



# 2023

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PROBAT SUSTAINABILITY REPORT 2023

## FOREWORD FROM THE CEO



Environmentally sound, socially just, economically efficient - we defined our climate strategy in 2021 and set out the steps and measures needed to achieve our goals in a climate action plan. The following year, we published our first sustainability report, documenting how we implement sustainable practices across all our areas of business. At the same time, this holistic understanding of sustainability serves as a fundamental guideline for our future actions. In doing so, we are always mindful of our commitment not to do business at the expense of future generations. We have now published our second - still voluntary - Environmental, Social and Governance Report.

We know that we will only be successful in the future if we take an even closer look at the impact of our business model on the environment and society - and vice versa.

For more than 150 years, PROBAT has put the customer first. In this context, future-proof also means that our machines and systems work as energy-efficiently and environmentally friendly as possible, because the growing focus on sustainability, which has increasingly affected all industries in recent years, is also decisively changing the consumer behavior of coffee drinkers. More people are consciously looking for sustainability throughout the value chain. At the same time, the EU's Corporate Sustainability Reporting Directive (CSRD), which came into force at the beginning of 2023, is causing profound changes in the industry. It requires large companies and listed SMEs to radically rethink their approach: they will be obliged to provide comprehensive and transparent information on the impact of their business activities on people and the environment.

For many roasteries, this means rethinking processes and taking bold steps. Technical innovations to save energy and switch to renewable energies are just as much a focus as the consistent reduction of environmentally harmful emissions. As a pioneering partner to the international coffee industry, we believe we have a special responsibility in this regard. In our second sustainability report, we explain how we are using groundbreaking environmental technologies and intelligent sensors to help coffee processors around the world organize their production in a sustainable and resource-efficient way - for an industry that takes responsibility and sets new standards.

**“We offer future-proof solutions for your coffee.”**

Yours, Wim Abbing



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## PROBAT AT A GLANCE

PROBAT-Werke von Gimborn GmbH is the sole shareholder of PROBAT SE, a public limited company with headquarters in Emmerich am Rhein. As a global company, we are active in almost every country in the world and strive for first-class standards in our area of business. Our structure as a public limited company underlines our dedication to transparency and responsible commercial action on a global level.

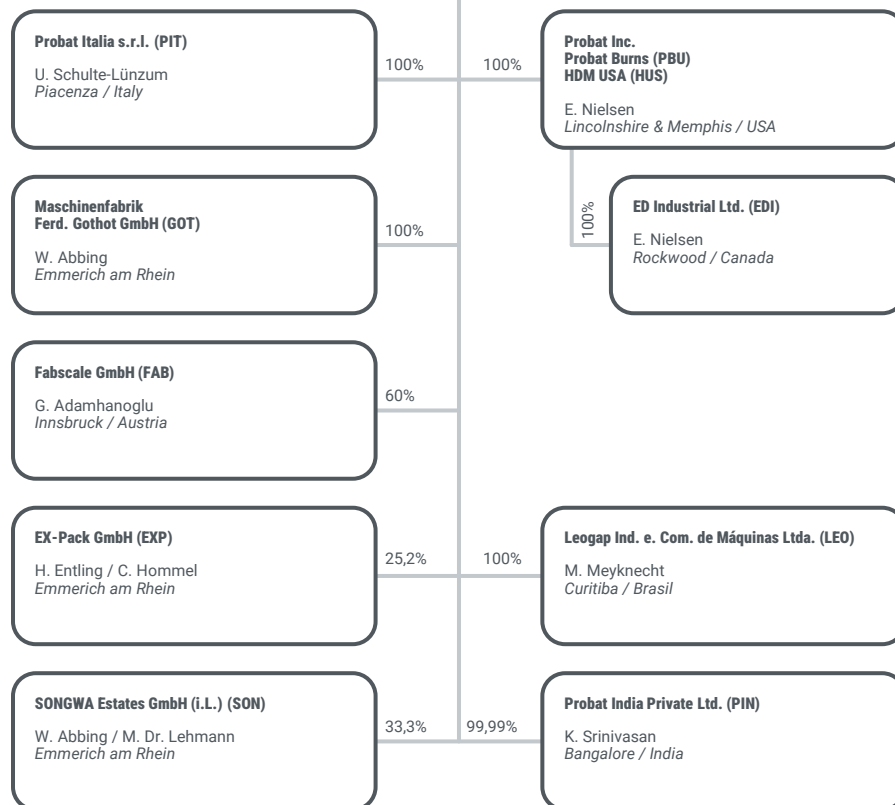


### PROBAT-WERKE von Gimborn GmbH (P)

W. Abbing  
Emmerich am Rhein

### PROBAT SE

W. Abbing / C. Thimm  
Emmerich am Rhein



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## BRAND

### BRAND VISION

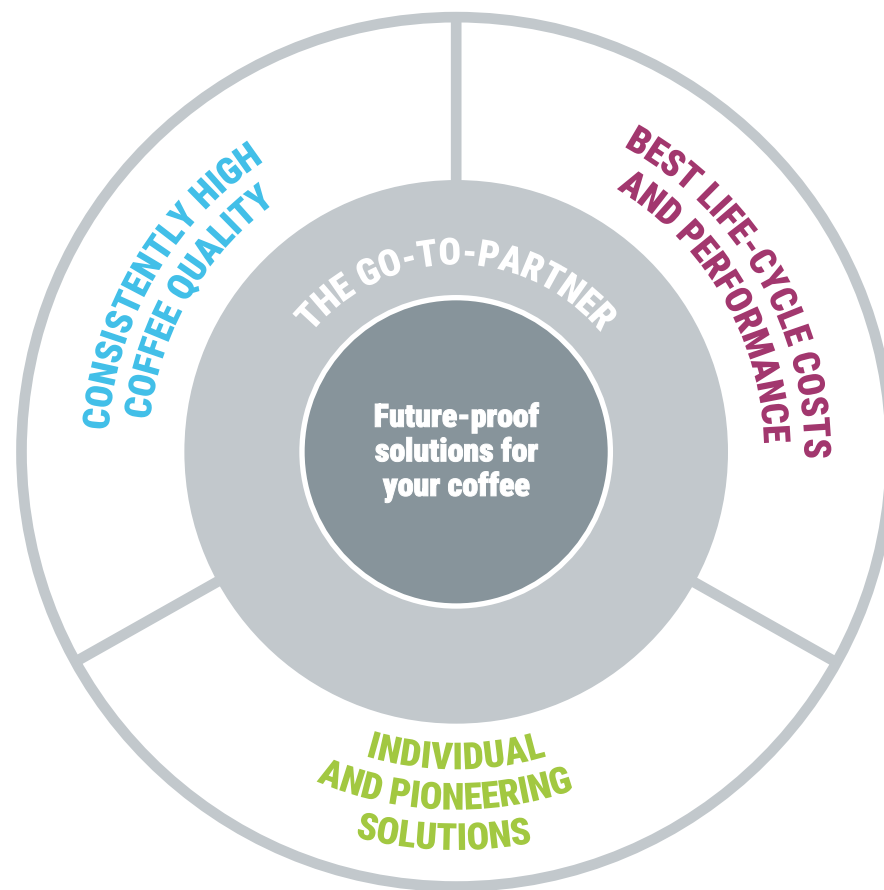
Everyone, who wants to learn about roasting and processing coffee, asks PROBAT first. Our vision shows what we want to achieve in the coming years.

### BRAND MISSION

Future-proof solutions for your coffee: Our mission is our daily and passionate drive for our work.

### BRAND IDENTITY

Our brand identity unites the characteristics that sustainably shape the holistic character of PROBAT. It illustrates what ultimately makes our brand unique.



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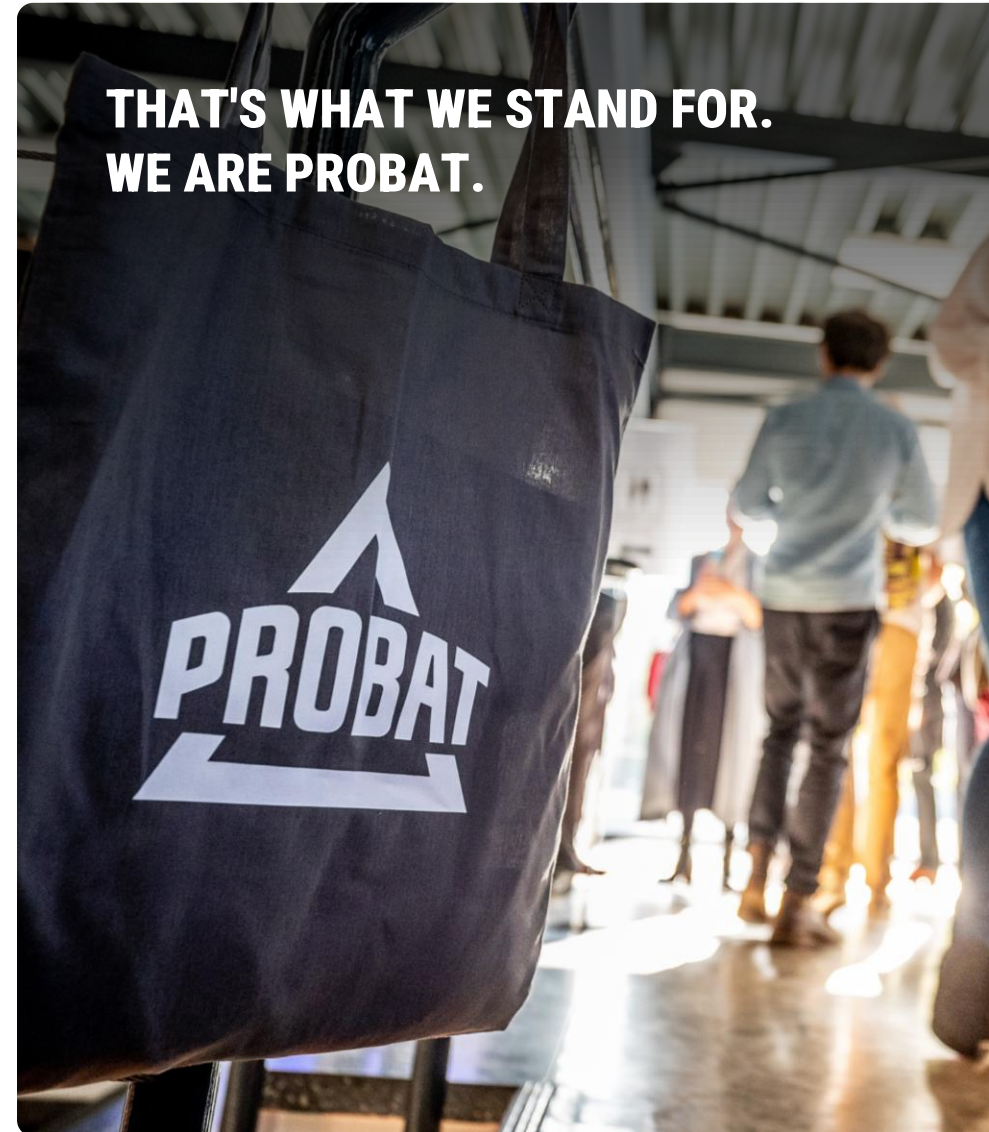
## BRAND

There are many ways to get involved and take a stand. Especially as a global market leader and especially in times like these, PROBAT sees this as both a challenge and an opportunity to make the global economy and society more future proof.

Our roasters and solutions are used on every continent. We think and act globally. We have representatives in over forty countries and subsidiaries on nearly every continent. We work closely with our customers all over the world and are thus in a position to address individual requirements in every country in every part of the world. Our customers are often also friends, and our business relationships are always partnerships on an equal footing.

It is a privilege for PROBAT to be able to work with approx. 1,000 colleagues around the world with various nationalities, experiences, talents, knowledge, and creativity. Diversity in all of its forms is also a common thread in our corporate structure, beyond hierarchies and competencies. It is the cement that bonds our interdisciplinary teams, gives wings to the creativity of the employees, and enriches our work culture. Promoting the unique character of every employee is the foundation of our value system and a prerequisite for our success. There is no place for any type of discrimination!

As a company, we strive to create a meaningful benefit for us and the entire industry. As an employer, we are aware of our social responsibility and confront any extremist forces that wish to destroy our basic democratic order.



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## BRAND

Since 1868, PROBAT has been synonymous with pioneering solutions in the field of coffee processing. Three out of four cups of coffee consumed worldwide are produced on our machines. Our range of services includes the development, design, and construction of roasters and grinders as well as the planning and implementation of industrial production facilities. Machine and plant controls, environmental technologies, and comprehensive services also make up part of PROBAT's product portfolio. With subsidiaries in the USA, Brazil, Scotland, Italy, India, and Canada, as a world leader we employ approx. 1,000 employees, 550 of which in Germany. Representatives in over forty countries also support the brand's global presence.

We conduct our business activities strictly in accordance with the ethical principles anchored in our corporate strategy and expect our suppliers and other business partners to comply with minimum standards of integrity, transparency, and social responsibility.

We foster very close customer connections that put us in a position to efficiently react to emerging market and customer requirements. We can assess, plan, and realize all important processes and developments with foresight and thus act with a long-term view within the framework of the corporate strategy.

In addition to our products, we also offer our customers comprehensive training and consultation services throughout the entire business process. All roasters in the PROBAT technical center are used for active sales support and as the base for product development consulting. We present our software solutions through to comprehensive system controls in workshops and then configure these with the client. All training sessions in our facility or at the customer are performed by certified trainers, and we also offer long-term targeted consulting regarding customer process improvements.



All brand managers work consistently on a successful and sustainable positioning of our products and services on the global market. "The coffee business is people business": Against this background, PROBAT is passionately committed to maintaining its relationships with all stakeholders, some of which go back many years. As a global market leader, it is our aspiration to create and lead the way. Together with the culture of an owner-led SME, this is the basis for a transparent and progressive communication with all of the stakeholders of our company.





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## PARTNERSHIPS



### SUSTAINABLE THROUGH MUTUAL RESPONSIBILITY

As part of its overall corporate responsibility, PROBAT actively supports selected partners who are all working toward the same goal: the long-term sustainability of the economy and society. Through collaborative research and the ongoing exchange of knowledge and experience, we address industry-specific challenges to find answers to tomorrow's social issues today and drive positive change.



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## PARTNERSHIPS



### CLIMATEPARTNER

Together with ClimatePartner we regularly calculate our Corporate Carbon Footprint (CCF), our CO<sub>2</sub> footprint as a company. All of the emissions we produce are taken into consideration in this. The detailed analysis of our CCF since 2020 shows significant potentials for further CO<sub>2</sub> reductions, in particular in the areas of energy and mobility. We are consistently compensating for our emissions by supporting selected climate protection projects from the ClimatePartner portfolio.



### CUP OF EXCELLENCE

The Cup of Excellence program contributes to identifying the best coffees in the world. It awards not only the most renowned honor for coffee, but also improves the lives of thousands of farmers. The unsurpassed focus of the program on discovery of quality, premiums for farmers and transparency has markedly changed the specialty coffee industry. PROBAT provides the right roasting technology to Cup of Excellence in the search for the best coffees in the world and emphatically supports the drive to improve living conditions for the farmers in the country of origin.



### DEUTSCHE RÖSTERGILDE (GERMAN ROASTERS GUILD)

Deutsche Röstergilde (German Roasters Guild) is the only specialist interest group of specialty coffee roasters in the German-speaking area. As a sustaining member, PROBAT supports artisan coffee roasting and the continual exchange of information among specialty coffee roasters.



### DEUTSCHER KAFFEEVERBAND (DKV – THE GERMAN COFFEE ASSOCIATION)

Coffee is the second-most traded commodity, and Germany is the third largest coffee market. Deutscher Kaffeeverband (German Coffee Association) unites the German coffee industry and promotes positive framework conditions in the coffee sector. As a board member, PROBAT is actively involved in the work of the DKV.



### NATIONAL COFFEE ASSOCIATION

The National Coffee Association (NCA) is one of the oldest trade associations in the USA. It has been representing the entire American coffee sector from harvest to cup since 1911. PROBAT and the NCA support the coffee industry through common projects using their comprehensive know-how.



### SPECIALTY COFFEE ASSOCIATION

The Specialty Coffee Association (SCA) has made it their task to integrate the global specialty coffee industry. Openness, inclusiveness, and the exchange of knowledge are the basic pillars on which the work of the SCA rests. PROBAT supports the SCA with its efforts to create a community of like-minded coffee professionals.



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## PARTNERSHIPS



### UC DAVIS

PROBAT works closely with the UC Davis Coffee Center, a multi-disciplinary research institution at the University of California Davis. The center is dedicated to the subject of coffee from a scientific point of view and has a holistic approach to research and education in the coffee industry.

PROBAT supports the UC Davis Coffee Center not only through the provision of roasting machines for research purposes, but also through concrete funding and sponsorships.



### WORLD COFFEE RESEARCH (WCR)

Climate change, poor harvests, diseases, and pests are among the major threats to the livelihoods of coffee farmers and all companies involved in the value chain. PROBAT supports the efforts of World Coffee Research to find solutions to these complex problems through collaborative scientific research. The company has been the first roaster manufacturer to support the work of WCR since 2012 and is sponsoring a collaborative project to investigate the influence of different environments on the sensory profile of coffee varieties.



### ALLIANCE FOR CYBERSECURITY

Nearly every day the media reports targeted attacks on IT systems, known as cyber-attacks. Companies are also affected, often with serious consequences such as production or operating failures. This is why PROBAT is constantly expanding its knowledge of security. As a member of the Alliance for Cybersecurity, created by the Federal Information Security Agency, the company is always informed of potential cyber risks and regularly adjusts the protective measures implemented to the increasingly intelligent methods of attack.



### SOS KINDERDORF

Happiness is having a family that is there for you. The SOS Kinderdorf e.V. is an aid organization active in Germany and around the world helping children, adolescents, and families in need in many ways. PROBAT supports the work of the organization in empowering young people and giving them hope and a future. Specifically, we support educational projects and aid programs in the Lower Rhine region.



ESTATES

### SONGWA ESTATES

Bringing people closer to the origins of coffee in a meaningful way: This is the mission of Songwa Estates. To teach people about the intricacies of growing, processing and marketing green coffee in developing countries in a way that goes far beyond what can be experienced on a short visit to a farm. PROBAT founded Songwa Estates in 2007 together with two other companies from the coffee sector.



# SUSTAINABILITY STRATEGY

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- II. GUIDING QUESTIONS
- III. FIELDS OF ACTION
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## SUSTAINABILITY STRATEGY



Within the framework of our dedication to a sustainable development and to meet the requirements of comprehensive ESG reporting, PROBAT hereby declares its obligation for the integration and promotion of sustainable practices in all areas of the business. This understanding of sustainability serves as the fundamental guidelines for reporting on environmental stewardship, social responsibility, and governance (ESG).



### ENVIRONMENT

- PROBAT is obligated to reduce its ecological footprint by the continual optimization of resource efficiency and energy consumption.
- We strive for environmentally friendly production processes and the use of sustainable materials.
- We continually work on the further development of environmental technologies that reduce the emissions of the coffee sector and lower energy consumption.



### SOCIAL

- The health, safety and well-being of our employees is the highest priority.
- PROBAT promotes an integrative and diverse corporate culture supporting equal opportunity and inclusion.



### GOVERNANCE

- Our company strives for effective corporate management and compliance with applicable laws and standards.
- PROBAT is dedicated to transparent and ethical business practices that represent the interests of all stakeholders.



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## UNDERSTANDING OF SUSTAINABILITY



This understanding of sustainability forms the basis of our ESG report, which contains detailed information on the points listed as well as progress and goals. To guarantee transparency for its stakeholders, PROBAT pledges to report regularly on efforts in the area of sustainable development.

We are firmly convinced that a sustainable corporate management contributes not only to the creation of a long-term added value for our company, but also to the formation of an ecologically compliant, socially fair, and economically strong global society.



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## UNDERSTANDING OF SUSTAINABILITY



### SUSTAINABILITY AT PROBAT

In a dynamic and rapidly changing environment, we as a company are confronted with increasing challenges in demanding surroundings. This requires not only a fundamental understanding of the changes, but also the ability to react quickly and flexibly to new situations. Just this willingness to adapt enables us to ensure sustainable success.

Increasingly volatile geopolitical conditions are leading to the fragmentation of value and supply chains. An organization focused on sustainable success must not only be prepared to accept changes, but also actively take initiatives and ultimately adapt their structures and processes accordingly.

It is inevitable that we take a comprehensive look at the manner in which we act as an organization. This includes a critical review of our existing processes, strategies, and methods. Only through a continual readiness for change can we ensure that we meet the evolving requirements and be able to successfully exist in this challenging environment.

Within the scope of our sustainability aspirations, we place special focus on the bundling of capacities in the areas in which we can achieve effective changes.

### A SERIES OF GUIDING QUESTIONS HELPS US IDENTIFY THE LEVER FOR MORE SUSTAINABILITY:

How can we become more sustainable as a **company**?

How can we contribute to a more **sustainable society**?

How can we make our **production processes** more sustainable?



How can we make **the coffee industry as a whole** more sustainable?

How can we help to make the coffee **processing methods of our customers** more sustainable?

How do we anchor sustainability into the **corporate strategy**?



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## GUIDING QUESTIONS



### How can we become more sustainable as a company?

PROBAT follows a holistic approach to the integration of sustainability in all business processes. This includes measures to reduce our ecological footprint, to promote a sustainable corporate culture and to ensure responsible corporate management.

### How can we make our production processes more sustainable?

We draw on innovative technologies and processes to continually improve the energy efficiency of our machines, to minimize consumption of resources and to avoid waste.

### How can we help to make the coffee processing methods of our customers more sustainable?

We support our customers through the provision of integral solutions with the aim of a more sustainable processing of coffee. In addition to our roasting machines and roller mills, the portfolio also includes environmental technologies and software systems (including sensors) as well as training and consulting services that put the customer in a position to make their production processes more energy-efficient, resource-saving and environmentally friendly.

### How can we make the coffee industry as a whole more sustainable?

For PROBAT, the active participation in the sustainable development of the global society is a self-evident obligation. The integral conviction that innovation is necessary along the entire coffee value-added chain to ensure a long-term benefit for all stakeholders and simultaneously protecting natural resources and promoting social justice is solidly anchored into the corporate strategy. Therefore, PROBAT actively supports selected research and educational establishments, associations, and institutions that all work together for a common goal: the sustainable formation of the global coffee industry (see also "Partnerships").





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## GUIDING QUESTIONS



### How can we contribute to a more sustainable society?

For PROBAT, the “why” is a constant impetus for our own progressive further development and simultaneously a guideline on the path to meaningful corporate configuration. In this, the company not only wants to be a guarantor of future-proof solutions for the coffee industry but views an ecological and social responsibility also as an integral component of commercial activity. As an employer, we are resolutely against any extremist forces that wish to destroy our basic democratic order. Because people are the heart of PROBAT. We are convinced that all people have the right to be themselves. So, we are committed to diversity. It is a privilege for PROBAT to be able to work with 1,000 colleagues around the world with various nationalities, experiences, talents, knowledge, and creativities. People, united in their diversity, who shape the cultural value patterns in the company and thus form the basis for the sustainable success of PROBAT.

PROBAT is actively involved in the community and promotes initiatives for education, social integration, and sustainable development. We cooperate with local partners and organizations to make a positive contribution and effect long-term changes.

### How do we anchor sustainability into the corporate strategy?

As a global market leader, it is self-evident to us to assume a pioneering role in the responsible handling of finite resources and the maximum reduction of harmful emissions. For this reason, we have formulated an ambitious environmental promise: We want to reduce the company emissions to net zero by 2030. In the year 2021 we have introduced and certified an environmental management system pursuant to ISO 14001. We transparently communicate the current measures and initiatives to avoid, reduce and compensate for our CO<sub>2</sub> footprint. Our supplier code of conduct defines the non-negotiable minimum standard for sustainability requirements that our suppliers and their subcontractors must follow and maintain in our business processes. This code of conduct acts as an interface between the sustainability values and goals of PROBAT and the desired behavior of our business partners.

The publication of this second ESG report on a voluntary basis according to the GRI standard underlines our holistic efforts in the area of sustainability and clearly shows that the subject significantly influences our strategy and is firmly anchored in our corporate policy.

Overall, we consistently follow our strategic target image of being the “Pacemaker for the coffee industry”. We have translated this superordinate target function into clearly measurable corporate goals so that we can review our decisions permanently with regard to their success.



# SUSTAINABILITY STRATEGY

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### ENVIRONMENT/ECOLOGY

- Ambition net zero 2030
- Responsible use of resources
- Development of environmentally friendly technologies



### COMMUNITY/SOCIAL

- Health
- Safety & Well-being
- Inclusion and equal opportunities



### ORGANIZATION/COMPANY/ECONOMY

- Operational excellence
- Compliance & ethical business practices



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## MATERIAL TOPICS



### SELECTED MATERIAL TOPICS

Concrete material topics were identified within the fields of action for 2023:



#### ENVIRONMENT

- Measuring the Corporate Carbon Footprint (CCF) for 2023
- Offset of the CCF within the scope of climate protection projects
- Developments to adapt burner technology for the scalable use of hydrogen
- Development of digital twins of roasting processes to optimize energy requirements
- Investment in the Emmerich facility to reduce energy consumption
- Adopting a circular economy approach that conserves resources through measures such as maintenance, reuse, refurbishment, remanufacturing, recycling and composting.



#### SOCIAL

- Maintaining the corporate culture
- Promotion of diversity and integration
- Intensive promotion of work-life balance and employee health and safety



#### GOVERNANCE

- Focus on the sustainability & digitization organization
- Establishment of a customer-oriented process organization
- Optimization of the internal corporate communication

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## MATERIAL TOPICS



### PROCESS FOR DETERMINATION OF MATERIAL TOPICS

A component of this ESG report is also the description of the process to determine material topics. This process forms the backbone of our efforts to integrate ecological and social aspects as well as responsible business management equally into our corporate strategy.

Our approach to identifying material topics is based on a participative partnership approach. We conduct stakeholder dialog to understand their perspectives and expectations. In this, we involve customers, employees, suppliers, non-profit organizations, and regulatory and industry-specific interest groups.

Through the use of materiality analyses we assess the effects and relevance of various subjects for our company and our stakeholders. This evaluation process enables us to identify aspects that are decisive both for long term added value creation as well as for sustainable development.

Our approaches and measures in the area of environment, social and governance (ESG) are monitored and assessed. This process of regular review and updating ensures that our organization can react dynamically to changing environmental conditions, social challenges, and governance requirements.

Pursuant to the principle of accountability, the current report documents our efforts and progress in achieving our sustainability goals. The key themes identified within this context and their implementation for the creation of a sustainable benefit for our stakeholders and society overall are presented transparently.

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## MATERIAL TOPICS

### MANAGEMENT OF MATERIAL TOPICS

This report lays out the potential and actual effects of PROBAT's business activities on the environment, people, and the economy. Observance of human rights is also taken into consideration here. The positive and negative consequences are considered in the following dimensions:

#### ENVIRONMENTAL EFFECTS:

- ⊕ Reduction of the ecological footprint through switching to renewable energies and the optimization of internal resource flows in the areas of both administration and production. Promotion of biodiversity.
- ⊖ Strain on the ecosystem through operational emissions and waste production.

#### SOCIAL EFFECTS:

- ⊕ Promotion of social justice through inclusive employment practices, diversity in the workplace and investment in internal community projects (such as diversity) and local social programs.
- ⊖ Potential negative effects on communities through changes of location or structural changes.

#### EFFECTS ON HUMAN RIGHTS:

- ⊕ Obligation to uphold human rights standards in the entire supply chain. Promotion of training and conscious practices promoting human rights.
- ⊖ Risks related to working conditions and human rights violations in the supply chain. Potential indirect involvement in violations of human rights, in particular in conflict regions. Risks associated with forced labor, discrimination, and unethical behavior.



### ECONOMIC EFFECTS:

- ⊕ Contributing to local economic development through creation of jobs and investments. Promotion of innovation and technologies that contribute to competitive capability.
- ⊖ Risks associated with business practices or economic instabilities. Potential effects on local communities through business decisions.

We regularly review the extent to which our organization is involved in negative effects based on its business activities or commercial relationships. Currently there is no clear documentation process, the decision for reporting is made on a case-by-case basis. In the future we not only want to hone the awareness of potential risks, but also to provide clear insights into our efforts for identification, monitoring, and handling of these risks, in particular in the following ESG areas. PROBAT tries to ensure that sustainable and positive changes are promoted, and any negative effects can be effectively managed through proactive measures and close cooperation with all stakeholders.



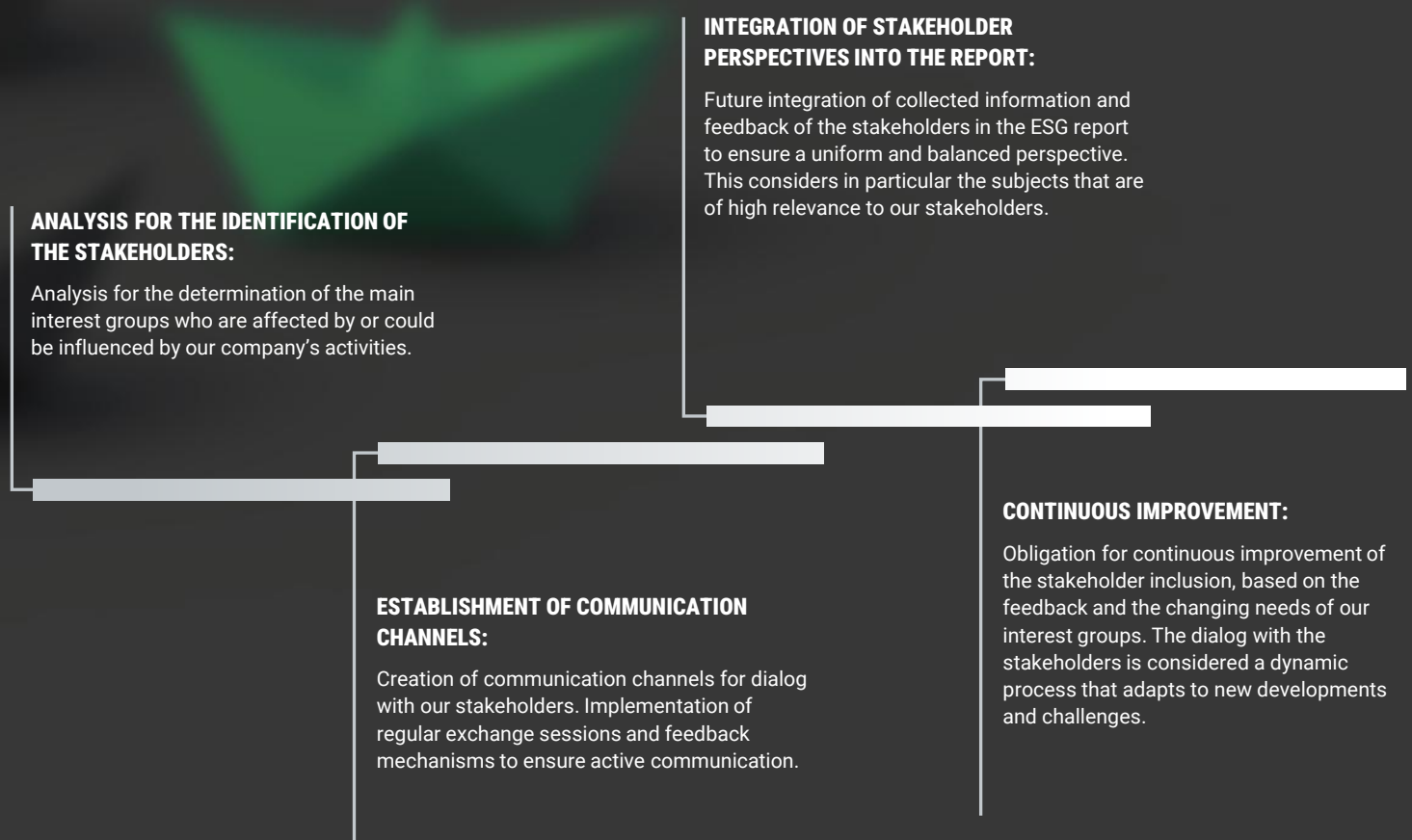
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## STAKEHOLDERS



### APPROACH TO THE INTEGRATION OF STAKEHOLDERS

Our approach to the integration of stakeholders involves the following steps:





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- IV. INVESTMENTS
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- VI. ECONOMIC PERFORMANCE
- VII. PUBLIC FUNDS
- VIII. RISK MANAGEMENT
- IX. ANTI-CORRUPTION
- X. PRODUCT LABELING

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Responsible corporate management is an integral part of PROBAT's sustainability strategy and an essential prerequisite for long-term economic success. We attach great importance to transparent and ethical practices.

As part of ESG reporting, we provide insight into our governance structures and processes, which also serve as guidelines to ensure we meet our legal and ethical obligations, manage risks effectively and promote sustainable corporate management. In this section, we highlight important aspects of our governance processes and continuous improvement efforts.





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## CORPORATE POLICY

Our corporate policy commits us to acting responsibly in accordance with laws, ethics, human rights, environment, labor, and privacy.

Internationally recognized human rights are fully supported as part of a declaration of commitment to respect human rights in corporate policy. In particular, vulnerable groups such as those based on nationality, religion or sexual identity are explicitly included.

PROBAT expressly prohibits child and forced labor and is committed to complying with all labor law regulations within the company and along the entire supply chain. This ensures equal opportunities for employment, work, and remuneration.

Discrimination of any kind based on gender, age, ethnic or national origin, religion, sexual identity, union membership or any disability is strictly rejected.

The company prohibits the use of physical or psychological disciplinary sanctions in any form, particularly against employees who report violations of national, international, or internal regulations in good faith.

This corporate policy is made available to all employees of the German companies in the common information system "PRIMA." Principles affecting our business partners are anchored and communicated separately in the Supplier Code of Conduct.



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## CORPORATE POLICY

### EMBEDDING POLICY COMMITMENTS

PROBAT's global business activities are subject to a variety of international regulations, internal guidelines, and self-imposed standards of conduct. These form the basis for our responsible business actions. Consistent compliance with all relevant laws, regulations, ancillary provisions, and requirements arising from approval and voluntary commitments has the highest priority for PROBAT. Top priority is protecting employees from misconduct, promoting legally compliant behavior, and minimizing risks.

All PROBAT employees uphold the principles of partnership and respect, in particular the dignity and personality of each employee. Positive working atmosphere in the company reflects this behavior. Equal opportunities and tolerance round off PROBAT's corporate culture, which is also an indispensable prerequisite for the company's economic success.

PROBAT rejects and does not tolerate corrupt and otherwise unlawful behavior. The company's anti-corruption policy contains corresponding principles that are equally binding for all managers, employees, and business partners. PROBAT also adheres to the principles of the European General Data Protection Regulation. The focus here is on lawfulness, purpose limitation, transparency and factual accuracy when handling personal data. Principles laid down in the company policy, Code of Conduct and Anti-Corruption Guidelines are also anchored in our supply chain and summarized in the Supplier Code. By working with PROBAT, every business partner undertakes to comply with these regulations.



### COMPLIANCE WITH LAWS AND REGULATIONS

During the reporting period, we continually ensure compliance with all applicable laws and regulations. We recorded no violations of these during this period. Our obligation to legal compliance remains a core part of our business operations and we remain committed to fully complying with all legal requirements.

In 2023, an internal reporting office was also set up for all employees in accordance with the Whistleblower Protection Act. This law regulates the protection in particular of natural persons who have obtained information about violations in connection with their professional activities or in the run-up to a professional activity and report or disclose these to the reporting offices provided for under this law (whistleblowers).

With these reports, our employees make an important contribution to the prevention, detection and elimination of errors in our company. They are often the first to notice when something goes wrong in our company. We take the requirements for the protection of whistleblowers seriously and ensure that they do not have to fear any disadvantageous measures due to or following a justified report.



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# ORGANIZATION



Our organizational structure is based on a customer orientation. This enables us to competently incorporate the Group's broad coffee knowledge into communication with customers. At the same time, a cooperative business relationship is established. To this end, we communicate in a binding, open and honest manner. Organizing our processes also allows a clear solution-oriented approach. We collaborate with the customers to find the best individual solution for them.

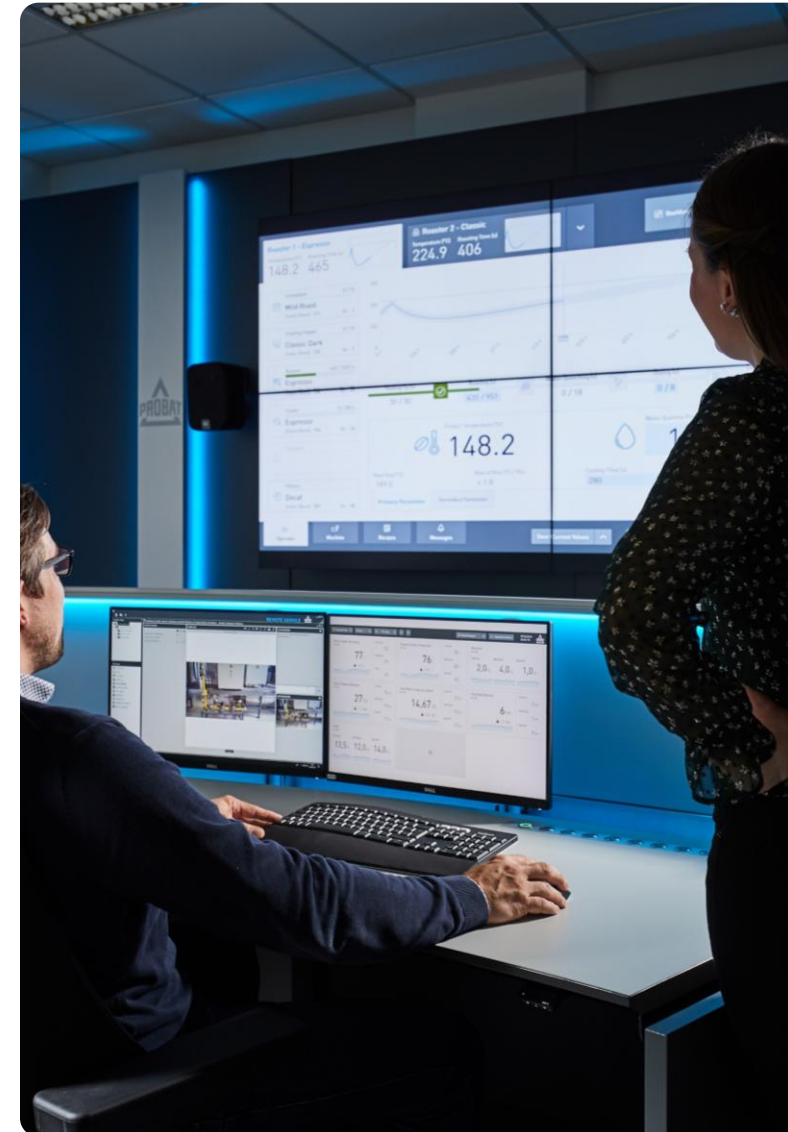
The associated process landscape is accessible to all employees via a digital portal in which process diagrams are presented in an explanatory manner. Direct search functions allow access to all associated procedures, documents, and templates. Individual processes are assigned to process managers who evaluate the relevant KPIs to derive continuous improvement potential. At the same time, the digital portal gives all employees the opportunity to point out discrepancies directly and easily by notifying the process managers. Process improvements can also be easily implemented in the same way.

Requirements placed on the organization are reflected in this digital portal through the cross-departmental interaction between research & development, order processing as well as service & after sales with the clear goal of customer satisfaction.

Of course, and further intensified by the COVID-19 pandemic, we regularly review the necessary digitalization processes in particular and, if necessary, re-prioritize them. Additional personnel resources development in this area has already started successfully.

To enable competent and resource-saving processing, for example, order processing from the offer phase to customer acceptance is presented as a clearly structured process and is easily assigned depending on the scope and/or size of the order.

The customer is also shown the order processing process using a simple diagram. This means he can also understand transparently how the order process is implemented and integrated at PROBAT.



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# ORGANIZATION



## CONTINUITY AND FUTURE VIABILITY

We ensure the future viability of our management through long-term staffing planning. Our senior management is a 'healthy' mix of experienced people promoted from within and external, i.e., newly recruited, people with a balanced age structure. When staffing the management team, the focus is primarily on long-term development of successors from within the company.

PROBAT is an owner-managed company that has been family-owned for more than 155 years. A share-holder agreement ensures continued existence, not least because of a strict right of first refusal that regulates the sale of shares in the interests of shareholder families.

As a guarantee for successful future market development, the PROBAT GO construction project is an important pillar of our overarching corporate strategy, which has a significant impact on the future viability of the company.

PROBAT has already continued its profitable growth course through continuous optimization and adjustment to the Group structure. Our excellent networking throughout the coffee industry helps us identify and drive trends at an early stage. "We offer future-proof solutions for your coffee" - our brand core is also our unique selling point compared to other, less focused roasting machine and system manufacturers.



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GRI 202

GRI 202-2



## EXECUTIVE LEADERSHIP



### PROPORTION OF SENIOR MANAGERS RECRUITED FROM THE LOCAL COMMUNITY

We define North Rhine-Westphalia (NRW) as the local community for PROBAT SE. Senior managers of our company include Executive Board members as well as authorized signatories. As a rule, our senior managers are recruited from within our local community, although exceptions are of course possible.

### ADVISORY BOARD, SUPERVISORY BOARD, AND SHAREHOLDERS

PROBAT has been supported for many years by a very active Advisory and Supervisory Board, which assumes a strong control and advisory role and acts as a sparring partner for management. This means there is regular and intensive exchange with management on current topics. Coordinating business transactions requiring approval takes place at short notice.

The advisory committee consists of three members; each of the three owner families sends one member of the Supervisory Board. This is currently staffed by one member from a shareholder family and two external members. The Supervisory Board makes all decisions with a two-thirds majority. Supervisory Board meetings take place quarterly. There are also four finance calls on the quarterly key figures and forecasts for the current financial year. All PROBAT subsidiaries are controlled by the Supervisory Board. Local management of the subsidiaries takes part in Supervisory Board meetings on a rotating basis or depending on the situation. In the meantime, a specially established digital exchange platform ensures consistent and comprehensive information.

PROBAT shareholders meet once a year – to approve annual financial statements, determine the level of payout amount and discharge the management. At the same time, we also use the shareholders' meetings for direct, informal exchange with top management. In addition, shareholders are kept up to date with current events in our company through responsible managers' cross-departmental presentations on developments and projects.

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GRI 203

GRI 203-1



## INVESTMENTS



### NEW PROBAT GO BUILDING

On September 25, 2020, laying the foundation stone for PROBAT GO took place in the close circle of PROBAT shareholders, advisory board members and authorized representatives. It is the construction project to revitalize and build new production and logistics halls at the Emmerich site based on a sustainable factory concept. As a guarantee for successful future market development, PROBAT GO is an important pillar of the overall corporate strategy.

As part of this construction project, we installed around 250 photovoltaic modules on the roof of the new production hall in April 2021. Electricity generated covers part of the energy requirements of the halls, associated offices, and new heat pumps.

Since October 2021, an in-house combined heat and power plant has been supplying heat to production as well as administration, social building, and technical center, saving around 460 kg of CO<sub>2</sub> per day.

Building facades were extensively renovated, insulation was replaced. The installation of numerous floor-to-ceiling windows together with renewed skylights ensures a pleasant daylight atmosphere throughout working hours.

All measures carried out as part of PROBAT GO focus on specifying an economically, ecologically and socially oriented “manufacturing of the future.” The PROBAT factory of the future is characterized by a process-oriented factory design with an optimal arrangement of production and organizational areas. Designing the manufacturing process should be optimized through more efficient use of key production factors. Clear routing, directed material flows and modular structures emphasize the focus of the conversion or new building on increased value creation. Creating potential expansion areas and convertible structures enables future growth.



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PROBAT SUSTAINABILITY REPORT 2023

# INVESTMENTS



In addition to its special importance for the company, PROBAT GO also has a signaling effect for Emmerich as a business location, which is significantly strengthened by realizing the project. The clear industrial architecture corresponds to the functional task of the new production and manufacturing halls and considers the PROBAT idea of a modern working environment with attractive workplaces by integrating an open and communication-promoting office structure. In addition, the modern production facility on the PROBAT site underlines the company's claim as an employer with strong future prospects in competing for the best talent in the region. PROBAT GO also sets an international benchmark in the company's core markets, because the future-oriented production facility also reflects customers' constantly increasing quality demands for products and services.



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## STRATEGY



### DEVELOPMENT

Surveys on the perception of the PROBAT brand by employees and customers form the starting point for the strategy process. In particular, a regularly conducted international customer survey provided crucial insights into customer needs and, above all, relevant differentiation potential.

Since then, brand managers have consistently aligned the brand with customer needs in all areas – not just communication. Corporate strategy is transferred into individual departmental action plans and regularly reviewed by management for target achievement. Various KPIs, such as implementation, delivery quotas and continuous customer satisfaction analysis, provide clear control parameters for this.

Individual contents are regularly checked using various formats and adjusted if necessary. Weekly HQ management meetings are primarily used for this purpose, but above all the international “Global Leadership Meeting,” which takes place once every six months. Here, key decisions for the company are made by top management and, of course, followed up. All in all, the instruments mentioned serve to align the entire operating business in all divisions at any time with the strategic specifications and, if necessary, adjust them. In addition, shareholder families attach great importance to the fact that the Supervisory Board is made up of people who have different industry knowledge, which is of great benefit for our strategy development. Through close communication with the Supervisory Board, we gain a qualified 360-degree view of our strategy. The owner-managed corporate culture helps everyone involved to react quickly at all times, even in dynamic environments.





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## STRATEGY

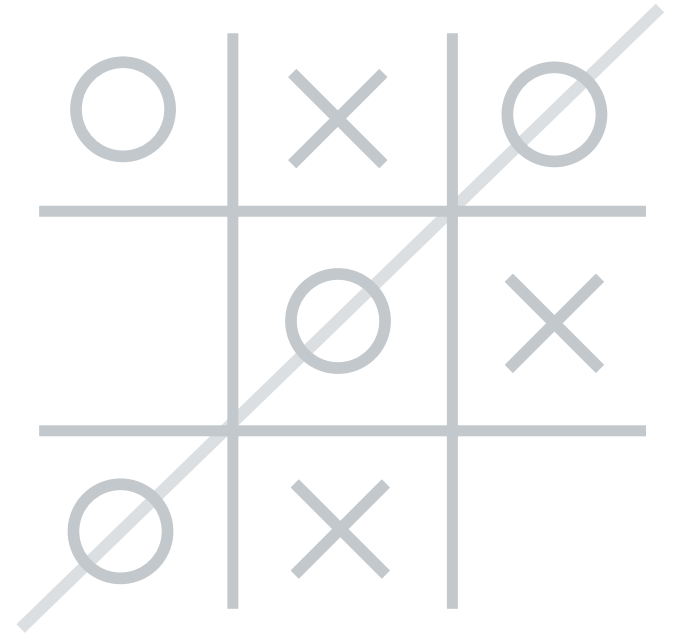


### IMPLEMENTATION

Our corporate strategy is constantly under scrutiny. This means we regularly look at relevant KPIs and check their development in various circles, but especially with the management team. Once a month, the company provides cross-divisional information on the status of associated measures and adjusts them if necessary. Various weekly or monthly reports on, among other things, financial indicators, personnel matters, sales development, or corporate communication across all locations give decision-makers at all levels a well-founded overview of current corporate and industry developments. As a result, we are able to react very quickly to (external) environmental changes.

By consistently converting the company into a process-oriented matrix organization, we primarily want to strengthen and expand customer orientation and speed across all areas. Individual process owners prioritize the necessary measures together with cross-departmental teams. All project progress, challenges and general conditions can be viewed transparently by the entire organization at any time on a specially created platform via Microsoft Teams. Process managers exchange information about possible control requirements every two weeks.

By converting to an SE, we are setting the course for the realization of our planned growth course and at the same time strengthening the international brand presence of our company. PROBAT-Werke von Gimborn Maschinenfabrik GmbH initially became PROBAT AG in 2022, and was finally converted into a Societas Europaea (SE), a legal form for public limited companies in the European Union, in the current reporting year. The existing structures at holding company level remain unaffected. This transformation demonstrates the adaptability of our company, which always has its sights firmly set on the future.



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## STRATEGY



### DIALOGUE WITH STAKEHOLDERS

As soon as you find out more about PROBAT on the website, for example, you immediately come across the company's mission statement and can make sure this strategic framework massively influences the range of services offered.

The most important components of brand identity are also communicated everywhere in the company – for example in every meeting room or directly in the entrance area. Overall, the strategy is distributed to individual stakeholders via a variety of channels. The intensity also illustrates the high impact on all operational activities of the company.

As part of onboarding, new PROBAT employees or partners receive the brand manual with all components and specifications as part of CD and CI. In addition, they receive a so-called pocket guide in which the most important strategy guidelines are prepared "to go." In the web-based partner portal, all strategy documents can be accessed at any time, regardless of location, differentiated by target group.

Numerous other different tools support communicating the strategy and explaining individual aspects. All employees can communicate on a daily basis via our intranet or set up virtual workspaces for targeted information exchange. This serves not only in times of home office, but basically more efficient cross-location collaboration. By publishing a customer magazine, important strategic decisions and successes are distributed digitally to customers, employees, shareholders, and partners. We have expanded the so-called "Breakfast with the Boss" to all members of top management. This means we can invite all company employees to this format during a year. It allows all participants to discuss topics relevant to them directly with company management in a relaxed atmosphere.

Top management meets every week to discuss important business decisions.

On a global level, we organize weekly jour-fixe appointments within the individual areas or at management level. Twice a year, international top management discusses the corporate strategy challenges and approaches in the so-called "Global Leadership Meeting."

Since the beginning of 2020, we have been inviting all colleagues to a virtual town hall meeting at least once a quarter. Here, current decisions and challenges for the company are named and explained by management.



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# STRATEGY



## KEY RESOURCES AND COMPETENCIES

Various Group areas employ employees with a wide variety of training and skills. This is usually not the case in traditional mechanical and plant engineering companies. For this reason, the availability of know-how, experience and market knowledge is extremely high.

We bundle our resources in loose or fixed project teams and work from the first customer contact throughout the entire project process to find solutions within the framework of the guide-lines defined by our corporate strategy.

We respond to regional market requirements with our own sales, technology, development, and manufacturing capabilities both at headquarters and subsidiaries in North America, South America, and Asia. We work together in targeted coordination teams and within the framework of the development and product management process to establish targeted, modular solutions with appropriate customer benefits.

Technological trends are followed by specialized employees who have the appropriate freedom during their regular working hours. When a trend is identified, it is included in the discussion process between product management and research & development and, if necessary, transferred to a research or development project. This path has made us a pioneer in CO<sub>2</sub>-neutral coffee roasting. As part of a research project, we initially examined the potential of hydrogen as an energy source for the coffee roasting process together with burner manufacturers and gas suppliers. Now we are the only hydrogen roaster provider in the world. We also offer our customers electrical heating for all roasters.

Where our own resources or skills are not yet sufficient, we cooperate directly with colleges, universities, and other companies to develop new products and business models. This sometimes results in joint ventures to establish new business models that PROBAT cannot always implement independently.



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# ECONOMIC PERFORMANCE



## PERFORMANCE INDICATORS

PROBAT uses a variety of state-of-the-art standard and company-specific key figures to measure company performance. Our Group-wide KPIs in the individual areas include in particular:

- **Order situation**  
Order backlog including expected profitability, order intake, project pipeline with probability of realization
- **Profitability**  
Sales, margins, cost drivers, contribution margins and various earnings indicators
- **Cash**  
Cash flow, net working capital, investments, net financial debts
- **Personnel**  
Strong focus on operational security and health, such as group-wide monitoring of sickness rates and work accidents
- **Function-specific key figures**  
Success rate, customer satisfaction, supplier evaluations, milestone controlling

Our KPI systems are designed so that deviations from the business plan are noticed as early as possible (traffic light system) and reported to management immediately. Budget and review meetings are held regularly with individual Group companies, including strategy discussions to coordinate operational success with strategic corporate goals. Annually creating a 10-year plan and comparing it with short-term planning are important to us.



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GRI 201

GRI 201-1



## ECONOMIC PERFORMANCE



### DIRECTLY GENERATED AND DISTRIBUTED ECONOMIC VALUE (PROBAT GROUP)

PROBAT GROUP	2023	2022	2021
 <b>Number of employees</b>	884	896	903
 <b>Total revenue</b>	198,3 M. €	200,9 M. €	160,1 M. €
<b>% Revenue growth %</b>	-1,3	+ 25,5	+5,3
 <b>Earnings before taxes</b>	14,4 M. €	8,3 M. €	10,9 M. €
<b>€ EBITDA</b>	20,8 M. €	15,1 M. €	16,3 M. €
 <b>Total assets</b>	152,4 M. €	138,6 M. €	132,0 M. €
 <b>Net equity</b>	61,7 M. €	54,8 M. €	50,9 M. €

# GOVERNANCE

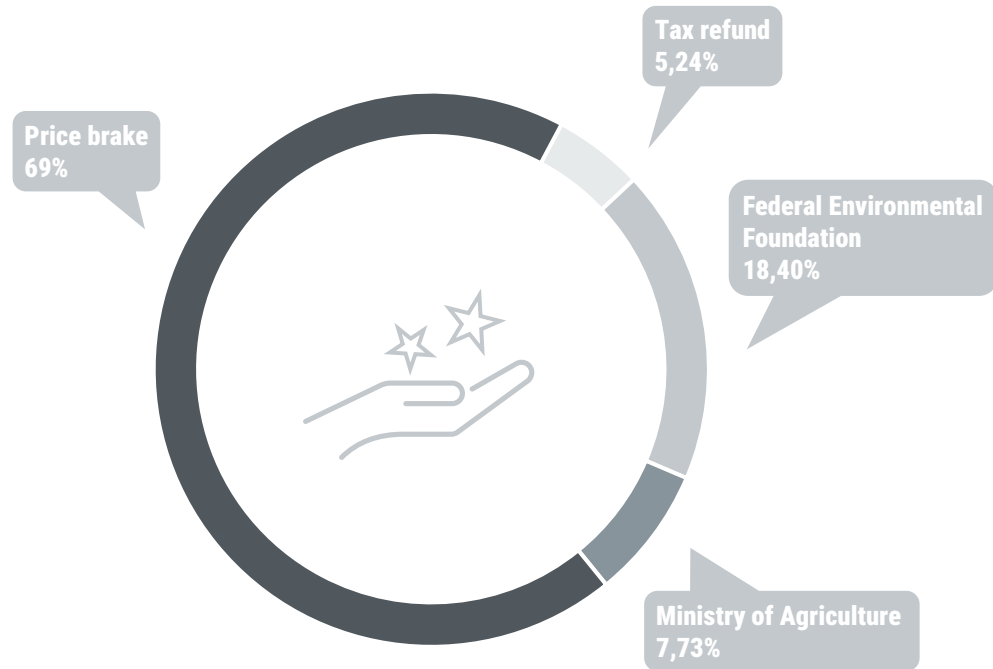
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## PUBLIC FUNDS



### FINANCIAL SUPPORT FROM THE PUBLIC SECTOR

In the reporting year, PROBAT SE received various types of public funding. In addition to an energy and electricity tax refund of EUR 24,401, the price brake for electricity and gas (an government program to offset price increases) was recognized at EUR 319,515. The German Federal Environmental Foundation subsidized the company with a total of EUR 85,647. In addition, the Ministry of Agriculture and Consumer Protection provided a subsidy of EUR 12,232. If necessary, a research allowance will be paid out retroactively for 2023. We would like to point out that PROBAT SE is a private company without government involvement.



GRI 201-4



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GRI 2-16



# RISK MANAGEMENT



## SUBMITTING CRITICAL CONCERNS

Critical issues related to our organization are handled appropriately. They are taken into account both in the management review and reports of representatives, e.g. water protection officer, and communicated to the board. There is also the possibility of direct exchange with our CEO, Wim Abbing, during so-called ONE-ON-ONE meetings. Here, important topics can be discussed in person and possible solutions found together. We promote an open communication culture to effectively address critical issues and continually improve our management systems.



## RISK MANAGEMENT SYSTEM

PROBAT has implemented a risk management system in which internal and external risk areas relevant to the company are holistically viewed, evaluated, and combined in an information system. Maintenance and updates are carried out using practical software. The system supports strategic decisions, structural improvements, and operational business. It is audited by leading international audit firms according to IDW PS 340 and recognized as a suitable system in accordance with the Act on Control and Transparency in the Corporate Sector (Kon-TraG).

To ensure that all risks are up to date and identify possible new risks, an annual audit discusses, analyses, and assesses in detail all existing risks as well as new topics/risks. Existing and newly identified risks are considered regarding their possible level and expected probability of damage occurring. In addition, risk management is reviewed and assessed whether the measures taken are appropriate and sufficient or further measures need to be defined. All those people responsible at the first and second management levels participate in the update.

In addition to regular updates, the risk situation is adapted to potential changes in workshops and individual discussions every year. Participants in these workshops and individual discussions are all risk managers at the first and second management levels, i.e., board and authorized signatories as well as all department and team leaders. If necessary, additional participants from other areas are involved. A risk report is created on the results of the discussions or changes.

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## RISK MANAGEMENT



### RISK DIVERSIFICATION

With its separation into two divisions, the PROBAT Group serves not only the coffee market segment but also the food sector, which contributes to risk diversification and enables use of technical synergies. Growth can be achieved through the food division in particular, as the high market share in the coffee sector only offers limited growth potential.

The distribution policy agreed with our shareholders allows us to retain most of our profits. In this way, we improve our equity base every year.

Of course, we also continually check our Group's composition. Our financial performance allows us to develop the two divisions strategically through new companies, mergers, partnerships, or acquisitions. In addition to the Group's profitable growth, the yardstick for action is the satisfaction of current or future anticipated customer needs.

PROBAT Service GmbH was founded as an independent company within the Group to ensure a clear separation between our product and service offerings. As an international organization with bases on all continents, the Service GmbH bundles all service, support and after-sales activities of the Group companies.





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GRI 418

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## RISK MANAGEMENT

### CYBER SECURITY

PROBAT is continually expanding its security competencies. As a participant in the Alliance for Cyber Security launched by the Federal Office for Information Security, the company is always informed about possible cyber risks and regularly adapts the protective measures implemented. All employees receive regular training to promote awareness of this topic in their everyday work. An information security management system (ISMS) with the aim of ISO 27001 certification is currently being developed.

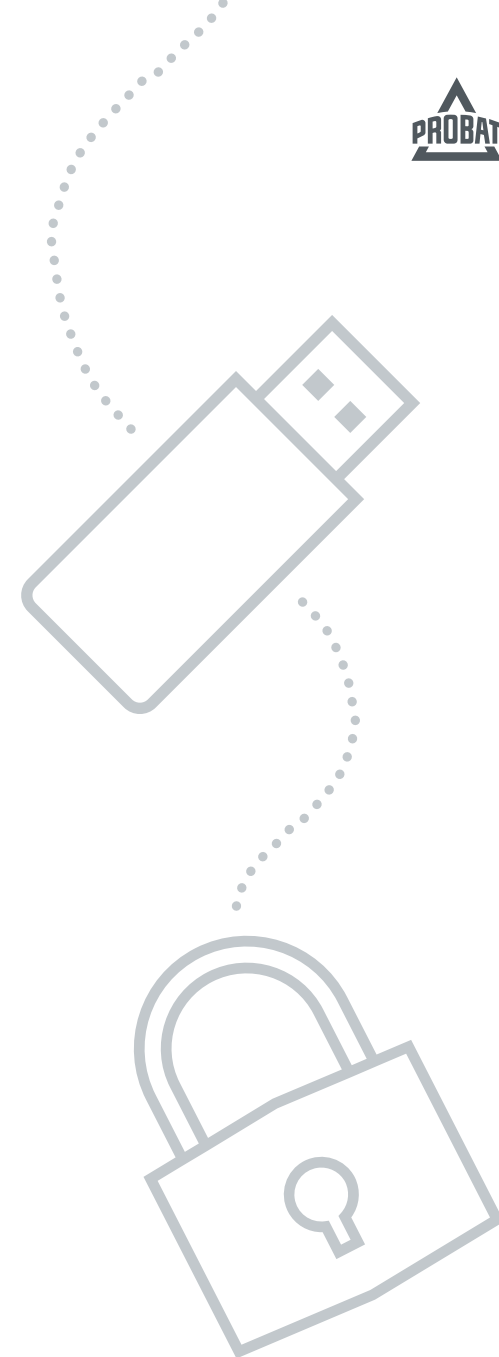
### CUSTOMER DATA PROTECTION

The informational self-determination and protection of personal rights of our customers, partners, suppliers and not least employees are an essential part of how we manage personal data. We are guided by the seven basic principles for data processing in accordance with Article 5 GDPR, which form the basis for protecting personal data in the EU:

- Legality, processing in good faith, transparency (Art. 6-10, Art. 13-20 GDPR, §§ 22-36 BDSG)
- Purpose limitation (Art. 6 Para. 1f, Para. 4 GDPR § 23, 24 BDSG)
- Data minimization (Articles 17, 32 GDPR, § 35 BDSG)
- Accuracy (Articles 17, 24 GDPR, § 34 BDSG)
- Storage limitation (Art. 4 No. 5, 17 GDPR, § 35 BDSG)
- Integrity and confidentiality (Article 32 GDPR)
- Accountability (Art. 24 ff. GDPR)

### BREACH OF PROTECTION AND LOSS OF CUSTOMER DATA

There were no substantiated complaints regarding breach of protection or loss of customer data in 2023.



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GRI 205-2



## ANTI-CORRUPTION



Corruption has no place at PROBAT. Any form of advantage-taking or bribery weakens the integrity and performance of our company and fair competition. In a Group-wide anti-corruption policy, we have defined rules of conduct for preventing and combating corruption to avoid any behavior in connection with undue influence or interference at an early stage.

We conduct our business in accordance with the laws of the jurisdiction in which we operate. In competition, we behave fairly, transparently, and reliably. We focus on performance, customer orientation and quality of our products and services, not on illegal or ethically questionable behavior. We do not tolerate corruption, neither by our employees nor by our business partners, regardless of the countries in which they operate. If this anti-corruption obligation is violated, we will take appropriate measures.

### GUIDELINES FOR PREVENTING CORRUPT BEHAVIOR:

#### GENERAL PROHIBITION

It is generally forbidden to offer, promise or grant unacceptable personal benefits to an employee or sales representative directly or indirectly. Consequently, corrupt behavior by PROBAT or third parties commissioned by the company or acting on its behalf is also prohibited. These bans apply to all countries in which PROBAT operates or intends to act and all employees, regardless of their nationality. They apply even if corrupt behavior is common in a country and is not considered unethical by local business partners.

#### FACILITATION PAYMENTS

In some countries it is customary to make payments to officials at the relevant working level to speed up official actions to which there is a legal claim. These so-called "facilitation payments" are in most cases illegal and may not be made.

#### VERIFICATION REQUIREMENT FOR SERVICE PROVIDERS OF ALL KINDS

When third parties provide services to PROBAT, active or passive corruption or actions giving rise to suspicion may occur, i.e., illegal funds may be paid or accepted by these persons/companies. When contacting service providers, PROBAT employees must always make it clear that PROBAT acts in accordance with applicable law, does not tolerate corrupt or other illegal behavior and will immediately terminate cooperation with a service provider in the event of corruption or other illegal behavior.

#### PAYMENTS TO CUSTOMERS, EMPLOYEES, OR REPRESENTATIVES OF OTHER COMPANIES

PROBAT does not make unauthorized payments to employees or representatives of other companies either directly or through service providers. Although such payments may be common practice in some countries, they are illegal and unacceptable to PROBAT.

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## ANTI-CORRUPTION



### INVITATIONS, GIFTS, AND OTHER PERSONAL BENEFITS

Invitations, gifts and other personal benefits for employees or representatives of other companies are only permitted if, based on their overall value and the specific circumstances, there is no impression that the recipient is expected to behave in a certain way in return.

### STRICTER REGULATIONS FOR CONTACTS WITH PUBLIC OFFICIALS

Anti-corruption laws of many countries contain strict regulations for domestic and foreign officials. Some countries prohibit granting personal benefits, even if they are of minimal value and would be acceptable if given to a company's employees.

### FACTORY TOURS / VISITS TO REFERENCE PLANTS / TRADE FAIRS

PROBAT invites customers to factory tours, reference systems visits and trade fairs if there is a legitimate business reason for doing so. As a rule, travel and accommodation costs are borne by the customer.

### CONFIRMED CORRUPTION INCIDENTS AND ACTIONS TAKEN

There are no cases of corruption known from the 2023 reporting year.



# GOVERNANCE

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- II. ORGANIZATION
- III. EXECUTIVE LEADERSHIP
- IV. INVESTMENTS
- V. STRATEGY
- VI. ECONOMIC PERFORMANCE
- VII. PUBLIC FUNDS
- VIII. RISK MANAGEMENT
- IX. ANTI-CORRUPTION
- X. PRODUCT LABELING

PROBAT seit 1868

GRI 417

GRI 417-1

GRI 417-2

GRI 417-3



# PRODUCT LABELING



## PRODUCT AND SERVICE INFORMATION

It is crucial for PROBAT to meet information and labeling requirements for products and services. This includes providing accurate and complete information about our products and services, including their characteristics, origin, possible effects and uses. These requirements are an integral part of our CE process. Through the CE process, aimed at compliance with applicable EU directives, we ensure that our products and services meet required standards, and all relevant information is made transparent and accessible so that our customers can make informed decisions.

During the reporting period, PROBAT monitored compliance with the requirements for information about products and services as well as their labeling. No violations of these requirements were found during the reporting period.





# ENVIRONMENT

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## ENVIRONMENTAL PROMISE

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### PROBAT'S ENVIRONMENTAL PROMISE

Climate change is one of the greatest challenges facing humanity. As a global market and technology leader, PROBAT is committed to taking bold and forward-looking decisions that are crucial to the sustainable development of the coffee industry. The climate action plan adopted in the reporting year primarily involves the avoidance and reduction of direct and indirect greenhouse gas emissions. Emissions that cannot be completely avoided are offset by supporting certified climate protection projects.

Our environmental promise also includes the careful use of resources and the continuous reduction of raw material consumption in all business processes. We pay particular attention to the economical use of energy and water. Wherever possible, we favor the use of renewable resources.

With regard to the coffee value chain, PROBAT is continuously working on environmental technologies to optimize the energy-saving and emission-reduction potential of coffee roasting processes.



# ENVIRONMENT

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PROBAT SUSTAINABILITY REPORT 2023

## ENVIRONMENT

PROBAT is aware of its responsibility for the environment and is committed to protecting it in the best possible way and reducing possible environmental pollution. Compliance with relevant environmental standards is a matter of course for PROBAT.

In this ESG report, we analyze the environmental impact of our business activities in the 2023 reporting year and provide an overview of the actions we are taking to reduce this impact.

We are committed to conserving resources, continuously reducing raw material consumption in all our business processes, and achieving net zero greenhouse gas emissions by 2030. We pay particular attention to the efficient use of energy and water. Wherever possible, we favor the use of renewable resources. As part of this reporting, we also provide a detailed overview of our customer solutions for saving energy, using alternative energies and reducing process-related emissions.



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GRI 302

GRI 302-1

GRI 302-4



## ENERGY



Since 2015, PROBAT has been conducting an energy audit according to DIN EN 16247-1, which is repeated every four years. In addition to meeting legal requirements, the energy audit's aim is to analyze the company's energy efficiency systematically and holistically.

### REDUCTION IN ENERGY CONSUMPTION

At PROBAT, energy efficiency measures are developed and ranked based on the criteria of the "Efficiency First" principle, relevance, resource use, technical and financial feasibility, amortization time and effectiveness. The following top two measures were implemented already in 2021:

- Installation of a combined heat and power unit (CHP)
- Replacement of the heating system

A photovoltaic system was also installed on the roof of the new production hall. This produces around 6,000 kWh of electricity per week and thus contributes significantly to minimizing CO<sub>2</sub> emissions at the company's headquarters. Using the so-called Sunny Portal, a platform for monitoring solar systems, allows precise monitoring of current CO<sub>2</sub> savings.

In the year under review, electricity consumption totalled 1,781,899 kWh. Of this, 238,093 kWh was generated by the photovoltaic system and 578,233 kWh by the CHP unit. A further 98,589 kWh from the photovoltaic system and the CHP unit were fed into the grid.

Gas consumption during the same period was the equivalent of 2,935,840 kWh. Of this, the CHP unit converted 2,003,137 kWh into electricity and heat.

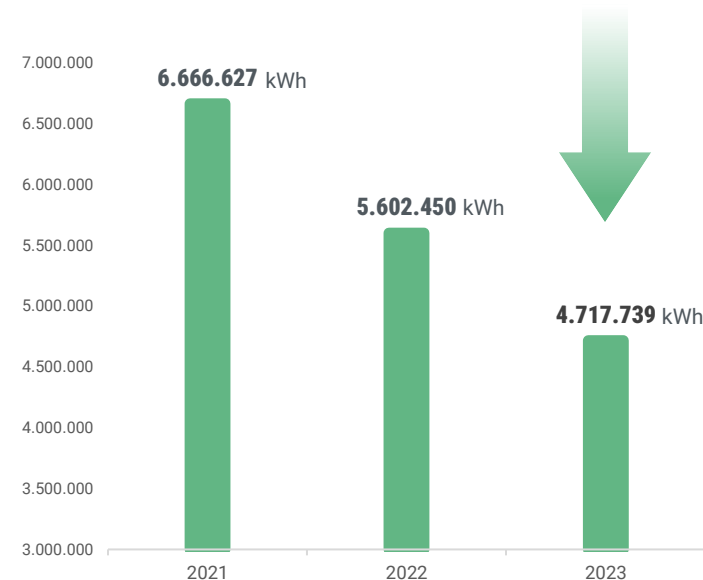
The above measures are expected to result in future annual CO<sub>2</sub> savings of approximately 244,940 kg.

The ventilation and air conditioning system currently in use at PROBAT, with an air flow rate of 75,000 m<sup>3</sup>/h, is primarily used to supply the company's open-plan offices with temperature-controlled supply air. Innovative technologies are being used to reduce the energy consumption of the system and the associated costs. In the future, the air handling unit will not only consume around 60% less energy but will also monitor and regulate the CO<sub>2</sub> content as well as the room temperature and humidity for an overall better indoor climate.

In addition, the 3,000 conventional light sources installed in the production area have been replaced with 1,400 modern, energy-efficient LED lights. In addition to their high light output and low energy consumption, they require little maintenance.

In the future, a building-related metering concept will help make electricity consumption in our buildings more transparent. By recording and analyzing consumption data, it will be possible to identify areas with potentially high energy consumption. On this basis, targeted measures can be developed and implemented to sustainably reduce energy consumption. Professional energy consultants will support us in this process.

We are also planning to replace the lighting in our administrative buildings with modern, energy-efficient lighting systems, which will make a significant contribution to reducing electricity consumption. This is another important step towards the responsible use of energy resources.





# ENVIRONMENT

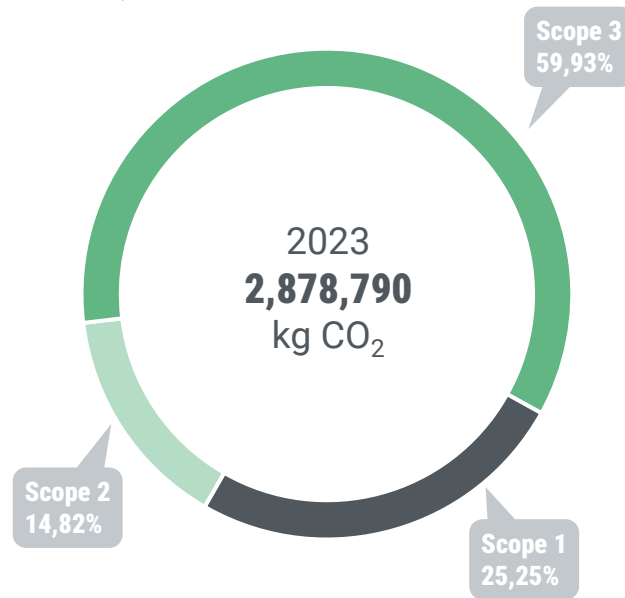
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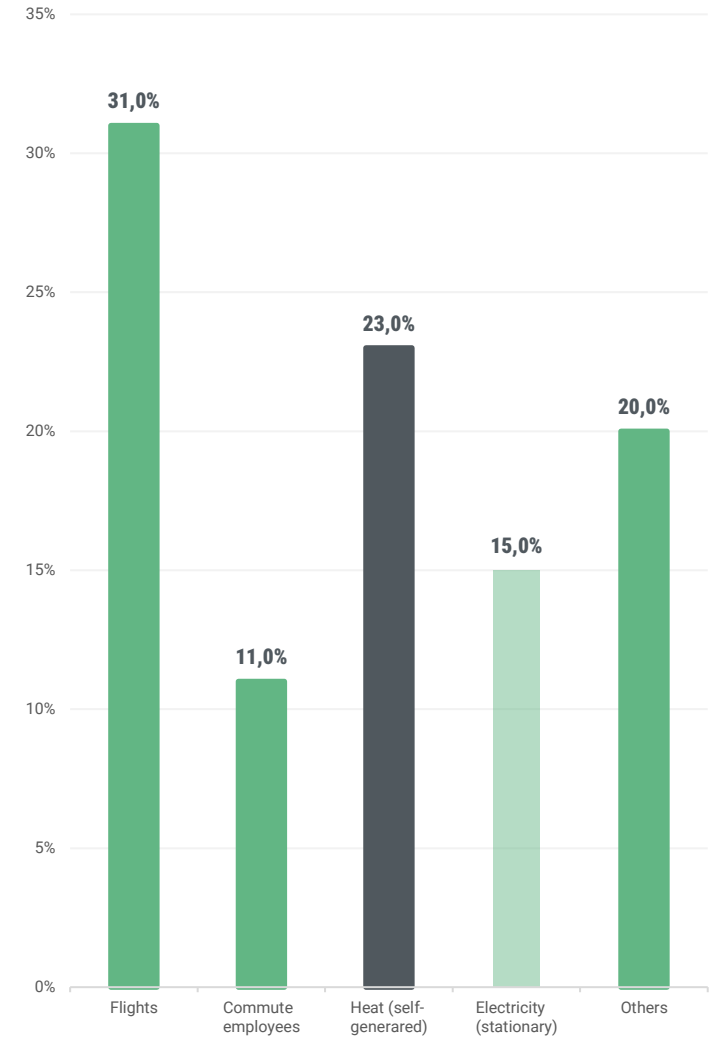
## ENERGY

Since 2020, PROBAT has been calculating the location-based carbon footprint on the basis of the Greenhouse Gas Protocol (GHG Protocol), an important, internationally recognized standard for calculating greenhouse gas emissions. Scope 1-3 each describe the different types of greenhouse gas emissions that are caused by the activities of companies. To this end, relevant data on electricity and fuel consumption is collected annually, the resulting CO<sub>2</sub> emissions are calculated, and appropriate avoidance, reduction and compensation measures are derived. Upstream or downstream CO<sub>2</sub> emissions from our products, such as those caused by raw material processing, transport, use and disposal, are not taken into account in the calculation.

### BREAKDOWN OF CO<sub>2</sub> EMISSIONS INTO SCOPE 1, 2 AND 3



### THE LARGEST CO<sub>2</sub> EMISSION SOURCES



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GRI 305-1

GRI 305-2

GRI 305-3



## EMISSIONS



### SCOPE 1

726,850 kg CO<sub>2</sub>



#### STATIONARY COMBUSTION

- 650,410 kg CO<sub>2</sub> (23 %)



#### CARPOOL

- 76,440 kg CO<sub>2</sub> (3 %)

### SCOPE 2

426,780 kg CO<sub>2</sub>



#### ENERGY

- 426,780 kg CO<sub>2</sub> (15 %)

### SCOPE 3

1,725,160 kg CO<sub>2</sub>



#### WATER

- 1,200 kg CO<sub>2</sub> (<1 %)



#### ELECTRONICS

- 16,900 kg CO<sub>2</sub> (1 %)



#### INDIRECT EMISSIONS

- 234,520 kg CO<sub>2</sub> (8 %)



#### WASTE

- 105,000 kg CO<sub>2</sub> (4 %)



#### BUSINESS TRIPS

- 1,050,490 kg CO<sub>2</sub> (36 %)



#### EMPLOYEE COMMUTER TRANSPORT

- 317,030 kg CO<sub>2</sub> (11 %)

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GRI 305-1

GRI 305-2

GRI 305-3



## EMISSIONS



As a global company, PROBAT cannot completely avoid travel. Due to the size and complexity of the machines and equipment the company produces, the presence of experts on site for assembly, commissioning and maintenance is essential. In addition, PROBAT attaches particular importance to maintaining close partnerships with all customers worldwide. Specific issues often require joint and personal coordination to find optimal solutions. Nevertheless, we are aware of our responsibility towards the environment and have been offsetting our air travel since 2020.

Detailed analysis of our corporate carbon footprint (CCF) clearly shows the potential for further CO<sub>2</sub> reductions, especially in the areas of energy and mobility. The CCF is collected and updated regularly to enable comparisons with previous periods or other companies. Continuous monitoring of success is important to achieve our goal of net zero emissions by 2030.



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GRI 305-4

GRI 305-5



## EMISSIONS

### CONCRETE EXAMPLES OF AVOIDANCE AND REDUCTION:

- Use of solar energy through our photovoltaic system: The PV system enables us to save an average of 460 kg of CO<sub>2</sub> per day.
- Installation of a combined heat and power plant (CHP): The CHP generates energy on site, allowing both electricity and heat to be generated.
- Refurbishment of existing facilities by renewing the facades and heating systems for more efficient and responsible use of resources.

### REDUCING GREENHOUSE GAS EMISSIONS

In the 2022 reporting year, installing a photovoltaic system on the roof of the new production hall was completed. This produces an around 6,000 kWh of electricity per week and thus makes a significant contribution to minimizing CO<sub>2</sub> emissions at the company's headquarters. Using the so-called Sunny Portal, a platform for monitoring solar systems, allows precise monitoring of current CO<sub>2</sub> savings. The PV system enables us to save about 460 kg of CO<sub>2</sub> per day annually.

### COMPENSATION AS PART OF CLIMATE PROTECTION PROJECTS

Emission reduction measures already introduced are having an effect, but not all discharge can currently be avoided. Therefore, in addition to avoidance and reduction, compensation is an important tool. We consistently offset emissions by supporting selected climate protection projects from ClimatePartner's portfolio.

PROBAT will offset 2,221,810 kg of CO<sub>2</sub> in 2023 through a certified climate protection project. As part of this combined project, for every tonne of CO<sub>2</sub> saved through the contribution to a certified cooker project in India, 10 kg of plastic will be collected in coastal regions. You can follow our activities in the ClimatePartner ID Tracking via our label and ID number.



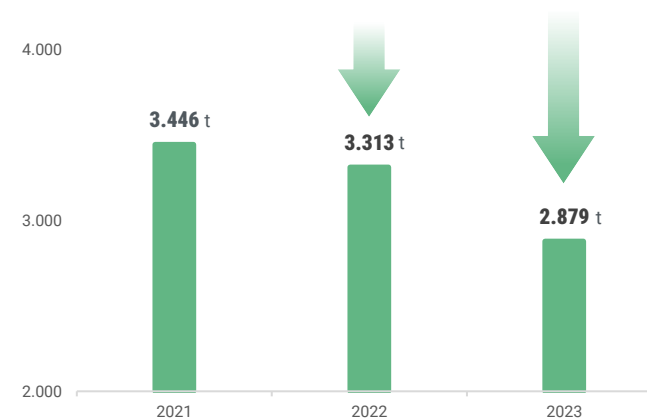
### MOBILITY

As part of its overall corporate responsibility, PROBAT is also committed to creating conditions that enable customers and employees to contribute to global sustainable development as individual members of society. To this end, charging points for electric cars have been installed in the company's own car park. Here, customers and employees who own an electric vehicle can recharge their car directly on the PROBAT premises in an environmentally friendly way and - thanks to the intelligent charging function - without any restrictions.

In the year under review, additional e-bike charging points were installed where employees can charge their e-bikes free of charge. This measure promotes sustainable mobility and makes it easier to switch to environmentally friendly modes of transport. To further increase the attractiveness of cycling within the workforce, it is planned to introduce a company bicycle leasing scheme, which will give employees access to high-quality (electric) bicycles at attractive conditions.

Internally, electric pallet trucks have been purchased for transporting and storing pallets in the logistics department.

### THE POSITIVE DEVELOPMENT OF THE CO<sub>2</sub> EMISSIONS AT THE EMMERICH SITE:



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GRI 305-6

GRI 305-7



## EMISSIONS



### SUPPORT FROM EXTERNAL COMPANIES

External companies support PROBAT in reducing its own corporate carbon footprint.

ClimatePartner calculates our corporate carbon footprint for us and helps us identify potential reductions and implement appropriate measures. All emissions directly caused by our activities are taken into account. The detailed analysis of our corporate carbon footprint since 2020 has identified potential for further CO<sub>2</sub> reductions, particularly in the areas of energy and mobility. We consistently offset our emissions by supporting selected climate protection projects from the ClimatePartner portfolio.



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GRI 303-5



## WATER



### WATER CONSUMPTION

Our water consumption is predominantly limited to the irrigation of green areas and the use of sanitary facilities. The consumption is recorded and evaluated based on meter readings. In total, water consumption for the year 2023 stands at 3,309 m<sup>3</sup>. This means we have reduced our annual consumption by 48.6% compared to 2022.

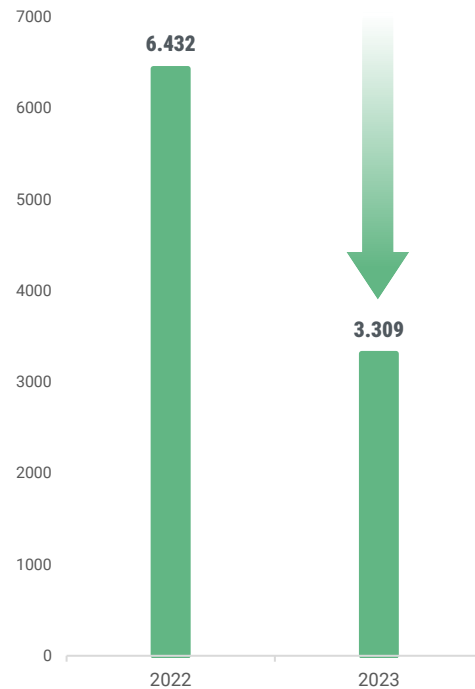
### WATER RECIRCULATION

Groundwater is used to cool the ventilation device, which we installed in two large management office rooms in 2020. Coolant is used exclusively for cooling compressors. This way, no contamination of any kind takes place. The used coolant is then redirected into the groundwater via an infiltration chamber.

Before reintroduction, the coolant is inspected via a control and sampling station and its temperature is measured and documented by the final control station.

In 2023, a total of 7,641 m<sup>3</sup> of groundwater was extracted and returned through the infiltration chamber.

### WATER CONSUMPTION IN M<sup>3</sup>



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GRI 306

GRI 306-3



## WASTE

At PROBAT, waste is avoided as far as possible and the materials used are reused. The transport, storage, safe and environmentally friendly treatment, and disposal of unavoidable waste is regulated. Substances that pose a risk to people and the environment when released are avoided wherever possible. Hazardous substance management ensures safe use and transport, safe storage, reprocessing, reuse, and disposal.

Our waste manager continuously monitors recycling or waste disposal and in particular checks disposal certificates for hazardous waste. Collection disposal records and certificates from waste disposal companies are regularly checked and stored in the Quentic portal, where we document all requirements in the areas of occupational safety and environmental protection as well as quality and sustainability management. Compliance with legal regulations is ensured by regular checks and inspections with quality and environmental management officers.

In 2023, 31 types of waste were collected separately throughout the company and disposed of properly. Corresponding waste code numbers have been assigned. Waste separation and disposal are conducted in accordance with the requirements of the Commercial Waste Ordinance, with a separate collection rate of 91.2% (previous year 92.21%) achieved.

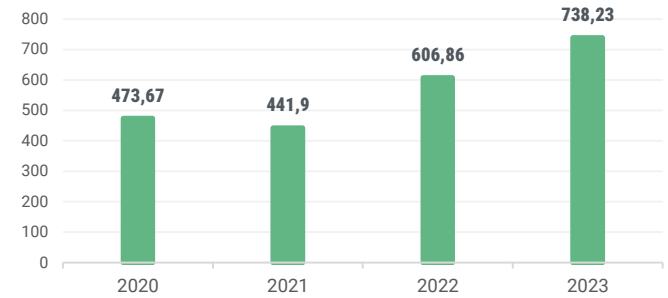
### WASTE GENERATED

In 2023, a total of 738.23 tonnes of waste was disposed of, of which 18.92 tonnes was treated as hazardous waste. Of this, 12.2 tonnes was recycled and 6.72 tonnes was disposed of. The recycling rate for hazardous waste was 62.5%, while the recycling rate for non-hazardous waste was 99.92%, well above the target.

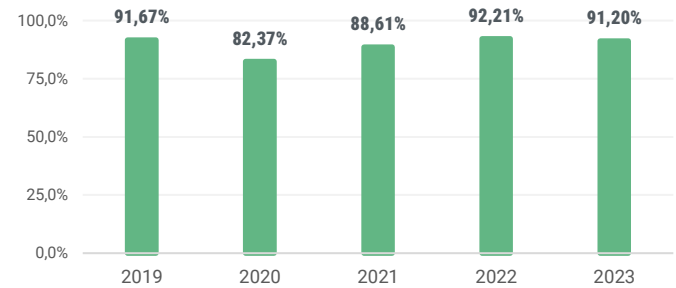
In the future, a comprehensive waste management concept for production will be developed to meet the high requirements of sustainable and efficient waste management. The aim is to establish resource-conserving processes, reduce waste volumes and maximise recycling potential.



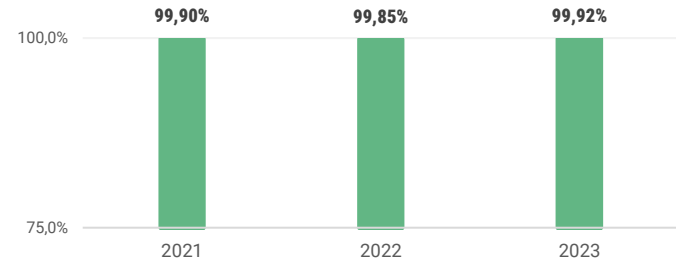
### DISPOSED WASTE IN TONNES



### SEPARATE COLLECTION QUOTA



### RECYCLING RATE



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GRI 308

GRI 308-1

GRI 308-2



## SUPPLIERS



### ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

We assess our suppliers not only on traditional economic parameters, but also on ESG criteria. It is important to emphasize that we only consider suppliers who have signed our Supplier Code of Conduct. This code sets out our expectations for the ethical, social, and environmental standards to which our suppliers must adhere. By adhering to these standards, we can ensure that our supply chain meets our sustainability goals and helps minimize our impact on the environment.

### NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND MEASURES TAKEN

In accordance with the GRI standard, we report on negative environmental impacts in our supply chain and measures implemented to remedy these impacts. No action has yet been taken. However, it is our priority to continuously improve the identification, assessment, and minimization of potential environmental impacts in the supply chain. We strive to partner and develop appropriate strategies to minimize negative environmental impacts and promote sustainability throughout our value chain.





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GRI 301

GRI 301-1

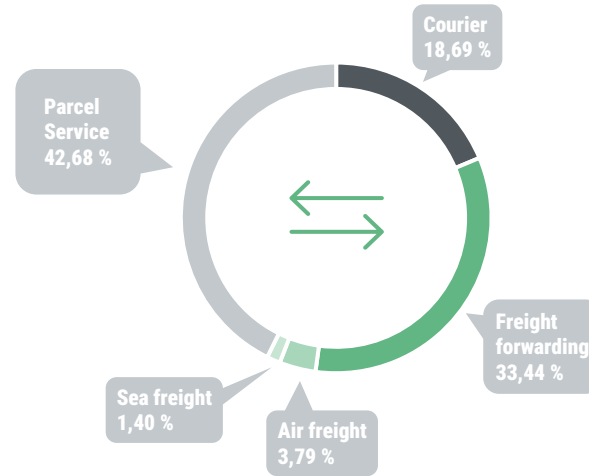


## MATERIALS



### MATERIALS USED BY WEIGHT OR VOLUME

**TOTAL: 4,779 SHIPMENTS**



### CONSUMPTION OF PACKAGING MATERIALS



**945 m<sup>3</sup> wood consumption**  
(renewable material)



**34,518 pieces of cardboard**  
(renewable material)



**372 pieces of other**  
(e.g., fabric tarpaulin, etc.; non-renewable material)



**7,566 m of other**  
(e.g. U-profiles; non-renewable material)



**3,864 kg of other**  
(e.g. steel tape, etc.; non-renewable material)

A total of 4,779 items were sent. 18.69% were transported by courier, 33.44% by freight forwarder and only 3.79% by air. Sea freight accounted for 1.4%. A further 42.68% of shipments were handled by a parcel service.

Not only did the modes of transport vary during the reporting period, but the range of packaging materials used was also quite wide. A total of 945 m<sup>3</sup> of wood and 34,518 pieces of cardboard were used in the production of packaging, both of which are renewable resources. In addition, 372 pieces of other packaging materials such as tarpaulins and straps were used, which are non-renewable. We also used 7,566 metres of other packaging materials such as U-profiles and 3,864 kg of other materials such as steel strapping, which are also non-renewable. During the year we switched to biodegradable VCI film and, where possible, source our wood locally.

The machines and systems produced, purchased or procured by PROBAT SE are primarily manufactured using non-renewable materials. In the year under review, the main materials used were steel (310,763.96 kg), stainless steel (115,648.76 kg) and high-strength steel (1,191.84 kg). These materials provide the basis for the high quality and durability of our products.

The measurement of our total material use is part of our Annual Report.

PROBAT is working with its logistics service provider on a concept to reduce returns and is investigating the use of more sustainable transport methods. One option is intermodal transport, where truck trailers are placed on rails. However, this method is currently only feasible for full loads and certain destinations such as Italy and Spain.

Another approach to greater sustainability is an agreement with our logistics partner ExPack. Here, packaging materials that are unpacked at PROBAT's logistics centre are reprocessed into new packaging by ExPack. This concept promotes recycling and reduces the amount of waste.

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GRI 301-2



## MATERIALS

A number of projects have been initiated to optimise value-adding processes. These focus in particular on the continuous reduction of lead times and manufacturing costs. Inventories and capacities along the entire value chain - from engineering to commissioning - are being analyzed and adjusted to increase efficiency and flexibility.

### OPTIMIZING ORDER THROUGHPUT

A key focus was on improving order throughput. Following a comprehensive analysis, potential was identified to fulfil customer requests faster, more flexibly and with less bureaucracy. Based on the results, new working methods and process changes were developed and will be integrated into the existing process landscape in 2024.

### COST REDUCTION IN ENGINEERING

In engineering, measures have been developed to reduce the design costs of certain machines and plant components in order to increase the cost-effectiveness of products.

### PRODUCTION PROJECTS

Several initiatives are aimed at optimizing value creation and increasing productivity in production.

### INTRODUCTION OF SHOP FLOOR MANAGEMENT

Transparency in the production areas has been increased by regularly updating key figures and discussing them in weekly or fortnightly shop floor meetings. The aim is to promote cross-functional thinking and implement improvement opportunities, which are scheduled to be realized by 2024.

### OPTIMIZING MATERIAL FLOW

Lead times have been reduced by adapting the flow of materials from the warehouse to the stores. This has been achieved by optimizing warehouse processes, including improved WMS software and more efficient workflows. In addition, materials management at Marketplace 2 has been fully digitized, reducing search times and improving information quality.



### PRODUCTION IMPROVEMENTS

A flexible island layout has been created for the production of the P series specialty roaster, with optimized bills of materials and work plans that significantly reduce work processes. Logistical processes have been made more efficient thanks to a Kanban warehouse. In addition, production of the new P01 specialty roaster has been centralized, resulting in improved ergonomics, shorter lead times and an optimized bill of materials. The transparency of the order status was increased by a revised order list.



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## MATERIALS



### CENTRALISATION OF MACHINES

The production flow was further optimized by combining the roll and longitudinal seam welding machines in the marketplace and relocating the guillotine shears.

These projects form the basis for a sustainable process improvement that will further increase the company's efficiency and competitiveness.

### CIRCULAR ECONOMY

PROBAT introduced a circular economy concept in 2023 to keep products and materials in a sustainable cycle. Resources are conserved through measures such as maintenance, reuse, refurbishment, reprocessing, recycling and composting. The first steps have been successfully implemented by optimizing the maintenance of existing roller mills.

### RECYCLED RAW MATERIALS USED

It is still difficult to determine the exact quantities of recycled raw materials used, as these are not tracked by the existing management system (AMS). Instead, the use of recycled raw materials depends solely on the production processes and material choices made by suppliers and their sub-suppliers. An example of this is the use of semi-finished products or sheets of steel, stainless steel, aluminium, etc. In the future, however, the integration of 'green' steel, where available and economically viable, could be considered to support sustainability goals.



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## OUTLOOK

To further minimize our environmental footprint, we are planning a series of measures to avoid and reduce emissions in 2024.

### GREEN ELECTRICITY

One focus of our planned actions is to switch to green electricity to make our electricity needs CO<sub>2</sub> neutral. This switch will help to significantly reduce our carbon footprint and support the transition to a low carbon economy.

### ENERGY CONSULTING AND ENERGY AUDIT

PROBAT plans to conduct a comprehensive energy consultation and energy audit to identify potential energy savings and efficiency improvements. The results will feed into the targeted planning of measures to optimize our energy consumption and reduce our emissions.

### LED LIGHTING

There are also plans to replace the administration lighting with modern, energy-efficient systems. This will significantly reduce electricity consumption and make an important contribution to the sustainable use of energy resources.

### MEASURING CONCEPT TO RECORD CONSUMPTION

PROBAT is considering the introduction of an improved metering concept that will enable us to record and monitor our resource consumption more accurately. By installing additional measuring points, we can better analyze our consumption and take more targeted measures to reduce emissions.

### ELECTRIC THERMOSTATS AND HEATING CONTROLS

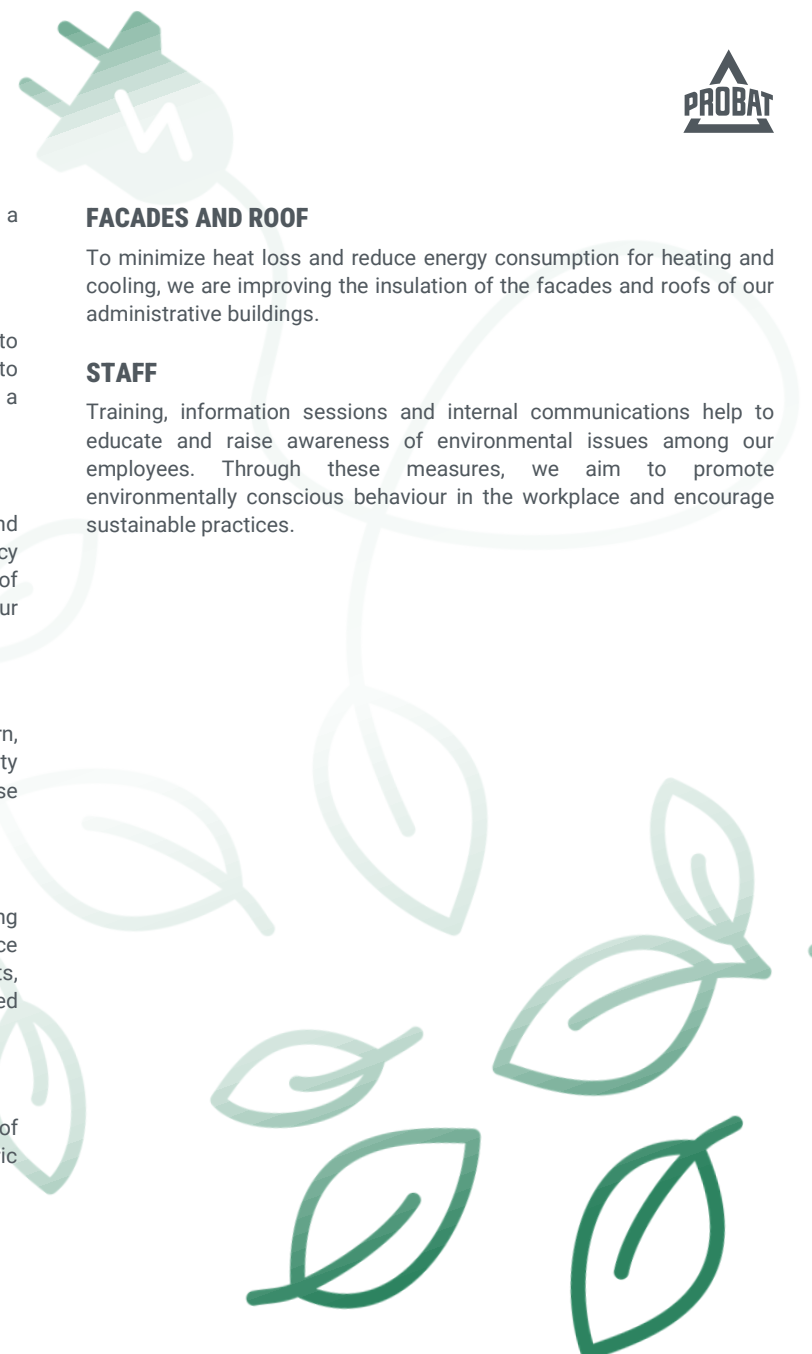
Another measure to optimize energy consumption is the replacement of thermostats in our administrative buildings with energy-efficient electric thermostats and the modernization of our heating control system.

### FACADES AND ROOF

To minimize heat loss and reduce energy consumption for heating and cooling, we are improving the insulation of the facades and roofs of our administrative buildings.

### STAFF

Training, information sessions and internal communications help to educate and raise awareness of environmental issues among our employees. Through these measures, we aim to promote environmentally conscious behaviour in the workplace and encourage sustainable practices.



## EXCURSUS: PRODUCT DEVELOPMENTS



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## EXCURSUS: PRODUCT DEVELOPMENTS



### MORE EFFICIENCY, LESS EMISSIONS

The dynamic landscape of consumer markets is generally characterized by short-lived trends, but there are exceptions: The increased focus on sustainability, which has had a strong and growing influence on industries across all sectors in recent years, is also making a significant contribution to the consumer behavior of coffee drinkers worldwide. They attach importance to sustainability along the entire value chain, including coffee processing. In addition, the Corporate Sustainability Reporting Directive (CSRD), which came into force at the beginning of 2023, is causing many roasters to rethink their approach, as it has tightened the rules on the social and environmental information that companies must report. Large companies and listed SMEs will now be required to disclose the impact of their operations on people and the environment. As a result, many coffee processing companies are looking for technical solutions to save energy or use renewable energy to reduce their carbon footprint. They are also required to reduce environmentally harmful process emissions as much as possible. PROBAT supports its customers worldwide in designing sustainable production processes with pioneering environmental technologies and intelligent sensor systems.

### ALTERNATIVE HEATING METHODS

#### BIOGAS

To avoid irreversible effects on the climate, we are strongly in favor of switching to renewable energy in the roasting process. For some time now, we have been working intensively on further technical developments to replace fossil fuels with CO<sub>2</sub>-neutral energy sources such as biogas, green electricity, or hydrogen. The necessary adaptation of burner technology to use biogas is possible. However, the chemical composition of the biofuel, which depends on the type of feedstock and the production route, does not allow an accurate statement to be made about its calorific value. In addition, the general availability and overall low efficiency of biogas make its widespread use in the coffee sector difficult.

### HYDROGEN

In 2022, we unveiled a hydrogen-powered P05 specialty roaster to the international coffee industry. In 2023, it won the Specialty Coffee Association's Best New Product Award at the World of Coffee in Athens. Meanwhile, our R&D team has successfully developed adaptations of the burner technology to enable hydrogen to be used as a scalable energy source, making it an option not only for smaller roasters but also for industrial roasting plants. At a major international industry event earlier this year, we introduced the first large-scale hydrogen-powered roaster - a Px 120 with a roasting capacity of 500 kg of green coffee per hour. However, CO<sub>2</sub>-neutral hydrogen is still a long way from becoming an essential part of the world's energy supply. Most of the hydrogen available today is produced from fossil fuels, releasing CO<sub>2</sub> in the process. But its use merely displaces emissions. If green hydrogen is available in sufficient quantities and the necessary infrastructure is in place to operate a hydrogen-powered roaster safely and efficiently, it offers a real opportunity to decarbonize the coffee industry.



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### GREEN ELECTRICITY

In terms of energy efficiency, running our roasters on electricity is the best solution because electricity is more efficient than hydrogen. Secondly, the production of hydrogen is very energy intensive and energy is lost during transport and storage. During the year, we took the next step in the electrification of our specialty roaster portfolio with the launch of the P12e. Like the P05e and P01, this latest addition to the P series is equipped with innovative electric heating technology. The use of electricity reduces the overall CO<sub>2</sub> emissions of the roasting process. Electric hot air blowers are also available for industrial roasters with high roasting capacities and can generate the large amounts of energy required to operate large roasting machines. However, the carbon footprint of electrically powered roasters is only reduced if green electricity is used.

Only together can we find a way out of the looming climate catastrophe. We therefore encourage our customers to visit our technical center to familiarize themselves with the possibilities of electric and hydrogen roasting, as they deliver just as consistent and reproducible roasting results as other gas-powered machines, without compromising on taste.



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## EXCURSUS: PRODUCT DEVELOPMENTS



### ENERGY SAVING

#### HEAT RECOVERY SYSTEMS

PROBAT's extensive product portfolio also includes highly efficient solutions for saving energy by utilizing excess heat from process exhaust air.

A lot of unused energy escapes with the exhaust air from the roasting process. The green coffee preheating system developed by PROBAT uses this excess energy to heat the green coffee beans in a preheating container to a defined drying temperature before they are fed into the roasting machine. As no additional heating energy is required to preheat the green coffee, the energy consumption for the roasting process is significantly reduced. Roasting cycles are also shortened.

Partial recirculation uses the hot exhaust air after the actual roasting process and feeds it back into the burner. This significantly reduces the amount of exhaust air and the energy consumption of a roasting machine, as less fresh air is required for the roasting process.

All PROBAT roasting machines can also be equipped with a so-called air recuperator - a heat exchanger - which makes it possible to heat cold incoming air with the help of hot roasting exhaust air. This also reduces the energy consumption of a roasting machine.

#### OPTIMUM PROCESS CONTROL

The use of electrical components to optimize process control, particularly to save energy, is becoming increasingly important in the coffee industry. Equipping all motors in roasters with variable speed drives helps to reduce energy consumption by allowing precise speed control and therefore efficient control of motor power.

Our PILOT software already supports our customers in recording energy-relevant data, for example with batch reporting, which records the energy requirement of a roast depending on the type of coffee roasted and the roasting recipe. With Colour Control, PROBAT has developed a measuring system that records the color value of the coffee beans via the radiation they reflect in the near infrared range instead of the product temperature. The measured values are converted into electrical signals and transmitted to the roasting machine or plant control system. At a preset color level, the system automatically stops the roasting

process. Influencing factors such as product temperature and time are eliminated. Energy consumption is optimized by recording the energy input via the color value determination.

PROBAT engineers are currently working on the development of mathematical models, so-called digital twins of roasting processes, to derive how energy requirements can be intelligently controlled by adjusting certain relevant parameters. In the long term, we plan to integrate these AI-supported intelligent solutions into the PILOT roaster control system.





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### EXHAUST AIR TREATMENT

The process-related pollutants produced during coffee roasting are mainly in the form of volatile organic compounds. However, smoke, odors and fine-grained particles such as coffee husks or dust are also components that need to be removed from the process air to reduce environmental impact. In addition to the degree of roasting and the type of coffee bean, emissions from coffee roasting are also influenced by the roasting process. Therefore, the systems offered by PROBAT for the treatment of emissions generated during roasting are tailored to the respective roasting process.

The high-performance cyclones are an energy-efficient solution for optimized skin separation, reduced dust deposits and improved cleaning results. They are used for the removal of coffee chaff and the cleaning of roasting, cooling, and destoner exhaust air.

Thermal pre-cleaners significantly reduce visible roasting gases and odor emissions. They have a modular design to enable retrofitting of an even more efficient catalytic post-combustion system, for example.

PROFORTE is the high-end product and has the lowest energy consumption and the highest cleaning efficiency of all the air purification systems offered. Flameless regenerative thermal oxidation eliminates the need for an additional burner. Exhaust emissions are well below the German TA-Luft limits for hydrocarbons and carbon monoxide and well below the recommended guidelines for nitrogen oxide (NOx).

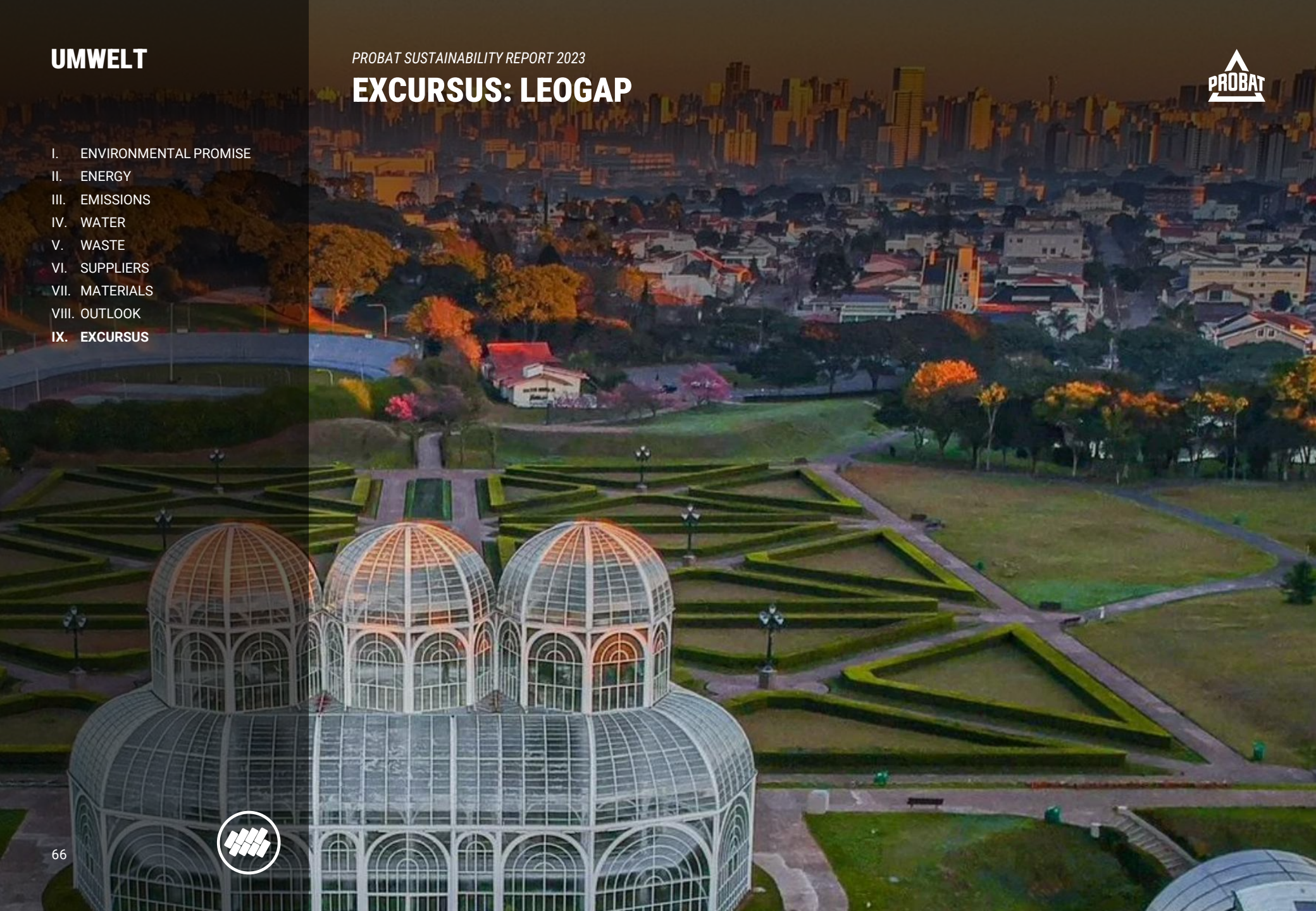
PROAIR is an energy-saving, high-performance solution for reducing odors from cooling exhaust air, specially tailored to the needs of the coffee industry. PROAIR works without the energy-intensive use of catalytic or thermal oxidation technologies and is based solely on a non-thermal plasma process that converts clean air into active oxygen. Introduced into the exhaust duct, the active oxygen oxidizes the odor-intensive components of the exhaust air, reducing odor pollution by up to 91%.

To improve transparency within the value chain, PROBAT has also developed a special CO<sub>2</sub> calculator for the industry, which makes it possible to analyze the emissions of a coffee processing plant depending on various parameters.



# EXCURSUS: LEOGAP

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## EXCURSUS: LEOGAP



### SUSTAINABILITY AT LEOGAP - IMPRESSIONS FROM A SUBSIDIARY

LEOGAP is a Brazilian plant and machinery manufacturer with a long tradition, founded in 1963 and part of the PROBAT Group since 2001. Within the group the company operates as the "value brand" with a particular focus on markets in Latin America and Asia. The company offers market-appropriate solutions for processing coffee and is increasingly placing sustainability at the center of its corporate strategy. As a member of the Group, LEOGAP is integrated into the global sustainability strategy. Joint standards are developed and measures are coordinated through regular consultations with the headquarters in Emmerich.

### EMISSIONS MANAGEMENT

Since 2021, LEOGAP has been calculating the corporate carbon footprint (CCF) in accordance with Scope 1, 2 and 3. These analyses make it possible to identify sources of emissions and reduce them in a targeted manner. This resulted in the following measures in the reporting period, for example:

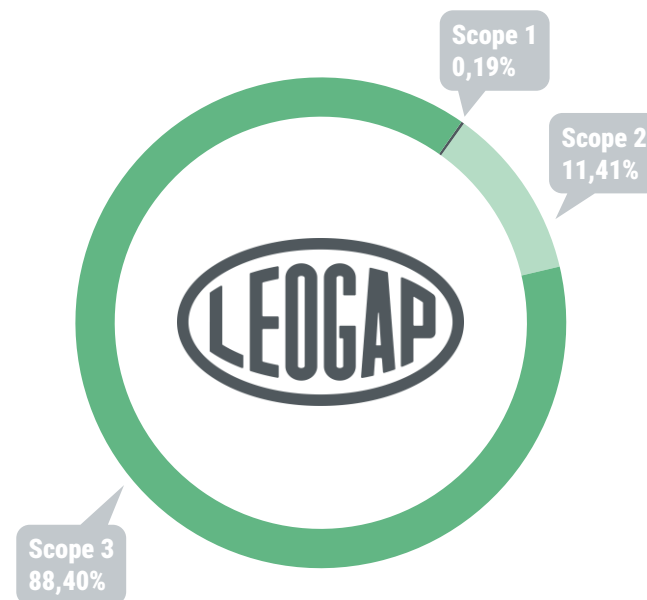
- Increasing the efficiency of lighting: 60% of conventional lighting was replaced with energy-efficient LED lights.
- Modern air conditioning systems: replacing old air conditioning systems not only reduces energy consumption, but also improves working conditions, as does the use of more environmentally friendly coolants.

### CONSERVING RESOURCES

Reduction in paper consumption: The aim is to reduce paper consumption by more than half. Initial measures include switching to certified PEFC and FSC paper and introducing a paperless access system in the canteen, which saves thousands of paper tickets every year.

### DIGITIZATION

Switching from desktop PCs to energy-efficient laptops reduces power consumption and enables mobile working models.



**Scope1:** 770 kg CO<sub>2</sub>  
**Scope2:** 46,300 kg CO<sub>2</sub>  
**Scope3:** 358,890 kg CO<sub>2</sub>



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## EXCURSUS: LEOGAP



### RENEWABLE ENERGIES

LEOGAP is planning to join the deregulated energy market in Brazil in 2024 to purchase green electricity. Detailed tracking and monitoring of energy consumption is already underway in order to further optimize the overall energy consumption.

### NATURE CONSERVATION AND GREENING

LEOGAP is actively committed to reforestation of its own site: 28 new trees were planted in the reporting period. Further plantings are to follow every year until 2030 to make a long-term contribution to biodiversity and carbon sequestration.

### MOBILITY AND TRAVEL

Travel optimization: Business trips and commuting behavior of employees are analyzed annually, not only for the Corporate Carbon Footprint, but also to develop more efficient solutions. A revised travel policy in the current reporting period lays the foundation for this.

### WORKING ENVIRONMENT

LEOGAP improved the amount of daylight entering the factory by maintaining translucent roof tiles, which positively impacts employees' working conditions.

With these measures, LEOGAP is an example of how a global company in the PROBAT Group actively contributes step by step to sustainability.





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We act in the best interests of our stakeholders and the environment. Social responsibility is firmly anchored in our corporate culture and an integral component of our sustainability strategy. We believe that the long-term success of PROBAT is not only based on the financial numbers, but always also an expression of our entrepreneurial dedication to a social, economic, and ecologically just embodiment of global society.

In this section of our ESG report, we provide an overview of our social initiatives, programs, and activities. We will explicitly address the subjects of employee engagement, workplace safety, diversity and inclusion, education and training options and social commitment. We are proud to be making a positive contribution to a sustainable society and are constantly reviewing our efforts.



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# FAMILY BUSINESS

PROBAT is not only dear to the hearts of the proprietor families. This is made clear to all visitors right in the foyer of the company headquarters in Emmerich. In addition to the modern design of the lobby area, multiple wooden “family trees” hang there. These are testament to our employees’ extraordinary dedication to the company and the esteem in which our company is held. These trees hold the names of the employees who have worked in the company for 25 years or longer, and more names are added each year. It is not unusual for companies to stay in the company through generations and entire families are connected to PROBAT.

We usually fill new positions quickly. We train our own new talent and that of other companies in the region in our own training center.

For PROBAT, sustainability means maintaining years of company affiliation in addition to the development of complete solutions to preserve resources and the environment, because humankind, nature and the environment are a common responsibility. The employees, with their outstanding know-how, have been the foundation of our sustainable success for over 155 years. Therefore, we also care intensively for the numerous former employees, be it through an annual retiree gathering or through inclusion in various other activities. We also celebrate anniversaries and retirements and are grateful for the work they performed.

Our headquarters is also home to the Museum of Coffee Technology. Here we invite visitors on a journey through coffee history. Over 1,000 exhibits tell the story of our heritage and the development of coffee roasting. On a tour you can experience how PROBAT has become one of the world's leading companies in the coffee industry.



## PROGRESS THROUGH CHANGE

Despite our long-standing position at the top of the industry, our company still possesses a progressive will to change. In 2019, together with another partner we established a software company for cloud-based web applications (Fabscale) because we couldn't find the desired service on the market. Despite the crisis, in 2020 we started PROBAT GO and have been promoting the subject of digitization since 2021. In 2022 we surprised the entire industry with the first “hydrogen roaster”. We don't rest on our laurels, but always strive for improvement without neglecting the down-to-earth mentality and connectivity of a Lower Rhenish family company.

The management encourages and supports trendsetting decisions. Many of our customer projects are also development projects that are initially associated with higher insecurity. So, we have to bravely blaze new trails to offer successful solutions. In addition, we promote the classic virtues of entrepreneurship amongst our employees. A distinct error culture is therefore exceptionally helpful for the necessary changes. The supervisors see themselves as guides and sparring partners.



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## FAMILY BUSINESS

### INTERNATIONALITY

PROBAT is a global company that collaborates with customers and partners all over the world. Cultivating personal contacts across borders is part of our tradition. We show our visitors special appreciation by flying the flag of their country of origin in front of our main building during their visit.

Dealing with different cultures is part of our daily business. We not only successfully manage project-related tasks with our international partners, but also work on an equal footing to develop a shared understanding of global challenges.

### DIVERSITY AND INTEGRATION

As early as the beginning of 2016 we started the “Joint Integration” network with four other companies to become active in the refugee crisis and to support people in need, long before politics offered solutions. In addition to German lessons, the companies involved also offered internships and many employees have voluntarily offered their time for this project.

We support various social initiatives and social welfare institutions, particularly those focused on the well-being and education of children and adolescents. We are a partner of the SOS Kinderdorf of the Lower Rhine and also support other important charitable projects in the local area, for which above all the staff act as the driving force.

PROBAT is still mainly managed by men. However, the Diversity Committee, founded in 2021, promotes careers in the company regardless of gender, religion, or ethnic origin of the employees. We have made a statement for diversity with the P05 PRIDE roaster. It is a symbol of diversity and at the same time an expression of the conviction that this uniqueness is the only thing we all have in common. 100% of the profits from the sale of this unique item went to the Polish PRIDE movement.

PROBAT is an esteemed employer in the region and beyond. We are aware of our responsibility to the weaker members in society, reward the actions of all employees and promote unlimited spirit of innovation. That also makes us a market leader.





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## FAMILY BUSINESS



### PHILOSOPHY AND MANAGEMENT TEAM

The tradition of a family business does not mean standing still. We believe that the success of the individual determines the success of the team. We encourage the innovative spirit of our employees and value new ideas that contribute to the further development of our company. Being part of the PROBAT Group means combining excellence with global teamwork, characterized by respect and diversity. We think in generations, not quarters. We are a global brand with fifteen sites in nine countries. Founded in 1868 in Emmerich.

PROBAT SE is managed by a dual management system consisting of an Executive Board and a Supervisory Board. In 2023, the Executive Board consisted of the Chairman Wim Abbing and Christian Thimm. The Executive Board is appointed by the Supervisory Board for a maximum term of six years, with the possibility of reappointment for a further six years.

The Supervisory Board consists of three members, one from each of the three owner families. The Board currently consists of Chairman Nils Erichsen, Deputy Chairman Dr Stephan Feldhaus and Dr Michael Müller-Brockhausen. The Board has a strong supervisory and advisory role and also acts as a sparring partner for management. There is a regular and intensive dialogue with management on current issues. Votes on transactions requiring approval are taken at short notice. The Board takes all decisions by a two-thirds majority. The Board meets on a quarterly basis. In addition, four financial meetings are held to discuss the quarterly key figures and forecasts for the current financial year. All PROBAT subsidiaries are supervised by the Supervisory Board. The local management of the subsidiaries participates in the Supervisory Board meetings on a rolling basis or as required. Meanwhile, a digital exchange platform set up specifically for this purpose ensures consistent and comprehensive information.

The term of office of the members of the Board of Directors normally ends at the Annual General Meeting that decides on the discharge of the Board of Directors after the fourth financial year of the term of office. Re-election is possible. If a member retires before the end of his or her term of office, a successor is appointed for the remainder of the term.

PROBAT's shareholders meet once a year - in particular to approve the annual financial statements, determine the amount of the dividend and discharge the management. At the same time, we use the shareholders' meetings for direct, informal dialogue with top management. In addition, shareholders are kept up to date on the latest developments and projects in our company through cross-divisional presentations by the responsible managers.

### INFORMATION ABOUT THE WORKS COUNCIL

The term of office for members of the PROBAT SE Works Council is four years, with the possibility of re-election. Only PROBAT SE employees can be elected to the works council. The Works Council holds joint meetings with the Executive Board twice a year, normally once within four weeks of the adoption of PROBAT SE's annual financial statements and once six months later. These meetings take place in Emmerich. The works council currently consists of eleven members, seven men and four women.



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## EMPLOYEES

### HUMAN RESOURCES AND EMPLOYER BRANDING

Motivated and satisfied employees are a significant precondition for the entrepreneurial success of PROBAT. So, we focus on the promotion of the health of all employees. We want to create a good balance between leisure, private life, and work. We support the individual wishes and needs of each individual employee as much as we can and therefore also offer work-time models that extend beyond the regular "home office".

The dishes in our modern and light company restaurant "Werk III" are designed to provide a balanced diet. A restaurant committee made up of employees ensures sustainable quality and variety. There are regular physio appointments in our company and the employees can take part in our open running group or kick a ball with colleagues in the company team.

Our health circle also organizes weekly sports sessions and other activities. We invest in our employees and want them to be up to date on the current state of events and be able to expand their knowledge as needed. Whether quality management, software or data technology, management development, specific technical training and further education programs or sessions regarding workplace safety, health management and environmental protection. We offer our employees a comprehensive range of education and training. In 2023, a coaching program was introduced for the further development of managers at all management levels with the aim of strengthening and improving cooperation.

The estimation of our employees is an elementary component of our corporate culture. This also includes direct exchange with the CEO, who personally thanks all employees every year before Christmas. Company gatherings have been held digitally or in person since the Corona crisis, and the CEO personally provides information in so-called Town Halls about company developments. The employees are also informed and involved via management meetings and the internal social network.

Our new "PROBAT connected" exchange format, which gives employees the opportunity to work in another PROBAT Group subsidiary for a certain period of time, was also launched in 2023. In the reporting period, three colleagues took part for a period of two to three months - the project will be continued.



In the current reporting year, numerous projects were successfully implemented to further improve work processes and employee satisfaction at PROBAT. For example, the onboarding concept was revised to make it easier for new colleagues to enter the PROBAT world. Important progress has also been made in the area of digitalization: personnel requests and overtime applications can now be conveniently processed via a digital app, eliminating the previous paper process with a "signature run". Further measures to increase employee satisfaction have already been decided for the coming year, such as the introduction of corporate benefits and the offer of a job bike.

Promotion of our employees is also reflected in the composition of the top management, which is largely recruited from our own ranks.



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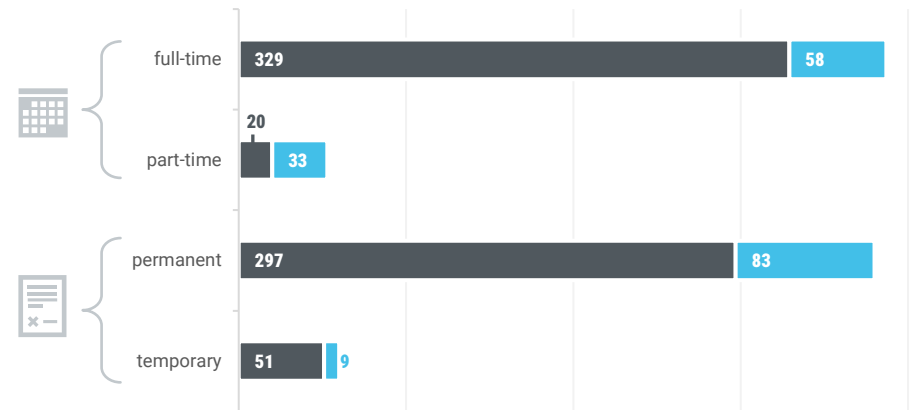
# EMPLOYEES



## EMPLOYEES

In 2023, PROBAT SE employed a total of 440 people. Of this, 380 were permanent employees, of which 297 men and 83 women. There were also 60 employees on temporary contracts and interns, of which 51 men and nine women. We usually offer new employees temporary contracts, which after two years are converted into permanent contracts. There are five men and two women in the group of hourly employees, who are also included in the temporary contracts. If one considers employment according to working time models, 387 were full-time employees (male: 329; female: 58) and 53 part-time employees (male: 20; female: 33).

In the reporting year, our team consisted primarily of male employees. Therefore, we are promoting gender diversity in our company and encourage women to apply for open positions.



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GRI 401-3



## EMPLOYEES



### NEW EMPLOYEES AND EMPLOYEE FLUCTUATION

A total of thirty-five new employees were hired in the reporting year, which is about 8% of the total staff. Of these new hires, 22 people were between the ages of 16 and 29, 6 people between 30 and 39, 3 people between 40 and 49 years old and 4 people 50 years and older. Overall, twenty-eight of the new employees were male and 10 female. These data show the dedication of PROBAT for a diverse and non-ageist composition of the staff and the promotion of equal opportunities for new hires.

During the same period, a total of fifty employees left the company. Of which thirty-six were male and 14 female. The age distribution of the employees shows that 22 people were between the ages of 16 and 29, eight people between 30 and 39, eight people between 40 and 49 years old and 12 people 50 years and older. These data provide an insight into the personnel fluctuation and help the company to recognize possible causes for staff departures and to develop specific measures to encourage employee bonding.

### CORPORATE BENEFITS

The corporate benefits offered by PROBAT are equally accessible to all employees, regardless of their employment status. In the sense of equal opportunities and a fair field of work, there are no benefits that are exclusively reserved for full-time employees.

### PARENTAL LEAVE

All PROBAT employees have the right to parental leave to be able to balance family obligations with their occupational activities. In 2023, three female employees successfully came back to work after a longer parental leave and continue to be employed in our company. We promote and support the compatibility of work and family life by creating an environment in which our employees can fulfil their professional and private obligations without restrictions.



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GRI 404-1



## EMPLOYEES

### OPERATIONAL CHANGES

According to the Works Constitution Act, the works council (11 members), as the representative body of the employees, must be consulted in good time on various personnel measures. It has a right of co-determination in matters relating to labor law. For hiring, transfers, restructuring and grouping, the hearing deadline is one week, for statutory notice of termination one week, and for immediate termination three days. The notice periods are set out in the German Civil Code (BGB) and apply contractually to both parties.

The notification periods for short time work are set forth pursuant to the legal determinations in the compensation contract otherwise the legal provisions apply. In Germany, the fundamentals of employee participation are followed, whereby the notification deadlines at least meet or even exceed the legal regulations. We are committed to fair and transparent working conditions and comply with national, collective bargaining and local reporting requirements.



### TRAINING AND FURTHER EDUCATION

With a diverse offering of training courses, PROBAT is meeting the current challenges for the training of skilled workers spurred on by the changing requirements of the international coffee market. Applicants can choose from a total of nine commercial and industrial training positions.

In cooperation with the Rhine-Waal University of Applied Sciences, PROBAT also offers dual degree programs in the areas of industrial engineering and international business management, which conclude with a bachelor's degree. After that, one can also continue toward a master's degree.

The apprentices who are learning a technical trade are trained in our own company training center together with apprentices from other companies. They are intensively supported by a total of six instructors. Despite the variety of the individual trades, the training at PROBAT is of very high quality due to the intensive supervision and learning in small groups of trainees. Thus, PROBAT has an outstanding reputation in the entire region as a training establishment and has already been honored by the Lower Rhine Chamber of Industry and Commerce (IHK Niederrhein) for its special commitment to training.

Many of the trainees then decide to stay in the company after their training. They utilize the numerous supportive further education opportunities to qualify for attractive positions at PROBAT.



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GRI 404-3



## EMPLOYEES



### AVERAGE NUMBER OF HOURS FOR TRAINING AND FURTHER EDUCATION

During the reporting period a total of 328.85 hours were dedicated to training and further education. Of these, 131.08 hours were for female and 197.77 hours for male employees. These numbers are based exclusively on the employees working for PROBAT. The assessment of the training courses was made using the HR time recording system ATOSS. At PROBAT, we place particular emphasis on our employees' continuous professional development.

### IMPROVEMENT OF SKILLS

Within the scope of our efforts to advance the skills of our employees, we have implemented various programs during the reporting period. These include both internal and external training courses with the goal of continually improving the competencies and knowledge of our employees. Through these programs we offer our employees the opportunity to further develop in their careers and to face the constantly changing demands of the employment market.

### REGULAR PERFORMANCE ASSESSMENT

During the reporting year, we laid great value on the regular assessment of the performance and career development of our employees. As of 12/31/2023, a total of 345 employees have received a performance evaluation, including 267 male employees and 78 female employees. This process reflects our dedication to the recognition and appreciation of individual performance and the contribution of the individuals to fulfilling our company goals. The regular performance assessments and the associated career discussions support our employees in recognizing their strengths, identifying potential for their development and to pursue and extend their occupational goals.

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## DIVERSITY AND EQUAL OPPORTUNITIES

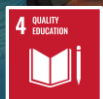


We at PROBAT for are convinced that all people have the right to be themselves. So, we are committed to diversity. It is an essential part of our corporate culture. For us, diversity means the plurality of people. We highlight the commonalities of the differences and unite this feeling of belonging under the guiding idea of "PROWIR": Through a clear avowal of the management and the establishment of a diversity circle, we want to sustainably anchor a consciousness of diversity in the heads of our employees - both at the workplace and in private life. We hold many campaigns in the 2023 reporting year, publish contributions on the intranet, initiate discussions and offer training programs to reinforce the understanding of diversity. We also continually review our existing processes and adjust them as needed if they stand in the way of a diverse corporate culture or management.

In order to officially underline our dedication, we are part of the Charta der Vielfalt, the largest German diversity network.



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GRI 405-1

GRI 405-2



## DIVERSITY AND EQUAL OPPORTUNITIES

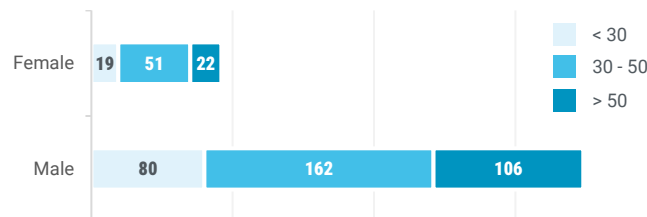


### SUPERVISORY BODIES AND EMPLOYEES

Thirty-one managers, of which twenty-nine male, two female



440 employees, 348 male, 92 female



In total, thirty-one people - 29 men and two women - were part of the top management team in the reporting year. There is no manager under 30 years of age, 19 people are between 30 and 50 years old and 17 people are over 50 years old.

Of the total 440 employees, 348 are male and 92 female. The age group under 30 includes 80 males and 19 females. In the 30 to 50 age group, there are 162 male and 51 female employees. There are 106 men and 22 women in the over 50 age group.

The data shows a predominance of male employees in the company across all age groups.

### BASIC SALARY AND REMUNERATION IN GENDER COMPARISON

We are committed to gender equality and fair pay. There are no differences between the basic salary and remuneration of women and men in our company. This is ensured by a clear collective agreement that guarantees equal pay for work of equal value. We are constantly working to ensure that all employees, regardless of gender, are paid fairly and equitably and have the same opportunities for career development.





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GRI 2-30

GRI 406

GRI 406-1



## NON-DISCRIMINATION

### TOGETHER AGAINST DISCRIMINATION

During the reporting period, we took various measures at PROBAT to prevent incidents of discrimination and to promote an inclusive working environment. These include, in particular, training for the Diversity Group to promote awareness of diversity and equality and to prevent discrimination. No incidents of discrimination were reported in the company in the year under review. This positive development demonstrates our commitment to a culture of tolerance, respect, and fairness in the workplace. We will continue to actively combat discrimination in all its forms and ensure that our employees feel protected and respected.

### COLLECTIVE LABOR AGREEMENTS

The remuneration of our 440 employees is based on the collective agreement for the metal and electronics industry in North Rhine-Westphalia. There are employees at PROBAT who are paid outside the collective agreement. Their salaries are generally higher than the collectively agreed rates. In order to compensate for this, there are different overtime regulations for employees who are paid according to the collective agreement and those who are not. In this way, we ensure fair and appropriate working conditions for all employees.

### FAIR PAY

PROBAT sets clear standards for the remuneration of employees with collectively agreed minimum wages that are well above the statutory minimum wage level. We pay salaries on the basis of fair and transparent remuneration models and regardless of gender.

### WORKING TIME REGULATIONS AND WORK-LIFE-BALANCE

PROBAT is actively committed to the compatibility of work and family. Our employment contracts not only stipulate maximum working hours, but we also offer flexible working time models.

In this way, our employees can better bring their work obligations into balance with their personal needs.

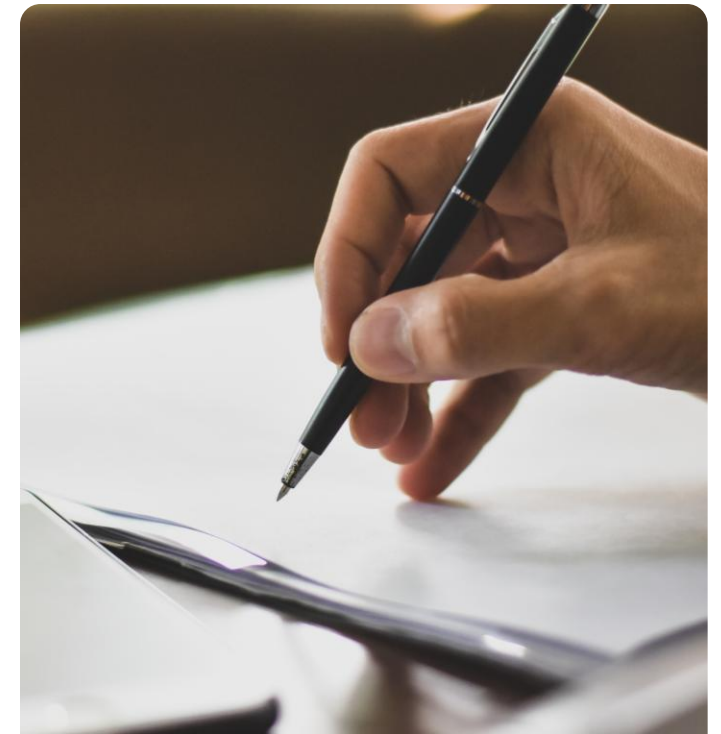


### PARTICIPATION AND INVOLVEMENT

PROBAT promotes the active participation of employees in operational decisions because the possibility of co-determination contributes to a positive corporate culture. Through regular communication and involvement in decision-making processes, we create a motivated and committed workforce.

### FURTHER EDUCATION AND PROFESSIONAL DEVELOPMENT

We support the training and development of our employees. This enables them to continually improve their skills and qualifications to meet the changing demands of the labor market. This not only contributes to the personal development of each individual, but also strengthens the competitiveness of our business.



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GRI 201-3

GRI 202-1



## NON-DISCRIMINATION



### OBLIGATIONS FOR PERFORMANCE-BASED PENSION PLANS AND OTHER PENSION CARE PLANS

Until June 30, 1999, there was a pension scheme financed by PROBAT from which claims for old cases still exist. Today, employees have the opportunity to participate in a company pension plan via the Metallrente pension scheme, which is subsidized by an employer contribution as well as pension-related benefits (AVWL). The obligations are serviced from the operating business.

### STANDARD STARTING SALARIES AND LOCAL MINIMUM WAGE

PROBAT guarantees that all employees receive the collectively agreed minimum wage guaranteed by the collective agreement for the metal and electronics industry in North Rhine-Westphalia, which is significantly higher than the statutory minimum wage. In this way, we guarantee fair and appropriate income conditions for all employees, regardless of gender.



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GRI 403

GRI 403-2

GRI 403-3

GRI 403-4



## HEALTH AND SAFETY



### IDENTIFICATION OF HAZARDS, RISK ASSESSMENT AND INVESTIGATION OF INCIDENTS

In occupational safety, we follow the applicable laws, ordinances, guidelines, and technical regulations. Pursuant to the occupational safety law, we are obligated to protect the safety and health of our employees at the workplace. Through risk assessment, we anticipate possible hazards and can remedy them before they become a danger to safety or health.

We not only detect potential dangers through regular inspections, but also for new acquisitions or process changes. If there is an occupational accident or a work-related illness, we endeavor to identify the circumstances and the associated risks and to remedy them as quickly as possible.

Hazard identification, risk assessment and incident investigation are part of the integrated management system. If necessary, these are discussed at the Occupational Safety Committee (OSC) meeting and appropriate action is taken.

### OCCUPATIONAL MEDICAL SERVICES

PROBAT collaborates with the PIMA Health Group to maintain and promote the physical and mental health of its employees and the resulting performance. There is a permanent company doctor who conducts employee examinations, workplace inspections, advises specialists and managers, supports the preparation of risk assessments and general occupational health and safety in the company within the legally prescribed minimum framework.

### OCCUPATIONAL SAFETY COMMITTEE

The employees can turn to the safety manager or occupational safety officer at any time if they have concerns about safety and health. These will then discuss the subject in the OSC meeting.

The OSC has the subordinate task of providing information on the subject of occupational safety in a clear and comprehensive manner to reduce the number of workplace accidents to a minimum and to further develop health protection. This includes in particular the creation of measures and actions as well as their implementation or at least close monitoring and the implementation of regular inspections of the facilities and analysis of these. The OSC is made up of members of the management, company officers, employees of the human resources department, works council members, safety officers, the production management, the occupational safety officer, the company medical service and other experts in the field. The meetings of the OSC take place at least every quarter.

### EMPLOYEE TRAINING

The employee training sessions on health and safety in the workplace include general safety instruction on the subject of office and screen workplaces, working and spending time in production, workplace and activity-related instruction, annual evacuation exercise and mobile work. In addition, three new safety officers were trained in the reporting period, who play an important role in ensuring occupational health and safety standards are met. Employees have the opportunity to report near misses and unsafe situations anonymously in our occupational safety management tool (Quentic) or to contact safety officers and the works council.

### MANAGEMENT DEVELOPMENT

In 2023, the further development of managers at the various management levels was initiated by a coach to strengthen and improve cooperation. In 2023, PROBAT initiated a comprehensive leadership development process that initially addressed all managers from department head level upwards. From 2024, this process will focus on a selected group of people at 1st and 2nd management level.

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GRI 403-5

GRI 403-6



## HEALTH AND SAFETY



### HEALTH CIRCLE

PROBAT employees meet regularly in various internal groups. These group activities organized by the PROBAT health circle are put on especially for the promotion of health in the workplace. In addition to regular running and swimming sessions, there are advice rounds on subjects such as balanced diet and mental health. The offering of company supported preventative physiotherapy rounds off the portfolio of the regular activities of the health circle. With the fruit day every Tuesday, PROBAT supports its employees to follow a healthy and balanced diet. An annual highlight organized by the health circle is the HOME RUN - a regional charity run. In 2023, 97 participants from PROBAT took part and covered a total of 1,916 kilometers. The run raised €2,500, which will be donated to charity.

Individual specific actions of external institutions are also supported, such as DKMS, an international nonprofit organization dedicated to the fight against blood cancer and blood disorder. In the past, PROBAT has already undertaken bone marrow typing to identify suitable stem cell donors. In total, more than 100 PROBAT employees have now been registered with DKMS as potential donors in the fight against leukemia.

Beyond the activities of the health circle, PROBAT regularly organizes events such as seminars, employee parties, anniversary tributes and retiree meetings to reinforce the feeling of togetherness. Thus, there are many opportunities for intensive exchange beyond work.

As a family company, PROBAT lays special value on the balance of work and family. In addition to a first consultation for pregnant women, part-time models and break rooms that offer a relaxed atmosphere, the company offers an open ear for individual situations. Parental leave has already been used by many mothers and fathers.



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## HEALTH AND SAFETY

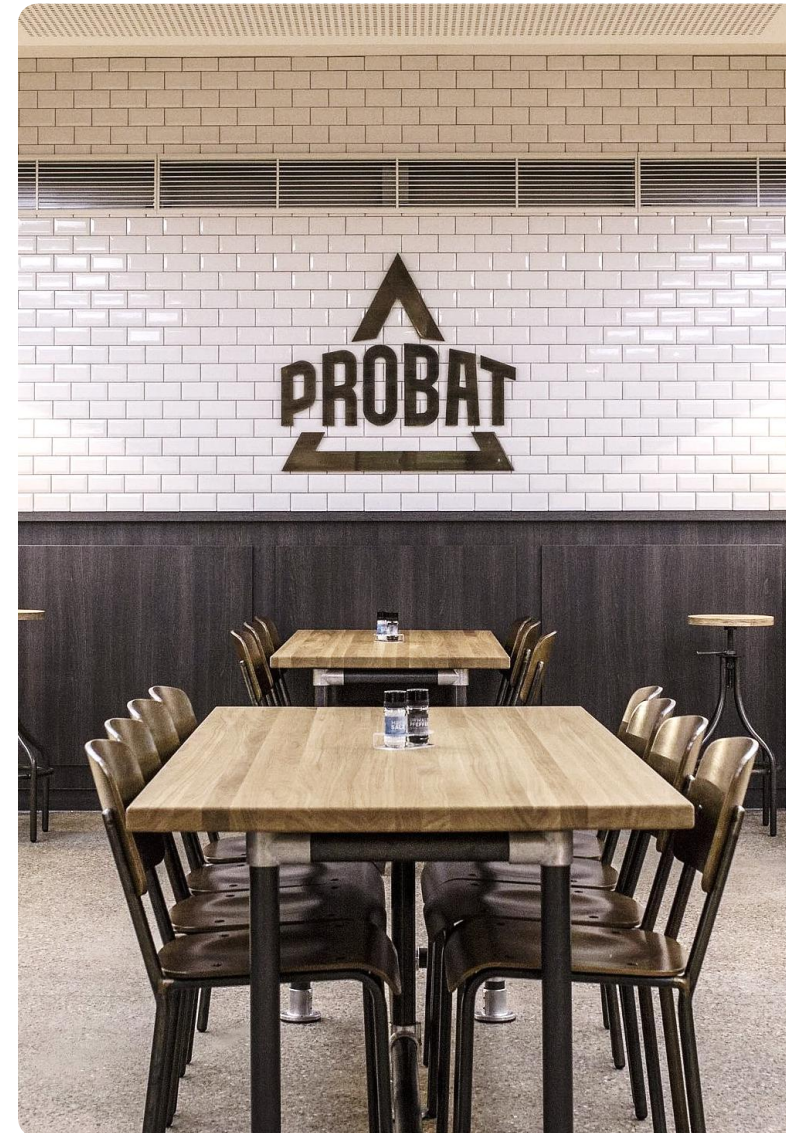
### RESTAURANT WERK III

In the PROBAT company restaurant "Werk III", all guests and employees can expect a varied selection of freshly prepared and well-balanced dishes. The menu changes daily and consists of three dishes:

Wellfit, vegetarian or hearty traditional, there is something to suit every taste. Sunny breaks can be enjoyed on the spacious outdoor terrace overlooking the garden.

PROBAT attaches great importance to the sustainable management of the company restaurant:

- Selection of high-quality and sustainable ingredients
- A preference for regional and seasonal products
- Conscientious preparation, fresh on site as much as possible
- Conservative handling of resources and careful recycling
- Use of glass instead of PET beverage bottles
- Exclusive use of reusable packaging



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GRI 403-7

GRI 403-9

GRI 403-10



## HEALTH AND SAFETY

### SAFETY AND HEALTH AT THE WORKPLACE

In the reporting year, we once again carried out a comprehensive risk assessment in order to avoid or reduce the impact of our business activities on the health and safety of our employees as far as possible. In 2023, among other things, a new risk assessment was carried out for the area of "Traffic safety and presence on the factory premises". The risks identified were eliminated through suitable protective measures, ensuring a safe working environment overall.

In addition, back training courses were introduced in the current reporting year: We have been offering two 10-week back training courses since November 2023. Our back school is run by our physio team and offers a variety of exercises and advice to improve back health, relieve tension and develop better posture. The courses on offer were used intensively by employees.

In addition, a new beading and flanging machine was purchased for our production department. We have acquired a state-of-the-art machine for simple and precise sheet metal processing.

Logistics was also optimized: electric pallet trucks were purchased in the specialist area to improve ergonomics at the workplace and optimize internal transport and the storage of pallets.

### WORK-RELATED INJURIES

In 2023 there were no work-related injuries in our company with severe consequences. There was a total of three documented accidents at work, most of which involved cuts and sprains. These events caused a total of 119 lost working hours. In addition, 308 hours were lost due to notifiable commuting accidents. There were no work-related injuries among employees who are not salaried and whose work and/or workplace is still monitored by our organization. In 2023, no new work-related hazards were identified that would represent a risk of injuries with severe consequences.

### WORK-RELATED ILLNESSES

In 2023 there were neither documented work-related illnesses nor deaths due to work-related illnesses.



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GRI 410

GRI 410-1



## BUSINESS ETHICS

PROBAT follows the laws of all states in which the company is active. In competition, we promote performance, customer orientation and the quality of our products and services. We follow the national and international laws and regulations as well as the relevant international agreements set forth in our contracts. Products and services endanger neither humans nor the environment and fulfill the agreed or legally stipulated standards for product safety. PROBAT disapproves of corrupt and otherwise illegal activity and does not tolerate it. All commercial activities are subject to the rules of fair competition. PROBAT prohibits child and forced labor and dedicates itself to upholding all labor law provisions and laws in its own company and in its own supply chain.

The company respects equal opportunity in hiring, employment, and remuneration. No one may be discriminated against based on gender, age, ethnic or national origin, religion, sexual identity, union membership or disability. Physical or psychological disciplinary measures in any form are forbidden. This applies in particular if employees report company practices in good faith which violate national, international or internal regulations.



### SOCIALLY ACCEPTABLE WORKING CONDITIONS

Workplace safety and protection of health must be ensured at a minimum within the framework of the national regulations. PROBAT is obligated to introduce guidelines and procedures for workplace safety and to protect health and to communicate these to the employees to reduce or prevent accidents and work-related illnesses. Fair remuneration and adhering to set or industry stipulated minimum wages are a matter of course for PROBAT. In this, as a company we guarantee our employees receive the legal social services they deserve. Our remuneration system is transparent, and payments are made regularly and in the legal currency. Illegal and unjustified deductions from pay and deductions as disciplinary measures are not permitted. We make sure that our employees keep to the set maximum hours that are legal, set by the labor law or normal for the industry in the respective country. Voluntary overtime is paid within the framework of the legal stipulations. After six successive working days, the employees have a right to a free day. In addition, the employees have a claim to annual holiday leave. The employees have the right to collective bargaining and the right to organize in unions. If a country does not permit unions for political reasons, PROBAT will enable independent groupings in another form. Neither employee representatives due to their position nor union organized employees will suffer disadvantages from their membership.



# APPENDIX

I. ABOUT THIS REPORT

PROBAT





# ABOUT THIS REPORT



## REPORT PROFILE

This report illustrates the relevance of the subject of sustainability within the PROBAT Group for PROBAT SE with headquarters in Emmerich am Rhein. PROBAT SE is 100 percent owned by the PROBAT-Werke von Gimborn GmbH, whose shareholders are the generations succeeding the three founders Alex van Gülpen, Johann Heinrich Lensing and Theodor von Gimborn.

## REPORTING FRAMEWORK

The awareness of our social responsibility is reflected in our reporting. In 2023 we created an internal and external sustainability report for the second time and still on a voluntary basis. In this, analogous to the consolidated financial statement, quantitative data were collected for the period from 01/01/2023 to 12/31/2023. The collection of qualitative data was performed up until the copy deadline in December 2023. Data deviating from the listed reporting framework are labeled accordingly. The current report for the fiscal year 2023 was created under the guidelines of the Global Reporting Initiative (GRI) and is not subject to external audit. The Sustainability Report 2023 was published on December 17, 2024 in German and in English.

## ENTITIES THAT ARE CONSIDERED IN THE SUSTAINABILITY REPORTING OF THE ORGANIZATION

Within the framework of this sustainability report, we are focusing on PROBAT SE with its location in Emmerich am Rhein. By focusing on the reporting year 2023 we are able, currently still on a voluntary basis, to provide detailed insights into our sustainability efforts and to comprehensively assess the effects of PROBAT's activities on the environment, society, and governance (corporate management).

## REPORTING PERIOD, REPORTING FREQUENCY AND CONTACT

Our sustainability report covers the period from 01/01/2023 to 12/31/2023. To document transparency and to guarantee the continual progress of our sustainability efforts, the reporting will take place every year from now on. For questions and suggestions, please contact our central contact center at:

**sustainability@probat.com**

We look forward to your feedback and cooperation in the further development of our sustainability strategy.

## EXTERNAL AUDITS

PROBAT's current sustainability report was not subject to external audit because the creation of the report is still voluntary.

GRI 2-2

GRI 2-3

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