

## BJB Sustainability Report 2023

### Foreword by the Managing Directors

Dear readers,

with the increasing importance of sustainability, public interest in the social and ecological impact of corporate activity is growing, as is the interest of companies themselves in assuming social responsibility.

BJB is a family business with over 150 years of history. Sustainability is firmly anchored in our values and our actions and is an integrated part of our strategy. For example, we have been using water from the nearby River Möhne to cool the machines in injection molding production for decades, thus saving a large proportion of the electrical energy that would otherwise be required to cool the processes in these areas. We have been operating a combined heat and power plant to generate electricity at our main site in Arnsberg since 2013. In 2023, we built and commissioned a photovoltaic power plant with an output of 1 MWp on the roof areas of the production facility in Arnsberg.

In the past, BJB hardly communicated these and the many other activities to support sustainability. We changed this last year and published the first BJB sustainability report on a voluntary basis.

This second Sustainability Report for the 2023 financial year underlines BJB's commitment to sustainable development and, as the company's non-financial report, once again provides comprehensive information on BJB's activities with regard to sustainability.

As a medium-sized company, we started to develop and collect sustainability indicators in 2022. This laid the foundations for BJB's sustainability strategy, which we will continue to flesh out.

BJB joined the UN Global Compact in 2022, thereby committing to the UN Sustainable Development Goals and supporting the ten principles of the United Nations Global Compact in the areas of human rights, labor standards, environmental protection and anti-corruption.

In this sustainability report, we also describe our measures to continuously improve the integration of the Global Compact and its principles into our business strategy, corporate culture and daily operations.

The managing directors of BJB GmbH & Co. KG



Philipp Henrici



Heiko Piossek

## About this report

In this second voluntary sustainability report, BJB provides information on its sustainability strategy as well as its activities and progress with regard to sustainability in the 2023 financial year.

Compared to BJB's first sustainability report in the previous year, the existing reporting approach has been further developed and expanded. For example, the information on the use of natural resources was expanded to include greenhouse gas emissions in accordance with Greenhouse Gas (GHG) Protocol Scope 3 and, for the first time, information was provided on all GRI performance indicators required by the DNK standard. BJB's occupational health and safety management system was further developed in the reporting year and certified in accordance with DIN ISO 45001. Thanks to comprehensive measures, BJB reduced its energy consumption by 34% in the reporting year compared to the previous year. This also had an impact on greenhouse gas emissions: BJB's CO<sub>2</sub> emissions have been reduced by a total of 28% in the last two years (base year 2021).

BJB received a sustainability rating from ECOVADIS in March 2024. BJB's rating was higher or equal to the rating of 62% of all companies rated by Ecovadis, i.e. BJB's sustainability rating was equal to or better than almost 2/3 of all companies.

The report is based on the guidelines of the German Sustainability Code (DNK). The DNK requirements for the individual criteria are shown in blue in this report. In addition, the performance indicators of the Global Reporting Initiative (GRI Standards) defined by the Code were used - the GRI Standards defined by the Code as performance indicators are shown in blue italics at the end of the respective criteria with the following information.

The original report audited by the Sustainability Code is written in German and is available in the Sustainability Code database (<https://datenbank2.deutscher-nachhaltigkeitskodex.de/Profile/CompanyProfile/14534/de/2023/dnk>), where it is provided with a CSR-RUG signet, which indicates that the transparency requirements of the DNK, including the legal requirements as integrated into the DNK, have been reported and the declaration can therefore be used as a non-financial declaration.

This report also serves as a progress report as part of BJB's commitment to the UN Global Compact. BJB's progress report in accordance with the new reporting format since 2023 is published on the UN Global Compact website. <https://unglobalcompact.org/what-is-gc/participants/154472-BJB-GmbH-Co-KG>

This report also fulfills the reporting obligation analogous to Section 10 (2) of the Supply Chain Due Diligence Act.

The contents of the report relate to BJB GmbH & Co. KG and all fully consolidated subsidiaries. This Sustainability Report relates to the 2023 financial year and covers the period from January 1 to December 31, 2023. The report is available in German and English. Both versions can be viewed on the BJB website at <http://www.bjb.com>.

## **BJB: Company and products**

Since its foundation in 1867, BJB has linked its activities to light. Light production and light control have changed constantly in the more than 150 years since the family business was founded: From the oil lamp to the petroleum burner to electric and electronic light. BJB has always adapted to these changes and has been the link between light source and light distribution.

BJB continues to deal with the transmission of electrical energy, from feeding it in to converting it into light. In the last decade, the transition from light sources to LEDs has been accompanied by a fundamental change in technology. BJB has adapted to this with substantial changes. As a system supplier and development partner, BJB offers a broad portfolio of products and services for different customer requirements. Today, the business is managed in four divisions:

- "Bridge to Light": This business division focuses on classic lampholders for conventional lighting systems.
- "Technology for Light": This area covers a wide range of innovative products, including SMD PCB terminal blocks, mains connection terminals, connection systems, optics, reflectors, connection elements for COBs, Push2Fix fastening elements and LED circuit board connection elements.
- "Light for Home Appliances": BJB is the world market leader for lighting solutions in ovens and also offers lighting systems for a wide range of other household appliances.
- "Other": This area includes additional activities such as toolmaking, 3D measurement technology and the investment in Jung Iberica.

BJB's main location is Arnsberg, with all corporate functions including toolmaking and highly automated production departments for plastic injection molding, metal processing and assembly. A further production site exists since 2005 at the subsidiary BJB Electric Dongguan Ltd. in China. Oven lights and connection elements are mainly produced there in semi-automated and manual processes. In addition, there are cooperation agreements with service providers in Poland and Romania for contract manufacturing by hand.

Global sales are organized via subsidiaries with their own employees in the USA, Italy, Spain, China and Hong Kong.

Through the development and continuous improvement of our LED-related products, BJB has supported the global system change from the classic incandescent lamp to energy-saving electronic light. This product area is now BJB's largest business segment and is larger than the traditional business with lampholders for conventional lighting.

We supply our customers in the lighting industry all over the world with high-performance, high-quality and economical products that perform their task for a long time.

BJB is also the global market leader for oven lights for the household appliance industry. As a first mover, BJB has been supplying patent-protected LED assemblies for ovens since 2018 and, with these increasingly used solutions, offers energy-saving lighting in ovens.

## 1 BJB Strategy

The company discloses whether it pursues a sustainability strategy. It explains what specific measures it takes to operate in accordance with the essential and recognized industry-specific, national and international standards.

BJB's strategy was updated and documented in 2020 as part of a comprehensive process. The summarized vision formulated what BJB wants to stand for in the future:



BJB's core competence is technology for light. This does not mean the Technology for Light business unit, but that BJB will continue to focus on technical topics relating to light in the future.

In 2020, the Executive Board formulated the following mission for the coming years in order to concretize the long-term vision:



A simple, modern and catchy formulation was deliberately chosen so that every manager and everyone can remember and memorize it.

Explained in words, the mission means: BJB has set itself the goal of

- in 2025
- to achieve a turnover of € 85 million
- and to be first-class in technology, processes and people.

This is the task for all of us at BJB. Every manager and all employees are called upon to make their contribution.

### 1.1 Strategy and sustainability management

Sustainability is enshrined in BJB's strategy and has been firmly anchored in BJB's values and actions for many years. We implement the principles of our voluntary commitments as part of our implemented management systems.

We strive to continuously optimize our products, technologies and processes for better environmental compatibility. At the same time, the topic of sustainability has become much

more important in the public eye in recent years. We therefore reviewed our focus on sustainability in the 2022 financial year and will formulate a sustainability strategy on this basis by 2025. Last year, we set up a new regular sustainability reporting system. The second report on sustainability at BJB presented in this document is intended to give you an idea of how we understand sustainability and what our objectives are.

## 1.2 Stakeholder participation and materiality

The company discloses how socially and economically relevant stakeholder groups are identified and integrated into the sustainability process. It discloses whether and how a continuous dialog is maintained with them and how its results are integrated into the sustainability process.

The company discloses which aspects of its own business activities have a significant impact on aspects of sustainability and what material influence the aspects of sustainability have on its business activities. It analyzes the positive and negative effects and states how these findings are incorporated into the company's own processes.

Stakeholders were identified by means of a list drawn up by the management, which contained all the important groups in the company and its environment with their names and roles.

In order to continuously develop our sustainability strategy, we want to learn as much as possible about the needs and expectations of internal and external stakeholders. We therefore seek continuous exchange with our stakeholders and involve them wherever possible.

The following stakeholder groups are directly relevant to BJB from the management's perspective:

- Shareholders

BJB is a family business with over 150 years of history and a strong set of values that characterize its entrepreneurial activities and corporate culture. Economic success, a long-term orientation and an awareness of the social and ecological concerns of its own business activities are traditionally closely linked at BJB.

- Employees

BJB employees know our company better than any other group. In order to make the best possible use of their know-how, there is a dialog through regular meetings, notices, the employee magazine "BJB Highlights" as well as employee interviews and surveys. Employees actively help shape company processes and workflows through the company suggestion scheme.

- Customers

Our sales employees are in regular contact with our customers. In discussions with customers, but also during regular audits of customers at our company locations, sustainability issues are a recurring topic of discussion, so we are well aware of the expectations of this stakeholder group.

- Suppliers

BJB is responsible for sustainability standards in the supply chain. Sustainability criteria are a high priority for employees in Purchasing when selecting suppliers and materials. The topic of sustainability has been part of every annual supplier meeting since 2022. The

standards set by our customers under the German Supply Chain Act are complied with by BJB and also passed on in our value chain.

There are also other indirect stakeholders relating to BJB:

- Politics and associations

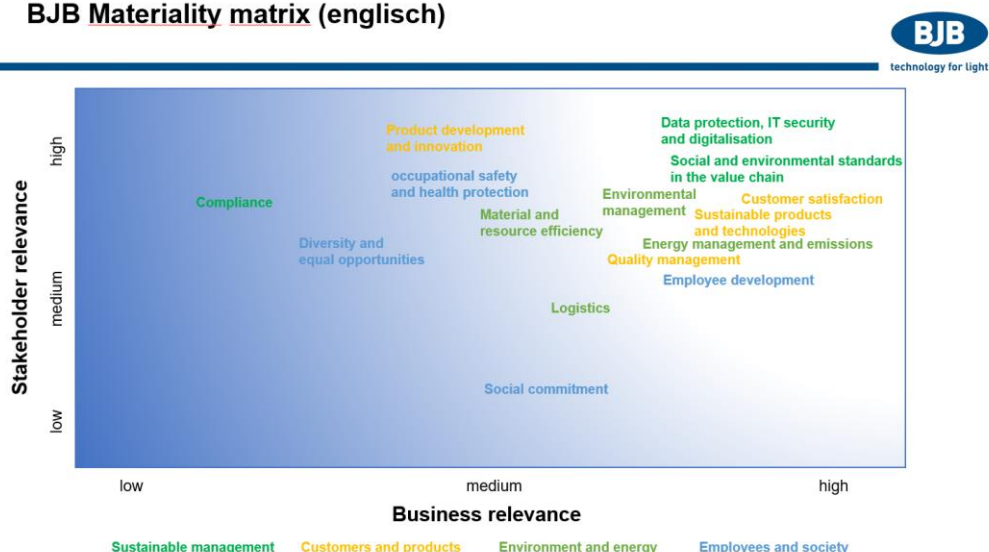
BJB is active in the German Electrical and Digital Manufacturers' Association (ZVEI), a member of the Westfalen-Mitte business association, Netzwerk Industrie RuhrOst and the Arnsberg Chamber of Industry and Commerce, and a founding member of the Zhaga consortium.

- Region and society

With 250 employees, BJB is an important company in the Arnsberg region. Securing jobs, supporting training and further education as well as commitment to society in the region are therefore of great importance. The following steps were carried out as part of a comprehensive materiality analysis in 2022:

- Reassessment of the sustainability context: The BJB management identified key areas for action for BJB through its own assessments and analyses of CSR reports from other companies.
- Consolidation: Consolidation of the findings and creation of a list of 15 topics
- Stakeholder engagement: Assessment of the directly relevant stakeholders with regard to the relevance and priority of the topics and BJB's impact on the environment,
- employees and society as part of surveys and discussions with customers and suppliers
- Materiality workshop: Discussion of the results with relevant specialist departments, taking into account the business perspective and preliminary definition of the material topics
- Validation: Validation of the final results by the management

### BJB Materiality matrix (englisch)



As a result, 15 material issues were identified for BJB. These are relevant for understanding the course of business, the business results and the position of the company as well as for understanding the impact on non-financial aspects:

Our key sustainability aspects are the health and satisfaction of our employees as well as a long-term and trusting relationship with our customers and business partners. We also strive to permanently optimize and reduce the climate-relevant effects of our extensive business activities.

Two perspectives must be taken when determining materiality:

- Inside-out perspective: Positive or negative effects associated with the business activities or business relationships of BJB, its products and services.

Key aspects of this perspective are:

- Environment (production, energy consumption, packaging, transportation)
- Human rights (supply chains, production)
- Employee rights (anti-discrimination, diversity)
- Corruption (compliance)
- Social (transparency about financial contributions, social commitment)

Outside-in perspective: sustainability aspects that can influence BJB's business performance, results or situation as opportunities and risks.

Key aspects of this perspective are:

- Corona pandemic and Ukraine war (supply bottlenecks)
- Shortage of skilled workers (demographic change)
- Climate crisis

This presents both opportunities and risks for BJB. BJB's continuous ability to deliver has strengthened customers' trust in BJB. The shortage of skilled workers is countered by training and further education of employees. Possible effects of a future climate crisis are prevented at an early stage by moving production closer to customers.

To promote a common understanding of sustainability, BJB participates in a wide range of initiatives and associations with the aim of contributing to effective sustainability management through standardized measures and processes. This includes involvement in relevant working groups, e.g. the following organizations:

- ZVEI e.V., Association of the Electrical and Digital Industry
- Westphalia-Center Business Association
- RuhrOst Industry Network
- Arnsberg Chamber of Industry and Commerce
- Zhaga Consortium

As part of the update of our CSR strategy, BJB joined the UN Global Compact in 2022 and we will publish regular reports in future in accordance with the criteria of the German Sustainability Code (DNK).



*Performance indicator GRI SRS-102-44: Key topics and concerns*

- a. Significant topics and concerns raised through stakeholder engagement, including*
- i. how the organization has responded to these material topics and concerns, including through its reporting;*
  - ii. the stakeholder groups that have raised the material topics and concerns in detail.*

See information in this text section.

BJB supplies large, well-known companies worldwide. We are receiving an increasing number of questions on environmental and social issues from this customer base, which has prompted us to create and voluntarily publish the BJB Sustainability Report.

Many of our stakeholders reacted very positively to the publication of the first BJB Sustainability Report and welcomed it. However, we have also noticed that we have hardly received any inquiries regarding the content of our sustainability report. Instead, we are increasingly receiving extensive lists of questions from our customers on the subject of sustainability, which, for a medium-sized company like BJB, takes up growing human resources.

The "Green Deal" and the European Commission's action plan for the circular economy are increasingly influencing the household appliance and lighting industry, i.e. BJB's customer base. BJB responded to this years ago by focusing all its research and development projects on energy-saving LED technology.

In the reporting year, BJB took up the desire of politicians and, increasingly, customers for interchangeability of lamps and components and defined this as one of the key topics in product development.

BJB's domestic appliance customers are increasingly asking for energy-saving solutions for lighting ovens, and this is currently the focus of product development for this customer group.

### 1.3 Goals

The company discloses which qualitative and/or quantitative and time-defined sustainability targets are set and operationalized and how their degree of achievement is monitored.

At BJB, we have always been committed to thinking and acting sustainably. Although the concept of sustainability has already been intensively pursued and practiced in recent years, BJB has not yet had a sustainability strategy due to the size of its medium-sized company. The corporate social responsibility (CSR) strategy and CSR management are still being developed at BJB. Among other things, basic data first had to be collected to form the basis for determining sustainability potential. The sustainability report for the previous financial year 2022 represents the starting point for us to develop a sustainability strategy. By the end of 2025, qualitative and/or quantitative and time-defined sustainability targets will then be set and operationalized, the degree of achievement of which will be monitored using qualitative and quantitative benchmarks.



In order to strengthen the anchoring of CSR at BJB, we have various topics on our agenda that we would like to promote in the future. They are initially qualitative in nature and provide an outlook on future developments.

Our certified integrated quality and energy management systems have formed a solid foundation for many years. This was expanded to include the occupational health and safety management system, which was certified in August 2023. In 2024, BJB will begin to expand the environmental management system and later have it certified. Sustainability-related targets will be successively added.

Current key topics in CSR management at BJB are:

- CSR strategy development reporting

BJB will further formulate the CSR strategy and continuously expand CSR reporting and provide regular information in accordance with CSR reporting standards. The focus will be on developing suitable goals and key figures, based on the German Sustainability Code with GRI indicators and the European Sustainability Reporting Standards (ESRS).

- Responsibility in the supply chain Another important topic is promoting CSR responsibility in all BJB locations and in the supply chain.

We have anchored the requirements of the German Supply Chain Due Diligence Act in our global supply chain since 2022. To achieve this, internal processes were partially updated or recreated.

- Process optimization to reduce our CO2 footprint

Significant projects related to process optimization in automated manufacturing processes were already started in the 2021 financial year. The goals of these projects are to improve efficiency and quality.

- Use of renewable energies

BJB has been using renewable energies to reduce ecological impact for years. Since 2013, a combined heat and power plant with an output of 300 KW of thermal power and 200 KW of electrical power has been operated at the main location in Arnsberg to generate electricity and heat. Since 1999, water from the Möhne River, which runs along the company's headquarters premises, has been used to cool the injection molding machines and compressors as well as the BJB Data Center 1. BJB thus saves a large part of the electrical energy that would otherwise be necessary to cool the processes in these areas. In the 2023 financial year, a photovoltaic system was built at the main location in Arnsberg to increase the use of renewable energies.

## 2 Process management

### 2.1 Depth of the value chain

The company states what importance aspects of sustainability have for value creation and to what depth in its value chain sustainability criteria are checked.

As a leading international system supplier for the lighting industry and global market leader for oven lights with a wide range of products, BJB controls a complex value chain around the globe. BJB takes on the role of the manufacturer of electrical components that are resold B2B and are only partially visible to the end customer as BJB products. We work with a large number of suppliers and customers.

Our direct value chain begins with the procurement of raw materials, auxiliary materials and supplies from external suppliers as well as the purchase of parts and individual components. It continues through development, prototype construction, manufacturing, sales and the use of our products by customers and end users. The tools required for our series production are designed in our own equipment design and manufactured or purchased by our own tool shop.

The materials selection process essentially uses materials that are RoHS and REACH compliant and do not contain any critical conflict materials. In addition to raw materials such as strip material made of iron and non-ferrous (especially copper alloys), plastics mainly made of PC, PMMA, PBT, PPA and glass, ceramics, lamps and cables in particular are used during production. As a system supplier, BJB delivers components the customers worldwide. BJB does not manufacture lamps, ceramics, glass and cables itself, but rather purchases these based on specifications created by BJB.

BJB's added value includes the production of mechanical and electromechanical components in our highly automated production areas of plastic and metal processing as well as machine assembly in Arnsberg. In addition, manual and partially automated production takes place at our subsidiary BJB Electric Dongguan Ltd, China, as well as service companies in Eastern Europe.

In our value chain, the main issues that arise at almost all stages are energy consumption, CO2 emissions from transport and the use of non-renewable raw materials. We strive to ensure that our suppliers adhere to sustainable practices as best as possible.

In the reporting year, we also communicated with our suppliers about possible sustainability-related problems in the value chain.

In connection with the Supply Chain Due Diligence Act, BJB checked all suppliers in 2022. The suppliers were checked using a questionnaire regarding ecological and social issues. In addition, the suppliers continue to undertake to comply with the Supplier Code of Conduct. This confirms that they are complying with the sustainability obligations of this law throughout the entire value chain. Social and ecological problems did not arise during the review and commitment of suppliers.

Since 2022, all newly added suppliers have been obliged to comply with the BJB supplier code. This obligation has become part of the supplier qualification process and predominantly affects suppliers of production materials or production-related materials.

Since no sustainability-related problems occurred in the supply chain, there was no reason to communicate with other business partners about them.

## 2.2 Responsibility for sustainability

The responsibilities in corporate management for sustainability are disclosed.

At BJB, as a medium-sized family business, the idea of sustainability is particularly supported by the managing directors and management.

The central, strategic responsibility for sustainability issues and achieving their goals lies with the management. Due to the flat hierarchy, the management also takes on the role of sustainability officer. This means that sustainability issues can be taken into account in all processes when making every company decision.

Operationally, the CSR topics are managed by the management member for the technology department and coordinated by the ASU (occupational safety and environment) organization in close cooperation with other specialist departments such as purchasing, material compliance, facility management, logistics.

All BJB managers and employees are responsible for dealing with the topic of CSR, identifying potential for improvement, adhering to BJB's code of conduct and standing up for it in their surroundings. We are very grateful for all committed employees who provide inspiration for social and environmental campaigns and actively participate in them.

## 2.3 Rules, processes and control

The company discloses how and which sustainability performance indicators are used in regular internal planning and control. It explains how suitable processes ensure reliability, comparability and consistency of data for internal control and external communication.

The company discloses how the sustainability strategy is implemented through rules and processes in its operational business.

BJB's sustainability strategy is based on existing group-wide standards and rules of conduct that ensure compliance with the law. This includes the BJB Code of Conduct as a group-wide guideline, which sets out the guidelines for ethical, value-oriented and law-abiding business activities.

In order to concretize the code of conduct regarding anti-corruption, the management decided and published an anti-corruption guideline in April 2023.

Environment, occupational safety and health as well as social responsibility are essential principles in the BJB Code of Conduct, which is integrated into our existing management system. In 2023, risk analyzes were carried out to identify human rights and environmental risks in our own business area and among direct suppliers. In this context, the BJB Code of Conduct for Suppliers introduced last year was expanded and, with regard to the Supply Chain Due Diligence Act, a survey of new suppliers was carried out on sustainability criteria and their obligation to comply with the provisions of the Supply Chain Due Diligence Act was demanded.

The development of sustainabilityrelevant issues is carried out directly by the management, as is the coordination of the implementation, management and control of all processes and measures. To this end, CSR key figures were included in the reporting, guidelines were established and communicated, employees were trained and impulses for improvements were given to the departments and subsidiaries.

For many years, BJB's quality management system has been certified according to DIN ISO 9001 and energy management according to DIN ISO 50001. In 2022, the occupational safety management was updated and certified according to DIN ISO 45001 in August 2023. The updating and later certification of the environmental management system is scheduled to begin in 2024.

The CSR-relevant key figures for monitoring sustainability goals were set up for the first time in 2022, so we were not yet able to report on three GRI-SRS indicators of the declaration of compliance in the last reporting year. In the current reporting year 2023, all GRI-SRS indicators of the declaration of compliance will be reported for the first time.

To ensure the quality of the data in relation to sustainability goals, these are determined directly by the specialist departments themselves and entered into a data collection form. In addition, a plausibility check is carried out by comparing the previous year's figures.

*Performance indicator GRI SRS-102-16: Values A description of the organization's values, principles, standards and behavioral norms.*

BJB's values and principles are described in the Code of Conduct: <https://www.bjb.com/hilfe-service/code-of-conduct/>

BJB uses the following performance indicators for sustainability in internal planning and control:

- GRI SRS-302-1 Energy consumption
- GRI SRS-306-3 (2020) Waste generated
- GRI SRS-305-5 Reduction of GHG emissions
- GRI SRS-403-9 Work-related injuries
- GRI SRS-405-1 Diversity
- GRI SRS-406-1 Incidents of discrimination
- GRI SRS-414-1 New suppliers tested for social aspects
- GRI SRS-414-2 Social impacts in the supply chain

as well as the key figures for accident frequency (LTIR) and occupational accident rate.

## 2.4 Incentive systems

The company discloses how the target agreements and remuneration for managers and employees are based on the achievement of sustainability goals and long-term value creation. It is disclosed to what extent the achievement of these goals is part of the evaluation of the top management level (board of directors/ management) by the control body (supervisory board/advisory board).

With the BJB Code of Conduct, we sensitize our managers and employees to act responsibly. In a kick-off workshop in March 2022, all managers at BJB were informed by management about the increased importance of sustainability activities informed at BJB. In the future, the topic will be anchored even more firmly at employee meetings and in the regular employee information "BJB Highlights".

BJB pays the employees at its headquarters in Arnsberg in accordance with the collective bargaining regulations of the metal and electrical industry in the state of North RhineWestphalia. BJB's remuneration system for managers includes bonuses based on targets to be agreed annually. The compensation system currently does not prescribe any explicit CSR goals. However, the structure of the target agreements for specialists and managers allows CSR goals to be implemented in the target agreements. Managers and employees are becoming increasingly aware of these issues; integrating CSR into the goal matrix for all specialists and managers is not practical for BJB as a medium-sized company and is therefore not planned. The main driver of CSR issues is management. There is no further disclosure of the remuneration model at BJB.

As a family-run company, remuneration is agreed individually and confidentially.

As a medium-sized family business, BJB has no supervisory or administrative board. The BJB advisory board is a voluntary committee set up by the company that exclusively provides an advisory function for the management. Compliance with goals is guaranteed solely by management. There is no control by other committees.

### *Performance indicator GRI SRS-102-35:*

- a. *Remuneration policy a. Remuneration policy for the highest control body and managers, broken down into the following types of remuneration:*
  - i. *Basic salary and variable compensation, including performance-based compensation, stock-based compensation, bonuses and deferred or contingent shares*
  - ii. *Employment bonuses or payments as Hiring incentive*
  - iii. *Severance payment*
  - iv. *Reclaims*
  - v. *retirement benefits, including Finally, the distinction between pension plans and contribution rates for the highest control body, managers and all other employees*
- b. *how performance criteria of the remuneration policy relate to the goals of the highest control body and the managers for economic, ecological and social issues*

Information on the performance indicator: Both the management and nontariff employees receive a fixed salary, which is paid out over 12 monthly salaries. There is also a 13th salary,

which is paid out on a variable basis. The management receives variable remuneration, which is calculated based on the operating result.

The variable remuneration of non-tariff employees depends on the degree to which agreed goals are achieved.

No employment bonuses, severance payments or reclaims were paid to managers in 2023. As part of the company pension scheme closed at the end of 2020, BJB has company pensions amounting to € 1,542,675 paid out in the reporting year to former employees.

Currently, BJB's compensation system does not prescribe any explicit CSR goals. However, the structure of the target agreements for specialists and managers allows CSR goals to be implemented in the target agreements. Managers and employees will increasingly be responsible for these topics. There is no further disclosure of the remuneration model at BJB. As a family-run company, remuneration is agreed individually and confidentially.

*Performance indicator GRI SRS-102-38:*

- a. Ratio of total annual compensation a. Ratio of the annual total compensation of the organization's highest paid individual in each country with a major establishment to the median total annual compensation for all employees (except the highest paid person) in the same country

Information about the performance indicators: There is no further disclosure of the remuneration model at BJB. As a family run, medium-sized company, remuneration is agreed individually and confidentially.

## 2.5 Responsibility along the supply chain

Designing supply chains responsibly with regard to social and ecological aspects such as working conditions, fair pay, freedom of association, occupational safety and environmental protection is part of many national laws and internationally recognized guidelines.

As a global family business, BJB supports these efforts and aims to ensure compliance with these aspects in its supply chain. The management of BJB also issued a policy statement dated June 30, 2022 to strengthen human rights along the value chain and prevent human rights violations.

In its Supplier Code of Conduct (SCoC) introduced in 2022, BJB has formulated minimum requirements for suppliers, the content of which is based on the principles of the United Nations Global Compact and the core labor standards of the International Labor Organization (ILO). of the German Supply Chain Due Diligence Act (LkSG).

Since July 2022, all new suppliers of BJB production materials or production-related materials have been required to acknowledge the supplier code in writing and confirm compliance. A supplier evaluation also provides the necessary emphasis.



Suppliers who have neither introduced a certified environmental or occupational safety management system nor recognize the BJB Code of Conduct for Suppliers will be downgraded by Purchasing in the supplier evaluation and - if possible - replaced. This statement applies to all direct suppliers of BJB.

BJB continued to implement the requirements of the new German Supply Chain Due Diligence Act (LkSG) in 2023. The law regulates the responsibility of companies for compliance with human rights and environmental issues in supply chains.

Although BJB as a medium-sized company is not directly affected by this law, as a supplier to large customers we are indirectly affected and face this responsibility. For this purpose, among other things, a risk analysis was carried out and a process was developed to determine the negative effects of business activities on human rights in the supply chain.

Furthermore took place a determination of the status of suppliers with regard to obligations under the German Supply Chain Due Diligence Act (LkSG) and establishment of risk management that, by default, prevents negative effects of the activities of companies in the supply chain on human rights. The measures introduced as a result of the German Supply Chain Due Diligence Act (LkSG) are considered appropriate and effective.

No environmental or human rightsrelated risks or violations in the supply chain were identified in the 2023 reporting year.

With regard to the materials and substances used ("Material Compliance"), BJB works closely with its suppliers of production materials. Purchasing takes defined criteria into account when selecting suppliers. These include all materialrelevant material requirements from legislation, public standards and customer requirements with regard to:

- chemical substances
- Preparations
- Packaging and materials in manufacturing processes and products
- the transport of the products.

This also involves the responsible procurement of raw materials such as tin, tungsten, tantalum or gold, the extraction of which helps finance military conflicts and human rights violations in some countries.

BJB uses the "Reasonable Country of Origin Inquiries" (RCOI) approach to track from which regions the (upstream) suppliers source components with critical raw materials and, if necessary, to be able to initiate targeted measures in the supply chain.



### 3 Customers and products

#### **3.1 Sustainable products and technologies**

As a system supplier for the lighting industry, BJB has supported the technological change from incandescent lamps to electronic light (LED) with comprehensive restructuring and realigned its business model towards this energysaving production of light by 2020.

LEDs are efficient, long-lasting, lowmaintenance and therefore the ideal sustainable lighting. The efficiency of a light bulb is around 5 percent. So only a fraction of the energy supplied is converted into light, the remaining 95 percent is lost in the environment as waste heat. The efficiency of LED lamps is 30 to 40 percent and therefore 6 to 8 times higher. LED is currently the most efficient system for generating light for general lighting.

Due to their long service life, the replacement rate and disposal rate decreases, and at the same time fewer lights have to be produced. The disposal of LEDs is also particularly sustainable: they are free of harmful substances and over 90% of their raw materials can be reused. As a system provider, BJB continuously analyzes how the lighting industry's needs continue to change and develops innovative products for the demands of the future. At the same time, BJB communicates with its customers in a trusting manner and bases its development work on their expectations.

Since the 2021 financial year, the LED business ("Technology for Light") has been BJB's largest business area. It is now almost five times larger than the traditional incandescent and fluorescent lamp store. In 2019, the EU presented a concept ("Green Deal") to make the EU the first greenhouse gas neutral confederation of states by 2050, to significantly reduce pollutant emissions and to further promote the circular economy in Europe. BJB supports the circular economy on the one hand through activities in the Zhaga consortium, but also through a growing range of replaceable system components for LED lights. More and more mechanical and electromechanical components with standardized interfaces for LED light sources as well as communication and sensor units are being developed and established on the market. The topic of recycling forms the basis for the selection of our packaging materials. All packaging used by BJB can be recycled into the commercial cycle without further pretreatment.

In addition to the aspect of recycling, particular emphasis is placed on resource conservation. For this reason, our cardboard boxes consist of 80% recycled paper and are marked with the Resy symbol. The Resy symbol guarantees compliance with the packaging law for transport packaging. The marking is partly done by perforation. This process enables color-free printing on BJB cardboard boxes. This avoids unnecessary environmental pollution.

Sustainable packaging solutions are offered to all customers. When it comes to customer-specific products, our customers are involved very early on in order to jointly develop and implement sustainable packaging solutions. For the BJB standard products, the most suitable solution is favored, taking into account the respective market requirements. These processes are firmly anchored in our PEP product development process.

BJB is pursuing a circulation system for tray packaging with various customers COB connection elements. For these customers, the product-specific plastic tray packaging is reused several times in the reusable system.

### 3.2 Innovation and product management

The company discloses how it uses appropriate processes to help innovations in products and services improve the sustainability of its own resource use and for users. It is also explained for the main products and services whether and how their current and future impact in the value chain and in the product life cycle is assessed.

BJB has existed as a family business for over 150 years. What began with components and accessories for oil and petroleum lamps led via the electrical bridge to light (bases and sockets for light bulbs) to today's LED product portfolio: "Technology for Light". BJB's success story requires constant change and innovative products. The fundamental realignment towards LED technology and adjustment of BJB's business model was successfully completed in the 2020 financial year.

BJB's organization, including research and development, has been consistently focused on innovation for electronic lighting technology. This innovation management also impressed in the TOP 100 Innovator scientific selection process, which has been honoring the most innovative medium-sized companies in Germany since 1993. BJB was accepted into the Club of Excellence® in 2021, 2022 and 2023, making it among the elite of world-class innovators.

Product-related environmental protection is an important part of sustainable environmental management at BJB. Ensuring compliance with substance bans/ restrictions worldwide, such as: REACH, RoHS are very important here.

The EU directive "RoHS – Restriction of the Use of Certain Hazardous Substances" regulates the use of certain hazardous substances in electrical and electronic devices. In addition to reducing the harmful impact on people and the environment, the legislation aims to improve recycling options. BJB closely monitors developments regarding RoHS and responds promptly to requirements.

BJB confirms to its customers that the products for lights and household appliances meet the maximum permissible concentrations in the homogeneous materials in percent by weight in accordance with the EU Directive 2011/65/ EU (RoHS new version) of June 8, 2011 and those delegated in force from July 22, 2019 Directive (EU) 2015/863 must be complied with. We also ask our suppliers to comply with the guidelines mentioned for products supplied by our suppliers and to declare this in writing.

In 2007, Regulation (EC) No. 1907/2006 (REACH Regulation) came into force and has since formed a valid legal basis for all EU member states. To protect human health and the environment, this EU chemicals regulation aims to classify and identify all chemicals including their effects.

The REACH regulation creates certain obligations for every actor in the supply chain. BJB is not a manufacturer or importer of chemical substances, but rather a processor of preparations and products. Our products are exclusively nonchemical products consisting of one or more so-called products. No substance is intended to be released from the products under normal and reasonably foreseeable conditions of use.

Since products are not subject to registration, BJB usually takes on the role of downstream user in the supply chain. BJB therefore has an obligation to provide information along the supply chain in accordance with REACH Article 33. BJB is of course aware of this obligation and fulfills it to a high degree. Sustainability issues are an integral part of the innovation processes at BJB. There are various ways in which customers and employees can get involved in sustainable topics. Especially in the continuous improvement process (CIP), many suggestions come from the workforce about saving materials, recycling and efficiency in logistics. Impulses from the market and from customers come from direct inquiries for new products that support the idea of sustainability, such as the interchangeability of components in the lighting industry or more efficient lighting solutions for the household appliance sector.

BJB itself is an active member of the Ruhr East Industry Network (NIRO), which has its own working group for this topic, with the current focus on production, procurement and social aspects.

In 2022, we carried out a resource efficiency consulting project in close cooperation with the Lüdenscheld Plastics Institute and developed optimization potential, particularly for production, which was subsequently transferred to ongoing processes.

In the reporting year, BJB became a member of the “Eco4Light” innovation network. The Goal of Innovation network “Eco4Light” is the development of optics and systems for efficient light management and the associated development of a network.

Lighting technology is an essential part of everyday life, for example in the technical equipment of buildings, in road traffic, in the automotive industry and in medical technology.

Not least due to the current energy crisis, the topic of efficient lighting management is becoming increasingly important. Lighting accounts for around 15% - 20% of global energy consumption.

With every kilowatt hour of electricity that is saved, CO emissions decrease. That's why saving energy is also climate protection and an issue across Europe. Even economical LED lights can be much more economical through the use of sensors and actuators if they are only used at the required intensity when there is a person in the room and there is not enough outside light. Precise light control, which usually uses plastic optics with micro-/nanostructured surfaces, also plays a crucial role.

Against this background, the Eco4Light innovation network serves as an ideal platform to bring together players from the entire value chain, from design to the production of individual components to the assembly of the entire luminaire. In the reporting year, the topic of sustainability for future product developments was also focused on and integrated into the innovation process of business line management.

BJB is the global market leader for oven lights. The majority of customers in the household appliance industry are still relying on this High-voltage halogen lamps. As a first mover, BJB has also been supplying patentprotected LED assemblies for ovens to the household appliance industry since 2018. LED lighting for ovens reduces energy consumption by 80% compared to conventional oven lights: 6.6 million kWh can be saved for every 1 million LED oven lights.

*Performance indicator G4-FS11 Percentage of financial assets that undergo a positive or negative selection test based on environmental or social factors.*

Performance indicator information: BJB is a manufacturing company and only owns tangible assets and no financial assets.

### 3.3 Quality management

BJB stands for the highest quality. This leads to the strategic principle of ensuring outstanding quality standards consistently and consistently across all products and services. With a view to ensuring that both the product and the processes are errorfree, the following focuses were placed:

- Continuous improvement of products and services
- Continuous improvement of the quality management system as well as the manufacturing and business processes
- Preventive measures in product development, such as FMEA's, FEM and moldflow analyses

In 2023, BJB was able to once again reduce its already low number of complaints by 19%. Through continuous monitoring and reduction of scrap costs, the use of resources in the form of Raw materials and energy for our production facilities are optimized and conserved.

BJB ensures and improves the quality of its products and processes using a variety of instruments: BJB has a certified quality management system in accordance with globally recognized quality norms, standards and regulations of ISO 9001:2015. The conformity of products and processes with this standard is periodically checked and confirmed through internal and external audits. In addition, many of our customers carry out their own audits at all of our production sites, all of which were completed in the reporting year without any significant complaints.

### 3.4 Customer satisfaction

Customer satisfaction with BJB's products and services is a crucial cornerstone of our value structure and the basis for long-term and sustainable success. BJB products stand for high product safety, quality and service life.

At BJB, consistent customer orientation is the basis for product development, service and quality assurance. BJB designs customer relationships with major customers worldwide using global key account management (KAM) according to uniform principles. The KAM works closely with the regional sales organizations.

Key accounts and major customers each have a contact person who takes care of their concerns according to the “one face to the customer” principle. BJB uses “Customer Relationship Management” as a further control instrument for shaping customer relationships.

Software that represents a system architecture that encompasses all business areas. For customer communication, BJB uses social media, newsletters, international trade fairs and, in particular, personal conversations with customers, in which new products are developed together.

Sustainability and increased efficiency are always among the evaluation criteria.

Every year, BJB receives numerous awards from its customers for customer satisfaction and product quality. BJB sees this as an indicator of its positive reputation on markets worldwide and is the basis for expanding its market share.

## **4 Environment**

### **4.1 Use of natural resources**

The company discloses the extent to which natural resources are used for its business activities. Materials as well as the input and output of water, soil, waste, energy, land, biodiversity and emissions for the life cycle of products and services come into question here.

Responsible use of resources is anchored in the BJB Code of Conduct, which is binding for all employees. Product-related environmental protection is an important part of sustainable environmental management at BJB. Ensuring compliance with substance bans/restrictions worldwide, such as REACH and RoHS, is very important.

BJB essentially uses the resources listed below:

- Electrical energy (mainly for production)
- Natural gas (only for heating and operating the combined heat and power plant)
- Raw materials are purchased in the form of semi-finished products
- Paper/cardboard (packaging)
- Films (packaging)
- Water
- Motor vehicle fuels
- Space consumption (production, administration, warehouse and logistics, parking spaces, driveways and green areas)
- Waste is separated as follows:
  - Trash metal
  - Mixed packaging
  - Paper/cardboard/document shredding
  - Old wood

- Various oil-containing
- Operating fluids
- Sorts steelscraps
- Different types of copper-based scorched scrap
- Cable
- residual waste
- construction rubble
- Green waste
- plastic

Specific consumption data of the resources used are listed for the relevant performance indicators.

In terms of energy, electricity for operating the machines in production and lighting is the largest consumer, followed by natural gas for heating the production halls and fuel for the company vehicles as well as the employees' journeys to the workplace. In recent years, the electricity mix purchased for the main location in Arnsberg has consisted of 60% wind power and biomass.

In the year under review, BJB significantly reduced both electricity and heating energy consumption through targeted measures.

Total energy consumption in 2023 was 37% lower than in the previous year.

The packaging materials we use primarily consist of corrugated and solid cardboard boxes, steel strapping, stretch films, PE films and plastic trays. These comply with the material requirements of Directive 94/62/EC. We have chosen recyclable cardboard boxes that consist of 80% recycled paper. As part of packaging management, we continually question the quality of our packaging with regard to the thickness, sometimes the size and possible uses of regenerated materials. If it is possible to switch to a more sustainable foil product, we will initiate the examination.

“Residue is valuable material” and “The best waste is the one that is not created in the first place”. These are two guiding principles of our waste management. “In addition to complying with legal requirements, monitoring material flows and disposal costs, potential for improvement is continually uncovered and possible material cycles are closed. The type specific collection of residual materials enables resource-saving reprocessing at the supplier.

By working with a recycling company, BJB made valuable contributions to the environment in 2023. The following contributions from BJB were named in a sustainability certificate from the recycling company:

- Primary raw material savings of 293 tons
- Energy production and saving of 2,238 MWh
- CO<sub>2</sub>-Saving of 647 tons of CO<sub>2</sub> -Equivalent to
- Saving of ores amounting to 1,507 tons



The data was determined using a calculation model developed by Fraunhofer Institute for Environmental, Safety and Energy Technology UMSICHT, Sulzbach-Rosenberg branch of the institute. The concrete implementation of the careful use of resources already begins in purchasing - with the procurement of low hazardous resources and auxiliary materials that go through an approval process. The employees in each department are then made aware of the economical use of resources and are instructed in our waste and recyclable material separation system.

But environmental protection also affects workplaces: goals such as waste labeling, prevention and separation as well as energy saving are highly dependent on our employees. We are aware of this connection and support the relevant processes with internal training.

In the long term, the use of recycled materials should be expanded wherever this is possible without compromising quality and where the nature of the product allows it. We manufacture our products from various raw materials (primarily plastic and metals). We also purchase components such as LEDs, other lamps, cables, etc.

BJB primarily produces and supplies products to the processing industry. However, there are also individual products that are delivered to end consumers and therefore fall under the Electrical and Electronic Equipment Act.

The Electrical and Electronic Equipment Act (ElektroG) has implemented the European WEEE Directive into German law since 2005 and regulates the placing on the market, return and environmentally friendly disposal of electrical and electronic equipment. The primary aim is to avoid waste from electrical and electronic devices, reuse and recycle them. In addition, the use of harmful substances in the devices can be reduced.

The law thus makes a significant contribution to conserving natural resources and reducing pollutant emissions.

BJB has been a member of the Lightcycle collective take-back system since 2018. This ensures that old lamps are taken back and recycled properly. The environment is protected from pollutants and a large part of the recycled materials are used as secondary raw materials and natural resources are sustainably conserved.

#### *Performance indicator GRI SRS-301-1: Materials used*

*a. Total weight or volume of materials used in the manufacture and packaging of the organization's major products and services during the reporting period, according to:*

- i. non-renewable materials used by third parties*
- ii. renewable materials used*

Renewable materials are typically produced by agriculture and forestry, whose materials cannot be used in electrical components such as those manufactured by BJB. BJB's products contain industrially typical proportions of secondary raw materials, which are generally non-renewable materials. Attention is paid to the highest resource efficiency and recycling rates (see page 25).



The total weight of materials used to manufacture BJB's main products was 1,392 t in the reporting year and mainly concerns plastics (PMMA, PC), metals (copper-based strips), glass and ceramics.

*Performance indicator GRI SRS-302-1: Energy consumption*

- a. *The total fuel consumption within the organization from non-renewable sources in joules or multiples thereof, including the types of fuel used*
- b. *The total fuel consumption within the organization from renewable sources in joules or multiples thereof, including the types of fuel used*
- c. *In joules, watt-hours or their multiples the total:*
  - i. *Power consumption*
  - ii. *Heating energy consumption*
  - iii. *Cooling energy consumption*
  - iv. *Steam consumption*
- d. *In joules, watt-hours or their multiples the total:*
  - i. *Electricity sold*
  - ii. *Heating energy sold*
  - iii. *Cooling energy sold*
  - iv. *Sold steam*
- e. *Total energy consumption within the organization in joules or multiples thereof*
- f. *Standards, methodologies, assumptions and/or calculation program used*
- g. *Source for the conversion factors used*

Performance indicator information: For better understanding, the BJB provides fuel consumption information in liters and energy consumption in megawatt hours (MWh) rather than joules (J).

	2023
Total fuel consumption within the organization from non-renewable sources	53,153 liters
Total energy consumption need within BJB	6,134 MWh
of which from renewable energy sources	
Power consumption	3,138 MWh
Heating energy consumption	- - - - -
Cooling energy consumption	- - - - -
Steam consumption	- - - - -

Energy sales are not part of BJB's business model. The calorific values of fossil fuels are included in the bills from energy suppliers.

*Performance indicator GRI SRS-302-4: Reduction in energy consumption*

- a. Amount of reduction in energy consumption achieved as a direct result of energy conservation and energy efficiency initiatives, in joules or multiples thereof
- b. The types of energy included in the reduction: fuel, electric power, heating, cooling, steam or all
- c. The basis for calculating the reduction in energy consumption, such as base year or base/reference, and the reasons for this choice
- d. Standards, methodologies, assumptions and/or calculation program used

	2023
Extent of reduction energy supply consumption that is a direct result of energy conservation initiatives saving and energy efficiency reached was, in joules or their multiples	3,614 MWh
Those included in the reduction Types of energy: power material, electrical Electricity, heating, cooling lung, steam or all	All types of energy were included in the reduction. Only electricity and heating energy were used.
The basis for calculating the reduction of the energy consumption as well as the reasons for this choice	The reduction compared to the previous year, when the sustainability reporting data was first recorded, is shown.
Used standards, methodologies, Assumptions and/or calculator used program	Absolute change compared to the previous year

Energy savings and energy efficiency are key criteria for investment decisions at BJB.

*Performance indicator GRI SRS-303-3: Water withdrawal*

- a. Total water withdrawal from all areas in megaliters and a breakdown of the total by the following sources (if applicable):
  - i. Surface water
  - ii. Groundwater
  - iii. Sea water
  - iv. Produced water
  - v. Water from third parties
- b. Total water withdrawal in megaliters from all water stressed areas as well a breakdown of the total amount according to the following sources (if applicable):
  - i. Surface water
  - ii. Groundwater
  - iii. Sea water Produced water
  - iv. Water from third parties
- c. As well as a recording breakdown of the total volume according to the extraction sources listed in i-iv c. A breakdown in megaliters of the total water abstraction from each of the sources listed in Disclosures 303-3-a and 303-3-b by the following categories:
  - i. Fresh water ( $\leq 1000$  mg/l filtrate dry backlog (Total Dissolved Solids (TDS))

- ii. other water (>1000 mg/l filtrate dry chemical residue (TDS))
- d. Any context required about how the data was compiled, e.g. B. Standards, methods and assumptions

Performance indicator information:

	2023
Water withdrawal (in megaliters)	741
of which surface water	713
of which groundwater	27
of which sea water	0
water produced by it	0
including water from third parties	1

Areas of water stress are identified in World Resource Institute publications. The water use index for Germany is collected by the Federal Environment Agency; it is well below the critical limit of 20%. BJB's production facilities are not located in areas with water stress, so BJB does not withdraw from such areas.

The withdrawals are recorded via counters. Only fresh water is taken.

*Performance indicator GRI SRS-306-3 (2020): Waste generated*

- a. Total weight of the waste generated in metric tons and a breakdown of this total according to the composition of the waste.
- b. Contextual information necessary to understand the data and how the data was compiled.

	2023
Waste generation	573 tons
of which plastics	38 tons
Material efficiency plastic	84%
Plastic regranulate quota	16%
of which metals	397 tons
Material efficiency metals	85%
Return delivery of metals to suppliers	58 tons
Recycling rate	98%

## 4.2 Resource management

The company discloses which qualitative and quantitative goals it has set for its resource efficiency, in particular the use of renewable energies, increasing raw material productivity and reducing the use of ecosystem services, which measures and strategies it is pursuing in this regard, and how these were met. should be fulfilled in the future and where it sees risks.

BJB has been using renewable energies to reduce ecological impact for years. Since 1999, water has been used from the river that runs along the company's headquarters premises Möhne is used to cool the injection molding machines and compressors as well as the IT data center. BJB therefore saves most of the electrical energy that would otherwise be required to cool the processes in these areas. This eliminates the need for complex system technology, such as cooling towers, storage tanks, etc.

Since 2013, a combined heat and power plant with a thermal output of 300 KW and an electrical output of 200 KW has been in operation at the main location in Arnsberg Electricity and heat operated.

In the reporting year, a photovoltaic system with an output of 1 MWp was installed and put into operation on the roof of the production facility in Arnsberg.

Since CSR management at BJB is only being developed, there are currently no quantified objectives or planned dates for achieving goals regarding resource efficiency, in particular the use of renewable energies, increasing raw material productivity and reducing the use of ecosystem services. This sustainability report for the 2023 financial year describes the expansion of our environmental management. A CSR strategy with objectives and measures will be developed by the end of 2025. Due to the lack of target definitions yet, there are no target achievements in this regard.

We can identify the following environmental risks through our business activities:

- Raw material consumption for our products
- Energy consumption to manufacture our products
- GHG emissions when transporting our products between production sites in Germany, Eastern Europe and China
- Hazardous substances and their use
- Energy consumption of the products when they are used within their life cycle
- GHG emissions from business trips and employee travel

The following measures to improve resource and energy efficiency are currently being implemented:

- At the main location in Arnsberg, a photovoltaic system was built and put into operation on the production roof in 2023 to increase the use of renewable energies.
- Process optimization and automation to reduce our CO<sub>2</sub>-Footprints: Significant projects were already started in the 2021 financial year with regard to process optimization of automated manufacturing processes as well as the automation of assembly activities in previously manual form. The goals of these projects are improvements in energy and resource efficiency as well as quality. New technologies in injection molding technology, which will be tested in the reporting year and used in production from 2024, will lead to a reduction in cycle times of around 20% for certain products and reduce energy consumption by 50 to 80% compared to the technology used to date.

- Reduction in the use of raw materials Particularly in the case of series products, care is taken to ensure that as little waste as possible is created in the production of individual parts.

In addition to the general reduction in rejects, attention is paid to that, for example, when producing plastic parts, as little waste as possible is generated in the form of sprues, for example. This is usually the case through the use of needle gate systems. If sprues cannot be avoided, BJB always strives to recycle them and then feed them back into the internal process as recyclate without any functional losses to the product and in compliance with legal regulations. If this is not possible, the materials are not simply disposed of but, if possible, sent to external recycling processes.

BJB introduced a comprehensive risk management process in 2020. Systematic controls, processes and procedures have been put in place for the main risks that reduce each of these risks in order to minimize the probability of occurrence and/ or the impact of any occurrence. BJB's sustainability strategy is still being developed and is expected to be completed by 2025. Based on the CSR data collected for the first time in 2022, BJB plans to further analyze the sustainability risks and integrate them into the business and risk strategy.

Since the 2022 financial year, BJB has been participating in JobRad leasing of e-bikes for employees in Germany, thereby contributing to the promotion of health and exercise, but also energy savings compared to the use of conventional vehicles.

In the 2022 financial year, charging stations for electric vehicles owned by the company and by customers or suppliers were also built at the main location in Arnsberg in order to support electromobility.

The recording of key figures on the use of natural resources for the first BJB sustainability report last year represents clear progress for the BJB resource management system. The management thus has data that forms a basis for further analysis and development of goals with regard to the use of resources.

#### 4.3 Climate-relevant emissions

The company discloses greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based thereon and states its self-imposed targets for reducing emissions.

As a medium-sized company, BJB did not have any data to quantify the company's CO<sub>2</sub> and greenhouse gas emissions until 2022. With a view to determining our sustainability potential, we are interested in drawing up a carbon footprint for our sites and, in the long term, for our products. We are working on progress in this area, but we must ask for your understanding that this task cannot be solved in the short term.

Significant projects were already started in the 2021 financial year with regard to process optimization in automated manufacturing processes as well as to automate assembly activities in previously manual form. The goals of these projects are to improve efficiency.

The 2022 reporting year marks the start of BJB's sustainability reporting and therefore also its reporting on CO<sub>2</sub> emissions. The BJB CO<sub>2</sub> footprint (Scope 1 and Scope 2) for 2021 was determined for the first time in 2022, which represents a starting point for further determinations. The calculations of CO<sub>2</sub> emissions were made using the ecocockpit of the NRW Energy Efficiency Agency. The ecocockpit is closely modelled on the GHG Protocol. Our aim over the next few years is to determine values for Scope 3 and thus for a corporate carbon footprint (CCF).

Due to a lack of basic data so far, no goals have yet been defined with regard to the reduction of climate-relevant emissions and the use of renewable energies. However, in recent years, measures have already been taken to increase energy efficiency, even without setting targets. For example, frequently used rooms were equipped with LED lighting, which is electronically controlled and automatically adapts to the respective lighting conditions. In recent years, the lighting in many production halls has also been extensively renovated and the light strips with fluorescent lamps have been replaced with LED solutions. The investments pay off after just a few years. Another important aspect here is the improvement of working conditions through significantly better lighting in the workplace.

In future, we will introduce further measures to increase efficiency and reduce emissions in addition to the measures outlined in the previous section. The measures to be implemented here will be determined in various analyses that we will carry out gradually over the coming years. BJB will define a quantified target, including a date, as part of the development of the sustainability strategy by 2025.

BJB emitted a total of 2,442 tonnes of CO<sub>2</sub> equivalent (Scope 1 and Scope 2) in 2023. The largest emitter was purchased electricity at 70%, followed by natural gas for heating energy at 24%.

BJB's reduction in GHG emissions in 2023 compared to the previous year amounted to 591 tons of CO<sub>2</sub>-equivalent (corresponding to 19%) and result largely from the direct consequences of initiatives to reduce emissions.

#### *Performance indicator GRI SRS-305-1 (see GH-EN15): Direct GHG emissions (Scope 1)*

- a. *Gross volume of direct GHG emissions (Scope 1) in tonnes of CO<sub>2</sub>-Equivalent*
- b. *Gases included in the calculation; either CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, FKW, PFKW, SF<sub>6</sub>, NF<sub>3</sub> or all*
- c. *Biogenic CO<sub>2</sub>-Emissions in tons of CO<sub>2</sub>- Equivalent*
- d. *The base year, if any, chosen for the calculation, including:*
  - i. *the reason for this choice*
  - ii. *of emissions in the base year*
  - iii. *of the context for all significant relationships*

- e. *Source of emission factors and Global Warming Potential (GWP) values used or a reference to the GWP source*
- f. *Consolidation approach for emissions; whether equity share approach, financial or operational control*
- g. *Standards, methodologies, assumptions and/or calculation program used*

Performance indicator information:

	2023
a. Gross volume of direct GHG emissions (Scope 1)	736 tons of CO <sub>2</sub> -Equivalent
b. Gases included in the calculation; either CO <sub>2</sub> , C <sub>2</sub> H <sub>4</sub> , N <sub>2</sub> O, FKW, PFKW, SF <sub>6</sub> , NF <sub>3</sub> or all	CO <sub>2</sub> , C <sub>2</sub> H <sub>4</sub>
c. Biogenic CO <sub>2</sub> -Emissions in tons of CO <sub>2</sub> -Equivalent	N/A
d. The base year, if any, chosen for the calculation, including:	2021
i. the reason for this choice	Initial data collection
ii. of emissions in the base year	1,142 tons of CO <sub>2</sub> -Equivalent
iii. of the context for all significant changes the emissions that led to the recalculation of the base year emissions	N/A
e. Source of emission factors and Global Warming Potential (GWP) values used or a reference to the GWP source	EEW 2022, Database Gemis 5,0
f. Consolidation approach for emissions	Operational control
g. Standards, methodologies, assumptions and/or calculation program used	EcoCockpit EFA NRW, (accounting for CO <sub>2</sub> -Emissions based on recognized databases GEMIS and ProBas)

*Performance indicator GRI SRS-305-2: Indirect energy-related GHG emissions (Scope 2)*

- a. *Gross volume of indirect energy-related GHG emissions (Scope 2) in tonnes of CO<sub>2</sub> - Equivalent*
- b. *If applicable, the gross volume of marketbased indirect energy-related GHG emissions (Scope 2) in tonnes of CO<sub>2</sub>- Equivalent*
- c. *If applicable, the gases included in the calculation; either CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, FKW, PFKW, SF<sub>6</sub>, NF<sub>3</sub> or all*
- d. *The base year, if any, chosen for the calculation, including:*
  - i. *the reason for this choice*
  - ii. *of emissions in the base year*
  - iii. *of the context for any significant changes in emissions that led to the recalculation of the base year emissions*
- e. *Source of emission factors and Global Warming Potential (GWP) values used or a reference to the GWP source*
- f. *Consolidation approach for emissions; whether equity share approach, financial or operational control*
- g. *Standards, methodologies, assumptions and/or calculation program used.*



## Performance indicator information:

	2023
a. Gross volume of indirect energy-related GHG emissions (Scope 2)	1,706 tons of CO <sub>2</sub> -Equivalent
b. If applicable, the gross volume of market-based indirect energy-related GHG emissions (Scope 2) in tonnes of CO <sub>2</sub> -Equivalent	N/A
c. If applicable, the gases included in the calculation; either CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, FKW, PFKW, SF <sub>6</sub> , NF <sub>3</sub> or all	CO <sub>2</sub> , C <sub>2</sub> H <sub>4</sub>
d. The base year, if any, chosen for the calculation, including	2021
i. the reason for this choice	Initial data collection
ii. of emissions in the base year	2,236 tons of CO <sub>2</sub> -Equivalent to
iii. the context for all significant changes in emissions that led to the recalculation of the base year emissions	N/A
e. Source of emission factors and Global Warming Potential (GWP) values used or a reference to the GWP source	EEW 2022, Database Gemis 5.0
f. Consolidation approach for emissions	Operational control
g. Standards, methodologies, assumptions and/or computing programs used	EcoCockpit EFA NRW, (Accounting for CO <sub>2</sub> -Emissions based on recognized databases GEMIS and ProBas)

*Performance indicator GRI SRS-305-3: Other indirect GHG emissions (Scope 3)*

- a. Gross volume of other indirect GHG emissions (Scope 3) in tonnes of CO<sub>2</sub> -equivalents
- b. If applicable, the gases included in the calculation; either CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, FKW, PFKW, SF<sub>6</sub>, NF<sub>3</sub> or all
- c. Biogenic CO<sub>2</sub>-Emissions in tons of CO<sub>2</sub>- Equivalent
- d. Categories and activities related to other indirect GHG emissions (Scope 3) included in the calculation
- e. The base year, if any, chosen for the calculation, including:
  - i. the reason for this choice
  - ii. of emissions in the base year
  - iii. of the context for all significant ones changes in emissions that led to the recalculation of base year emissions
- f. Source of emission factors and Global Warming Potential (GWP) values used or a reference to the GWP source
- g. Standards, methodologies, assumptions and/or computing programs used

Information on the performance indicator: BJB has recorded GHG emissions in upstream and downstream activities (Scope 3) for the first time for the 2023 financial year.

	2023
a. Gross volume of indirect energy-related GHG emissions (Scope 3)	2,288 tons of CO2 equivalent
b. If applicable, the gross volume of market-based indirect energyrelated GHG emissions (Scope 3) in tonnes of CO2 equivalent	N/A
c. If applicable, the gases included in the calculation; either CO2, CH4, N2O, HFC, PFKW, SF6, NF3 or all	CO2, C2CH4
d. The base year, if any, chosen for the calculation, including:	2023
i. the reason for this choice	Initial data collection
ii. of emissions in the base year	2,288 tons of CO2 equivalent
iii. of the context for any significant changes in the Emissions that led to the recalculation of the base year emissions	N/A
e. Source of emission factors and Global Warming Potential (GWP) values used or a reference to the GWP source	EEW 2022, Database Gemis 5.0
f. Consolidation approach for emissions	Operational control
g. Standards, methodologies, assumptions and/or computing programs used	EcoCockpit EFA NRW, (Accounting for CO2 emissions based on recognized databases GEMIS and ProBas)

*Performance indicator GRI SRS-305-5: Reducing GHG emissions*

- Amount of reduction in GHG emissions that is a direct result of emissions reduction initiatives, in tonnes of CO2equivalents*
- Gases included in the calculation; either CO2, CH4, N2O, FKW, PFKW, SF6, NF3or all*
- Base year or base/reference, including the rationale for this choice*
- Categories (scopes) in which the reduction occurred; whether for direct (Scope 1), indirect energy-related (Scope 2) and/or other indirect (Scope 3) GHG emissions*
- Standards, methodologies, assumptions and/or calculation program used*

Performance indicator information:

	2023
Reducing GHG emissions	938 tons of CO2-Equivalent
Gases included in the calculation:	CO2, C2H4
Base year	2021
Reduction Scope 1	406 tons of CO2-Equivalent
Reduction Scope 2	532 tons of CO2-Equivalent
Calculation program used	EcoCockpit EFA NRW, (accounting for CO2 - Emissions based on recognized databases GEMIS and ProBas)

BJB's GHG emissions (Scope 1 and 2) amounted to 3,377 tons of CO<sub>2</sub>-Equivalent when first calculated in 2021 (base year). Reducing GHG emissions by 938 tons of CO<sub>2</sub>-Equivalent by 2023 means a reduction of 28% in the last two years.

## **5 Employees**

### **5.1 Employee rights**

The company reports on how it complies with nationally and internationally recognized standards on employee rights and promotes the participation of employees in the company and in the company's sustainability management, what goals it sets itself, what results have been achieved so far and where it sees risks.

BJB must comply with national and internationally recognized standards of employee rights. We are guided by the standards of the international central association of the electrical industry EICC. The core labor standards of the International Labor Organization ILO are integrated into these standards and thus also into the BJB Code of Conduct. Four basic principles determine the ILO's self-image and actions:

- Freedom of association and the right to collective bargaining
- Elimination of forced labor
- Abolition of child labor
- Prohibition of discrimination in employment and occupation

BJB has also been a member of the UN Global Compact since October 2022 and promotes the 10 principles:

1. Protection and respect for international human rights
2. No complicity in human rights violations
3. Respect freedom of association and recognize the right to collective bargaining
4. Elimination of all forms of forced labor
5. Elimination of child labor
6. Elimination of discrimination in employment and employment
7. Precautionary principle in dealing with environmental problems
8. Promotion of environmental awareness through targeted initiatives
9. Development and dissemination of environmentally friendly technologies
10. Promote the prevention of corruption, including extortion and bribery

In addition, there are so-called "quantitative social standards" that regulate working hours, for example. BJB is a member of the Westfalen-Mitte eV corporate association, which concludes collective agreements. The company has a works council. There are communication structures that give employees a say in their working conditions and the collective agreement with IG Metall applies to BJB. Through collective bargaining, BJB maintains a high standard in this regard and ensures that employees receive living wages. The legal regulations are also observed at the subsidiaries abroad.

In the BJB Code of Conduct, the right of employees to freedom of association and collective bargaining is respected for all parts of the company. BJB's management concept regarding employee rights, equal opportunities and qualifications is also described in the BJB Code of Conduct, which is binding for all employees. The aim is to completely avoid violations of employee rights and discrimination. Violations of this must be reported to management. No violations were identified in 2023.

The safety and health of employees is BJB's top priority. Therefore, national and international regulations on occupational health and safety are adhered to and all measures are taken to ensure a safe working environment and to avoid risks for employees by optimizing work processes. In 2022, BJB had the manufacturing site in China certified according to ISO 45001 for occupational safety and health protection. The BJB production site in Germany began appropriate preparations in 2022, and certification according to ISO 45001 took place in 2023.

All employees can submit suggestions for improving products, working and production conditions, etc. via the BJB World of Ideas, company-installed suggestion systems, as well as via superiors and the works council. Explicit funding specifically for suggestions regarding sustainability management is not currently implemented. However, we report via the company's internal channels (regular employee information "BJB Highlights" and in meetings with managers, who then report further to the individual employees) on measures implemented, successes regarding sustainability efforts and results of resources and energy efficiency measures. BJB operates in Germany and also abroad with subsidiaries.

We adhere to applicable law and maintain direct and close communication with our employees. We also maintain very close contact with our business partners regarding the use of our products. We are not aware of any negative effects or risks arising from the above-mentioned behavior that arise from our business activities, our business relationships and our products and services for employee rights.

We work in close coordination with our works council, the youth and trainee representatives and our severely disabled representatives. In our direct area of responsibility, we do not see any risks regarding violation of employee rights, in particular since BJB has a works council at its main location and direct management influence is also available at our locations in China, USA and Spain at all times through regular visits and communication.

BJB's quantitative goals are to completely avoid violations of employee rights and discrimination. Violations of this must be reported to management. No violations were identified in 2023. With regard to the performance indicators for this criterion, BJB has the quantitative objective of achieving an improvement every year compared to the previous year.

## 5.2 Equal opportunities

The company discloses how it implements processes nationally and internationally and what goals it has to promote equal opportunities and diversity, occupational safety and health protection, codetermination, integration of migrants and people with disabilities, appropriate pay and balance between family and work , and how it implements it.

At BJB, the personality and qualifications of the employees count – not gender, age, etc. We strictly reject discrimination. At the end of 2023, employees from 11 nations were employed at BJB.

BJB maintains a corporate culture that is characterized by open and friendly interactions with one another. Therefore, fairness towards employees is important and other groups of people is an important principle in the BJB Code of Conduct, which applies to all employees. The issue of remuneration is also regulated there. Accordingly, BJB is committed to paying employees fairly in accordance with applicable laws and regulations. As a medium-sized company, BJB is in regular contact with the works council and its employees. Since there has so far been no criticism of a lack of equal opportunities, BJB believes there is no need to formulate quantitative goals other than maintaining this situation (no criticism of a lack of equal opportunities).

BJB stands for high quality and safety with its products. We also want to make the workplaces as safe as possible for our employees. Our managers pay attention at the locations ensure that legal regulations on occupational safety are adhered to. In order to make our employees aware of safety issues, we rely on risk assessments and training courses derived from them. In addition, we have introduced a management system for occupational safety and health that was certified according to ISO 45001 in 2022 for the BJB manufacturing site in China. The certification of the BJB manufacturing site in Germany took place in 2023. For BJB, safety and health at work (SGA policy) represents not only a general orientation, but an important part of the company policy in order to strengthen the culture of safety and health at work and drive for the ongoing improvement of the integrated management system is. BJB is committed to corporate development based on safe and healthy working conditions. With the certification of BJB's SGA management system according to ISO 45001 in 2023, we received confirmation of the professional implementation of the management system's requirements in the areas of occupational safety and health protection.

As a company, we want to create safe and healthy working conditions and prevent accidents and injuries for our employees and other companies that work with BJB to provide services. Safety and health at work takes priority over other company goals, is an integrated part of all operational procedures and processes and is implemented from the very beginning - already included in the planning phase - in the technical, economic and social considerations.

BJB strives to ensure the safety, health and satisfaction of its employees and to continuously improve or secure people who are in the company. The appropriate resources and necessary means are made available to prevent accidents, occupational diseases, workrelated health hazards, to avoid and minimize SGA risks and hazards, and to ensure that work is carried out safely and in a health-friendly manner.

BJB is committed to complying with the relevant legal obligations (laws, ordinances, regulations, etc.), is guided by the guidelines and rules as well as compliance with the state of the art and occupational medicine findings. Occupational Safety and Health (SGA for short) is an essential part of BJB's management team. For us, managers act as role models and carry out their assigned duties responsibly.

The current version of the SGA policy is documented, regularly reviewed and forms the framework for setting and evaluating SGA objectives as well as for further corporate development. In addition, the effectiveness of the SGA management system and the achievement of safety and health goals at work are regularly evaluated by management.

BJB supports appropriate internal and external communication to ensure that all those working within our sphere of influence are aware of their respective SGA obligations and beyond. Great importance is placed on immediately reporting incidents, dangers, risks and opportunities to the respective supervisor, which allows corrective or preventive measures to be defined. Every employee at BJB is obliged to participate and ensure continuous improvement to support occupational health and safety.

At our main location in Arnsberg we are in close contact with our occupational health specialist. Together with them, we discuss and improve health-relevant topics in the area of occupational safety and thereby offer our employees real added value. The topic of health also plays a crucial role at our international locations and we provide our employees with the best possible support.

Together with the health insurance company based in our building at the Arnsberg headquarters, we have been able to promote various health protection measures in the past. Specific topics included, for example, addiction prevention or stress management for trainees or special measures for employees in multishift operations. In addition, with the support of the health insurance company and doctors, we have already been able to hold "BJB Health Days" several times, during which we were able to inform employees about various key topics such as cardiovascular health, back training and sleep hygiene. We also offer our employees bicycle leasing as a health promotion tool.

During the COVID-19 pandemic, BJB implemented comprehensive measures to protect the health of its employees: At the headquarters in Arnsberg FFP2 masks were provided to all employees, free rapid tests were offered twice a week and COVID-19 vaccinations including booster vaccinations were administered by the company doctor. Home offices were also used extensively and meetings were organized exclusively via video conferences for a long time. Comprehensive preventative measures against the COVID-19 pandemic were also implemented at BJB's other locations abroad, thus achieving the best possible health protection everywhere. The use of shift work is essential in our production at our main location in Germany. The shift models at BJB are always developed in close cooperation with the works council and correspond to forward-rotating shift planning, which minimizes negative effects on health as much as possible. There is also a high degree of working time flexibility, which we also enable our employees to work in multiple shifts. The satisfaction of our employees is reflected in low fluctuation - which, however, was influenced by the necessary staff reductions in the reporting year (2023: 12.9%) - and long-term service (2023: 18.4 years average service).



To mark this occasion, we celebrate our anniversary celebration every year together with our 25th, 40th and 50th anniversaries and all employees to appreciate the work they have done.

### 5.3 Qualification

The company discloses what goals it has set and what measures it has taken to promote employability, i.e. the ability to participate in the working and professional world of all employees, and to adapt it with regard to demographic developments, and where it sees risks.

Companies' success is based on the knowledge of their employees and good cooperation. Only if we provide our employees with appropriate training and continuing education opportunities can it be ensured that BJB can continuously develop and "learn" as an organization. In order to support organizational learning, we work with various personnel development instruments.

In order to counteract risks from demographic change in society, such as the shortage of skilled workers, we have been running our own training workshop at our main location for decades. Here we train trainees in various job profiles such as tool mechanics, process mechanics, electronics engineers and mechatronics engineers. In the commercial area, training takes place in the job profiles of industrial clerks and IT specialists. In addition, BJB offers dual study programs and also enables internships for schoolchildren and students in different areas of the company. During their training, our trainees enjoy the support of competent and experienced trainers. Many of our today employees have already completed their training or dual studies at BJB or are already in the second or third generation to work at BJB.

Health management at BJB was updated in 2022 and certified according to DIN ISO 45001 in 2023. Promoting the employability of all employees, particularly in relation to (further) training, is an essential part of BJB's management system, which is certified according to DIN ISO 9001. The conformity of the system was confirmed in regular surveillance audits.

With regard to digitalization and dealing with the challenges of demographic change, BJB, as a medium-sized company with limited capacities in the human resources department, has not yet formulated concrete objectives or the planned time for achieving the goals; this should be developed by the end of 2026.

At the end of 2023, 23 employees worked at BJB as trainees or studying. Learning doesn't end after training. Through our tool of potential analysis and subsequent employee discussions, an individual development and qualification plan is created for all employees. We differentiate between technical topics and legally required training, the development of specialist knowledge and the optimization of soft skills to promote our top performers.

In 2023, the necessary qualifications of employees were carried out, but due to the poor economic development and the associated cost pressure, many development measures also had to be postponed.

*Performance indicator GRI SRS-403-9: Work-related injuries*

- a. *For all employees:*
  - i. *Number and rate of deaths due to work-related injuries*
  - ii. *Number and rate of work-related injuries injuries with serious consequences (except deaths)*
  - iii. *Number and rate of documentable work-related injuries*
  - iv. *the main types of work-related Injuries*
  - v. *Number of hours worked*
- b. *For all employees who are not employees but whose work and/or workplace are controlled by the organization:*
  - i. *Number and rate of deaths due to work-related injuries*
  - ii. *Number and rate of work-related injuries injuries with serious consequences (except deaths)*
  - iii. *Number and rate of documentable work-related injuries*
  - iv. *the main types of work-related Injuries*
  - v. *Number of hours worked*

Performance indicator information:

	2022
For all employees:	
Number of deaths due to work-related injuries	0
Number of work-related injuries with serious consequences (excluding fatalities)	0
Number of documentable work-related injuries	2
The main types of work-related injuries	Due to the low number of work-related injuries, no specific types of injuries can be defined.
Number of hours worked	494,893

For all employees who are not employees but whose work and/or workplace are controlled by the organization: This data can currently only be collected from temporary workers. As with external company employees, BJB does not subsequently receive any data on the extent of

the injury, etc. This is also particularly protected personal data that is not made available to BJB.

Further key figures for BJB Germany: the number of reportable work-related injuries in relation to the total number of hours worked by employees in the reporting period was 0.0000066 in 2023. The total number of days lost due to accidents at work in the form of number of hours in relation to the total number of hours worked by employees in the reporting period was 0.00046 in 2023. The accident frequency LTIR (Loss Time Injury Rate) was 1.3 in 2023 - a value that is well below the industry value for reportable accidents occupational accidents of the German Statutory Accident Insurance.

#### *Performance indicator GRI SRS-403-10: Work-related illnesses*

- a. *For all employees:*
  - i. *Number and rate of deaths due to work-related illnesses*
  - ii. *Number of documentable working related diseases*
  - iii. *the main types of work-related diseases*
- b. *For all employees who are not employees but whose work and/or workplace are controlled by the organization:*
  - i. *Number of deaths due to work-related related diseases*
  - ii. *Number of documentable working related diseases*
  - iii. *the main types of work-related diseases*

Performance indicator information:

	2023
For all employees:	
Number of deaths due to work-related illnesses	0
Number of documentable work-related illnesses	0
the main types of work-related diseases	-

*Performance indicator GRI SRS-403-4: Employee participation in occupational safety and health protection The reporting organization must disclose the following information for employees and employees who are not employees but whose work and/or workplace is controlled by the organization:*

- a. *A description of the procedures for employee participation and consultation in the development, implementation and performance assessment of the occupational health and safety management system and for providing access to and communication of relevant occupational health and safety information to employees*
- b. *If there are formal employer-employee committees for occupational safety and health, a description of their responsibilities, the frequency of meetings, decision-making authority and whether and, if so, why employees are not represented on these committees.*

Performance indicator information:

	2023
A description of the Procedures for employee participation and Consultation during development, implementation and performance evaluation of the management system terms for occupational safety and health protection and to provide access to and communication of relevant information about work situations safety and health security protection the employees	<p><u>BJB Germany:</u> The management system for occupational safety and health protection was certified according to DIN ISO 45001 in 2023. The works council is consulted regarding questions and the determination/implementation of occupational health and safety measures. The works council represents the interests of the employees. The relevant information is communicated to employees via notices, BJB Wiki, or by written instructions from the responsible managers. The basis for the occupational safety and health management system is the recording and evaluation of sick leave (BEM) and downtime. Various methods are used within the company to identify potential risks and minimize these risks.</p> <p>This ensures continuous improvement of the SGA.</p> <p>Active consultation and participation of all employees during the decision-making processes help us to constantly monitor and fulfill the occupational safety goals and the measures to achieve the goals. Our interest in a safe and healthy working environment affects our employees, customers, visitors, suppliers and the entire environment around our location.</p> <p>With the help of regular information, instructions and further training, we sensitize our employees and strengthen their awareness of safe work in all areas of the company.</p> <p><u>BJB China:</u> The management system for occupational safety and health protection was certified according to DIN ISO 45001 at the end of 2022.</p> <p>It ensures both procedures for employee participation and consultation and procedures for communication of safety information and that all employees can participate, be consulted and informed about occupational health and safety management, BJB China has established a system of employee representation in which employees freely choose employee representatives can choose those who are authorized</p> <ul style="list-style-type: none"> <li>- participate and consult in the company's occupational health and safety management;</li> <li>- Participate in the investigation of incidents and resolution of non-conformities;</li> <li>- jointly determine corrective measures;</li> <li>- make and sign an agreement on public communication.</li> </ul> <p><u>BJB USA:</u> All employees receive annual safety training. Selected employees also complete an annual CPR/first aid course.</p> <p><u>BJB Spain:</u> has an external company that provides advice on safety and health. Medical examinations are also carried out for employees at regular intervals.</p>

<p>If there are formal employer-employee committees for occupational safety and health security protection, a description of their responsibilities, the frequency of meetings, the decision-making power and, whether and if so why employees on these committees are not represented</p>	<p><u>BJB Germany:</u> An occupational safety committee has been set up. It consists of the following members: company representative, two members of the works council, company doctor, occupational safety specialist, safety representative. The committee meets every 3 months. The committee acts in an advisory capacity (ASiG §11). The employees are represented on the committee by the works council; Decisions are made by the company and the responsible managers.</p> <p><u>BJB China</u> has established a Health and Safety Committee with the following main responsibilities: • Organization of all health and safety measures in the company:</p> <ul style="list-style-type: none"> <li>• Implementation of policies and regulations to protect health and safety in the workplace</li> <li>• Formulating and reviewing all company health and safety processes and procedures</li> <li>• Review of various health and safety plans, training of employees accordingly</li> <li>• Supervision and inspection of all departments, review, analysis and processing of accident reports</li> <li>• Directing relevant departments to solve the problem within a specified time period and promoting continuous improvement measures to build a health and safety environment.</li> </ul> <p>As part of the committee, production and warehouse employees are required to participate, consult and communicate with their consent in the above-mentioned occupational health and safety management activities. The Health and Safety Committee holds a meeting every quarter.</p> <p><u>BJB USA and BJB Spain</u> as sales companies, they are not of the size to require committees.</p>
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*Performance indicator GRI SRS-404-1 (see G4-LA9): Number of hours of training and further education:*

- a. average number of hours during an organization's employees work spent on training and further education during the reporting period, broken down into:*
  - i. Gender*
  - ii. Employee category*

	2023
Average number of hours during an organization's employees spent on training and development during the reporting period , broken down by:	4.2
Gender	Data cannot be determined for 2023 due to recording problems. The topic will be addressed for the next report.
Employee category:	
Employee	6.0
industrial workers	3.7

*Performance indicator GRI SRS-405-1: Diversity*

- a. *Percentage of people on an organization's governing bodies in each of the following diversity categories:*
  - i. *Gender*
  - ii. *Age group: under 30 years old, 30-50 years old, over 50 years old*
  - iii. *If applicable, other diversity indicators(such as minorities or vulnerable groups)*
- b. *Percentage of employees per employee category in each of the following diversity categories:*
  - i. *Gender*
  - ii. *Age group: under 30 years old, 30-50 years old, over 50 years old*
  - iii. *If applicable, other diversity indicators(such as minorities or vulnerable groups)*

Performance indicator information:

	December 31, 2023
Percentage of people on an organization's governing bodies in diversity categories.	As a family business, BJB has a voluntary advisory board. This is not a control body
Percentage of employees per employee category in each of the following diversity categories:	Data not available for each employee category as it is not recorded in the HR system. Information can only be provided when the system is changed in the future.
i. Gender:	male: 69% female: 31%



ii. Age group:	under 30 years old: 14% 30 to 50 years old: 42% over 50 years old: 44%
Other diversity indicators, if applicable	Number of severely disabled people: 6%

*Performance indicator GRI SRS-406-1: Incidents of discrimination*

- a. *Total number of discrimination incidents during the reporting period*
- b. *Incident status and action taken regarding the following points:*
  - i. *Incident reviewed by the organization*
  - ii. *Implemented remediation plans*
  - iii. *Remedial plans that have been implemented and whose results have been evaluated as part of a routine internal management review process*
  - iv. *Incident is no longer the subject of any action or lawsuit*

Performance indicator information:

	2023
Total number of discrimination incidents during the reporting period	0
Incident status and action taken regarding the following points:	N/A
• Incident reviewed by the organization	N/A
• Implemented remediation plans	N/A
• Remedial plans that have been implemented and the results of which have been assessed as part of a routine internal management review process	N/A
• Incident is no longer the subject of any action or lawsuit	N/A

## **6 Social commitment**

### **6.1 Human rights**

The company discloses what measures, strategies and objectives are taken for the company and its supply chain to ensure that human rights are respected worldwide and forced and child labor and all forms of exploitation are prevented. The results of the measures and any risks must also be addressed.

For BJB as a globally operating family business with a strong foundation of values, respect for human rights is an indispensable part of corporate responsibility. BJB rejects any form of human rights violations such as child and forced labor or discrimination based on origin, skin color or gender. This claim applies to all our own locations as well as to all business partners and does not end with compliance with the respective local legal regulations, but goes beyond that.

The management issued a policy statement on June 30, 2022 human rights documented in writing. With this declaration of principles, it commits itself to strengthening respect for human rights along our value chain and preventing human rights violations. The management is also committed to the “UN Guiding Principles for Business and Human Rights” and the ten principles of the “UN Global Compact”. The requirement to respect and protect human rights is part of the groupwide BJB Code of Conduct and the Code of Conduct for BJB suppliers. It is aimed at all employees in the company and at business partners for production materials. The Human Resources Department is responsible for human rights issues. If necessary, this is also reported on the subject of human rights as part of the BJB's internal risk reporting.

Corruption is not only punishable, it also increases the risk of human rights violations. BJB has enshrined a ban on corruption in its Code of Conduct and advocates against all forms of corruption, including extortion and Bribery. Behaviors that involve doing business with using unfair means will not be tolerated. BJB employees may not offer or accept any benefits from business partners that could lead to, or even give the impression of, an impairment of an objective and fair business decision. In December 2023, BJB announced an anti-corruption policy with guidelines and processes related to the prevention of corruption, conflicts of interest and the handling of gifts and benefits of all kinds to employees worldwide.

In the BJB Code of Conduct, which applies to all BJB employees, BJB is committed to data protection with the greatest care. Personal information about employees, customers, business partners and suppliers as well as other third parties is used carefully by BJB and treated confidentially in full compliance with data protection laws.

The quantified human rights compliance objective for BJB is: zero violations; There were no violations recorded in the 2023 reporting year. The quantified objective for compliance with human rights regarding suppliers is to completely avoid violations. In connection with the new supply chain law, BJB 2022 introduced risk management regarding possible violations of human rights in the supply chain.

BJB's risk management is based on risk analyzes of known human rights risk areas and country risks. All suppliers were asked in a questionnaire about compliance with the Supply Chain Due Diligence Act (LkSG) and, with the newly introduced supplier code, they were also

required to comply with the Supply Chain Due Diligence Act (LkSG) in their supply chain. No human rights violations in the supply chain were reported in the 2023 reporting year.

Any violations can also be reported via the global compliance whistleblower system be reported to the BJB. BJB's whistleblower system offers employees and external third parties the opportunity to anonymously report information about possible compliance violations. The preservation of identity confidentiality, one of the basic requirements of the Whistleblower Protection Act that came into force in 2023, is guaranteed. The whistleblower system is published and described in the BJB Code of Conduct and the BJB Supplier Code. No indications of human rights violations were reported in the 2023 reporting year.

BJB's managers and employees are trained in the BJB Code of Conduct, which demands respect for human rights.

*Performance indicator GRI SRS-412-3: Investment agreements checked for human rights aspects*

- a. Total number and percentage of significant investment agreements and contracts that contain human rights clauses or have been screened for human rights aspects*
- b. The definition used for "significant investment agreements"*

Performance counter information: None (zero). All significant investments (> €500,000) were made in Germany.

*Performance indicator GRI SRS-412-1: Business premises audited for human rights aspects*

- a. Total number and percentage of business locations where a human rights audit or human rights impact assessment has been conducted, by country*

Performance counter information: None (zero). The foreign subsidiaries are managed by managing directors who work closely with BJB's management and are committed to complying with the BJB Code of Conduct.

*Performance indicator GRI SRS-414-1: New suppliers tested for social aspects*

- a. Percentage of new suppliers evaluated based on social criteria.*

Information about the performance indicator:

100%. Since July 1, 2022, all suppliers are obliged to sign and comply with the BJB Supplier Code.

#### Performance indicator GRI SRS-414-2: Social impacts in the supply chain

- a. Number of suppliers screened for social impact
- b. Number of suppliers identified as having significant actual and potential negative social impacts
- c. Significant actual and potential negative social impacts identified in the supply chain
- d. Percentage of suppliers where significant actual and potential negative social impacts have been identified and improvements agreed as a result of the assessment
- e. Percentage of suppliers for which significant actual and potential negative social impacts were identified and as a result the relationship was terminated and the reasons for this decision.

Information about the performance indicator:

	2023
Number of suppliers screened for social impact	Since July 1, 2022, all suppliers of materials are obliged to sign and comply with the BJB Supplier Code of Conduct.
Number of suppliers identified as having significant actual and potential negative social impacts	0
Significant actual and potential negative social impacts identified in the supply chain	0
Percentage of suppliers where significant actual and potential negative social impacts have been identified and improvements agreed as a result of the assessment	0
Percentage of suppliers for which significant actual and potential negative social impacts were identified and as a result the relationship was terminated and the reasons for this decision	0

Since July 1, 2022, all suppliers have been obliged to sign and comply with the BJB supplier code and to also require their upstream suppliers to do so. No potential negative effects occurred in the reporting year.

## 6.2 Community

The company discloses how it contributes to the communities in the regions where it conducts significant business activities.

BJB has strong roots in society at its headquarters in Arnsberg. On the one hand, this is due to the tradition of our family business and, on the other hand, it is strongly linked to the personal commitment of our shareholders and managing directors. BJB is therefore committed to local social and ecological issues beyond its core business and financially supports local cultural and sporting events.

In the community sector, there are always risks where companies have to cut jobs due to changed general conditions or experience economic losses that affect wages and salaries, social security contributions and taxes. In our opinion, a dedicated analysis of risks or a concrete management concept is not helpful here; rather, we want to ensure that BJB develops positively and that possible risks do not arise in the first place.

As a medium-sized company, the management decides directly on all contributions to sustainable development that go beyond the company's core business, such as commitment to local projects or support measures within which BJB assumes responsibility for society.

Since 2022, BJB has been supporting the Waldlokal initiative with monthly contributions every year, thereby contributing to the reforestation of forest areas in the Arnsberg region.

BJB is also the founder of the Arnsberg Community Foundation, which promotes charitable activities at the local level.

BJB encourages and supports voluntary work by employees and releases them for voluntary tasks. For example, our employees are active in the volunteer fire department, the THW or in supporting youth leisure activities. In addition, employees are involved as volunteer judges, in the examination or further training committee of the IHK or other professional or private associations.

BJB sees the training of young people as part of its social responsibility. As of the balance sheet date of December 31, 2023, a total of 16 trainees were employed at BJB. In-company vocational training is an important instrument for addressing the shortage of skilled workers in view of demographic change: This is one of the reasons why BJB places a particular focus on training. Seven dual students were employed as junior staff with higher qualifications.

BJB is one of the sponsors of the University of Witten-Herdecke. In addition, events are regularly organized in cooperation with regional (university) schools to promote young technical talent and to provide guidance when choosing a career. For example, there is a training day every year where we provide insights into our company and the training and study profiles.

BJB works with the South Westphalia University of Applied Sciences and the RWTH Aachen on research and development topics.

*Performance indicator GRI SRS-201-1: Directly generated and distributed economic value*

- a. *the pro rata accrued, directly generated and distributed economic value, including the fundamental components of the organization's global operations, as set out below. If data is presented as an income and expenditure statement, in addition to disclosing the following basic components, the reason for this decision must also be disclosed:*
  - i. *directly generated economic Value: Revenue*
  - ii. *distributed economic value: Operating costs, wages and benefits for employees, payments to investors, payments to the state broken down by country and investments at the local level*
  - iii. *retained economic value: "directly generated economic value" minus "distributed economic value"*
- b. *The economic value created and distributed must be reported separately at national, regional or market level where relevant, and the criteria used to determine significance must be stated*

Information on the performance indicator: As a family business with unlimited personally liable partners, BJB does not publish annual financial statements. Accordingly, no data is disclosed in this report.

### 6.3 Political influence

All key inputs in legislative processes, all entries in lobby lists, all key payments of membership fees, all donations to governments and all donations to parties and politicians should be disclosed differentiated by country.

BJB exerts political influence exclusively through association activities, such as participation in association meetings of the following organizations:

- Association of the Electrical and Digital Industry State of North Rhine-Westphalia
- Westphalia-Mitte business association
- Arnsberg Chamber of Commerce and Industry

BJB is also a founding member of Zhaga and is also represented in the Steering Committee, a global consortium of companies in the international lighting industry. Its main goal is standardization that allows LED light sources from different manufacturers to be interchangeable without having to change the luminaire design. In return, this should accelerate the use of LED light sources in general lighting.

In the lighting industry, it used to be common practice to use standardized light sources. That has changed with the LED. LED technology offers many advantages, but a lack of standardized interfaces makes it difficult to swap one LED light source for another.

Zhaga develops the specifications (specification books) for the interfaces between LED modules/light engines and LED lights. BJB drives this standardization through active participation in the Zhaga industrial consortium to define interface specifications for the LED light sources. This also supports the global sustainability goal of a circular economy.



BJB is also represented in the IEC - International Electrotechnical Commission (International Standardization Committee) in the Technical Committee "TC34 - Lighting" or its subcommittees and working groups.

#### *Performance indicator GRI SRS-415-1: Party donations*

- a. Total monetary value of party donations in the form of financial contributions and in-kind contributions made directly or indirectly by the organization, by country and recipient/beneficiary.*
- b. If applicable, how the monetary value of donations in kind was estimated.*

Performance indicator information: BJB does not make political donations in accordance with the BJB Code of Conduct.

## **6.4 Conduct in accordance with laws and guidelines**

The company discloses which measures, standards, systems and processes exist to prevent illegal behavior and in particular corruption, how they are checked, what results are available and where risks lie. It shows how corruption and other violations of the law are prevented, detected and sanctioned within the company.

BJB's business success is based on trust, integrity, fair competition and lawful actions both internally and towards customers and business partners. These principles are anchored in the code of conduct, compliance with which is ensured through appropriate measures and the clear definition of responsibilities within the company.

Illegal behavior and corruption are not only punishable by law, but also damage BJB's corporate culture, reputation and business relationships. Compliance with laws and guidelines as well as the prevention of corruption are defined by the management as a central value, are monitored by them and are firmly anchored in the BJB management concept. BJB's quantified goal is zero violations of laws and guidelines. The management of BJB communicates regularly with all managers in the company, who were made aware of the issue at the beginning of their work for BJB and again and again afterwards in discussions.

BJB introduced a comprehensive risk management process in the 2020 financial year. The starting point was a systematic, formal inventory of all risks, which were then assessed by defined risk observers in terms of probability of occurrence and potential for damage. Every year, the risks are reassessed and the risk analysis is updated to determine whether new risks have been added or whether risks have been eliminated.

In our view, there are no material risks that arise from BJB's business activities, from BJB's business relationships and from BJB's products and services and which are likely to have a negative impact on the fight against corruption and bribery.

The BJB risk management process also includes compliance risks, which are therefore also reassessed annually. BJB is subject to general corruption risks in the economy. Country risks become observed.

BJB's aim is that BJB has no subsidiaries in countries with a high risk of corruption. The management regularly monitors business development. The existing concept at BJB to prevent illegal behavior and corruption has proven itself over decades. In 2023, BJB formulated an anti-corruption policy and announced it to all employees, which describes all regulations and processes. No cases of corruption or violation of laws or guidelines were identified in 2023 either. BJB closely monitors regulatory developments and responds proactively to legislative initiatives. For each compliance field, guidelines are checked annually to ensure they are up to date with a view to changes in the law or updated after four years at the latest.

Data protection and IT security have the highest priority at BJB. In recent years, significant investments have been made in IT security and it has been comprehensively expanded to the highest level. The function of the data protection officer is located outside the IT department, as he has a control function towards the IT department and an accountability towards compliance (as part of the functional delegation of the management).

There are no known cases of corruption to date. Accordingly, a corresponding systematization is neither possible nor advisable. Nevertheless, we are considering appropriate preventive measures and training programs for our employees in the future.

#### *Performance indicator GRI SRS-205-1: Business establishments audited for corruption risks*

- a. *Total number and percentage of establishments audited for corruption risks*
- b. *Significant corruption risks identified as part of the risk assessment.*

Performance indicator information: None (zero). The foreign subsidiaries are managed by managing directors who work closely with BJB's management and are committed to complying with the BJB Code of Conduct.

#### *Performance indicator GRI SRS-205-3: Corruption incidents*

- a. *Total number and type of confirmed corruption incidents*
- b. *Total number of confirmed incidents in which employees were fired or reprimanded due to corruption*
- c. *Total number of confirmed incidents where contracts with business partners were terminated or not renewed due to corruption-related violations*
- d. *Public legal proceedings relating to corruption initiated against the organization or its employees during the reporting period and the results of these proceedings*

Performance indicator information: None (zero).

#### *Performance indicator GRI SRS-419-1: Non-compliance with laws and regulations*

- a. *Significant fines and non-monetary sanctions due to non-compliance with social and economic laws and/or regulations, namely:*
  - i. *Total monetary value of significant fines*
  - ii. *Total number of non-monetary sanctions*

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- iii. Cases arising in the context of dispute resolution proceedings were brought forward*
  - b. If the organization has not identified any case of non-compliance with laws and/or regulations, a brief explanation of this fact is sufficient*
  - c. The context in which significant fines and non-monetary sanctions were imposed.*

Performance indicator information: None (zero).

## German Sustainability Code Index

The report was prepared based on the criteria of the German Sustainability Code (DNK). The GRI-SRS indicators were used as a basis. In the table you will find an overview and the respective references to the DNK.

No. DNK criterion		Description	BJB sustainability report page	
0	General	Information about the company and business model	Foreword by the management BJB: Companies and products	1-3
1	Strategy	Corporate strategy, sustainability strategy, goal	1. BJB strategy 1.1. Strategy and sustainability management	4-5
2	Materiality	Impact of business activities, relevance and priority of the areas of action	1.2. Stakeholder participation and materiality	5-8
3	Goals	Goals for sustainability, current goals focus topics	1.3 Goals	8-9
4	Depth of value creation chain	The company's value chain, importance of sustainability aspects, social and ecological challenges, communication with suppliers and business partners	2.1. Depth of the value chain	10-11
5	Responsibility	Responsibility for sustainability issues	2.2. Responsibility for sustainability 11	11
6	Rules and processes	Management of the sustainability strategy	2.3. Rules, processes and control	11-12
7	Control	Performance indicators for review; Reliability, comparability, consistency	2.3. Rules, processes and control	11-12
8	Incentive system	Remuneration systems with integrated sustainability criteria	2.4. Incentive systems	13-14

No. DNK criterion		Description	BJB sustainability report page	
9	Participation of the participants saying groups	Identification and participation of important stakeholder groups.	1.2. Stakeholder participation and materiality	5-8
10	Innovation and product management	Determination of social and ecological impacts of key products and services.	3.2. Innovation and product management	17-19
11	Claim natural resources	Materials used as well as input and output of water, soil, waste, energy, land, biodiversity and emissions for the life cycle of products and services.	4.1. Use of natural	20-25
12	Resource management	Goals for ecological aspects of company activity and measures initiated	4.2. Resource management	25-27
13	Climate relevant Emissions	Greenhouse gas emissions and self-imposed reduction targets	4.3. Climate-relevant emissions	27-32
14	Employee right	Compliance with work standards, participation of employees, promotion of sustainability management, goals and results	5.1. Employee rights	32-33
15	equal opportunity	Processes and goals related to equal opportunities, diversity, Occupational safety, health protection, etc.	5.2. Equal opportunities,	34-36
16	Qualification	Measures for preservation and promotion of employment capability	5.3 Qualification	36-42
17	Human rights	Measures, strategies and objectives for compliance with human rights in the company's supply chain.	6.1. Human rights	43-45
18	Community	Contribution to the common good in the region	6.2. community	46-47
19	Political influence	Political influence	6.3 Political influence	47-48
20	Legal and guideline-compliant my behavior	Disclosure of measures, standards, systems and processes to prevent unlawful behavior	6.4 Conduct in accordance with the law and guidelines	48-50

## UN Global Compact Index

This CSR report also serves as the company's progress report within the framework of the UN Global Compact. The table refers to the passages in the text where the company provides information about its commitment to implementing the ten principles of the Global Compact.

BJB's progress report in accordance with the new reporting format from 2023 is published on the UN Global Compact website: <https://unglobalcompact.org/what-is-gc/participants/154472-BJB-GmbH-Co-KG>.

### Principle

### Section

#### Human rights

Principle 1	Companies should support and respect the protection of international human rights.	6.2
Principle 2	Companies should ensure that they are not complicit in human rights violations.	2.5

#### Labor standards

Principle 3	Companies should respect freedom of association and the effective recognition of the right to collective bargaining.	5.1
Principle 4	Companies should work to eliminate all forms of forced labor.	5.1
Principle 5	Companies should work to eliminate child labor.	5.1
Principle 6	Companies should work to eliminate discrimination in employment and employment.	5.1

#### Environment

Principle 7	Companies should follow the precautionary principle when dealing with environmental problems.	4.1; 4.2
Principle 8	Companies should take initiatives to promote greater environmental awareness.	4.1; 4.2
Principle 9	Companies should accelerate the development and dissemination of environmentally friendly technologies.	3.1; 3.2

#### Prevent of corruption

Principle 10	Companies should take action against all forms of corruption, including extortion and bribery.	6.4
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