



# SUSTAINABILITY BY PERFORMANCE AND PRECISION

Sustainability Report 2022

CHIRON   
Group

[www.chiron-group.com](http://www.chiron-group.com)

# TOGETHER FOR A BETTER TOMORROW

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## Economic performance and sustainability go hand in hand



Dear reader,

This, our second sustainability report with reference to the GRI Standards, provides clear evidence of the relevance of sustainability in general and for the CHIRON Group in particular. A whole range of actions and activities, which of course pursue our aim of climate-neutral production by 2025, are associated with the climate strategy roadmap we have adopted. But they are also an expression of how important sustainable working is for the Group Executive Committee, Board of Directors and the shareholder family.

I am delighted that, with this report, we can already announce progress in the sustainability strategy we adopted last year. Compared to the previous year, we were able to significantly reduce our carbon emissions despite a slight increase in energy demand (see page 14 et seq.). By implication, this underlines our claim to separate growth and the associated capacity increase from carbon emissions. At the same time, we are committed to following the target requirements of the Science Based Target Initiative (SBTi), which we joined last year. We are therefore playing our part in ensuring that the 1.5°C target adopted at the World Climate Conference 2015 in Paris is met by 2030.

One of the reasons why our emissions have fallen is our global investments in producing our own energy. Our photovoltaic projects at different locations have started to pay off. These environmental and corporate strategy aspects are explained in as much detail in this Sustainability Report as the social dimensions. Because, it is of course all our employees who create the basis for ensuring that the CHIRON Group can perform sustainability worldwide.

In this report, we will take you on a short trip around the world. We will give you insights into the work and understanding of our locations. With specific examples, we will show you how our employees at these locations are working hard to achieve increased sustainability. We will explain why we rightly speak of innovative product developments and will once again demonstrate what our materiality matrix has already produced in the last reporting year: Economic performance and sustainability go hand in hand in the long term.

As already indicated in the last report, you will also find our »forward looking« tips in this report, with which we give you an insight into and outlook towards our up-to-the-minute sustainability efforts for the individual areas.

I hope you enjoy reading it!

Carsten Liske  
CEO

# Ideally positioned for a sustainable future

Learning from established fields of knowledge and adopting new skills early, we combine the individual strengths of our employees (around 1,900 as of December 2022) to create real added value for customers throughout the world: This is what the family-owned CHIRON Group with headquarters in Tuttlingen, Germany, has been all about over 100 years.

## Brands, core areas of expertise and customer industries

The CHIRON Group is a global company specializing in CNC vertical milling and mill-turn machining centers, as well as turnkey and automation solutions. Comprehensive services, digital solutions, and products for additive manufacturing complete the portfolio. The Group has a global presence, with production and development sites, sales and service subsidiaries, and sales agencies worldwide. Around two thirds of machines and solutions that are sold are exported. The main user sectors are the automotive industry, mechanical engineering, medical technology and precision technology, tool manufacturing as well as aerospace.

With its CHIRON, STAMA, CMS, FACTORY5, GREIDENWEIS and HSTEC brands, the CHIRON Group is ideally positioned for a sustainable future. CHIRON machining centers are renowned for their highly dynamic

design and their precision, while STAMA's focus is on stability and complete machining. CMS provides completely refurbished machines from the Group, while the expert area of FACTORY5 is high-speed machining of micro-technical components. Greidenweis is our system partner for individual, holistic automation solutions, HSTEC represents innovative spindle drive technology for the Group's machining centers as well as workpiece clamping devices and automation solutions, and also manufacturer and brand-independent service and repair services (since the middle of 2022). The CHIRON Group is therefore expanding its core expertise in this area in a targeted manner and, in future, will be able to map all steps of a motor spindle's product life cycle internally. The final core area of expertise in the CHIRON Group is in additive manufacturing products and solutions.

<b>chiron</b>	<b>STAMA</b>	<b>CMS</b>	<b>FACTORY<sup>5</sup></b>	<b>Greidenweis</b>	<b>HSTec</b>	<b>CHIRON Group</b>
Single and multi-spindle vertical milling, mill-turn	Refurbishment	Micro-precision machining	Automation and specialized machining	Spindles and fixtures	Additive manufacturing	
Automation		Digital Solutions	Turnkey	Services		
Aerospace	Automotive	Mechanical Engineering	Medical Technology	Precision Technology	Tool Manufacturing	

## The CHIRON Group in numbers (as of 31.12.2022)

	family-owned company	<b>8</b>	production sites throughout the world
<b>&gt; 100 YEARS</b>	of experience	<b>12</b>	countries with sales and service subsidiaries
<b>&gt; 400</b>	million euros of incoming orders	<b>&gt; 45</b>	further countries with sales agencies
<b>1900</b>	employees	<b>&gt; 29,000</b>	machines installed worldwide
<b>&gt; 300</b>	employed engineers	<b>&gt; 120</b>	trainees

## PERFORMANCE MEETS PRECISION

competent, smart, innovative, sustainable – the interplay between these four attributes is integral to our actions and, consequently, to the quality of the products and services of the CHIRON Group. Day in, day out.

From development, to production, all the way through to sales and service: With a strong sense of team spirit, employees at all sites and in all subsidiaries develop future-proof solutions for complex challenges. The CHIRON Group works together to fulfill the promise it makes to its customers throughout the world: PERFORMANCE MEETS PRECISION.

This promise is both a requirement and an obligation. The same applies to our increasing focus on economic, ecological and social aspects: The CHIRON Group also takes its responsibility in this area extremely seriously by tackling global challenges such as climate protection, resource efficiency and reducing carbon emissions head on. Environmental protection, quality, energy consumption, and occupational health and safety all play a central role in the practices of the CHIRON Group. Both today and tomorrow.



# Expertise in numerous industries

Top quality, low unit costs, short production times and efficient processes – these are the challenges faced by the production and mechanical engineering industry throughout the world. The most important prerequisite for this is reliable and precise machines, the highest possible degree of automation, innovative digital solutions and competent service. With its comprehensive product portfolio, the CHIRON Group has created a solid basis for this.

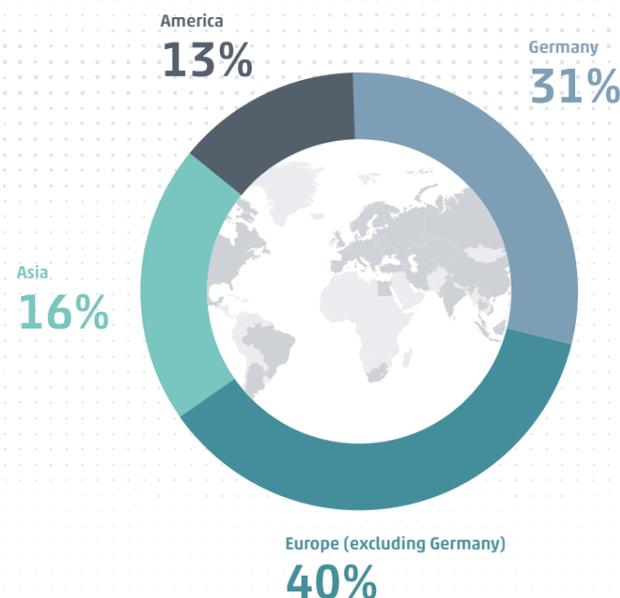
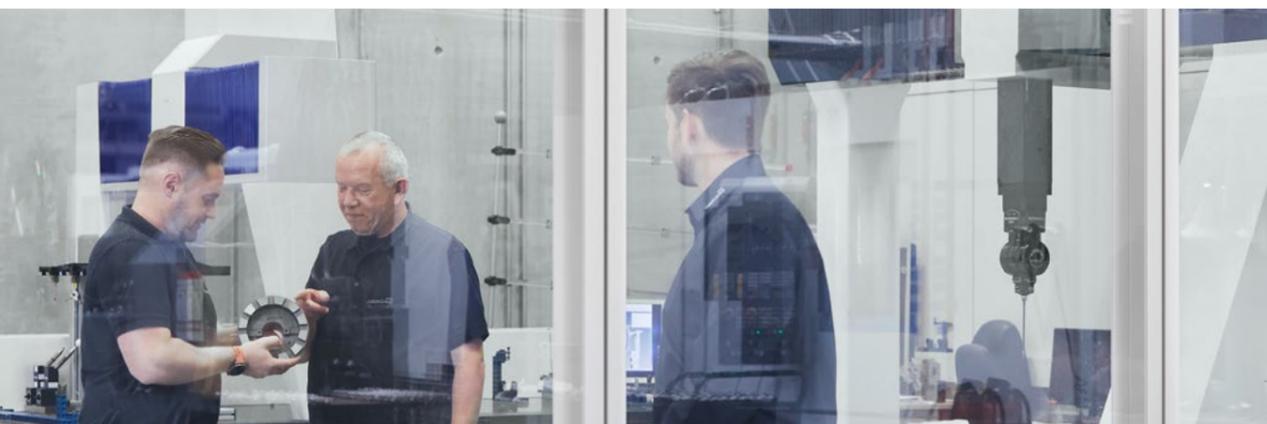


»In my opinion, the CHIRON Group is already well advanced in its sustainability strategy. This results in competitive advantages – such as the fact that we are part of a smaller group of suppliers.«

Markus Unterstein, CFO

The CHIRON Group receives almost 50% of all orders from the automotive industry. With 20% of orders being received from the mechanical engineering area as well as 13% from medical technology and 11% from precision technology, the CHIRON Group is also the reliable partner for countless customers when it comes to precision and innovation. The company's business operations have been managed from the headquarters in Tuttlingen (Baden-Württemberg), Germany, since the company was founded.

The CHIRON Group also has eight production sites worldwide (in Germany, China, the USA, Poland and Croatia) as well as sales and service subsidiaries in 12 countries. The company is also represented by sales agencies in more than 45 countries. The installed base of the CHIRON Group amounts to more than 29,000 machines worldwide.

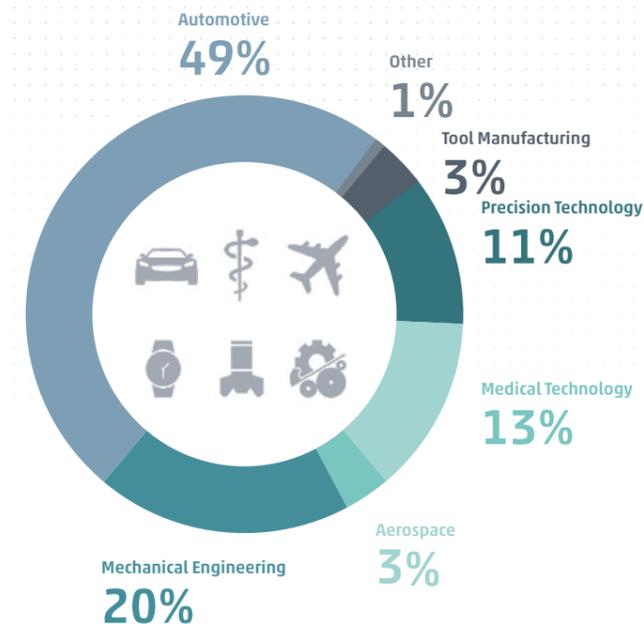


### Incoming orders by region

The CHIRON Group generates more than half of all orders in Germany and Europe. With its own production sites, sales and service subsidiaries and sales agencies, the company has a global presence. This is solidified by close customer contact, competent advice and fast support from the CHIRON Group Service.

### Incoming orders by industry

The expertise of the CHIRON Group in the automotive, medical technology, precision technology, mechanical engineering, tool manufacturing and aerospace industries did not come about by accident. It is the result of continuity and a stark change in technology and product range as well as a willingness to change according to demands from customers and markets. So, for example, 15% of orders in the automotive industry are already put to use for e-mobility.

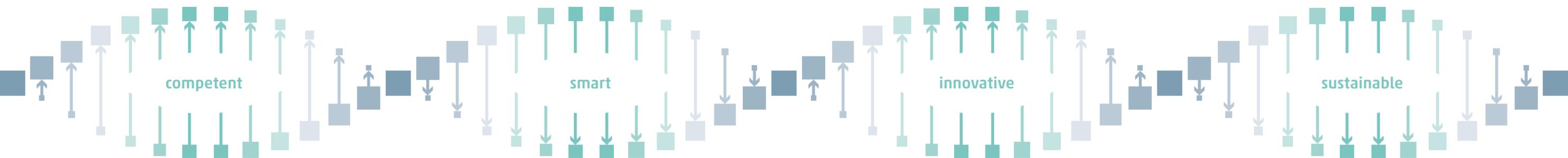


## The most important industries of the CHIRON Group

- ➔ **Automotive:** Whether it's components for vehicles with conventional drive systems, hybrid models or electric vehicles, everybody wants dynamic, precise machining in quick cycles at reduced unit costs with the right, future-proof manufacturing technology for the entire range of parts.
- ➔ **Mechanical Engineering:** The machining centers of the CHIRON Group stand for productivity, process reliability and the fast, precise machining of the most diverse range of workpieces, meaning peak performance from the first workpiece.
- ➔ **Medical Technology:** Increasingly sophisticated workpieces, increasing quantities, higher risk categories and more stringent traceability requirements: There is no other industry with such high and complex demands. It is therefore all the more important to have a partner that makes every effort to take the customer's requirements and turn them into a reliable solution: High-precision machining centers, turnkey competence and experience from numerous projects.
- ➔ **Precision Technology:** Creative pieces of jewelry with intricate details, watch plates with minimum tolerances for fits and geometries, components for high-precision scales or parts for precision mechanics: Every idea deserves to be brought to life with expertise on a machining center or mill-turning center from the CHIRON Group for micrometer-precise long-term precision and perfect surfaces.
- ➔ **Tool Manufacturing:** Whether it's prototypes, single-piece production of special tools or large-scale production of standard tools, the CHIRON Group offers flexible process solutions for the machining of innovative and high-quality tools and machined parts.
- ➔ **Aerospace:** Perfection, maximum safety, quality and durability are the benchmark of the aerospace industry. In order to achieve this benchmark, the industry needs productive future concepts as well as innovative manufacturing solutions that make operating procedures more efficient. Following the COVID-19 pandemic, this industry is once again on the upswing.

# competent, smart, innovative, sustainable – that's the CHIRON Group

The roots of the CHIRON Group lie in the manufacture of precision medical instruments. In Ancient Greece, CHIRON – from whom the company gets its name – was the founder of surgery, had an extensive medical knowledge and was a good blacksmith. Medical technology continues to be one of the markets the CHIRON Group supplies with machining solutions. All machines are efficient and conserve resources, providing visible proof of the sustainability in the CHIRON Group's DNA.



»Quality, environmental protection, energy, occupational health and safety are obligatory commitments for every employee.« This is the first principle of the Integrated Management System (IMS) of the CHIRON Group. This IMS also describes the ambition, attitude and perspectives of the company that are at the heart of its quality standards and sustainability strategy. CSO Bernd Hilgarth puts it another way: »We are competent, smart, innovative, sustainable.«



»Our machining solutions are designed to be innovative and conserve resources. We also deliberately pay attention to sustainable processes in our daily activities.«

Bernd Hilgarth, CSO

## Certified quality in all areas

Quality, the environment, energy, occupational health and safety all play a special role in both the practices of the CHIRON Group and its products. Guiding principles and binding specifications define the respective standards, which are officially confirmed by all necessary certifications.

### Depending on the location, the CHIRON Group SE is certified to

- DIN EN ISO 9001:2015 (certified quality management system),
- VDA 6.4 (certified quality management system),
- DIN EN ISO 50001:2018 (certified energy management system) and
- DIN EN ISO 14001:2015 (certified environmental management system).



### The core values of »competent, smart, innovative, sustainable« are set forth in the Integrated Management System (IMS) of the CHIRON Group under the following points:

- Worldwide compliance with legally binding standards
- Comprehensive health and safety for all employees
- Internal training on quality, environmental, safety and energy awareness
- Failure management
- Public transparency
- Sustainable supplier and customer relationships
- Prevention and avoidance of environmental damage
- Implementation of emergency plans (e.g. to guarantee delivery capacity)
- Conscious use of energy to reduce our CO<sub>2</sub> footprint
- Avoidance of waste and environmentally harmful emissions in the air and waste water
- Operating with the objective of continuously improving processes, minimizing risks and increasing customer satisfaction

# Prioritized criteria for the CHIRON Group



»Sustainability@CHIRON Group« is the interdepartmental and cross-site program for sustainability in the CHIRON Group. This is based on the climate strategy that will be implemented successively over the coming years and will continue to be developed as needed.

By 2025, the CHIRON Group expects its production to be climate-neutral (Scope 1 and 2). But that's not all: Under the motto of »Sustainability by Performance and Precision«, studies have been and will continue to be carried out at all sites at the same time as addressing climate questions and possible (structural) solutions. These are designed to help make the energy consumption and results delivered by machines more efficient and thereby more sustainable

from the customer's perspective. The CHIRON Group is not only a member of the Science Based Target Initiative (SBTi), but is also firmly committed to its aims.

At the time of reporting, the CHIRON Group had already submitted its targets to the SBTi. The validation procedure is expected to be completed by the end of 2023.

The sustainability strategy of the CHIRON Group is based on the following Sustainable Development Goals (SDGs) of the United Nations:

**3 Good Health and Well-being**  
**Health and welfare**  
 It is not only the health of employees that takes top priority according to the Integrated Management System (IMS), but also the health of customers. In order to prevent accidents, all machining centers are designed according to the highest standards.

**4 Quality Education**  
**High-quality training**  
 Initial Training, and continuous training form the backbone of the CHIRON Group. The aim is to ensure that trainees benefit from top-level training and continue to receive it, in order to meet the high quality demands of the company group. The exceptional performance of trainees compared to their national and international counterparts is the best evidence of this.

**5 Gender Equality**  
**Gender equality**  
 This is practiced on an intercultural and worldwide level throughout the CHIRON Group.

**7 Affordable and Clean Energy**  
**Affordable and clean energy**  
 From 2025, the CHIRON Group expects production to be climate-neutral worldwide (Scope 1 and 2). In addition, at the sites in Tuttlingen and Neuhausen (Germany), Taicang (China) and Zadar (Croatia), new photovoltaic plants are planned. A 745 kWp photovoltaic system has already been commissioned on the roof of the Precision Factory. In Taicang, the company already operates a geothermal cooling system in the summer.

**8 Decent Work and Economic Growth**  
**Humane working conditions and economic growth**  
 The 1,900 employees of the CHIRON Group work under conditions that at least meet and often exceed the legal standard of the respective site. This is based on the conviction of shareholders and the management that the wellbeing of employees goes hand in hand with the wellbeing of the company.

**9 Industry, Innovation and Infrastructure**  
**Industry, innovation and infrastructure**  
 The CHIRON Group is an innovative company group with subsidiaries that both strengthen their positioning and benefit from the parent company. The common denominator is the shared promise of quality with regard to the respective products, systems and services.

**12 Responsible Consumption and Production**  
**Sustainable consumption and production**  
 Production within the CHIRON Group is designed with both economic and ecological efficiency in mind. This goal can only be achieved if employees are suitably educated, trained and prepared.

**13 Climate Action**  
**Climate protection measures**  
 The climate strategy according to the SBTi has been adopted the CHIRON Group's production will be climate-neutral from 2025 (Scope 1 and 2). The individual building blocks that have already been planned and implemented are outlined in this report.

**17 Partnerships for the Goals**  
**Working in partnership to achieve our goals**  
 The CHIRON Group is a member of »Blue Competence«, the sustainability initiative for mechanical and plant engineering from the VDMA. As an SBTi member, the CHIRON Group is also committed to the 1.5 degree target set at the Paris Climate Conference and recognizes the overall societal need to make its contribution to the achievement and validation of this target.

**13 Climate Action**  
**Vision 2045**  
 In addition, the CHIRON Group is proud to be part of the Vision 2045 – and thankful for the possibility of participating under the umbrella of the Global Climate Conference 2022 in Sharm El-Sheikh, together for a sustainable future!



# Sustainability needs economic performance

The CHIRON Group conducted a multi-stage stakeholder survey, which formed the foundation for this sustainability report. In the first stage, customers, suppliers, employees, trainees, employee representatives, as well as representatives of employers, trade associations and the municipality, completed an online questionnaire. This was drawn up on the basis of the SDGs and was used to prioritize the various topics with regard to their economic, ecological and social relevance and effects on the company. The second stage involved detailed interviews.



As central stakeholders, all managers, as well as the Executive Board, were also surveyed within the employee segment. Customer representatives spanning the industry cross-section served by the CHIRON Group also received the online questionnaire. The evaluation of the questionnaire also included input from suppliers.

»In the 2022 reporting year, we installed an interdepartmental and multidisciplinary core team specifically on the subject of sustainability, which collaborates efficiently and reports directly to the CEO. This means we can ensure that our shared defined actions are implemented as quickly as possible and that our sustainability goals are met.«

Benjamin Kurth, Global Program Manager Sustainability



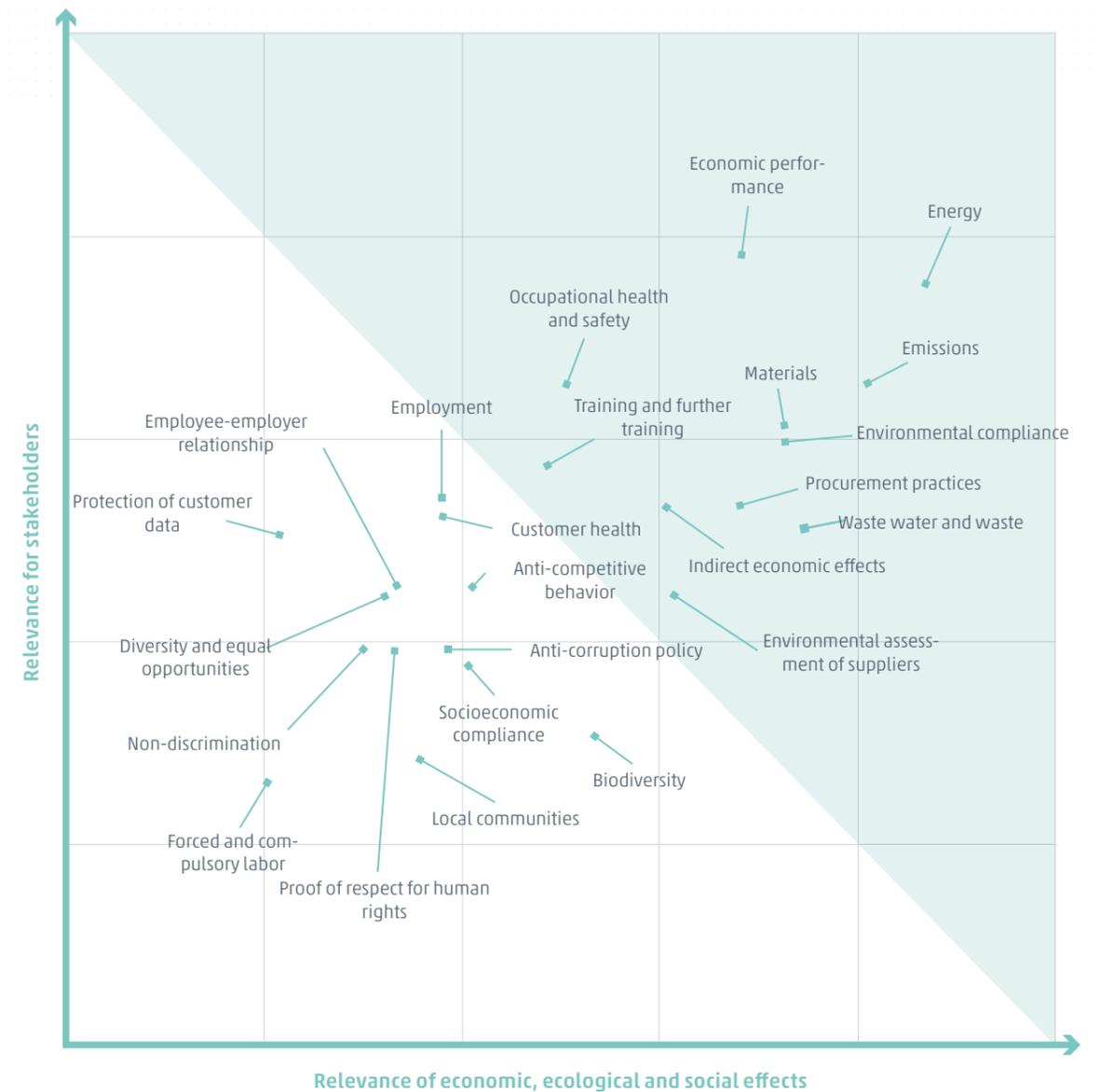
## Topics of the stakeholder survey according to relevance and effects

All participants were asked to rate both the relevance of the respective topic and its effects on the CHIRON Group. It became clear that the topic of »economic performance« was most relevant for the stakeholders of the CHIRON Group. »Sustainability is not an end in itself for us. Rather, in the context of all target obligations that we have entered into, we ask ourselves what is meaningful and pragmatic, and with which arguments we can also persuade our customers«, said Markus Unterstein, CFO of the CHIRON Group. In addition, a company must have the

corresponding profitability to be able to dedicate itself to this issue with the required strategic vision.

A total of 47 stakeholders were surveyed and in-depth personal interviews were also conducted. This methodical stakeholder survey was used to derive the materiality matrix below. In this report, all 24 key topics were taken into account. Particular focus has been placed on the highly rated topics, which are shown in green in the materiality matrix (see below).

Materiality matrix of the CHIRON Group



# Further developed roadmap to carbon neutrality

The roadmap adopted by the CHIRON Group to achieve climate-neutral\* production (Scope 1 and 2) has already been further developed. For example, the expansion of in-house green energy production in Taicang, China and Zadar, Croatia was accelerated. In addition to the individual prioritized actions for the years 2022 to 2025, this chapter introduces the implications of the design of four levers for the goal of »climate-neutral production« (Scope 1 and 2) by 2025.

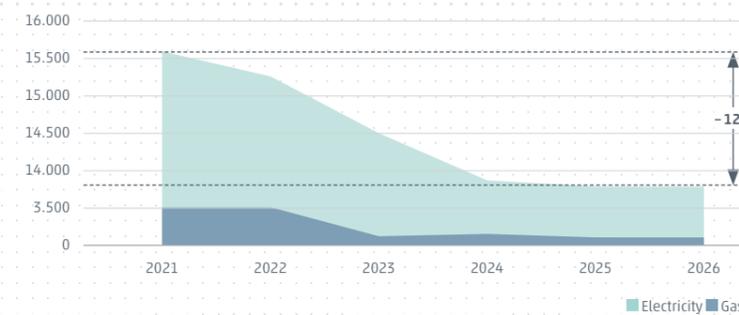


End of 2022: Commissioning of the PV system (745 kWp) on the roof of the Precision Factory in Neuhausen, Germany. Next year, alongside the PV systems in Taicang, China with an installed output of 1,014 kWp, another PV system with 183 kWp will be commissioned in Zadar, Croatia. This shows that the CHIRON Group consistently implemented its planned measures with regard to producing its own green energy via PV systems. Other projects in Zadar, Croatia and Rodano Millepini, Italy are currently being planned.

\* All CO<sub>2</sub> figures on the following pages are CO<sub>2</sub>e values and therefore CO<sub>2</sub> equivalents. These represent a unit of measurement to standardize the climate impact of different greenhouse gases. In addition to CO<sub>2</sub>, these also include methane, nitrous oxide and the so-called F-gases: Hydrofluorocarbon, perfluorocarbon, sulfur hexafluoride and nitrogen trifluoride.

## Implication for lever 1: Energy efficiency

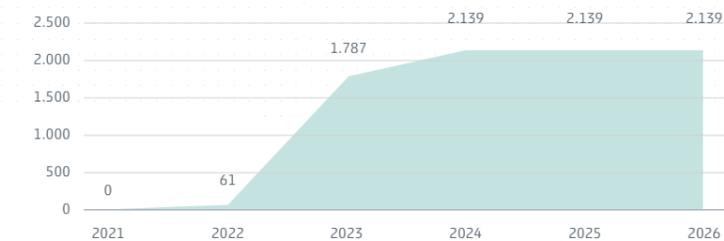
Reduction of electricity and gas consumption in MWh



With the implementation of the adopted climate strategy of the CHIRON Group, electricity and gas consumption worldwide will be reduced by 12% between 2022 and 2026; this will be accompanied by a 17% reduction in carbon emissions.

## Implication for lever 2: Green energy production

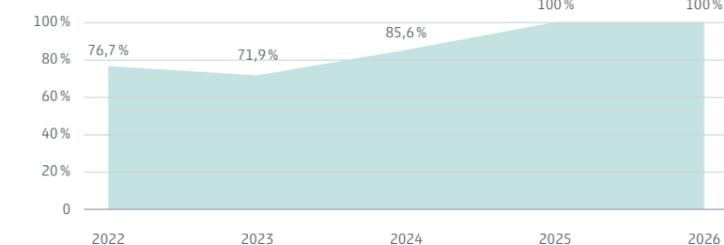
Electricity production at individual sites in MWh



With the installation of PV systems at the Neuhausen, Taicang and Zadar sites (production site of CHIRON Croatia, acquired in 2022), the annual green power production will increase to 2,139 MWh by 2026. Additional PV systems are already being planned, such as in Rodano Millepini, Italy.

## Implication for lever 3: Purchase of green power

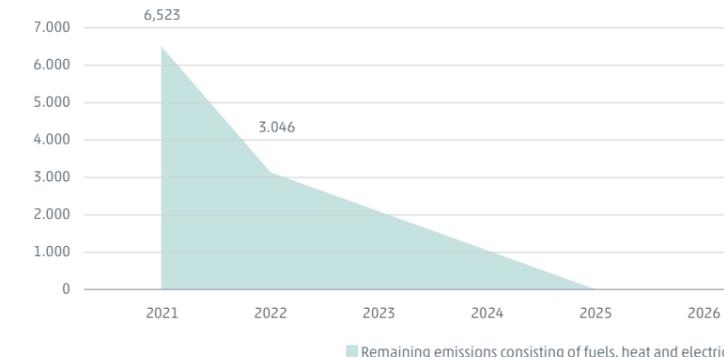
Purchase of green power in %



Purchasing green power has the largest and fastest influence. In Germany, the CHIRON Group covered its electricity demand of 10,118 MWh entirely with green power in 2022. Worldwide, the demand was 14,067 MWh. The purchase of green power is expected to decrease slightly in 2023 due to the commissioning of the PV systems, as described in the implication for lever 2. As of 2025, the CHIRON Group is also planning to cover 100% of its electricity requirements globally from green electricity.

## Implication for lever 4: Remaining compensation

Compensation of remaining emissions in t CO<sub>2</sub>



For the 2022 reporting year, the CHIRON Group determined declining emissions from Scope 1 and Scope 2 in the amount of 3,046 t CO<sub>2</sub> compared to 2021 (2021: 6,523 t CO<sub>2</sub>). In 2022, Germany began implementing reduction measures. The main lever for the 2022 results was the purchase of green power (lever 3) as well as the compensation of emissions through offset certificates according to the Verified Carbon Standard. By 2025, these measures should also take effect globally and realize the goal of carbon-neutral production (Scope 1 and 2) for the CHIRON Group.

■ Remaining emissions consisting of fuels, heat and electricity

# Positive development in Scope 1 and Scope 2 area

Due to the reduction measures started during the 2022 reporting year as part of the climate roadmap, the CHIRON Group was able to more than halve its carbon emissions from 6,523 tCO<sub>2</sub> to 3,046 tCO<sub>2</sub> despite slightly increasing global energy requirements. In Germany, the balance sheet of emissions was even reduced to zero due to the production and purchase of green power, green gas and through compensation measures.

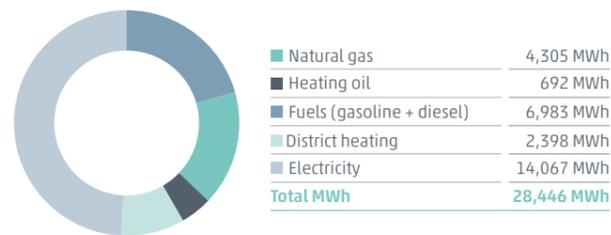
In Scope 1, natural gas, heating oil and fuel consumption for diesel and gasoline accounted for a total of 950 tCO<sub>2</sub> globally. In Scope 2, district heating and electricity accounted for 2,096 tCO<sub>2</sub>.

Thanks to the 100% use of green power including the company's own photovoltaic systems in Germany, emissions were reduced to zero through the consumption (10,118 MWh) of electrical energy in Scope 2. In addition, part of the natural gas consump-

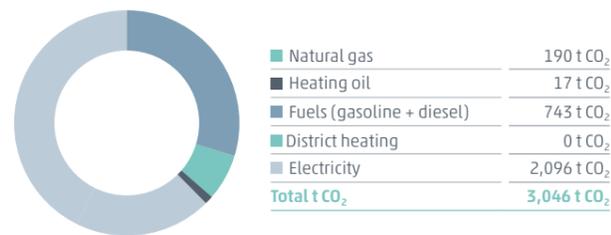
tion (3,366 MWh) was covered by green gas (485 MWh). These measures resulted in 1,823 tCO<sub>2</sub> being avoided in Germany.

The remaining emissions (1,983 tCO<sub>2</sub>) occur due to the production of heat and mobility and are compensated for through high-quality offset certificates (Verified Carbon Standards). The CHIRON Group is working on further reducing the share of compensation measures through offset certificates in the future.

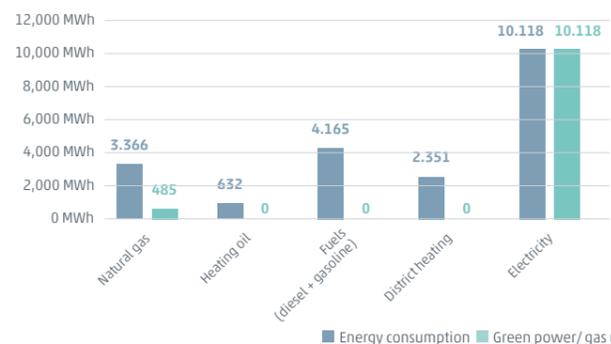
Energy consumption in MWh worldwide (Scope 1 and Scope 2)



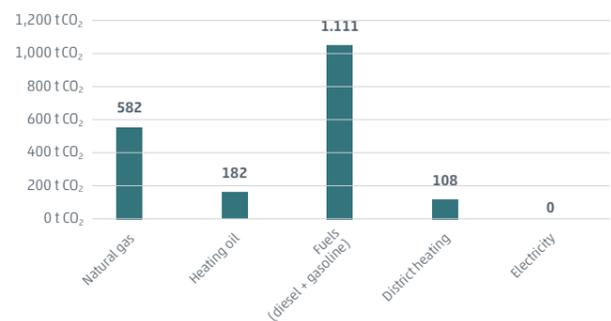
Emissions in t CO<sub>2</sub> worldwide (Scope 1 and Scope 2)



Energy consumption and green power/gas use in MWh in Germany (Scope 1 and Scope 2)



Compensated emissions in t CO<sub>2</sub> in Germany (Scope 1 and Scope 2)



## The four levers for CO<sub>2</sub> reduction and their potential

With the adoption of the climate strategy, the CHIRON Group implemented an annual systematic collection of data on the consumption of all energy sources, their costs and carbon emissions across all worldwide locations with corresponding personal responsibilities. In addition, the strategy project introduced a catalog of measures that will not only systematically improve the company's carbon footprint in the future, but will also make a significant contribution to the goal of making CHIRON Group production (Scope 1 and 2) carbon neutral by 2025. The concept, which was individually developed for the CHIRON Group, sets forth the following four levers:

### 1. Disclosure of energy efficiency potential

#### Electricity as an energy source

##### 12% savings potential

- Monitoring and mindset (energy data collection and employee awareness of energy efficiency)
- Air conditioning and ventilation technology
- Assembly
- Compressed air
- Mechanical machining
- Application
- Lighting

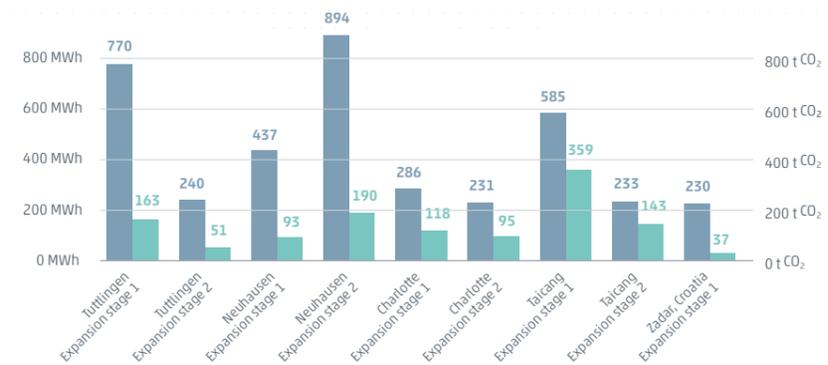
#### Heat as an energy source

##### 10% savings potential

- Gas
- District heating

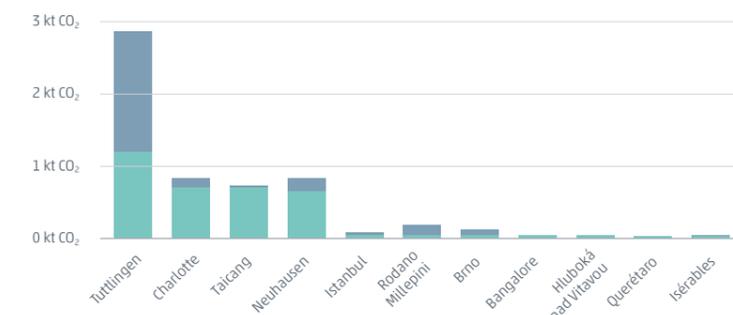
**Calculation of the maximum potential:** According to the concept, a total of 12% efficiency potential exists worldwide for electricity as an energy source. Furthermore, an efficiency potential of 10% was identified for heat as the energy source. In the 2022 reporting year, the Tuttlingen and Neuhausen sites in Germany were recertified according to DIN EN ISO 50001 and the identified potential was confirmed.

### 2. Expansion of the production of regenerative energy



**Calculation of the maximum potential:** The previous analysis was expanded to include the Zadar site in Croatia. The potential identified there for a first expansion step amounts to 183 kWp. Further expansion stages are currently being checked. The first expansion stage in Zadar, Croatia was implemented immediately after the analysis. At the end of 2022, the PV system on the roof of the Precision Factory in Neuhausen, Germany was commissioned with an installed output of 745 kWp. The PV potential across all sites has increased compared to the previous year to 3,908 MWh.

### 3. Potential to use green electricity



**Calculation of the maximum potential:** Through the purchase of green power as well as the expansion of internal green power production, the green power potential in Germany is already 100% utilized. The remaining potential of approximately 30% is focused on sites outside of Germany. The aim is to convert all sites worldwide to green power by 2025, in order to completely avoid carbon emissions from electricity.

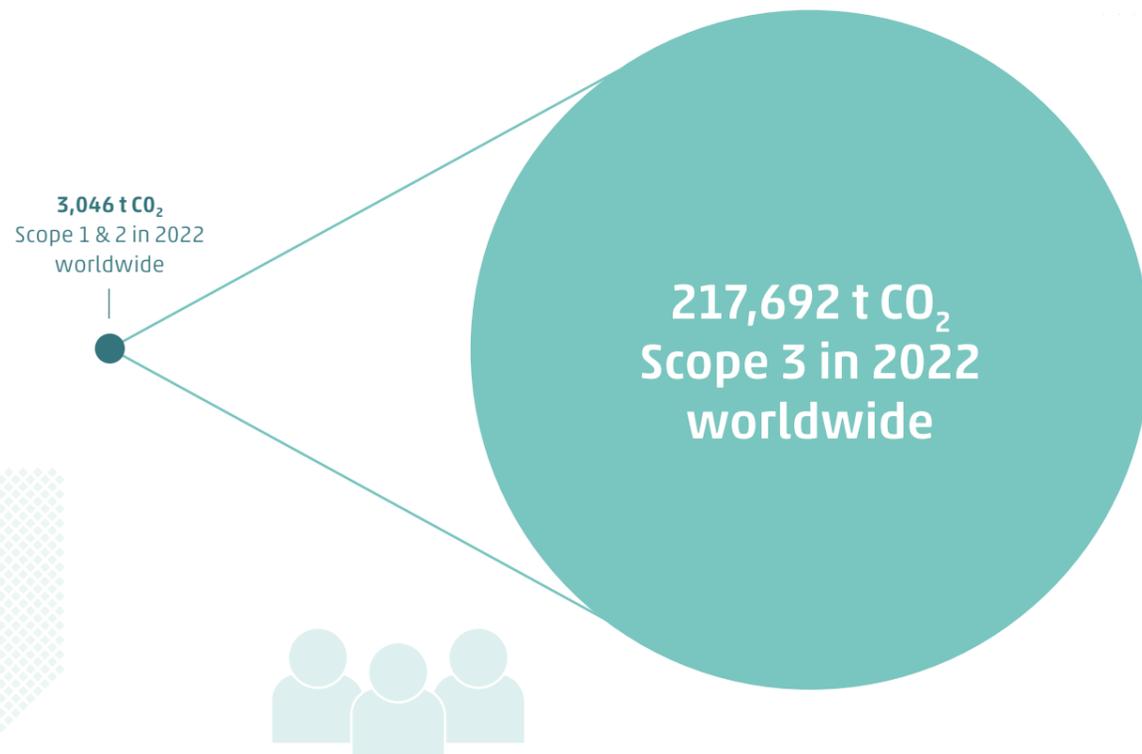
### 4. Theoretical possibility of emission compensation

CHIRON Group Global	5,029 tCO <sub>2</sub>
Germany	- 1,983 tCO <sub>2</sub>
Remaining emissions worldwide	3,046 tCO <sub>2</sub>

**Calculation of the maximum potential:** The CHIRON Group aims to continuously reduce the share of compensating measures through offset certificates in the coming years. In the reporting year, the remaining emissions of 3,046 tCO<sub>2</sub> were essentially caused by mobility and heat. In Germany, offset certificates compensated for 1,983 tCO<sub>2</sub> in the reporting year.

# Scope 3 – Enormous influence in achieving the climate goals

»Scope 3 is much larger than Scope 1 and Scope 2 and has a significant influence on the achievement of our climate goals«, says the CEO of the CHIRON Group, Carsten Liske. »That's why we have analyzed it in a targeted manner this reporting year and created maximum transparency in order to achieve our reduction goals.«



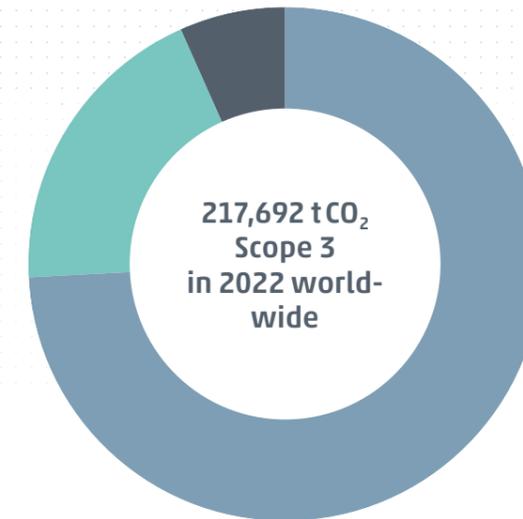
217,692 t CO<sub>2</sub> = All 83 million German citizens watching Netflix for 26 hours.

or

217,692 t CO<sub>2</sub> = Each one of the 1,900 employees that make up the CHIRON workforce flying Zürich - Shanghai - Zürich 38 times in economy class.

This was preceded by the CHIRON Group's clear intention to achieve the 1.5°C target of the Paris Climate Agreement by 2030. The drivers of global emissions at the CHIRON Group, as well as all of their upstream and downstream activities, were determined plausibly based on the Greenhouse Gas Protocol, subjected to

an initial evaluation and, in the process, it was determined that the main categories were the product use phase (3.11) as well as goods and services (3.1). Together, these make up 95% of the total 217,692 t CO<sub>2</sub> determined in the reporting year.



Product use phase	85 %
Goods and services	10 %
Other	5 %
Capital goods	
Fuels	
Inbound logistics	
Waste	
Business trips	
Employee commuting	
Rented assets	
Outbound logistics	
Processing of sold products	
End of life cycle	

Initially, all Scope 3 categories were analyzed and evaluated according to their relevance for the CHIRON Group. Some categories could be ruled out due to either a lack of implication or relevance (e.g. 3.14 Franchise, as this does not represent an existing business model).

An extensive model was used as the basis for the detailed determination of the emissions in the product use phase. Based on the machine type, this model takes into account the number of machines supplied in the reporting year, the average daily power consumption, the standard operating hours in the customer industry, the average service life and the emission factors for electricity in the respective country of use. This resulted in a total of 185,035 t CO<sub>2</sub>.

The emissions in the goods and services area were determined based on the purchasing volume and clustered according to commodity groups (goods) or according to on-site or remote service – the latter based on the two assumptions that, for example, repairs are implemented by the manufacturer in 95% of cases and only on-site at the customer in 5% of cases. This resulted in a total of 22,896 t CO<sub>2</sub> for goods and services. In the reporting year, database values (secondary data) were used to determine emissions in 3.1. The CHIRON Group is continuously working on obtaining more and more primary data from its suppliers. Initial talks have already been held on this matter.

### Forward looking@CHIRON Group

With the Scope 3 results, the CHIRON Group has laid the foundation for further process validation in accordance with the SBTi criteria. The simulation calculations also take into account the planned growth until 2028. The CHIRON Group's objective is to achieve a 25% reduction in the Scope 3 emissions base value from the year 2018 by the target date. The CHIRON Group is working on these reduction measures by further reducing the electricity demand of the machining centers through technical optimizations, for example, so that lower costs and carbon emissions are produced to benefit the customer.

# Conserving resources with efficient products

The products of the CHIRON Group efficiently conserve resources and create added value for customers around the world through their outstanding availability, productivity and value creation. This is shown in all fields of expertise throughout the entire lifecycle – from milling/mill-turn to additive manufacturing, automation, turnkey, digital solutions and services, and finally to machine refurbishment. Prime examples of this are the Micro5, which has been continuously improved and extended since it was launched, and the Feed5 automatic handling system. Demand from customers worldwide has also increased for both machines.



Micro5 and Feed5

## Micro5: Maximum precision in every detail

Small like a refrigerator, quiet like a modern dishwasher and low in energy consumption like a coffee machine, the Micro5 is designed for more than just machining. The Micro5 is leading a revolution in the dynamic and highly precise world of machining tiny medical instruments, delicate jewelry or the most intricate watch parts. The FACTORY5 five-axis machining center is extremely compact and quick and easy to set up almost anywhere.

The »5« in the name stands for the ideal 5:1 ratio of machine size to workpiece, for five times lower weight, and for maximum efficiency. Energy consumption is 50 times lower in comparison to conventional systems. In addition, the newest generation of Micro5's has undergone more than 50 improvements, enhancing its practical reliability, efficiency and autonomy.

The double-torque spindle is key for higher efficiency operation. This helps sustainably reduce the machining time, which is already considerably shorter than that of larger machines.

## Feed5 – The automatic handling system for the Micro5

An important optimization request from users was to achieve increased autonomy – they wanted the Micro5 to allow automatic loading for higher production capacity. We responded with the Smartfactory Project. This is a complete production line which is fully scalable in all aspects to meet specifications.

Feed5, a six-axis handling robot that can load and unload the Micro5 during machining operation, is a fundamental part of this. The new module acts as a fully automatic guide for workpieces and tools. As compact as the Micro5, the Feed5 is particularly useful for enabling increased autonomy and productivity for bigger series, and, therefore, ultimately even more efficiency and sustainability.



»FACTORY5 is a digital cooperation platform with the vision of a greener, smarter and better networked industrial world. This not only includes intelligent production tools, such as Micro5 or tools, clamping equipment, measurement and control systems and lubricants, but also training applications and much more.«

Samuel Vuadens, CEO CHIRON Swiss SA / FACTORY5

## Forward looking@CHIRON Group

The continuously increasing use of sustainable automation solutions is still an important trend in manufacturing. »Ideally, several machines are operated by one person, in the best case scenario in just one or a maximum of two of three production shifts. The night shift, which is expensive for the customer, should run by itself if possible,« says Dr.-Ing. Claus Eppler, CTO of the CHIRON Group.

This can be achieved through automation solutions such as Feed5 or VariocellUno. Digital monitoring and messaging functions make it possible to have disruption-free, highly efficient production even in autonomous operation.



# An increasingly strong global network

Strengthening global business in the short and long-term has once again been a focal topic of the CHIRON Group's growth strategy in the 2022 reporting year, with new service and sales branches, new subsidiaries and the expansion of existing locations. These are combined with the common goal of becoming an increasingly strong network worldwide – while also accepting social, ecological and economical responsibility for individual employees and the company as a whole. Below you will find a brief overview of the individual activities at the international CHIRON Group locations, which are sustainably successful, both internally and externally.



■ <b>Production, sales and services</b>			■ <b>Sales and services</b>			■ <b>Partners</b>		
GERMANY	■	Tuttlingen, Neuhausen, Spaichingen	CHINA	■	Beijing	ITALY	■	Rodano Millepini
			CZECH REPUBLIC	■	Brno	MEXICO	■	Querétaro
CHINA	■	Taicang	FRANCE	■	Lyon	SPAIN	■	Itziar-Deba
USA	■	Charlotte, NC	GERMANY	■	Schlierbach	INDIA	■	Bangalore
CROATIA	■	Zadar	SWITZERLAND	■	Isérables, VS	TURKEY	■	Istanbul
POLAND	■	Paniówki						

## CHIRON America



### Focus on four-year training programs

CHIRON America is proud of the continuous participation in two four-year training programs registered in North Carolina: »Mechatronics Engineering Technologies« and »Computer Numeric Machining«. Graduates gain a qualification and a journeyman's certificate for their chosen career.

In the last ten years, a total of fifteen trainees have taken part, of which ten have already completed their apprenticeships and are now employed in the Appli-

cations Engineering, Field Service, Quality and Project Assembly departments. The remaining five apprentices were still at different stages of the program in the 2022 reporting year.

Over the course of the four-year apprenticeship, 65% of all work is performed in the context of customer projects with added value. The trainees provide support by producing or reworking parts for customer projects in the training workshop, performing electrical and mechanical retrofitting, assembling automation systems for new projects and writing CNC programs. They also construct tools, install fixtures, operate a coordinate-measuring device to measure parts, assist with the conversion of customer machines and with pre-assembly of retrofits on-site. The apprentices also support the technical department with the construction and testing of prototypes and with final production of 3D printed parts.

## CHIRON China



Following the postponement of the Gardening 2.0 project due to the pandemic, CHIRON China will focus on continuously improving health care and the technical skills of the personnel as well as safety awareness in the 2022 reporting year.

### 1. Health improvement

With the COVID-19 pandemic having limited the possibilities of physical activity, more exercise facilities were offered at the workplace: For example, a yoga course once a week. Regular practice of yoga not only helps improve posture, but also helps relieve tension. In addition, several internal sports groups were founded, which are open to all to enjoy during

breaks. Badminton, table tennis and even a billiards group were established, actively promoting both team spirit and solidarity.

### 2. Improvement of technical skills

CHIRON China takes improving the technical skills of its employees seriously. That's why two teams from the production department took part in the German-Chinese professional competition, organized by the government in Taicang, winning third prize in the two »Industrial Robots« and »Mechatronics« competitions. On the one hand, this fantastic achievement confirms the efforts and commitment of those who took part; on the other hand, it also motivates others to optimize their professional and technical skills.

### 3. Improvement of safety awareness

Safety is the basis of and top priority for the sustainable development of a company. That's why CHIRON China provides different safety training courses and exercises every year. These are intended to improve the safety awareness of employees and their ability to act in the event of an emergency. In the 2022 reporting year, a total of 73 safety courses were held with a total of 630 participants.

## CHIRON Croatia

### »Be Ready and Competent!«

In the 2022 reporting year, CHIRON Croatia was one of the main participants in the »Be Ready and Competent!« project, which was financed by the European Structural and Investment Fund and the European Social Fund. The project aims to strengthen the skills of teachers and the regional competence center for the development and implementation of regular training programs in technical schools as well as formal and informal training programs for adults.

The role of CHIRON Croatia in this project was to prepare and implement or present professional training programs on the following topics: welding technology, hydraulics, pneumatics, automation and mechatronics (Industry 4.0), CNC machine technology as well as micro- and nano technology. The employees enjoyed taking part in the training and presentation of the new technologies that are used in the modern manufacturing industry, while the teachers gained many practical insights and knowledge of aspects of modern manufacturing systems.

Improving the skill and knowledge of teachers is a key aspect of the further transfer of knowledge to young students. This will increase the potential for competent new recruits for modern production businesses. And, in turn, this can only be of benefit to CHIRON Croatia.



## CHIRON Polska

### Small steps towards greater sustainability

CHIRON Polska is convinced that many small steps are just as important as great deeds. Following this line of thought, the daily sustainability activities in the three business areas of office, assembly and service can be summarized as follows:

#### 1. Office

- Collection of electronic waste and plastic bottles caps that can be donated for charitable causes
- Replacement of plastic bottles with water dispensers
- Use of coffee grounds as fertilizer for plants in the surrounding area

#### 2. Assembly

- For parcel shipping, the boxes and packaging paper in which the parts are received are reused
- Shipments are organized into as few passes as possible – i.e. the transport of machines is planned so that there are no empty spaces on the vehicle; the route is planned so that the delivered pallets, trolleys and crates are taken back and reused by the suppliers

#### 3. Service

To sustainably reduce the carbon footprint and emissions, the trips in the service area are organized so that the service engineers travel in just one vehicle when they are visiting the same customer.

In addition, regular training is held in all business areas. For example, training on topics such as »Occupational health and safety« or »Organization and sustainable development«.



## CHIRON Swiss

### Optimization of energy efficiency

CHIRON Swiss has always been ahead of its time when it comes to sustainability. This is true not only for the innovative product portfolio, which continuously sets new benchmarks in this sector with Micro5 and Feed5, but also for the optimization of energy efficiency at the CHIRON Swiss location in the picturesque Iséables. For example, the district heating here works with wood chips that are produced locally in the Nendaz-Iséables forestry district. The waste water is also used to generate green electricity in the valley using 100% hydropower. This not only supplies the CHIRON site, but also the entire village.

## CHIRON Italia

### Annual team excursion on e-bikes for the first time

Sustainable team building is traditionally taken very seriously at CHIRON Italia: A real highlight is always the annual team building excursion. In the 2022 reporting year, this took place on e-bikes for the first time, and the destination was the »Lario«, as the locals call Lake Como. In a picture postcard setting, with a spectacular mountain backdrop, the team covered a total of 40 kilometers from Colico on the eastern shore to Domaso on the northern shore and back again, all in beautiful summer weather. This fantastic day was rounded off Italian-style, with an »aperitivo« right by the water's edge and countless unforgettable memories.



## CHIRON India

### Joint tree planting campaign

The team at CHIRON India has single-handedly planted 150 new fruit trees as part of a joint tree planting campaign close to the CHIRON location, in order to create establish more greenery in the town. The fruit trees are also intended to serve as a source of food for birds in future. That's why a balanced mix of native varieties were planted: These range from Java and Malabar plums to the Indian gooseberry and the Malakka tree.

## CHIRON France

### Shorter journeys, lower emissions

During the 2022 reporting year, CHIRON France moved to a new building at the heart of the bustling metropolis of Lyon. The benefits are clear: The relocation means the team will be even closer to the majority of customers in future, and will therefore generate significantly less emissions. The employees at the location are also pleased about the sustainable improvement of a modern working environment.



# Close to customers and suppliers worldwide

Whether in Europe, Asia or America: The CHIRON Group has a presence in all relevant markets with its own branches. Which means it is always close to customers and suppliers worldwide. By keeping distances as short as possible, personal contacts are cultivated and valuable resources are conserved during transport. An internal project was also initiated at an early stage, in preparation of the new Supply Chain Act (Lieferkettensorgfaltspflichtengesetz, LkSG).

## Binding self-disclosure according to clearly defined criteria



The CHIRON Group has always maintained trusting, fair and respectful business relationships with its customers and suppliers – and expects the same from them. In order to ensure that the ethical and corporate gui-

delines of the company as well as the applicable laws and regulations in the respective countries are taken into account, suppliers of the CHIRON Group are obligated to make a binding self-disclosure.

This means that they can be objectively evaluated, compared and, if necessary, checked directly on site at any time according to clearly defined economic, ecological and social criteria. These include:

- Negative social impacts in the supply chain and measures taken
- Assessment of the health and safety impacts of different categories of products and services
- Violations related to health and safety impacts of various product and service categories.

## Early preparation for the new Supply Chain Act

In future, the CHIRON Group will even go one step further: As a meaningful addition to the mandatory self-disclosure, an internal project to prepare for the new Supply Chain Act (LkSG) was initiated early in the 2022 reporting year. On the one hand, in order to meet the future legal requirements, and on the other hand to meet the customer requirements, but in particular also personal expectations.

»In addition to introducing software – e.g. for efficient reporting and for supplier tracking – the processes in the company must also be adapted to the new legal regulations. That's why the project team is made up of members of different departments, such as Purchasing, Legal, QM, Risk Management and IT«, reports project manager Carolin Meiereder, who is also the team leader for indirect material in the Purchasing department of the CHIRON Group.



## Business relationships built up over many years

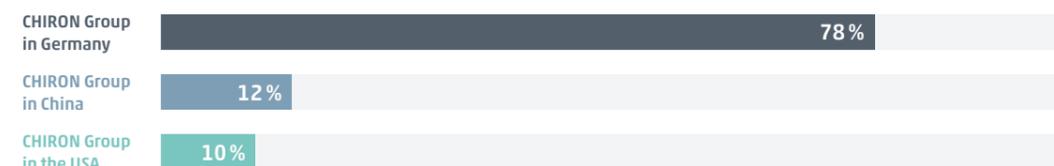
The CHIRON Group maintains long-standing business relationships with around 2,000 suppliers worldwide. Depending on the market and location, production materials from a wide range of product groups were supplied in the 2022 reporting year too – from control cabinets and spindle technology

to DIN standard and catalog parts. »There were no significant changes in the organization and its supply chain during the reporting period,« says Peter Bosch, Senior Vice President of Global Supply Management in the CHIRON Group.

### ➔ Forward looking@CHIRON Group

In the course of risk minimization, the supply chain should be made more resilient in the coming years and, where relevant, also wider, in order to guarantee delivery capability and to reduce delivery times and manufacturing costs. An example comparison shows that, in some cases, cast iron has delivery times of more than one year in Germany, whereas it is available in India after approximately three months on average. This results in additional costs due to transport – but the impact on the CHIRON Group's carbon footprint is very low overall, so the advantages significantly outweigh the disadvantages.

## Share of procurement volume for production material



# Optimizing the volume of waste and waste water in a targeted manner

The CHIRON Group is officially certified according to DIN EN ISO 14001:2015 at the largest production sites in Tuttlingen and Neuhausen, Germany. This demonstrates that the company sustainably conserves resources, avoids environmental damage and, as far as economically feasible, always uses the best available state-of-the-art technology. The overall very sustainable optimization of waste and hazardous waste water demonstrates this clearly – even if the total volume of liquid waste (e.g. halogen-free machining emulsions and solutions) has rise by 57% compared to the previous year due to a quality-related need for technical conversion in production.

## Waste management

Worldwide, waste at all CHIRON Group sites is collected and disposed of or recycled separately according to the type of waste, in accordance with local requirements. The clear separation according to waste types has allowed for a targeted improvement in the residual waste quota in recent years. Nonetheless, the total volume of waste in the Tuttlingen and Neuhausen factories increased slightly in the 2022 reporting year compared to 2021. Following the decline in the previous period, due to the pandemic, this is however primarily due to the greatest possible stabilization of the production volume.

The same applies to recyclable waste: In recent years, the share of recyclable waste increased steadily, while the total volume continuously fell. In the 2022 reporting year, the figures only changed slightly compared to 2021. In the factories in Tuttlingen and Neuhausen in Germany, 4.3% less metal shavings were produced, yet on the other hand there was an increase of 5.8% in packaging made of paper and cardboard.

The total volume of contaminated waste has also stabilized (+3.3%). This is mainly residual quantities of absorbent and filter materials, including oil filters, as well as wiping cloths and protective clothing contaminated by hazardous substances. This waste is still collected separately, professionally stored temporarily and disposed of by experts.

## Waste water management

Also in the 2022 reporting year, the CHIRON Group used the fresh water at its sites mainly for sanitary areas, for cleaning, as drinking water and in canteens. In some cases, the fresh water was also used to water plants or as process water, for example for sprinkler or cooling systems.

In principle, the waste water is hardly contaminated and can therefore be fed mainly through the public sewer system for regular waste water treatment. Liquids required for certain production processes, on the other hand, are disposed of professionally by experts.

## → Forward looking@CHIRON Group

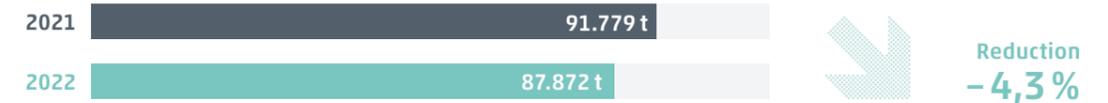
Whether storage or transport, sustainable packaging concepts still offer great potential for savings and optimization in the future. The CHIRON Group already reuses these every day: In this way, more and more machines and components are shipped unpacked; in addition, recyclable paper is used with preference over bubble wrap as a filler material. And for regular standard transport to selected customers and suppliers, reusable containers made of recycled plastic are increasingly being used.

The first results of these measures are clear to see: In the 2022 reporting year alone, savings of 97.3% of all wood packaging were achieved compared to 2021, believe it or not. Other measures will follow ...

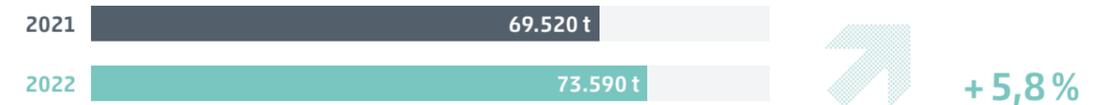
## Total amount of all waste\*



## Recyclable metal waste (e.g. metal shavings)\*

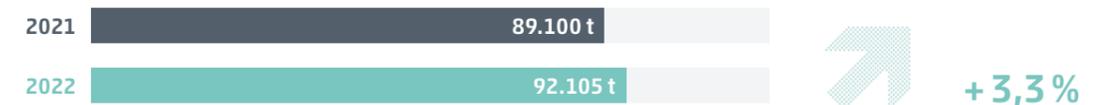


## Recyclable paper and cardboard waste (e.g. packaging)\*

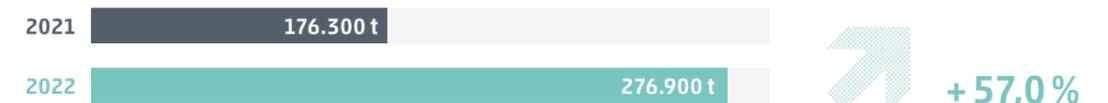


## Contaminated waste

(e.g. absorbent and filter materials including oil filters, as well as wiping cloths and protective clothing contaminated by hazardous substances)\*



## Liquid waste (e.g. halogen-free machining emulsions and solutions)\*



\*Applies to the plants in Tuttlingen and Neuhausen.

# Responsible company management and clear guidelines

What is the CHIRON Group about? What sets it apart, guides its practices? On what basis does the Group shape its success today and in the future? The daily »practiced« response is responsible company management and clear guidelines. These characterize the company culture and the togetherness, determine the relationships with customers and partners – and as a result, of course, also the quality of all products and services.

## Three central modules as a guide for all

In the 2022 reporting year, the CHIRON Group continuously worked on giving its corporate culture a binding framework and on defining the key points of its long-term thinking and actions. The result: The mission statement, values and leadership principles are the three central modules of a »code of conduct

operating in the background« on which all employees must focus and be measured against – across all brands and locations, worldwide. The overarching theme is always the interaction of the following four attributes: competent, smart, innovative, sustainable.



The Group Executive Committee of the CHIRON Group in 2023 at the time of reporting (from left): Markus Unterstein (CFO), Carsten Liske (CEO), Dr.-Ing. Claus Eppler (CTO) and Bernd Hilgarth (CSO).

## 1. Mission statement

- ➔ **Competence is our key to success.** We set ourselves ambitious targets and engage in continuing self-development, within the framework of the open and dynamic corporate culture of the CHIRON Group. In this way, we consolidate our individual competences into added value for our customers: for machining centers and automation solutions, services and digital solutions.
- ➔ **Being smart makes all the difference.** It's not just about what we do, but how we do it. Structured working in lean processes, digital and in-person networking, unrestricted thinking: this is why we are faster and better at finding intelligent, future-proof and clever solutions.
- ➔ **Innovation is what drives us.** We aspire to be a driving force and technological leader, to strengthen and expand our market position, and to stand out from the competition. This is where our ability to innovate comes in, helping us to develop new products and services that spring from our steadily growing technological competence.
- ➔ **Our practices are characterized by sustainability.** Trust forms the basis for relationships with our customers across the world, and we provide them with ongoing support which is competent and comprehensive. We are aware of our responsibility, and so we develop highly efficient solutions and conserve resources. The loyalty of our owners means for us sustainably profitable growth.

## 2. Values

- ➔ **Trust.** Our dealings are honest and reliable, which gives us credibility. We are fair and appreciative in our communication and actions, and demonstrate trust in all whom we converse with.
- ➔ **Responsibility and reliability.** We are thorough and reliable in our work and we learn from mistakes, all the while keeping the good of the CHIRON Group overall in view. We see change as an opportunity.
- ➔ **Openness and respect.** We advocate for our convictions openly, and respect different points of view. Variety and open-mindedness characterize our corporate culture.
- ➔ **Performance.** We strive for top performance, and commit to achieving our ambitious target goals. We are continuously improving our performance for the benefit of our customers.

## 3. Leadership principles

- ➔ **We provide orientation.** We ensure that all employees understand our company strategy and the plans derived from it. Each employee is able to follow how their work contributes to all of us achieving the overarching target goals together. Target goal agreements provide orientation, in order that we can make responsible decisions and take responsible action.
- ➔ **We enable independent action.** We ensure that all employees recognize and achieve their personal contribution to the company's success. We clearly delegate individual tasks and provide the necessary resources. We encourage our employees to make independent decisions within the framework of their area of responsibility, and to present their ideas and constructive suggestions for solutions.
- ➔ **We take responsibility.** We keep our responsibility to our employees and environment constantly in mind. We take responsible actions, and always keep the potential effects on the CHIRON Group and beyond in view.
- ➔ **We demand effort and honor it.** Our customers count us among the best in the industry. We can only keep our leading position if all involved put in their best effort. This is why we make tasks and responsibilities clear, set challenging target goals, and provide constructive and motivating feedback. We have a systematic promotion scheme for our high performers.
- ➔ **We actively provide and expect feedback.** We provide a trust-based and open working atmosphere. We provide our employees with timely and systematic feedback on their results and level of qualification, and likewise require active constructive feedback on our leadership style. We see both as an opportunity to learn from each other and constantly improve ourselves.
- ➔ **We foster the potential of our employees.** They are the most important factor in the sustained, positive development of the CHIRON Group. We identify their particular strengths and develop them further in a targeted manner. We work on individual development perspectives, agree concrete steps for development and have employees take targeted qualifications.
- ➔ **We create a positive climate that is open to change.** In order to maintain and expand our top position, we pick up early on the relevant trends and developments. We develop future-proof solutions and products. To do this, we initiate and encourage innovation and continuous improvement, and systematically check our working methods and level of qualification. We expect readiness to change, and we take new paths together in order to achieve our objectives.

# Safety at the workplace takes top priority

The health of all employees is a valuable asset. Safe-to-operate machines, qualified personnel and an in-house health group are the central elements of good and effective health care. This is how the CHIRON Group will live up to its reputation as an excellent employer and ensure that team spirit and sustainable good relationships between employees are encouraged.

## Qualitative health protection

Precision is a corporate mindset within the CHIRON Group, which spans all areas and activities. This is demonstrated, among other things, by the Integrated Management System (IMS) for occupational health and safety. The company places great emphasis on top quality, which is why the sites in Tuttlingen and Neuhausen are certified according to DIN EN ISO 9001:2015, VDA 6.4, DIN EN ISO 14001:2015 and DIN EN ISO 50001:2018. The health and safety management system covers the sites in Tuttlingen, Neuhausen, Schlierbach as well as the other service branches.

Of course, the other sites of the CHIRON Group are supported in guaranteeing occupational health and safety at all times. The legal requirements for occupational health and safety for all relevant persons are listed and described in the compliance database. This ensures that the relevant employees have a detailed knowledge of the respective requirements.



## Procedure for identifying occupational risks

- Site visits and internal audits
- Occupational safety committee (consisting of: Executive Board, Works Council, representative body for disabled employees, safety specialist, safety officers and heads of department) as well as safety officer meetings
- Documentation of employee notes
- Idea management
- Analysis of accidents and near-incidents

For all employees, there is always the option of submitting reports – even of near-misses and suggestions for improvement. This enables occupational health and safety to be optimized directly on site. In order to make this workflow more effective and simple in future, the CHIRON Group is working on digital solutions. More on this can be found at the end of this chapter under »Forward looking@CHIRON Group«.

## Occupational health checks in the CHIRON Group

The occupational health service and consultation are provided via the ias Group (external service provider in the field of occupational health and safety). Company doctors are generally on site once or twice a month and also regularly take part in occupational safety committee meetings and site visits. Health checkups are managed in a database. This also contains an assessment of the need for examinations and advice, voluntary examinations and requested appointments.



»For workplace risk assessment we have defined our own process, which extends from ascertaining the process trigger to a risk assessment and finally the definition of various protective measures. This procedure has proven its effectiveness in practice in the 2022 reporting year, with the introduction of our internal cut protection campaign.«

Patrick Bausert, HSE (Health, Safety and Environment) Expert

# Team training on health and safety

Occupational health and safety at the CHIRON Group primarily means implementing preventive measures and offering employees additional training on maintaining or improving their health. To this end, the company has started its own health management alongside the occupational safety committee.



### Promoting team spirit

What brings people together more than achieving a common goal as part of a team? Sport calls for team spirit and solidarity. For this reason, the CHIRON Group is not only the main sponsor of the town race and the NYE run in Tuttlingen, Germany, but also on the starting line with several teams. The cycling sports groups at the sites in Italy and Tuttlingen, Germany also call for team spirit and solidarity.

### Sports and course offerings

A total of six employees lead, plan and organize various sports and course offerings, such as bike races, cooking classes, Christmas baking, meditation classes, hikes with the whole family, and numerous other fitness and nutrition classes. The management provides the health group with its own annual budget for this purpose.



### Training and safety courses

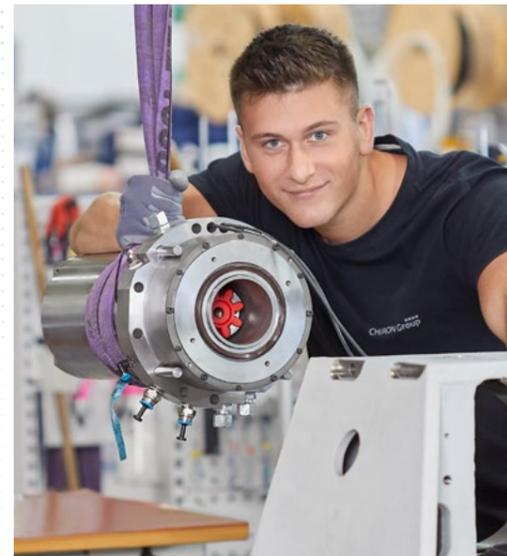
Training needs are determined according to activity:

- Departmental safety briefings
- Activity-related training (e.g. for cranes, forklifts and other industrial trucks)
- Practical safety training (e.g. for working at heights).
- Instruction and information on relevant incidents/accidents

### New projects for 2022

To avoid cutting injuries, an internal cut protection campaign was launched during the 2022 reporting year. In addition to topic-specific training and discussions with individual employees, initial trials of wearing alternative cut protection gloves as well as tests with new safety blades have taken place. In addition, a »cut protection committee« with selected representatives from assembly, service and construction was introduced to provide advice on whether and how sheets or other parts could be changed or made safer in terms of design.

To improve health protection, extraction of adhesive vapors in surface mounting as well as soldering smoke extraction in pre-assembly have also been procured. The substances are extracted directly at the site of production and therefore prevent any health burden or odor.



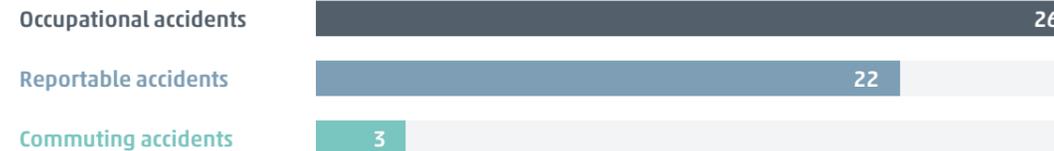
### Transparency and knowledge

For the CHIRON Group, it is expected that employees are always well informed and are also able to introduce improvements themselves at any time. An improvement suggestion system has been established for this purpose. Close cooperation between the safety officers at each site and the Works Council, as well as their participation in the occupational safety committee meetings, ensures high-quality and comprehensive health and safety management.

Finally, employees receive important information and notices via e-mails, information boards in the departments, and at works meetings, via the respective departmental management or via the intranet.

The occupational safety committee met regularly in the 2022 reporting year. Internal surveys were also performed regularly with regard to occupational health and safety.

### Accident statistics 2022



### Forward looking@CHIRON Group

In the future, the requirements, legal regulations and standards applicable at German sites are to be firmly anchored at all international CHIRON Group sites in the form of guidelines. In order to also enable quick and easy hazard identification for all employees, work is still underway to develop our own e-learning software on the subject of occupational safety. The e-learning software will also provide employees with the opportunity to participate in online training as well as safety briefings.



# Decisive contribution to sustainable success



The foundation on which the leading market position and growth of the CHIRON Group is built is its committed and qualified employees throughout the world. It is these employees who are not only preparing for the coming challenges, but embracing them as an opportunity for professional and personal further development. With their commitment, they are making a decisive contribution to the sustainable success of the company.

### Authentic and attractive employer brand

From production, to research and development, through to management: An authentic and attractive working environment with a modern team, customer- and solution-oriented approach is the most important basis for sustainable company management. Employees with a keen interest in the respective industry, to whom a family-friendly working model is important and who also take an active approach to continuous further development are in exactly the right place in the CHIRON Group. This applies to all employees across all departments.

### Fair pay and numerous benefits

By way of acknowledging commitment and performance, around 89% of CHIRON Group employees at the sites in Germany are paid according to the IG Metall pay scale. As such, the company clearly attaches great importance to ensuring that all employees are

paid fairly – primarily according to their knowledge and skills, their professional experience and level of responsibility.

The CHIRON Group also offers all employees numerous benefits, regardless of whether they are employed on a full-time or part-time basis:

- Individual qualification opportunities
- Flexible working hours and working models
- Active health management
- Team-building activities
- Corporate benefits: Attractive discounts
- Discounts at local shops and leisure facilities
- Events for employees and their families
- Free organic fruit and mineral water
- Staff canteen in Tuttlingen, Germany



### Employees of the CHIRON Group

Region	TOTAL	Of which active	Of which not active*	Of which trainees	Of which managers
Europe	1.573	1.418	34	111	10
America	106	97	0	7	2
Asia	206	192	2	9	3
<b>Total</b>	<b>1.885</b>	<b>1.707</b>	<b>36</b>	<b>127</b>	<b>15</b>

\*This refers to employees on parental leave or extended sick leave.

### Employees of the CHIRON Group in Germany

Gender	TOTAL	Of which full time	Of which part time	Of which temporary	Of which permanent
Male	1017	999	18	76	941
Female	214	161	53	18	196
<b>Total</b>	<b>1.231</b>	<b>1.160</b>	<b>71</b>	<b>94</b>	<b>1.137</b>

## Fantastic career opportunities for talented trainees

From classical apprenticeship to the dual training system: The CHIRON Group offers fantastic career opportunities. Talented trainees are provided with training in a variety of professions, including electronics, mechatronics, industrial mechanics, IT, warehouse logistics and industrial sales. This continuous investment in the future pays off: In 2022, the CHIRON Group was once again able to fill all training positions and was recognized for its exceptional training.

### Recognized as the best training company

»In order to meet the needs of all trainees and give them the best possible support, the CHIRON Group employs a total of 44 trainers. These trainers make sure that the talented trainees feel at home in the company and are given every opportunity to expand their specialist knowledge«, says Herbert Mattes, Education Manager for the CHIRON Group.

During the 2022 reporting year, there were a total of 107 young people completing apprenticeships or studies within the CHIRON Group (25 of which were female) – including the 32 apprentices and students who started their apprenticeships or studies on 01.09.2022 (11 of which are female).



»We are immensely proud that three of our apprentices last year, Lukas Müller, Sarah Moser and Selina Greiner, achieved top results. In previous years we have only sent our first place winners abroad, but now we are also rewarding the outstanding results of those in second and third place with a fantastic trip during which they can gain experience and collect lots of new impressions.«

Herbert Mattes, Education Manager

Innovative technology and state-of-the-art equipment in the learning workshop as well as virtual learning content are at the heart of the company's professional training. The fact that the CHIRON Group enjoys sustainable success in this is proven not least of all by the »Deutschlands beste Ausbildungsbetriebe« (Germany's best training companies) seal, which has been awarded to the company five years in a row.

### Other news

- Following the COVID-19 pandemic, the apprenticeship fair and the »Apprentice Night« were once again held in Tuttlingen, Germany in the 2022 reporting year. Both were a complete success and enjoyed the active support of the CHIRON Group.
- In addition, after a 2-year break, the apprentices once again had a 2-day excursion. They went to Sick AG in Waldkirch and to Kern-Liebers in Schramberg. The agenda included a guided tour of Freiburg and a visit to the test tower in Rottweil.
- The World Skills Competition Special Edition in Leonberg, which was organized in cooperation with the CHIRON Group as Gold Sponsor, was a real highlight. The German participant in CNC milling achieved an amazing 11th place and was presented with the »Medallion for Excellence«.
- With great effort and commitment, the CHIRON Group has also been responsible for organizing and holding the German Championships in CNC Milling since 2007. Once again during this 2022 reporting year, this even was held again in the CHIRON Group premises made available specifically for this purpose.

## Promoting further training and exchange of expertise

Offering excellent further training opportunities to all employees is a central element in surviving as a company among the global competition, in always staying one step ahead of market competitors and in guaranteeing top product quality at all times. For this reason, the CHIRON Group places great emphasis on »Training on the Job« – and on creating the framework for employees to support one another and share their expertise.

### Intercultural exchange of expertise within the CHIRON Group

The company also promotes the intercultural exchange of expertise and provides opportunities for employees from different subsidiaries to meet in person and benefit from each other's experience.

Within the scope of this intercultural exchange, the trainees and students who achieve the best results are also given the opportunity to travel to the CHIRON Group factory in Charlotte in the USA to gain an insight into American working methods.



»The knowledge potential of the CHIRON Group is huge – and this is why it is important to pool this potential and carry it into the future. In 2022, we continued our training initiatives in which highly qualified and motivated employees from different areas and in different positions train their colleagues. This training offensive, which involves a type of sponsorship, is intended to further deepen our employees' expert knowledge and promote equal exchange.«

Roger Schöpf, Senior Vice President  
Global Operations

### Forward looking@CHIRON Group

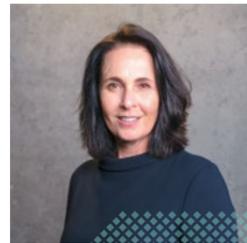
In order to create a Group-wide training standard in the future, close and regular collaboration has been established with the CHIRON Group subsidiary in Charlotte/USA. The same training standards that are already being applied internally in Germany will also soon apply in Taicang/China. In order to ensure that all specialists and employees experience relevant training content, a large digital information board in every production hall will provide details on upcoming training courses and their contents.

## Diversity makes all the difference

The Code of Conduct of the CHIRON Group defines the rules regarding behavior inside and outside the organization. These are a fundamental component of the corporate culture – and are therefore binding for all employees, because diversity makes all the difference.

Employees who do not behave with respect and dignity towards one another or who do not follow these rules do not belong in the CHIRON Group. The Code of Conduct also explicitly defines further business practices: »Age, disabilities, ethnic origin, skin color, gender, pregnancy, sexual identity, nationality, religion and marital status have no impact on equal op-

portunities during the employee selection process. Managers support their employees in balancing their career and private lives and encourage them to take up health promotion offers.«

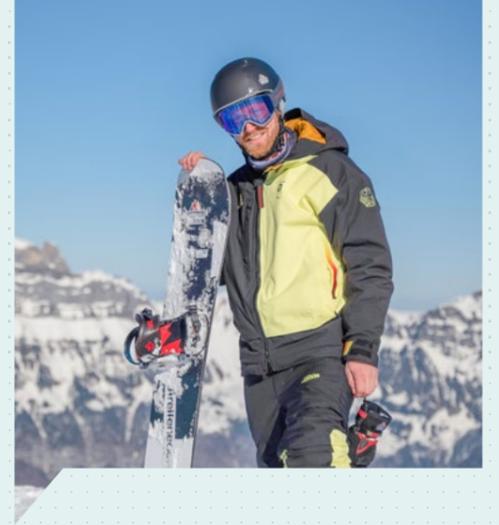


»An important focus in the 2022 reporting year is the start of the international restructuring of HR as a business enabler in the CHIRON Group. The objectives are, on the one hand, to promote and further develop our managers and employees in the global network, and to support necessary organizational developments in order to be able to meet future challenges competently. We are therefore making a valuable contribution to the implementation of our corporate strategy.«

Cornelia Braun, Senior Vice President of Global Human Resources

## On top in work and on his board

Matthias Keller, Senior Vice President of Global Application at the CHIRON Group, is convinced: To be successful, you need a positive attitude, a strong team by your side and the willingness to do more. And that's also how he approaches his sporting career as a snowboarder on the German paralympic A-squad for 2022.



### 1. Mr. Keller, what do a line manager and a snowboarder have in common?

A lot! It is always good to keep a clear head – whether in your everyday job, at the World Cup or when touring. I always take a considered approach and examine the facts carefully. I think that this is the only way of making sound and correct decisions.

### 2. How would you describe your role as a manager? What do you consider to be particularly important and who do you take your inspiration from?

Loyalty, treating one another fairly and having an excellent team spirit. I also see myself as a »guide«, steering everything and everyone in the right direction, so that we achieve success. I also find it important for each person to identify with his or her tasks and to approach new challenges with a positive attitude.

»My motto: The best view comes after the hardest climb.«

Matthias Keller, Senior Vice President Global Application

### 3. Your motto is »The best view comes after the hardest climb.« Can you explain this in more detail?

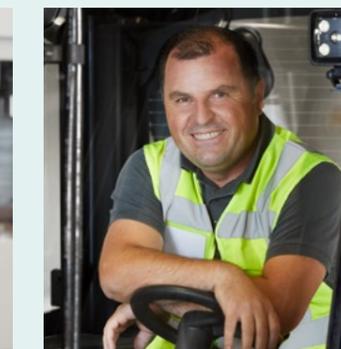
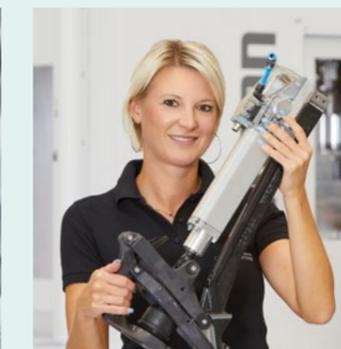
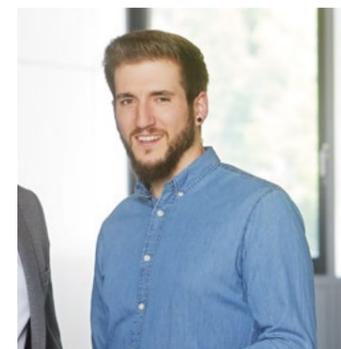
Well, I had a serious motorcycle accident and had to have my lower leg amputated. Dealing with this was and is a big challenge and changed a lot of things for me. But now I know what you can achieve if you follow your goals consistently. And that also motivates me as a manager.

### 4. How do you juggle training, a job and your private life?

By prioritizing and focusing on the essential. Everyday work is intensive, for sure, but sport is a perfect balance for me. I see every task facing me as a chance to improve.

### 5. And what motivates you other than your sporty approach?

Life itself is the greatest motivation. There are so many beautiful moments that I have worked towards again after the amputation. For example, the feeling of standing on top of a mountain – indescribable! The climb may be tough, but it is always worth it. Every day has the potential to be a good day. In sport, at home and at work.



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This Sustainability Report 2022 from the CHIRON Group was created with reference to the consolidated standards 2021 of the Global Reporting Initiative (GRI). The respective report is published once a year and includes the complete calendar year (from January 1 to December 31).

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Emissions are offset by the Kariba Forest Conservation Project in Zimbabwe, which protects 785,000 hectares of forest in the south of Lake Kariba and makes a unique contribution to biodiversity. Recycled paper with the Blue Angel certificate was used for printing.



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