

Leaders in Zero Liquid Discharge



## Sustainability Report 2022

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# Foreword



Dear Partners and Friends of H2O GmbH,

The year 2022 was marked by many major challenges. The war in Ukraine and its effects, the energy crisis, the ongoing shortage of components and the sharply rising prices for materials and components have left their mark. Nevertheless, thanks to the great commitment of our H2O team, we managed to overcome these challenges, complete our machines on time and once again achieve our annual targets for 2022.

At the same time, it was also a year of records, including the largest order and the highest order backlog in the history of H2O GmbH.

As a sustainably operating company, H2O GmbH has been pursuing a sustainability strategy derived from the corporate values since 2015 in order to live up to its corporate responsibility for people, society, the economy and the environment. Our sustainability report, which we are now publishing for the fifth time in a row, is an important tool for us to document our goals transparently and honestly, to report successes, to identify optimization potential and to form new goals.

To ensure that we always report on all relevant topics, we conducted a new topic survey among our stakeholders in 2022. The result was four additional new areas that complement our current sustainability report. Be curious.

I hope you enjoy reading our report. Best wishes

Yours, Matthias Fickenschner



The H2O Campus invites you to linger.

## 1. H2O. Leaders in Zero Liquid Discharge.

We, H2O GmbH, are the leading manufacturer of wastewater recycling systems in the metal production and processing, vehicle construction, aviation, mechanical engineering, electrical engineering, supply and disposal industries. We support our customers worldwide in their wastewater recycling and in the realization of wastewater-free production.

Contaminated wastewater from industry, such as used cooling lubricant emulsion, rinsing water from parts cleaning or electroplating, can be treated efficiently and safely in a single step with our technologies. The dirty water is evaporated with our VACUDEST vacuum distillation systems in a cost-saving manner. 100 percent polluted process water becomes 95 percent clean water, which is ideally suitable for reuse. Wastewater types from selected industrial sectors from a quantity of 200 m<sup>3</sup> to 60,000 m<sup>3</sup> per year can be treated.



VACUDEST vacuum distillation systems treat industrial wastewater in over 50 countries around the world.

Since our foundation in 1999, we have been able to show above-average growth as an owner-managed company. For more than 35 years now, we have been developing technical solutions in the field of vacuum evaporation. Our spending on developing innovations for a wastewater-free future exceeds 4 percent of our total revenue.

In addition to our headquarters in Steinen, Baden, the subsidiaries in China, Poland and Switzerland are among the H2O Group's places of activity. Together with our international sales and service partners, we now support our customers in more than 50 countries.

At the end of the reporting period, the H2O Group had 127 employees worldwide. 93 of them at the company's headquarters in Steinen, Germany. This number is divided into 33 female and 94 male employees. Of these, 19 female employees and 2 male employees worked part-time.



The international H2O team stands for sustainable industrial wastewater treatment - worldwide.

## 1.1. Our Vision

### 1.1.1. Sustainable industrial wastewater treatment

The world's water resources are becoming increasingly scarce, but pollution in our waters continues to progress. Many companies produce industrial wastewater, the disposal of which is a major problem for the environment. Since our foundation in 1999, we have therefore been pursuing the vision of a wastewater-free future.

With our cutting-edge technology, we want to make a sustainable contribution to wastewater-free production so that tomorrow's generations can also live in a clean and healthy environment. With our innovative technology and high-quality VACUDEST vacuum distillation systems, we guarantee our customers a safe investment and long-term profitability.

As an owner-managed company, we are now one of the world's most experienced experts in sustainable industrial wastewater treatment. As pioneers in the industrial use of vacuum distillation, we have succeeded in optimizing wastewater treatment and making industrial wastewater reusable. Under the VACUDEST brand, we offer efficient, environmentally friendly and resource-saving vacuum distillation systems for wastewater treatment.

The professionalization and continuous expansion of our range of services is one of our basic quality standards. We work every day to get one step closer to our vision of a wastewater-free future.

## 1.1.2. Sustainable corporate governance

As entrepreneurs, we bear responsibility for people, society, the economy and the environment. We are aware of this special responsibility and base our management on the following values as the benchmark for our actions.

### **Sustainability and partnership**

For us, **SUSTAINABILITY** means assuming social, economic and ecological responsibility. Our innovative products are used for the sustainable treatment of industrial wastewater for wastewater-free production. In this way, we make an active contribution to environmental protection and resource conservation. At the same time, our long-lasting products create an economic benefit, which is expressed in effective cost savings. As an educational partner of the economy, our social commitment includes the training and further education of our own specialists and managers, as well as the support of local associations and important aid projects all over the world. This is the reason why we are an Alliance Partner in the Blue Competence sustainability initiative. With our partnership, we are committed to complying with the twelve sustainability principles of mechanical and plant engineering (see [www.vdma.org](http://www.vdma.org)).



With a corporate culture geared towards PARTNERSHIP, we cultivate social relationships with our employees, partners and customers. Trust, fairness and respect are at the heart of everything we do. For us, a good working atmosphere is a prerequisite for economic success. We promote a performance culture through the transfer of responsibility. We support the development of our employees through training and further education in our H2O Academy. The participation of employees in the success is a matter of course for us.

### **Premium, innovation and efficiency**

**PREMIUM** is our core value, which characterizes the high quality of our products and services. We attach particular importance to precision, attention to detail and shapely products. With the quality standards of „German Engineering“, we develop high-quality and customer-specific system solutions. Our ability to innovate and technological leadership give our customers security

efficient production processes and premium quality „Made in Germany“. Proactive consulting and service competence as well as flexibility and speed in meeting customer needs are our benchmark.

For us as a future-oriented system provider, **INNOVATIVE STRENGTH** means the obligation to develop the best and a meaningful, intelligent and simple solution for our customers, which is individually tailored to their needs. After all, our incentive is to develop secure solutions for our customers that inspire them. With our broad portfolio of products and services, we offer a comprehensive range of products and services that produces uncomplicated and fast solutions. That's why our service is also geared towards proximity to the customer.

**EFFICIENCY** is the driving value in the design of our process engineering processes. To make them easier, faster and more effective, we use innovative technologies and products. As a technology leader , we place particular emphasis on the continuous improvement of our development know-how in order to make our vision of a „wastewater-free future“ a reality. We pay particular attention to the energy efficiency of our vacuum distillation systems so that we can ensure our customers economical operation with minimal costs.

Innovative strength and pioneering spirit are firmly anchored in our philosophy.

### **Safety and cost-effectiveness**

**SECURITY** is the most important need of our customers and has different meanings. On the one hand, our customers attach great importance to investment and earnings security. That is why our services must be of particularly high quality and provide a clear benefit. On the other hand, our customers want to rely on the reliable functioning of our systems and processes and objective advice, which will ensure them high cost savings. With our „Made in Germany“ manufacturer's warranty, we want to make an active contribution to securing our location in Germany and safeguarding the jobs of our employees.

For us, **COST-EFFECTIVENESS** means ensuring high cost savings for our customers with energy-efficient, multi-optional and flexible system solutions. That's why we make sure that we always provide you with an innovative solution that is optimally tailored to your needs. Therefore, there are no industrial standard solutions in inferior quality at H2O.

With a pioneering spirit and the will to achieve maximum efficiency, we are always researching the best and therefore simplest and most convenient solution for our customers. In this way, we want to provide our customers with an „all-round carefree package“ that they can rely on with certainty at all times.



## Values, principles and norms of conduct

As an internationally active and successful company, we owe our success on the one hand to our technological leadership and on the other hand to our value-oriented corporate management.

In our corporate culture, which is based on partnership, we pay close attention to maintaining social relationships with our employees, customers and suppliers. Trust, fairness and respect are always at the heart of everything we do. Dealing responsibly with our partners is firmly anchored in our value system. We all have an obligation to continue to live up to this in the future.

In 2018, we compiled a Code of Conduct for our business life for the most important topics. Our H2O compliance focuses on the following:

- Law-abiding
- Fairness
- Bribery, gifts, other benefits
- Taxes and subsidies
- Trade Regulations
- Product safety, occupational safety and environmental safety
- Avoidance of conflicts of interest
- Company property and trade secrets
- Data protection
- Documentation of business transactions
- Scope, implementation and sustainability

H2O compliance is available in German, English, Spanish and Chinese and can be accessed by every employee via the central proof of change. Furthermore, the document was handed out in printed form to all employees. Our customers and business partners as well as interested parties can access the document free of charge on the H2O website as a PDF document under the menu item „About us“.



### 1.1.3. Associations and interest groups

The maintenance of our business contacts as well as the continuous training and further education of our employees is of particular importance to us. In order to live up to this claim, we are partners of various regional and international associations.

In this way, we offer our employees a continuous external training offer and also guarantee a professional exchange within a wide range of industries. We regularly participate in industry-specific conferences, both as visitors, speakers and exhibitors, and attach great importance to the exchange of information on new trends and challenges in our target markets.

We continue to be on the lookout for interesting cooperation partners and are very pleased to be able to expand and, above all, deepen our business relationships in the future.

**A selection of our current associations and stakeholders:**



## 1.2. Our path to the sustainability report

We, at H2O, take the issue of sustainability very seriously. In 2019, we formed a cross-departmental project team to prepare our H2O sustainability reports. With the expertise of management, purchasing, laboratory, human resources and marketing, the team develops the content and design implementation. We published the first H2O Sustainability Report in 2018. In the meantime, we have written the fifth report and can constantly monitor the development of our vision and goals.

In preparing the report for 2022, we once again followed the international standards of the Global Reporting Initiative (GRI). Furthermore, we have included key topics that our customers and also our employees have brought to us. In order to find out how the interests in the main topics have changed and whether there are any new aspects that concern our stakeholders and that are worth it In 2022, we conducted a new survey of our employees and stakeholders. The results showed that the topics selected in 2018 are still relevant, but four new topics have also emerged, which we want to address in this year's Sustainability Report. For this reason, we are expanding the scope of eight GRI topics to 13 areas.

**These are the survey results from our stakeholders\*, valid since 2022:**

Economics	Ecology	Social
Economic performance (GRI 201)	Energy (GRI 302)	Employment (GRI 401)
<b>NEW: Market presence</b> (GRI 202)	Water and Wastewater (GRI 303)	Employer Employee Relationship (GRI 402)
Indirect economic impacts (GRI 203)	<b>NEW: Emissions</b> (GRI 305)	Occupational health and safety (GRI 402)
<b>NEW: Procurement practices</b> (GRI 204)	Waste (GRI 306)	Education and training (GRI 404)
		<b>NEW: Diversity and equal opportunities</b> (GRI 405)

\* As H2O GmbH, we have defined three groups as relevant stakeholders. Our customers, the municipality of Steinen and our employees were invited to participate in the online survey.

## 1.3. Economic performance (GRI 201)

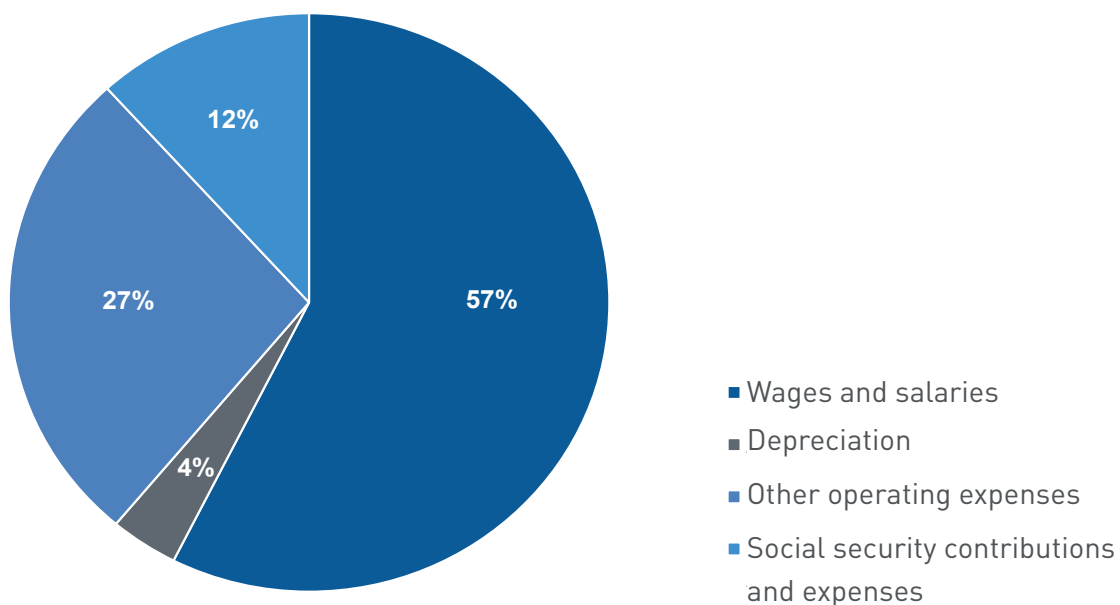
### 1.3.1. Management Approach

As an owner-managed, family-friendly company, it is important to us to operate sustainably. In order to implement our vision of a wastewater-free future for industry, we are therefore pursuing a long-term growth strategy. We are pushing ahead with nine different thrusts of our multi-year master plan, which will be coordinated by the management team together with the workforce via the annual targets and implemented over the course of the year. Progress is regularly checked through feedback meetings and reviews, obstacles are removed from the way and, where necessary, readjusted. The year 2022 was particularly challenging due to the war in Ukraine and its effects, the energy crisis, the ongoing shortage of components and the sharply rising prices for materials and energy. Our successful crisis management was able to prevent the worst and, despite the inevitable loss of efficiency, we were still able to achieve our planned result, which was revised in March 2022.

### 1.3.2. Economic value directly generated and distributed

From the beginning of 2022, we recorded a significant increase in our order intake, which continued throughout the year and led to a new record order backlog. However, it was not possible for us to deliver and sell these orders in a timely manner during the course of the year. On the one hand, there were many customer postponements, on the other hand, long delivery times of required components led to longer delivery times. Against this backdrop, the result achieved is significantly below the previous year's level, but better than feared.

#### Expenses from operating activities 2022:



The gross profit of H2O GmbH fell slightly by 4.0 percent or by EUR 578 thousand to EUR 13,824 thousand compared to the previous year. On the other hand, there were expenses from our operating activities in the amount of EUR 11,784 thousand. Expenditure on wages and salaries grew by 5.5 percent to EUR 6,708 thousand and social security contributions and expenses by 2.6 percent to EUR 1,331 thousand. Depreciation and amortization of investments increased by 10 percent to EUR 446 thousand and other operating expenses by 9.7 percent to EUR 3,299 thousand.

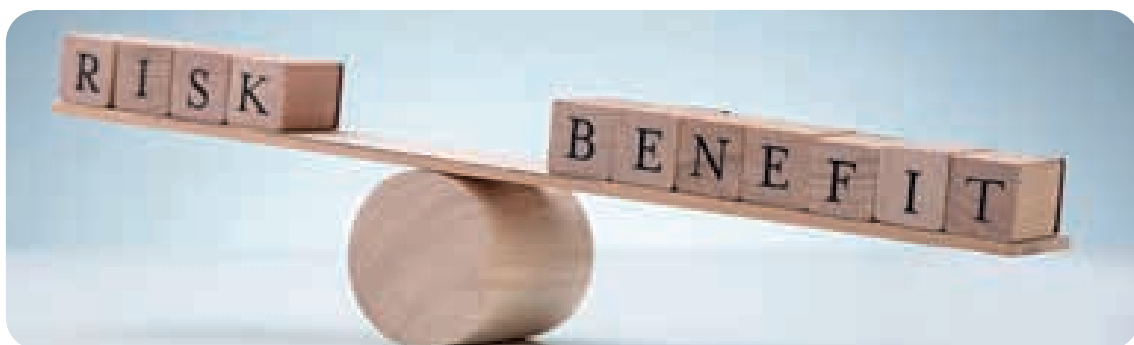
Overall, an operating result (EBIT) of EUR 2,040 thousand was achieved in the difficult year 2022, 38.8 percent less than in the record year 2021. In view of the challenges of this year, this is still an acceptable result that ensures the financial independence of the company. The taxes payable on the result benefit the common good.

### **1.3.3. Financial risks and opportunities of climate change for the organization**

Changes relevant to H2O caused by climate change are both physical and regulatory. The increasingly noticeable water shortages in most regions of the world are of a physical nature, caused on the one hand by less precipitation and on the other hand by higher evaporation of soils due to rising temperatures. Of a regulatory nature is the resulting shortage of possible future fresh water withdrawal quantities and a tightening of the wastewater discharge limits for industry to protect water bodies, but also the increasing requirements of the Circular Economy Act on the recycling of raw materials.

Both are already leading to increasing awareness in the industry of the scarce production factor water and the effort to use this raw material sparingly and to recycle it more intensively.

The probability of occurrence is high for all of the changes mentioned. With our solutions for the realization of wastewater-free production, we help our customers in the industry to reduce their dependence on water as a production factor and to make their contribution to the protection of the environment and fresh water resources. We therefore expect demand for our products and services to rise steadily over the next five years, with annual sales growth of between 8 and 12 percent.



### 1.3.4. Liabilities for defined benefit pension plans

H2O offers a company pension scheme on the basis of the company's pension scheme. For this purpose, H2O GmbH either pays into an existing contract at the request of the employee or includes the eligible employees in the existing company group contract after the waiting period of 6 months has expired. This group contract was concluded with an insurer. Contributions are paid monthly.

In addition, since 2005, H2O has been offering all its employees the opportunity to participate in the productive assets and thus also in the company's success by paying into the H2O investment company. Due to the return on the capital invested, which amounts to an impressive 9 percent, we offer our employees an attractive opportunity to invest money in order to make private provisions. At the same time, the company benefits because it has to raise less capital from the financial sector and is therefore more independent. A win-win situation for both sides. Returns are always paid out annually.

### 1.3.5. Financial support from the public authorities

In the 2022 reporting year, grants of 24,000 euros were awarded by the Federal Office of Economics and Export Control for the implementation of the IFAT trade fairs in Munich and Achema in Frankfurt as part of the program „Promotion of the participation of innovative companies in leading international trade fairs in Germany“ granted. H2O's participation in these trade fairs made it possible to present solutions for wastewater-free production to an international audience and to launch new projects.

H2O booth at the Achema in Frankfurt





The H2O green electricity filling station is actively used by external parties and employees.

Furthermore, the Federal Institute for Administrative Services approved a funding application for the „construction of publicly accessible charging infrastructure for electric vehicles“ in the amount of 32,000 euros. This grant will be used to promote the investment in a charging station with two DC charging points. Since the measure has not yet been implemented due to long delivery times as of 31.12.2022, the call for these subsidies is still pending. This fast-charging station will complement the public H2O charging park for traction current delivery and will thus also be available to the general public. With this measure, we are promoting the transition to emission-free mobility.

For the conversion of the vehicle fleet to emission-free mobility, three battery-electric (BEV) passenger cars and one battery-electric (BEV) light commercial vehicle were purchased in 2022, for which we have received and will receive a total of 21,000 euros in environmental bonus as a subsidy. Furthermore, the marketing of the GHG quotas of the BEV vehicles and the charging stations of the public part of the charging park has been applied for, but has not yet been approved.

In addition, in 2022, research and development funds (R&D projects) for the years 2020 and 2021 under the Research Allowance Act (FZulG) were applied for from the Research Allowance Act (FZulG) for the project „Development of an energy-efficient concentrator for the realization of wastewater-free production“. At the end of 2022, these had not yet been approved. Funding is provided for wages and salaries for research and development of innovative technologies with until to 25 Percent some Effort. The granted Research Allowance is paid retroactively as a corporate income tax refund.



The H2O parking lot became the „culture meadow“ for the festival.

## 1.4. New: Market presence (GRI 202)

### 1.4.1. Management Approach

The GRI Standard 202 Market Presence refers to the market presence of the company as a regional employer. As an owner-managed, medium-sized company, H2O is very much rooted in the region. The head office is located in Steinen in southern Baden on the Swiss border. The company has been based in the region since its foundation in 1999. The majority of the employees at the site live in the district of Lörrach. Only the field service and the area sales are decentralized.

As the second largest employer in the municipality of Steinen, we take our social responsibility seriously. In addition to the regular support of local associations, for example, last year we hosted the „Cultural Meadow“ event together with the Steinen cultural association, where various activities were offered throughout the district along the meadow cycle path (see photo above).

With the offer to use our charging stations on the company premises publicly, we would like to make a contribution to the promotion of e-mobility in the region. Together with other regional companies and communities, we are also committed to improving the compatibility of work and family life in the „Alliance for Family Middle Wiesental“. In December 2022, we were guests at the first meeting of the „Sustainability Round Table“ of the Southwest Economic Region. In this circle, we would like to work together with other companies from the districts of Lörrach and Waldshut on sustainability issues in the future and support each other. We look forward to being the first company to host the next meeting in April 2023 and to present our sustainability strategy to the other participants.



### **1.4.2. Ratio of the standard starting salary by sex to the minimum wage**

The employees of H2O GmbH are exclusively in an employment relationship with the headquarters in Steinen. All employees are paid above the current minimum wage. H2O GmbH is not bound by collective bargaining agreements. Salary reviews based on benchmark comparisons take place at regular intervals for all employees.

### **1.4.3. Proportion of locally recruited senior executives**

The percentage of senior executives we have recruited locally is 100 percent. As senior executives, we understand executives who have a department head function and are members of the management team of H2O GmbH. As a geographical definition of „local“, we have chosen the state of Baden-Württemberg (within the framework of GRI 204 Procurement Practices).

The extended management team consists of 14 people and is 100 percent locally recruited.





# 36.000.000 m<sup>3</sup>

Industrial wastewater has been treated since the beginning of  
VACUDEST history

Around 1,900 VACUDEST systems have already been installed worldwide. They make a valuable contribution to sustainable, waste-water-free production. In the 2022 reporting year, our customers were able to treat over 3.7 million cubic meters of water. From the very first VACUDEST to today, around 36 million m<sup>3</sup> of water have already been treated. This corresponds to the water filling of fabulous 14,400 Olympic-size swimming pools.

Note: The increase in the figures compared to our previous year's report is due to the now corrected basis of calculation. Before 2022, this included all active VACUDEST systems - decommissioned systems were erroneously completely excluded. In the future, we will include the decommissioned plants in the overall processing capacity until they are decommissioned.

## 1.5. Indirect economic impacts (GRI 203)

### 1.5.1. Management Approach

With our VACUDEST vacuum evaporators, we not only make an important contribution to the sustainable protection of our precious water resources, but also offer our customers an economical alternative to industrial wastewater disposal and other processes for wastewater disposal. Efficient industrial wastewater treatment often depends on a process that is economical and sustainable at the same time. With our VACUDEST vacuum evaporators, we reduce wastewater disposal costs by up to 95 percent. Thanks to minimal operating costs and minimal operating effort, considerable savings can be realized. In this way, our customers not only protect the environment, but also their wallets.

### 1.5.2. Significant indirect economic impacts

In order to be able to meet the challenges of climate change, we need the awareness and the will to implement a more sustainable way of life. As an important part of society, companies must play their part in achieving a sustainable production and set a good example. However, the economic aspects and costs must not be lost sight of.

We achieve the greatest economic impact with our VACUDEST systems. Through our systems, our customers can not only conserve fresh water resources, but also generate considerable economic advantages. Compared to the conventional disposal of industrial wastewater, our customers can save up to 100,000 euros per year, as there is no need to transport the wastewater for central treatment, for example. Due to the fully automatic operation of our systems, the operating costs can be kept low and partially compensated by the savings of fresh water and the circulation of the distillate. In most investment considerations, amortization periods of less than two years can be achieved.

In order to remain competitive in the long term, we invest heavily in internal development projects.

Innovation and cost optimization are close to our hearts. That's why there were also improvements to the external appearance of the VACUDEST in 2022, such as the redesign of the blue VACUDEST door.



We have already been able to celebrate the first successes with our new technologies, the VACUDEST ZLD and the Purecat module. With the help of our VACUDEST ZLD, it is possible to significantly improve the result of vacuum distillation with VACUDEST and to make even more industries free of wastewater. The Purecat module offers our customers the opportunity to reduce the COD value (discharge limit value for wastewater) by up to a further 50 percent. As a result, the use of the Purecat enables circularity in almost all industrial sectors. In this way, the amount of wastewater can be reduced to a minimum and significant cost savings can be achieved.

In 2022, we expanded the Purecat module for our S-XL series and further optimized the VACUDEST ZLD concentrator.

Our tried-and-tested VACUDEST systems also undergo a continuous improvement process. For example, we also worked on continuously increasing the cost efficiency of the plants through redesigns. Especially in times of inflation and massively rising material costs, this point has gained enormously in importance.

Since 2020, we have also been offering our customers independent wastewater advice. In doing so, we offer companies the opportunity to optimize their wastewater management together with our experts and to uncover potential savings, even if the ideal solution is not vacuum distillation. This advice also includes advising and carrying out site relocations, which we support in all wastewater-related matters.

In 2022, we were able to increase our sales of these consulting services by 330 percent compared to 2021.

### **Power Storage**

After a long wait, we were finally able to put our electricity storage system with a capacity of 123 kWh into operation in September 2022. By storing the surpluses of the photovoltaic system during the day in a battery, we want to significantly increase the proportion of self-consumption of the energy generated, especially at night. In addition, consumption peaks can be capped, which not only relieves the power grid, but also leads to savings in electricity consumption. You can find out more about our photovoltaic system and the new electricity storage system under the chapter „Energy (GRI 302)“.

### **Our Public Charging Points**

With six public charging stations for electric cars, we are making a contribution to the further expansion of electric mobility. This also makes us the largest charging park on site. In 2022, we used almost 90 percent of the emitted traction current for our own company fleet. The remaining share went to public buyers. However, their absolute decrease in kilowatt hours has already increased by 75 percent compared to 2021. We are also planning to install a new DC fast charger. For more information, see the chapter „Energy (GRI 302)“.

### **Bike Expressway**

We are making a further contribution to emission-free mobility and alternatives to cars by actively participating in the planning of the RS7 cycle highway between Schopfheim and Basel. A cycle superhighway is different from conventional cycle paths

Among other things, by making them wider, separated from car traffic and with as few intersections as possible. The focus is on a direct, even and as conflict-free as possible progress of cyclists in order to increase the safety and attractiveness of the bicycle. This year, we have connected the existing cycle path along the river Wiese directly to our company premises with a new access road.

## **1.6. New: Procurement practices (GRI 204)**

### **1.6.1. Share of expenditure on local suppliers**

A cooperative partnership and respectful cooperation is also important to us in our supplier relationships. Especially in times of supply bottlenecks, good and close coordination with our suppliers is essential for us. We maintain many long-standing supplier relationships that are characterized by trust.

We work a lot with local suppliers. We refer to suppliers who are based in Baden-Württemberg as local. We source 43.1 percent of the material for our plant construction of our TOP 50 suppliers from Baden-Württemberg. We did not take into account companies whose sales office is located in Baden-Württemberg, but whose goods obviously do not come from Baden-Württemberg.

## **1.7. Energy (GRI 302)**

### **1.7.1. Management Approach**

The importance of protecting natural resources is our top priority. This is reflected on the one hand in our products, and on the other hand also in the equipment of our H2O headquarters in Steinen.

With our energy-efficient VACUDEST vacuum evaporators, we accompany our customers on their way to wastewater-free production. In order to save energy, we have been relying on the efficient process of direct vapor recompression since 1986. Due to the energy

recycling that the heat of the steam in the system reused, no additional evaporation energy is required. This means that the VACUDEST vacuum evaporation has an energy efficiency of up to 95 percent.

In order to realize this energy efficiency not only for our customers, but also within our office and production operations, we have also placed great emphasis on the conservation of our resources at our headquarters and work continuously in reducing our energy consumption.

## 1.7.2. Energy consumption within the organisation

Our energy consumption includes electricity, mainly for production as well as lighting and electrical consumers in the office, gas – for heating – and fuels for the vehicles. All luminaires at the workstations are equipped exclusively with economical LED lamps. In order to save additional electricity in lighting, all illuminated areas are controlled by motion detectors. In addition, we encourage our employees to always turn off their PCs and screens at the end of work and not to leave them in standby mode.

### Building Cooling

In order to save energy when cooling the building and to avoid overheating the rooms, we pay attention to the correct position of our blinds in summer. To do this, the blinds automatically move to 45 degrees for shading. This minimizes heat input and saves cooling energy. In addition, the automatic ventilation system has a demand-based CO<sub>2</sub> control system in the rooms as well as cross heat exchangers for recycling the energy.

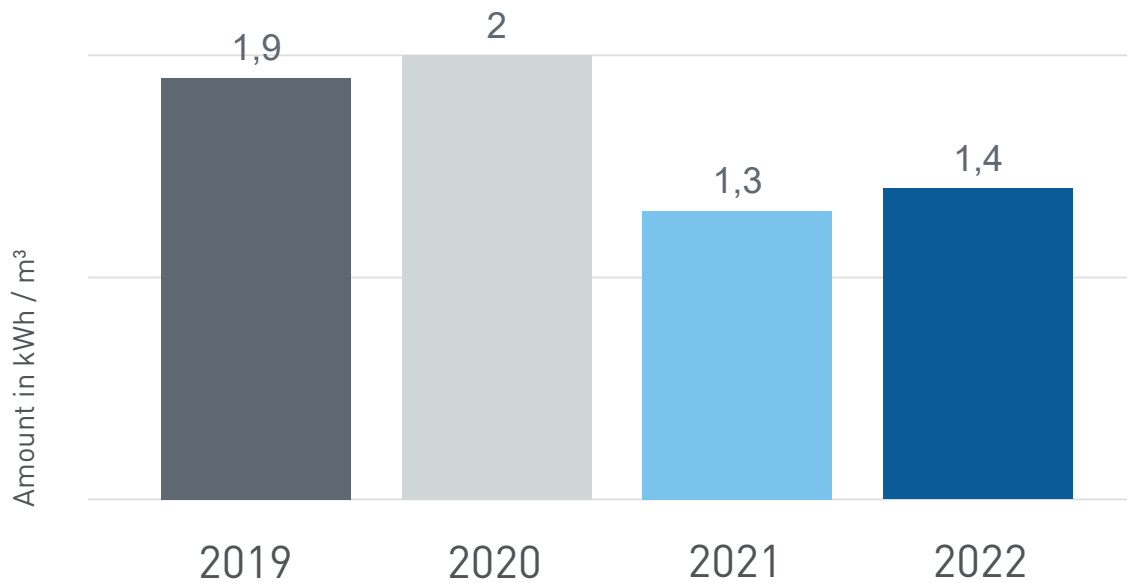


The long-awaited power storage has increased the self-consumption rate.

Thanks to our photovoltaic system, we are once again able to achieve great success in this reporting year. On balance, we produce enough electricity to supply our company

independently In addition, we finally have the long-awaited electricity storage system. The first successes were already evident in November. While the total production was comparable to the month of January (only 5 percent more), the self-consumption rate increased by a whopping 11 percent in the same period.

### Power consumption in relation to treatment capacity



In 2022, our solar power plant produced 286 megawatts of electricity. Of this, we consumed around 127 megawatts ourselves. We were able to feed the remaining 159 megawatts into the grid as green electricity, thus reducing GHG emissions. This is the second time that we have produced more electricity than we consumed over the entire reporting year. Compared to the previous year 2021, our electricity consumption has increased to 264 megawatts. As in previous years, we only purchased green electricity from hydropower. As a result, we were able to save 86 tonnes of CO<sub>2</sub> compared to the national mix.

Our charging park delivered 31.3 megawatts of traction current in 2022 (previous year: 28.7 megawatts). Unfortunately, it is not possible to quantify how much of it was self-produced and how much was purchased at night and in bad weather. It is estimated that around 75 percent was self-produced. All in all, approx. 157,000 emission-free kilometres (at 20 kWh / 100 km consumption) could be covered with the emitted traction current. With a mileage of 10,000 km per year, this corresponds to the use of 15.7 cars without GHG emissions.

The VACUDEST systems produced in the 2022 reporting year treat around 191,000 m<sup>3</sup> of water per year at our customers' premises. This means that a total of around 1.4 kWh of electricity / m<sup>3</sup> of processing capacity was used. On the one hand, the slight increase in specific energy consumption results from a slightly changed product mix and, on the other hand, from the additional tests and trial runs in the technical center of product development and prototype testing.

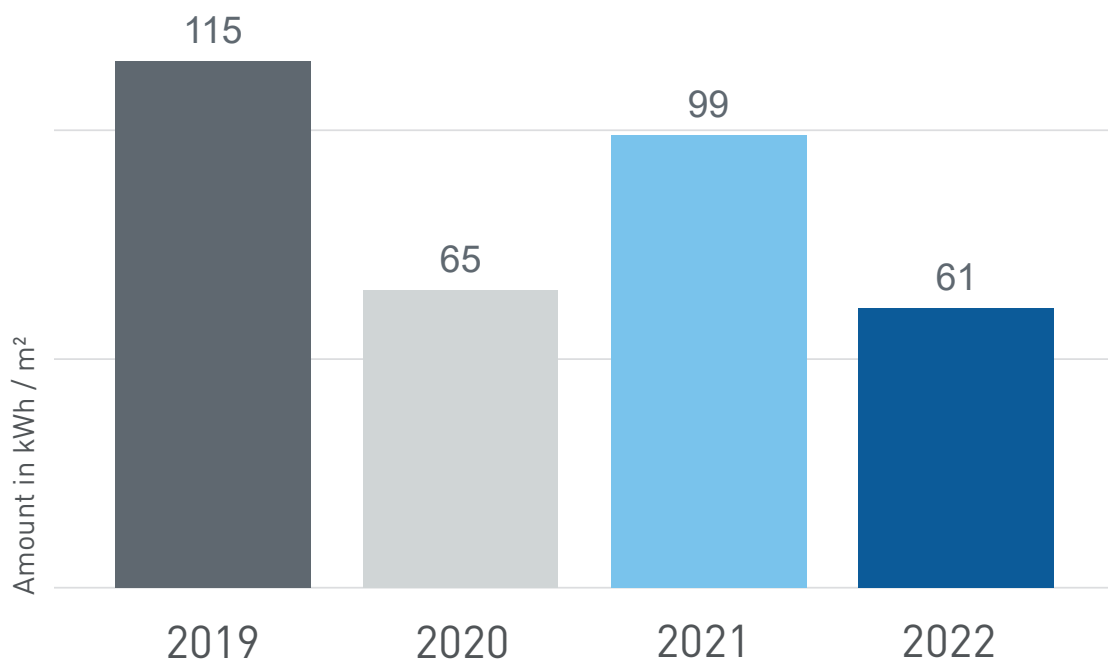
**Goal 2023:** In the 2022 reporting year, we set ourselves the goal of installing a Hypercharger in our charging park for electric vehicles, thus enabling our employees and the public

to quickly charge their vehicles. Unfortunately, the installation could not be completed in 2022, but is planned as a goal for 2023. In addition, we would like to increase the self-sufficiency rate of our plant in Steinen with self-produced electricity from our solar power plant from 47 percent to 57 percent.

### Gas consumption

Gas consumption has fallen to 210,000 kWh in 2022, resulting in CO<sub>2</sub> emissions of 40 tonnes. In relation to the heated area, this means a consumption of around 61 kWh / m<sup>2</sup>. This allows us to achieve energy efficiency class B for residential buildings. For a production building, this is a good value, which shows that the additional thermal insulation measures in the extension building in 2019 are having an effect.

### Gas consumption in relation to the heated operating area



This decline was exacerbated by the savings measures we implemented and the mild temperatures. For example, the average temperature in Baden-Württemberg in 2022 was 10.5 °C, while in 2021 only 8.8 °C was reached. In order to save gas, we set ourselves the goal of using 20 percent less heating energy in the fall. In order to achieve this goal, we at H2O have optimized all heating settings, such as the times of the night setback and the flow temperatures. The reduction of the room temperature from 22 °C to 20.5 °C in the offices and 19 °C in the warehouse and in production has contributed the most.



### 1.7.3. Energy consumption outside the organisation

Leaving a compatible ecological footprint is one of the most important things for us at H2O GmbH. We try to keep energy consumption as sustainable as possible, not only within our organization, but also outside it.

As an international company, it is important for us to be active worldwide. This often includes a large number of travel activities. These are completed by the following means of transport:

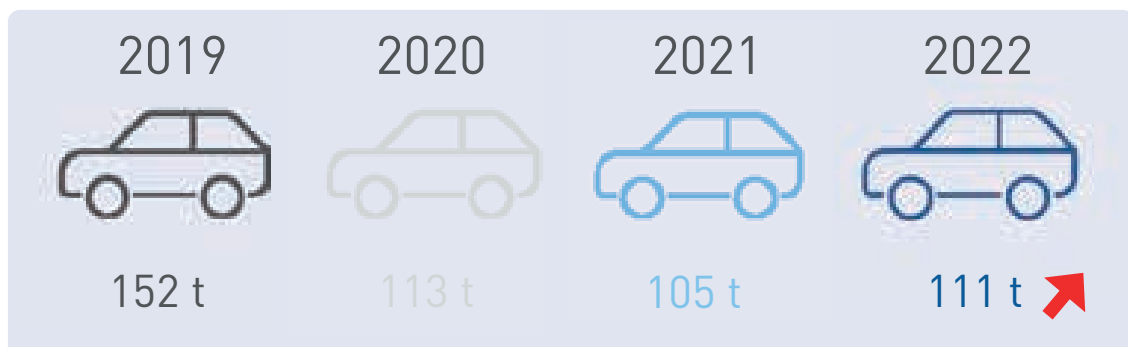
- Passenger cars and light commercial vehicles (H2O pool, service and sales field)
- Rail
- Airplane

#### Passenger cars and light commercial vehicles

In the 2022 reporting year, H2O GmbH's fleet included a total of 34 vehicles, of which 19 were passenger cars and 15 commercial vehicles. The commercial vehicles are used by our service technicians for use at customers' sites. The car is equipped with the most important tools and spare parts, so it is always ready for use. The service sales representatives are on duty with the vehicles throughout Germany and in the immediate neighbouring countries.

Some of the cars are permanently used by the sales representatives. The vehicles are used to travel to customers or to the company headquarters in Steinen, but also for private purposes. The remaining cars are available to the employees at our main location. This is used to take care of trips to trade fairs, customer visits, airport transports for customers and other business trips.

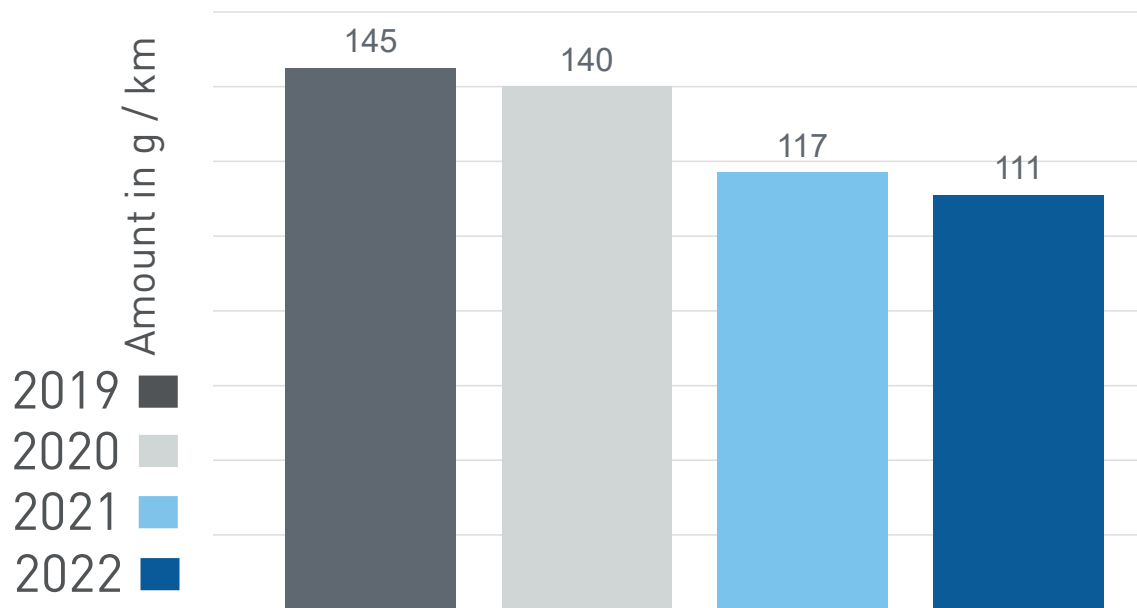
#### CO<sub>2</sub> emissions from the H2O fleet year-on-year



Last year, all cars covered a total distance of around 1,002,400 km. Calculated on the basis of the individual CO<sub>2</sub> value specified in the vehicle registration documents for each vehicle model, this results in an average consumption of around 111 tonnes of CO<sub>2</sub> in the 2022 reporting year.

Even though the number of kilometers traveled has increased, we have been able to further reduce CO<sub>2</sub> emissions. In absolute terms, both CO<sub>2</sub> emissions and kilometers traveled have increased. Nevertheless, we were able to further reduce CO<sub>2</sub> emissions in grams per kilometre. This is mainly due to the fact that we have increasingly equipped the fleet with e-cars. In the meantime, a large part of the sales force is already driving electric vehicles. Of the total of 19 passenger cars, 13 are now electrically powered at the end of 2022, four more than last year.

### CO<sub>2</sub> emissions from the H2O fleet in relation to the kilometers driven



We continue to see the biggest hurdle in commercial vehicles. Because our technicians often have to travel long distances within Germany and Europe by car under time pressure. Until there are economically justifiable battery-electric offers in the commercial vehicle sector, we must continue to focus on economical diesel vehicles in the commercial vehicle sector. In doing so, we pay attention to the lowest possible CO<sub>2</sub> emissions in g/km.

It should therefore be noted that, as in the previous year, we can see a positive trend when looking at CO<sub>2</sub> emissions per kilometre driven, even though we drove around 142,000 km more than in 2021. By replacing the existing fleet with more e-cars, we are sure that we will be able to achieve a positive development in the future.

**Target for 2023:** The electrically powered vehicle fleet is to be further expanded. We will continue to replace all combustion engines in our car fleet with electric cars after the end of the lease. In addition, we will continue to look for further ways to reduce CO<sub>2</sub> emissions when using light commercial vehicles for our technicians in the field. Among other things, we are testing the practical usability of our first electric van in the everyday life of the service field.

### Rail:

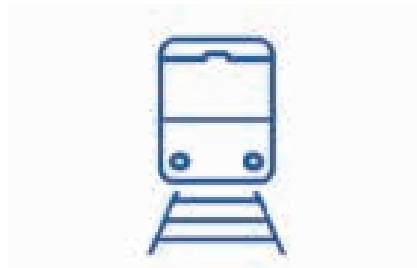
With Deutsche Bahn's Environment Mobile Check, we are able to view important evaluations. In this way, we continue to take a close look at each individual trip and thus determine how much CO<sub>2</sub> emissions it has caused.

Through this user-friendly representation of Deutsche Bahn, we can see the exact emissions as well as the deviation from the comparable journey by car or plane.

In total, we made two trips with Deutsche Bahn in the 2022 reporting year. The number of kilometers amounts to about 680 km. According to Environment Mobile Check, this results in CO<sub>2</sub> emissions of 1.2 kg. For a comparable trip by car, this would have been 132 kg of CO<sub>2</sub> and for a flight even 229 kg of CO<sub>2</sub>. This results in savings of 130.8 kg CO<sub>2</sub> compared to travelling by car and 227.8 kg CO<sub>2</sub> compared to air travel.

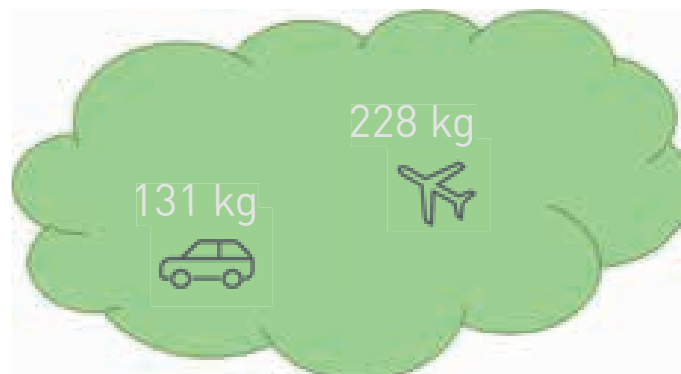
With the bahn.business program, however, we are completely CO<sub>2</sub> neutral. The railway avoids direct emissions and compensates for indirect emissions.

### CO<sub>2</sub> emissions from rail travel 2022\*



1,2 kg

### CO<sub>2</sub> savings from rail travel in 2022 compared to the same journey with other means of transport\*\*



\*without the consideration of Rail & Fly Tickets

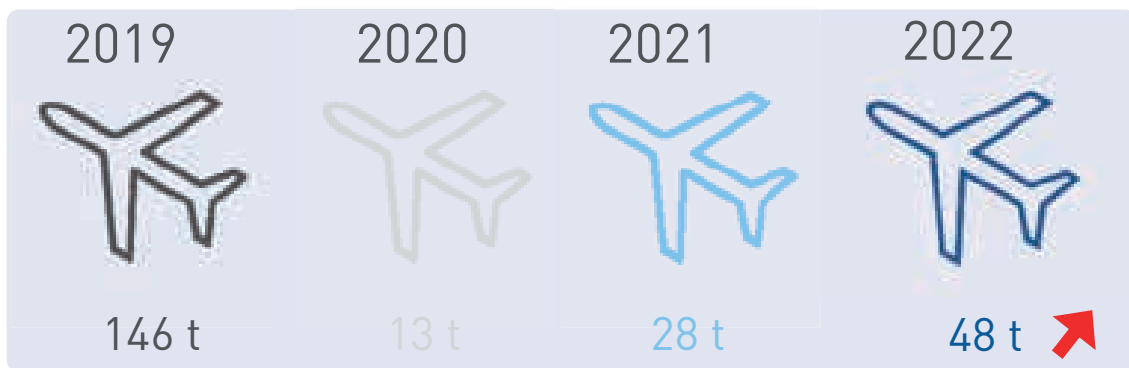
\*\*Indication DB: Compared to business trips by car / plane (assumption: travel kilometers are identical; Occupancy rate 1 person – Source: Environment Mobile Check)

### Airplane:

As an international company, we supply our customers in over 50 countries with our VACUDEST vacuum evaporators and help them on their way to wastewater-free production. To this end, our sales and service staff are regularly on the road and look after interested parties and customers on site.

In the 2022 financial year, our CO<sub>2</sub> emissions amounted to 48 tonnes, which is a clear increase compared to the previous year 2021 (28 tonnes). However, this figure is still far below the pre-pandemic level of 2019. Since travel was possible again almost without restrictions in 2022, assignments with customers on site were carried out again.

### CO<sub>2</sub> emissions of all air travel year-on-year



The documentation of the air travel is carried out by an evaluation by our travel agency as well as by our travel arranger. Here, air travel that is not booked through the travel agency is additionally documented. The relevant employees are trained and the recording is in progress. The figures are regularly reported monthly in our GHG cockpit - that was our goal in 2021, which we were able to fulfill.

For the air travel booked through the travel tool, we have the data of all domestic flights as well as continental and intercontinental trips for 2022. Overall, we recorded an increase of 48 tonnes of CO<sub>2</sub> emissions to a total of 200,659 kilometres of travel.

If you break down the whole thing in terms of maintenance calls, customer visits and trips to our foreign branch in China, it can be said that CO<sub>2</sub> emissions of 27 tons can be recorded for maintenance trips. Customer visits cause a value of one tonne of CO<sub>2</sub>. However, thanks to the further expansion of our video technology and video software solutions, which we have increasingly used as an alternative to car and air travel, we have been able to maintain the trend towards less sales-related travel.

## **1.8. Water and Wastewater (GRI 303)**

### **1.8.1. Management Approach**

Since our foundation in 1999, we have been pursuing the vision of a wastewater-free future and offering our customers solutions for the realization of wastewater-free production. We are one of the world's most experienced experts in sustainable industrial wastewater treatment. For this reason, it is particularly important to us to set a good example and to use water as sustainably as possible at our sites.

Our own production is already completely free of wastewater. On the one hand, we use fresh water as service water, i.e. for the coffee machines, the water dispensers and for the dishwashers in our staff kitchens and hygiene areas. On the other hand, fresh water is required for the manufacturing process. The requirements for the laboratory (dishwasher) and for the test run of the new systems should be mentioned here.

### **1.8.2. Water abstraction, recycling and consumption**

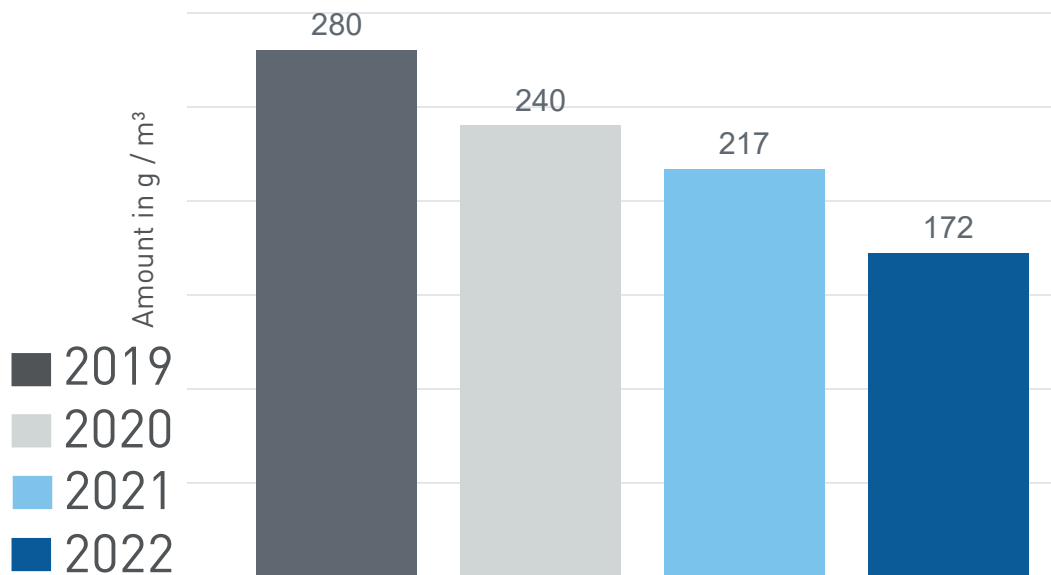
In 2022, we consumed a total of 1,037 m<sup>3</sup> of fresh water, of which about 75 m<sup>3</sup> was used for the water circuit of the pilot plant. This is completely free of wastewater, as the water is treated via a VACUDEST. The resulting concentrate, i.e. substances that cannot be processed, is disposed of professionally by the local waste disposal service provider. The increase in fresh water consumption compared to the previous year can be attributed to the irrigation of the freshly planted new campus (lawn, hedge and shrubs). Consumption should decrease again in 2023 when the plants have grown.

For the cooling of the building, H2O GmbH spent a total of around 37,000 m<sup>3</sup> of groundwater was extracted and returned without loss with a temperature spread of 2 K. According to the Bundesmix, this approach has saved us around 6 tonnes of CO<sub>2</sub> compared to the use of conventional air conditioning units.

### 1.8.3. CO<sub>2</sub> savings per amount of groundwater consumed

If you look at the CO<sub>2</sub> savings on the amount of groundwater extracted, we were not able to maintain the value of previous years. The reason is the comparison of groundwater cooling with the values of an air conditioning system that is operated with electricity from the federal mix. Fortunately, more green energy is now being used in this federal mix, which significantly reduces the CO<sub>2</sub> emissions of an air conditioning system and changes our calculation basis. The savings potential of groundwater cooling is decreasing, even if our figures are comparable to the previous year.

#### CO<sub>2</sub> savings per amount of groundwater consumed



## 1.9. New: Emissions (GRI 305)

### 1.9.1. Management Approach

Our vision is to drive the industry's transformation towards sustainable water management. That's why sustainability has been one of our most important corporate principles since the beginning of H2O's history. We think long-term, are aware of our responsibility for people, society, the economy and the environment and want to make a contribution to a better world. In 2018, we started publishing our sustainability report. Our emissions play an important role in this.

In 2019, we decided to reduce our CO<sub>2</sub> emissions by 10 percent each year so that we can produce CO<sub>2</sub> neutrally by 2030. In 2020 and 2021, we managed to significantly exceed our target – without having to offset CO<sub>2</sub>. However, 2020 and 2021 were also the years that were extremely marked by the Corona pandemic and we therefore had very little CO<sub>2</sub> emissions from travel.

We were able to identify mobility (cars and flights) as our largest contributors to our CO<sub>2</sub> emissions. We have improved a lot here since 2019. For example, we have gradually replaced almost all combustion cars in our fleet with electric vehicles. We are currently still looking for suitable alternatives for commercial vehicles. In addition, many meetings with customers now take place virtually. Here, the pandemic has had a major impact as a catalyst for digitalization.

We are constantly working to improve and for this reason we are convinced that we will achieve our goal by 2030. In the first step, we determined Scope 1+2 (direct and indirect GHG emissions). For 2023, we have set ourselves the goal of determining Scope 3 (upstream). Upstream stands for the emissions that occur in the supply chain.

#### **The H2O recycling strategy creates added value**

For more transparency on the topics of sustainability and resource efficiency, we have developed the H2O recycling strategy.

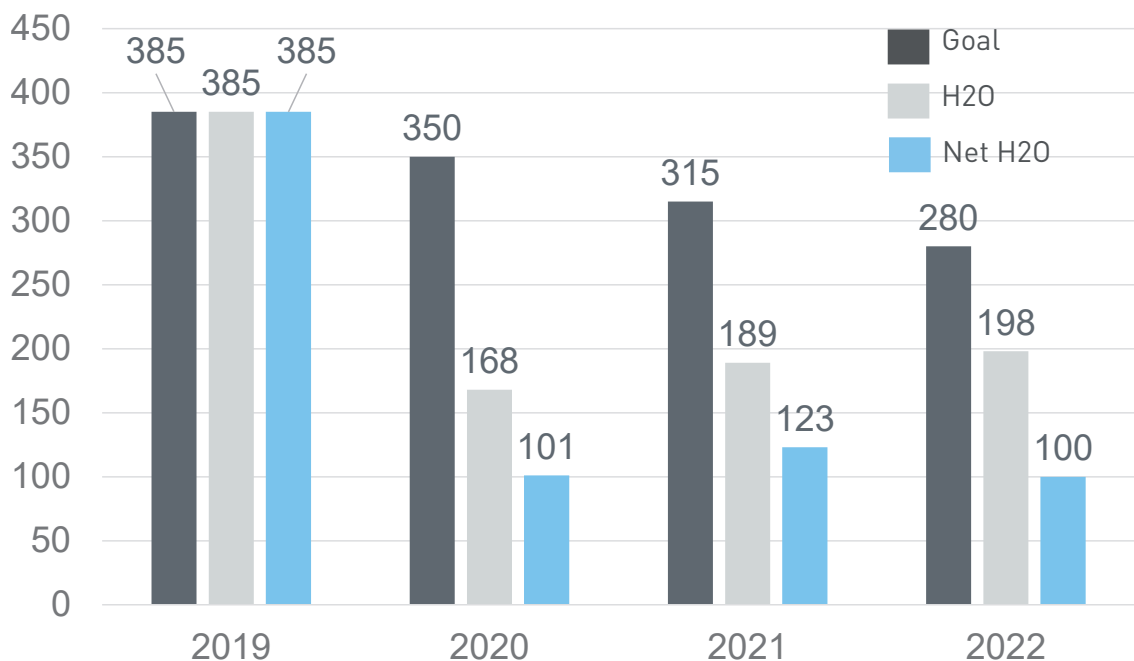
This offers our customers a recommended course of action for the necessary steps „after VACUDEST“. If the plant has reached the end of its life cycle, the question arises as to the correct disposal. Our recycling strategy helps to recycle all components of the VACUDEST in the most resource-saving and economical way. It contains both a precise breakdown of the various recyclable materials used in the VACUDEST and instructions for proper disposal.

After all, up to 99 percent of the materials used can be recycled!

## 1.9.2. Direct and indirect GHG emissions (Scope 1+2)

With our first sustainability report in 2018, we began to determine and document our CO<sub>2</sub> emissions (Scope 1+2). The following year, we set ourselves the goal of CO<sub>2</sub>-neutral production by 2030. To this end, we want to reduce our CO<sub>2</sub> emissions by 10 percent every year. The base year for this is 2019. At that time, our annual CO<sub>2</sub> emissions were 385 tonnes. In 2020, we were able to reduce this to 175 tonnes and in 2021 to 189 tonnes, thus reducing emissions by 55 percent in 2020 and by 41 percent in 2021 compared to the base year 2019. However, the years 2020 and 2021 are not representative due to the Corona pandemic. In 2022, we achieved CO<sub>2</sub> emissions of 199 tonnes. Although the value is higher than the values of 2020 and 2021, many travel restrictions due to Corona have been lifted in 2022 and we have also carried out international business trips again.

### GHG Emissions of H2O in Tonnes

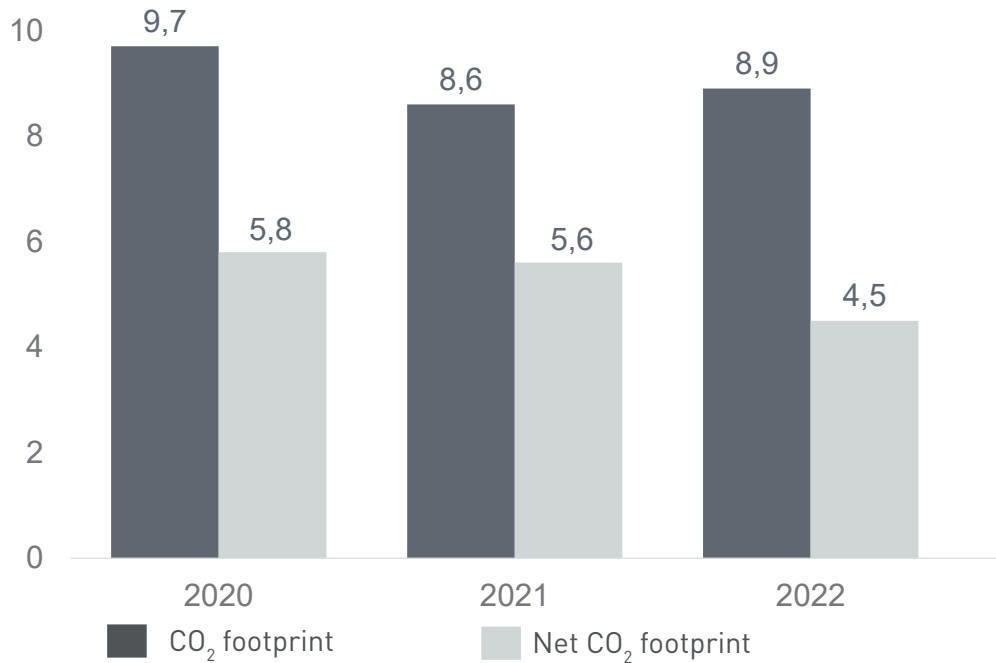


The figures are exclusively the actual CO<sub>2</sub> emitted by our energy consumption and business trips. If we calculate our savings against CO<sub>2</sub> emissions, this results in a net CO<sub>2</sub> footprint of 99.9 tonnes per year. In 2020 and 2021, the net CO<sub>2</sub> footprint was still 100.8 tonnes per year (2020) and 122.7 tonnes per year (2021). This results in the situation that, despite actually higher CO<sub>2</sub> emissions in 2022, we were able to achieve a lower net CO<sub>2</sub> footprint compared to previous years by offsetting our savings. The savings are made up of savings from our building cooling, the feed-in of green electricity from our PV system into the public power grid and the GHG quotas from our cars and the charging park.

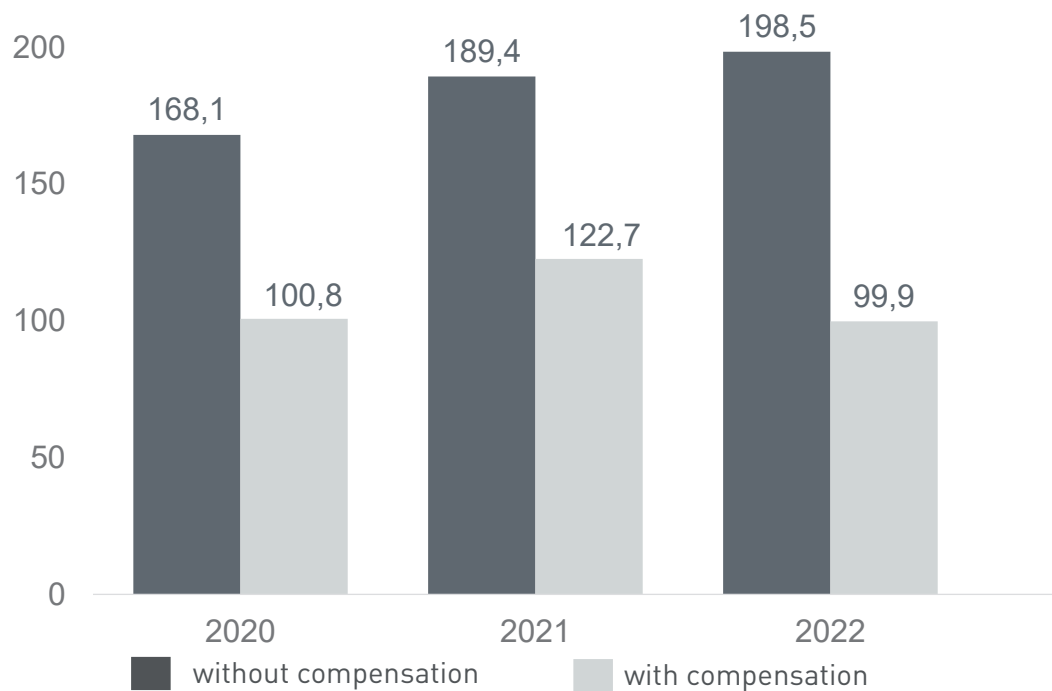


If we also look at GHG emissions in relation to our sales, we have a net footprint of 4.5 tonnes / 1 million. Turnover per year. Compared to 2020, this is a saving of around 22 percent.

### CO<sub>2</sub> Footprint in Tonnes per Million Euro Turnover at the Steinen plant



### Comparison of GHG Emissions in Tonnes with and without Offsetting



In order to be able to monitor our key figures on a monthly basis, we created a GHG cockpit in 2021, in which we maintain our data and bundle it in one place. In addition, we have anchored the reduction of GHG emissions in our annual corporate targets.

### 1.9.3. Other indirect GHG emissions (Scope 3)

In 2021, we set ourselves the goal of also looking at our indirect emissions along the supply chain with the evaluation of Scope 3. In order to obtain the necessary information, we sent a questionnaire to our TOP 24 suppliers. Unfortunately, only 5 of the questionnaires received back contained information that could be used by us. For this reason, a reliable and representative evaluation was unfortunately not possible. For 2023, we would now like to try to determine our Scope 3 in a different way. We still have to work out a precise procedure.



## 1.10. Waste (GRI 306)

### 1.10.1. Management Approach

As a company, we are aware of our responsibility towards our environment and are constantly striving to minimize waste as much as possible. We try to achieve this, for example, by using our work equipment responsibly. Today, we work largely paperless, separate operational waste and have been able to make further optimizations through the introduction of a central battery collection point and the provision of a yellow bag. The latter in particular is noticeable in the reduced amount of residual waste.



When shipping our parts, we continue to use the filling material that we receive from our suppliers. In this way, we avoid waste and also save costs

### 1.10.2. Waste by type and method of disposal

For the disposal of our operational waste, we work together with a local waste disposal service provider. In the 2022 reporting year, a wide variety of types of waste were collected.

A total of 5.4 tonnes of commercial waste and 10.2 tonnes of wood were generated. This waste is used to generate energy through incineration. This is the standard procedure of the waste disposal service provider. In addition, 5.7 tonnes of mixed paper, mainly cardboard boxes from our goods deliveries, were recycled via the waste disposal company. By using the „yellow bag“ in the canteen, cafeteria and laboratory, we were able to reduce the amount of commercial waste generated by another 22 percent compared to 2021.

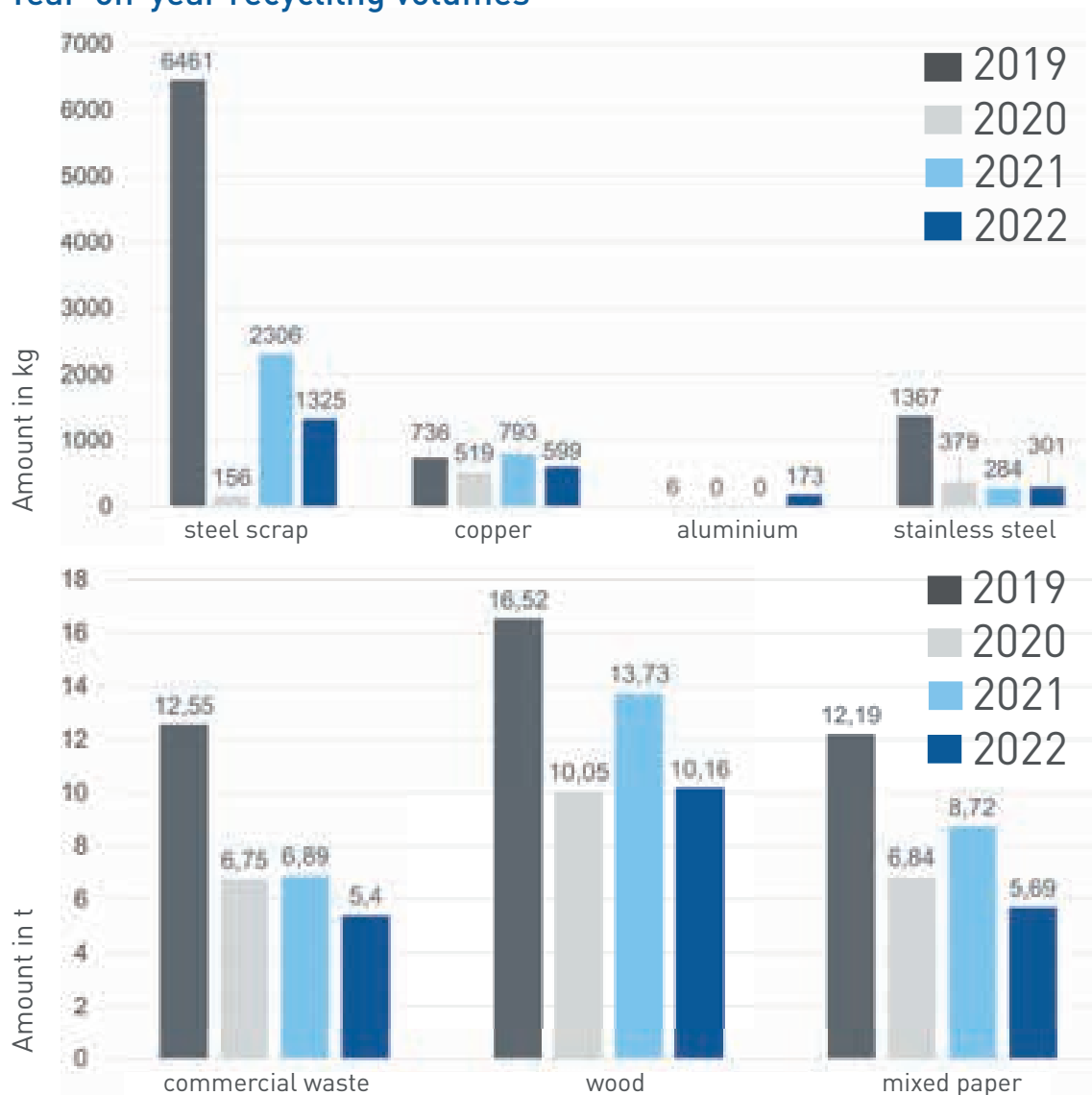
In addition, 300 kg of stainless steel, 600 kg of copper (from electrical cables) and 1,325 kg of steel (conversion measures, shelves, etc.) were disposed of and recycled by the service provider.

Furthermore, we use the return system offered by our supplier for used cuvettes and laboratory reagents. For this, we have recently received a certificate for sustainable action from our supplier. In this way, we contribute to achieving a recycling rate of over 75 percent.

### 1.10.3. Leakage and transport of noxious and dangerous substances

The leakage of harmful substances and the transport of hazardous waste do not occur in the H2O production processes. However, as a service provider in the field of wastewater recycling, we are equipped with an application technology laboratory where small quantities of hazardous substances have to be examined. After the examinations, these are collected separately according to waste code and disposed of via a local waste disposal service provider. Savings can therefore not be made on the samples to be examined, these investigations are linearly related to our business development.

#### Year-on-year recycling volumes



## 1.11. Employment (GRI 401)

### 1.11.1. Management Approach

To achieve our goals, we need qualified and motivated comrades-in-arms. That's why, as an attractive employer, we want to attract and retain new employees. Sustainable human resources management is therefore very important to us.

After starting our „Project Campus“ in 2021 to make our outdoor premises sustainable and create attractive break areas for our employees, we launched this project in 2022 and were able to inaugurate our new H2O campus in May.



It is important to us to celebrate successes, not only at our annual Christmas parties, but also, as here, for the largest order in the company's history in October 2022 on our new H2O campus.

The maintenance of the snack garden presented us with a challenge last year. Due to the weather conditions, all plants have grown very quickly and partly uncontrollably. Several „weed actions“ were necessary to get the garden back under control. For this reason, we also had to think about the further organization of the care of the plant. This will be done next year by our H2O sustainability team.

**Goal:** We would like to organize and carry out the maintenance of the campus ourselves. For this purpose, individual actions are to be planned again. Anyone who has the time and inclination can participate. As a further goal for 2023, we would like to offer our employees a Sustainability Day.

There will be various offers here, such as lectures on sustainability topics in everyday life and suggestions for conserving resources. In order to know which topics are of interest to our employees, we launched a survey in December 2022. The final evaluation is still pending. We are curious to see which topics will win the race.



Area Sales Manager Thomas Nadler can work from anywhere thanks to mobile office.

In addition to an attractive workplace, it is also important to offer employees flexibility. Due to the digitalization push caused by the pandemic, mobile working has found its way into the German office on a large scale, including H2O. The ability to work remotely is a big step forward. After Corona, it was important for us to create a generally applicable regulation that, on the one hand, provides for mobile working and, on the other hand, still makes personal interaction and social contacts possible. That's why we've opted for a hybrid form here. Every employee whose job allows this can work remotely for 25 percent of his or her weekly working hours in consultation with his or her supervisor. We have scheduled Tuesdays and Thursdays as attendance days to ensure the scheduling of face-to-face meetings or face-to-face training. Employees with a very long commute to work can, if necessary, submit an application to increase mobile working hours.

Since 2020, H2O has been a member of the „Alliance for Family Middle Wiesental“. The alliance consists of several companies and municipalities and works together on topics related to the compatibility of work and family. Last year, as part of this alliance, we were able to offer Pentecost holiday care for our employees' children in addition to summer holiday care.

Last year's energy crisis and inflation weighed not only on the economy, but also on citizens in particular. We are proud that we have come through the past year very well together and that for this reason we are able to pay our employees the full amount of the state inflation premium. According to us, the payment is made proportionately according to the percentage of employment and amounts to 3,000 euros for 100 percent employment. Part of this was already paid out in November 2022. The final payment will be made monthly to employees in 2023.



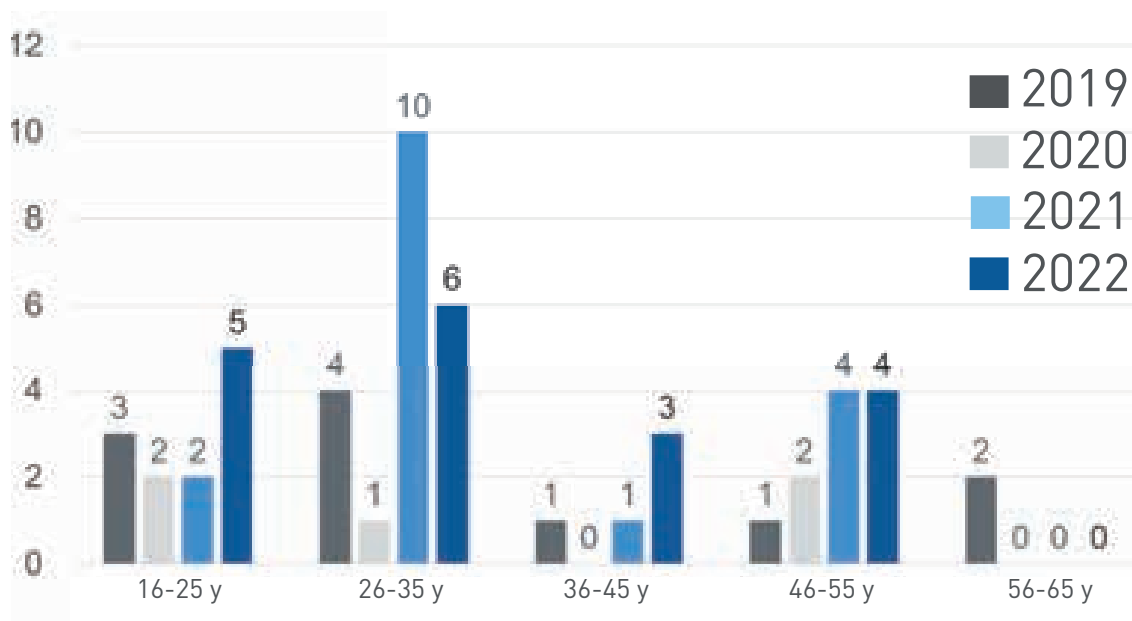
Our jubilees - from 5 to 25 years of service - honored at this year's Christmas party.

It is important to us to celebrate our successes and thus show appreciation to our employees. In May, as planned, we were able to catch up on our Christmas party from 2021 in the form of a big spring festival. In December, after a long Corona break, we were finally able to hold our regular Christmas party again and toast to the successes of the past year.

Another important building block for the appreciation of our employees is a fair, market-driven salary as well as targeted, strength-oriented personnel development and career planning

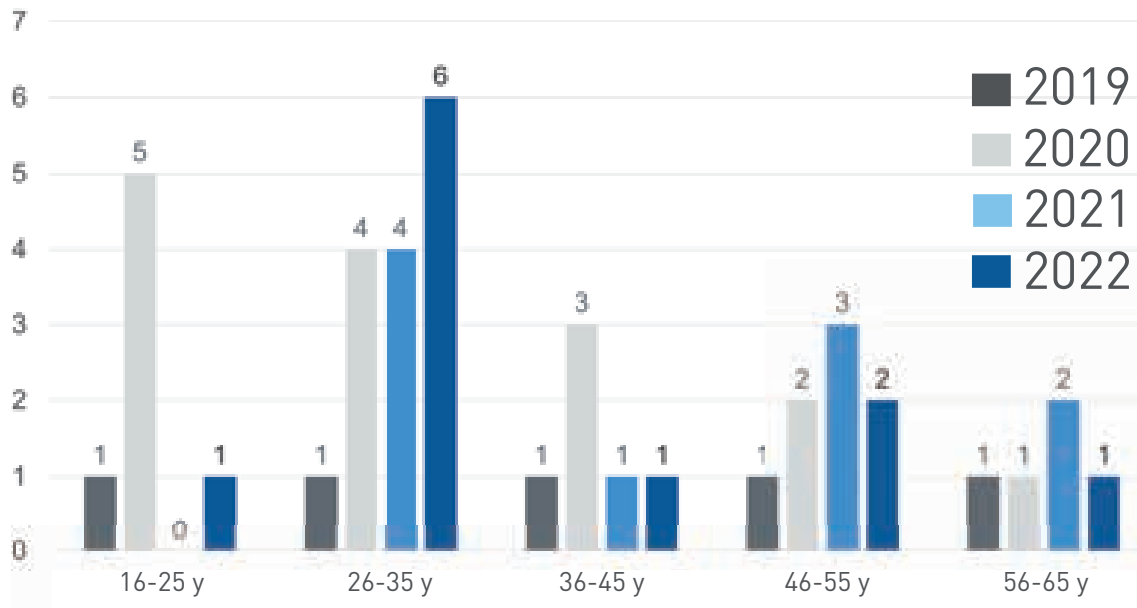
### 1.11.2. New hires and staff turnover

#### Year-on-year admissions by age group



Last year, we were able to hire 18 new employees. The turnover rate has increased a bit compared to 2021. It was 10.8 percent in 2021 and 11 percent in 2022. 14 of the 18 new hires are located directly at the Steinen site. In addition, there were also 3 trainees. The remaining 4 positions are located in the sales and service field. Of these, 2 were female and 16 were male. The newly hired employees were between 16 and 55 years old at the time of hiring.

### Resignations by age group year-on-year



### 1.11.3. Parental leave

In 2022, all eligible employees took parental leave. For the purposes of the evaluation, we define „eligible“ as those employees who were employed in the reporting period or in the reporting period received the entitlement in the previous year due to the birth of a child or were still on parental leave. The rate of eligible employees was 10 percent on full-time equivalents. The male-to-female ratio of eligible employees who have taken parental leave is balanced at 50/50.

During the reporting period, we were able to record a parental leave return rate of 100 percent. All employees who returned to the company after parental leave during the reporting period were still employed by us as of 31.12.2022.



## 1.12. Employer Employee Relationship (GRI 402)

### 1.12.1. Management Approach

An open and honest approach as well as the topic of appreciation play a major role for us in terms of the satisfaction of our employees. For us, it is an important foundation for a good working atmosphere and economic success. In crisis situations, good communication is crucial, because it creates clarity and security, which in turn benefits the organization.

After the Corona years, another crisis year followed with the Russia-Ukraine war and the resulting energy crisis, the shortage of materials and components as well as inflation.

We received a lot of positive feedback on our open communication during the Corona crisis. That is why we have retained them in the crisis year 2022. In addition to our shop floors and team meetings, the employees were supported by the regular „News from the Bridge“ from the management on all topics related to the current situation affecting the company.

Goal for 2023: We would like to create suitable structures to integrate our junior managers into management communication in the best possible way and thus ensure an optimal flow of information.

### 1.12.2. Minimum notification period for changes in operations

During the Corona years, we conducted most of our meetings and meetings in digital form. In the spring of 2022, we started to meet more „live“ again. We were particularly pleased that our large in-house information meeting in autumn 2022 could finally take place again with all employees after three years.

In our information meetings, our employees are informed quarterly about the strategic topics of all company departments. The current topics are communicated to the workforce on weekly shop floors by the respective superiors.

Hybrid meetings are no problem with H2O.



## 1.13. Occupational health and safety (GRI 403)

### 1.13.1. Management Approach

During the winter months in the first quarter of 2022, corona health protection continued to be a central topic in the company. Until April, the general obligation to wear masks in the company building (except at one's own workplace) was maintained. In addition, the legally required vaccination and test controls were carried out when starting work at the workplace. From April, the wearing of medical masks was only mandatory if the minimum distance could no longer be maintained.

Our meetings of the Occupational Safety Committee as well as training courses on occupational safety could all take place. However, we held some of these online for organizational reasons. However, the inspections by the occupational safety specialist and the company doctor took place on site.

The health of our employees is important to us. In addition to the legally prescribed rules for health protection, we also want to create offers that promote employee health. For example, we support gym membership by paying half of the monthly fee. Furthermore, after a long Corona break, we were finally able to offer a health day again in cooperation with the Techniker Krankenkasse and the Maxx health center. This time, the focus was on prevention, healthy nutrition and mindfulness in everyday life.



Our employees can achieve more exercise in their everyday lives through the low-cost leasing job bike, which we have been offering since September.

In September 2022, we also introduced the company bike. Here, employees can lease a bicycle or e-bike through the company at favorable conditions and thus integrate more exercise into their everyday lives.

**Goal for 2023:** As part of the GDA (Joint German Occupational Safety and Health Strategy), we would like to reopen the topic of MSDs (musculoskeletal disorders) in 2023. For this purpose, the work areas are to be examined using the guiding characteristic method. This is an assessment method that is intended to look at the different workplaces in relation to certain health risks - here: the risk of skeletal muscle diseases. If necessary, we want to determine preventive measures to maintain the health of our employees.

### 1.13.2. Work-related injuries and illnesses

Our existing risk assessment, which we prepared in cooperation with DEKRA and expanded to include the Corona occupational health and safety rule in August 2020, also served us in 2022 to classify occupational health and safety measures, with the help of whose risks are assessed at the individual workplaces and measures to avoid these risks are indicated. In the assessment, work-related hazards in the company and their probability of occurrence were evaluated and classified. The classification was carried out in three risk groups:

Risk group	Risk	Measures
Risk group 1	small	Organizational and personal measures possible
Risk group 2	medium	Measures with normal protective effect normally necessary
Risk group 3	large	Measures with increased protective effect urgently required

In all areas of the company, we have classified the risk of coming into contact with the SARS-Cov-2 virus as „high“ in risk group 3 and derived appropriate measures for the implementation of hygiene and conduct rules from this.

The remaining activities, which have been classified in risk group 3, are assigned to the production area and the field sales force. In production, there is an increased risk in the operation of the angle grinder as well as work-related illnesses caused by grinding

dust. By established measures, such as wearing a dust filter mask and/or goggles, the safety of employees is to be ensured. In the field sales force, our employees often come into contact with wastewater samples from our customers. To ensure health protection, there are measures such as regular instruction in the handling of hazardous substances. In addition, samples whose properties are not known are generally treated as toxic and corrosive substances. Employees in this case must use protective equipment.

In 2022, with 200,000 working hours compared to the previous year, almost 9,000 more working hours. This increase is due to the increase in full-time equivalents 99.5 in 12.2021 to 103.5 in 12.2022. On the other hand, the number of cases of work-related injuries that received medical treatment has fallen to two. The rate of lost working time due to work-related injuries was 10.01 hours (LTIF) per 1,000,000 working hours in 2022. In comparison, the benchmark of the VDMA (German Engineering Federation) was 35.1 hours per 1,000,000 working hours in 2016.

## 1.14. Education and training (GRI 404)

### 1.14.1. Management Approach

In order to implement our growth strategy, we need young talent in all departments. For this reason, we once again focused on dual vocational training last year. A total of three new trainees started in 2022. As of the end of 2022, we were training eight young people in the apprenticeships of electronics technicians for industrial engineering, industrial clerks and technical product designers. We plan to hire more trainees in 2023. In 2022, we also wanted to hire a dual student in the field of electrical engineering in the field of automation in cooperation with the Lörrach Cooperative State University. Unfortunately, this position could not be filled. We will advertise the study place again next year.

Our solution to the shortage of skilled workers: Our trainees, seen here with their instructors.



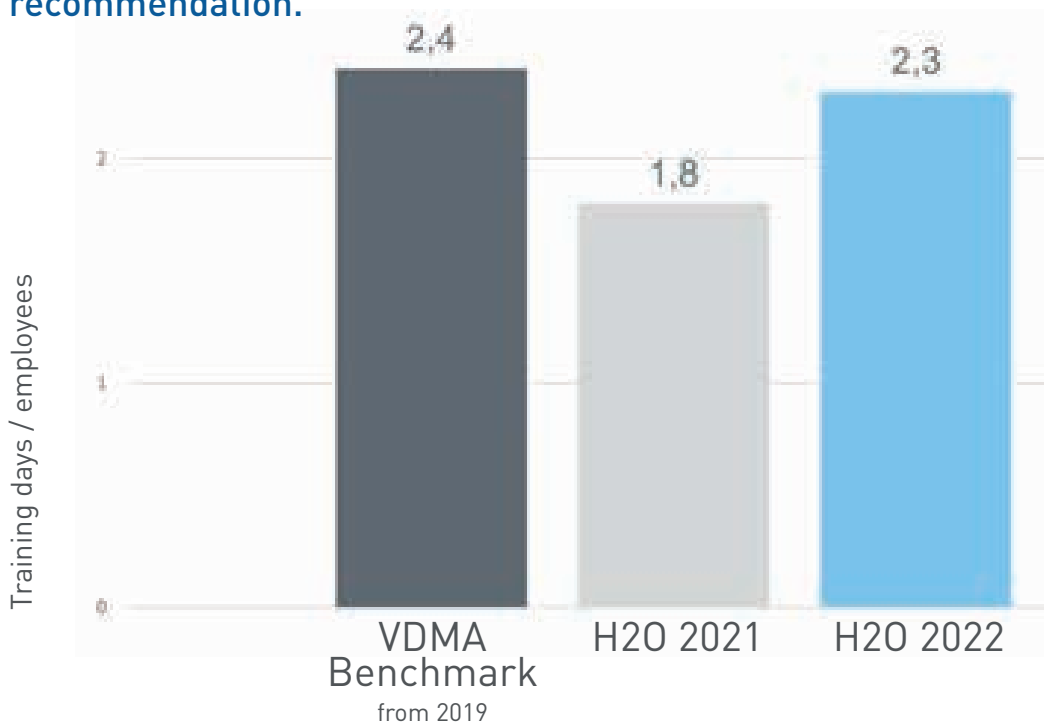
In an increasingly complex environment, it is essential to constantly upskill one's employees. For this reason, qualification and training measures are an important part of our personnel development strategy.

We promote the further education and training of our employees. In our internal academy, regular training courses on H2O-specific topics take place. At external training providers, for example, one-day seminars for further training on current topics can be attended. Anyone who wants to develop in the long term, e.g. as part of an advanced training course (e.g. master craftsman, business economist, technician, etc.), can be supported by the company, which will cover the costs. In return, the employees commit themselves to working with us for some time after the end of the training.

Due to the growth of the company, several middle management positions have been created in recent years. For 2023, we have set ourselves the goal of optimally integrating these positions into the processes of our management structure. One measure for this will be, for example, a 3-day leadership workshop together with all managers.

In order to improve the organization of our internal training courses and optimize the rapid onboarding of new colleagues, we created the technical prerequisite for digital e-learning in 2022. In this way, we want to offer the opportunity to make basic training accessible to our employees at any time. For 2023, we have set ourselves the goal of having digitized at least 10 basic training courses in each department.

### Indication of training hours per H2O employee compared to VDMA recommendation.



We are now making sure to include free webinars in our training system as well, and in 2022 the training hours are almost back to the level of the VDMA benchmark.



Our H2O employees are a good mix of different age groups with international roots.

## 1.15. New: Diversity and equal opportunities (GRI 405)

### 1.15.1. Management Approachansatz

Cooperation in H2O takes place on the basis of mutual appreciation and tolerance at all levels. The diversity and uniqueness of our employees makes a significant contribution to the future viability and innovative strength of the company. We treat each other respectfully and fairly. An open error culture is expressly desired and we see this as an opportunity for continuous improvement and further development. No one may be discriminated against because of his or her ethnic origin, skin color, nationality, gender, religion or belief, disability, age, sexual orientation or other of legally protected characteristics are disadvantaged, favoured or harassed.

Every manager is a role model and must ensure a working environment free of discrimination and harassment, taking into account the applicable management principles and guidelines.

### 1.15.2. Diversity in supervisory bodies and among employees

70 percent of H2O employees are male, 30 percent female. The average age of the workforce in the 2022 reporting year was 46 years. Of the employees in the reporting period, 30 percent were younger than 35 years , 48 percent between 36-55 years and 22 percent up to 65 years old.

### 1.15.3. Ratio of basic salary and remuneration of women to men

We value fair pay that is independent of gender. If one compares similar or identical activities and positions within the company with each other, there is no earnings gap between female employees and male employees for 100 percent employment.

There are no gender-specific differences within the salary structure of the individual positions or similar activities.

## 1.16. Our climate targets for 2030 at a glance

CO <sub>2</sub> emissions [t]	2019	2020	2021	2022	2023	...	2030
Power consumption	0	0	0	0			
Gas consumption	87	49	56	40			
Passenger cars and light commercial vehicles	152	113	105	111			
Air travel	146	13	28	48			
total CO <sub>2</sub> emissions	385	175	189	199			
		-10 %	-20 %	-30 %	-40 %		
planned CO <sub>2</sub> emissions [t]	385	< 347	< 308	< 270	< 231		0

In recent reporting years, we have set ourselves the goal of gradually reducing our CO<sub>2</sub> emissions so that our operations will be completely CO<sub>2</sub>-neutral in 2030. To achieve this, it is necessary for us to reduce our emissions by around 10 percent every year. To do this, we take into account the total CO<sub>2</sub> emissions, made up of electricity, gas, vehicle fleet and air travel. Since we rely entirely on our self-produced photovoltaic electricity as well as purchased green electricity to supply our company, we have no CO<sub>2</sub> emissions here (see page 22).

The 2019 reporting year serves as our permanent basis. In that year, we produced total CO<sub>2</sub> emissions of around 385 tonnes. We take this value as the basis for our future milestones.

In the 2022 reporting year, we therefore set a target of < 270 metric tons of CO<sub>2</sub> emissions. Thanks to the measures we have implemented, we have once again clearly exceeded our target of 199 metric tons of CO<sub>2</sub> emissions, with an improvement of around 26 percent. Although we are above those of 2020 and 2021 in absolute terms, these years are not really comparable due to the pandemic. 2022 was the first year after the pandemic in which largely all planned business trips could take place again..





## 1.17. Conclusion

This year, too, we can draw a positive conclusion from our sustainability report. It is the first year after the pandemic in which business travel has been possible again almost normally. Nevertheless, we were able to achieve our savings goals by avoiding unnecessary travel and taking advantage of the benefits that the pandemic has offered us with the now established online meetings. We have once again exceeded our goal of reducing CO<sub>2</sub> emissions by 10 percent every year - compared to the 2019 baseline - of which we are very proud.

We were also able to initiate our milestones that we have set ourselves for 2022 and meet most of them. We are very optimistic that we will benefit from the measures taken, such as the conversion of our vehicle fleet to e-mobility, in the coming years.

The preparation of our sustainability report helps us a lot to keep an eye on long-term goals, to monitor milestones, to reflect on implementations and to identify new potential for improvement. We are sticking to this concept and look forward to getting a little better together every year.

One result of the sustainability strategy is the natural and snack garden at the H2O company building. This invites people and animals to linger.



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