

Report on Sustainability at Ingenics

2019 to 2021



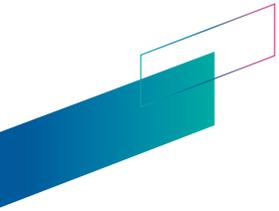
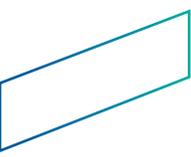


TABLE OF CONTENTS

1	Introduction	Page 3
2	Company Profile	Page 4
3	Sustainability Strategy	Page 13
4	Publishing Information	Page 28



Introduction

Foreword by the Managing Board

Over the course of the coronavirus pandemic, we became very aware of the importance of social cohesion. The lack of direct contact put personal relationships to the test and also threatened the stability of entire societies across the globe. At the same time, we felt the effects and challenges of climate change. Due to the pandemic and climate change, we are currently facing bottlenecks in the global supply chains, the further consequences of which are currently anyone's guess. This makes it all the more important to ensure that business models are forward-looking and sustainable.

Here at Ingenics, we placed sustainability at the top of our agenda in 2019, and have since been integrating more and more sustainable practices into our day-to-day business operations. Our work revolves around issues related to green factories, energy management, sustainable supply chains, certifications, and societal change.

As future-proof business activities are extremely important to us and we take our corporate responsibility seriously, we have developed a detailed sustainability strategy, established a code of conduct, and initiated a number of sustainability measures.

In this report on sustainability at Ingenics, we outline our activities in this field and will continue to expand them in the future. The current report is based on the sustainability strategy we developed in accordance with DIN ISO 26000. Our medium-term goal is to report in accordance with the GRI Standards.

We are certain that sustainable operations and business success do not merely go hand in hand, but are mutually dependent.

The Managing Partners of Ingenics AG



Oliver Herkommer

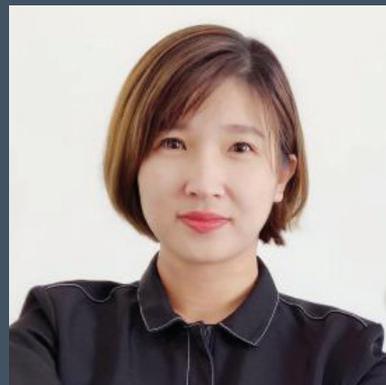
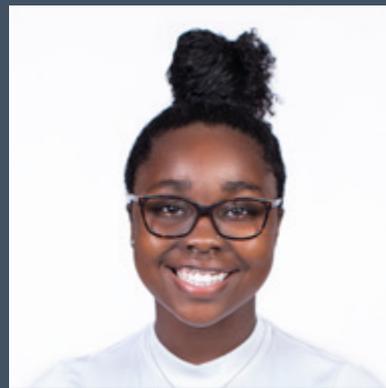
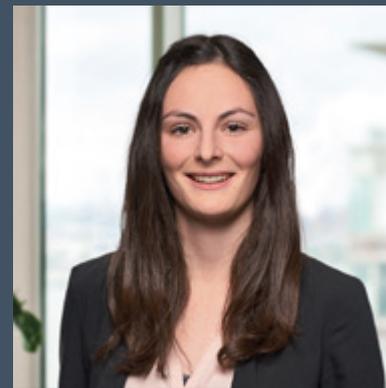
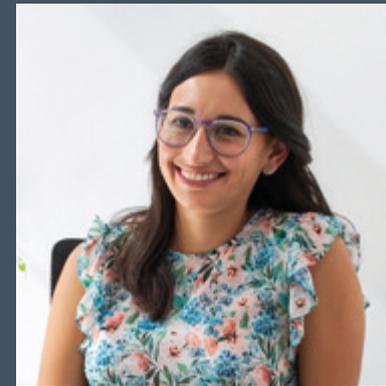


Andreas Hoberg



Manfred Loistl

Company Profile





About Ingenics

Ingenics AG, headquartered in Ulm, Germany, is an international management consulting firm that specializes in the transformation and digitalization of business models, products, and processes. With expertise in strategy, process, and organizational consulting, the company has been a partner to clients in a broad range of industries for more than 40 years.

Through its acquisition of the Pixel Group, based in Gräfelfing near Munich, Germany, in 2020, Ingenics AG expanded its portfolio to include software development as well as embedded and software engineering. Ingenics sees itself as an expert and source of inspiration in the field of digital transformation, developing innovative Industry 4.0-ready solutions with strong future potential. It focuses on a sustainable approach to help its clients achieve lasting success. In this context, Ingenics acts as a “digital architect” that combines process and digitalization expertise with extensive competencies in the fields of production, logistics, supply chain, and administrative processes. This is how the company successfully connects strategies, processes, people, and technologies.

Ingenics AG has over 710 employees at 18 locations worldwide and is therefore active in all major global markets. In addition to Germany, the company has subsidiaries in China, France, England, Mexico, Slovakia, the Czech Republic, and the United States.

>700

Employees

1979

Year founded

>10.000

Projects worldwide

100%

Owner-operated,
without outside
investment, and
manufacturer-agnostic

2020

Acquisition of the
PIXEL Group



>29

Collaborations and
Partnerships

Culture and Values

The corporate culture at Ingenics emphasizes collaboration as partners and communication as equals. This applies both internally – across all hierarchical levels – and externally when interacting with clients, partners, service providers, and other stakeholders.

Consulting and collaboration are based on four core values: (pro)activity, innovation, partnership, and expertise. These values are lived out on a daily basis at Ingenics and all of the company's business activities are measured against them. The aim is to achieve sustainable corporate growth.

A cooperative spirit and employee satisfaction and health are essential to the long-term success of the company. For this reason, Ingenics promotes team spirit and invests in measures to maintain and enhance its employees' qualifications and health.



“Fairness, helpfulness, reliability, trust, and honesty are the basis of our committed actions and our conduct, both internally and externally, and are lived out on a daily basis in our work.”

Martina Schulz, HR



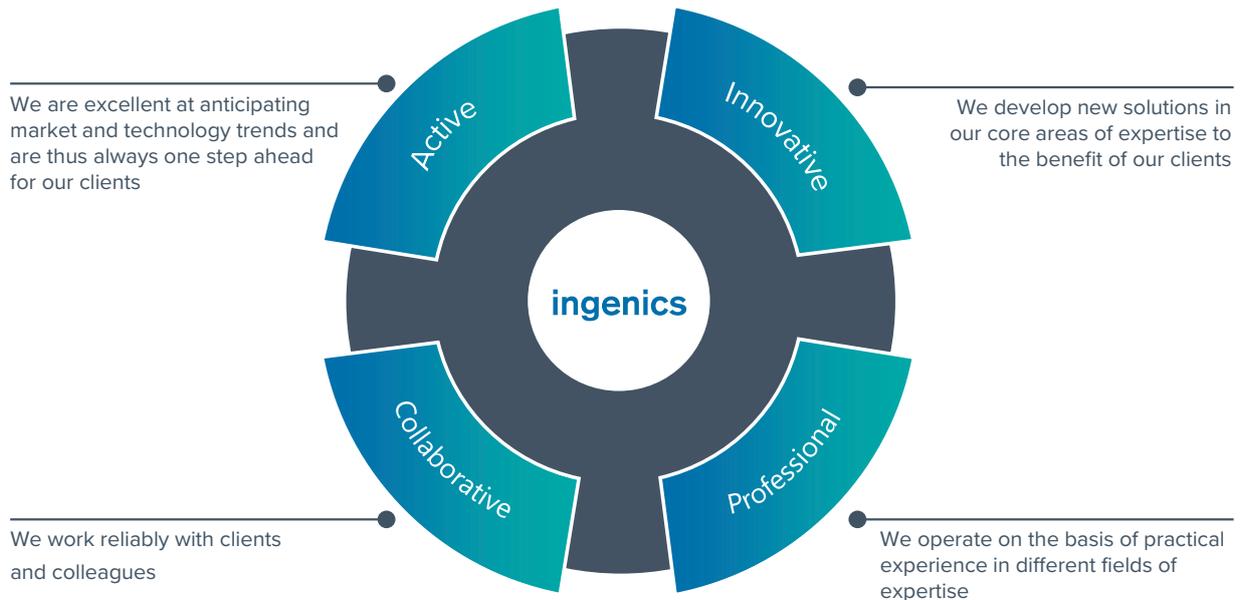


Figure 1: The Ingenics Group's values

Mission

In collaboration with our clients, we develop innovative concepts and implement efficient solutions. Our clients benefit from our many years of cross-industry expertise. Our integrative consulting approach is tailored to each case and includes planning, implementation, optimization, and qualification along the entire value chain. From medium-sized companies to major international corporations, we always focus on adding more value.



Standards, Certifications, and Awards

The high standards Ingenics has set for its own corporate objectives form the benchmark for the quality of the company's services. Continuous development is key to Ingenics' success and enables the company to constantly improve, thereby creating opportunities to innovate. These quality objectives are firmly enshrined in the Ingenics leadership system, and thus the process-driven management system plays an important role. The appreciative environment at Ingenics is also reflected in the fact that the company always scores highly in relevant surveys and rankings.

Quality Management

Certification in accordance with DIN EN ISO 9001:2015 Quality management systems forms the framework and therefore an integral part of our sustainable development initiatives and management systems.

Environmental Management

As a result of its DIN EN 14001:2015 certification, Ingenics follows a systematic approach to environmental management, thereby contributing to the ecological pillar of sustainability.

Energy Management

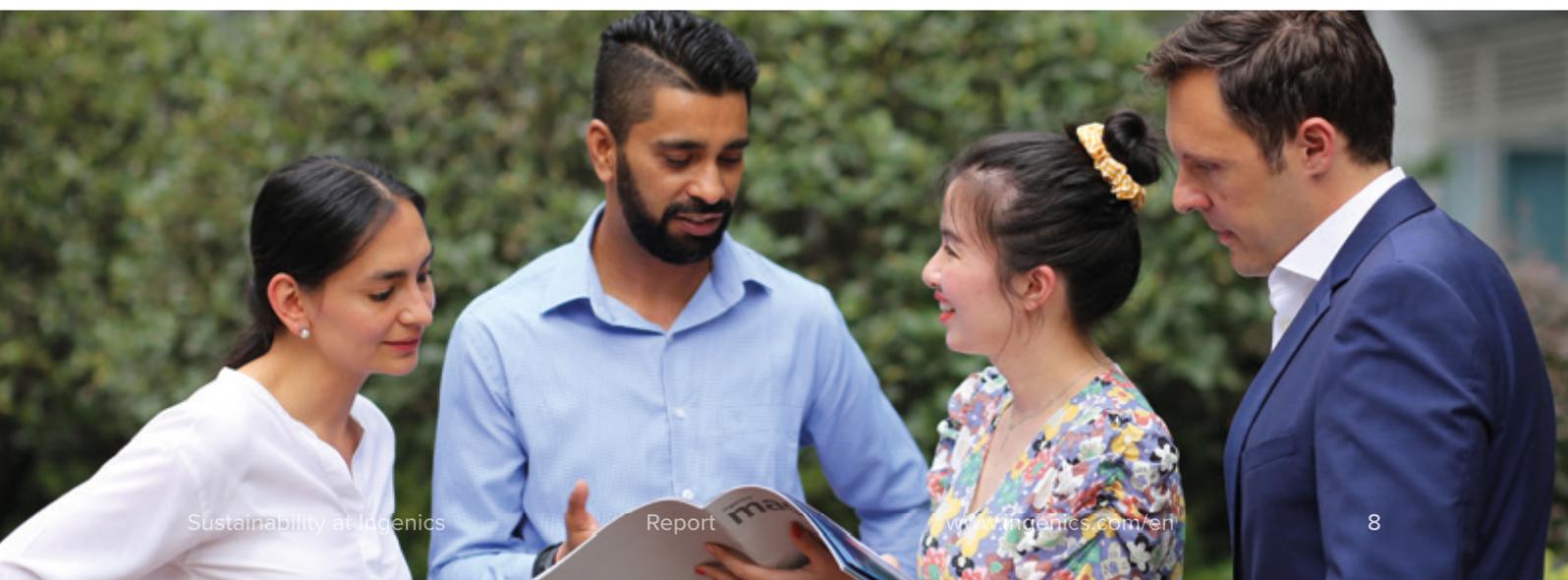
We have introduced the energy management standard DIN EN ISO 50001 in order to continuously improve our energy-related performance and energy efficiency.

Occupational Health and Safety

Through our certification in accordance with ISO 45001:2018 Occupational health and safety management systems, Ingenics adheres to internationally recognized standards for health and safety in the workplace.

Information Security

Information security requires us to handle all business-relevant information extremely carefully. The achievement of this goal is supported over the long term by our information security management system (ISMS) in accordance with the requirements of the international ISO/IEC 27001:2013 standard. In addition, TISAX certification defines the international information security standard in the automotive industry.



Top Employer in the Field of Consulting

We are proud to be able to offer our employees an outstanding workplace, which is why we are repeatedly recognized as a “Top Employer” in the field of consulting.

Great Place to Work®

In 2021, Ingenics AG was named “Best Employer in Consulting 2021” and ranked first in the category of consulting companies with more than 250 employees.

Lünendonk® List

Ingenics has been ranked among the top companies in the “Management Consulting” category for many years.

Ludwig Erhard Prize

In 2017, Ingenics was listed as a finalist for the Excellence Award. In order to put Ingenics’ performance to the test externally, we are currently reviewing the possibility of participating again in 2022.

A detailed list of all of the company’s current standards, certifications, and awards can be found on the company’s website at <https://www.ingenics.com/en/company/awards/>





Analysis of Relevant Areas of Activity

Regular discussions with relevant stakeholders are necessary to formalize activities related to sustainability and to firmly embed the topic both internally and externally. A detailed examination of the environment, the company, and the stakeholders offers the opportunity to reveal which key environmental and sustainability aspects need to be integrated into the company's sustainability strategy and to flesh out, initiate, and enshrine measures to this end. In order to identify the needs and expectations of all stakeholders, the company began conducting relevant surveys in March 2021.

Within the scope of a multi-stage process, employees and managers were surveyed first. This initially internal examination served to validate the survey system. The company's goal is to gradually include all stakeholders in the survey and to ask them the same questions in order to define the areas of activity that are relevant to Ingenics both internally and externally.

The survey is being conducted in the following stages:

- › **Stage 1:** Ingenics AG – employees and managers
- › **Stage 2:** All subsidiaries
- › **Stage 3:** Clients of Ingenics AG
- › **Stage 4:** Clients of all subsidiaries

At the time of this report's publication, stages 1 and 2 have been completed. Stages 3 and 4 are being prepared in order to begin surveying external stakeholders in Q4 2021.

The results so far reveal that the following three aspects are most relevant to employees and managers:

- › **Profitability**
- › **Integrity and Quality**
- › **Employee Well-Being**

In addition to these aspects, the survey also asked about issues of environmental and societal relevance. The survey made it clear that these issues are also relevant to the company's success, but that they are not accorded the same relevance by employees and managers as the aforementioned aspects.

Methodology and Results

The survey was based on a classification of defined areas of activity in relation to their relevance to Ingenics. In the survey, relevance was indicated with numbers between -2 (irrelevant) and +2 (highly relevant). **All of the responses submitted thus far ranged from 0 (relevant) to +2 (highly relevant).** Each of the main areas of activity is defined by subordinate aspects. These are shown in Figure 2 and explained in more detail below.

Viewed as a whole, all of the individual aspects are located along a clear, diagonal trend line. This indicates that both employees and managers consider the aspects to be of similar relevance. Issues located above the trend line are viewed as more relevant by employees, while those below the line are viewed as more relevant by managers.

Relevant issues are those that are considered important to the organization’s presentation of economic, environmental, and social impacts or that potentially influence stakeholder decisions. The results of the survey are also being evaluated by management from this perspective.

The aspects assessed as relevant will then be incorporated into the management approach in order to highlight how the company addresses the issues that are important to stakeholders.

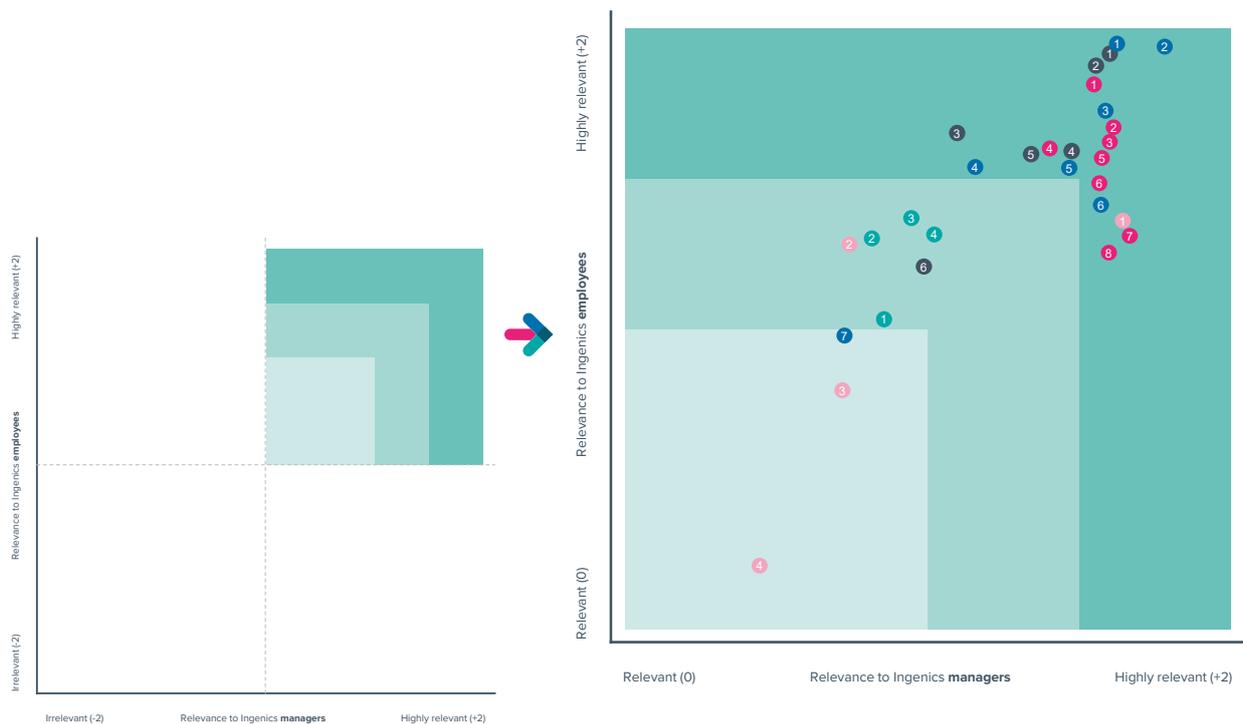


Figure 2: Results at the time of publication

Economic Efficiency

- 1 Ensuring future viability through innovation
- 2 Focusing on competitiveness and customers
- 3 Maintaining market presence of digital products and services
- 4 Working with the newest digital standards
- 5 Maintaining financial viability
- 6 Ensuring an open exchange around knowledge management

Employees

- 1 Aligning leadership with corporate values
- 2 Ensuring good internal communication
- 3 Providing opportunities for employee qualification
- 4 Ensuring employees are aligned with corporate values
- 5 Assuring equal opportunities and diversity
- 6 Maintaining occupational health and safety
- 7 Providing appropriate remuneration
- 8 Focusing on work–life balance

Environment

- 1 Reducing climate impacts at the sites
- 2 Maintaining market presence of more sustainable advisory products
- 3 Reducing climate impact of mobility and travel
- 4 Acting within the framework of finite resources

Integrity and Quality

- 1 Protecting the reputation of the company
- 2 Ensuring customer satisfaction
- 3 Complying with laws and regulations
- 4 Maintaining quality standards and validation through certification
- 5 Guaranteeing data protection and security
- 6 Offering sustainable impact for customers through projects
- 7 Assuring an equal value perception of our suppliers and service providers

Social Commitment

- 1 Providing fair working conditions
- 2 Supporting high-quality education
- 3 Committing to helping those disadvantaged in society
- 4 Working towards less poverty in society



In the **“Profitability”** area of activity, we assumed prior to the analysis that these aspects would be highly relevant to employees and managers. The analysis confirmed this assumption. Beyond that, it is clear that the aspects in the Profitability category are particularly important to the employees. In addition to financial aspects, the Profitability category also includes digital factors. These are extremely important to employees, as demonstrated by aspect number three (3). Driving the digitalization process forward is an integral part of the company’s objectives and will therefore be actively advanced by the Managing Board and the management team in the future.

The aspects related to **“Integrity and Quality”** are inextricably linked to profitability, which is why the topics are treated with equal relevance. A closer look at the “Integrity and Quality” area of activity reveals that the topics differ in terms of relevance. With the exception of aspect number seven (7) – “The same values as our suppliers and service providers” – all topics are considered to be very relevant. The fact that aspect seven (7) is deemed to be less relevant can be explained by the company’s values-driven supplier selection process. When selecting suppliers, Ingenics not only takes economic considerations and outstanding quality into account, but also looks for regional suppliers that are ethically acceptable.

When looking at the results in the **“Employees”** category, it is clear that employee well-being is a top priority for them as well as for managers. Employees are Ingenics’ most important resource. Consequently, managers are especially active in their efforts to ensure that their employees maintain good physical and mental health and are satisfied with their work. This is particularly reflected in aspects 6 through 8, which were rated as more relevant by the managers. Employees and managers consider aspect one (1) to be of roughly equal relevance – both groups believe it is important for the company to be managed in a way that is consistent with its corporate values. The fact that this is part of day-to-day work and interactions at Ingenics is demonstrated by the company’s employer attractiveness rankings and also reflected in Ingenics’ culture and values.

Figure 2 shows that the **“Environment”** area of activity is viewed as more relevant by employees than by managers. Not only do employees want to lower the climate impact of business travel and the company’s locations, but they are also concerned about operating within finite resources and positioning themselves in the marketplace with more sustainable consulting products. The fact that Ingenics offers a number of products in this field can be seen in current publications as well as in projects that have already been completed. In response to employees’ wishes, Ingenics intends to showcase its portfolio of sustainable consulting products and thus position itself more clearly in the market.

A closer look at the **“Corporate Citizenship”** area of activity reveals a heterogeneous situation across the individual aspects, and the degree of relevance varies among managers and employees. Although the degree of relevance differs from aspect to aspect, it should be noted that all of the aspects fall into the range from “relevant” to “highly relevant.” Corporate citizenship encompasses activities that may not be of the highest relevance to employees and managers, but are of personal concern to the Managing Board and partners.



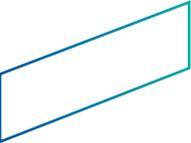


Sustainability Strategy



Sustainability has long been at the core of Ingenics' activities, and the development of a sustainability strategy has given it a concrete structure with measurable goals. Ingenics adopted its sustainability strategy, which is based on the contents of ISO 26000, "Guidance on Social Responsibility," in September 2020. In addition to the overarching core theme of organizational governance, the other six core subjects addressed in the guide (Consumer Issues, Fair Operating Practices, The Environment, Human Rights, Labor Practices, and Community Involvement and Development) are given equal weighting in Ingenics' sustainability activities.

From an organizational standpoint, sustainability is a matter addressed at the highest management level and is actively championed by the owner and Managing Partner of Ingenics, Oliver Herkommer. In order to enshrine sustainability throughout the company and make advancements in this area, representatives from the various departments have joined forces to form a dedicated sustainability team. The goal is to achieve organic change through these "sustainability ambassadors."



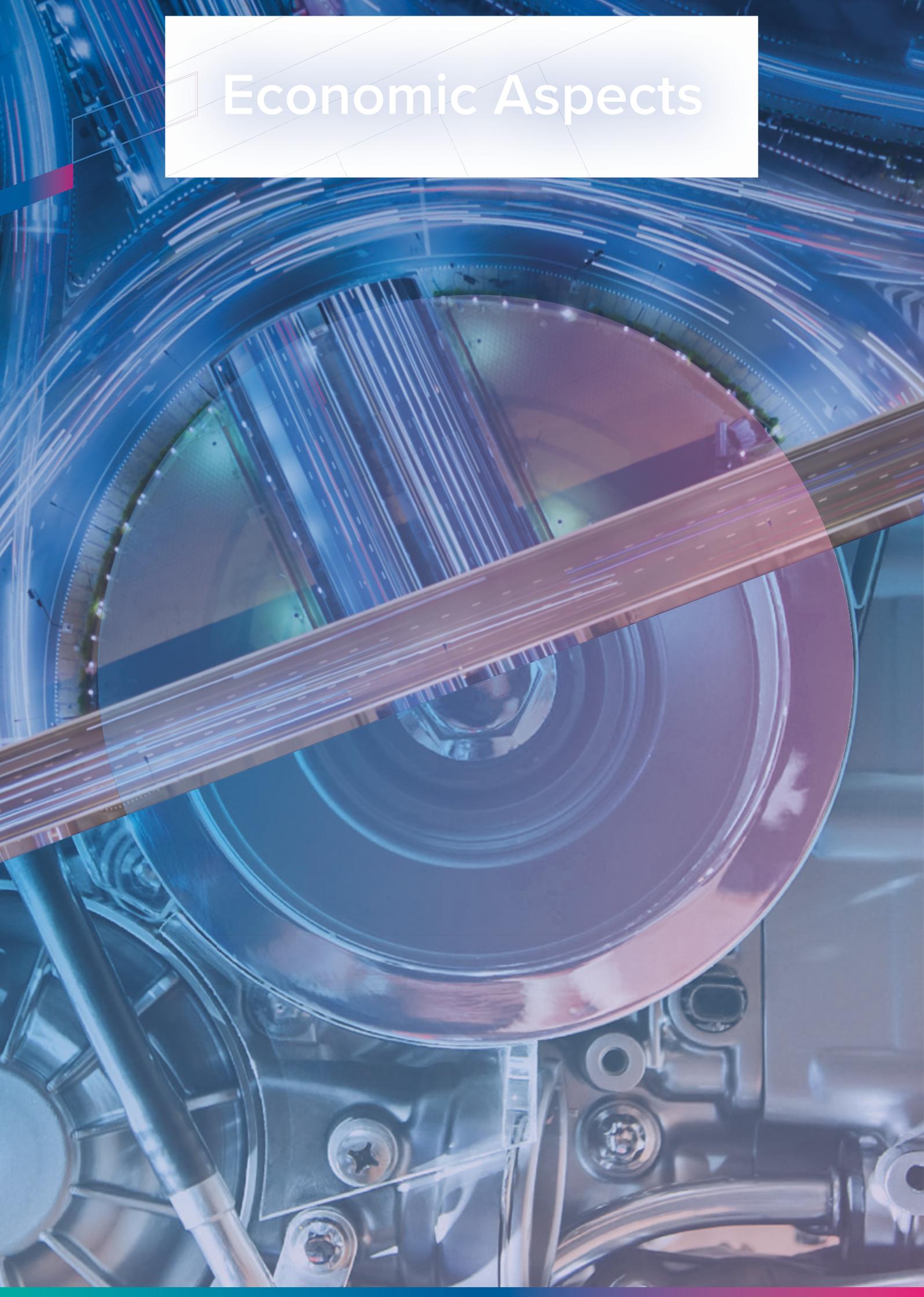
Sustainability Vision

We do not view sustainability as a cost factor, but as an investment in a forward-looking company that can also continue to grow in a sustainable manner. As the basis for our activities, we have developed a sustainability vision that encompasses the three dimensions of sustainability – economic, environmental, and social aspects:

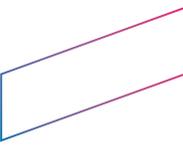


As a medium-sized company active across the globe, we are acutely aware of our responsibility to the community and our environment. That is why we integrate both environmentally and resource-friendly as well as socially responsible working practices into all our processes. In doing so, we are working with all our employees to create a more sustainable future by championing forward-looking solutions in our projects. We act as a pioneer in the consulting/IT industry to set an example of environmentally and socially responsible business practices not only to our clients, but also to our stakeholders.





Economic Aspects



Ingenics owes its stability and ability to innovate to its managers and employees as well as to its strategic growth. In order to continue to drive this growth in the future, the company has set itself objectives in the field of economic sustainability. In this context, diversifying the company's range of services and achieving both economic and geographical growth are of central importance. Likewise, labor practices and consumer issues are both high priorities at Ingenics, which is why the company has also set goals in these areas and is actively pursuing them.

Consumer Issues

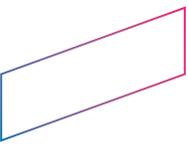
By prioritizing consumer issues, Ingenics is fulfilling its commitment to ensuring that it interacts with clients fairly and is transparent in its communications. These principles are a priority at Ingenics. In line with the company's values and objectives, the core aspects of sustainable business operations are taken into account when providing services and in all business relationships.

As Ingenics offers products and services, the company has certain responsibilities towards its customers and clients. These include continuously providing correct information and minimizing potential risks, among other requirements. In this context, the company strives to ensure that sales information and processes used to initiate and execute contracts are fair, transparent, and beneficial to the client.

Projects that have already been completed clearly show that sustainability has been relevant to Ingenics' consulting services for many years. In order to intensify these activities, consulting services related to sustainability will be explicitly designated as such in the future and assigned to a separate organizational unit. By concentrating expertise in a separate area of responsibility, employees can learn from each other and leverage synergies. The organizational unit dedicated to sustainability consulting will work closely with other business units and serve as a supporter, strategic partner, and source of ideas in the development of further consulting services.

Ingenics does not view change as an obstacle, but rather as an opportunity to make its clients stronger in order to meet future challenges. As a result, the company does not only want to advise its clients, but also keep them up to date on relevant issues. With a wide range of training and development measures combined with attractive consulting services, Ingenics is able to offer customers comprehensive services in the field of sustainable business operations and thus contribute to greater sustainability overall. Ingenics strives to integrate sustainability into all its consulting activities wherever it makes sense to do so.

Ingenics communicates its focus areas and objectives related to sustainability – including those that have already been implemented and those that are still pending – to internal and external stakeholders via various channels and formats. This ensures that all stakeholders receive the information relevant to them and can take advantage of the services.



Fair Operating Practices

Ingenics employees conduct themselves in a fair, ethical, and responsible manner in all interactions with business partners, suppliers, and external stakeholders. All of the company's business practices are also aligned with these criteria. Ingenics uses its business relationships to reduce corruption and promote fair competition.

Ethical conduct is fundamental to maintaining and establishing legitimate and productive business relationships. For Ingenics, this specifically means that business relationships are based on the company's defined values and standards of conduct.

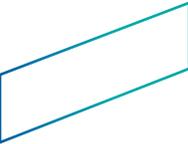
In its sustainability strategy developed in 2020, the company explicitly defined goals and focus areas that emphasize "fair operating practices." For example, Ingenics has set itself the goal of implementing a sophisticated compliance management system (CMS) for each national subsidiary. This is necessary not only to protect the company, but also to protect employees worldwide. The aim is to ensure that all stakeholders are up to date on current and relevant laws, guidelines, and standards of conduct. Internal values and standards of conduct play a central role in this context.

Along with the CMS, Ingenics actively supports efforts to combat corruption worldwide. The company strives to raise awareness of this issue among managers and employees and to take concrete measures to combat corruption. In addition to these individual efforts, the company also plans to join an anti-corruption initiative.



Environmental Aspects





As an internationally active management consulting firm, the environmental aspects of sustainability are of particular importance and deserve special attention. Ingenics has been certified in accordance with the ISO 14001 and ISO 50001 environmental and energy management systems for several years and renews the certifications at regular intervals. The company's goal, however, is to further reduce its impact on the environment, as this remains high, particularly as a result of both domestic and international travel. Ingenics has set itself the goal of becoming carbon neutral by the end of 2021. The company plans to achieve this goal through a three-pronged approach of "avoidance, reduction, and offsetting" as well as its employees' active support. As such, another objective is to raise employees' awareness of more environmentally friendly business practices and lifestyles in order to protect the environment in a more meaningful way.

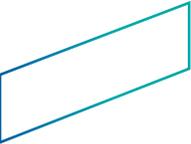
Environment

Ingenics helps protect the environment by using resources responsibly and reducing the negative environmental impact of its business activities. Ingenics is fully aware that continuous efforts to protect the environment are necessary, which is why environmental aspects play an important role in Ingenics' consulting services.

Society faces numerous environmental challenges. These include, for example, the depletion of natural resources, pollution, climate change, habitat destruction, biodiversity loss, the collapse of entire ecosystems, and a deterioration in the quality of urban and rural residential areas. Alternatives need to be found to reduce or eliminate current overproduction and unsustainable production patterns. As a global management consulting firm, Ingenics is helping to make both resource consumption and greenhouse gas emissions per employee at client companies more sustainable.

The employees are the driving forces behind efforts to implement greener practices across Ingenics. To empower them to act in an informed manner in discussions with customers, business partners, and in their personal lives, Ingenics offers training on how to live and work in a more eco-friendly way. This raises employees' awareness of the need to act in a more environmentally and energy-friendly manner.

In addition to employee training, Ingenics continuously reflects on and optimizes the use of resources for various processes within the organization. The aim is to reduce every form of resource waste to a minimum, thereby saving both material and financial resources.



By having a certified environmental and energy management system, Ingenics demonstrates its commitment and the relevance of these areas to the company.

Future goals the company plans to pursue include:

- 1** Auditing all products and services the company procures on the basis of sustainability criteria
- 2** The energy-efficient and economical use of raw materials and operating resources
- 3** The economical use of energy and increased energy savings
- 4** Becoming completely carbon neutral by the end of 2021

Ingenics pays particular attention to the sustainability of its products and services in order to contribute to sustainable economic development. Sustainable procurement means not only taking economic criteria into account when sourcing, but also particularly focusing on environmental and social criteria.

In order to cut costs, conserve resources, and therefore reduce carbon emissions, it is necessary to use raw materials and operating resources sparingly. In addition to using energy-efficient products and technical equipment, this also includes regularly switching off devices completely (i.e., not into standby mode).

To actively protect the environment, we not only need to use energy sparingly, but also to continuously increase energy savings. The use of energy is changing due to a constant stream of new devices and increasing technical requirements. Energy demands are also shifting due to needs at home in the case of work-from-home arrangements. The aim is to obtain energy across all sites predominantly from renewable sources and to reduce electricity consumption at the company's office spaces, as well as in home offices.

A carbon-neutral company is characterized by a reduction in carbon emissions generated by its own business activities. Since it is not possible to avoid or reduce all carbon emissions, however, carbon offsetting is a necessary aspect on the path to achieving carbon neutrality. At Ingenics, offsetting carbon emissions is regarded as a supporting measure, but not the only one. Instead, avoiding and reducing carbon emissions are considered the key measures. In 2020, Ingenics began the process of defining potential carbon-saving measures. For this purpose, the company made changes to its travel policy. In this case, for example, air travel is only approved if it is absolutely necessary. When traveling shorter distances, flights are only permitted as a form of transportation under certain conditions.

Starting in 2021, Ingenics AG will offset its carbon emissions generated in the previous year. These are calculated on the basis of the Greenhouse Gas Protocol (GHG) and divided into Scope 1, Scope 2, and Scope 3 emissions. The result is a comprehensive and informative carbon footprint. To offset any incompletely documented emissions, a buffer of five percent will be applied to the total, ultimately resulting in the company offsetting 105 percent of the reported emissions.

Emissions generated in 2020 will be offset in 2021 by means of Gold Standard-certified climate change mitigation projects in the following ratio:

- › One third of the company’s carbon emissions will be offset through environmental projects (e.g., reforestation, forest conservation, protection of endangered ecosystems, and promotion of biodiversity)
- › Two thirds of the company’s carbon emissions will be offset through projects with a technological focus (e.g., removing carbon from the atmosphere, green electricity from solar power or sustainable wind power, more efficient cooking stoves, and water filters)

Due to its industry focus as an engineering consulting firm, Ingenics is focusing on projects that drive technological advancement while simultaneously helping combat climate change.

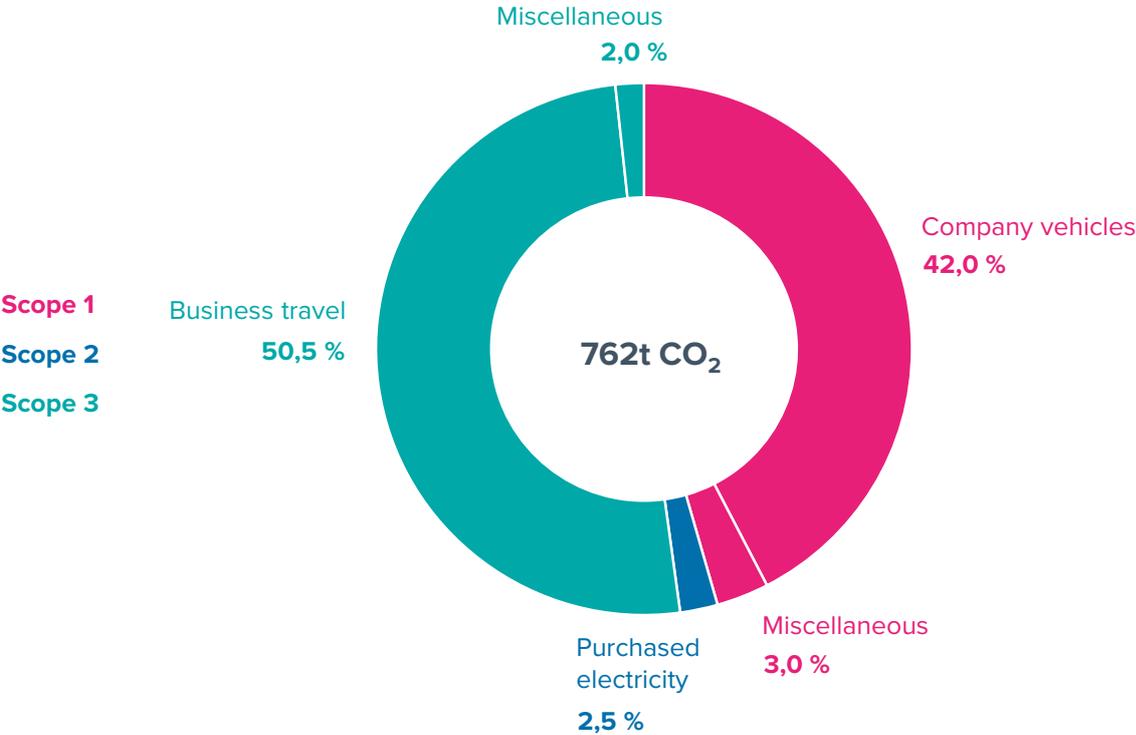


Figure 3: Ingenics AG's carbon footprint in 2020

Ingenics AG's carbon footprint in 2020

The Greenhouse Gas Protocol (GHG) is a globally recognized tool for reporting greenhouse gas emissions. It distinguishes between three types of emissions (referred to as Scopes):

- › **Scope 1:** Direct emissions from a company's own combustion processes, for example from stationary or mobile equipment such as natural gas heating systems, company cars, or refrigeration equipment.
- › **Scope 2:** Indirect emissions associated with the purchase of grid-bound energy, such as electricity, steam, heating, or cooling.
- › **Scope 3:** Emissions from upstream and downstream business activities. In other words, from goods and services purchased, through the use and disposal of goods sold, through employee commuting, or through business travel.

A comprehensive view of all three Scopes is necessary in order to achieve CO₂e neutrality.

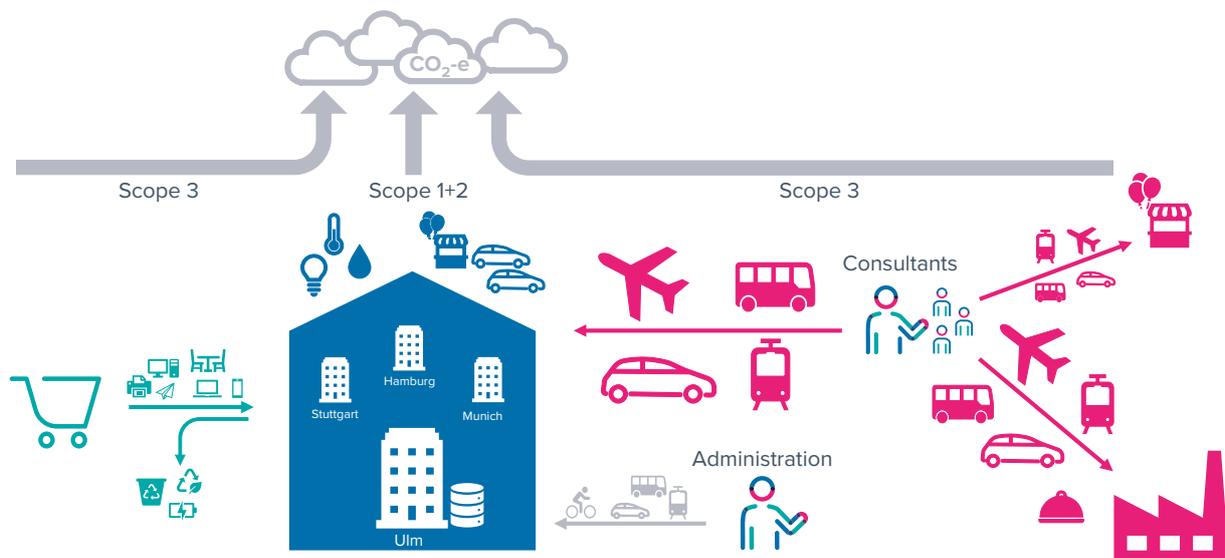
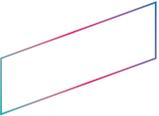


Figure 4: Emission categories (Scopes) as defined by the Greenhouse Gas Protocol (GHG)

Social Aspects





Through its business activities, Ingenics has an impact on the living and working conditions of its employees and influences the economic and natural environment. As a result, the company incorporates social and environmental considerations into its decisions and accounts for the impact of its decisions and activities on society and the environment. Ingenics' transparent and ethical conduct forms the cornerstone of this approach. Specifically, this means that processes and tools to support social responsibility are integrated throughout the organization and reflected in the company's conduct.

Employees

At Ingenics, our employees are our most valuable asset. They make Ingenics the successful company that it is. For this reason, the company carries out a wide range of activities to meet its employees' needs and requirements.

Employees can select from a wide range of internal and external, national, and international **training seminars** on a variety of topics to create the training program that best suits their needs.

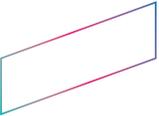
Similarly, Ingenics is also extremely committed to preventive **occupational health and safety**. The company offers preventive and health-promoting measures and activities such as driver safety training, workplaces designed with ergonomics in mind, and even running training programs. Ingenics is committed to minimizing the risk of occupational accidents and occupational health hazards and to not endangering the health of employees or third parties. Preventive measures to help avoid work-related injuries and illnesses are integrated into the company's health management system.

Ingenics has offered an employee assistance program (EAP) since October 2016 that has been helping employees that face **challenges** or need support outside of the workplace, and it has been widely used since then. The program offered by the company "OTHEB" gives all Ingenics employees access to an external partner around the clock, seven days a week, who can provide professional assistance in both personal and professional matters. For example, the EAP offers help with exhaustion/burnout, grief, finding spots in nursing homes, pensions, insurance, and taxes.



"We recognize and respect our coworkers' different challenging life situations and provide them with hands-on, proactive support. We open ourselves up and thus give the company the chance to become active. We treat the information we receive from colleagues as strictly confidential. All of our employees are supported, for example, through flexible work schedules, the ability to work remotely, and by giving them time off between projects so that they maintain their individual ability to perform and enthusiasm for Ingenics over the long term."

Manfred Loistl, Managing Partner



Human Rights

Respect for human rights is of the utmost relevance to Ingenics, both internally and with respect to business partners. To minimize human rights abuses within its sphere of influence, Ingenics exercises due diligence in all business activities and advocates for vulnerable groups.

Human rights are the fundamental rights to which all people are entitled and which stand above national laws or cultural traditions. Ingenics has a responsibility to respect human rights and identify and avoid the actual and potential negative impacts of its business activities in all areas of its operations. This also applies to the activities of those stakeholders with whom Ingenics has a relationship. The UN Guiding Principles on Business and Human Rights and the ILO core labor standards serve as the frameworks that guide Ingenics in its activities. In order to communicate the rules of conduct both internally and externally, Ingenics set itself the goal of drafting a globally applicable and comprehensive code of conduct by the end of 2021. The company achieved this goal when the document was published internally and externally and became binding for all employees and business partners. In this process, we also reflected on and revised our code of conduct for suppliers.

Labor Practices

Equal rights, a safe working environment, appropriate working conditions, and social protection that goes beyond the minimum requirements are just some of the principles that Ingenics adheres to as a matter of course. At Ingenics, it is clear that employees are the company's most valuable asset.

Ingenics' labor practices include all of the company's organizational policies and their practical implementation with respect to work performed by or on behalf of Ingenics. This also encompasses working at subcontractors. As such, these labor practices extend beyond Ingenics' relationship with its direct employees and beyond Ingenics' responsibilities for its own work sites or for work sites controlled by Ingenics.

Within the scope of the independent "Great Place to Work" survey, employees are asked questions every two years on a variety of topics, for example about their satisfaction working at Ingenics. The resulting, consistently high Trust Index is a testament to their trust, pride, and team spirit – qualities that employees and managers associate with Ingenics. Through a working group, the results are actively reviewed in a dialog with employees so that measures can be taken together to optimize and improve their underlying conditions.



To ensure that sustainability aspects become established throughout the company over the long term and that all employees perceive Ingenics as a company that operates in a sustainable manner, the aim is to integrate sustainability aspects and issues into the “Great Place to Work” process.

Even before the coronavirus pandemic, Ingenics was already extremely flexible in terms of employee work location and working hours. For example, all of the company’s employees who worked from home were provided with the appropriate equipment. This was expanded in the wake of the pandemic-related increase in the number of employees working from home and is expected to continue after the end of the pandemic. Established arrangements related to flexible working hours, such as flextime, time accounts, part-time work, personal responsibility, and agreements, are offered to employees and also taken advantage of quite frequently.

The company strives to meet the individual requirements of all employees in order to provide them with the best possible support. It goes without saying that it is extremely important to Ingenics that the same safe working conditions apply internationally. The company’s aim is to conduct regular internal audits of the workstations at Ingenics offices, to implement occupational health and safety internationally in accordance with predefined standards, and therefore to promote the safety of its employees.

In addition to physical safety and health, employees’ mental and psychological health play a pivotal role at Ingenics. In order to further improve the company and better address the needs and concerns of its employees, Ingenics intends to update the complaint management process.

Community Involvement and Development

Ingenics is aware of its responsibility to the local community and cultivates a spirit of partnership with all of its stakeholders. In this context, Ingenics actively contributes to the creation of jobs in the respective region and promotes community development by participating in public affairs.

Ingenics has extensive relationships with the communities in which it operates as an employer and provider of consulting services. In order to integrate stakeholder groups with whom Ingenics has previously had little contact into decisions and take their views into account, the company plans to enter into a dialogue with stakeholders at regularly held events. This is how the company intends to get stakeholders involved in the future, both at its headquarters in Ulm and at its sites abroad, and thus promote sustainable development at the local level.

Ingenics already conducts CSR activities for other stakeholders by regularly donating to regional charitable projects and supporting universities with expertise from the business world.



Through its research activities, Ingenics makes an important contribution to technological advancement, assumes responsibility, and exerts an influence on social and environmental developments. In addition to its own research projects, Ingenics collaborates with renowned research institutes (including Fraunhofer IAO and RWTH Aachen University) and well-known industry partners (including Siemens AG and Wittenstein AG).

Employees also have the opportunity to pursue and develop their own projects aimed at making business activities more sustainable. For example, internal project groups have been set up to address the issues of supply chain legislation, sustainability certifications, and our carbon footprint.

In addition, Ingenics employees are involved in numerous community projects and receive unpaid time off when needed and requested in order to perform volunteer work. In the future, Ingenics would like to expand and strengthen its community involvement and support selected pro bono projects in Germany and abroad, at its sites, and in the locations where its employees live.

Internal Communication

Ingenics employees are continuously provided information on services, current activities, and developments across the company via various internal communication channels, such as the intranet, an enterprise social network, and a monthly email newsletter. Twice a year, the Managing Board informs employees about the company's performance and plans for the future at an informational event. The event is broadcast via video conference to all Ingenics employees worldwide.

Code of Conduct

The Ingenics Code of Conduct outlines the basic rules governing both internal and external behavior. The goal is to encourage appropriate behavior and limit inappropriate behavior. Ingenics takes action against violations of the rules laid down in its code of conduct.

The code of conduct is regularly communicated internally to all employees and is available for anyone to review on the Ingenics website: <https://www.ingenics.com/en/company/sustainability/>

Publishing Information

About This Report

Period and Scope

The activities described in this report cover the period from January 2019 to September 2021 and include all activities relating to sustainability at Ingenics AG.

Note

The information in this report was prepared to the best of our knowledge and belief. However, we cannot guarantee that the information is accurate or complete. The report has not been audited or confirmed by external third parties.



Ingenics AG

Headquarters
Schillerstrasse 1/15
89077 Ulm, Germany
Phone +49-731-93680-0
Fax +49-731-93680-30

contact@ingenics.com
www.ingenics.com

© Copyright Ingenics AG, October 2021