

## Environment and Energy

As an owner-managed company, we define responsible corporate governance as the protection of people and the environment. Drawing on our understanding of the interconnections between technical, economic, and ecological systems, we actively work toward the development of socially and environmentally sustainable technology. Our developments and applications are aimed at continuously improving working and living conditions.

### Commitment

The SAR Group is committed to managing its consumption of energy, water, and other raw materials in a forward-looking and responsible manner. We respect and preserve nature as the foundation of life for future generations and consider the environmental consequences of our economic activities.

By reducing CO<sub>2</sub> emissions and utilizing renewable energy, SAR can make a positive contribution to climate protection and reduce its environmental footprint in the long term.

### Specific measures

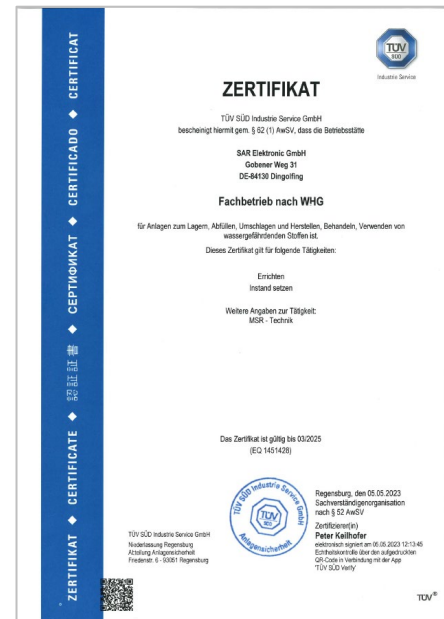
In recent years, positive contributions have been made to environmental and energy initiatives at various levels. Here are a few examples of ongoing and completed initiatives:

- We have been relying on renewable energy sources for years. At our main site in Dingolfing and at our solar park in Hartmannsdorf, we generate over 2 million kWh of electricity annually through photovoltaics. This is significantly more than the total electricity consumption of all SAR sites worldwide and corresponds to an annual reduction of approximately 1,000 tons of CO<sub>2</sub>.
- As a further energy-saving measure, the lighting in almost all buildings has been converted to LED technology.
- At SAR in Dingolfing, we rely on renewable sources for heating and cooling. As early as 2011, all oil-fired heating systems were replaced by a central biomass heating plant, fueled by locally produced pellets. It supplies heat to all buildings on the company premises. In the summer, the air conditioning systems are powered by electricity generated on-site via photovoltaic systems.
- As part of an energy audit in 2017, a consultant visited the company's locations, recorded energy consumption, and drew up a list of recommended measures.
- In our IT department, we use high-quality, durable brand-name products at all our locations, with an



average lifespan of over 6 years—despite the extremely demanding hardware requirements set by our engineers. Our monitors even have an average lifespan of around 10 years.

- Energy-intensive pneumatic tools have been replaced with battery-powered tools wherever possible.
- We use electric and hybrid vehicles in our fleet.
- We are a certified “specialized company under the WHG” (Water Resources Act) and are therefore certified in the handling of water-polluting liquids. In this way, we also make a significant contribution to preserving soil quality.
- At SAR, we generally prioritize the use of recyclable materials and sustainable resources across all areas. Waste reduction is achieved, for example, through the consistent reuse of packaging materials and waste separation (organic, paper, plastics).
- The handling of hazardous substances and chemicals is regulated in the AMS Manual.
- Since SAR does not use any production processes that pollute the air, our air quality is impeccable and unimpeded.
- Low noise emissions, resulting from responsible noise management, serve to protect the health of our employees and ensure animal welfare. This includes measures such as the use of low-noise technologies, the promotion of noise protection measures, and raising awareness about the conscious handling of noise.
- During our manufacturing processes and construction projects, we always ensure that there is no degradation of soil quality. Through responsible planning for new construction and renovation projects, we ensure sensible land use without additional deforestation. In this way, we also contribute to animal welfare and the preservation of biodiversity.



## Our Goals

Despite our already highly positive balance in terms of electricity production versus consumption, we are setting further goals to further improve and reduce the SAR Group's environmental footprint. In addition to the issue of (existing) building insulation, we see particularly high potential in the area of "mobility."

SAR has two main objectives. First, we aim to reduce our travel rate by one-third by 2025. This means significantly cutting back on employee travel by car and airplane.

Meetings can be replaced by video conferences, including document sharing, and maintenance work or repairs can be carried out using augmented reality (AR).

In particular, our AR offering has been significantly expanded since late 2019 and has already been deployed with our first customers. Instead of sending our experts to the customer's site by car or plane, they can use AR to support and instruct the customer's on-site staff. This is not only environmentally friendly, but also reduces the workload on our staff, saves on travel costs for both us and the customer, and helps reduce emissions.

The second approach to mobility involves the use of electric vehicles. For one thing, we aim to make most of our trips within a radius of approximately 150 km around our main site in Dingolfing "electric" by 2030, which is feasible due to the expiration of leasing contracts for our vehicle fleet.

On the other hand, we also need to expand our charging infrastructure accordingly. So far, we have been charging our electric and hybrid vehicles using our own solar-generated electricity. By 2030, we aim to increase the number of charging stations to 20.

