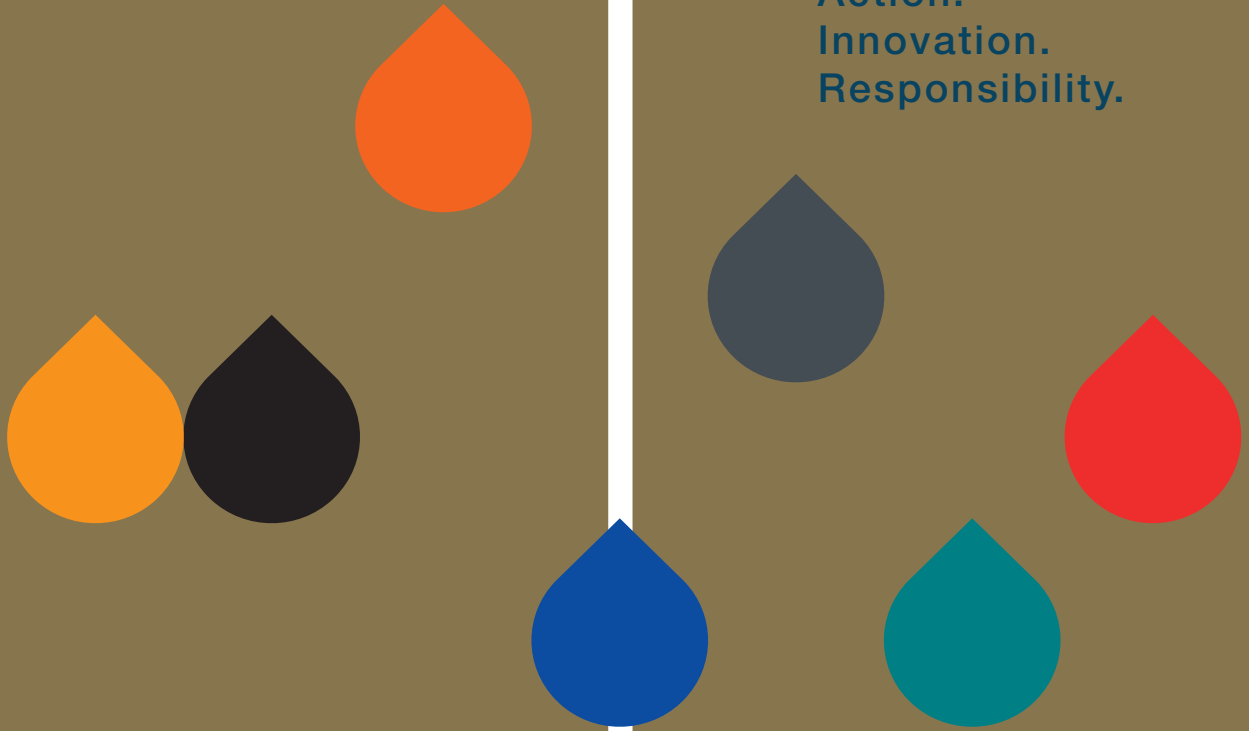


A.I.R.

Action.
Innovation.
Responsibility.



SUSTAINABILITY
REPORT
2023

**BLANC &
FISCHER**
Familienholding

Dear Readers,

Long-term thinking and responsible action have been part of the DNA of our family business for almost 100 years now. We face the ethical, social, and environmental issues of our time with an unshakable awareness of our corporate responsibility. To manage this in the long term, economic success is needed.

We at the BLANC & FISCHER Family Holding therefore always take a three-pronged approach to sustainability: Performance, People, and Planet. This Sustainability Report provides an insight into a wide range of activities in these dimensions of sustainability.

To do justice to the strategic importance of sustainability, we have set an important course in the BLANC & FISCHER business group: this includes a company-wide organizational structure with a newly created Corporate Sustainability division that reports directly to the management board. The associated team is set up across functions and across the business groups.

Structural work in 2022 included the development of systematic key figure reporting; with this report, we are already presenting selected key figures in accordance with the Global Reporting Initiative (GRI) standard for the first time. With our first product life cycle assessments, we are also looking far beyond production. A newly developed standard enables a faster and more uniform procedure for all companies belonging to the BLANC & FISCHER business group.



Bernd Eckl, Chairman of the management board,
BLANC & FISCHER Family Holding

In the year under review, particular focus was also placed on expanding the mechanisms in place to protect the environment and human rights in our supply chains. As a medium-sized company, the regulatory requirements presented us with major challenges. Nevertheless, the result is impressive: a modern Supply Chain Compliance Management System that provides a reliable basis for our global supply relationships.

In all our structural adjustments, it is our employees who bring the sustainability structures to life with their expertise and passion. Giving them the means and freedom they need is a top priority.

I hope you enjoy reading this informative issue! Please feel free to share your views with us. I look forward to talking to you.

Bernd Eckl

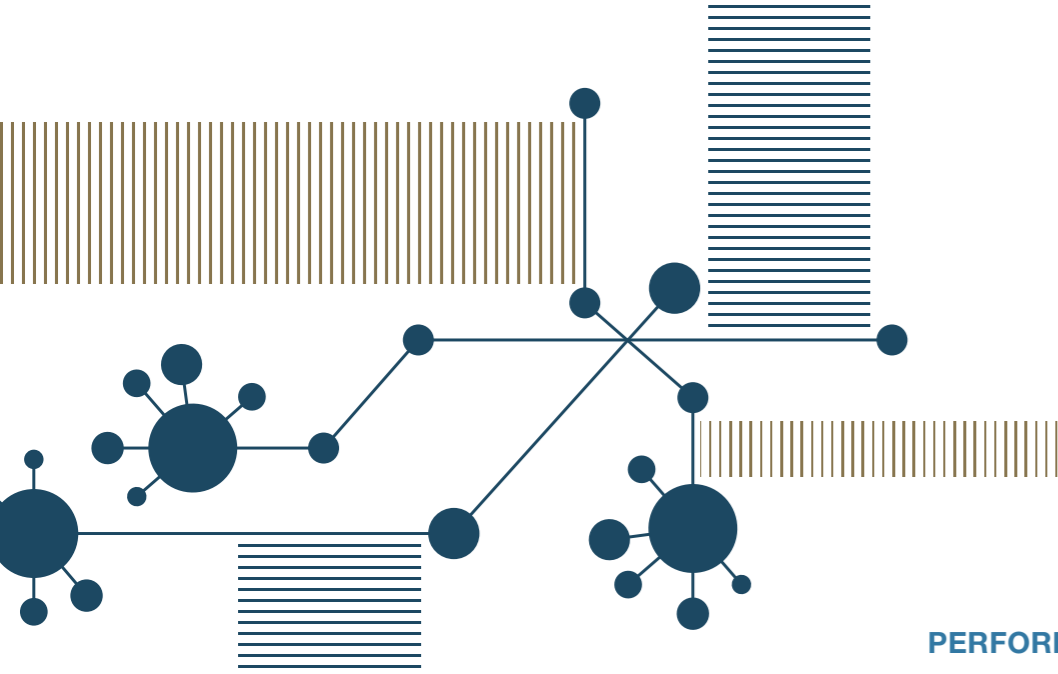


A.I.R. — Action. Innovation. Responsibility.

Sustainability Report of the BLANC & FISCHER Family Holding and its companies and corporate groups:

ARPA-Group (ARPA)
ATOLL Living Spaces GmbH (ATOLL)
B.PRO Group (B.PRO)
BLANC & FISCHER Corporate Services-Group
BLANCO Group (BLANCO)
E.G.O.-Group (E.G.O.)
KUGEL Edelstahlverarbeitung GmbH (KUGEL)

May 2023



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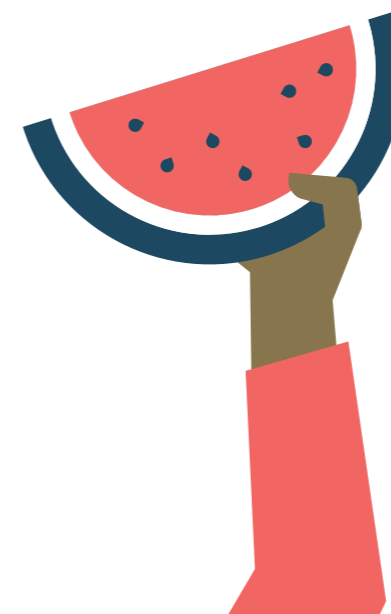
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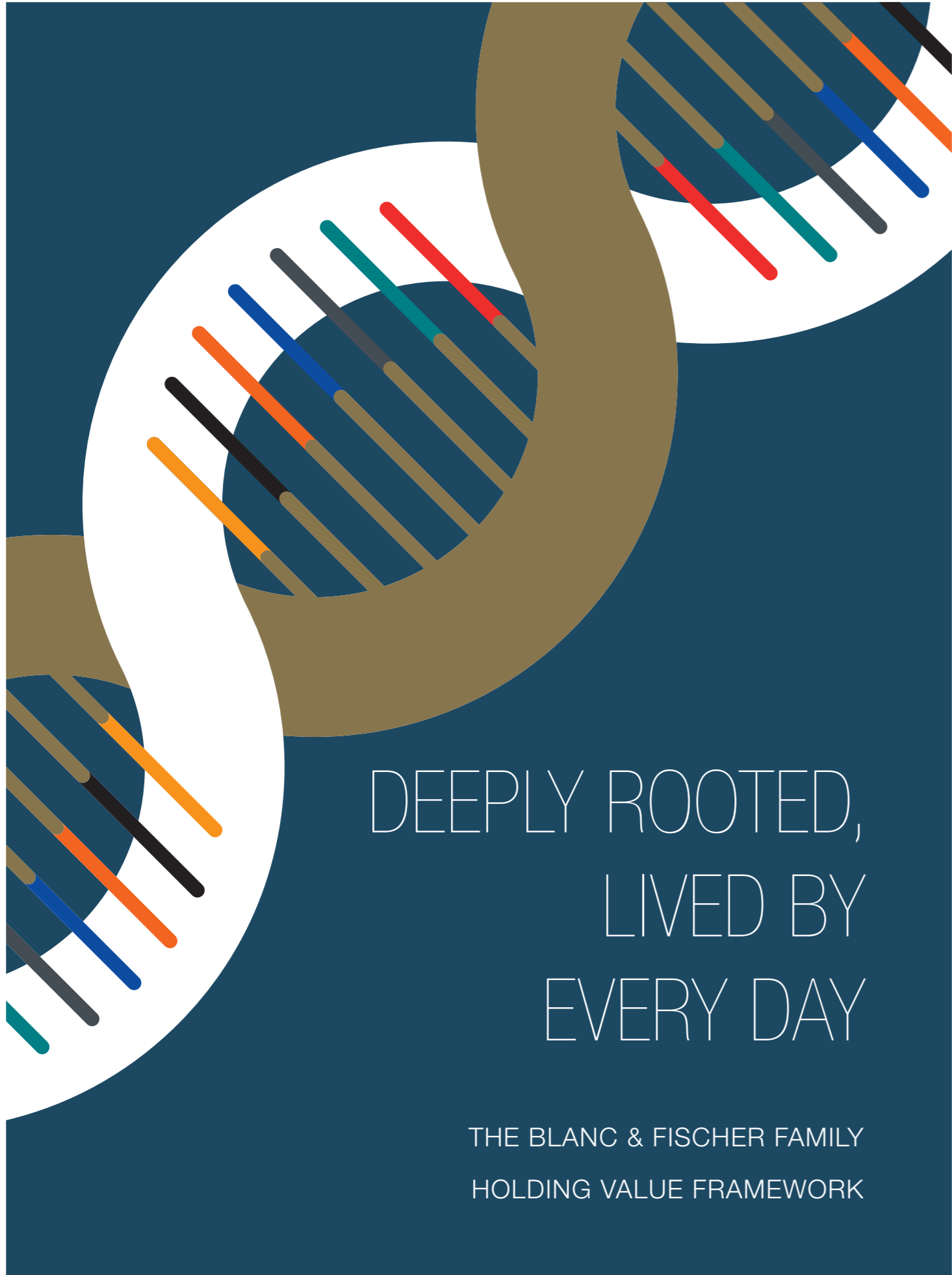


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DEEPLY ROOTED, LIVED BY EVERY DAY

THE BLANC & FISCHER FAMILY
HOLDING VALUE FRAMEWORK

.....
First and foremost a family business

.....
Think long-term and act sustainably

.....
Inventive spirit: innovations that improve people's lives

.....
Strengthen employees' sense of identification with the company

.....
Support employees, strengthen their own initiative, assign responsibility

.....
Fairness and loyalty



AS A MEDIUM-SIZED FAMILY BUSINESS, OUR STRONG VALUE FRAMEWORK HELPS US TO ATTRACT TOP TALENT AND TO REMAIN AN ATTRACTIVE EMPLOYER IN THE LONG TERM. IT PROVIDES ORIENTATION AND SUPPORT IN EXTREMELY DYNAMIC TIMES.

Bernd Eckl
CEO of the BLANC & FISCHER Family Holding



Putting corporate values on paper is one thing. Living by them is another. Communicating these values consistently in day-to-day business is the real challenge.

Values are on trend. Companies have long recognized the importance of these both internally and externally, not least in the often-mentioned battle for talent in the labor market. The fact that the values of the BLANC & FISCHER Family Holding were laid down in the shareholders' family charter in 2014 is an expression of the now 100-year-old company DNA, and not a fad.

The values provide orientation and a sense of community, while at the same time shaping the company's external image.

Almost a century ago, Heinrich Blanc and Karl Fischer founded the companies BLANCO and E.G.O. independently of each other. From these, the BLANC & FISCHER Family Holding later grew with seven companies (company groups) today. The entrepreneurs strived to be permanent leaders in their strategic business areas. At the same time, they lived by their values—and were highly successful in doing so. <<



E.G.O. founder Karl Fischer (1st from the left) and BLANCO founder Heinrich Blanc (2nd from the right) with business partners

1925

HEINRICH BLANC AND KARL FISCHER INDEPENDENTLY FOUNDED THE COMPANIES "BLANC & CO METALLWARENFABRIK OBERDERDINGEN" AND "SCHWARZWÄLDER ZANGENKONTAKT-WERKSTÄTTE OBERWEILER", WHICH WAS RENAMED "ELEKTRO-GERÄTEBAU GMBH OBERWEILER" IN 1927. 1931 SAW THE BEGINNING OF THE PARTNERSHIP BETWEEN THE TWO COMPANIES IN OBERDERDINGEN THAT CONTINUES UNTIL TODAY.

Innovative thinking, pioneering spirit, and hard work were among these values. Careful use of resources was also important to the two companies early on.

These values, which are deeply rooted in the company's history, still apply today. The BLANC & FISCHER Family Holding consistently strives to anchor the value framework in its everyday work for the long term.

In 2022, for example, the Leadership Principles were used to develop new guidelines for managers, focusing largely on matters such as a modern feedback and error culture.

Keeping the inventive spirit of the founders alive is one of the company's core concerns. With the new BLANC & FISCHER-wide innovation process, the innovation teams of the BLANCO, E.G.O., B.PRO, and ARPA business groups are working even more closely together. Their expertise ranges from the water hub with the BLANCO UNIT (faucet or water system, sink or basin, waste and organization system), to the fireplace with control and heating technology from E.G.O. for hobs and household appliances such as dishwashers and washing machines, to expertise in food logistics in commercial kitchens.

With this unrivaled combination of knowledge and experience under one roof, the BLANC & FISCHER Family Holding is consistently enhancing the kitchen living space. Last but not least, this report shows that the business activities of the BLANC & FISCHER Family Holding and its business groups are based on the principles of long-term thinking and sustainable action. In addition to the ecological footprint of the plants and products, they keep an eye on the supply chains and create real added value for people using their solutions. Just as the founders would have wanted. <<

The companies of the BLANC & FISCHER Family Holding

"WE ARE SHAPING THE KITCHEN LIVING SPACE WORLDWIDE!" IS THE MISSION OF THE BLANC & FISCHER FAMILY HOLDING. IN LINE WITH THIS MISSION, SEVEN BUSINESS GROUPS AND COMPANIES ARE UNITED IN THE MANAGEMENT HOLDING COMPANY. IN 2022, THE GROUP WAS REPRESENTED IN 23 COUNTRIES AT 55 SITES. THE FAMILY HOLDING IS 100 % OWNED BY THE BLANC AND FISCHER FAMILIES AND POSTED A CONSOLIDATED TURNOVER OF EUR 1.45 BILLION IN 2022.





The European original equipment manufacturer ARPA SAS in Niedermodern, France, manufactures custom stoves and built-in hobs according to customer requirements, with a variety of heating systems featuring customers' own branded or private labels. Baking oven and exhaust hood solutions complement the product portfolio. The key area of expertise and experience lies in completely meeting individual customer requirements, even for relatively small quantities.

NAME	ARPA SAS
HEAD OFFICE	Niedermodern, France
FOUNDATION	2004 (acquisition 2011)
NUMBER OF SITES	2
TURNOVER 2022	EUR 47.9 million
NUMBER OF EMPLOYEES*	107



ATOLL Living Spaces GmbH is a start-up founded in Berlin, Germany, in 2022. The company's objective is to rethink living spaces and market suitable innovative products, such as dining tables with invisible induction on which you can cook, or a modular outdoor kitchen.

NAME	ATOLL Living Spaces GmbH
HEAD OFFICE	Berlin, Germany
FOUNDATION	2022
NUMBER OF SITES	1
TURNOVER 2022	EUR 0.1 million
NUMBER OF EMPLOYEES*	10



The B.PRO-Group produces high-quality capital goods for commercial kitchens and industry. The business group divides its competencies into two highly specialized business units: Catering and Industrial. Solutions for food distribution and food logistics for professional commercial kitchen applications are developed and produced in the Catering Solutions business unit. In the ENOXX Engineering business unit, the business group operates as a supplier of stainless steel products for industrial applications.

NAME	B.PRO-Group
HEAD OFFICE	Oberderdingen, Germany
FOUNDATION	2007 Spin-off from BLANCO GmbH + Co. KG
NUMBER OF SITES	8
TURNOVER 2022	EUR 123 million
NUMBER OF EMPLOYEES*	660



CORPORATE SERVICES

BLANC & FISCHER Corporate Services bundles all Group-wide, internal service areas of the business groups. This allows the manufacturing companies of the Family Holding to focus entirely on their primary responsibilities. BLANC & FISCHER Corporate Services specialists cover many different departments, from Human Resources, Finance, and Controlling to Facility Management and Purchasing. The in-house IT services company Blanc und Fischer IT Services GmbH, Oberderdingen, Germany, is also included in this group.

NAME	BLANC & FISCHER Corporate Services-Group
HEAD OFFICE	Oberderdingen, Germany
FOUNDATION	2013 Foundation of Blanc und Fischer IT Services GmbH 2019 Foundation of Blanc und Fischer Corporate Services GmbH & Co. KG 2021 Joint company name under BLANC & FISCHER Corporate Services
NUMBER OF EMPLOYEES*	352

BLANCO

BLANCO is a premium brand for the equipment of the kitchen water hub. Thanks to the interaction of all components, the BLANCO UNIT enables a seamless workflow, from the faucet or drink.system to the sink and waste separation system. With a wide range of functions, designs, colors, and materials, the BLANCO UNIT can be perfectly tailored to individual lifestyles.

NAME

BLANCO-Group

HEAD OFFICE

Oberderdingen, Germany

FOUNDATION

1925

NUMBER OF SITES

17

TURNOVER 2022

EUR 492.6 million

NUMBER OF EMPLOYEES*

1,761



The E.G.O.-Group is a supplier to manufacturers of household appliances. Anyone who cooks with electricity or gas around the world today may do so with technology and products from E.G.O. The core values summed up in the words "made by E.G.O." are found not only in your stove and hob, but also in washing machines, dryers, refrigerators, and many other household appliances and commercial machines. The supplier covers four different business areas with its technologies and products: heating, controlling, converting, and connecting.

NAME

E.G.O.-Group

HEAD OFFICE

Oberderdingen, Germany

FOUNDATION

1925

NUMBER OF SITES

23

TURNOVER 2022

EUR 804.9 million

NUMBER OF EMPLOYEES*

6,508



KUGEL Edelstahlverarbeitung GmbH (KUGEL) specializes in the processing of stainless steel and acts as a system supplier in four divisions. In the Railway division, KUGEL develops and produces system solutions for galley kitchens on fast trains. The Catering and Medical divisions focus on cleanliness and maximum hygiene, with products for bars and counters or for medical practices and clinics. In the Industrial division, parts are produced for industry from stainless steel.

NAME

KUGEL Edelstahlverarbeitung GmbH

HEAD OFFICE

Viechtach, Germany

FOUNDATION

1954

2012 Becomes part of B.PRO-Group

2021 Spin-off from B.PRO-Group

NUMBER OF SITES

1

TURNOVER 2022

EUR 16.7 million

NUMBER OF EMPLOYEES*

116

*The number of employees is an average value over the reporting year and is calculated in accordance with the requirements of Sections 267 (5) and 314 No. 4 of the German Commercial Code (Handelsgesetzbuch) and the employees not to be taken into account therein, such as legal representatives of the companies as well as trainees, interns, or employees with inactive employment contracts who have taken early retirement or are on parental leave.

3P

PERFORMANCE, PEOPLE AND PLANET

Under the abbreviation "3P" or "Triple P", an action framework has been created in which the business models of the BLANC & FISCHER Family Holding and its companies are enhanced for the purpose of sustainable management.

WHAT IS "3P"?

For the BLANC & FISCHER Family Holding, sustainable management means ensuring the ongoing success of the company ("PERFORMANCE") while exercising ethical, social ("PEOPLE"), and environmental ("PLANET") responsibility—the 3Ps. The focus is always on improving the impact on people and the environment.

OBJECTIVES OF "3P"

Economic, social, and environmental impacts are taken into account in business decisions and practices. Through the holistic consideration of sustainability in products and services as well as in production and supply chains, added value is created for customers. Resources are used carefully, and fair interaction with stakeholders is also ensured.

ORGANIZATION OF "3P"

To ensure the consistent implementation of "3P" in the organization and to meet the increasingly detailed sustainability requirements and regulations, the management board of the BLANC & FISCHER Family Holding decided to set up a six-person control group in 2022. The members of the control group come from a variety of functions and business groups. It reports to Frank Gfrörer, CEO of the BLANCO-Group who is responsible for sustainability in the management board of the BLANC & FISCHER Family Holding.

IMPLEMENTATION OF "3P"

To strategically prioritize sustainability activities, the BLANC & FISCHER Family Holding carried out a materiality analysis in 2019 in line with the UN Sustainable Development Goals (SDGs). In 2023, a materiality analysis will be conducted in accordance with the new legal requirements from the EU Corporate Sustainability Reporting Directive (CSRD). So far, the emissions have been determined in accordance with Scope 1 (direct emissions, e.g. from

own energy generation and fleet operations) and Scope 2 (indirect emissions from purchased energies such as electricity, district heating) following the Greenhouse Gas Protocol (GHG). The upstream and downstream emissions according to Scope 3 (in particular purchased goods and transport) will also be analyzed in 2023, to identify any significant reduction potential. These measures serve as the basis for firmly anchoring sustainable management in the strategies of the BLANC & FISCHER Family Holding and its business groups.

Sustainability reporting by the BLANC & FISCHER Family Holding and its companies will be gradually aligned with the legal requirements from the CSRD and the EU Taxonomy, which will be mandatory for the first time in the 2025 fiscal year. Previous reporting, which addresses financial aspects, is expanded to include non-financial information in the fields of environment (E), social (S), and corporate governance (G). This Sustainability Report is based on the Global Reporting Initiative (GRI) and reports the corresponding GRI key figures, in case available. <<

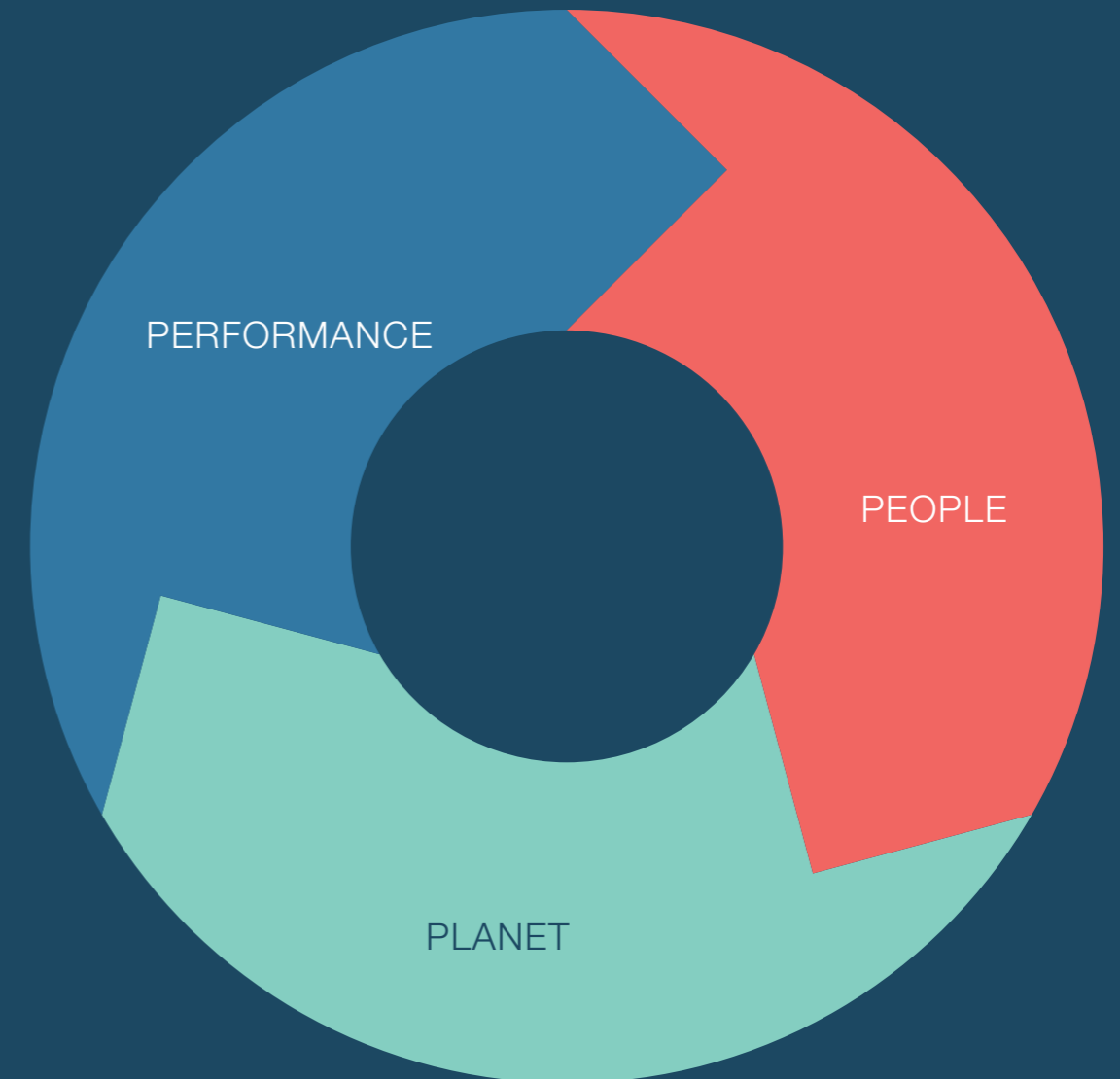


IT IS ABOUT FIRMLY ANCHORING
SUSTAINABLE MANAGEMENT
IN OUR STRATEGY AND
OPERATIONAL BUSINESS.



Frank Gfrörer

CEO of the BLANCO-Group and responsible for sustainability in the management board of the BLANC & FISCHER Family Holding



ON A.I.R.

REPORTS FROM THE COMPANIES
OF THE BLANC & FISCHER-GROUP

50 nesting boxes hung in the Oberderdingen forest

COMMUNITY ACTION BY E.G.O. AND NABU

Employees of E.G.O. Elektro-Gerätebau GmbH (E.G.O.), Oberderdingen forest official Michael Deschner, and members of the Nature Conservation Association (NABU) of the Bretten and Oberderdingen local groups met near Großvillars, Germany. Their joint task was to hang 50 nesting boxes in the forest to give birds and bats a place to nest. Nesting boxes make an important contribution to the preservation of native biodiversity, as natural nesting opportunities in old trees have become rarer due to ever shorter rotation lengths.

Various nesting boxes were hung up, offering homes for tits, nuthatches, stock doves, tawny owls, and bats, after being selected by the experts from NABU. The costs for the nesting boxes were covered by E.G.O. A snack together after the work was done rounded off the activity. The nesting boxes will have to be cleaned once a year and the occupancy recorded.



The nesting box team



The happy E.G.O. finalists in the Electrolux Supplier Sustainability Award 2022 (from left to right: Thomas Kohlbauer, Luisa Schiebel, Sigrid Bader, Jonas Walter, Rudolf Kaiser)

AWARD NOMINEE E.G.O.-GROUP

Customer awards are always particularly valuable. After all, they show that the customer appreciates and wishes to reward the good work of their business partner.

The Electrolux Group (Electrolux) nominated the E.G.O.-Group (E.G.O.) as one of the TOP suppliers in the Sustainability category. The household appliance manufacturer thus honored the progress that E.G.O. has made on the path to meeting Electrolux's sustainability goals.

Even though it didn't come in first place this time, all E.G.O. employees are proud of the acknowledgment. The incentive to work even harder and more purposefully on sustainability goals is all the greater.

WORLD CLEANUP DAY 2022: A GLOBAL SUCCESS

Not carelessly throwing packaging and other litter on the ground is a crucial factor on the road to a healthier environment.

For #worldcleanupday2022, employees from all business groups helped to make the earth a little cleaner. Employees around the world collected litter for a whole day, making a significant contribution towards protecting the environment.

Employees took part in this year's World Cleanup Day at the following sites:

- E.G.O. Componentes Electronicos, S.A., Queretaro, Mexico
- E.G.O. Elektrikli Aletler Sanayi A.S., Ergene, Turkey
- E.G.O. Polska Sp.z o.o., Lodz, Poland
- BLANCO UK Ltd, London, United Kingdom
- BLANCO America Inc., Lumberton, USA
- BLANCO Canada Inc., Toronto, Canada
- E.G.O. Elektro-Gerätebau GmbH, Oberderdingen, Germany
- E.G.O. Produktion GmbH & Co. KG, Oberderdingen, Germany
- BLANCO GmbH + Co KG, Oberderdingen, Germany
- BLANC & FISCHER Corporate Services GmbH & Co. KG, Oberderdingen, Germany



Management boards moving closer together

BLANC & FISCHER ADAPTS LEADERSHIP STRUCTURE OF THE MANAGEMENT HOLDING COMPANY



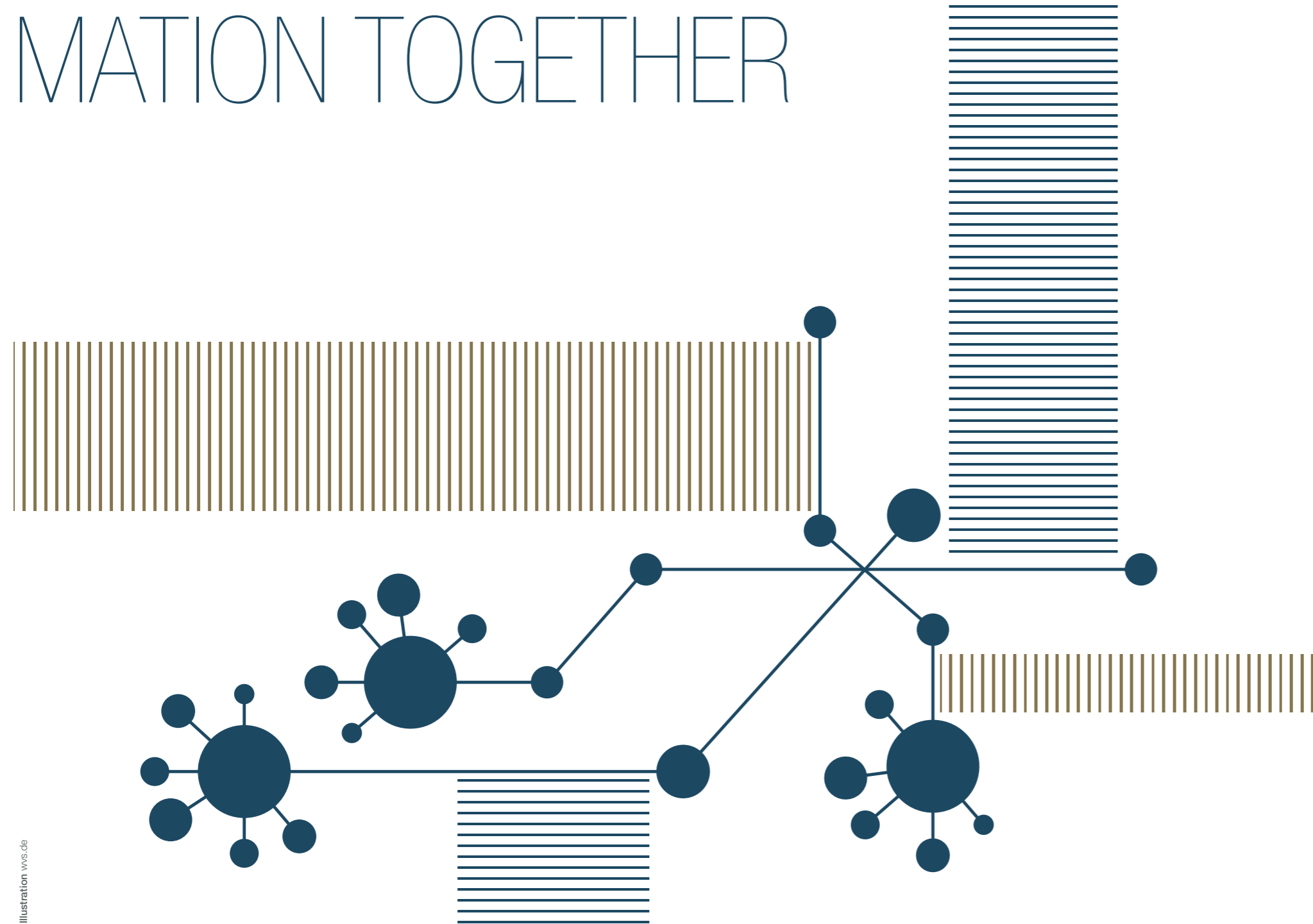
The newly formed management team of the BLANC & FISCHER Family Holding (from left): Dr. Karlheinz Hörsting (CEO E.G.O.-Group), Frank Gfrörer (CEO BLANCO-Group), Bernd Eckl (CEO), and Heiko Pott (CFO)

Shorter distances, closer and leaner coordination, faster decisions: the new management board structure of the BLANC & FISCHER Family Holding brought to life in summer 2022 follows a clear idea. The major change: in addition to CEO Bernd Eckl and CFO Heiko Pott, the CEOs of the two largest operating business groups E.G.O. and BLANCO now also belong to the Group management board at the same time.

Dr. Karlheinz Hörsting was previously a member of the management board of the BLANC & FISCHER Family Holding and also took over the vacant CEO position in the E.G.O.-Group as part of the restructuring. BLANCO CEO Frank Gfrörer joined the committee. "This reflects the importance of the two largest business groups," says CEO Bernd Eckl. "We expect this new management board structure to bring the individual companies

of the BLANC & FISCHER Family Holding closer, allowing us to leverage opportunities better and advance joint projects more quickly and consistently. We need to position the BLANC & FISCHER-Group so that we can respond to challenges as flexibly and consistently as possible. This also makes us more resilient, but requires close coordination between the BLANC & FISCHER Family Holding and the operational business groups."

SHAPING THE DIGITAL TRANSFORMATION TOGETHER



Besides sustainability, the introduction of digital technologies is currently one of the biggest challenges companies are facing. Everyone is talking about "digitalization", one of the buzzwords of recent years, and new solutions and business models are literally sprouting from the ground.

The definition of digitalization in the corporate context is only seemingly simple: one understanding is the automation of processes and procedures. These may be in development or production, but also in administration. However, digitalization means much more: it also concerns the intelligence of products and can open up new business models. Digitalization is therefore not only about switching to automatic processes, but about a logical alignment with future ways of working. Skilled workers should be

deployed specifically where human intelligence is needed.

There are several digitalization initiatives within the BLANC & FISCHER Family Holding. They are based on the knowledge that exists in the holding company and the individual business groups. "Transparency is important for defining projects and orchestrating cooperation," says Bernd Eckl, CEO of the BLANC & FISCHER Family Holding. This is the only way to ensure that tasks are not carried out two or even three times.

BASIS FOR ALL INITIATIVES

One of the joint projects is the "Introduction of SAP S/4HANA," a new software for corporate resource planning that is being launched in the largest business groups. >>



DIGITALIZATION IS ONE OF THE CORNERSTONES OF A SUSTAINABLE AND LIVABLE FUTURE.

Bernd Eckl
CEO BLANC & FISCHER Family Holding

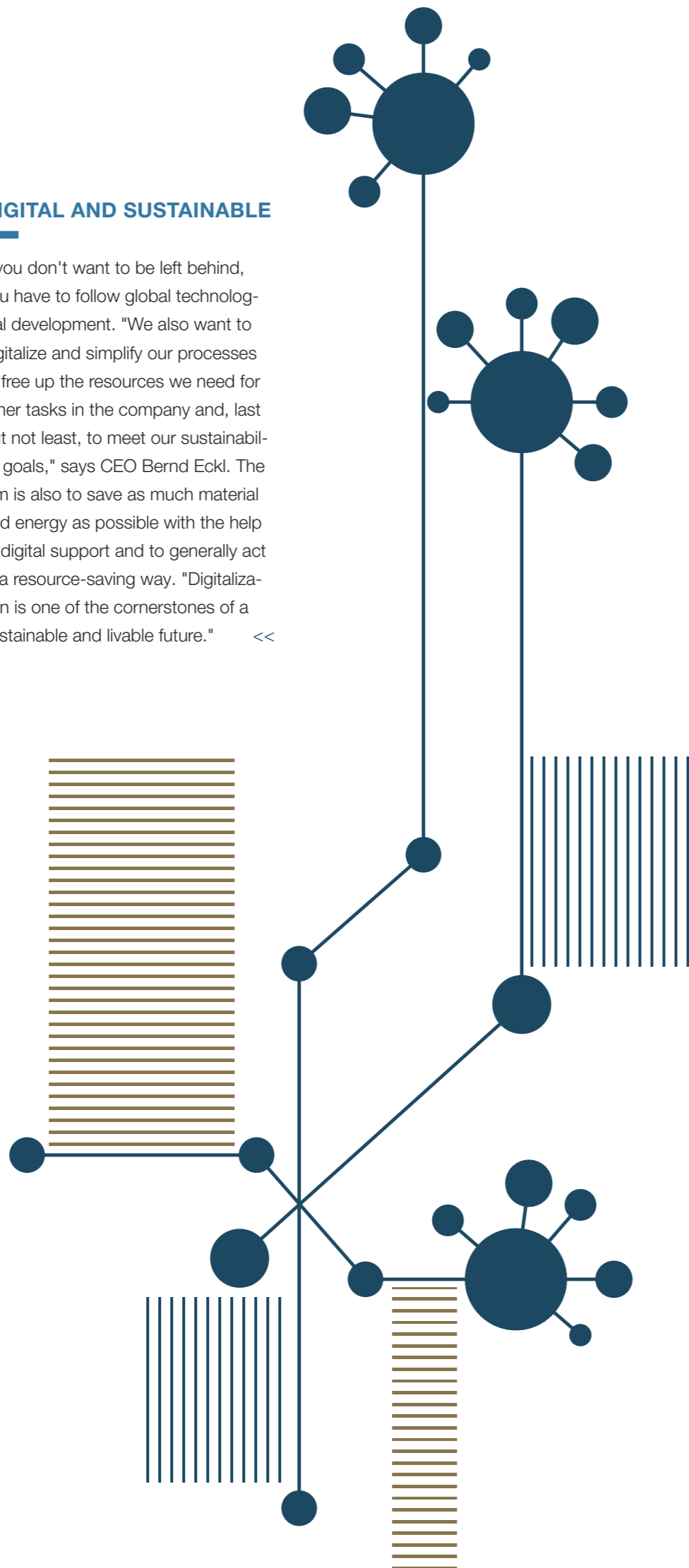


It serves as the basis for all other digitalization initiatives. The software is intended to standardize various IT platforms and automate processes to a large extent. Eckl: "This creates efficiency and cost effects that ensure faster development of new products and business models."

Smart production, innovation, and growth, and, last but not least, a stable and effective supply chain are the stated aims of the BLANC & FISCHER-Group. To safeguard these in the long term, there is another joint project called "Future IT". The roads defined in the previous program phases of "Future IT" for the strategies of the individual business groups are to be taken in unison. "Future IT" aims to support the competitiveness and long-term success of the BLANC & FISCHER Family Holding and its companies through effective business processes and the most flexible and efficient overall IT landscape possible.

DIGITAL AND SUSTAINABLE

If you don't want to be left behind, you have to follow global technological development. "We also want to digitalize and simplify our processes to free up the resources we need for other tasks in the company and, last but not least, to meet our sustainability goals," says CEO Bernd Eckl. The aim is also to save as much material and energy as possible with the help of digital support and to generally act in a resource-saving way. "Digitalization is one of the cornerstones of a sustainable and livable future." <<



Standardization— why?

Standards or the application of these are often called into question. But the employees of the BLANC & FISCHER Family Holding companies know what the standards are and they apply selected standards. The companies are certified accordingly.

WHAT ARE STANDARDS?

Standards are documents that set out rules and tests to ensure that appliances and products work safely, efficiently, and without interaction with other appliances or functions. They serve as a guide for technical developments and, if necessary, as a decision-making aid. Standards are only legally binding if laws or statutory regulations refer to them.

WHY ARE STANDARDS USED?

Standards regulate processes and improve communication through clear specifications and structures.

The standards of the International Organization for Standardization (ISO) apply in large parts of the world. For the end-user, standards provide comparability and represent a high level of quality and safety.

WHY DO THE COMPANIES OF THE BLANC & FISCHER FAMILY HOLDING WORK WITH STANDARDS?

Because standards provide peace of mind in product development and production, as their application takes into account the state of the art defined in the standard. Standards are also the basis for discussing technical requirements for products with customers. In addition, standards offer a certain degree of legal certainty in the event of damage or product liability issues.

The BLANC & FISCHER Family Holding and its companies therefore apply a large number of standards, such as UL, VDE, or DVGW stan-

dards, and many more. They also hold certifications from the International Organization for Standardization—the majority of companies in the Family Holding are regularly certified to ISO 9001, ISO 14001, and ISO 50001.

But it is not only applying standards that is very important, but also active participation in standardization working groups. This is because the employees involved in these working groups are also experts in these standards and maintain many contacts with other companies, universities, or testing facilities.

The standardization experts within the E.G.O.-Group have established the "Standard and Association Work" guild. Employees from different E.G.O. sites are currently working on a central information platform to share knowledge and news even more easily. A process standardization entirely in line with the standards. <<



The innovation teams from the BLANCO & FISCHER Family Holding business groups presented their projects at an in-house fair

Innovative minds on a common mission

TO MAKE BETTER USE OF COMPANY-WIDE KNOW-HOW, THE INNOVATION TEAMS ARE NOW WORKING EVEN MORE CLOSELY TOGETHER. THE STATED AIM: THE KITCHEN OF THE FUTURE.



INNOVATION IS THE DRIVING FORCE OF THE COMPANY. OUR OBJECTIVE MUST BE TO PUT PEOPLE AND THEIR NEEDS AT THE CENTER OF WHAT WE DO. ONLY IN THIS WAY CAN WE BENEFIT OUR CUSTOMERS. THIS APPLIES TO EVERYTHING THAT WE DO—BACK THEN AS WELL AS TODAY.

Karl Fischer

Founder of the E.G.O.-Group (1893 - 1985)



Inventiveness was already considered a guarantee of entrepreneurial success during the lifetime of the two BLANCO and E.G.O. founding fathers Heinrich Blanc and Karl Fischer. The benchmark was set early on: real innovations must make life easier. And, people must be willing to pay for them, precisely for this reason.

Sustainability is more important than ever for the innovation teams. Bernd Eckl, CEO of the BLANCO & FISCHER Family Holding, lists some of the questions associated with this: "What is the ecological footprint in production, how energy-efficient are the products in operation, and how can a long service life be guaranteed? Added to this is the dimension of the circular economy: What happens to the product after it reaches the end of its life? We still have a lot of work ahead of us here especially." A new innovation process was introduced in 2022 to boost innovative ability. The innovation teams of E.G.O., BLANCO, B.PRO, and ARPA are now working even more closely together. They meet regularly, share skills, discuss ideas, and inspire each

other. In this way, they benefit from each other and can develop integrated solutions under one roof with their varied market and product knowledge. This is precisely what is crucial for ideas and later innovations that will help shape the kitchen of the future.

Increased collaboration is not only beneficial for cross-competence innovation. The companies benefit because they can avoid parallel devel-

opments and can split up projects. The innovation teams gave an insight into their work at the in-house "Innovation Expo". Innovation projects were presented, contacts made, and new ideas shared. CEO Bernd Eckl was very satisfied: "The event once again demonstrated that we are the specialists for the kitchen living space. It makes me very proud that we can combine so much inventive talent and expertise under one roof."

<<

1,782

PATENTS

538

PATENT FAMILIES

NOT AT ANY PRICE

INTERVIEW WITH CEO BERND ECKL



SUSTAINABILITY IS PART OF OUR CORPORATE STRATEGY FOR GOOD REASON.

Bernd Eckl
CEO of the BLANC & FISCHER Family Holding



With the war in Ukraine, rising costs, and regulation, the current pressures on companies are varied and great—also and especially for medium-sized companies. An interview with CEO Bernd Eckl about integrity, bureaucratic requirements, and potential in the BLANC & FISCHER-Group.

MR. ECKL, WHAT ROLE DOES THE RUSSIAN MARKET PLAY FOR THE COMPANIES OF THE BLANC & FISCHER FAMILY HOLDING TODAY?
Last year, we decided to discontinue our activities in Russia and have closed the only Russian site, a sales location.

HOW SERIOUS IS THIS DECISION?
Essentially, the Russian market is very appealing for our business groups, as there is purchasing power and demand for premium products for the kitchen there. However, in view of the Russian war of aggression, we are no longer addressing this potential and the further expansion of local business. We made the decision quickly and clearly. Business performance is important. But not at any price. The suffering of the people of Ukraine leaves us stunned and concerned.

WHAT EFFECTS ARE THE RISING PRICES HAVING ON THE

COMPANIES OF THE BLANC & FISCHER-GROUP?

The global uncertainty caused by the war in Ukraine and the associated aspects of rising energy and raw material costs, supply chain problems, inflation, and interest rate rises place a double burden on us: on the one hand, due to the negative effects on our production and rising costs, and, on the other, because construction activity in western countries is cooling down significantly as a result. With weakened construction activity and overall economic uncertainties, demand for kitchens and kitchen equipment is also falling. In the German market in particular, the entry-level price segment is under great pressure. That's why we are pushing ahead with our positioning in the premium segment and, where possible, passing on price increases to customers.

MANY MEDIUM-SIZED COMPANIES ARE SOUNDING THE ALARM ABOUT TOO MUCH BUREAUCRACY AND REGULATION. HOW DO YOU FEEL ABOUT THAT?

We have to be careful about making sweeping statements. But take, for example, the legal requirements for due diligence in the supply chain, sustainability reporting, or the regulation for medium-term energy supply security measures: I have to admit that such complex requirements represent an

immense effort for a medium-sized company like us and can leave us paralyzed to some degree. And they weaken us in international competition.

Please don't misunderstand me: for us, sustainability is not a trend to simply go along with half-heartedly. Sustainability is part of our corporate strategy for good reason and we will consistently align our business group with sustainable criteria over the years to come. I am also personally committed to this course. Nevertheless, it is a matter of fact that the multitude of regulatory requirements are affecting medium-sized companies at a time of major and simultaneous crises.

WHERE DOES UNTAPPED POTENTIAL LIE FOR BLANC & FISCHER?
Our expertise at the cooking and water hub is unique and enables well-thought-out and networked solutions in the kitchen. With our design and technology expertise, we can make the lives of users noticeably easier, and customers are also willing to pay for this added value. But of course we also do our homework, put the corporate structure to the test, and lay the foundations for efficient processes. We will leverage the advantages offered to us by the common umbrella of the BLANC & FISCHER Family Holding even more effectively. <<

Compressed air offers potential savings

A BEST-PRACTICE EXAMPLE THAT SHOWS THERE ARE POTENTIAL SAVINGS EVERYWHERE – INCLUDING IN THE PRODUCTION OF COMPRESSED AIR.

At the production site E.G.O. Elektro-Komponente d.o.o. in Zagreb, Croatia (E.G.O. Croatia), temperature limiters, switches, and regulators are produced in many different versions and in large quantities. Manufacturing the compressed air required for production accounted for around 30 % of the site's energy consumption and, as the main consumer, offered significant potential for improvement. That's why the specialists on site checked and analyzed the processes and usage behavior. They then developed solutions for reducing energy consumption in compressed air production, which were planned and implemented in two projects:

1. COMPRESSORS

The compressors previously used to produce compressed air have been replaced by state-of-the-art, efficient compressors. Each year, the E.G.O. production site now saves 214 t CO₂e and 1,595,000 kWh of electricity when producing compressed air.

2. COMPRESSED AIR CONSUMPTION IN THE PRODUCTION LINE

The analysis of compressed air consumption resulted in several solutions, which were quickly implemented in the production lines. For example, automated controls

and additional valves now help to stop the flow of compressed air when it is no longer needed.

The compressed air consumption measured directly at the air supply points in the installation is also gathered and analyzed. Higher consumption is immediately noticeable and direct action can be taken. This measure saves E.G.O. Croatia 2.05 t CO₂e and 15,339 kWh of electricity per year. <<

GRI 302-1

ENERGY

An organization's total energy consumption is the sum of the consumption of renewable and non-renewable energy sources.

Renewable energy sources include electricity from photovoltaic plants, hydropower, or energy from a biogas plant. Heating oil, natural gas, or electricity from coal-fired power plants are among the non-renewable sources.

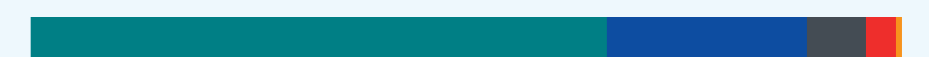
Energy consumption has been reduced through various energy efficiency measures in all business groups. In addition, energy consumption at the production sites fell in 2022 due to declining capacity requirements.

EXAMPLES OF ENERGY EFFICIENCY MEASURES:

- Renewal of the compressors of E.G.O. Elektro-komponente d.o.o., Zagreb, Croatia
- Optimization of the annealing furnaces of E.G.O. Elektrikli Aletler Sanayi A.S., Ergene, Turkey

ENERGY CONSUMPTION WITHIN THE ORGANIZATION (MWh)

	2021	2022
Fuel consumption from non-renewable sources	84,990.42	68,584.03
Fuel consumption from renewable sources	-	296.64
Electricity, heat energy, cooling energy, and steam consumption	146,097.25	131,149.64
TOTAL	231,087.67	200,030.31



2021: 231,087.67 MWh



2022: 200,030.31 MWh

■ E.G.O. ■ BLANCO ■ B.PRO ■ KUGEL ■ ARPA

Every drop counts

Without water, there is no life; it is the most valuable resource our planet has to offer. Reason enough to systematically investigate the importance of water for the companies of the BLANC & FISCHER Family Holding and, on the other hand, the importance of these companies for water. Too little water supply or a drop in the groundwater level as a result of climate change can lead to both ecological and enormous economic damage. This must be avoided in the interests of the environment and the company.

COLLECTING DATA

Before each analysis, data must be collected. When it comes to water, this means analyzing counters and invoices. A careful distinction is made between surface water (e.g. rainwater), groundwater, seawater, produced water, and water from third parties (water provided in local water networks). In 2022, we further

improved our internal structures. With this report, the company is publishing key figures on the subject of water for the first time.

ASK CLEVER QUESTIONS

Now it's time to analyze the existing data. Detailed split data ensures transparency. The analysis shows, for example, correlations with production volumes and heat periods. Achievements in water-saving measures can also be seen. The survey also examines which production sites are located in water-stressed regions. This means that more water is taken than is available for human needs and for nature.

TAKE ACTION

Based on the results, our teams at the sites can initiate concrete measures to reduce water consumption, especially in water-stressed regions. You can find out what this looks like in practice on the following pages. <<

A REGION IS REFERRED TO AS A **WATER-STRESSED REGION** IF THE RATIO BETWEEN ANNUAL WATER WITHDRAWAL AND THE TOTAL AVAILABLE ANNUAL WATER SUPPLY IS HIGH (FROM 40 %) OR VERY HIGH (OVER 80 %). THE HIGHER THE PERCENTAGE, THE HIGHER THE WATER WITHDRAWAL COMPARED TO THE WATER SUPPLY PER YEAR. THE "AQUEDUCT WATER RISK ATLAS" OF THE "WORLD RESOURCES INSTITUTE" IS USED TO IDENTIFY THESE REGIONS.

THOUSANDS OF LITERS OF WATER SAVED

The Spanish site of the E.G.O.-Group, E.G.O. Appliance Controls, S.L.U. (EAC), is located in Lliçà de Vall (near Barcelona) in a region severely affected by water scarcity. Employees have therefore been working hard to reduce their water consumption since 2020—with great success.

EAC has reduced its water consumption by a huge 32 % over the past two years. If you consider that the workforce at the site has grown during this time, the savings are even more impressive, as more people consume more water—for example in the sanitary facilities. One measure EAC introduced is collecting condensation from air conditioning systems. Within one month, around 16,000 liters of water

can be collected in this way, which can be used to water the plants and clean the filters of the water treatment system. In addition, part of this amount flows into the toilet flushing system, reducing the use of fresh water.

EAC develops and produces systems and electronic controls for household appliances—especially for washing machines. These are subjected to life cycle testing on site, for which the team has managed to close the water cycle. The approach: the washing machine washes towels for test purposes—originally with fresh water. The wash water is collected in a tank, filtered, and treated, which means that it can be reused in a closed circuit for the washing machine life cycle tests.

To shorten the downtimes of the water treatment system, the employees came up with something else: filter drum systems clean the water from the lint that enters the water when the towels are washed—so the lint can no longer cause clogging and damage to the treatment system.

The team uses special software to monitor water consumption in the company. Among other things, this records the consumption history and the current consumption, and triggers an alarm if EAC exceeds the defined daily target. In addition, the software immediately identifies possible leaks—six sensors were installed in the washing machine room specifically for this purpose. In the event of a water leak, the software automati-

cally shuts off the power. The system also records the amount of rainwater that can be collected and analyzes where the water can be used.

So the EAC team has already achieved a great deal—but they aren't thinking of stopping. Although it is becoming increasingly difficult to save even more water, the committed employees still see potential in some areas and are already working on new measures. For example, they are currently thinking about how to further reduce consumption when cleaning the water. <<



Water-saving measures successfully put into practice: (from left) Antonio Revelles, Raúl Hernández, Félix Tobajas, Raimon Torné, Emilia Capel, Pau Sala, and Xavier Rico in EAC's washing machine room, where the life cycles of household appliances are tested. All machines are connected to the water treatment system so that the water is continuously reused within a closed water circuit

GRI 303-3

WATER

Water consumption includes the total water consumption for one year, divided into surface water, groundwater, seawater, produced water, and water from third parties. In addition, water consumption is divided into regions with and without water stress.

Due to measures taken to save water and reduced demand, water withdrawal was correspondingly lower in 2022.

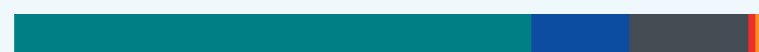
EXAMPLES OF WATER-SAVING MEASURES:

- Water savings by reusing condensation and closing the water circuit for the washing machines at E.G.O. Appliance Controls, S.L.U., Barcelona, Spain
- Closing of the cooling circuit in thermostat production at E.G.O. Elektro-komponente d.o.o., Zagreb, Croatia

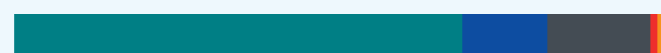
WATER WITHDRAWAL IN REGIONS WITHOUT WATER STRESS

in megaliters

	2021	2022
Surface water	0.00	0.00
Groundwater	83.43	82.18
Seawater	0.00	0.00
Produced water	0.00	0.00
Third-party water	147.50	118.73
TOTAL	230.93	200.91



2021: 230.93 ML



2022: 200.91 ML

■ E.G.O. ■ BLANCO ■ B.PRO ■ KUGEL ■ ARPA

WATER WITHDRAWAL IN REGIONS WITH WATER STRESS

in megaliters

	2021	2022
Surface water	0.00	0.00
Groundwater	40.49	44.50
Seawater	0.00	0.00
Produced water	0.00	0.00
Third-party water	24.46	21.40
TOTAL	64.95	65.90

BLANCO goes for digital alternatives

Reduce printed materials, strengthen digital alternatives: at BLANCO, the circulation of printed product catalogs has been significantly reduced in line with this approach. The catalogs are also available in digital form; they can be accessed by customers at any time in a portal. In the kitchen studios, the consulting teams show the products on a tablet, for example. The employees magazine HORIZONTE, which BLANCO previously published in printed form three times a year, has also been converted to a digital format. And, paper calendars will no longer be given out. Besides paper and printing ink, these measures also reduce the need for transport. This not only impacts costs, but also has a positive effect on the environment.

At the same time, BLANCO is raising employees' awareness for using digital alternatives.



ON A.I.R.

REPORTS FROM THE COMPANIES OF THE BLANC & FISCHER-GROUP

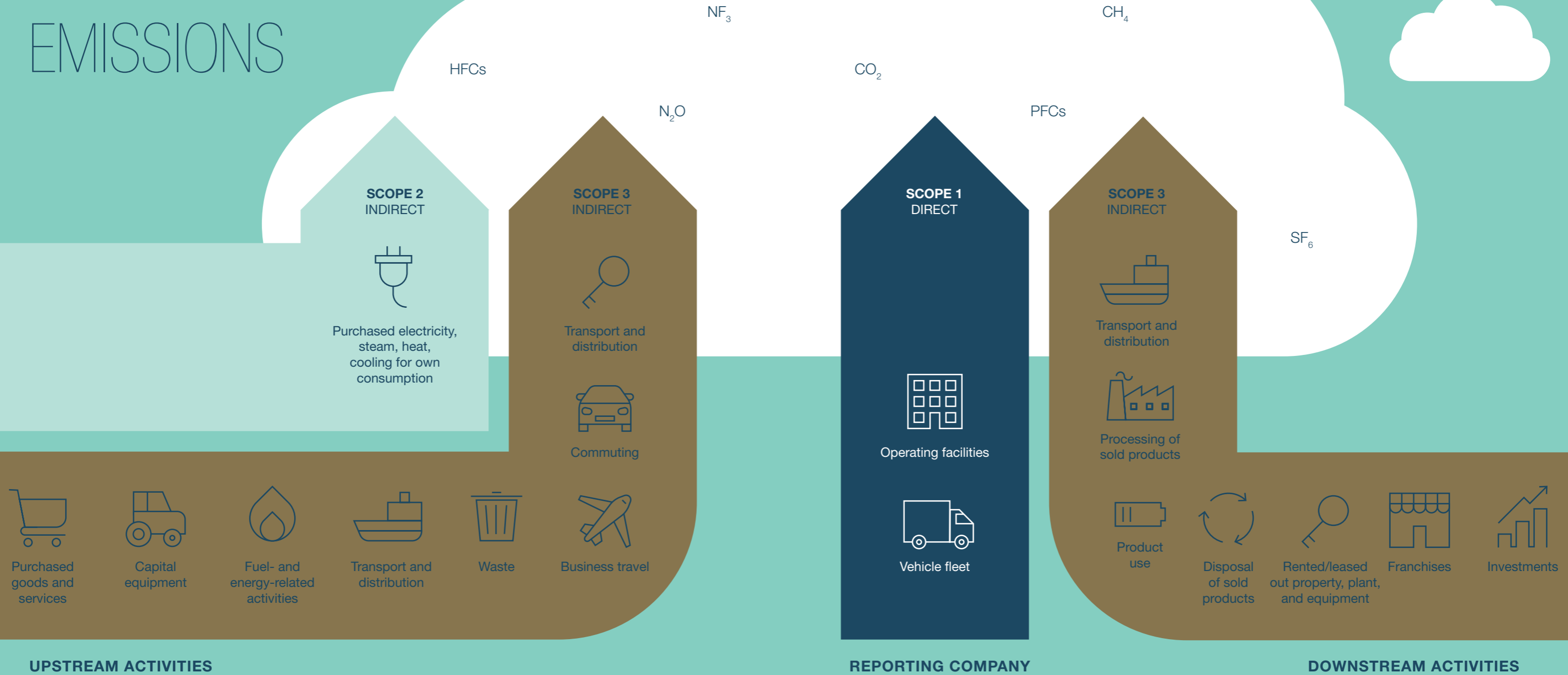
Energy drains under the microscope

Where is the most energy consumed? And how can this be changed? To improve energy efficiency and reduce emissions harmful to the climate, the companies of the BLANC & FISCHER Family Holding further expanded the monitoring of installations with high energy consumption in 2022.

To develop suitable energy-saving measures, the energy management team of the BLANC & FISCHER Family Holding analyzes where a lot of energy is consumed in the company and where there is potential for improvement. For this purpose, it records what are known as SEUs (Significant Energy Use)—in other words machines or processes that account for the largest share of the total energy consumption in a company. These include, for example, curing ovens like those used in thick-film production by the E.G.O.-Group. Appliances for cooling or compressed air production also usually require a lot of energy during operation.

The consumption of these installations and appliances is measured and monitored with the help of special counters connected to the building control technology. In 2022, the business groups received additional counters for these purposes. The objective is to gradually build up a common database to achieve the greatest possible transparency, which can then be used to determine where there is further potential for energy-saving measures and how these can be implemented.

EMISSIONS



GRI 305: EMISSIONS

The characteristic value concerns emissions into the air, which are released into the atmosphere from a source. The different types of emissions comprise greenhouse gasses (GHG) such as CO_2 , CH_4 , N_2O , HFCs , PFCs , SF_6 , and NF_3 . These substances are summarized as CO_2 equivalents (CO_2e).

GRI SCOPE 1

Includes direct greenhouse gas emissions from activities controlled or owned by an organization— biogenic emissions are recorded separately. Scope 1 greenhouse gas emissions include emissions from the combustion of fuels in own installations or vehicles.

GRI SCOPE 2

Refers to indirect greenhouse gas emissions caused by the generation of the electricity the organization receives. The emissions are calculated using emission factors resulting from the specific local electricity mix (location-based) as well as emission factors corresponding to the electricity mix requested by the electricity supplier (market-based).

GRI SCOPE 3

Includes all other indirect greenhouse gas emissions that arise as a result of an organization's activities but whose sources are not owned or directly controlled by the organization.

In the BLANC & FISCHER Family Holding, the Scope 1 and 2 greenhouse gas emissions are divided by business group. The focus is on the production sites, as these account for the largest share of emissions. Pure sales locations are not included in the calculation.

The method of operational control is used to calculate the specified Scope 1 and 2 greenhouse gas emissions for the reporting year. <<

GRI 305-1

SCOPE 1 EMISSIONS

Scope 1 emissions include the volume of direct greenhouse gas emissions in tons of CO₂ equivalent. These include greenhouse gas emissions from fuel consumption.

GRI 305-2

SCOPE 2 EMISSIONS

Scope 2 emissions include the volume of indirect energy-related greenhouse gas emissions in tons of CO₂ equivalent. Indirect energy-related greenhouse gas emissions include greenhouse gas emissions from the production of purchased or acquired electricity and steam. In addition, the consumption of purchased heat and cooling energy, which is consumed by an organization, is added.

DIRECT GHG EMISSIONS, SCOPE 1 (t CO₂e)

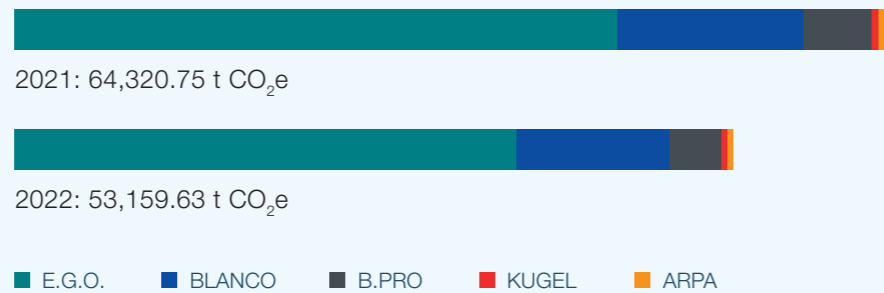
	2021	2022
Direct GHG emissions	18,238.50	15,133.71
Biogenic CO ₂ emissions	-	10.68

INDIRECT GHG EMISSIONS, SCOPE 2 (t CO₂e)

	2021	2022
Location-based	46,169.95	38,015.24
Market-based	49,121.87	46,592.66
Market-based biogenic	523.08	480.88

GHG EMISSIONS SCOPE 1 (INCL. BIOGENIC) + SCOPE 2

Location-based in total and per business group



IN ADDITION TO LOWER ENERGY CONSUMPTION IN 2022, GREENHOUSE GAS EMISSIONS WERE REDUCED BY SWITCHING TO PURCHASING RENEWABLE ENERGY AT SEVERAL SITES, IN A SCOPE 2 MARKET-BASED MEASURE. BY SWITCHING TO GREEN ELECTRICITY, A TOTAL OF APPROX. 18,000 T OF CO₂ CAN BE SAVED COMPARED TO A STANDARD ELECTRICITY MIX.

15,000 sqm

A PHOTOVOLTAIC (PV) INSTALLATION ON THE ROOF OF E.G.O. COMPONENTS (CHINA) CO., LTD (E.G.O. CHINA) SUPPLIES 1,337 MWh OF ELECTRICITY ANNUALLY.

Photovoltaic modules are particularly suitable as a form of renewable energy. A PV system has now been installed on the approximately 15,000 m² roof of the E.G.O. plant in Taicang, China. A tree was also planted to symbolize the green energy.

CUTTING-EDGE TECHNOLOGY

The modules used by E.G.O. China are the latest monocrystalline silicon

plates, which have various advantages. They offer exceptional flexibility, and polymer composites keep components crack-free, with a minimum bending diameter of one meter. The glass-free encapsulation makes them 60 to 70 % lighter.

A load capacity of only four kilograms per square meter is required on the roof, which is only 15 to 20 % of what conventional solar modules require. The modules are also safe and reliable.

THE ADVANTAGES OF THE SOLAR MODULE PROJECT:

- E.G.O. China only has to provide the area for the photovoltaic plant to the investor and receives solar electricity at a reduced rate (similar to a lease) in return.
- Total annual electricity generation 1,337 MWh, 89.2 kWh per m².
- Solar modules can last up to 25 years, which means significant cost savings.
- Reduction in greenhouse gas emissions of around 18,510 t within 25 years.

<<

In-house recycling



At ETA Tovarna d.o.o. in Cerklje na Gorenjskem, Slovenia (E.G.O. Slovenia), a project team looked for ways to reduce scrap metal from the stamping shop or to recycle it in a more climate-friendly way. Part of the scrap metal is now melted down on the spot instead of being handed over to a recycling truck.

When the members of the project team looked at recycling scrap metal

from metal parts production, they took a closer look at the individual components. They began collecting the metals separately and examined individual recycling options.

The result is impressive: scrap metal from uncoated, cold-rolled belts can now be reused in another production area, the foundry. In our own melting furnace, the leftovers go back into the in-house material cycle instead of entering the recycling

chain as scrap metal via external service providers.

As a result, the site is cutting the amount of scrap metal to be transported and processed by recycling companies by 25 t per year. A further 14 t of scrap metal is saved annually through optimized processes and improved cooperation with suppliers.

<<

GRI 306-3

TOTAL WASTE

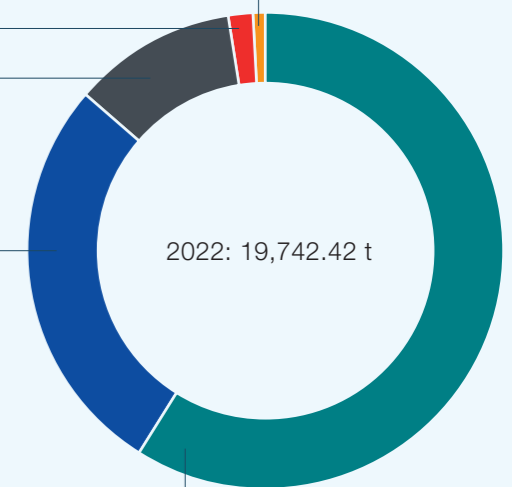
Hazardous—non-hazardous
The term waste refers to everything that an organization disposes of, intends to dispose of, or is required to dispose of, excluding waste water.

In general, a distinction is made between non-hazardous and hazardous waste. Hazardous waste possesses at least one of the properties contained in the Basel Convention or is classified as hazardous in accordance with national legislation.

WASTE GENERATED (t)

	2022
Total quantity of waste produced	19,742.42
Quantity of hazardous waste	1,157.57

- ARPA 67.84
- KUGEL 153.09
- B.PRO 2,228.64
- BLANCO 5,530.15
- E.G.O. 11,762.70



ON A.I.R.

REPORTS FROM THE COMPANIES
OF THE BLANC & FISCHER-GROUP



CAMPAIGN FOR NATURE CONSERVATION AT E.G.O. GERMANY IN COOPERATION WITH NABU

The hard-working team pruning the willows

NATURE CONSERVATION ACTION IN THE LOCAL AREA: MAINTAINING POLLARDED WILLOWS TOGETHER

Hardworking volunteers joined forces to help prune willow trees in the municipality of Oberderdingen, Germany. Employees of E.G.O. Elektro-Gerätebau GmbH in Oberderdingen and members of the Nature Conservation Association (NABU) of the Oberderdingen and Bretten local groups took part.

Regular pruning, or pollarding, is the only way to maintain the typical shape of pollarded willows, and creates natural hollows that provide a home for birds such as little owls, but also bats and many insects.

Award for green HR management

With Triple P, sustainable management has found an official place in the BLANC & FISCHER Family Holding strategy.

Eco-friendly HR management plays an important role in this. After a comprehensive audit regarding the sustainable contribution of HR processes to climate, species, and environmental protection, the BLANC & FISCHER Family Holding in Germany is awarded the "Certified Green House of Choice" seal and receives three green "Leaves." "HR has a great deal of leverage to help

Successfully qualified energy scouts

Nine trainees from the BLANCO, B.PRO, and E.G.O. business groups have been successfully trained as energy scouts by Karlsruhe Chamber of Industry and Commerce.

WHAT ARE ENERGY SCOUTS?

Energy scouts are trainees who train in energy efficiency topics alongside their apprenticeships, and document and implement this knowledge in practical projects. They not only learn the basics of energy technology, but also gain valuable experience in successfully managing projects and presenting them to decision-makers in the company. The companies benefit from the energy and cost savings and raise their employees' aware-

ness for energy efficiency. After the further training and workshops on energy technology, which also included the topics of climate protection, energy efficiency, and sustainability, as well as carrying out their own projects, the trainees received a certificate from Karlsruhe Chamber of Industry and Commerce. They are now certified energy scouts.

The technical project group consisting of Felix Arlt, Bayram Kosak, Robin Simon, and Lukas Goppelsröder was nominated by Karlsruhe Chamber of Industry and Commerce for the nationwide best award in the platform "Climate Protection Corporate Network" for their topic "Compressed air savings in the Training Academy". The project group presented its project as part of the Climate Conference (annual event for climate protection companies) in Berlin.



Proud energy scouts in Berlin: from left: Bayram Kosak, Lukas Goppelsröder, and Robin Simon in Berlin



shape the company's contribution to climate protection," says Bernd Kratochwille, Managing Director/ Head of Corporate Human Resources.

Because the issue of sustainability is becoming increasingly important within the company, the award is not only extremely important for the public image, but it also enhances the company's attractiveness as an employer and assists in retaining and attracting employees.

More sustainable products and innovations

HOW THE BUSINESS GROUPS WORK WITH LIFE CYCLE ASSESSMENTS

Life cycle assessments, also known as LCAs, consider the life cycle of a product or process from raw material extraction to production, all the way through to waste treatment and recycling. "From cradle to grave", each step is analyzed in detail. The results allow statements to be made about the environmental compatibility of a product, provide a basis for decision-making, and point out possible actions to make products more efficient and environmentally friendly in terms of the circular economy, and to reduce unnecessary consumption of resources.

Since 2022, there has been a uniform LCA standard for the BLANC & FISCHER Family Holding business groups. All product life cycle assessments are prepared Group-wide using the same methodology, compliant with ISO 14044, and with assumptions that are as identical as possible, based on a guideline. "This means that we all

use the same data basis and can prepare life cycle assessments more efficiently," says Wiebke Suckut, Sustainability Expert at BLANC & FISCHER Corporate Services.

Together with the Fraunhofer Institute for Building Physics (IBP) in Stuttgart, the BLANCO-Group (BLANCO) has developed the first life cycle assessments for the composite material Silgranit, which is used in BLANCO sinks. "We have derived environmental factors from existing primary data such as recipes, energy flows at our plant in Sinsheim, and other process information from the specialist departments, and assessed them accordingly," explains Jan Vollmer, Sustainability Manager of the BLANCO-Group. BLANCO's LCA thus depicts in great detail how the Silgranit recipe and also the product as a whole, affects the environment. The results serve as the basis for transparent product labeling, as well as providing invaluable insights into

how product systems and materials interact. Ultimately, they also enable the business group to consciously shape innovations in a more sustainable manner. Life cycle assessments are also calculated in other BLANCO product areas. The Global Products department is currently conducting an LCA focusing on the environmental impact of BLANCO drinking systems when using the product to cool and carbonate water.

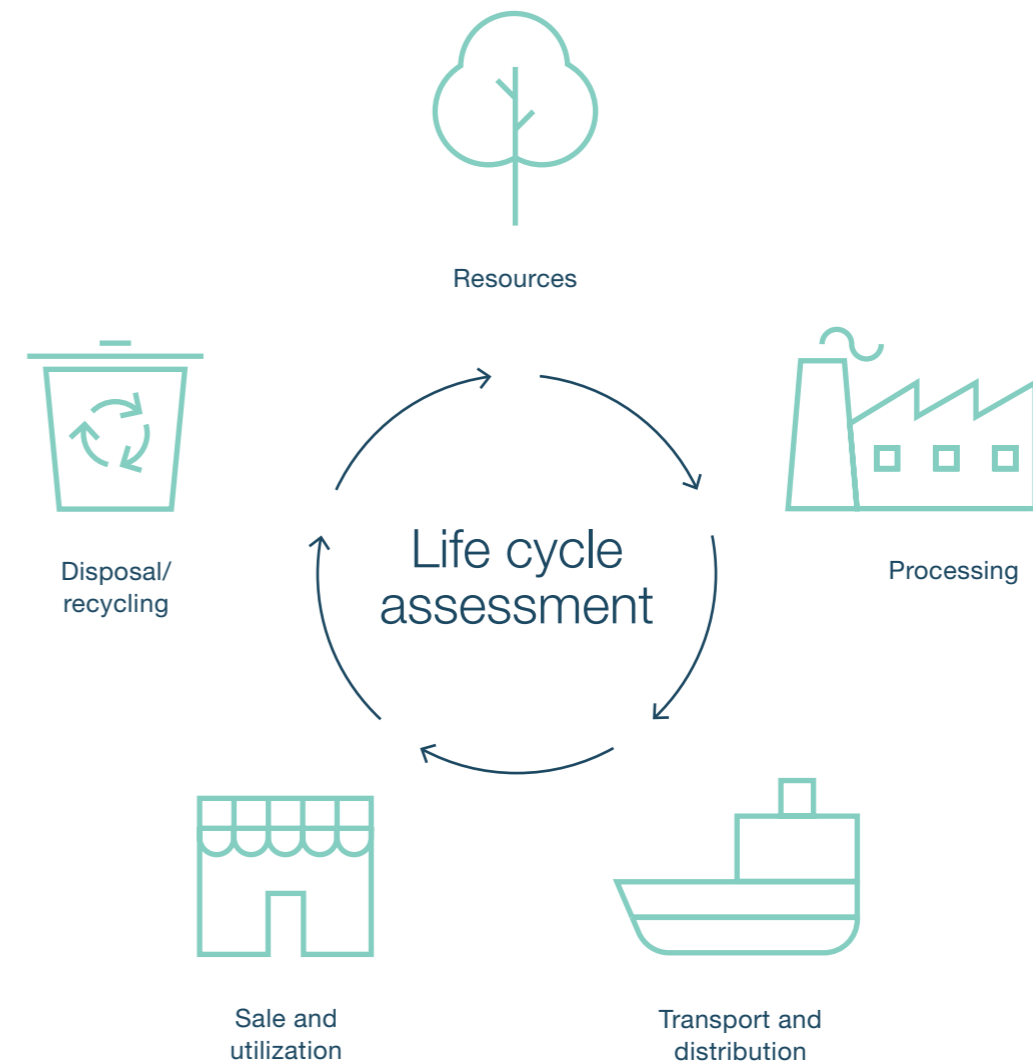
The E.G.O.-Group (E.G.O.) created an initial product LCA for the EGO radiant heating element. "The LCA provided us with exciting insights and made it easier for us to start a project we were planning for transferring the radiant heating element into a circular economy," reports Luisa Schiebel, Sustainability Expert at the E.G.O.-Group. The objective is to keep the materials used in the loop, i.e. in use, for as long as possible and not to create waste. This goes far beyond traditional recycling: in a preparation phase starting at the

end of 2021, the various scenarios "reuse", "refurbish", "repair", and "recycle" were considered. The result is a potentially closed loop ecosystem. At the beginning of 2022, the investigation began to determine whether this is technically feasible. For this purpose, the current disposal processes for large electrical appliances and corresponding returns at recycling companies are being analyzed, discussions about partnerships are being initiated

as part of a closed loop disposal system, and the extent to which recycled material can be used in the product is being examined.

The next step for BLANCO is the certification of the LCA. As the issue of the circular economy is a core element of the European Union's Green Deal, the business groups will continue to focus on the low environmental impact of its products in the future. <<

THE LIFE CYCLE ASSESSMENT (LCA) IS AN INTERNATIONALLY RECOGNIZED METHOD FOR ANALYZING THE IMPACT OF A PRODUCT ON THE ENVIRONMENT OVER THE ENTIRE LIFE CYCLE. THIS MAKES IT A CORE ELEMENT OF THE CIRCULAR ECONOMY, WHICH ALSO SERVES TO MAKE PRODUCTS CLIMATE-FRIENDLY, RESOURCE-EFFICIENT, AND RECYCLABLE. ISO STANDARDS 14040 AND 14044 SPECIFY THE METHOD AND THE EXACT PROCEDURE.



Focus on people

RESPONSIBILITY FOR EMPLOYEES AND SOCIETY

GRI 102-7

SIZE OF ORGANIZATION

The size of the organization is represented by the number of employees in heads, and broken down by company and region.

GROWING WORKFORCE

In 2022, the BLANC & FISCHER Family Holding business groups employed an average of 9,513 employees. This is 426 people or 4.7 % more than the average for 2021.

HIGHEST SHARE OF EMPLOYEES: EMEA AND PRODUCTION

The majority of employees were employed in the Europe, Middle East, and Africa (EMEA) region, which accounts for over 80 % of the total workforce. Of these, most work at sites in Germany, where there are 3,674 employees. The countries with the largest number of employees after Germany are China (1,012), Slovenia (754), Croatia (749), and Turkey (731).

The majority of employees work in production, with an average of 6,093 (71.1 %) in 2022. During this period, 1,165 employees were employed in

Illustration wvs.de

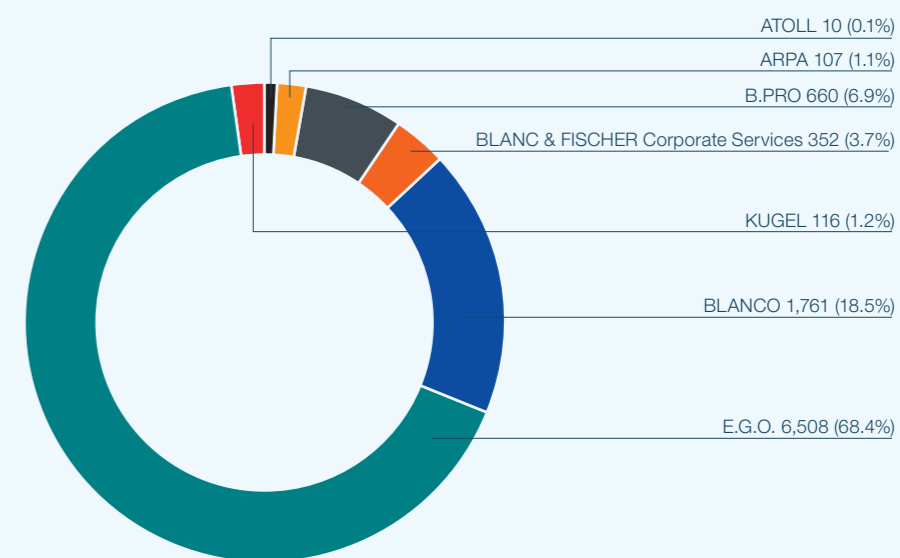
9,513

TOTAL EMPLOYEES*

*on average in 2022, in accordance with Section 314 No. 4 of the German Commercial Code (HGB), and additionally, for example, managing directors, apprentices, and interns

EMPLOYEES BY BUSINESS GROUP

average for the year 2022



EMPLOYEES BY REGION

average for the year 2022

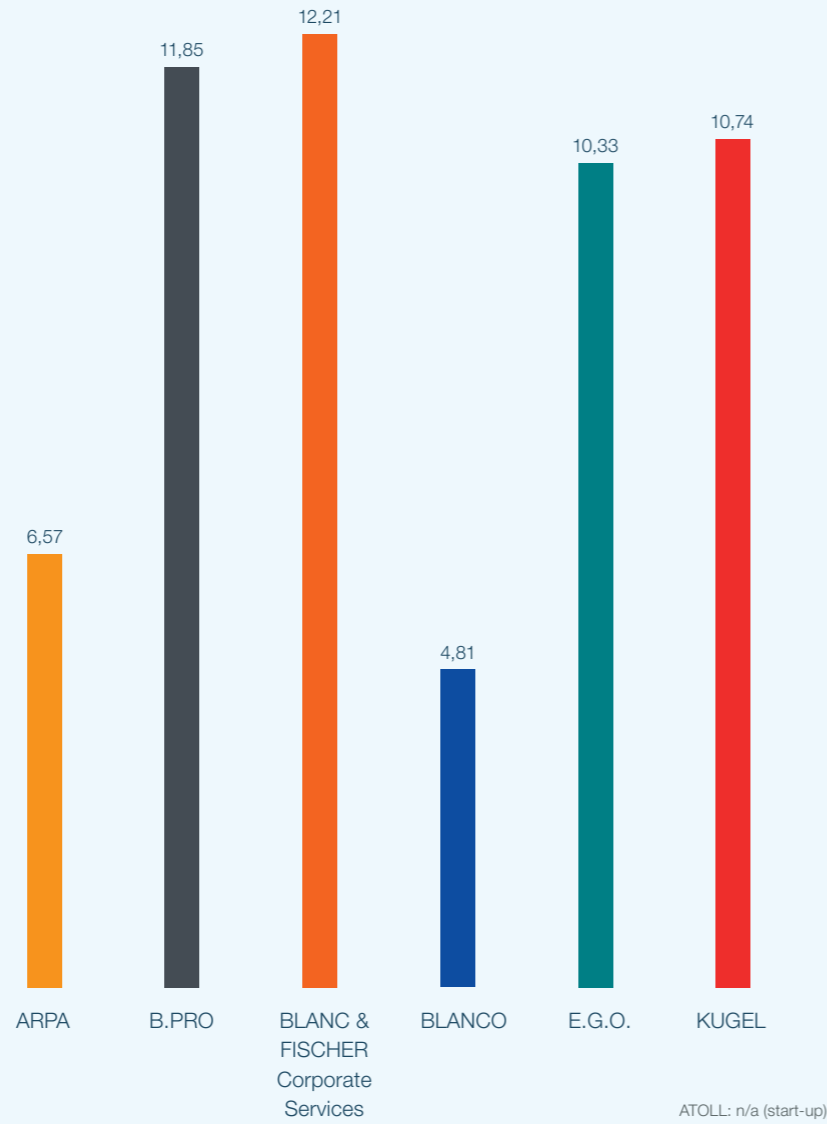
	NUMBER	IN %
EMEA (of which Germany)	7,701 3,674	80.1
APAC (Asia Pacific)	1,038	10.9
Americas (North & South America)	774	8.1

sales worldwide (13.6 %) and 823 (9.6 %) in administration. In addition, 488 (5.7 %) people took care of research and development.

LOYALTY TO THE BUSINESS GROUP

On average, employees work for the BLANC & FISCHER Family Holding companies for 8.63 years as of December 31, 2022. This figure remained almost constant compared to the previous year (8.65 years).

AVERAGE LENGTH OF SERVICE BY BUSINESS GROUP
2022, in years



GRI 102-8

MORE INFORMATION ABOUT EMPLOYEES

Number of fixed-term employment contracts per business group. For 2021, this key figure was only reported for the German sites due to the data available. For 2022, the values shown apply to all business groups. Due to the data available, the number of full-time and part-time employees by gender is shown exclusively for Germany. As of December 31, 2022, 89.1 % of the employees of the

BLANC & FISCHER Family Holding business groups were in permanent employment.

16.6 % of the employees at the German sites of the business groups worked part-time, 75 % of whom were women.

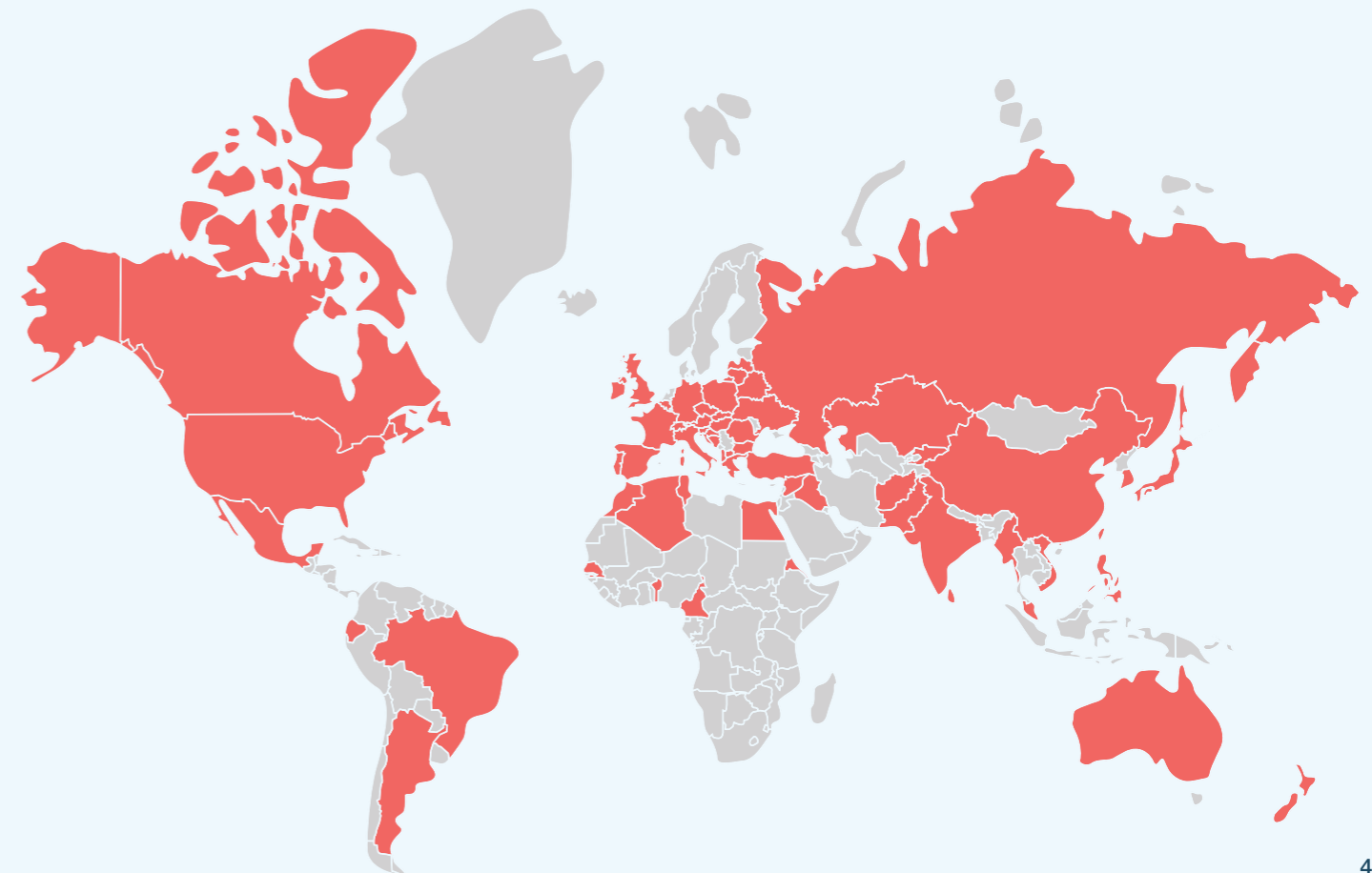
PEOPLE FROM 59 COUNTRIES

The employees of the BLANC & FISCHER Family Holding business groups work at 55 sites in 23 countries. In total, they come from 59 nations—from Afghanistan to

Vietnam. The BLANC & FISCHER Family Holding and its business groups see this diversity as an opportunity: employees with different backgrounds, cultures, and experience bring with them different skills and talents, which positively impact innovative and creative solutions in the organization.

DIVERSITY STRUCTURE: NATIONALITIES

People from 59 nations work for the BLANC & FISCHER Family Holding business groups and companies



59
NATIONS

6
CONTINENTS

GRI 404-1

TRAINING AND CONTINUING EDUCATION HOURS

The average number of hours includes all types of vocational training, paid training leave, third-party training and continuing education covered in whole or in part by the company, and training on specific topics. The information refers to the German sites.

TARGETED PROFESSIONAL AND PERSONAL FURTHER TRAINING

Constant learning and the ongoing development of skills contribute to the competitiveness and future viability of the business group.

Overall, 3,674 employees took part in training and continuing education measures at the German sites of the BLANC & FISCHER Family Holding business groups for on average 15 hours—one hour more than in 2021. This means a total of 56,387 hours—12,564 more than in the previous year.

BUNDLED TRAINING ACTIVITIES

The companies of the BLANC & FISCHER Family Holding offer young people varied opportunities to start their professional lives. A total of 17 apprenticeships and 10 study programs are available at the German sites. The BLANC & FISCHER Training Academy bundles training

activities at the Oberderdingen site. In 2022, 40 trainees started their apprenticeships with the company. These included eleven students from the Baden-Württemberg Cooperative State University (DHBW) Karlsruhe and, for the first time, one student in the field of electrical and environmental technology from DHBW Mannheim and one student in the field of business information systems combined with vocational education as an IT specialist at Karlsruhe University of Applied Sciences.

The average apprenticeship rate at the German sites of the BLANC & FISCHER Family Holding business groups was 4.44 % in 2022, which is below the previous year (5.10 %).

GRI 404-2

EMPLOYEE SKILLS IMPROVEMENT PROGRAMS

Type and scope of measures implemented to improve the skills of employees. The programs support the organization in planning skills development and employees in achieving strategic goals. Qualified employees contribute to higher employee satisfaction, which goes hand in hand with improved output.

FURTHER DEVELOPMENT OF THE LEARNING CULTURE

In 2022, the BLANC & FISCHER Family Holding business groups focused on further development of the learning culture and the associated development of a learning ecosystem. To ensure that people and the organizations remain adaptable and innovative throughout their lives, there are now self-managed, flexible, and customized learning formats. As a central component of the ecosystem, the "B&F Learning Campus" was introduced worldwide in mid-2022. This is the central point of contact for the field of learning and offers a wide range of programs.

LEADERSHIP JOURNEY STARTS

Strategy, culture, and structure form a "magic triangle of an organization," which describes the interdependent relationship of the three aspects. An organization can only achieve its full potential if these all work together. Some changes have already been made at structural and strategic level. In 2022, the BLANC & FISCHER Family Holding business groups increasingly developed the cultural level. Managers play a key role in this. With

the involvement of 25 managers from different sites, the "Leadership Development" project drafted the "BLANC & FISCHER Leadership Principles" spanning across business groups.

WIDE RANGE OF EXISTING PROGRAMS

TRAINING AND COACHING

- Individual and standardized learning programs as well as training courses for professional, methodical, and personal development
- Group and one-on-one language courses
- Management development/ leadership
- Individual coaching
- Digital coaching (pilot phase in Germany)

CONTINUING EDUCATION AGREEMENTS

The business groups support the promotion of on-the-job training financially and/or organizationally.

SKILLS MODEL GROW:TOGETHER

Nine skills form the common foundation of targeted, strategic staff development in the BLANC & FISCHER Family Holding business groups worldwide. It is the foundation for many staff development programs and tools, such as the personnel development interview (PDI) or the guidelines for standardized job interviews.

PERSONNEL DEVELOPMENT INTERVIEW (PDI)

The PDI is a skills-based feedback tool that every manager conducts with their employees once a year. The staff development goals are derived from the divisional or departmental corporate development strategies and serve to systematically develop employee skills.

GUIDELINES FOR STANDARDIZED JOB INTERVIEWS

This guide provides a template to conduct standardized job interviews. The advantage: a structured questionnaire makes it easier to compare the candidates. The guide's structure is based on the BLANC & FISCHER skills model "GROW:TOGETHER." This makes it possible to test specific skills and competencies of the candidate in certain situations. Furthermore, the interviewer can determine to what extent the candidate has the skills defined by the company and thus fits the company's requirements for this work task or job.

MOVE GRADUATE PROGRAM

MOVE is a special alternative to direct entry for graduates in Germany. It focuses on added value, orientation, responsibility, and development. The trainee program offers academically excellent master's graduates the opportunity to work intensively on strategically relevant projects for two and a half years. At the same time, personal development is a focal point in order to then take on a target position with special responsibility.

NEW MANAGERS

Worldwide, NEW:IN:LEAD supports future and new managers as they grow into their new roles. If desired, new managers have the option of participating in our standardized leadership development program (LDP).

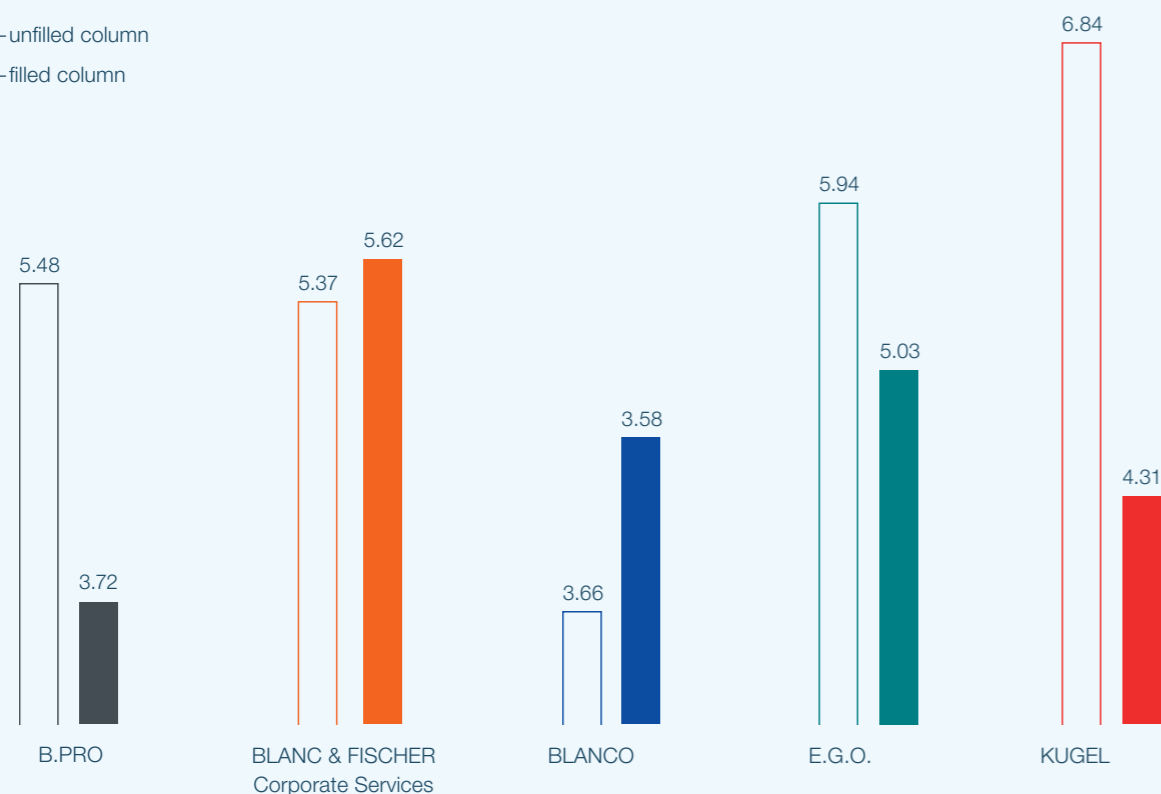
360° FEEDBACK

Comparison of the views on leadership behavior of employees, colleagues, supervisors, and interfaces, including a self-assessment.

APPRENTICESHIP RATE

in %, at sites in Germany

□ 2021—unfilled column
■ 2022—filled column



GRI 404-3

PERCENTAGE OF EMPLOYEES WITH PERFORMANCE APPRAISAL

Regular appraisals of the employee's achievements and professional development can improve employee satisfaction and is an opportunity to review and maintain employee skills through tailor-made measures.

Since 2020, the globally applicable "Corporate Guideline MPS (Management Performance System)" has regulated the performance-related remuneration of managers at levels one to three in the BLANC & FISCHER

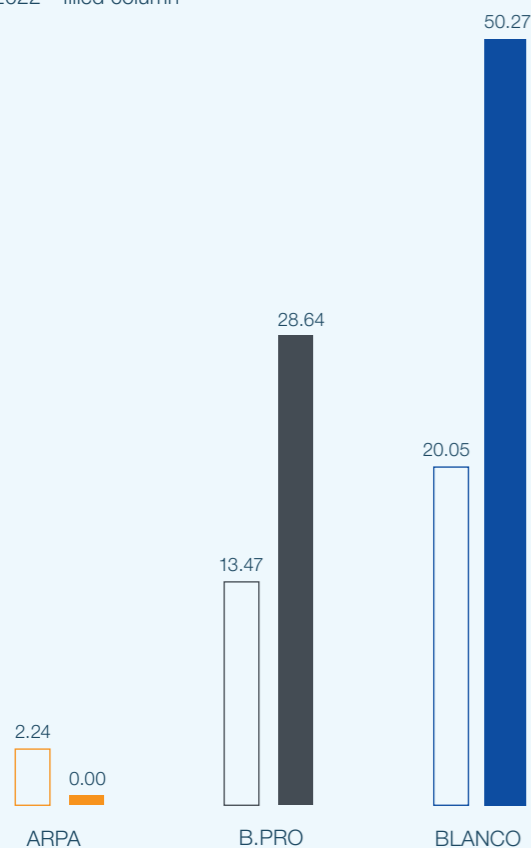
Family Holding business groups. In the first and second executive levels, remuneration based on performance aspects is mandatory, and in the third, only an option.

In 2022, 12.14 % of employees of the BLANC & FISCHER Family Holding business groups received a performance appraisal. Due to the collective bargaining agreement, each employee at the German sites will have a performance appraisal interview. For this reason, a value of 100 % is assumed for the German companies as a whole. For the sites outside Germany, the number of MPS agreements carried out is put in relation to the eligible managers and amounts to 11.51 %.

PERCENTAGE OF EMPLOYEES WITH PERFORMANCE APPRAISAL

outside Germany, average for the year

□ 2021 — unfilled column
■ 2022 — filled column



GRI 403-6

PROMOTING THE HEALTH OF EMPLOYEES

Information about employees' access to occupational health services. It also outlines the voluntary services and programs that exist for health promotion. The focus here is on non-work-related health risks.

Strict compliance with occupational safety measures and strengthening health-promoting factors are among the top priorities of the BLANC & FISCHER Family Holding business groups. Additional services help to boost employee satisfaction.

COUNSELING

At all German sites of the BLANC & FISCHER Family Holding business groups, employees can make use of free, anonymous counseling on all topics related to satisfaction, well-being, and mental health in the workplace. A trained psychologist is available for individual consultations.

There is also a family service, which can be reached free of charge around the clock, seven days a week, for life coaching. Support is also provided for predominantly private mental strain, stress, and acute crises in partnerships and the family, but also for financial difficulties, dependency and addiction, and violence, as well as legal advice on selected topics.

CHILDCARE

Childcare is provided at the German sites in cooperation with local daycare centers. During the summer holidays, employees at the Oberderdingen site will also benefit from an exciting 14-day children's holiday program for all children aged between 6 and 12.

MEDICAL SERVICE

The medical service provides employees with occupational health advice, general examinations, and preventive measures as well as occupational integration management (OIM). Since 2020, the in-house medical service has been offering free annual flu vaccinations at all sites worldwide.

PREVENTIVE CHECKUPS

Various preventive medical checkups, for instance for skin or bowel cancer, are available to all employees at the Oberderdingen site every two years. Every two years, managers in Germany receive a health check. BLANCO Trading (Shanghai) Co. Ltd., Shanghai, China offers annual health checks. At E.G.O. North America, Inc., Newnan, USA, the costs for various insurance benefits are covered and costly medical examinations are subsidized.

PREVENTION

Employees at the German sites can attend seminars on stress management, ergonomics, addiction prevention and nutrition, among other things. There are also other fitness and relaxation programs, such as autogenic training, progressive muscle relaxation, spinal exercise, or yoga. Workshops on relaxation techniques are on the agenda at ETA d.o.o. Cerklno, Slovenia. E.G.O. North America, Inc., Newnan, USA reimburses the costs if employees take part in a 12-week weight-loss program.

Additional health insurance with supplementary health benefits for employees and family members is available at the E.G.O. Italia Srl, Camerano site in Italy. Collective health insurance funds also offer

more favorable conditions and tax relief for E.G.O. . Appliance Controls, S.L.U., Llica de Vall, Spain, and ETA d.o.o. Cerklno, Slovenia.

ACTIVE AND HEALTHY

Various sports activities are supported financially by the companies. For example, there are 13 different sports groups at the Oberderdingen site: running, archery, table tennis, darts, minigolf, cycling, motorcycling, skiing, tennis, shooting, walking, hiking, and soccer. Runs, cycling races, or tournaments in basketball, table tennis, or badminton are also organized or supported at other sites. E.G.O. Polska sp. z o.o., Lodz, Poland and E.G.O. Elektro-komponente d.o.o., Zagreb, Croatia subsidize a multi-sports card that contains various sports and wellness options.

To help employees get enough exercise, there are organized walks during the lunch break at the German site in Oberderdingen. There is also the option of taking active breaks with ergonomic exercises at the workplace. Individual consulting and exercise opportunities for divisions or individual employees are provided by an internal partner. On "Safety Day", which is held in Germany in cooperation with the various sites and the Occupational Safety department, information is provided about health and safety-related issues.

NUTRITION

At the Oberderdingen site, employees can eat at the certified company restaurant, which also offers culinary campaign weeks and regional products. There are water dispensers with free drinking water within easy reach of all workplaces. At the "GenießBar"

employees can get healthy snacks from vending machines. E.G.O. Polska sp. z o.o., Lodz, Poland gives its workforce tokens for vending machines with healthy snacks.

GRI 405-1

DIVERSITY IN REGULATORY BODIES AND AMONG EMPLOYEES

Percentage of female managers in the top three levels

PROPORTION OF FEMALE MANAGERS

The proportion of female managers at the first three executive levels of the BLANC & FISCHER Family Holding and its business groups is 16 %. In the previous year, it was 18 %. At management board level, there are 10 men, but no women. The first executive level consists of 58 men and 7 women, which is 11 %. At the second executive level, the proportion of women is 19 %, with 137 men and 33 women. <<



THE LEADERSHIP JOURNEY IN PARTICULAR SHOWS THAT WE ARE SERIOUS ABOUT THE FURTHER DEVELOPMENT OF OUR CULTURE.

Heiko Pott

CFO of the BLANC & FISCHER Family Holding and, among other things, responsible for the HR division

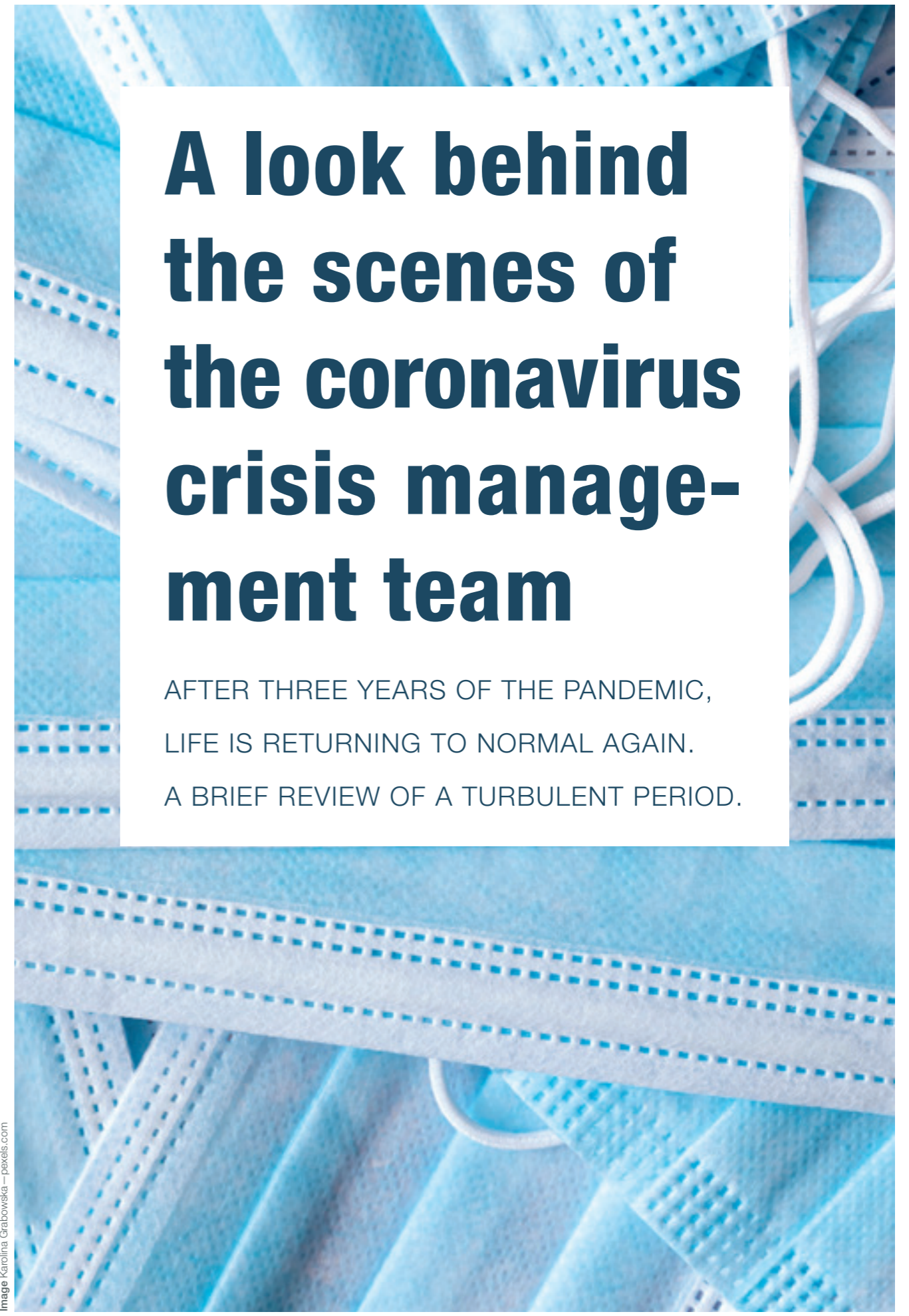


Illustration wvs.de

Image Karolina Grabowska – pexels.com

A look behind the scenes of the coronavirus crisis management team

AFTER THREE YEARS OF THE PANDEMIC, LIFE IS RETURNING TO NORMAL AGAIN. A BRIEF REVIEW OF A TURBULENT PERIOD.



The coronavirus pandemic has clearly put the focus on the health of employees. The number one objective was to keep employees healthy and protect them from infection. This posed particular challenges for the company at a time when operations needed to be maintained.

In the three years or so since the start of the pandemic, the members of the BLANC & FISCHER Family Holding global coronavirus crisis management team have met well over a hundred times. The crisis management team is made up of members of the management board as well as those responsible from all business groups and relevant specialist departments, such as Human Resources, Facility Management, Industrial Safety, and Corporate Communications. Their mission: to develop hygiene concepts, keep the workforce informed, secure production chains, and steer the company through the pandemic with a steady

hand. The crisis management team regularly provided information worldwide about the current situation, infection rates, hygiene measures, and health services.

MASKS, SELF-TESTS, VACCINATIONS

Several thousand infections have been reported at the sites of the BLANC & FISCHER Family Holding business groups. Visits to the dining rooms and canteens were divided into shifts; non-essential face-to-face meetings were replaced with digital formats. With disinfectants at central locations, free protective masks, and self-tests, employees were handed the essential tools for infection control. Facility Management distributed more than 600,000 masks and 300,000 self-tests at the sites in Germany alone. Added to this are the self-tests issued at the sites around the world, as well as PCR and antigen tests, each of which was carried out on site. At Germany's largest compa-

ny site in Oberderdingen, the medical service administered 1,021 COVID-19 vaccinations.

UNUSUAL SOLUTIONS

At E.G.O. Components (China) Co. Ltd. in Taicang, China, production was only possible under strict government quarantine regulations for some time. Colleagues spent their working and leisure time on the company premises. The company provided them with meals, toiletries, and sleeping facilities. The workforce at the BLANCO site in Shanghai was able to rely on special assistance during a tough lockdown: the company organized a delivery service that brought food to colleagues who had to stay in their homes for days.

INSTRUCTIVE YEARS

"Overall, we were able to overcome the challenges of the coronavirus pandemic very well because everyone pulled together. "I'd like to

thank all employees for this," says Dr. Karlheinz Hörsting, responsible for the coronavirus crisis management team and member of the management board of the BLANC & FISCHER Family Holding, looking back on the last three years. "This was only possible because everyone pulled together. I would like to take this opportunity to express my sincere thanks. We remain sensitive and have learned a lot from the last three years.

For example, the following still applies: anyone with symptoms of illness stays at home as a precaution."

Even though the pandemic has been and is still to some extent associated with huge pressures, it has also driven positive changes: in many places, remote working is indispensable. At the same time, digitalization has experienced an enormous boost—after all, due to the contact bans, meetings could suddenly be held almost exclusively

digitally. Fortunately, equipping the workstations with the necessary equipment and corresponding software solutions had already begun before the coronavirus pandemic.

Digital meetings are still being used more than before, even after the peak of the pandemic. Because there is no need to travel, the company saves time and costs, while the CO₂ footprint is also reduced. <<



OVERALL, WE WERE ABLE TO OVERCOME THE CHALLENGES OF THE CORONAVIRUS PANDEMIC VERY WELL.

Dr. Karlheinz Hörsting

CEO of the E.G.O.-Group and member of the management board of the BLANC & FISCHER Family Holding; responsible for the coronavirus crisis management team



A real plus

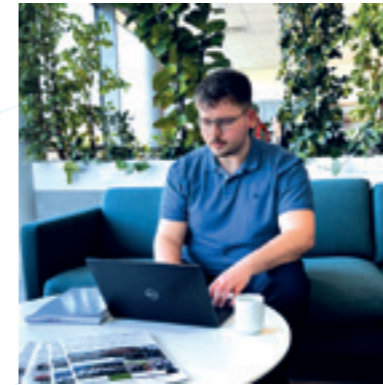
GAIN INTERNATIONAL EXPERIENCE, MAKE CONTACTS, AND BUILD UP A NETWORK

Even during their vocational education, the BLANC & FISCHER Training Academy enables young people to think outside the box: learning languages, gaining professional experience in another country, and personal development create an excellent foundation for future professional success.

ele Lintner, Director/Head of Corporate HR Management Germany. It doesn't matter which BLANC & FISCHER Family Holding business group is involved. Any combination is possible. After all, the BLANC & FISCHER Family Holding business groups are represented at 55 sites in 23 countries.

"Stays abroad last between eight and 12 weeks and are an important component of vocational education — all our trainees and dual program students are given the opportunity to gain experience abroad at the sites of our business groups," says Gabri-

At the beginning of 2023, three dual program students specializing in industrial engineering at the BLANC & FISCHER Training Academy gained international experience at the various sites of the BLANC & FISCHER Family Holding.



Noah Volz, a dual program student at BLANCO GmbH + Co KG, went to the Steinhausen site in Switzerland, where several business groups work together.

He worked in E-commerce for E.G.O.:

"I felt very comfortable from day one as my colleagues were very open and friendly in welcoming me. Even during my first week, I was able to gain insights into the sales structure of the economic area of Europe, the Middle East, and Africa as well as our customer support. For the following three months, I was able to provide support in the E-commerce division and work on my own task packages. I was particularly impressed by the great working atmosphere and the openness across the different departments."



Maja Zerrer, dual program student at E.G.O. Elektro-Gerätebau GmbH, moved to the E.G.O. site ETA d.o.o. Cerklno, Slovenia:

"The colleagues at ETA gave me a very warm welcome. Even after a short period of time, I felt included in the Variant Development team and could assist with ongoing projects. I also found the people here open-minded and helpful across the departments. During a tour of all the production facilities, I gained interesting insights into the manufacture of the product groups thermostats and hotplates. At weekends, I went hiking along a mountain river and visited an old mine. The snow also enticed me to go snowboarding in the nearby skiing region. This gave me a first impression of what Slovenia has to offer."

David Korke, dual program student at E.G.O. Elektro-Gerätebau GmbH, was a guest at the E.G.O. Componentes Electrónicos S.A. de C.V. site in Mexico:

"Employees at the Querétaro site welcomed me with great warmth and introduced me to their working culture. In the first week, I received a detailed insight into the electronics production. There, I supported the department in the continual improvement process and worked on the optimization of production lines. I spent my free time doing lots of tours around Querétaro. I visited the cities of Santiago de Querétaro, San Miguel, Bernal, and their sights."



Fair play is paramount

THE COMPLIANCE MANAGEMENT SYSTEM

The BLANC & FISCHER Family Holding and its business groups are known as reliable, responsible, and fair business partners in their actions. The BLANC & FISCHER Compliance Management System protects this reputation by ensuring compliance with applicable laws and internal rules.

The Compliance Management System aims to prevent significant violations of internal and external rules. In this way, it ensures lasting corporate success. External rules to be complied with include regulations from international agreements on the handling of hazardous waste and on the conservation of natural resources. We also expect our business

partners and employees to observe the principles of ecological, social, and ethical conduct. Training courses and further education are also provided to ensure that employees are up-to-date on the latest rules and requirements.

The Compliance Management System is based on the Audit Standard 980 of the Institute of Public Auditors in Germany e. V. and applies to all BLANC & FISCHER Family Holding companies worldwide. As a central function, the Head of Corporate Compliance manages the Compliance Management System. They are supported by Compliance Coordinators in the business groups, who in turn are supported

by Compliance Ambassadors from the individual companies and sites. A key component of the Compliance Management System is the regular compliance risk analysis. This forms the basis for the compliance program, which is intended to minimize the identified risks. In addition to training and further education, it also includes internal organizational instructions. If a possible compliance violation becomes known, the Head of Corporate Compliance immediately clarifies the matter independently. The whistleblower system ensures that every employee and third parties can report any compliance violations confidentially and anonymously within the framework of the legal regulations. <<



GLOBAL SUPPLY CHAINS—GLOBAL RESPONSIBILITY

Image: Swapnil Sharma — pexels.com

Fairness and environmental protection throughout the global supply chain: the idea behind the Supply Chain Act is correct and important. As the name of the law suggests, the path to this is long and complicated. Especially for medium-sized companies like the BLANC & FISCHER-Group, implementation of the law is a feat of strength. At the same time, careful consideration of the supply chain makes the company more resilient.

The BLANC & FISCHER-Group had already turned its attentions to the supply chain at an early stage and established an appropriate framework for it. For example, with a Code of Conduct for suppliers or the "supplier onboarding" process, which, in addition to sustainability, also considers aspects such as certifications, quality, logistics, and costs.

The Supply Chain Act, which came into force on January 1, 2023, created further momentum. This obliges German companies with more than 3,000 employees to observe special due diligence and reporting obligations. These specifically relate to compliance with human and labor rights as well as environmental standards in



THE INTRODUCTION OF THE SUPPLY CHAIN COMPLIANCE MANAGEMENT SYSTEM WAS AN EXCITING PROCESS. THE SUPPLY CHAIN ACT (LIEFERKETTENSORGFALTPFLICHTENGESETZ, OR LIEFERKETTENGESETZ FOR SHORT) INITIALLY LEFT MANY QUESTIONS UNANSWERED. NEVERTHELESS, WE STARTED EARLY AND WITH AN INTERDISCIPLINARY APPROACH. AND IT PAID OFF!

Klaus Ackermann

Head of Corporate Compliance,
BLANC & FISCHER Corporate Services



the supply chain—for example, protection against child labor or the right to fair wages.

FROM THEORY TO PRACTICE

Global value-added chains and supply relationships are complex by nature; the transparency task set for the management holding company and the associated business groups was therefore substantial. An interdisciplinary team of experts joined forces to drive the topic of supply chains forward with a clear headstart over the introduction of the law. The team included colleagues from the Compliance Organization and Purchasing. <<

In addition to content-related preparations, such as the adoption of a "Declaration of Principles for Social Responsibility and Human Rights in the Supply Chain" by the management board, the establishment of the "Supply Chain Compliance Management System" was a core task. In this context, the team used a comprehensive risk analysis to look both internally and externally. On the test bench: the sites, sales, and all direct suppliers. In addition to supplier-specific risks, product- and country-related risks were also considered. "That was a tremendous feat," says Marvin Zimbelmann, Compliance Coordinator of the E.G.O.-Group, looking back. "But it was the only way we could establish transparency and initiate the appropriate prevention and remedial actions based on this. Depending on the risk assessment, these may include extensive reporting obligations, on-site audits, or qualified self-assessments by the suppliers." In the case of the latter, for example, the details of industrial safety, CO₂ footprint, or the company's own supply chain responsibility are examined.

So far, the evaluations show that the majority of suppliers have a

low risk level. For the few suppliers with higher risk assessments, this is usually due to the fact that the countries in which the companies are based have different standards in terms of social responsibility and human rights.

Other changes include the further development of the whistleblower system. This system, which was initially set up for compliance cases, now also makes it possible to confidentially and anonymously point out human rights and environmental risks as well as any breaches of duty in the supply chain of the BLANC & FISCHER Family Holding or in the business groups.

THE COURSE HAS BEEN SET – WHAT HAPPENS NEXT?

The team responsible for the Supply Chain Compliance Management System will carry out ongoing risk analyses. Self-reporting must be checked and its quality monitored. Audits must also be initiated. The intensified dialog with suppliers on sustainability shows that there are promising thoughts and approaches on both sides that can be pursued in close cooperation. <<

Sustainability in the supply chain is an important aspect for the BLANC & FISCHER Family Holding and its business groups. In accordance with GRI guidelines 308 and 414, it therefore checks and assesses its suppliers based on environmental and social criteria.

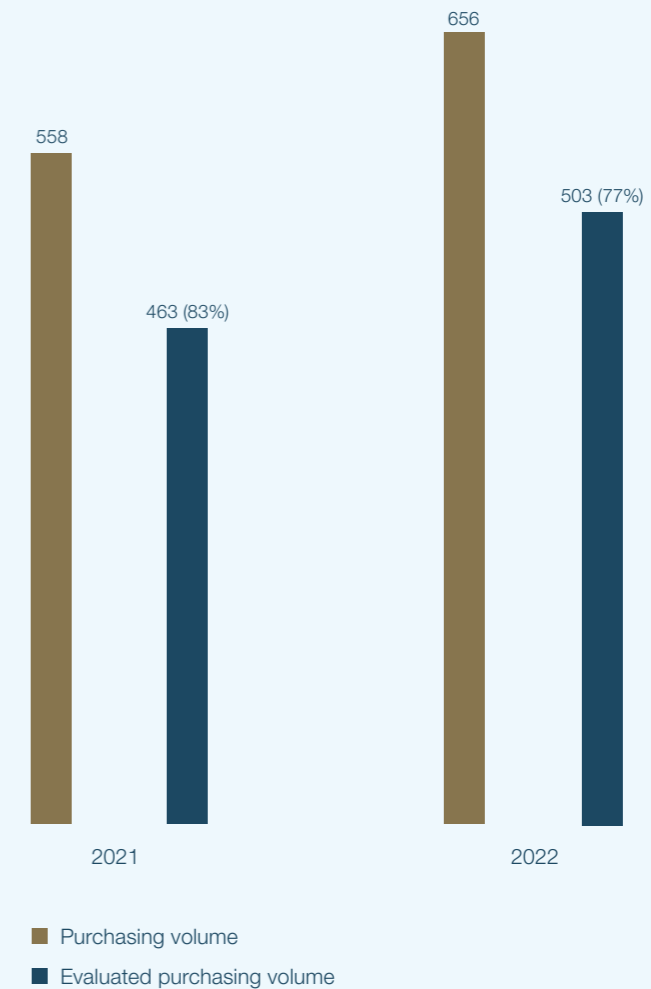
The checking and evaluation process for existing suppliers began in 2021 and was extended to new suppliers in the reporting year. One relevant selection criterion for supplier checking is the amount of purchasing volume, applying the Pareto

principle, which states that 80 % of the result can be achieved with 20 % of the total effort. All supplier data and documents requested are gathered and evaluated on a platform. GRI 308 "Supplier environmental assessment" shows key figures relating to suppliers and their environmental behavior. The link between suppliers and their social behavior is presented under GRI 414 "Supplier social assessment".

The following diagram shows the purchasing volumes for 2021 and 2022.

PURCHASING VOLUME ASSESSED ACCORDING TO ENVIRONMENTAL AND SOCIAL ASPECTS

in EUR million



In 2022, the BLANC & FISCHER Family Holding business groups had 173 new suppliers, 16 of which were screened. Following the defined process, the specialist department screened A and B suppliers to cover as much of the purchasing volume as possible. The purchasing volume of the screened new suppliers in 2022 is over EUR 3.0 million. Integration

into the onboarding process of the systematic screening according to environmental criteria (via questionnaires) is planned for 2023. All new suppliers should then provide further information on how they approach human rights and environmental protection before a business relationship commences.
 >> SEE GRI 308-1-a, GRI 414-1-a

Suppliers must submit a self-assessment to check for negative environmental impacts in the supply chain. This covers a range of topics, such as company training, environmental policies, management system, polluting activities, use of problematic substances and hazardous waste, and much more. The questionnaires on social criteria and human rights contain questions on equality, discrimination, mistreatment, forced labor, freedom of association, slavery, child labor,

working hours and wages, as well as occupational safety aspects. Suppliers are classified accordingly on the basis of their answers and an underlying weighting of the questions.
 In addition, media screening of suppliers takes place on the internet. Furthermore, the risk analysis for the Supply Chain Act, for example, assesses the potential environmental impact of a supplier based on its country of origin and industry.
 >> SEE GRI 308-2, GRI 414-2

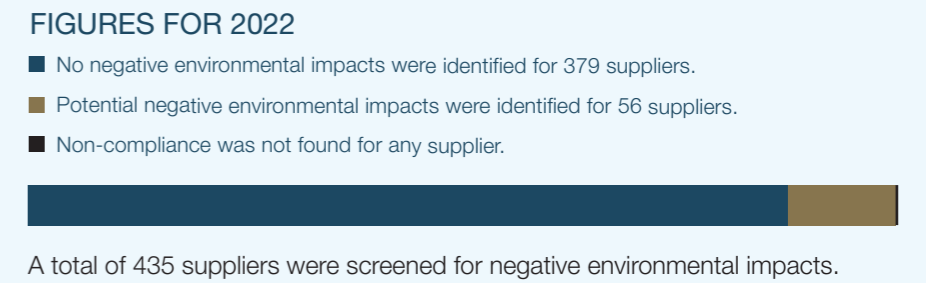
GRI 308
ENVIRONMENTAL ASSESSMENT OF SUPPLIERS
 SCREENING OF SUPPLIERS ACCORDING TO ENVIRONMENTAL CRITERIA

GRI 308-1 a
NEW SUPPLIERS SCREENED ACCORDING TO ENVIRONMENTAL CRITERIA
 The reporting organization must disclose the following information: Percentage of new suppliers assessed according to environmental criteria.

FIGURES FOR 2022
 In 2022, 9 % of new suppliers were screened according to environmental criteria.

GRI 308-2
NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTION TAKEN
 The organization must disclose the following information:

- a. Number of suppliers screened for environmental impact.
- b. Number of suppliers identified as having significant actual and potential negative environmental impacts.



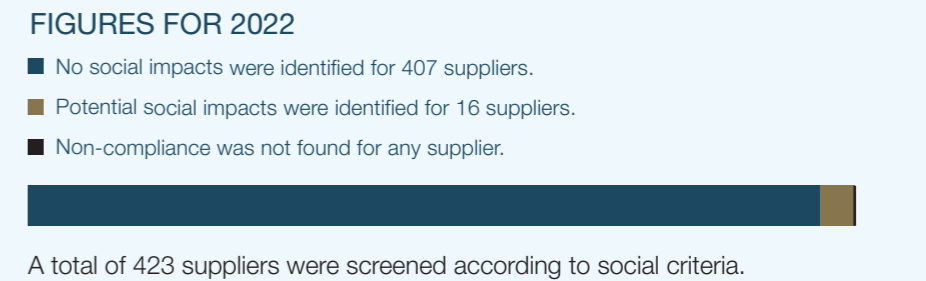
GRI 414
SUPPLIER EVALUATION ACCORDING TO SOCIAL CRITERIA
 SCREENING OF SUPPLIERS ACCORDING TO HUMAN RIGHTS AND OTHER SOCIAL CRITERIA

GRI 414-1 a
NEW SUPPLIERS SCREENED ACCORDING TO SOCIAL CRITERIA
 The reporting organization must disclose the following information:
 a. Percentage of new suppliers assessed according to social criteria.

FIGURES FOR 2022
 In 2022, 9 % of new suppliers were screened according to social criteria.

GRI 414-2
NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTION TAKEN
 The reporting organization must disclose the following information:

- a. Number of suppliers assessed for social impact.
- b. Number of suppliers identified as having significant actual and potential negative social impacts.



ON A.I.R.

REPORTS FROM THE COMPANIES
OF THE BLANC & FISCHER-GROUP

Twice as good



E.G.O. Elektro-komponente d.o.o. (E.G.O.O. Croatia) produces thermostats in addition to switches and regulators. To reduce water consumption in this production area, the installation for adjusting the products was connected to a closed water cooling circuit. This is used to cool the process to 22 °C. By connecting to the water cooling system, the medium in the baths can be reduced by a further 7 to 15 °C for product adjustment. This is good for the environment in two respects: there is less wastewater and the more efficient use saves energy.

Same process, less energy loss

Ovens consume a lot of energy. This applies not only to our baking ovens in the kitchen, but also to large annealing furnaces such as those used in tubular heating element production at E.G.O. Elektrikli Aletler Sanayi A.S.

On the one hand, a lot of energy is needed to produce heat, while at the same time part of the heat is lost again via the air. For the production of the tubular heating elements at the Turkish site of the E.G.O.-Group, special metal pipes must be heated.

To reduce energy consumption in this step, the team redesigned these

tubes—they are now only 12 millimeters thick instead of the previous 15 millimeters. The capacity of the annealing furnaces has been significantly improved, and fewer installations are now required for the same production volume. In addition, the on-site team has improved the insulation of the furnaces and the extraction process, which means less heat is lost. Overall, the annealing furnaces work much more energy-efficiently than before; the team has saved 460,000 kilowatt hours per year and reduced energy costs as well. In addition, this measure reduces greenhouse gas emissions by 191 tons of CO₂ equivalent per year.



THE ROAD AHEAD FOR SUSTAINABILITY

THREE QUESTIONS FOR FRANK GFRÖRER

MR. GFRÖRER, YOU ARE THE MEMBER OF THE MANAGEMENT BOARD OF THE BLANC & FISCHER FAMILY HOLDING RESPONSIBLE FOR SUSTAINABILITY. WHICH TASKS ARE TOP OF YOUR AGENDA?

We must continue to work intensively on firmly anchoring the management of sustainability in our global organization, right down to the specialist units. To do this, we need the right expertise and the right systems. In addition, we are now laying the foundations for further developing our sustainability reporting and adapting it to the extensive regulatory provisions.

WHAT SUSTAINABILITY CHALLENGES DO THE BUSINESS GROUPS UNDER THE UMBRELLA OF THE BLANC & FISCHER FAMILY HOLDING FACE?

Despite different business models and market conditions, the sustainability challenges are similar: the aim is to further improve the CO₂ balance sheet, align production processes and the products themselves more resource-efficiently, implement more circular economy principles, and live up to our social responsibility in the supply chain. The basis for this must be a uniform management system across the company with binding methods and approaches, whether in matters of materiality, climate target setting, or product evaluation.



Frank Gfrörer, CEO of the BLANCO-Group and member of management board of the BLANC & FISCHER Family Holding responsible for sustainability

THE BUSINESS GROUPS COVER A BROAD PRODUCT PORTFOLIO FOR THE KITCHEN LIVING SPACE. WHAT SCOPE DO YOU SEE HERE FOR MORE SUSTAINABILITY?

We must make it clear to our commercial customers and end consumers what added value we are creating with regard to the sustainability challenges of our time. We are talking about issues such as the use of raw materials in our products, as well as packaging and disposal issues, which we are working on intensively. But of course, we also want to talk about how our products can help reduce energy consumption or to use fewer resources in everyday life. Last but not least, we must make it clear under what conditions our products are created, how we design our fulfillment processes, and how we work responsibly with our suppliers and partners.

<<

GLOSSARY

3P OR TRIPLE P CONCEPT

Triple P firmly integrates the topic of sustainability in the corporate strategy of the BLANC & FISCHER Family Holding and its business groups. 3P stands for PERFORMANCE, PEOPLE, and PLANET.

3R PRINCIPLE

Reduce, reuse, recycle: the basic requirements for any resource- and cycle-driven operation.

A.I.R.

The title of the BLANC & FISCHER Family Holding Sustainability Report, it stands for "Action, Innovation, and Responsibility."

BIOGENIC CO₂ EMISSIONS

CO₂ emissions resulting from combustion or natural decomposition of biomass.

CARBON FOOTPRINT

Result of an emissions calculation (see CO₂ balance sheet), which shows how much greenhouse gas an activity releases.

CDP (FORMERLY CARBON DISCLOSURE PROJECT)

Independent organization that operates the world's largest database of environmental data on companies and cities with its platform for disclosure on the issues of climate change, water security, and deforestation.

CIRCULAR ECONOMY

Counteracts the linear economic system with durable products, reusability, and recycling. Existing materials and products are used and kept in circulation for as long as possible. The product life cycle is extended in this way and continues to generate value.

CO₂ BALANCE SHEET

Measure of the total amount of carbon dioxide emissions. Also known as the greenhouse gas balance.

CO₂ EMISSIONS

Formed by the combustion of materials that contain carbon.

CODE OF CONDUCT

The Code of Conduct serves as a guideline for companies with regard to responsible, ethical, and honest behavior towards employees and third parties, such as business partners and suppliers.

DIVERSITY

Recognition and promotion of diversity and reduction of disadvantages with the aim of creating equal opportunities. In a corporate context, the diversity of employees and their variety of skills and talents can have a positive impact on the organization and society in general.

DOWNSTREAM EMISSIONS

Indirect greenhouse gas emissions from goods and services sold.

ECODESIGN DIRECTIVE

EU directive, the revision of which, in addition to energy efficiency aspects, is aimed at improving the availability of spare parts, the repairability, and the energy efficiency of electrical equipment.

GREEN ELECTRICITY

Electrical power derived from renewable energies. Green electricity is generated in hydroelectric and wind power plants, with solar power or in biogas plants.

GRI (GLOBAL REPORTING INITIATIVE)

Independent, international organization that helps companies and other organizations take responsibility for their environmental impact. This initiative provides the most widely used sustainability reporting standards in the world—the GRI standard.

GRI STANDARD

Sustainability reporting standard that records the effects of a company's actions on the economy, the environment, and society.

GWP (GLOBAL WARMING POTENTIAL)

Global warming potential: A measure reflecting the relative contribution of a chemical compound to the greenhouse effect, expressed as CO₂ equivalent.

ISO 50001

ISO standard for systematic energy management in companies. Energy sources, energy use, and energy consumers are recorded and optimized.

NPS (NET PROMOTER SCORE)

Key figure to measure a company's customer satisfaction. It measures to what extent customers would recommend a product or service.

OPERATIONAL CONTROL

An operational control approach in which an organization records the greenhouse gas emissions of the business areas over which it has operational control. Emissions from business areas over which the company has no operational control are not taken into account.

PEOPLE

Strategic field of the BLANC & FISCHER Family Holding and its business groups that places employees and other stakeholder groups worldwide in the focus of social responsibility.

PERFORMANCE

Strategic field of the BLANC & FISCHER Family Holding and its business groups that focuses on economic aspects of sustainable management.

PLANET

Strategic field of the BLANC & FISCHER Family Holding and its business groups that focuses on ecological aspects.

RENEWABLE ENERGIES

Also called regenerative energies. Sustainable energy sources that, unlike fossil fuels, do not deplete but are either inexhaustible—in terms of human time (e.g. solar or wind energy) or renew themselves relatively quickly (bioenergy).

SCOPE

The GHG (Greenhouse Gas Protocols) corporate standard distinguishes between three emission categories:

Scope 1 covers all direct CO₂ emissions from the combustion of fossil energy sources such as heating oil, natural gas, diesel, gasoline, liquid gas, or refrigerant leakage.

Scope 2 refers to indirect CO₂ emissions from purchased energy sources such as purchased electricity, (district) heating, and cooling energy.

Scope 3 covers all indirect CO₂ emissions from upstream and downstream processes in the value-added chain.

SDGs (SUSTAINABLE DEVELOPMENT GOALS)

17 United Nations global goals for sustainable development, covering the areas of economy, ecology, and society.

STAKEHOLDERS

Persons or institutions that have expectations of a company and/or are directly or indirectly influenced by the company's activities. These include, for example, employees, customers, suppliers, the public, and the state.

SUPPLY CHAIN

Totality of all manufacturing and delivery processes for the production of a product through to distribution within a value-added chain.

SUSTAINABILITY

For the BLANC & FISCHER Family Holding, sustainable management means ongoing corporate success while also taking ethical, social, and ecological responsibility. We focus on improving our impact on people and the environment.

UN SUSTAINABILITY TARGETS

See SDGs.

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EDITORIAL NOTE

In the interest of text flow and readability, the use of male, female, and diverse (m/f/d) language forms is avoided for personal designations and personal pronouns. Corresponding terms generally apply to all genders in the interest of equal treatment. The abbreviated language is solely used for editorial reasons and does not imply any valuation. In general, use of the pronoun "we" refers to BLANC & FISCHER Family Holding, including its corporate groups and companies.

INVITATION TO ENGAGE IN DIALOG

We invite you to join us on our path to more sustainability at BLANC & FISCHER Family Holding. Direct communication with you is very important to us. If you have any questions, comments, or suggestions regarding our third A.I.R. Sustainability Report, please contact:
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REPORTING

REPORTING PROCEDURE

This Sustainability Report pertains to BLANC & FISCHER Family Holding and its corporate groups, which are located at sites all over the globe.

Reporting for Sustainability Report 2023 was based on GRI Standards.

REPORTING CYCLE

The Sustainability Report is published annually.

