

GEMÜ

GEMÜ CSR-Report



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Corporate Social Responsibility Strategy



Through continuous innovative capacity and an orientation towards quality and proximity to our customers, GEMÜ is one of the leading worldwide manufacturers of valves, measurement and control systems for liquids, vapours and gases. Since 1964, we have been taking a leading role in the market and focusing on innovative products and individual customer solutions. In doing so, we direct our attention not only towards state-of-the-art technologies, but also towards sustainable processes and responsible cooperation. We have always felt committed to this tradition.

Our corporate responsibility basic principles describe our understanding of responsibility towards people and the environment, as well as maintaining healthy living conditions. They form a binding operational framework for every one of us.

We want to be measured against these basic principles. Today just the same as tomorrow. With all the challenges and opportunities that arise from this. In particular for the following areas:

- Business ethics
- Working relationships and working conditions
- Environment
- Social commitment

Economic, environmental and social sustainability are core aims that have accompanied our family-owned enterprise since our foundation in 1964. In this way, we strive to interlink economic, environmental and social aspects.

We are in close contact with our manufacturing sites all over the world and discuss the investments to be made in the areas of occupational safety and employee protection. In addition to reducing the risk of accidents and establishing ergonomic workstations, we are focusing our attention on reducing and substituting substances that can have a negative impact on people and the environment.



1. Business ethics



As a globally operating company, we are aware that our actions have far-reaching consequences.

1.1 Responsible company management

Compliance with all legal and statutory regulations is a matter of course for us, as is compliance with the internationally recognized standards of the respective industrial sectors and relevant conventions.

Our compliance management system (CMS) determines binding basic principles for fair, open and moral behaviour within the group as well as towards our business partners, customers and competitors. The CMS helps us to ensure that our business activities always comply with ethical, statutory and professional standards, recognize risks of infringements as promptly as possible, and prevent and reveal infringements as well as remedying them for the future. The persons responsible in the respective companies pool their professional expertise and consequently create a strong group-wide compliance network together with the Group Compliance Officer.

For the long-term safeguarding of our understanding of values within the Group, we have introduced the GEMÜ Code of Conduct. This is binding for all employees and also

forms the basis for collaboration and dealing with business partners. We regularly check compliance with our Code of Conduct through audits within the different local and international business units of the GEMÜ Group.

We ensure legally compliant behaviour on all company levels through preventative regulations and processes. In particular, we train the relevant corporate divisions, such as Purchasing and Sales, to prevent corruption, among other things. Furthermore, we have further behavioural and organizational instructions, such as our procurement guideline or antitrust and competition guideline, which offer our employees a direction for daily work.

In the event of uncertainties, queries or potential conflicts, as well as for the legally sound designing of business relationships, Corporate Legal & Compliance is used for employees as an internal point of contact.

1.2 Responsible procurement

We place stringent requirements on our procurement and rely on long-term, solid partnerships. In addition to costs, quality, reliability and performance capability, sustainability criteria, such as compliance with human rights, occupational health and safety and environmental protection, are essential criteria in the selection and assessment of our suppliers and other contractors.

Our Code of Conduct for suppliers, compliance with which we regularly check through audits, forms the basis for our collaboration. By signing the contract, all suppliers undertake to comply with binding directives regarding social and ecological standards in production centres. The basis for the code includes the core labour standards of the International Labour Organization (ILO) and the Universal Declaration of Human Rights of the United Nations, as well as – in terms of trade with mineral raw materials – OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

1.2.1 Creating supply chains fairly and in an environmentally friendly way

Designing the supply chain sustainably runs in no way counter to the objective of “profitability”. Rather, companies whose supply chains are based on ethical and ecological principles can achieve competitive advantages. Through responsible resource acquisition and production, raw material risks can be avoided and a reliable supply from suppliers can be ensured. Companies can also improve their reputation, attractiveness as an employer and ultimately even turnover through responsible procurement.

1.2.2 Compliance with core elements of due diligence regarding human rights in supply chain management

Social and environmental clauses are an integral component of our Code of Conduct. Furthermore, the named clauses are incorporated via the REACH/ROHS/CMR/POP requests in the agreements created to this end.

1.2.3 Code of Conduct for suppliers and examination of their compliance

Our suppliers are questioned half-yearly in terms of their compliance with SVHC substances (substances of very high concern) and conflict materials, and the compliance of suppliers and items is documented.

1.3 Responsibility for our products

We are proud to be changing the world of tomorrow and helping design the future positively with our solutions for the pharmaceutical industry, the biotechnology industry, medical technology and power generation, as well as the production of foodstuffs, microelectronics, chemical processes and water treatment. The safety and quality of our products and services is the top priority for us.

Our quality policy sets out the framework for our quality objectives and is regularly checked to make sure that it is still adequate and fit for purpose. For us, quality encompasses not just the quality of the products themselves, but also the quality of each individual process step over the entire life cycle. We are committed to understanding our customers' requirements in order to provide them with suitable, high-quality solutions. Our products and solutions are designed to help our customers succeed in the market.

In research & development and in production, we take care that our products comply with stringent requirements. Depending on the area of application, our products are approved, certified or compliant with the relevant standard regulatory codes.

1.4 Communicating and conveying comprehensive information relevant to the decision

The information relevant to the decision is available to the respective decision-makers in good time and in full. Annual financial statements and the group account are also promptly published in the electronic German Federal Gazette (Bundesanzeiger).

2. Working relationships and working conditions



We have the knowledge, experience and commitment of each individual staff member to thank for our success. The huge variety of people, an appreciative attitude and a respectful way of acting are important for trusting collaboration.

2.1 Satisfied employees as a foundation

GEMÜ's most important resource is qualified employees. Acquiring and promoting them and keeping them at GEMÜ is an important competitive factor – and simultaneously a challenge for human resources management. That is why GEMÜ places great value on a sustainable working environment with progressive production plants and modern office equipment, as well as continuous investment in occupational safety. High average length of service and low turnover testify to the satisfaction of employees.

2.2 Introduction of operational health management

Operational health management at GEMÜ includes collaboration with health insurance schemes as part of health days and health reports, as well as reintegration management with return-to-work discussions and offers of integration. These measures are supported by preventative health promotion such as back-strengthening exercises, company sports groups, cooperation with fitness studios, resilience training and the option of renting a bike. In addition, employees are regularly trained in health and safety risks and the best work practices.

2.3 Social dialogue

2.3.1 Workload and employee satisfaction

The process of the annual performance reviews serves to check, define and ensure employee satisfaction and the future objectives of every employee. These reviews are documented.

A comprehensive survey of employees is also carried out at regular intervals or where necessary as part of the psychological risk assessment, and improvements are introduced based on the results.

2.3.2 General suggestion scheme

Every employee can submit suggestions for the development of various specialist areas outside their operating range via the employee suggestion scheme, which are evaluated and, if necessary, implemented.

2.3.3 Setting up a positive management culture by introducing leadership principles

The mission statement for managers that applies at GEMÜ is intended to ensure a uniform procedure and uniform behaviour of managers when dealing with employees. The following contents are defined here:

- Respectful management
- Practising of mutual support
- Encouraging and demanding personal responsibility
- Recognition of performance and commitment
- Supporting employees with appropriate measures
- Acting in accordance with joint company targets
- Implementation of open communication
- Solution-focused management of conflict situations
- Comprehensive and logical actions
- Collaboration with mutual trust

2.4 Equal pay

GEMÜ Germany is not subject to a binding pay scale, but uses the pay scale of the metal and electrical industry as a basis in the area of collective pay increases and company social benefits. Pay is determined under fair and just conditions; disadvantages due to nationality, skin colour, culture, religion, ethnic origin, gender, sexual orientation, political conviction and age in relation to pay are not tolerated.

2.5 Protection of human and employee rights

We follow the principles of the United Nations Global Compact (UNGC) for respecting human rights and working conditions. Just like the UNGC, we rely on the conventions of the International Labour Organization (ILO) for subjects relevant to work.

We believe that all people are equal, irrespective of their nationality, skin colour, culture, religion, ethnic origin, gender, sexual orientation, political conviction or age. As a group which is active worldwide, we treat our employees fairly and openly, with understanding and tolerance. The company also expects every staff member to deal professionally, cordially and fairly with colleagues, employees and third parties.

In Germany, all managers are trained in equal treatment and gender equality in accordance with the German General Act on Equal Treatment (AGG) and undertake to comply with these with a signature.

2.6 Introduction of flexible working hours and other part-time models

The company offers flexible working hour models and part time for a better balance between family and working life. For salaried employees and industrial workers, as much flexibility as possible is granted in the structuring of personal working hours.

2.7 Acquiring young talent

For many years, GEMÜ has relied on the sustainable acquisition of young talent from its own ranks. With over 20 different training professions and dual study programmes, the education of young people represents an essential source for the growth of the company. GEMÜ has been recognized multiple times for its high standard of quality in education and is recognized in the region as a good training workplace.

2.8 Further training and qualification

After an individual induction, the annual training needs of the employees are determined based on the annual performance reviews and the qualification matrix created. GEMÜ offers a comprehensive range of training courses and promotes and supports employees in their occupational development financially or through flexible working hour models. The company also offers individual retraining measures, promotes young talent and supports managers with individual coaching.

2.9 Motivation of our employees

Well-trained and motivated employees are our most valuable resource. As a family-owned enterprise, we place particular value on an appreciative management style, co-operative interaction and scope for creative ideas and individual further development. We offer technologically advanced products in interesting future markets with which our employees can positively identify. In addition, we have modern workstations and flexible working hour models and a multitude of additional benefits.

2.10 Occupational safety

Occupational safety and the health protection of employees are the top priorities at GEMÜ. Accidents and occupational diseases should be avoided here. Occupational safety is combined with the requirements of ergonomics, human-oriented work structuring and health protection to form a system-oriented approach to occupational health and safety. Risk assessments are carried out in all areas, in order to determine any potential work accidents and introduce measures for minimizing risks.

We also carry out regular employee-friendly training courses on accident prevention and occupational safety and increase the risk awareness of our employees, depending on the respective activity and the on-site conditions.

2.11 Transparent communication

GEMÜ places great value on transparent communication, both internally and with external partners, such as customers and suppliers.

The addressees are therefore pre-defined for the corresponding information, and it is ensured that the information is also documented and can be downloaded in the long term.

3. Environment



3.1 Environmental protection is safeguarding the future

The consequences of climate change and environmental destruction will have a direct impact on many companies. Natural resources are becoming scarcer, fossil fuels are becoming more expensive in the long run and customers are last but not least becoming more critical in their consumer behaviour. There are also regulatory provisions that must be complied with. Companies that act sustainably and implement environmental and climate protection measures thus not only take on the social responsibility for the preservation of an intact environment. They are also investing in their own future viability.

In 2011, Company Management consolidated sustainable environmental activities under the GREEN ENGINEERING initiative. In the Production departments, the main issue is conservation of resources and recycling systems, which is why the majority of our production is certified in line with environmental standard DIN EN ISO 14001. In addition, local standards are complied with and even surpassed at all international sites. Environmental protection in the areas of product research & development and the design and use of products comprises, above all, the four areas of material saving, energy saving, environmentally friendly materials and transport savings.

3.2 Climate neutrality

We aspire to continuous further development and making a difference locally. As a founding member of the company network Modell Hohenlohe e.V., we are committed, together with other local companies, to resource-saving and environmentally friendly manufacture of quality products as well as environmental and climate protection in the region.

We therefore set ourselves the challenge of sustainably minimizing our emissions and have had an emission balance created for our locations in Germany in 2020 as a first step. The existing emissions report (emission categories scope 1–3) was produced according to the recognized directives of the Greenhouse Gas Protocol Corporate Standard (GHG Protocol) on the basis of the Greenhouse Gas Protocol (GHG).

Starting from our emission balance and the measures described in this chapter, we want to further reduce the environmental effects of our actions through conscientious use of all resources. To this end, we always evaluate possible measures, in order to effectively and sustainably protect resources, minimize emissions and avoid waste.

To complement the implementation of measures to avoid and reduce emissions, we compensate for unavoidable emissions through high-quality climate protection certificates. This means that GEMÜ is already a climate-neutral company today.

3.3 Replacing business travel with video conferences, telephone conversations or e-mails

We make use of digitalization to replace as much business travel as possible with video conferences. Business travel is permitted only in exceptional circumstances (if personal participation is required). This is then organized and carried out based on the travel policies to save as many resources as possible.

3.4 Training for employees regarding environmental protection in the office and production

GEMÜ undertakes to continuously improve environmental, occupational and health protection. The support of all employees for this is ensured by annual obligatory training for every employee on subjects of environmental protection.

By regularly providing information and training courses, our employees and relevant service providers are qualified and motivated to take into account the concept of sustainability in their daily work.

3.5 Introduction of an environmental management system

GEMÜ Germany has been DIN 14001-certified for years. The current certificate and the regular monitoring of subjects and risks are coordinated by the Environmental Management department. This international standard comprises all relevant environmental aspects – the reduction of waste water, waste and emissions as well as the environmental effects of products during their use right up to disposal and compliance with the statutory requirements.

At least annually, a life cycle assessment is created, which contains consumption data on power supply, waste, hazardous materials and emission values. This data is evaluated and environmental objectives defined from this, and measures introduced and tracked accordingly.

The validity of the measures is then evaluated by the following life cycle assessment.

3.6 Exploitation of green electricity and renewable energy

With the production of renewable energy through photovoltaic systems at the Kupferzell and Waldzimmern locations, as well as the exploitation of cogeneration in combined heat and power plants at the locations in Kupferzell and in the Schlosshotel, GEMÜ covers part of its energy demands itself with renewable energies.

3.7 Effective energy and building management

Both in new buildings and in renovations, we place great value on ecological and sustainable materials and technologies as well as corresponding compensation areas. In addition, we strive for a consistent reduction of energy consumption through technology or equipment upgrades. To date, this includes:

- Regular implementation of energy audits to DIN EN 16247-1 and deriving of measures (LED lighting, pump replacement, better exploitation of the combined heat and power plant)
- Project for the reduction of fugitive emissions (e.g. monitoring of refrigerant gases, gas filters, replacement of piping, identification of leaks)
- Exploitation of waste heat in compressed air production
- Exploitation of process waste heat (steam generation for Waldzimmern test rigs) for heating the building
- Exploitation of machinery waste heat for building heating (is currently implemented at the Criesbach site)
- Closed system for water cooling
- Exploitation of electric vehicles (sometimes with self-generated power)

3.8 Ecological product manufacture

We use packaging material that can be recycled and reused. Through the use of waste production, e.g. the use of stamped out raw material in the area of seals for the manufacture of simple transportation protections, we are reducing waste generation and also resource consumption.

3.9 Protecting the ground and ground water

GEMÜ protects the ground water by treating leachate from rubbish dumps and using it for recovering the resource of water for other process steps within plant operation.

When disposing of waste, the individual fractions are also separated and disposed of by external specialist companies that have been checked to ensure they meet GEMÜ's environmental requirements. This has been the case for many years now.

Further saving of drinking water reserves is achieved through the exploitation of nearby wells for cooling machinery.

4. New paths in mobility and logistics



The worldwide transport of goods and persons is indispensable for us as a globally active company, but we are also aware of the effects of global mobility on the environment. This is why our principle is to work together with transport service providers who act sustainably and are ideally certified according to ISO 14001:2015 and ISO 50001:2018.

4.1 Concepts for sustainable mobility

GEMÜ supports different projects to reduce traffic-related CO₂ emissions and offers concepts for sustainable mobility:

- GEMÜ electric shuttle system: E-smarts for quiet and low-emission inter-plant transportation between locations are available to our employees at each of the three locations in Germany.
- Employees are supported in the private exploitation of e-mobility. Any employee can charge their electric car free of charge using the in-house EV charging stations.
- Employees are supported by the employer in the acquisition of e-bikes through the offer of e-bike rental. The rechargeable batteries of the e-bikes can also be charged free of charge at special EV charging stations. GEMÜ consequently promotes the option of designing working travel to be low-emission.

4.2 Awareness-raising for car pools and exploitation of public transport

Awareness-raising for forming car pools takes place on a central platform. GEMÜ supports employees in organizing car pools and coordinates them.

Car pools thereby offer the following advantages:

- Fuel savings
- Reduction in traffic
- Lower car repair costs (wearing parts)
- Lower CO₂ emissions and consequently less strain on the environment
- More available parking spaces
- Improvement of the general working atmosphere



5. Greater security and efficiency through sustainable IT management



No matter whether SME or large corporation – day after day, companies work with large quantities of digital data, which has by now become an integral component of almost all business processes. An essential objective of sustainable IT management is to secure and protect this data. As data loss – whether due to power failure, technical problems, data theft or virus attacks – leads to high costs for the affected company, for instance through reduced turnover or employee downtimes. A massive loss of trust also arises if personal or customer-related data is concerned.

5.1 IT security concept

The failure of central IT components can mean that no more data can be processed. Orders cannot be fulfilled to deadline. Deliveries cannot leave the factory on time. No information can be given to customers. Productivity falls. Furthermore, data can be incorrectly processed or not processed at all due to programming errors, and consequently results are not shown correctly.

To minimize this risk, there is an IT security concept, to which all employees must strictly adhere. This is available to all employees.

5.2 Data protection

Data protection is controlled in various statutory regulations. The implementation of the statutory regulations is defined at GEMÜ in the data protection guidelines. These data protection guidelines are binding for every employee.

Awareness-raising on the subject of data protection takes place in an obligatory training for all employees.

5.3 IT energy management

Reduction of energy consumption through innovative equipment. As the air conditioning of data centres makes up a substantial portion of current consumption, the requirements for cooling capacity were clearly reduced by establishing hot and cold aisles.

5.4 Changeover from PCs to notebooks

Mobile working is enabled through the consistent use of notebooks at the workstation.

5.5 Digital communication

The preferred communication and office solution is paperless.

In addition, company communication is predominantly digital and employees find all relevant information in SharePoint, the GEMÜ intranet solution.

6. Social commitment



6.1 Foundation activities

The Fritz-Müller Foundation was founded for the purpose of promoting young engineering talent in the region of Heilbronn in Hohenlohe-Franken as well as promoting the business management study programme at the Heilbronn University of Applied Sciences at the Künzelsau location. The foundation supports selected students, grants subsidies for further education courses and practical semesters abroad, and sponsors foundation professors.

6.2 Sponsoring and donation activities

GEMÜ regularly supports local associations, events and the local cultural landscape with the objective of protecting and preserving the local culture.

6.3 Promoting young talents

GEMÜ would like to get children and young people interested in technology. This is why GEMÜ is involved in many educational projects. Examples include kindergarten projects such as MINTec dedicated to mathematics, IT, natural sciences and engineering, as well as campaign days and weeks for young talent.

An example is the Girls' Day, which gives young girls the opportunity to try their hand at milling, soldering or turning in the training workshop. GEMÜ also offers various scholarships – preferably for technical study programmes.

6.4 Promoting sport

GEMÜ employees have been playing sport for years. Football remains the most popular sport group-wide, with teams made up of participants from many different countries continuing to take part. In recent years, the popularity of running groups and group runs in particular has grown. The highlight here is the ebm-papst Marathon in Kochertal. The motivation for taking part is not winning alone, but a commitment to social causes above all, with Company Management donating to local social institutions for every kilometre run. This is why business partners, families and friends also get involved alongside the employees.

6.5 Promoting culture

Wine and music, theatre and historic buildings: With our donations and sponsorships, GEMÜ is supporting the varied life and preserving the cultural history of Kochertal.

The vineyards continued to shape the cultural landscape surrounding GEMÜ's headquarters into the 20th century. As more and more vineyards were given up, company founder Fritz Müller decided to buy the unused land and give it new life. The "Ingelfinger Fass" viticulture museum, which takes the shape of a wooden barrel, was also constructed in the middle of these new vineyards a few years ago. Covering an area of 717 m², it is the second largest wooden barrel in Europe and is used as a special location for hosting company events.

Historic buildings such as the Ingelfingen Castle and the gatekeeper's house were also at risk of becoming derelict. To preserve their structure and history, buildings have been frequently sold or funding has been provided for their renovation over the last 30 years.

