

Sustainability Report 2022

Digital.
Sustainable.
Successful.



Key figures and key performance indicators of our Sustainability Program

Rounding differences may occur		Jan. 1 to Dec. 31, 2022	Jan. 1 to Dec. 31, 2021	Change	
				absolute	in %
Revenue	€m	482.2	430.5	+51.7	+12.0
R&D expenses	€m	14.2	13.0*	+1.2	+1.0
CO ₂ emissions*** (Production countries: DE, CZ, USA, CN)	t	7,034	7,221	-187	-2.6
Energy consumption*** (Production countries: DE, CZ, USA, CN)	MWh per €m revenue	58.1	68.1	-10.0	-14.6
Motor fuel energy consumption (Production countries: DE, CZ, USA, CN)	MWh	16,393	16,067	+326	+1.8
Water consumption (DE, CZ)	l	16,538	16,620	-82	-0.5
Total employees	number	1,824	1,782	+42	+2.4
Women at management level	percent	18.0	14.3	-	+3.7 pp**
Accident rate	occupational accidents per million hours worked	4.2	4.9	-0.7	-14.3

* When comparing with the prior year, it should be noted that the prior-year figures included €1.3m from the reversal of a provision.

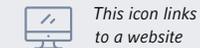
** pp: percentage points

*** Please see page 54 for the adopted targets

Our sustainability targets		2025	2022	2019
Reduction in our carbon footprint	t CO ₂ /€m revenue	13.7*	14.6	19.5
Reduction in our energy consumption at ISO 50001-certified plants	MWh	15,208	14,914	17,481
Increase in separate collection quota	percent	90	85	-
Reduction in occupational accidents	per million hours worked	0	4.2	3.47

* 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 €482.2m 12% higher than prior year, among other things due to price increases and positive exchange rate effects
- CO₂ emissions reduced by 187 t or 2.6% year on year (13.1% year-on-year reduction per €m revenue)
- Energy consumption per €m revenue reduced from 68.1 MWh in prior year to 58.1 MWh (14.6% reduction)
- Accident rate of 4.2 (occupational accidents per million hours worked), significantly below industry average of 21.5



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Foreword

Dear Reader,

We firmly believe that a company can only implement truly important projects if they are based on the broadest possible range of perspectives. This is reflected in our Sustainability Team, which consists of employees from Predevelopment, Human Resources, Procurement, Communication, Sales, Product Management, IT and Finance. However, important issues are always a matter for the CEO, which is why I have taken responsibility for sustainability within the management team. This publication marks our second sustainability report – a source of great pride for us, as it underscores the seamless integration of sustainability into our business operations and corporate culture. The report provides insights into our initiatives and objectives in the categories of economic, environmental and social sustainability.

With last year's publication, we set ourselves a high standard to match in this second report. We received a great deal of positive feedback for our first report, both from our clients and from investment professionals, regarding our Sustainability Strategy and the transparent presentation of our Sustainability Program. In recognition of this, we won the Augsburg Business School's "ESG Company of the Year" award. We see this as a reward for our ongoing efforts and as inspiration to continue in the same direction.

This report is based on the efforts of all employees in our Company. I would like to take the opportunity at this point to highlight some of our successes.

Nevertheless, the challenges posed by the Russian war of aggression against Ukraine, the threat to energy supplies in Germany and across Europe, high inflation and the zero-Covid policy in China made 2022 a particularly demanding year. We had to be prepared for the potential effects of the energy crisis. A new energy task force was established which prepared our Company for various emergency scenarios and enabled us to speed up the implementation of our energy-saving measures. We see the fact that we were able to reduce energy consumption at our plants in Germany and the Czech Republic by 18.3% in 2022 as a tremendous achievement that has also had a positive impact on employee motivation.

The weather conditions in Southern Europe caused widespread drought in the summer of 2022 and early this year. In particular, some regional administrations in France have forced carwash operators to temporarily cease operation.

In our "Success with sustainable products and services" program, we already place the focus on our Green Car Care wash chemicals, water treatment systems and our mywashtec digital platform. This means we have excellent products for our quest to provide customers with the most sustainable carwash solutions. We also provide examples of country-specific regulatory arrangements in the course of this report.

We revised our Corporate Philosophy as planned in the first quarter of 2023 and I am pleased to present our new Corporate Philosophy in this report.

We are a member of the Diversity Charter and over the last few years have developed our diversity program, #respectfultogether. As a further project in our "Care for People and Culture" program, we have launched a career portal developed in collaboration with employees.

Sustainability also means securing the future of WashTec. It is a topic close to our hearts, and our Sustainability Program provides the framework to prepare ourselves and our stakeholders for the future. 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 for their contribution to implementing our Sustainability Program.



Ralf Koeppe
Chief Executive Officer

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WashTec

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We also analyze our activities in relation to the UN Sustainable Development Goals (SDGs). The SDGs relevant to each chapter are shown here.

The WashTec Sustainability Policy

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. We are committed to the United Nations Sustainable Development Goals. In our Sustainability Policy, we define the guiding principles by which we operate in economic, environmental and social terms and which form the basis for our business activities in every part of the organization.

Our sustainable activities are based on the knowledge that every individual, every participant in economic life and every business enterprise has a duty to use all resources sparingly. In regular dialog with our employees and interested parties, we proactively identify the key issues for sustainable business, for resource-efficient vehicle washing and for the sustainable manufacture of our equipment and products. We apply this knowledge to the development and use of our products and in order to ensure efficient deployment and reuse of resources. In cooperation with all of our internal and external partners as well as all stakeholders, we follow the principles of sustainable business. Our methods to this end include testing and refining existing systems and deploying new technologies, including digital technologies, both in development and production and in the use of our products by system operators. In doing so, we also incorporate findings from research institutions and external networks.

- 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 these targets, we evaluate our own performance to identify remaining scope for improvement. We publish the regular monitoring of the measures taken together with target achievement in our annual Sustainability Report.
- 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 Sustainability Policy ...

... is based on

- Careful use of natural resources: We maximize resource efficiency in equipment development and production and offer solutions that meet and where possible exceed the highest environmental standards.
- Fair practices in dealings with employees and respect for human rights in all interactions: We base our actions on ethical standards that are binding for all our business partners.
- High supply chain transparency: We expect our suppliers to act in compliance with regulations and we review our supply chains for environment-friendly production processes and respectful treatment of all employees.

... uses clear targets

- Binding sustainability targets for all business units by 2025 and 2040
- Review processes with success monitoring and adjustment measures

... integrates 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

... is open to scrutiny

- Annual publication of our sustainability report in compliance with recognized standards
- Certified management systems as the basis for our activities

The Sustainability Policy has been approved by the WashTec Management Board and Supervisory Board and applies across all areas of the Company. 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. All stakeholders can view all aspects of our Sustainability Policy and its status on the WashTec website.

Augsburg, June 2023

Dr. Ralf Koeppe
CEO

Sebastian Kutz
CSO

Andreas Pabst
CFO

The building blocks of our Sustainability Policy

sustainability@washtec



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 components, washing chemicals and water treatment systems.

As a specialist, the Group develops a constant stream of innovations for environment-friendly carwash.

WashTec also offers comprehensive servicing packages and digital smart service solutions spanning the entire product life cycle. These include digital systems that allow operators to remotely monitor and control system parameters, equipment maintenance, chemicals, equipment return, financing arrangements and operator management. The main revenue driver is the Equipment and Service product range.

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. With the exception of WashTec Carwash Management GmbH and AUWA Chemie GmbH, the subsidiary WashTec Holding GmbH manages the operations of WashTec Group's subsidiary companies under the umbrella of WashTec Cleaning Technology GmbH.

The shareholder structure and the distribution of shareholdings are shown on page 47 of the Annual Report 2022.



WashTec has issued a total of 13.4 million shares. Institutional investors hold 55% of WashTec AG shares (as of December 31, 2022). The remaining 45% 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 carwash equipment for the North American market
- Shanghai, China
Production of carwash equipment for the Asian market

WashTec Cleaning Technology GmbH also manages the investments in a total of 13 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 52 to 55 of the Annual Report 2022.

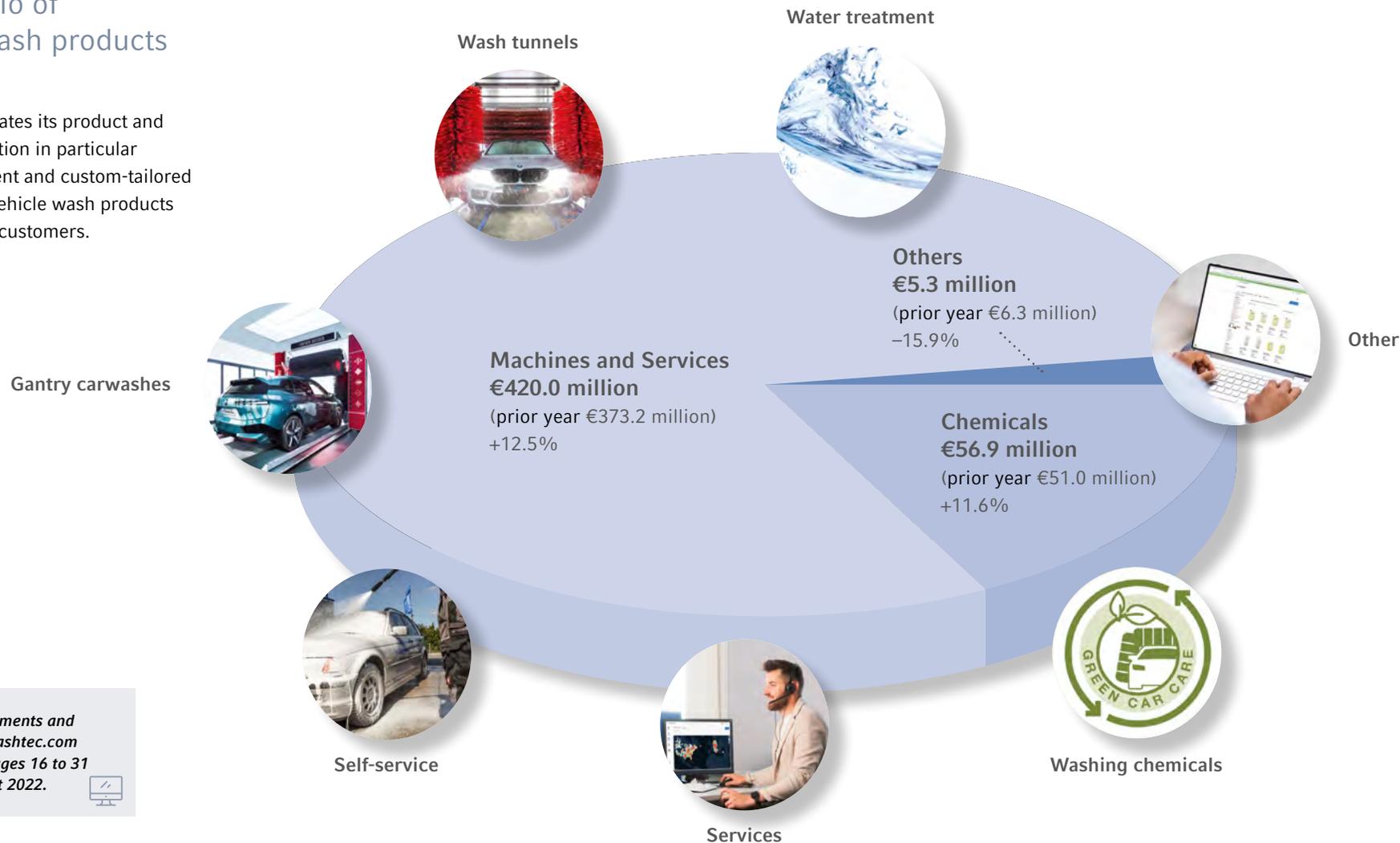


The total capitalization can be seen from the consolidated balance sheet on pages 109 and 110 of the Annual Report 2022. This shows the individual balance sheet items classified into current and non-current categories.



Extensive portfolio of sustainable carwash products

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.



Details on the customer segments and digital products in the mywashtec.com program are provided on pages 16 to 31 and 51 of the Annual Report 2022.



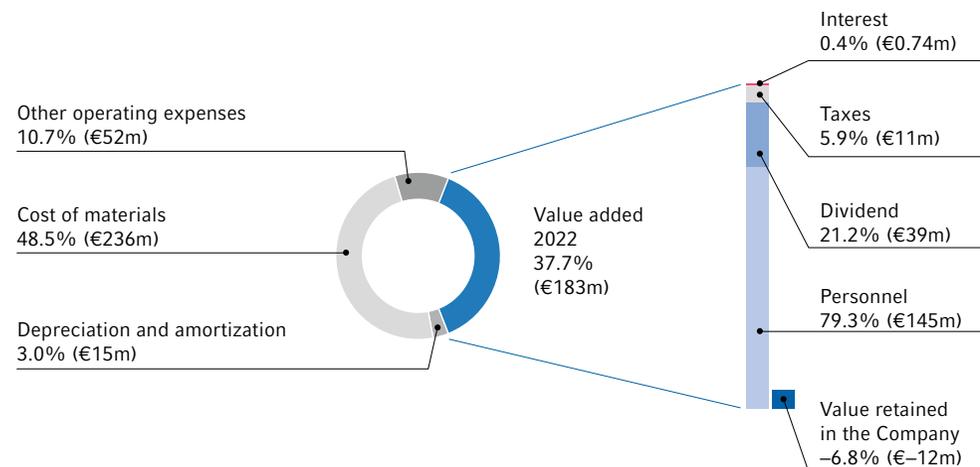
Value added analysis

Our economic performance for society

The value generated by WashTec and distributed to our various stakeholders is shown in our value added analysis. Much of the revenue generated flowed back into the national and international economy. WashTec's total output of €486m includes an amount of €236m (45.0%) to our suppliers worldwide for materials and services. In the reporting year, we generated €183m or 37.7% of total output as value added. €136m of this is accounted for by employee pay at our locations around the world. €39m is distributed to our shareholders as dividends, around €1m is interest paid to lenders, and we remitted €11m to the public sector in the form of taxes and duties. The Company thus paid out around €12m more to shareholders, lenders and the public sector than it generated in value added in the reporting year.

This perspective on our value added shows the role played by WashTec's business activities in our overall stakeholder environment. Our efficient product range in line with market needs provides a profit driver for our customers. This places WashTec in a good position as an attractive employer to contribute to the livelihoods of 1,824 employees. We also invested significantly in the future in 2022 with €14m in research and development expenditure. As a result, we offer our retail and institutional investors an appropriate return on their shares in WashTec AG.

Value added 2022



Total output, including other income 2022: €486m

Fair partner to our employees

WashTec has a global footprint. With our production sites in Augsburg, Grebenau and Recklinghausen, Germany, Nýrany, Czech Republic, Denver, USA, and Shanghai, China, we have a diversified production base. From these sites and numerous sales and service subsidiaries, we render fast and professional services to our customers around the world.

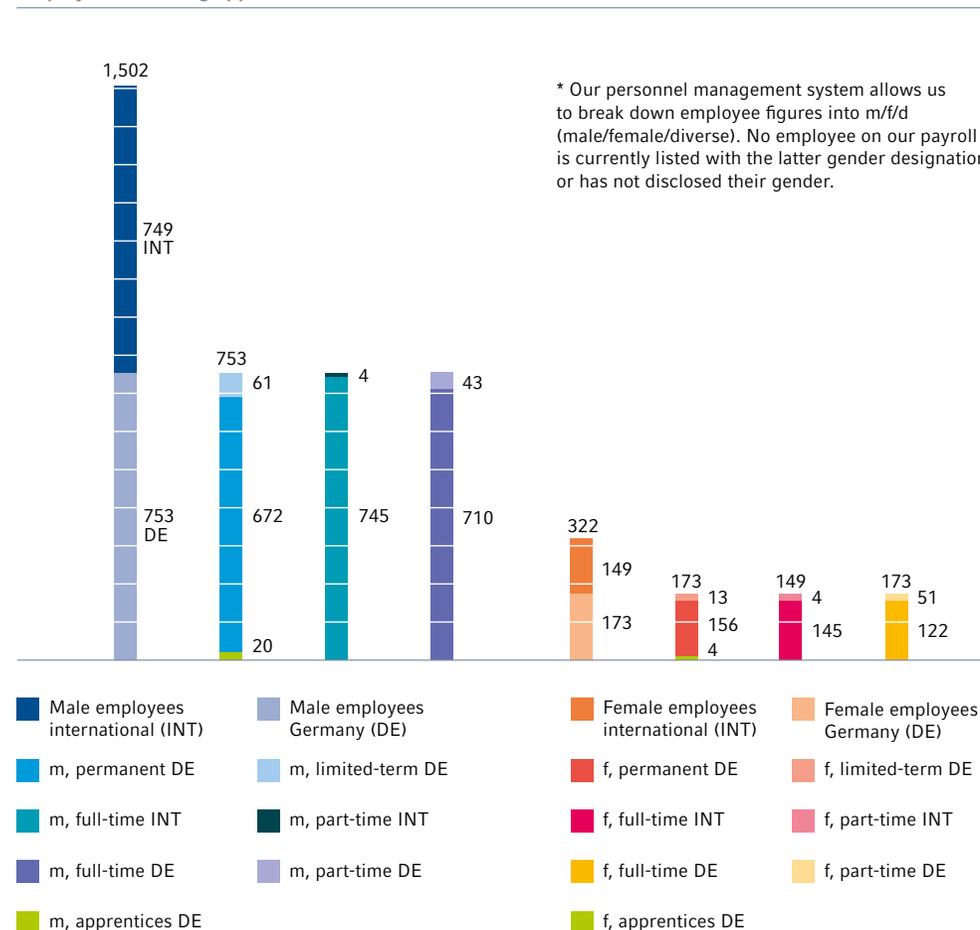
In total, as of the December 31, 2022 reporting date, WashTec has 1,824 employees (prior year: 1,782) at all production and sales locations worldwide. Of these, 926 are employed in Germany. 92.1% of German employees have permanent contracts (prior year: 92.9%). 89.9% of employees in Germany work under a full-time employment contract (prior year: 89.8%). We employ 898 people at our international sites. 99% of international employees work full-time.

For short-term peaks in demand, we work with personnel service providers to supplement our production teams with temporary staff. In 2022, temporary staff accounted for 5.4% of the workforce in Germany (prior year: 9.5%) and 6.0% at international sites (prior year: 8.6%). Temporary staff are paid in accordance with a collective agreement. As we present our employee data as of a specific reporting date, the change is mainly due to temporary workers no longer being on the payroll at the end of December.

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, 86.7% (prior year: 86.9%) of employees are paid at collectively agreed rates. Conversely, 13.3% (prior year: 13.1%) 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 association's executive committee for the Augsburg region. WashTec is also a member of the Association of the Bavarian Chemical Industry (VBCI).

Employees including apprentices m/f/d, Dec. 31, 2022



The supply chain for WashTec products

WashTec's supplier network comprised around 4,200 suppliers from 34 countries worldwide in 2022. The main supplier countries, with over 200 individual suppliers, are Germany, the USA, Italy, France, the UK and Denmark. The percentage shares accounted for by each market are shown in the chart on the right.

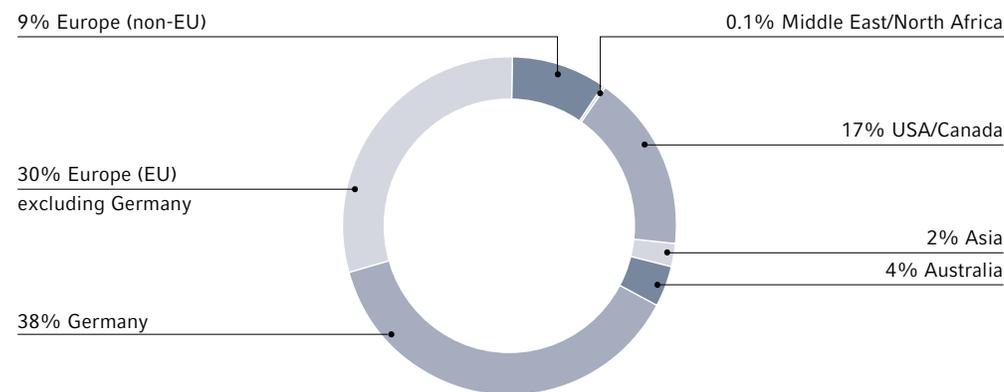
The production plants in Germany, the Czech Republic, the USA and China are the most important sites in our business concept, from which we supply all markets with our vehicle wash equipment. Those in Germany, the Czech Republic, the USA and China source a large proportion of vendor parts in their respective local markets. As in the previous year, the production sites each source a large proportion of products from their domestic market. The German market accounts for 79% 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 94%. Due to the smaller local product portfolio, this corresponds to less than 2% of our supplier network.

Expenditure for products and services purchased is shown in Note 8 in the Notes to the Consolidated Financial Statements on page 134 of the Annual Report 2022.



The supply chain for the entire WashTec Group is primarily based on suppliers from the German and European market. The portfolio of purchased services includes raw materials, pre-configured assemblies and electronic components, ingredients for our washing chemicals, and packaging materials. As we generally maintain long-term supply relationships with our suppliers, there were no significant changes in our supply chain in 2022 and none are planned.

Supplier network 2022, by countries



Supply chain transparency

Our activities relating to material procurement, resource use and supply chains notably involve measures to implement the German Supply Chain Act. We consider risk-based control of our supply chains as a key issue. This assessment is also supported by customer requests for extensive information from WashTec concerning compliance with human rights and ILO conventions.

In order to align our supply chain in the future, we have begun revising our Supplier Code of Conduct to reflect the increased transparency requirements in our supply chain and communicate them to suppliers in a standardised manner. We plan to implement the new Supplier Code of Conduct by mid-2023.

The Supplier Code of Conduct is available on the WashTec website at <https://ir.washtec.de/corporate-governance/>



Once the new Supplier Code of Conduct is published, we will require existing and new suppliers to sign it in a standardized process. The new Supplier Code of Conduct requires compliance with human rights criteria M1 to M10 and environmental criteria U1 to U3, corresponding to the provisions of the German Supply Chain Act. Independently of this, Procurement and Quality Management

also verify compliance with our requirements using a standardized questionnaire before entering into new supplier relationships. This is included as a process in the management system. Our General Terms and Conditions also require recognition of and compliance with the Supplier Code of Conduct.

Systematic assessment of risks in our existing Level 1 supply chain was consequently a focus of our sourcing team's work in 2022. The scores recorded in this risk assessment verified that we do not engage in any high-risk transactions. To follow up supply chain risk audits, we are currently defining an internal process that will enable auditing and tracking of actions in a standardised manner.

Voluntary commitments and declarations from our partners in the supply chain were audited in 2022, among other things as a basic element of our supplier audit process. Any noncompliance or divergence was recorded in the supplier audit and addressed in the audit review meeting, and the corrective action followed up in the control process specified in the integrated management system (IMS).

Our basis for sustainability

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 directly serve local markets



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 CO₂ 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.



AUWA-Chemie, our production company at the Grebenau site, is a member of the State of Hesse Environmental Alliance. The alliance between the Hesse State administration, the regional business community and local authorities has the aim of safeguarding and further improving the high environmental standards in the region.

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.



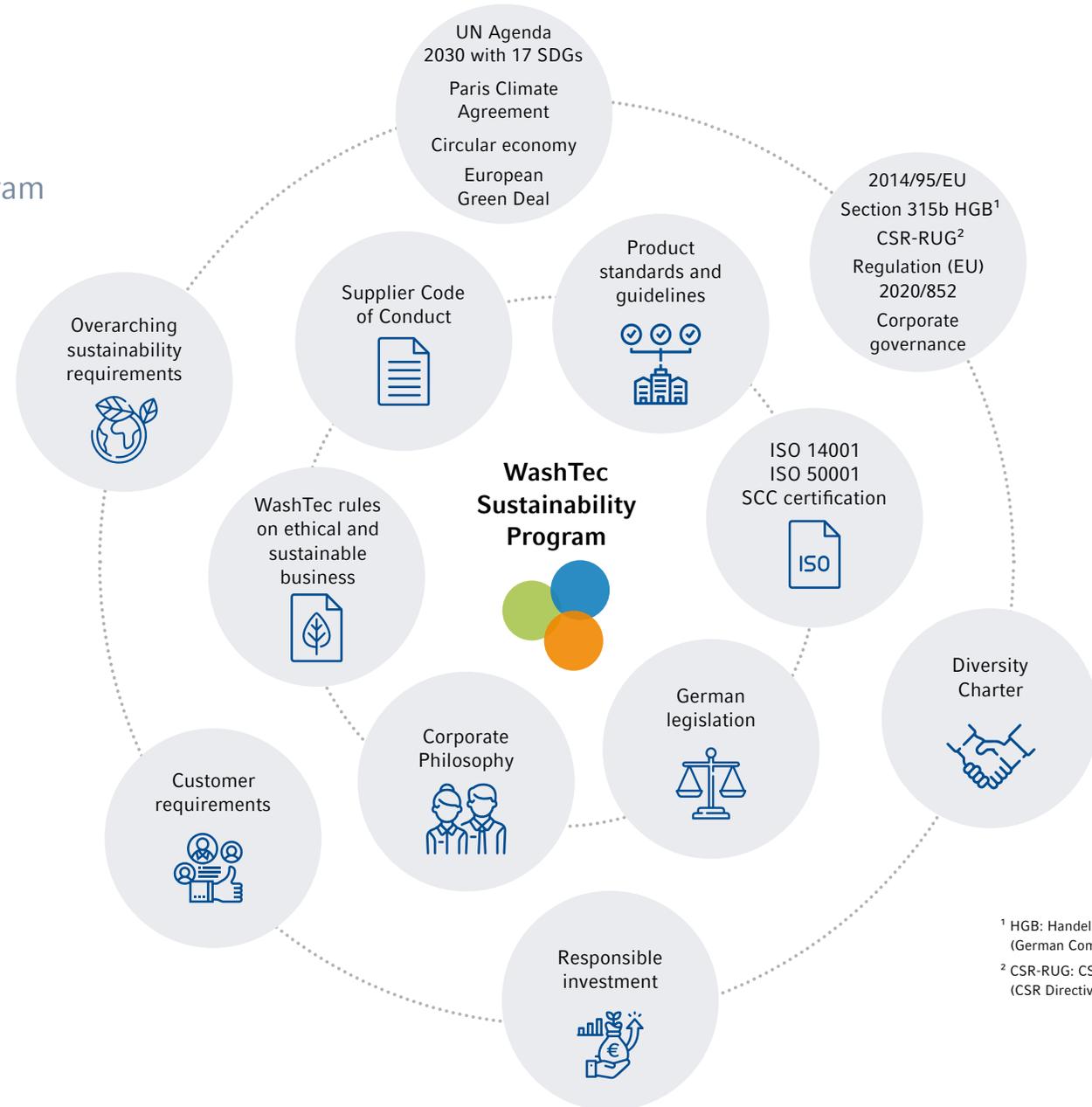
Participation in workshops and events as part of the 14th EcoProfit Club program in Augsburg in 2021 enabled us to add to our knowledge and share experience around preventive environment protection. With mutual exchange and jointly developed targets, we have already been able to help Augsburg achieve major potential savings in electricity consumption and CO₂ emissions.



WashTec documents its contribution to reducing CO₂ emissions in the greater Augsburg area as a founding member of the "Blue City" Augsburg Business Climate Pact, a climate initiative launched by the city of Augsburg in 2022. The initiative 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.

Factors influencing the WashTec Sustainability Program

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)

² CSR-RUG: CSR-Richtlinie-Umsetzungsgesetz (CSR Directive Implementing Act)

Corporate Philosophy

The WashTec corporate objective:

We offer the maximum possible benefit to professional carwash operators.

Our philosophy as pioneers of automated vehicle washing:

We are specialists because we know that the key to effectively serving our target customer group lies in constant focus on their most critical needs and solving their problems better than others.

We are a winning team because, as world champions, we are always improving and always eager to learn.

We are product and service leaders because we guarantee the best possible technology and quality at a reasonable price. We are the clear innovation leader.

We are sustainable because we demand and implement both environmental and economic sustainability over the entire life cycle of our products and in all decisions and operations.

We live and breathe customer benefit because we know that enhanced customer benefit leads to superior business outcomes. Revenue and profit are not the purpose, but the result of our activities.

Commitments and objectives in engaging with customers and suppliers:

We forge deep connections with our target group, immersing ourselves in their world to gain an unparalleled understanding of their needs and requirements.

We look forward to every customer interaction. Every interaction is a positive experience for our customers. We delight our customers by surpassing their expectations.

We offer our suppliers a long-term and reliable partnership. In return, we expect loyalty, quality, commitment, flexibility and innovation.

All of these principles also extend to our internal customer and supplier relationships.

Commitments and objectives of WashTec employees:

We are open, sincere and honest. Trust, fairness and learning shape our actions. We expect performance, responsibility and loyalty from every one of us.

Everyone at WashTec perceives themselves as an enterprising force, setting high standards for themselves, continuously honing their skills, making decisions in their area of responsibility and taking ownership of those decisions.

We clearly assign tasks and responsibilities, ensuring mutual accountability among team members. Our managers foster a climate conducive to personal and professional growth, creating the best possible conditions for our employees.

We live and breathe social sustainability, and promote training and professional development. We embrace a culture of respectful coexistence for everyone.

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. Our newly developed Corporate Philosophy outlines our aspiration and our core values. These relate to our employees and customers and also to our suppliers. Our Corporate Philosophy includes commitments relating to the development of sustainable business activities. We make every effort to render our sustainability measurable. Specified criteria and metrics enable stakeholders such as customers, investors and employees to assess companies with regard to sustainability 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, sustainability reporting will be based on the EU Corporate Sustainability Reporting Directive (CSRD). This applies for the first time for fiscal year 2024.



In our latest separate combined non-financial report on pages 39 to 45 of the Annual Report 2022, we publish information on the first two environmental objectives under the EU Taxonomy. For fiscal year 2022, companies continue to be required to publish information on the first two environmental objectives.

Our management system

The companies in the WashTec Group work according to the specifications of our integrated management systems (IMS) and are certified in accordance with the ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 50001 (energy management) standards. For plants that are not yet certified, these standards are applied as policy. The 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 also places an increasing focus on data collection, data maintenance and auditability.

We implement legal requirements such as the German Supply Chain Act in a timely manner. WashTec does not currently fall within the scope of the Supply Chain Act. We nevertheless attach great importance to responsible management of our supply chain with regard to human rights and environmental matters. 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 Conduct. In the context of our international business relationships, we additionally compiled a Supplier Code of Conduct in 2017, which all material business partners have signed with legally binding force in order to guarantee compliance with WashTec's principles. We are significantly expanding 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 2022 and on page 9-10 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 treatment systems as sustainable solutions. As specialists in environment-friendly 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 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. We cover this issue in the Economic Sustainability section of this report.

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 achieve this by consistently improving our products and services. 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.*

Water treatment

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

The first data-based smart services already 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 are increasing the number of data points available in our digital platform for smart services in order to improve the washing process and our products for greater sustainability.

Our digital platform, mywashtec, 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 to avoid unnecessary service call-outs, with a resulting reduction in our carbon footprint. We already expect to make significant progress in conserving resources here in the short term with remote support for customers.

Energy-efficient service

Service agreements guarantee 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 fuel-efficient 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 information flow for managing value and logistics streams 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 CO₂ 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 sales and service units. WashTec currently reports 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. Our reduction target relates to these sites. We also collected Scope 1 and Scope 2 emissions for our sales and service sites in 2022 and are publishing them for the first time in this report; we have not yet developed a target for these sites, as more than 90% of emissions come from the vehicle fleet and we can only act within the framework of local conditions (charging infrastructure) and what vehicle manufacturers have on offer (range, cargo volume, etc.).

In the medium term, we will expand our data collection to include Scope 3 emissions. A prerequisite for this is systematic data collection. Once we have sufficient quantities of valid data here, we will be able to estimate the scope for reducing Scope 3 emissions.

At present, our primary focus is on reducing emissions and we do not plan to use any offsetting for carbon emissions.

Employees

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

One basic area where we already do well today, and where our employees are well placed, is work-life balance and an extensive package of employee benefits. We have already launched programs of measures to shape the working culture needed to create strong products. These cut across several social sustainability aspects and contribute to our reputation as an attractive employer on the labor market. Our strategy includes the following measures:

- Based on our Corporate Philosophy, we are fostering the development of our corporate culture as a mechanical engineering company with strong digital transformation and sustainability credentials.
- Our Obeya approach (see Sustainability Report 2021, page 22 to 23) 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. With our #respectfultogether program, we actively promoted the development of an open corporate culture. We reaffirmed this in 2022 by signing the Diversity Charter.

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 in-depth dialog with additional stakeholders in the near future.

Our principles for ethical and sustainable business

The basis of our dealings with business partners and stakeholders is our Code of Conduct. 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. In preparation for applying the German Supply Chain Act, we have reviewed our basic documents for compliant behavior. As an outcome of this review, we are updating our Code of Conduct – originally introduced in 2005 – in line with legal requirements and our corporate values. We are also revising our Supplier Code of Conduct, which also specifies the requirements for human rights compliance and the prevention of environmental risks. In addition, we are adopting a policy statement on our human rights strategy in accordance with the requirements of the German Supply Chain Act.

Information on corporate governance – the Corporate Governance Statement – is presented on pages 94 to 104 of the Annual Report 2022.



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. Accordingly, the Code of Conduct and the Supplier Code of Conduct are an integral part of each employment contract, supplier relationship and customer relationship.

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

help business partners implement their own sustainable business models. Ensuring that all responsibilities arising from the commitments are covered and implemented is the responsibility of the respective divisional head of human resources, global procurement, and quality, environmental and energy management.

We also consider all options for economical use of resources in the development of our products. In this way, we contribute towards safeguarding an intact environment for future generations. This aim is set out in our Sustainability Policy and published in our Sustainability Report and the Sustainability section of our website.

We apply 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. These help us maintain transparently and resiliently structured 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

Our updated Code of Conduct contains Group-wide rules for doing business ethically and in conformity with human rights and the environment, based on the internationally recognized human rights and the precautionary principle. The Management Board, as the Group's management body, expects to complete the approval process for the new Code by mid-2023. Written information will be sent out to employees and suppliers to notify them of the new Code of Conduct and Supplier Code of Conduct. Additional information channels include our website at <https://ir.washtec.de/en/corporate-governance/> together with internal and external



newsletters. A mandatory training program documents that employees have received and acknowledge our Code of Conduct. We are currently developing a process to ensure that our suppliers actively acknowledge the new Supplier Code of Conduct. Following that, we plan to develop measures to ensure that the rules are applied effectively in day-to-day operations. We expect to complete these two work packages by the end of the third quarter of 2023.

The new optimized processes are compliant with the law and in line with the processes required by many stakeholders.

We set out our ethical and sustainable standards:



- In our Corporate Philosophy (*corporate values and leadership principles*)



- In our *Sustainability Policy*



- In our *Code of Conduct*

- In our *Supplier Code of Conduct*

- In our quality, safety, environmental and energy policies

- In our Safety Rules.

Human Rights Officer

To monitor compliance with all rules – and in particular human rights – WashTec appoints a Human Rights Officer in accordance with the requirements of the German Supply Chain Act. The Human Rights Officer and a committee will be appointed during 2023 and published internally and externally on the website and via other information channels. Their responsibilities include tracking and following up on measures relating to corporate risks with regard to human rights and environmental compliance.

The Human Rights Officer reports to the Management Board. Additional responsibilities comprise regular reporting and documentation of the ongoing review of all business processes in accordance with the German Supply Chain Act. This extends across all companies in the WashTec Group.

Legal compliance

Throughout 2022, the WashTec Group complied with the law at all times in stakeholder relations and in environmental and employee-related activities. There were no material breaches of laws or regulations.

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. People can use this to report misconduct or violations of the law, irrespective of whether they themselves are affected. Reports received via the whistleblower system are processed in the Legal and Compliance and the Internal Audit department in Augsburg. The whistleblower system covering all compliance-relevant conduct, and in the future also the German Supply Chain Act, can be accessed together with a description of the complaints process on the WashTec website under “Compliance”. Annual reporting in accordance with the legal requirements will be provided for the WashTec Group from 2024 onwards.

In accordance with the new legal requirements, including the German Supply Chain Act and the new Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law (the EU Whistleblower Directive), we have updated our whistleblowing system with modifications that take effect from May 2023 and that also comply with country-specific requirements. We will continue to use the existing round-the-clock online channel to gather all complaints. For this purpose, we have expanded the selection of topics from six to ten. Specifically, the new selection covers the following categories:

- Corruption/bribery/accepting bribes
- Fraud/breach of trust
- Theft/embezzlement
- Anti-competitive practices
- Discrimination/harassment/threats/bullying
- Accounting/financial reporting/tax law
- Disclosure of confidential information and trade secrets
- Human rights
- Environmental violations
- Other criminal or civil law violations and violations of internal WashTec regulations

In accordance with the requirements of the German Supply Chain Act, we are evaluating the need to add to the range of languages for submitting reports. Reports can currently be submitted in eight languages. An analysis is now in progress to identify the adjustments necessary with regard to languages for high-risk suppliers.

The whistleblowing process and the procedure for subsequent communication with a whistleblower are described on our website.

<https://ir.washtec.de/en/corporate-governance/>



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, 12 and 13 of the Annual Report 2022.



The Group-wide Sustainability Strategy and implementing measures are selected and monitored by sustainability officers at headquarters 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 basis at headquarters and that measures are implemented throughout the organization.



Our stakeholders

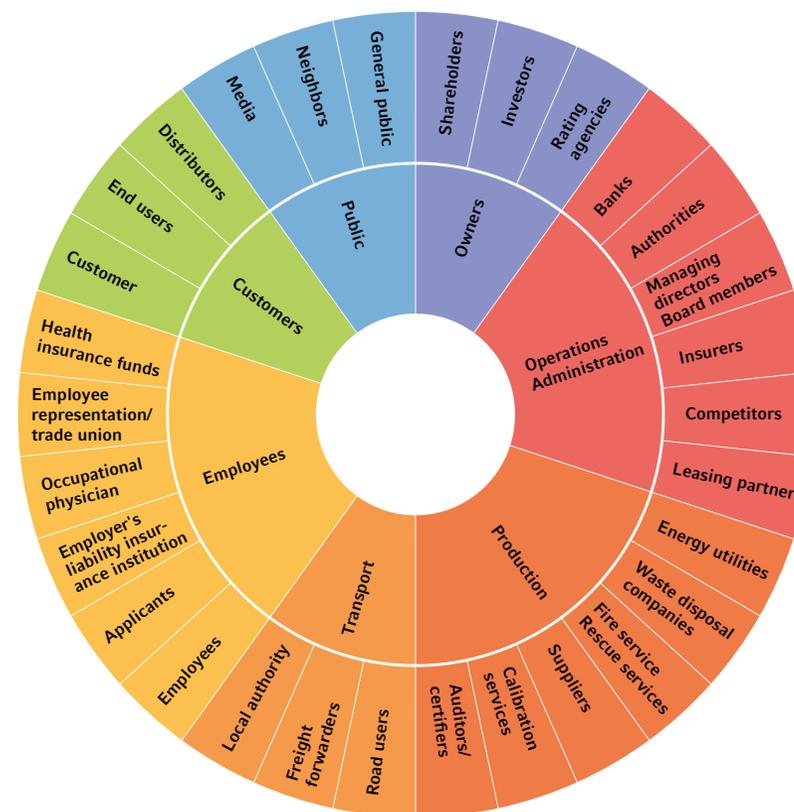
We document our contact with the various stakeholders in accordance with the requirements of our ISO 9001 Integrated Management Systems (IMS). As a matter of policy, we pursue consensus-based dialog. The documentation lists seven stakeholder groups and the respective sub-groups with which we are in regular or occasional contact. In our IMS, the expectations of each group are listed together with information on how we address those expectations. We ensure fair and meaningful interaction with all stakeholders by adhering to binding commitments when implementing the necessary activities. Using a weighting system based on probability of occurrence and impact on our business processes, we categorize our stakeholder relations activities into risk groups headed “accept risk” and “mitigate risk.” The three remaining potential response categories – “transfer,” “exploit” and “eliminate” – are not currently applied.

Interactions with our stakeholders are based on our Corporate Guidelines and Codes of Conduct. They are additionally based on ethical standards such as respect for human rights in our business activities. We use a standardized process to document all stakeholder concerns.

Communication of sustainability issues

We follow up each carwash equipment installation with a customer satisfaction analysis. The feedback is discussed in direct contact with the customer. Increasingly, customers ask us to provide standardized documentation on sustainable business practices as the basis for a business relationship. A further topic addressed in addition to information on sustainability data is human rights compliance in accordance with the German Supply Chain Act. We cover this in our updated Code of Conduct.

Regular contact with shareholders and investors as a stakeholder group, and in some instances with rating agencies, provides us with an outside perspective on our performance and helps us to identify further areas for action. This information is fully evaluated in the Sustainability Obeya and incorporated into action plans where appropriate.



Reporting practice



This Sustainability Report 2022 continues our integrated presentation of our sustainability activities. The report for the fiscal year 2022 (January 1 to December 31, 2022) – in line with our financial reporting period – documents the progress we have made toward our goals and highlights our outlook for the further development potential of resource-efficient and socially responsible corporate management. It contains 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 2022. We publish our voluntary sustainability reporting annually.



WashTec has based this report on the Global Reporting Initiative (GRI) standards 2021. The requirements according to the standards GRI 1 and GRI 2 are applied in the general information and additionally the requirements according to GRI 3 in the information on material aspects.



For reasons of conciseness, WashTec refers to the relevant sections of the Annual Report for the company information required by the GRI standards. Content is cross-referenced to pages in the Annual Report in the GRI content index (pages 93 to 97).

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 met for the reporting of the required performance indicators; for the Environmental Sustainability section, we have improved coverage of individual aspects across all sites. We do not have prior-year figures for this data, however. We indicate the differences in data coverage in the legend to each chart. Lighter-shaded chart content shows prior-year figures where available.

In isolated instances – primarily for the environmental sustainability data – we have made minimal corrections to the prior-year figures because invoices received after the reporting date indicated minor changes in consumption. In percentage terms, the corrections are behind the decimal point and are therefore not visible in the presented figures. Additional changes in presentation are due to adjusting to the requirements of the 2021 GRI Standards. This mainly relates to the waste and water consumption/wastewater production aspects. For data in the social sustainability dimension, we have been able to integrate more comprehensive information from our international sites on matters such as contract types. The only omission here relates to the figures on fixed-term contracts, which are currently not recorded or not available for the sites outside Germany. Other changes in data presentation are noted in the relevant management approaches.

Completeness of reporting

Individual aspects are supplemented in the report with 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 the operation of carwash equipment on customer premises and the composition of washing chemicals. We consider these aspects – which come under SDG 6 – as 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 carwash equipment. These concerns and the solutions we develop to address them are material to the performance of our business. We therefore present these aspects in the Economic Sustainability section.

A number of aspects have been 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.

With this report, WashTec continues the reporting begun for 2021. The report is reviewed by the Supervisory Board and in particular by the members of the Corporate Strategy and Sustainability Committee. There is currently no provision for an external audit.

Responsibility for WashTec's sustainability activities lies with the CEO. If you have any questions or information requests about the Sustainability Report, please contact our sustainability team using the contact form on <https://ir.washtec.de/en/sustainability>.

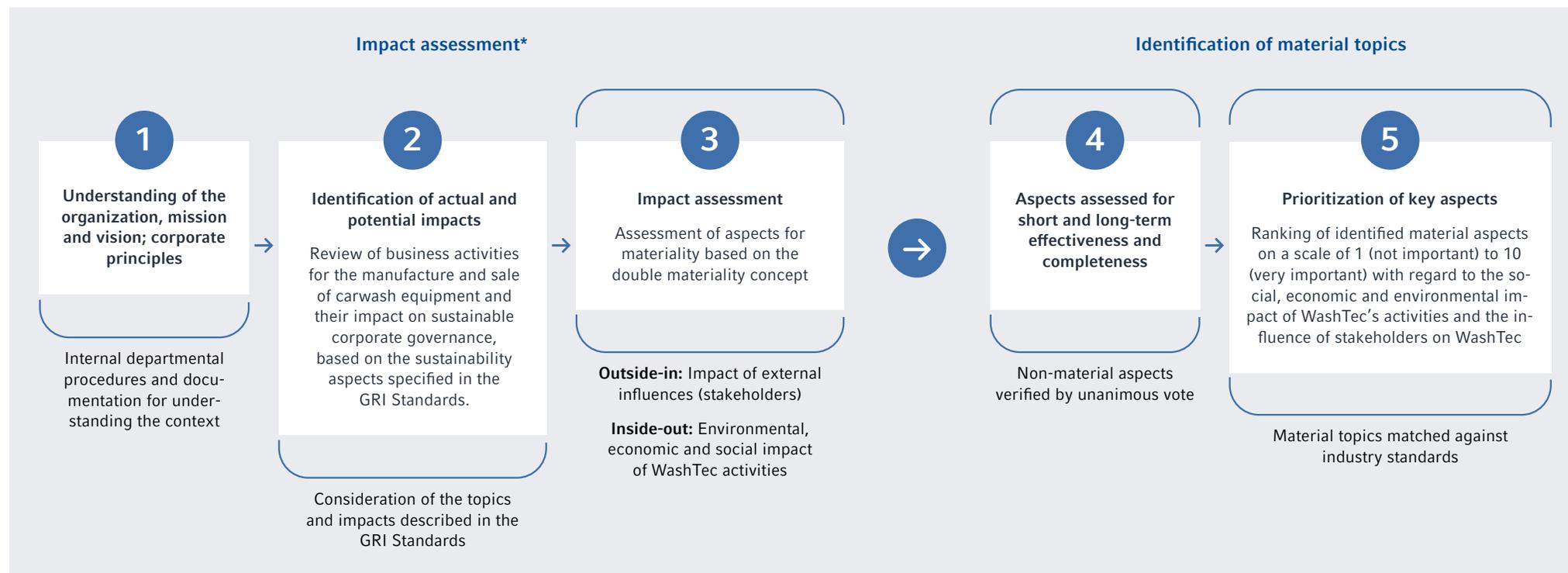


Further information on sustainability at WashTec is available at <https://ir.washtec.de/en/sustainability>.



Material aspects identification process

Ahead of presenting our sustainability activities for the first time, we launched a series of workshops in 2021. 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.



*A lower bracket represents the evaluation of the aspects from the internal perspective, while an upper and lower bracket represent assessment for double materiality.

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. No industry-specific standards are available for WashTec.

Each of the topics referred to in the GRI 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 30. 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 29. The classification of the human rights topic is assessed by the team as a mandatory matter that cannot be graded on a scale. This aspect is therefore made integral to our business activities by our Code of Conduct and the associated guidelines and is non-negotiable.

The materiality matrix was then compiled by ranking identified material aspects on a scale from "very important" (10) down to "not important" (1) and classifying this ranking as outside-in or inside-out. This assessment shows what aspects are determined to be highly material and what aspects overall need to be examined by WashTec and pursued in the Sustainability Program.

For the first version of our Sustainability Report, we also began exchanging information on our material topics and how we categorize them with our investors, rating agencies and customers. Our report was also analyzed by experts and course participants in the Sustainable Finance certificate course at Steinbeis Augsburg Business School. These stakeholders selected us for the "ESG Company of the Year 2022" award in recognition of the transparent presentation and the verifiability of the sustainability aspects in our report.

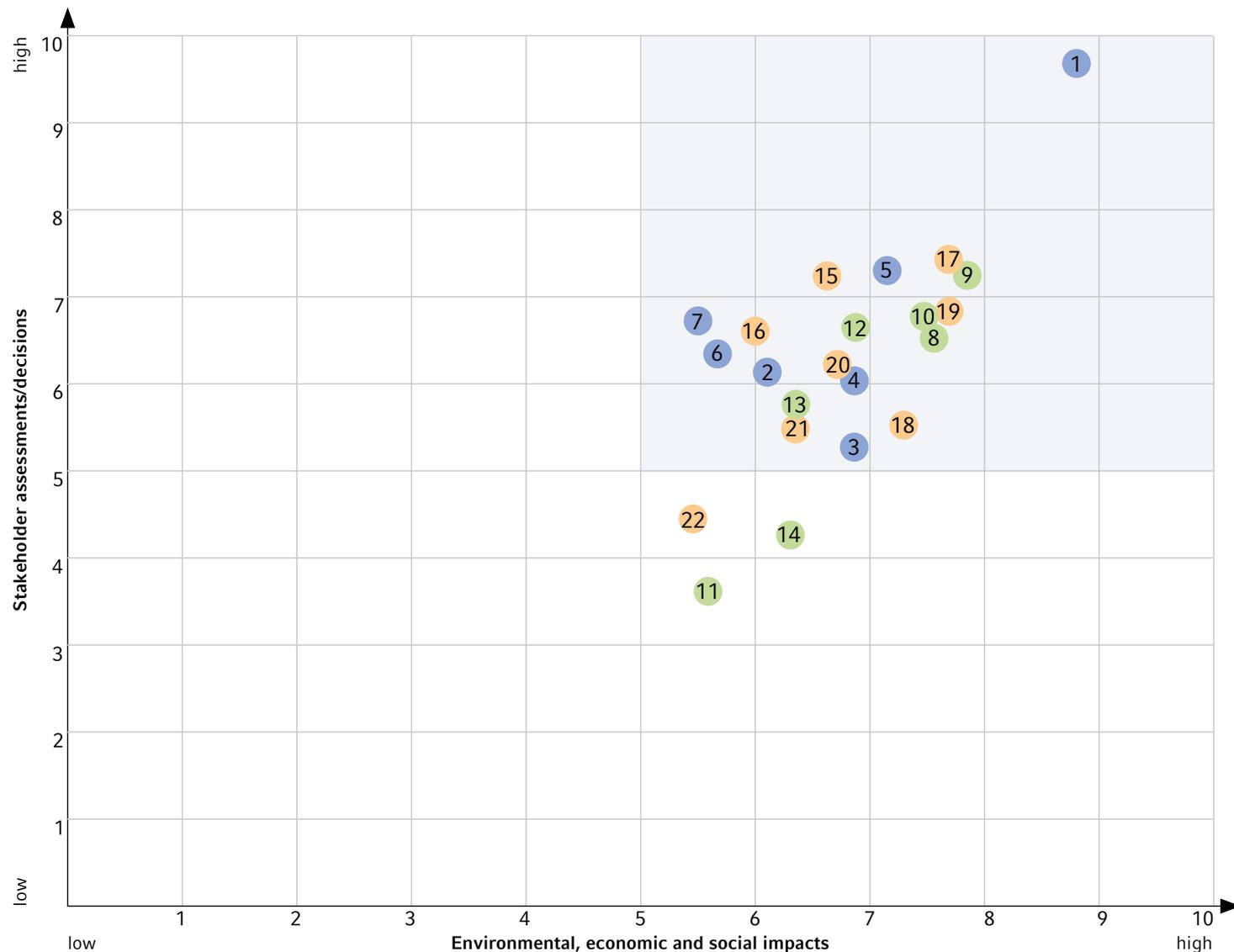
We receive feedback from our stakeholders on an ongoing basis through the stakeholder engagement process that is defined in the IMS. Based on this information, there was no need to change the classification and prioritization of material issues relative to the previous report.

Our action areas

As specified in the GRI standards, WashTec's activities relating to material aspects 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.

Our management approaches and action plans for the material aspects are based on internal programs that are already in place. These programs are based, among other things, on 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. Because we consider the activities under the dimensions of economic, environmental and social sustainability to be closely interrelated, we have grouped our management approaches for these areas at the beginning of each section.

Individual activities are presented and tracked 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 data protection

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

The material aspects highlighted in the marked quadrant are included in our sustainability reporting. The aspects outside the marked quadrant are currently monitored without a dedicated action plan.

Economic sustainability

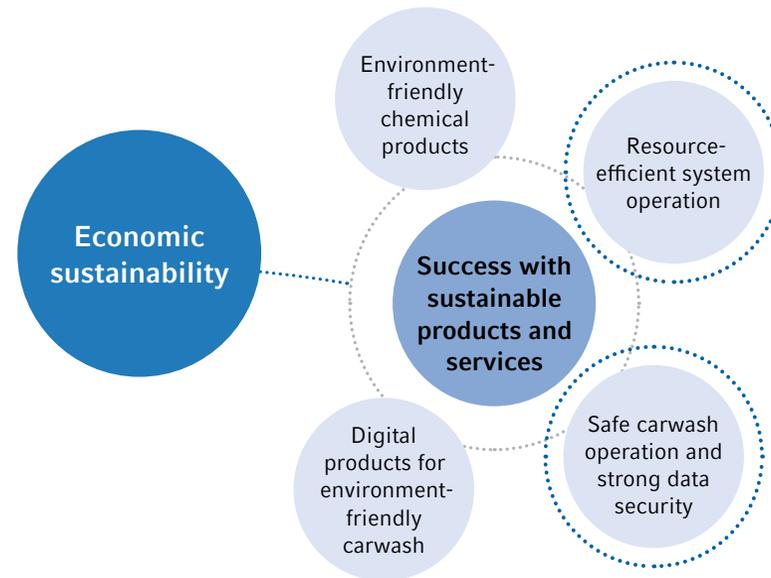
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Environment-friendly chemical products for carwash	44
Innovation through digital products for environment-friendly carwash	45
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We also analyze our activities in relation to the UN Sustainable Development Goals (SDGs). The SDGs relevant to each chapter are shown here.

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 management approach

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. A WashTec gantry carwash with a water treatment system uses only 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.*

Sustainable car washing at WashTec is based on several building blocks. These add up to a control system that allows any vehicle wash to be optimized:

- The equipment that performs the washing process and its 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 goal of contributing to long equipment service life and thus to resource conservation with durable, easily accessible components and universally available service.

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. Our objectives here include:

■ Resource-efficient system operation

The most important resource for the operation of our carwash equipment is water. Economical use of water is a fundamental issue for carwash. Operating carwash equipment is in itself an important environmental factor compared with manual car washing, which uses significantly greater quantities of water. We address water comprehensively as an aspect in our management approach.

In the development of our equipment, we also address energy consumption options in equipment operation with an extensive range of measuring sensors and energy-saving components.

■ Environment-friendly chemical products

Sustainable washing chemicals are our contribution to reducing environmental impacts. We offer customers washing chemical products that are based on formulations using biogenic raw materials.

As there are no suitable testing and formulation criteria in use in the industry, WashTec has developed standards of its own for the Green Car Care product range.

* 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.

- Digital products for environment-friendly carwash

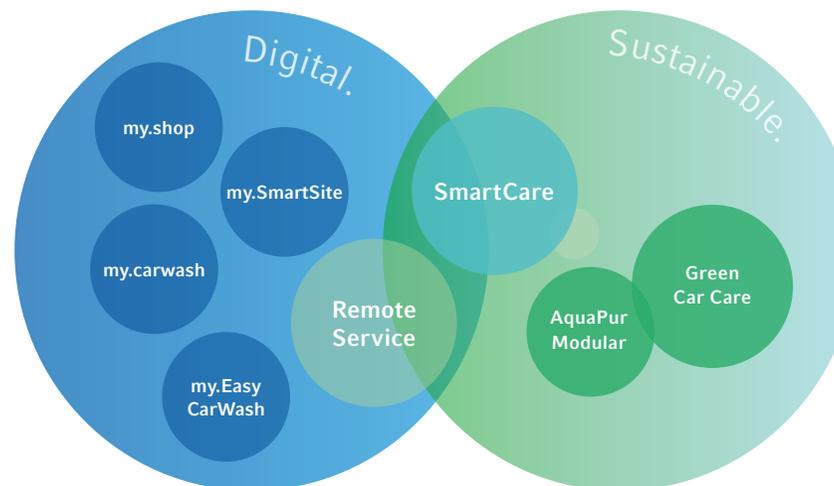
With the help of innovative digital solutions, we ensure a high level of transparency in equipment operation. Customers benefit not only in terms of high profitability, but also in full visibility of consumption data for water, energy and washing chemicals.

- Safe carwash operation and strong data security

We support operators of our equipment with comprehensive training and safety programs in order to ensure high safety standards. This is part of our performance promise, which we demonstrate in systematic documentation for every installation.

We aim to continuously optimize fresh water consumption in the washing process for all vehicle wash equipment 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, gentle carwash solutions more prominently in the market.

Innovation for the efficient and sustainable operation of carwash equipment has a high priority in our business strategy. Approaches in our development activities include the analysis and utilization of sensor data and improvements in instrumentation and control technology for economical resource use, and the use of digital equipment data to reduce emissions from service call-outs. Sensor data reveals physical, chemical and biological relationships that we can use to improve our equipment. We are also beginning to apply AI tools to make the best possible use of data for service at WashTec and for carwash operators. Alongside this, we see opportunities in digital technologies for the further development of sustainable products and sustainable business scenarios.



Key aspects in the economic sustainability dimension

Resource-efficient system operation



The European Union objective of a climate-neutral economy by 2050 also concerns WashTec. In our Annual Report 2022, we provide the information required by the taxonomy legislation on objectives 1 and 2, “climate change mitigation” and “climate change adaptation.” Objectives 3 and 4 – “the sustainable use and protection of water and marine resources” and “the transition to a circular economy” are topics relevant to WashTec’s business activities. The Sustainable Development Goals (SDGs) also require us to assess our activities and adjust our product development and marketing strategies as necessary. In this regard, we place an increasing focus on the aspects enshrined in SDG 6, which relate to water conservation and the safeguarding of water resources.

By leveraging digital solutions in carwash equipment, we provide operators with a wide range of tools to efficiently assess the sustainability aspects of carwash operation. These include features for displaying energy and water consumption data, temperature parameters and wash chemical usage. Such capabilities enable operators to adapt system operation in response to variables like fluctuating availability and cost of electricity and water.

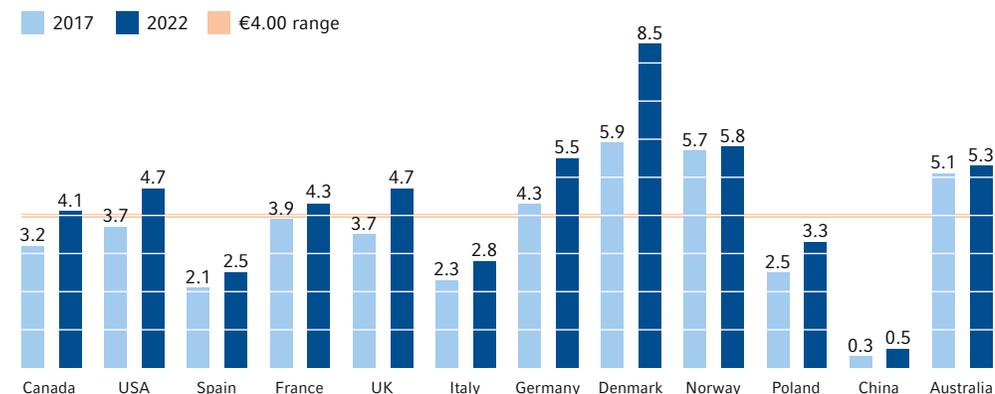
Responsible use of fresh water

All over the world, the construction of vehicle wash equipment requires official permits that regulate, among other things, the purchase of water and wastewater discharge through municipal systems. These regulations define limits, quantities and quality standards, which can be further tightened by local administrative bodies in specific cases. Countries and regions experiencing temporary water scarcity may impose additional requirements or temporary operating restrictions on carwash equipment. Currently, the mandatory inclusion of water treatment systems as part of a carwash license is limited to only a few regions globally. For Europe, it is expected that water treatment systems will become mandatory in many countries in the medium term, or that the exclusive use of fresh water will become increasingly uneconomical.

Our analyses of purchasing decisions have shown that the water treatment system option is only selected when the return on investment calculation shows a reasonable payback period. Environmental factors, such as periods of drought and the associated risk of business disruptions, are generally not fully accounted for in these calculations, irrespective of the payback period. Customers base their calculations on country-specific water prices. Accordingly, water treatment systems are more likely to be selected in countries with high water prices. Customers in markets where the price of water is low tend to do without the installation of a water treatment system.

Our customers already see a positive impact on their bottom line by investing in a water treatment system beginning at a total water tariff (water and wastewater) of around €4.00. When the total water tariff is at this level, our calculations show that implementing a water treatment system on a gantry carwash with an average wash volume can reduce operating costs for

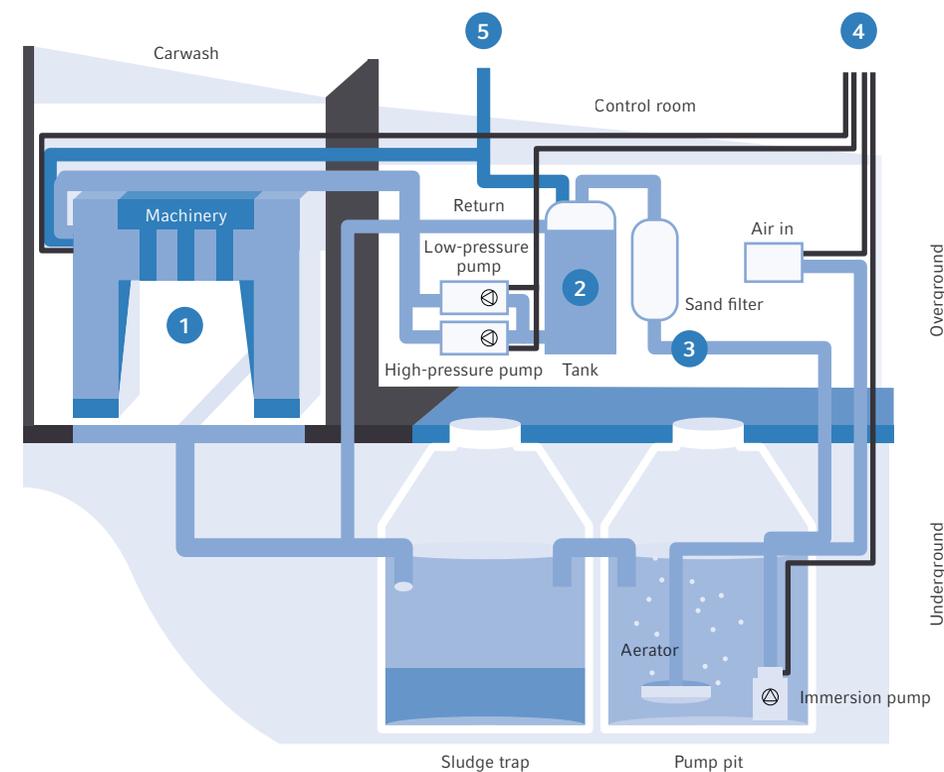
Water tariffs (water and wastewater) 2017 compared to 2022 (€/m³)



water supply by 50% compared to a conventional system without water recirculation. We anticipate that as droughts become more frequent in certain regions, the adoption of water treatment systems will be crucial to avoid temporary restrictions on the operation of carwashes – and that these factors will increasingly be included in profitability calculations.

WashTec offers water treatment systems for the entire product range, enabling the recirculation and reuse of wash water and maximum resource efficiency in system operation. Our water treatment systems employ a combination of physical, biological and chemical methods and processes. We offer tailored solutions that precisely meet the specific requirements of carwash operators.

- AquaPur Modular – a flexible and expandable modular solution based on sand filter technology that can also be implemented where space is limited, for gantry, in-series gantry or dual gantry systems or commercial vehicle wash equipment.
- AquaBio – fully biological water treatment using a floating bed bioreactor, ensuring high water quality without odor emissions, chemical use or additives, in a compact design for gantry carwashes
- Gravel filter – a high-performance, efficient solution for conveyor tunnels and commercial vehicle wash equipment with high frequencies of operation



- | | | |
|-------------------------|------------------------|----------------------|
| 1 Machine data | 3 Water treatment data | 5 Fresh water supply |
| 2 Water quality in tank | 4 Energy consumption | |

Detailed cross-section of a water treatment system (in this case AquaPur Modular). WashTec supplies the entire machinery.

Vehicle wash equipment: strict regulation ensures resource efficiency*

Examples for the German, French and US markets

Germany

The Federal Water Act and the Wastewater Ordinance are framework laws that are supplemented with more detailed and stricter provisions by subordinate rules and regulations. Annex 49 of the Wastewater Ordinance specifies minimum standards in terms of technical requirements and for wastewater. For the construction of vehicle wash equipment, compliance with specified limit values is assumed with a water treatment plant. In each of the sixteen German states, state water acts and secondary legislation on indirect dischargers specify the apportionment of obligations, stipulate more detailed conditions for wastewater discharges and systems, and set limits for substances in wastewater that determine whether discharges into the sewer system are subject to approval or notification. Finally, municipal wastewater bylaws stipulate specific limit values, prohibited substances and additional obligations for system operators. The requirements vary from place to place.

From the main points of the German government's National Water Strategy, it can be seen that the planned EU legislation on producer responsibility will result in changes in the cost of discharging wastewater.

France

France is heavily centralized and the national government sets the main rules. Municipalities are able to specify stricter requirements. As in most countries, the specific requirements are found in the license, without which no discharge may take place. Carwash operators must submit annual reports on compliance.

Licenses for carwashes are issued by the regional administration (préfecture). This approval from the préfecture is required in order to apply for permission to build and connect to the sewer system. Numerous parameters must be disclosed in a sewer connection application for a carwash site.

There are currently no known specific limits for carwashes, but regulations may be imposed to manage water usage during summer droughts. Previous years have seen such regulations in place.

USA

Water legislation in the USA is regulated at the federal, state and local levels, based on laws such as the Clean Water Act and the Safe Drinking Water Act. On this basis, the Environmental Protection Agency (EPA) establishes regulations on water law to protect water quality, primarily targeting direct dischargers. Municipalities are responsible for setting specific limits and requirements, which can vary even within a city. Some deviations from legal requirements are permitted on a case-by-case basis.

The operation of a water treatment plant for vehicle wash equipment is currently mandatory only in California, Texas and Florida.

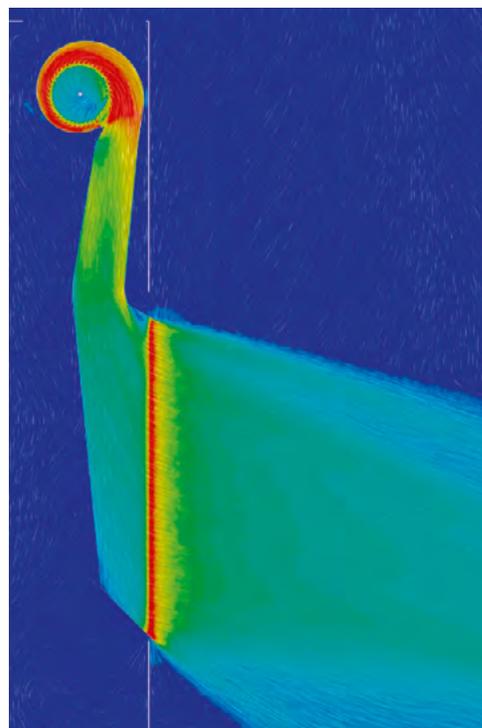
** Note: This overview provides a general understanding of the legal framework for water supply and wastewater discharge in the construction of vehicle wash equipment, specifically for Germany, France and the USA. Other markets also have regulations governing the construction and operation of vehicle wash equipment. It is crucial for operators to review and comply with the applicable regulations in each country or region before establishing a carwash site.*

Minimizing energy consumption



On page 55 of the Environmental Sustainability section, we present our Energy Efficiency Design Guideline. This defines measures and specifications to promote energy-efficient operation of our carwash equipment through the use of energy-saving solutions and components. An example of the positive results achieved so far is the use of better-dimensioned motors, which have significantly improved efficiency.

Flow simulation of the side drying nozzle: Warm colors indicate areas of high flow velocity. Our aim is to achieve high flow velocities at the vehicle surface while minimizing energy consumption.



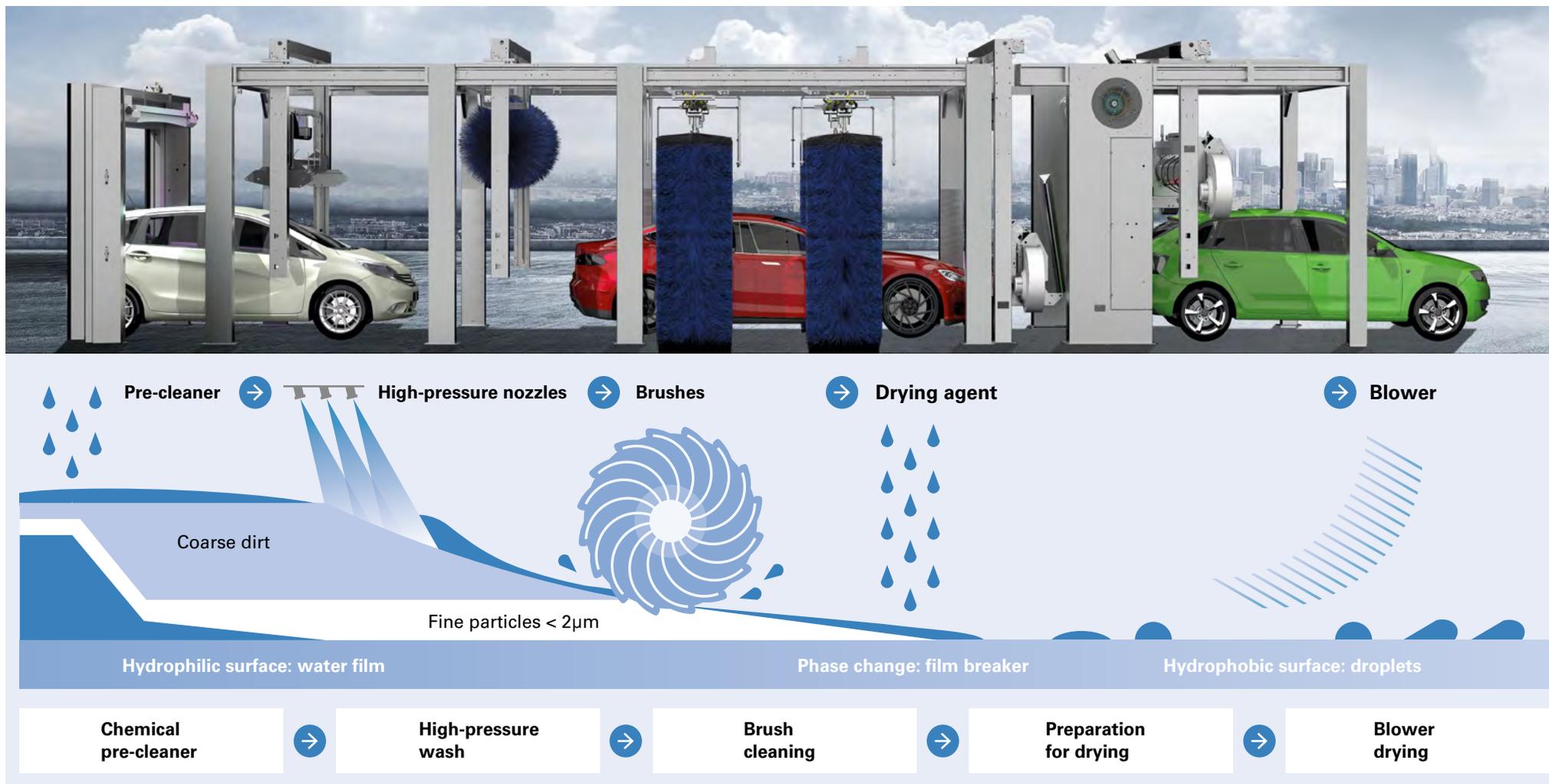
To this end, we are increasingly incorporating measurement technology into our systems for better monitoring of operation and consumption data. Changes can then be responded to either manually – by remote access, for example – or automatically in a control loop. The resulting data analysis, which we have been conducting for about a year, will enable us to identify additional measures for reducing water and energy consumption in the future.

Our current measures for reducing energy consumption include:

- Optimizing pump drives and adding new water treatment control loops to reduce electricity consumption
- Improving the flow profile in fan drying to improve efficiency by approximately 10%
- Improved insulation of heat transfer components.

By continuing these optimization measures, we expect energy savings of up to 6% in the foreseeable future, depending on the type of system. Due to the varying age of carwash systems currently in service, these savings will generally only become effective when new equipment is sold.

The ongoing optimization measures are expected to deliver energy savings of 6%.



The carwash cycle in detail. Further information is provided in the Sustainability Report 2021.

Saving energy with cold water

Self-service carwashes are popular. They allow customers to get their cars sparkling clean for a low price, in many cases at any time of day. To save energy here – especially during the energy crisis – WashTec provides a kit to convert from hot to cold water operation.

The question of how to help customers save energy predates the sharp rise in energy costs seen in many countries during 2022. But such events often prompt a search for low-hanging fruit in the product portfolio – ways of making savings that operators can quickly implement, do not take too much effort and deliver tangible benefits. In the spring of 2022, WashTec set out to identify carwash product categories that still offered untapped and quickly achieved energy-saving potential for its customers. While large gantry carwashes and conveyor tunnel systems have long operated with cold water, the JetWash self-service car washes – the range of self-service systems where users handle the spray lance themselves – often still rely on a supply of hot water.

Use of hot water – a throwback to the past

The use of hot water goes back to the early days of self-service carwashes, which used washing chemicals in powder form. Hot water dissolved the powder at the beginning of the wash process so that the wash program could start. Today, washing chemicals have long been available in liquid form and are connected to the washing system in large canisters. This means the right substance for each wash cycle is available at the touch of a button on program preselection. But the hot water remained. Based on past experience, carwash customers regarded hot water as an integral feature of self-service carwash.

The widespread adoption of cold water in this market segment therefore requires a change in mindset. WashTec has always been up to date here, as WashTec systems have been capable of operating with cold water from the outset. Until now, however, operators have showed limited interest in going against what their customers expect based on experience. This made it all the more imperative in the spring of 2022 to comprehensively promote these energy and cost-saving alternatives, enabling continued profitable operation of self-service carwashes and helping to reduce energy consumption.

Fast-track solution

The WashTec team quickly set to work and launched a project in March 2022 to convert self-service carwashes from hot to cold water operation. This is done by permanently deactivating the hot water circuit on new systems or as part of a retrofit project. A conversion kit for the water feed, retention of the thermostat underfloor heater for frost protection, circuit switchgear and anti-frost solutions for the washing tools are all that is required to convert a conventional hot water system to energy-saving, cost-efficient cold water operation. This naturally also includes the matching washing chemicals for self-service operation, tested and approved for cold water use by the AUWA team. Before: 48 °C at the spray lance. After: 70% reduction in heating costs.

Calculation of the energy cost savings

For an operator wishing to calculate the payback period, the conversion cost is of course directly linked to the usage volume. The WashTec sales team has provided a cost calculation based on the August 2022 prices for gas and heating oil, determining annual cost savings of between €800 for a one-bay system and €6,400 for an eight-bay system with gas heating. With oil heating, the savings are between €1,000 and €8,200.

Initial customers have already taken up the offer. For JetWash systems in operation since 2008, only a few alterations are necessary for the system operator to benefit from the energy savings. Using detailed information and calculation models, the sales teams calculate the individual savings for their customers. In addition to the cost savings, the conversion also contributes to climate change mitigation, as saving energy goes hand in hand with reducing CO₂ emissions.

	Annual saving – gas	Annual saving – oil
1-bay system	€812	€1,036
2-bay system	€1,624	€2,072
3-bay system	€2,438	€3,108
4-bay system	€3,248	€4,144
5-bay system	€4,060	€5,180
6-bay system	€4,872	€6,216
7-bay system	€5,684	€7,252
8-bay system	€6,496	€8,288

Potential saving using cold water in a JetWash system in euros per wash bay per year, based on gas and heating oil prices (as of August 2022)



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 TecLine product group in line with sustainable criteria. TecLine 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 supply chain on the basis of biogenic resources 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.



Featuring 75 washing and care products (as of December 2021), 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.

Innovation through digital products for environment-friendly carwash

Digital solutions open up numerous new business opportunities for carwash. We have integrated our services and our digital products my.shop, my.SmartSite, my.carwash and my.EasyCarWash on a single 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 end customers, including payment processing, are all provided through the mywashtec cloud-based software solution.

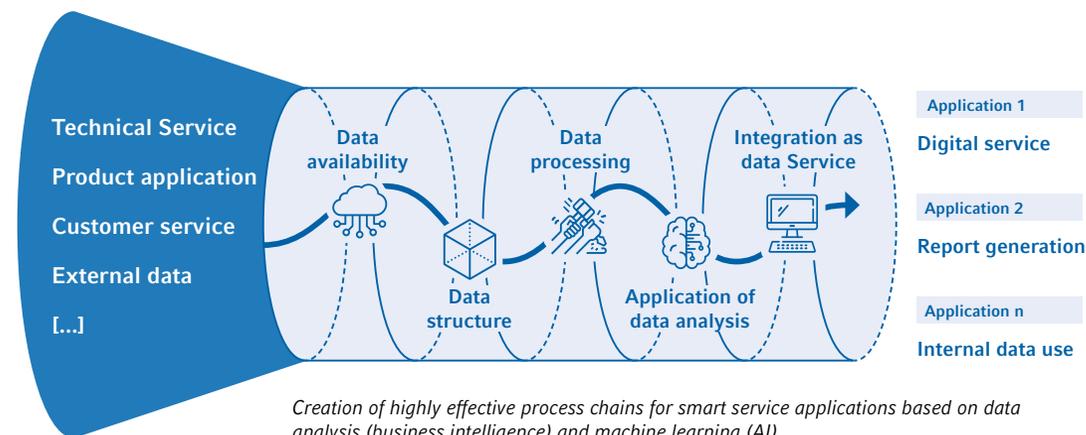
To ensure the sustainable operation of their carwash equipment, the platform provides users with online analyses that supply full information on the efficiency of their carwash operation. Automatically generated reports on realtime operating data help with data analysis and with determining the course of action in the event of a malfunction. Required spare parts and washing chemicals are displayed and can be ordered directly via the online shop. Making use of the data connectivity of our equipment, remote maintenance is made possible through remote diagnostics. As a result, service technician calls can be significantly reduced or better planned with the assistance of fault analysis.

Remote maintenance supports CO₂ reduction

These solutions enabled us to remotely address 17% of all maintenance requests from our mywashtec customers in 2022, resulting in a saving of approximately 14,000 t CO₂. With the increasing use of these cloud-based solutions – and especially the my.SmartSite and my.carwash modules – we expect a further reduction in on-site service calls. We make use of data transmitted from sensors to continuously optimize all operating and consumption parameters.

These digital tools enable us to utilize real, valid data from the day-to-day operation of carwash equipment to drive further product innovations. In addition, a reduction in water and wash chemistry is achieved through improved sensor technology and optimized machine control software, which can meter water and chemicals with greater precision. Alongside the

technical optimizations achieved through data analysis, the integration of IT-supported analysis tools (business intelligence) and artificial intelligence enables us to conduct more in-depth analysis of vehicle washes, predict data points in advance (for purposes such as preventive maintenance) and calculate scenarios.



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. For this purpose, our Cloud Operation Manager is in continuous communication with operators of WashTec carwash equipment. In this way, we ensure a high standard of data security in the integration of our carwashes with the mywashtec platform.

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 ensure the safe operation of the carwash equipment, WashTec provides operators with briefings based on operating instructions and quick guides at the time of equipment handover and commissioning. 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 hand-over 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 training videos can be viewed free of charge on our website. In the future, we plan to expand the range of information for carwash operators, including product-specific maintenance videos and online access to operating instructions through my.carwash.

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 | Resource-efficient system operation

We want to ...	Performance indicators	Target	Date	Measures	Year-end 2022 status	
<p>... drive forward resource-efficient carwash operation ...</p> <p>... by minimizing the water consumption of our products in use with customers.</p>	Liters of fresh water per wash	<p>Improve fresh water input for conveyor tunnel carwashes by 10% per wash and per vehicle</p> <p>Estimated data on fresh water consumption according to wash program available at time of purchase decision</p>	2023	Conveyor tunnel carwash fresh water reduction project	<ul style="list-style-type: none"> ■ Project specification completed and project started ■ Project progress according to specified schedule ■ Preliminary trials ■ Identification of the potential for reducing fresh water consumption: <ul style="list-style-type: none"> ■ by incorporating advanced metering as standard equipment on SmartCare roll-over systems and by integrating the first water recycling systems and ■ by means of a conveyor tunnel pilot project. 	
		<p>Convince customers of the sustainability approach in water treatment systems</p>	2025	More prominent promotion of water treatment systems in selling activities		<ul style="list-style-type: none"> ■ Sales targets specified ■ Specification of communication measures ■ 2022: Information material produced and mailing campaigns carried out
		<p>Reduced water input in water treatment system</p>	2025	Optimization program for water treatment systems		<ul style="list-style-type: none"> ■ Evaluation of optimization potential ■ Technical measures to prepare for reduction in fresh water consumption

Action Plan | Safe carwash operation and strong data security

We want to ...	Performance indicators	Target	Date	Measures	Year-end 2022 status
<p>... support our customers in the safe operation of our carwash systems ...</p> <p>... with comprehensive safety training at installation time and during system operation.</p>	Completion of training recorded in handover documents	100% target achievement	Annual review	Safety training for customers/operators, with completion to be recorded in handover documents, scheduled as mandatory in CRM system	<ul style="list-style-type: none"> Documentation of safety training during commissioning as a mandatory part of equipment handover on customer premises, including archiving with the order documentation
	Number of additional training sessions completed	Increase e-learning tool usage figures	Annual review	Training of new employees at operator sites via WashTec e-learning or by field service	<ul style="list-style-type: none"> No customer acceptance of employee training on customer premises; employee training carried out by system operators without WashTec's knowledge
<p>... ensure constant high standards of data protection and data security ...</p> <p>... by means of an updated WashTec data protection and data security policy for all worldwide sites and functions.</p>	Completion of measures/documentation of recurring steps	100% target achievement	Annual review	Review authorization policies for all software applications	<ul style="list-style-type: none"> Measures specified, enterprise-wide policy in development Workflow specified for revision and monitoring of all authorization policies Cyclical checking of authorizations and deletion where applicable
				Training of all relevant employees via WashTec learning platform with all training documented	<ul style="list-style-type: none"> Training plan reviewed Employee awareness training conducted
				Use ERP modules to ensure data protection compliance	<ul style="list-style-type: none"> Module configuration started
				Cloud Operations Manager involved as data security officer for maximum security across all enterprise-wide cloud platforms	<ul style="list-style-type: none"> Cloud operations manager on IT Enterprise Solutions team focused on security and the evolution of all cloud platforms used across the organization Appointment of information security officer planned

Environmental sustainability

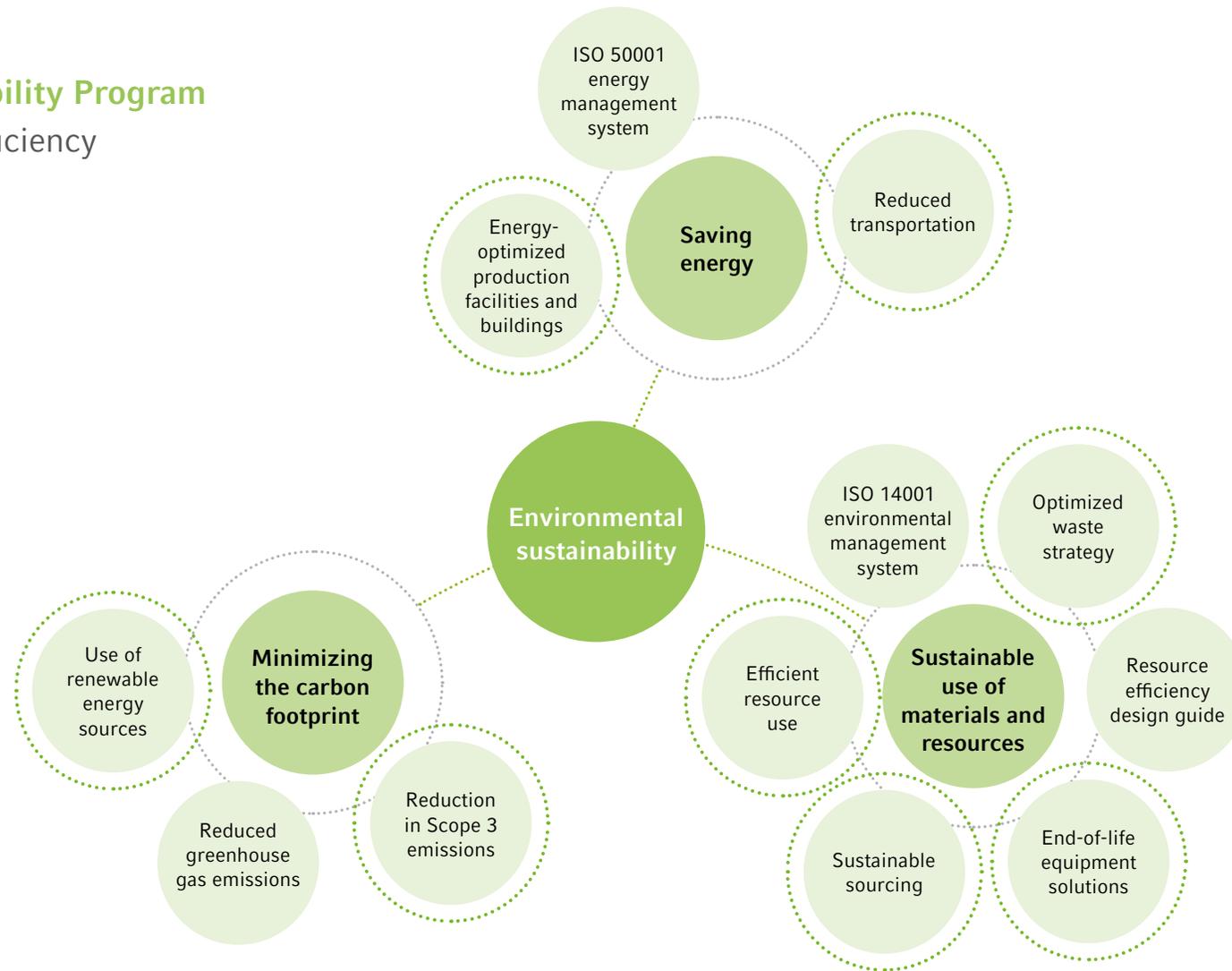
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We also analyze our activities in relation to the UN Sustainable Development Goals (SDGs). The SDGs relevant to each chapter are shown here.

WashTec Sustainability Program

Dedicated to eco-efficiency



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

Our management approach



Environmental issues have high priority in our Sustainability Program. The ranking of individual environmental aspects is shown in our materiality matrix on page 32.

One of the greatest challenges of our time, affecting all economic life, is climate change. Many of the United Nations Sustainable Development Goals (UN SDGs) set out in Agenda 2030 also contribute towards environmentally sustainable development. WashTec works to deliver on its responsibility to avoid negative climate impacts and minimize unavoidable climate impacts as far as possible.

The environmentally sustainable alignment of our activities follows from our social responsibility, customer requirements and our own aspiration 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.

WashTec supports sustainable initiatives and takes part in networks and agreements to work together with communities and other companies in this regard. Among others, these include the Bavaria Environmental and Climate Pact, of which we have been a founding member since 1995. We have also have been a member of the Ökoprofit Club Augsburg since 2021 and maintain 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. Furthermore, we have been a member of the State of Hesse Environmental Alliance since 2022.

We distinguish between resource consumption in the manufacture and in the operation of our machinery and equipment. For our customers, resource inputs and consumption are key to the efficiency and sustainability of their operations. The efficiency of our products supports our customers' business success and is thus a key selling point for WashTec. 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. All management systems were successfully recertified in 2022. The environmental and energy management systems reflect our organizational structure and processes and are available to all WashTec employees worldwide on the corporate intranet in the WashTec integrated Processes (WIP) system. The documents, information and specifications found there thus bring together the environmental and energy aspects relating to our Company's operating processes. We combine our activities around environmental aspects in our integrated management system, as the requirements and 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. We continued the digitization of previously paper-based processes in 2022. Increasing numbers of tasks that formerly required employees to travel and attend in person – such as in dealings between operating locations or with customers – have now been migrated to digital solutions. Regular management reviews and monthly tracking of key performance indicators (KPIs) continuously provide us with timely information on consumption data for energy, water, consumables and quantities of recyclable and residual waste, enabling us to respond quickly to deviations and anomalies. We continue to hold digital meetings in order to avoid business travel and are also optimizing unavoidable travel activities to minimize their environmental impact.

A cross-functional environmental and energy team serving all sites is responsible at WashTec for continuously analyzing environmental and energy-related issues throughout 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 in the corporate budget. On a higher level, the management teams of our country organizations and the associated managerial control layer are kept informed about our environment-related projects and their outcomes. Decision-making on environmental measures, including with a view to overall economic viability, lies with the Management Board.

Environmental and energy efficiency considerations at WashTec generally relate to all WashTec sites worldwide. The production sites currently have top priority for the implementation of environment-related and resource-efficiency measures. We have already launched a number of measures at all German production sites and at our plant in the Czech Republic. These are monitored using KPIs and tracked in the environmental and energy management system. As part of the certified processes, in addition to external audits, WashTec also conducts internal audits in which the status of environmental and energy activities is examined alongside the core processes. Based on the potential identified in those audits, measures are inferred and implemented as quickly as possible in project planning.

Resource efficiency in the manufacture of our products spans all environmental aspects to varying degrees of intensity. Focal areas include:

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

We present our targets in relation to these material aspects and their context in detail on pages 55 to 56. In the same section, we also show the path to goal achievement for long-term projects. The performance indicators for the various aspects are based on the topic-specific GRI standards. Implementation of environmental and energy management targets is agreed with managers, tracked by the steering committee and reported in management reviews. Environmental and energy training is also provided via our online tool. The training completion rate is recorded and is among the targets set with our operational managers.

Our environmental and resource efficiency activities, including relevant KPIs, are regularly communicated in-house to employees at workplace meetings, on the intranet and in the WashTec newsletter. In addition, training is provided in our e-learning platform to inform and involve employees and raise employee awareness of current and future activities.



Our environmental program is covered by an action plan through to 2025. Environment protection and resource conservation activities continued in 2022 in accordance with the plan. Currently, 17 core projects contribute to the implementation of environmental sustainability at WashTec. The subprojects in the environmental program were modified in 2022 to take into account all findings since the program's inception in 2020. The targets nevertheless remain unaltered. For progress monitoring, we have defined KPIs for our reduction targets together with additional monthly KPIs as part of our integrated management reporting.

Energy efficiency measures took on a new degree of urgency on the announcement of the alarm level under the German government's gas emergency plan in June 2022 and with the short-term and medium-term energy saving measures legislated in September 2022. For WashTec, this necessitated even further, rapid reductions in energy consumption on top of the measures already adopted in our environmental program – especially since our business

Seventeen core projects currently contribute to the implementation of environmental sustainability at WashTec.

of manufacturing and installing vehicle wash equipment does not come under a protected category with preferential supply in the event of an electricity or gas shortage. The projections for 2023 already show (as of January 2023) that WashTec will meet the energy saving requirements laid down by the German government.

As part of these efforts, a WashTec Energy Taskforce was established and given the necessary powers and authorizations. Further potential savings have been identified and rapidly implemented through rigorous action plans.

With regard to monitoring progress towards our reduction targets for CO₂ emissions and greenhouse gas emission intensity, we additionally have to make adjustments due to a change in the underlying conditions.

The current inflationary situation in procurement markets is reflected in our revenue figures, which makes the normalized CO₂ emissions per €m revenue target less meaningful. In presenting the figures for 2022, we have decided to calculate and publish additional KPIs so that we can realistically assess the efficiency of the measures adopted and our progress in reducing CO₂ emissions. In our presentation of the latest figures, we have therefore added CO₂ emissions per employee and per thousand hours worked. This enables us to make up for any inaccuracies in a single KPI due to factors such as inflation-driven price increases and currency effects and to better assess the progress made.

Within the regular list of measures for transparency of energy consumption, all WashTec sites worldwide are now fully integrated into our data collection system. As before, we document all energy consumption data for the countries with production sites. From 2022, we additionally record the data for all sales and service sites in the WashTec Group worldwide. This brings us a major step closer to our goal of extending the coverage of the Sustainability Report to the entire Group. Our energy efficiency targets nevertheless relate only to our production plants for the time being. This is because the sales and service sites mainly generate emissions from the vehicle fleet and those emissions cannot yet be reduced in the various countries by means such as switching to electric vehicles.

The activities in our other activity areas classified as material – “Sustainable use of materials and resources” and “Optimized waste strategy” – were not affected by any extraordinary events. We present the progress in these areas in the corresponding sections.

Four (prior year: four) environment-related training courses were provided in 2022, each of which was taken by an average of 1,320 (prior year: 526) employees.

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

In our Environment and Energy Roadmap 2025, we set 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 carbon footprint in countries with production plants by 30% per t/€m revenue

Our target achievement in 2022:

- Energy consumption: 18.5% reduction per €m revenue relative to the baseline
- Carbon footprint: 17.5% reduction for the absolute figure relative to the baseline; 25% per €m revenue

The individual measures relating to these targets are shown on pages 61-62 and 64-66. We selected 2019 as the base year as it is representative of a fiscal year with normal business operations and without pandemic-related restrictions.



Key aspects in the environmental sustainability dimension

Sustainable use of materials and resources



The review of our supplier relationships for application of the German Supply Chain Act also includes environmental risks in accordance with the Minamata, Stockholm and Basel Conventions. The scores recorded in all risk assessments verified that we do not engage in any high-risk transactions in our worldwide procurement processes. We provide further information on this topic on page 14. In our product design process, we base new system designs on the Energy Efficiency Design Guideline newly compiled in 2022. This added energy efficiency as an influencing factor in the design process and project management alongside the standard criteria of function, quality, time budget and cost budget. In particular, the Design Guideline specifies that our products must be made energy-efficient by design with the use of energy-efficient solutions. We present these activities in the “Success with sustainable products and services” section.

The ways in which product development can influence product sustainability are defined in detail for seven criteria:

- Material selection
- Product efficiency in use on customer premises
- Waste avoidance
- Longevity
- Reduction of the ecological footprint of unavoidable waste
- Service calls
- Reparability

To ensure that all employees in development and production are informed about this list of criteria, the criteria have been introduced in training for the seven-person development management team. The management team is responsible for disseminating this knowledge to the entire development team.

Efficient resource use

Water is a key factor for the use of vehicle wash equipment. The production of our equipment does not require any water. We discontinued wet testing at the Augsburg plant several years ago and now only conduct dry testing. In the WashTec business model, the water value chain includes three types of consumption.



Operation
of vehicle wash
equipment



Production of our
carwash chemicals at
the Grebenau site



Consumption
of fresh water at
various sites



See the Economic
Sustainability section
(page 37)

Our worldwide production sites sourced 20,669 m³ (prior year: 19,019 m³) of water from municipal utilities in 2022, an increase of 8.6%. Wastewater discharge – excluding rainwater – at our production sites in Germany and the Czech Republic totaled 7,392 m³ (prior year: 9,086 m³), a decrease of 18.6%. The difference between water in and wastewater out mainly relates to the use of water for the production of our washing chemicals at the Grebenau site. At all sites, we obtain fresh water from the municipal water supply and discharge wastewater to wastewater treatment plants run by local water providers. The controlled water withdrawal and discharge process means that there are no impacts. Rainwater and surface water is discharged at all sites to the local sewer system. No waterbodies or associated habitats are affected by surface runoff or wastewater discharges at any site.



We present the water consumption of our production sites on page 60. The practice of disposing of flushing water from the Grebenau site with the aid of a specialized company, as described in the previous report, ceased to be necessary in October 2022 due to construction of a wastewater tank used in conjunction with the existing water treatment plant. As a result, the wastewater can now be discharged again through the local sewer system. The water is not contaminated with toxic substances.

In a pilot project in 2022, we tested the resource conservation approach of using recycled materials in individual equipment components. Replacing materials in typical structural components proved to be incompatible with the requirement for equipment longevity. Recycled materials cannot currently be used in many carwash components for reasons of quality. We may possibly use components with recycled content in parts of our equipment if the suppliers can guarantee the required quality. One example that we will describe here in greater detail below is the energy chain recycling project.

Biogenic feedstocks in the thermoplastics group of plastic materials cannot currently guarantee the high degree of resilience required for vehicle wash equipment components. Besides exploring the use of new, resource-efficient materials, we also seek opportunities for material savings. An ongoing project in this connection aims to save paint in the powder coating of our system components.

Following major initial successes, our subproject to reduce paper use has made further progress since 2019. We saved an additional 100,000 sheets of paper in 2022 – a reduction of 5% from 2021 and 40% from 2019. Our project to digitize assembly and commissioning documents is a slow process, as the requirements vary greatly from country to country and we are optimizing the content and language versions at the same time as we digitize. We will continue to analyze untapped potential for resource conservation, and we will continue to reduce our paper consumption from our 2019 baseline of approximately 3.3 million sheets.

We have examined the sustainable, circular use of resources in the disposal of end-of-life equipment. Our waste management partner is responsible for the management of 1,565 t (prior year: 1,203 t) of materials from dismantled equipment. The increase of approximately 23% is due to the higher sales volume, which is also mirrored in returns of end-of-life equipment. Up to now, once recyclable materials have been properly separated, we have directed the waste fractions to the appropriate disposal channels. We always operate here in accordance with the waste hierarchy and work to reuse or recycle various components. To gradually improve the utilization of the recyclable materials sent for processing, we launched a project in 2023 to recycle the energy chains used in our carwash equipment. These have previously been incinerated. The solution consists of separately collecting the energy chains when dismantling carwash systems and returning them to the energy chain manufacturer. In this way, we expect to be able to recycle approximately 3.3 t of plastic annually. This project provides the basis for further ideas for recycling other plastics-containing materials from end-of-life equipment.

Optimized waste strategy

Our focus in waste management is on our production sites. In accordance with legal requirements, we have appointed a waste management officer for this purpose. Waste is mainly generated in the production of our carwash equipment. Commencing in 2022, in addition to Germany and the Czech Republic, we also record waste figures for the US and Chinese plants. The remaining sites are less relevant in terms of waste generation as they are exclusively sales and service locations. Employees at these sites receive training in proper waste separation.

For measures to minimize and avoid waste, we track the data on waste streams on a monthly basis and record the separate collection quota as one of the targets in our IMS KPI reporting. Any deviations are analyzed in the PDCA cycle and addressed by remedial action. We obtain data on waste quantities from the weight lists in invoices and credit notes from waste management companies. In Germany and the Czech Republic, the recycling or disposal of each waste fraction is carried out exclusively by specialist waste management companies or companies certified in accordance with ISO 14001. We monitor the validity of waste management certificates with software and request a new certificate in good time before certificate expiration.

The main materials used in the production and distribution of our equipment and products are as follows:

- Steel, aluminum and stainless steel
- Plastics, such as engineering thermoplastics (POM, ABS and PA6) and standard thermoplastics (PE-LD, PP and S-PVC)
- Paints
- Electronic components, including cables
- Packaging materials (timber, film and cardboard)
- Washing chemicals

The materials used and the resulting waste are stored and disposed of in accordance with the regulations. With the exception of washing chemicals, we have not identified any significant actual or potential impacts from the materials used or the waste generated.

For the production of washing chemicals at the Grebenau site, we procure the majority of the ingredients in bulk shipments that are delivered directly from tank to tank without any waste. We sell washing chemicals to our customers in canisters, usually in volumes of 10 or 25 liters. The empty canisters are subject to hazardous waste specifications. Proper disposal of the sales containers is specified in the instructions for use in accordance with the regulations on hazardous substances. Our sales representatives also provide information about disposal options when selling to and advising customers.

In Germany, we surrender the canisters to a return scheme as part of a packaging compliance system. We have not identified any impact for this waste category as the canisters can be re-used after processing by waste management companies.

While reductions in waste volume have remained at a standstill, we have increased the separate collection quota. The separate collection quota in Germany was 85% in 2022 (prior year: 79%), with a total waste volume of 3,448 t (prior year: 2,316 t including end-of-life equipment). For the waste fractions in Germany excluding end-of-life equipment, the waste volume was 1,536 t (prior year: 1,077 t). The greater volume of waste is directly related to the higher equipment and chemical production volumes in 2022. In the Czech Republic, the separate collection quota was 96% in 2022, while the figures for China and the USA are around 50% due to the waste management situation there.

At the Grebenau site, flushing water had to be disposed of as hazardous waste until October 2022. This is reflected in higher volumes reported in 2021 and 2022. The volume of hazardous waste increased by 78% to 569 t in 2022 (prior year: 320 t). In 2022, with the construction of a wastewater tank used in conjunction with the existing water treatment plant, WashTec improved the situation for continuous discharge of flushing water to the municipal sewer system. Since October 2022, following the construction measures at WashTec, the local wastewater treatment plant at the Grebenau site has once again been able to take the flushing water. The total figure will decrease by approximately 340 t from 2023.

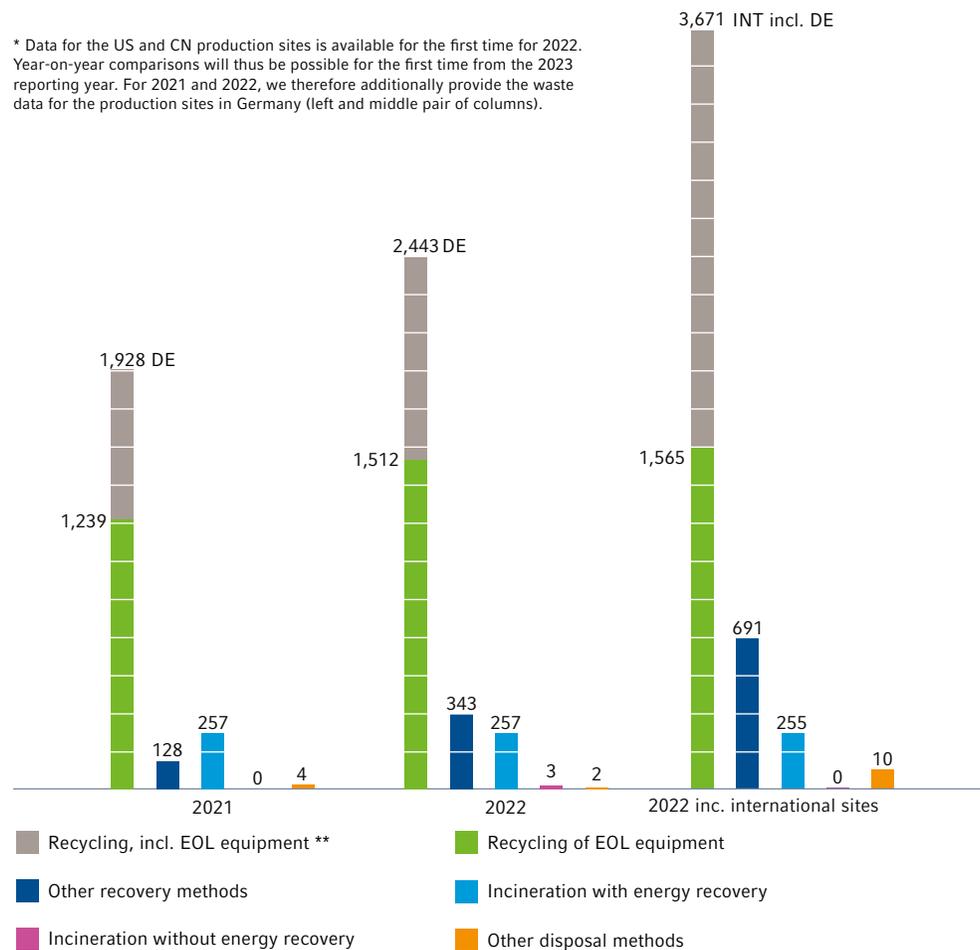
One major focal area is the volume of packaging. Work is currently underway to increase the scope for using more reusable packaging and for reusing filling and packaging materials. There is room for improvement in terms of environmental performance and streamlining the variety of packaging used. A project for the use of returnable packaging between plants continued as planned. This enabled us to reduce packaging volumes in the paper/cardboard and foam fractions (foam is used for electronic components). To support our activities in this regard, we have launched an external project in partnership with the Swabia Chamber of Commerce and Industry and the University of Augsburg. The project aims among other things to increase the use of sustainable packaging materials. Work started in October 2022 and results are expected in the first quarter of 2023.



At the Grebenau site, we use large tanks to store the ingredients for our washing chemicals.

Non-hazardous waste – all production sites*, by disposal method in t

* Data for the US and CN production sites is available for the first time for 2022. Year-on-year comparisons will thus be possible for the first time from the 2023 reporting year. For 2021 and 2022, we therefore additionally provide the waste data for the production sites in Germany (left and middle pair of columns).

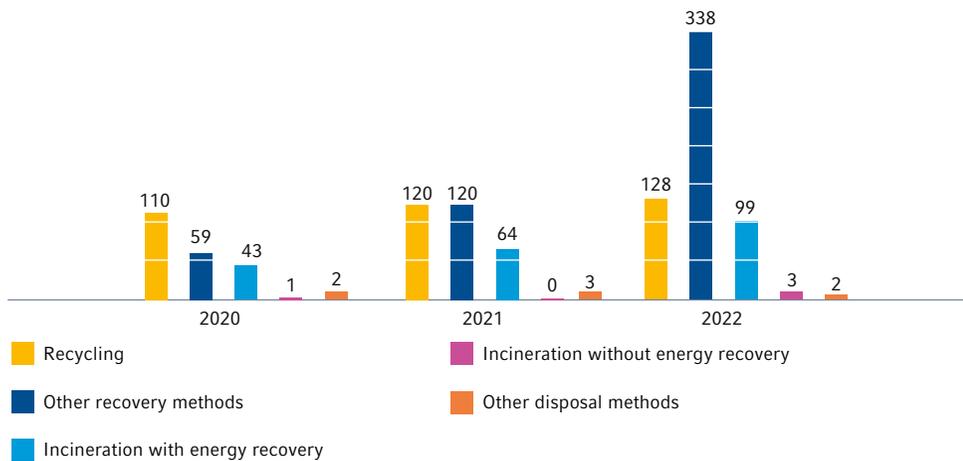


Hazardous waste *** – by disposal method **** in t

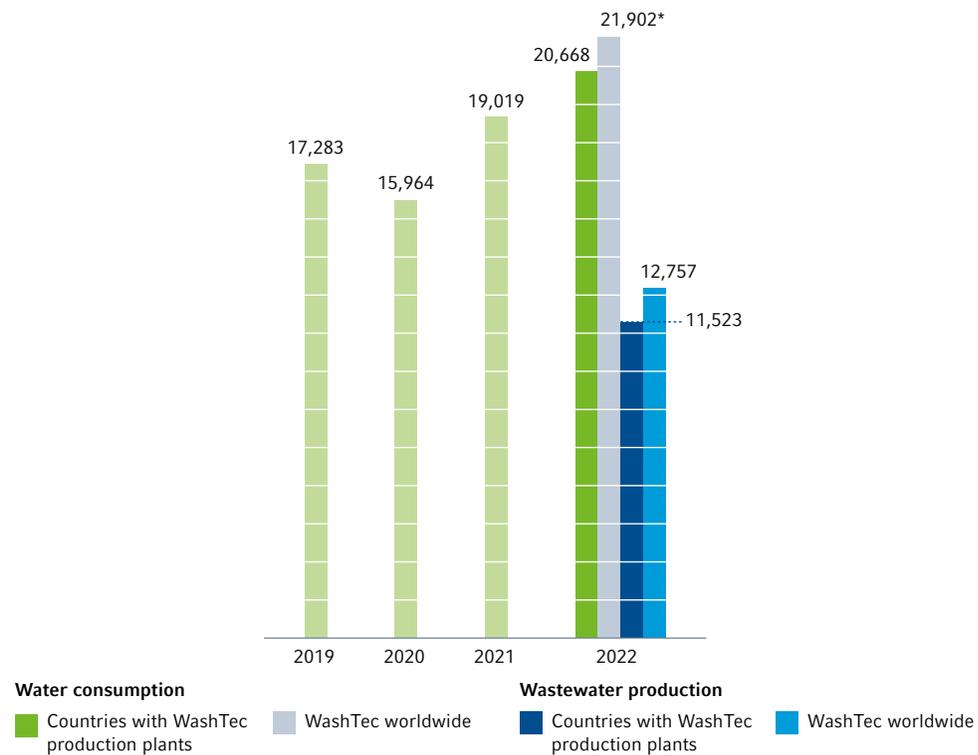
** The figures shown for returns of end-of-life (EOL) equipment relate to Germany and Austria and a portion of EOL equipment returns in France. Equipment returns via WashTec in Denmark, the Netherlands, Norway, the UK and (in part) France are not included in these figures. In those countries, equipment is scrapped on site.

*** Hazardous waste is generated in Germany, the Czech Republic and China.

**** Landfill is not used as a disposal method at WashTec.



Water consumption and wastewater production – in m³



* The figure for 2022 includes the sales locations in Australia, Italy, Denmark, the UK and the Netherlands. Water figures for the remaining sites are reported when invoiced and were not available at the time of report preparation for 2022.

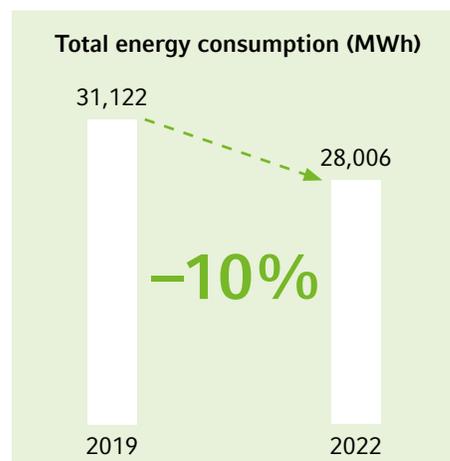


Energy efficiency

With the addition of more sensor technology in 2022 and the new energy data software introduced in 2021, we have achieved a high level of transparency in our energy consumption data. This transparency helped us launch the right high-priority energy efficiency projects in the face of a predicted gas shortage. The recent rise in energy prices has made energy efficiency measures economically viable that were previously evaluated as having a far too long payback period. In 2022, the year in which we launched the additional energy efficiency measures, we already achieved savings of 18.3% in heat energy consumption and electricity consumption at the production plants in Germany and the Czech Republic compared to 2021. To a large extent, the additional measures we implemented in accordance with regulations issued by the German government will subsequently remain in place for the normal operation of our production plants. We see this as a tremendous achievement that has also had a positive impact on employee motivation.

Energy consumption

Total energy consumption in the countries in which our production sites are located, including and sales and service activities (the vehicle fleet) in those countries, amounted to 28,006 MWh in 2022 (prior year: 29,329 MWh). This represents a reduction of 3,117 MWh or 10% from the 2019 baseline for our reduction target. Our vehicle fleet continues to be the largest energy consumer, with an energy consumption of 16,393 MWh (prior year: 16,067 MWh).



The availability of daily energy consumption data – particularly at the Augsburg site – has enabled us to gain a full view of opportunities for energy savings that would otherwise be difficult or impossible to identify, and to launch projects for their implementation. In addition to the activities mentioned in the 2021 report – such as conversion to LED lighting and expansion of the district heat system – the Energy Taskforce also realized further potential savings at the production plants.

The main activities relate to the reduction of heating requirements in the production plants and included:

- Longer shutdown periods for the district heat supply
- Optimizing the temperature parameters in the painting process
- Lowering temperatures in production and office premises
- Commissioning technology to use waste heat as secondary energy
- Lowering temperatures in corridors, hallways and unoccupied rooms, clearing entire buildings for the duration of vacation close-downs and concentrating staff in individual production and office areas.

Individual measures for saving thermal energy achieved total savings of approximately 808 MWh in 2022.

The savings are calculated on the basis of metering and comparison with the prior-year consumption figures. In the case of measures started part-way through the year, percentage estimates and, in the case of new technical solutions, manufacturers' data have been used and the savings extrapolated for the full year.

In parallel to the thermal energy reduction projects, WashTec also aims to further reduce electricity consumption. We reduce the quantity of electricity we purchase on an ongoing basis by various means:

- Optimization of baseload and peak load consumption
- Improvements in the compressed air system
- Modernization of outdated electrical equipment
- Ongoing modernization of production machinery and infrastructure
- Optimizing the operating times of ventilation systems.

This not only enables us to achieve our own internal targets, but also to play our part in meeting the German government's reduction goals. An initial estimate covering all measures to reduce electricity consumption yielded savings of 741 MWh in 2022.

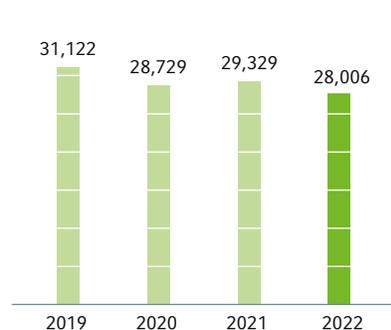
Electricity
consumption
reduction
in 2022:
741 MWh*

*Extrapolated to full year

The full energy and CO₂ reduction from the measures implemented in 2022 will not be known until 2023, as implementation of the individual projects was spread over the year and contributed to energy savings for only part of 2022. We therefore expect further significant reductions in energy consumption and CO₂ emissions in the years ahead when the projects take effect for the full year. Following the success and the positive results achieved at the Augsburg headquarters, additional sensor technology was also installed at the Grebenau, Recklinghausen and Czech Republic plants. As at the Augsburg headquarters, we expect that the information on peak loads, baseloads, temperature figures, etc. will also enable us to identify and realize potential savings at those plants. Partly due to the high degree of urgency, we have made good progress with the activities contained in our action plan on page 67 with 2025 as the target date. The project status and results are presented there and tracked on a monthly basis.

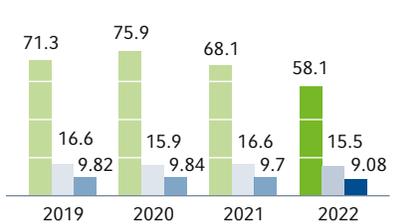


Total energy consumption DE, CZ, USA and CN (production countries), including fleet*, in MWh/a



Total energy consumption in 2022 was 28,006 MWh; we achieved savings of 3,116 MWh, or 10.0%, relative to our 2019 baseline. This figure is adjusted for the quantity of electricity sold to the local grid from the photovoltaic system in Grebenau.

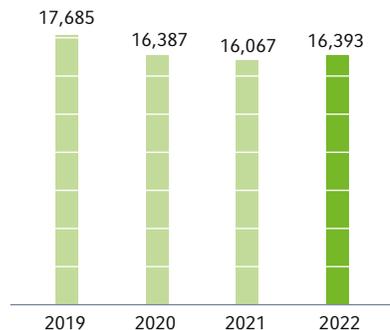
Total energy consumption DE, CZ, USA and CN (production countries), in MWh/€m revenue



■ per € million revenue
 ■ per employee (HC)
 ■ per 1,000 hours worked

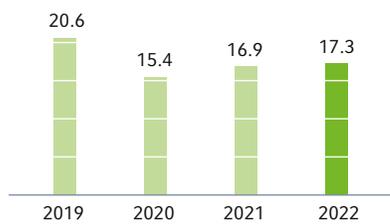
The total energy consumption of all plants in 2022 (including the country vehicle fleet) was 58.1 MWh per €m revenue.

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



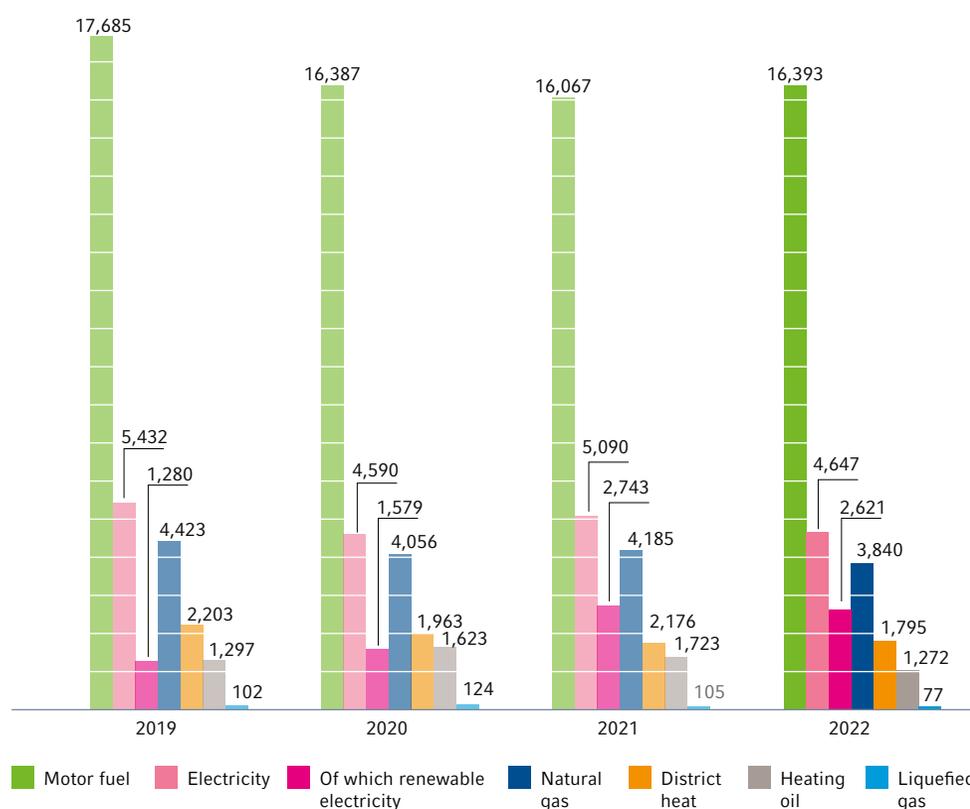
The largest energy source at WashTec is motor fuel (including for forklifts), with a 58.5% share. We reduced motor fuel energy consumption by 7.3% relative to the 2019 baseline.

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



The photovoltaic system in Grebenau fed 17.3 MWh into the local grid.

Energy consumption DE, CZ, USA and CN (production countries) by energy type in MWh



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 2023 report.

Minimizing the carbon footprint

We determined the carbon footprint for all countries with 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 the Greenhouse Gas Protocol using the GEMIS and DEFRA databases. The categories covered are limited to Scope 1 “Direct GHG emissions and removals” and Scope 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. Scope 3 “Indirect greenhouse gas emissions along the upstream and downstream value chain” is not included. For clarity of presentation, we use the term “Scope 1” from the Greenhouse Gas Protocol for direct greenhouse gas emissions and the term “Scope 2” for indirect emissions.

We do not offset our CO₂ emissions by purchasing certificates. Our results are based on our own activities to reduce our energy and electricity consumption.

Use of renewable energy sources

Our carbon reduction target remains valid: a 30% reduction in CO₂ emissions per €m revenue by 2025 in our countries with production sites, relative to the 2019 baseline. In 2022, we achieved a reduction of 187 t CO₂e (prior year: 464 t) and generated a total of 7,034 t CO₂e (prior year: 7,221 t) in Scope 1 and Scope 2 emissions. For the absolute figures, this corresponds to a reduction of 17.5% relative to the 2019 baseline. The normalized emissions figure per €m revenue was 14.6 t CO₂e (prior year: 16.8 t CO₂e), down 25% on the baseline. Numerically speaking, this brings us fairly close to our target, which is partly due to the inflation-related revenue increase. In order to place the figures better into context, we therefore provide additional performance indicators in the chart: CO₂ emissions per employee and per 1,000 hours worked.

We are already planning for the period beyond 2025 with regard to when and how WashTec can become climate-neutral in the countries with production sites. The point in time when climate

neutrality can be achieved at the various sites (including sales and service) partly depends on the implementation of our own projects, such as:

- Systematic reduction of our energy consumption
- Conversion of our heating systems
- Modernization of technologies and equipment, including flatbed lasers, compressors, LED lighting and small machinery
- Increased use of waste heat in suitable production areas
- Expansion of photovoltaic systems for power supply
- Converting our in-house logistics (industrial trucks and forklifts) to other forms of propulsion.

The timing also partly depends on country-specific factors such as:

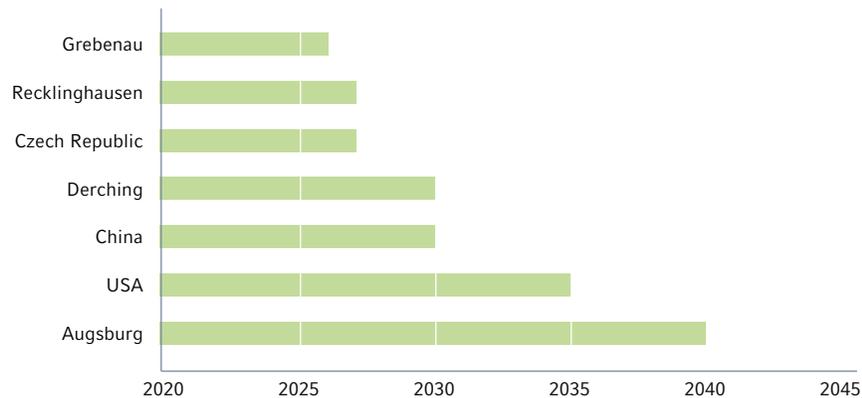
- The availability of emission-free energy sources
- Local funding programs, such as in China
- Charging infrastructure
- General philosophy regarding climate-friendly transportation.

The energy mix used by our heat and electricity providers is also a decisive factor in the implementation of our climate neutrality strategy. Our district heat provider at the Augsburg site presently has an energy mix with a CO₂ equivalent of 0.097 kg CO₂e/kWh. This consequently influences the achievement of climate neutrality at WashTec. Currently, this means that WashTec cannot be climate-neutral until 2040. We are in dialog with the energy providers themselves and with a scientific working group commissioned by the Augsburg model region to bring this date forward from 2040. The plan is to reach climate neutrality by 2035.

For electricity, we have already switched all of our sites in Germany to certified green electricity from 100% hydropower starting in 2021. In order to deploy the optimum vehicle technologies and reduce vehicle emissions, we monitor developments in the vehicle market and related infrastructure in the countries in which WashTec operates. This is the only way to gradually optimize WashTec's largest source of energy consumption and CO₂ emissions.

Our current scenario for the achievement of climate neutrality at each site

Timing of climate neutrality



Under current conditions, climate neutrality is possible from 2040. If district heat becomes CO₂-neutral by 2035, WashTec will then also be CO₂-neutral. German government target: climate neutrality from 2045.

Mobility strategy and fleet conversion

In our mobility strategy, we identified the potential of public transportation and of digital tools for meetings in the transition to sustainable mobility. Additionally, opportunities to reduce vehicle travel will be analyzed in 2023. We have already added mobility budgets to our Car Policy for this purpose. Employees can thus opt for a mobility budget as an alternative to a company car. They can use the mobility budget for any form of transport of their choosing.

Where we cannot yet do without vehicle-based transportation, we continue to implement our electrification strategy and are installing charging infrastructure, for example at our German plants. Under the Car Policy, electromobility is also promoted by the Company funding charging points at employees' homes. Solutions are also being planned for charging options when no charging infrastructure can be installed where employees live. We continue to promote the switch to electric vehicles, despite long delivery times from car manufacturers and a change in the subsidies for electric vehicle purchases.

For service vehicles, we have examined the use of electric vans and will formulate an implementation strategy in 2023, although this will depend on the development of electric vehicle technology in the van segment (with regard to weight, payload and range) and the available charging infrastructure and charging speeds.

We also consider mobility as a whole and are additionally planning sustainable employee mobility offerings. To this end, negotiations with the trade union in Germany are planned for 2023 to negotiate the general conditions for employee mobility.

By increasing internal communication through digital tools, we have been able to reduce the amount of travel between production sites and for dealings with suppliers, service providers and other stakeholders. For communication with our customers, we offer remote services as part of our digital product portfolio. This also minimizes travel. We present the success of these solutions in the Economic Sustainability section on page 45.

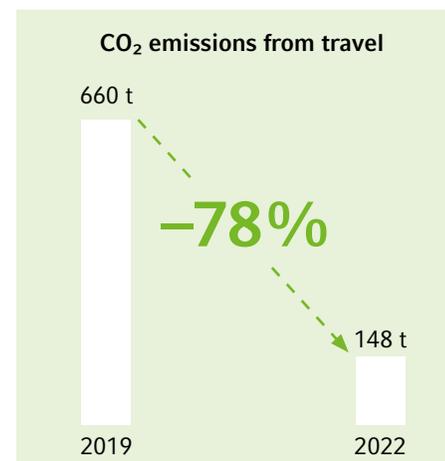


Outlook for Scope 3 emissions

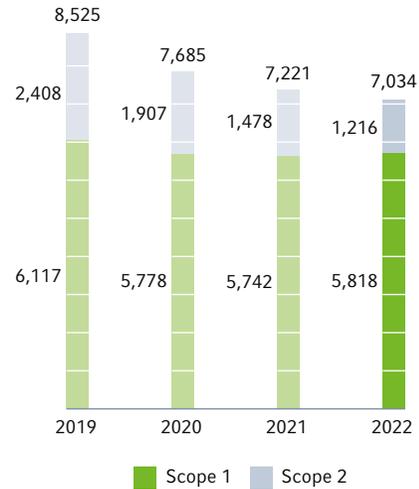
We currently determine Scope 3 emissions from upstream and downstream activities for the following categories in accordance with the GRI Standards, among other things on the basis of assumptions and projections:

- Category 3: Indirect GHG emissions from transportation (upstream), business travel and employee commuting
- Category 4: Indirect GHG emissions from products used by the organization (packaging, non-hazardous waste, hazardous waste and printer paper)

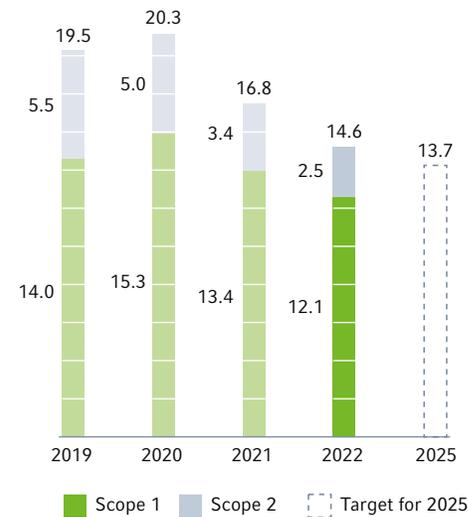
We use this data to measure the success of our reduction efforts beyond the absolute reductions in materials, purchased transport services or employee travel. This also enables us to estimate the impact we expect in terms of our emissions. We do not yet publish this data, however, as we do not fully cover all sites and still have to make concessions with regard to data precision. From our internal perspective, we see that measures in individual action areas such as waste volume, packaging and working materials have a significant impact on the Scope 3 emissions.



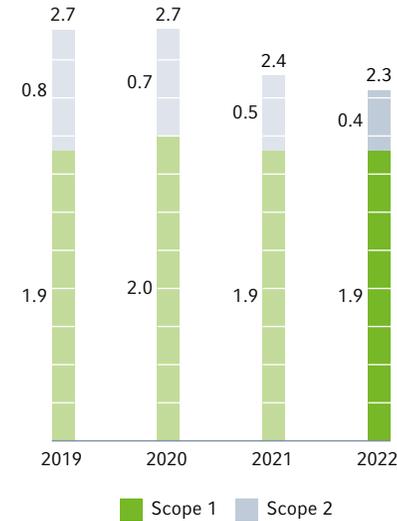
We have already achieved a satisfactory level of certainty with regard to our CO₂ emissions from travel. They are settling at a low level and remain well below the annual figures from before the pandemic. Even after the end of the pandemic-related restrictions, we have been able to retain the adopted changes, among other things with regard to the altered meeting culture. We consequently achieved a 78% reduction in 2022 relative to 2019. Campaigns and development-related projects such as the launch of the SmartCare series in the USA resulted in an increase in air travel in 2022 compared to 2021. Despite the increase in kilometers flown to 651,302 km (prior year: 169,893 km), the greater proportion of long-distance flights meant that we were able to achieve a lower CO₂ emission figure of 0.23 kg CO₂e/km (prior year: 0.26 CO₂e/km). CO₂ emissions from air travel totaled 147.9 t in 2022 (prior year: 44.1 t), compared with 659.5 t in 2019.

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


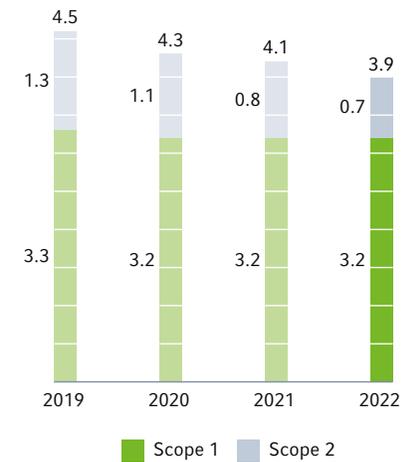
CO₂ emissions from WashTec production plants, including the vehicle fleet, totaled 7,034 t CO₂-equivalents. This represents a reduction by 1,491 t or 17.5% relative to the 2019 baseline.

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


The carbon footprint totaled 14.6 t/€m revenue in 2022. Our target of a 30% reduction in the carbon footprint by 2025 corresponds to a target figure of 13.7 t CO₂ emissions per €m revenue based on the revenue of €437m in 2019.

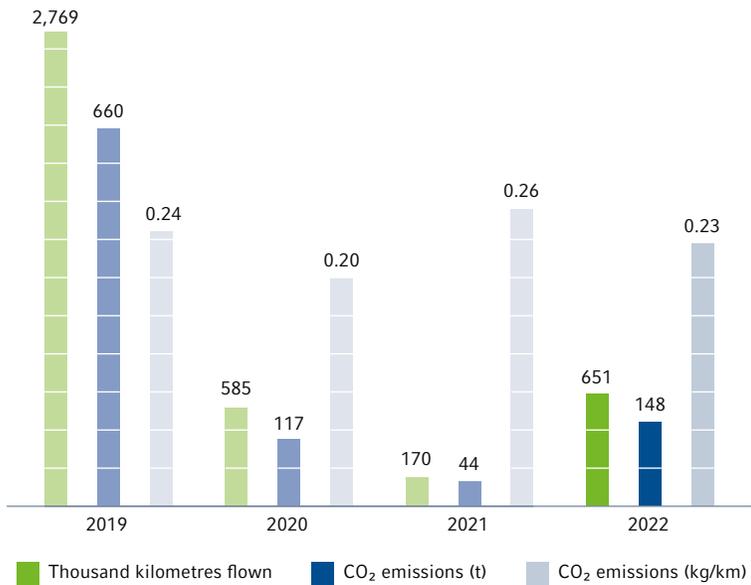
WashTec carbon footprint (Scope 1 & 2) in t per 1,000 hours worked


CO₂ emissions from WashTec production plants, including the vehicle fleet, totaled 2.3 t CO₂-equivalents per 1,000 hours worked. This represents a reduction by 14.8% relative to the 2019 baseline. The target for 2025 is calculated from the 30% reduction target, relative to 2019.

WashTec carbon footprint (Scope 1 & 2) in t per employee


CO₂ emissions from WashTec production plants, including the vehicle fleet, totaled 3.9 t CO₂-equivalents per employee. This represents a reduction by 13.3% relative to the 2019 baseline. The target for 2025 is calculated from the 30% reduction target, relative to 2019.

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



CO₂ emissions from air travel totaled 148 t in 2022. This corresponds to CO₂ emissions of 0.23 kg per kilometer flown.

In 2022, 12 new electric vehicle charging stations (in addition to the existing 4) were added to our charging infrastructure at the Augsburg plant.



Action plan | Sustainable use of materials and resources

We want to ...	Performance indicators	Target	Date	Measures	Year-end 2022 status
<p>... conserve resources ...</p> <p>... by increased use of environment-friendly and sustainable materials.</p>			As-is analysis by 12/2022	Examine use of recycled, reprocessed, recyclable and more sustainable materials	<p>Project at idea phase</p> <ul style="list-style-type: none"> ■ Use of recycled materials tested ■ Data quality on recycled content and on traceability of recycled content in procured products not sufficiently robust to allow decisions on substitution of materials ■ Project to continue only when there is sufficient certainty about the recycled content quality ■ Use of biogenic raw materials tested with positive outcome in 2022 ■ Options for use of such materials in testing
<p>... increase sustainable sourcing ...</p> <p>... by basing material procurement on international social and environmental standards.</p>	Percentage of WashTec Code of Conduct documents signed	100% signature rate for production materials and processes		<p>Award contracts in compliance with environmental and economic requirements</p> <p>Require suppliers to comply with WashTec Supplier Code of Conduct (Supplier Declaration)</p>	<p>Specimen award process includes environmental criteria</p> <p>Standardized request for Supplier Declaration</p> <ul style="list-style-type: none"> ■ Process for updating Supplier Declaration based on new version of Supplier Code of Conduct currently in consultation

Action plan | Optimized waste strategy

We want to ...	Performance indicators	Target	Date	Measures	Year-end 2022 status
<p>... consider product end of life in the procurement process ...</p> <p>... by analyzing the entire material life cycle.</p>	Recycling to disposal ratio			Increase end-of-life machinery recycling rate	<ul style="list-style-type: none"> Recyclability specified as component selection criterion Project launched to reuse components from decommissioned equipment as used parts, primarily for service purposes
<p>... apply an optimized waste strategy ...</p> <p>... by systematically reducing waste volumes and targeting a consistently high separate collection rate.</p>	t waste/€m revenue Separate collection quota	90% separate collection quota at Augsburg plant	2025	Strict separate collection of waste fractions based on comprehensive training program for employees, service providers and suppliers; transfer to other sites	<ul style="list-style-type: none"> Separate collection quota increased to 85% Training provided for operating personnel at Augsburg recycling center Returnable packaging introduced between Recklinghausen and Czech Republic and between Recklinghausen and Augsburg Paper consumption in DE reduced by a further 100k sheets in 2022 (39% reduction from 2019)
			Annually	Reduction of waste volume and hard-to-recycle packaging, e.g. by switching to reusable packaging for transportation between plants	<ul style="list-style-type: none"> Reporting system, including process instructions, available for DE and CZ plants in 2021 Packaging instructions specified and integrated into standard supplier quality assurance agreement Reduction in waste volume by 13% relative to 2020; reduction by 37% relative to 2019
				Reduction in paper waste	

Action plan | Saving energy

We want to ...	Performance indicators	Target	Date	Measures	Year-end 2022 status
<p>... use energy-optimized production facilities and buildings ...</p> <p>... by switching from diesel/gas/heating oil to electricity and alternative energy sources.</p>	Energy consumption in MWh p.a. and per €m revenue	13% reduction in energy consumption in MWh per €m revenue at ISO 50001-certified sites (DE) (2019 baseline: 40.1 MWh/€m revenue)	2025	<p>Electricity consumption</p> <ul style="list-style-type: none"> ■ 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 <p>Thermal energy production and consumption: Switch to efficient and sustainable heating systems</p> <p>Energy management: Introduce energy data management software for transparent consumption tracking</p>	<ul style="list-style-type: none"> ■ Approx. 1.3 million kWh saved in 2022 compared to 2021 ■ Total energy consumption: 28,006 MWh (producing plants)/37,784 MWh (total including subsidiaries) ■ Total energy consumption worldwide 58.1 MWh per €m revenue ■ Total energy consumption at ISO 50001-certified plants (DE): 31.1 MWh per €m revenue (22.4% reduction from baseline) ■ Pandemic-related measures such as airing/heating in 2020/2021 reduced potential savings ■ Software introduced December 2021
<p>... reduce transportation ...</p> <p>... by optimized route planning for service staff.</p>	Fleet fuel consumption in MWh p.a.	100% electric vehicles	2030	<p>Mobility strategy with route optimization</p> <p>E-car policy for company cars and vans</p>	<p>Charging infrastructure established at DE sites</p> <p>Car policy active with electric vehicles. First electric vehicles in use, more on the way.</p> <p>Fuel consumption 2022 (DE): 7,036 MWh/a (18.6% reduction from baseline)</p>

Action plan | Minimizing the carbon footprint

We want to ...	Performance indicators	Target	Date	Measures	Year-end 2022 status
<p>... increase use of renewable energy sources ...</p> <p>... by switching our electricity provider.</p> <p>... significantly increase the share of self-generated electricity by installing or expanding solar photovoltaic systems.</p>	tCO ₂ e/a absolute and per €m revenue	Approx. 13.7 tCO ₂ /€m revenue (baseline: 2019 revenue)	2025	<p>Energy supply:</p> <ul style="list-style-type: none"> ■ Energy supply based on certified green power at DE plants ■ Construction or expansion of solar photovoltaic systems at Augsburg and Grebenau sites ■ Check availability for US, CZ, CN sites ■ Optimize heat generation at Augsburg and Grebenau sites <p>On-site transport:</p> <ul style="list-style-type: none"> ■ Convert on-site industrial trucks to electric power with charging infrastructure 	<ul style="list-style-type: none"> ■ 100% green power at DE plants; contract signed in 2022 for 2023 ■ Reduction in CO₂ emissions (absolute) by 14.9% from 2019 baseline ■ Replace 100% of diesel forklifts, including fueling station, at DE and CZ plants
<p>... reduce our carbon footprint (Scope 3) for travel and commuting ...</p> <p>... by new mobility strategy and fleet conversion.</p>	t CO ₂ e/a absolute from air travel		2025	<p>Employee mobility:</p> <ul style="list-style-type: none"> ■ Switch vehicle pool to EVs ■ Increase use of digital communication solutions <p>Offer remote service solutions:</p> <p>Develop mobility strategy</p> <ul style="list-style-type: none"> ■ Car policy from 2025: EVs offered as standard ■ Link travel policy to sustainability 	<ul style="list-style-type: none"> ■ Pool vehicles reduced by 40% and 100% switched to at least hybrid ■ Full digital communication solutions rolled out worldwide (2020) ■ Workplace agreement on mobile working (2021) ■ mywashtec.com solutions ■ Electric vehicles used in Austria sales territory

Social sustainability

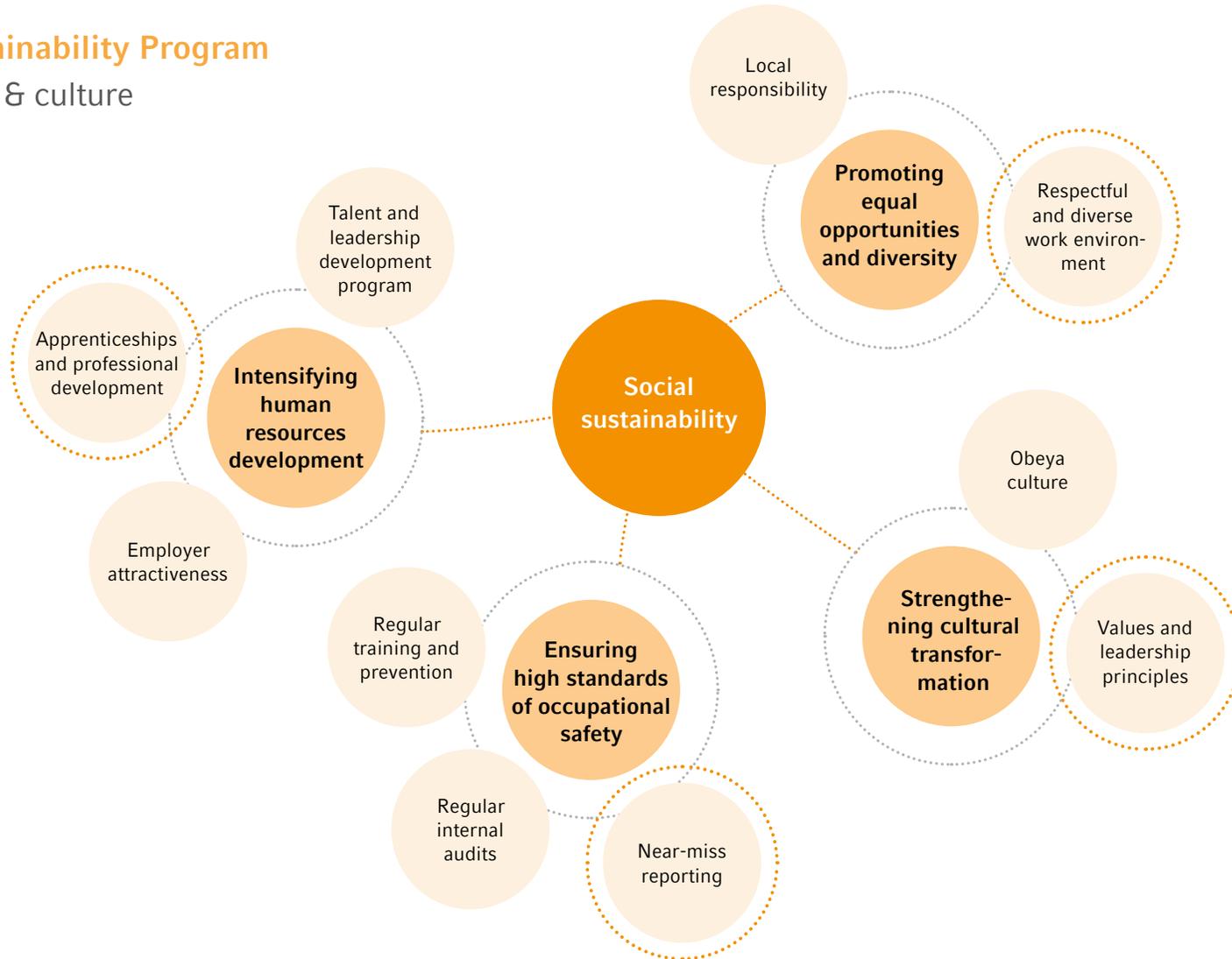
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We also analyze our activities in relation to the UN Sustainable Development Goals (SDGs). The SDGs relevant to each chapter are shown here.

WashTec Sustainability Program

Care for people & culture



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 employee and social program

Our management approach

Close, collaborative teamwork with and among our employees, together with related concerns, were assigned high scores in the identification of our material sustainability aspects.

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 apprenticeships. We work here in compliance with the respective national legal requirements. These include:

- Collective bargaining agreements at each site and minimum wage requirements
- Equal treatment laws and anti-discrimination regulations (in Germany, the General Act on Equal Treatment)
- Rules on the assignment of management positions and on employee rights
- The Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors
- Workplace regulations
- Requirements of employers' liability insurance institutions.

Employees and social

As all activities surrounding the responsible management of our working relationship with employees are closely interrelated, we combine our management approach under the topic heading of "Employees and social". This serves to provide a high degree of transparency as to the strategic positioning of our human resources activities and allows us to develop and im-

plement an integrated approach for all sites. Factors shaping our HR strategy include the globalization of our activities and 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. In addition, the digital transformation can make work more flexible in terms of both location and character. We identify the measures needed in collaboration with management at our individual operating sites.

Our successful corporate development is rooted in detailed 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 Conduct, our Corporate Guidelines and national legal requirements at our operating locations.

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

- Participative working methods, such as Obeya teams
- A consistent and long-term employment policy
- Constructive communication between employer and employees
- Intensive training and professional development
- 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 apply a regional focus in this regard. The projects we support are listed on page 81. These activities consist of individual measures and are not based on a rigid approach.



We presented our activities in the employees and social thematic area in our first Sustainability Report for 2021. These are part of a five-year plan with measures for our corporate development. The current crisis situation caused by the Russian war of aggression against Ukraine and the associated developments on the energy and procurement markets made it necessary to limit the Company's expenditures on activities planned in the area of human resources for 2022. Our action plan remains valid. However, we have adjusted the timing.

In 2022, we signed the Diversity Charter to ensure that our activities are consistently focused on treating employees and all business partners with respect and in accordance with the rules. In this way, WashTec has committed to consistently taking diversity into account in all of business processes throughout the Company. Compliance with the requirements is monitored by management or a designated officer at each subsidiary.

Internally, the development of our corporate culture with Obeya teams helps ensure that employees at different levels of the organization embrace the requirements of a respectful and future-oriented work environment. All measures are embedded in the continuous improvement process in organizational and human resources development. As communication channels, we use mandatory training – providing information, among other things, on the German General Act on Equal Treatment – and our internal platforms. In the event of violations, an established grievance process can be used, which we supplement with an initial consultation procedure. All employees and temporary workers have participated in the training. New entrants are trained as part of the induction process.



Key aspects in the social sustainability dimension

Cultural Transformation

The Cultural Transformation project for the further evolution of our corporate culture is the basis for the future orientation of WashTec. In a leadership retreat in March 2023, the Management Board revised the WashTec Corporate Philosophy. This new Corporate Philosophy defines our focus on customer benefit and how we interact with customers, suppliers and each other. The Management Board presented the Corporate Philosophy to the leadership team for the first time in April 2023 and discussed the implications in terms of action and employee leadership.

Responsibility for the planned cultural transformation activities lies with Human Resources (HR). Using this Corporate Philosophy, we aim to further develop our new corporate values within the Company.

Shifting priorities in our view on day-to-day work and life, together with new experiences from the pandemic regarding how we work together within the organization, are influencing the way we organize our work. We want to actively embrace these changes and create a solid and reliable structure for our team and the Company.

Leadership principles

The revision of our Corporate Philosophy goes hand in hand with adjustments to our leadership principles.

Discussion and training on the leadership principles will take place after training on the new Corporate Philosophy. The existing training plan for training on the leadership principles will be revised for the purpose. Fresh perspectives will be incorporated, such as the leadership of agile project teams. An updated timeline for these activities will be decided by human resources development.

Obeya culture

The Obeya culture concept has proved its worth. In addition to the eight Obeya teams established by 2021, the New Work Obeya Team started its activities in 2022. The team members develop solutions for an attractive work environment, such as a pilot project on bookable workstations for agile project work. As an outcome, we expect useful indications as to measures that are feasible at WashTec to create a modern and flexible working environment for our employees. This new office organization at the Augsburg location by the end of 2023 will further contribute to WashTec's energy efficiency target by concentrating workplaces.

Thanks to the supporting internal measures based on our Obeya culture, we are already seeing a gradual change in corporate culture towards a new, cooperative working spirit. The training of ambassadors in our Obeya culture was successfully completed in 2022. The 33-member team of Obeya ambassadors includes 22 who are employed at our international sites.

Intensifying human resources development

The average length of service in 2022 was 15.7 years at German production sites (prior year: 16.4) and 12.2 years throughout WashTec worldwide (prior year: 12.7). It is necessary to gradually build a younger team. The average age of the workforce in the reporting year was 45.8 years at the German sites (prior year: 45.9 years) and 45.6 years worldwide (prior year: 46.1 years). In recruitment in 2022, we were able to attract a pool of younger skilled talent overall and thus move closer to our goal of gradually reducing the average age. We will make little progress in reducing the average age in 2023, as – with the exception of recruiting apprentices – there are no plans to advertise new positions for the time being.

Employer attractiveness

We continue to develop our attractiveness as an employer in terms of fair pay scales, good work-life balance and retirement arrangements. As a member of the Federation of German Employers' Associations in the Metal and Electrical Engineering Industries, we have adopted the collective agreement for 2023/2024 with IG Metall, the metal workers' trade union, and thus offer an attractive pay scale that is widely accepted in Germany. For our international sites, we follow the collective bargaining agreements in the respective country or offer attractive pay scales that reflect local labor markets.

Our package of measures to showcase WashTec's attractiveness as an employer has been successful. With the aid of a stronger social media presence, we increased awareness of WashTec. The relaunched careers website went online as planned in the second half of 2022 and features testimonials from WashTec employees. Although WashTec is unable to benefit from the current situation, for example through new hires, we expect a positive long-term effect for the future perception of our Company as an employer. A next goal is to integrate the redesigned recruiting site into the websites of our country organizations. The careers site is to be rolled out to all country organizations by October 2023.

Training and human resource development

Participation in school careers events is an essential part of recruiting young talent. Accordingly, we take part in apprenticeship and careers fairs on an ongoing basis. We increased awareness of apprenticeships at WashTec in 2022 with a tour of the WashTec site in collaboration with the Werner-von-Siemens Middle School, Augsburg, and with a presence at three careers and apprenticeship fairs and at Girls' Day. From 2023, we aim to fill apprenticeship positions for the two occupations IT Specialist and Warehouse Operator, which we have added to our restructured apprenticeship program. A co-op degree program has already started; for this purpose, we offer a new program from 2022 for which we have already been able to recruit one school leaver.

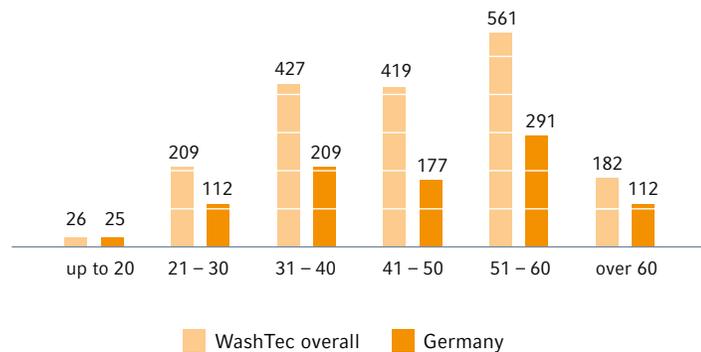
In our redesigned selection process – as announced in the previous report – we now hold a recruitment day at which we assess the suitability of interested school leavers in a structured selection procedure and suggest apprenticeships to match their profile. As we compete with numerous companies with an engineering focus at the Augsburg site, our first goal was to increase awareness of WashTec as an apprenticeship training company.

To further raise this awareness, we will actively participate in sectoral consultations in 2023 focusing on regional employers. We additionally promote awareness of WashTec and the Company's image in cross-mentoring projects. To this end, we plan a collaboration with the Steinbeis Business Academy.

Talent and leadership development program

A constant area of importance is talent and leadership development. The development program planned until 2025 is based on training in the new Corporate Philosophy by the Management Board followed by revised training on our leadership principles. In addition, we plan to define the stages for our in-house employee development program in 2023, including international programs for talent development.



Age structure – all sites, 2022

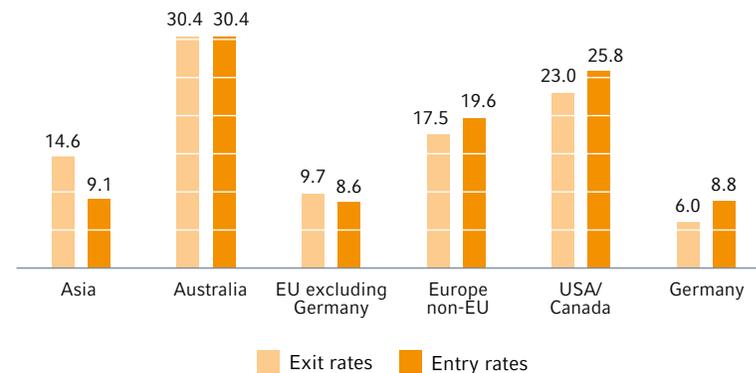
The age structures for all WashTec sites worldwide and for our German sites show similar distributions of employees in the different age groups.

Average age in years

The average age of our workforce is 45.8 years at our German sites and 45.6 years at all sites worldwide.

Length of service in years

The average length of service for employees is 15.7 years at our German sites and 12.2 years at all sites worldwide.

Entry and exit rates international, 2022

The entry and exit rates at the various sites are presented as combined figures in relation to each of the world regions. 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

Commencing in 2022, our Diversity Obeya Team has very clearly highlighted the importance of diversity in our organization. By signing the Diversity Charter in October 2022, we underscored our corporate position on diversity by committing to take diversity into account at all times in our business processes.

Diversity action plan

Our diversity policy is now well known throughout the Company and the associated principles have been explored in greater depth in a training course with 13 diversity ambassadors. The team now has 23 members. New members in 2022 include employees from our German sites. International sites are covered under our Diversity Charter program.

Our activities in 2022 included a total of six training courses on diversity. All employees and temporary workers received the training, with a completion rate of 100%. The training includes both courses for production workers without a PC workstation and workshops for groups of up to 25. Topics covered include everyday discrimination, LGBTQ+, dealing with privileges, sexual violence in the workplace, and attentiveness and respecting boundaries.

The requirements of the German General Act on Equal Treatment were incorporated into a comprehensive e-learning program. All employees with PC workstations and all managers were required to take this training. In addition, we held in-person workshops and training sessions for the teams without PC workstations. We achieved a completion rate of 90%. Those who have not yet received the training – such as new hires and temporary workers – will be assigned a date in 2023 and trained during their induction period. In total, we were able to complete ten planned further development and training courses.

Equal opportunities

The issue of equal opportunities continues to be dominated by the question of how to increase the percentage of female employees. This remains at the low level presented in the Sustainability Report 2021. In 2022, the female gender quota was 19% in Germany and 17% for WashTec worldwide (prior year: 19% and 18%, respectively). No new appointments to management positions were made in 2022; the percentage of women in management positions is 17.7% for all sites (prior year: 14.3%). At present, we can only increase the percentage of women when filling vacant positions.

As planned, we have examined the question of equal pay for female and male employees in our country organizations and have received confirmation that their pay structure meets the equal pay requirement.

Local responsibility

Our social sustainability activities include our ongoing support for Bunter Kreis e.V., an Augsburg-based registered association. We consider it important to focus on social projects in the region and have the support of our workforce in this regard. The activities of Bunter Kreis include the Ziegelhof animal-assisted therapy and education center. In 2022, our apprentices helped with the renovation of a wooden hut where children in care can continue to attend therapy in a sheltered setting on cold or rainy days.

We also continued our support for the Wildwasser e.V. specialized counselling center in 2022. The center counsels survivors, relatives and professionals on the subject of sexualized violence. WashTec also benefits from the center's help and prevention program in Augsburg. Our apprentices were able to take part in workshops on attentiveness and respecting boundaries, thus learning about an important topic in our diversity program.

Our targets for the percentage of women on the Management Board, Supervisory Board and in management positions, together with target achievement, are published on pages 102/103 of the Annual Report 2022.



We at WashTec

Find employees who align with WashTec and enhance the visibility of WashTec as an employer brand:

That was the initial project brief for the Human Resources team at the end of 2021. Among the key objectives of the project was the development of a completely revamped career website. Since October 2022, the previous plain “Our vacancies” page has been replaced with an engaging presentation that offers insights into the people behind each role.

So how did the new presentation of WashTec come about? Designing a new career website alone was not sufficient; it needed to align with our brand image. WashTec therefore developed a comprehensive employer branding strategy for the project, with the support of a specialist HR agency. A preliminary workshop involving various departments was conducted to identify WashTec’s key attractiveness factors. Management was consulted, peer groups were engaged and international interviews were conducted to answer the fundamental question, “What defines WashTec?”

The employer repositioning was not an easy endeavor. It involved moving away from the previous perception in the outside world as a traditional mechanical engineering firm and presenting the company as it is today – as a modern and attractive organization. The new employer image aimed to highlight teamwork, digitalization and authenticity. The resulting image vividly portrays the energy of WashTec employees and the creativity they bring to both their work and their personal interests. This image formed the basis for the new employer campaign featuring our employer promise, “On the move.” The campaign is being rolled out at all international sites, complete with testimonials from local employees.



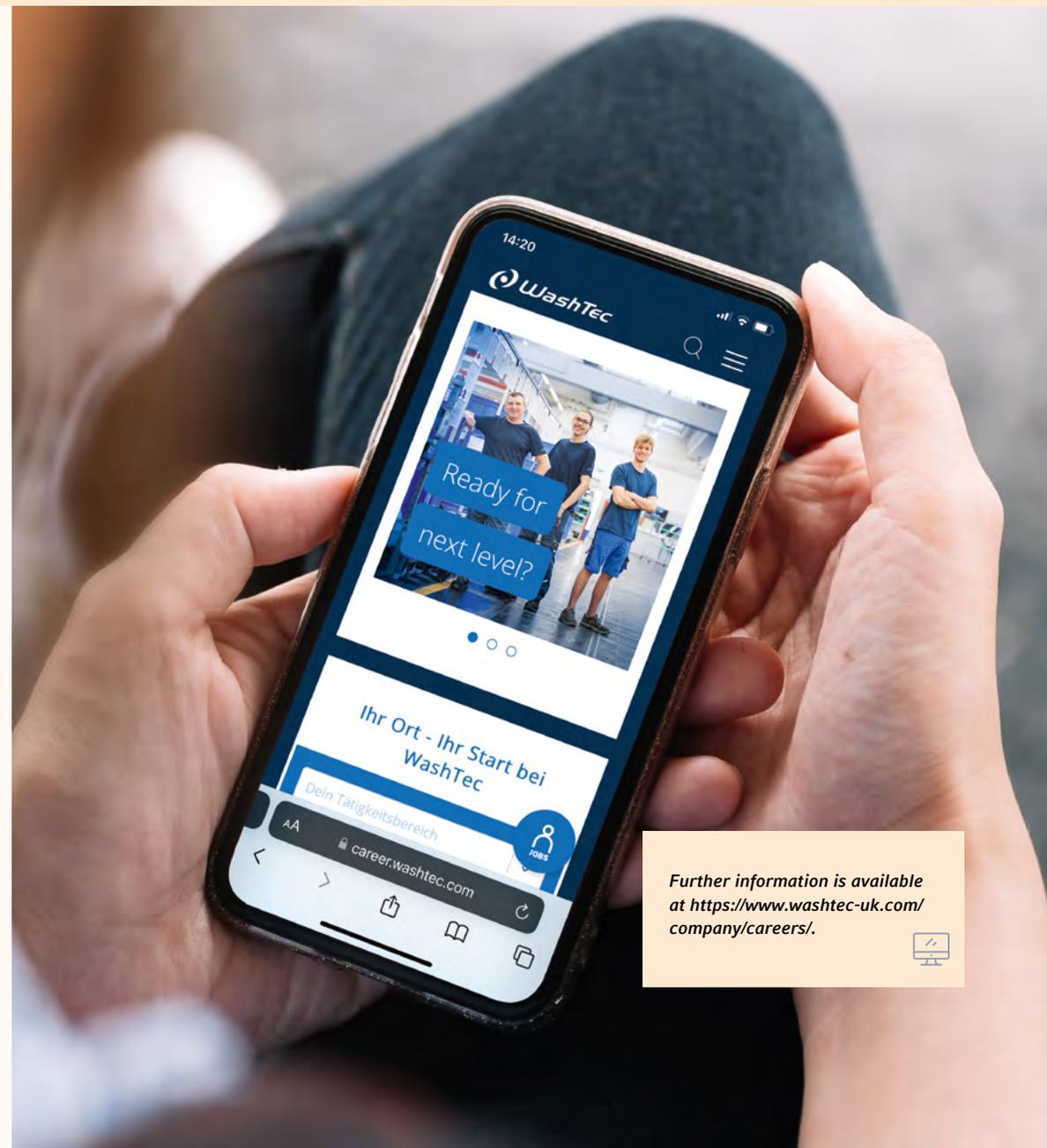
The great collaborative effort

With this foundation in place, the actual work on the website could finally commence. The central idea, “We’re ready to go! And you?”, serves as an invitation to all website visitors, suggesting that their skills could be of interest to WashTec. In order to authentically showcase the individuals within the company, the website team quickly made the decision to exclusively feature our own employees and completely eliminate stock materials in the visuals. The call to the workforce through newsletters and notice boards, urging them to represent WashTec with their own personalities as participants in the campaign, soon took on a momentum of its own. Even in this initial collection of WashTec stories, we received responses from 27 individuals in Augsburg. Similar campaigns will be launched for other national and international sites in 2023 and 2024. The project leaders still report how they were somewhat taken aback by the volume of feedback received from employees regarding this campaign.

The communication package for the testimonials from our own employees consisted of photo shoots, brief personal interviews conducted with the assistance of the agency, and a presentation of how professional life and personal interests come together. Through their sincere and relatable statements, the selected individuals reach out to talented prospective applicants. By showcasing their hobbies and interests, they demonstrate how committed and diverse individuals contribute to WashTec’s ability to shape the future of the working world.

Comprehensive application information

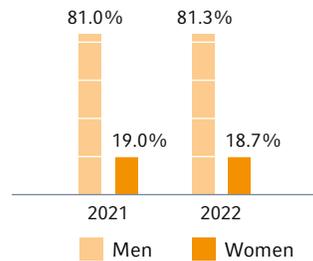
In addition to statements from apprentices, students in work-study programs and experienced professionals, the new careers website also provides concrete information: What positions are currently open? What apprenticeship opportunities does WashTec offer? And what benefits can applicants expect in the advertised roles? It is still too early to gauge the initial success, as the website has only been online for about six months. However, it is already evident that the information obtained through the website becomes a topic of discussion in job interviews and contributes to a positive atmosphere during the often stimulating initial meetings with applicants.



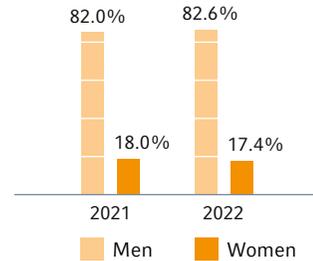
Further information is available at <https://www.washtec-uk.com/company/careers/>.



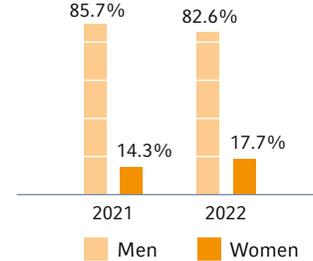
Gender distribution (Germany)



Gender distribution (all sites, including Germany)



Gender distribution at management level (all sites, including Germany)



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

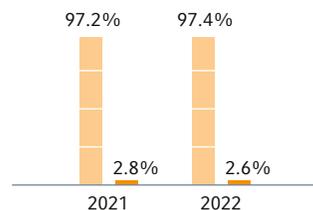
The statistical populations for the percentages shown here are 899 individuals for our sites in Germany and 883 for our international sites.

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.

At 18.7% and 17.4% respectively, the percentages of women employees in Germany and internationally are almost equal. The same applies to the percentage of male employees, at 81.3% and 82.6%.

Our management team at all locations in Germany and all international branches consists of 164 individuals (prior year: 145). 17.7% of our managerial staff are women.

Apprenticeship quota (Germany)



Employees
Apprentices

WashTec is a training employer: Some 3% of our workforce at our German sites are apprentices.

Employees under temporary contracts (Germany)



Workforce under contract with WashTec
Employees under temporary contracts

To support our workforce, we hire temporary workers as needed. These account for around 6% of the workforce in Germany and at our international sites.

Employees under temporary contracts (all sites, including Germany)



Workforce under contract with WashTec
Temporary hires

Ensuring high standards of occupational safety

We continue to work with undiminished intensity to ensure a high standard of occupational safety for our employees, customers and the operators of our vehicle wash equipment. Compliance with occupational safety and health requirements is monitored and documented in system audits, inspections and walkthroughs in accordance with our integrated management system.

With regard to occupational safety, we are subject to local legal requirements. In Germany, these include the Workplace Ordinance, the requirements of the employers' liability insurance association and those of the occupational safety management system we have adopted in accordance with the Safety Certificate Contractors (SCC) standard. The SCC standard applies to all our European service organizations. In North America, China and Australia, in addition to meeting the legal requirements, we also aim to maintain our internal occupational safety standards. We consequently record, monitor and report all occupational safety KPIs worldwide as part of the reporting system for our integrated management systems. Occupational safety and health responsibilities cover all WashTec sites and thus all Group employees. We additionally track the activities of our subcontractors on construction sites worldwide. For installation work on customer premises, our installers must carry safety passes in line with the behavior-based safety (BBS) approach, providing information on their current (annual) safety training status.

Our measures include a comprehensive prevention program, easy reporting of near-miss accidents and an inspection program in accordance with the Safety Service Contractors (SSC) standard. Our target of zero occupational accidents in our business activities remains unchanged. To achieve this goal wherever possible, we have integrated safety specialists and safety officers into our organization. These serve as points of contact, disseminators and supporting specialists, advising and assisting the divisions in all occupational safety matters.

In the 2022 reporting year, the number of occupational accidents resulting in at least one day of absence per million hours worked was 4.22, which is lower than in the prior year (4.94). This reflects measures taken with regard to the use of approved WashTec protective equipment, inspections and focused training based on the accidents and near-misses reported in 2021. The COVID-19 pandemic did not have any impact on the accident rate non-financial performance indicator in fiscal year 2022. There were once again no work accidents with serious or fatal injuries in 2022. The accident rate is tracked throughout the Group and is the most important KPI for occupational safety in the management review. According to the employers' liability insurance association, the industry average for 2021 was 21.5 accidents per million hours worked (prior year: 20.69).

Despite great care and extensive prevention, there is always a residual risk of potential occupational accidents. We therefore monitor the KPI and the nature of the injuries on a monthly basis and respond promptly with appropriate action, such as training or instruction, if any areas of concern are identified.

Internal audits and inspections

Our SCC audits cover our sites in Germany as well as our international sites in Austria, China, the Czech Republic, Denmark, France, Italy, the Netherlands, Norway, Spain, and the UK.

All other international sites are supervised and monitored by the local occupational safety officer, who is integrated into the IMS as part of the matrix organization and is designated in the organizational structure.

We also inspect our subcontractors through the SCC management system. This enables us to ensure on-site occupational safety measures when work is contracted out. The inspections are part of our Quality Health Safety Environment (QHSE) management process. We engage accredited auditors for our audits and use an auditing questionnaire to evaluate performance and compliance. Opportunities for improvement are identified and tracked in our action management tool until implementation.

In 2022, in addition to the internal audits, the annual external audit was also carried out in three (prior year: three) countries. The audits were carried out in Germany, Italy and Austria. As part of SCC management, we also hold QHSE inspections according to an audit plan at our plants in Germany and the Czech Republic, and in our service units. From 2023, we will extend QHSE inspections in service to our international sales organization. Based on the SCC standard and, where applicable, customer requirements, the inspections are centrally planned and assigned to the relevant supervisors via the WashTec Message app.

Nonconformities identified in the inspections related to 19 categories in 2022 (prior year: 16), reflecting consistently high standards of safety. The percentage of inspections conducted with

no nonconformities reported averaged 99% at our plants and 95% in service (prior year: 99% at our plants and 97% in service). For the nonconformities, a list of measures was compiled and worked through. This covered formal aspects, immediate instruction and targeted training on individual nonconformities relating to work organization.

Regular training and prevention

One component of effective accident prevention is regular hazard analysis in line with our QHSE management system. The results of these analyses, and the resulting lists of measures, are reported to corporate management in our monthly management review.

The WashTec Learning Platform introduced in 2021 is consistently used to provide training to employees regarding the outcomes of hazard analyses and to test their knowledge.

The analyses are supplemented with training modules and workplace-related demonstrations with mandatory attendance. Each module includes a test to ensure that the learning objectives are met. The training tool introduced in 2021 was increasingly used by other departments in 2022, including Global Service, HR, Legal, and product units. Fourteen occupational safety training units were completed by a total of 11,972 employees in 2022. Rolling the training tool out to other departments has also expanded the group of training users. Training is offered for all locations and is conducted in English, Danish, Dutch, French, German, Italian, Norwegian and Spanish. The number of occupational safety courses held in 2022 was once again exceptionally high and is used as a KPI in calculating the performance-related component of management pay. We once again successfully achieved our target of a 95% global implementation rate in 2022.

In the field of occupational safety, our international sites are overseen by dedicated contact persons, among other things by means of regular online meetings and on-site visits. Security-related incidents and inquiries from subsidiaries, dealers and also key accounts are handled promptly. Occupational safety training programs are implemented across all sites and their respective teams.

Supervision of health management measures also falls within the realm of occupational safety. This includes occupational health check-ups, which are conducted in compliance with the requirements specified by the accident insurance provider at our plants in Augsburg, Grebenau, and Recklinghausen in Germany. We performed 197 check-ups in 2022 (prior year: 292). The decrease relates to the one-time coronavirus vaccinations provided in 2021. Additionally, we support employee healthcare through occupational health management, which encompasses measures to improve workplace air quality, smoking cessation courses and colorectal cancer screening. The health and safety measures implemented in response to the COVID-19 pandemic were consistently reviewed and revised in accordance with the requirements laid down by the German government. WashTec remains committed to offering additional employee health protection measures that surpass legal requirements.

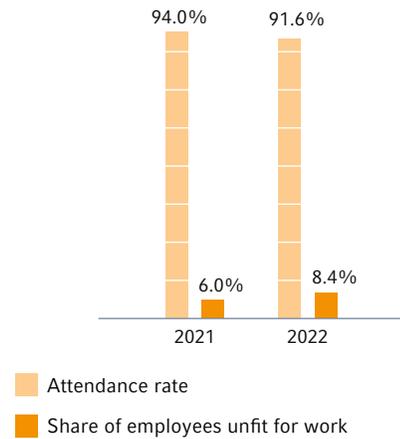
The sickness rate of 8.4% in 2022 (prior year: 6.0%) reflects the general trend in Germany: According to a survey conducted by AOK statutory health insurance fund, there was a pandemic-related increase in sick days, primarily attributed to a higher prevalence of respiratory illnesses.

Near-miss reporting

We take strict and rigorous action to achieve our target of zero accidents in our business operations. A key aspect of this consists of identifying near-misses and implementing the appropriate corrective action. For this purpose, we have integrated a reporting feature into the WashTec Safety App, enabling employees to quickly submit structured information on hazardous situations. This provides us with ongoing feedback from our everyday operations, in various reporting categories.

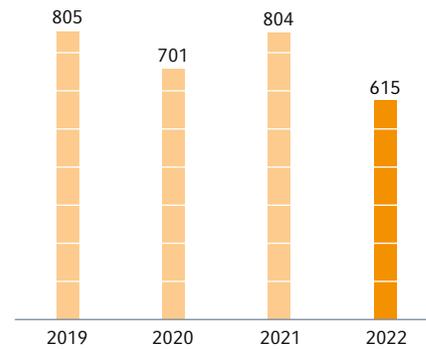
A total of 615 near-misses were reported in 2022 from all WashTec sites, including China (prior year: 804). The reduction can be attributed to reduced on-site staff presence and a four-week downtime caused by an update to the in-house programmed app. To enhance the app's reporting functionality, a new camera plugin was introduced in 2022 to improve image processing capabilities. In this way, we provide our employees with a very user-friendly means of reporting even the most minor hazard in their work processes wherever they are. We have also added a new feature that allows employees to report complaints by external parties promptly and on the spot. As part of our stakeholder management, this function was rolled out across the Company with training on complaint management via the Message app provided to 770 employees.

Health rate, per 1,000 hours worked (Germany)



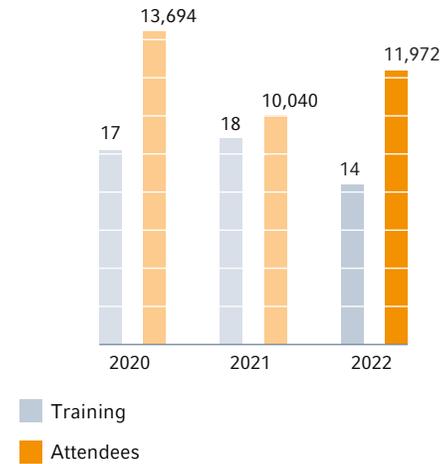
In 2022, we recorded an absenteeism rate of 8.4%.

Reported near-misses



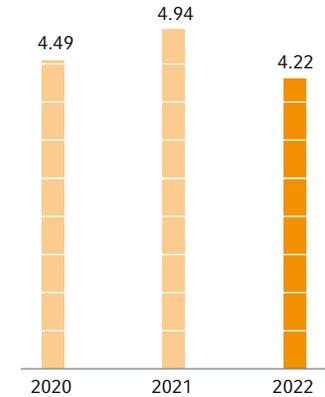
In 2022, 615 near-misses were reported via the app.

Occupational safety trainings (all sites)



In 2022, WashTec conducted 14 health, safety and environment (HSE) training sessions with a total of 11,972 attendees.

Occupational accidents per million hours worked



Employers' liability insurance association industry average for 2021: 21.5

Action plan | Strengthening cultural transformation

We want to ...	Performance indicators	Target	Date	Measures	Year-end 2022 status
<p>... continuously evolve our WashTec values and adapt them to the requirements of an agile and digital business world ...</p> <p>... by further elaboration and Group-wide implementation of our core values.</p>		Confidence in leadership, value-based work culture and strong identification with the Company	End of 2023	<p>Cultural transformation</p> <ul style="list-style-type: none"> ■ Goal definition and implementation of cultural change with support from external specialists ■ Project for further development of new corporate image 	<ul style="list-style-type: none"> ■ Project content developed and approved by Supervisory Board in Q1/2023 ■ Workshop to develop new Corporate Philosophy held with internal project team ■ Corporate Philosophy developed Q1/2023 ■ Group-wide introduction of new Corporate Philosophy in 2023
<p>... update our values and leadership principles throughout the Group for a digital and diverse working world ...</p> <p>... with projects to introduce and implement a modern corporate culture.</p>		International cross-hierarchical and cross-functional project teams	End of 2023	<ul style="list-style-type: none"> ■ Further development of corporate and leadership culture driven by Leadership & Spirit Obeya 	<ul style="list-style-type: none"> ■ Project development and launch of Leadership & Spirit Obeya ■ Introduction of Obeya working methods with eight Obeya teams ■ New Work Obeya Team established; promotion of interdisciplinary project teams

Action plan I Intensifying employee development

We want to ...	Performance indicators	Target	Date	Measures	Year-end 2022 status
<p>... update our apprenticeship training and professional development programs ...</p> <p>... by reorganizing industrial and commercial training.</p>			2023	Training program to be supplemented with additional occupational profiles, two-year traineeships and college-based training (co-op degree program, BA)	Additional apprenticeships developed: <ul style="list-style-type: none"> ■ System Integration IT Specialist (m/f/d) ■ Cooperation agreement signed with Kempten University of Applied Sciences for a sandwich degree program and co-op degree program
			2022	Modernization and digitization of training	
			2022	Revised recruiting process <ul style="list-style-type: none"> ■ Recruitment day with assessment elements, advice and feedback from trainers ■ Introduction of a test process (online) with feedback 	Successful recruitment day held with 13 participants
<p>... enhance WashTec's employer brand visibility ...</p> <p>... by transparent, group-specific internal and external communication.</p>		<ul style="list-style-type: none"> ■ Mentions of WashTec in relevant media ■ Number of communication activities 	Ongoing	<ul style="list-style-type: none"> ■ Specify employer value proposition and core messages for the identified target groups ■ Authentic employer message with strong recognition value and WashTec constantly prominently positioned in the employment market ■ 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 style="list-style-type: none"> ■ Employer position and core messages developed ■ Strategy formulated ■ Relaunch of career website for sites in Germany ■ Continuous communication activities based on communication plan
			2023	<ul style="list-style-type: none"> ■ Expansion of career website for international sites 	

Action plan | Promoting equal opportunities and diversity

We want to ...	Performance indicators	Target	Date	Measures	Year-end 2022 status
... create a respectful and diverse work environment with a diversity action plan.	Complaints under the General Act on Equal Treatment (AGG)	0	Ongoing	General diversity policy (prevention, communication and reaction) <ul style="list-style-type: none"> Training on the General Act on Equal Treatment for employees, managers and works council 	Complaints process established
	Number of newsletters, 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 <ul style="list-style-type: none"> Newsletter on diversity (explaining the concept of diversity, introducing the Diversity Committee, etc.) Presentation of parts of the diversity policy at the workplace meeting 	<ul style="list-style-type: none"> 4 newsletters 1 Management Board letter Press release on signing of Diversity Charter Presentation of diversity team in departments Survey on the status quo among employees 2 workplace meetings
	Number of new ambassadors	Target: all units	Ongoing	<ul style="list-style-type: none"> Recruit diversity ambassadors Communication (newsletters, workplace meetings, etc.) One-on-one communication 	<ul style="list-style-type: none"> 26 ambassadors; additional areas covered, e.g. production

Action plan | Ensuring high standards of occupational safety

We want to ...	Performance indicators	Target	Date	Measures	Year-end 2022 status
<p>... identify potential for error in our operating processes ...</p> <p>... by constant and standardized tracking of all safety-relevant incidents.</p>	Number of occupational accidents per million hours worked > 1 day	0	Ongoing/annually	<p>Continuous quality assurance by inspections (plants, service and assembly)</p> <ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> ■ 4.22 occupational accidents ■ Number of safety training sessions conducted: 14 multilingual HSE training sessions in 2022 – in more country organizations than in 2021
	Number of reported near-misses per employee worldwide	0.4	Ongoing/annually	<p>Maintain constant high-level reporting quality:</p> <ul style="list-style-type: none"> ■ 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 ■ Improve quality of feedback to users in order to increase take-up 	<ul style="list-style-type: none"> ■ 0.33 near-miss reports per employee, due to system problems ■ User behavior identical when available
	Number of preventive medical checkups at plants in Germany	<ul style="list-style-type: none"> ■ 100% takeup of mandatory checkups ■ Offer of two additional checkups or similar 	Ongoing/annually	<ul style="list-style-type: none"> ■ Preventive checkups ■ Vehicle-based work ■ Screen-based work ■ Offer and plan additional voluntary checkups ■ Advertise health programs in internal communication media 	<ul style="list-style-type: none"> ■ Colorectal cancer screening offered and provided for German employees (approximately 4% abnormal results referred for further investigation) ■ Smoking cessation program offered and provided ■ Legal requirements complied with in relation to age and outcome ■ 65 COVID-19 vaccinations provided for employees in 2021 in addition to public vaccination scheme ■ Voluntary offer of medical checkups, such as eye examinations, with occupational physician

GRI Content Index

Statement of use		WashTec reports the information specified in this GRI Index for the period January 1 to December 31, 2022, based on the GRI standards.	Reference		
GRI 1 used		GRI 1: Foundation 2021			
Applicable industry standards		None			
			Sustainability Report 2022, page	Annual Report 2022, page	Other reference documents
General disclosures 2021					
GRI 2: General Disclosures 2021	2-1	Organizational details	9		
	2-2	Entities included in the organization's sustainability reporting	28	52, 54, 116	
	2-3	Reporting period, frequency and contact point	28-29		
	2-4	Restatements of information	28-29		
	2-5	External assurance	29		
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	2-7	Employees	12, 80		
	2-8	Workers who are not employees	12		
	2-9	Governance structure and composition		96-97, 159	
	2-10	Nomination and selection of the highest governance body		97-103	WashTec AG Articles of Association
	2-11	Chair of the highest governance body		160-161	
	2-12	Role of the highest governance body in overseeing the management of impacts		81-82	Supervisory Board Rules of Procedure 2022, p. 8
	2-13	Delegation of responsibility for managing impacts	26, 29	96, 113-115	
	2-14	Role of the highest governance body in sustainability reporting	29	11, 13	
	2-15	Conflicts of interest		98	
	2-16	Communication of critical concerns	25		
	2-17	Collective knowledge of the highest governance body		99-102	
	2-18	Evaluation of the performance of the highest governance body		164-167	
	2-19	Remuneration policies		14, 97, 162-163	Remuneration Report 2022, p. 7-9
	2-20	Process to determine remuneration		14	Remuneration Report 2022, p. 3-6

			Sustainability Report 2022, page	Annual Report 2022, page	Other reference documents
General disclosures 2021					
	2-21	Annual total compensation ratio			Remuneration Report 2022, p. 20
	2-22	Statement on sustainable development strategy	6–7, 19–22		
	2-23	Policy commitments	14, 16–17, 23–24		
	2-24	Embedding policy commitments	14, 23–25		
	2-25	Processes to remediate negative impacts	24–25		
	2-26	Mechanisms for seeking advice and raising concerns	25		
	2-27	Compliance with laws and regulations	23–24		
	2-28	Membership associations	12		
	2-29	Approach to stakeholder engagement	27		
	2-30	Collective bargaining agreements	12, 78		
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GRI 3: Material Topics 2021	3-1	Process to determine material topics	28–31		
	3-2	List of material topics	32		
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3-3	Management approach Success with sustainable products and services		34–36, 47–48		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	11		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	13		

			Sustainability Report 2022, page	Annual Report 2022, page	Other reference documents
3-3	Management approach Resource-efficient system operation		37–40, 47		
GRI 303: Water and Effluents 2018	303-1b,c,d	Interactions with water as a shared resource	37–39		
GRI 302: Energy 2016	302-5	Reductions in energy requirements of products and services	40, 42–43, 45		
3-3	Management approach Safe carwash operation and strong data security		46, 48		
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	46		
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	46, 57		
Environmental sustainability					
3-3	Management approach Environmental sustainability		50–54		
3-3	Management approach Sustainable use of materials and resources		55–56, 69		
GRI 301: Materials 2016	301-1	Materials used by weight or volume	55–56		
	301-2	Recycled input materials used	56		
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3-3	Management approach Optimized waste strategy		57, 70		
GRI 303: Waste 2020	306-1	Waste generation and significant waste-related impacts	57–59		
	306-2	Management of significant waste-related impacts	57–58		
	306-3	Waste generated	57–59		
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			Sustainability Report 2022, page	Annual Report 2022, page	Other reference documents
GRI 303: Water and Effluents 2018	303-1a	Water as a shared resource	56		
	303-5	Water consumption	56, 58, 60		
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3-3	Management approach Energy saving		61–62, 71		
GRI 302: Energy 2016	302-1	Energy consumption within the organization	61–63		
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	305-4	GHG emissions intensity	64, 67		
	305-5	Reduction of GHG emissions	64–66		
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3-3	Management approach Social Sustainability		74–76		
3-3	Management approach Strengthening cultural transformation		77, 89		
3-3	Management approach Intensifying employee development		78–79, 90		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	80		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees			CSR Report 2021, p. 65
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs			CSR Report 2021, p. 65

			Sustainability Report 2022, page	Annual Report 2022, page	Other reference documents
3-3	Management approach Promoting equal opportunities and diversity		81, 91		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	80–81, 84	97, 99	
	405-2	Ratio of basic salary and remuneration of women to men	81		
3-3	Management approach Ensuring high standards of occupational safety		85–87, 92		
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	85		
	403-2	Hazard identification, risk assessment, and incident investigation	85–88		
	403-4	Worker participation, consultation, and communication on occupational health and safety	87–88		
	403-5	Worker training on occupational health and safety	86–88		
	403-6	Promotion of worker health	87–88		
	403-8	Workers covered by an occupational health and safety management system	86		
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