



MASCHINENFABRIK
ALFING KESSLER GMBH

SUSTAIN ABILITY REPORT



DATE 31/12/22



**“WHAT WE DO TODAY
DECIDES WHAT THE
WORLD WILL LOOK LIKE
TOMORROW.”**

Marie von Ebner-Eschenbach

FOREWORD FROM THE MANAGING DIRECTOR

Dear Readers,

Thinking and acting in a long-term and sustainable manner is fundamental to the corporate culture of Maschinenfabrik ALFING Kessler GmbH (known as MAFA). It has guided the decision-making processes throughout our 111-plus years of operation. This approach is becoming increasingly important for us and our stakeholders and has a major impact on future strategy and growth opportunities. Among the key drivers of current and future challenges are climate change, resource scarcity, demographic shifts and evolving user requirements. At the same time, Maschinenfabrik ALFING Kessler GmbH is focused on actively meeting the demands we are facing in terms of occupational safety, health protection and the compatibility of personal and professional life, as well as demographic shifts in our region. As an international industrial company with over 1,200 employees, we want to use our opportunities to further promote the necessary change processes in our market and in society with the goal of sustainable management.

We recognise our regional and global responsibilities and take targeted measures that reflect our thinking through consistent actions. We see the economic stability of Maschinenfabrik ALFING Kessler GmbH and values-based corporate management as the foundation for the implementation of our sustainability goals.

At management level, we assume responsibility for advancing towards these goals together with our employees. On the following pages of this Sustainability Report, we present our commitment



to sustainability with a focus on the future. Our efforts to date are illustrated by a variety of examples that address aspects ranging from corporate management, the value chain and products through to environmental protection, employee well-being and wider society.

Konrad Grimm
Managing Director of Maschinenfabrik
ALFING Kessler GmbH

MASCHINENFABRIK ALFING KESSLER GMBH

Maschinenfabrik ALFING Kessler GmbH (MAFA) delivers the highest level of expertise in the forging, heat treatment, machining and assembly of precision components. This modern and customer-oriented family business is represented on the world markets with its wide range of products and services. Located in Aalen-Wasseralfingen in southern Germany, it is classed as a hidden champion. At its production site covering more than 115,000 m², there are state-of-the-art production facilities and technology areas. In conjunction with experienced and qualified employees, these are an important prerequisite for the company's strong performance. Rock-solid business partnerships and employees' close identification

with the company's goals contribute significantly to corporate success.

Endlessly versatile, powerful and innovative

MAFA is the world's biggest manufacturer of large crankshafts with a length of 1.5 to 8 m (engine output 1 to 12 MW in the Large division). In the automotive sector, Maschinenfabrik ALFING Kessler GmbH is a sought-after partner of traditional brands and exclusive manufacturers throughout Europe.

The company has earned its reputation by providing reliability in demanding conditions and the highest levels of quality. The hardening machine division is powered by MAFA's decades

of experience in the hardening of rotationally symmetrical parts. Over 500 hardening and heating systems have been produced across a period of more than 60 years. The company uses these hardening machines in its own production processes and has also enjoyed great success in selling them to customers worldwide.

With its expertise, extensive experience and technical capabilities, Maschinenfabrik ALFING Kessler GmbH is constantly expanding its product portfolio for a wide range of applications in various industries.

Headed by Managing Director Konrad Grimm, this medium-sized company in Wasseralfingen maintains a subsidiary for sales and service in Shanghai as well as a joint venture for crankshaft production in Guilin, China. With an export share of over 70%, the company supplies its solutions to all well-known engine manufacturers worldwide. The strong market position of Maschinenfabrik ALFING Kessler GmbH is based not least on the reliability of its experienced and qualified employees, their commitment to the company, and their systematic training and further education. Every year, Maschinenfabrik ALFING Kessler GmbH offers apprenticeships in numerous technical and commercial professions as well as study places in cooperation with Aalen University or Baden-Wuerttemberg Cooperative State University (DHBW).



AERIAL VIEW OF
MASCHINENFABRIK ALFING
KESSLER GMBH

TABLE OF CONTENTS



Page // 14-15

RESPONSIBILITY FOR PRODUCTS AND SUPPLY CHAINS



Page // 31

ATTRACTIVE EMPLOYER

01	SUSTAINABLE CORPORATE GOVERNANCE	08
	1.1. Sustainability strategy and organisation	08
	1.2. Values and compliance	12
02	RESPONSIBILITY FOR PRODUCTS AND SUPPLY CHAINS	14
	2.1. Product stewardship management approach	14
	2.2. Supplier relations	15
03	ENVIRONMENT AND ENERGY	16
	3.1. Management approach	16
	3.2. Recyclables and waste management	17
	3.3. Hazardous substances and dangerous goods management	18
	3.4. REACH / conflict minerals	19
	3.5. Water / industrial wastewater / soil	19
	3.6. Energy management	21
	3.7. Emissions (scope 1 + 2)	23
	3.8. Expenses for environment / energy / occupational safety	25
04	EMPLOYEES AND SOCIETY	26
	4.1. Management approach	26
	4.2. Attractive employer	31
	4.3. Social commitment	38
05	SUSTAINABILITY GOALS AND FIELDS OF ACTIVITY	40

01

SUSTAINABLE CORPORATE GOVERNANCE

// 1.1. SUSTAINABILITY STRATEGY AND ORGANISATION

The integration of the sustainability strategy into the entire value chain is necessary. This applies above all to core processes, procurement cycles and procedures as well as to the interests of our employees, customers and business partners. These form the basis for product design and development as well as for the establishment of new business areas.

We have anchored our corporate guidelines for the areas of

occupational safety, the environment and energy in our corporate policy. Our activities are underpinned by a management system for occupational safety, environmental and energy management, which we are constantly improving. The essential processes are presented and described in a process manual. Process and procedure descriptions regulate details that apply to the entire company. We regularly review the

implementation of the requirements and the success of the management system in our business units. We are committed to complying with applicable laws and regulations and we act accordingly in a responsible manner. Machines and systems are planned, purchased, operated and maintained so that hazards are eliminated and risks are minimised.



OUR MOST IMPORTANT FIELDS OF ACTIVITY AND OBJECTIVES ARE:

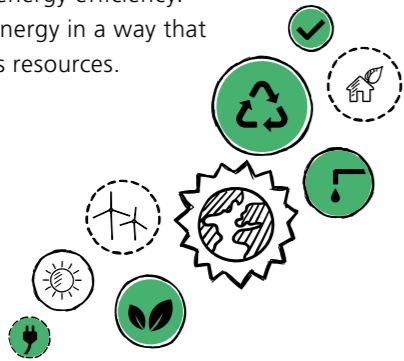
CLIMATE NEUTRALITY

We want to be climate-neutral by 2050.
We are partners of NOCARBforging 2050.



ENERGY EFFICIENCY

Products with a long service life, excellent performance and professional repair methods. New technologies and production processes that continuously increase energy efficiency. We use energy in a way that conserves resources.



ENVIRONMENT / OCCUPATIONAL SAFETY

Reduction of environmental impact as well as improvement of working conditions, and Minimising hazards for all employees. We use energy in a resource-saving way.

STAKEHOLDER

We have integrated the expectations of interested parties (stakeholders) into an analysis that is revised at regular intervals. We consider and analyse external and internal influencing factors on a site-by-site basis. If there is a need for action, measures are incorporated into the corporate programme and implemented. Through regular instruction, training and further education, we promote the skills and awareness of our employees and business partners. Transparency is an important prerequisite for trusting cooperation and continuous dialogue with all stakeholders.

- › **Employees**
- › **Customers**
- › **Shareholders**
- › **Works Council**
- › **Management**
- › **Applicants**
- › **Suppliers**
- › **Workers' associations**
- › **Social environment**
- › **Employers' associations**
- › **Employers' liability insurance associations**
- › **Classification societies**
- › **District Office**
- › **Municipality**
- › **City**
- › **Community**
- › **Residents**
- › **Media**
- › **State**
- › **Legislators (national)**
- › **Legislators (international)**
- › **Insurance companies**
- › **Banks and credit insurance companies**
- › **Certification companies**

COLLEAGUES

The objective of MAFA MOVE is to foster mutual support.



WE ARE MAFA.

PRODUCTION THAT DRIVES THE WORLD OF TOMORROW.

- › Communication is the key to successful teamwork
- › Respectful and productive interaction is the foundation of our company culture
- › Continuous improvement is crucial to our competitiveness
- › Our customers, employees and products are the future of MAFA

// 1.2. VALUES AND COMPLIANCE

Over the course of more than 100 years, we have grown into an internationally active company with a high status in the market and set high standards in our business relationships with our partners.

In order to ensure the continued importance of compliant conduct in times of growing internationalisation of our business activities, we have outlined and published our guidelines in a Code of Conduct. Employees are familiarised with the principles of this Code of Conduct when they join the company. These internal standards are supplemented by the Code of Conduct for our Business Partners. We attach great importance to the observance of human rights, resolutely rejecting child labour, forced labour and any kind of discrimination.

The Code of Conduct can be found on the website of Maschinenfabrik ALFING Kessler GmbH at [mafade.alfing.de/unternehmen/code-of-conduct](https://www.mafade.alfing.de/unternehmen/code-of-conduct).

The legal and self-imposed compliance obligations are laid down by the management in more far-reaching regulations (notification procedures, responsibilities, decision-making criteria). The Management and the appointed Compliance Officer are responsible for updating and monitoring these Codes of Conduct.



02

RESPONSIBILITY FOR PRODUCTS AND SUPPLY CHAINS

// 2.1. PRODUCT STEWARDSHIP MANAGEMENT APPROACH

Product stewardship

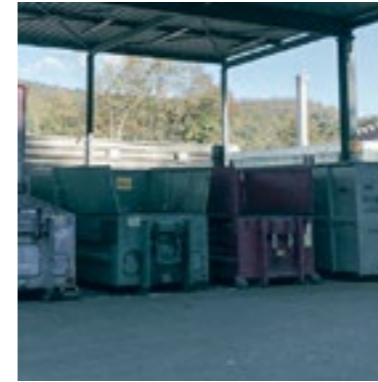
Innovative technologies, a long service life and optimal system solutions for powertrain units, decentralised energy generation and alternative powertrain solutions are the focus of our customers. Increasingly, new standards are being set that benefit both the environment and end customers.

Products – precise steel components

SUSTAINABILITY	Longer service life	Higher load resistance	Repair and service
EFFECT	Less recycling needed	Lower fuel consumption	Extension of the life cycle
IMPLEMENTATION	Patented processes increase fatigue strength	Patented processes increase fatigue strength	Tried-and-tested repair method
PROOF	On the fatigue strength test benches	On the fatigue strength test benches	Contracts with customers for repair and service

Product manufacturing – precise steel components

SUSTAINABILITY	Recycling of scrap metal	Re-use of cooling media	Reusability of packaging materials
EFFECT	Collection and separation of scrap metal	Long usability in one circuit	Less need for packaging material
IMPLEMENTATION	Central collection systems	Central facilities	Components are shipped in reusable packaging
PROOF	Scrap ratio	Less waste	Less waste



CONSISTENT WASTE SEPARATION



COOLING LUBRICANT CENTRAL SUPPLY SYSTEM



UNIAXIAL AND BIAxIAL FATIGUE STRENGTH TEST



UNIAXIAL AND BIAxIAL FATIGUE STRENGTH TEST



APPLICATION: BIOGAS PLANT

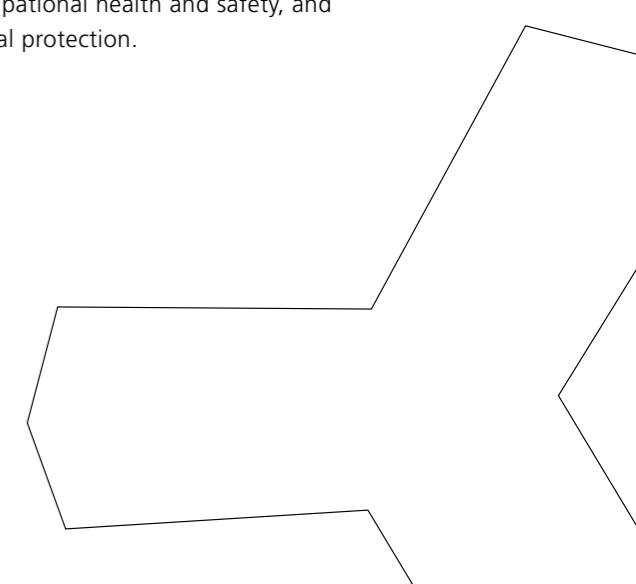


NEWLY INSTALLED BOILERS IN THE BOILER HOUSE

// 2.2. SUPPLIER RELATIONS

We are committed to a sustainable, transparent value chain without conflict material and support the objectives of Section 1502 of the US Dodd-Frank Act. This is a contractual part of every order. With our Code of Conduct, we require our business partners to comply with the legal requirements relating to the environment, occupational safety and correct behaviour. These requirements are explicitly listed in our General Terms and Conditions of Purchase. For this purpose, suppliers must, among other things, fill out a special questionnaire online and submit the corresponding documents and certificates. In addition to ecological, economic and social factors, the selection of suppliers also takes into account the issue of risk assessment. Suppliers who provide services on our premises must sign a work regulation for external and temporary

companies and agree in writing to our terms and conditions for occupational safety, environmental protection and energy efficiency set out therein. With our General Terms and Conditions of Purchase, we demand, among other things, compliance with REACH, occupational health and safety, and environmental protection.



03

ENVIRONMENT AND ENERGY

// 3.1. MANAGEMENT APPROACH

Environmental protection is a distinct task that in turn forms an important part of the corporate policy of Maschinenfabrik ALFING Kessler GmbH. To improve environmental protection, we use a management system that translates basic requirements into practical procedures. This plans and reviews environmental protection goals and measures in accordance with applicable laws and regulations.

Just as in the course of process optimisation, each individual work step and its dependence on others is examined and improved. Maschinenfabrik ALFING Kessler GmbH also sees the protection of the environment as a holistic issue. Our focus is on buildings, production facilities and the manufacturing processes of all business units. We encourage our employees to behave responsibly and in an environmentally conscious manner. Key performance indicators provide the basis for defining and reviewing environmental protection goals.

These key performance indicators are defined when determining the environmental impact of environmentally relevant processes. Regular reviews of the current key performance indicators also involve assessment of the suitability, appropriateness and effectiveness of the management system. This ensures a continuous improvement process for reducing the environmental impact.

Detected deviations are documented, tracked and remedied in a timely manner by means of specific measures. Compliance with the environmental protection policy is monitored by the environmental

protection officer appointed by the Management. The environmental protection officer is responsible for immission control, waste management, hazardous substances and dangerous goods. The environmental indicators include the consumption of resources such as energy and water/fresh water, wastewater, emissions, operating and auxiliary materials, waste and environmental protection investments. Some of the manufacturing processes take place in plants requiring a permit in accordance with the German Federal Immission Control Act (BImSchG). Especially in the case of these plants, we are in close contact with various expert organisations and the responsible trade inspectorate for monitoring.



ENVIRONMENTAL MANAGEMENT ISO 14001

// 3.2. RECYCLABLES AND WASTE MANAGEMENT

Maschinenfabrik ALFING Kessler GmbH operates a waste management system with separate and safe disposal of all waste types.

First and foremost, we try to avoid waste.

When supplying products to our customers, we almost exclusively use reusable packaging or recyclable packaging materials. In accordance with the requirements of the German Closed Substance Cycle Management Act (KrWG), including the hazardous goods regulations, all waste is collected and sorted separately, then transported and properly recycled or disposed of.

Through consistent waste separation, we achieve high recycling and sorting rates. The recycling rate is > 95%. To dispose of our waste volumes, we work almost exclusively with regional waste management companies. The amount of waste generated and the recycling routes depend on production capacity utilisation and construction activities. Maschinenfabrik ALFING Kessler GmbH operates its own recycling presses in order to efficiently collect waste in the smallest possible space and then recycle it. Our largest waste categories, namely metallic steel chips, cast iron chips and scrap, are not listed separately because they are fed into the recycling market as secondary raw materials.



WASTE SEPARATION OF OILY OPERATING MATERIALS



WASTE SEPARATION ON PRODUCTION FLOOR



CONSISTENT WASTE SEPARATION: RECYCLABLES



WASTE SEPARATION: WOOD

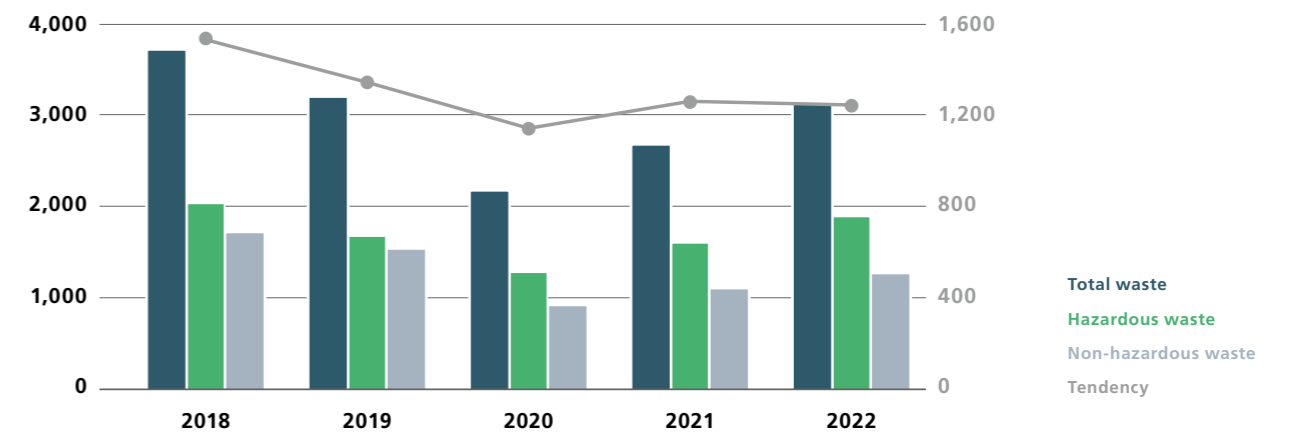


WASTE SEPARATION: NON-FERROUS METALS



REUSABLE PACKAGING: AUTOMOTIVE

Development of waste quantities



// 3.3. HAZARDOUS SUBSTANCES AND DANGEROUS GOODS MANAGEMENT

The production process at Maschinenfabrik ALFING Kessler GmbH is characterised by a high level of vertical integration. Numerous operating and auxiliary materials are therefore used, such as:

› *Cooling lubricants and additives*

› *Acids and alkalis*

› *Oils and fats*

› *Process gases and coolants*

The substances used are evaluated and approved by the environmental protection department and the company doctor. Accordingly, handling and storage are regulated in accordance with the legal requirements. All substances are listed in a register.

By substituting a hazardous substance or process with another substance/process, hazards are reduced. With the coolants we use, the aim is to continuously convert all air conditioning systems to environmentally friendly coolants and to reduce losses through regular maintenance work. All persons involved in the transport of dangerous goods are trained and regularly instructed according to their role. Authorised persons are appointed and, together with the dangerous goods safety officer, monitor compliance with the regulations. Packing and loading processes are randomly checked using checklists. Goods are packed in approved transport containers and are declared in accordance with applicable regulations.



**WORKING ON THE HAZARDOUS
MATERIALS CABINET**



**HAZARDOUS MATERIALS CABINET
WITH TECHNICAL VENTILATION**



**SECONDARY PROTECTION FOR COOLING
LUBRICANT: CENTRAL UNITS**



**SMALL CONTAINER STORAGE ON
THE PRODUCTION FLOOR**



**SECONDARY STORAGE OF
HAZARDOUS SUBSTANCES**



FAULT REPORTING TECHNOLOGY

// 3.4. REACH / CONFLICT MINERALS

As a 'downstream user', Maschinenfabrik ALFING Kessler GmbH observes the activities undertaken as part of the revision of the chemicals policy within the EU's REACH regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals). Only registered chemicals are used in our processes.



// 3.5. WATER / INDUSTRIAL WASTEWATER / SOIL

Water / industrial wastewater

The water requirement of Maschinenfabrik ALFING Kessler GmbH is divided into the consumption of fresh water and municipal water. The fresh water is pumped from a nearby well.

Municipal water is obtained exclusively from the public network as drinking water. The proportion of fresh water in total consumption is approx. 83%. This water is used in sanitary facilities, the washing hall, cooling circuits and as a source for specially treated water. As a result, it has been possible to drastically reduce the purchase of municipal drinking water by

Maschinenfabrik ALFING Kessler GmbH. Industrial wastewater from the production facilities is pre-treated before being discharged indirectly into the public sewer system. This is done by an ultrafiltration process, which is used for heavy

metal precipitation and oil separation. Due to the legal requirements of the German Water Resources Act (WHG), a water law notice is required for ultrafiltration. The monitoring of the concentrations used (limit value specifications) is checked at least twice a year by an accredited environmental laboratory. Random checks in the in-house laboratory are carried out monthly. Most of the results are well below the legally prescribed limits. The pH value is continuously monitored and therefore the wastewater is readily biodegradable. With this process, about 75% of the industrial wastewater produced can be treated internally. Treatment with energy-intensive procedures has consciously been avoided.

Soil

A fundamental requirement in the event of a malfunction is that escaping water-polluting substances are quickly detected, retained and eliminated. Examples of infrastructural or technical measures include automatic fault signalling devices operated in connection with a permanently staffed position. This enables better monitoring of risky plants and areas in order to be able to initiate the necessary emergency measures by our plant security as quickly as possible in the event of a malfunction. We are recognised and certified as a specialist company according to the German Water Resources Act (WHG).



**SPECIALIST COMPANY CERTIFICATE
ACC. TO THE GERMAN WATER
RESOURCES ACT (WHG)**



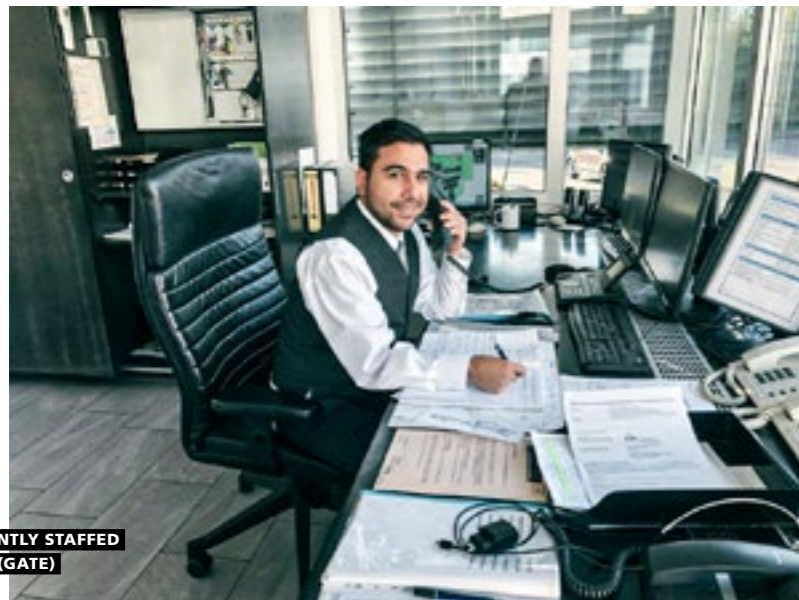
CONTROL OF INDUSTRIAL WASTEWATER TREATMENT

// 3.6. ENERGY MANAGEMENT

Energy is an important issue for us, not least because of our manufacturing processes. Energy management is therefore an essential part of the company's policy alongside environmental management. The focus in this regard is on the efficient use of energy and the reduction of energy consumption.

The energy management system of Maschinenfabrik ALFING Kessler GmbH is certified according to DIN EN ISO 50001. In addition to the management officer, two energy teams with members from all areas of the company are responsible for the implementation of the energy targets. Compliance with the set goals and the requirements of the standard is monitored by regular internal and external audits. Any deviations identified are remedied as part of the management process.

To ensure that we are always up to date with the latest legal and technical developments, we participate in the German Federal Association of Energy Consumers (VEA) and in the EnBW ODR energy community.

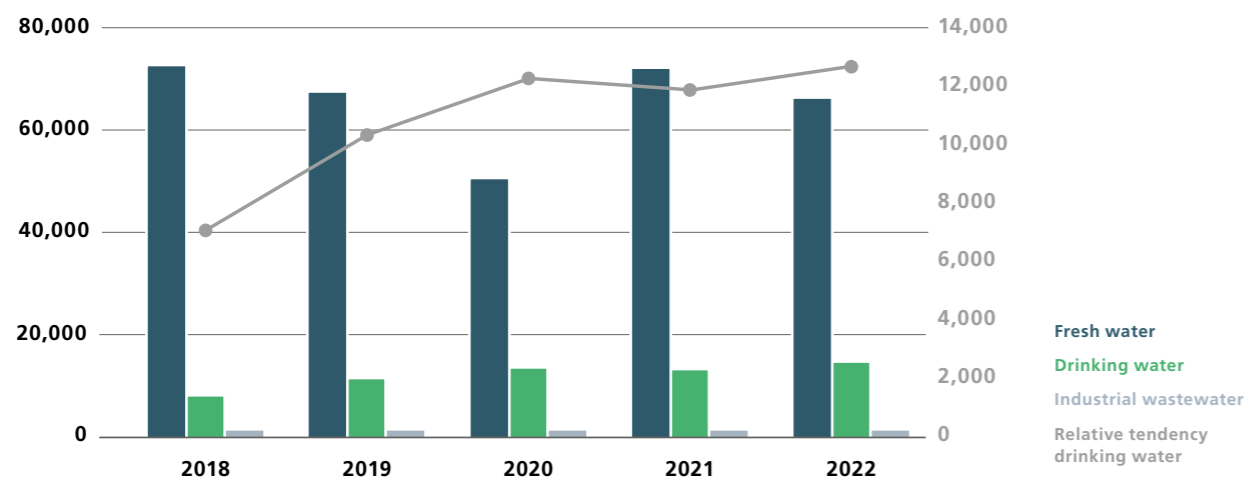


PERMANENTLY STAFFED POSITION (GATE)



CENTRAL FAULT ALARM SYSTEM

Development of fresh water / drinking water / industrial wastewater



ENBW ODR ENERGY COMMUNITY

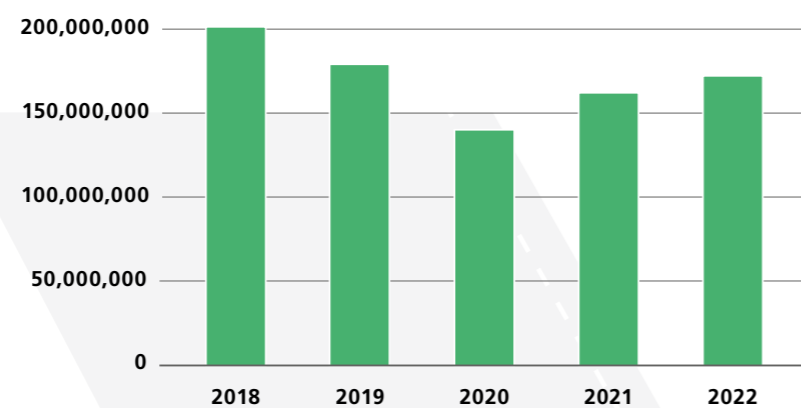


GERMAN FEDERAL ASSOCIATION OF ENERGY CONSUMERS

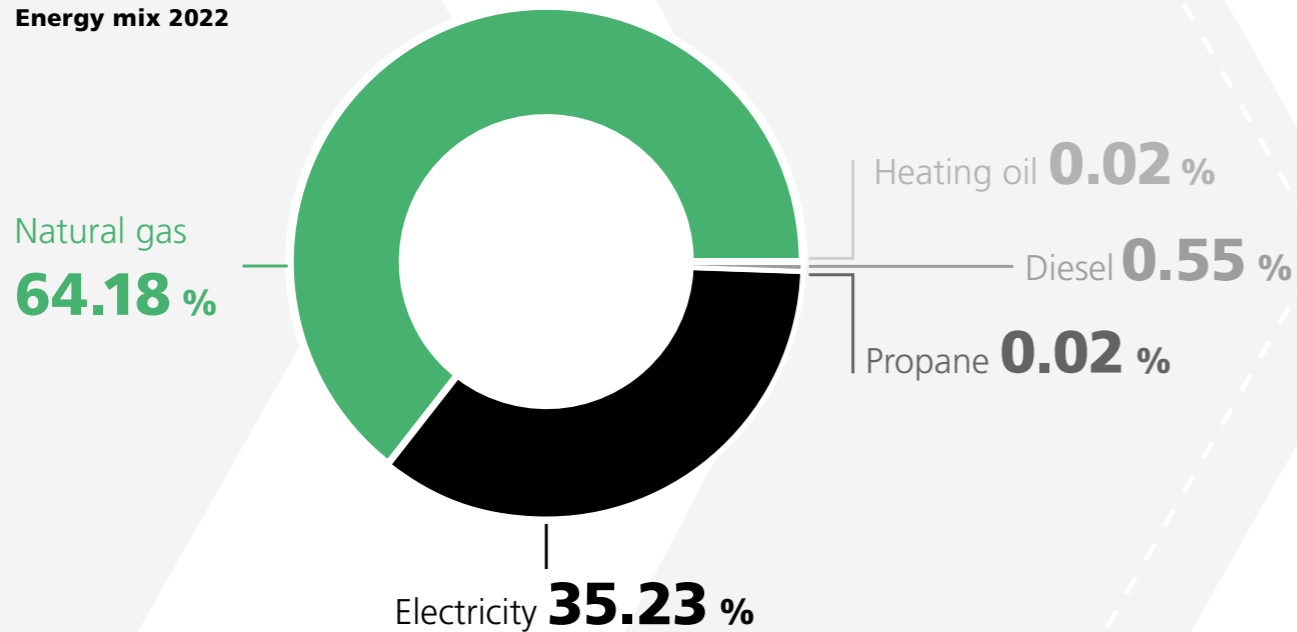
ENERGY MANAGEMENT ISO 50001

The best energy is that which is not consumed. For this reason, we not only pay attention to the use of energy-efficient products when investing in new buildings or machines, but we also perform regular optimisations in existing buildings. For example, we are gradually converting the lighting to LED technology, tapping into the potential of waste heat for building heating, and purchasing more efficient pumps and motors. In addition, the building management system is continuously being expanded and the aim is to control consumers in line with demand. In addition to these technical measures, employee awareness is being sharpened through instruction and training. This starts as early as the apprenticeship phase.

Energy consumption [kWh]



Energy mix 2022



// 3.7. EMISSIONS (SCOPE 1 + 2)

At Maschinenfabrik ALFING Kessler GmbH, atmospheric emissions of direct relevance to the environment are primarily generated by:

- › *Combustion processes in the company's own gas firing systems within the central heating systems (boiler house).*
- › *Forging operations and in quenching and tempering for the decentralised production of process heat.*
- › *Surface treatments of components in hardening and cleaning processes*
- › *Noise emissions from drop forging (hammer operation) and ventilation technology*
- › *Factory traffic on the company premises*

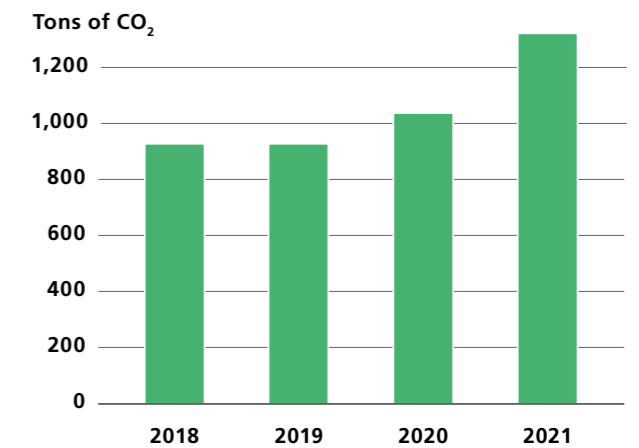
There are also indirect emissions resulting from the purchase of electricity.

The combustion processes essentially produce CO₂ emissions. These are calculated from the primary energy consumption of electricity, natural gas and diesel. Measures that serve to reduce CO₂ emissions are of particular relevance and an important part of counteracting these emissions.

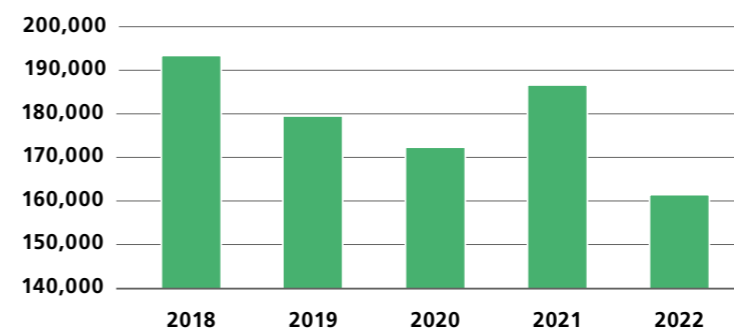
The carbon monoxide and nitrogen oxide content of various exhaust gas streams is regularly checked via in-house measurements.

Process plants of the forge, which are subject to the scope of the German Federal Immission Control Act (BImSchG), are regularly monitored. These measurements last several days and are carried out by accredited environmental laboratories. The results are well below the legally prescribed limits.

Annual CO₂ reduction from continuous improvement process



Total emission share [t-CO₂e/million EUR]



FLARING OF PROCESS GAS AT HARDENING SHOP



EXTERIOR OF FORGE
SHOP LSUP

Emissions from cleaning processes

The emission of volatile organic compounds (VOCs) is mainly associated with the cleaning of semi-finished and finished goods at various plants. Through the use of aqueous cleaning systems, consumption has been significantly reduced in recent years. The input/output balance sheet according to the 31st edition of the Regulation on the German Federal Immission Control Act (BImSchV) is updated annually.

Emissions from noise

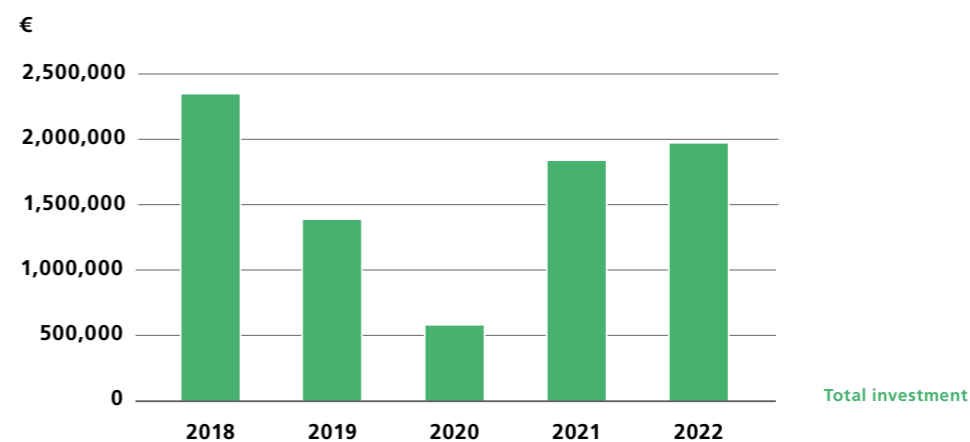
In general, noise emissions are limited by encapsulation of machines and systems as well as by building envelopes. The processes in the closed die forge shop are subject to further organisational measures to reduce noise. In building approval procedures, acoustic engineering reports are prepared that take into account all conditions on site. Based on the guideline values of the German Technical Instructions for Protection against Noise (TA Lärm) and defined immission points, compliance with the requirements is confirmed and monitored by independent experts.

**// 3.8.
EXPENSES FOR ENVIRONMENT /
ENERGY / OCCUPATIONAL
SAFETY**

The expenses for environmental measures, energy efficiency measures and occupational safety are explained and updated in our corporate programme. The resources are regularly planned and evaluated and approved with the company management. A special budget is available for necessary immediate measures.



**Relevant investments in environment / energy /
occupational safety corporate programme**



04 EMPLOYEES AND SOCIETY

// 4.1. MANAGEMENT APPROACH

The occupational health and safety objectives are in line with the company's policy and are defined for all roles and levels. We regularly and systematically assess working conditions in accordance with the German Occupational Health and Safety Act (ArbSchG) and derive measures. The Occupational Health and Safety Committee meets four times a year to promote internal communication between the safety specialists, the company doctor and the works council with

representatives from the various departments. After the inspections, protocols are drawn up and necessary measures are derived. To improve occupational safety, we use a management system that translates basic requirements into practical procedures. Internal audits are carried out to randomly check all the requirements of the ISO 45001 occupational health and safety standard.

Detected deviations are documented and tracked and remedied in a timely manner by means of remedy measures. Compliance with the occupational health and safety policy is monitored by the occupational health and safety management officer appointed by the management.

We encourage our employees to behave in a responsible and safety-conscious manner and to actively participate in the occupational safety process.



OCCUPATIONAL SAFETY
MANAGEMENT ISO 45001



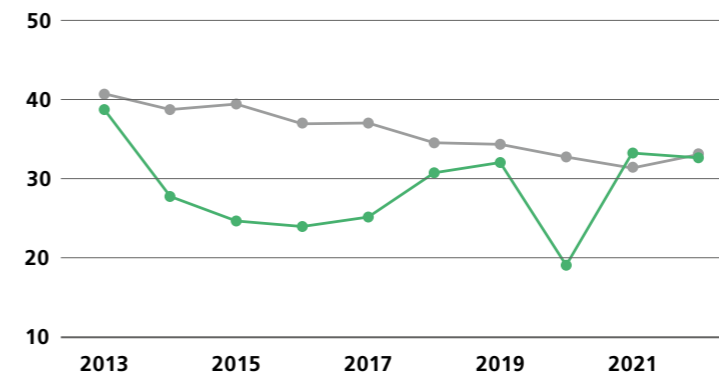
MEETING WITHIN THE FRAMEWORK
OF SHOP FLOOR MANAGEMENT



TESTED LOAD HANDLING
DEVICES

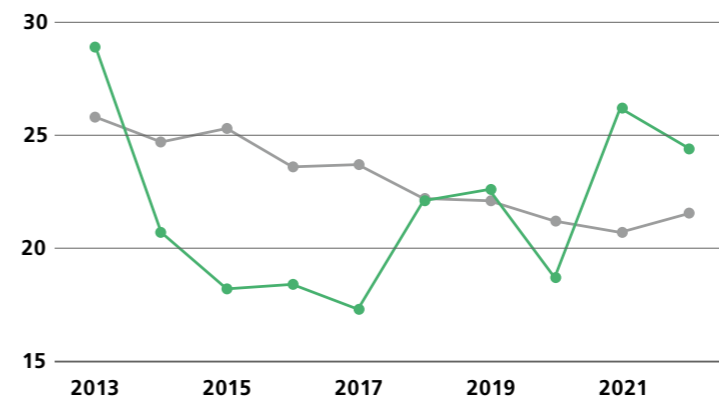
Due to our high level of vertical integration, the heating and forging processes as well as high transport volumes for heavy weights, accidents at work cannot be avoided one hundred percent. Based on the experience gained in the company and according to the manufacturer's specifications we have determined the type, scope and deadlines for the inspection of work equipment. Regular inspections are therefore essential for the safe operation of work equipment so that unsafe conditions are detected in good time. Since accidents at work are mostly caused by behavioural errors, we attach great importance to training and instruction that we carry out both internally and externally. Every accident at work is analysed and, if possible, remedial measures are initiated.

Development of occupational safety index per 1,000 employees



Index per 1,000 employees
Comparison figure of sector

Development of occupational safety per 1,000,000 working hours



Index per 1,000,000 working hours
Comparison figure of sector



**CONTROLLED ACCESS TO THE
FACTORY BY A PERMANENTLY
STAFFED POSITION (24/7)**

Visitor and contractor management

For the purpose of securing the plant and at the same time ensuring the greatest possible safety for our visitors and business partners, we have introduced a visitor and external company management concept. It regulates the principles of conduct for employees of Maschinenfabrik ALFING Kessler GmbH as well as for visitors and external companies. The aim is to avert danger, damage and injury affecting Maschinenfabrik ALFING Kessler GmbH, employees and visitors by maintaining safety and order. This is supported by a permanently staffed position (24/7). In emergencies, rescue workers are requested by the staff at the gate.

The first aid services to be provided and the defensive fire protection are ensured by the company's own rescue forces. For this purpose,

we have a well-trained medical team and a recognised plant fire brigade on site. Through regular training sessions and further education, the level of training is maintained at a high level.

The firefighting equipment, technical assistance equipment and the personal equipment of firefighters are state of the art.

VARIOUS EXERCISES AND TRAINING COURSES FOR FIRE PROTECTION AND EVACUATION ASSISTANTS IN COOPERATION WITH THE PLANT FIRE BRIGADE AND THE MEDICAL TEAM AT MASCHINENFABRIK ALFING KESSLER GMBH



**Alfing
Fire Service**

ANSWER THE CALL!

Join our company fire service today.

Known consignor

Maschinenfabrik ALFING Kessler GmbH has been certified by the German Federal Aviation Office (LBA) as a known consignor (bV) for many years and has to verify this status annually through monitoring, reporting, unannounced audits and so forth.

This includes a security programme specifically tailored to MAFA, which includes all areas that know about air cargo and/or that have access to rooms where air cargo is packed.

All persons with corresponding knowledge (around 120 employees at MAFA) also had to be trained by a trainer approved by the LBA. Prior to this, however, these persons first had to undergo a reliability check (ZÜP) that was centrally requested for each employee by the shipping department from the regional council. Having successfully completed this procedure, we are permitted to independently handle air freight as secure air freight without our goods being screened again at the airport. This would not have worked with our goods (crankshafts) anyway, as this would have triggered a 'dark effect' meaning all boxes would have had to be opened and undergo manual screening – which would not have been possible for quality reasons. MAFA meets the highest standards when it comes to handling shipments by air freight and indeed all shipping modes.

Compliance check / export control

In order to meet and constantly guarantee the high requirements (based on various national and international laws) in the area of export control, MAFA has for many years used a suitable software tool to check all business transactions.

This means that all transactions (from quotation to invoicing) that are initiated via SAP (leading system) are checked simultaneously by the software tool.

In the event of any abnormalities (hits), the transaction in question is immediately 'stopped'. The respective processor can neither continue nor end this process.

In this case, information is generated in the system, which is then transmitted to the person responsible for export control in order to manually check this file – if the result is positive (in the sense of 'good guy', e.g. if the name is the same), the process is manually 'released' for further handling.

At MAFA, organisations, companies, individuals and our employees are subject to this audit, which takes place online for all these groups except the latter. In the case of our employees, it is manually initiated twice a year in coordination with the data protection officer.

**// 4.2.
ATTRACTIVE EMPLOYER****Values & compliance**

Over the course of more than 111 years, we have developed into an internationally active company with a high status in the market and set high standards in our business relationships with our partners.



The basis for long-term economic success is compliance with applicable laws, regulations and guidelines. Our Code of Conduct for employees and business partners ensures sustainable and responsible action both internally and externally. The principles generally deal with:

- › **General code of conduct and fair business conduct**
- › **Occupational safety and environmental protection**
- › **Energy efficiency**
- › **Information protection and handling of resources**
- › **Responsibilities & contacts**

At the beginning of their employment at Maschinenfabrik ALFING Kessler GmbH, new employees are informed about the principles of conduct. They then agree in writing to comply with these principles.

The internal standards are supplemented by the Code of Conduct for our business partners, in which, among other things, we ensure compliance with human rights along the value chain.

The legal and self-imposed compliance obligations have been issued by the Management in further regulations (notification procedure, responsibilities, decision-making criteria). The Management and the appointed Compliance Officer are responsible for updating and monitoring these Codes of Conduct.



Code of Conduct for employees and business partners – available on the website of Maschinenfabrik ALFING Kessler GmbH at

<https://mafade.alfing.de/en/company/code-of-conduct>



EQUIPMENT TO ASSIST SEVERELY DISABLED PERSONS

Attractive employer

As a family-owned company with a history dating back more than 111 years, Maschinenfabrik ALFING Kessler GmbH is highly aware of its responsibility towards its employees. As a fair and reliable employer, the company takes employees' individual situations into account while also placing high demands on employees in return. MAFA therefore offers training opportunities and a variety of career opportunities within the company. In this way, we strengthen the trust of our employees and bind them to our company in the long term. A major concern of Maschinenfabrik ALFING Kessler GmbH is to provide safe workplaces for colleagues with health impairments, who are supported within the company by our representative body for severely disabled employees in all matters.

Maschinenfabrik ALFING Kessler GmbH in figures

A total of 1,163 people were employed by MAFA as of 31/12/2022. The average number of trainees, students from Aalen University and students from Baden-Wuerttemberg Cooperative State University (DHBW) is 23 people per year of training. The average age of MAFA employees as of 31/12/2022 was 43.89 years. The average length of service was 19.23 years.

Working environment, development opportunities, perspectives

With the newly built production facility for the Automotive division, Maschinenfabrik ALFING Kessler GmbH has set the course for continuing the company's successful course in the future.

New challenges are constantly arising for our employees due to the increasing digitisation processes in the individual production areas. Through targeted qualification measures, employees are trained in future production processes and gain further qualifications accordingly. The focus in this regard is on the handling and application of digital media.

Thanks to the development opportunities within Maschinenfabrik ALFING Kessler GmbH, employees who have attended further training measures for a role such as master craftsman or technician or who have undertaken part-time studies can recommend themselves for higher positions and also advance their personal development.

The need for future employees across all hierarchical levels can be effectively depicted and analysed on the basis of the ongoing review of our age structure analysis.

With our company agreement on job advertisements, various attractive positions in the company are also advertised internally and filled according to a fixed selection process.

Family and career

Maschinenfabrik ALFING Kessler GmbH is a family-friendly company. This is also reflected in the fact that the number of male employees taking parental leave increased significantly during the reporting period. In 2022, for example, 29 employees applied for parental leave and were approved.

These applications are flanked by flexible working time models and individual options for flexible working. These include flexible working hours, the possibility of working from home, and part-time work with a gradual increase in working hours, enabling employees to act according to individual personal circumstances.

Maschinenfabrik ALFING Kessler GmbH supports employees in balancing family and career, such as by offering childcare places for employees in a kindergarten in Wasseralfingen. Due to the geographical proximity to the company location, this provides optimal conditions for supporting employees in their work and taking care of their children within the framework of flexitime arrangements.

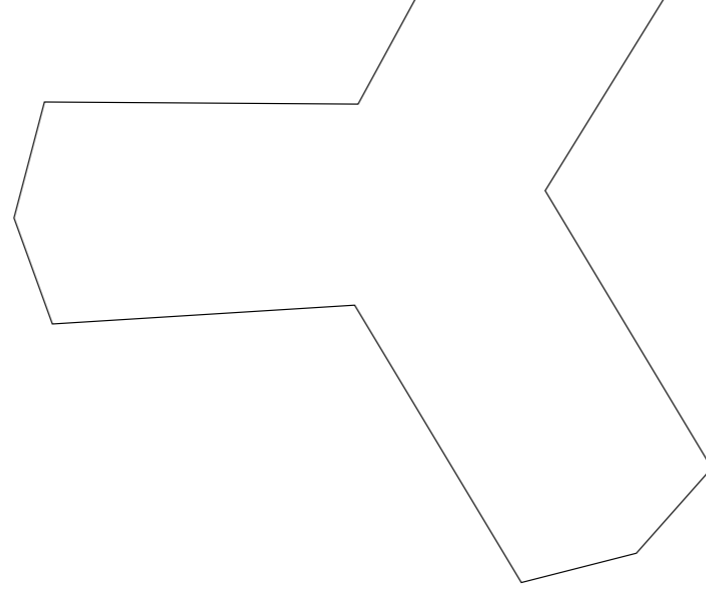
Education and training

Even though Maschinenfabrik ALFING Kessler GmbH enjoys a good reputation as a regional employer and a longstanding, internationally active family business, our company has to continually promote itself when competing for qualified applicants. For example, the Management provides a corresponding training budget for the further education and qualification of our employees. This ensures that the right people with the right qualifications and skills can be deployed in the workplace that is most suitable for them and for the company.

In order to meet the demand for qualified skilled workers, we rely primarily on our own training. Our training centre provides theoretical and practical knowledge of the various training occupations. In this way, our trainees are optimally prepared for the professional world and we receive the highly qualified employees we need directly from our own training. The success of our training is reflected in the large number of successful vocational qualifications and associated scholarships, which enable our successful trainees to study at a university after their vocational qualification. Time and again, trainees from our company are awarded prizes at state and regional level.



BEST TRAINEES FROM THE FIELDS OF MECHATRONICS (1 X PRIZE & 1 X COMMENDATION) AND INDUSTRIAL MECHANICS (1 X COMMENDATION) IN BADEN-WUERTTEMBERG IN 2022



Our company founder Karl Kessler and his wife Auguste always placed particular emphasis on training. Following this tradition, we attach great importance to first-class training, which is not only based on the technical content of the training but is also characterised by the holistic teaching of social and professional skills. Within the framework of interdisciplinary learning content, the training content is supplemented by appropriate seminars and foreign language lessons. Through intensive contacts with

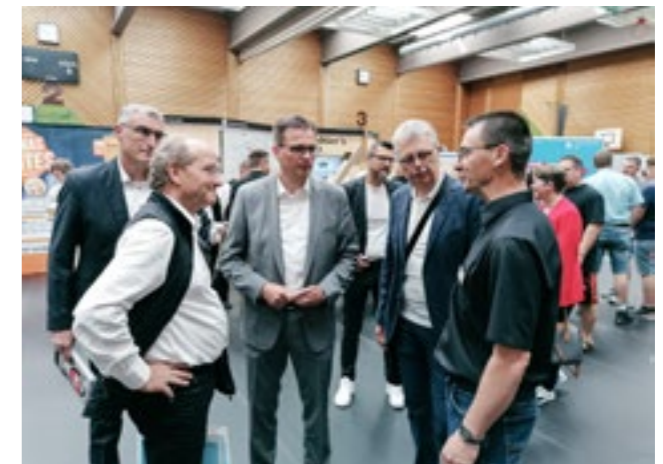
local schools and work experience internships, we establish contact with potential future trainees at an early stage. This is reinforced by participation in all five regional apprenticeship fairs, where we provide a detailed introduction not only to the company itself but above all to our training division. This ongoing process is rounded off by the annual company training day, where all interested parties and potential applicants can acquaint themselves with the entire training division in person.



VISIT FROM OUR PARTNER KINDERGARTEN ST MARTIN IN WASSERLFFINGEN, WHERE WE WERE JOINED BY AALEN'S LORD MAYOR FREDERICK BRÜTTING DURING A TOUR OF THE MAFA PLANT



STRONG TOGETHER - TRAINEES AT A SOCIAL EDUCATION SEMINAR



MASTER TRAINER ROLF RIEGER IN CONVERSATION WITH DISTRICT ADMINISTRATOR DR JOACHIM BLÄSE AT THE TRAINING FAIR IN AALEN

Maschinenfabrik ALFING Kessler GmbH is currently training 20 trainees per year.

These are divided among the various training occupations as follows:

- › *Metal machining mechanic*
- › *Industrial mechanic*
- › *Mechatronics technician*
- › *Tool mechanic for forming technology*
- › *Process technology mechanic for steel processing*
- › *Industrial clerk*
- › *IT specialist for system integration*

Students from the various universities attend the following courses:

- › *Bachelor of Engineering – Engineering*
- › *Bachelor of Engineering – Industrial Engineering*
- › *Bachelor of Arts – Industrial Business Administration*
- › *Bachelor of Science – Business Informatics*
- › *Bachelor of Engineering – Mechatronics*

Every two to three years, students are also trained on the Bachelor of Arts – Industry programme. The courses of study for the following years are determined annually according to demand. As a rule, our trainees are taken on after completing their training and then prepared for future tasks with further qualification and development measures such as training for the role of technician or master craftsman.

In general, it should be noted that at Maschinenfabrik ALFING Kessler GmbH, trainees and students were able to achieve a training rate of over 7%. This ensures that, despite discussions about the shortage of skilled workers and engineers, the company can secure its need for qualified



specialists and engineers in the long term through in-house training. This is the only way we can continue to deliver technologically high-quality products to our customers.

With a proportion of skilled workers of over 85% and the associated qualifications of the entire workforce, Maschinenfabrik ALFING Kessler GmbH is also in a position to adapt quickly to changes in the market. This is especially true in relation to ever-accelerating technological development within the framework of Industry 4.0.

This high proportion of skilled workers also represents a competitive advantage over our competitors that should not be underestimated.

// 4.3. SOCIAL COMMITMENT

Active social commitment going beyond company issues is also integral to our traditional identity as a family company.

The focus of these activities is clearly on regional projects and contributions, either by means of cash grants or material resources. In this way, social and cultural projects are also supported. The most recent of these was the renovation of the 'Blauwagen' construction trailer, which will be deployed on playgrounds across Aalen and serve as a waffle kitchen, art workshop, meeting place and jukebox. This project was carried out with our trainees under the direction of the Catholic company chaplaincy and in cooperation with other companies.

Maschinenfabrik ALFING Kessler GmbH only grants monetary donations to serious and eligible recipients. In addition, it is important for these recipients to have a link to the region, the business areas of Maschinenfabrik ALFING Kessler GmbH, our corporate culture and our values.

This is complemented by the MAFA Foundation, which supports a large number of institutions and projects such as the local kindergarten. Financial support is also provided to the 'explorhino' museum, the 'School Laboratory at Aalen University' and the '50/50 Taxi' project, which ensures young people can travel by taxi safely and at reasonable prices on weekends.



OUR TRAINEES RENOVATED A CONSTRUCTION TRAILER IN COOPERATION WITH OTHER COMPANIES UNDER THE DIRECTION OF THE CATHOLIC COMPANY CHAPLAINCY. FROM MAY, THE 'BLAUWAGEN' WILL BE DEPLOYED ON PLAYGROUNDS ACROSS THE CITY OF AALEN AND SERVE AS A WAFFLE KITCHEN, ART WORKSHOP, MEETING POINT AND JUKEBOX.



IMPRESSIONS FROM THE 'EXPLORHINO' MUSEUM. PHOTOS: © EXPLORHINO - SCHOOL LABORATORY AT AALEN UNIVERSITY



Education and academia

Good education and training are the basic prerequisites for good development opportunities in life. That is why we support kindergartens, schools and higher education institutions. In the higher education sector, Maschinenfabrik ALFING Kessler GmbH, together with Alfing Kessler Sondermaschinen GmbH and Alfing Montagetechnik GmbH, annually awards the Karl Kessler Prize in recognition of outstanding bachelor's and master's theses in the field of technology. We enable our students from Baden-Wuerttemberg Cooperative State University and Aalen University to do interesting internships abroad through worldwide cooperation with various customers and business partners.

Sporting activities

We support our employees in their professional environment and in their sporting activities. A running group, a football team and an ever-growing cycling group have all been established at Maschinenfabrik ALFING Kessler GmbH. The sports groups receive all the necessary support from Maschinenfabrik ALFING Kessler GmbH.



TRAINING DAY AT MASCHINENFABRIK ALFING KESSLER GMBH



CYCLING TEAM OF MASCHINENFABRIK ALFING KESSLER GMBH



AWARDING OF THE KARL KESSLER PRIZE 2022

05

SUSTAINABILITY GOALS AND FIELDS OF ACTIVITY

MEASURES FOR THE PROTECTION AND REMEDIATION OF SOIL, GROUNDWATER AND SURFACE WATER:

- › Rehabilitation of sewer for dirty water and surface water in the outdoor area of the forge using inliner technology.
- › Expansion of fault reporting technology and monitoring by an office staffed 24/7.
- › Extension of recognition as a specialist company according to the German Water Resources Act (WHG) by 2 years.



IN ORDER TO IMPLEMENT THE SUSTAINABILITY STRATEGY, DEFINED GOALS ARE DEVELOPED AND UPDATED IN OUR CORPORATE PROGRAMME.

These result from the regular evaluation of environmental aspects on site and from investments and measures relevant to environmental efficiency, energy efficiency, and occupational health and safety. The corporate programme is revised annually and approved by the management and management representatives. Key goals and achievements from the corporate programme are presented here:

MEASURES TO PREVENT AND REDUCE EMISSIONS/CLIMATE PROTECTION:

- › Gradual replacement of older, inefficient lighting systems with modern LED technology.
- › 67.7% of the purchased electricity is obtained from renewable energies (scope 2).
- › General reduction of CO₂ emissions.
- › Optimisation of exhaust air ducts in the forge and use of energy-efficient drives with frequency control.
- › Installation and commissioning of a heat recovery system in the central compressed air supply.
- › Bicycle leasing/job bike, mobility subsidy, installation of electric bike charging stations.
- › Expansion of the building management system.
- › The consumption/output of solvents containing VOCs that must be reported complies with the requirements of the 31st edition of the Regulation on the German Federal Immission Control Act (BImSchV). The amount has been reduced by 80% in the last 10 years by switching to aqueous cleaning processes.
- › Pilot project for the use of energy-efficient lighting systems in hot areas.



MEASURES IN WASTEWATER MANAGEMENT:

- › 70% of industrial wastewater is treated internally by energy-efficient UF plants and discharged into the public sewage network as an indirect discharge with low pollutant levels.
- › Use of well water for cooling of processes and plants.
- › Conversion/discharge of roof surface water as direct discharge.



SPECIES AND LANDSCAPE CONSERVATION:

- › Creation of compensation areas and compensatory planting in compensation of previous construction measures.





**"IF YOU DON'T WANT TO
CHANGE ANYTHING, YOU
WILL ALSO LOSE WHAT
YOU WANT TO KEEP."**

Gustav Heinemann

Maschinenfabrik ALFING Kessler GmbH

Auguste-Kessler-Straße 20

73433 Aalen

Germany

+49 (0)7361 / 5010

info@mafa.alfing.de

www.mafa-alfing.de

