

Sustainability Report 2022





Dear Readers,

technotrans significantly increased its revenue and profitability in 2022 and successfully completed Phase I of the Future Ready 2025 strategy – despite persistently difficult underlying conditions. We have also made significant progress with most of our 5 strategic sustainability goals. Further we have com-mitted to achieving climate neutrality by the end of the financial year 2030.

Sustainability is integral part of corporate culture

The 10 principles of the UN Global Compact for a sustainable and responsible business management are an important basis for our daily activities. In addition, based on our Corporate Carbon Footprint, we developed a roadmap to climate neutrality by 2030 during the fiscal year 2022. One directly implement-ed measure is a boiler fueled by green hydrogen as an addition to the existing heat pump system in Holzwickede. Beyond that, we have further developed concepts for conserving resources at our own facilities and at those of our customers. For example, our „digital-only concept“ for the technical docu-mentation saves around 1.3 million sheets of paper printed on both sides – only at our site in Sassenberg. Furthermore, we are continuing to drive forward the switch to purely recyclable packaging materials in the Group and, as an example, we are supporting one of our customers in the circular economy with highly efficient integrated heating and cooling systems for the material recycling of household waste.

Employees and social commitment t

It is important to us that our employees can successfully adapt to changing job requirements. That’s why we are increasingly investing in their professional development. In the past year, we increased the amount spent per full-time employee by a third! But we also want to give future generations a good career start, and for this reason we have once again increased the number of apprentices compared with the previous year. In turn, our apprentices get the time to get involved in good causes in the region as part of our social days, such as supporting charitable workshops or public institutions. This social commitment is very important to us and we will continue to support it in the future.

Product innovations and quality

High-quality, long-lasting products that convince with their energy efficiency and their high recyclability are the foundation of technotrans’ success. That is why these aspects are of high importance right from the development stage. In addition, we are continuing to implement our strategy of reducing the global warming potential of the refrigerants used. For example, in our focus market Energy Management new product variants for the battery-electric rail transport with natural refrigerants have been developed and were integrated into the product portfolio. For the Healthcare & Analytics focus market, we launched compact temperature control units based on Peltier technology that do not use any refriger-ant at all. And also for large scale cooling systems, we are offering solutions with natural refrigerants.

Outlook

With its customer-specific solutions and core competence in thermal management, technotrans is very well positioned for the megatrends of decarbonization, electrification and digitalization. All these trends lead to excess heat, that must be treated efficiently. In this area, technotrans is a leader!

As sustainability is a very important aspect for us as well as for our customers, we will continuously drive our product innovations to reduce negative environmental impacts and continue to maintain the high level of product safety and quality for our customers.

Dear readers, technotrans has successfully completed the first phase of the Future Ready 2025 strategy and will continue the transformation process to achieve profitable and sustainable growth. We will con-sistently pursue our goal of climate neutrality by 2030 as well as the social and environmental ESG goals defined in the strategy Future Ready.



Michael Finger



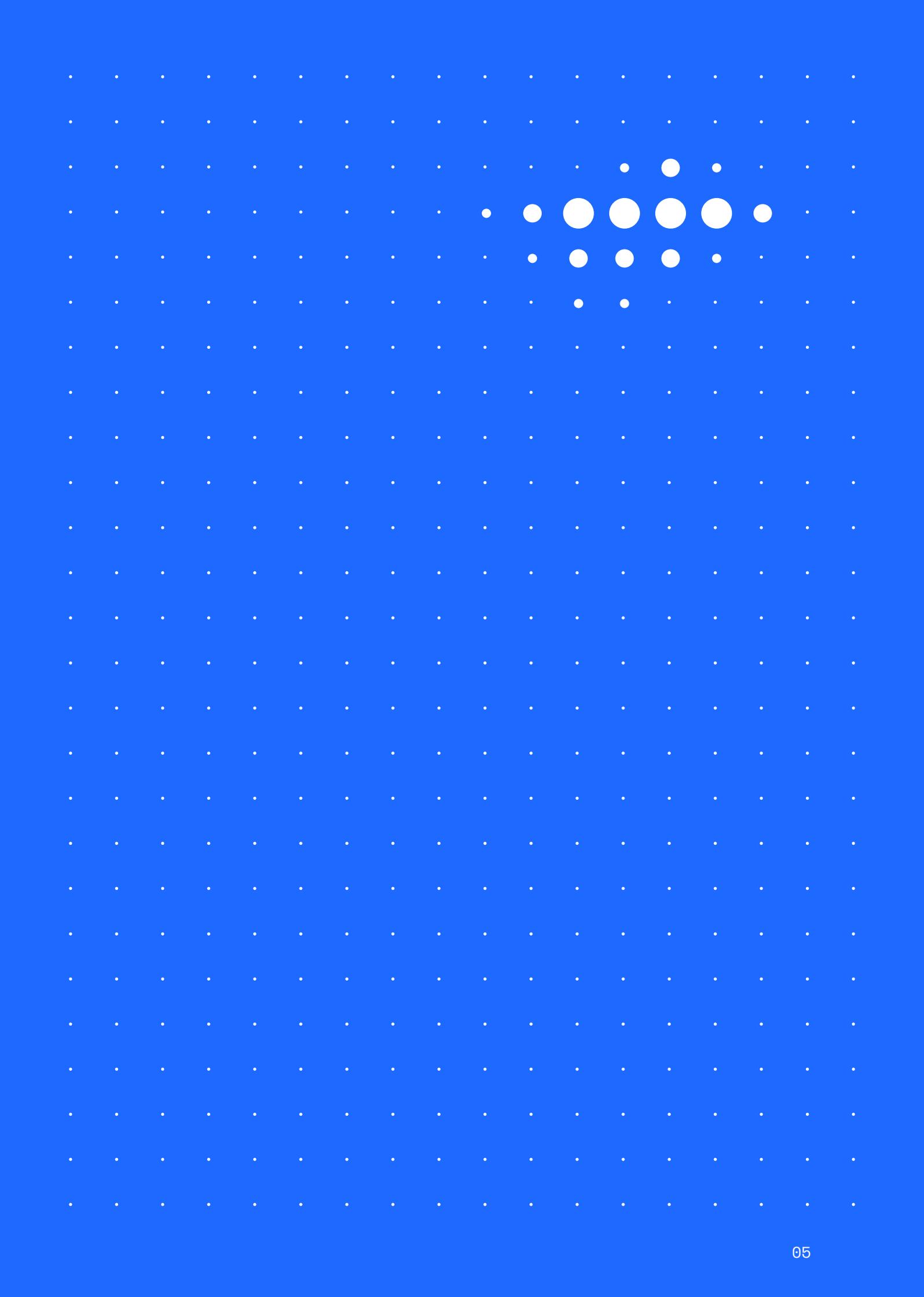
Peter Hirsch



Robin Schaede

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KEY ECONOMIC FIGURES 2022



238.2 m €
(+12.8%)

Technology 180.2 m € (+14.9%)
Services 58.0 m € (+7.0%)

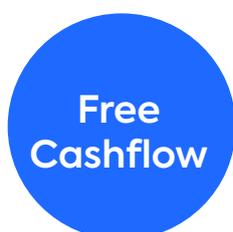


6.0%
(+0.8%-Punkte)

Technology 4.1% (+2.1% points)
Services 12.0% (-2.7% points)



13.3%
(+0.8% points)



-3.7 m €
(PY: 10.0 m €)



14.3 m €
(+29.9%)

Technology 7.3 m € (> +100%)
Services 7.0 m. € (-11.4%)



56.0%
(-1.6% points)



0.64 €
(+25.5%)



1.29 €
(+26.5%)



1,500
(+67)

BUSINESS MODEL AND REPORTING

The technotrans Group is a technology and services group with worldwide operations, with its head office in Sassenberg. The company's core skill focuses on application-specific solutions in the area of thermal management. The Group parent is technotrans SE. A detailed description of the business model can be found in the Combined Management Report in the section "Basic profile of the Group" of the Annual Report 2022.

Our Future Ready 2025 Group strategy focuses on sustained growth led by long-term profit. Taking on economic, environmental and social and societal responsibility is the basis of long-term successful business activity. Sustainability is therefore an integral aspect of the corporate strategy and a fundamental requirement for acquiring new customers, unlocking fresh markets, securing access to sufficient financial resources and being positioned as an attractive employer.

By way of a guide, we used recognised frameworks such as the German Sustainability Code (DNK) and the guidelines of the United Nations Global Compact (UDGC), as well as the EFFAS (European Federation of Financial Analyst Societies) performance indicators as our basis in preparing the Non-Financial Statement, on which this Sustainability Report is based on. Additionally, technotrans reports in accordance with the requirements of the EU Taxonomy Regulation

SUSTAINABILITY MANAGEMENT

As a globally active group, technotrans exists in a constantly changing environment. That also includes sustainable corporate governance requirements in respect of our stakeholders. We respond by maintaining a transparent, constructive dialogue and by approaching opportunities and risks responsibly. This enables us to assure the long-term success of our entrepreneurial activities.

An effective compliance and risk management system as well as an effective internal control system (ICS) not only comply with the legal requirements, but also help achieve strategic targets and therefore secure the long-term viability and competitiveness of the technotrans Group.

For us, it is a matter of course that all entrepreneurial decisions throughout the Group conform to the applicable laws as well as to internal rules and voluntary commitments. Among other things we support the UNGC, of which we are a member. This is the most important initiative globally on sustainable corporate governance, at the heart of which there are ten principles on human rights, labour standards, environmental protection and anti-corruption. To embed this bigger perspective on sustainability in the corporate culture, the UNGC principles have also been enshrined in our Code of Conduct, which applies to all employees throughout the Group and is our corporate compliance guideline. It defines standards on how our employees should deal with each other and how to behave towards our stakeholders. It also contains important regulations on issues such as occupational safety, data protection and IT security. As such, it constitutes an important tool for implementing our sustainability strategy. Every new employee receives a written copy of the code. Its content and the current compliance regulations are also disseminated among current employees via the Group-wide elearning platform “technotrans Campus”. The current version of the technotrans Code of Conduct can be accessed on our website at <https://www.technotrans.com/en/investor-relations/corporate-governance/compliance.html>.

To ensure compliance with statutory requirements and voluntarily adopted principles, the technotrans Group implements an effective compliance management system according to DIN ISO 19600, for which the Board of Management bears overall responsibility. The managing directors/general managers of the national and international Group companies have likewise committed to uphold it and are supported by local compliance officers. The latter coordinate, train and monitor Group-wide application of the compliance regulations and arrange updates as necessary, e.g. by revising the appropriate organisational guidelines.

One important component of the Group-wide compliance management system is the whistleblower system, which helps to identify and rectify breaches of applicable law and internal corporate guidelines and at the same time guarantees protection for the whistleblower against civil-law, criminal-law and internal consequences or reprisals. Within their respective responsibilities for compliance and supervision, the Board of Management and Supervisory Board are informed regularly of current compliance topics through an annual compliance report, as well as directly if necessary. Regular checks are also conducted proactively.

A further major component of our strategy is the Group-wide risk management system based on DIN ISO 31000. This helps technotrans to identify and respond early on to potential opportunities and risks in respect of sustainability aspects, for example. It involves regular, prompt reporting to the Board of Management, among other things. For further information, please refer to the section “Risk management and internal control system” in the Combined Management Report of the Annual Report 2022.

A thorough awareness of sustainability and ongoing efforts to improve our expertise in that regard shape the day-to-day work of technotrans employees. As part of this drive, sustainability aspects are embedded in both higher-order and individual targets. .

STAKEHOLDER DIALOGUE

We regard the requirements of our stakeholders as highly relevant and therefore identify the needs of key stakeholders through regular dialogue in order to meet their expectations. We use a variety of information sources and dialogue formats to that end, differentiating between internal communications. The latter comprise communications with customers, press relations (PR) and investor relations (IR) activities.

One core information medium is the technotrans website, which highlights sustainability as a subject area in its own right, thus driving home its importance. All key information is summarised there. Internal communications are handled mainly through performance reviews, the Group-wide intranet, e-mails, discussions as well as physical and virtual employee and works meetings. Our employees receive regular, cross-location briefings and training on relevant matters. Suggestions and ideas from employees to stimulate dialogue or consider matters of interest are expressly welcomed and included in the debate. The dialogue with existing and potential customers focuses on how technotrans can deliver added value as an expert system partner. The aim is to establish a long-term partnership. Initial contact is often made at trade shows or in one-to-one talks.

A contact person from Investor Relations is available to facilitate open-handed communications with private and institutional shareholders, investors and analysts. The dialogue is also nurtured at conferences and roadshows. The technotrans Group Sustainability Manager, whose role is to steadily develop the wide-ranging task area of Environmental, Social and Governance aspects (ESG), paves the way for a constructive dialogue with interested parties and is available to answer questions.

technotrans pursues a transparent and open information policy. Its hallmark is a relationship of trust with all stakeholders that is based on mutual respect. The findings obtained through these dialogues shape our business activities, the development of new products and services and our sustainability management work.

MATERIALITY

Relevant sustainability-related topics include those that are important for the business success of the technotrans Group and where technotrans can contribute to a sustainable development. technotrans' activities are also relevant where they have a material impact on sustainability aspects such as the use of resources and impact on the environment and climate. Equally, social aspects for example in relation to our employees, regard for human rights and also anti-corruption measures are key aspects and integral to how we do things.

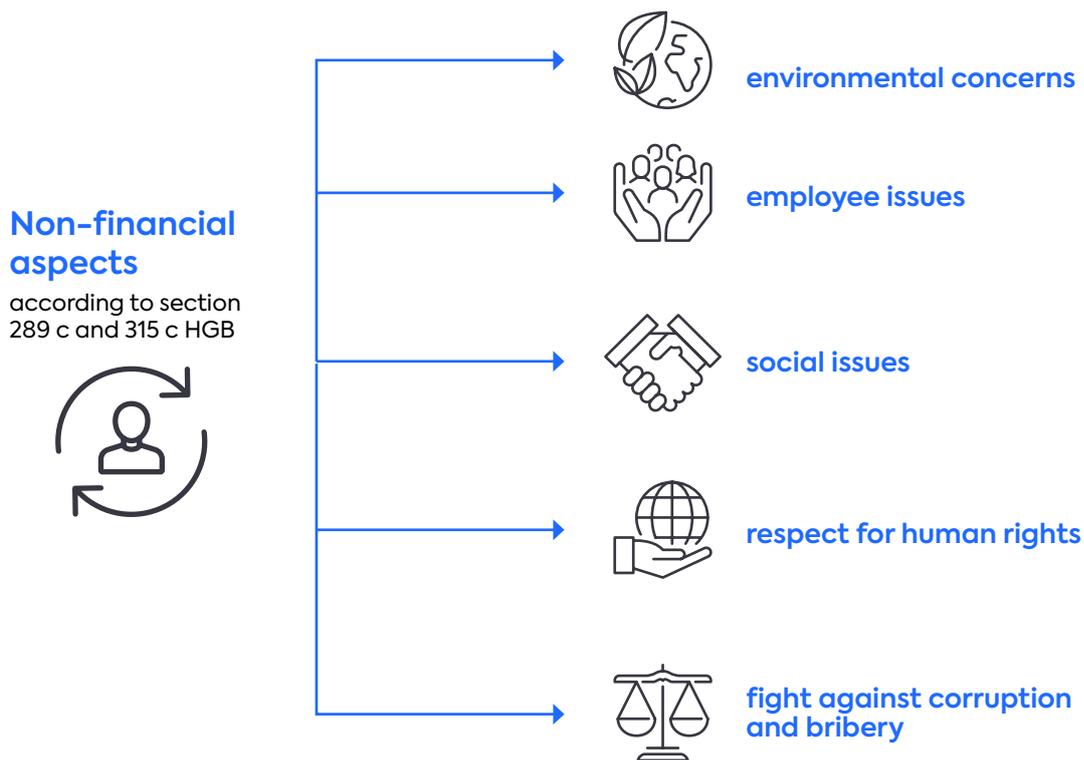
In the following, we present the key non-financial aspects for the technotrans Group as identified through the ongoing conversation with our stakeholders. We willingly present such information transparently.

Quantitative reporting uses the EFFAS performance indicators, for example, of which we report on 11 out of 16 on the basis of materiality.

These indicators are supplemented by internal key figures that are deemed significant for the technotrans Group based on the materiality analysis. This includes the progress with the sustainability goals from the Future Ready 2025 strategy. The scope of the key figures is regularly reviewed and gradually broadened. The trend over a period of years provides the basis for targeted adjustments. A summary table of all key figures can be found at the end of this report. The reporting obligations of the EU Taxonomy are also addressed.

Based on the principle of materiality, we report selected key figures such as energy consumption only for the domestic production locations and for the Taicang (CN) and Mt Prospect (USA) locations.

NON-FINANCIAL ASPECTS



ENVIRONMENTAL MATTERS

To address the rise in consumption of resources worldwide, based on its long-standing experience and extensive expertise in sustainable business practices technotrans develops innovative, resource-light solutions in partnership with its customers. technotrans also actively reduces the release of CO₂e emissions in its own area of industry through energy-efficient products.

Our own ambition to successively reduce the environmental impact of our activities and products increasingly mirrors the regulatory trend. One such regulation is the Ecodesign Directive, which seeks to reduce the environmental effect of energy-related products.

Environmental priorities are becoming increasingly important for our customers, too, which is why we are also steadily reducing the negative energy impacts of our products over and above what is required by law. These efforts are expressed through the eco and xtend product lines, for example, which systematically feature power-regulated compressors, fans and pumps. They are aimed especially at customers who want to products that are kind on the climate and environment in order to shrink their carbon footprint.

Sustainable environmental, energy and resource management is also very important at our locations. For example, the Sassenberg location is a TÜV-certified specialist operation in accordance with the German Water Resources Act. We also use refillable systems and collective packaging in many areas, and we seek to avoid and gradually reduce waste as part of our waste management concept. Such steps chime with our strategic goals of steadily improving the Group's resource and energy efficiency and therefore also boost our competitiveness.

Our efforts on behalf of the environment and climate also go hand in hand with our commitment to the ten sustainability principles of the UNGC and our membership of the Blue Competence sustainability initiative. Through these, technotrans emphasises its commitment to human rights, labour standards, environmental protection and anti-corruption.

Resource-light product development

technotrans develops technologies and processes that help our customers operate efficiently and be eco-friendly by minimising their consumption of energy and media such as water, oils or additives. Development work is done on a customer-specific basis and coordinated centrally to avoid parallel developments, reducing human resources requirements and the consumption of materials.

technotrans positions itself as a development partner for its customers. To ensure that all the requirements are met optimally in development projects, the technical units often collaborate closely with the customer right the way from the initial idea to its realisation. Even though the product solutions are highly individual, the approach follows a standardised product development process that is controlled by means of defined stages, or quality gates. This ensures that any given project always achieves a satisfactory level of cost effectiveness. We also use feasibility studies, market and technology monitoring, internal qualification and field tests to ensure the defined development targets are achieved. The aim is to avoid wrong developments.

As a general principle, technotrans develops products for its customers that reflect the state of the art. To maintain this expertise going forward and build on it, the Group companies also work with universities and research establishments in the Research & Development area and support students with project and graduate theses in a variety of disciplines.

In the 2022 financial year we worked on a total of 58 projects in product development, of which 16 were successfully completed. 42 other projects are at various stages of implementation. One priority for the development projects was more eco-friendly design, for example in the form of more performance-controlled components in products, reduced consumption of materials or the substitution of climate-harming refrigerants with natural or synthetic versions with low global warming potential (GWP). Research & development spending is fundamentally shown in the Consolidated Income Statement. However other expenditure may also find its way into the cost of sales if the product development is in connection with a revenue-generating customer project.

For further details, see sections 4 (Intangible assets) and 24 (Development costs) in the Notes to the Consolidated Financial Statements of the Annual Report 2022.

Resource-saving products

technotrans Group solutions not only provide value added in the form of high quality and performance; they also have environmental benefits. Examples include our innovations for electric mobility, the ongoing expansion of our ultra-energy-efficient product range and successive additions to the range of solutions that use natural refrigerants.

Electric mobility – The decarbonisation of the mobility sector is a major challenge for us and our customers, but for many sectors there is no alternative to electrification. technotrans is drawing on its long-standing expertise to steadily increase its portfolio of thermal management solutions, which are indispensable for the various different electrification concepts. For example, technotrans supplies temperature control for battery systems for road and rail vehicles and for high-power charging (HPC) stations and HPC parks, with a customer-specific, energy-efficient design at the heart of many of its projects. technotrans also develops solutions for hydrogen-based drive concepts that are especially significant for high-range rail and commercial vehicles.

Examples of our innovations in 2022 include the world's first 850-volt DC cooler for mobility applications with improved energy efficiency thanks to reduced conversion losses, as well as the development of the thermal management concept for battery swap stations for a renowned brand of electric car, as an alternative to cars with built-in battery packs.

Environmentally friendly refrigerants – For cooling systems, most applications need refrigerants to operate. Because these substances often exhibit high global warming potential (GW) in the event of leaks if the product becomes damaged, taking the EU's F-Gas Regulation as its point of reference technotrans has set itself the goal for 2024 to achieve an average GWP of 641 for the refrigerants used. With this move, we want to act responsibly and play an even bigger part in limiting climate change. To achieve this goal, we will gradually switch our products to low-GWP refrigerants and expand our range with product versions that run on natural refrigerants. Other important strategies for minimising the potential impact on the climate include reducing the refrigerant capacity in new product designs and examining the scope for hermetically sealed refrigerant circuits in all systems. In 2022 we achieved a slight year-on-year decrease of 10 % in the average GWP of the refrigerants used, to 1,000 (2021: 1,115)¹. We are targeting an ambitious reduction of 36 % for the next two financial years.

Important steps along the road to achieving goals include new product versions, such as the weight-reduced thermal management solutions for rail transport which are also available with the natural refrigerant propane, and product solutions for lab and medical technology that use isobutane as a natural refrigerant. For small performance categories, technotrans can now also supply its first product solutions based on Peltier technology and therefore run without refrigerant.

¹Change in reporting from 2021: figures now based on refrigerant amounts used, instead of purchased. Figures now refer to all seven manufacturing location.

Efficient cooling solutions – Several contracts for energy-efficient large-scale refrigeration plants were secured and fulfilled in the 2022 financial year. For instance, technotrans develops and provides an integrated supply concept for heat and cold combined with a high-temperature heat pump for a recycling firm that makes thermoplastic materials out of household waste. Work has also started on planning and realising a central refrigeration system for a foundry business, to save up to 80 % energy compared with the standard systems already on the market thanks to the combination of free cooling and performance-controlled components. The range of ultra-energy-efficient product versions, which now include the teco.eco temperature control units for plastics manufacturing, has moreover been extended thanks to the wider use of performance-controlled components.

Product packaging – With reference to the Future Ready 2025 strategic goal of using exclusively single-grade-recyclable padding and packaging material at our production locations, technotrans had already made substantial progress at the Baden-Baden and Sassenberg locations in 2021. technotrans again made further improvements in 2022 to bring the circular economy idea closer to fruition, for example by switching to a circulation system that turns old card into packaging padding made 100 % from waste paper. And in those areas that currently still need to use film cushioning, at Group headquarters technotrans has switched to PE film made from recycled material, thus avoiding the use of primary material. None of the changes and improvements made to the padding and packaging materials have been detrimental to the standard of protection that our products receive. The 2023 financial year will see technotrans transfer its experience gleaned from the changeover to other production locations, with adjustments as appropriate, to make further progress towards our goal of sustainability.

Resource-light production

In terms of its own production operations, technotrans constantly seeks to use finite resources as efficiently as possible. Its declared aim is to reduce consumption of materials and energy. Our employees are trained to treat resources with care and also encouraged to contribute their own ideas on how to do so.

Environmentally harmful substances in production or in products are only used if they cannot be avoided; this also improves safety for our employees and customers. Such substances already in use are regularly examined and substituted where possible. It is a matter of course that we observe and comply with all applicable statutory requirements. In response, we add new requirements and changes promptly to our work instructions. The technotrans Group in the first instance manufactures equipment that conforms to the REACH regulation, the RoHS II Directive and CE identification requirements. We also implement customer requirements that in some cases call for conformity to the RoHS II Directive including for products that are not actually covered by the statutory requirements. We also obtain undertakings from our suppliers not to use any environmentally hazardous substances as defined by the REACH regulation. Furthermore, we expect them to comply strictly with the RoHS II Directive. We record the REACH and RoHS II conformity of our input materials in our ERP systems. We can therefore document from the bill of materials for an end product whether a device meets the requirements and to what extent it achieves EC conformity.

We took a major step towards protecting natural resources in the 2022 financial year in launching the “Digital Only” concept, which means we supply customers with technical documentation via the easybrowse platform run by the Group subsidiary gds GmbH. This arrangement ensures our customers always have access to the most up-to-date version of documentation. By keeping printed documentation to the minimum level information required by law, at Sassenberg alone technotrans is moreover reducing the number of pages printed double-sided and previously supplied with products by around 1.3 million each year.

Other significant environmental aspects include the reduction of waste, recycling reusable materials and minimising water consumption. A total of 973 t of waste and recyclable material was generated at our production locations in 2022, of which some 78 % (757 t) could be recovered and used for high-grade recycling. The overall amount of waste and recyclable material fell by 15% (2021: 1,143 t)². Expressed as a ratio of consolidated revenue, the total amount fell by 24 % to 4.1 t per million euros (2021: 5.4 t per million euros).

Water consumption at our production locations was cut by 12 % or 1,087 m³ in the 2022 financial year, to just 7,797 m³ (2021: 8,884 m³). Expressed as a ratio of consolidated revenue, fresh water consumption fell to 32.7 m³ per million euros (2021: 42.1 m³ per million euros). This represented a further reduction in the already low consumption.

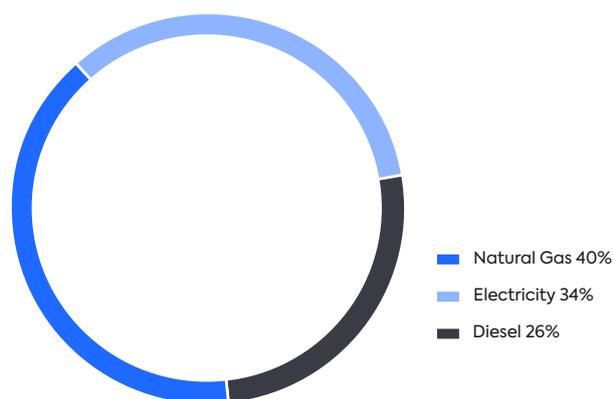
Energy consumption

The efficient use of energy and the eco-friendly handling of resources are high priorities for us. We are therefore always looking for scope to improve the energy efficiency of our operating processes and products, and conduct the statutorily required energy audits according to DIN EN 16247-1 on a four-year cycle. Some examples of how we cut our energy consumption in the 2022 financial year are the installation of a 400 kWp photovoltaic (PV) system at the Baden-Baden location to meet almost 40 % of its future power consumption, and the partial replacement of bright radiators with dark versions for heating the production halls at Meinerzhagen. A project to reduce the electricity baseload at Sassenberg was also launched. The next energy audit will take place in the 2023 financial year and will provide fresh impetus to raise efficiency.

In keeping with the materiality principle, the following data refers to the seven production locations of the technotrans Group and the energy sources power, natural gas and fuels, plus green hydrogen at the Holzwickede location.

Total energy consumption of 15.2 GWh in the 2022 financial year was lower than in the previous year (2021: 15.6 GWh). In terms of the revenue performance, consumption fell to 64 MWh per million euros (2021: 74 MWh per million euros). The energy mix remained almost identical compared to previous years. Due to its low share of 0.1 %, hydrogen is not included in the following diagram.

Aggregate energy mix across the locations



²Waste amount and power consumption for 2021 adjusted retrospectively. The adjustment to power consumption in addition affects the following figures for 2021: total energy consumption, market and location-based CO₂e emissions, proportion of renewable power pursuant to ESG target from the Future Ready 2025 strategy.

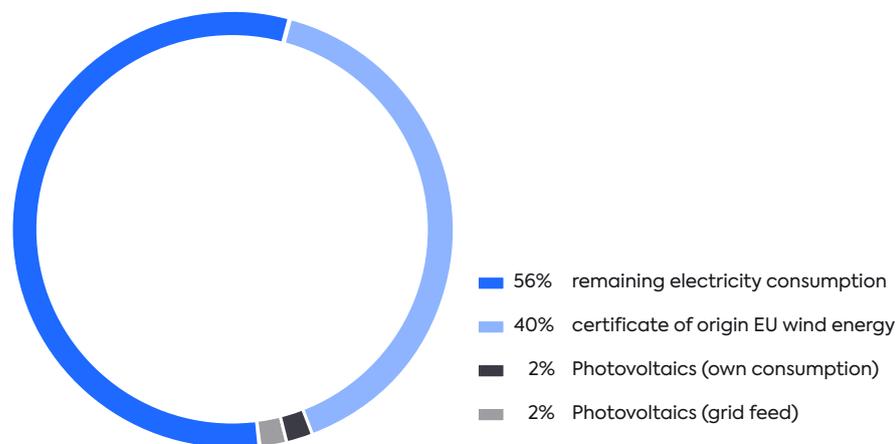
technotrans believes it is important to handle resources responsibly; that includes both the raw materials for products but especially energy resources. The Future Ready 2025 Group strategy therefore includes the following defined sustainability goals:

- Electricity: increasing the share from renewable resources to 100 %.
- Fuel: cutting fuel consumption by an average of 5 % annually.

Power consumption – in 2022 technotrans succeeded in reducing its power consumption slightly to 5.1 GWh (2021: 5.2 GWh). However in revenue terms, it achieved a sizeable reduction of 13 % to 22 MWh per million euros (2021: 25 MWh per million euros). As a means of incentivising the expansion of renewable energy even before EEG electricity is taken into account, we seek to meet this consumption entirely from renewables; in keeping with our sustainability goal we therefore use both self-generated power at our locations and purchase certificates of origin from European wind and PV farms, paying an additional levy to promote sustainable energy projects in the world's least developed regions.

Regarding self-generated power, technotrans' first PV system with an output of around 100 kWp from 2021 was joined by a further PV system generating over 400 kWp in the second half of 2022. These systems made it possible to meet more than 2 % of total power consumption at the production locations from self-generation; if power fed into the grid is also taken into account, the figure is already 4 %. The aim is to steadily increase these levels over the coming years. In terms of our goal, we achieved a share of around 44 % for 2022 based on the definitions stated, representing a year-on-year rise of 6 %.

Status of ESG target: 100 % renewable power



Fuel consumption – A further goal of the Future Ready 2025 strategy is to reduce fuel consumption by an average of 5 % per year, amounting to a target reduction of 25 % by the end of 2025. On the back of a high saving of 8 % in 2021 compared to the reference figure for 2019, albeit substantially attributable to the pandemic-related restrictions, fuel consumption rose slightly again in 2022; the saving measured against the reference year is therefore now only 5 %. The vehicle fleet's energy consumption thus increased again to 4 GWh (2021: 3.8 GWh). In revenue terms, a reduction of 8 % to 17 MWh per million euros was achieved (2021: 18 MWh per million euros). To cut absolute fuel consumption yet further in future years, we will switch progressively to e-mobility for company cars. We have now started to invest in the charging infrastructure at the locations and in an electrically powered vehicle fleet. However the changeover to suitable electric vehicles was delayed in the past financial year by poor availability due to supply bottlenecks at vehicle manufacturers; this is also partly reflected in the target attainment figure for 2022.

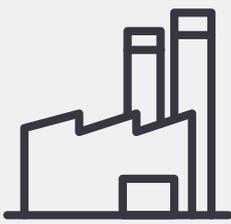
Gas consumption – Natural gas is the third major fuel source at the locations and therefore among the drivers of CO₂e emissions, which is why technotrans aims to successively scale back use of this fossil fuel. Year on year, consumption at our seven production locations fell to 6.1 GWh (2021: 6.6 GWh). Measured against revenue, this represents a notable reduction of 18 % to 26 MWh per million euros (2021: 31 MWh per million euros). The factors behind this reduction in fossil natural gas included the partial replacement of the heating system in the production halls at our Meinerzhagen location, adjusted control parameters and the inclusion of green hydrogen in the energy mix at our Holzwickede location.

For the future, we would like to scale back natural gas further by for example using a substitute fuel, modernising the heat generation and distribution system, and reducing thermal losses at the locations. For instance, we are planning to modernise the heat supply at the Meinerzhagen location in 2023 and optimise the heating controls at the Group headquarters.

Greenhouse gas performance of the technotrans Group

Climate neutrality – technotrans supports the Paris Climate Agreement signed in 2015 with the aim of limiting global warming to no more than 1.5 °C. To complement the goals from the Future Ready 2025 strategy and based on the corporate carbon footprint, a roadmap was drawn up in 2022 to map out how to achieve climate neutrality at the seven production locations and in the sales and service units (SSU) by 2030. The primary ways of achieving this goal are by improving energy efficiency and generating renewable energy at the locations. In line with its goal from the Future Ready 2025 strategy to use 100 % renewable power at the production locations, technotrans also plans to buy in renewable power as necessary. It will then use certified climate protection projects only to compensate for the remaining CO₂e emissions from 2030 on. This is how we are translating our responsibility to limit climate change into action.

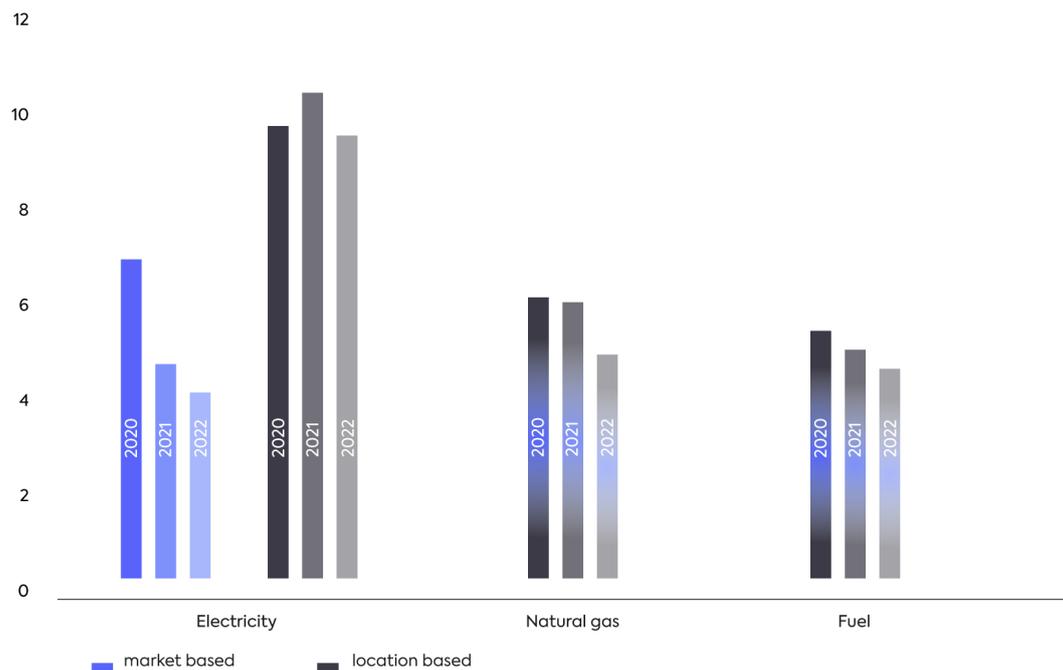
Greenhouse gas performance – One key matter that goes hand in hand with the use of fossil fuels is CO₂e emissions. To be transparent and highlight progress for instance through the use of renewables, since the 2021 financial year we have been reporting our Scope 1 and Scope 2 emissions based on the Greenhouse Gas Protocol (GHG). The underlying reporting approach serves as our basis for clearly defined measures that will improve our performance.

		
SCOPE 1	SCOPE 2	SCOPE 3
<p>Direct emissions from sources owned by or within the scope of the company (e.g. operation of the company's own boiler or vehicle fleet)</p>	<p>Indirect emissions from purchased electricity, steam, heating and cooling</p>	<p>All other indirect emissions related to a company's activities from the upstream and downstream value chain</p>

In view of the lesser relevance of the sales and service units for CO₂e emissions (< 6 % in 2020), as is the case for energy consumption the following results refer to the seven production locations of the technotrans Group.

In 2022 the market-based³ CO₂e emissions caused by technotrans in Scopes 1 and 2 came to 3,097 t CO₂e (2021: 3,183 t CO₂e), which relative to revenue is a reduction of 14 % to 13 t CO₂e per million euros (2021: 15.1 t CO₂e per million euros). Disregarding the renewable power purchased by technotrans (location-based view) the absolute emissions remain almost constant at 4,379 t CO₂e (2021: 4,385 t CO₂e). Specific CO₂e emissions per €m of revenue equally fell 12 % to 18.4 t (2021: 20.8t)⁴. The following summary shows the weighting and development of emission sources.

Market and location-based CO₂e emissions in t per million euros of consolidated revenue



In the 2023 financial year, technotrans will broaden the scope of reporting to include Scope 3 initially internally because as matters stand only selected aspects affect the corporate carbon footprint. We will then prospectively also report on these indirect CO₂e emissions by the Group, which generally speaking clearly exceed the Scope 1 and Scope 2 emissions due to the inclusion of the entire upstream and downstream value chain.

EU Taxonomy Regulation 2020/852

The EU has set itself the goal of becoming climate-neutral by 2050. One instrument that supports attainment of this goal is the EU Taxonomy Regulation. Against the backdrop of climate change, the destruction of natural habitats and dwindling biodiversity, technotrans unreservedly supports these efforts by the EU Commission.

³Market-based: emissions that include supply contracts and certificates of origin for power; locationbased: emissions based on the electricity mix in Germany

⁴Emission factor for the aggregate electricity mix for all technotrans production locations: 180 g/kWh (market-based), 431 g/kWh (location-based)

The goal of the taxonomy is to classify economic activities consistently across the EU in terms of how they contribute to six defined environmental objectives, based on defined requirements. These environmental objectives are: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, waste avoidance and recycling, (5) pollution prevention and control, and (6) protection of ecosystems.

Pursuant to the provisions, economic activities are environmentally sustainable if they

- make a material contribution to attainment of one or more of the six environmental objectives (“substantial contribution”) and
- do not significantly hinder attainment of the five other EU environmental objectives (“do no significant harm”, DNSH) and
- meet minimum social standards (“minimum safeguards”)

It is necessary to report key figures for revenue, operational expenditures (OpEx) and capital expenditures (CapEx) that are environmentally sustainable pursuant to the taxonomy (alignment) or could be (eligibility). Eligibility means economic activities that are listed in the Annex to the Taxonomy Regulation. Alignment is achieved by contributing to at least one of the six environmental objectives, based on the technical screening criteria of the economic activity in question, if the DNSH criteria and minimal safeguards are additionally met. For the “substantial contribution” and “DNSH” aspects, technical screening criteria are currently only available for the first two environmental objectives; the following reporting therefore refers to climate protection and adjustment to climate change. As many of the expressions and terms in the taxonomy are open to interpretation, key assumptions that needed to be made are listed below.

Approach to the determination of key performance indicators

The basis for the reporting below is a reconciliation of the economic activities described in the EU Taxonomy with those of the technotrans Group. This serves as the starting point for discussions with the experts from each area in order to identify those activities for which the technical screening criteria are or may be fulfilled. The experts’ assessments were captured accordingly. This mapping and the expert interviews refer both to revenue and to CapEx and OpEx.

The purpose of many of the products made by the technotrans Group is to reduce energy consumption and therefore also carbon emissions, or to enable applications in the area of electric mobility. As the role of mechanical and plant engineering (MPE) – in other words the supply of important component parts and systems as an enabling economic activities – was not adequately reflected in the drafting of the EU Taxonomy, exclusively activities according to category 3.6 “Manufacture of other low carbon technologies” are relevant for revenue. The German Engineering Federation (VDMA) believes the failure of the EU Taxonomy to take account of extensive areas of MPE puts it at a disadvantage when disclosing key performance indicators.

To identify the potentially taxonomy-aligned products that come under category 3.6, the portfolio was filtered for those solutions that demonstrably produce material efficiency gains and reduce carbon emissions compared with standard systems.

As the technical criteria of the category referred to require interpretation for them to be usable, ambiguities were addressed according to the following definitions:

- technotrans supplies its customers with individual product solutions, which is why the best market alternative that the taxonomy requires as a benchmark for purposes of comparison is initially problematic. For assessment purposes it was decided that our standard product versions serve as benchmarks for comparisons with our high-efficiency product versions for the same applications.

- The taxonomy requires a material saving in carbon emissions compared with the benchmark but does not define that term more closely. For this purpose it was decided that this saving must be at least 20 % in a comparison of product versions.
- According to the taxonomy, screening must involve a life cycle assessment. Because the standard version and the corresponding high-efficiency version with which it is being compared are extensively identical in design and differ by merely a few components, the comparison of carbon emissions is based only on the components that differ and on the emissions that occur in use from the product versions' difference in energy consumption.

With regard to the analysis of the DNSH criteria that follow on from the “substantial contribution” step, principally compliance with statutory requirements at product and location level is what needs to be examined for compliance. A product-by-product view was taken for objective 4 “circular economy”. For the minimum safeguards, conformity was examined at Group level. Existing compliance management structures within the Group are used to examine and assure compliance, such as the whistleblower system, the binding Suppliers Code, the Code of Conduct for our employees, minimum standards in employment, risk management and supplier audits.

During the internally conducted analysis, various contributions to environmental objective 1 “climate protection” were identified. No contributions to objective 2 “climate change adaptation” were identified, ruling out any double reporting of our economic activities. In light of the described approach, there are only minimal differences between taxonomy-eligible and taxonomy-aligned economic activities.

Taxonomy-eligible and taxonomy-aligned economic activities

Revenue – The basis is revenue (€m 238.2), as presented in the technotrans Consolidated Financial Statements of the Annual Report 2022, principally under V. Notes to the Segment Report. It is possible to allocate taxonomy-eligible and taxonomy-aligned revenue, which are virtually congruent, to economic activity 3.6 “Manufacture of other low carbon technologies” pursuant to the Annex to Regulation (EU) 2021/2139.

This category 3.6 covers our high-efficiency product versions which produce substantial energy savings in operation through the systematic use of performance-controlled components, and additionally through the integration of free cooling to support compression cooling in central refrigeration systems. Furthermore, those products that contribute to a clear reduction in global warming potential by replacing the synthetic refrigerant normally used with a natural refrigerant are also relevant.

For some high-efficiency product versions, compliance with the criteria as set out in the above interpretations of the technical screening criteria could not be clearly ascertained, which is why they are accordingly identified as merely taxonomy-eligible.

Operational expenditures (OpEx) – OpEx within the meaning of the EU Taxonomy (€ 7.5 million) covers expenditure captured in the Consolidated Income Statement that cannot be capitalised, or spending on research and development, building renovation measures, short-term leases, maintenance and repair as well as all other direct expenditure from the repair of property, plant and equipment to keep the taxonomy-eligible assets operational. No direct reference to the Income Statement of the Annual Report 2022 is possible. This primarily covers research and development expenditure for currently or foreseeably taxonomy-aligned products (9.1 “Close to market research, development and innovation”). The goals of the research and development projects included were to increase the energy efficiency or the use of low-GWP or natural refrigerants or avoid refrigerants in order to reduce carbon emissions over the product life-cycle. There is also the development of solutions for battery-electric rail and road transport. Smaller investments in energy efficiency that cannot be capitalised (7.3 “Installation, maintenance and repair of energy efficient equipment”) and short-term leases in the area of electric mobility (6.5 “Transport by [...] passenger cars”) should also be mentioned.

Capital expenditures (CapEx) – The basis of the economic activities to be analysed comprises additions to both property, plant and equipment and to intangible assets in the amount of € 6.3 million (see also III “Notes to the Balance Sheet, Consolidated Statement of Changes in Fixed Assets” of the Annual Report 2022). Taxonomy-aligned capital expenditures include the construction of a PV system with 400 kW peak output (kWp) at our Baden-Baden location in category 7.6 “Installation, maintenance and repair of renewable energy technologies” as well as capital expenditures in production to enable the switch to low-GWP and natural refrigerants under 3.6 “Manufacture of other low carbon technologies”. There were also capital expenditures on an energy-efficient heating concept for production halls under 7.3 “Installation, maintenance and repair of energy efficient equipment” where compliance with all requirements could not be established beyond doubt, so those capital expenditures are merely taxonomy-eligible.

The following KPIs as well as the key figures in the following comprehensive reporting forms are correspondingly reduced in line with the descriptions.

Taxonomy-eligible and taxonomy-aligned revenue, operational expenditures and capital expenditures

		Revenue	Operating Expenses	Capital Expenditure
Total	m€	238.22	7.54	6.30
thereof taxonomy-eligible	m€	1.92	0.00	0.09
	%	0.8	0.0	1.4
thereof taxonomy-aligned	m€	28.70	0.46	0.48
	%	12.0	6.1	7.6
thereof not taxonomy-eligible	m€	207.60	7.08	5.73
	%	87.1	93.9	91.0

Share of revenue from taxonomy-aligned and taxonomy-eligible economic activities

Wirtschaftstätigkeiten (1)	Code(s) (2)	Absoluter Umsatz (3) TEUR	Umsatzanteil (4) %	Kriterien für einen wesentlichen Beitrag								DNSH-Kriterien ("keine erhebliche Beeinträchtigung")								Taxonomie-konformer Umsatzanteil, Jahr 2021 (19) %	Taxonomie-konformer Umsatzanteil, Jahr 2022 (18) %	Kategorie "ermöglichte Tätigkeiten" (20)	Kategorie "übergangs-tätigkeiten" (21)
				Klimaschutz (5) %	Anpassung an den Klimawandel (6) %	Wasser- und Meeresressourcen (7) %	Kreislaufwirtschaft (8) %	Umweltverschmutzung (9) %	Biologische Vielfalt und Ökosysteme (10) %	J/N	Klimaschutz (11) %	Anpassung an den Klimawandel (12) %	Wasser- und Meeresressourcen (13) %	Kreislaufwirtschaft (14) %	Umweltverschmutzung (15) %	Biologische Vielfalt und Ökosystemen (16) %	Mindestschutz (17) %						
A. TAXONOMIEFÄHIGE TÄTIGKEITEN																							
A.1 Ökologisch nachhaltige Tätigkeiten (taxonomiekonform)																							
Herstellung anderer CO ₂ -armer Technologien	3.6	28.697	12,0%	100%	0%						J	J	J	J	J	J	J	12,0%	12,0%	-	12,0%	-	
Umsatz ökologisch nachhaltiger Tätigkeiten (taxonomiekonform) (A.1)		28.697	12,0%	100%	0%													12,0%	12,0%	-	12,0%	-	
A.2 Taxonomiefähige, aber nicht ökologisch nachhaltige Tätigkeiten (nicht taxonomiekonforme Tätigkeiten)																							
Herstellung anderer CO ₂ -armer Technologien	3.6	1.923	0,8%																				
ökologisch nachhaltiger Tätigkeiten (nicht taxonomie-konforme Tätigkeiten) (A.2)		1.923	0,8%																				
Total (A.1 + A.2)		30.620	12,9%															12,0%	12,0%	-	12,0%	-	
B. NICHT TAXONOMIEFÄHIGE TÄTIGKEITEN																							
Umsatz nicht taxonomiefähiger Tätigkeiten (B)		207.597	87,1%																				
Gesamt (A + B)		238.218	100%																				

Share of OpEx from taxonomy-aligned and taxonomy-eligible economic activities

Wirtschaftstätigkeiten (1)	Code(s) (2)	Absoluter OpEx (3) TEUR	Anteil OpEx (4) %	Kriterien für einen wesentlichen Beitrag						DNSH-Kriterien ("keine erhebliche Beeinträchtigung")						Mindestschutz (17) J/N	Taxonomie-konformer OpEx- Anteil, Jahr 2022 (18) %	Taxonomie-konformer OpEx- Anteil, Jahr 2021 (19) %	Kategorie "ermög- lichende Tätig- keiten" (20)	Kategorie "Über- gangs- tätig- keiten" (21)
				Klimaschutz (5) %	Anpassung an den Klimawandel (6) %	Wasser- und Meeresressourcen (7) %	Kreislaufwirtschaft (8) %	Umweltverschmutzung (9) %	Biologische Vielfalt und Ökosysteme (10) %	Klimaschutz (11) J/N	Anpassung an den Klimawandel (12) J/N	Wasser- und Meeresressourcen (13) J/N	Kreislaufwirtschaft (14) J/N	Umweltverschmutzung (15) J/N	Biologische Vielfalt und Ökosystemen (16) J/N					
A. TAXONOMIEFÄHIGE TÄTIGKEITEN																				
A.1 Ökologisch nachhaltige Tätigkeiten (taxonomiekonform)																				
Beförderung mit Motorrädern, Personenkraftwagen und leichten Nutzfahrzeugen	6.5	3	0,0%	100%	0%							J	J	J	J	J	-	-		
Installation, Wartung und Reparatur von energieeffizienten Geräten	7.3	12	0,2%	100%	0%							J	J	J	J	J	-	-		
Marktnahe Forschung, Entwicklung und Innovation	9.1	449	6,0%	100%	0%							J	J	J	J	J	-	-		
OpEx ökologisch nachhaltiger Tätigkeiten (taxonomiekonform) (A.1)		465	6,2%	100%	0%												6,2%	-		
A.2 Taxonomiefähige, aber nicht ökologisch nachhaltige Tätigkeiten (nicht taxonomiekonforme Tätigkeiten)																				
OpEx taxonomiefähiger, aber nicht ökologisch nachhaltiger Tätigkeiten (nicht taxonomie-konforme Tätigkeiten) (A.2)		0	0,0%																	
Total (A.1 + A.2)		465	6,2%																	
B. NICHT TAXONOMIEFÄHIGE TÄTIGKEITEN																				
OpEx nicht taxonomiefähiger Tätigkeiten (B)		7.077	93,8%																	
Gesamt (A + B)		7.541	100%																	

Share of CapEx from taxonomy-aligned and taxonomy-eligible economic activities

Wirtschaftstätigkeiten (1)	Code(s) (2)	Absoluter CapEx (3) TEUR	Anteil CapEx (4) %	Kriterien für einen wesentlichen Beitrag						DNSH-Kriterien ("keine erhebliche Beeinträchtigung")						Taxonomie-konformer Anteil, Jahr 2022 (18) %	Taxonomie-konformer Anteil, Jahr 2021 (19) %	Kategorie "ermög-lichende Tätig-keiten" (20) E	Kategorie "Über-gangs-tätig-keiten" (21) T		
				Klimaschutz (5) %	Anpassung an den Klimawandel (6) %	Wasser- und Meeresressourcen (7) %	Kreislaufwirtschaft (8) %	Umweltverschmutzung (9) %	Biologische Vielfalt und Ökosysteme (10) %	Klimaschutz (11) J/N	Anpassung an den Klimawandel (12) J/N	Wasser- und Meeresressourcen (13) J/N	Kreislaufwirtschaft (14) J/N	Umweltverschmutzung (15) J/N	Biologische Vielfalt und Ökosystemen (16) J/N					Mindestschutz (17) J/N	
A. TAXONOMIEFÄHIGE TÄTIGKEITEN																					
A.1 Ökologisch nachhaltige Tätigkeiten (taxonomiekonform)																					
Herstellung anderer CO ₂ -armer Technologien	3.6	155	2,5%	100%	0%					J	J	J	J	J	J	J	J	2,5%	-	-	
Installation, Wartung und Reparatur von Technologien für erneuerbare Energien	7.6	322	5,1%	100%	0%					J	J	-	-	-	-	-	-	5,1%	-	-	
CapEx ökologisch nachhaltiger Tätigkeiten (taxonomiekonform) (A.1)		477	7,6%	100%	0%													7,6%	-	-	
A.2 Taxonomiefähige, aber nicht ökologisch nachhaltige Tätigkeiten (nicht taxonomiekonforme Tätigkeiten)																					
Installation, Wartung und Reparatur von energieeffizienten Geräten	7.3	86	1,4%																		
CapEx taxonomiefähiger, aber nicht ökologisch nachhaltiger Tätigkeiten (nicht taxonomie-konforme Tätigkeiten) (A.2)		86	1,4%																		
Total (A.1+A.2)		563	8,9%																7,6%	-	-
B. NICHT TAXONOMIEFÄHIGE TÄTIGKEITEN																					
CapEx nicht taxonomiefähiger Tätigkeiten (B)		5.739	91,1%																		
Gesamt (A + B)		6.302	100%																		

Highlights of 2022 and outlook

Climate neutrality by 2030 – technotrans has set itself the goal of achieving climate neutrality at all production locations and the sales and service units by 2030. For attaining this goal, the focus will be on improving energy efficiency at the locations, generating renewable energy internally and buying in green power. Ideally recognised climate protection projects will only be used to compensate for the balance of carbon emissions from 2030.

Green hydrogen – Since the end of October technotrans has been purchasing hydrogen to supply its heating at the Holzwickede location, as part of the “H2HoWi” project. The heating system was previously based on a heat pump supported by a natural-gas condensing boiler. By using the gas condensing boiler – based on green hydrogen, which is produced using renewables – we are now in a position to scale back consumption of fossil fuels at the location even further.

Photovoltaic systems – Following on from the installation of our first PV system at Holzwickede with an output of 100 kWp in 2021, we commissioned a second system at the Baden-Baden location in the second half of 2022, now giving us an installed PV output of 0.5 MWp. These two systems already generated over 200 MWh of power from renewables in the 2022 financial year; the full potential of the two systems will only become apparent in the 2023 financial year, when both will be in operation for a full 12 months.

Climate-friendly mobility – The redesigned thermal management systems for battery-electric rail transport mean technotrans not only has a weight-optimised product to offer its customers. It is now also available to our customers in a version with the environment and climate-friendly natural refrigerant propane.

Refrigerant-free cooling – For applications in areas such as in the lab, where high control accuracy is required, in 2022 technotrans also brought out systems with Peltier elements that do not require refrigerant, as an alternative to its tried-and-tested miniature compression refrigeration systems. These products currently have a performance range of up to 0.6 kW. Because these refrigeration systems do not have any moving parts, they run in effect silently and vibration-free.

Circular economy – By switching packaging materials to 100 % single-grade-recyclable forms and thanks to the highly recyclable nature of the products, technotrans is actively bringing the circular economy one step closer. By developing and supplying a concept for the supply of refrigeration and heat to one of our customers, we have now also found an opportunity to promote the material recycling of household waste that was previously usually used to produce heat or went to landfill.

Protecting natural resources – The “Digital Only” concept of gds GmbH to migrate technical product documentation to a digital format means the technotrans Group saves around 1.3 million sheets of paper printed double-sided every year, just at the Sassenberg location. At the Group headquarters we have also moved to a circulation system for paper towels, which are now sent back to the supplier for material recycling.

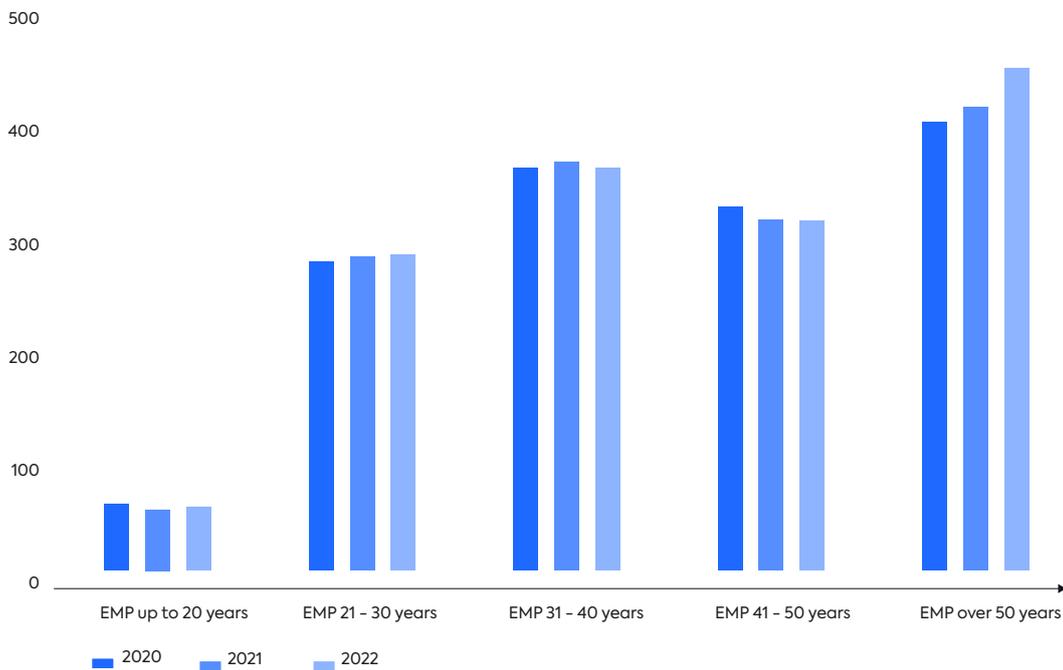
EMPLOYEE MATTERS, TRAINING AND QUALIFICATION

Committed employees with outstanding personal and professional skills are the bedrock of our success. To safeguard this basis for the long term, in addition to selecting personnel with care we believe it is very important to specifically promote our employees and provide them with appropriate further training. We attach high importance especially to improving personal and specialist skills, and to maintaining the professional capabilities of our specialists and managers over the long term. We offer our employees attractive development opportunities and promote a positive corporate culture. That also includes facilitating a work-life balance with flexible working hours models and – depending on role – scope to work from home. Vocational training is treated as a high priority in the technotrans Group. We consider this on the one hand to be a social responsibility. On the other hand training juniors represents an important investment in the future of our business. Apprentices and those on a dual course of study make an important contribution to the further development of our technology company, both as individuals and as specialists

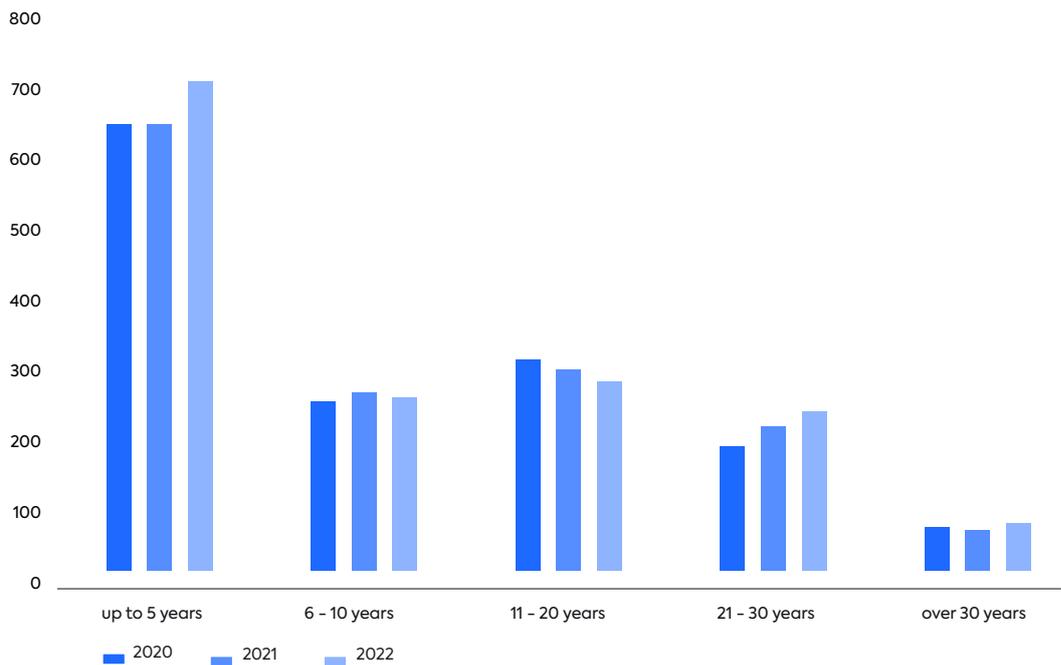
Employee structure of the technotrans Group

The employee structure of the technotrans Group by age and length of service has developed as follows:

Age structure of employees in each case at December 31



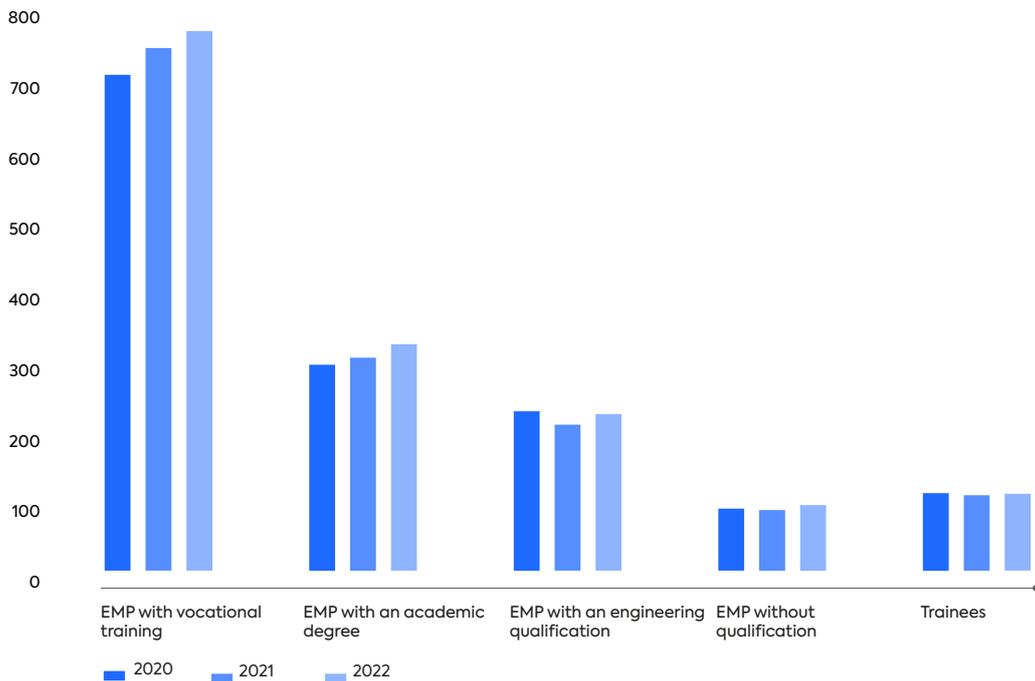
Length of service of employees in each case at December 31



Demographic change in society and the increasing shortage of skilled workers are major challenges in this regard. We tackle potential negative consequences for the technotrans Group for instance from having unfilled positions by maintaining a correspondingly high proportion of apprentices. We also launched a project on strategic HR planning in the 2022 financial year. It involved taking action to maintain optimal staffing levels for sustained, profitable growth for the Group over the medium to long term.

We offer our employees and juniors excellent prospects. We give preference to the recruitment of specialists and management employees from our own ranks and from our Group companies' home regions. We emphasised that policy in the 2022 financial year by setting up the “#ttalents” development programme. It specifically promotes and develops high-potentials. A range of courses and project tasks prepare the participants early on for future expert or leadership positions. technotrans was an award-winner of the “Attractive Employer in Warendorf District 2022” competition, in recognition of its excellence in talent management.

Employees by qualification in each case at December 31



December 31, 2022 the number of apprentices in the Group was 110 (previous year: 104). technotrans SE with its locations in Sassenberg and Bad Doberan accounted for 61 of these apprentices (previous year: 51). The proportion of apprentices at the German group companies remained unchanged at 7 %. The figure for technotrans SE was unchanged at 9 %. In the 2022 financial year, the technotrans Group provided apprenticeships for 21 vocational qualifications and five courses of study. In offering these we proactively meet the diverse specialist requirements of our markets.

We prepare our apprentices optimally for their future tasks: our production companies have their own training workshops, with for example a specially equipped electrics training room for apprentices, and apprentices attend in-house instruction and training courses in various departments. Our instructors, too, receive regular advanced training.

In the 2022 financial year, 29 apprentices successfully completed their training at our domestic companies. Of this total, we offered permanent employment to 24, representing a retention rate of around 83 %.

We offer former apprentices who have chosen to pursue a course of studies or continue with their school education the opportunity to work for us out of term. By maintaining contact with them, we aim to be in a good position to take them on again after they have completed their further studies.

Collaboration within the technotrans Group across the various locations is growing in importance, not least through the Future Ready 2025 strategy. To encourage specialist and personal exchanges, our apprentices can take on assignments at more than one location.

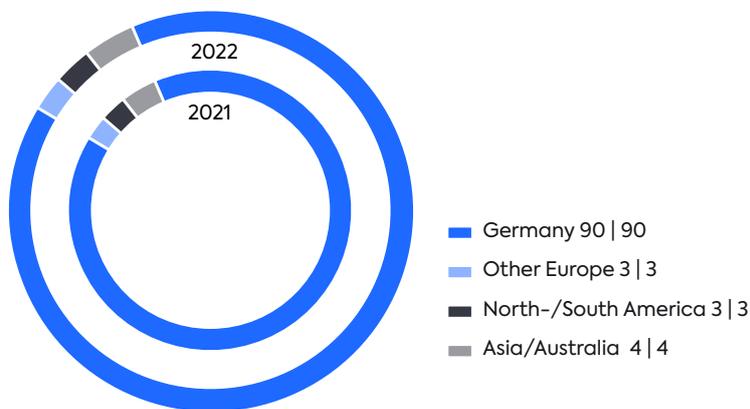
We held a large number of training courses and advancement measures in the 2022 financial year. We drew on both internal experts from the departments and external trainers for these courses. Our aim is always to maintain up-to-date specialist knowledge spanning a wide range of topics right across the Group. Employees discuss individual qualification needs with their managers in annual performance reviews. Human Resources is brought in if more comprehensive, cost-intensive measures are called for. The aim of these meetings is to customise continuing

training to the needs of each employee. In addition, leadership circles involving Human Resources and each head of department are arranged each year. Their purpose is to identify what personnel development measures are required in each area. Based on the budget, it is agreed what measures will be implemented in the current year in what order of priority. The measures taken are then assessed at the next evaluation.

technotrans SE has incorporated all personnel development activities into a structured online training catalogue known internally as the “technotrans Campus”. It is being rolled out gradually across the Group. Personnel development is a core component of the Future Ready 2025 strategy. One of the five ESG targets specifies an annual increase in personnel development spending of 5 % p.a. An increase of around 43 % on the base year means we have already easily beaten both the annual target and the strategic goal for 2025.

The regional composition of our workforce remained virtually unchanged from the previous year. In light of our Future Ready 2025 strategy, the proportion of employees at our international locations is likely to rise in the medium term. .

Composition of Group workforce by location, 2022/2021 (%)



As mentioned at the start of this statement, the particulars in this report apply to the technotrans Group and technotrans SE. To complement the graph representing the Group’s employee structure, we also provide a tabular summary for technotrans SE. The employee total for technotrans SE changed significantly year on year as a result of the merger with KLH Kältetechnik GmbH. The following list shows the employee structure of technotrans SE. It differs from the summary in the HGB annual financial statements because the latter also includes the Board of Management and employees of pensionable age.

Employee structure of technotrans SE

	2022		2021	
	Number	in %	Number	in %
Employees as of Dec. 31	676		615	
Employees by segment				
Technology	560	82,79	499	81,14
Services	116	17,21	116	18,86
Age structure				
Employees up to 20 years	51	7,54	45	7,32
Employees 21 to 30 years	160	23,67	139	22,60
Employees 31 to 40 years	149	22,04	132	21,46
Employees 41 to 50 years	132	19,53	133	21,63
Employees over 50 years	184	27,22	166	26,99
Period of employment				
up to 5 years	329	48,67	263	42,76
6-10 years	97	14,35	103	16,75
11-20 years	103	15,24	118	19,19
21-30 years	122	18,05	112	18,21
over 30 years	25	3,70	19	3,09
Employees by qualifications				
Employees with vocational training	365	53,99	336	54,63
Employees with an academic degree	124	18,34	113	18,37
Employees with an engineering qualification	94	13,91	86	13,98
Employees without qualification	34	5,03	30	4,88
Trainees	61	8,73	50	8,13
Diversity				
Number of male employees	548	81,07	495	80,49
Numer of female/diverse employees	128	18,93	120	19,51

Health management

Keeping our employees in good health and encouraging them to live healthily are a major priority for us. Our active health management is about ensuring employees remain able to perform effectively so that we can maintain a smooth production process.

In the third year of the COVID -19 pandemic, protecting our employees against infection remained our overriding concern. The preventive measures introduced across the Group in 2020 and 2021 were maintained. As case numbers declined they were gradually scaled back in the 2022 financial year.

The occupational health service conducted regular health reviews as part of the check-ups required by law. technotrans also offered its employees free flu vaccinations, support with arranging appointments for coronavirus vaccinations, employer-financed supplementary dental insurance and leasing of bikes for employees. Employees also receive special deals at selected local gyms and can take part in company runs. These schemes mean technotrans both promotes health and encourages social interaction between employees.

Remuneration and employee rights

Employees are paid for their work at market rates, with the amount comprising fixed and variable components. In recent years we have introduced a standardised remuneration system at the main location in Sassenberg and at other German locations. Under this system, employees are assigned to grades depending on their position; each grade corresponds to a specific, market-oriented remuneration band. Remuneration is also affected by the degree to which the targets agreed at the start of the year have been achieved.

Managers receive a (management) bonus that is agreed individually in their contracts and is determined half by the attainment of company targets, and half by their personal performance. At the domestic companies, annual percentage pay increases for all employees are negotiated between the Board of Management, the executive management (in the case of subsidiaries) and the respective Works Council. The past and expected business performance of the technotrans Group serves as the basis. There were moderate remuneration adjustments in the 2022 financial year based on location-specific agreements and factors.

We also offer our employees various fringe benefits. These reflect the prevailing local and statutory considerations and scope. The range of benefits therefore varies from one location to another.

technotrans products are outstanding examples of high quality and operating safety. We also aim to make the workplace as safe as possible for our own employees. It is consequently a matter of course that we observe all applicable statutory regulations regarding industrial, operational, occupational and fire safety as well as environmental protection. Our occupational safety specialists advise our management employees on hazard assessments at each location with the aim of guaranteeing that workplaces are safe, healthy and state-of-the-art at all times.

Also, managers are responsible for ensuring that employees comply with the relevant provisions. Every employee receives instruction on the guidelines in the form of training that is repeated regularly.

Premises and manufacturing processes at our production locations are by their very nature diverse. To reflect that, we have implemented individual safety concepts. These ensure that the applicable statutory requirements are always met. The arrangements include quarterly meetings of the industrial safety committee with the occupational safety officer, the medical officer, a Works Council delegation, the safety officers and a representative of the company management.

To share insights, we for example hold scheduled and/or impromptu site inspections or meetings with first responders and with fire and safety officers. The aim here is to spot and address potential hazards early on. The overall low number of occupational accidents in the Group demonstrates just how effective these concepts are.

The members of the Group Works Council meet regularly to discuss employee matters at the domestic Group companies. Among other things they draw up cross-site, standard agreements for the Group. The Works Council of technotrans SE currently comprises nine members from the (domestic) Group Works Council and three members from the European branches. This committee draws up employee-related agreements at European level.

A professional, non-discriminatory dialogue between the employee representatives and management is part and parcel of the corporate culture at technotrans. Openness and trust are hallmarks of cooperation. The declared aim is to strike an equitable balance of interests between employees and employer.

Equal opportunities, diversity and work-life balance

At technotrans we attach high importance to the personal and specialist qualifications of our employees. It is inherent to the corporate culture of our Group that we do not tolerate discrimination of any kind against persons based in particular on age, nationality, skin colour, gender, religion, social background or disability. We adopt a zero-tolerance stance towards misconduct at the workplace on such matters. Human resources decisions such as appointments, promotions, remuneration, dismissals etc. are reached in accordance with these principles. For example, there is no gender-based differentiation in remuneration (zero gender pay gap). We value the differences and diverse qualities in our employees. Open, fair and respectful treatment of one another is a hallmark of our corporate culture. These principles are enshrined in our worldwide Code of Conduct and are practised in our daily dealings. For example, we give fellow humans who have been displaced from their home country the chance to get to know everyday working life in Germany.

For technotrans as a company that is active in dynamic markets by virtue of its international locations, innovation and creativity are crucial to success. Studies have shown that cultural diversity in teams can have a bigger positive impact on innovative capability than other criteria such as age or gender.

At our Sassenberg head office alone, we employ people of 18 different nationalities. Across the Group there are 36 nationalities. We see this diversity as an asset for the technotrans Group. With diversified teams, we aim to specifically increase the company's innovativeness. Our approach is backed up by clear positive findings in the Group. The ability to consider matters from culturally diverse vantage points is a vital starting point for developing individual, flexible solutions for our customers.

One important priority for activities in the area of diversity is to achieve an appropriate proportion of female managers in the first and second management tiers. The proportion at the end of the year under review was around 12 %.

The proportion of women in the workforce as a whole was about 20 % across the Group at December 31, 2022, unchanged from the previous year. This meant the target figure of 20 % in the Future Ready 2025 strategy was achieved.

technotrans considers itself to be a family-friendly employer. We provide our employees with various options for balancing the demands of working and private life. These include flexible working hours models such as flexitime, a variety of part-time models and working from home. We therefore make it easier for our employees to resume their career during and after a period of parental leave. Around 11 % of all employees across the Group use the opportunity to work part-time. The opportunity to work from home was equally used extensively.

technotrans has teamed up with a municipal day care centre to provide childcare at the Sassenberg location.

Only with satisfied, motivated employees will we be able to secure the long-term business success of the Group. Open, amicable and fair communication between management and workforce as well as between employees is firmly embedded in our corporate culture. Our entire human resources work is geared towards promoting this culture and further increasing the attractiveness of the technotrans Group as an employer. Our ultimate goal here is to ensure that the company always has a sufficient number of specialists.

If an employee hands in their notice, we hold an exit interview with them, for instance. This measure is designed to help us identify the reasons for employee turnover and address them swiftly. The fluctuation rate for the Group was low in the 2022 financial year.

At December 31, 2022 there were 1,500 (previous year: 1,433) employees in the technotrans Group. This represents growth of around 5 % on the previous year. technotrans SE had 676 (previous year: 615) employees at the balance sheet date, representing an increase in personnel of around 10 %.

SOCIAL MATTERS

technotrans attaches considerable importance to data protection and data security. The spread of digitalisation and connectivity goes hand in hand with tougher statutory requirements. Compliance with data protection requirements is a cornerstone of interaction with our employees and business partners. It goes without saying that our IT systems are fully compliant in that respect. The General Data Protection Regulation (GDPR) is also implemented, for example. We collect, save and process personal data exclusively for its intended purpose and in keeping with the applicable laws.

As a medium-sized company with an international network, we also display a social conscience. We therefore get involved in local projects and initiatives at our locations, such as through the participation of our apprentices in Social Day 2022. Such ventures emphasise our strong ties with the regions in which we want to conduct business operations over the long term. The priorities for our social engagement vary from location to location, and comprise both strategic partnerships and individual employee projects. Our social commitment activities are handled regionally in consultation with Group HQ.

technotrans makes a consistent effort to attract new employees from the regions in which we have a local presence. In cooperation with federations and regional schools and colleges, we organise regular events to promote juniors in technical disciplines or give them guidance in their career choices. We promote interest in MINT subjects (mathematics, information technology, natural sciences and technology) through a large number of initiatives and projects. We have developed some of them, such as the Girls' Day, into regular events at the Group. In addition, we offer approved student internships to young people as an opportunity to get to know the world of work. We regularly arrange these vocational orientation residencies in the school holidays. The same approach is taken to vocational fact-finding days, where school students can get to know the broad spectrum of vocational qualifications available within the technotrans Group.

RESPECT FOR HUMAN RIGHT

Equal opportunities, equal rights, fairness as well as mutual acceptance and tolerance are the hallmarks of the technotrans Group's corporate culture. We appreciate diversity both within our organisation and among our business partners. technotrans pursues the goal of seeing all employees operate in conformity with internationally recognised human rights as well as with the principal labour and social standards.

In pursuit of that goal, we uphold the protection of human rights, advocate compliance with labour standards and emphatically reject child and forced labour. With our membership of the UN Global Compact (UNGC) and the enshrining of the UNGC principles in the technotrans Code of Conduct, these rules acquire binding character for all technotrans employees worldwide. The local management of each entity is responsible for implementing national standards. Compliance is checked regularly. All Group-wide principles with regard to labour standards and human rights were upheld in the 2022 financial year.

Nor do we tolerate human rights abuses by our service providers and suppliers. New suppliers of technotrans SE are put through a standardised clearance process and are only entered in our system as a supplier if they achieve a positive rating. Important assessment criteria include acceptance and observance of the compliance code for technotrans suppliers, compliance with the applicable working conditions and social standards (exclusion of child and forced labour, discrimination) and compliance with environmental protection requirements. The subsidiaries have implemented comparable clearance processes. There are correspondingly uniform criteria underpinning all purchasing processes throughout the Group.

However the high number of suppliers and sub-suppliers means we have only limited scope to supervise or scrutinise the early stage of the supply chain and the process steps associated with it. Because no contractual relationship exists between technotrans and suppliers further upstream, only indirectly do we have any legal basis for intervening. We therefore require our direct suppliers to make their upstream suppliers aware of our requirements and oblige them to comply with our compliance code. Our goal remains to create transparency and conformity along the entire supply chain.

Compliance with adequate environmental standards and implementation of occupational safety measures at our suppliers are regularly assessed and documented in the form of on-site supplier audits.

COMBATING OF CORRUPTION AND BRIBERY

Relationships with all business partners are based on quality, reliability, competitive prices and observance of ecological and social standards. Compliance with these standards by all employees is the basis of technotrans' excellent reputation in procurement and sales markets. It is pivotal to our ability to consistently acquire new customers.

To protect the technotrans Group against potential losses, we maintain transparency and implement internal control mechanisms. Compliance with our anti-corruption guideline – valid company-wide and forming part of the standard technotrans compliance management system – plays a special role in this. Every employee is obliged to notify their manager directly of any form of actual or attempted bribery. In cases of doubt, the Legal & Compliance department or the Group Board of Management should be contacted.

Unusual contractual provisions and special blanket agreements must fundamentally be cleared by the Legal & Compliance department and documented. Internal training courses are held to provide instruction on how to recognise and meet these and other compliance requirements, which are tested on a random basis. This is our way of preventively tackling the issue of corruption. In addition, a Group-wide signatory policy that foresees exclusively joint authorisation prevents illegal dealings. No cases of corruption came to our attention in the 2022 financial year. Compliance with the anti-corruption principles based on the statutory requirements is monitored worldwide throughout the Group. The Group has a firmly embedded whistleblower system that is fully in line with the current statutory EU regulations.

Immediately after joining, on their first day at work, all new employees across the Group are familiarised in-depth with the regulations that need to be observed. This upholds integrity and compliance with the law throughout the Group at all times without restriction.

Overview of selected sustainability key figures

	Indicator	EFFAS Indikator	Unit	2020	2021	2022	YOY
Environment	Energy consumption*						
	Energy consumption, total	E01-01	MWh	14,662	15,606**	15,162	-3%
	Energy per turnover		MWh/M€	77	74	64	-14%
	Gas		MWh	6,129	6,581	6,077	-8%
	Fuel		MWh	3,732	3,827	3,963	4%
	Electricity		MWh	4,801	5,198**	5,122	-1%
	thereof GoO „EU-Wind power“		MWh	0	1,900	2,065	9%
	thereof PV-power, production		MWh	0	81	203	150%
	Greenhousegas emissions*						
	location-based CO ₂ e-emissions scope 1 and 2	E02-01	t CO ₂ e	3,939	4,385**	4,379	0%
	market-based CO ₂ e-emissions scope 1 and 2		t CO ₂ e	3,407	3,183**	3,097	-3%
	market-based CO ₂ e-emissions scope 1 and 2 per turnover		t CO ₂ e/M€	17.9	15.1	13.0	-14%
	average greenhouse gas potential of refrigerants		GWP	-	1,115	1,000	-10%
	Waste and water*						
	Waste, total	E04-01	t	802***	1,143**	973	-15%
	Waste per turnover		t/M€	4.2***	5.4	4.1	-24%
	Share of material recycling	E05-01	%	-	-	78	-
	Water, total		m ³	12,195	8,884	7,797	-12%
	Water per turnover		m ³ /M€	64	42	33	-21%
Products							
Operational life of products		years	> 15	> 15	> 15	-	
Recyclability of products		%	> 95	> 95	> 95	-	
Human	Employee structure						
	Age structure	S03-01					
	up to 20 years		FTE	2	3	2	-33%
	21-30 years		FTE	238	223	235	5%
	31-40 years		FTE	340	346	337	-3%
	41-50 years		FTE	314	294	292	-1%
	from 51 years		FTE	369	380	407	7%
	Female/diverse employees in the group	S10-01	%	18.4	18.5	17.7	-4%
	Female managers in the Group (first and second management level)		%	12.4	11.4	12	5%
	Trainees in the Group		number	109	104	110	6%
	Fluctuation		%	5	8	7	-13%
	Employee health						
	Sickness rate as a percentage of total working hours		%	6	6	6	2%
Employee qualification							
Employees in the Group who have received the technotrans Code of Conduct		%	100	100	100	-	
Qualifizierung, Aus- und Weiterbildung***	S02-02	€/FTE	250	332	403	33%	
Process	Supply chain						
	Percentage of suppliers assessed for compliance with ESG criteria	S06-01	%	100	100	100	-
	Percentage of suppliers audited for compliance with ESG criteria	S06-02	%	100	100	100	-
Social	Corporate Governance						
	Payments to political parties	G01-01	%	0	0	0	-
	Penalties for anti-competitive practices	V01-01	€	0	0	0	-

* Production facilities Germany (Sassenberg, Meinerzhagen, Baden-Baden, Bad Doberan, Holzwickede), Taicang and Mt. Prospect

** Adjusted value for 2020

*** Figures incomplete, retrospective determination not possible

March

gds introduces the digital only concept for technical documentation for the location Sassenberg. This saves up to 1.3 million pages of double-sided paper per year at this site alone.

April

technotrans is developing a combined cooling and heating concept for a plant producing thermoplastic materials from household waste, thus supporting the transition to a circular economy

June

Presentation of a high-precision refrigeration system based on Peltier technology for laboratory applications at the Analytica trade show in Munich. The silent and vibration-free cooling system from technotrans does not require refrigerants.

July

Commissioning of a photovoltaic system with 400 kW_p at technotrans systems GmbH, which covers almost 40 % of the site's electricity requirements through direct self-consumption.

August

Weight-optimized battery cooling for rail vehicles is presented. Among other things, this is now also available with the natural and particularly climate-friendly refrigerant propane.

October

technotrans has set itself the goal of achieving climate neutrality at its own locations by 2030. One step in this direction is the use of green hydrogen to generate heat at the Holzwickede location.

Target year 2025

Target achievement 2022

Green Power

100 % renewable power



44%



Fuel

-5% p.a. fuel consumption



-5%
(compared to base year)



Diversity

At least 20% female/diverse employees



20%



Personnel development

5% p. a. Increase in expenditure



+43%
(compared to base year;
target 2025 already exceeded)



Recyclable packaging material

All locations



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In the interest of better readability, we refrain from using gender-differentiating formulations throughout. In the interest of equality, the corresponding terms apply to all genders. The abbreviated form of language is for editorial reasons only and does not imply any valuation. Rounding differences may occur.

