

SUSTAIN ABILITY REPORT

—
2023

**BLANC &
FISCHER**

Familienholding

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



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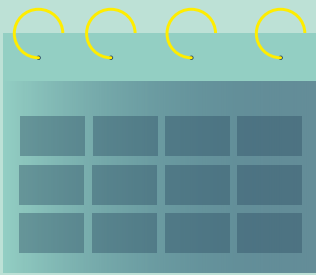


We are in the kitchens, high-speed trains, laundry rooms, canteens, back yards ... – wherever people cook, wash dishes, or do laundry. Each day, countless people around the world rely on our products and technologies to make their everyday lives run smoothly. To put good food on their tables, fresh water in their glasses, and clean clothes in their closets. Even if you sometimes need to look a little closer to see us, as our brand names do not always appear where technology from the BLANC & FISCHER Group is used.

With this report, we will take a closer look, not only at all the aspects that we address in our sustainability reporting, but also curiously looking ahead to the future with our materiality analysis. We examine what sustainability means for us when we really get to the heart of the matter. From this perspective, an internal working title for our sustainability work in 2023 emerged, which is also reflected in this report: **Getting to the core.**

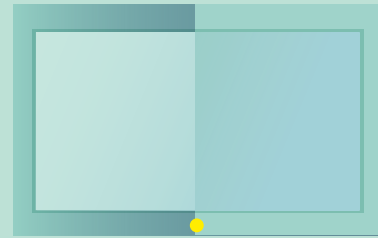


Sustainability in figures



9.7

years is the average length of service.



1,037

digital learning courses

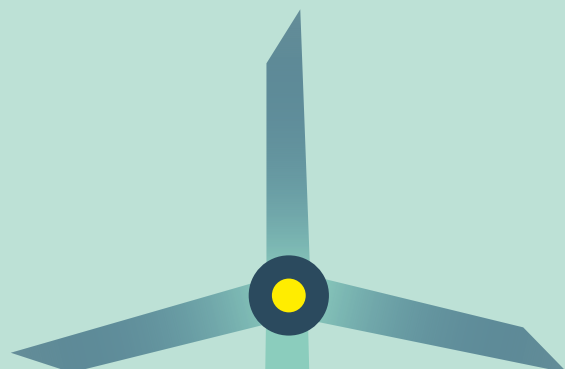
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suppliers screened for social impacts.



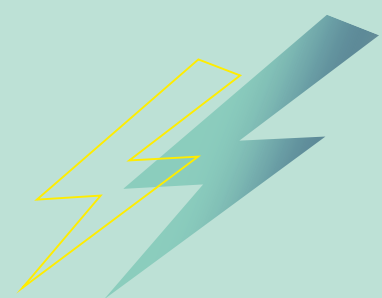
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suppliers screened
for environmental
impacts.



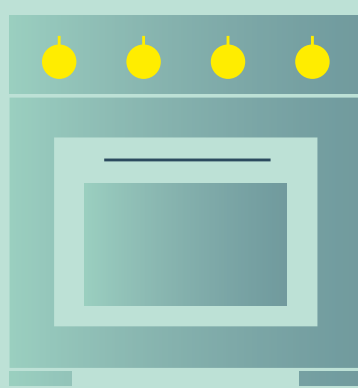
43

percent of energy
from renewable sources



175,692

MWh total energy consumption



99.7

percent of our emissions account for
Scope 3 (Scope 1: 0.1%, Scope 2: 0.2%).

15,643,902

total amount of CO₂e emissions in tons

At a glance

BLANC & FISCHER stands above all for competence in the kitchen. The expertise of our operational business groups in the kitchen and water hub is unique and enables well thought-out and networked solutions for both the private and professional sector. At the same time, our design and technology expertise has been making people's lives noticeably easier for almost 100 years. With this combination of knowledge and experience under one roof, which is unique in the industry, the BLANC & FISCHER Group is systematically refining and enhancing the kitchen living space.



» As an original equipment manufacturer, ARPA produces kitchen equipment that bears the manufacturer or brand name of the customer. The portfolio includes customized stoves and built-in hotplates featuring various heating systems as well as oven and extractor hood solutions.

ATOLL

» ATOLL Living Spaces, a start-up founded in 2022, develops and sells multifunctional outdoor kitchens.

B.PRO

» B.PRO produces industrial goods for commercial kitchens and industry with a focus on automation and digitalization. B.PRO Catering Solutions offers products and systems for professional commercial kitchens. The company also manufactures customized precision parts made of stainless steel, aluminum, or plastic for industry.

BLANCO

» BLANCO is the premium brand for the water hub in home kitchens. With the BLANCO UNIT, the company combines a mixer tap or water system, sink, and base cabinet system into one integrated solution.



» The stainless-steel specialist KUGEL is primarily a system supplier for on-board kitchens in high-speed trains.

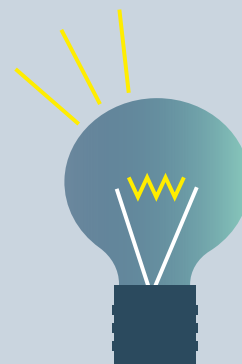


» As a supplier to the household appliance industry, the E.G.O.-Group offers heating and control elements that are required for cooking and baking, washing and drying clothes, and dishwashing. In addition to products for household appliances, E.G.O. also manufactures components, systems, and technologies for other industries.

100



percent owned by the founding families Blanc and Fischer.



99

years of innovation

Headquarters Oberderdingen, Germany



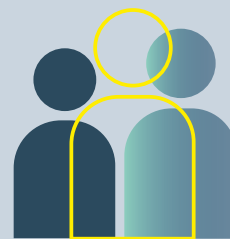
52

sites in 23 countries

- » Europe (Austria, Belgium, Croatia, Czech Republic, France, Germany, Italy, Poland, Slovenia, Spain, Switzerland, Turkey, UK, Ukraine)
- » Asia (China, Japan, Singapore, South Korea)
- » North America (Canada, USA)
- » South America (Brazil, Mexico)
- » Oceania (Australia)

1,241

million euros in sales



7,913

employees

Dear Readers,

Those who are aware of their impact on the environment can make appropriate decisions. In terms of sustainability at BLANC & FISCHER, this meant providing ourselves with a clear picture in the reporting year 2023 of which social and ecological aspects are impacted by our business activities and to what extent. And from the opposite perspective: examining how sustainability aspects impact our business. On the basis of this materiality analysis, we are now setting ourselves concrete goals and expanding our existing sustainability program into a comprehensive sustainability strategy. Our aim is to tightly focus our efforts and achieve significant improvements.

With this Sustainability Report, we are now providing information for the fourth time on sustainability at BLANC & FISCHER and thus on the various sustainability aspects, selected key figures, and actions. For the first time, the report also includes Scope 3 emissions. These are emissions that arise along the value chain and therefore represent the comprehensive corporate carbon footprint of the BLANC & FISCHER Group. The report reflects the journey we are taking with our sustainability work: from a wealth of information and actions to a more structured approach, to focusing on material topics, and to even more formal reporting. There is a good reason why the working title of the report is »Getting to the core.«

Following this groundwork, the journey will continue in 2024 and will mean integrated reporting in the audited financial statements, characterized by a focus on the material topics identified and in compliance with recognized standards, by 2025 at the latest.

We are delighted that you are using this report to find out about our progress as an attentive »travel companion«. We have not reached our destination yet, but more than ever we are on the right track.

We hope you enjoy reading our Sustainability Report.



BERND ECKL
CEO



FRANK GFRÖRER
Member of the Management Board,
responsible for Group Sustainability



BERND ECKL



FRANK GFRÖRER

How we approach sustainability

Responsibilities and organization


Frank Gfrörer is responsible for Sustainability in the BLANC & FISCHER Family Holding Management Board. The Head of Corporate Sustainability reports directly to him and leads a cross-functional team of employees from the E.G.O. and BLANCO business groups as well as from the central divisions of Sustainability, Purchasing, and HR. This team pools and coordinates sustainability activities at Group level. Working groups consisting of experts from various specialist departments are formed for specific topics.

The Sustainability team works closely with the board member responsible for the department and informs them of the progress on a monthly basis. Its main task is to define company-wide structures and processes for sustainability management and to implement them in the company, for example to launch the sustainability strategy and monitor the achievement of goals.

The board member responsible for the department, in turn, regularly informs the entire Management Board of the progress made and prepares decisions with the Sustainability team. As an advisor to the Management Board, the Head of Corporate Sustainability has the right to veto sustainability-related decisions. Sustainability reporting to the Management Board is to be formalized in the future and, in addition to risks and opportunities for the company, will also include the company's impact on the environment and society.

Sustainability approach

With the 3P program (PERFORMANCE, PEOPLE, and PLANET), we created a framework for action in 2020 in which the business activities of the BLANC & FISCHER Group were viewed in terms of sustainable business.

By classifying sustainability as one of six Strategic Directions in the Group strategy, we are now consistently refining and enhancing our sustainability approach and aligning it with the  **ESG dimensions (environment, social, and governance)**. In the future we want to focus our sustainability activities even more on our core business and, to this end, are working on a detailed sustainability strategy.

At the center of the transformation process is the precautionary principle: potential impacts on people and the environment by the business activities of

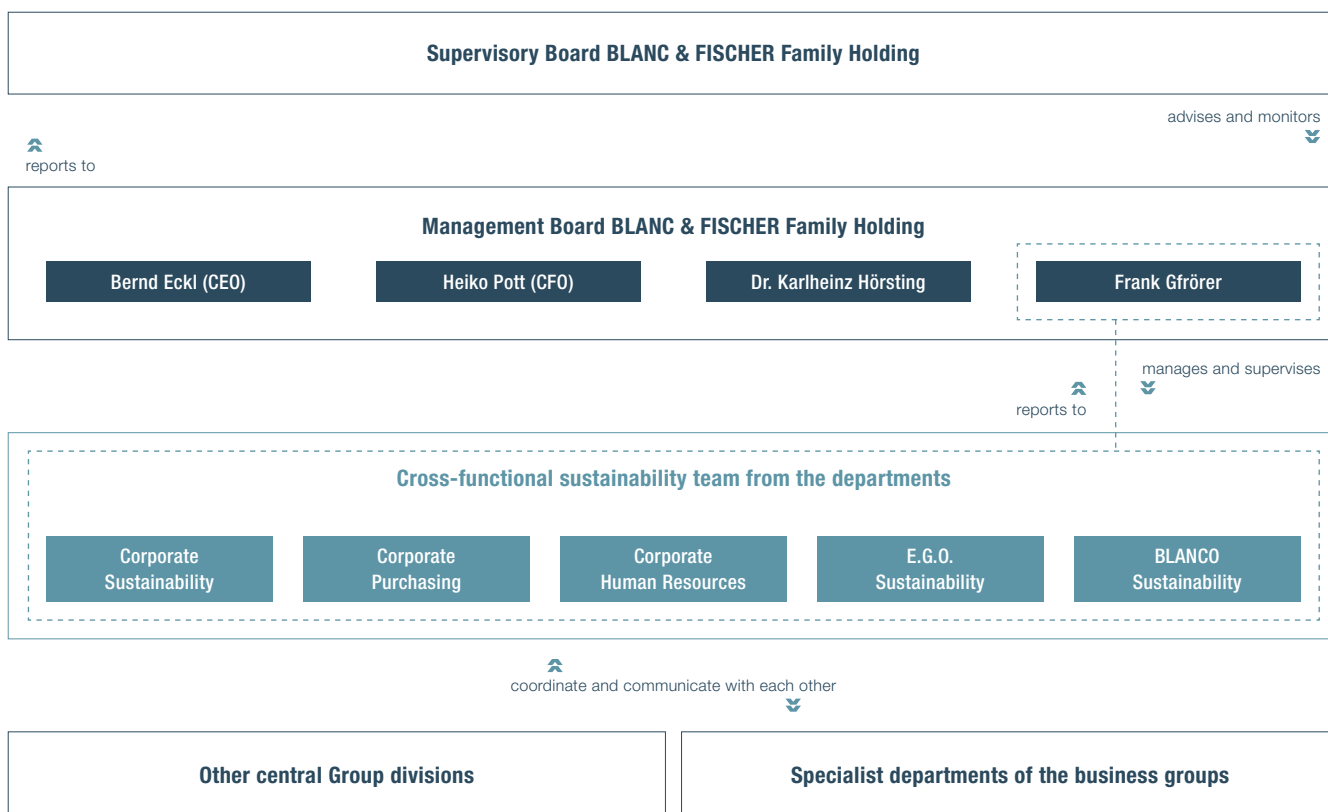
Environmental, social, and governance (ESG)

Companies have a responsibility for sustainability in all three of these areas.

Global Reporting Initiative (GRI)

International organization that develops sustainability reporting criteria. The GRI helps companies disclose their impact on the environment and society.

RESPONSIBILITY AND ORGANIZATION OF THE SUSTAINABILITY MANAGEMENT



the business groups should be identified at an early stage and reduced or eliminated. This applies to our own production activities and to the upstream and downstream supply chain in equal measure. Our Integrated Management System already addresses topics such as energy supply and environmental impacts as well as occupational health and safety. In addition, our Compliance Management System helps us to comply with applicable laws and internal regulations.

Pathway to a sustainability strategy

GRI 3-1 a, GRI 3-2

In the reporting year, we identified the material sustainability topics for BLANC & FISCHER. For

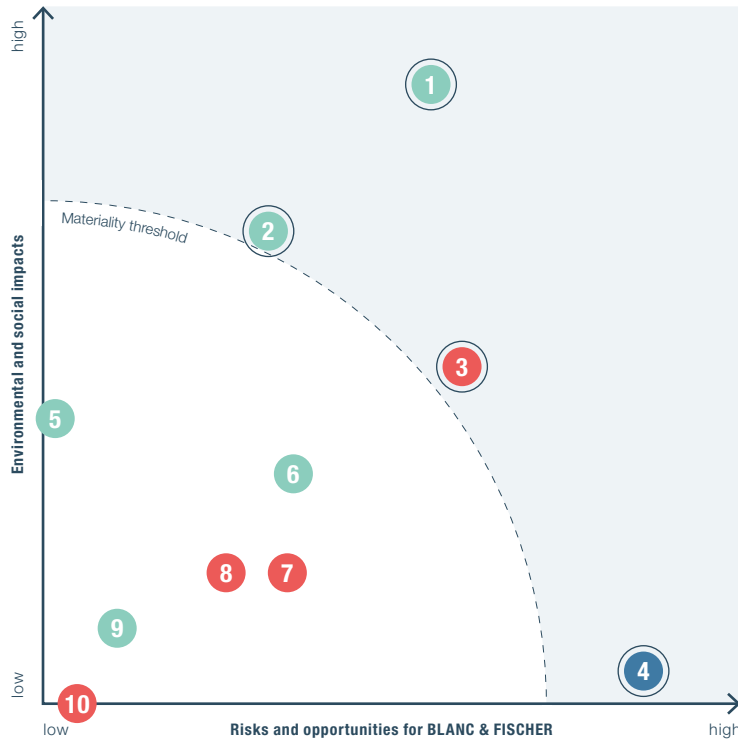
this purpose, we carried out a materiality analysis according to the principle of »double materiality.«

In addition to the Corporate Sustainability division and with an external consulting company, expert teams from the operational business groups and the central divisions of the Group were involved throughout the process.

Taking an »inside-out perspective,« we first analyzed the actual and potential impacts of business activities on people and the environment.

Conversely, we also used the »outside-in perspective« to examine what impacts external sustainability factors have on the company and what actual and potential financial opportunities and risks they pose.

BLANC & FISCHER MATERIALITY MATRIX



ENVIRONMENT

- ① **Climate change**
- ② **Resource use and circular economy**
- ⑤ Biodiversity and ecosystems
- ⑥ Pollution
- ⑨ Water and marine resources

SOCIAL

- ③ **Own workforce**
- ⑦ Workers in the value chain
- ⑧ Consumers and end-users
- ⑩ Affected communities

GOVERNANCE

- ④ **Business conduct**

○ Material topic

☰ Circular economy

Holistic approach to business that contributes to reducing resource consumption, waste generation, and emissions. Existing materials and products are used and kept in circulation for as long as possible. The product life cycle is extended in this way.


☰ Ambition level


Internal level of ambition according to which goals are set and actions planned.

In addition, we conducted a stakeholder analysis to assess how various stakeholder groups regard the impact of sustainability topics on the company and vice versa on people and the environment. To this end, we conducted interviews with people from the operational business groups and various central divisions and countries, and were thus able to draw on a wide range of perspectives and experiences. At the same time, those interviewed named the sustainability topics that are particularly relevant from their point of view, today and in the future.

The stakeholders' own assessments and identified perspectives were then incorporated into a scoring system, which makes the significance of the impacts, risks, and opportunities in each operational business group transparent. The impacts were evaluated as positive or negative according to the parameters likelihood, scale, scope, and remediability. The risks and opportunities were ranked according to likelihood and financial impact and were subject to the Risk Management System (RMS) assessment process already established. In addition to our own business activities, the focus was also on the upstream and downstream value chain.

As part of the consolidation at Group level, the Sustainability team derived the material sustainability topics for BLANC & FISCHER from the findings. Finally, these were cross-checked with the assessments from the stakeholder analysis and checked for plausibility.

The material sustainability topics for the BLANC & FISCHER Group are climate change, resource use and  **circular economy**, own workforce, and business conduct. These are the four topics on which we will focus our sustainability efforts in the coming years.

The definition of the  **ambition levels** and goals for the material topics will follow this year, as well as the sustainability strategy for the BLANC & FISCHER Group based on this definition.

More detailed information on these topics can be found in the  **Outlook** section.



The materiality analysis enables us to focus our resources and finances on the areas and topics that have the greatest leverage for the sustainability performance of the entire company. It forms the foundation on which we are now building the sustainability strategy.

Matthias Reiff,
Head of Corporate Sustainability

To ensure the quality of the materiality analysis it was crucial that all relevant specialist departments were involved. The strong link to the risk management also demonstrates the integrated approach.

Anne Bauer,
Consultant, sustainable AG

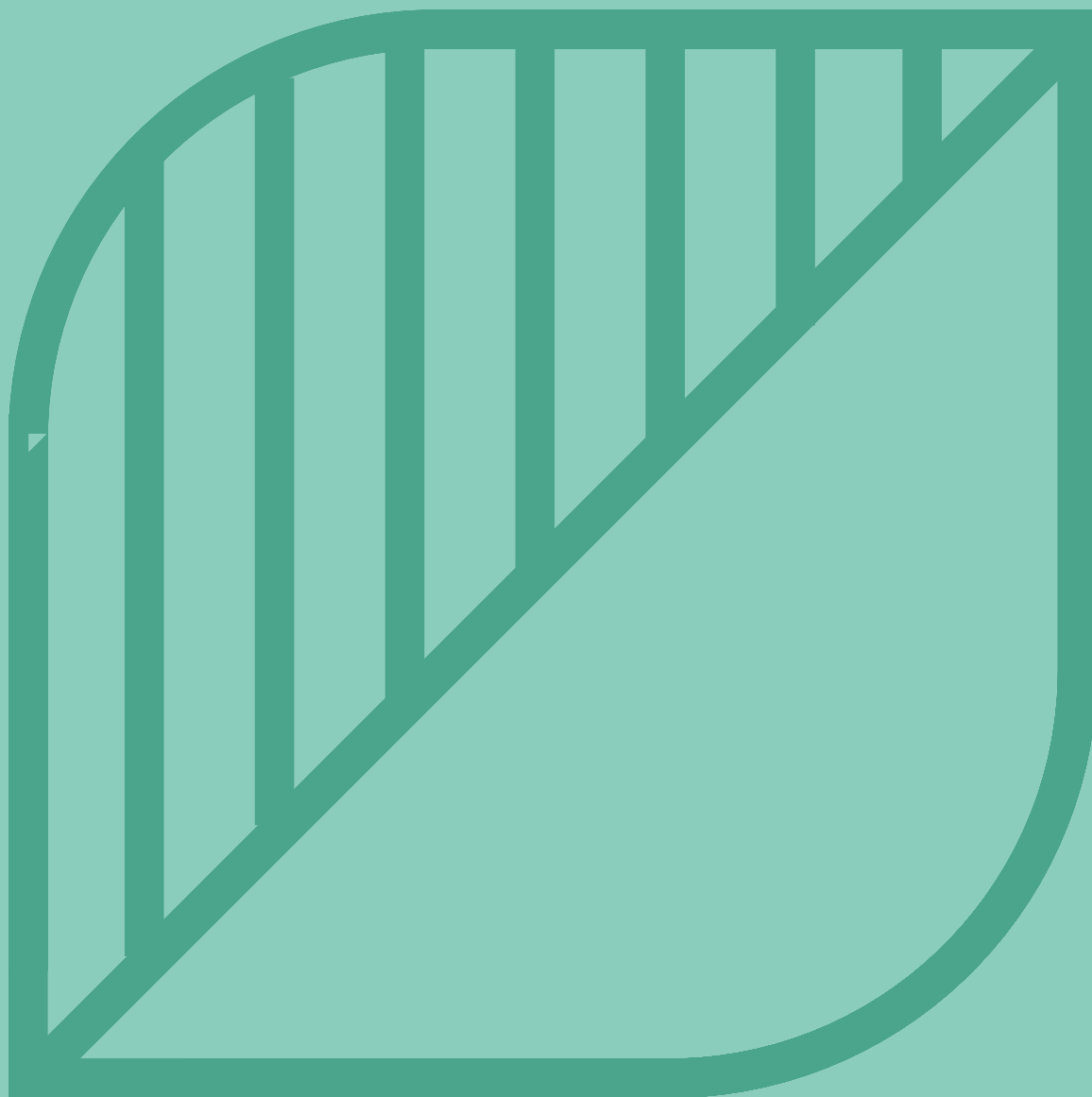


ENVIRON MENT

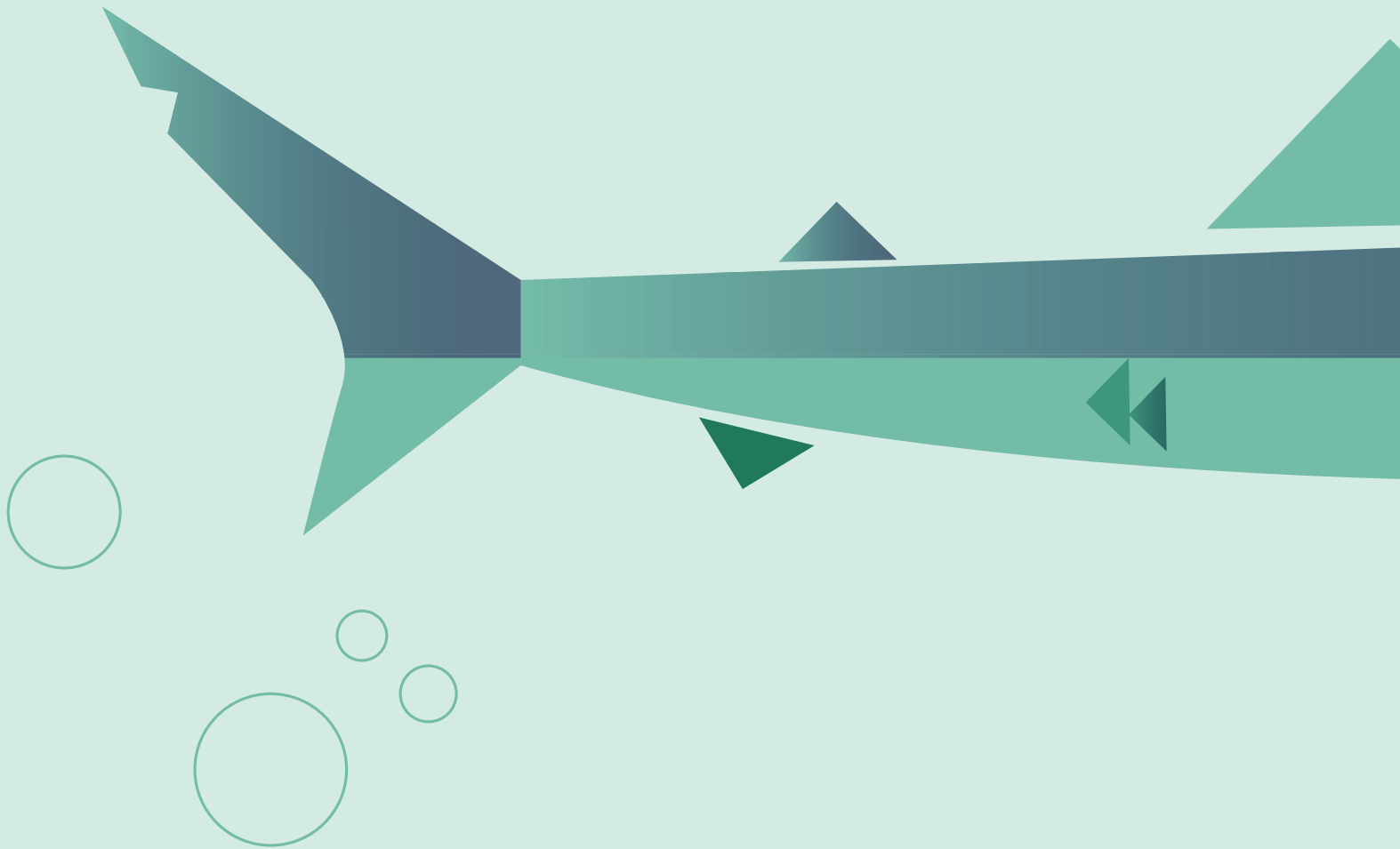


We can only initiate measures for optimization if we know exactly what the environmental impact of our products is.





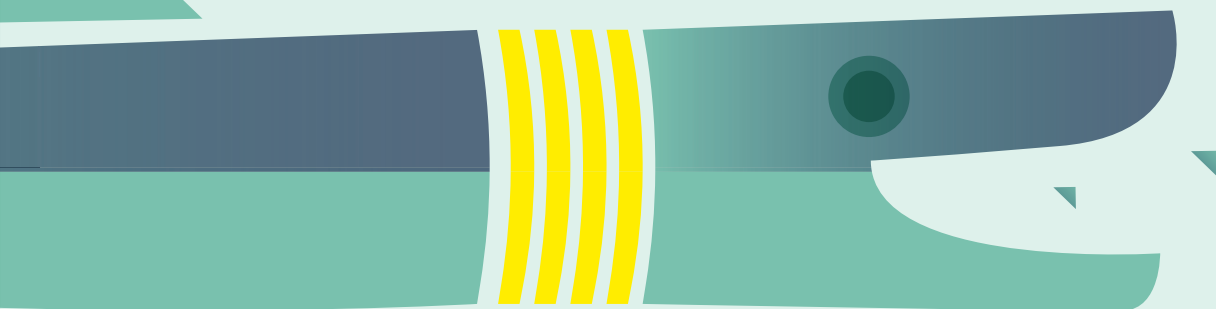
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Future Washing

Learning from the basking shark

An innovation team at E.G.O. Elektro-Gerätebau GmbH (E.G.O.) is working to make doing laundry more sustainable. On the hunt for new ideas, the experts also explored the animal kingdom – and came across some astonishing findings.



Electric washing machines have been around for almost 125 years. And they are still improving today. This requires a steady stream of new ideas, and these are what a specialized team at E.G.O. is busy developing. The experts are working on solutions for machines that last longer, protect the environment, and satisfy the customer needs of tomorrow as precisely as possible.

This first requires thorough research. »Among other things, we evaluate scientific studies,« said Uwe Schaumann, an Innovation Business Developer who is driving forward the topic of »Future Washing.« In one of these studies, the team encountered the problems caused by microplastics, i.e. tiny particles that are loosened from synthetic fibers during washing, among other things, and end up down the drain. Millions of tons of these microplastics float in the ocean and enter the food chain.

International organizations and governments are alarmed. Schaumann is certain: »A particle filter for washing machines will soon be mandatory.« The team wanted to be prepared for this and began the development. In the E.G.O. laboratory, the first step was to fill machines with standardized laundry, a set mix of garments to make the results comparable. Anything that went down the drain was analyzed.

It quickly became clear how difficult it is to filter out the tiny plastic particles. If the sieve openings are too large, the particles pass through unhindered; if they are too small, they clog up because the particles stick together. »We concluded that the particles must be captured somewhere other than the sieve, if possible,« said team leader Mirja Vogt. But how could that be done?

For such questions, the team consults experts from completely different fields. At the University of Freiburg, researchers are working on bionics

– a discipline that explores processes in nature and transfers them to technical systems. On two previous occasions the institute has assisted Uwe Schaumann with advanced ideas on the topic of »Future Washing.«

This time, the experts looked at the feeding habits of suspension-feeding fish, including the basking shark. When the basking shark opens its mouth, enormous amounts of water – along with plenty of plankton – flow through its gills. The shape of these gills creates swirls, causing the plankton to collect in rib-like structures. Once enough plankton has accumulated, the basking shark swallows and flushes the food into its stomach. »We transferred this technique to the washing machine,« said Schaumann.

The first thing to do was to conduct research. Computer simulations using virtual fish heads showed the fine rib-like structure of the gills. A filtration process was developed on this basis in the laboratory and perfected step by step, until a solution was found in which the particles accumulate as required before being deposited

on a filter by a short but powerful burst of water. This filter is based on the idea of a coffee capsule. Once it is full, it can be replaced automatically and falls into a waste box. From there, it would go into recycling. Manufacturers would be able to equip their existing models with this solution at a reasonable cost.

This is very important to E.G.O. »We don't want to make entirely new designs, but instead make machines more sustainable in a simple way,« said Vogt. Among other things, the team is working on a maintenance drawer that makes important components easy to access. This would make repairs more attractive to the end customer, which could extend the life of the washing machine.

It may take a while before the microplastic filter is installed in the first washing machine as the components must comply with standards and regulations that are still being negotiated at European level. But E.G.O. is in the starting blocks, according to Schaumann. »We could start the next phase of development right away.«

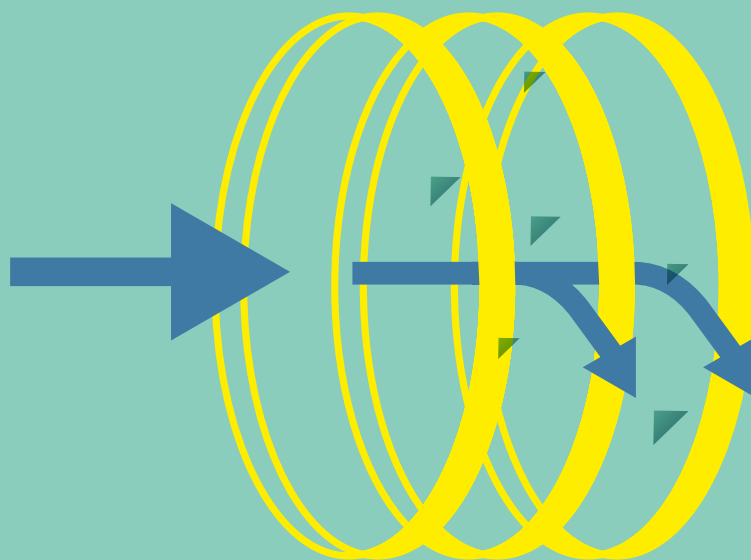


Discussing the future of washing: Mirja Vogt (left) and Uwe Schaumann (right).

The filter function of the basking shark

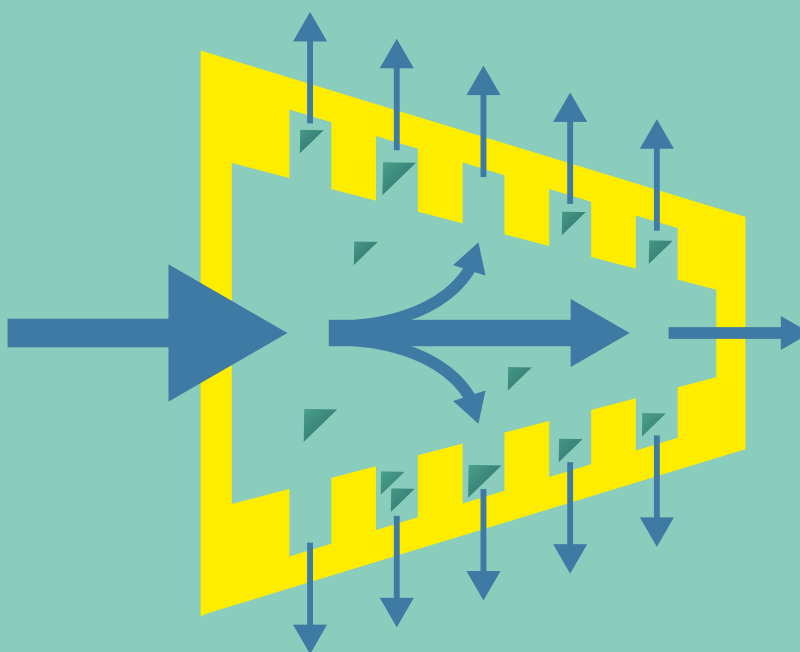
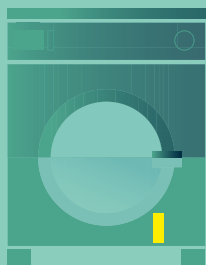
1

When the basking shark opens its mouth, enormous amounts of water – along with plenty of plankton – flow through its gills. The shape of these gills creates swirls, causing the plankton to collect in rib-like structures.



2

A filtration process was developed on this basis in the laboratory and perfected step by step, until a solution was found in which the particles accumulate as required before being deposited on a filter by a short but powerful burst of water.



Focus on environmental and climate protection

We want to reduce the environmental impact of our business activities. The central departments Corporate Sustainability and Corporate Global Processes/SEE (Safety, Energy, Environment) define the strategic framework, coordinate actions, and monitor their implementation.

Integrated Management System

The Integrated Management System (IMS) comprises all processes in the BLANC & FISCHER Group that are regulated in the Management Handbook, process descriptions, work instructions, and supplementary documents. The IMS ensures that uniform quality, energy, and environmental standards are used, and that legal requirements, specifications, and standards are met. All business groups, companies, sites, and divisions are obliged to plan and act in accordance with these specifications.

To ensure continuous optimization, the Corporate Global Processes division conducts regular audits with the operational business groups. The department responsible addresses the identified weaknesses with corrective measures and documents the improvement in a structured monitoring process.

Management reviews the status of the IMS annually and derives objectives and actions for the following year from the results.

Environmental management system

GRI 306-3 a, GRI 303-3

Our environmental management system aims to reduce any negative impact we have on people and the environment. The focus here is on the processes in our own production facilities. The impact of

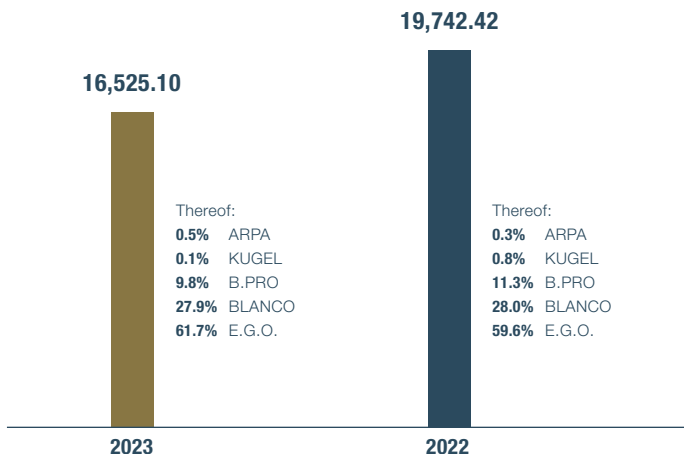
WASTE GENERATED

in tons

	2023	2022
Total amount of waste generated	16,525.10	19,742.42
Total volume of hazardous waste	952.71	1,157.57

WASTE GENERATED

in tons



products over their life cycle is also growing in importance. In this context, within the E.G.O.-Group, we already take into account all the materials and packaging that we use, as well as the areas of transport, product use, and disposal. Almost all E.G.O. sites are already certified to ISO 14001. Our environmental management system will gradually be rolled out at the other business groups and sites as well. We want to certify all production and logistics sites worldwide to ISO 14001 by 2027. The environmental management system is steered centrally by Corporate Global Processes. Operational implementation is carried out by local environmental managers who are in regular contact with the central managers via a working group. The persons responsible for the environmental management system report material environmental topics directly to the local management boards and jointly develop measures to reduce negative impacts.

Among other things, the environmental managers assess the consumption of resources, water, and energy as well as the generation of waste, wastewater, and emissions by the processes at the site. Based on a risk assessment, they determine the degree of environmental impact and prioritize the need for action. In the event of significant environmental influences, measures for improvement are developed, implemented, and their progress monitored in cooperation with the specialist departments. Once the measures have been implemented, the remaining environmental risk is reassessed. Local legal requirements and customer requirements are also included in the assessment. The assessment at product level is carried out by a person responsible in quality management.

Since 2022, the BLANC & FISCHER Group has reported the total amount of waste generated annually per business group, divided into hazardous and non-hazardous waste. Waste is avoided as far as possible or, if avoidance is not possible, the responsible parties ensure that the waste generated is handled in an environmentally friendly way. From the assessment of the environmental management, we derive measures to continuously reduce our waste

WATER WITHDRAWAL

megaliters

	2023	2022 ¹
Total water withdrawal	233.22	234.96
Surface water	-	-
Rainwater	-	-
Groundwater	86.82	79.55
Seawater	-	-
Produced water	-	-
Third-party water	146.41	155.41

WATER WITHDRAWAL IN AREAS WITH WATER STRESS

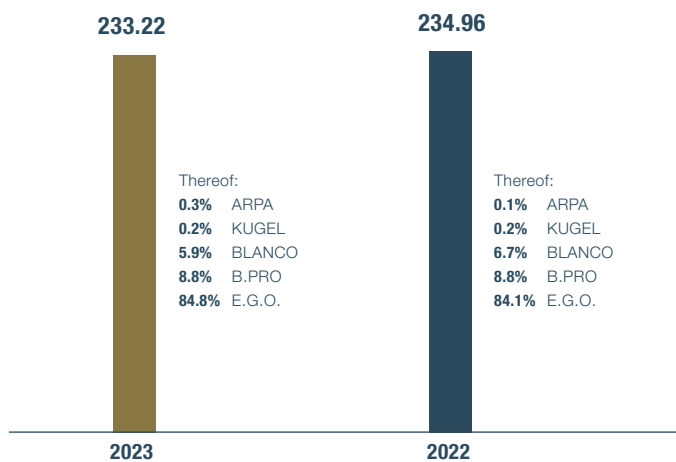
megaliters

	2023	2022 ¹
Total water withdrawal	60.76	63.76
Surface water	-	-
Rainwater	-	-
Groundwater	46.15	42.36
Seawater	-	-
Produced water	-	-
Third-party water	14.61	21.40

¹ Due to an error in the previous year's report, the value has been adjusted.

WATER WITHDRAWAL

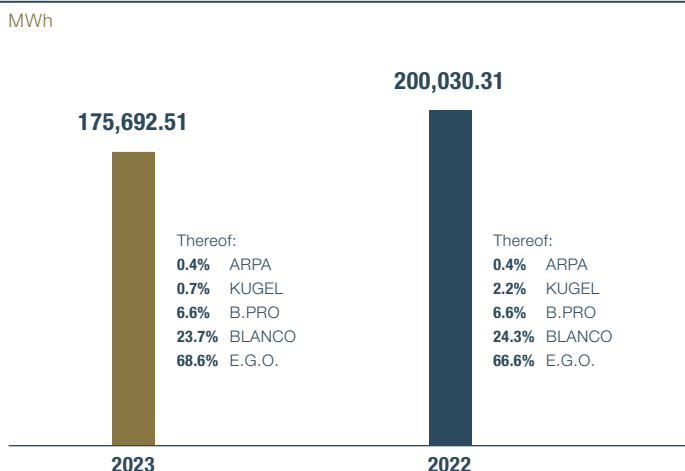
megaliters



ENERGY CONSUMPTION AND ENERGY MIX IN THE COMPANY

MWh	2023	2022	2021
Fuel consumption from crude oil and petroleum products	18,087.53	18,724.21	24,771.77
Fuel consumption from natural gas	39,396.60	45,885.18	54,225.02
Fuel consumption from other fossil sources	639.92	783.94	1,347.20
Consumption of purchased or acquired electricity, heat, steam and cooling and from fossil sources	41,870.81	55,246.15	92,234.09
Total fossil energy consumption	99,994.87	120,639.48	172,578.09
Share of fossil sources in total energy consumption	57%	60%	75%
Fuel consumption from renewable sources, including biomass	456.77	296.64	–
Consumption of purchased or acquired electricity, heat, steam and cooling and from renewable sources	71,686.46	76,041.69	55,715.56
Consumption of self-generated renewable energy (excluding fuels)	3,554.42	3,052.50	2,794.02
Total renewable energy consumption	75,697.65	79,390.83	58,509.58
Share of renewable sources in total energy consumption	43%	40%	25%
Total energy consumption	175,692.51	200,030.31	231,087.68

ENERGY CONSUMPTION



accumulation. In 2023, the total volume of waste for the BLANC & FISCHER Group was 16,525.10 tons. This is 16% less than the previous year, which is largely due to the lower production volume.

Water withdrawal in 2023 was around the same level as last year at 233.22 megaliters (previous year: 234.96 megaliters).

Energy management

GRI 302-1

One important component of the IMS is energy management. It supports the sites in planning and monitoring their energy consumption, identifying potential for reductions, and implementing appropriate measures. Some E.G.O., BLANCO and B.PRO production plants are already certified to ISO 50001. By 2027, we want to certify all BLANC & FISCHER production and logistics sites to ISO 50001.

Energy management is coordinated by the Corporate Global Processes central division and teams in the operational business groups. At the sites, energy managers are responsible for implementation and report to the central division and the local management boards.


Transparency concerning energy flows is an essential prerequisite for effective energy management. To improve transparency, we introduced a uniform energy data system at the German sites of the BLANC & FISCHER Group in the reporting year. The new system offers a significant improvement in the evaluation of quarter-hourly energy consumption and load cycles. Measurement equipment in transformer stations, buildings, divisions, and plants provides continuous consumption data for electricity, thermal energy, compressed air, heating oil, water, nitrogen, argon, and hydrogen. To ensure comprehensive, standardized monitoring of energy data, the system will also be implemented at the international sites.

The BLANC & FISCHER Group's energy consumption decreased in 2023, which is mainly due to the declining production volume. We have already been able to increase the share of renewable energy sources by switching to green electricity at six sites in previous years.

Greenhouse gas emission accounting

GRI 305-1, GRI 305-2, GRI 305-3

In the 2023 reporting year, we prepared a comprehensive greenhouse gas emission calculation for the Group for the first time. With this report, we are therefore also publishing the BLANC & FISCHER Group's Scope 3 emissions for 2021, 2022, and 2023. This is an important milestone, as the corporate carbon footprint forms the basis for the Group's future climate strategy.

The calculation is based on the  **Greenhouse Gas Protocol (GHG Protocol)**, which divides emissions into three different scopes:

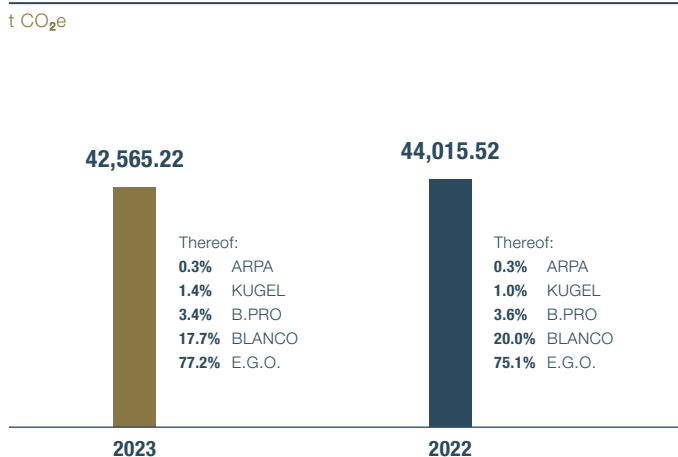
- » **Scope 1** concerns direct greenhouse gas emissions from activities controlled or owned by the company. This includes, for example, emissions from the combustion of fuels in our own plants or vehicles.
- » **Scope 2** refers to indirect greenhouse gas emissions from the generation of purchased energy consumed by the company (e.g. electricity or district heating).
- » **Scope 3** covers all indirect greenhouse gas emissions that occur outside the company in its upstream and downstream value chain.

GREENHOUSE GAS EMISSIONS

t CO ₂ e	2023	2022	2021
Scope 1			
Scope 1	14,050	15,144	18,239
Percentage of Scope 1 greenhouse gas emissions from regulated emission trading schemes	0%	0%	0%
Scope 2			
Scope 2 (location-based)	35,276	38,015	46,169
Scope 2 (market-based)	28,515	28,871¹	49,645
Significant Scope 3 categories			
Total Scope 3	15,601,337	19,831,046	22,351,049
Category 1: Purchased goods and services	483,304	584,619	689,714
Category 4 and 9: Upstream and downstream transportation	50,596	92,623	64,417
Category 11: Use of sold products	15,026,161	19,108,632	21,544,021
Category 12: End-of-Life treatment of sold products	41,276	45,172	52,897
Total Scope 1, 2 and 3			
Total (location-based)	15,650,663	19,884,206	22,415,457
Total (market-based)	15,643,902	19,875,062	22,418,933

¹ Due to an error in the previous year's report, the value for market-based emissions has been adjusted.

GREENHOUSE GAS EMISSIONS SCOPE 1 + 2 MARKET-BASED



Greenhouse Gas Protocol (GHG Protocol)

Global standard for measuring a company's greenhouse gas emissions.

Greenhouse gas emissions

Gasses (such as CO₂ (carbon dioxide), CH₄ (methane), or HCFs (hydrofluorocarbons)) that accumulate in the atmosphere and absorb the infrared radiation of the sun. This causes the greenhouse effect.

CO₂ equivalents (CO₂e)

Unit to facilitate comparison of different greenhouse gasses' impact on the climate (global warming potential).

Financial control approach

The organization reports 100% of emissions from operations in which it has a say in financial and business policy. Emissions from operations over which the organization has no financial control are not taken into account.

Market-based and location-based emissions

Market-based emissions are calculated on the basis of data from the electricity supplier. Location-based emissions are calculated using average emission factors for a region or country.

When calculating **greenhouse gas emissions**, emissions such as CO₂ (carbon dioxide), CH₄ (methane), N₂O (nitrogen monoxide), HCFs (hydrofluorocarbons), PCFs (perfluorocarbons), SF₆ (sulfur hexafluoride), and NF₃ (nitrogen trifluoride) are taken into account and combined into **CO₂ equivalents (CO₂e)**.

In the BLANC & FISCHER Group, we calculate greenhouse gas emissions per business group. The focus in the calculation of Scope 1 and Scope 2 emissions is on the production sites, as these account for the majority of emissions.

Mere sales locations are not included in the calculation. We use the **financial control approach** to set the balance limit when calculating the specified Scope 1 and Scope 2 greenhouse gas emissions for the reporting year.

The 3% reduction in Scope 1 and Scope 2 emissions compared to the previous year (**market-based**) is largely due to the declining production volume. The switch to green electricity at six sites between 2021 and 2022 resulted in a 35% reduction in market-based emissions.

At 99.7%, most of our total emissions are indirect emissions in Scope 3. The energy consumption of our products in the use phase alone (downstream supply chain) accounts for as much as 96.1% of the Scope 3 emissions. An additional 3.1% of indirect emissions are generated in the upstream supply chain through purchased goods and services. The remaining emissions in Scope 3 account for less than 1%.

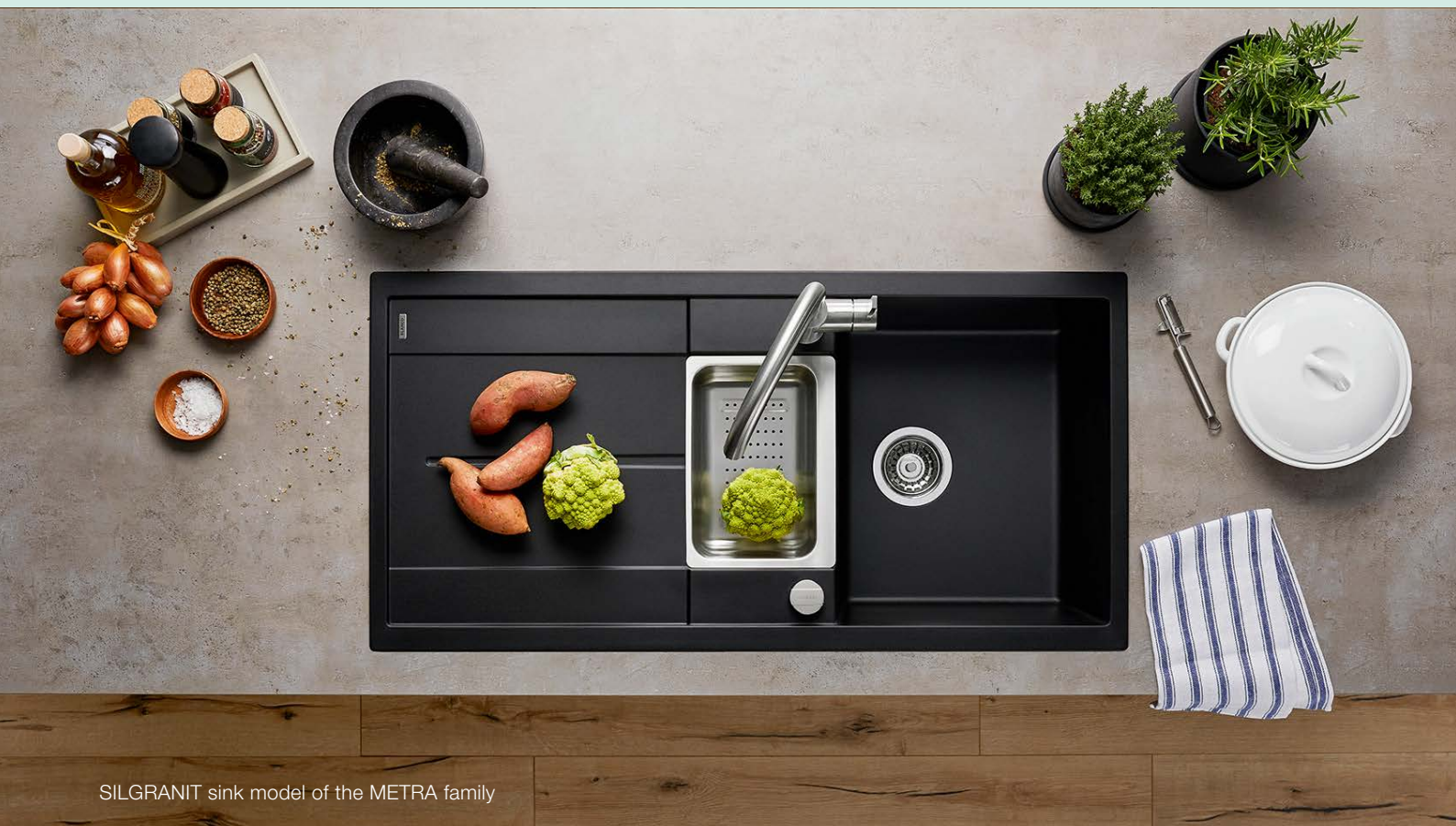
Scope 3 emissions decreased by 21.3% in 2023 compared to the previous year, which is also largely due to the declining production volume and thus fewer products placed on the market. In addition, the energy required in the product use phase is increasingly being generated with lower emissions. This too reduces the footprint of the products over their lifetime.

After the calculation of the greenhouse gas emissions, workshops with representatives from the business groups took place in early 2024. These examined what energy-saving potential there is and how the largest sources of emissions can be reduced. As part of the climate strategy, we will define concrete emissions targets for Scope 1, 2, and 3 for the BLANC & FISCHER Group and summarize the actions identified in a reduction path.

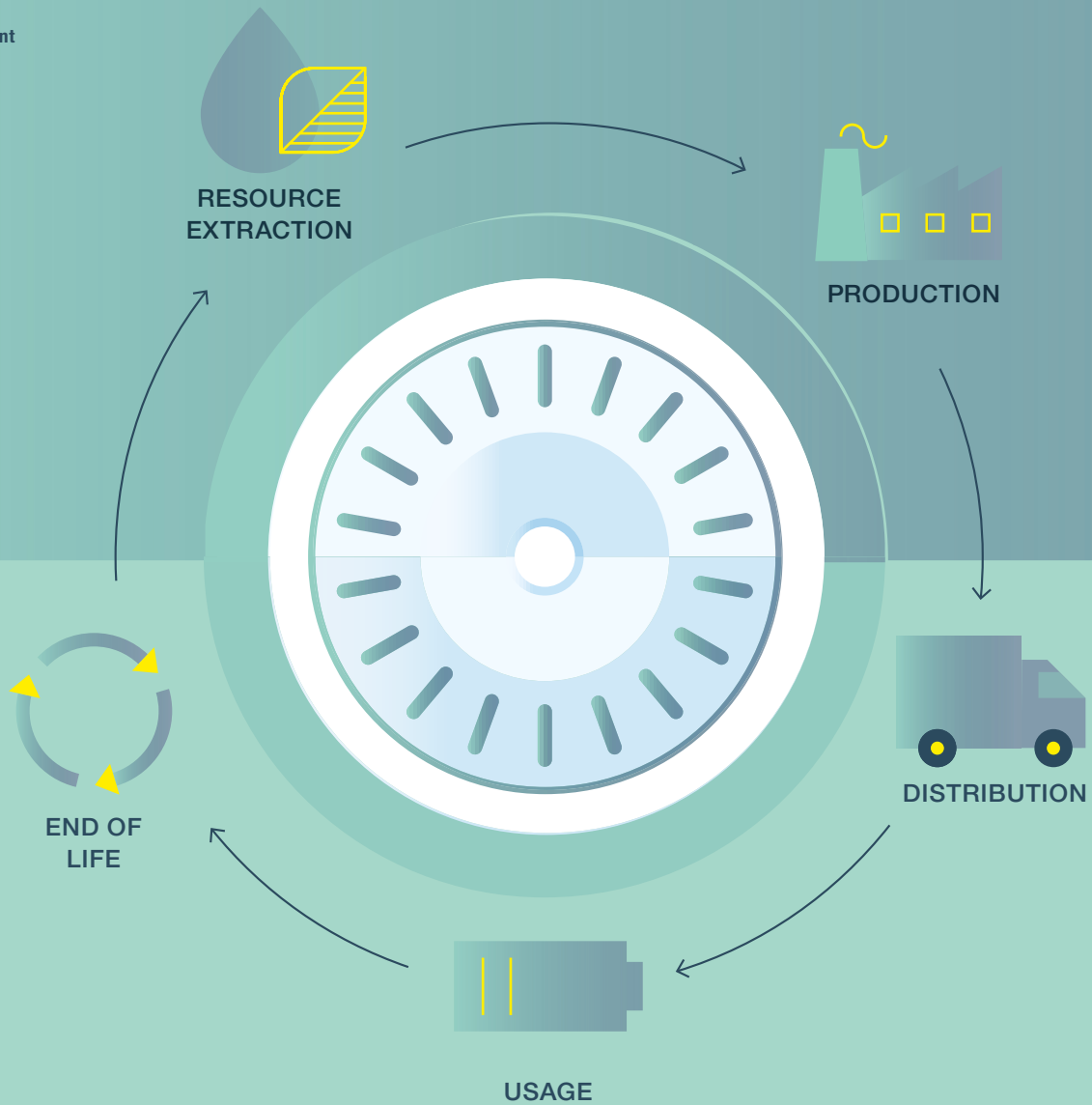
Interview

A matter of transparency

BLANCO and the Fraunhofer Institute for Building Physics IBP conducted a joint life cycle assessment (LCA) for a BLANCO SILGRANIT sink model in 2023. Dr. Robert Ilg, Head of Department Development Life Cycle Engineering at the Fraunhofer Institute for Building Physics IBP in Stuttgart, and Jan Vollmer, Sustainability Manager at BLANCO, explained the importance of LCAs in sustainability management.



SILGRANIT sink model of the METRA family



What is an LCA all about?

Dr. Robert Ilg: In short, an LCA, or life cycle assessment, is the systematic analysis of the environmental impacts of products, processes, or services throughout their entire life cycle. The life cycle assessment in accordance with DIN EN ISO 14040 and 14044 is a method that objectively and comparably quantifies these environmental impacts of products over their entire life cycle. In doing so, it considers various environmental impact areas such as climate change, but also forest destruction, the formation of summer smog, or the

overfertilization of water bodies. It is important that we not only look at a single aspect in this analysis, such as a product's manufacturing, but instead focus on the entire life cycle »from cradle to grave,« i.e. from the extraction of resources from nature to the use of the products and the end of their lives.

Why is an LCA important in the context of sustainability?

Jan Vollmer: It's about transparency. We can only initiate measures for optimization if we know exactly what the environmental impact of our products

is. An LCA provides data that we can use to give retailers and consumers information about our products. And LCAs are an important basis for our ever-increasing reporting requirements.

How exactly does an LCA work?

Dr. Robert Ilg: An LCA takes place in four steps. First, you define the objective and scope of the assessment. The product life cycle is then mapped in a life cycle assessment model using the specific material and energy flows of the SILGRANIT sink. In the third step, the product life cycle's contributions to various environmental effects such as the greenhouse effect, summer smog, acidification, overfertilization, etc. are evaluated with the aid of software. Finally, all this data is interpreted in relation to the objective of the investigation.

What exactly did you investigate in the LCA for BLANCO?

Jan Vollmer: We carried out an LCA for the METRA 45 S sink model, including drain set and packaging. With its specific parameters, this model represents the SILGRANIT sink product field well.

Dr. Robert Ilg: This is an important point. The more data comes from the company itself, the more meaningful the subsequent evaluation and, above all, the possibility of change at the company level. For example, specific energy data on the mixing process at a sink was collected in the Technical Center in the Sinsheim plant and incorporated into the LCA. This allowed primary data for key production steps to be used that reflected real-world conditions.

What were the results?

Jan Vollmer: We now have a detailed, data-based picture of the ecological footprint of our sink. We have data on CO₂ emissions, resource consumption, land use, and ozone depletion in connection with the production, sale, use, and disposal of the METRA 45 S.

About the Fraunhofer IBP

For over 90 years, the Fraunhofer Institute for Building Physics IBP has been researching and developing solutions to create sustainable living spaces tailored to people's needs. Fraunhofer IBP's expertise focuses on research, development, testing, demonstration, and consulting in the fields of building physics such as acoustics, energy efficiency, life cycle engineering, indoor climate, hygiene and sensor technology, building material recycling, and hygrothermics.

Dr. Robert Ilg: To give you a concrete example: looking at the CO₂ footprint of the manufactured sink, we can now understand the precise impact of each of the product's main material components on the sink's CO₂ emissions. We can also better assess how different product attributes, such as color selection or sink packaging, affect the overall footprint.

What are the practical implications of the LCA results for BLANCO's work?

Jan Vollmer: We want to meet our sustainability goals. An LCA helps us to identify concrete optimization potential in production, use, and disposal. Now that we have compiled an initial set of fundamental data, we can very easily check the effectiveness of any kind of adjustment. And the LCA is the basis for transparent product labeling and the starting point for actions that lead towards circular economy, one of our strategic action fields.

What are the concrete next steps?

Jan Vollmer: We will now firmly anchor LCAs in our company's management processes. At the same time, we will use the basis of these LCAs to work on specific product certification topics and to improve transparency to the outside world.



Dr. Robert Ilg,
Head of Department
Development Life
Cycle Engineering at
Fraunhofer IBP



Jan Vollmer,
Sustainability Manager
at BLANCO

SOCIAL

30 Organization and strategy

31 Our workforce

31 Global collaboration and diversity

32 Professional development –
wherever, whenever

33 Attractiveness as an employer

33 Training and education/personal development

34 Culture development, satisfaction, and
employee retention

35 Listening, asking questions,
staying in conversation

36 Occupational health and safety and
health promotion measures



For us, it is essential to create a culture in which continuous learning is a natural part of everyday work.



A strong team

Organization and strategy

Corporate Human Resources (HR) is the central division responsible at Group level and reports directly to the Chief Financial Officer (CFO).

In addition, there are local HR managers in the operational business groups. Internal guidelines govern aspects of HR work, such as variable remuneration or mobile working.

As part of the strategy process recently launched in the BLANC & FISCHER Group, the HR strategy was also refined in the reporting year. The

HR managers of the Group and the international sites then derived strategic initiatives that focus on the needs of employees in the various phases of their professional lives.

The strategic activities also concentrated on cultural development and learning. The leadership principles already introduced in 2022 were further anchored. The HR division developed strategies for interviewing employees («listening strategy») and for university partnerships. With the latter, we are strengthening our partnerships with academic institutions and expanding them to include open innovation activities. In addition to addressing young talent at an early stage, the aim is to secure access to the latest scientific findings in joint projects and to use this for the Group. At the same time, we are now coordinating these partnerships centrally. In the first step, partnerships with four selected universities close to the BLANC & FISCHER Group thematically and geographically will be established and expanded at the German site. These institutions include the »University of Excellence« Karlsruhe Institute of Technology (KIT) and Pforzheim University.

With the software solutions for qualification and talent management introduced across the Group in the reporting year, we are further advancing the digitalization and harmonization of HR processes.

EMPLOYEE FIGURES

	2023	2022
Number of employees	7,913	8,707
of whom direct employees	3,897	4,238
of whom indirect employees	4,016	4,469
of whom trainees and students from the Cooperative University	130	124
of whom part-time employees	801	959
of whom employees with fixed-term contracts	541	937
Number of additional external employees (temporary work)	64	264
Average length of service (years)	9.66	8.65
Labor turnover (%)	0.9	1.0

Note: As part of updating the report, the logic on which the employee information is based has changed, in particular the reference to the cut-off date, and no longer with annual average values.

Our workforce

GRI 2-7, GRI 2-8

As of December 31, 2023, the BLANC & FISCHER Group employed 7,913 people. The decrease of 794 employees compared to the previous year reflects the significant decline in demand in our markets and the resulting capacity adjustments and restructuring programs. In addition to staff reductions, measures such as the reduction of flexitime accounts, short-time work, unpaid leave, and temporary production suspensions were implemented.

Most employees work at the German sites (3,263 or 41.2% of the Group's workforce), followed by sites in China (690) and Turkey (638).

The majority of our global workforce, 50.8%, is active in indirect areas (particularly sales, development, administration, and production-related areas), while 49.2% is accounted for by direct areas (particularly production logistics, quality assurance, and production). The average length of service was 9.66 years as of December 31, 2023 (previous year: 8.65 years). As of the cut-off date, 93.2% of employees were in permanent employment (previous year: 89.2%). 10.1% of employees worked part-time, 70.9% of whom were women (previous year: 11.0% and 66.9%, respectively).

Global collaboration and diversity

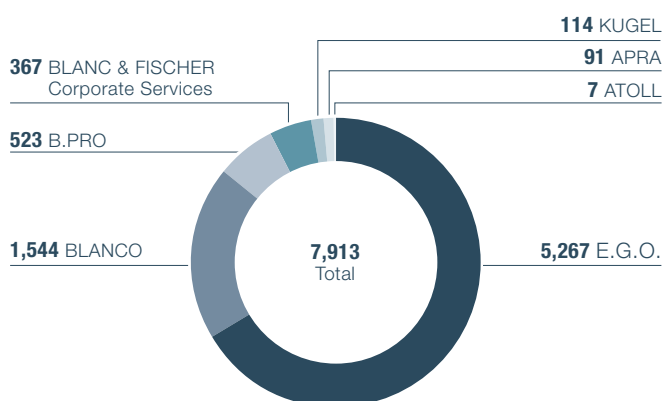
GRI 405-1

The BLANC & FISCHER Group is active internationally. Our sites are spread across 23 countries, and our employees come from a wide range of nations. We see a great opportunity in this diversity. Employees from various backgrounds and cultures bring with them different skills and talents that have a positive impact on innovative and creative solutions in the organization.

The proportion of women in the Group is 43.9% compared to 44.3% in the previous year. The Group Management Board consists of 4 men. The first management level below the Group Management Board consists of 8 men. In the second management level, the proportion of women is 10.4%, with 69 men and 8 women. In the third management level below the Group Management Board, the proportion of women is 19.7%, with 147 men and 36 women. The total proportion of female managers in the first three management levels below the Group Management Board is 16.4%.

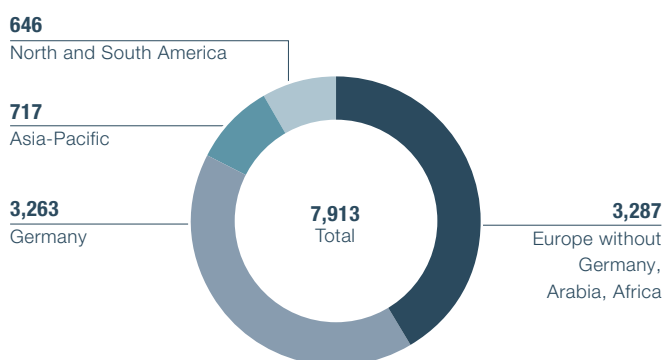
DISTRIBUTION OF EMPLOYEES

as of December 31, 2023



EMPLOYEES BY REGION

as of December 31, 2023





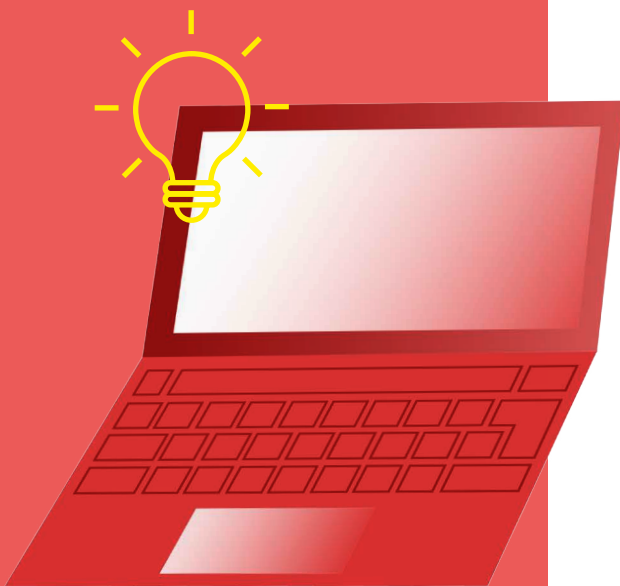
Professional development – wherever, whenever

Digital program supports lifelong learning

Highly qualified employees have always been a key success factor at BLANC & FISCHER. This is why we offer a comprehensive range of training and education courses and continue to invest. For us, it is essential to create a culture in which continuous learning is a natural part of everyday work. Driven by this mission, the training initiative launched in 2022 was intensified in the reporting year; this enables self-determined learning via

a digital approach. In concrete terms, this means: learning wherever, whenever, at your own pace, individually, and flexibly.

With the »B&F Learning Campus,« BLANC & FISCHER offers its own virtual learning ecosystem. The portfolio for German-speaking employees includes access to an innovative video learning platform that offers an extensive pool



of courses on such topics as digitalization, new technologies, leadership, marketing, soft skills, and much more. Employees have the opportunity to learn from the best from all over the world – from smart minds in Silicon Valley, brave start-up founders, or inspiring entrepreneurs. In short, it is the combination of professional expertise, a touch of entertainment, and the compactness of the format that motivates learners to stay the course or think outside the box with further courses.

Initial contact with the video course program was made via a mandatory training format on the important topic of digital transformation. In addition, there is an English-language course catalog as well as numerous courses on internal topics that are produced independently.

»With our training initiative, we are driving forward digital transformation in the company,« said CFO Heiko Pott, who is also responsible for HR at Group level. »We not only teach basic digital knowledge, but also promote crucial digital skills. Agile working methods from the software sector also help us to break down established processes and structures, for example development work, into short »sprints« with subsequent quick feedback loops – instead of a long development process at the end of which an almost finished product is presented for the first time.«

Attractiveness as an employer

In view of demographic change and the resulting shortage of skilled workers, cooperation with educational institutions is essential for recruiting young talent.

To create an attractive working environment and to attract and retain talent, we use a variety of site-specific measures. These include canteens offering healthy food, childcare at some sites, access to discounted services and vouchers, and an extensive sports program.

Training and education/ personal development

GRI 404-1, GRI 404-2

Qualified employees and good leadership are essential criteria for the successful development of the BLANC & FISCHER Group. In addition to solid vocational training, further education opportunities and career paths are therefore of particular importance.

Bundled training activities

The companies of the BLANC & FISCHER Group offer young people a wide range of opportunities to start their careers. A total of 17 apprenticeships and 10 study programs are offered at the German sites. The majority of training activities are bundled in the BLANC & FISCHER Training Academy at the Group headquarters. With this central facility, we ensure high-quality training and, at the same time, demonstrate our attractiveness as an employer with a wide range of activities within the Group. We also provide training in Austria.

In 2023, 44 trainees, including 14 students on work-study programs, started their careers at BLANC & FISCHER. As of December 31, 2023, we had 130 trainees, including 33 students on work-study programs. At 1.64%, the training ratio in the BLANC & FISCHER Group in the reporting year was higher than in the previous year (1.42%).

We rely on a variety of measures to come into contact with young talent at an early stage and to be recognized as an attractive employer. These include participation in job fairs, long-standing partnerships with local schools and universities even before students start their training or career, and sponsorship awards and scholarships. Our activities also include an open-door practice in the form of factory tours, internships, student traineeships and thesis projects, initiatives such as »Girls' Day« or similar getting-to-know-you programs, as well as career information evenings for interested young people and their parents. For trainees, there is a bundle of programs going beyond classic vocational training, such as dialog formats with management, the art project »Azubi-Art«, and opportunities to spend time working abroad. The latter are an integral part of the apprenticeship and the work-study program and allow students to see the bigger picture.

Targeted professional and personal development

To empower and develop people for current and future tasks, we offer a wide range of training and development courses for both professional and personal development – for example on the topic of leadership skills. Ultimately, this contributes to the competitiveness and future viability of the Group. The Group-wide management and coordination of personal development and education is carried out by the Corporate Learning & Development department, which is part of Corporate Human Resources.

By creating a modern learning world (»learning ecosystem«), which we completed in the reporting year, we aim to promote the efficient and sustainable development of knowledge and skills on a global level. To this end, we have established the Group-wide digital platform »B&F Learning Campus«, through which employees can participate in professional video training courses depending on individual needs and availability, and receive further information on the topic of training and education. In the »Learning Campus,« we provide programs in up to 12 languages to reach as many employees as possible.

In the reporting year, we also used this platform to drive forward the qualification initiative in the area of digitalization and, with a comprehensive, multi-level training format, communicated the patterns and opportunities presented by digitalization as well as providing impetus for work. One particularly noteworthy addition in the context of internationalization is the integration of an online language platform through which employees can register for digital language courses.

The digital learning program grew by 384 courses to 1,037 courses in 2023, of which 109 were internal courses.

In 2023, a total of 4,411 employees participated in training and education measures, for which they invested an average of 18 hours. This is a total of 79,805 hours – 23,418 more than in the previous year.

Culture development, satisfaction, and employee retention

GRI 404-3

Last year, we already developed and introduced leadership principles as part of our »Leadership Journey.« In the reporting year, a number of measures were taken to anchor these principles in day-to-day management throughout the entire BLANC & FISCHER Group. These included team workshops, management training courses, and self-learning courses. To interlink the existing HR instruments and the management principles, the structured annual feedback for managers, for example, was aligned with the leadership principles as part of the personnel development reviews. This annual exchange, known internally as the »Personal Growth Dialog,« has been further institutionalized. In addition to handouts for conducting the dialog, improvements were made in the tracking of development goals and the connection to the in-house Risk Management System.

Let's shape
leadership
together.



Giving people clear guidance is part of our understanding of leadership. This also includes clear targets and honest feedback within the necessary framework. In the reporting year, 11.6% of employees received a formal performance appraisal. Regularly reviewing this process is part of the ongoing development of the corporate culture. Within our »listening strategy,« we want to »listen« and understand where improvements have been made or where there are problems and dissatisfaction. This listening takes place through institutionalized employee surveys. In the reporting year, we conducted surveys in the two large business groups

- 1 **We act** as role models.
- 2 **We take ownership** & set clear goals.
- 3 **We create** an environment of trust & empowerment.
- 4 **We provide** constructive feedback to develop people.
- 5 **We drive** change.
- 6 **We view** mistakes as an opportunity to learn.
- 7 **We promote** diversity & inclusion.
- 8 **We think & act** globally.

Listening, asking questions, staying in conversation

Leadership Survey: first global employee survey on the topic of leadership culture

Since 2022, the »Leadership Principles« have formed the framework for an effective and modern leadership culture at BLANC & FISCHER. They were created with the participation of international managers from the Group, introduced in a wide-ranging campaign, and have been consistently communicated ever since.

But does the leadership reality live up to what the theory promises? What is going well and what can be improved? At the beginning of 2024, all employees were invited to comment on how they experience leadership in their everyday work in the »Leadership Survey.«

Head of Corporate Human Resources Bernd Kratochwille: »It's only after the survey that the work really starts. Such

broad feedback helps us improve leadership and sharpen our leadership development program.« He continues: »Furthermore, the employees who have participated in the confidential survey must realize that we take the feedback seriously and that it leads to something. This experience is their motivation to take part next time.«

Regular communication between employees, managers, and company management takes place under the umbrella of the BLANC & FISCHER »listening strategy.« The dialog is not an end in itself; it identifies opportunities for action and thus leads to improvements. This shapes the corporate culture and promotes employee satisfaction.

BLANCO and E.G.O. and gained important insights in the process. This includes the opportunity to promote direct communication between employees and management at town hall events, for example. For the beginning of 2024, we prepared a Group-wide survey on how employees experience leadership in their everyday working life.

We are consistently refining and enhancing our internal communication. In particular, we rely on timely communication through information from the Group Management Board and the management of the operational business groups in the form of letters, video contributions, and dialog formats. We are also continuing to promote the use of our Group-wide employee app »my B&F.«

Occupational health and safety and health promotion measures

GRI 403-6, GRI 403-9

Consistent protection of health in the workplace and the promotion of health are part of the BLANC & FISCHER Group's self-image as a traditional, medium-sized, family-owned company.

As part of the Integrated Management System, occupational health and safety is regularly reviewed by means of internal audits.

Occupational health and safety

The occupational health and safety management aims to help prevent work-related illnesses and accidents at the workplace throughout the Group. The Corporate Safety central division creates the Group-wide framework for this and is responsible for the internal Occupational Health and Safety Policy. This defines requirements for a uniform minimum standard at BLANC & FISCHER. In the reporting year, we revised the Occupational

Health and Safety Policy, incorporating findings from accidents and site inspections as well as best practice approaches. In addition to the content of the Policy, there are additional instructions at the international sites to take local legal requirements and circumstances into account.

Corporate Safety coordinates and monitors the implementation of the occupational health and safety concepts at the sites. To this end, the central division is in regular contact with the people responsible for occupational health and safety on site.

On the basis of continuously collected occupational health and safety data, selected key figures are reported monthly to the responsible management and the Group CEO. Serious accidents are immediately reported to the site managers, the management of the business groups, and the CEO of the BLANC & FISCHER Group. In regular consultations with the Group CEO, the central division discusses the further development of occupational health and safety, and, in particular, prevention work at BLANC & FISCHER.

The content of occupational health and safety management at BLANC & FISCHER is based on the requirements of the ISO 45001 standard but does not fully correspond with these. A complete adaptation and subsequent certification in this respect is neither necessary nor planned at present.

To ensure that occupational health and safety precautions are anchored in everyday work at the sites, we rely on inspections by occupational health and safety experts and managers. Mandatory regular safety training for all employees is an important element in raising awareness. There are also specific, workplace-dependent additional training courses, for example for warehouses and logistics.

We keep employees aware of the issue of occupational health and safety as part of internal communication. In the reporting year, we rolled out an extensive campaign for the prevention of near misses. This campaign not only provides information, but also asks employees to report such near misses. These situations can provide important insights to reduce sources of danger before accidents actually happen.

In 2023, there were 6.5 occupational accidents per 1 million hours worked at the BLANC & FISCHER Group (excluding external employees and commuting accidents). We count incidents as occupational accidents if they result in at least one day of absence.

Promoting health

The Group-wide Corporate Health + Balance Management supports BLANC & FISCHER Group employees in staying healthy. The central office ensures the networking of those responsible at the sites through the regular exchange of best practice approaches and experience. Other tasks include Group-wide reporting on measures taken. A central policy defines the framework and processes for this. The site-specific measures are then in the hands of those responsible on site.

Physical health and prevention

The medical service offers employees occupational health advice, preventive examinations and regular check-ups, occupational integration management, and free vaccinations (e.g. flu). In addition to emergency management, the Group headquarters offers various regular preventive medical check-ups, for instance for skin or colon cancer.

Managers in Germany receive a regular health check. Some overseas sites offer annual health

checks or provide financial support for medical check-ups or insurance in accordance with local practice.

Mental health

In addition to physical occupational health and safety, there are additional site-specific programs to promote mental health. These include free and anonymous consultations at the German sites on all topics relating to job satisfaction, well-being, and mental health in the workplace with a psychologist bound to confidentiality.

In cooperation with an external service provider, there is also a free, around-the-clock telephone life coaching service for employees at the German sites. Here, employees can receive support for predominantly private mental burdens, stress and acute crises in their personal lives, but also for financial difficulties, addiction and the risk of addiction, violence, nursing support, and legal advice on selected topics.

Employees at the German sites in particular can take part in seminars on topics such as stress management, ergonomics, addiction, and nutrition. Autogenic training, progressive muscle relaxation, and yoga are also offered.

Activities

BLANC & FISCHER promotes various athletic activities. There are 15 different sports groups at the Group headquarters, from running, to archery, to soccer. An annual »BeActive« challenge is held in the spring to encourage employees to exercise more. Some of the international sites support employees in taking part in races and charity runs, cycling races, or other tournaments. In some cases, a multi-sports card is subsidized, which includes various sports and wellness options.

GOVERNANCE



The change in legal form in the reporting year and the associated requirements under stock corporation law are driving the structural and organizational development of our governance.



- 
- 40** Change in legal form creates a stable long-term framework
 - 40** Responsible corporate governance
 - 41** Compliance: acting legally and responsibly
 - 42** Sustainability in the supply chain

Responsible at all levels

Our sustainability ambitions at BLANC & FISCHER start with responsible corporate governance. The Management Board and Supervisory Board set the sustainable direction of the company. Our value framework is based on the family charter of the shareholders of the BLANC & FISCHER Family Holding.

The change in legal form and the associated requirements under stock corporation law are driving the structural and organizational development of our governance.

Change in legal form creates a stable long-term framework

The BLANC & FISCHER Family Holding has been trading as an SE & Co. KGaA since January 24, 2024. In the course of a change in legal form, the previous Blanc & Fischer Familienholding GmbH was converted into a KGaA. The Blanc & Fischer SE joined as a general partner. This improves the financing opportunities for further growth, for example through company acquisitions. At the same time, the new structure secures the influence of the founding families on the key decisions in the holding company in the future and thus ensures that the character of the family business is retained.

Due to the structure of the new legal form under company law, an additional, co-determined Supervisory Board is now being formed in the Blanc & Fischer Familienholding SE & Co. KGaA.

Responsible corporate governance

GRI 2-1 a, GRI 2-1 b

The members of the Management Board define and manage the strategy for the entire company. Four members of the Management Board currently steer the business of Blanc & Fischer Familienholding SE & Co. KGaA, with their responsibilities divided into departments. Bernd Eckl has been Chairman of the Management Board / CEO since January 1, 2022; the other members are Heiko Pott (CFO), Frank Gfrörer, and Dr. Karlheinz Hörsting. The Management Board is appointed by the Supervisory Board of Blanc & Fischer SE. The Supervisory Board advises, monitors, and oversees the Management Board and consists of six men and one woman. Four of these members come from the two families Blanc and Fischer. Three other external experts complete the Supervisory Board. The members of the Supervisory Board are elected by the general meeting of the general partner, Blanc & Fischer SE. All shares are held by the founding families.

An additional Supervisory Board is currently being formed in the Blanc & Fischer Familienholding SE & Co. KGaA. In accordance with the German Co-Determination Act (Mitbestimmungsgesetz), the twelve members of this board are split evenly between six employee representatives and six shareholder representatives. This significantly increases the scope of corporate co-determination. Operational co-determination remains unchanged.

Compliance: acting legally and responsibly

GRI 205-3

Compliance with applicable laws and ethical values is of fundamental importance for the entrepreneurial activities in the BLANC & FISCHER Group. It is our conviction that a company cannot be successful in the long term without binding guidelines, compliant behavior, and integrity.

As part of our corporate governance, we use a Group-wide Compliance Management System. This aims to prevent significant violations of rules and ethical values. The rules to be complied with include regulations on international agreements concerning the handling of hazardous waste and the preservation of natural resources. We expect both our business partners and our employees to comply with the principles of environmentally, socially, and ethically responsible conduct.

These aspects were emphasized in our updated [Codes of Conduct](#) in 2023. To ensure that employees are informed about the latest rules and regulations, we offer training courses and carry out mandatory e-learning courses with knowledge tests. The Compliance Management System is based on the Audit Standard 980 of the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e. V.) and applies to all BLANC & FISCHER Group companies worldwide.

As a central function, the Chief Compliance Officer is managing the Compliance Management System. He reports on an ad hoc basis to the Chief Financial Officer, who is responsible for the Compliance department. The Chief Compliance Officer is supported by Compliance Ambassadors in the business groups and sites worldwide.

A regular compliance risk analysis is an essential component of the Compliance Management System. This forms the basis for the compliance program, which aims to minimize the identified risks. In addition to training courses, it also includes internal organizational instructions. If a potential compliance violation is identified, the matter is immediately clarified by the Chief Compliance Officer independently. The whistleblower system ensures that every employee and third parties can report possible compliance violations confidentially and anonymously within the framework of the legal regulations.

A worldwide compliance risk analysis on the topic of corruption has shown that the abstract corruption risks vary. The key relevant factors are the business models of each of the business groups, for example contact with public officials or business activities in countries with a poor ranking in the  **Corruption Perceptions Index**.

Corruption Perceptions Index (CPI)

The index published by [Transparency International](#) lists countries according to the degree of corruption perceived in politics and administration.

In general, however, there is no involvement of »business intermediaries«, i.e. third parties who act on behalf of the company but are generally less manageable and controllable. The abstract corruption risks identified in this way are counteracted by various measures. In addition to regulations in the Code of Conduct, there is a separate set of rules on the topic of anti-corruption, and employees are regularly trained on this subject. In addition, measures such as the dual control principle minimize the corruption risk. In 2023, no compliance incidents related to corruption were reported.

Sustainability in the supply chain

GRI 2-26, GRI 308 1 a, GRI 308 2 a, GRI 308 2 b, GRI 414 1 a, GRI 414 2 a, GRI 414 2 b

The BLANC & FISCHER Group is committed to environmentally and socially responsible corporate governance. Our responsibility does not end at our own factory gate but extends along the entire supply chain. We are dedicated to preventing, ending, or minimizing as far as possible negative impacts on human rights by our business operations and supply chains. We have described our approach to maintaining corporate due diligence in the supply chain in the [»Declaration of Principles for Social Responsibility and Human Rights in the Supply Chain.«](#) To ensure successful and forward-looking cooperation, we expect the same understanding and conduct from our suppliers. We also strive to continuously optimize our business activities and our products in terms of sustainability and ask our suppliers to contribute to this in the spirit of a holistic approach. The expectations we have of our supply chain partners in terms of human rights and the environment are set out in the [»Supplier Code of Conduct«](#).

Supply Chain Compliance Management System

Global value chains and supply relationships are complex, and the task of creating transparency is correspondingly large. For this reason, we introduced a central Supply Chain Compliance Management System in 2022 as an interface between Corporate Purchasing, Corporate Compliance, and Corporate Sustainability. The Supply Chain Compliance Management System provides for an ongoing analysis of our own business activities, including the entire supply chain, and an individual assessment of our suppliers. The assessment takes into account product-related, country-specific, and supplier-specific risks with regard to social and environmental concerns in particular. Depending on the supplier assessment, further measures are implemented, such as requesting evidence of social or environmental audits, qualified self-assessments by suppliers, and supplier-specific remedial and improvement measures.

In the reporting year, BLANC & FISCHER appointed a Human Rights Officer who revises the implementation of due diligence obligations. The role is performed by the Chief Compliance Officer.

Supplier Life Cycle Management System

With the Supplier Life Cycle Management System introduced in 2023, sustainability has become a crucial criterion in supplier selection. New suppliers must accept the content of our Supplier Code of Conduct. We also ask them questions about the recycled content of their products, packaging, and about their environmental management. This gives Purchasing an initial picture of how human rights and environmental protection are handled by major new suppliers before a business relationship begins.

Risk-based supplier assessment

For suppliers whose purchasing volumes are above a minimum limit, we carry out a risk analysis annually and on an ad hoc basis using an online tool. This assesses country- and industry-specific risks for social and environmental issues based on internationally recognized indices. According to this analysis, around 75% of our suppliers have a low risk of committing human rights violations and environmental damages.

Suppliers for whom a medium, high, or very high risk has been identified in our risk analysis are requested to submit a self-assessment. This helps us to understand what measures the suppliers are already taking to minimize the identified risks. The self-disclosures are evaluated, and appropriate measures are decided upon. For suppliers with a very high risk, a committee decides on how to proceed. This committee is made up of specialists from Procurement and the Supply Chain Compliance Management System as well as the Human Rights Officer.

Whistleblower system

In addition to compliance incidents, our [whistleblower system](#) can be used to report human rights and environmental risks and possible breaches of duties in the supply chain, anonymously if required. All reports are treated confidentially.

The Chief Compliance Officer reviews the reports received and, in justified cases, initiates appropriate individual measures in consultation with the specialist departments. In 2023, no indications of possible human rights or compliance violations were received via the reporting system.

SUPPLIER ASSESSMENT ACCORDING TO ENVIRONMENTAL CRITERIA

	2023	2022
New suppliers that were screened using environmental criteria	16% ¹	9% ¹
Number of suppliers assessed for environmental impacts	571	435
Number of suppliers identified as having significant actual negative environmental impacts	0	0
Number of suppliers identified as having potential negative environmental impacts	139 ²	56

SUPPLIER ASSESSMENT ACCORDING TO SOCIAL CRITERIA

	2023	2022
New suppliers that were screened using social criteria	16% ¹	9% ¹
Number of suppliers assessed for social impacts	568	423
Number of suppliers identified as having significant actual negative social impacts	0	0
Number of suppliers identified as having potential negative social impacts	32	16

¹ Risk assessment and self-disclosure are only carried out for suppliers above a minimum volume. The value refers to the number of new suppliers for production material.

² Due to stricter assessment criteria, more suppliers with potentially negative environmental impacts were identified in 2023 than in the previous year.

A solid foundation

With the 3P sustainability program launched in 2020, we have created an initial framework for sustainability at BLANC & FISCHER. We have set up a company-wide organizational structure and have now embedded sustainability in the corporate strategy as a Strategic Direction.

We are now further refining our Group-wide sustainability management, also in response to growing requirements from stakeholders and an upcoming mandatory EU reporting catalog with extensive qualitative and quantitative information, the EU's  **European Sustainability Reporting Standards (ESRS)**.

Looking ahead and with a structured approach, we need to focus on what is material. Ultimately, it is about running our core business in line with the principle of sustainability.

Materiality analysis fundamental for strategy

In the reporting year, we took a very close look at our business activities and identified which sustainability topics are material with regard to our core business. Four topics emerged from this:

- » Climate change (ESRS E1): This concerns the impact on the climate and adaptation to climate change.
- » Resource use and circular economy (ESRS E5): This is about resource efficiency and taking circular economy principles into account in product development.
- » Own workforce (ESRS S1): The focus here is on employee retention and satisfaction, health promotion and occupational health and safety, diversity and equal opportunities, as well as training and education.
- » Business conduct (ESRS G1): This concerns aspects of responsible corporate governance, including anti-corruption and ethical standards.

The material topics form the foundation for the structured further development of sustainability: the Sustainability team started working on the »ambition levels« in the reporting year. These are defined for each material subtopic to set a level of ambition to drive the topic in the future. On this basis, the specific targets were formulated at

European Sustainability Reporting Standards (ESRS)

The ESRS are the framework that companies subject to the CSRD regulations are required to apply to their disclosure of sustainability information.


Corporate Sustainability Reporting Directive (CSRD)

The CSRD is an EU Directive governing the sustainability reporting of companies. The Directive aims to ensure the transparency and reliability of the information published.

MATERIAL SUSTAINABILITY TOPICS

	ESRS	ESRS topics (Report)	B&F subtopics (Strategy)
Environment	ESRS E1	Climate change	» Climate change mitigation » Climate change adaptation
	ESRS E5	Resource use and circular economy	» Resource use » Circularity
Social	ESRS S1	Own workforce	» Attractive working conditions » Occupational health and safety » Equal opportunities and diversity » Training and development
Governance	ESRS G1	Business conduct	» Compliance and ethical standards

the beginning of 2024 in cooperation with those responsible from the specialist departments. These concrete and measurable goals ultimately result in a sustainability strategy that is linked to BLANC & FISCHER's corporate strategy via the Strategic Direction »Sustainability.«

The materiality analysis is by no means an end in itself. With the requirements of the  **Corporate Sustainability Reporting Directive (CSRD)**, companies of our size must meet an extensive catalog of reporting obligations on each of the material sustainability topics. The transparency this creates aims to give organizations an incentive to strive for progress.

The Sustainability team uses a »gap analysis« to examine which reporting obligations are already fulfilled today and which need to be prepared with more or less effort. Where can we already access a comprehensive pool of data? And vice versa: where do we need to start, establish structures, responsibilities, and processes in order to manage the topics appropriately, to close data gaps, and, ultimately, to be CSRD-compliant in the audited management report when the reporting obligation comes into effect in 2025? These are the questions that the Sustainability team is working hard to answer.

With this report, we are already gaining structure and taking another step towards formalized sustainability reporting. In addition to more detailed explanations of structures and processes in formal reporting, we are focusing on a few selected insights that are very close to the core business. In the upcoming report for 2024, our sustainability reporting will change significantly: it will be CSRD-oriented and, for the first time, contain consistent information on our set-up and our progress in the material sustainability topics. We plan to undergo a voluntary audit to further improve our processes with a view to the upcoming integration in the management report.

Even though the regulatory requirements for medium-sized companies like the BLANC & FISCHER Group require a feat of strength, we adopted an interdisciplinary approach in good time and recognize the opportunities that an integrated, structured approach with consistent reporting offers. We are confident that the focus we gain will give our actions more impact.

Interview with FRANK GFRÖRER

Frank Gfrörer is member of the Management Board of the BLANC & FISCHER Family Holding and responsible for Group Sustainability.



Mr. Gfrörer, what is currently the most important sustainability project at BLANC & FISCHER?

That's easy: our sustainability strategy! We traditionally have a multitude of measures across a wide range of levels. But now, as part of our Group strategy, we are basing sustainability on a solid foundation of stakeholder and materiality analyses, and deriving ambition levels and goals. This also includes transparency about the impacts we cause, in particular in the greenhouse gas emissions calculation prepared for the first time for Scope 3 throughout the Group.

Why is this so important for the Group and the operating companies going forward?

Because it helps us to tightly focus our efforts – where they offer us the greatest leverage. Our approach creates awareness and guidance within the business groups. In this context, I emphasize at every opportunity: sustainability is about how we run our core business! The structured development of a strategic approach, anchored in the business groups and broken down into the action fields environment, social, and governance (ESG) sharpens our view of the opportunities we have – from the workforce and corporate management, to purchasing and production, to the use of our products.

You mentioned the use phase. How relevant is this for BLANC & FISCHER?

96.1% of our total greenhouse gas emissions are attributed to the use of our products by end customers, primarily driven by our activity in the household appliance industry. This is huge – and at the same time shows the enormous challenge we face. Initially, a company first looks at its own buildings and processes when aiming to cut emissions. But the greenhouse gas emissions calculation clearly highlights the importance of a holistic approach. The aim here is to develop smart solutions in dialog with our customers and suppliers and bring them to market.

Apart from the strategy helping us to tightly focus our efforts, what are the benefits for BLANC & FISCHER?

On the one hand, we live up to our social responsibilities towards employees, communities, suppliers, customers, and many others. This not only secures our basis for action as a company in the long term. If we act boldly, we also gain appeal and attractiveness. On the other hand, we are firmly convinced that sustainable action will give us a competitive advantage. Our customers and their customers are increasingly interested in sustainable solutions for a wide range of reasons.

NOTES



GRI content index

GRI-STANDARD	DESCRIPTION	PAGE
GRI 1: Foundation 2021		
	BLANC & FISCHER has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.	
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Legal notice

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IMAGE CREDITS

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EDITORIAL NOTE

In this report, we aim to use gender-neutral language. Where this is not possible, the personal designations used apply equally to all genders. Male and female terms therefore apply equally to »diverse« genders.

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REPORTING PROCEDURE

This Sustainability Report pertains to the BLANC & FISCHER Group and its companies, which are located all over the globe. Reporting for the Sustainability Report 2023 was carried out in reference to the Global Reporting Initiative (GRI) standards.

REPORTING CYCLE

The Sustainability Report is published annually, exclusively digitally, and in German and English.

