



# ENVIRONMENTAL POLICY

## KLINGER SCHÖNEBERG GmbH

### Environmental Policy

At KLINGER SCHÖNEBERG, we are committed to being a responsible and sustainable designer, manufacturer and supplier of ball valves. We recognize the significant impact industrial processes can have on the environment and are dedicated to minimizing our ecological footprint. This comprehensive Environmental Policy outlines our commitment to environmental protection, establishes our environmental goals, and provides guidance for all employees, partners, and stakeholders.

#### Our Commitment

At KLINGER SCHÖNEBERG, we pledge to:

- » Comply with all relevant environmental laws, regulations, and standards applicable to our industry and geographical locations.
- » Integrate environmental considerations into our production processes, product design, and daily operations.
- » Continuously improve our environmental performance through efficient resource management and sustainable practices.
- » Promote environmental consciousness and responsibility among our employees, suppliers, and customers.
- » Establish, monitor, and review measurable environmental objectives and targets that align with our commitment to sustainability.

#### Key Environmental Objectives

To fulfill our commitment, we have set forth the following key environmental objectives:

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##### Energy Efficiency

We will reduce energy consumption by adopting energy-efficient technologies, optimizing our production processes, and implementing employee training programs.

By installing an air duct to use the warm exhaust air to heat the warehouse, optimizing the compressor control system as required, regularly monitoring leaks in the air ducts, converting all lighting units to LED and providing energy efficiency training for employees, the aim is to reduce consumption to 180,000 kWh in 2025.

##### Objectives

In 2023 compared to 2022 a reduction in energy consumption by 1.97% was made. A further reduction of 2.00% is targeted for 2024.

##### Current status

Through targeted training and awareness initiatives on energy efficiency and sustainable energy consumption, coupled with the introduction of a transparent reporting system that clearly demonstrates energy consumption and progress towards energy efficiency goals in the CSR report, we achieved a measurable reduction in energy consumption in 2023 compared to 2022. Additionally, our commitment to regularly review and adjust operational processes to optimize energy efficiency contributed to

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this success. This led to a reduction in energy consumption by 1.97%.

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### **Waste Reduction**

We will minimize waste generation by adopting responsible waste management practices, prioritizing recycling, train employees and reducing single-use materials. KLINGER SCHÖNEBERG follow applicable regulatory requirements and our internal waste management standards, exceed regulatory requirements. Our environmental management practices include categorizing, separating, storing, labelling, properly disposing of waste, and personnel training.

#### *Objectives*

By 2025, all purchased goods will only be sourced on reusable product carriers and protective systems in the form of Euro pallets and stacking frames to ensure reusability. In addition, cardboard packaging and filling materials are reused and plastic materials are banned. This, coupled with waste reduction training for employees, aims to reduce the amount of waste by 25%.

#### *Current status*

Due to a 5.75% increase in production output in 2023 compared to the previous year, and the consequent increase in materials procured, waste volume rose by 6.85%. Despite this increase, we managed to enhance the recycling rate of the total waste generated by 5.9% through the increased use of recycled materials, improvements in the waste recovery rate, and training in waste management. Compared to last year, the recycling rate improved by 0.9%.

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### **Water Conservation**

KLINGER SCHÖNEBERG monitor and review water consumption practices, develop usage baselines and identify potential reduction opportunities. To reduce water pollution, KLINGER SCHÖNEBERG follows regulatory requirements and applicable permit limits and, where applicable, best management practices with respect to the industrial wastewater that it generates.

#### *Objectives*

By 2025, we want to reduce the specific water consumption to a max. of 250 cbm due to training of employees.

#### *Current status*

By implementing targeted measures to prevent water losses due to leaks in the infrastructure, educating and raising awareness among employees about the responsible use of water resources, and regularly reviewing and optimizing water consumption, we were able to reduce our water usage by 9.10%.

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### **Emissions Reduction**

We will actively work to reduce greenhouse gas emissions, air pollutants, and other emissions associated with our manufacturing processes by implementing cleaner technologies and practices.

#### *Objectives*

Using green electricity and photovoltaics we want to reduce the sum of Scope 1 & 2 GHG emissions to a maximum of 30 t CO<sub>2</sub>.

#### *Current status*

By establishing and implementing a comprehensive emissions management system that includes monitoring, reporting, and verification of emission data, along with regular employee training

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and ongoing maintenance of our facilities, we have managed to reduce our Scope 1 and Scope 2 emissions by 1.32%.

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**Sustainable Procurement**

We will prioritize sourcing raw materials and components from environmentally responsible suppliers who share our commitment to sustainability.

*Objectives*

To this end, surveys, on-site audits and the company's ESG report are reviewed annually. Our goal is to ensure that 50% of our A and B suppliers not only possess a CSR sustainability policy but also actively implement it.

*Current status*

To achieve this, we conduct sustainability assessments for all new suppliers before finalizing contracts to ensure they meet our corporate standards for sustainability. Additionally, we provide training for our procurement department staff to enhance their awareness and understanding of sustainability in the procurement process. A system for regular review and reporting on supplier progress helps us monitor and initiate improvements. Currently, 44.6% of our A and B suppliers have an established CSR sustainability policy.

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**Biodiversity and Ecosystem Protection**

We will take steps to protect and restore local biodiversity and ecosystems affected by our activities, ensuring the preservation of natural habitats.

*Objectives*

We are committed to promoting biodiversity awareness and incorporating it into our corporate policy. Additionally, we are establishing a quantification system to measure emissions of pollutants that harm water and air ecosystems to evaluate nitrogen oxide (NOx) emissions by 2025.

*Current status*

We regularly conduct environmental impact assessments that document both incidents of environmental pollution and water pollution levels. In 2023, there were no incidents of environmental pollution.

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**Product Energy Efficiency**

KLINGER SCHÖNEBERG sells long-lived products to essential industries worldwide. We will continue to drive greater energy efficiency throughout our product portfolio and support increasingly higher standards for energy efficiency and reduced emissions impact while enabling our customers and suppliers to do the same.

*Objectives*

To prevent fugitive emissions, all sealing variants will be tested and certified in accordance with ISO 15848-1 by 2025.

*Current status*

The fugitive emission tests for the seals are ongoing. Some parts have already been qualified and certified

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## **Sustainable Product Design**

KLINGER SCHÖNEBERG is working to incorporate life cycle thinking priorities and eco-design principles into our new product development processes to reduce the environmental impact and carbon footprint of our products.

### *Objectives*

Therefore, all current and future ball valve designs are based on the specially developed INTEC system technology - Design principles that will also facilitate the recycling and dismantling of products at the end of their service life in the future.

### *Current status*

Currently, 99% of our fittings are recyclable and, due to their product design, can be repaired and maintained without special tools.

## **Employee Engagement**

We recognize the essential role of our employees in achieving our environmental objectives. This includes:

- » Providing education and training to employees on environmentally responsible practices and their role in our environmental goals.
- » Encouraging employees to suggest and implement eco-friendly ideas and practices within the organization.
- » Recognizing and rewarding employees for their contributions to our environmental initiatives.

## **Stakeholder Engagement**

We actively engage with our stakeholders to:

- » Share information about our environmental performance, objectives, and strategies.
- » Address their concerns and gather feedback to enhance our environmental practices.
- » Collaborate with stakeholders to promote environmental responsibility and sustainability in our industry and local community.

## **Compliance and Reporting**

We are committed to:

- » Periodically review and assess our environmental performance and objectives to ensure we remain aligned with best practices and environmental standards.
- » Address and correct promptly any non-compliance with environmental laws and standards.
- » Maintain transparent and open communication regarding our environmental performance, including regular reporting to relevant authorities, stakeholders, and the public.

## Continual Improvement

We acknowledge that environmental responsibility is an ongoing journey. Our Top-Management Team will periodically review and update this policy to ensure it reflects our evolving goals and strategies, keeping us at the forefront of environmental stewardship in our industry.

At KLINGER SCHÖNEBERG, our commitment to environmental responsibility is unwavering. This Environmental Policy is a testament to our dedication to a sustainable future, and we invite all employees and stakeholders to join us in this important endeavor.

A handwritten signature in blue ink, appearing to read "M. Goßmann". The signature is fluid and stylized, with a long horizontal stroke extending to the right.

Marcel Goßmann  
BDM / Management Assistant  
01.04.2023