

Sustainability Report 2021/2022

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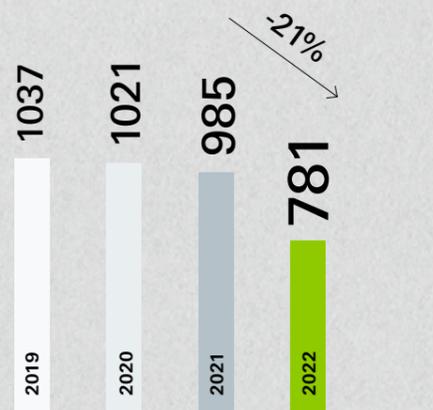
Glossary¹⁰⁵

Legal notice¹¹¹

The Schüco Group at a glance

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Emission Zero: Climate neutral by 2040
The Emission Zero focus project aims to help Schüco become climate neutral for the long term. We are aiming to no longer generate any emissions that are harmful to the environment by 2040.



Development of carbon intensity (in tonnes of CO₂e per million euro)

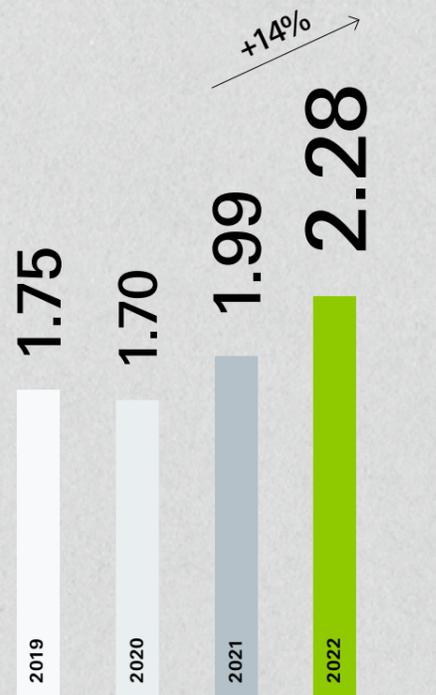
Heinz Schürmann founds the company Heinz Schürmann & Co. in 1951 in Porta Westfalica.

1951

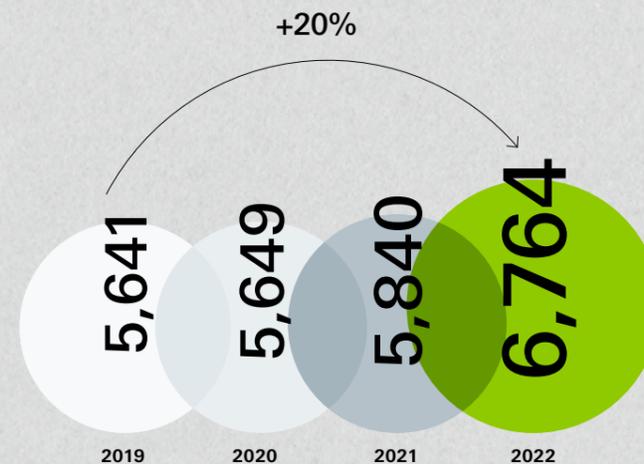
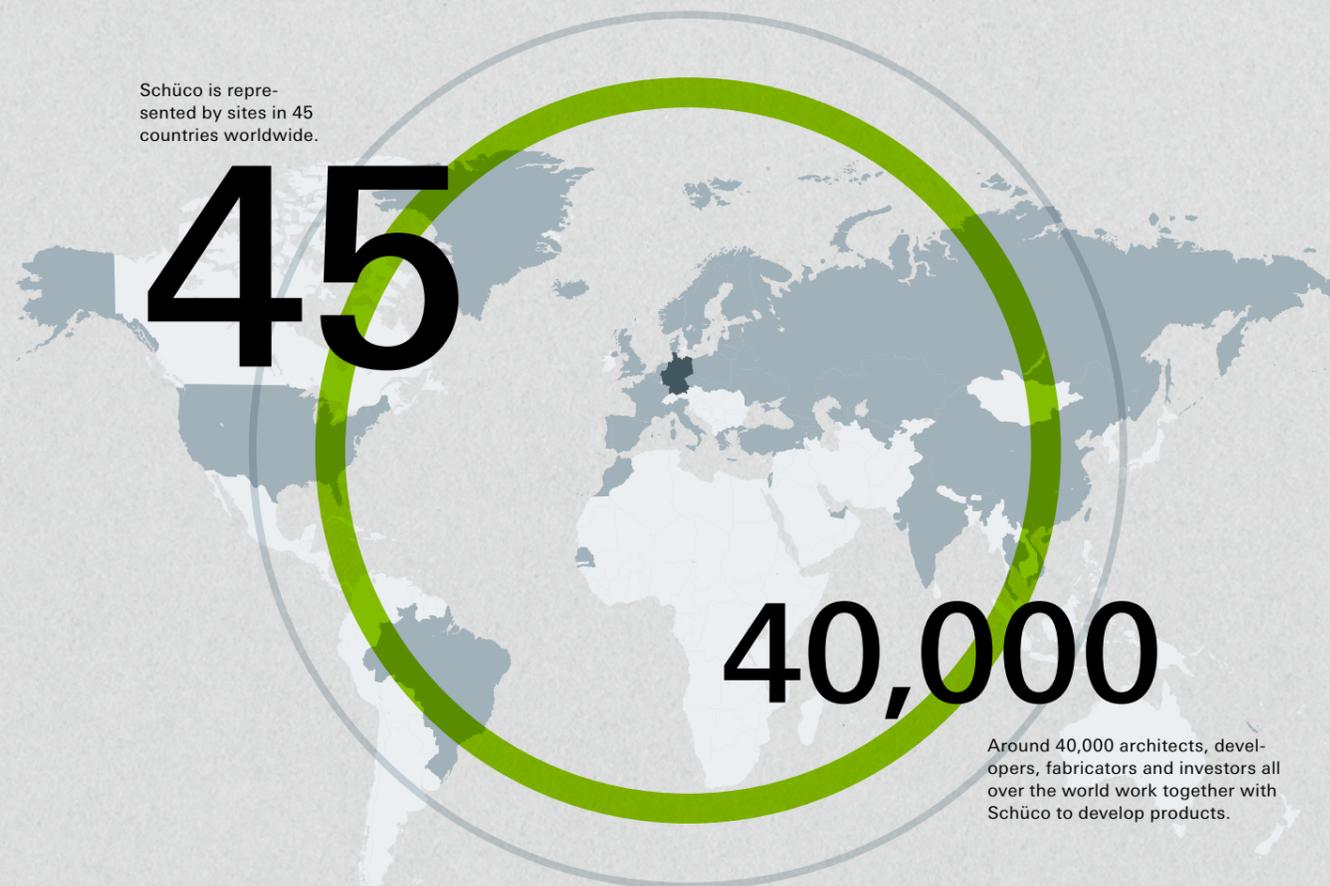
Schüco – System solutions for windows, doors and façades

Based in Bielefeld, the Schüco Group develops and sells system solutions made of aluminium, steel and PVC-U for the building envelope. The product portfolio includes window, door, façade, ventilation, security and sun shading systems, as well as intelligent networked solutions for residential and commercial projects. Schüco also provides consultancy and digital solutions for all phases of a building project – from the initial idea through to design, fabrication and installation, as well as after sales with maintenance and servicing.

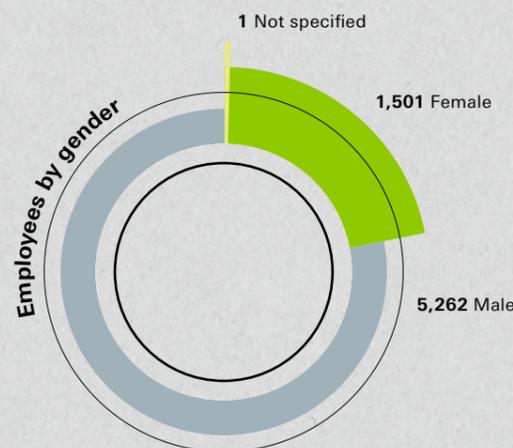
Fabrication machinery and customer-oriented service complement the product portfolio. As one of the leading companies in the construction industry, Schüco is committed through its products and services to being a pioneer for comprehensive sustainability and actively contributing to climate neutrality and the circular economy within the construction sector.



Turnover in billion euros



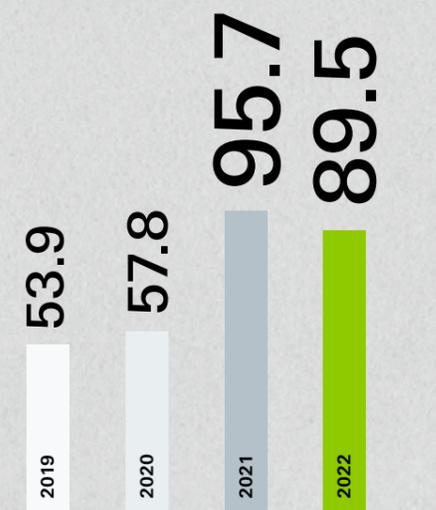
Total number of employees



Employees by gender



Partnership with WWF Germany
Schüco and WWF Germany have been working together since 2018 to drive forward the transformation of the company with effective climate protection targets and responsible procurement of raw materials.



Investments in million euros

Foreword

Dear Readers,

No mean feat: By 2050, the 250 million existing buildings in the European Union, along with all newly constructed buildings, are to be climate neutral. We see similar target paths in Japan, Canada, South Korea and the USA, among others. To achieve them, more than ever, we need swift and decisive measures. Quick, determined action is needed for this more than ever before. The energy efficiency of existing buildings needs to be significantly increased, while consumption of resources and waste production in the construction sector need to be significantly reduced. Schüco also believes it has a duty to meet these targets. With our newly launched Schüco Carbon Control service, we are therefore combining our CO₂-reducing product and service range to form one overall consultation concept. This is how we help architects, fabricators, building operators and investors to meet sustainability requirements and find tailored solutions for increasingly complex specifications.

At our Schüco Campus in Bielefeld, we have shown what sustainable renovation can look like. Since 2019, the Schüco Corporate Services building has been given an energy-efficient renovation, fitted with a new façade and reconfigured in line with the principles of "new work". Completed in 2021, the complex consumes 265,000 kWh less primary energy per year than before and now achieves the ambitious KfW70 standard. In addition, when the building was dismantled it was possible to collect around 98 percent of the installed aluminium and feed it back into a closed recycling process.

During the reporting period, our focus remained on reducing our overall emissions, so that we can achieve our milestone and produce 30 percent less CO₂ by 2025 compared to the reference year 2018. To this end, we concentrated mainly on procuring low-carbon materials for our aluminium and PVC-U profiles as well as other system components. Components with a large proportion of recycled material

meet this requirement, but we face a huge challenge given the low availability of high-quality secondary materials, as demand has been greatly outstripping supply for years now. In order to increase recycling quotas as a whole, Schüco has continued to focus on increasing collection quotas and closing recycling loops. For this, we have the joint venture RE:CORE, which we established in 2022 together with international waste disposal specialist Remondis.

In parallel with this, we have worked together with suppliers old and new to increase the use of renewable energies in material processing, so that we can lower carbon emissions in our upstream chain. The third specific measure was setting up a new after-sales service. Trained teams inspect the condition of a building and maintain or repair building components, regardless of the manufacturer system used. The aim is to ensure long-term value retention in a sustainable way that conserves resources.

This will also be aided by a small digital tag that we will supply with our products: the IoF (Internet of Façades) ID, which was introduced in 2022. It gives every installed unit a digital identity. In this way, we can allocate materials and feed them into the closed recycling loop even decades later.

Through this measure and others, we are helping to make buildings the raw material reserves of the future. In this vision, we see a huge opportunity to transform our business model and make it more sustainable. The idea would be that components and materials would no longer be purchased but "leased", similar to Product-as-a-Service concepts. Customers would then have all the user benefits, while Schüco would bear full responsibility for the installed systems over their entire lifecycle.



The key to the sustainable transformation of the Schüco Group is our employees. Their expertise, motivation and powers of innovation are critical for helping us remain on a path to success, despite social crises and upheavals. As an employer, we therefore believe in an open corporate culture, individual career opportunities and an inspiring work environment. Regular employee surveys help us to keep up a dialogue and ensure our employees are happy. Individual further development is at the heart of the Schüco Academy, our central platform for lifelong learning which was set up in 2022 and which champions sustainability.

To ensure that we at Schüco no longer produce carbon emissions in 2040, we have to do even more. This involves a process of change that looks at the existing model for success and therefore cannot be achieved overnight. Nevertheless, we are forging our path, because it is our opportunity for both sustainable and successful future.

Best wishes,

Andreas Engelhardt
Managing Partner & CEO
Schüco International KG

Short-term goals

- Gradual use of low carbon materials in our window, door and façade profiles
- Sustainability partnerships along the supply chain

Medium-term goals

- Decouple carbon emissions from economic growth
- Develop our service concepts

Long-term goals

- Climate neutrality
- Closed loops for building materials
- Establish low-consumption business models

Schüco insights

Transparency ¹⁰

Products ¹⁴

Environment ¹⁶

Business development ²⁰

Supply chain ²²

Employees ²⁴

Society ³²

Overcoming conflicting goals

Schüco wants to be climate neutral by 2040. This will not happen without far-reaching changes. What does that mean specifically? Thomas Lauritzen, Company Spokesperson and Head of Internal Services, and Henning Jünke, Head of Sustainability, discuss the opportunities and challenges posed by introducing climate objectives.

The WWF said recently that the building sector was the "German government's problem child when it comes to climate protection". The annual CO₂ emissions are still much too high and need to be almost halved by 2030. Where are things getting stuck?

Thomas Lauritzen: It's not as if we lack the technology. On the contrary. Energy-efficient building renovation has been a focus area of German climate policy for many years. Schüco has spent just as long using highly efficient window, door and façade systems, as well as automated solutions, to help reduce the need for heating or cooling. Moreover, our system solutions put us in the perfect position for series construction and renovation, which helps to save CO₂ through standardised fabrication and installation processes.

Hence the question is why solutions that are compatible with the climate objectives are used so little in construction. We believe there are two causes for this. Firstly, the calls for fast decarbonisation do not match up with the lengthy approval processes in Germany. If we look at our neighbours in the Netherlands, we can see that construction can be much faster. Secondly, sustainably planned and implemented construction projects are all too often seen as not cost-effective, unfortunately.

We need to change this. In actual fact, the construction and renovation costs only make up part of the overall bill. The amortisation costs over the entire life cycle of the building are critical here. Schüco can and must provide more advice on this matter. To this end, we are setting up a Sustainability Consulting team, which helps decision-makers to plan and implement construction projects in a sustainable way.

Henning Jünke: What's more is that the sector targets are just an aid to help steer climate protection policy. In order to be climate-neutral as a company, we must not just focus on "operational carbon", i.e. the emissions that are produced during the building's usage phase. We only have a limited influence on these anyway. As part of our sustainability strategy, we are also looking at "embodied carbon", which is in the building materials themselves and which is created through the mining of raw materials, as well as during manufacturing processes, transport and when dismantling buildings. Here at Schüco, we can have a huge impact on the carbon footprint of our products through material procurement.



What has actually happened in the addressed target areas over the past two years?

Henning Jünke: In 2020 we reconfigured our sustainability area, and so the past two years have involved a lot of work and taught us a great deal. In particular, we have looked at how we can cement sustainability in the company as a whole. One of the main takeaways from this is that we need to be incredibly focused, so that we don't get overwhelmed by the complexity of the issue or overstretch the organisation.

We therefore initially focused on our largest lever, the procurement of low-carbon materials. The fact that despite the low availability we have still managed to order some of our aluminium profiles with a lower carbon footprint, is a huge success. Our colleagues in Purchasing have done a truly outstanding job here in bringing our Emission Zero focus project to the fore. This is reflected in the figures too. Our global CO₂ emissions have dropped 9.2 percent from 2021 to 2022, while our sales have increased by 14 percent. This indicates for the first time a decoupling between commercial success and environmental impact. This is very important to us as a company, because it shows what we can achieve when we make the right adjustments together with our partners. We gave suppliers we have worked well with for years guidelines on the sustainability of their materials. This adjustment was accompanied by various face-to-face discussions. We know that the manufacturing processes in the press works cannot change overnight. It will take time. However, it's the right way to go. We can only change what's offered to us in our upstream chain if we clearly communicate what we need. And that's exactly what's happening now.

Thomas Lauritzen

"Sustainably planned and implemented construction projects are often seen as not cost-effective, unfortunately. We need to change this."

The direction is therefore clear, but implementation will take some time. Would it not make sense to take much larger steps, given the progression of global warming?

Thomas Lauritzen: Each step requires the corresponding capacity. We have deliberately chosen to increase speed in the procurement of sustainable, alternative materials. This was the right thing to do, and we can see this in the development of our Scope 3 emissions. However, other factors have been neglected in the meantime, it has to be said. All in all, we need to keep working to decoupling our sales from CO₂ consumption more clearly, in order to achieve our CO₂ objectives.

Transparency

Henning Jünke: This is a huge challenge, especially given the fact that so little low-carbon material is available on the market at the moment. We therefore need to actively and specifically look for more opportunities to align our business model with the objectives of climate neutrality. And we're doing just that. What helps us here is a change of mindset. Through a great deal of communication and training, we have managed to make our employees much more aware of sustainability issues, particularly those concerning the climate and environment. As a result, these topics are being considered more seriously in decision processes.

Thomas Lauritzen: Changing the way we think is key, and I'd like to add something here. We have developed a smart system, the IoF tag, which can be used to retrieve various product information at the touch of a button. If we use this together with other trades, we can thereby digitally map entire buildings. Owners would then have transparent proof, for example, of which materials were installed, what maintenance intervals need to be considered, as well as the carbon footprint of the building. We can give our customers real added value here, but only when we as building specialists work together with others to develop a joint solution. This collaborative thinking is new and also key to the future success of our company.

Henning Jünke

"We need to actively look for more opportunities to align our business model with the objectives of climate neutrality."

Do sustainable solutions require more collaboration?

Henning Jünke: Collaboration is normal in the construction industry; Schüco collaborates with various partners too. What's new is the joint focus on sustainability objectives. In the PVC-U business, for example, we just have established a joint venture with waste-disposal specialist Remondis, so that we can optimise the recycling loops of PVC-U windows. Another example is collaborations with material manufacturers, for example, so that we can develop products to be recyclable from the outset. When it comes to materials in particular, Schüco can achieve a great deal together with suppliers, and bring together expertise. At the moment we are learning a great deal and benefiting from sharing this knowledge with our partners along the supply chain.

Where can Schüco do better?

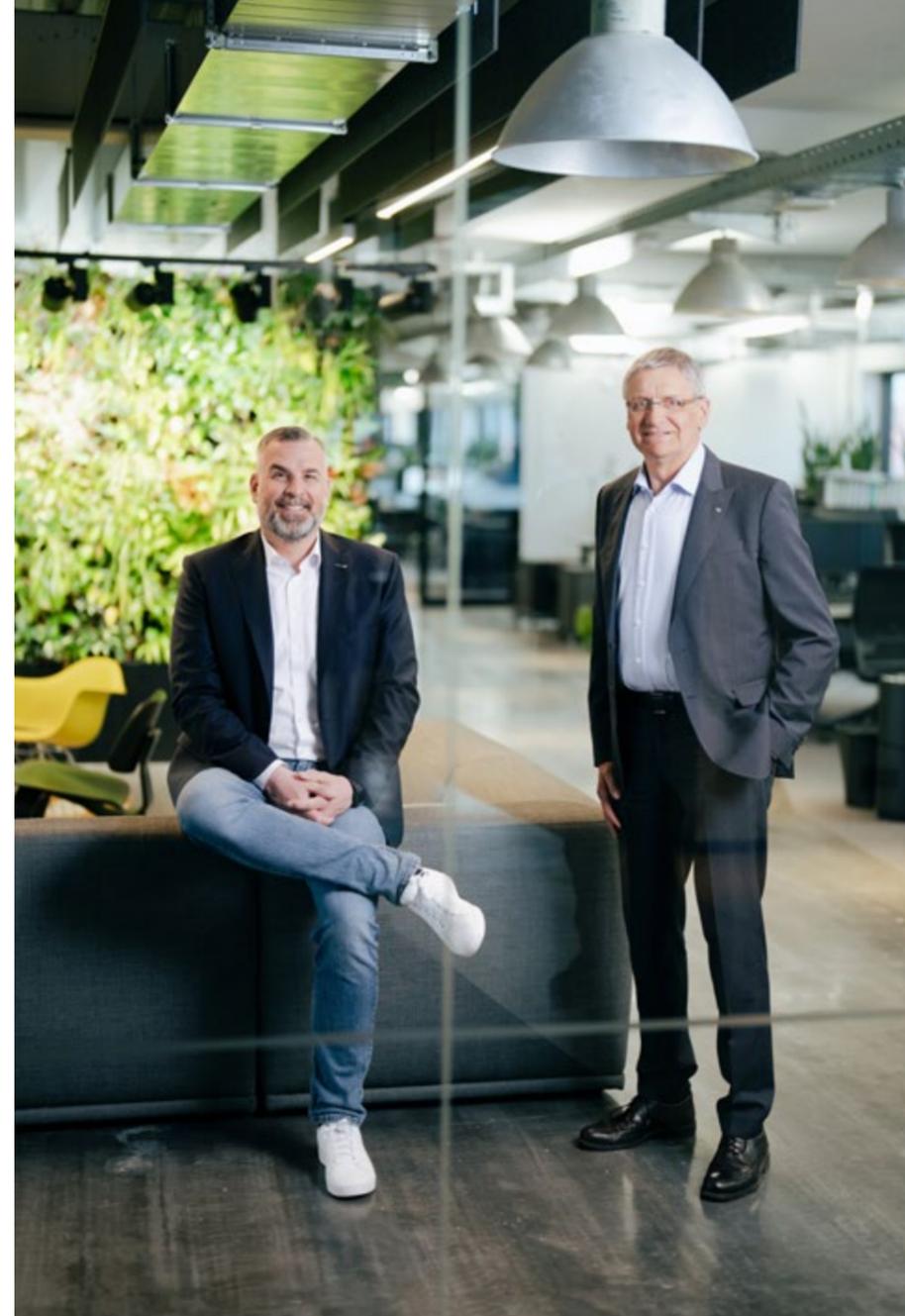
Thomas Lauritzen: We need to consider sustainability aspects even more seriously in all our decisions. Everyone in the company knows that the path to climate neutrality involves changes. At the same time, a strategic approach is repeatedly brought to a halt by acute problems or certain sales opportunities.

Henning Jünke: It's a phenomenon that we are seeing crop up in various stakeholder initiatives, because so many companies are faced with this challenge, that is to say, why do we need a transformation when everything is going well? Nobody changes voluntarily.

Thomas Lauritzen: It is therefore all the more important to broach the issue of conflicting interests and look for solutions together. This is a core task of the sustainability experts in our company. We need to encourage specialist departments to think about this, especially when it comes to development. After all, this is where the core product parameters are determined and where a decision is made as to whether a product is to be recyclable or feature high thermal insulation, for example. Achieving both is generally difficult to do.

What do you believe is the most urgent project?

Thomas Lauritzen: We need to start looking at things backwards – and to do so right now. Buildings will only become raw-material reserves in the long term, so we need to clarify where we want to procure our sustainable materials in the meantime. We need Low Carbon aluminium, and we're not the only ones. But we also need sustainable PVC-U, insulating bars, fittings and gaskets. These are the issues we're tackling at the moment.



Thomas Lauritzen
Company Spokesperson and
Head of Internal Services

Henning Jünke
Head of Sustainability

I would also like to report on the other successes of our transformation process: the success of our change in thinking. This could be, for example, a service concept that we have tested on the market. We need these initial milestones to show even more people in the company that it's worth changing the way we think.

Thomas Lauritzen: I hope that we'll have managed to significantly reduce our carbon footprint across the value creation chain. That would be a light bulb moment. Not just because it is an important milestone on our path to climate neutrality. But also because we can only achieve this when we all make a concerted, focused effort to do so.

**Mr Lauritzen and Mr Jünke,
thank you for talking to us!**

Henning Jünke: I completely agree with this. Moving to sustainable materials has the greatest impact on our own carbon footprint, and is also the most important issue on the market. In future, it won't just be about CO₂, but also water, biodiversity and upholding human rights. Addressing the new reporting requirements is a particularly urgent matter for us. We still have a way to go here, especially in the area of data management.

Which successes would you like to talk about in the next sustainability report?

Henning Jünke: It would be a great success for us if in two years we were able to report not only earlier, but also more internationally. That would be a huge step forwards in terms of transparency and the standardisation of sustainability processes.

Greater perspective with CO₂

How can we turn a window with outstanding thermal insulation into one that meets the future requirements for net-zero building components? A cross-departmental team at Schüco has been working on an answer to this since 2021.

Focus 1

Material

Increased proportion of recycled content in aluminium as well as bars and gaskets

Focus 2

Fabrication

Reduced use of material and recyclable alternatives

Focus 3

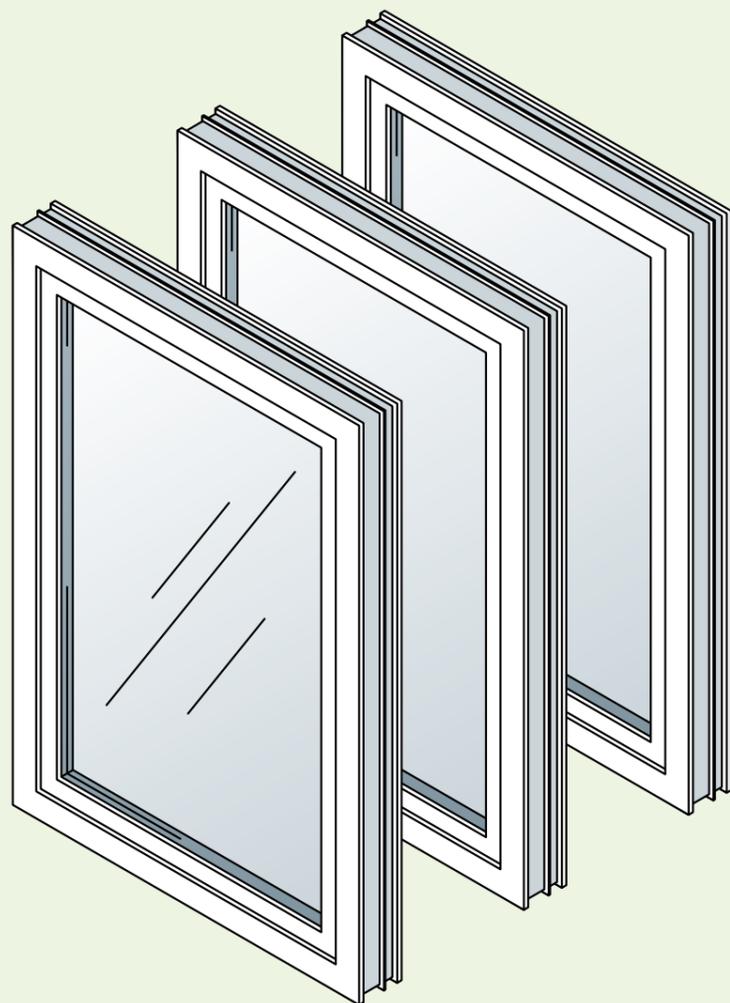
Packaging

Reduced packaging and increased use of reusable containers

Focus 4

Service & repair

Warranty and upgrade service



In brief



Marvin König Castro
Innovations Manager

You have spent the past two years considering the question of how the Schüco product portfolio can be more sustainable from a technical point of view. Did you learn anything important from this?

One of the key questions was looking at where we need to start in order to not only optimise the carbon footprint of individual components, but also firmly anchor sustainability in our products. On this basis, we formulated specific sustainability requirements in product development and then started the research and testing phase. The transfer of knowledge between departments, as well as with partners and suppliers, was key here. In future, we need to further expand sustainability knowledge in the company.

Who was involved?

Sometimes it felt like the entire company was involved. However, it was primarily colleagues from Purchasing, Product Development, Logistics, Sustainability, Quality Management and our Innovation Lab. We also had discussions with suppliers to help us meet standards and requirements for newly assembled products, for example.

What would be a huge project success for you?

We set ourselves the aim of offering a sustainable alternative that is primarily based on an increased proportion of recycled content and alternative materials by the start of 2024 in as many product groups as possible. This is a key milestone. Personally, I'd like us, through training and education, to become better at developing products with a reduced carbon footprint from the outset.

Energy-saving buildings protect the climate. Windows, doors and façade units make a key contribution to this with low thermal transmittance and high weathertightness. However, focusing on primary energy requirements is not enough to achieve the European climate objectives and have a climate-neutral stock of existing buildings by 2050. This is why "embodied carbon" is attracting more and more attention. It concerns carbon emissions that are produced through manufacturing, transport and subsequent disposal of the installed materials. It is worth calculating in order to design individual components of a building to be climate-neutral across the entire product life cycle.

Valuable knowledge

A project on this began in summer 2021. Its working title was "The sustainable window". It focused initially on the aluminium frames, insulating bars and gaskets. When you include the glass too, most of the product material weight is covered.

The Schüco team also analysed the production principles. An environmentally friendly product design enables individual components to be replaced or repaired more easily, for example. What's more, it should be possible to recycle the product after the usage phase without any loss of quality as far as possible. The type of packaging and transport also has an impact on the carbon footprint of the end product.

Technical test

If a promising alternative material is found, its behaviour in the product is tested. Various test processes ensure that the changed article continues to meet all quality requirements and defined product properties. In other words, the development of a carbon-neutral product portfolio is more of a gradual change than the proverbial Big Bang.

Science-based climate protection targets


 CO₂

 2025

 30%

Journey along a timeline

"Emission Zero" is the name of the focus project through which Schüco is aiming for climate neutrality by 2040 across its entire value creation chain. In order to achieve this goal, more than 60 sites in 45 countries need to reduce their carbon emissions. Lars Knöner, Head of Sustainability Consulting, and Jörg Warning, Senior Sustainability Expert, discuss the main focus areas of their work, daily challenges and small success stories.

Schüco has worked together with the WWF to develop science-based climate protection targets. What do these targets mean for international sites?

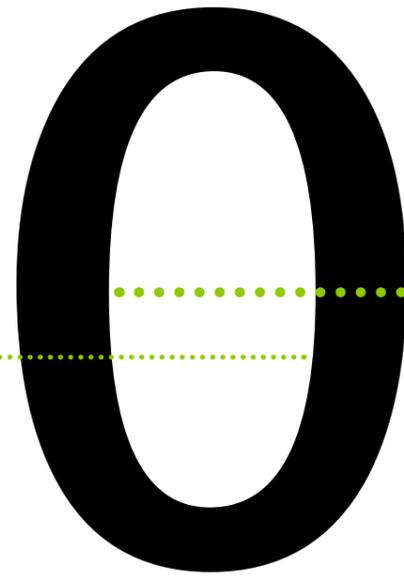
Jörg Warning: Firstly, they show that we have a company-wide decarbonisation goal, which we can only achieve if we combine forces. This requires information and raised awareness. We still need to demonstrate that the path to climate neutrality isn't just a task for Purchasing and Product Development. It actually involves each individual department in the company and all sites across the world.

Lars Knöner: The main objectives are an important guide, as we use them to derive the targets for our international sites. Based on this, we can work together with country managers to develop local reduction paths. This always starts with analysing and identifying the specific leverage areas, followed by systematically working out a plan for decarbonisation. It is a mammoth task. We need the commitment of our country managers and the support of managers in the Sales and Technical departments. We also need to consider the various regulatory and market-specific requirements in each country.

Environment

Just how different are these requirements?

Jörg Warning: Imagine it as a timeline, where I can travel from our present-day Germany to both the past and future. I can see the UK before us, for example. Not only does this country have stricter stipulations for newbuilds, there is also a growing market for sustainable building products due to demand from investors and clients. Other countries are lagging behind Germany, with few legal requirements for climate protection in construction and a less-defined market due to lower demand. The framework conditions are therefore very different, and this needs to be reflected in the targets and measures that our global sites will need to follow.



2040
= 0%

Sites in 45 countries

How can the central Sustainability team support countries with decarbonisation?

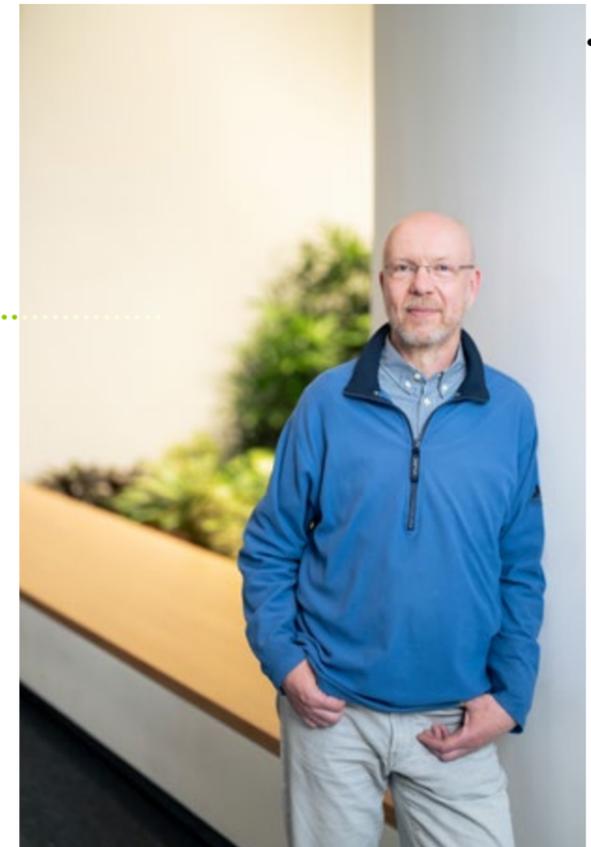
Jörg Warning: In addition to raising awareness, as we have already mentioned, and providing information, we are supporting and advising countries with the development of carbon reduction concepts. We have created a kind of blueprint which we are currently putting into motion as part of a pilot project in the Netherlands. We will transfer the practical knowledge we will gain from this over to subsidiaries in other countries. Discussions about best practice are also a key part of our international work.

Are there central stipulations that are non-negotiable?

Lars Knöner: Yes, there are key points. For example, we have a uniform purchasing strategy that stipulates restrictions on the greenhouse gas potential of materials. However, we in the central Sustainability team see our main role as supporting countries to develop their own strategies in order to utilise local potential as widely and efficiently as possible.

Emission Zero: Climate neutral by 2040

The Emission Zero focus project aims to help Schüco become climate neutral for the long term. We are looking to reduce our carbon emissions by 30 percent by 2025 compared to the reference year 2018 and to no longer generate any emissions that are harmful to the environment by 2040. These targets are in line with the Paris Climate Agreement, which aims to limit global warming to 1.5 degrees Celsius. They were set together with the WWF and their effectiveness has been validated by the Science Based Targets initiative (SBTi).



Jörg Warning
Senior Sustainability Expert

Jörg Warning: Luckily, sustainability is no longer an issue that is exclusively managed from headquarters. The changing market requirements will help international sales to more widely accept our activities to reduce CO₂, and there are many colleagues who are actively coming to us with their own ideas. We think that's great. This intrinsic motivation is something we'd like to strengthen wherever possible.

30 percent reduction by 2025

Climate neutrality by 2040



Lars Knöner
Head of Sustainability Consulting

Lars Knöner: For us as a company, there is a significant challenge in the fact that we have deliberately decided to align our activities with science-based climate targets. These targets are non-negotiable. At the same time, we need realistic implementation scenarios for the countries in which the political and economical framework conditions do not match up with an ambitious climate strategy. It's a real balancing act. It primarily depends on open and constructive discussions, learning from one another and coming up with solutions we can all get behind.

Given the increasing carbon emissions around the world, it's clear that companies not only need to adjust the tempo, but also the extent of their climate activities. Is this realistic in light of the conditions you just mentioned?

Lars Knöner: We have seen first-hand how volatile these conditions can be over the past three years. I don't even need to look beyond my desk to say that we can lose sight of achieving climate targets when there are unexpected crises, such as the supply shortages in key markets. On the other hand, we can see across the world that the legal requirements for climate protection are increasing and the market requirements are changing in favour of greater sustainability. At the same time, especially in countries with fewer environmental stipulations, we see an opportunity to position ourselves as pioneers through specific CO₂ reduction measures at each site or through our recyclable Cradle-to-Cradle systems.

Business development

Partnership for a closed PVC recycling process

The growing demand for raw materials and the global climate protection targets are posing huge challenges to the construction industry. But there are also opportunities here, such as those for new business models. This is demonstrated by the strategic partnership between waste disposal company Remondis Recycling GmbH & Co. KG and Schüco Polymer Technologies KG in the form of the joint venture RE:CORE, which was set up in 2022. Both partners want to work together to establish a closed PVC-U recycling process and thereby create a more sustainable construction industry.

The longevity and recyclability of materials are important properties when it comes to sustainable construction. Modern PVC-U windows, for example, have a lifespan of 40 to 50 years. The PVC used in them can be recycled up to seven times in a functioning circular economy, all the while losing barely any quality at all. Recycled PVC-U windows are also much lower in emissions. Their carbon footprint is up to 85 percent lower than with primary PVC. However, recycling PVC-U windows in practice is not without its challenges. The old material, for example, must be separated by colour in the recycling process, which is very time-consuming. What's more, there is often a lack of functioning collection and return systems for old PVC or production downtimes.

Waste disposal concept from a single source

In order to optimise PVC recycling and close the material cycle, a number of individual stakeholders need to be involved along the value creation chain. Firstly, there are the fabricators and distributors of ready-made units, who need to return their production waste and/or old windows. Secondly, there are the processing plants for grinding and re-granulation. Furthermore, decentralised, extensive transport and logistics processes need to be established.



Dirk Schneider
CFO
Schüco Polymer Technologies KG

RE:CORE

"By establishing RE:CORE, we are taking an active step to combat the challenges of PVC recycling, for example with the returns logistics or in the case of partnerships across the different levels of recyclable material. In future, the entire recycling value creation chain for Schüco will be mapped by means of the joint venture. Schüco will thereby be able to close its own PVC recycling process and offer its partner companies a recycling service for profile offcuts and old windows," explains Markus Herbst, CEO of Schüco Polymer Technologies KG.

Pooling expertise

How exactly does it work? Firstly, RE:CORE purchases the profile offcuts and old windows from its partners. Remondis arranges transport and subsequent processing, and then the produced recycled content can be used in Schüco profile production. Not only does this allow Schüco direct access to the old material, enabling it to achieve higher rates of recycled material, but the partnership with Remondis also optimises the carbon footprint of transport and logistics. The company is making use of its incredibly strong, decentralised logistics network, which means that it can cover a large number of RE:CORE partners.

"The partnership puts us in a position that enables us to offer our partners a complete waste disposal concept from a single source. Remondis has many years of expertise in the area of recycling, including for the material PVC. Schüco brings its direct access to Schüco partners and a wide understanding of the market. The establishment of RE:CORE is an excellent example of how you can combine specialist expertise to make your business more sustainable," says Dirk Schneider, Managing Director of RE:CORE GmbH and CFO of Schüco Polymer Technologies KG.

After several months on the market, RE:CORE GmbH has managed to take on multiple Schüco partners, who will recycle all production offcuts and old window materials via them in future. Expanding the customer base in Germany is also a focus of the operational business activity, while initial plans to expand internationally have also been drawn up at the same time.

For more information, visit www.recore-recycling.com

Schüco Polymer Technologies KG

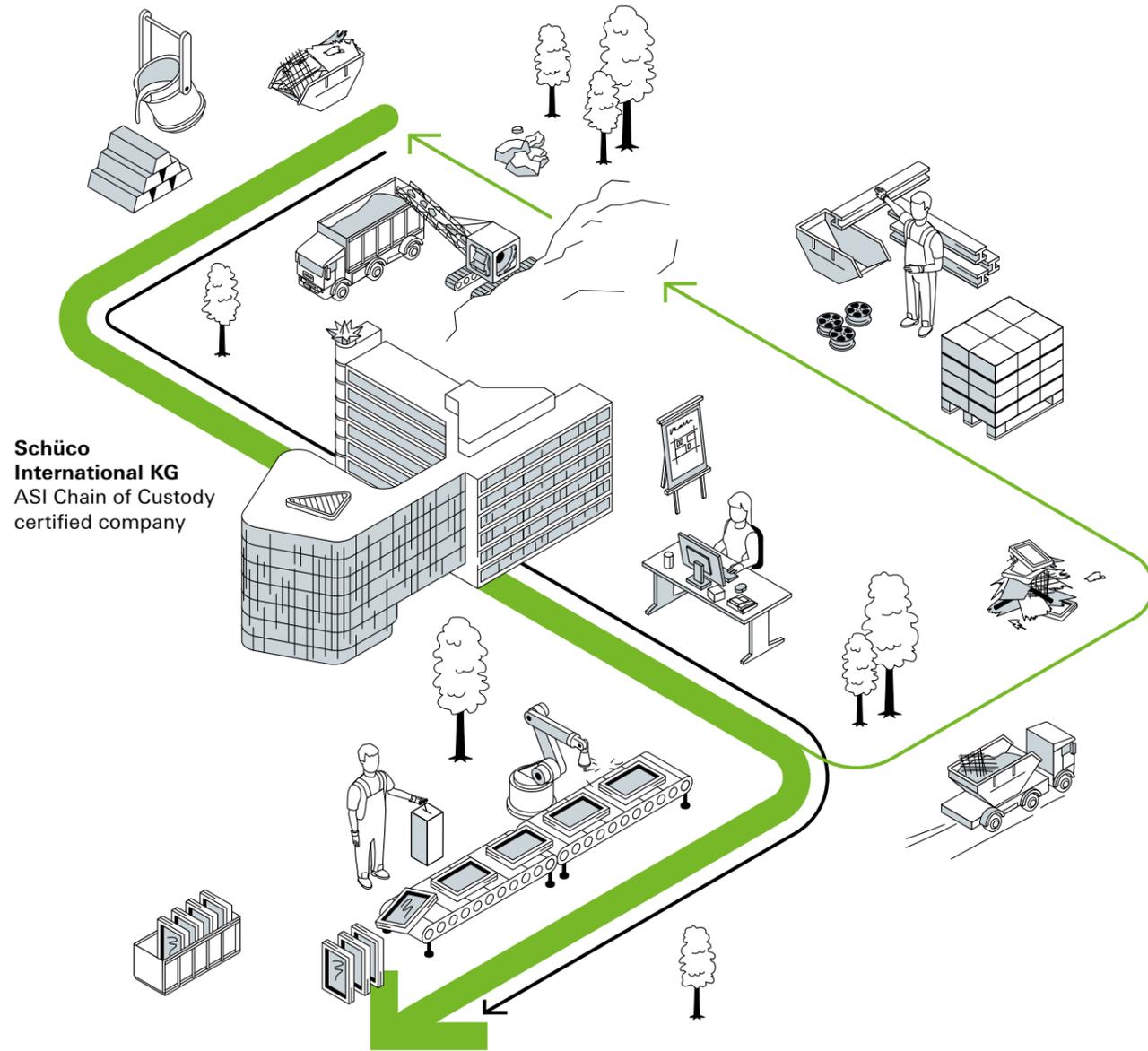
Schüco Polymer Technologies develops, produces and sells PVC-U systems for windows, doors and sliding doors. With around 1,100 employees worldwide, the wholly-owned Schüco subsidiary focuses on innovative technologies and products for all aspects of the building envelope. Over 3,100 partners around the world work together with Schüco Polymer Technologies KG. The company is active in over 50 countries.



Mario Husemann
Managing Director
Remondis Recycling GmbH & Co. KG

Supply chain

Sustainable aluminium – from raw material to end product



The Chain of Custody Standard of the Aluminium Stewardship Initiative (ASI) ensures that aluminium products are manufactured, fabricated and handled in line with specific sustainability criteria. In 2022, Schüco became the first systems business to be certified in accordance with this standard.

The Chain of Custody (CoC) concerns both the product chain and the chain of evidence. The ASI's CoC standard is described well by these two terms. Certified companies can use it to prove that the aluminium in their products has followed a socially and environmentally responsible process chain, starting with the extraction of the raw material bauxite from mines, right through to its final destination with the purchaser.

What does the ASI do?

The Aluminium Stewardship Initiative (ASI) develops standards on a voluntary basis for a sustainable aluminium industry along the entire value creation chain. Schüco is one of the founding members of the multi-stakeholder initiative.

For responsible processes...

Companies seeking certification first need to meet the *ASI Performance Standard*, which focuses on responsible corporate management. Different priorities are set depending on the value creation stage. For mining companies, for example, the standard sets requirements for biodiversity management, while for aluminium production there is a focus on reducing CO₂ in energy-intensive melting processes, as well as social aspects with regard to labour laws and human rights. As a commercial enterprise with its own product development, Schüco has had to prove that the aluminium systems it has sold are designed with longevity, ease of repair and recyclability in mind. The company received the ASI Performance Standard in 2019.

Why was there a need for further certification? "The CoC standard is the link between the sustainable alignment within the company itself and the partnership with sustainable business partners along the value creation chain," explains Stefan Rohrmus, who oversaw the certification process which lasted several weeks. "In concrete terms, this means that the CoC standard is the only thing that authorises us to supply our customers with ASI-certified aluminium. This is because it ensures that we have all the necessary processes and management systems in place in order to procure responsibly produced aluminium from our suppliers, process it and sell it on."



Stefan Rohrmus
Senior Sustainability Expert



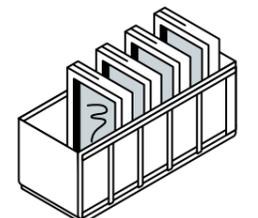
"We can now supply our customers with ASI-certified aluminium on request. Specifiers and investors looking for sustainability certification for their building project are particularly interested in this."

...along the value creation chain

With CoC certification, Schüco is helping, through the Aluminium Stewardship, to gradually make the complex aluminium value creation chain more environmentally friendly and socially responsible. In addition to the dismantling and high-quality recycling of aluminium units in buildings, the fabrication of ASI-certified primary aluminium is another key step towards increasing sustainability in the construction sector.

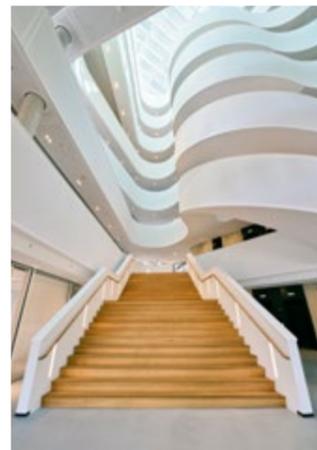
What is the Chain of Custody standard?

- Authorises the sale of ASI-certified aluminium
- Valid in specifications as proof that sustainability criteria have been taken into account
- Recognised by the green building certification systems BREEAM and LEED



Creating open spaces

Schüco One is the name of our new company headquarters, which was designed by Copenhagen-based architectural practice 3XN. The modern office building offers open, communicative work spaces and brings the next generation of working environment to the Schüco Campus in Bielefeld. The architecture promotes collaborative work and discussions in an open, attractive work environment. This offers a great deal of space for creative work – both in teams and individually.



Newbuild at the company headquarters **Schüco One**

Architect 3XN Copenhagen A/S
Floor space 7,200 m² distributed across an area of 1,100 m² over 7 floors
Function The Schüco One building and the main building form the company headquarters
Workspace More than 230 workstations, open meeting and office spaces, flexible conference rooms
Certifications LEED, BREEAM, DGNB, Cradle to Cradle, Sentinel Haus
Completion date June 2022





Employees



Jesper Bork
Project Manager, 3XN

"Teamwork, dialogue and knowledge sharing are all parameters in a work environment that we want to foster through our architecture. Everyone who comes into Schüco One will want to share ideas with others."



Miriam Vandieken
Head of Personnel &
Organisational Development

"Employees need free space to tackle complex challenges through brave, new approaches."



Employees



Simona Cannizzo
Digital Marketing Manager

"The flexible workspaces in Schüco One make it easy to work together in different team set-ups. And those who need their own space will find the perfect place here too."



Andreas Engelhardt
Managing Partner & CEO
Schüco International KG

"Schüco One is not just a building. It also represents the people that work here."

Working together to improve sustainability in the construction industry

For Schüco, its partnership with WWF Germany is an important part of its sustainability work. The company and the non-profit organisation have been key partners since 2018, coming together regularly to discuss sustainability issues such as decarbonisation, the circular economy and biodiversity. The WWF's sustainability assessment, which was developed with the aid of Schüco, shows what this looked like in the reporting period.



As an energy neutral building that can be completely dismantled, the Triodos Bank office building in The Netherlands with a timber structure and glazed aluminium façade is setting global standards in circular construction.

A rating for sustainable corporate transformation

WWF Germany helps companies looking to become more sustainable. To this end, the NGO developed the One Planet Business Framework, which considers four elements of sustainability: climate, fresh water, biodiversity and human rights. Taking account of current scientific findings such as the 1.5°C target, the framework defines requirements and objectives that are aligned with the planet's limits. An accompanying rating enables companies to assess the achieved status quo and measures future progress on this basis. Moreover, the rating results help to identify potential areas for development, and provide a solid basis for deriving measures.



Esra Korff
Sustainability Consultant
One Planet Business

"Testing the criteria and ambitions of the One Planet Business Framework, together with the sustainability experts at Schüco has given us an insight into how sustainability is developed in a company. It was of the utmost importance to us that the One Planet Business Framework matched up with the mechanisms of a company in the same way as the science-based requirements of the WWF."



Jörg Warning
Senior Sustainability Expert

"The work on the WWF's One Planet Rating has helped us to determine our status quo in a transparent, comprehensive way, especially compared to the exacting, science-based standards of an NGO. We learned a great deal about ourselves and were able to work with the WWF to gather key findings as to what a sustainability rating needs to achieve."

Turning theory into practice

For a period of two years, Schüco was part of the One Planet Rating pilot project across all four elements of sustainability. Both sides benefited from the initial results here. For Schüco, the rating provides valuable impetus to gradually tackle sustainability issues that previously had not been looked at in detail. The external perspective of the WWF provided a credible assessment of the company's sustainability activities. In return, the practicality of the WWF's One Planet Assessment is tested from the perspective of a commercial enterprise and continuously improved through constructive discussions.



Building sustainability: The Bjergsted Finansparken newbuild in Stavanger, Norway, has been awarded the BREEAM Outstanding sustainable building certification.



WORKING TOGETHER
FOR A SUSTAINABLE
CONSTRUCTION INDUSTRY

SCHÜCO

Partnership with WWF Germany

Schüco and WWF Germany have been working together since 2018 to make an important contribution towards a sustainable economy. The aim is to increase the positive ecological impact of corporate activities in the building sector and to further reduce negative effects. In 2021, the partners extended the successful partnership by another five years. This will not only help to drive the transformation of Schüco, but also the construction industry.

Different perspectives bring added value

"The different perspectives are what made the partnership particularly exciting. The WWF has high requirements for sustainability within a corporate context, and for us the main question is how we can put our sustainable company transformation into action, while continuing to remain competitive," says Jörg Warning, Senior Sustainability Expert, who oversaw the One Planet Rating on behalf of Schüco. Constructive, open discussions were also held to establish the form ambitious climate protection targets would take in practice, as well as the cross-industry comparability of a universal rating. "Despite our different positions and views, our partnership is always marked by the shared core idea of the collaboration: advancing sustainability through combined expertise – at Schüco, in the construction industry and beyond," says Jörg Warning.

General disclosures

The organisation & its reporting practices ³⁶

Activities and workers ³⁸

Governance ⁴³

Strategy, policies and practices ⁴⁵

Stakeholder engagement ⁵⁰

1

General disclosures

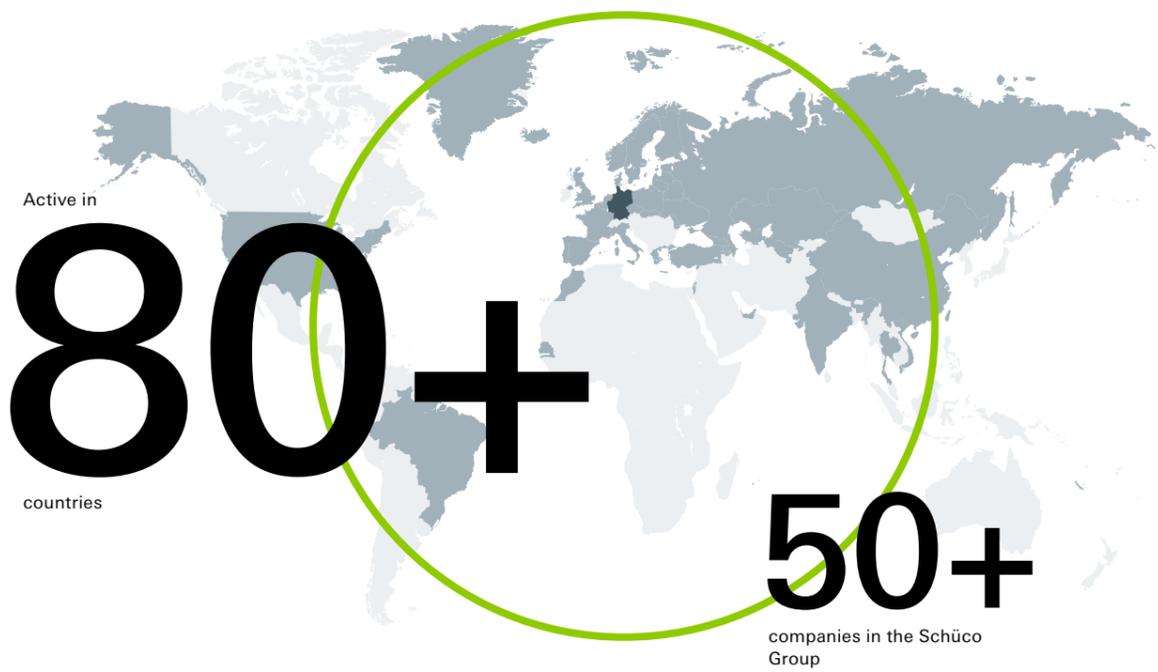
The organisation & its reporting practices

- GRI 2-1 Organisational details
- GRI 2-2 Entities included in the organisation's sustainability reporting
- GRI 2-3 Reporting period, frequency and contact point
- GRI 2-4 Restatements of information
- GRI 2-5 External assurance

The company

Based in Bielefeld, Germany, Schüco International KG develops and sells system solutions for windows, doors and façades. It is both a parent company and an operational unit within the global Schüco Group, which is represented worldwide by over 50 companies as well as various showrooms

and representative offices (see "Schüco Group" infographic). In Germany, the Schüco Group is represented in 17 locations.



The Schüco Group

During the reporting period, the Schüco Group was active in over 80 countries worldwide, with offices in the following 45 countries: Armenia, Azerbaijan, Belarus, Belgium, Brazil, Canada, China, Czechia, Denmark, Egypt, Estonia, Finland, France, Georgia, Germany, Greece, India, Indonesia, Israel, Italy, Japan, Kazakhstan, Latvia, Lithuania, Morocco, the

Netherlands, Norway, Poland, Portugal, Russia, Senegal, Singapore, Slovakia, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey, Ukraine, the United Arab Emirates, the UK, the USA, Uzbekistan and Vietnam.



Comments on the GRI report

Due to its legal form, the Schüco Group is not obliged to publish a detailed report of its financial figures. The company provides its key figures, activities and economic developments online as part of an annotated annual report.

The report was created in line with the current GRI standards and refers to the Schüco Group in most areas. However, the information required by the GRI is not yet collected from all subsidiaries in the Group and systematically assessed. We will be using colour coding for the first time in order to clearly identify the area of application for the numbers-based data.

Our areas of application:

- Schüco Group
- German sites of the Schüco Group (excluding acquisitions)

Schüco will no longer report some of the GRI indicators that were previously included, in order to better comply with the GRI principles of "accuracy" and "completeness". We therefore take account of the fact that the structure of a systematic report on an international level takes more time than originally assumed. The following indicators are affected:

- 202-1 Ratios of standard entry level wage by gender compared to local minimum wage
- 202-2 Proportion of senior management hired from the local community
- 204-1 Proportion of spending on local suppliers
- 302-5 Reductions in energy requirements of products and services
- 304-3 Habitats protected or restored
- 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations
- 308-2 Negative environmental impacts in the supply chain and actions taken
- 403-8 Workers covered by an occupational health and safety management system
- 410-1 Security personnel trained in human rights policies or procedures

This information refers to the period from 1 January 2021 to 31 December 2022. It was published on 29 September 2023 and has been available online ever since. The report has not been subject to any external assurance.

The contact person for sustainability reporting in the Schüco Group is Henning Jünke, Head of Sustainability, hjuenke@schueco.com.

Activities and employees

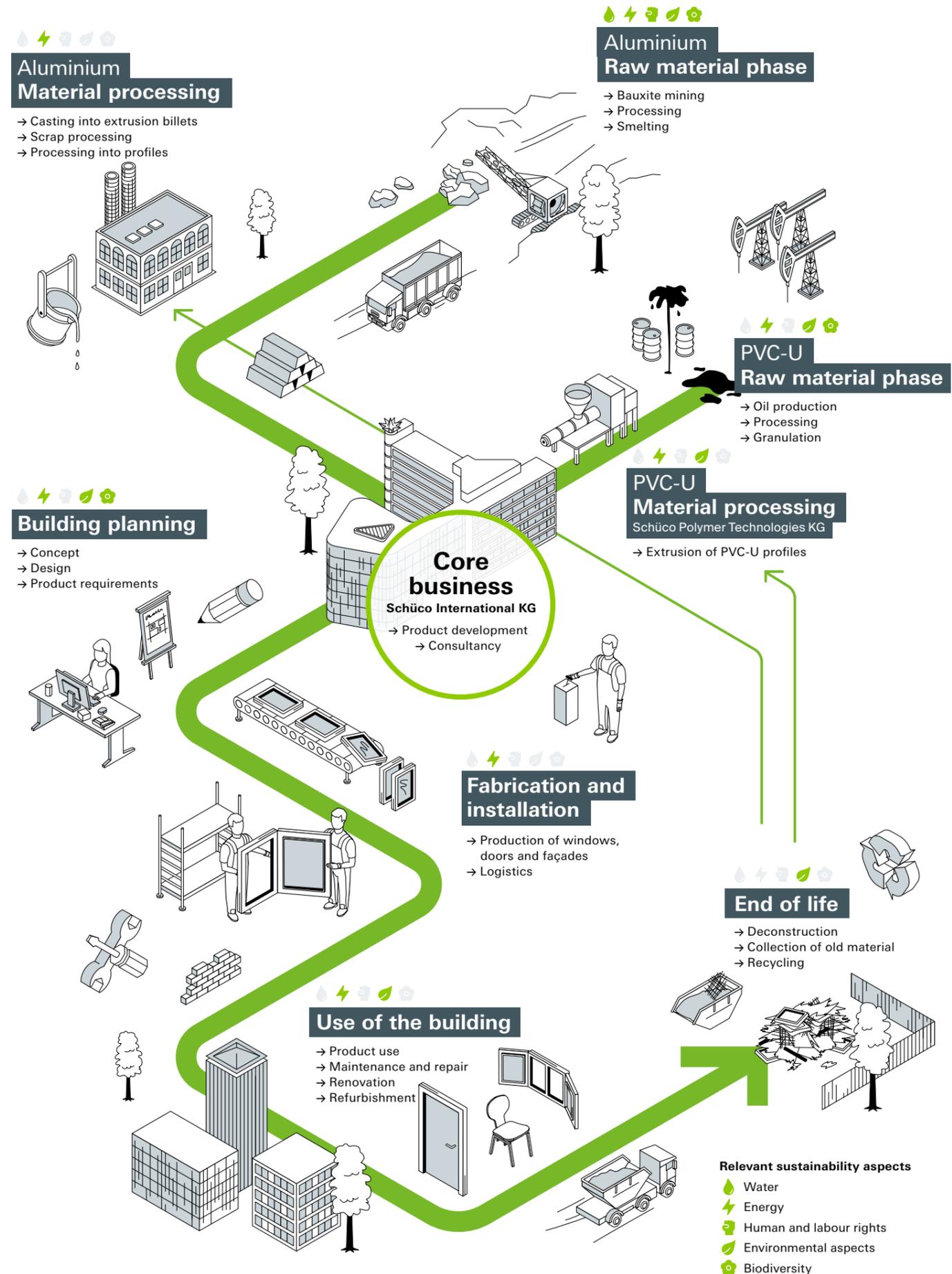
- GRI 2-6 Activities, value chain and other business relationships
- GRI 2-7 Employees
- GRI 2-8 Workers who are not employees

Activities & supply chain

The Schüco Group develops and sells around 500 system solutions for windows, doors, façades, sliding systems, sun shading, ventilation and fire protection. Furthermore, we design individual special constructions together with our partners. This includes around 50 different fabrication machines as well as planning, drawing, calculation and project management software. Comprehensive, varied customer training is also part of the services we offer.

With around 6,764 employees worldwide, we strive to be the technological and service leader in the industry. In order to achieve this goal, we consistently orient ourselves to the needs of our customers, which include architects, specifiers, investors, and metal and window fabricators all over the world. We offer solutions for all phases of a building project – from the initial idea through to design, fabrication and installation, as well as after sales with maintenance and servicing. Fabrication machinery and customer-oriented service complement the product portfolio. Our core expertise is in development, procurement, distribution and consultancy.

From raw material to recycling: our value added chain



This includes advice on certification, designs using sustainable systems and environmental product declarations. We develop products and perform quality checks and environmental simulations in our independent, accredited Schüco Technology Center.

Our company's activities are divided into the Metal – aluminium and steel – and PVC-U divisions. In both areas, we offer our partners (metal and window fabricators) and customers sophisticated system technology in a range of designs. Steel systems are marketed under the *Schüco Jansen Steel Systems* brand, and all other products under the *Schüco* brand. The infographic on page 39 explains our value creation chain in more detail.

A number of strategic partnerships round off the company's portfolio. In the area of smart buildings, Schüco has partnerships with Gira Giersiepen GmbH & Co. KG and the Loxone Group. We also hold a product partnership with Renson in the area of ventilation concepts. Schüco works with Kuka AG on automation solutions. The company develops highly weathertight sliding systems together with air-lux Technik AG. During the reporting period, Schüco took on two further strategic partnerships. Since May 2021, it has collaborated with Belgian flat glass provider AGC Glass Europe. With its special vacuum-insulating glass technology, the company meets particularly high requirements for design, insulating properties and light transmission in glass surfaces. In July 2022, a partnership began with dormakaba International Holding AG, a world-leading company for access solutions which focuses on developing intelligent door systems and shared digital planning and calculation tools.

Schüco works together with suppliers both within and outside Germany. The company values long-term business relationships that are marked by cooperative partnerships. This is how we ensure the consistently high quality of our products. The Purchasing department of Schüco International KG and Schüco Polymer Technologies KG lists around 360 direct product suppliers to the Metal and PVC-U divisions in Germany, including manufacturers of PVC-U profiles, fittings and security technology.

During the reporting period, Schüco saw fluctuating demand overall. Following the outbreak of war in Ukraine, the number of orders rose disproportionately. In order to mitigate supply shortages, Schüco expanded its network of European suppliers. By taking on new suppliers, we also sought to reduce the carbon footprint of purchased materials. During the second half of 2022, demand reduced and suppliers' capacity utilisation dropped significantly.

In the business area of aluminium, Schüco has no direct relationships with raw material trade, but procures exclusively semi-finished and finished products. In the business area of PVC-U, the company purchases PVC and additives for PVC fabrication.

We do not have any figures for our indirect suppliers. However, we have made it our mission to use our direct influence along the supply chain in order to ensure transparency, quality and adherence to environmental and social standards. This is why we are part of the Aluminium Stewardship Initiative (ASI, see page 106) and are a member of the VinylPlus industry initiative (see page 110).

Relevant business activities during the reporting period

During the reporting period, the subsidiary Schüco Japan K.K began a joint venture with local construction group Lixil. Established in August 2021, the partnership aims to drive further market development in Japan.

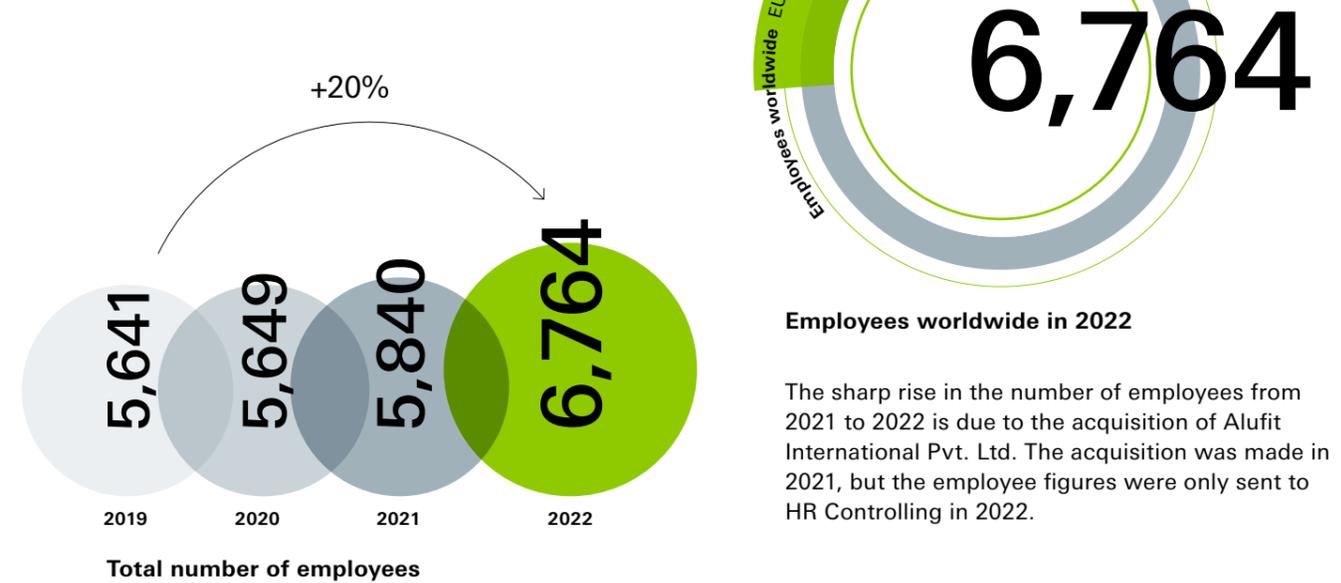
Schueco Vietnam Co. Ltd. was established in Ho Chi Minh City in October 2021. The subsidiary aims to expand sales activities in Vietnam, strengthen the Schüco brand and offer product training at its dedicated skills and training centre.

In November 2021, Schüco acquired a majority share in Alufit International Pvt. Ltd, India's largest aluminium façade fabricator. Alufit employs over 1,500 people and has three state-of-the-art production plants. Together, the partners are looking to focus on large façade projects in the commercial and infrastructure sector.

Employees

● Area of application Schüco Group

The data provided was retrieved from our personnel management IT system. Unless explicitly stated otherwise, the data takes into account everyone employed as of the cut-off date of 31 December of the respective year.



Employees worldwide in 2022

The sharp rise in the number of employees from 2021 to 2022 is due to the acquisition of Alufit International Pvt. Ltd. The acquisition was made in 2021, but the employee figures were only sent to HR Controlling in 2022.

Employees by region 2022

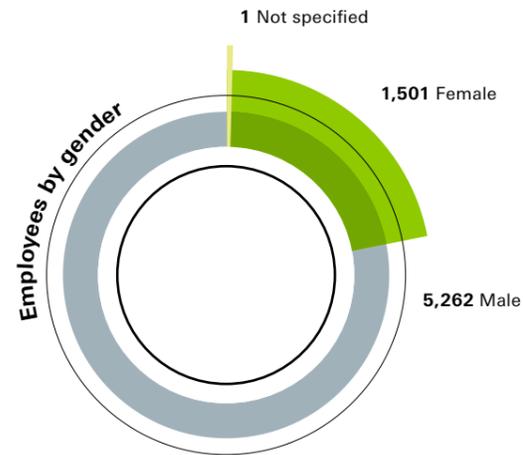
	Worldwide	EU and EFTA	Outside the EU and EFTA	Germany
Total	6,764	4,989	1,775	4,032
Temporary employees in %	3.7	4.6	1.2	4.6
Permanent employees in %	96.3	95.4	98.8	95.4
Full-time in %	93.2	91.1	99.3	90.2
Part-time in %	6.8	8.9	0.7	9.8

Employees by region 2021

	Worldwide	EU and EFTA	Outside the EU and EFTA	Germany
Total	5,840	4,663	1,177	3,885
Temporary employees in %	4.2	5.0	0.8	5.4
Permanent employees in %	95.8	95.0	99.2	94.6
Full-time in %	92.7	91.0	99.5	90.3
Part-time in %	7.3	9.0	0.5	9.7

We strive for long-term employment within the Schüco Group. Temporary appointments are primarily made to cover parental leave or illness, and for project or seasonal work.

Part-time models are mainly offered in our western European markets. In Eastern Europe, the Middle East and Asia, demand for this is low.



Employees by gender 2022

	Total	Female	Male	Not specified
Total	6,764	1,501	5,262	1
Temporary employees	3.7%	3.3%	3.8%	0%
Permanent employees	96.3%	96.7%	96.2%	100%
Full-time	93.2%	77.7%	97.7%	100%
Part-time	6.8%	22.3%	2.3%	0%

Employees by gender 2021

	Total	Female	Male	Not specified
Total	5,840	1,376	4,462	2
Temporary employees	4.2%	2.6%	4.6%	0%
Permanent employees	95.8%	97.4%	95.4%	100%
Full-time	92.7%	77.0%	97.5%	100%
Part-time	7.3%	23.0%	2.5%	0%

Workers who are not employees

The number of workers who are not employees and whose work is controlled by Schüco is currently not recorded systematically by our Personnel Management and therefore cannot be reported.

Governance

- GRI 2-9** Governance structure and composition
- GRI 2-10** Nomination and selection of the highest governance body
- GRI 2-11** Chair of the highest governance body
- GRI 2-12** Role of the highest governance body in overseeing the management of impacts
- GRI 2-13** Delegation of responsibility for managing impacts
- GRI 2-14** Role of the highest governance body in sustainability reporting
- GRI 2-15** Conflicts of interest
- GRI 2-16** Communication of critical concerns
- GRI 2-17** Collective knowledge of the highest governance body
- GRI 2-18** Evaluation of the performance of the highest governance body
- GRI 2-19** Remuneration policies
- GRI 2-20** Process to determine remuneration
- GRI 2-21** Annual total compensation ratio

Governance structure and responsibilities

The Group Management Board of Schüco International KG is made up of three people:



Andreas Engelhardt has been Chairman of the Executive Management Board since 2012 and additionally Managing Partner and CEO since 2014. His area of responsibility includes the strategic alignment of the company as well as overall responsibility for HR, Internal Services (including Sustainability), Legal and IP Management, and Sales and Marketing. The industrial administrator previously held various management roles in international companies in the automotive and construction industry. Andreas Engelhardt holds a number of seats on the supervisory and advisory boards and is a member of the board of trustees and presidential committee of the Stiftung KlimaWirtschaft, among others.



Philipp Neuhaus has been Chief Financial Officer (CFO) of the Schüco Group and a member of the Executive Management Board since 2015. Within the Group, Philipp Neuhaus is responsible for the areas of Group Financial Services, Treasury, Tax, Controlling, M&A, Non-Core Procurement and IT Management. The graduate of the London Business School who also has a degree in business administration first worked in strategy and organisational consulting before moving to the building materials industry, where he held various management roles.



Dr. Walter Stadlbauer has been Chief Technical and Chief Operating Officer since 2015, managing the Technology, Purchasing, Materials Management/Logistics, Quality Management, Machinery and Software departments as well as the production areas for aluminium and PVC-U. The qualified civil engineer knows the construction industry both through his work in corporate consultancy and through management roles that he has held in various window and façade technology companies.

The Executive Management Board is selected on the basis of expertise, autonomy and their alignment with the interests of our key stakeholders. Their appointment requires the consent of the advisory board and the five shareholders of Schüco International KG. The advisory board is made up of seven people and represents a range of different business expertise. It includes a trained expert who is tasked with sustainability in construction.

The Executive Management Board – Metal (EMB-MB) has been set up as an extension of the executive management and acts as a decision-making board for company-related issues. The Executive Management Board – Polymer (EMB-Polymer) functions in the same way for the PVC-U division. Acting on an operational management level, these two boards form the Group Management together with Group Corporate Functions. The central functions provide professional expertise and support to all areas and shareholdings of Schüco in all countries. They also set Group-wide guidelines.

The topic of sustainability is also part of the Group Corporate Functions and is thereby under the Internal Services department. Its role is to keep sight of the sustainability issues that are relevant for the company and work out the resulting course of action on a regular basis. During the reporting period, the Sustainability department consisted of ten people.

The Executive Management Board has overall responsibility for implementing the strategic sustainability objectives and the compliance guidelines. Quarterly advisory board meetings and regular meetings with the shareholders ensure that the Executive Management Board is committed to sustainable development of the Schüco Group when it comes to key stakeholders. Furthermore, particularly critical issues and impending missed targets are brought directly to the Executive Management Board. Communication is made via direct reports, through Internal Auditing or by means of various compliance, crisis and risk committees.

In addition, the Executive Management Board, represented by Andreas Engelhardt in its leading role in the Stiftung KlimaWirtschaft, holds regular discussions on sustainability with economists, politicians and scientists.

Schüco considers sustainability to be an integral, interdisciplinary function which needs to be firmly anchored in all aspects of the business. This is why the Sustainability department holds regular discussions with individual departments and with the sites of the Schüco Group both within and outside Germany. Defining mutually effective concepts and measures that have been approved by the Executive Management Board and implemented in the departments is established practice. Achieving sustainability-related goals, such as the path to climate neutrality that Schüco has defined, is not yet part of remuneration-related target agreements.

Due to its legal form, Schüco is not obliged to publish details about its remuneration policy. Schüco does not collect and evaluate the information required by the GRI on the pay ratio between executive management and employees.



Thomas Lauritzen
Head of Internal Services

"We are working hard to ensure that all our products can be fully recycled without loss of quality in future. Our buildings will be the raw material reserves of the future."

Strategy, policies and practices

GRI 2-22 Statement on sustainable development strategy (see foreword)

GRI 2-23 Policy commitments

GRI 2-24 Embedding policy commitments

GRI 2-25 Processes to remediate negative impacts

GRI 2-26 Mechanisms for seeking advice and raising concerns

GRI 2-27 Compliance with laws and regulations

GRI 2-28 Membership associations

Sustainability at Schüco

Buildings are among the most long-life products that humans can create. They shape how we live and work over decades. Consequently, the construction industry has a huge influence on the lives of this generation as well as future generations. These premises, together with the Sustainable Development Goals (SDGs) of the United Nations, form the basis of our understanding of sustainability. For us, sustainability is not an abstract idea, but a concrete item on the agenda that we are addressing every day through each of our six defined action areas of environment, products, business development, supply chain, employees and society.

Schüco has made its mission to be a pioneer in effective sustainability within the construction industry. In order to achieve this goal, we are using everything we have at our disposal: our expertise, our understanding of quality and our passion for creating outstanding buildings. We offer our investors and clients products and services which are trailblazers in terms of comfort, durability and energy efficiency. Of course we will not settle for that. We take sustainability further, through the use of recyclable raw materials and products, the development of new solutions, and dismantling and

recycling. Our aim is to systematically build on the success we have achieved with sustainable solutions.

Beyond climate and resource protection, the social aspect of sustainability plays a key role for us. We clearly oppose any form of discrimination and treat our employees fairly regardless of gender, age, religion or cultural identity, as well as opening up individual career paths to them. We are also committed to equal opportunities outside our company, especially when it comes to protecting labour and human rights along the supply chain. As part of our comprehensive sustainability commitment, we also support initiatives and projects that promote common welfare and help to encourage friendly coexistence at local level.

Our understanding of sustainability

Through our sustainable products and manufacturing processes, we help make cities more sustainable and inclusive within the meaning of the Sustainable Development Goals (SDGs) of the United Nations. We therefore see SDG 11 (Sustainable cities and communities) as one of

our guiding principles. We believe it is our responsibility to support the process of urbanisation through sustainable measures (indicator 11.3) and reduce the adverse environmental impact per capita (indicator 11.6). SDGs 8 (Decent work and economic growth), 10 (Reduced inequalities),

12 (Responsible consumption and production) and 13 (Climate action) not only actively feed into our guiding principle, they are also some of the objectives over which we have the greatest influence in our field of business.



Sustainable Development Goals

In our SDG index on page 98, we report on the activities that have helped us contribute to the global sustainability objectives in 2021/22.

Principles and policies

The Schüco corporate culture is founded on a broad understanding of responsibility, partnership, excellence and innovation. This applies just as much to how we cooperate in our daily work as it does to our quality standards and how we use natural resources. Schüco operates an active quality, environmental, energy and health & safety management system along the entire value added chain. Various development, production and sales offices of Schüco International KG have been certified in accordance with the international quality management standard ISO 9001. The environmental management system at the Bielefeld site is also certified in accordance with DIN ISO 14001. Working closely with business partners, Schüco continually improves its existing systems, work processes and procedures to increase the quality of products and services.

As an international company, we are committed to meeting recognised international environmental and human rights standards, and in particular:

- The Universal Declaration of Human Rights of the United Nations
- The ILO labour standards
- The Ten Principles of the UN Global Compact
- The OECD Guidelines for Multinational Enterprises

Back in 2013, Schüco introduced a compliance programme which defines legal and ethical principles which all employees in the company are obliged to follow. We are committed to respecting internationally recognised human rights and aligning our corporate activities to these without compromise. This applies both to our own area of business and to our business activities within the supply and value chain. We have published a detailed [policy statement](#) regarding human rights and environmental standards on our website.

Moreover, the Schüco Group opposes all forms of modern slavery and human trafficking, and is committed to preventing this within its business and along its supply chain. In our [Modern Slavery Act – Group Statement](#) that we have published online, we stand against all forms of forced labour and modern slavery.

Our clear stance on upholding human rights is also included in our compliance guidelines within our [Code of Conduct](#), which is available in German and English. The Code of Conduct was revised in 2022 due to changes in the German Act on Corporate Due Diligence Obligations in Supply Chains. The standards and norms of behaviour are also outlined in the compliance guidelines (info sheet No. 1-11). They are available in multiple languages and apply worldwide as Group specifications unless local laws require differing regulations. Our subsidiaries/branches in China, the UK, India, Italy, Sweden, Denmark, Norway and Russia work accordingly with compliance guidelines that have been amended to take account of the legal circumstances in those countries and specific risks. Furthermore, five anti-trust guidelines were published in German and English in 2022. The guidelines also apply as Group specifications, unless other local laws make corresponding amendments necessary.

Schüco holds a number of consultations on ethical and lawful behaviour. The Compliance Office assumes a central role as part of the "Legal, Compliance and Data Protection" department. It controls and coordinates the implementation of Group guidelines within the entire organisation. The head of the department is also Chief Compliance Officer (CCO) and reports directly to the Executive Management Board of the Schüco Group. Led by the CCO, the Compliance Committee, Compliance Office and other areas regularly meet to report on the latest developments in the company. The Compliance Committee advises the Executive Management Board on compliance issues that are relevant within and outside Germany.

The respective Regional Compliance Officer provides advice for the international companies in China, the UK, Denmark, France, India, Italy, Norway, Russia and Sweden, and reports to the Compliance Office. The Regional Compliance Officers can be reached directly by all employees and in all of the aforementioned international countries there is also a general e-mail address for internal and external compliance matters.

In countries without a Regional Compliance Officer, employees can contact the Compliance Office in Germany or the Compliance hotline. The contact details for these can be found on the intranet and on the company website of the Schüco Group. They are also in the Code of Conduct published online. They can also be used to express concerns about unethical and illegal activity, as well as address issues surrounding the integrity of the organisation.

Since 2022, the Schüco Group has appointed an external ombudsman, who acts as a further independent contact that is not subject to the instructions of Schüco. The ombudsman can be contacted by means of a free portal, in confidence and anonymously if required, and accepts any information regarding violations of laws or internal guidelines. They are available to anyone who is or could be affected directly or indirectly by the business activity

of the Schüco Group. This may be both Schüco employees and external parties across the world, such as customers, suppliers, service providers and their employees, or other affected parties. The information portal and contact details of the ombudsman are also published on the company website.



Götz Kaßmann
Chief Compliance Officer

"We encourage an open dialogue and promote good and fair treatment of one another – at all times and in all areas. We have bolstered this principle through the introduction of an independent, international reporting process."

Compliance training

In order to raise awareness about the subject of compliance and violations of laws and internal guidelines across the entire workforce of the Schüco Group, new employees are offered training by Schüco during the regular induction courses (held four times a year for employees in Germany, and twice a year for international employees). Face-to-face training and courses aimed at specific target groups are also run regularly. A company-wide agreement regulates the mandatory "compliance" e-learning tutorial for employees.

Another compliance goal for Schüco is regular training of all employees. As part of the compliance management system, it has been set out that all employees are to receive target group-specific training that matches their role.

Employees are therefore obliged, every two years, to either complete the e-learning programme or attend in-person or online training. To this end, Schüco provides regular training in multiple languages to employees. The company considers the risk-specific roles of the employees and ensures that training periods are complied with, as part of this training is mandatory. The e-learning tutorial is provided in Chinese, French, Italian, Dutch, Polish, Russian, Spanish, Turkish and Brazilian Portuguese.

Training is provided on Schüco premises or online, as well as part of hybrid learning models. The training content covers the following choice of topics, which are tailored accordingly to specific groups.

Basic training	Technical training
Compliance management system	Data protection
Prevention of corruption	Information security/IT security
Price fixing	Health and safety at work
Conflicts of interest	Export control/sanctions
Code of Conduct	German Act on Corporate Due Diligence Obligations in Supply Chains
Principles of compliance	Principle of equal treatment
Whistleblower system	Environmental liability law
Responsibility and liability	Bullying and sexual harassment
Money laundering	Environmental, social and corporate governance & sustainability

Members of Group Management likewise receive classroom-based training every two years.

Teamworknet, the intranet accessible by all Schüco employees worldwide, has pages on compliance which provide information on the principles and standards. They are available for the specific countries of China, Denmark, Germany, the UK, India,

Italy, Norway, Russia and Sweden. There is also a Group-wide Compliance page in English. A video message on compliance from the company's Managing Partner and CEO, Andreas Engelhardt, is also available there with subtitles for each language.

Other processes to remediate negative impacts

We are conscious that our main materials aluminium and PVC-U can pose ecological and social challenges along the supply chain. This is why we critically scrutinise every part of our supply chain. Our partnership with the WWF allows us to check how effective our measures are. In this way, we can ensure that we are continuing to work purposefully towards a solution. We believe we can have a direct impact by implementing a procurement strategy that takes account of sustainability criteria. We are currently putting extra efforts into increasing our focus on the procurement of low-CO₂ materials.

When it comes to aspects that go beyond our area of influence, such as safeguarding human rights in upstream value creation stages, we turn to partnerships. As a founding member of the Aluminium Stewardship Initiative (ASI), for example, we are committed to establishing globally valid, certifiable sustainability standards in the aluminium supply chain.

Schüco is certified in accordance with both ASI standards – the Performance standard and the Chain of Custody standard – which demonstrates its commitment to a responsible aluminium supply chain.

Our PVC-U division also campaigns for sustainable use of PVC along the value-creation chain. As part of VinylPlus, a sustainability programme run by the European PVC industry, Schüco Polymer Technologies is meeting the standards for sustainable procurement of raw materials and is committed to maintaining high sustainability standards in the procurement of raw materials.

During the reporting period, no fines or non-monetary penalties were imposed on Schüco as a result of violations of laws or regulations.

Membership of associations

Membership of the following select associations is part of the social commitment of Schüco:

- AD (Aluminium Deutschland e.V.)
- ASI (Aluminium Stewardship Initiative)
- A|U|F e.V. (Aluminium and environment in window and façade construction)
- DENEFF (German Corporate Initiative for Energy Efficiency)
- DGNB (German Sustainable Building Council)
- EA (European Aluminium)
- EPPA (European Trade Association of PVC Window System Suppliers)
- IBU (association of building product manufacturers committed to sustainable building)
- ift Rosenheim GmbH (test institute and product certification body)
- re!source Stiftung e.V. (Resource revolution in the construction and property industry)
- Rewindo GmbH (recycling initiative of German PVC profile manufacturers)
- Stiftung Klimawirtschaft – German businesses for climate protection
- VFF (Window & Façade Association)
- VinylPlus Deutschland e.V. (network for the PVC industry)

Stakeholder engagement

GRI 2-29 Approach to stakeholder engagement

GRI 2-30 Collective bargaining agreements

Schüco continually engages with its stakeholders. In the process, we consider the different perspectives and interests with regard to the sustainable development of our company, and offer our main stakeholders various formats for discussion.

Employees

Approach

Our employees' performance and motivation makes a significant contribution to our leading market position. We want to gain the best employees and keep them in the company for the long term.

Formats

Continuous dialogue and regular feedback meetings with managers, a social intranet site, CEO blog with comment and feedback options, regular employee surveys regarding, for example, satisfaction in the company

Fabricators

Approach

Our partner companies in the metal, PVC-U window and electrical industries have a huge influence on the high-quality, environmentally and socially responsible fabrication and installation of our products. We support them with this through individually tailored services.

Formats

Annual professional event with workshops, presentations and live demonstrations, the *Smart Talks* series of events in the Schüco showrooms, and the *Innovation Now* online format for in-depth presentation of new products and services.

Architects and investors

Approach

As leading designers and contracting entities of buildings, they shape the world we live in and have an influence on the sustainability of our built environment. We support them with an extensive range of products, services and consultation options. In this way, not only do we facilitate design freedom and a high level of energy efficiency, but also the targeted use of recyclable, low-CO₂ materials and products.

Formats

Individual consultation services that focus on sustainability, planning guidelines, digital planning software with integrated information on the sustainability of our products.

Local authorities, sciences and NGOs

Approach

We see ourselves as part of society and want to actively contribute to a good community, as well as initiate a sustainable transformation thereof.

Formats

Long-term partnership with the WWF as a key partner, regular activities as member of the presidential committee of the Stiftung KlimaWirtschaft, visit days that provide insights into the business activity of Schüco, professional discussion and collaborative work with scientific partners at the University of Applied Sciences and Arts in Detmold, Bielefeld University of Applied Sciences and Arts, Bielefeld University and the University of Münster.

Suppliers are also among our main stakeholders with whom we discuss sustainability issues, for example as part of formally agreed supplier dialogues.

Commercial and private customers can also contact us via a hotline to receive advice. It is equally important to us to maintain a regular dialogue with representatives in politics, which we do through active cooperation in associations, initiatives and networks.

Collective bargaining agreements

The key to a consistently productive and pleasant working environment is a company culture that encourages appreciation, respect and fairness. These principles apply to the entire Schüco Group.

We create the basic requirements for this around the world by adhering to legal standards and applying any collective bargaining agreements. In this way, we align our sites in Germany, for example, with the collective bargaining agreements for wholesale and export trades in North-Rhine Westphalia, the metal and electrical industry in North-Rhine Westphalia, and the timber and PVC-U industry.

The percentage of employees who are covered by collective bargaining agreements is not currently recorded by Schüco, and information on this is therefore not available.

Material topics

Process to determine
material topics ⁵⁴

List of material topics ⁵⁷

Management of
material topics ⁵⁸

2

Material topics

- GRI 3-1 Process to determine material topics
- GRI 3-2 List of material topics
- GRI 3-3 Management of material topics

Process to determine material topics

We are continually determining material sustainability topics and aspects for our company together with our main stakeholders, and in particular our employees, customers, business partners and our key partner, the WWF. Developed in 2020, our target system forms the basis for this. It assigns the topics and indicators that are relevant for our company to our six action areas for sustainability. When the target system was created, external influencing factors (such as megatrends, sustainability standards and the global sustainability objectives), internal strategic guidelines (such as the company strategy and

the sustainability principles) and criteria for action (such as the proximity to the core business, urgency and available levers) were considered.

In 2022, we started to check how up to date our target system and the focus topics derived from it were by means of a three-stage essentiality analysis.



1 2 3 Creation of a comprehensive list of topics

As a first step, the sustainability topics from our target system were harmonised with various standards on sustainability reporting. As the Global Reporting Initiative does not yet have an applicable sector standard, we have referred to the SASB standards for companies in the "Engineering & Construction Services" industry. We then also aligned ourselves with the Sustainable Development Goals (SDG) of the United Nations. The activities of competitors were part of the examination too. This produced a list of 29 sustainability topics.

Compared to the material topics from the 2019/20 reporting period, our new list of topics is more nuanced. For example, the previous topic "Commitment to climate protection" in the Environment action area has been divided into the following aspects: "Reducing CO₂ within the company", "Reducing waste" and "Water and waste water".



1 2 3 Stakeholder survey (quantitative)

In a second step, the 29 sustainability topics were assessed as part of a quantitative stakeholder survey. In order to gain insights from both perspectives, participants were asked to rate both the positive and negative impact Schüco can have on sustainable development (inside-out) and how committed Schüco is to specific sustainability topics at the moment (outside-in). A total of 357 people took part in the online survey, including employees, fabricators,

architects and developers, suppliers, representatives of NGOs and associations, representatives from the field of science, and investors. Schüco included international subsidiaries and representatives from international Schüco markets in the survey, however most of the responses (81 percent of internal participants and 90 percent of external participants) came from people in Germany. The infographic on page 57 shows the provisional list of topics.



1 2 3 Assessment & next steps

In the third step, planned for 2023, we will verify the results of our quantitative survey through in-depth interviews, and set more priorities. A review of the quantitative survey showed, for example, a slight variance in the relevance rating, which meant that more topics were identified as material than Schüco is effectively able to process. Conversely, some topics that are a focus for Schüco due to current and future legal requirements were rated as less relevant. These included, for example, "Upholding

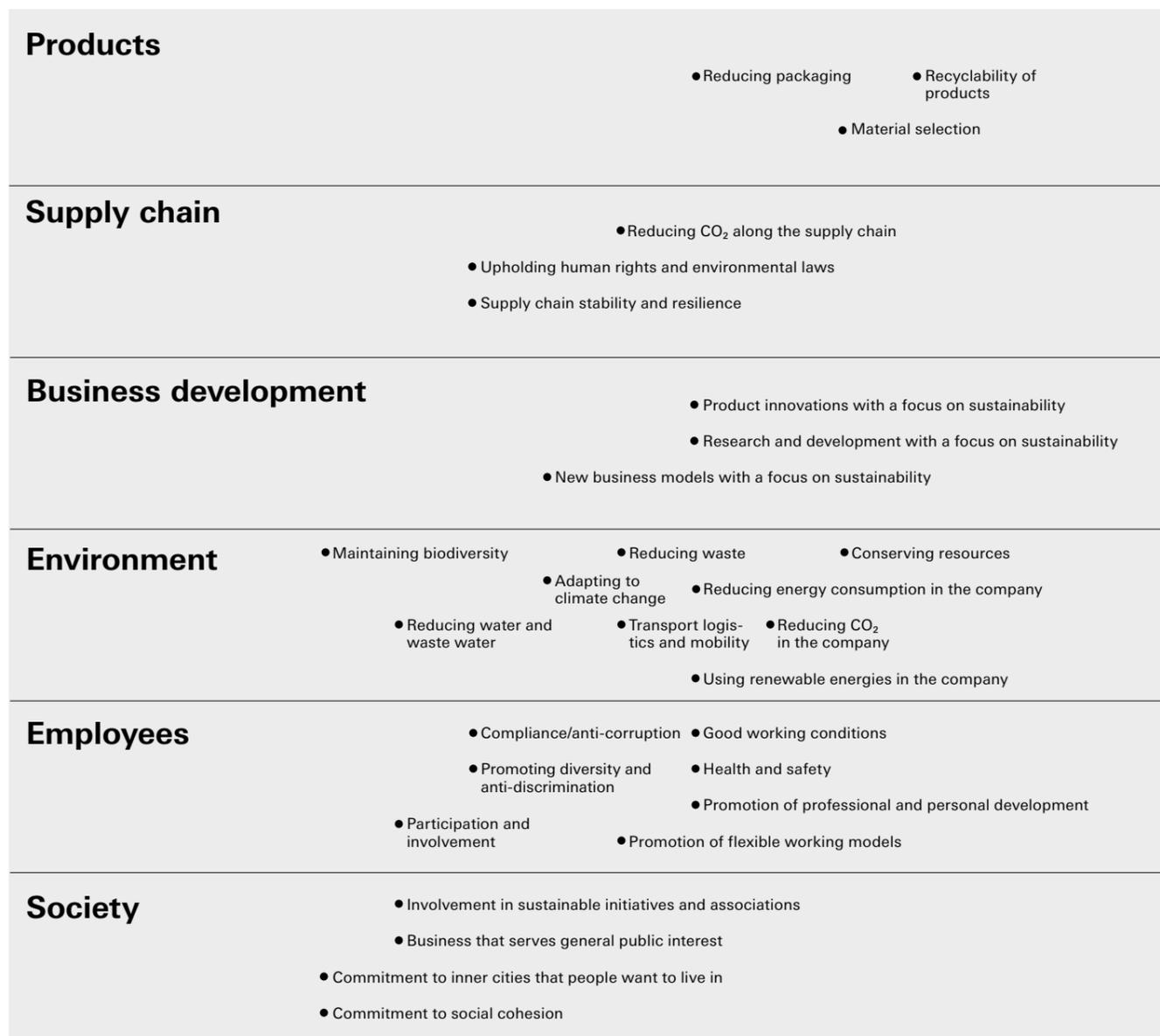
human rights and environmental laws along the supply chain" and "Promoting diversity and anti-discrimination". The sustainability topics are outlined according to their assigned relevance on page 56.

When developing our material topics, we align ourselves with the European Sustainability Reporting Standards (ESRS). The in-depth analysis with the new requirements as per the Corporate Social Responsibility Directive (CSRD) also helps us to systematically manage material topics with the aid of suitable KPIs.

Our partnership with the World Wide Fund for Nature (WWF) also aims to better understand the impact of our business activities on the environment and society. In this connection, in 2022 we took part in a pilot project run by the WWF which aims at developing a comprehensive sustainability rating. The One Planet Business Framework offers companies a holistic determination of the company's position with regard to sustainability, and takes account of the following elements of sustainability: climate, fresh water, biodiversity and human rights.

Sustainability from the stakeholder's perspective

The following graphic shows how relevant our internal and external stakeholders rate the various topic areas of sustainability.



4.0 — Highly relevant
 3.0 — Slightly relevant
 2.0 — Slightly less relevant
 1.0 — Of little relevance

List and management of material topics

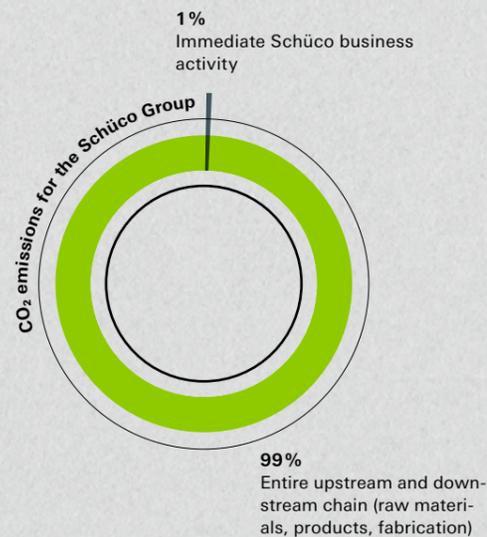
The following graphic shows the result of our quantitative stakeholder survey, and therefore sustainability topics that are seen as material by our internal and external stakeholders from both perspectives.





Environment

Climate protection and responsible use of resources are core objectives of our sustainability strategy. In partnership with the World Wide Fund for Nature (WWF), we have developed science-based climate protection targets that comply with the level of decarbonisation required by the Science Based Targets initiative (SBTi) in order to meet the 1.5 degree goal. By 2025, we want to reduce our absolute CO₂ emissions by 30 percent compared to the reference year 2018.



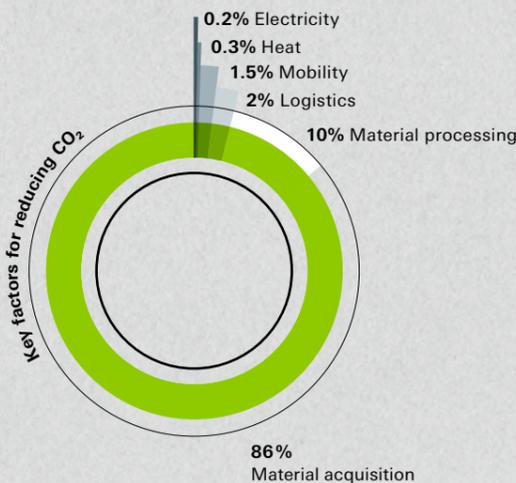
The overall aim is for our company to be climate neutral – i.e. produce zero emissions – by 2040. In order to achieve this, we have been calculating the global CO₂ emissions produced by our business activity since 2017.

Only one to two percent of our corporate carbon footprint is caused by direct business activities (Scope 1 and Scope 2 emissions). There is therefore the potential to reduce a significant amount of CO₂ in the upstream and downstream value creation chain, particularly in material acquisition. More details can be found in the "Products" section (see next page).

During the reporting period, Schüco introduced measures in transport logistics to reduce energy consumption and save valuable resources, such as paper and packaging materials. Increasing digitalisation not only lays the foundations for making processes paperless, it also helps us to plan and run transport routes more efficiently. In order to reduce waste, we are increasingly using recyclable pallets in the transport of our profiles and other system components. In 2022, we therefore started to systematically record our transport packaging, so that we can identify potential for savings and more resource-friendly alternatives.

Throughout Germany, Schüco almost exclusively purchases certified green electricity. The production site of the PVC-U division in Weißenfels also meets the requirements of the international standard for energy management, DIN EN ISO 50001. Furthermore, the Schüco environmental management system has been certified in accordance with DIN EN ISO 14001 for the "development and sale of aluminium systems and project solutions".

Schüco is currently working on a climate risk analysis that complies with the CSRD. This analysis will form the basis of an in-depth review of transitory and physical climate risks, and thereby provide indications as to where the company needs to adapt to climate change. Potential water-stressed areas are also part of the analysis. Schüco does not yet have a company-wide strategy on the sustainable use of water and waste water.



Products

The building sector accounts for around 40 percent of overall CO₂ emissions worldwide. In order to avoid putting our economy and lives at risk, we urgently need more environmentally friendly construction.

Schüco can make a significant contribution in this regard. Firstly, we can use our products to make building use more energy efficient, for example through systems with particularly low thermal transmittance and high weathertightness. Secondly, when designing products we place particular value in durability, recyclability and responsible use of materials.

In 2021 and 2022, we worked to increase the proportion of low-carbon aluminium profiles. Schüco distinguishes between Low Carbon aluminium with a GWP value of less than 4.9 kg CO₂e/kg aluminium and Ultra Low Carbon aluminium with a GWP value of below 2.7 kg CO₂e/kg aluminium.

Schüco has set itself the aim to actively drive the transition from linear to a circular construction. To this end, we want to continue increasing the number of our products which can be fed back easily into the material cycle after they have been used. When it comes to recyclability in our aluminium systems, we focus on certifications in accordance with the Cradle to Cradle Certified® products program. With over 70 certified aluminium systems, which make up just below a quarter of sales for the metal division, Schüco is one of the industry pioneers when it comes to putting the Cradle to Cradle principle in action.

Verified by the VinylPlus product label, our PVC-U products also meet high requirements with regard to recyclability and reducing emissions. We are currently tackling the question of how we can integrate the principle of the circular economy even further into the development of new products.



Dr Thomas Schlenker
Senior Vice President,
Digitalisation & Sustainability

"Our aim in the medium term is to move our entire portfolio over to low-carbon materials."

In the PVC-U division, in which Schüco produces its own material, CO₂ can be reduced by increasing the proportion of recycled material in production and by using bio-based raw materials.

During the reporting period, the focus was on selecting and testing the suitability of fossil-fuel alternatives, such as bionaphtha, which is produced from vegetable oil. In future, the aim is to include both PVC profiles with an increased proportion of recycled content and bio-based raw materials in the portfolio.

Within the products action area, we are also focusing on recording the specific sustainability information about a product in a transparent way, and making this information available along the value creation chain for a building. This is aided by the IoF ID – a digital chip developed by Schüco in 2022 that gives every façade unit in the building its own digital identity, creating an Internet of Façades (IoF). In addition to information about the product and the building, the chip also contains CO₂ data. The aim is to recognise buildings as raw-material reserves for the future, and make potential secondary materials visible for later use.



Business development

One of the main challenges for the construction industry is providing affordable living spaces to a growing number of people, while also meeting the criteria of sustainable construction. One approach is offered by the concept of the circular economy, whereby construction materials are retained after the primary usage phase, without any loss of quality. This is why we at Schüco are actively driving the transition from a linear to a circular construction method. In the business development action area, we are considering innovative products and services which go beyond our existing business model. To this end, we are responding to new customer requirements triggered by the progress of climate change.

In 2022, we set up the Schüco Growth Factory, which offers an experimental space for business innovation. Inspired by the idea of internal start-ups, employees are given the opportunity to develop sustainable product, service and business models – from the initial idea and market validation through to testing a prototype and developing a business plan – away from the day-to-day business and as part of a clearly defined process.

One example of this is the further development of our after-sales service, which we began in 2021 with the aim of keeping façade units in a building for as long as possible through maintenance and servicing.

In 2022, the in-depth analysis of circular approaches also brought about the RE:CORE joint venture – a partnership between Schüco Polymer Technologies and waste disposal company Remondis. The new company is specialised in recycling PVC window profiles. One of the main aims of RE:CORE is to close the Schüco PVC recycling process, so that the company collects profile offcuts and old windows from partner companies, processes them and feeds them back into production.

 **60%**

Up to 60% of current CO₂ emissions in Europe can be saved by 2050 through the implementation of circular approaches, according to the results of various studies.



Supply chain

As a developer and provider of system solutions for windows, doors and façades, Schüco is reliant on natural resources and materials such as metals and engineering plastics.

The focus here is on aluminium, our most important material in metal fabrication. In this case, the excellent eco balance in the usage and re-use phase is confronted by the social and ecological challenges at the start of the supply chain. The extraction of primary aluminium currently uses a great deal of energy, with a high carbon footprint.



Vivien Bünker
Project Manager – German Supply Chain Act

"The German Act on Corporate Due Diligence Obligations in Supply Chains requires companies, through necessary risk analyses, to fulfil their responsibility globally in order to uphold human rights and environmental laws."

Added to this are potential environmental risks and conflicts surrounding land use rights in mining countries such as Australia, Guinea and Brazil, due to large-scale rainforest clearing, for example. As part of the value-creation chain, we believe it is our responsibility to specifically promote the proportion of aluminium that is certified in accordance with sustainability criteria.

We believe we can have a direct impact by implementing a procurement strategy that takes account of sustainability criteria. In this connection, in 2021 we became the first systems business to be certified globally in accordance with the Chain of Custody Standard of the Aluminium Stewardship Initiative. This standard enables us to purchase ASI-certified aluminium and guarantee our customers that the material used in our aluminium profiles has been dismantled and processed in an environmentally friendly and socially responsible way along the entire value creation chain.

The acquisition of low-carbon aluminium and bio-based PVC-U, as well as the expansion of our PVC recycling measures, are also part of our sustainable procurement strategy (see also the Environment and Products subsections on pages 58 and 59). We believe that one of the main challenges lies in the low availability of recycled and low-carbon materials. This is particularly true in markets whose industries still largely rely on the use of fossil fuels.

In addition to the acquisition of more environmentally friendly materials, another focus of our activities lay in complying with the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), which was brought into force in 2023, and setting up a risk management system for our supply chain. Since 2022, we have had a software-based system for identifying compliance risks in our direct supplier relationships. We have started with process descriptions for dealing with risks and clearly set out the responsibilities. The team responsible is made up of our human rights officers, a sustainability expert and a representative from Purchasing, and is tasked with assessing risks and introducing suitable prevention measures to minimise the risks identified. A report will be drawn up for the first time in 2023 and published in 2024.

When it comes to aspects that go beyond our area of influence, such as safeguarding human rights in upstream value creation stages, we turn to partnerships. As a founding member of the Aluminium Stewardship Initiative (ASI), for example, we are committed to establishing globally valid, certifiable sustainability standards in the aluminium supply chain. Our PVC-U division also campaigns for sustainable use of PVC along the value-creation chain. As part of VinylPlus, a sustainability programme run by the European PVC industry, Schüco Polymer Technologies is meeting the standards for sustainable procurement of raw materials and is committed to maintaining high sustainability standards in the procurement of raw materials.

Our partnership with the WWF allows us to check how effective our measures are in our supply chain. In this way, we can ensure that we are continuing to work purposefully towards a solution.



Employees

Our aim is to obtain the best employees for Schüco and keep them in the company for the long term. To this end, we champion a collaborative leadership culture based on partnership in a positive working environment. We support a good work/life balance and offer our employees individual career progression with various development opportunities. Our Strategy 2025 and the harmonised guidelines on a leadership culture define how we bring our values and principles to life in our day-to-day business.

During the reporting period of 2021 to 2022, our activities in the employees action area were largely shaped by the question of how we transpose the radically changing world of work, which was sped up by the pandemic, into the structures and processes in our company. New customers and market requirements, political developments and increasing digitalisation not only require both fast and targeted action by our employees, but also an increased level of cooperation within the company. This in turn requires an understanding of leadership which, now more than ever, is aimed at increasing the decision-making power of employees and providing team members with a productive working environment.



Anke Hoffmann
Employee Survey Project Manager

"The results of the annual employee survey show that we have come through a difficult pandemic and economy together relatively unscathed. Our employees still feel closely tied to Schüco."

Against this backdrop, we have developed an extensive internal offering for advising and supporting staff and organisational development in various departments, which includes methods such as agile working and personality and team training, and equips our managers so they can tackle the transformation processes.

Furthermore, Schüco has facilitated access to digital learning options for all employees worldwide. Since spring 2022, all available learning content has been accessible via a dedicated digital platform, the Schüco Academy.

Schüco takes responsibility for the health and safety of its staff and actively supports them in leading a conscious, preventative lifestyle. Our safety standards at all sites in Germany are aligned with the guidelines of the OHSAS 18001 management system. Furthermore, we actively help our employees to stay healthy, for example through regular flu vaccinations, free coronavirus tests and vaccines, a company doctor, discounted rates at various gyms, and encouragement to take part in physical activity. In mid-2021, our company sports groups started up group training sessions again, while our intranet site continues to provide video tutorials on moving more and mental health at work, which were set up during the pandemic.

One aim that we have not achieved over the past two years, contrary to our plans, is the introduction of a diversity index and the associated active commitment to greater diversity in our company. However, we are continuing to work on being an employer that helps people to find their full potential, regardless of gender, age, religion or cultural identity.

The social partnership with our works councils and the regular communication with monitoring bodies, including the health and safety committees (ASA) at the German sites, guarantee the efficacy of our measures. Since 2022, we have also extended our annual employee survey to international Schüco sites. The employee survey is a tool that enables managers to obtain regular anonymous feedback from their employees. A follow-up process asks managers to derive measures with which they can make improvements.



Society

Our understanding of social commitment is based on the idea of corporate citizenship. We see ourselves as part of society and want to actively contribute to a good community. From this, we strive to facilitate better lives for people – in buildings and beyond, across generations.

We have been committed to various initiatives and selected associations for several years now, including the Stiftung KlimaWirtschaft, of which we are a founding member. Together we campaign to successfully bring about the energy transition and to conduct business in a way which conserves resources. We are also a founding member of the German foundation re!source Stiftung e.V., which is an independent alliance from the fields of economics, science, society and politics, campaigning for the resource revolution in the construction and property industry. We also drive forward our own sustainability activities through our partnership with the WWF.

In 2022, we started to harmonise our social commitment even further with our sustainability action areas. In this connection, we are currently developing a corporate citizenship strategy, through which we want to actively encourage our employees to engage in charitable projects. Furthermore, we want to increase our commitment to promoting and developing local projects.

Economy

Economic performance ⁶⁶

Anti-corruption ⁶⁸

Anti-competitive behaviour ⁶⁹

3

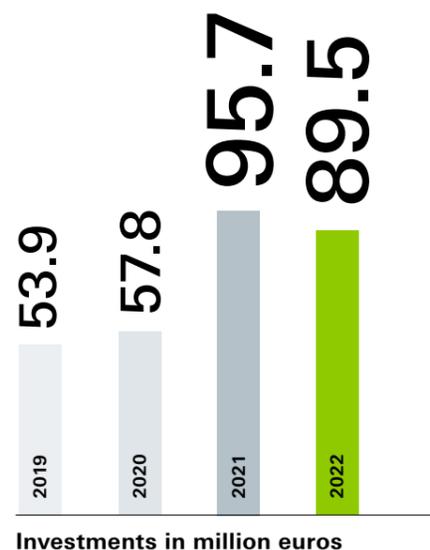
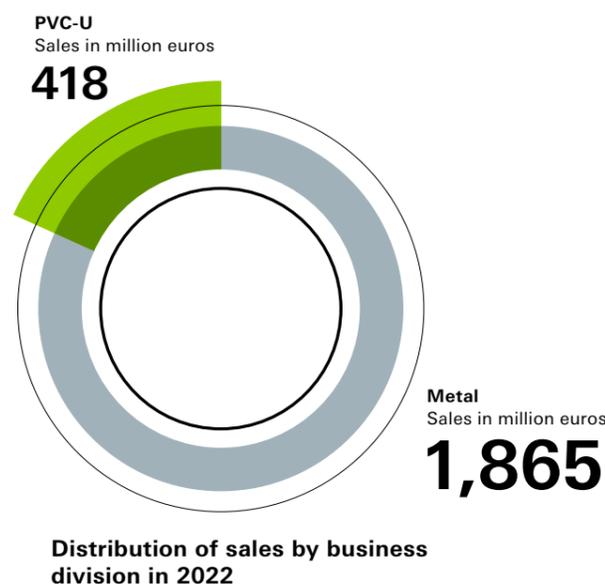
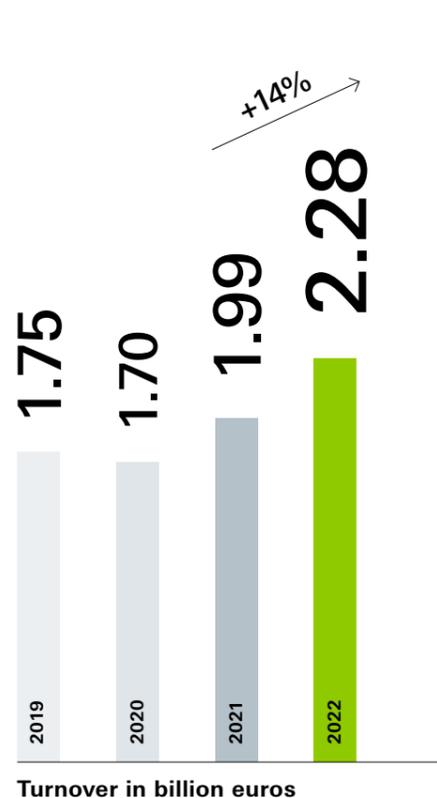
Economy

Economic performance

● Area of application Schüco Group

GRI 201-1 Direct economic value generated and distributed

GRI 201-2 Financial implications and other risks and opportunities due to climate change



Opportunities and risks of climate change

The European Climate Law, the EU taxonomy and the expansion of carbon offsetting to the building and transport sectors from 2027 make clear that companies who do not proactively reduce their carbon emissions will be faced with significant additional costs in future.

In our core market of Germany, the immediate climate action programme was also adopted in 2022. It stipulates that greenhouse gas emissions in the building sector need to be halved by 2030 compared to levels in 1990, with the aid of political regulation measures and incentives. In order to minimise potential financial risks, we are actively working to achieve our CO₂ reduction goals, which we developed with the WWF.

At the same time, we see the increasing requirements for the climate compatibility of building products as an opportunity to successively increase our sales through sustainable products and services. Construction that is compatible with recycling, which saves carbon emissions during the construction and demolition of buildings is of particularly high relevance to our main stakeholders.

This was demonstrated by both the quantitative surveys of our stakeholders performed in 2022 (see Essentiality section on page 56) and discussions that we have held as part of our regular communication with customers and partners. In 2021, 23 percent of our sales were achieved with our Cradle to Cradle-certified products in the Metal division. Moreover, we can see a growing demand for windows, doors and façades with a proven reduced carbon footprint, particularly in our northern European markets and in Benelux countries.

The market-related aims of the European climate policy also include increasing energy efficiency in existing buildings. With our distinguished range of energy-efficient window, door and façade systems, we are well equipped for implementing energy-efficient renovation and refurbishment projects. As part of Building Information Modelling (BIM), we provide fabricators and developers with digital tools that simplify the design and construction process and facilitate the planning of building projects with reduced emissions. Schüco will push forward digital innovations in future, too, in order to speed up the transformation into a climate-neutral construction sector and open up new business models (see Essentiality section on page 59 ff.).

The activities of the Schüco Group, which is represented with sites in 45 countries, is based on international trade relationships and globally networked supply chains. Extreme weather events in future could not only damage buildings and constructions, and thereby the entire supply chain, they could also pose a risk to our employees, partners and suppliers. In order to assess the associated risks and financial consequences for our company and derive appropriate action areas, we are planning to introduce a climate risk analysis over the next few months. We will publish the results in our next sustainability report.

Anti-corruption

● Area of application Schüco Group

GRI 205-1 Operations assessed for risks related to corruption

GRI 205-2 Communication and training about anti-corruption policies and procedures

GRI 205-3 Confirmed incidents of corruption and actions taken

We oppose all forms of corruption here at Schüco. This includes bribery and taking or granting an advantage. We neither offer nor award any gifts that might influence a person's decision, treatment or behaviour. We do not accept any bribes either. Furthermore, we expect our business partners to take a similarly clear stance against corruption and act accordingly.

Our publicly accessible code of conduct sets our requirements for equally lawful and ethical conduct in day-to-day business. It forms the basis of the company-wide compliance programme, which also includes mandatory training and a reporting process.

In addition, nine countries have their own compliance organisations, which send quarterly reports to the Compliance Officer of the Schüco Group. The Internal Auditing department for the Schüco Group and the central Compliance team cooperate closely with regard to the findings and their evaluation.

In individual cases, this leads to specific recommendations for training, site checks or other specific measures. To check the efficacy of the precautionary processes taken, Internal Auditing sets out a risk-oriented assessment plan each year in agreement with the Executive Management Board.

During the reporting period, there were no confirmed cases of corruption in the Schüco Group.

Training & compliance communication

We encourage our employees around the world to complete compliance training every two years. This training covers the guidelines and processes for tackling corruption. Members of the Executive Management Board also undergo training on this.

During the reporting period, there was a downturn in classroom-based training due to the pandemic, while online training increased in importance. However, it was not possible to replace all classroom training with online training.

The training figures for 2021 and 2022 are therefore lower overall.

The table below shows an overview of the training taken. We are not currently recording the participants by category of employee.

Compliance training in the Schüco Group

	2022	2021
Total participants	1562	1886
In Germany in %	27.6	18.0
In China in %	0.5	0
In the UK in %	7.3	53.0
In France in %	1.0	0
In India in %	19.7	1.0
In Italy in %	4.1	0.4
In Russia in %	0.0	0.0
In Denmark in %	78.6	0
In Sweden in %	9.5	4.8
In Norway in %	93.0	0

Compliance training participants from management

Due to the size and hierarchical structure of individual international subsidiaries, not all management levels are represented in each country.

		2022	2021
Germany	Lower management in %	41.0	27.6
	Middle management in %	32.8	26.7
	Upper management in %	29.2	4.2
United Kingdom	Lower management in %	23.1	61.5
	Middle management in %	14.3	85.7
	Upper management in %	100	0
India	Lower management in %	100	0
	Middle management in %	83.3	16.7
	Upper management* in %	–	–
Denmark	Lower management* in %	–	–
	Middle management* in %	–	–
	Upper management in %	0	100
Sweden	Lower management in %	0	0
	Middle management in %	12.5	0
	Upper management in %	0	0
Norway	Lower management* in %	–	–
	Middle management in %	100	0
	Upper management in %	0	100

*Nobody at this hierarchy level

Schüco expects all business partners (including customers, suppliers, advisers and distribution partners) to respect the principles set out in the company's Code of Conduct and to act accordingly. In addition, Schüco has kept its suppliers in check since 2020 through a [Supplier Code of Conduct](#) on ethical business conduct in accordance with all applicable regulations and provisions.

Anti-competitive behaviour

GRI 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

During the reporting period there were no pending relevant proceedings against Schüco.

Ecology

Materials ⁷²

Energy ⁷³

Biodiversity ⁷⁴

Emissions ⁷⁵

4

Ecology

Materials

● Area of application Schüco Group

GRI 301-1 Materials used by weight or volume

GRI 301-2 Recycled input materials used

Aluminium alloys, other metals such as steel, and PVC-U (primarily thermoplastics and elastomers) are predominantly used for Schüco products. Details on the proportion of individual materials in the total volume are not provided for competitive reasons.

The proportion of recycled materials in construction products is generally limited by the amount of secondary material available on the market.

Aluminium

According to the European Aluminium Association (EA), the global proportion of recycled aluminium is around 40 percent. This value generally reflects Schüco aluminium profiles too.

During the reporting period, we have increasingly focused on procuring aluminium grades with a declared proportion of recycled content in partnership with our suppliers. Depending on the region, 10 to 20 percent of all the aluminium we buy has a verified recycled content of more than 40 percent. Our aim is to increase this figure significantly over the next few years.

PVC-U

According to a recent study by VinylPlus Deutschland and Plastics Europe Deutschland, use of recycled PVC in Germany in 2021 rose by 37 percent compared to the last rise in 2017. Across all industries, almost 18 percent of the PVC processed came from recycled content. The construction sector saw the largest area of application here, with more than 75 percent of all the PVC processed. The higher figures are linked to the increasing recycling of PVC building components that were largely installed in the 1970s and 1980s. The proportion of recycled content in PVC window profile production at Schüco was 19.1 percent (2021) and 15.5 percent (2022).

In product development, we are also increasingly considering the recyclability of the materials used and are thereby ensuring that individual components can be easily separated at the end of their lifecycle, so that as many materials as possible can be used at the same level of quality.

In Germany, Schüco supports the industry-specific A|U|F (for aluminium) and Rewindo (for PVC) recycling systems. In 2022, Schüco Polymer Technologies also established a joint venture, RE:CORE, with waste-disposal company Remondis. It aims to close the PVC recycling process at Schüco and offer its partner companies an exclusive recycling service for profile offcuts from the window industry and old windows.

In the European Aluminium Association (EA) and the European PVC Window Profile and Related Building Products Association (EPPA), Schüco encourages efforts to introduce similar systems in other countries outside Germany. The aim is to increase the proportion of secondary material on the market in the long term.

Energy

● Area of application German sites of the Schüco Group (excluding acquisitions)

GRI 302-1 Energy consumption within the organisation

GRI 302-3 Energy intensity

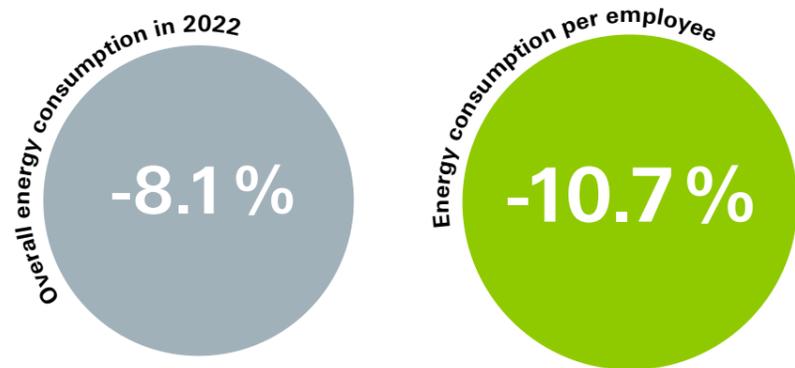
Unless indicated otherwise, the following energy figures refer to the German sites of the Schüco Group. They form the basis for the company's carbon footprint, which has been recorded since 2011 (see GRI 305). The consumption volumes were taken from the supplier and utility company invoices. The completeness and accuracy of the collected data is checked as part of an external audit to record the corporate carbon footprint.

Estimations have been made for individual consumption data that did not meet the editorial deadline for the sustainability report. These will be replaced with the actual figures at a later date. The consumption figures for 2019 and 2020 may therefore differ from the data that we published in the previous sustainability report.

Energy consumption within the organisation in kWh	Change compared to the previous year in %	2022	2021	2020	2019
Transport	-2.4	14,738,311	15,095,876	14,047,473	15,612,684
Heating oil	-32.2	747,737	1,102,442	1,200,639	965,116
Natural gas	-17.7	11,586,971	14,081,839	11,111,372	11,926,096
Power (conventional)	-59.2	225,282	552,050	891,645	747,740
Power (renewable)	-4.7	46,718,241	49,041,850	45,435,924	45,555,302
District heating	-14.7	7,877,058	9,235,307	7,071,436	7,569,090
Self-generated energy (photovoltaics)	+8.1	66	61	57	63
Overall consumption	-8.1	81,893,666	89,109,424	79,758,546	82,376,090

Energy intensity in kWh

	Change compared to the previous year in %	2022	2021	2020	2019
Consumption overall	-8.1	81,893,666	89,109,424	79,758,546	82,376,090
Consumption per employee	-10.7	22,333	25,017	21,297	21,856



Biodiversity

- GRI 304-1** Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
- GRI 304-2** Significant impacts of activities, products and services on biodiversity

Most Schüco sites around the world are in dense/inner-city areas which do not border areas of high biodiversity value. The Schüco site in France, south-west of Paris, borders a designated nature conservation site. This site has a large warehouse and workshops and employs around 200 people in the areas of development, administration, sales and shipping. The particular location means that there are increased requirements for Schüco, including with regard to building development and ground water protection; these requirements are all met or exceeded.

Schüco is aware of the fact that obtaining and processing raw materials required to make the products can have a significant impact on biodiversity. The aluminium ore bauxite is therefore extracted from mines in Australia, Brazil and Guinea in particular. As Schüco cannot directly influence raw material extraction, the company makes a difference as a founding member of the Aluminium Stewardship Initiative (ASI), through which it has established the main guidelines for the supply chain. The ASI performance standard stipulates clear requirements for bauxite mines to protect biodiversity during site preparation, operation and dismantling. In the relevant ASI working

bodies, Schüco makes an active contribution to developing these requirements further. The company is already certified in line with the ASI Performance Standard in Germany, France, Italy and the UK and in 2022 received certification in line with the ASI Chain of Custody Standard. The latter aims to establish a responsible supply chain at all points.

Emissions

● Area of application Schüco Group (excluding 2021/22 acquisitions)

- GRI 305-1** Direct (Scope 1) GHG emissions
- GRI 305-2** Energy indirect (Scope 2) GHG emissions
- GRI 305-3** Other indirect (Scope 3) GHG emissions
- GRI 305-4** GHG emissions intensity
- GRI 305-5** Reduction of GHG emissions

Schüco has been recording its climate-related emissions for its German sites since 2011. The GHG Protocol and the ISO 14064 standard form the basis for calculating the carbon footprint. Data from administration and production (energy consumption, water and waste water), transport logistics (internally and externally), business trips, journeys to and from work as well as paper consumption and printing is incorporated into the balance. The numbers are verified by TÜV NORD CERT and confirmed by issuing a certificate.

In order to define scientifically substantiated climate protection objectives, since 2017 Schüco has also calculated the global emissions of the company. The areas defined as essential by the GHG Protocol also form the basis for this. The data collected refers to consumption bills and purchasing data. Only a few smaller areas such as the procurement of office equipment and materials are not calculated

The data is either held by headquarters or requested from the international sites and recorded by headquarters. Where is still not possible, the data recorded refers to projections based on employee figures or the processing companies. Over time, we will replace the estimations with actual figures. The emission data for 2019 and 2020 may therefore differ from the data that we published in the previous sustainability report.

GHG emissions in Germany and worldwide

Scope 1 comprises emission sources within the company, for example based on the heating, vehicle fleet or air conditioning used. Scope 2 emissions are based on the consumption of purchased energy for the heating and power supply. Scope 3 refers to the other emissions produced through the business activity. In this category, Schüco records the carbon

footprint of the materials it purchases. Greenhouse gas emissions from upstream transport, business trips and journeys to and from work, the fabrication of sold products and their disposal after the active usage phase are also recorded in Scope 3.

GHG emissions in Germany in tonnes of CO ₂ e	Change compared to the previous year in %	2022	2021	2020	2019
Scope 1	1.6	7869	7747	7919	8804
Scope 2	-13.5	752	869	847	826
Scope 3	-0.9	15,072	15,214	15,801	23,072
Total emissions	-0.6	23,693	23,830	24,567	32,202

Emissions from energy consumption, business travel, leased vehicles, commuter behaviour, work from home, paper and printer products as well as logistics with internal and downstream transport, produced by all office and production sites in Germany were taken into account in the calculation.

GHG emissions worldwide in tonnes of CO₂e

	Change compared to the previous year in %	2022	2021	2020	2019
Scope 1	13.3	19,740	17,429	9794	10,879
Scope 2	1.8	2627	2581	3898	3910
Scope 3	-9.4	1,761,506	1,945,102	1,779,546	1,888,578
Total emissions	-9.2	1,783,873	1,965,112	1,793,238	1,903,367

Since the 2021/22 reporting period, the GHG emissions have been recorded for each specific site. The 2019/20 and 2021/22 periods can only be compared to a certain extent.

Emissions per employee in tonnes CO₂e worldwide

	Change compared to the previous year in %	2022	2021	2020	2019
Intensity (in tonnes of CO ₂ e per employee)	-21.6	263.7	336.5	317.4	337.4

The ratio compares the global CO₂ equivalents (Scope 1, 2 and 3) with the number of employees.

Emissions by sales in tonnes CO₂e worldwide

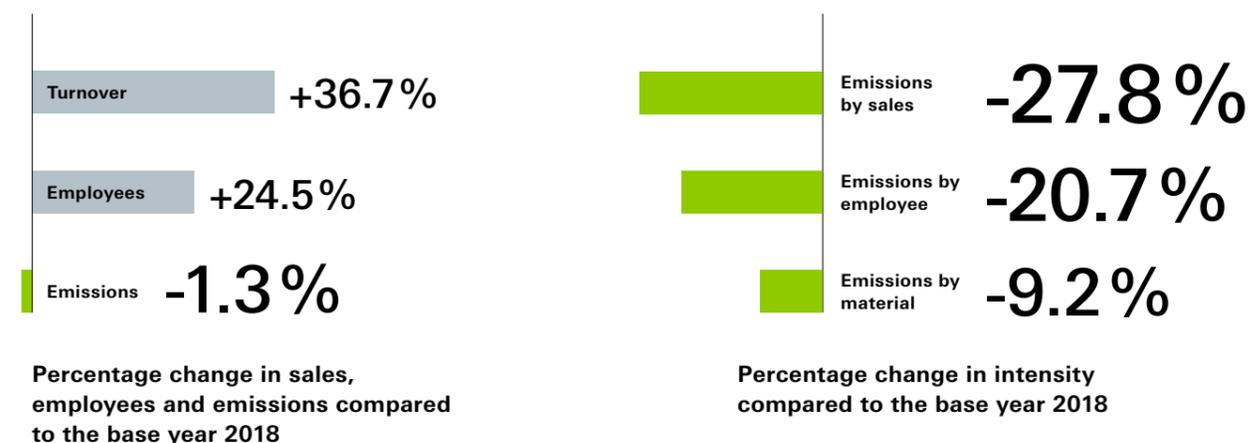
	Change compared to the previous year in %	2022	2021	2020	2019
Intensity (in tonnes of CO ₂ e per million € sales)	-20.7	781	985	1057	1087

The ratio compares the global CO₂ equivalents (Scope 1, 2 and 3) with sales.

Emission Zero: Objectives achieved

Reduction of GHG emissions in tonnes of CO₂e

	Change compared to 2018 in %	2022	2018
Sales in million euros	+36.7	2283	1670
Employees	+24.5	6764	5434
GHG emissions in tonnes of CO ₂ e	-1.3	1,783,873	1,807,115
Intensity in tonnes of CO ₂ e per million € sales	-27.8	781	1082
Intensity in tonnes of CO ₂ e per employee	-20.7	263.7	332.6



Schüco set itself the aim to reduce its absolute CO₂ emissions by 30% by 2025 compared to the reference year of 2018.

In 2022, sales for the Schüco Group rose by 36.7 percent compared to the reference year of 2018, while the absolute GHG emissions were slightly below the reference value from 2018 at -1.3 percent. We are therefore not yet achieving the targets that we set together with the WWF and which were validated as an effective path to reduction by the Science Based Target Initiative (SBTI). Nevertheless, we were able to separate carbon emissions from sales for the first time. The positive trend is reflected in the carbon intensity per million euro of sales, per employee and per tonne of material, which have all reduced compared to the reference year of 2018.

However, the development shown cannot be attributed solely to our efforts in procuring low-carbon materials, but is also linked to price and acquisition-related appreciation. We are therefore aware that the percentages of the intensity levels shown here are not an unqualified success, but merely show a trend. However, this is significant and should therefore be seen as extremely positive. The figures also show that we still need to work to reduce our carbon emissions.

Our main focus continues to be increasing efforts in purchasing and increasing global demand for low-carbon materials through transparent labelling of our product solutions.

Social

Employment ⁸⁰

Occupational
health and safety ⁸²

Training and education ⁸⁶

Diversity and equal opportunity ⁹⁰

Non-discrimination ⁹²

Rights of indigenous peoples ⁹³

Public policy ⁹³

Customer health and safety ⁹⁴

Marketing and labelling ⁹⁴

Customer privacy ⁹⁵

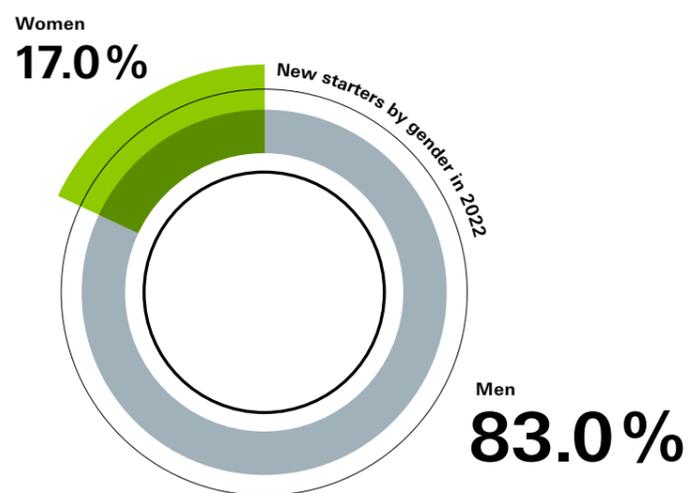
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Social

Employment

● Area of application Schüco Group

- GRI 401-1** New employee hires and employee turnover
- GRI 401-2** Benefits provided to full-time employees that are not provided to temporary or part-time employees
- GRI 401-3** Parental leave



New employee hires and employee turnover

New starters by gender	2022	2021	2020	2019
Total	1416	640	400	558
Men in %	83.0	79.8	76.3	76.7
Women in %	17.0	20.2	23.8	23.3

New starters by region	2022	2021	2020	2019
Total	1416	640	400	558
EU and EFTA in %	49.0	67.5	68.0	71.5
Outside the EU and EFTA in %	51.0	32.5	32.0	28.5
Germany in %	32.6	57.7	53.5	57.0

Fluctuation rate by gender	2022	2021	2020	2019
Total	7.7	7.5	7.4	6.3
Men in %	7.4	7.7	7.8	6.2
Women in %	8.6	6.8	6.0	6.4

Fluctuation rate by region	2022	2021	2020	2019
Total	7.7	7.5	7.4	6.3
EU and EFTA in %	7.3	6.6	6.9	5.7
Outside the EU and EFTA in %	8.7	11.1	9.9	8.9
Germany in %	7.2	6.1	7.3	5.6

New starters by age	2022	2021	2020	2019
Total	1416	640	400	558
< 30 years old in %	29.7	40.8	43.0	43.5
30-50 years old in %	59.6	52.8	48.8	51.3
> 50 years old in %	10.6	6.1	8.3	5.2

Fluctuation rate by age in Germany	2022	2021	2020	2019
Total	7.2	6.1	7.3	5.6
< 30 years old in %	11.9	11.7	11.1	8.4
30-50 years old in %	6.3	4.1	6.5	4.8
> 50 years old in %	6.4	6.4	6.8	5.1

The fluctuation rate by age group does not just refer to the German sites of the Schüco Group. The reason for this is gaps in the global data records due to various acquisitions during the reporting period. The aim is to report all fluctuation rates worldwide from 2024.

Benefits

The information regarding company benefits refers exclusively to the German main business sites of the Schüco Group, excluding acquisitions and joint ventures. The Schüco Group defines sites in Germany with over 100 employees as main business sites. These are Bielefeld, Borgholzhausen, Wertingen and Weißenfels.

Benefits are available to all employees with permanent contracts at the named sites without restriction. The benefits on offer are not limited to full-time employees. Individual benefits of a one-off or selective nature can also be claimed by temporary employees.

Benefits at the German main business sites

	Bielefeld	Borgholzhausen	Wertingen	Weißenfels
Company pension scheme financed by the company	✓	●	✓	✓
Company pension subsidy financed by the company	✓	✓	✓	✓
Extraordinary bonuses (company Christmas bonus)	✓	●	✓	✓
AWO parents' service	✓	✓	✓	●
Childcare, children's camps	✓	✓	✓	●
JobRad bicycle scheme	✓	✓	✓	✓
Company sport	✓	✓	✓	✓
Employee PC programme for financing electrical equipment	✓	✓	✓	✓

Parental leave

● Area of application German sites of the Schüco Group (excluding acquisitions)

All employees of Schüco in Germany are entitled to their share of parental leave regardless of gender. Schüco offers family-friendly working hours and parental leave models and thereby allows employees in Germany to balance their family and career.

The company provides information, checklists and personal support to prepare for parental leave, potential part-time work and the subsequent return to work.

During the pandemic, Schüco seriously considered the opportunities posed by virtual collaboration and extended the options for carrying

out suitable work virtually from any location. Employees can work remotely in agreement with their manager. Furthermore, Schüco in Bielefeld provides emergency childcare in the Schüco Kids' Club and holiday programmes for older children.

Claimed parental leave in Germany

	2022	2021	2020	2019
Number of employees taking parental leave	165	161	129	163
Rate of men taking leave compared to all male employees in %	4.2	4.0	3.4	4.5
Rate of women taking leave compared to all female employees in %	3.9	4.9	3.6	3.8

Splitting parental leave (e.g. four weeks in January and four weeks in June of the same year) results in the numbers being counted twice in the data collection. This primarily affects the rate of men taking leave, as they are more likely to split their parental leave. Their take-up rate has therefore increased slightly in some places.

The return and retention rate of employees after taking parental leave is not recorded, as the effort would outweigh the benefits.

Outside Germany, parental leave often sees lower take-up for cultural reasons. Many countries lack uniform legal regulations for parental leave or suitable financial support. The composition and ages of employees play a huge role in the take-up of parental leave. At many sites, there are employees who have worked there for many years, whose children are grown up.

Occupational health and safety

- GRI 403-1 Occupational health and safety management system**
- GRI 403-2 Hazard identification, risk assessment, and incident investigation**
- GRI 403-3 Occupational health services**
- GRI 403-4 Worker participation, consultation, and communication on occupational health and safety**
- GRI 403-5 Worker training on occupational health and safety**
- GRI 403-6 Promotion of worker health**
- GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**
- GRI 403-9 Work-related injuries**

Management and responsibilities

Schüco aligns itself with the legal guidelines on occupational Health & Safety and the regulations of the Joint German Occupational Safety and Health Strategy (GDA). In the process, we consider the respective national, legal and regulatory provisions to be minimum requirements that we want to exceed when it comes to our employees.

The existing health and safety committees at the individual sites in Germany are tasked with advising on matters regarding occupational safety and accident prevention. The committee is composed of different specialists and managers in the company. The representative body for severely disabled employees and the fire officer are also involved.

The committees therefore represent all employees in Germany. This enables the consideration and discussion of individual topics from different perspectives. Depending on the operational circumstances, the committees discuss the latest safety challenges and advise on training, education and motivation measures.

They assess the accident statistics, identify deficiencies and discuss suggestions to eliminate them. The ASA is also responsible for putting together priority programmes.

The Safety & Security Management staff unit provides support to the Bielefeld site with any issues surrounding occupational health and safety and fire protection. It also ensures smooth processes for occupational health and safety, and connects the further responsibilities across Germany. Managers are also expressly duty-bound to ensure the health and safety of their employees. They are in regular communication with the Occupational Healthy and Safety Managers.

They work together to perform risk assessments and establish corresponding protective measures, such as mandatory e-learning courses. Every accident at work is reported internally. If an accident results in the employee being absent for more than three days, it is reported to the corresponding social accident insurance institution. In each case, an accident analysis is performed with the managers, and appropriate measures are derived from this. Examples of this include process changes and technical or personal protective equipment. The results of the accident analysis and the protective measures taken are summarised in a log and added to the risk assessment.

Schüco has made various formal company agreements with the whole works council and other works councils at the main business sites in Germany. They deal with the procedure for addiction-related illnesses, cooperative behaviour at work, the no smoking policy and health check-ups.

Services to promote health and wellbeing

At our German sites, we offer medical advice as well as mandatory, offered and desired preventive care appointments with our company medical provider, which are aligned with the individual working tasks of our employees. There are therefore dedicated preventive healthcare services for those working with screens or in noisy workplaces, as well as for those who perform driving, control and monitoring activities. We offer a special health travel insurance policy, a tropical disease consultation and special help in the event of a catastrophe to those employees who travel frequently for work. At some sites, the occupational physician also offers regular internal office hours.

Exercise is another key part of our preventive health. We offer an extensive range of company sports to our employees. The programme includes the five sports of badminton, football, running, table tennis and volleyball. In 2022, the individual groups restarted their regular sport after a two year break due to the coronavirus pandemic. At the end of 2022, around 150 employees took part in our company sport offering.

Instigated by employees, the JobRad programme has been in place since 2015 too. Through this, employees can finance new bikes and e-bikes through salary sacrifice. During the reporting period, a total of 560 new JobRad agreements for bikes and pedelecs were concluded. In addition to protecting physical health, Schüco also focused on preventive mental health for employees during the reporting period. An initial consultation provided by the company was set up in order to provide those affected with early support and advice. This provides support as the first port of call when people are looking for information sources for specific complaints, and uses external experts. Employees can also arrange an initial psychological consultation through our partnership with external service providers. Furthermore, there is the option to consult company addition counsellors for clarification, advice and support.

Protective measures against coronavirus at Schüco

The health and safety of our employees was incredibly important to us during the coronavirus pandemic. During the 2021 and 2022 reporting period, at the Bielefeld, Borgholzhausen and Wertingen sites, around 52,000 antigen tests were carried out in order to limit the spread of the coronavirus.

Together with a regional doctor's practice, Schüco performed a total of 416 coronavirus vaccinations at the company headquarters in Bielefeld. A number of protective measures against coronavirus were also taken at other sites both within and outside Germany. Furthermore, during

the reporting period Schüco sent ventilators and disinfectants to India, to provide fast, efficient help to ill family members of Schüco colleagues.



Bettina Kraemer
Member of the Crisis Committee

"The health of our employees took top priority during the coronavirus pandemic. We were able to successfully avoid large outbreaks through protective measures such as regular tests and vaccinations on site, as well as an internal reporting system for those infected."

Communication and clarification

Managers are responsible for providing their employees with all the key information about occupational health and safety, and facilitate their attendance of health check-ups and services. Regular news reports on the intranet also inform employees of available training and qualification, as well as health and safety measures that have been introduced. There is a separate page on the intranet for all sites that provides information about current prevention reports and organisational instructions on occupational health and safety. All employees receive annual training on occupational health and safety.

This is performed by managers, who are supported by internal and external experts. Training on certain topics is also provided through e-learning courses. These cover cross-departmental issues, such as office hazards, reporting duties, fire protection and first-aid measures, as well as specialist content, including special driver safety training for car and HGV drivers.

At the company headquarters in Bielefeld, there are:

164

Trained first aiders

5

Emergency response officers

118

Fire and evacuation marshals

We also ensure, outside our direct area of influence, that our products can be used securely and therefore contribute to healthy construction, living and work. This starts with the fabrication of our systems. Through individual training of and consultation with customers and architects, we ensure that our products can be used safely. Moreover, all products developed at Schüco are subjected to a

risk analysis. Various testing and approval processes then ensure that all prescribed requirements are adhered to in the subsequent construction process. Handling substances subject to marking is also clearly regulated. This also applies to our suppliers, which we oblige through the Schüco standard SN 175 to exclude or declare the use of certain substances.

Work-related injuries

The data collected refers exclusively to the German sites of Schüco International KG and Interior Systems KG as well as Schüco Polymer Technologies KG and Schüco PWS Produktions KG. There were no work-related deaths during the reporting period.

Accidents at work Schüco International KG and Interior Systems

	2022	2021	2020	2019
Accidents at work (which must be reported)	40	48	54	54
Accidents at work (which do not need to be reported)	26	25	14	25
Frequency of accidents per 1,000,000 scheduled working hours (must be reported)	7.9	9.8	10.4	10.2
Industry average (German occupational insurance organisation for trade and goods logistics, BGHW)	*	15.8	14.6	15.2
Frequency of accidents per 1,000,000 scheduled working hours (does not need to be reported)	5.1	5.1	2.7	4.7

*Not available at time of going to press

Accidents at work Schüco Polymer Technologies KG

	2022	2021	2020	2019
Accidents at work (which must be reported)	10	16	5	7
Accidents at work (which do not need to be reported)	5	4	0	5
Frequency of accidents per 1,000,000 scheduled working hours (must be reported)	12.0	20.1	6.9	9.3
Industry average (German occupational insurance organisation for trade and goods logistics, BGHW)	*	15.8	14.6	15.2
Frequency of accidents per 1,000,000 scheduled working hours (does not need to be reported)	6.0	5.0	0	6.7

*Not available at time of going to press

At Schüco Polymer Technologies, we recorded an increased frequency of accidents in 2021. The accident analysis showed that the increase did not have a direct correlation with the employees' working environment (new machines, changed processes).

Accidents at work

Schüco
PWS Produktions KG

	2022	2021	2020	2019
Accidents at work (which must be reported)	10	7	8	8
Accidents at work (which do not need to be reported)	6	9	6	12
Frequency of accidents per 1,000,000 scheduled working hours (must be reported)	16.4	11.8	14.3	10.9
Industry average (German occupational insurance organisation for trade and goods logistics, BGHW)	*	15.8	14.6	15.2
Frequency of accidents per 1,000,000 scheduled working hours (does not need to be reported)	9.8	15.1	10.7	16.4

*Not available at time of going to press

Training and education

- GRI 404-1** Average hours of training per year per employee
- GRI 404-2** Programmes for upgrading employee skills and transition assistance programmes
- GRI 404-3** Percentage of employees receiving regular performance and career development reviews

We want to help our employees to achieve their full potential. To this end, we have developed a varied training and education programme. We at Schüco also champion and support a culture of feedback.

Schüco offers up to 18 trainee positions and up to 10 courses of study across Germany. The places offered to students are almost always filled. The demand is generally lower for the apprenticeships, and sometimes there are unfilled apprenticeship

places. This affects apprenticeships for professional drivers in particular, as well as warehouse logistics specialists, process technicians and machinery and system operators. However, the number of unfilled apprenticeship places has gradually declined in recent years, despite the greater number of spaces on offer (see Training table on page 88).

Individual career paths

Strategic personnel development with a long-term view is a key part of our company development. Through this, we raise the potential of employees and prepare talented individuals for key positions. At the same time, qualifications directly and indirectly affect the motivation of employees, equal opportunities and staff retention. At Schüco, we offer career

paths for both potential managers and for experts. Our managers are also urged to encourage their employees' individual career planning and personal development. We offer the concept of development dialogues (see info box) as an aid for managers.

Development dialogues

All employees should receive feedback on their performance and their potential career development at least once per year, and can request this from their managers. The development dialogue focuses on the professional and personal development of employees.

The content of the development dialogues is not documented for data protection reasons. Participation in the discussion is voluntary for employees.

Managers and employees can both initiate the discussion and inform the HR department whether or not they have conducted one. The response rate in 2022 was 47 percent (2021: 58 percent/2020: 57 percent).

Our aim continues to be that all managers report transparently on the development dialogues they have carried out. In order to tackle the drop in response rates and ensure complete records, we will be offering an improved digital reporting process in future.

Lifelong learning

We offer our employees a range of internal and external development opportunities, including classroom-based training and e-learning courses on professional and personal development, for example in the areas of language, communication, agile working, project management, sales and preventive health. During the coronavirus pandemic, our full range of courses was also temporarily offered digitally.

In 2022, we created the Schüco Academy, a new, international training platform that pools the training from all specialist areas. In this way, classroom-based training and digital learning content

can be combined in a targeted way. With the Schüco Academy, we have not only made our training courses clearer and more digital, but also more interactive. All employees can create their own content and pass on their knowledge to other colleagues, true to the motto of "by Schüco for Schüco". This has paid off: with 2000 active users and 260 new courses, the Academy has been a complete success during its first year. There have also been three general sustainability training courses in the Schüco Academy since 2022.

"The Schüco Academy is the new, interactive home to everything related to learning. It is where, for example, knowledge about our products or software used daily is conveyed to the Schüco world as needed."



Catharina Schulze Mönking
Head of Global Training

328

Our employees spent 328 hours taking part in sustainability training in 2022.

Agile ways of working

During the reporting period, a network was set up with the Schüco co-pilot programme which supports the introduction of agile project management in the company. In 2021 and 2022, 24 employees were given

intensive training on this topic and appointed so-called co-pilots. In their role, they bring their newly acquired knowledge on agile working methods into the company. They advise teams on issues, recommend suitable agile

or classic methods for finding a solution, moderate workshops and network colleagues across departments with the same challenges and problems.

Transition assistance

At Schüco, there is no standardised programme for transition assistance to facilitate continued employability or support people leaving the company due to retirement or termination of employment. In individual cases, employees receive advice and coaching.

Average hours of training per year per employee

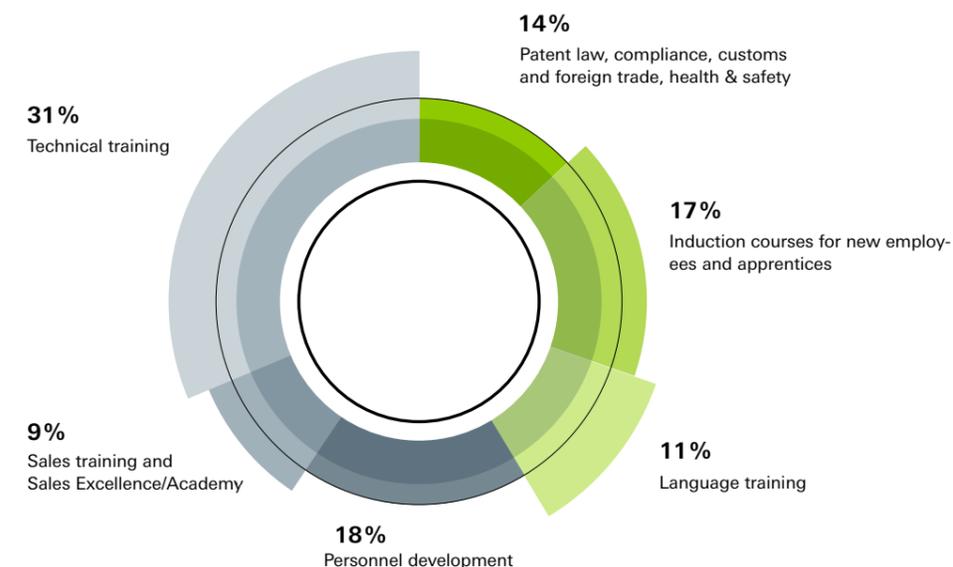
Schüco records the training data only for the sites of Schüco International KG, Schüco Polymer Technologies KG and Schüco Interior Systems KG in Germany.

Trainee positions, apprenticeships and courses of study

		2022	2021	2020	2019
Trainee positions	Offered	18	16	19	20
	Cannot be filled	2	0	1	1
Apprenticeships	Offered	57	44	53	50
	Cannot be filled	6	9	7	8
Courses of study	Offered	10	7	8	8
	Cannot be filled	1	0	0	0
Places for students	Offered	21	14	20	17
	Cannot be filled	1	1	2	0

Further education

In 2021, participant numbers and the average training hours per employee started to rise again after the coronavirus pandemic. Global training figures have been recorded by the new Schüco Academy since March 2022. In the interests of consistency, we are still using the previous database in this sustainability report. The figures calculated for 2022 therefore no longer include all the training carried out. The data recorded by the Schüco Academy will be the sole database used in the next report.



Training categories in 2022 (in percent of participants)

Training offered by number of participants and hours

	2022	2021	2020	2019
Participants	1434	2881	2547	2245
Training hours	15,069	31,041	19,396	38,160
Training hours per participant	11	11	8	17

The current data does not record all training by external service providers. This is initiated directly by individual companies and departments, and is not always recorded centrally. Annual fluctuations in the participant numbers are primarily down to the extensive training campaigns which are offered by Schüco, for example as exhibition preparation, for new launches of products or when new software is rolled out.

Diversity and equal opportunity

● Area of application Schüco Group

GRI 405-1 Diversity of governance bodies and employees

In order to inspire people around the world about our company and products, we need employees who share our high quality and service aspirations and are prepared to work hard on their career development. This can only succeed in a motivating working environment, based on a company culture that encourages appreciation, respect and fairness.

Our managers play a central role here. Alongside great performance and awareness of their responsibilities, we expect them to inspire colleagues, set an example and support a good work/life balance. We also promote this balance with a wide range of flexible working time models and generous rules for remote working.

We also want to help all employees fulfil their full potential, regardless of gender, age, religion or cultural identity. The inclusion of employees with disabilities also plays an important role here. In 2022, Schüco International KG in Bielefeld therefore set up a representative body for severely disabled employees, consisting of three newly elected people. The chair can use all of their working time dealing with questions and concerns from colleagues with disabilities and promoting the onboarding of severely disabled people in the company. The representative body for severely disabled employees works closely with the inclusion officers and the Executive Management Board. They are also in close communication with the works council as well as

colleagues in various departments. Schüco believes there is still a great potential for improvement in all aspects of diversity. We want to make better use of this potential in future and introduce targeted measures for this.



Jürgen Müller
Confidant – representative body for severely disabled employees

"It is the heartfelt intention of myself and the entire team of the representative body for severely disabled employees to support employees with disabilities in all matters and to find the best solution together for everyone involved."

Career progression for women

For ten years, Schüco has supported the non-profit organisation ANNA+CIE, which has set itself the goal of preparing women for the path to top management. In 2022, a four-month leadership programme for young female managers was added to the range of courses on offer.

In this programme, participants develop their leadership skills, work out an individual action plan for professional and personal development, and receive valuable feedback from external mentors.

Diversity of governance bodies and employees

A management career path at Schüco comprises four levels. Group and team leaders together form the lower management. Middle managers bear the title "Head of". Upper management includes the career levels of Vice President and Senior Vice President, with the Executive Senior Vice President at the very top.

The average age of our employees worldwide has barely changed over the four-year period under review and is currently 42. Over half of our employees are between 30 and 50 years old. The under 30s age group is particularly under-represented at Schüco at the moment, at 15%. Age increases as you move along the hierarchy levels: in 2022, employees in the top management level were primarily older than 50.

Age structure of employees (in % of the entire workforce)

	2022	2021	2020	2019
Average age of employees in years	42.3	42.7	43.3	43.0
< 30 years old in %	14.6	14.0	14.2	15.2
30-50 years old in %	56.6	55.3	54.4	54.5
> 50 years old in %	28.8	30.7	31.3	30.3

Average age of employees in years in 2022

42.3

Age structure of top management

	2022	2021	2020	2019
Average age of top management in years	60,0	59,0	58,0	57,0
< 30 years old in %	0.0	0.0	0.0	0.0
30-50 years old in %	0.0	0.0	0.0	0.0
> 50 years old in %	100	100	100	100

Age structure in upper management*

	2022	2021	2020	2019
Total number of employees in upper management	30	32	31	29
Average age in years	53.3	53.5	52.3	53.7
< 30 years old in %	0	0	0	0
30-50 years old in %	36.7	37.5	38.7	34.5
> 50 years old in %	63.3	62.5	61.3	65.5

*Vice President level, e.g. head of function or area

The proportion of women in the total number of employees has fallen slightly during the reporting period, and was around 22 percent in 2022. The proportion of female managers in upper management fluctuated between 6 and 9 percent. At around

13 percent, the proportion of women in all leadership roles is approximately double this number. In proportion to the respective gender ratio in the total workforce, men are twice as likely to hold a management position at Schüco than women.

Proportion of women (in %)

	2022	2021	2020	2019
Schüco as a whole	22.2	23.6	23.9	23.7
All management roles*	13.4	13.8	13.8	14.3
Upper management**	6.7	9.4	6.5	6.9
Top management	0	0	0	0

** Lower management (group/team leaders), middle management (Head of) and upper management (Vice President)
 ** Head of function or area (Vice President/Senior Vice President)

Proportion of male managers in male workforce vs proportion of female managers in female workforce

	2022	2021	2020	2019
Men, total	5262	4462	4301	4303
In management roles (in %)	8.9	10.2	10.6	9.9
Women, total	1501	1376	1348	1338
In management roles (in %)	4.9	5.3	5.4	5.3

Non-discrimination

GRI 406-1 Incidents of discrimination and corrective actions taken

We want our employees to feel valued and respected. We therefore do not tolerate any condescending, degrading, discriminatory, offensive or generally disrespectful words and actions against other colleagues.

Incidents of discrimination, abuse and sexual harassment of any kind can be reported by the person affected.

Employees in Germany can, for example, contact the interdisciplinary advisory office by telephone or e-mail. Those outside Germany can contact the external ombudsman, which has been working for Schüco since 2022. The report can be made anonymously if desired. Business partners and suppliers of Schüco can also contact the ombudsman to report incidents of discrimination.

Schüco also has an arbitration board that steps in in the event of infringements against the leadership guidelines. Composed equally of works councils, managers and HR representatives, the board offers employees support and advice if they believe their manager is treating them unfairly (differential treatment, tone of voice etc.). Users of the arbitration board are guaranteed full confidentiality and can remain anonymous if they wish.

In order to prevent infringements against the leadership guidelines in advance, we use a range of low-threshold feedback processes. These include ad-hoc surveys, micro-feedback for managers and teams, as well as peer feedback among colleagues at the same hierarchy level.

During the reporting period, the arbitration board and the ombudsman were not notified of any cases. Two incidents of sexual harassment were reported to the advisory office. One of these incidents has been resolved, while the other is still undergoing arbitration.

Rights of indigenous peoples

GRI 411-1 Incidents of violations involving rights of indigenous peoples

During the reporting period, there were no incidents where Schüco violated the rights of indigenous people through its direct business activity. However, Schüco is aware of the fact that the extraction of raw materials in its own supply chain, in particular the aluminium ore bauxite, may lead to conflicts culminating in human rights violations. As Schüco cannot directly influence the circumstances surrounding raw material extraction, the company makes a difference as a founding member of the Aluminium Stewardship Initiative (ASI). Schüco sites in Germany, France, Italy and the UK are certified in accordance with the ASI Performance Standard and the ASI Chain of Custody Standard, which sets clear requirements to protect the interests and rights of

indigenous peoples. An internal steering committee has also been set up within the ASI to deal with these issues: the IPAF (Indigenous Peoples Advisory Forum).

In line with the German Act on Corporate Due Diligence Obligations in Supply Chains, which came into force on 1 January 2023, Schüco is currently conducting an analysis of the human rights-related risks that may occur through our business activities. In this connection, training on human rights will also be provided to our employees in 2023.

Public policy

GRI 415-1 Political contributions

Schüco does not make any donations to political parties.

Customer health and safety

GRI 416-1 Assessment of the health and safety impacts of product and service categories

GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

All products developed and purchased by Schüco are produced in accordance with the legal regulations and subjected to a risk analysis during the early development phase. Multiple testing and approval stages ensure that all prescribed requirements are adhered to in the subsequent construction process. In addition, Schüco offers extensive training to customers fabricating the company's products to make windows, doors and façades. This includes,

for example, instructions on the safe handling of the material and fabrication machinery. Schüco thereby obviates negative effects on the health and safety of customers.

During the reporting period, there have been no known incidents of non-compliance concerning the health and safety impacts of products and services.

Marketing and labelling

GRI 417-1 Requirements for product and service information and labelling

GRI 417-2 Incidents of non-compliance concerning product and service information and labelling

GRI 417-3 Incidents of non-compliance concerning marketing communications

Schüco uses various measures to ensure that its products are safe to use at all times during their service life. Since 2013, European construction products have to be uniformly tested, marked and supplied with corresponding documents in accordance with the specifications of the Construction Products Regulation. For windows, doors and façades, these are CE markings and Declarations of Performance which the end customer receives together with the safety instructions, maintenance instructions and instructions for use. As a systems supplier, Schüco is generally not responsible for product markings. We do however support our fabricators in meeting this obligation. To this end, we have the performance characteristics of our products tested by an external body. Our customers can find the test reports, order and fabrication manuals and guidelines for the Factory Production Control online.

Moreover, it is possible to automatically create CE markings and Declarations of Performance for selected product systems using our SchüCal planning software. In order to guarantee the traceability of our articles over the course of production and the path to the supplier, we mark our products with batch numbers, article numbers or signatures, depending on the type.

In addition to the legally banned substances and restrictions on use, we oblige our suppliers to adhere to Schüco standard SN 175. This stipulates which substances we exclude from application, allow to a limited extent, or treat as declarable.

The Schüco standard also contains a list of substances which our products absolutely must not contain, including heavy metals and various flame retardants. This list was created as part of the Cradle to Cradle certifications. It is intended to ensure that all newly developed Schüco products are free from potentially dangerous substances – and should pave the way for further C2C certifications. In this regard, Schüco uses systematic pollutant screening which helps to uncover and evaluate potential risks and take action accordingly. During the reporting period, screening has not uncovered any immediate dangers, but does show potential for improvement which is systematically taken into account during product development.

For example, there are still products which contain flame retardants, as construction standards require this. In cases like these we replace the flame retardants we consider to be critical with safer alternatives.

In the area of PVC-U systems too, our suppliers are obliged in accordance with the legal regulations and provisions to adhere to bans on substances and refer to the use of declarable substances. There were no reports of banned substances during the reporting period. As a matter of principle, we have not used additives containing lead and cadmium in our calcium/zinc-stabilised window profiles since 2009. Recovered PVC-U window profiles represent a special case, whereby Schüco processes the recycled material in the internal core of new profiles.

Contained in this recycled waste material are small amounts of heavy metals which must be marked in accordance with the REACH regulation. Schüco supports the position that the closed cycle idea for substances which cannot be released and are therefore hygienically safe is to be ranked higher than the alternative of incinerating or dumping old profiles. We actively support this line of argument in the corresponding national and international industry associations such as the Working Group for PVC and the Environment (AGPU), the recycling imitative Rewindo or the political association EPPA. The aim is to use closed material cycles to make a significant contribution to the sustainability of PVC-U profile systems.

For products subject to a marking, such as the above recycled profiles, we have established a process which takes effect from the product launch through to the documentation of proof. Substances which are subject to corresponding regulations in their application are not used here.

During the reporting period, there have been no known incidents of non-compliance concerning product and service information and labelling. The same holds true for incidents of non-compliance concerning marketing communications

Customer privacy

GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Schüco always collects personal data in a transparent manner and for the intended purpose. Details on this can be found in the data protection information, which we automatically provide to customers. We will not contact customers for promotional purposes without their consent. Furthermore, we do not pass on data to third parties, unless we are legally obliged to do so. Data protection regulations are

strictly adhered to in our Customer Management System. We also use SSL and TLS encryption when transferring confidential content.

During the reporting period, there have been no known incidents of complaints concerning the handling of customer data.

Indices

SDG index ⁹⁸

GRI index ¹⁰⁰

Our contribution to the Sustainable Development Goals (SDGs)

In 2021, we tackled the question of what contribution we as a company are making to achieve the global sustainability objectives (see 2019/20 sustainability report, page 32 ff). As part of an analysis, we identified five SDGs whose achievement we have a huge influence on through our activities. The following illustration shows the progress we have made here during the reporting period.



Sustainable cities and communities

11

Our approach

We want to use our products and services to make cities and housing inclusive, long-lasting and sustainable.

Relevant SDG targets

11.3 By 2030, enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

Activities in 2021/22

- Urban green façades
Schüco AF UDC 80 Green Façade [\(see link\)](#)
- Establishment of RE:CORE joint venture for feeding old PVC-U windows back into the recycling process (See page 22/23)



Responsible consumption and production

12

Our approach

We see buildings as the raw material reserves of the future. This is why we are actively driving the transition from a linear to a circular construction method.

Relevant SDG targets

12.2 By 2030, achieve the sustainable management and efficient use of natural resources

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Activities in 2021/22

- Expansion of the Cradle to Cradle portfolio to 76 systems (see page 59)
- Digitalisation of product data for making an inventory of materials (IoF tag, see pages 6, 14 and 59)
- Expansion of after-sales services to include maintenance and repairs (see page 60)
- Development of expertise in bio-based plastics (see page 61)
- Concept for the sustainable reduction of packaging material in transport logistics (see page 58)



Climate action

13

Our approach

We want to bring in effective measures to reduce our carbon emissions so that we can be carbon-neutral as a company by 2040.

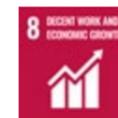
Relevant SDG targets

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Activities in 2021/22

- Pilot project on the use of low-carbon materials in window profiles (see page 16/17)
- Extended range of aluminium grades to include low-carbon versions (see pages 59 and 61)



Decent work and economic growth

8

Our approach

We want to offer safe workplaces as an employer, and ensure the long-term health of our employees through occupational health and safety and by minimising risk.

Relevant SDG targets

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.8 Protect labour rights and promote safe and secure working environments for all workers

Activities in 2021/22

- Detailed information, free tests and vaccination programmes during the coronavirus pandemic
- Extensive support of the company's transformation process through targeted manager coaching and training in social and methodical skills (see page 87-88)
- Training of disseminators in order to strengthen agile working methods within the company (see page 88)
- Certification in accordance with the ASI Chain of Custody for improving ecological and social standards along the aluminium supply chain (see pages 24/25)



Reduced inequalities

10

Our approach

We are working towards ensuring equal opportunities for our employees regardless of age, gender, disability, ethnicity, background, religion or other status.

Relevant SDG targets

10.2 By 2030, empower and promote the social, economic and political inclusion of all

10.3 Ensure equal opportunity and reduce inequalities of outcome

Activities in 2021/22

- Establishment of the Schüco Academy as an international platform for individual further development (see page 87)
- Chair of our representative body for severely disabled employees granted full leave from their job to focus on their role as chair (see page 90)

GRI content index

GRI Standard	Details	Page	Omission/comment
GRI 2	General disclosures 2021		
1.	The organisation and its reporting practices	36	
1-1	Organisational profile	36	
1-2	Entities included in the organisation's sustainability reporting	37	
1-3	Reporting period, frequency and contact point	38	
1-4	Restatements of information	38	Not applicable
1-5	External assurance	38	The report will not be checked externally.
2.	Activities and workers	38	
2-1	Activities, value chain and other business relationships	38	
2-7	Employees	41	
2-8	Workers who are not employees	42	Omission, "not applicable": The deployment of workers who are not employed by Schüco is outside the area of responsibility of our HR department. The number and type of activity are therefore not recorded by Schüco.
3.	Governance	43	
2-9	Governance structure and composition	43	
2-10	Nomination and selection of the highest governance body	44	
2-11	Chair of the highest governance body	43	
2-12	Role of the highest governance body in overseeing the management of impacts	44	
2-13	Delegation of responsibility for managing impacts	44	
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2-15	Conflicts of interest	44	
2-16	Communication of critical concerns	44	
2-17	Collective knowledge of the highest governance body	43	
2-18	Evaluation of the performance of the highest governance body	44	
2-19	Remuneration policies	44	Omission, "obligation of confidentiality": Information about our remuneration policies is treated as confidential at Schüco and is not reported internally or externally.
2-20	Process to determine remuneration	44	
2-21	Annual total compensation ratio	44	
4.	Strategy, policies and practices	45	
2-22	Statement on sustainable development strategy	6	See foreword by Andreas Engelhardt
2-23	Policy commitments	47	

GRI Standard	Details	Page	Omission/comment
2-24	Embedding policy commitments	47	
2-25	Processes to remediate negative impacts	49	
2-26	Mechanisms for seeking advice and raising concerns	47	
2-27	Compliance with laws and regulations	47	
2-28	Membership associations	50	
5.	Stakeholder engagement	50	
2-29	Approach to stakeholder engagement	50	
2-30	Collective bargaining agreements	51	Omission, "not available": Information on the percentage of employees who are covered by collective bargaining agreements is not currently recorded by Schüco.
GRI 3	Material topics 2021		
3-1	Process to determine material topics	54	
3-2	List of material topics	57	
3-3	Management of material topics	58	
GRI 201	Economic performance		
201-1	Direct economic value generated and distributed	66	Omission, "obligation of confidentiality": As a limited partnership, Schüco does not provide all the financial figures listed in the standard. The company's distributed economic value and profits are not published.
201-2	Financial implications and other risks and opportunities due to climate change	67	Omission, "incomplete information": A climate risk analysis for determining the potential financial impact of climate change is currently being prepared
GRI 205	Anti-corruption		
205-1	Operations assessed for risks related to corruption	68	Omission, "information not available": Site audits are only conducted in individual cases.
205-2	Communication and training about anti-corruption policies and procedures	68	
205-3	Confirmed incidents of corruption and actions taken	68	
GRI 206	Anti-competitive behaviour		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	69	

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GRI 301	Materials		
301-1	Materials used by weight or volume	72	Omission, "obligation of confidentiality": For competition-related reasons, Schüco does not publish any information about the weight of the materials used
301-2	Recycled input materials used	72	
GRI 302	Energy		
302-1	Energy consumption within the organisation	73	Omission, "incomplete information": Schüco records the energy consumption for German sites of the Schüco Group
302-3	Energy intensity	74	
GRI 304	Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	74	
304-2	Significant impacts of activities, products, and services on biodiversity	74	
GRI 305	Emissions		
305-1	Direct GHG emissions (Scope 1)	75	
305-2	Energy indirect (Scope 2) GHG emissions	75	
305-3	Other indirect (Scope 3) GHG emissions	75	
305-4	GHG emissions intensity	76	
305-5	Reduction of GHG emissions	77	Omission, "incomplete information": There are currently no systematic assessments of the CO ₂ reductions achieved by all initiatives and measures

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GRI 401	Employment		
401-1	New employee hires and employee turnover	80	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	81	Omission, "incomplete information": Statements on the standard refer to the German sites of the Schüco Group (excluding acquisitions)
401-3	Parental leave	81	
GRI 403	Occupational health and safety		
403-1	Occupational health and safety management system	82	Omission, "incomplete information": Statements on the standard refer to the German sites of the Schüco Group (excluding acquisitions)
403-2	Hazard identification, risk assessment, and incident investigation	82	
403-3	Occupational health services	83	
403-4	Worker participation, consultation, and communication on occupational health and safety	84	
403-5	Worker training on occupational health and safety	83	
403-6	Promotion of worker health	83	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	82	
403-9	Work-related injuries	85	
GRI 404	Training and education		
404-1	Average hours of training per year per employee	86	Omission, "incomplete information": The published data refers to the German sites of the Schüco Group; in March 2022 the method of data collection was changed in order to cover the entire Schüco Group in the next reporting period
404-2	Programs for upgrading employee skills and transition assistance programs	88	
404-3	Percentage of employees receiving regular performance and career development reviews	87	
GRI 405	Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	91	
GRI 406	Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	92	Omission, "incomplete information": Statements on the standard refer to the German sites of the Schüco Group (excluding acquisitions)

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GRI 411	Rights of indigenous peoples		
411-1	Incidents of violations involving rights of indigenous peoples	93	
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415-1	Political contributions	93	
GRI 416	Customer health and safety		
416-1	Assessment of the health and safety impacts of product and service categories	94	
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417-3	Incidents of non-compliance concerning marketing communications	94	
GRI 418	Customer privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	95	

A → Z

Glossary

A

ASA

Health and safety committees at the Schüco sites. The committees are composed of different specialists and managers in the company as per the provisions of the German occupational health and safety act (Arbeitsschutzgesetz). The representative body for severely disabled employees and the fire officer are also involved.

ASI

The Aluminium Stewardship Initiative (ASI) is a multi-stakeholder initiative that strives for a responsible aluminium value chain. Its most important tool is the ASI certification programme in accordance with two standards (ASI Performance Standard and ASI Chain of Custody Standard), which covers ethical, ecological and social aspects along the entire aluminium supply chain.

A|U|F

The purpose of this registered association for Aluminium and the Environment in Window and Façade Construction (Aluminium und Umwelt im Fenster- und Fassadenbau) in Germany is the sustained promotion of product-specific recycling. This applies in particular to the processing and re-use of scrap aluminium and old aluminium in the construction industry.

B

BIM

Building Information Modelling is a method which supports the universal use of digital building blocks and efficiently links everyone involved in the planning, construction, and operation of buildings. At the heart of this is a digital data model, which is used to create a virtual version of the planned construction project. The Building Information Modelling tools make it possible for the partners involved to exchange and share information. Schüco supports users of the BIM method with planning modules and interfaces. These are continually being further developed and regularly adapted to correspond with the state of the art.

Biodiversity

Biodiversity originally meant the diversity in species of a biotope. In general discourse, the term is used to describe the preservation of diverse species on earth.

C

CE marking

The CE marking certifies that a product satisfies the applicable harmonised standards in Europe.

CO₂ equivalent (also CO₂e)

The CO₂ equivalent indicates how much a certain amount of a greenhouse gas contributes to global warming compared to the same amount of CO₂. CO₂ equivalents are a measurement unit for comparing the impact different greenhouse gases have on the climate.

Carbon footprint

The carbon footprint refers to the greenhouse gas emissions that occur for a product over its entire lifecycle or caused by the business activities of a company. In both instances, the greenhouse gas emissions are given in tonnes of CO₂ equivalents (t CO₂e).

Code of Conduct

A Code of Conduct is a set of rules which companies follow. As part of a voluntary commitment, fundamental recommendations for behaviour are formulated for all employees in order to encourage desirable conduct and avoid undesirable actions.

Corporate citizenship

Corporate citizenship describes the social commitment of companies acting as "good citizens" for the community. Example of corporate citizenship include donations, sponsorships or setting up charitable foundations.

Cradle to Cradle (C2C)

An innovative design and quality concept, whereby products are designed so that, following their use, they can be continuously recycled as the same product without any loss of quality. The materials are environmentally friendly and are manufactured using regenerative energy. C2C allows a waste-free, circular value chain to be created. Resources and energy are used effectively. C2C products can be certified.

D

DENEFF

The German Corporate Initiative for Energy Efficiency (Deutsche Unternehmensinitiative Energieeffizienz) is an independent, cross-sector network of companies and organisations that advocate an effective energy efficiency policy.

D

DGNB (German Sustainable Building Council)

The German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen e.V.) is a non-profit and non-governmental organisation with the aim of promoting sustainability across the entire value added chain in the construction and property industry. It awards the DGNB Quality Seal to sustainable, certified buildings.

Diversity

In a corporate context, diversity means that deliberate attention is paid to heterogeneity in terms of gender, background or age when filling job positions, for example.

E

EA

The European Aluminium Association is a consortium of around 80 member companies in the aluminium fabrication industry.

Embodied carbon

Embodied carbon emissions are those emissions in the construction industry within the installed materials or those which are produced during the construction process.

EPD

An Environmental Product Declaration (EPD) is a document which a company uses to disclose quantified information regarding the environmental impact of a product over its entire life cycle. In the construction industry, it is an important basis for green building evaluation. In this way, products with identical functions can be compared objectively and on the basis of data. Essential components of an EPD are the life cycle inventory analysis, which includes details of resource consumption and emissions, as well as the assessment of the impact of the consequences for the environment which is based on that information. EPDs are reviewed, verified and registered externally. The system, which is used around the world, is based on international standards (ISO 14025; ISO 14040 ff.) as well as the European standard DIN EN 15804, thereby allowing a global comparison of environmental performance.

EPPA

The European PVC Window Profile and Related Building Products Association is a political association of the European PVC window profile industry based in Brussels. The EPPA encourages efforts to expand the recycling of PVC profiles.

EU taxonomy

See "European Green Deal"

European Green Deal

The European Green Deal is the roadmap for a more sustainable, modern and competitive EU economy and creates political frameworks for greater ecological sustainability in all industries. In order to ensure a level playing field and legal certainty for all companies operating within the EU, the EU taxonomy for sustainable activities was implemented as part of the EU Green Deal as a classification system for sustainable business. Furthermore, in future the Corporate Sustainability Reporting Directive (CSRD) will make sustainability reporting for companies more uniform, comprehensive and transparent.

F

FTE

FTE stands for full-time equivalent and is a parameter for calculating work time. It is defined as the number of worked hours in a company divided by the standard working hours of a full-time employee.

G

GDA

The Joint German Occupational Safety and Health Strategy (Gemeinsame Deutsche Arbeitsschutzstrategie) is an initiative by the German government, the federal states and the accident insurance institutions. With this alliance, the parties undertake to coordinate their accident prevention policies in the field of occupational health and safety. To this end, they have developed common occupational health and safety objectives and advocate for transparent and practical regulations.

GHG emissions

The abbreviation GHG stands for greenhouse gas. GHG emissions denote the relevant greenhouse gas emissions recorded by a company. They are used as the basis for determining the carbon footprint.

A → Z

G

GHG Protocol

GHG Protocol stands for Greenhouse Gas Protocol. It is a transnational series of standards for reporting company greenhouse gas emissions. The development of the GHG Protocol is coordinated by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

ISO 9001

The ISO 9001 standard sets out the requirements that the Quality Management department of a company must fulfil in order to meet the standard. Responsibilities and work procedures are presented transparently, the framework for which is provided by ISO 9001. Since its revision in October 2015, the standard has been aligned to the High Level Structure. This is derived from the basic structure for management system standards which is defined in the ISO directives.

ISO 14001

The international environmental management standard ISO 14001 helps organisations to develop and implement an environmental management system and the corresponding sustainability objectives. The standard focuses on the continuous improvement process in accordance with the “Plan-Do-Check-Act” (PDCA) model, in order to achieve the specified environmental objectives and ongoing improvements.

ISO 50001

Valid worldwide, the standard ISO 50001 supports organisations and companies in developing systematic, process-oriented energy management systems and continually optimising them. The aim is to tap into unused energy efficiency potential, lower energy costs and reduce greenhouse gas emissions. Guidelines for introducing and implementing these systems, as well as for the energy evaluation and regular audits aim to help organisations to achieve the targets and objectives they have set themselves.

L

LkSG (German Act on Corporate Due Diligence Obligations in Supply Chains)

The German Act on Corporate Due Diligence Obligations in Supply Chains requires companies to fulfil their responsibility globally in order to uphold human rights and environmental standards. The law defines duties of care which the company must implement in its own area of business, towards indirect suppliers and towards direct suppliers where required.

Low carbon aluminium

Low carbon aluminium is aluminium which releases significantly lower amounts of greenhouse gas emissions than the average during its production process. Currently, emissions of no more than 4 t CO₂e per tonne of aluminium is deemed low carbon. This value will likely reduce further as the market continues to develop.

O

OHSAS 18001

The Occupational Health and Safety Assessment Series (OHSAS 18001) is an international, cross-industry standard for the assessment and certification of occupational health and safety management systems. The system is recognised in more than 80 countries and is therefore one of the most widely used standards for occupational health and safety management systems worldwide.

Operational carbon

Operational carbon emissions are those emissions which are produced through the operation of a building, e.g. through lighting or heat supply.

R

REACH regulation

The REACH regulation is an EU regulation on the registration, evaluation, authorisation and restriction of chemical substances. It is one of the strictest chemical regulations worldwide. The aim of REACH is to ensure the protection of human health and the environment, and to safeguard the free movement of chemicals on the European single market. Manufacturers and importers wishing to bring a substance onto the market must register it in advance.

R

re!source Stiftung e. V.

Founded in 2018, the association campaigns for the resource revolution in the construction and property industry and is an independent alliance from the fields of economics, science, society and politics. The re!source foundation develops common objectives and processes for resource conservation and communicates them to relevant target groups. It seeks to achieve sustainable usage of resources by implementing true circular value creation in the construction and property industry and to contribute to the communication of information about this issue in business and society.

Rewindo

The window recycling service Rewindo is an initiative of the leading German PVC-U profile manufacturers. Its aim is to recycle dismantled windows, roller shutters and PVC-U doors, thereby encouraging economic practices that conserve resources.

Risk assessment

The risk assessment forms the basis of systematic health and safety management in the workplace. Employers are obligated to produce a risk assessment, to document the results, to define occupational health and safety measures and monitor the progress of those measures. The employer is responsible for carrying out the risk assessment and the subsequent checks.

S

SBTi

The Science Based Targets Initiative (SBTi) is a collaboration of international non-profit organisation CDP, the United Nations Global Compact (UNGC), the World Resource Institute (WRI) and the World Wide Fund for Nature (WWF). The independent organisation checks and validates companies' objectives to reduce emissions based on current climate research findings. Established objectives to reduce greenhouse gas emissions are considered to be science-based when they are in harmony with the aims of the Paris Agreement. This seeks to limit global warming to much less than 2°C and ideally to a maximum of 1.5°C above pre-industrial levels.

SchüCal/SchüCAD

The Schüco planning and calculation software provides support when planning sustainable building solutions. It covers the conditions of the Environmental Product Declarations (EPDs), allows automatic CE marking for selected product systems and creates Cradle-to-Cradle verifications.

Schüco Technology Center (TC)

The Schüco Technology Center is a test centre for the building envelope where tests are carried out for customer orders. When beginning to develop products, Schüco can also use the Technology Center to fabricate, test and improve new systems, individual components or special solutions, and validate the results on an ongoing basis. The Technology Center is accredited as an independent laboratory in nine areas by the national accreditation body for the Federal Republic of Germany (DAkkS).

Scope 1, Scope 2 and Scope 3 emissions

The climate protection targets at Schüco include all three Scopes of the GHG Protocol. Scope 1 covers emissions caused directly, for example those from production plants, boilers and the vehicle fleet. Scope 2 relates to the energy used, such as the electricity needed for lighting or IT hardware. Scope 3 covers indirect emissions along the value creation chain, which are produced when mining the raw materials required, and during processing, use and disposal of the product.

Stiftung KlimaWirtschaft

Schüco is one of the founding members of Stiftung KlimaWirtschaft (renamed from Foundation 2° in 2021). The foundation is concerned with limiting global warming to significantly lower than 2 degrees Celsius. Alongside Schüco, 28 other companies from various industries are members of Stiftung KlimaWirtschaft. Together the members campaign to successfully bring about the energy revolution, conduct business in a way which conserves resources and increase energy efficiency.

Sustainable Development Goals (SDGs)

The Sustainable Development Goals were adopted by the United Nations in 2015 as part of the 2030 Agenda. The 17 sustainability goals with their 169 targets form a comprehensive framework for ensuring sustainable development worldwide. The objectives cover the three dimensions of sustainability – the economic, environmental and social – in equal measure and apply to every country in the world.

U

U value

Thermal transmittance, also referred to as the U value, is the term given to the flow of heat through a building component depending on the temperature differential. The thermal insulation properties can be derived from the U value. The lower the value, the better the level of insulation. Specifications regarding maximum values for different building components can be found in the German energy saving regulations (EnEV).

V

VinylPlus

VinylPlus is a network of around 60 member companies which focuses on material cycles that conserve resources in the use of PVC. The VinylPlus® label marks the voluntary commitment of the European PVC industry to improve the sustainability performance of PVC. The VinylPlus® product label was developed for PVC construction products in order to verify the sustainability performance of products in accordance with its standard. All Schüco window, door and sliding systems made from PVC-U carry the VinylPlus certificate.

VFF

The German Window & Façade Association (Verband Fenster + Fassade, VFF) is an independent lobby as well as service provider and spokesperson for all industry-related issues regarding politics, the market and media. The association sees itself as a communication platform that provides its members with advanced expertise and knowledge for a competitive advantage.

Value added chain

The value added chain represents the activities of a company for manufacturing a product. It comprises important steps such as raw-material extraction, manufacture and transport of materials, as well as production, use, dismantling and recycling of the product.

W

WWF

The World Wide Fund For Nature (WWF) is an international environmental protection organisation. During the reporting period, Schüco entered into a partnership with the WWF to tackle the issues of climate protection and responsible procurement of raw materials. As part of this collaboration, in close partnership with the WWF, concrete climate protection targets and measures are drawn up in accordance with the principles of the Science Based Targets initiative (SBTi) and the issue of responsibility in the supply chain is further developed in line with Germany's National Action Plan for Business and Human Rights.

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