



PEOPLE IN FOCUS

ESG REPORT
2023



Foreword from the CEO

Dear reader,

Since I got the opportunity to lead this company in November 2020, I was inspired by its cultural diversity. As a German citizen with a Greek background, I immediately felt comfortable and well-received here in Dortmund.

The culture of a company is strong, when people are only viewed as who they really are: human beings.



This is one of the most important principles I established in the company, and I also live by as a CEO. It is my deepest

conviction that a secure, respectful, appreciative, and above all, diverse work environment composed of a variety of people, is the best place for the realization of personal and professional dreams.

I want to offer every employee the freedom they need to develop themselves, both personally as well as professionally. This is the only way that the greatest and most sustainable factor of a company can be unfolded: a satisfied workforce.

As CEO, sustainability is a top priority for me. Why? Because the impacts of our actions not only affect us in the here and now but also extend into the future. Through sustainable corporate management, we can conserve important resources and keep them available for the future generations.

However, credible actions cannot be enforced through regulations or rules alone. In the implementation of concepts and projects, it is therefore crucial that everyone supports the goals and principles. Sustainable thinking and acting must be true and seen by everyone in the company as an integral part of the daily work. Therefore, people are the focus of the MOESCHTER Group on the journey to a sustainable present and future.

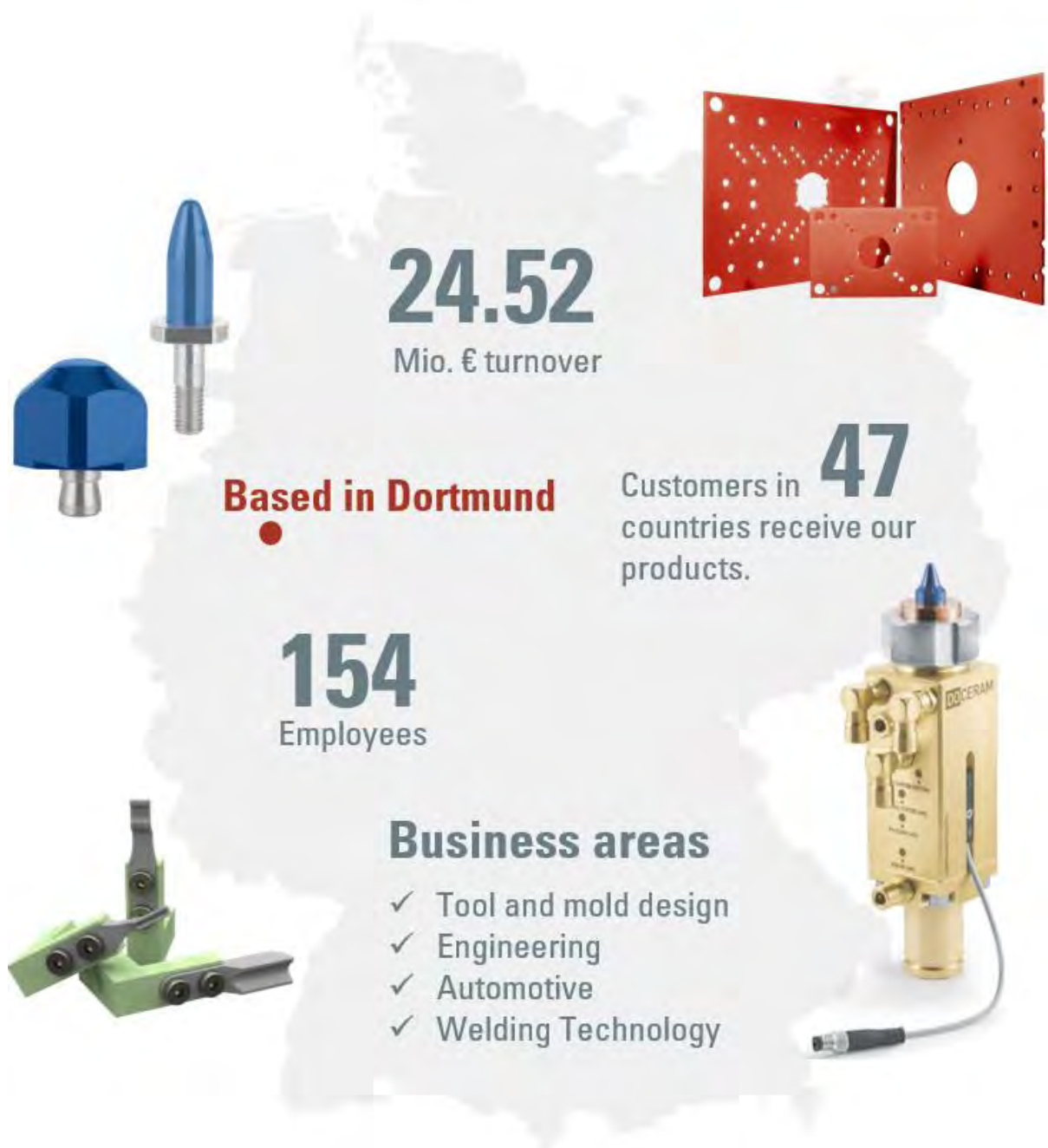
A blue ink signature of Georgios Kabiloglou. Below the signature, the name 'Georgios Kabiloglou' and the title 'Geschäftsführung' are printed in a small, black, sans-serif font.

Georgios Kabiloglou
Geschäftsführung

MOESCHTER Group in 2023: A Brief Overview

The MOESCHTER Group was founded in 1992 by the Möschter family and is engaged in the development, manufacturing, and distribution of products made from high-performance materials. The company, comprising the independent

business units DOCERAM, DOTHERM, and ISOCOS, supplies customers worldwide from various industries with products and solutions made from high-performance ceramics and technical plastics.



ESG-Score



Our Customers, Partners, and Investors expect from us to have sustainability incorporated in our corporate strategy, and therefore we see the ESG principle as an opportunity (Environment, Social, Governance). By taking a holistic approach, we create transparency and identify areas for action. Therefore, sustainability is an integral part of the MOESCHTER Group.

As in the previous year, we have commissioned EXCON Services GmbH to assess our ESG score, which determines the maturity level of our organization. By completing a standardized questionnaire and subsequent evaluation, the ESG score is determined from an expert third party. This provides us with an independent benchmark against which we can measure ourselves and compare with the industry.

Typically, the ESG score is reported on a scale from 0% to 100%. Ratings below 50% are generally considered "poor," while values above 70% can be regarded

as "excellent." Our result is presented below.

We have improved by seven percentage points compared to last year. This demonstrates that we are continuously striving for excellence in this field and do not rest on the measures implemented so far. By analyzing the results, we identify potential areas for improvement, enabling us to identify and implement appropriate follow-up measures.

WE OBTAINED AN
ESG-SCORE OF

83%

In the following pages, you will learn how the MOESCHTER Group implements the aspects of Environment, Social, and Governance.

Category	Maximum Score	Score Obtained	Result
Environment	2,300	2,100	91 %
Social	5,100	4,100	80 %
Governance	3,800	3,200	84 %
Overall Result	11,200	9,400	83 %

Focus on Diversity

Diversity is omnipresent – and for good reason: our society is more diverse than ever before and individual lifestyles are independent of age, ethnic origin & nationality, gender & gender identity, physical and mental abilities, religion & worldview, sexual orientation, or social background.

Diversity is also indispensable in the work environment. The initiative Charta der Vielfalt e.V. (Charter of Diversity) aims to promote diversity in the workplace. A prejudice-free work environment, recognition, and appreciation of each individual should be given, and by signing the Charter, companies commit to upholding and promoting these values. To date, more than 4,900 organizations have signed the Charter of Diversity – the MOESCHTER Group joined in May 2022, and we now proudly display a new flag on our company



premises. Because diversity is practiced reality in our organization: we have united 18 different nationalities and/or cultural backgrounds under our roof, and the age range spans from 17 to 70 years.

However, diversity also means that every individual has their own unique needs, which can sometimes lead to misunderstandings or tensions. Since June 2022, Sakeela Sathananthan has been responsible for the Human Resources Department at the MOESCHTER Group. Strategic personnel management is a crucial pillar for achieving corporate goals, and it is important to involve the entire workforce in

this process. Sakeela states, "It is important to find out how satisfied employees are with the company and to identify their strengths and weaknesses."

For this reason, we conducted an extensive employee survey on various topics such as workplace satisfaction, company atmosphere, supervisor behavior, continuous improvement practices, communication and training opportunities. Ratings were given on a scale from 0 (does not apply) to 100 (fully applies). With a participation rate of 82%, it is evident that employees consider it important to voice their opinions and to be heard. Through the survey, we gained a representative picture of employee satisfaction and now have visibility on areas which were rated good to very good, as well as areas of improvement. From the feedback, targeted actions have been derived to increase employee satisfaction, reduce employee-turnover and performance and thus strengthen employee retention. In 2023, various measures have already been decided and implemented. For example, we increased the mobile office days ratio to 40%, made Christmas Eve and New Year's Eve non-working days with-

out affecting vacation days, the internal continuous improvement process will

be revamped and regular townhall meetings, where the management reports on current organizational topics and financial performance, will be held twice per year. Further measures are being conceptualized and will be introduced in the coming months.

82%

OF THE STAFF PARTICIPATED IN THE
EMPLOYEE SURVEY.

Through the collaboration of different personalities within teams, everyone can learn from each other's perspectives. Studies show that diverse teams develop more creative ideas and often achieve results more quickly. As a company, we value the interaction of various individuals, a sentiment affirmed by employees with an average score of 84 points. A prime example is our purchasing team. In December 2021, Dagmar Agler retired. However, in early 2023, the team needed additional personnel support, and Dagmar didn't hesitate to return to the MOESCHTER Group as a retiree in part-time. Her reasons included "collegial cooperation, autonomous work, and the opportunity to contribute ideas." Colleagues benefit every day from her extensive experience, both professionally and personally. Additionally, the results of the employee survey show that the autonomy needed for daily work is highly valued by employees (average score of 74 points).

As part of our strategic personnel management, the development of managers is particularly crucial so that they can fully unleash their potential and support the company's goals. An average rating of 78

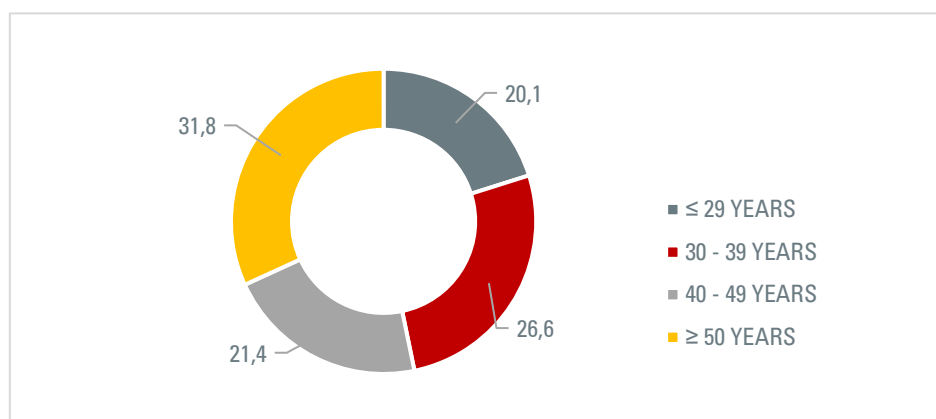
points in the employee survey indicates that employees have a trusting relationship with their respective line-managers and feel well-supported by them. Additionally, we obtained a meaningful, objective overview through a structured 360-degree feedback process. Through honest, objective, and professional feedback from various individuals across the entire organization and levels of management, not just within their own department, we have a solid basis for identifying areas for improvement

and can derive tailored actions for each manager. "The 360-degree feedback significantly contributes to being

able to develop leaders optimally," says Sakeela Sathananthan. A total of 326 feedback responses were provided for 18 managers as part of the survey. This number demonstrates that employees consider it important to support both their direct supervisors and managers from other departments.

326

FEEDBACKS FOR 18 MANAGERS
WERE PROVIDED.



AGE STRUCTURE OF EMPLOYEES (IN %)

Well-being in Focus



NEWLY DESIGNED RECREATION ROOM IN SHOPFLOOR

"*Mens sana in corpore sano*" means "a healthy mind in a healthy body." There is much truth in the saying of the Roman poet Juvenal because physical activity demonstrably improves blood circulation to the brain. To help our employees stay or become physically and mentally fit, we offer various options within our health management program.

51°32'17.3"N, 7°33'00.4"E – these are the coordinates of the MOESCHTER Group in the eastern part of Dortmund, right in the heart of the Ruhr area. With over 5 million

inhabitants, the Ruhr area is the largest metropolitan area in Germany and the fifth largest in

the distance also by bike. We offer our employees the option to lease a bicycle or e-bike with most favorable conditions. The monthly installments are automatically deducted from the gross salary, making the financing extremely attractive. The bike can, of course, also be used for personal purposes and not just for commuting to and from work. Currently, we have 27 active contracts in the system, with 14 of them being newly signed in 2023. Cycling is indeed healthy and, additionally, it helps to avoid harmful emissions. Battery empty? No problem! For e-bikers, we have set up a charging station where they can conveniently charge their bikes during working hours free of charge.

If someone's own energy runs low, they can recharge in the newly designed lounges during breaks. With a total area of 151 m², there is a suitable retreat for everyone. While one person may prefer the tranquility of the sofa corner, another may unwind with a game of table-soccer or darts. For refreshments, fruits are available and once a month there is a come-together lunch break: the managers

27

THIS IS THE NUMBER OF ACTIVE
LEASING CONTRACTS
FOR BICYCLES OR E-BIKES.

Europe. Therefore, it's no surprise that almost 80 % of our employees come from within a radius of 30 km to work, with about 30 % having a commute of only up to 10 km. It is therefore possible to cover

organize alternating meals for the entire staff and the company covers the cost.



Anyone who wishes to participate can share their preferences and dietary habits through an online survey, such as vegan, halal, or vegetarian, which are

of course considered. At the tables in our atrium, there is lively discussion between departments during meals.

Promoting both mental and physical health also involves enabling flextime,

part-time work, and remote work to combine work with family-life and achieve a harmonious work-life balance. Preferential commercial conditions at selected fitness centers or company events are further offerings we provide to our employees. Additionally, we also consider post-MOESCHTER Group times: we contribute as a corporation to a company pension scheme as a supplement to statutory pension insurance. This way, our employees experience the appreciation they deserve. The results of the employee survey show that we are offering the right benefits: the balancing of work and personal life is rated extremely positively with an average score of 72 points.



LUNCH ROOM IN A NEW LOOK

Education in Focus

Competent employees are the basis of our success. Therefore, we consider it important to invest in training and further education. When new requirements arise in processes or positions, employees are adequately trained, as confirmed by the

results of the employee survey, with an average score of 74 points. The sharing of knowledge and mutual support is rated at 83 points. This demonstrates that not only the individual employee benefits from

training, but the entire company does as well.

At the MOESCHTER Group, we provide apprenticeship in both technical and commercial fields to ensure our own need for skilled workers. Commercial trainees gain insight into the entire company during their apprenticeship, from sales to production steering, warehousing, purchasing, and accounting. This comprehensive overview offers apprentices insight into modern business structures and helps them understand business contexts.

In our in-house training workshop, young people learn the profession of manufacturing machine operators. Annika Scholz started her apprenticeship with us in 2016, and she has since become a highly motivated training supervisor with a master craftsman's diploma. In addition to practical skills on lathes and milling machines, apprentices receive theoretical knowledge, and each apprentice is equipped with a laptop. In the near future, they will have access to a digital learning platform tailored to their individual training level. The software allows us to track

learning progress from day one until the end of the apprenticeship, with a reporting tool. This enables us to identify potentials and strengths and to individually support and challenge apprentices. The digital training report system of the IHK (Chamber of Commerce and Industry) is currently being introduced.

Sustainable resource management is a fundamental principle in the training workshop. Precision and accuracy are essential in machining technology, and apprentices set high standards for themselves.



New techniques are initially practiced on remnants or scrap parts before moving on to the actual practice piece. However, even if a dimension is outside the tolerance, the practice pieces are always completed to avoid unnecessary waste. The generated metal chips from copper and other metals are collected separately and reintroduced into the circular economy through our certified waste disposal company.



ANNIKA SCHOLZ IN TRAINING WORKSHOP

The EU program *Erasmus+* advocates for a common European educational space and promotes cooperation across Europe in the fields of education, youth, and sports. Themes such as inclusion and diversity, digitization, political education, and sustainability are at the heart of the program. At the beginning of the year, we received a request from the Leopold-Hoesch Vocational Training College asking if we would host interns as part of the *Erasmus+* program. We didn't think twice and in May 2023 we welcomed three students from Budapest (Hungary) into our training workshop. They were able to perform filing, turning and milling exercises, quality control, and theoretical tasks with

us. During their free time, the vocational school organized visits to the BVB soccer stadium and excursions to Cologne and Münster. Communication was a particular challenge for both sides. When their knowledge of the German language was not sufficient, English or even Google Translate was occasionally used. Annika Scholz: "As a first, we are very satisfied with the result and would also be open to hosting interns from other countries in the future if the opportunity arises again."



Society in Focus

When we talk about sustainability, digitization is inevitable. However, we must not lose sight of people's needs, and personal communication must not be neglected. Within the framework of our new shopfloor concept in production, daily shift meetings are held to analyze the challenges and escalations in each functional area. This allows for the timely identification of bottlenecks and the distribution of tasks. Communication with other departments such as sales, production planning, and quality assurance is facilitated through digital task boards. This ensures that information



is visible and transparent to everyone. Production and machine data are transferred to a central database, enabling

detailed analysis and identification of improvement potentials. Employees can identify the status of individual machines at any time via monitors in our production area. Additional tools which integrate into the existing infrastructure are being planned, such as detailed scheduling of production orders. This allows for optimal machine utilization, consideration of personnel, optimization of lead times and setup times, and thus, cost reduction. In short, we aim to make our complete value chain more efficient.

Although we have digitized many processes, it's impossible to completely eliminate paper usage. Customs and shipping documents, acceptance test certificates, or production drawings are just a few examples. Since 2023, we have been exclusively using recycled paper to conserve natural resources.

Responsible, ethically correct, and lawful conduct is fundamental to the success of the MOESCHTER Group. Therefore, we

have defined the ethical and legal framework in our code of conduct, which is a binding standard for all employees. The values we impart and stand for have a very high level of recognition among the workforce (average of 90 points). If there are violations of the code of conduct or legal regulations, our employees are encouraged to report them. Through an internal reporting system, employees can submit reports, which are strictly confidential in accordance with the new whistleblower protection laws. This applies to both permanent employees and temporary workers as well as external people.

For many years now, we have implemented a certified quality management system according to ISO 9001. Through independent external audits, we are certified to a high level of maturity. This is something that customers of the MOESCHTER Group can rely on. Now, an environmental management system is to follow and will be integrated correspondingly. Through the integrated approach, we create transparency and illustrate the connections between quality and environmental performance: If the product meets customer requirements, we do not

generate waste that reflects in our waste balance, and we do not require additional energy and raw materials for new production. In recent months we have planned, documented, and implemented the environmental management system, and in 2024 we will self-assess through regular internal audits the ISO 14001 certification which is planned for 2025. But even without certification we have been monitoring our environmental impacts for years and working to improve our environmental performance. For example, in

2023 we increased the share of electric and hybrid vehicles to 28.6%. Defective lighting is always replaced with energy-saving LEDs and motion sensors are used where appropriate. Both measures reduce the emission of harmful greenhouse gases and have a positive impact on our carbon footprint. Waste balance, electricity and gas consumption, paper usage, business trips and freight data are other aspects that we regularly monitor and evaluate.

28%

OF THE VEHICLES IN OUR FLEET HAVE AN
ELECTRIC OR HYBRID DRIVE.



SHIFT MEETING IN SHOPFLOOR

However, as a responsible company, not only do we have an obligation to our employees as an employer and to our customers as a supplier, we also care about the society of which we are a part. Our roots have been in Dortmund for over 30 years, and we feel very connected to the region. We are particularly concerned about the well-being of children who face challenges in life. We are involved in various projects and foundations in the Dortmund area and support them with monetary donations. The fact that we, as a

company, represent and embody the right values is also reflected in the commitment of our employees.

"I am happy to work for the company" was rated with an average of 79

points in the employee survey. We highly appreciate this commitment, and we know that we can rely on our workforce.

A graphic celebrating 30 years. It features the number '30' in a large, bold, green font, followed by the word 'YEARS' in a smaller, green, all-caps font. Above the '30' is the text 'OUR COMPANY HAS BEEN EXISTING FOR MORE THAN' in a small, grey, all-caps font.

Perspective

Sustainability is an ongoing process and a key pillar of the corporate strategy of the MOESCHTER Group. We have embarked on this journey because as a responsible MOESCHTER Group we want and need to make our contribution. We can count on the support of our employees: 70% of the

employees who participated in the survey identify with our corporate strategy. We are convinced that through a holistic consideration of ecological, social and economic aspects, we will successfully meet the challenges of the future.

Overview of Key Figures

Key Figure ¹	Unit	Y 2022	Y 2023	+/- [%]
ESG-Score				
Result	%	77	83	+ 7.8
Environment				
Investment in environmental protection	€	75,897	32,525	- 57.1
Electric power consumption	kWh	2,097,195	1,836,196	- 12.4
Water consumption	m ³	1,275	1,159	- 9.1
Hazardous processing emulsion and sludge	t	69.5	39.8	- 42.7
Portion of electric and hybrid drives	%	18.8	28.6	+ 52.4
Social				
Employees in total	Anzahl	148	154	+ 4.1
Thereof females	%	24.3	24.0	- 1.2
Female managers	% ²	31.6	38.9	+ 23.1
Part-time employees ³	%	8.8	15.8	+ 78.9
Age structure of personnel				
≤ 29 years		23.6	20.1	- 14.9
30 – 39 years		25.0	26.6	+ 6.5
40 – 49 years	%	23.0	21.4	- 6.7
≥ 50 years		28.4	31.8	+ 12.1
Cultural backgrounds	Anzahl	16	18	+ 12.5
Investment for training and education	€	254,000	168,000	- 33.9
Completed lessons (digital learning platform)	Anzahl	2,144	1,274	- 40.6
Reportable accidents	Anzahl	3	2	- 33.3
Sickness ratio	%	10.0	11.4	+ 13.3
Governance				
Reported compliance violations	Anzahl	0	2	./.
Warnings	Anzahl	3	8	+ 166.7
Disciplinary actions due to compliance violations	Anzahl	0	2	./.
Automatically created production orders	%	91.1	87.4	- 4.0
Electronically edited invoices	%	100	100	+/- 0

¹ Per December 31st of respective year

² % of overall leadership positions

³ Incl. students

About this Report

The present report aims to inform customers, suppliers, employees, and the public about how the MOESCHTER Group addresses sustainability.

The report does not constitute a non-financial report within the meaning of Sections 315b, 315c in conjunction with 289b to 289e of the Commercial Code (HGB) and the EU Taxonomy Regulation. The collection of the key figures published does not follow any reporting standards, and

the report has not been audited by an independent external body. The data analysis is based on validated performance indicators that we regularly collect and evaluate. External service providers (e.g., electricity suppliers, waste management companies) have provided us with additional data.

The reporting period covers the fiscal years 2022 and 2023.

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