

**BORBET**

**ACTING  
SUSTAINABLY  
TOGETHER** 

09/2024

**SUSTAINABILITY REPORT**

**2023**

# ABOUT THIS REPORT

This report by BORBET was published in September 2024 and once again prepared in accordance with the internationally recognised standards of the Global Reporting Initiative („Core“ option). The report has not been audited externally. However, some information, for example in the areas of environment or occupational safety, is subject to external audits. The statements and data in this report relate to the BORBET production locations and primarily to the 2023 financial year (01 January to 31 December 2023). Editorial deadline was 15 August 2024.

The next Sustainability Report is scheduled for spring 2025. The report is available in German and English.



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#01



&gt; 14,7 MIO.

Wheels were deposited in 2023.

# GENERAL INFORMATION

We are one of the leading manufacturers of light alloy wheels in Europe. Since our foundation in 1881, we have been committed to the design and manufacture of products of the highest quality. As a metalworking company, we are aware of our responsibility and actively address ecological challenges. Our primary goal is to achieve maximum efficiency and productivity without losing sight of the optimal use of resources. But our commitment goes further - we sustainably integrate environmental protection and the health and safety of our employees into all processes. We are pursuing a clear strategy: "Avoid instead of compensate". Our success story is deeply rooted in the values that accompany our family business: Quality, innovation and flexibility in our products - respect, reliability and fairness in action.

# FOREWORD

## Dear Readers,

the year 2023 was characterized by far-reaching changes and progress in our orientation. Our own demands for sustainable action, as well as the growing requirements of politicians and customers for environmentally friendly and socially responsible business processes, present us with additional challenges. At the same time, however, new opportunities for further development are opening up. Sustainability is and remains an essential part of our corporate strategy - a foundation on which we will continue to expand our competitiveness and our contribution to a successful future.

Another important step in the realignment of our corporate structure is the withdrawal of Ms. Borbet from the operational business. She is now devoting herself entirely to her duties as Chairwoman of the Board of Trustees. Her knowledge and commitment will remain of central importance for the future initiatives and projects of our company.

The following foreword comes from Mr Burkhard Plett. Mr Plett can look back on a very successful nine-year period as Managing Director Sales OEM at BORBET GmbH and was reappointed as CEO on 1 February 2024.

We would like to thank our employees and partners for their continued support and look forward with confidence to achieving a positive impact for society and the environment together.



**Burkhard Plett**  
CEO BORBET GmbH



# BORBET AT A GLANCE

Status 8/23



## > 140 YEARS

experience as an independent family business.

## 175.000

tons of aluminium processed.



## > 4000

employees contribute to the company's success every day.

## > 35 YEARS

a strong brand in the specialist retail business.



## 7 LOCATIONS

Germany, Austria and South Africa.

## > 3000

product types are manufactured for the automotive industry and specialist retailers.



## > 35

## CUSTOMERS

from the automotive industry.



## > 14,7 MIO. WHEELS

were delivered in 2023.

# AWARDS



## CERTIFIED BY ALUMINIUM STEWARDSHIP INITIATIVE

We have been successfully certified according to the Performance Standard of the Aluminium Stewardship Initiative (ASI) in sustainable production, procurement and management of aluminium with a focus on material responsibility.



## ECOVADIS GOLD STATUS

Because we are one of the top five percent in the industry, our sustainability activities were awarded gold status by EvoVadis.



## CDP DISCLOSURE INSIGHT ACTION

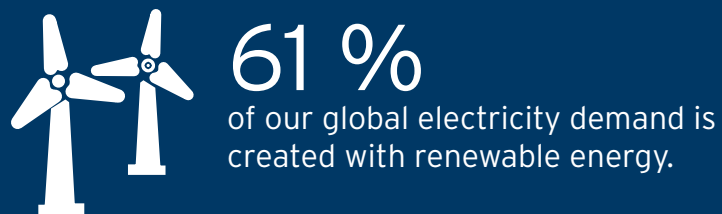
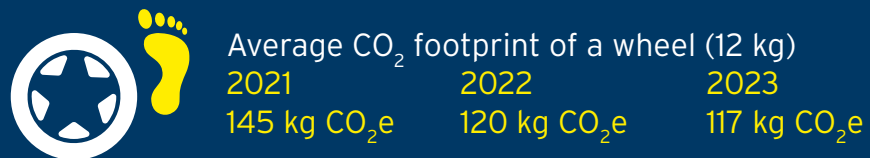
Once a year, we participate in the survey of the non-profit organisation CDP (formerly Carbon Disclosure Project) to assess our environmental impact on climate change and water. CDP provides an assessment system and classifies companies into the levels Disclosure, Awareness, Management and Leadership. We received a B rating in the areas of climate change and water and an A- for supplier loyalty, with A being the best result and D- the worst.



## DRIVE SUSTAINABILITY

Drive Sustainability is a sustainability initiative by car manufacturers aimed at making the supply chain in the automotive industry more sustainable. As a supplier, we must regularly complete the initiative's self assessment questionnaire (SAQ), in which we provide information on topics such as sustainability management, the environment, human rights, ethics, compliance and sustainable procurement. Car manufacturers have defined minimum requirements that must be met by their suppliers and business partners. Once we have submitted our responses and documents, we receive a rating, the so-called degree of fulfilment, for each of our sites. All BORBET locations are at 92 percent.

# SUSTAINABILITY AT BORBET



Employees from more than **30** nationalities



# EVERY 5TH CAR IN EUROPE RUNS ON BORBET WHEELS.

**We do our best every day for our customers: With hard work, passion, and a high standard of quality. That is how a small family business in Sauerland became one of the world's leading aluminium wheel manufacturers.**

## Where we come from ...

Gustav Borbet laid the foundation for the 140-year-old family business in 1881 with his brass foundry in Altena, Westphalia.. Wilhelm Borbet expanded on this in 1928 and began producing aluminium sand casting. His son Peter Wilhelm founded today's main plant in Hesborn in the Sauerland region of Germany in 1962 and produced clutch housings, oil sumps, and roll-off stamps made of light alloy with just five employees. Production of light alloy wheels for customers began in 1977. Global success was achieved in 1987 with the legendary A-wheel, which significantly increased BORBET's name recognition. Due to the increase in demand for light alloy wheels, the company grew steadily through acquisitions, the expansion of existing locations, and the development of new ones. In 2023, BORBET delivered a total of around 14,7 million wheels. On average, this means one in five cars in Europe runs on BORBET wheels.



# COMPANY PROFILE

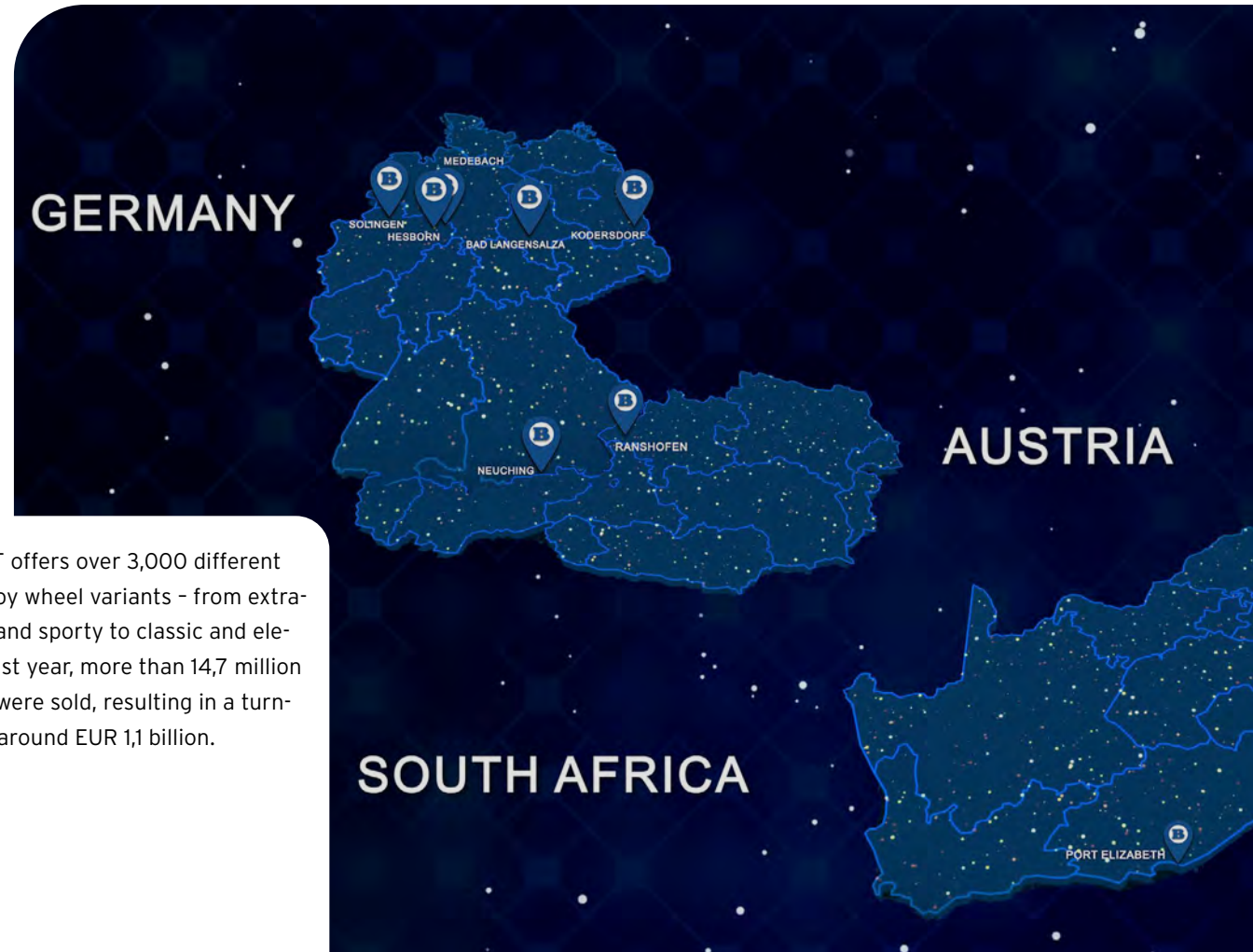
## ... and where we are today.

BORBET designs, crafts, and manufactures light alloy wheels with the highest quality standards. From market research and design, to construction and right up to the finished painted wheel, everything is created under one roof. What sets us apart: state-of-the-art production processes, patented and innovative production technologies, an uncompromising quality assurance system and, last but not least, our dedicated employees.

Over the decades, BORBET has developed into a globally recognised and competent partner of the automotive industry and specialist retailers. The basis for these successes are the values that have been with the family business since its foundation in 1881: Quality, innovation and flexibility in our products as well as humility, reliability, and fairness in action. These values are the maxims of what we do - both among ourselves as well as with customers, partners, and society.

BORBET is a supplier to more than 35 automobile manufacturers and their factories. The alloy wheel is more than a business for us. It is a passion, which connects around 4,000 employees to one another at eight locations in Germany, Austria and South Africa. Manufacturing takes place at seven of the eight locations, while one - BORBET Vertriebs GmbH in Neuching - incorporates the specialist retail business.

## Locally connected through seven locations - internationally present



BORBET offers over 3,000 different light alloy wheel variants - from extravagant and sporty to classic and elegant. Last year, more than 14,7 million wheels were sold, resulting in a turnover of around EUR 1,1 billion.

# KEY FIGURES



% of all operational sites where a formal environmental management system has been implemented	100
% of all operational sites where a formal energy management system has been implemented	100
% of all operational sites where a formal health and safety management system has been implemented	100
local & accidental pollution cases	0
investment in employee education and training	1,68 Mio. EUR
% of total workforce at all locations represented by a formal employee and management occupational health and safety committee	100
number of whistleblower reports	3
number of cases of discrimination or harassment	0
% of targeted suppliers with contracts containing clauses on environmental, labour and human rights	100
% targeted suppliers who have gone through CSR assessment	100
number of corruption cases	0
number of reportable occupational accidents (OA)	197
reduction of upstream Scope 3 emissions per tonne of ready-to-ship production (%)	2
reduction in Scope 2 emissions (electricity) compared to the previous year (in %)	0

## #02



## STRATEGY

Our corporate philosophy is based on our commitment to people's well-being. We regard it as an essential part of our identity not only to act in an economically and ecologically sustainable way, but also to assume social responsibility. As an internationally active company, we are part of this world, which we proactively protect and preserve beyond our legal obligation.

# NACHHALTIGKEITSZIELE

## Added Value

- Strengthen competitiveness and increase innovative strength
- Responsible procurement: transparency & Increase resource efficiency in the supply chain
- Increase the proportion of suppliers who have signed the Code of Conduct

## Environment

- Reduce water and energy consumption by 20 percent by 2030
- 100 percent electricity from renewable energies by 2030 (at all European locations)
- Reduce CO<sub>2</sub> emissions by 50 percent by 2030
- Climate neutrality by 2050 at the latest
- Reduction of production-specific waste by 3 percent by 2025
- Increased use of recycled materials in production

## People

- Further increase the number of training hours per employer
- Reduce occupational accident rate by an average of 10 percent by 2025
- Reduce the sickness rate at all locations



# SUSTAINABILITY TARGETS

Our sustainability work comprises clear objectives in four focus areas: strategy, value creation, environment and people. We are guided by the results of our materiality analysis.

The base year for our medium and long-term targets is 2019. Our targets are not verified by the Science Based Target Initiative (SBTi), but are based on its standard.

According to the SBTi criteria V5.0, companies must set 1.5°C targets for Scope 1 and 2. Companies may not exclude more than 5% of total Scope 1 and 2 emissions from the target limits.

In order to achieve the 1.5°C target, the SBTi has defined a cross-sectoral absolute reduction target of 4.2% per year. In addition, there is a cross-sectoral absolute reduction target for Scope 3 emissions, which supports the 'Well below 2°C ambition'. This is 2.5% per year. We have set ourselves targets that are in line with the 1.5°C target. We want to reduce our Scope 1 and 2 emissions by 50% by 2030. Over the years 2019 to 2030, this results in an annual reduction of 4.5%. Furthermore, SBTi has defined criteria for the procurement of renewable energy: Procurement of electricity from renewable energy on a scale compatible with 1.5°C scenarios. The threshold values stated there are: 80% renewable electricity procurement by 2025 and 100% by 2030.

Projects or measures that contribute to the SDGs are presented in the SDG Index on page 60 with page references. The SDGs form the basis of the 2030 Agenda, a global action plan for sustainable development.



# SUSTAINABLE CORPORATE MANAGEMENT

**At BORBET, we think in generations - we are now in the fourth, looking to the fifth. In doing so, we attach great importance to orienting continuous growth to the needs of our customers. At the same time, we treat our employees fairly and protect our environment.**

## Our Values

Relevant legal requirements form the basis of our business activity, and we adhere to them without exception. The [BORBET Code of Conduct](#) clearly defines the anti-corruption policy and rules of conduct: Bribery and anti-competitive behaviour are prohibited, intellectual property must be protected and data security must be maintained. We also expect correct and legally impeccable conduct from all employees when dealing with authorities. The acceptance and giving of gifts is also defined in our Code of Conduct.

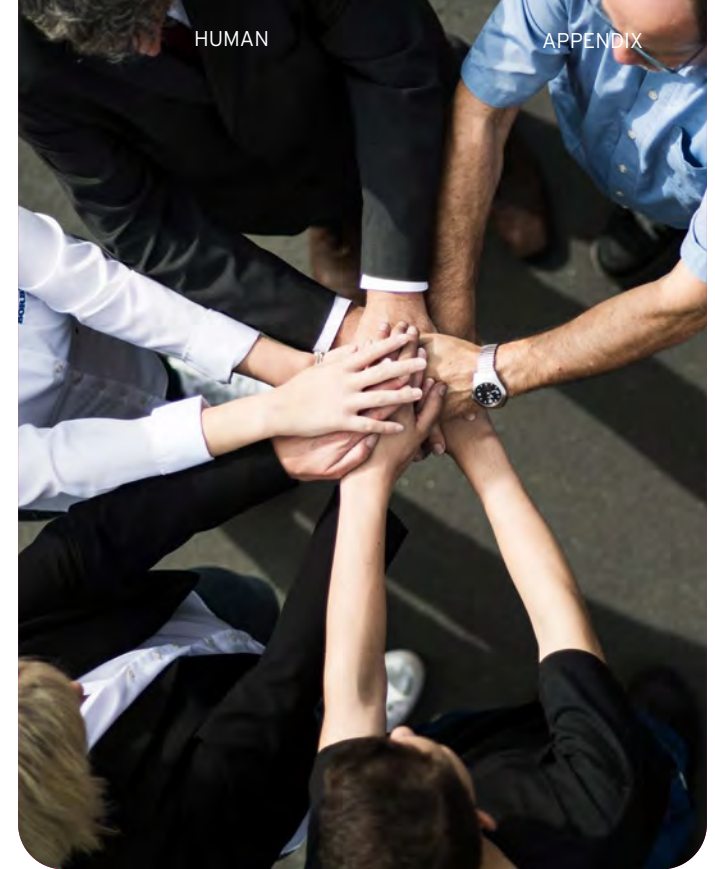
Communication about our Code of Conduct is also particularly important to us. In this way, we draw the attention of every employee, business partner and supplier to this through a variety of channels. For our employees, we mainly rely on annual training sessions and notices. In addition, every new employee at BORBET receives the Code of Conduct when they start their job.

In addition to the Code of Conduct for our employees, we have published a Code of Conduct for our suppliers and business partners. We equally demand that they comply with the rules laid down therein. Since 2021,

suppliers must also confirm this by signing. In addition, we expect our suppliers to have also established a Code of Conduct in their company and to enforce it with their own suppliers. As part of the self-assessment, we encourage our suppliers to submit their Code of Conduct to us for review.

We carry out so-called compliance risk analyses and audits at all locations at regular intervals. Based on the results, we derive preventive measures such as training on antitrust law or anti-corruption issues.

We ensure that our employees are treated with the utmost appreciation and that everyone is able to enjoy the same opportunities - regardless of age, origin, gender, religion or other factors. Furthermore, we are committed to internationally recognised human rights. We do not tolerate child labour or forced labour and oppose all forms of discrimination (zero tolerance principle). In fact, BORBET strives to have a positive impact on the respect of human rights in its activities. If national laws do not sufficiently protect people's fundamental rights, we are



committed to ensuring that universally recognised minimum social standards apply. We expect our business partners to comply with our values. For this purpose, we have defined a suitable selection process for our suppliers. We have published Universal Declaration of Human Rights on our website. Furthermore, each employment contract includes an anti-discrimination clause, which each employee agrees to when signing the contract.

# COMPLIANCE AND INTEGRITY

We make sure that we treat our employees with the utmost respect and give everyone the same opportunities - regardless of age, origin, gender, religion or other factors. Furthermore, we are committed to internationally recognised human rights. We do not tolerate child or forced labour and are opposed to any form of discrimination (zero tolerance principle). In fact, BORBET endeavours to positively influence respect for human rights within the scope of its activities. If national laws do not adequately protect people's fundamental rights, we are committed to ensuring that globally recognised minimum social standards are applied. We expect our business partners to honour our values. To this end, we have defined a suitable selection process for our suppliers. We have published our policy statement on respecting human rights on our website. Furthermore, every employment contract contains an anti-discrimination clause, which every employee agrees to when signing the contract.

We are also committed to conducting human rights due diligence. In this way, we want to find out whether the business activities of BORBET or its affiliated companies have a negative impact on human rights. If this is the case, we endeavour to rectify the situation as quickly as possible and take preventative action against similar incidents.

It is important to us to prevent any damage to BORBET and our employees, suppliers and business partners. To achieve this, it is essential to identify, analyse and remedy misconduct at an early stage. This is only possible if everyone involved is vigilant and reports possible breaches of the rules immediately. The South Africa site has been using a whistleblowing procedure since 2011, which was also introduced at all other sites in 2020. We offer anyone the opportunity to report information about violations or breaches of human rights or other concerns to us. The whistleblower can decide for themselves which medium they feel most comfortable using.

## OVERVIEW OF KEY FIGURES

% of total workforce across all sites trained to prevent discrimination and human rights violations	100
% of all permanent establishments where human rights assessments or human rights impact assessments have been carried out	100
% of total workforce trained on business ethics issues	100
number of whistleblower reports	3
number of cases of discrimination or harassment	0
number of confirmed incidents or reported litigation	0
known cases of human rights violations caused by BORBET's activities (directly and indirectly)	0
% of all permanent establishments that have conducted an internal audit on business ethics issues	100
% of all facilities with a certified information security system	57
number of corruption cases	0
number of confirmed information security incidents	0



# COMPLIANCE AND INTEGRITY

For example, reports can be sent to the Compliance Officer via a hotline, an online form, by e-mail or post. This can also be done anonymously. Further information on this can be found on our homepage ([www.borbet.de](http://www.borbet.de)). All reports are treated confidentially and processed by the Compliance Officers in accordance with the deadlines. Confidentiality and whistleblower protection are our top priority. As far as possible and within our sphere of influence, we ensure that whistleblowers are protected from discrimination and penalisation in connection with the reports and complaints they submit. We have defined, documented and communicated processes for the whistleblower system. The corresponding guidelines are available to all employees on our intranet and can also be found on our website for all other interested parties. The effectiveness of our complaints procedure is reviewed regularly, at least once a year, and on an ad hoc basis. In addition, dealing with complaints and the knowledge gained from them enables us to continuously improve our human rights due diligence processes.

Our customers rightly expect flawless and efficient products. To achieve this, we rely on qualified employees - and support them accordingly. We recognise and promote the performance of our employees with effective occupational health and safety, fair and performance-related re-

muneration and investments in training and further education. We also take their individual needs into account and utilise their skills in a targeted manner.

Our aim is to work together with the players in the value chain through various measures and processes to prevent potentially detrimental effects and promote long-term positive development through joint approaches.

Zu diesen Maßnahmen und Prozessen zählen unter anderem:

- Building long-term supplier partnerships
- Continuous further development of our sustainable procurement and purchasing practices
- Minimum requirements for our value chain
- BORBET Code of Conduct (CoC) for suppliers: Compliance with this Compliance must be confirmed with a signature
- Certified standards and management systems at the locations of our suppliers (ISO 9001, ISO 14001, EMAS, ISO 45001, ASI, etc.)
- Organisation of training courses on environmental and human rights issues
- Risk-based verification of compliance with the CoC through audits

No fines or non-monetary sanctions were imposed on any BORBET location in the reporting year for non-compliance with environmental laws or regulations. There were also no violations in the area of legal compliance or incidents of corruption.



# OPPORTUNITIES AND RISKS

We see challenges such as climate change, digitalisation and e-mobility as opportunities - and our process and product innovations help us to seize them. As a result, we are convinced that sustainable business and good governance will also lead to improved competitiveness. Our approach to opportunities and risks is designed to preserve what has already been achieved and to utilise long-term opportunities. Our risk management system therefore relies on flat hierarchies and short decision-making channels. At BORBET, risks have always been identified, analyzed and evaluated in the integrated management system. In order to comprehensively identify the risks in our supply chain, we rely on external support in the form of a software solution. Based on this, we derive measures to prevent, minimize or eliminate environmental and human rights risks. Effectiveness tests are carried out regularly in order to continuously improve our processes. BORBET is committed to respecting human rights and promoting fair working conditions - this applies in particular to our dealings with our own employees and direct suppliers. As far as possible, we are committed to implementing these principles with indirect suppliers and other business partners. We expect all interested parties to comply with applicable laws and human rights conventions and to avoid negative impacts. Violations are not tolerated and are consistently pursued.

However, we do not only look at the risks and opportunities in the immediate vicinity of our plants, but also those of the entire supply chain. Here, we pay particular attention to ecological and social risks. The table shows a simplified overview of some risk areas of our supply chain, more specifically the life cycle of our wheels. Depending on how likely it is that a particular risk will occur, we assign it to a specific level: Lighter fields represent a lower probability of occurrence, darker fields a higher probability. The basis of this analysis is the amount of risks in the sectors and countries from which we source raw materials. (For this purpose, we use the CSR risk check of the Agency for Economic Affairs and Development.) Social and ecological risks with a high probability of occurrence occur, especially in the upstream supply chain. This also applies to emissions, which are usually generated by our aluminium suppliers, but

also in the later use phase of our wheels. For this reason, the area of „Air Emissions & Energy“ has the highest risks in the “Processing” and “Use” phases. Potential risks in our supply chain are analysed and evaluated in Procurement and measures are derived if necessary.

	Raw material extraction	Processing	Transport	BORBET Group	Use phase	Recycling
High air emissions & energy consumption	very high	high	medium	medium	high	low
Water shortage	very high	high	low	medium	low	low
High waste generation	low	medium	low	medium	low	low
Use of conflict minerals	low	low	low	low	low	low
Poor working conditions & unfair wages	high	low	medium	low	low	low
Forced & child labour	high	low	low	low	low	low
Discrimination	high	low	low	low	low	low
No freedom of association	low	low	low	low	low	low
Corruption	high	medium	low	low	low	low
No measures on biodiversity	medium	low	low	low	low	low

very low
  low
  medium
  high
  very high

# #03

## ADDED VALUE

Today, BORBET stands for high quality, innovative technologies, reliability, and pioneering design worldwide. We have built this reputation as a family-owned and traditional company over many years. That's why we care about what we have achieved and what unites us - with hard work, loyalty, and passion for our work.

# ECONOMIC PERFORMANCE

The entire automotive industry is undergoing a fundamental transformation. The aim is to counterbalance various trends, such as electromobility, autonomous driving, or the increasing connectivity of vehicles. To achieve success in this environment as well, BORBET invests in its employees and sites as well as in technical solutions.

BORBET's total sales increased by 5.3% compared to the previous year, from EUR 1,045 million to EUR 1,101 million.

## WHEELS PRODUCED

2021	2022	2023
14.2 Mio.	14.3 Mio.	14.7 Mio.



# SUSTAINABILITY MANAGEMENT

As a family business with a long tradition, we regard sustainability as a management task. This puts the primary responsibility for the subject in the hands of management. Among these, we have put in place structures to adequately manage the issues we and our stakeholders consider important.

The Sustainability team consists of members from all major divisions of the business. These include: Development, Production, HR, Controlling, Purchasing, Environmental, Energy, and Occupational Safety Management, Sales and Marketing. All sustainability activities are bundled in the team and regular progress reports are provided to senior management. Discussions are also held here about the planning and implementation of individual overarching projects. The Sustainability team also follows the maintenance and completion of the various customer portals on the subject of sustainability such as EcoVadis and NQC. In addition, since 2020 there has been a person responsible for sustainability at BORBET, who processes and promotes all sustainability issues centrally.



**We integrate environmental protection, energy efficiency, safety and health into all processes and also convey a high sense of responsibility to our business partners with regard to environmentally oriented and energy-efficient corporate management.**



Burkhard Plett  
CEO BORBET GmbH



Nicole Prestele  
Sustainability management



Norbert Klute  
Environmental management



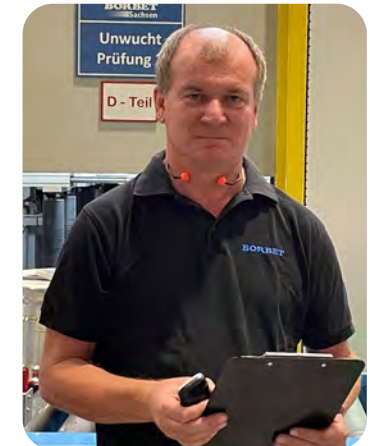
Carola Scheikel  
ASI Management & Compliance



Carolin Mittermaier  
HR



Marcel Karpf  
Energy management



Torsten Krautz - Occupational  
health and safety

# SUSTAINABILITY MANAGEMENT

## Involvement of stakeholders

We have regular exchanges with our stakeholders through different channels. In our location regions, we contact them either personally or centrally via the authorities. We also maintain the relationship with business partners such as customers, suppliers, and donors. We communicate directly with our employees and works councils. To this end, we use various internal media as part of our daily work. Depending on requirements, we organise events with special areas of focus.

We have established the following formats to promote effective communication with relevant stakeholders: See the table below.

### STAKEHOLDER GROUP COMMUNICATION FORMATS

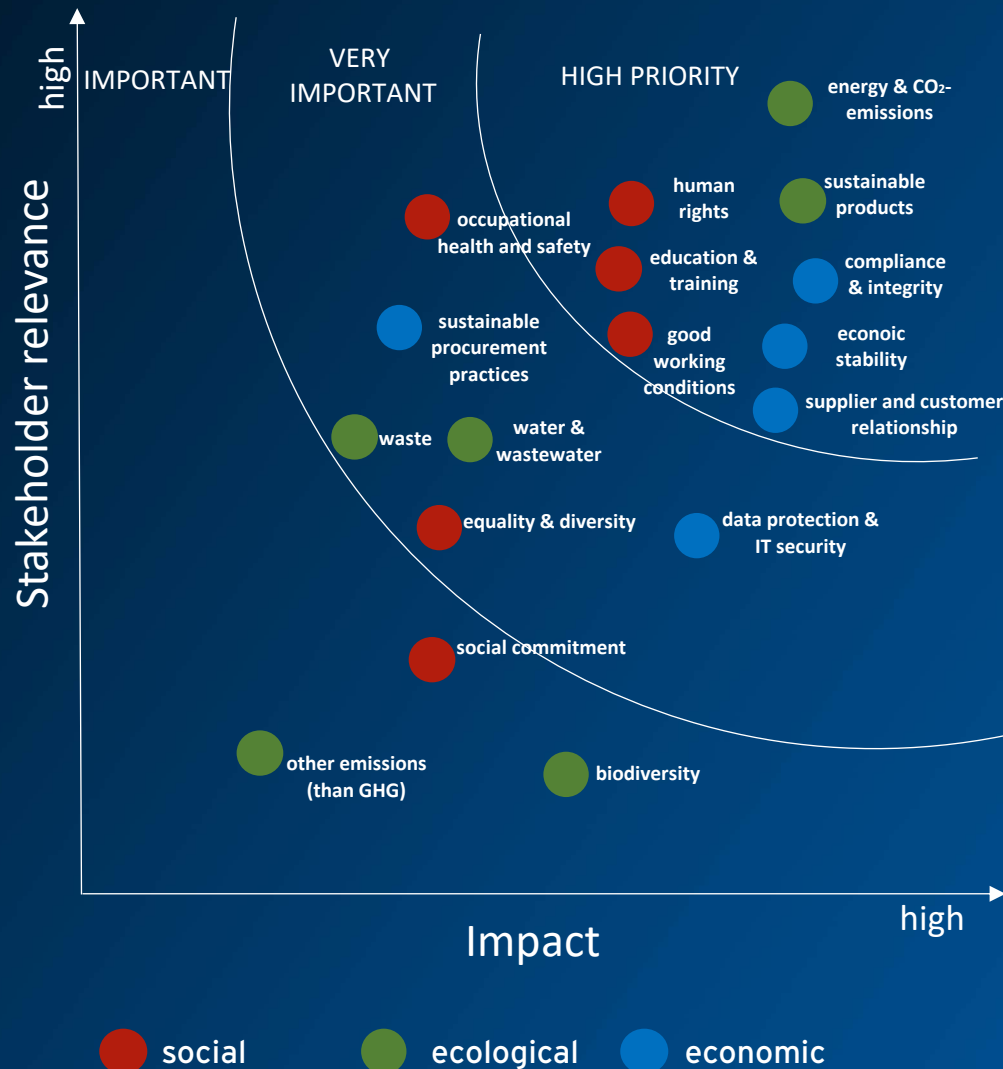
<b>employee</b>	internal communication, employee surveys, infopoints, app, intranet, blackboard, website, social networks, company magazine, by post
<b>potential employee</b>	career fairs, cooperation with universities, ad placements, website, social networks, sponsorships, cooperation with local (recruiting-) portals
<b>former employee</b>	company magazine, website, by post
<b>customer</b>	website, newsletter, Key Account Management, ad placements, brochures, company magazine, TechDays/customer events, trade fair appearances, social networks, sponsorship
<b>end customer</b>	website, ad placements, brochures, trade fair appearances, social networks, influencers, sponsorship
<b>suppliers and partners</b>	annual report, website, ads, image brochures, company magazine, trade fair appearances, social networks, personal
<b>press and media</b>	press releases and mailings, press conferences at trade fairs, in-house events, face-to-face conversations
<b>politics, connections, interest groups</b>	annual report, website, face-to-face conversations, image brochures, company magazine
<b>educational institutions</b>	cooperations, regional events, website, face-to-face conversations, brochures
<b>local authorities</b>	website, face-to-face conversations, image brochures, company magazine, regional events, sponsorship, social networks
<b>local residents in the respective location regions</b>	citizens' representatives, local PR, sponsorship
<b>Banks</b>	annual report, sustainability report, personal discussions Board of Trustees: internal communication, annual report, sustainability report

## Identifying key issues

It is important for us to identify the key topics on which we focus as part of our sustainability management system and on which we regularly report. For this reason, we carried out another materiality analysis in 2023. Based on the criteria of the Global Reporting Initiative (GRI), we have identified those topics that are either highly relevant for our stakeholders or have a significant impact on the environment and society. The result is shown in the materiality matrix on the next page. The top right area contains the most relevant topics for BORBET, such as „sustainable products“, „energy & CO2 emissions“, „compliance & integrity“ and „human rights“. The matrix makes it clear what priorities we need to focus on in our sustainability work. A double materiality matrix is planned for next year.

# SUSTAINABILITY MANAGEMENT

## materiality analysis



# SUSTAINABILITY MANAGEMENT

## In dialogue with others

BORBET complies with the core labour standards of the International Labour Organisation (ILO), the content of the German Corporate Governance Code and the OECD Guidelines for Multinational Enterprises.

We participate in industry-related organisations on the basis of dialogue and discussion on an equal footing. On the one hand, we want to safeguard our interests and, on the other, we want to take an active part in knowledge sharing, so that we can work together to develop long-term sustainable solutions.



## The following list includes our most important memberships:

- Gesamtverband der Aluminiumindustrie e.V. (GDA)
- Aluminium Stewardship Initiative (ASI)
- Bundesverband Reifenhandel und Vulkaniseur-Handwerk e.V. (BRV)
- Association of European Wheel Manufacturers (EUWA)
- Industrie- und Handelskammer (IHK)
- Deutsche Gesellschaft für Zerstörungsfreie Prüfung e.V. (DGZfP)
- DEKRA e.V.
- Bundesverband der Deutschen Gießerei-Industrie e.V. (BDG)
- Deutsches Rotes Kreuz e.V. (DRK)
- Deutscher Verband für Materialforschung und -prüfung e.V. (DVM)
- Verband der Automobil Tuner e.V. (VDAT)
- Aluminium Federation of South Africa (AFSA)
- Nelson Mandela Bay Business Chamber (NMBBC)
- Steel and Engineering Industries Federation of Southern Africa (SEIFSA)
- Energieeffizienz Netzwerk Oberlausitz
- Thüringer Landesamt für Umwelt, Bergbau und Naturschutz (TLUBN)
- Verband für Sicherheit, Gesundheit und Umweltschutz bei der Arbeit e.V. (VDSI)
- Bundesverband der Energieabnehmer e.V. (VEA)
- Automotive Thüringen e.V. (AT)
- Allgemeiner Arbeitgeberverband Thüringen e.V. (AGVT)
- Wirtschaft für Südwestfalen e.V.
- EcoVadis
- Wirtschaftskammer Österreich WKO
- Automobil Cluster
- Industriellenvereinigung



# SUSTAINABLE PROCUREMENT

We want to offer our customers high quality products and at the same time meet our own demands for ecological and social standards. To achieve this, it is essential that we work professionally and in a spirit of trust with all our suppliers.

The basis for this cooperation are the General Terms and Conditions of Purchase, with which our suppliers and service providers also undertake to comply with our Code of Conduct. In addition, since 2020 we have expected our suppliers to confirm their compliance with the Code of Conduct for Suppliers by having their management sign it. If suppliers have not established their own Code of Conduct within the company, they confirm with their signature that they encourage their employees to comply with our Code of Conduct. This includes, among other things, the prohibition of child and forced labor and the protection of health and the environment. We also expect our business partners to commit to upholding our Code of Conduct or comparable values in their supply chain. In addition, a risk assessment was carried out for all our suppliers with regard to human and environmental rights. First, all suppliers are classified into risk groups using a software solution based on their country and product risks. Suppliers with a high or very high risk are then subjected to a more detailed assessment. Questionnaires, supporting documents and audits are used for this purpose.

## Set and comply with standards

The procurement process follows the „Management Policy“. Specifically, it is governed by the „Sustainability requirements in the supply chain“ guideline and supplementary procedural instructions. These are reviewed annually and revised and supplemented as necessary. In the reporting year, we again formulated new requirements and added them to the existing catalog of requirements.

Preference is given to suppliers who are audited according to ISO 9001 and ISO 14001 or a comparable system and who increasingly use environmentally friendly materials. In the area of the environment, we carefully check the existing management system. For example, suppliers may have to provide evidence of REACH registration. When sourcing aluminium, we make sure to buy from producers who strive to keep their carbon footprint as low as possible. We also favour suppliers with certification according to the Aluminium Stewardship Initiative standard. If the qualification process is positive, the purchasing department approves the supplier, taking all aspects into account.

During the course of 2023, all new suppliers answered questions about the sustainability criteria we have defined as part of the self-disclosure process. No indications of

violations of our principles in the areas of environmental protection, human rights, labour practices, forced labour, child labour or freedom of association were identified. We also use the instrument of self-disclosure with existing suppliers and request corresponding evidence that meets our sustainability requirements. For this purpose, we evaluate certificates, documentation, codes of conduct and sustainability reports, among other things.

When sourcing aluminium, we make sure to only buy from producers who, in turn, strive to keep their carbon footprint as low as possible.



# SUSTAINABLE PROCUREMENT

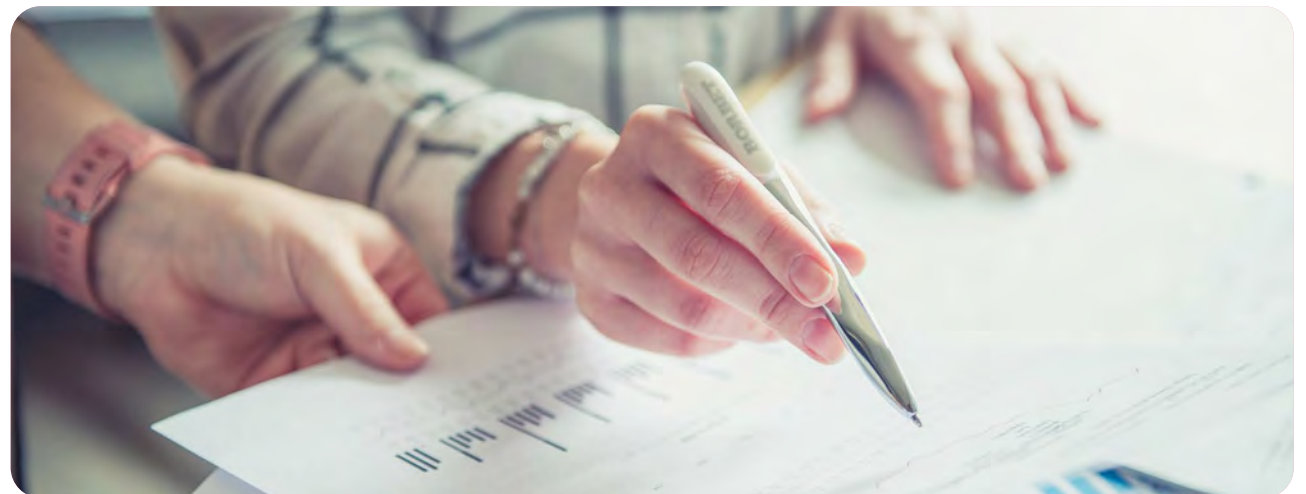
We also encourage our suppliers not to use conflict materials that are affected by embargoes and other import restrictions. Conflict materials are raw materials such as tin, tantalum, tungsten and gold that are mined in conflict regions and whose procurement indirectly and whose procurement indirectly finances armed groups. Suppliers are therefore obliged to identify these raw materials in manufactured products in the products in the supply chain and to disclose the origin and sources of the raw materials they use.

## Educate and sensitise

We train our suppliers on specific topics according to need and occasion. But we also want to sensitise our employees in purchasing to sustainability-related issues and expand their knowledge in this area. They therefore regularly take part in training on topics such as environmental protection, health and safety, occupational health and safety, but also antitrust law, human rights and anti-corruption. For specific topics such as antitrust law, we also invite experts to conduct the trainings.

### KEY FIGURES

% of targeted suppliers who signed the Sustainable Procurement Charter/CoC	50
% of targeted suppliers with contracts containing clauses on environmental, labour and human rights	100
% of targeted suppliers who have gone through CSR assessment	100
% of buyers trained in sustainable sourcing	100
% of primary aluminium suppliers who are members of the Aluminium Stewardship Initiative	90



# SUSTAINABLE PRODUCTION

In order to continuously improve our environmental performance, all of all BORBET manufacturing sites are certified to the international environmental management standard ISO 14001:2015.

As a supplier to almost all of the world's major automotive manufacturers, we place great emphasis on quality and reliability. The health and safety of our customers and their end customers is particularly important to us.

We already use more than 61% green electricity in our

production worldwide. The aluminium chips that accumulate in our production are cleaned and then melted in a separate furnace. Reject wheels that have not yet been painted are also recycled internally. Painted wheels are sent to an external company, where paint is removed for us. We then return these wheels to the circuit and melt them down.

BORBET has relied on a consistent quality management system in accordance with DIN EN ISO 9001 - with relevant representatives at all locations - for many years. All manufacturing facilities are certified according to the

automotive industry standard IATF 16949. These certificates are documented and verified annually as part of a monitoring audit. A recognised certification company regularly carries out a corresponding audit - every 3 years at the latest. Car manufacturers are also subject to periodic approval procedures. All wheels are designed from the start to meet legal requirements and customer specifications. Later, serial monitoring ensures that all requirements are met during series production.



*Mould construction*



*Aluminium chip recycling*



*High bay warehouse*

# SUSTAINABLE PRODUCTION

We work with our suppliers on an ongoing basis to select processes and materials that are safe for people and the environment. For example, ingredients are documented and approved via the IMDS entry.

The IMDS is a globally standardised exchange and management system for material data in the automotive industry. In the reporting year, there were no violations in connection with the impact of products and services on health and safety.

In the reporting year, there were no violations in connection with product and service information or labelling requirements. All BORBET branded products are protected by design patents at the European Union Intellectual Property Office (EUIPO). At the same time, we actively monitor the market to protect our brand and take legal action against attempts at plagiarism.



We are already utilising waste heat in our own production and, for example, heat an entire hall at the Kodersdorf site using only waste heat.

However, the huge potential in this area has not yet been exhausted, which is why we are currently working with an external company that will analyse the potential and measures in the individual areas and then show us how to make our production even more energy-efficient.

## #04

## ENVIRONMENT

With our products, we combine the intention to bring high quality and attractive design into line with our ecological requirements. As a metal processing company, we take our responsibility seriously and want to make use of our potential for further improved environmental protection, both in terms of products and manufacturing.

# ENERGY EFFICIENCY

The production and processing of metal is complex and sometimes energy-intensive. Natural gas and electricity are the most important energy sources. They are needed in our smelters, foundries, heat treatment plants, paint shops, and mechanical processing facilities, among others. For us, the efficient use of energy is a question of both ecological responsibility and economic necessity. As such, we have introduced energy management systems at all BORBET locations. Our German locations are also certified according to DIN EN ISO 50001. We regularly review the management systems through internal and external audits.

During the reporting period, all BORBET locations initiated projects to further reduce energy consumption. The greatest savings potential lies in making better use of waste heat, which is mainly generated by our furnaces. At the **Bad Langensalza** (Thuringia) site, we installed a burner air preheater for the furnaces back in 2019. The hot exhaust gas volume flow is routed via a heat exchanger during pre-heating of the burner air. There, the energy of the exhaust gas volume flow is transferred to the secondary air side – an insulated pipe – which leads directly back to the burners. The goal with this system was to save up to 15% energy.



19.8% of our total energy consumption came from renewable energy.

The project was evaluated in 2020 and transferred to the other sites due to the energy savings achieved. This was also successfully implemented in Kodersdorf in 2023.

In **Ranshofen**, a project to reduce the temperature at the car wash facilities was implemented, enabling the site to achieve energy savings of around 1,000 MWh.

The **Bad Langensalza** site also expanded the PV system on the factory premises by around 33 MWh.

204.663 MWh of our total energy consumption (1.033.842 MWh) came from renewable energy sources.



## ENERGY CONSUMPTION IN GWH

	2021	2022	2023
electricity	293,53	304,80	334,03
natural gas	632,84	630,30	699,81
<b>total</b>	<b>926,37</b>	<b>935,10</b>	<b>1.033,84</b>
MWh/tonne*	6,2	6,2	5,9

\*MWh per tonne ready-to-ship production

# EMISSIONS

Our production creates emissions including CO<sub>2</sub>, carbon monoxide and air pollutants such as dust and nitrogen oxides. We are aware of our ecological responsibility and focus on sustainable production. Installations subject to approval are subject to strict limit values, which are regularly checked by the authorities. Accredited measurement institutes carry out measurements, the results of which are reported to the approval authorities

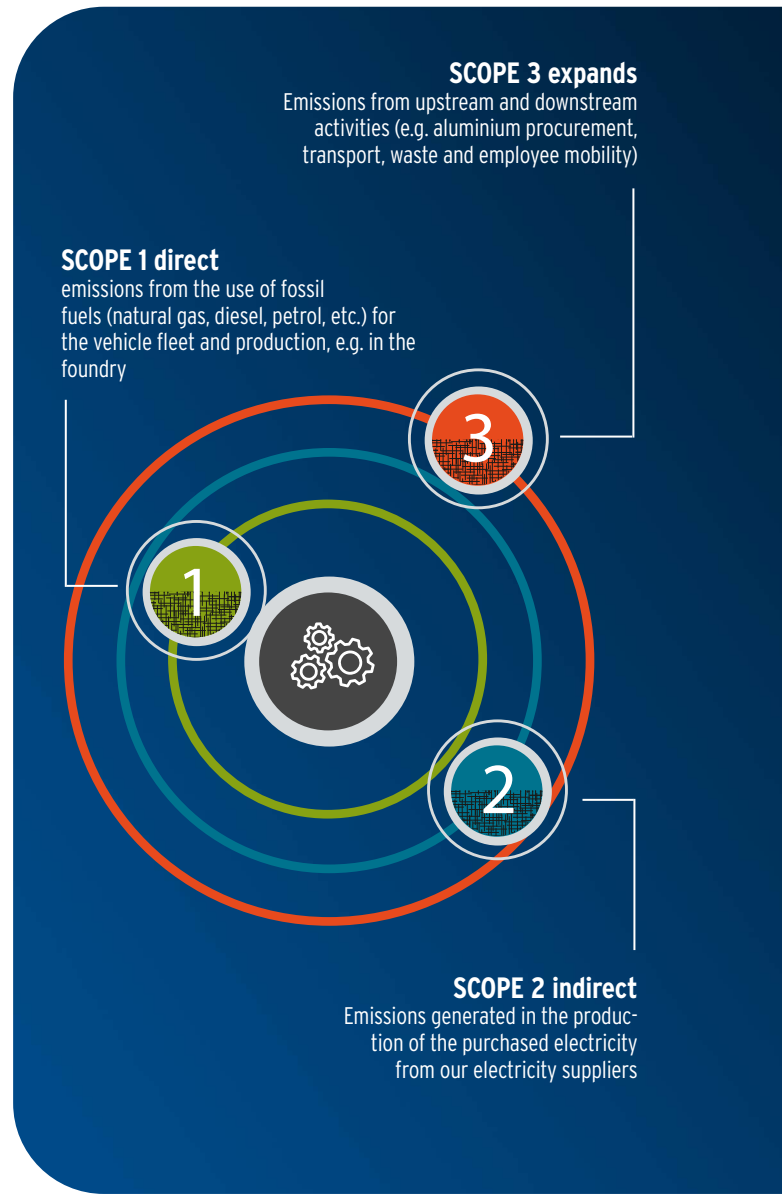
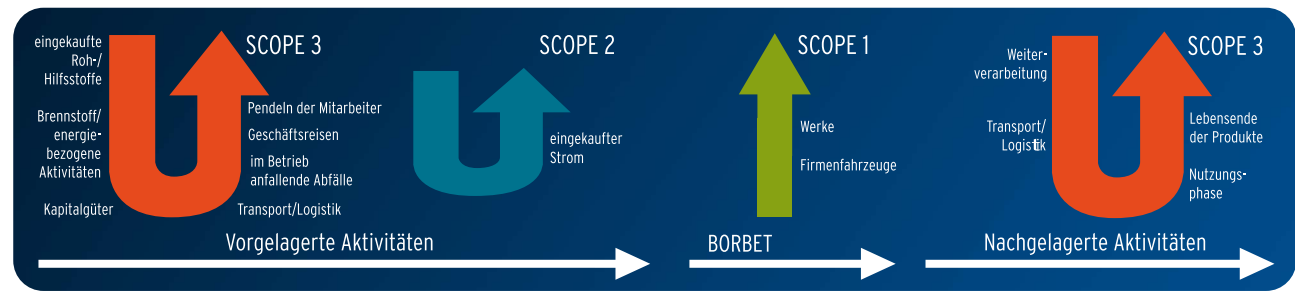
In order to reduce CO<sub>2</sub> emissions, we are focusing primarily on the following measures:

- More efficient use of energy in all production processes
- Resource-efficient handling of raw materials, especially aluminium
- Increasing the share of renewable energies in the electricity mix used
- Consideration of the carbon footprint of suppliers when purchasing essential raw materials and auxiliary and operating materials

Since the beginning of 2020, we have not only calculated our Scope 1 and Scope 2 emissions, but also the Scope 3 emissions. Scope 3 emissions are accounted for in accordance with the GHG Protocol. Emissions from the upstream and downstream supply chain are divided into 15 categories – although not all of them apply to BORBET or are relevant to us.

In addition, the GHG Protocol defines various options for calculating emissions:

- **Specific supplier method:** Use of data from suppliers
- **Hybrid method:** Combination of supplier data and secondary data from different databases
- **Average method:** Estimation of emissions based on average values
- **Average expenditure-based method:** Estimation of emissions by collecting data on the economic value of goods



# EMISSIONS

In addition to emissions from our own production (Scope 1 and 2), we are increasingly focusing on emissions from the upstream supply chain, not on the downstream supply chain - as in the table below. This will help us to better compare our CO2 reduction measures over the next few years. Otherwise, the progress of the automotive industry in reducing downstream Scope 3 emissions would be noticeable in our calculations, but not our own measures.

The emission factor for electricity in South Africa was taken from the literature or the location-based approach was used, as we did not know the actual emission factor of the energy supplier. This is now known, which is why we had to adjust our figures from previous years so that they represent reality. This is the reason why our Scope 2 emissions have increased. In addition, only Austria has a 100% green electricity contract. BORBET Thüringen has invested in a Power Purchase Agreement (PPA).

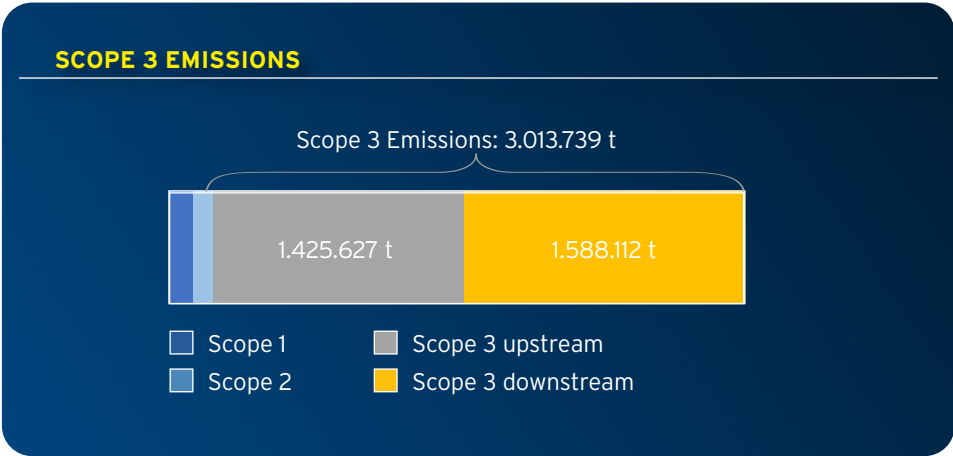
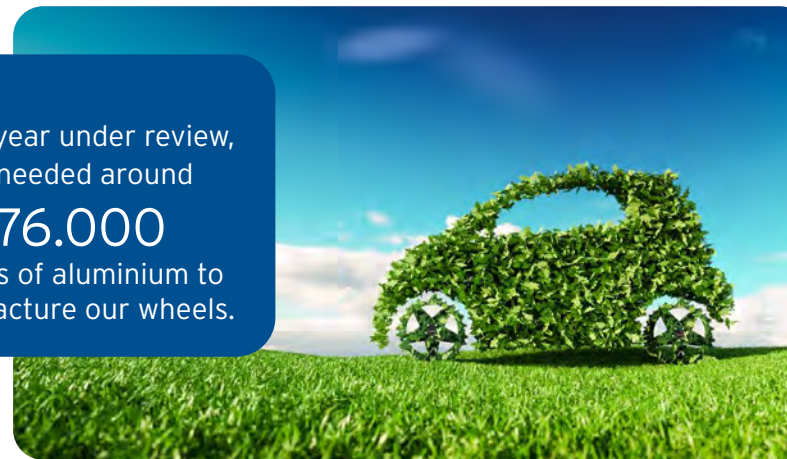
Furthermore, we parted ways with our site in Solingen Solingen at the end of 2022.

We were also able to achieve a reduction in Scope 3 emissions (from the upstream supply chain). This is due to the increased purchase of aluminium with a maximum of 5 kg CO2/kg. We want to continuously increase this share over the next few years.

CO <sub>2</sub> e EMISSIONS IN TONNES			
	2021	2022	2023
CO <sub>2</sub> e electricity	77.434	63.044	111.119
CO <sub>2</sub> e natural gas	124.382	124.043	137.692
CO <sub>2</sub> e Diesel for forklifts	591	651	716
CO <sub>2</sub> e Gas for forklifts	330	317	403
CO <sub>2</sub> e company cars	389	344	282
Scope 1	125.692	125.355	139.246
Scope 2	77.434	63.044	111.119
Scope 3 (upstream)	1.318,102	1.394,316	1.425.627
total (Scope 1+2)	203.126	188.400	250.365
CO <sub>2</sub> (Scope 1+2)/tonne*	1.34	1.11	1.43
Upstream supply chain (Scope 3)/tonne*	8.69	8.25	8.21

\*CO<sub>2</sub> per tonne of ready-to-ship production

“ In the year under review, we needed around **176.000** tonnes of aluminium to manufacture our wheels.





# LIFE CYCLE ANALYSIS OF OUR WHEELS

Since 2019, we have been calculating the CO<sub>2</sub> footprint of our wheels. In 2019, this was done with the software Umberto LCA+ and an external company. Today, we calculate our life cycle assessment with Sphera's GaBi software. In addition to the change in software, the observation period has also changed, moving away from Cradle to Grave and towards Cradle to Gate in order to better meet the requirements of our customers.

Cradle to Gate means we look at the path from raw material extraction to processing and production in our plants to our factory gate.



Average CO<sub>2</sub> footprint of a wheel (12 kg)

**2021**

145 kg CO<sub>2</sub>e

**2022**

120 kg CO<sub>2</sub>e

**2023**

117 kg CO<sub>2</sub>e

An average BORBET wheel in Europe (12 kg) generated 117 kg of CO<sub>2</sub>e in 2023. Calculated down to one kilogram of wheel, this is approx. 9.7 kg of CO<sub>2</sub>e. Compared to the previous year, we were able to reduce the wheel's CO<sub>2</sub> footprint by a further 3%. This is mainly due to the increased use of low carbon aluminum and the use of recycled materials.

In order to present a comparison of greenhouse gas emissions in relation to a complete vehicle, the following data basis was selected:

- 6400 kg CO<sub>2</sub>e per vehicle (combustion engine) in accordance with UBA (Federal Environment Agency)
- 117 kg CO<sub>2</sub>e per aluminium wheel

This corresponds to a share of approx. 7.5 percent of the complete vehicle.



# STRATEGY FOR LESS CO<sub>2</sub>

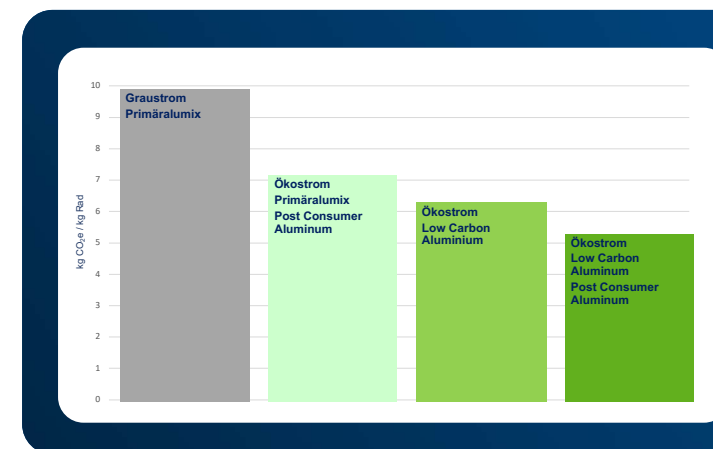
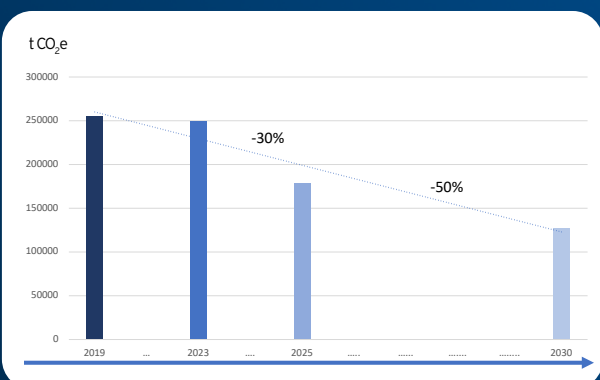
Environmental sustainability is playing an increasingly important role for BORBET. We see a major lever for positive changes, especially in the reduction of CO2 emissions.

In relation to Scope 3 emissions, our Scope 1 and 2 emissions are rather low. However, they are still important to us, as we have the greatest influence on them. We have set concrete targets for their reduction. By 2030 at the latest, we want to source 100 percent electricity from renewable energies at our locations in Europe. Our site in Austria has been using hydroelectric power since 2021.

By purchasing green electricity and various reduction measures in production, we want to reduce our emissions (Scope 1 and 2) by 30 percent by 2025 - compared to the base year 2019. For 2030, we aim to achieve a 50% reduction in these emissions - with the aim of achieving fully climate-neutral production in 2050. The type of aluminium purchased has the greatest influence on CO2 emissions in our upstream supply chain. In order to reduce emissions when purchasing aluminium, in the future we will increasingly purchase aluminium which uses renewable energy for electrolysis. This allows us to reduce the environmental footprint of our wheels, while meeting the requirements of our customers.

In addition to the internal recycling material we already use today (e.g. aluminum chips) and the pre-consumer material, we will also use post-consumer aluminium in our production in the future.

In our case, post-consumer aluminium means old wheels. The main priority for us remains to be the quality of the wheels and thus also the quality of the material used. Only when our required quality is available on the market, will we use it.



# WATER AND WASTE WATER

Careful use of water resources is an important environmental objective. BORBET has already implemented many measures in recent years and we are constantly looking for further opportunities for optimisation. This is particularly true for the Port Elizabeth (South Africa) site, which is located in a water stress zone. This means that in this region more than 20 percent of the available water is extracted and consumed.

Once a year, we take part in the survey of the non-profit organisation CDP and also report on the subject of water. We also assess our sites annually in terms of water scarcity, droughts and the general water risk. For this purpose, we use the "Water Risk Filter" of WWF - an online tool for checking water risks - and are in communication with the authorities. For the South Africa site, which has a medium water risk, we have set ourselves the goal of reducing water consumption by at least one percent per year.

## Water Consumption

We mainly use fresh water from public pipe systems to operate our sites and for manufacturing processes, while in Ranshofen (Austria) we also use well water. In 2023, BORBET needed 433.929 m<sup>3</sup> of water for wheel production. Most of the fresh water is consumed by our paint systems at 50 percent of the total consumption. We primarily use water there for rinsing or preparing aqueous dilutions.

In order to reduce fresh water consumption, we are both improving our existing processes and implementing new technical procedures. In particular, we are focusing on reusing process water that has already been used, as well as improving the drains in the paint shops and wastewater treatment plants.

Around 30 percent of the fresh water is used to quench wheels in the foundry and heat treatment plants. In order to use the water as efficiently as possible, we have now established a water cycle at all locations: For this purpose, we divert the heated water from the quenching basins into recooling systems, cool it there and then pump it back into the basins. The quenching of the wheels results in evaporation losses, which are compensated with fresh water in a process that does not chemically change the water.

Around 20 per cent of fresh water is used in the operation of sanitary facilities and for other production purposes. With the implementation of the circulation cooling systems (foundry and tempering) in Ranshofen in 2020, it was possible to reduce the consumption of process water by approx. 70 percent.

## WATER USE IN M<sup>3</sup>

	2021	2022	2023
fresh water	212.115	229.867	259.693
well water	140.590	152.059	174.236
<b>total</b>	<b>352.705</b>	<b>381.926</b>	<b>433.929</b>
water consumption/tonne*	2,30	2,41	2,49

\*water consumption per tonne of ready-to-ship production

The figures from 2021 and 2022 had to be adjusted retrospectively due to a site closure in order to ensure comparability of the figures

The change in climate is also noticeable in our water consumption. Due to higher temperatures, we have had to use more water for cooling.



# WATER AND WASTE WATER

## Waste water volume

Much of the waste water is generated in the paint shops. We first treat this waste water in our own waste water treatment plants and then discharge it into the public sewage system. In doing so, we adhere to the specified limit values of the respective discharge approvals and check the parameters regularly (waste water quality assessment). In order to avoid wastewater at this point, we use some of the process wastewater several times and regularly adapt the wastewater treatment plants to comply with the latest technological standards. The waste water from sanitary facilities can normally be discharged to the public sewage system without further treatment.



# MATERIALS AND WASTE

Many raw materials and resources around the world are becoming scarcer and more expensive. It is therefore all the more important to use them efficiently. At the same time, materials must meet our high expectations for quality and safety as well as meet certain environmental and social standards. We also rely on environmental management in accordance with ISO 14001 in order to continuously reduce waste or return it to circulation.

## Resource use

As a manufacturing company, the procurement of raw materials and consumables, including aluminium, paints, and packaging, accounts for a large part of our expenditures. In the year under review, we required approximately 176.000 tonnes of aluminium to produce our wheels.

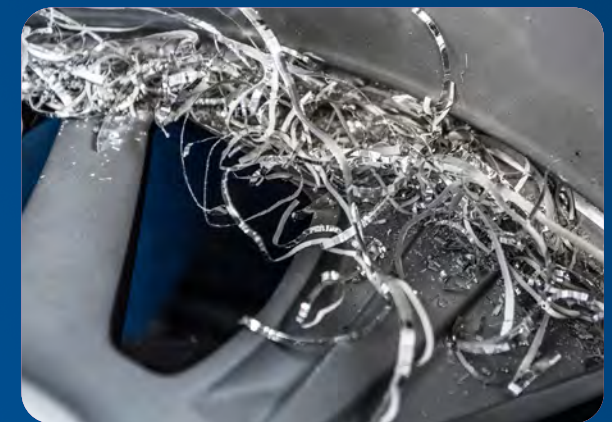
We recycle our aluminium so that we can make effective use of existing resources. Compared to other raw materials, aluminium can be recycled without compromising quality. Because of this, only about a tenth of the energy is needed for raw production. The recycling process returns aluminium swarf created during production into circulation via melting. This also applies to wheels that do not meet our quality requirements.

In order to avoid waste from the outset, we continuously improve our processes and technical procedures. For example, we use the flow forming press-rolling process to achieve greater strength while saving material.

There is currently a trend in the industry towards larger wheel diameters. Depending on the wheel design, this often leads to increased weight and therefore to increased CO2 emissions in the usage phase. To reduce these emissions, BORBET is developing and using innovative production technologies such as “**Flowforming**”, “**Performance Rim**” and “**Undercut**”.

With regard to paint removal, our expertise and processes at our own site in **Bad Langensalza** (Thuringia) have proven effective. The advantage: short communication paths, targeted processing of the wheels and no transport damage. We also use the „soft paint stripping“ process, which is particularly gentle on materials.

Despite all our reduction measures and recycling efforts, waste cannot be completely avoided. It consists of waste similar to household waste (e.g. paper/cardboard, plastic waste, wood) and on the other hand from production-specific waste (e.g. polishing chips, used machining emulsions, paint sludge).



1) *Flowforming: Compression of the rim well by pressure rollers leads to greater stability and slimmer rim well thickness.*

2) *Performance Rim: This procedure reduces the wall thickness of the rim well and thus the weight of the wheel. This is made possible by an intelligent tool concept and special cooling during the casting process.*

3) *Undercut: All non-load-bearing areas of the rim well are mechanically removed by this automated technology. The removed material is then immediately returned to the integrated recycling process. This facilitates achievement of a lower wheel weight and optimal and sustainable use of the raw material.*

# MATERIALS AND WASTE

For new waste, we first check whether we need to recycle the material internally or externally. If this is not the case, we aim for a different form of recycling (e.g. thermal recycling). We will only dispose of waste if this is not suitable. The majority of waste can be disposed of as non-hazardous waste. That said, for production-specific waste in particular, some waste must be disposed of as hazardous waste.

Since 2019, we have been using blasting systems in the mould workshops of several BORBET sites that are not operated with mineral corundum, but with a stainless steel blasting agent. As a result, the amount of abrasive to be disposed of has decreased by an average of up to 90 per cent. In addition, we keep the machining emulsion (cooling lubricant) used in mechanical processing in circulation as far as possible and continuously process it.

Various small-scale savings projects were carried out in the waste management sector.

## WASTE QUANTITY IN TONNES

	Unit	2021	2022	2023
hazardous waste	in t	4.333	4.005	4.426
non-hazardous waste	in t	3.986	4.248	4.614
<b>total amount of waste*</b>	in t	<b>8.319</b>	<b>8.253</b>	<b>9.040</b>
<b>amount of waste/piece**</b>	in kg	<b>59</b>	<b>56</b>	<b>52</b>

\*without metal waste (aluminium residue, aluminium chips sprues and polishing chips)

\*\*waste quantity per piece of production ready-to-ship production

The figures from 2021 and 2022 had to be adjusted retrospectively due to a site closure in order to ensure comparability of the figures.

## KEY FIGURES

% of all operative sites for which an environmental impact assessment has been performed	100
% of all operative sites where a formal environmental management system has been implemented	100
% of all operative sites where a formal energy management system has been implemented	100
local & accidental pollution cases	0



# BIODIVERSITY

For BORBET, the preservation of habitats and ecosystems is very important. Since our company was founded more than 140 years ago, we have ensured that there are sufficient green spaces around our sites. We want to make sure that different plants and animal species live there and that the employees can spend their breaks in the green areas. At the same time, we are aware that living spaces had to make way for our business activities and the construction of new locations.



Protecting and promoting nature at our sites has always been our top priority.

We analysed our locations and the surrounding area with the help of an assessment tool for biodiversity (variety of species). The aim was to compare our sites in terms of biodiversity in order to plan joint projects in the future and to manage the topic centrally. A procedure that has already proven itself in dealing with water stress zones.

The result shows that many of our sites are adjacent to protected areas or focus areas with high biodiversity. Examples are the Inn in Austria or the Swartkop River in South Africa.

The Hesborn and Medebach sites are even located in two protected areas - a terrestrial area and a focus area with high biodiversity. Part of this focus area in Medebach is a bird sanctuary.

So far, however, we have not seen any impact of our plant on the birds. Various bird species even nest on the factory premises. Nevertheless, the analysis shows: Due to the location of many of our sites, it is particularly important to protect the adjacent nature as far as possible. In order to maintain and increase biodiversity around our factory premises, we have implemented several projects. There has been a bird bath in Medebach since 2022.

In Kodersdorf, several sustainability projects were implemented in 2022 and 2023 to improve biodiversity at the site: A previously unused company area was converted into a wildflower meadow, which even provided space for a beehive. The fact that the number of bee colonies in Germany alone has fallen by around 20% between 1990 and today has given us food for thought and prompted us to place a beehive on our factory premises.

Its population comprises around 50,000 honeybees and each of them visits around 4,000 flowers every day. It pollinates within a radius of up to 4 kilometres, which in turn means that the wildflower meadow in front of their "home" is not necessarily the first port of call. And that wasn't the plan behind this campaign. Instead, the flower meadow should serve as a source of food for wild bees, as the wild relatives are more at risk of extinction than the honeybees. Above all, we want to create environmental awareness with this project. Insect hotels and nesting boxes were also built and set up at the site.



## OVERVIEW OF KEY FIGURES

Planned measures to increase biodiversity over the next two years

2

#05

## HUMAN BEINGS

We know that the worldwide success of BORBET GmbH and its subsidiaries is mainly due to our employees. This is why we have created an environment where we can work with shared responsibility for all company goals.



# OUR EMPLOYEES

As a traditional family company rooted in the region, we value being close to people.

BORBET therefore wants to be a good neighbour to the local community and an attractive employer for all employees. We are aware that we have only grown over our 140-year history because we have always been able to rely on a dedicated, motivated, and loyal workforce.

We want our employees to be satisfied and enjoy working for us in the long term. Therefore, a declared aim of our management policy is to recognise the performance of our employees and to further increase employee satisfaction. At the same time, our HR work focuses on filling vacancies with new, talented employees. Our transparent recruitment process takes place by means of the softgarden software. There, the candidate can create an account to track the status of their application in real time. And last but not least, we are committed to developing the strengths of our workforce in a targeted manner. Our locations largely operate independently in order to meet the respective challenges on site.

With the Code of Conduct, we have created a central document to give employees clear guidance for their daily activities.



All employees are encouraged to report any concerns about incidents in the company via our whistleblowing procedure.

The good relationship between BORBET as an employer and its staff is also evident in the type of employment contracts: The share of permanent employment is around 90 percent. Staff turnover at BORBET has fallen slightly to 1.63 percent compared to the to the previous year (1.68 percent in 2022), but is still still very low.

### STAFF TURNOVER\* IN PERCENT

	2021	2022	2023
Germany	0.31	0.41	0.47
Austria	0.58	0.54	0.40
South africa	4.20	9.20	7.50

*\*due to resignations*

# ATTRACTIVE WORKING CONDITIONS

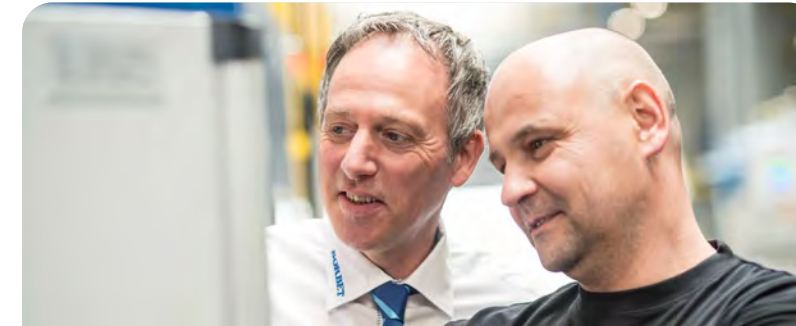
The BORBET management team attaches great importance to good cooperation with the works councils. Elected employee representatives are available at all European locations. We provide employees with timely information on current developments via the Intranet or notices on the "Black Board". In doing so, we comply with all statutory provisions on the right of notification and co-determination. In addition, we conduct site-specific employee surveys at irregular intervals to answer questions about the health or satisfaction of employees and to react accordingly. For us, a respectful approach with one another also includes letting employees share in the success of the company.



**The following list shows a selection of our additional services, which may vary depending on the site/national subsidiary.**

- Pension provision
- Holiday and Christmas bonus
- Asset-creating benefits
- Bonuses
- Vacation entitlement above legal minimum requirements
- Regular salary increases
- Travel allowance for trainees
- Bike leasing
- BORBET employee card

Our employees in Europe also have the opportunity to take parental leave. All employees returned to work following parental leave and continued to work part-time or full-time. Commercial employees have the opportunity to work from home one day a week (home office). Overtime can be compensated by flexitime.



## OVERVIEW OF KEY FIGURES

% of total workforce covered by collective bargaining agreements on working conditions	0
% of total workforce receiving a regular performance review	85
training hours per employee	8,5
% of total workforce at all sites that have received training or education on environmental issues	100
% of all operational sites where a formal OH&S management system has been implemented	100
% of total workforce at all locations represented by a formal employee and management occupational health and safety committee	100
% of all operational sites where a health and safety risk analysis has been performed	100
% of total workforce at all locations represented by formally elected employee representatives	85

# DIVERSITY AND INCLUSION

We believe that diversity enriches our company. This is why we care about treating all genders equally and oppose any kind of discrimination. Currently, employees with around thirty different nationalities are working together at BORBET to great success.

“  
We are convinced that diversity enriches our company.”

We are also looking at demographic changes and regularly evaluate the age structure of our company. The average age is currently around 40 years. We employ sufficient numbers of trainees to ensure a balanced ratio between younger and older employees. We are increasingly striving to offer older workers a workplace that is suited to their age and performance wherever possible. This applies in particular to our employees on shift work and is carried out in close consultation with the works councils.

The proportion of female employees at BORBET is low. As is customary in the industry, the number of female trainees in technical apprenticeships is still very low. BORBET therefore participates in the annual “Girls’ Day” to inspire more girls to choose technical careers. In addition, BORBET is present at events such as the “Day

of Training” or various career days and supports various initiatives, such as “No graduation without connections” - a project of the State of North Rhine-Westphalia.

**PROPORTION OF WOMAN IN MANAGEMENT ROLES**

2021	2022	2023
16.25 %	20.75 %	18.76 %



**GENDER DISTURBUTION IN PERCENT**

region	2021		2022		2023	
	female	male	female	male	female	male
Germany	5.72	94.28	6.22	93.78	6.87	93.13
Austria	6.70	93.30	6.32	93.68	6.01	93.99
South Africa	19.00	81.00	18.93	81.07	16.00	84.00

## EDUCATION WITH A VISION

BORBET has always placed great importance on training. This is also reflected in our investments into related programmes. Young professionals of all genders can choose between the following apprenticeships:

### Technical professions:

- Electronics technician
- Industrial mechanic
- Machine and system operator
- Process engineer
- Tool mechanic
- Cutting machine operator

### Commercial professions:

- Industrial clerk
- IT specialist
- Marketing communications agent
- Technical product designer

The selection process is based on needs, so that the young people can then be offered the prospect of being taken on afterwards. As part of its training programme, BORBET also offers the opportunity to take part in a dual course of study in medium-sized business management and technical subjects at our partner university. We have also established an integrated trainee programme, offering up to two positions each year at each of our European locations.

We also provide our trainees with an e-learning system that allows them to train online - anywhere, anytime. For this purpose, all departments are equipped with appropri-

ately set up laptops. In addition to various content related to occupational health and safety, employees can also use the system to find information that will help improve their intercultural skills.

Aside from this web-based training platform, employees also have access to internal and external training formats as well as numerous co-operations. This programme is based on training plans that are drawn up using a qualification matrix following the annual employee and shift discussions. The training programme also serves to monitor relevant legal and political developments and to incorporate these into the company.



# SAFETY IN THE WORKPLACE

**Activities in wheel production are associated with hazards common to the industry. The main sources of danger in production are in the following areas:**

- **melting/foundry:** Handling liquid aluminium, hot surfaces, risk of injury and physical strain from handling wheels, forklift operation, heat, noise
- **machining:** Risk of injury from machines, handling coolants, risk of injury and physical strain from handling wheels, forklift operation, noise
- **paint shop:** Handling hazardous substances (chemicals, paints), risk of fire and explosion from paints, risk of injury and physical strain from handling wheels, forklift operation

Our goal is to constantly improve the safety of our employees. For this purpose, management systems for occupational safety and health protection have been introduced at all BORBET sites (DIN EN ISO 45001).

To prevent accidents, we constantly analyse the poten-

tial hazards in the departments and carry out safety inspections. We also organise regular occupational safety committees. For further prevention, we carry out the legally required safety briefings every year. We use a digital training and instruction system at the Sauerland sites for this purpose. Among other things, the system also includes an electronic first-aid book in which every employee must document an injury or accident at work.

It also enables those responsible to investigate the accident and initiate preventative measures. In order to further reduce the number of accidents at work in the long term, we want to further optimise the occupational health and safety management system at all sites.

BORBET's strategic goal is to reduce the occupational accident rate by an average of 10 per cent by 2025 - compared to the average value from 2019-2022.

## OCCUPATIONAL ACCIDENT RATE AT BORBET

	2021	2022	2023
number of reportable occupational accidents (OA)	152	136	197
number of lost days as a result of reportable occupational accidents	2.105	1.532	2.385
occupational accident rate*	25,9	21,8	28,4
accident severity (number of lost days in relation to OA (> 1 day))	13,85	11,26	12,2
number of OAs with >30 lost days (severe OAs)	15	13	17
work-related fatalities	0	0	0
number of workplace inspections carried out	780	544	576
sickness rate**	6,1	8,5	6,0
actions/action days implemented to protect occupational health and safety	26	15	52
number of reported cases of suspected occupational illness***	0	11	4

\* Number of occupational accidents with lost time  $\geq 1$  days per 1 million hours worked

\*\* Proportion of employees absent due to illness as a percentage of the total workforce

\*\*\* Occupational illnesses associated with activities at the BORBET sites

# HEALTHY AT WORK

## Fit in the factory

The health of the entire workforce is of particular importance to BORBET. For years, the number of sick days in the company has remained at a consistently low level - proof for us that our measures in this area are successful and our employees are happy.

We provide all employees with access to occupational physician services. In addition, we identify possible hazards in the working environment together with the respective employers' liability insurance associations and health insurance funds and develop suitable measures from them. Our employees receive comprehensive information and training on health issues at regular intervals.

The **Bad Langensalza** (Thuringia) site has a company health management system in cooperation with a large German health insurance company. A so-called Health Day takes place there and at other locations once a year. In 2022, the Health Day took place with a pair of intoxicating glasses and a smoothie bike, as well as a stop smoking course. In addition, several back straps were tested and introduced as lifting support, and protective gloves were tested by handling hot wheels. In the final inspection area, the draft was minimised with the help of a partition wall.

At the **Ranshofen site** (Austria), the works council organises the BORBET Austria runners meeting, where enthusiastic employees get together twice a week. In addition, the site further expanded its health management in the year under review and received a seal of approval for occupational health promotion, which is valid for 3 years and is then extended.



Examples of the commitment to health include the tick and flu vaccination options the **Ranshofen** and **Kodersdorf sites**.

To keep our employees safe, we conduct monthly safety walks in all departments.



## HEALTHY AT WORK

In 2023 **BORBET Sachsen GmbH** once again organised a health day in cooperation with AOK Plus Sachsen and a local fitness studio. This year, our employees had the opportunity to carry out various tests and were able, for example, to determine their body fat percentage or have their back fitness checked. The nutrition also plays a key role in physical health.

As of April 2021, BORBET employees have the opportunity to lease either a high-quality e-bike or a normal bicycle. The offer also applies to family members. Bike leasing is not only intended to promote health, but also reduce the impact on the environment. After all, our employees' commuting journeys are also reflected in our carbon footprint - albeit to a small extent.

As a traditional family-owned company from the region, we want to give something back to the people in our area. This is why BORBET's commitment is for the good of our location regions. In addition to economic and environmental development, the overall objective of our engagement is to actively promote social and cultural cooperation. This is why the thematic focus of our work is on education and science, health and social affairs, and sport and culture.

The new cross-location donation and sponsorship guideline established in 2023 and sponsorship guideline ensures that only targeted measures are implemented.

For example, payments to organisations or initiatives that are not for the common good or that are incompatible with our values are not permitted. The marketing department centrally manages and monitors the allocation of donations and sponsorship services. During the reporting period, no location donated money directly or indirectly to a political party.



# SOCIAL COMMITMENT



## Education and science

As a family-owned company, we see it as our duty to show young people career prospects. We regularly attend regional training exchanges and career fairs at all our locations. In addition, our trainers at schools present different professions and possible internships and provide application training. Our training workshops guarantee hands-on learning under optimal conditions.

At our locations in **Hallenberg-Hesborn, Medebach, and Solingen (North Rhine-Westphalia)**, we support events such as Girl's Day, KAoA (No Graduation without Connections), or the school project ProBE, which has been in place for more than ten years and allows students to try out different vocational training courses. In the field of science, we have collaborations with the South Westphalia and Nuremberg Universities of Applied Sciences, the Fraunhofer Institute LBF in Darmstadt, and the University of Stuttgart.

We are also partners of science in **Bad Langensalza (Thuringia)**. We work with ZPF GmbH, Hanover's Institute for Integrated Production, Institute of Technology in Freiberg and the University of Bremen. Together, we are researching how to use energy more efficiently in production.



“With our commitment, we want to contribute on a daily basis to realising not only cars but also dreams of life.”

At the **Ranshofen site (Austria)**, we support the „Long Night of Research“, the “Lego League” - an international research and robot competition - as well as educational institutions, including the Commercial Academy (Handelsakademie), the Higher School of Economic Occupations (Höhere Lehranstalt für wirtschaftliche Berufe) and the Higher Technical School (Höhere Technische Lehranstalt).

Education is also of particular importance in **Port Elizabeth (South Africa)**. BORBET awards annual scholarships for employees' children, thus enabling them to study after high school.



# SOCIAL COMMITMENT

## Health and social issues

BORBET provides financial support for various social projects and facilities at its **Kodersdorf** (Saxony) site. These include, for example, the Kinderarche Sachsen e.V. micro-living group at the Katzschwitzer Hof and the Brüderchen und Schwesterchen daycare centre in Kodersdorf. The site also supported local football and equestrian sports clubs.

This year, the **Bad Langensalza** (Thuringia) site supported a children's hospice with a donation.

Every year, **BORBET GmbH** organises a Christmas tombola, in which gifts from business partners are raffled off. The proceeds from the raffle go to social projects in the Hochsauerland district.

In 2023, **BORBET South Africa** took part in the Mother's and Father's Day celebrations and visited the Ekuphumleni old people's home in the township of Zwide, 5 km from the BORBET location. The facility provides institutional care for 60 formerly disadvantaged and vulnerable elderly people between the ages of 70 and 95.

**BORBET South Africa** has been working with the facility for 6 years, as we believe that our seniors are the pillars of the community. We want to recognise the contribution they make to our society. It is important to us to look after our older fellow citizens and to ensure that they are safe and well cared for in their final years.



## SOCIAL COMMITMENT

In 2022, **BORBET South Africa** entered into a partnership with the House of Resurrection children's home. This facility is located in Bethelsdorp, 8 km from the BORBET site. The House of Resurrection Haven provides a safe and supportive home for children who are infected or affected by HIV/AIDS. The children are between 4 and 19 years old. Just over half are HIV positive themselves. They regularly go to tests and screenings and are taught how to live a healthy life with their HIV status. The children are integrated into normal community life and attend regular schools.

**BORBET South Africa** supports a nutrition programme at the Garret primary school in Zwide that ensures that students receive an adequate diet for their general well-being. Thanks to support and nutrition at school, the number of pupils has increased every year. The meal the children receive at school is sometimes the only meal they eat for the rest of the day.

**The Ranshofen site** (Austria) supports Lions Club and Rotary Club events in Braunau that are used for charitable purposes in the region. This year's tombola proceeds from the family festival were donated to the "Herzkinder Österreich" association, which takes care of heart-sick children and their families.

”

Under the motto  
"Together for the region",  
BORBET and its employees  
are involved in several clubs  
and institutions



# SOCIAL COMMITMENT

## Sport and culture

We would also like to specifically promote sporting and cultural events. We are therefore continually expanding our local commitment at our **Kodersdorf** (Saxony) location. We are currently supporting the child of an employee who is active in go-karting, among other things. We also sponsor local equestrian tournaments and regional football clubs, helping to shape cultural coexistence in our local region.

Our **sites** in **North Rhine-Westphalia** provide local assistance for the work of various associations and initiatives. In addition to donations for youth fire brigade events and shooting clubs, we also maintain long-standing partnerships at the headquarters of our main plant in Hochsauerland. BORBET has been supporting bobsleigh, skeleton, and luge sports in Sauerland for decades. The focus here

is primarily on the promotion of young talent. We are also committed to various handball and football clubs, such as VFL Wolfsburg. This is how we sponsored the construction of two football pitches and a basketball court in Medebach. In Hallenberg-Hesborn, BORBET acquired an old school to save it from demolition and make it available to clubs and other groups as a meeting place. Just like at all other locations, we are committed to employees in the Hochsauerland district who provide exceptional sporting performance and financial support.

In **Thuringia**, BORBET supports one of the most successful women's handball clubs in the Bundesliga: THC Erfurt in Bad Langensalza. In addition, our company is also committed to the local SV Preußen football club and VFB TM Mühlhausen. Since winter sports play a major role in



Thuringia, we also support clubs and individual athletes in the nearby winter sports resort Oberhof.

As part of its social commitment, the **Ranshofen site (Austria)** promotes cultural and social facilities in the region. When selecting the facilities, we rely on the suggestions of our employees.



# #06

# GLOBAL REPORTING INITIATIVE



## GRI-COTENTS INDEX

GENERAL INFORMATION		PAGE	COMMENTS
<b>GRI 101</b>	<b>foundation</b>		
<b>GRI 102</b>	<b>general disclosures</b>		
	<b>organizational profile</b>		
GRI 102-1	name of the organization	9f	
GRI 102-2	activities, brands, products and services	9f	
GRI 102-3	location of headquarters	9f	
GRI 102-4	location of operations	10	
GRI 102-5	ownership and legal form	10	
GRI 102-6	markets served	10	
GRI 102-7	scale of the organisation	10	
GRI 102-8	information on employees and other workers	40ff	
GRI 102-9	supply chain	24f	
GRI 102-10	significant changes to the organization and its supply chain	5	
GRI 102-11	precautionary principle or approach	14	
GRI 102-12	external initiatives	7,22	
GRI 102-13	membership of associations	22	
	<b>strategy</b>		
GRI 102-14	statement from senior decision-maker	13	
GRI 102-15	key impacts, risks and opportunities	18	
	<b>ethics and integrity</b>		
GRI 102-16	values, principles, standards and norms of behaviour	16	
GRI 102-17	mechanisms for advice and concerns about ethics	16f	

## GRI-CONTENT INDEX

GENERAL INFORMATION		PAGE	COMMENTS
<b>stakeholderengagement</b>			
GRI 102-40	list of stakeholder groups	21	
GRI 102-41	collective bargaining agreements	42	
GRI 102-42	identifying and selecting stakeholders	21	
GRI 102-43	approach to stakeholder engagement	21	
GRI 102-44	important topics and concerns raised	21	
<b>reporting practices</b>			
GRI 102-45	entities included in the consolidated financial statements	2	
GRI 102-46	defining report content and topic boundaries	22f	
GRI 102-47	list of material topics	22f	
GRI 102-48	restatements of information	2	No changes.
GRI 102-49	changes in reporting	2	
GRI 102-50	reporting period	2	31.08.23
GRI 102-51	date of most recent report	2	
GRI 102-52	reporting cycle	2	
GRI 102-53	contact person for questions on the report	62	
GRI 102-54	claims of reporting in accordance with the GRI standards	2	
GRI 102-55	GRI Content Index	52	
GRI 102-56	external assurance		no extern audit

## GRI-CONTENT INDEX

KEY TOPICS		PAGE	COMMENTS
<b>GRI 201</b>	<b>economic performance</b>		
GRI 201-1	Direct economic value generated and distributed	20	
GRI 201-4	Financial support from the public sector	20	
<b>GRI 204</b>	<b>procurement practices</b>		
GRI 204-1	proportion of spending on local suppliers		No information available. The share of local suppliers for Germany and Austria is around 35 percent.
<b>GRI 205</b>	<b>anti-corruption</b>		
GRI 205-2	communication and training about anti-corruption policies and procedures	11,14	
GRI 205-3	confirmed incidents of corruption and actions taken	11	No incidents were reported in the reporting year.
<b>GRI 206</b>	<b>anti-competitive behavior</b>		
GRI 206-1	legal actions for anti-competitive behavior, anti-trust and monopoly practices	11	There were no legal proceedings with regard to anti-competitive behavior in the reporting year.

## GRI-CONTENT INDEX

KEY TOPICS		PAGE	COMMENTS
<b>GRI 301</b>	<b>materials</b>		
GRI 301-1	materials used by weight or volume	24, 31	
GRI 301-2	recycled input materials used	24, 32	
GRI 301-3	reclaimed products and their packaging materials	24, 33	
<b>GRI 302</b>	<b>energy</b>		
GRI 302-1	energy consumption within the organisation	29	
GRI 302-3	energy intensity	29	
GRI 302-4	reduction of energy consumption	29	
GRI 302-5	reductions in energy requirements for products and services	29	
<b>GRI 303</b>	<b>water and effluents</b>		
GRI 303-1	interactions with water as a shared resource	34f	
GRI 303-2	management of waterdischarge-related impacts	34f	
GRI 303-3	water withdrawal	34f	
GRI 303-4	water discharge	34f	
GRI 303-5	water consumption	34f	
<b>GRI 304</b>	<b>biodiversity</b>		
GRI 304-1	operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	38	
<b>GRI 305</b>	<b>emissions</b>		
GRI 305-1	direct GHG emissions (Scope 1)	31	
GRI 305-2	indirect energy-related GHG emissions (Scope 2)	31	
GRI 305-3	other indirect GHG emissions (Scope 3)	31	
GRI 305-4	GHG emissions intensity	31	
GRI 305-5	reduction of GHG emissions	32	



## GRI-CONTENT INDEX

KEY TOPICS		PAGE	COMMENTS
<b>GRI 306</b>	<b>waste water and waste</b>		
GRI 306-2	waste by type and disposal method	36	
<b>GRI 307</b>	<b>environmental compliance</b>		
GRI 307-1	non-compliance with environmental laws and regulations		No fine or non-monetary sanction was imposed on any location in the reporting year for non-compliance with environmental laws or regulations.
<b>GRI 308</b>	<b>supplier environmental assessment</b>		
GRI 308-1	new suppliers that were screened using environmental criteria	25	
<b>GRI 401</b>	<b>employment</b>		
GRI 401-1	new employee hires and employee turnover	43	
GRI 401-2	benefits provided to full-time employees only	42	
GRI 401-3	parental leave	42	
<b>GRI 402</b>	<b>labor/Management relations</b>		
GRI 402-1	minimum notice periods regarding operational changes	42	
<b>GRI 403</b>	<b>occupational health and safety</b>		
GRI 403-1	representation of employees in formal employer - employee committees for occupational health and safety	42	
GRI 403-2	types and rates of injuries, occupational illnesses, lost working days and absences, and number of work-related fatalities	45	

## GRI-CONTENT INDEX

KEY TOPICS		PAGE	COMMENTS
<b>GRI 404</b>	<b>training and education</b>		
GRI 404-1	average hours of training per year per employee	11	
GRI 404-2	programs for upgrading employee skills and transition assistance programs	44	
GRI 404-3	percentage of employees receiving regular performance and career development reviews	11	
<b>GRI 405</b>	<b>diversity and equal opportunities</b>		
GRI 405-1	diversity of governance bodies and employees	43	
<b>GRI 406</b>	<b>non-discrimination</b>		
GRI 406-1	incidents of discrimination and corrective actions taken	11	
<b>GRI 407</b>	<b>freedom of association and collective bargaining</b>		
GRI 407-1	operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	11	No threats were identified in the reporting year.
<b>GRI 408</b>	<b>child labor</b>		
GRI 408-1	operations and suppliers at significant risk for incidents of child labor	18	
<b>GRI 409</b>	<b>forced or compulsory labor</b>		
GRI 409-1	operations and suppliers at significant risk for incidents of forced or compulsory labor	18	

## GRI-CONTENT INDEX

KEY TOPICS		PAGE	COMMENTS
<b>GRI 410</b>	<b>security practices</b>		
GRI 410-1	security personnel trained in human rights policies or procedures	11	
<b>GRI 412</b>	<b>human rights assessment</b>		
GRI 412-1	operations that have been subject to human rights reviews or impact assessments	11	
GRI 412-2	employee training on human rights policies and procedures	11	
GRI 412-3	significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	11	
<b>GRI 413</b>	<b>Local communities</b>		
GRI 413-1	operations with local community engagement, impact assessments and development programs	47ff	
<b>GRI 414</b>	<b>supplier social assessment</b>		
GRI 414-1	new suppliers that were screened using social criteria	25	
<b>GRI 415</b>	<b>Public policy</b>		
GRI 415-1	political contributions	46	
<b>GRI 416</b>	<b>customer health and safety</b>		
GRI 416-1	assessment of the health and safety impact of product and service categories	26	
<b>GRI 417</b>	<b>marketing and labeling</b>		
GRI 417-2	incidents of non-compliance concerning product and service information and labeling		No incidents were reported in the reporting year.
<b>GRI 418</b>	<b>customer privacy</b>		
GRI 418-1	substantiated complaints concerning breaches of customer privacy and losses of customer data		No incidents were reported in the reporting year.
<b>GRI 419</b>	<b>socio-economic compliance</b>		
GRI 419-1	non-compliance with laws and regulations in the social and economic area		No incidents were reported in the reporting year.

## SDG-CONTENT INDEX



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