



SUSTAINABILITY REPORT 2021

KAYSER AUTOMOTIVE GROUP

COP – COMMUNICATION ON PROGRESS

 **KAYSER[®]**
AUTOMOTIVE SYSTEMS



This sustainability report is a publication
of the KAYSER Automotive Group
and includes the following companies:

A.KAYSER AUTOMOTIVE SYSTEMS GmbH
A.KAYSER AUTOMOTIVE SYSTEMS GmbH u. Co. KG Glauchau
A.KAYSER AUTOMOTIVE SYSTEMS Polska Sp. z o.o.
KAYSER AUTOMOTIVE SYSTEMS Klodzko Sp. z o.o.
KAYSER AUTOMOTIVE IBERICA S.L.
KAYSER AUTOMOTIVE SYSTEMS S en C.
KAYSER AUTOMOTIVE HUNGÁRIA Kft.
KAYSER AUTOMOTIVE SYSTEMS (Changchun) Co., Ltd
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Note: All personal designations in this report are to
be understood as gender-neutral.

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www.kayser-automotive.com



Corporate statement

Dear Ladies and Gentlemen!

We are preparing this sustainability report in accordance with the "GC Active" status of the United Nations Global Compact - Communication on Progress (UNGC-CoP). In this way, we would like to confirm that A. KAYSER Automotive Systems GmbH and the associated companies (see table 1 on page 4) support the ten principles of the United Nations Global Compact in the areas of human rights, labour standards, environmental protection and anti-corruption as well as comply with the principles of the International Labour Organisation (ILO).

Acting responsibly, sustainably and lawfully is one of the basic prerequisites for our entrepreneurial success. Based on our social, societal and environmental responsibility, it is our goal to be a social employer worldwide who ensures compliance with the wide

range of legal standards within the KAYSER Automotive Group and to create a working environment that is characterised by integrity and respect as well as fair and responsible conduct. The Group's policy is based on principles of action which ensure a sustainable and efficient use of resources as well as continuous improvement of energy-related performance.

The entire KAYSER Automotive Group supports the Global Compact out of deep conviction. In the upcoming years we will work continuously to support the objectives of the pact and actively incorporate them into our daily business processes. ■

Kind regards from the management of A. Kayser Automotive Systems GmbH.

Meinolf Lehmkuhl

Jörg Schmidt

Jörg W. Meyer



STRATEGY & GOALS

We, the KAYSER Automotive Group, as part of a family business with a long tradition, consider ourselves as one of the world's leading developers and suppliers in the automotive industry. With more than 60 years of automotive experience, we develop and manufacture highly complex and innovative systems for all drive types. In this way, we make a significant contribution in the area of emission reduction and are specialists for all types of thermal and fluid management in vehicles with conventional drives as well as all types of alternative drives.

Acting responsibly, sustainably and lawfully is one of the basic prerequisites for our corporate success. We recognise our social and societal responsibility and aim to be a social employer worldwide. We ensure compliance with the wide range of legal standards within the KAYSER Automotive Group and create a working environment which is characterised by integrity and respect as well as fair and responsible conduct. In doing so, we adhere to the highest ethical standards.


Our operational occupational safety and environmental protection is an integral part of our philosophy. The protection of our employees, a high level of environmental aware-

ness and energy efficiency are particularly important to us in order to ensure that future generations may also be able to follow a sustainable path. The implementation of and

compliance with our management systems is reflected in our certifications according to DIN EN ISO 14001 and DIN ISO 45001 as well as DIN EN ISO 50001.

Certifications within the Group			
	ISO 14001	ISO 45001	ISO 50001
A.KAYSER AUTOMOTIVE SYSTEMS GmbH	✓	✓	✓
A. KAYSER AUTOMOTIVE SYSTEMS GmbH u. Co. KG Glauchau	✓	★	✓
A.KAYSER AUTOMOTIVE SYSTEMS Polska Sp. z o.o.	✓	✓	---
KAYSER AUTOMOTIVE SYSTEMS Kłodzko Sp. z o.o.	✓	✓	---
KAYSER AUTOMOTIVE IBERICA S.L.	✓	★	---
KAYSER AUTOMOTIVE SYSTEMS S en C.	✓	✓	---
KAYSER AUTOMOTIVE HUNGÁRIA Kft.	✓	★	---
KAYSER AUTOMOTIVE SYSTEMS (Changchun) Co., Ltd	✓	★	---
KAYSER AUTOMOTIVE SYSTEMS USA, LP	✓	---	---
✓ Already certified ★ Implementation --- Not certified			


Table 1: Certification matrix of KAYSER Automotive



MISSION

As a family business with a long tradition, we are a globally active and innovative system supplier to the automotive industry.


Customer satisfaction, quality and growth are in the focus of our daily activities.



VISION

Emission reduction through innovative technologies.

We are the development partner and system supplier of the automotive industry for innovative technologies to reduce emissions.



VALUES

Customer-oriented & successful
Passionate & innovative
Quality-conscious & sustainable
Reliable

The KAYSER Team

Figure 1: Mission, vision and values

All production sites worldwide have a certified environmental management system according to ISO 14001 and all German locations are additionally certified according to ISO 50001. Furthermore, the occupational health and safety management system was certified according to ISO 45001 at our headquarters in Germany, in Mexico as well as at our production plants in Poland. The certification of the plants in Glauchau (Germany), Spain, Hungary and China should be carried out promptly and is currently being implemented. All of the non-certified companies also work strictly according to the globally established processes and procedures of the management systems. This includes, among other things, the regular review of key figures and annual targets in the areas of energy, environment and occupational safety. The associated processes and procedures are available in the main languages spoken by the employees. Each factory has a representative for each certified management system. The management systems support the further development of our efficient manufacturing processes as

well as ongoing in-house efficiency improvement programmes. With all these activities, we continuously contribute to the principles of the United Nations Global Compact (UNGC) and the Sustainable Development Goals (SDGs).

In addition to a holistic approach to sustainability, we set ourselves the requirement to consistently meet not only the quality demands of our customers, but also our own standards of quality, safety and social responsibility. For this purpose, we have developed a modern quality management system and have had ourselves certified according to IATF 16949. In combination with our highly competent team and the constant dialogue with customers, we are able to provide results that are characterised by experience and innovation as well as service and customer orientation.

Appropriateness, effectiveness and efficient implementation of the site-related management systems are regularly assessed by the management and targets are subsequently set in order to achieve continuous

improvement. In this context, compliance with applicable legal requirements is also reviewed and the awareness of employees with regard to the environment, sustainability, occupational safety and quality is continuously raised. These principles are also anchored in our corporate mission and our vision as well as in our values.

In line with our corporate strategy, we strive for long-term improvement in sustainability. A sustainable foundation for this endeavour shall be created through the development of a Science Based Target (SBT).



SUSTAINABLE DEVELOPMENT GOALS „SDGs“

We support and confirm the importance and necessity of the 17 “Sustainable Development Goals” (SDGs). As part of an analysis of business activities, while taking the materiality analysis into account, all SDG’s were considered in detail and prioritised (see following chapter).

The prioritisation resulted in five SDGs that are primarily relevant for KAYSER. In addition, KAYSER pursues the goal of avoiding any negative impact on all SDGs through its business activities.

We want to do business in a responsible manner. In that regard, Goal No. 3 (Health & Well-being), Goal No. 8 (Decent Work & Economic Growth) and Goal No. 12 (Sustainable Consumption & Production) with their respective sub-goals are particularly relevant. With our products, we contribute to Goal No. 9 (Industry, Innovation & Infrastructure) and Goal No. 13 (Climate Action). With our aspiration to maintain peace

and justice in our business, we also contribute to Goal No. 16 (Peace, Justice & Strong Institutions) in our operating environment. ■



Figure 2: KAYSER's SDGs



MATERIALITY ANALYSIS

In order to determine which sustainability issues are particularly relevant to us, a materiality analysis was conducted in 2021. Internal and external parties were also included in this analysis.

Out of a total of 23 topics assessed, the following 6 focus topics were identified. These focal topics are now

increasingly taken into account in all activities.

In connection with the identified topics, there are the prioritised SDGs, as shown in the figure. The following chapters include our approach and existing actions on these topics. ■



Figure 3: Materiality analysis and SDGs

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THE HUMAN

Our success critically depends on our employee – and therefore, their wellbeing is one of our highest priorities. In order to promote this, we ensure a safe and low-risk working environment. In addition to aspects of quality and environmental protection, occupational safety and the health of our employees is anchored as a central component of our corporate policy.

Our goal is to ensure, that accidents, personal injury and property damage are avoided and that the safety, health and well-being of employees, subcontractors and third parties are guaranteed. This is achieved by implementing appropriate organisational and technical measures.

Our employees are provided with all the training they need to qualify and perform their professional tasks. At the same time, detailed health and safety analyses are conducted at all locations to ensure an adequate working environment. New analyses are carried out when new processes are implemented in production or when processes are optimised.

Existing equipment and processes are checked by means of regular inspections and maintenance measures, which can ensure their safety. In order to create awareness and

sensitise employees, regular briefings on the topic of occupational safety are held for all employees. To further protect our employees, protective equipment is provided, if required. Before any “personal protective equipment” (PPE) is used, the hazardous factors, such as hazardous substances or noise, are substituted, avoided or reduced wherever possible. Measurements are taken regularly in areas with a high level of occupational noise exposure. If the hazard cannot be further minimised in specific areas, protective equipment is required and the employees are instructed accordingly.

If employees require health fitness for their work, this is ensured through obligatory health examinations. In addition to physical hazards, psychological hazards, such as stress, must also be taken into account. In order to keep these hazards as low as possible, com-

pliance with working hours is checked and the accumulation of overtime is limited. Overtime built up should be compensated in a timely manner, if possible, so that the employees' recovery can be guaranteed. In order to minimise any further potential hazards from possible emergencies or hazardous substances, global processes are in place which the employees are familiar with.

The safety of external service providers is also an important concern for KAYSER. Before subcontractors are permitted to enter the sites/premises, they receive instructions and if they have to perform any potentially hazardous work on the premises/sites, a risk assessment is also carried out. Furthermore, labour and human rights are also taken into account with suppliers. For this purpose, we have established a guideline on sustainable procurement.

Bild „Herz auf Baumrinde“ © Dario Loew-Albrecht, Adobe Stock

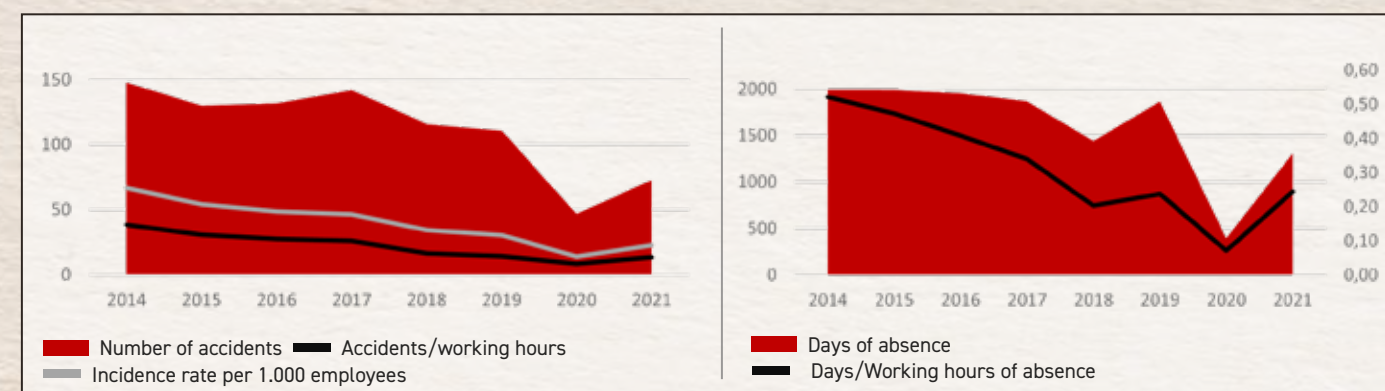


Figure 4: Lost Time Injury Rate (left side) & Lost Time Injury Severity Rate (right side)



In general, all of our employees are provided with regular training on occupational safety, the environment and the Code of Conduct. This corresponds to 7.66 training hours per employee in 2021. □

Human rights

Principle 1, 2, 3, 4

We assume responsibility for our employees and respect and protect human rights. We also act in accordance with internationally recognised human rights, labour and social standards and strictly adhere to the laws applicable to our business activities. As a result, we comply with all applicable occupational health and safety regulations to ensure the safety of our employees in the workplace. In addition, we are committed to the principles of the Global Compact and the requirements of the International Labour Organisation (ILO).

Compliance with all human rights is addressed and required in the framework of the codes of conduct within the company as well as along the supply chain. Central aspects of

the codes of conduct are the observance of human rights, the exclusion of child labour, slavery and all forms of forced labour and corruption as well as environmental issues.

Employees are provided with a 'Code of Conduct' training to ensure that the content is understood and applied, for which it is available in all country-specific languages. Confirmation of compliance with the Supplier Code of Conduct is mandatory for every serial supplier.

A whistleblowing system is in place for employees who wish to report any type of violation. No reports of human rights violations were re-

ceived in 2021. We want to ensure that our employees work under fair working conditions and that all human rights are respected. The granting of wages as well as special compensation or time off for overtime is anchored in the employment contracts on a country-specific basis. In total, 40% of our employees in 2021 were covered by collective agreements. For all employees, at least local legislation applies in conjunction with other rules and agreements. Regulations, such as a minimum 24-hour rest period within a time frame of seven consecutive days, are taken into account at all companies. The content of employment contracts is explained to each employee as required.

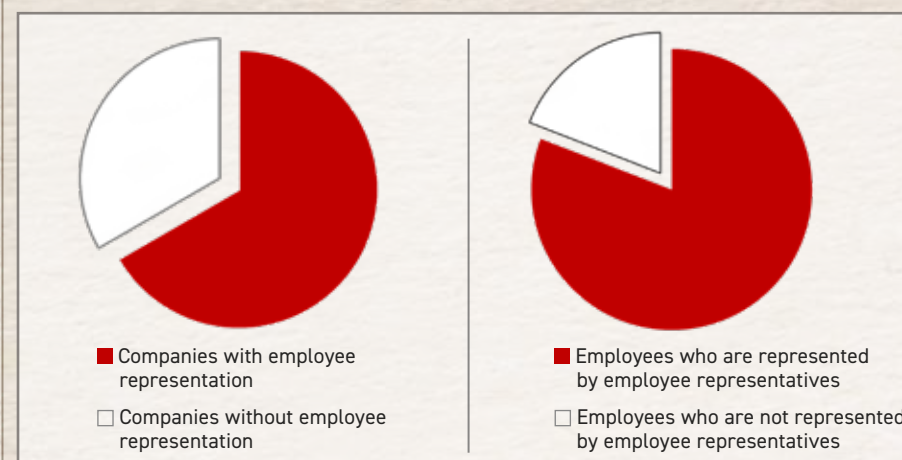


Figure 5: Employee representation (Works Council)



An important goal is to create an attractive working environment. Interaction with each other shall be characterised by appreciation, mutual understanding, respect and fairness. To reinforce these principles, we have developed our corporate culture and management guidelines. Employees are free to join associations in accordance with national law, such as trade unions. Any representative organisations for the purpose of collective bargaining and working conditions are recognised. In the majority of our companies, employees have chosen to be represented by an employee representative body (Works Council). □

Equity (Discrimination; Equality)

Principle 6

No tolerance of any form of discrimination, humiliation, oppression, harassment or insult is our principle. All employees are regarded as full and equal. Interaction based on appreciation, mutual understanding, respect and fairness excludes any form of discrimination. In addition, every manager sets an example with his/her own behaviour and is thus responsible to ensure a working environment that is free of discrimination and harassment on a permanent basis.

As an element of the codes of conduct, the importance of equality and fairness is known to all employees. Violations of any kind can be reported. In addition to supervisors and existing works councils, a neutral ombudsman is available. All employees may feel free to report any concerns about ethically unacceptable or unlawful behaviour through the various channels.

We value all age groups and offer older employees an option for phased retirement whenever possible. In addition to ethical, visual or political reasons, there is also no preferential treatment or discrimination based on gender. Diversity is promoted in both recruitment and staff development, and everyone is treated identically, without bias and with respect.

Women represent an average of 49% (in 2021) of employees in the company. In 2021, 19% of management positions and 32% of works council positions were held by women. Our employees in the Human Resources department have been trained on "Compliance in the Recruiting Pro-



Figure 6: Gender quota

Bild „Faust / Vielfalt“ © freshidea, Adobe Stock
Bild „Regenbogenflagge“ © nito, Adobe Stock | „Skizze Hände“ © ASEF, Adobe Stock



cess". In addition, they have also been sensitised accordingly neither to discriminate nor to accept any discrimination. These values and principles are also communicated to all contractors. □

Child labour

Principle 5

We recognise our social and corporate responsibility and do not use child labour at any stage of the business process. We comply with the recommendation of the ILO Conventions on the minimum age for the employment or use of child labour. This minimum age should not be less than the age at which compulsory schooling ends and in any case not less than 15 years of age. This is ensured by appropriate identity checks during the recruitment process.

In order to raise awareness among employees, the issues of child and

forced labour are anchored in the Code of Conduct and addressed in the related training. This action and commitment with regard to child labour is passed on to our suppliers within the framework of the Supplier Code of Conduct and confirmed by them when they conclude a contract.

Furthermore, by paying fair wages, we want to enable our employees to finance a good education for their children. □

Employee promotion

Various activities are available to promote satisfaction and motivation as well as personal and professional development of our employees.

Our human resources management is based on well-defined processes and guidelines. During the recruitment process we already place great

emphasis to transparency and fairness and our recruiters and managers are trained accordingly. The interview costs incurred by applicants are covered in full by KAYSER. An applicant management system has been introduced to professionalise and standardise the entire applicant management process and to ensure compliance with data protection regulations.

Our employees are professionally supported along the "Employee Lifecycle" at all times, whether through individual onboarding or regular training surveys. At the beginning of 2022, structured, standardised development discussions will be successively implemented. The annual training requirements will be derived from this and the corresponding measures will be implemented by our personnel developers in accordance with the personnel qualification process. We design customised in-house train-

ing, organise external measures or create digital offers via our corporate e-platform.

In addition, our training supervisors take on the responsible task of providing young people with practice-oriented vocational training. The choice can be made here between apprenticeships and dual courses of study. In 2021, we supervised 30 apprentices and dual students at our German locations, including two students on the new mechatronics degree programme which is offered by us. On a regular basis we also provide pupils and students with the opportunity to get to know our company.

We are also represented at selected career fairs and even support young academics financially – for example, we regularly sponsor German scholarship holders.

In order to continuously providing professional support to the employees, regular assessments are carried out. From the previous individual approaches in the different production plants, uniformly structured and standardised procedures shall be implemented in 2022. These assessments are intended to provide the entire company with early opportunities for further development and to be able to react to the needs of the employees. This framework will identify when employees need or would like to have support. On average, each employee received 5.5 hours of external training in 2021. ■



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Bild „Weltkugel“ © rangizzz, Adobe Stock | „Landschaft mit Sonnenuntergang“ © Mordolff, iStock

THE PLANET

PRINCIPLE 7, 8

Protecting the planet and preserving our environment are important to us. Our products are manufactured at a total of nine locations around the world by using the energy and resources that is required in this context. In order to be able to monitor and improve the environmental impact, each production site has a certified environmental management system according to ISO 14001.

Likewise, any legal requirements are considered and complied with at every step. Compliance with legal requirements is verified through regular internal and external audits at all Group locations. The appointed auditors have the necessary professional qualifications.

With the help of continuous environment analyses, it can be ensured that the environment with its special features is known, taken into account and complied is not negatively influenced with at each location. Any find-

ings from these analyses also have an impact on the consideration of potentially abnormal operating conditions, such as floods, fires or storms. Those conditions which would have the greatest impact on the environment are given special consideration. An emergency plan is available for each production site of which the employees are aware of. In addition, there are emergency plans for internal hazards, such as leaks. The effectiveness of the emergency plans is tested by means of regular simulations and evaluations.

Beyond analyses and considerations, we place a lot of emphasis on awareness and support of all employees in order to protect the planet. There is a continuous appeal to common interest through briefings and sharing of information. □





Resources

The conservation of resources is taken into account through the highest possible efficiency, conscious handling and the use of modern technologies in all areas.

During the procurement process of equipment, attention is already paid to state-of-the-art production technology, taking energy efficiency into account. When planning the production, downtimes and idle times shall be avoided wherever possible. Through various considerations and comparisons of energy consumption, our employees have extensive knowledge in terms of a responsible way of planning.

For continuous improvement, each plant has intensity reduction targets as part of the management systems. Despite the more difficult condi-

tions due to COVID-19 and material shortages, we have nevertheless been able to maintain our energy efficiency.

Our primary energy source for heat is gas. Wherever possible, we use the principle of heat recovery to use less of our heating systems.

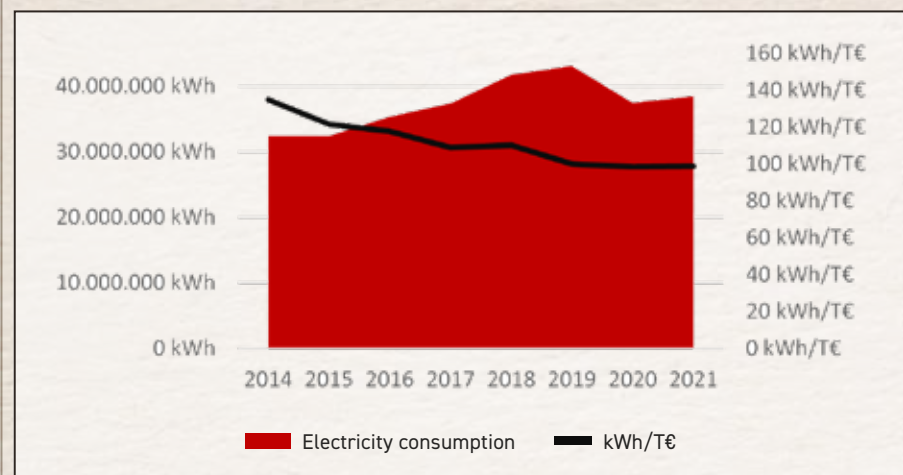


Figure 7: Electricity consumption



Thus, some areas are heated by waste heat from our air compressor. Due to our continuous growth in recent years, the density of equipment in some of our production halls has also increased, so that it is not always necessary to use gas for heating. Meanwhile, in other areas, halls even had to be extended due to a lack of space. However, these have only had a low plant machine density up until now. In order to create an adequate working environment, more gas-fired heating must be used in these areas. In addition to growth and the associated development of heating requirements, COVID-19 and the shortage of materials also have an impact on the gas consumption. By creating a hygienic and safe working environment, the regular exchange of air volume was increased. The equipment was operated to a lesser extent and therefore, the process heat volume, which was usually available, was also lower. But, in order to continue providing

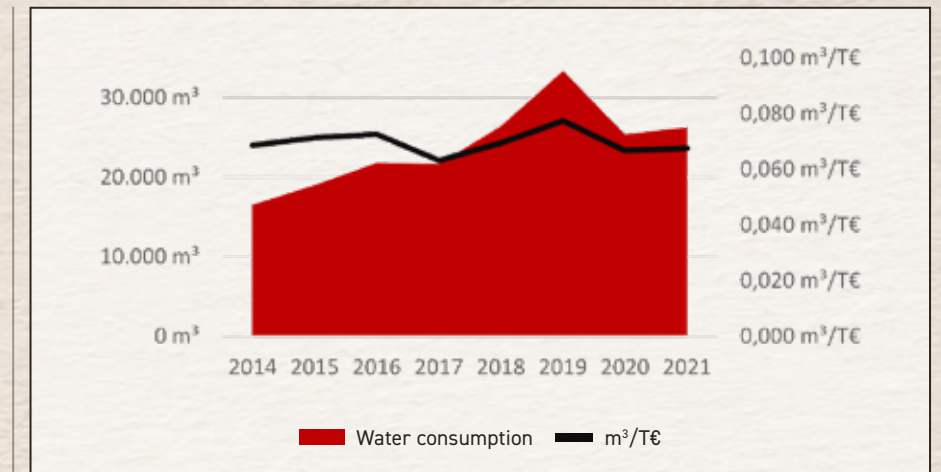


Figure 9: Water consumption

an appropriate working environment for our employees, the heating output was increased.

Water is not a major component of our production and is primarily used by our employees. Nevertheless, we also record these consumptions and take a closer look at them. This allows us to identify any potential leaks or other complications in the fastest way possible.

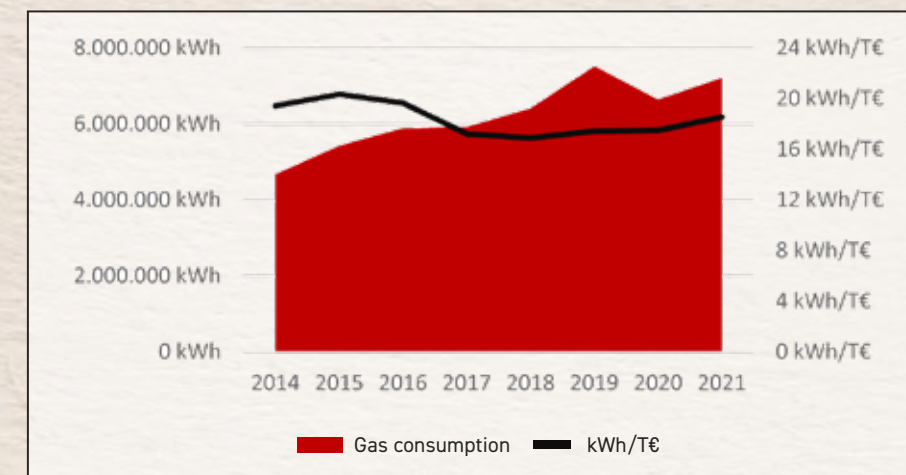


Figure 8: Gas consumption



In order to conserve resources, we continuously implement measures to reduce the amount of waste. In particular, scrap reduction programmes are an ongoing part of our production. Along with the procurement of new and more efficient equipment, older and less efficient equipment is being



phased out.

As a result, there is a higher volume of waste in the meantime. Most of our waste is recycled or recovered.

In order to ensure that waste prevention and disposal are handled identically in all factories, a global waste management procedure is in place and each factory has a waste manager. □

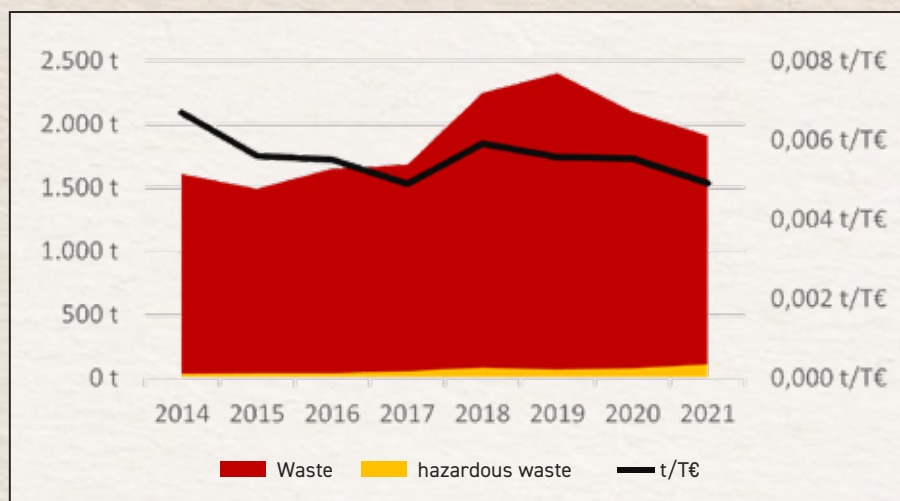


Figure 10: Waste

Emissions

In addition to evaluating and collecting energy data, we started recording CO2 equivalents for the first time in 2019. In the first step, the focus was on looking at direct (Scope 1) and indirect (Scope 2) emissions. Due to the availability of data from the energy suppliers, emissions can only be recorded and reported with a time lag of two years. The calculations are based on the "Greenhouse Gas Protocol".

Despite the continuous growth of the company, the resulting emissions shall be reduced. In 2020, our Scope 1 emissions consisted of approximately 85% gas, 12% diesel and 3% petrol, while our Scope 2 emissions consisted 100% from the purchase of electricity.

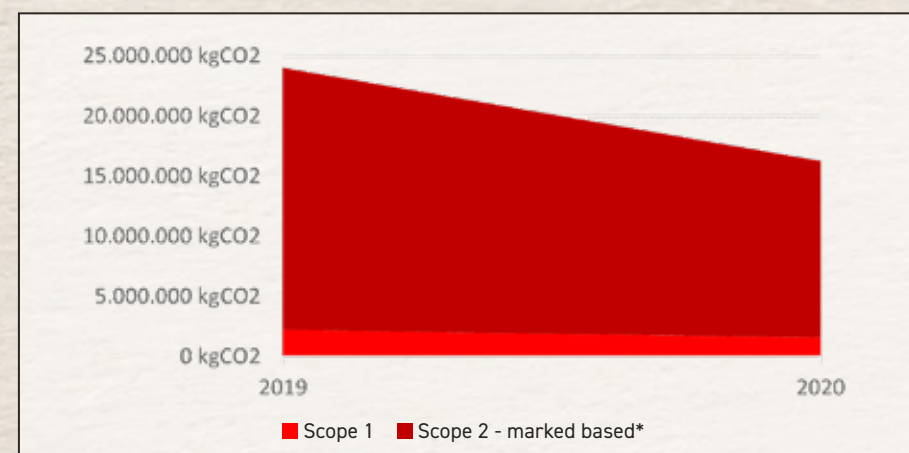


Figure 11: Emissions 2020 - Scope 1 & 2

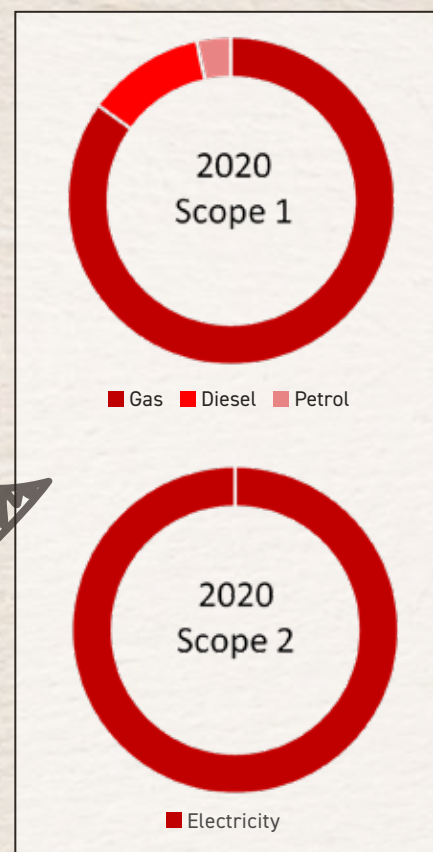


Figure 12: Emissions 2020 - Composition of Scope 1 & 2

* For 7 production plants, data can be collected by using the "market-based" method. 2 production plants are located in countries where such data are not available and therefore, the "location-based" method has to be used in terms of the calculation.

The calculation of electricity-related emissions is based on the market-based method, for which the data from the electricity suppliers are used. This method is not possible in China and Mexico, which is why the calculation for the two companies was carried out using the "location-based" method. This method uses the average emission factor of the respective area.

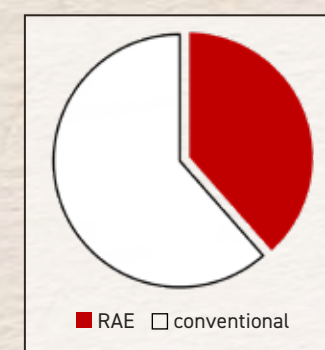


Figure 13: Electricity mix 2020

The switch to renewable energies is strategically planned in all companies, so that the portion of Scope 2 emissions will decrease in the future. In 2021, the conversion to renewable energies was already implemented in six companies. In 2020, the average portion of renewable energies in the electricity mix was 39 %.

Two areas of Scope 3 emissions were recorded for the first time in 2020. For the time being, a start was made on recording the CO2 equivalent to the amount of waste generated. In 2020, these amounted to 1,030 t CO2 equivalent. Furthermore, a start was made on querying the emissions along the supply chain. Within the scope of a self-disclosure, all series suppliers were requested to disclose their emissions. Based on this data, the emissions were extrapolated. In 2020, these amounted to 989 t CO2 equivalent.

In this context, our employees are of particular importance due to the fact that everyone's contribution and responsible action is required in order to be able to successfully save resources and reduce emissions. We sensitise our employees to create awareness via briefings and strive to actively integrate them on our path to a more sustainable future. ■

*Becoming
a mindful
producer!*





PRODUCT

Bild „Müllsack“ © Lumos sp, Adobe Stock | 3D Visualisierung © AG Visualisierung

Increasing legal requirements in terms of climate protection demand that we develop ever more efficient products. During the development of our products, we already have to pay attention to make them as environmentally friendly as possible. This is ensured by queries integrated into the development process and minimum requirements which must be met. Part of these queries is to check whether the product can be manufactured in such a way that it can be dismantled and recycled. One legal requirement is the reduction of hydrocarbon emissions to 1/10 of the previous limit value. In order to achieve this goal, among other things, our activated carbon tank must be equipped with significantly more activated carbon as well as an additional high-performance absorber made of activated carbon. The reduction of the limit value leads to a 30 % increase in activated carbon consumption on average. As a result of which not only the transport costs increase, but also the associated carbon dioxide emissions. Added to this is the resulting increase in the demand for the raw materials which is required

for the production of activated carbon. There is an additional climatic risk of reduced availability of these raw materials that are required for the production of activated carbon, triggered by extreme weather phenomena or water shortages in the area where the raw material plants are growing. In order to meet these challenges, we focus on the development of intelligent and sustainable solutions. We have succeeded in counteracting this trend with our own developments (e.g. a high-performance absorber) due to the fact that we have managed to combine high performance with high environ-

mental friendliness. Our product is not only capable of reducing the emissions of an activated carbon container by up to 90%, but also consumes up to 90% less energy in the production process than conventional products on the market. Contrary to the state of the art, the absorber is not manufactured at 800°C, but at room temperature and can be additionally or proportionally manufactured from recycled materials, which further reduces the energy requirement and thus contributes in easing the situation. In order to reduce CO₂ emissions even further, we are also increasingly us-

The Product

KAYSER
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THE PRODUCT

Principle 8, 9

We are a development partner and system supplier to the international automotive industry. Our innovative technologies and products enable us to make a significant contribution to reduce emissions. Our ready-to-install complete systems help our customers to reduce the emissions of their vehicles and thus to comply with all current and future legal regulations. In this way, we are able to make a joint contribution to the protection and preservation of our environment.





ing recycled materials in other areas to produce individual components, such as the housing of an activated carbon container. By using recycled material, it is frequently possible to save more than 50% of the required energy in comparison to virgin material. Thanks to these measures, not only our customers benefit from the significantly improved climate balance of our products, but also the environment itself.

The KAYSER Automotive Group is not only working on making the existing products for conventional drive types more sustainable, but is also researching and developing products for the alternative drive market. The orientation of research and development is continuously focussing more on intelligent solutions for the advancement of alternative drive types, which directly help to counteract climate change through their use.

Thus, lines, valves, battery dryers and expansion tanks for battery cooling systems, for example, are

being developed and already manufactured. In addition, there are electrical components that can be used in a variety of ways as well as various filter systems and other components that are currently being developed. With our newly developed modular systems Kayser®TQC and Kayser®MQC, we have developed further systems with which we are able to face the future and new situations and successfully meet their requirements.

We are committed to green hydrogen mobility in the "ViridisH2 Südniedersachsen" initiative. The initiative is pursuing the goal of establishing a concept for the implementation of public transportation in southern Lower Saxony by means of a feasibility study as well as developing a hydrogen strategy for southern Lower Saxony until the year 2035. The long-term goal is to

establish hydrogen mobility as a multiplier in Southern Lower Saxony. Alliances are to be formed along the entire value chain for further hydrogen projects, in which KAYSER is also actively involved.

Here, representatives from business, science, administration and politics join forces to actively promote various hydrogen-related projects and to network on a supra-regional level. In order to pursue this professionally, a hydrogen network office is being set up at the "Stiftung Südniedersachsen", which is organisationally docked to the office of the SüdniedersachsenInnovations-Campus (SNIC). ■



Bilder „Blumen“ & „KAYSER-Schild“ © Vanessa Strauß | KAYSER Automotive Systems

Bild „Korruptionsversuch abwehren“ © sabthai, Adobe Stock

ANTI-CORRUPTION

Principle 10

We, the company KAYSER, our employees and business partners do not tolerate corruption. This principle is anchored in our corporate policy as well as in our Code of Conduct and is confirmed and recognised by the employees.



In connection with our activities at home and abroad, corporate bodies and employees of other companies as well as public officials may not be promised or granted any personal benefits in return for preferential treatment. Our employees do not engage in any form of bribery and do not derive any profit from their activities, apart from their remuneration paid by the company.

A variety of principles and mechanisms are in place in order to monitor and ensure compliance with this principle. The separation of functions between the individual departments means that requirements and approvals are separate from each other. Hierarchies in the company are endowed with different competences and business processes regulate procedures and responsibilities at different levels. Regu-

lations and requirements apply to the general management as well as plant management of the respective companies. Each general management and plant management must ensure that there is no violation of these principles. Authority thresholds corresponding to the hierarchy level are defined at the management levels, which are flanked by a release scheme dependent on the investment level.

All incoming invoices are continuously checked against purchase orders with the help of an independent system. All underlying purchase orders must first pass through a release hierarchy. If there is no matching purchase order for an invoice, a manual check is initiated. This check includes the involvement of the finance department and separate approvals become necessary.

Any investments that exceed a certain amount in total costs must be approved by a committee. In such a case, the availability of comparative offers is a basic requirement.

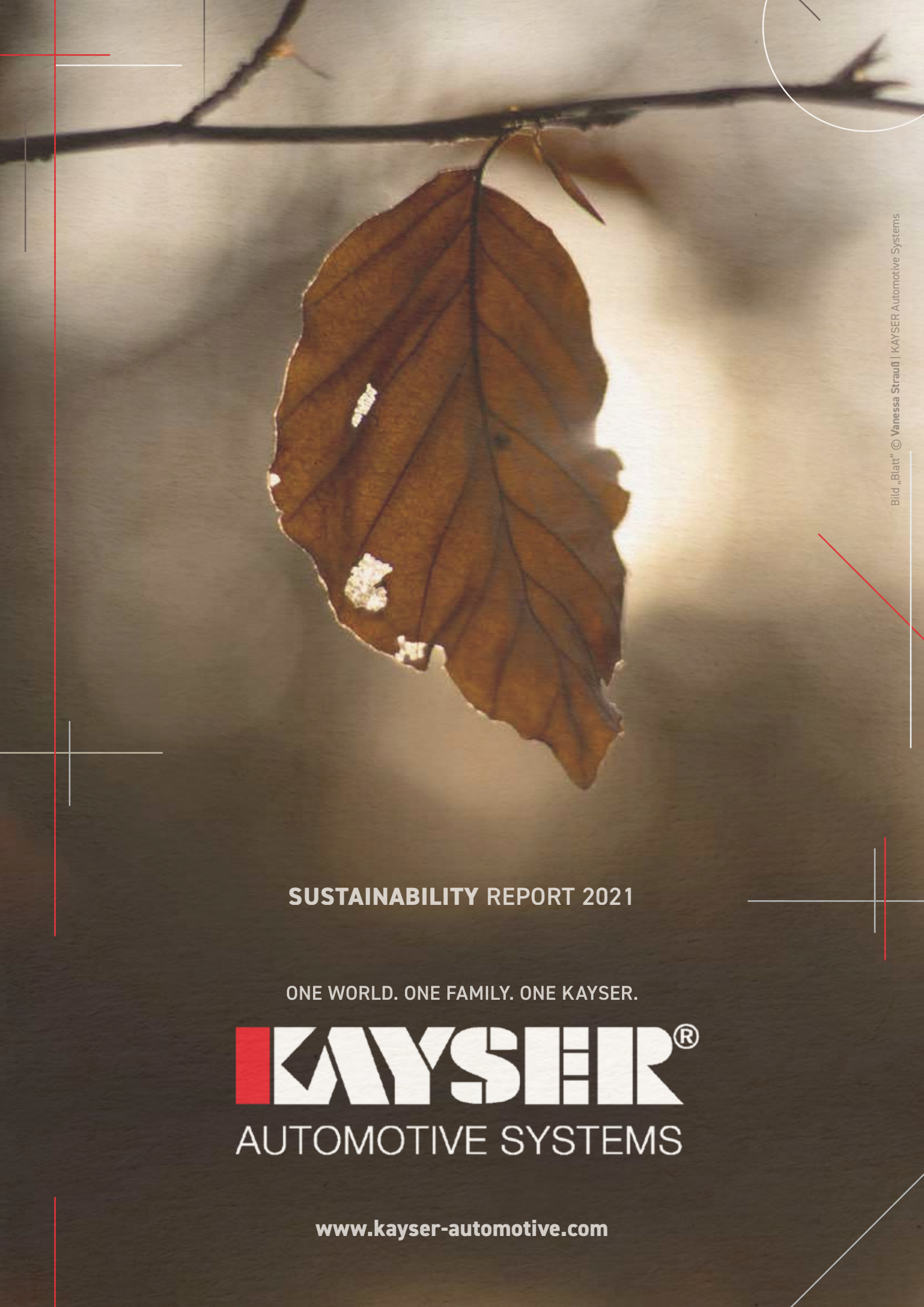
A comprehensive and independent control of the mechanisms and regulations takes place within the framework of the internal audit, especially with regard to the consistency of receipts. In addition to the review of business processes, random samples are checked for compliance with the applicable requirements as well as for accuracy. During the audit, no indications of any corruption were found for the year of 2021. ■

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