Equity Fund.

Customer satisfaction

"Would you recommend WashTec?" We ask our worldwide customers this question three months after installing a new gantry carwash. Since July 2017, customers have automatically received an invitation to take part in an online survey. The responses are automatically collated in-house and tracked in our subsidiaries. In 2020, 87.6% of respondents in the online survey said they would recommend the Company to others.

88% of customers would recommend WashTec to others

Any customers who say they would not recommend WashTec are called to ask the reason for their negative response. In this way, we learn from our customers themselves how we can better help them and continue to provide expert after-sales support. The survey has so far met with a positive response as customers see that their opinion is valued.

From the end of 2020, our local subsidiary in China also surveys customer satisfaction.

Based on the positive experience, we launched a pilot project in 2020 to survey customers about their satisfaction with our service.

2.5 Personnel and Compliance

WashTec Code of Ethics, suppliers' declaration and whistleblowers

A standard Code of Ethics has applied to all WashTec Group companies since as long ago as 2005. Its main tenet is required compliance by all employees with all rules, regulations and corporate directives. The Code includes key directives on how employees are expected to interact both with each other and with customers, suppliers, consultants and public authorities. All WashTec Group managers and employees in sensitive areas such as Sales, Procurement, Human Resources and Finance receive regular training which is concluded with a test and certification. The WashTec Code of Ethics can be downloaded from www.washtec.de. In 2017, WashTec additionally introduced a Code of Conduct for Suppliers (formerly Suppliers' Declaration) that specifies WashTec's principles in dealings with suppliers and has been signed by all key suppliers.

In further support of the compliance system, a whistleblower system introduced in 2016 enables employees and others to raise concerns – anonymously if they prefer – and to flag up circumstances that may indicate a breach of the law or corporate directives. Any such indications are investigated and action taken as appropriate if grounds for suspicion or violations are identified.

Corporate philosophy

Our corporate philosophy introduced in fiscal year 2015 provides all employees with guidance on our number one corporate objective of customer benefit and on how to interact among themselves and with customers. It describes what we expect of ourselves regarding innovation, specialization and the role of management. Each and every employee at WashTec shares responsibility for actively shaping the business. Our corporate philosophy is also the basis for the WashTec leadership policies.

Building on our corporate philosophy and leadership principles, the WashTec Group combined its core strategies into seven obeya initiatives.

WashTec Obeya describes a specific way of working that basically lays down few and easily understandable rules and thus improves collaboration. Globally oriented, cross-divisional and cross-hierarchical, agile teams were deployed for the various initiatives.

The obeya initiatives stand out for:

- Smart teamwork
- Smart task management
- Shared understanding
- Faster joint goal achievement

Key leverage is obtained here from a shared understanding of WashTec Obeya brought about by developing methodological skills, transparent communication and targeted training for opinion leaders and managers. This further establishes WashTec's appeal as an agile, digital and international Group.

Employee handbooks

In foreign subsidiaries of the WashTec Group such as WashTec in the USA, the most important provisions in connection with employment relationships are laid down in employee handbooks. These contain, for example, rules on non-discrimination, handling employee complaints and employee interaction, as well as general provisions on how employment relationships are structured.



Corporate audits

Processes and transactions at all WashTec Group companies are examined for compliance with external and internal rules and regulations on the basis of risk analysis, both routinely and in ad-hoc audits in response to alerts. This enables any nonconformity to be detected at an early stage and suitable countermeasures taken.

Training and human resource development

Ongoing employee development plays an important role at WashTec. We offer all employees the opportunity to participate in internal and external continuing education and training programs. Among other things, employees can use an e-learning platform for training on various topics. A separate budget is allocated for employee training each year.

At the Company's headquarters in Augsburg, formal training is provided for qualification as a mechatronics fitter, industrial mechanic or industrial clerk. The large number of training places made available in 2019 is to be maintained in 2020.

Employee satisfaction

WashTec's employees are key to our business success. We constantly work to further improve employee satisfaction.

WashTec has been holder of TOP COMPANY and OPEN COMPANY badges from kununu.com since March 2016. The leading employer rating platform, kununu.com awards these badges to employers who demonstrate high levels of employee satisfaction and openness to dialog. WashTec also once again received the top national employer of the year award from FOCUS magazine.

Social activities during non-business hours, such the monthly WashTec happy hour in Augsburg and at our subsidiaries, outings and taking part in the company run – where the pandemic allowed – foster cross-departmental communication and constructive teamwork.

Health and safety

As already mentioned in section 1.3, Employee matters, under Separate combined non-financial report, WashTec's philosophy is "accidents don't happen, they are caused". It is important to identify all potential risks, take immediate action, specify remedial measures, track their implementation and learn from them. The experience gained is passed on in regular instruction and training. Implementing the lessons learned is just as important as assuming responsibility for hazardous situations everywhere in the Group. WashTec further contributes to workforce health with medical checkups (such as colon cancer prevention, smoking cessation courses and the WashTec Health Days held regularly in Germany). Drinking water dispensers introduced at the company's plants are popular among the workforce. E-learning software has helped managers train employees since 2007.

WashTec has a well-developed occupational safety and health management system

WashTec has a well-developed occupational safety and health management system with SCC certification, which is essential for working with major customers. Service technicians are under special obligation to learn and understand safety issues as they face heightened risk in their work. Regular training and certifica-

tion programs center on training sessions for working in and around filling stations when preparing and undertaking the commissioning, maintenance and servicing of our equipment and systems. WashTec service technicians in Germany also take part in regular driver safety training with their fleet vehicles. Compliance with safety provisions is routinely monitored in internal and external audits and notably also in audits by major customers. To further develop accident prevention, the WashTec Message app launched globally in 2018 (as mentioned earlier) was once again revised in 2020 and further adapted to user needs. Alongside improvements in the digital infrastructure, the equipment of service vehicles has also been modified. Following a change of supplier for personal protective equipment (PPE), work has begun on adapting work clothing to individual departmental needs. Clothing is thus tested for comfort, safety and durability. By taking employee requirements into account, this will further improve acceptance of PPE. Further measures are additionally taken following systematic, Group-wide analysis.

In a revision of the fire protection concept, escape and rescue plans were reviewed and training provided for voluntary firefighters. The training included a theoretical and a practical part. In the theoretical training, employees were taught basic guidelines and how to proceed in the event of a fire. During the practical part, they were able to practice fighting a fire themselves using an extinguishing trainer in order to gain the necessary confidence in handling a fire extinguisher in case of need.

The corona pandemic

In response to the emerging corona pandemic in early 2020, a special crisis team was established to address international workforce needs. WashTec employees in China were thus initially supplied with masks from Europe because of a shortage on the local market. When the situation reversed and shortages arose in Europe, the Chinese plant reciprocated by supplying masks to Europe. This was only possible because the crisis team responded promptly and foresightedly with suitable action. Hygiene concepts were developed and instructions regularly compiled and communicated. The crisis team provided the workforce with regular, up-to-date information on how to behave, personal protection and impacts of the current COVID-19 situation. We also provided "Covid first-aid" kits for travel, reconfigured workstations and enabled remote working at short notice. Air quality meters and ventilation systems were also installed to minimize infection risk.

Balancing family and career

Balancing family and career is close to every parent's heart. WashTec actively meets this need with personalized work time arrangements. The benefits of this flexibility were particularly evident during the pandemic, enabling large numbers of employees to work from home. This helped mitigate family childcare and nursing care problems. The success of these policies is also evident outside of the pandemic in the excellent way in which staff members who return from parental leave reintegrate into their challenging roles and responsibilities and the rising number of mothers and fathers signing up for part-time working.

2.6 Social commitment

WashTec supports Bunter Kreis e.V., whose 70 specialists help children with disabilities and severe illnesses, together with their families

The birth of a child with disabilities, a heart problem or cancer diagnosis, an accident or hereditary disease invariably affects the whole family and abruptly changes people's lives. With approximately 70 professionals, **Bunter Kreis e.V.**, an Augsburg-based registered association founded in 1991, provides children with disabilities or severe illnesses, together with their families, with comprehensive psychological, social, medical and financial

support. Bunter Kreis e.V. helps most of all during the period following discharge from hospital, when it assists families in dealing with new challenges and burdens. The reliable follow-up care often also allows children to leave hospital early. Since the frequently time-consuming work of caring for sick children and their families is only partially covered by statutory health insurance, WashTec has continually supported Bunter Kreis e.V. with donations in cash and in kind as one of the association's main sponsors since 1996. WashTec once again further stepped up its involvement in 2020.