



Würth Group
2020–2022 Sustainability Report



"Until now, the world has proven to be a wonderful spaceship for humanity, and it will continue to do so for a while to come.

Nevertheless, we must not take sustainability lightly when protecting our planet."

Prof. Dr. h. c. mult. Reinhold Würth, Chairman of the Supervisory Board of the Würth Group

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This sustainability report is both the starting signal and the foundation for the Würth Group's transformation process. As a family-owned company, ensuring a secure future for our grandchildren is a matter of great importance for us. The transformation from a linear to a circular economy offers us the possibility of decoupling our business activities from finite resources. This will secure the supply of raw material in order to continue growing sustainably in the future. Go circular!

Reporting limitations

BASELINE DATA WÜRTH GROUP 2020-2022

		2022	2021	2020
Sales	in millions of EUR	19,933	17,060	14,413
Employees 1)	Total	85,637	83,183	79,139
Scope 1 GHG emissions ²	t CO2e	272,348	258,922	236,879
Scope 2 GHG emissions ²⁾	t CO2e	92,521	106,326	116,972
Scope 1 + 2 GHG emissions ²⁾	t CO2e	364,869	365,248	353,851
Capital expenditure ³⁾	in millions of EUR	1,178	861	852
Equity	in millions of EUR	7,913	6,824	5,920
Rating by Standard & Poor's		A/stable	A/stable	A/stable

The Würth Group comprises 400 companies, of which 156 companies were assessed by means of sustainability reporting in this first sustainability report⁴.

These companies were responsible for roughly 88% of total sales in 2022 (2021: approx. 88%, 2020: approx. 89%) and have over 72,000 of the more than 85,000 total employees in the entire Würth Group (2021: over 70,000, 2020: approx. 67,000 employees). Therefore, the collected data, even within this scope, provide a representative basis for the first sustainability report of the Würth Group.

The left-hand page shows an overview of the most relevant key figures for the entire Würth Group. Unless otherwise indicated, the information mentioned in the following chapters pertains only to the 156 participating companies.

The consolidated financial statements of the Würth Group are prepared in accordance with the International Financial Reporting Standards (IFRS).

- 1) Full-time equivalents
- 2) Greenhouse gas emissions Scope 1 and 2 scaled up to 100% of Würth Group sales.
- 3) Incl. additions of right-of-use assets
- 4) Due to changes in the organizational structure, 157 companies were assessed in 2020 and 2021.

Detailed financial key figures, information, and facts for the Würth Group during reporting period 2020–2022 can be found in the

▶ 2021 ANNUAL REPORT
▶ 2022 ANNUAL REPORT

BUSINESS FOCUS ACCORDING TO SALES IN REGIONS





Process description for standard Group-wide data collection based on GRI under

▶ DIGITAL DATA MANAGEMENT AND REPORTING from page 23

Detailed key figures regarding sustainability, as well as non-financial information and facts, for the Würth Group during reporting period 2020–2022 in

▶ BASELINE DATA from page 80

Figures and data according to GRI standards in

From page 101

GRI individual breakdown of

reporting companies under

GRI REPORTING LIMITATIONS from page 129



ONE WORLD, ONE WÜRTH, ONE FAMILY.

The Würth Group is a committed European, but above all a global activist. As such, we have the potential, and more importantly the responsibility, to shape our world as a whole to ensure respect, intergenerational justice, and diverse perspectives.

At the same time, increasing awareness of and possibilities for sustainable economic transformation around the world offer us the opportunity to decouple growth from the consumption of finite resources—for the benefit of all living things.



SHORT COMPANY PROFILE

Currently, the Würth Group consists of over 400 companies in 80 different countries with over 85,000 employees, more than 43,000 of whom are working in sales. The Würth Group reported a sales volume of EUR 19.9 billion for the 2022 fiscal year: a new record.

Global market leader in the production of fastening materials

The Würth Group is the world's market leader in the development, production, and distribution of assembly and fastening materials. In its core business, the product range for the trades and industry includes more than 125,000 products: from screws, screw accessories, and anchors to tools, chemical-technical products, and personal protective equipment. The Allied Companies of the Würth Group, which operate either in business areas related to its core business or in diversified business areas, round off the range by offering products for DIY stores, material for electrical installations, electronic components such as circuit boards, and financial services.

We are a family business

Today, more than 4 million customers around the world place their trust in the Würth Group. The long-term success of the Würth Group is underpinned by real people and an extraordinary corporate philosophy. Würth is a family business that was founded in 1945 by Adolf Würth. The current Chairman of the Supervisory Board of the Würth Group, Prof. Dr. h. c. mult. Reinhold Würth, took over the business at the age of 19 after his father Adolf passed away and expanded the company in the years that followed. Starting during the period of reconstruction in post-war Germany, he turned the former two-man business into a globally operating corporation.

- 1 Big family
- **6** Continents
- **9** Cultural groups
- **12** Linguistic areas
- **80** Nations
- >400 Companies
- > 40,000 Suppliers
- > **85,000** Employees
- > 4,000,000 Customers



THE WÜRTH GROUP AROUND THE WORLD

• Countries in which the Würth Group is represented (As of 2022)



GLOBAL FRAMEWORKS

THE PRINCIPLE OF GROWTH OF THE WÜRTH GROUP

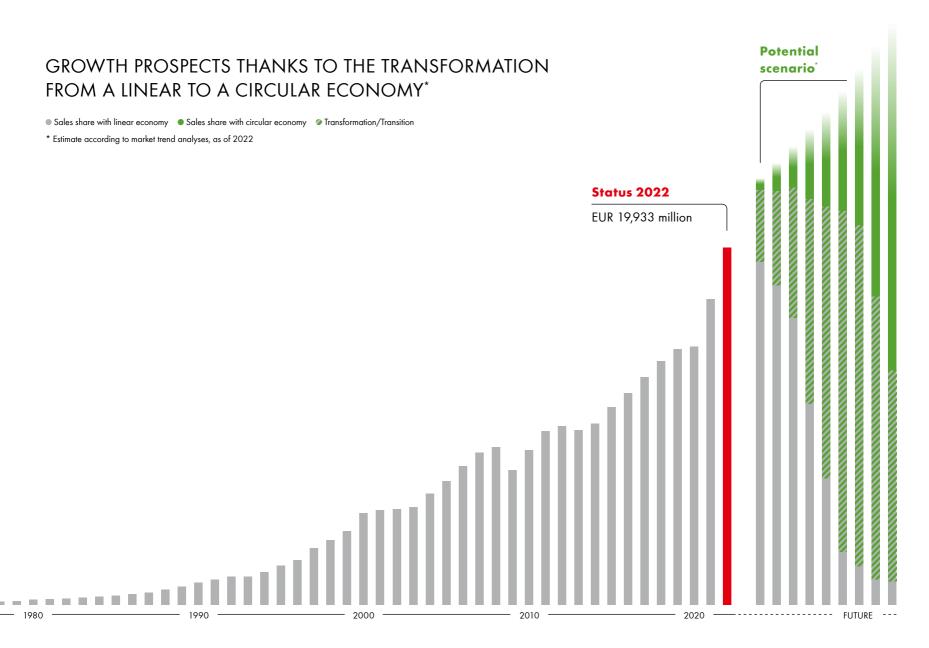
Sustainable transformation means thinking in terms of long-term growth prospects.

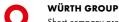
Long-term and future-oriented thinking and practice is firmly anchored in the corporate culture of the Würth Group. Treating our fellow colleagues in the Würth Group with respect and using our planet's natural resources responsibly serve as our guiding principles. The Würth Group aspires to provide a solid foundation for its value system and corporate culture that is fair for future generations.

We owe it to Prof. Dr. h. c. mult. Reinhold Würth that the Würth Group has a clearly defined business model: This includes a strong brand policy, a future-oriented product strategy, customer proximity, a clear commitment to quality, thinking in terms of visions, and, last but not least, a strong corporate culture. Bettina Würth, Reinhold Würth's daughter and Chairwoman of the Advisory Board of the Würth Group, together with the members of the Central Management Board of the Würth Group, sees to it that these values are filled with life and developed further to include diverse perspectives.

Our objective has always been to ensure continuous and sustainable growth. The visionary foresight of Prof. Dr. h. c. mult. Reinhold Würth has been the basis for the company's development from the very beginning. Therefore, the challenge of today is clear: circularity, climate neutrality, social justice-all these point the Würth Group in the right direction for a sustainable future. The transition to a circular economy promises not only practical solutions with regard to resource conservation, climate risks, and environmental protection, but also long-term growth prospects for the entire Würth Group.







CULTURE OF VALUES OF THE WÜRTH GROUP

The Würth Group's success relies on its distinct culture, which is based on values and innovation.

This shared corporate culture is guided by values that are essential for sustainable economic transformation: Mutual trust, predictability, honesty, and straightforwardness both inside and outside the Group are fundamental principles that are deeply ingrained in the Würth Group.

Roughly 50 years of value-oriented corporate culture

Our commitment to these values can be traced back as far as the corporate philosophy penned by Prof. Dr. h. c. mult. Reinhold Würth back in the 1970s. This means not only complying with all applicable laws and in-house regulations, but also ensuring that employees maintain the proper mindset, which represents a key component for sustainable development in the Würth Group. These fundamental principles are defined in extensive internal guidelines known as the PAP (Policies and Procedure Manual).

Structural requirements

The compliance organization (> 2022 Annual Report of the Würth Group, p. 93) is supported by the firm conviction of the Central Management Board, the Würth family, the Supervisory Board of the Würth Group, and the Advisory Board that a living and breathing compliance culture plays a key role in the continued, sustainable success of the Würth Group. At the same time, the management teams of the Group companies proactively accept responsibility for the increasing national and international demands placed on compliance organizations.



WÜRTH GROUP: LEGAL STRUCTURE

ORGANIZATIONAL STRUCTURE

Simplified chart

As of 31 December 2022

WÜRTH-FAMILIENSTIFTUNGEN Adolf Würth GmbH & Co. KG Würth Promotion GmbH Germany Austria Reinhold Würth Holding GmbH German subsidiaries Germany Würth Finance Würth International AG International B.V. Switzerland Netherlands Subsidiaries outside Subsidiaries outside Subsidiaries outside Germany Germany Germany

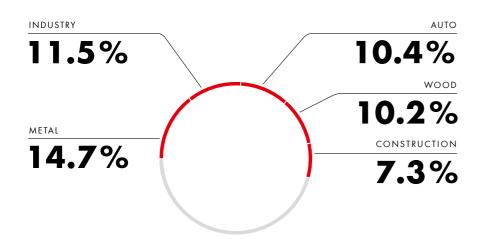


GLOBAL FRAMEWORKS



Our strength lies in the rich diversity of our various industries and business areas. This makes us independent and autonomous.

The Würth Group can trace its origins back to the nucleus and largest individual company, Adolf Würth GmbH & Co. KG, which operates in the field of fastening and assembly technology. The more than 400 companies of the Würth Group around the world are divided into the companies of the Würth Line and the Allied Companies.

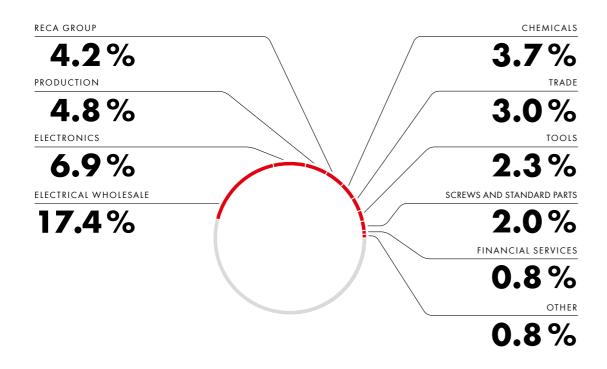


DIVISIONS OF THE WÜRTH LINE

Share of sales in relation to the 2022 Würth Group's total sales

The business activities of the Würth Line focus on the production and sale of assembly and fastening materials for customers in trade and industry. Within the Würth Line, the operating business units are split into Metal, Industry, Auto, Wood, and Construction divisions.





BUSINESS UNITS OF THE ALLIED COMPANIES

• Share of sales in relation to the 2022 Würth Group's total sales

The Allied Companies operate either in business areas related to the Group's core business or in diversified business areas, rounding off the Würth Group's portfolio. They are divided into nine strategic business units. With the exception of a small number of manufacturing companies, the majority are sales companies operating in related areas.



COMPANIES OF THE WÜRTH LINE

































































ALLIED COMPANIES





























































































Short company profile The principle of growth Culture of values Diversified industries Bulletin



STATEMENT BY THE ADVISORY BOARD

Sustainability is our chance to shape the world with completely new value standards.

Ladies and gentlemen, Dear colleagues,

We are currently facing challenges that would hardly have been conceivable in the past, and today they probably could not appear greater. Unthinkable suffering has found its way into Europe, impacting both our everyday life and the entire global economy. Ever since Russia's attack on Ukraine, the global pandemic that had cast a shadow of fear and worry over us on a daily basis has become almost insignificant. People are fleeing in the middle of Europe and fear for their future. It is almost impossible to predict how the situation will develop.

It would be only human and natural if we could not muster up the energy and the strength to face the challenges ahead with regard to climate change. However, the implications of such inaction would be fatal. We can likely only surmise the actual extent based on today's droughts, floods, crop losses, and other disasters. The growing number of climate refugees, the scarcity of resources such as water, heat waves accompanied by droughts, and other such phenomena can trigger unimaginable chain reactions. In this context, we hear day in and day out that a sustainable lifestyle, a sustainable economy, is the key to avoiding these ecological and social risks.

But what does "sustainable" or "sustainability" actually mean? If you embark on the journey to discover the origin of the term sustainability, you will inevitably stumble across Hans Carl von Carlowitz, a mining administrator from Freiburg (Saxony), who addressed the principle of sustainability as early as the beginning of the 18th century. At the time-much like today-wood was a valuable raw material, which was used not only for building, but also for heating and cooking as an energy source. In the wake of preindustrial production processes, the demand for wood rose more and more. This resulted in the increased clearing of existing woods and forests, which in turn aggravated the shortage of the raw material immensely. In fact, Germany was less forested back then than it is today.

If we go back to that time, the approach Hans Carl von Carlowitz proposed as a solution to this constant shortage is even more astounding: He recommended only harvesting as many trees as could grow back so as to safeguard forests for future generations. From an economic perspective, this proposition was not considered lucrative. The benefits for the people were not readily apparent. And nevertheless, he eventually called for consistent reforestation and "sustainable use."





Betting Würth

Chairwoman of the Advisory Board of the Würth Group

Therefore, we asked ourselves how we can manage this better in the future than we have clearly done all together over the last several decades.

For us, the key is transitioning from a linear to a circular economy, in which valuable raw materials are maintained in climate-neutral, socially just material cycles. We cannot accomplish this overnight. But every journey begins with a single step. Within the Würth Group, we have already taken the first small steps on our "circular way."

But we can only achieve this transition together. A system of values that embodies this long-term thinking represents the basis for this endeavor. In addition, this will require a thirst for innovation. The courage to explore new horizons. Humility and respect for our mother earth and our fellow human beings. And the realization that we have to learn more every day in order to understand this complex ecosystem and reconcile our economic activities with it. Values that are firmly anchored in our corporate culture and which we strive to preserve every day.

I invite you to join us on this journey. This report represents the starting signal. On our marks, get set, go!

Yours truly,

3. Wina

Bettina Würth

Chairwoman of the Advisory Board of the Würth Group

Generations have passed since the term was first defined, and yet his recommendation and the definition of sustainable use are more relevant than ever. Today, resource scarcity is no longer just a prediction. The consequences of us overexploiting our natural reserves of resources inevitably lead to a high imbalance in our ecosystem. The time to act is long overdue.

Clearly we have not managed to incorporate the values of sustainable use into our society and to think in terms of the generations to come. We would like to change that at Würth within our scope of action.

Three generations are currently active in our family-owned company: both on the Supervisory Board and Advisory Board of the Würth Group, as well as in operational roles. Thus, intergenerational justice is more than just a word for us. It is our ambition and aspiration to ensure harmony with nature and humankind as the basis for our long-term success.

STATEMENT BY THE CENTRAL MANAGEMENT BOARD

Our goal is to integrate sustainability into our management and value-added processes in a way that can be measured qualitatively.

Ladies and gentlemen, Dear colleagues,

Over the last few years, we have all noticed that the global economy is facing enormous challenges: waves of a pandemic significantly interfered with our daily lives, supply chains were virtually crippled, and raw materials were unavailable. Social and ecological predictions became reality. Climate change has caused flooding, heat waves, high financial losses and great suffering among the people in the affected regions.

The disruptions in the supply chains due to the shutdown enforced as part of China's zero-COVID policy and the conflict in Ukraine have further thwarted hopes for an economic recovery. It is difficult to predict how the current political and climate-related developments might impact us all. It is long past time that the guidelines proposed by politicians and lawmakers follow the studies and findings of the Intergovernmental Panel on Climate Change (IPCC) and are met with approval.

Within the scope of the European Green Deal, the European Union has defined a series of actions to minimize ecological and social risks and to overhaul the economy. This endeavor aims to ward off existential threats to Europe and the

world as a whole. This will be made possible by transitioning to a low-carbon and resource-efficient economy.

Within the Würth Group, we have assumed responsibility for our activities as a family-owned company for more than 75 years now. This is deeply rooted in our corporate culture thanks to Prof. Dr. h. c. mult. Reinhold Würth and is reflected to this day in the Würth Group's strong social commitment. Moreover, for many years multiple companies have been dealing with the question of how to ingrain the topic of "sustainability" in their own business processes beyond this commitment. The needs and expectations of our customers are considered extremely important in this regard. Therefore, it comes as no surprise that the initiative, to develop sustainable products was brought to the product development department by the sales department of Adolf Würth GmbH & Co. KG. Together, they developed the VARIFIX® quick-mounting system, which is the first mounting system in the world to be certified as Cradle to Cradle Certified™ Product Standard Silver. More than six years have passed since then. At Würth, we have been working hard to understand how a circular economy can work and to determine which processes have to be changed for this purpose.





Robert Friedmann

Chairman of the Central Management Board of the Würth Group

In addition to the key ecological figures, our goal is to work progressively on ensuring transparency with regard to our ESG criteria (environmental, social, governance) and thus to demonstrate the progress of our ongoing transformation. As a guide, we refer to the principles of the UN Global Compact and the 17 Sustainable Development Goals.

However, data transparency alone will not help us. Our more than 85,000 employees around the world are the most important factor for success. Together with them, our customers and suppliers, and other business partners, we aspire to see the challenges ahead as an opportunity and to make a lasting impact along our entire value chain. Along with more than 4 million customers and over 40,000 direct suppliers worldwide, we can realize our full potential and create a new economic model that is sustainable for future generations.

Therefore, the Central Management Board would like to thank everyone who is joining us on this journey: our customers, employees, business partners, and suppliers, as well as the members of the Supervisory Board and Advisory Board of the Würth Group, and the Würth family.

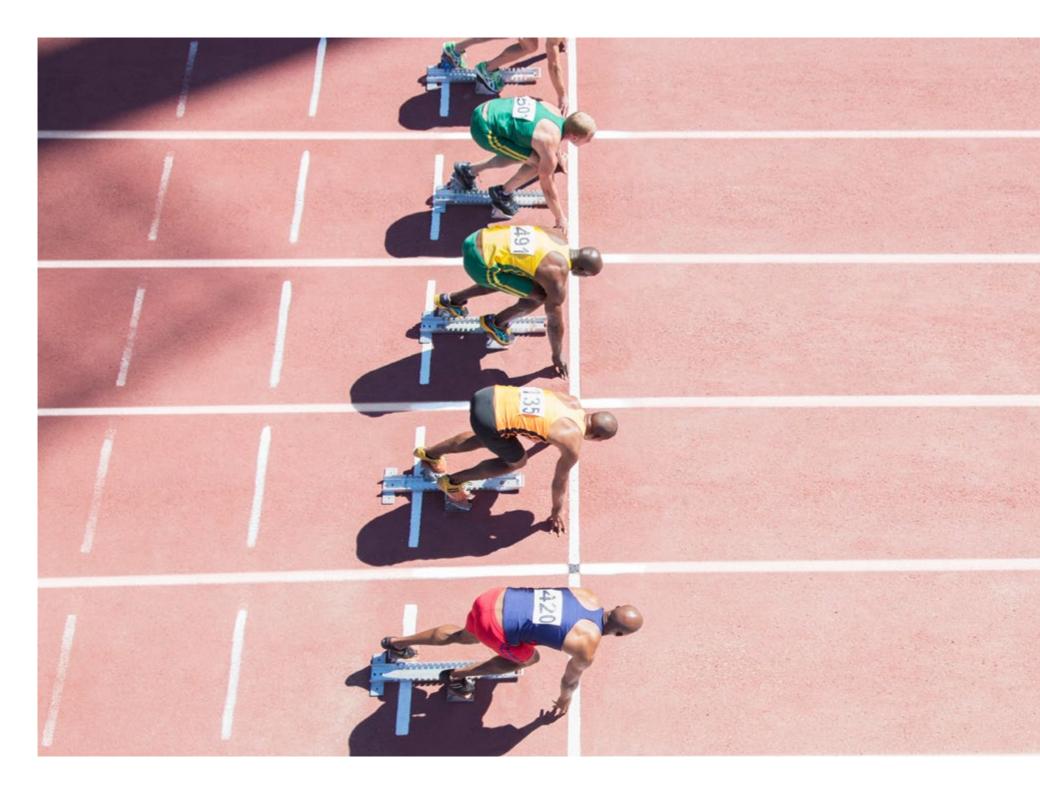
On behalf of the Central Management Board,

Robert Friedmann

Chairman of the Central Management Board of the Würth Group

We have tested these findings over the last several years together with our customers and suppliers for systems, products, and packaging. Now we are taking this one step further and have set ourselves the goal of integrating our understanding of sustainability into all companies of the Würth Group. In order to accomplish this, we have introduced an in-house reporting system. This will allow us to obtain more detailed information on the ecological and social parameters in the companies. After all, it is only possible to assess and ultimately control what can be measured.

We have broken down our "circular way" (our road map to a circular economy) into three key transformation areas: Climate, Material Life Cycles, and Social Standards. In doing so, we aim not only to offer a solution to securing the supply of raw materials, but also to contribute to achieving the targets laid out in the Paris Agreement. In this report, we explain the underlying context and describe the starting point of our upcoming transformational journey.



GROUP-WIDE SUSTAINABILITY DATA CONSTITUTE OUR GREATEST SEED CAPITAL.

A high-level sustainability management structure for the Würth Group provides us and our stakeholders with the necessary data, process structures, orientation, and basis for decision-making. It allows us to ensure high quality, focus on our targets, and promote progress based on well-founded knowledge for the sustainable transformation in our diverse business areas and more than 400 companies across the globe.



INTEGRATION AND PROCESS CONTROL

A Group-wide sustainability management approach creates synergies and encourages the transfer of knowledge between the individual companies. This calls for a shared understanding of common requirements and goals, while at the same time motivating us to approach sustainability from an interdisciplinary perspective and to transform the Würth Group together.

Transformational management approach

Corporate sustainability in the Würth Group is managed centrally. However, our goal is to integrate sustainability into all companies of the Würth Group in the long term so that it can be advanced independently of the central management and ultimately rooted in each individual company. The heterogeneity of the Würth Group could prove challenging in this regard. At the same time, it also offers us an opportunity since the diverse range of ideas and experiences can help us to make a real contribution to sustainable development.

In order to incorporate sustainability into all levels and processes of the Würth Group, we have decided to transform the business practices of the Würth Group in line with a circular concept. This means that our raw resources, materials, and products will circulate in loops in the future without any loss in availability, quality, or value. In particular, we will focus on three transformation areas: Climate, Material Life Cycles, and Social Standards. On our path toward circularity, we will have to develop and transform all of our business areas in order to continue growing as the Würth Group within this economic system.

Stakeholder-focused requirements for sustainability management in the Würth Group:

Business interests

- Stability
- Growth
- Risk minimization
- > Intergenerational justice
- Innovative brand image
- Market leadership

Customer requirements

- Transparency and prioritization by verifying ecological and social data
- Ecological footprint of products and companies
- Brand quality
- Safeguarding a sustainable supply chain

Social perception

- Public image
- Authenticity
- Voluntary social commitment
- Sense of social responsibility
- Attractiveness as an employer

Political environment (excerpt)

- EU Green Deal
- > EU CSRD reporting requirements 1)
- German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)
- Carbon Border Adjustment Mechanism

1) CSRD: Corporate Sustainability Reporting Directive



Transforming the Würth Group sustainably requires an interdisciplinary approach that combines all areas of interest.

Integration of processes at all management levels

An interdisciplinary approach is required for our envisioned transformation. For this reason, sustainability management in the Würth Group is designated as a central administrative unit under the Central Management Board. As a Group function, the sustainability team reports to the Central Management Board on a regular basis.

As the chief supervisory and controlling body of the Würth Group, the Advisory Board is also involved in important decision-making processes along with the Central Management Board. From this position, the sustainability management team can provide impetus for all levels, processes, and companies. Thanks to the centralized organization and regular contact with all stakeholders, it is possible to carry out and ensure an ongoing materiality assessment process (> Stakeholder groups, p. 27, > Materiality assessment process, p. 28). This serves as a guide and as a basis for the work of the Würth Group's Corporate Sustainability Department.

WÜRTH GROUP: STRUCTURAL INTEGRATION OF SUSTAINABILITY MANAGEMENT

Responsibilities since 2022



Process control via standardized management systems

Standardized management systems serve as the foundation. The implemented processes provide a solid pool of data from which to obtain the relevant sustainability information. The uniform generation of data by all companies allows for comparability, which in turn guarantees data quality and transparency. Including economic, ecological, and social indicators at the same time creates a comprehensive and highquality basis of data for the Würth Group.

Transformation indicators as a management tool for sustainable development

As part of our sustainability management activities, we have started adding modules to our existing management processes that provide us with valuable transformation indicators in each individual company and form the basis for a Group-wide sustainability management. These building blocks contain the global sustainability indicators defined by the Global Reporting Initiative (GRI), the accounting standard for greenhouse gas emissions according to the Greenhouse Gas Protocol, and the strategic direction laid out by the 17 targets defined by the United Nations to ensure sustainable development: the Sustainable Development Goals.

These building blocks are required for complying with the global sustainability standards. They serve as a guide for our data management system. Ecological and social sustainability indicators were combined with the existing economic indicators in a central GRI database. Standardized management

systems that have already been integrated into the subsidiaries of the Würth Group provide underlying and verified process data from the business activities of the Würth Group, thus guaranteeing data quality and industry-specific standards in advance.

COMBINATION OF PROCESS CONTROL AND DATA MANAGEMENT

RELEVANCE FOR BUSINESS Via economic indicators

INTERNAL REPORTING **SYSTEM**

GRI DATABASE Würth Group

NFW: RFI FVANCE FOR **SUSTAINABILITY**

Via ecological and social indicators

ISO

INTEGRATED **MANAGEMENT SYSTEMS**

Würth Group



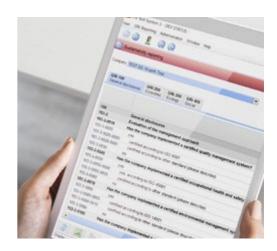
DIGITAL DATA MANAGEMENT AND REPORTING

A standard Group-wide data management system provides us with the necessary material to ensure a high-quality and transparent transition to a more sustainable company.

Information transparency is a material topic for the Würth Group. Instead of wasting time and resources collecting, analyzing, and reporting the data from each individual company, we have developed an efficient Group solution. By using Group-wide reporting for relevant sustainability indicators in accordance with the GRI standards, we save internal resources while at the same time ensuring reliable and comparable data sources and establishing a guide to sustainability management for the whole Würth Group.

Developing a standardized Group-wide data infrastructure since 2020

The sustainability management system at Adolf Würth GmbH & Co. KG will serve as a role model and practical basis in order to illustrate the economic, ecological, and social performance of the Würth Group. We make use of the existing reporting structure in order to achieve the common goals of the Würth Group and ensure the individual advancement of the sustainable transformation in the companies. To make sure the large volume of data being collected can be evaluated efficiently and easily, we have added social and ecological indicators to our internal reporting system. This provides us with a practical and integrative solution as a basis for the standardized reporting of our performance and transformation indicators.



Simple, interview-based survey of relevant sustainability indicators via Würth's existing Group-wide internal reporting tool

Making sustainability measurable

A common pool of data is essential for the Würth Group as it ensures the data quality, the comparability, and thus the usability of the information, representing the cornerstone of our day-to-day work. Thanks to the increased transparency, the Würth Group gains deeper insight into the current progress and the resulting potential for action.

The processing of the existing data for our different interest groups represents another benefit. This constitutes the basis for future ESG ratings or for increased transparency regarding our sustainability performance in the eyes of our customers.

In addition to greater efficiency and validity at the level of the Würth Group, it also serves as a uniform pool of data in the decentralized structure for our individual companies and essentially offers the following advantages:

- Fast and easy data collection in the already established reporting tool
- Underlying data for potential individual report at company level
- > Use of data for individual requests
- Comparability within the Würth Group for ranking individual progress

- Clear guidelines for individual sustainability activities based on the Group-wide strategy
- > Quantifiable evaluation of progress

First worldwide collection of sustainability indicators

A total of 156 companies participate in the Würth Group's sustainability reporting; 125 out of these 156 companies were obliged to participate due to their strong sales or high risk profile. Furthermore, the companies were given the option of reporting on a voluntary basis. This option was chosen by 31 companies.

The underlying data for the 2020 and 2021 reporting years are based on the 157 companies with which we generated approximately 88% of our total sales in 2021 (2020: 89%). Following the changes in the organizational structure, the underlying data for 2022 is based on 156 companies, which account for 88% of total sales.

In order to ensure a uniform and comparable pool of data, the data are collected in interviews with user-friendly responses to single-answer or multiple-choice questions, in addition to data entry fields for recording consumption figures, such as fuel consumption. The climate footprint is calculated automatically using both standard and country-specific

emission factors in accordance with the International Energy Agency (IEA). Data are collected annually, thus ensuring that the information can be compared consistently with the help of software and visualizing the progress of the transformation. Furthermore, validation checks are included in the tool to improve the quality of the data.

Diversity-oriented approach in Würth Line and Allied Companies

The diversity and heterogeneity of the companies in the Würth Group are taken into account in the sustainability reporting. While the Würth Line follows a commitment with regard to strategic and business aspects, the Allied Companies are oriented towards Group targets, taking into account the different business models. In order to ensure a common basis nevertheless, the GRI data collection process is the same for Würth Line companies and Allied Companies and is managed centrally. Using a diversity-oriented approach when evaluating the data ensures an increased focus on the different key topics in the companies and allows for benchmarking in line with diversity criteria.



HOW SUSTAINABILITY MANAGEMENT WORKS IN THE WÜRTH GROUP

General overview, as of 31 December 2022

WÜRTH GROUP SUSTAINABILITY REPORTING Commitment Commitment SUSTAINABILITY MANAGEMENT SUSTAINABILITY MANAGEMENT **GROUP-WIDE SUSTAINABILITY MANAGEMENT** IN THE WÜRTH LINE **WÜRTH GROUP** IN THE ALLIED COMPANIES Commitment to strategic and Mandatory orientation on Managed by Central Management Board business aspects from Group-wide Group targets, considering the different business models sustainability management **GRI DATABASE GRI DATABASE OPTIONAL: OPTIONAL: WÜRTH LINE ALLIED COMPANIES INDIVIDUAL SUSTAINABILITY** INDIVIDUAL SUSTAINABILITY **REPORTING BY COMPANY REPORTING BY COMPANY** Standardized data collection in Group-wide Standardized data collection in Group-wide Based on Group-wide Based on Group-wide reporting system by the companies reporting system by the companies sustainability management and sustainability management and GRI database Würth Line GRI database Allied Companies INTEGRATED MANAGEMENT SYSTEMS Data from standardized ISO process control

MATERIALITY ASSESSMENT PROCESS

Integration and process control Digital data management and reporting Materiality assessment process

The Würth Group focuses on the opportunities and potential offered by the findings from the constant dialogue with our stakeholders for the Group's joint transformation strategy.

Due to its diversified industries and business activities at locations around the world, the Würth Group has a strong impact on both ecological and social sustainability aspects and on sustainability risks (ESG risks) on multiple scales. As a result, this requires a materiality assessment that is organized as an ongoing process and that is integrated into the different stakeholder priorities.

Ongoing materiality assessment process with active stakeholder dialogue

The development of the Würth Group's transformation strategy follows a non-linear, ongoing materiality assessment. The material topics are based on the assessment of the risks and potential of the stakeholders and on the business and sustainability relevancies, which are derived from the GRI database. The materiality assessment process in the Würth Group is characterized by an active stakeholder dialogue, which ensures continuous further development thanks to a feedback loop with the sustainability management team. This in turn makes it possible to balance relevancies in accordance with a fast-paced world that is constantly changing. The objective is to identify the most important transformation topics for our core business, to learn how to predict and manage how our business activities impact sustainable development, and to lay the foundation for evaluating the progress of the sustainable transformation process within the Würth Group.

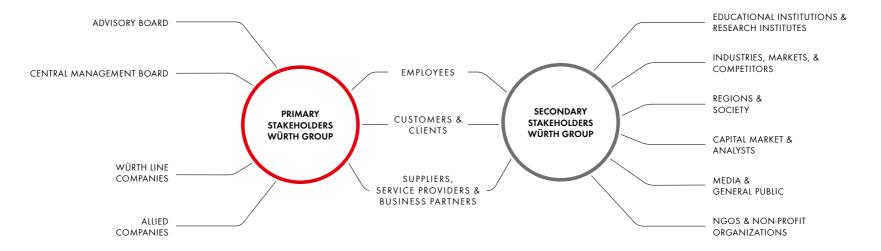


The materiality of the three subject areas mentioned above was taken into consideration for the start of the stakeholder dialogue 2020-2022.



DIFFERENTIATING THE STAKEHOLDER GROUPS IN THE WÜRTH GROUP

The legal and organizational structure of the Würth Group and the business relationships within the Group result in two perspectives when assigning primary and secondary stakeholder groups: The Würth Group regards customers, clients, employees, suppliers, service providers, and business partners as secondary stakeholders, whereas the Würth Line companies and Allied Companies consider them to be primary stakeholders.



Contact points in 2020-2022 stakeholder dialogue

Basis: 3,539 stakeholder contact points



Integration and process control Digital data management and reporting Materiality assessment process

Materiality assessment process for stakeholder relevance

The dialogue with stakeholders constitutes the most important precondition for determining the material sustainability topics for the Würth Group. These stakeholders were identified based on their activities and business relationships and then surveyed on 26 topics and their materiality as a key element of the materiality assessment.

In a first step, customers, employees and suppliers were asked in an online survey to rate aspects such as waste management or service according to their importance using a scale. A total of 3,539 stakeholders participated in these surveys, 51% of which from Allied Companies and 49% from the Würth Line. The results reflect the stakeholder relevance.

Next, in-house and external experts were surveyed regarding the defined topics. As part of a workshop, these topics were explained in detail and then evaluated based on their probability of having an impact, the severity of that impact, the possibility of reaping benefits due to that impact, and finally the resulting impact on corporate success. This evaluation is summarized as the consequences of the business activity for the environment, society, and the economy. To complete the materiality assessment, the Central Management Board and Bettina Würth, on behalf of the Advisory Board,

were surveyed on our topics in a final workshop. This made it possible to involve the highest controlling body in the process, while at the same time validating and approving the results. Bettina Würth and the Central Management Board evaluated the 26 topics with regard to their impact on sustainable development and on corporate success.

After these three steps, it was possible to identify the material topics. By incorporating internal and external stakeholder perspectives, it was possible to apply the concept of double materiality to the material topics. It became clear that the understanding of sustainability in the Würth Group closely resembled that of the various stakeholder groups.

Materiality assessment process for business and sustainability relevance

In the future, sustainability management will be integrated into all processes of the Würth Group. Hence, it is essential to consider the relevance for both business and sustainability all together. Therefore, this connection was integrated into the survey for all stakeholder groups in the materiality assessment and is depicted in the final materiality matrix.

As a multinational company, the Würth Group is constantly exposed to risks but also makes systematic use of opportunities that present themselves.

The risk management system helps identify, assess, and communicate relevant risks and take appropriate measures to manage and control risks that have been identified and translate them into opportunities. For this purpose, the companies identify their risks and report those risks to the Würth Group's central risk management team. The most frequent risks are compiled and assessed, and relevant conclusions are drawn. Until now, sustainability risks have not been reported explicitly in the risk management system. Now, the survey is being conducted in more detail: Sustainability requirements have been added to the control process to ensure preventively that as many relevant risks as possible are included in the ongoing improvement process.

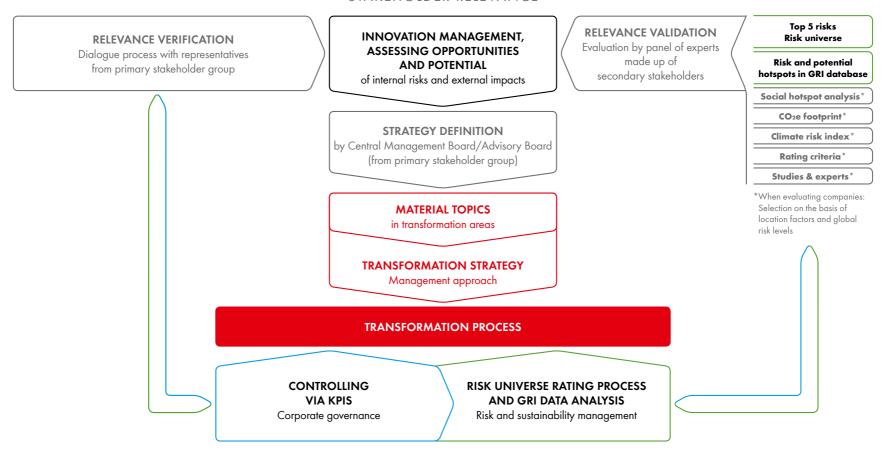
In the case of potential risks included in our GRI reporting survey, the sustainability management team can help identify whether and to what extent they really pose a danger. The materiality assessment can be used to identify key topics, and the baseline data to make well-founded statements regarding these potentially critical topics.



PERMANENT MATERIALITY ASSESSMENT PROCESS

Transformation and sustainability management in the Würth Group

STAKEHOLDER RELEVANCE



BUSINESS AND SUSTAINABILITY RELEVANCE

GLOBAL FRAMEWORKS





System boundaries and findings from materiality assessment and 2020-2022 stakeholder dialogue

With regard to materiality, there are two fundamental lines of thought that together form the concept of "double materiality": financial materiality and impact materiality. The first implies that companies should report on issues that influence their corporate value, while the second refers to reporting on topics that have an impact on sustainable development. It should be noted that, over time, the impact materiality of an organization also becomes relevant for its financial materiality. Without knowledge of these impacts, it is not possible to obtain a complete overview of the financially relevant issues that affect a company. Furthermore, reporting on

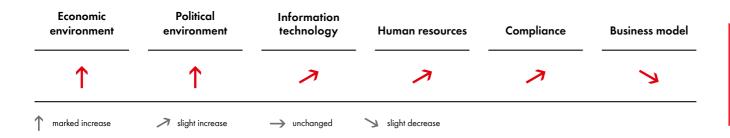
the impacts is also a matter of great importance for a wide range of stakeholder groups as an activity of public interest.

In order to identify material topics, all relevant stakeholder groups are actively involved in the assessment. The findings are shown in the materiality matrix.

Supply security, material and resource management, environmental, energy, and water management, sustainable product portfolio, product portfolio, sustainability in the supply chain, and information transparency were classified as material for the Würth Group. The differences between the material topics are described in the

glossary (>p. 135 ff.). These key topics are listed at the top right of the matrix. The subject areas supply security, service, and product quality were assessed as especially relevant for corporate success, in line with Würth's fundamental values. These topics feature a dashed border.

Economic risk development Würth Group 2022

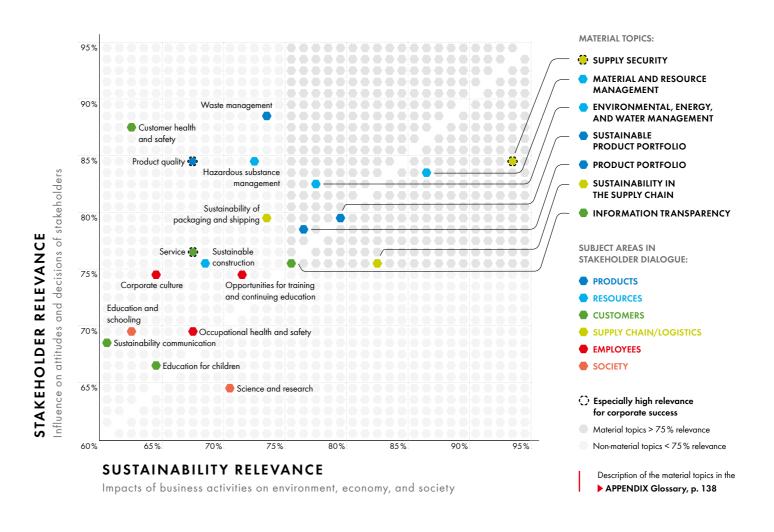


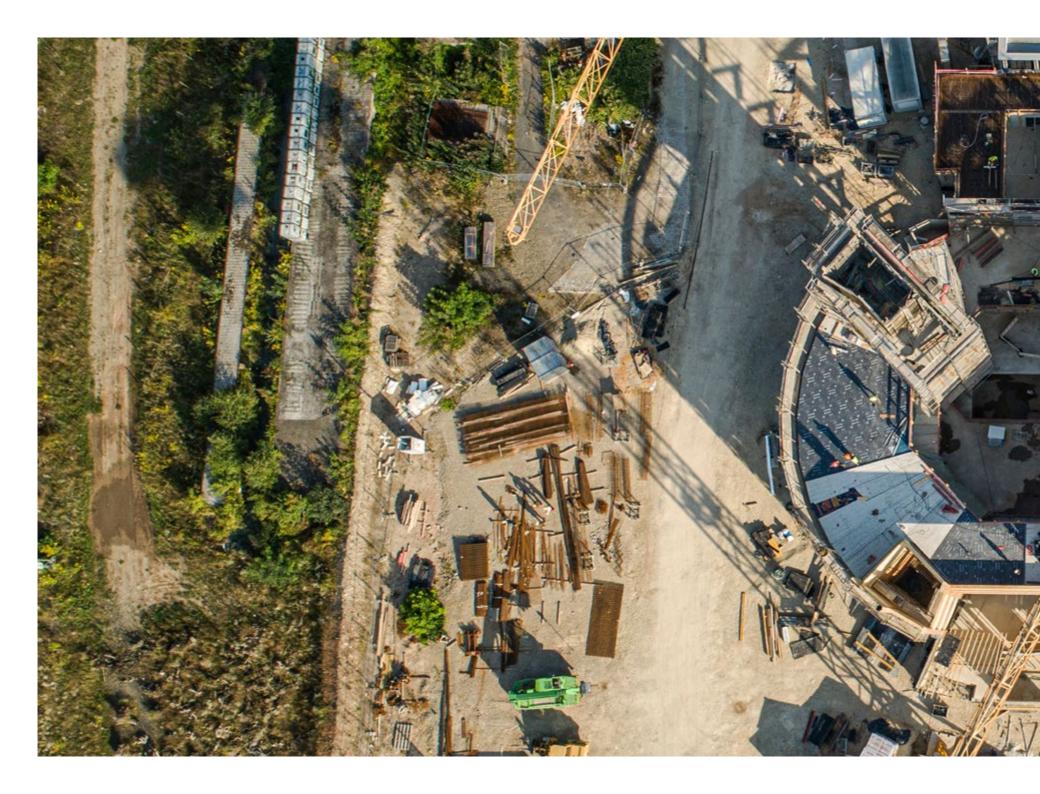
In addition to the materiality assessment of the sustainability topics, the Würth Group is also concerned with the development of economic risks. For more details, see the ▶ 2022 ANNUAL REPORT, p. 88 ff.



MATERIAL TOPICS FOR THE WÜRTH GROUP

Materiality assessment and stakeholder dialogue 2020–2022







The future viability of the Würth Group depends on adapting our activities to global challenges such as climate change and natural resource protection, transforming the essence of our business model, and thus helping to bring about a regenerative economic system.

TRANSFORMATION APPROACH

MOTIVATION

The scientific recommendations of the Intergovernmental Panel on Climate Change (IPCC) for reducing the amount of CO2e in the atmosphere call for all sectors of society, the economy, and the business world to play their part in preventing climate change. Therefore, the Würth Group is developing an effective transformation strategy in order to position itself as a sustainable and future-oriented company and pioneer beyond the political climate goals and legal requirements.

The Würth Group sees the model of the circular economy as a promising solution. This model combines economic growth with the great potential to reduce greenhouse gases and creates opportunities to close material cycles.

The image on the right illustrates how to decarbonize industrial and economic processes and demonstrates that attempting to achieve the 1.5 °C target is not realistic with the currently defined goals and measures. Instead, economic processes based on fossil fuels need to be completely redesigned and replaced by innovative technology, new business models, and other powerful tools so as to not only reduce CO2e emissions but also actually remove carbon dioxide from the atmosphere. We have already laid the foundation for this with our new innovation center at our location in Künzelsau, Germany. We plan to focus on and expand existing business units with high potential for growth, such as timber construction, and to specialize in products that can serve as carbon storages. This also means eliminating process-related emissions in the companies of the Würth Group.

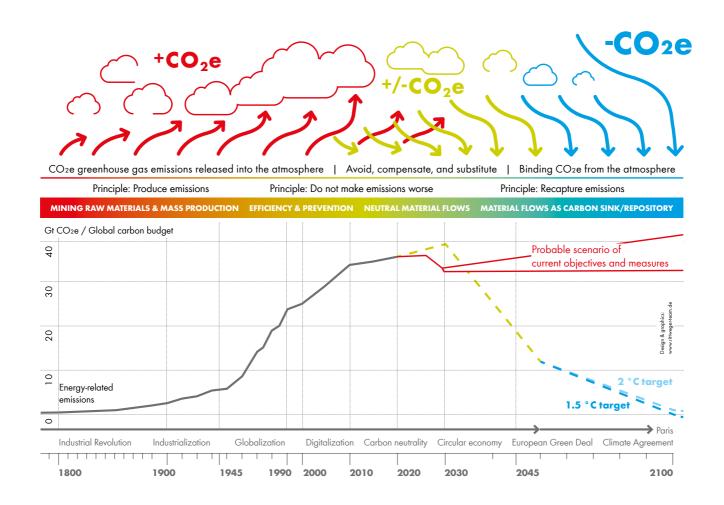
In the long term, the circular economy should be inextricably linked to the Würth brand. For this purpose, we aim to develop new business models.

Betting Würth. Chairwoman of the Advisory Board of the Würth Group



MODEL FOR INDUSTRIAL AND ECONOMIC DECARBONIZATION

Principle and classification according to stages of economic development



The Würth Group has defined three key areas of transformation for the transformation process on its path toward a circular economy.

Basis for the Würth Group's transformation

Based on the global challenges of today, such as climate change and environmental degradation, the Würth Group has defined three key areas of transformation to serve as a guide for 100% circular development:

- Climate
- > Material Life Cycles
- Social Standards

The three transformation areas were derived from many years of experience with Group-wide pilot projects in the field of sustainability and the resulting empirical findings. As a multinational corporation, the Würth Group is striving for a future-proof and circular economy based on this innovative approach.

Sustainability in management practices

We see circular economy as the key to sustainable growth that respects and preserves our livelihood and that of future generations. We see the potential to boost economic growth, prosperity, jobs, and resilience, while at the same time reducing greenhouse gas emissions, waste, and pollution across the globe. This is why sustainability is embedded in the management practices of the Würth Group.

Climate

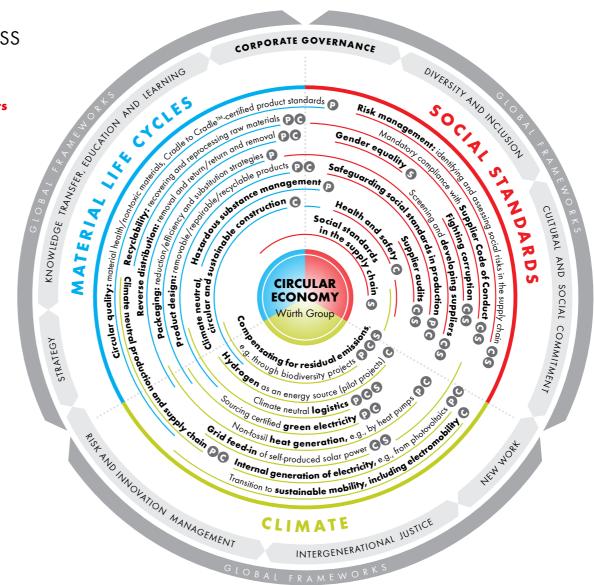
- + Material Life Cycles + Social Standards
- = 100% CIRCULAR DEVELOPMENT



CIRCULAR ECONOMY COMPASS OF THE WÜRTH GROUP

Management model for the sustainable transformation of the Würth Group on its path toward a circular economy

The Circular Economy Compass developed by the Würth Group envisions a circular economy. The Würth Group is embarking on this comprehensive process of transformation together with its subsidiaries, which it refers to as the "circular way." The Compass contains the three transformation areas: Climate, Material Life Cycles, and Social Standards. Their individual aspects have different positive effects on products P, companies (a), and/or society (S). The Würth Group operates within these areas in compliance with various global frameworks, such as the Greenhouse Gas Protocol and the Sustainable Development Goals of the United Nations. The Group-wide corporate governance system establishes the necessary framework for successfully completing the transformation process.



CORPORATE GOVERNANCE

We are continuing to develop our responsible corporate culture by focusing even more on respecting people, resources, and nature.

Our corporate governance, the principles of the Würth Group's corporate culture, promotes responsible and sustainable management practices.

In order to meet the requirements of the circular economy, it is necessary to raise awareness about sustainability issues. This requires thinking and acting on a local and global scale, while taking into account the economic, ecological, and social aspects. The management culture in the Würth Group aims at following the principle of "adding value by recognizing value."

Climate change, saving resources, intergenerational justice, diversity and inclusion, and risk and innovation management represent both the challenges and opportunities of today's age. Responding to these new demands requires guiding management principles on the one hand and the integration of those principles into our corporate culture on the other. In doing so, we hope to create a shared understanding and the associated freedom for our employees. Diverse perspectives, an appropriate work environment, knowledge transfer, and continuing education lay the foundation for the necessary creativity and resulting innovation.

A shared **UNDERSTANDING** and the associated FREEDOM for our employees

INTEGRATION into our corporate culture

GUIDING PRINCIPLES

for management

Prerequisites for success







RESPECT FOR PEOPLE, RESOURCE **AND NATURE**

> Basis for creativity and the resulting innovation

DIVERSITY 360-degree perspectives

NEW WORK Growing together KNOWLEDGE TRANSFER Education



//

The word "we" is the key to our success. Together, we have perspectives from 80 countries, viewpoints from over 85,000 people, and a wealth of experience from a wide range of different cultures and sectors and from more than 4 million customers around the world.

//

Robert Friedmann,
Chairman of the Central Management Board of the Würth Group

Diversity as a driver of transformation

Diverse opinions and perspectives lead to more creativity, innovation, and new solutions. The diversity of the people in the Würth Group amplifies this effect: Each individual company, division, and team unit, along with all of our customers, employees, suppliers, and business partners, is important and contributes to the future-oriented transformation of our economic activities in its own way.

In order to make optimal use of the great potential offered by the diversity of the Würth Group, we not only need to establish diverse teams, but also have to ensure that all employees are involved and heard. For this reason, the Würth Group provides for a work environment and basic working conditions that are free of prejudice and intolerance, enabling everyone to make a valuable contribution. Therefore, any type of discrimination based on gender, sexual identity, sexual orientation, physical

or mental disabilities, social or ethnic background, age, nationality, language, skin color, and religion is not tolerated. At the same time, raising awareness of and promoting the diversity of our employees and our management helps foster this development. Diversity is also promoted during the recruitment process.

The first step on the path toward more diversity in the Würth Group focuses on a higher share of women at all hierarchical levels, especially in management positions. The Würth Business Academy initiated a mentoring program to support high-potential employees. The goal is to promote female talent, make women visible for top management, and to raise awareness of factors that can help reduce barriers to women's career advancement. The mentoring program and the network of women in the company represent the first measures that were initiated to promote women in the Group.



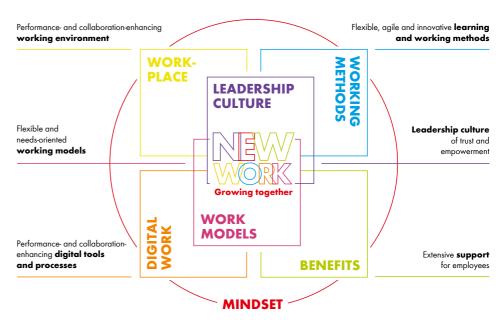


New work as a transformational environment

The day-to-day business of the Würth Group is increasingly focused on developing creative, innovative, and practical solutions for our transition toward a circular economy. The "new work" approach accompanies this transformation of the working world, which is driven by new requirements and the changing needs of our employees. It sets out to redefine our understanding of work to take into account digitalization, diverse ways of life, and novel work structures.

New avenues are being pursued to make the world of work in the Würth Group even more innovative, attractive, flexible, and employee-oriented. This includes matters related to workspaces, leadership culture, work methods, digital work, work models, and benefits. This new leadership culture creates a living and work environment that promotes diversity, allowing us to develop and grow together by accepting personal responsibility and empowering each individual. Establishing a people-oriented and learning-oriented mindset is essential for this purpose.

NEW WORK IN THE WÜRTH GROUP



Anchoring a people- and learning-oriented mindset to grow together.



Knowledge transfer and education for sustainable development and sustainability management

A shared basic understanding of sustainability represents the cornerstone of our sustainable action. For this reason, stakeholder-oriented communication is essential for encouraging a transformational mindset, both within the company among our employees and outside the company among our customers, suppliers, and the general public.

Sustainability Management training program from Akademie Würth

The internationally acclaimed Sustainability Management training program offered by the Akademie Würth provides an overview of the dimensions of sustainable economic activity and allows participants to strengthen their sustainability skills and apply what they have learned to their own field of work. The program encourages participants to implement a circular value-creation approach, pointing out the benefits of the associated changes. The training program consists of two modules and can therefore be adapted flexibly and individually to different learning goals. The basic model serves to acquire a basic understanding of the term sustainability, as well as various sustainability concepts. The advanced models offer a comprehensive overview of different fields of action related to sustainability.

International Sustainability Panel

In June 2021, the first International Sustainability Panel was started, which takes place twice a year with the goal of networking the companies of the Würth Group, exchanging experiences and ideas about sustainability, and creating synergies for joint projects. In addition to interesting keynote presentations, various companies present their best-practice projects on topics such as Climate, Material Life Cycles, and Social Standards. The participants can take home ideas for sustainable practices in the form of strategic fields of action and best-practice examples and use them as inspiration for their own projects.

GRI FAQ sessions

In parallel to launching the new GRI reporting process in the in-house reporting system, a regular meeting was initiated for frequently asked questions in order to help all companies with the data collection process. All GRI managers from the companies were able to participate in these meetings and ask questions about their individual problems. In addition, general information about the topic of GRI reporting was provided during the kickoff session. In addition to the FAQ sessions, a special GRI handbook was created for Würth explaining the individual GRI standards, presenting the procedure for identifying GRI indicators, and defining relevant terms in order to promote a common understanding.

Updates in the Monthly Circular and inhouse WGC network

The regular flow of information and communication between all companies is ensured by our internal communication platform, Würth Group Connections (WGC). Important information on Group-wide sustainability management is shared there, among other things. Aside from the WGC platform, regular updates on the topic of sustainability have also been shared in the Monthly Circular since 2021, which is sent to all managing directors of the Würth Group. Furthermore, the presentation of the sustainability department is on the agenda of the welcome seminars for new managers.



In 2021, Akademie Würth won second place for the "Money 4 Change Impact Award" in the "Corporate" category for its Sustainable Management training program and its extraordinary commitment to educational work to support the 17 Sustainable Development Goals (SDGs).



WE STRIVE TO GROW WHILE RESPECTING THE ENVIRONMENT.

For the entire Würth Group, this means minimizing direct and indirect greenhouse gas emissions that are harmful to the environment in the long term, including along the supply chain. With the climate footprint analysis, we create transparency regarding our greenhouse gas emissions and their sources. We base our climate strategy on this analysis. This includes awareness of efficient energy use and emission sources, promoting renewable resources, and transitioning the vehicle fleet to alternative fuels.



TRANSFORMATION AREA CLIMATE

For the Würth Group, climate neutrality means adapting our activities so that we can do business and grow based on renewable energy sources.

The Würth Group follows a three-step approach to achieving climate neutrality. First, this means avoiding all harmful direct and indirect greenhouse gas emissions. If it is not possible to avoid these emissions, we strive to reduce them to a minimum. Lastly, all greenhouse gas emissions that cannot be avoided or reduced are offset with investments in certified climate action projects, preferably in the field of biodiversity. In order to evaluate our transformation toward climate neutrality, we need an accounting standard for calculating greenhouse gas emissions along the entire value and supply chain and reporting them transparently. The Würth Group bases its understanding of climate neutrality on the Corporate Standard of the Greenhouse Gas Protocol. In terms of double materiality, we take into account the focus regions on the one hand based on the Climate Risk Index and the countries of the Würth Group with the highest greenhouse gas emissions on the other hand.

The steps toward climate neutrality in the Würth Group:

Scope 1 and 2:

- + Avoiding and reducing
- + Generating power in-house
 - + Sourcing green energy
- + Transitioning to electromobility
- + Not heating with fossil fuels
- + Offsetting unavoidable emissions with biodiversity projects

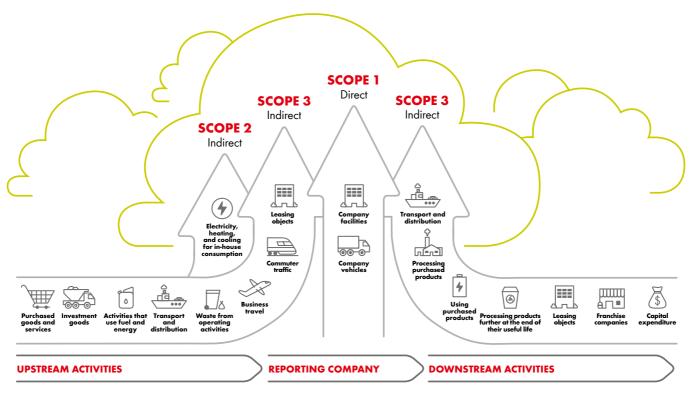
Scope 3:

+ Climate neutrality in the supply chain



EMISSION AREAS OF THE WÜRTH GROUP

Group-wide standard according to Greenhouse Gas Protocol



SCOPE 1

Scope 1 includes all direct emissions, meaning from sources within the company, emissions produced as a result of power generation, vehicles, and production activities.

SCOPE 2

These indirect emissions are produced by energy generated outside the company and purchased, such as electricity, heat, and cooling.

SCOPE 3

Scope 3 contains all other indirect emissions. These include emissions from manufacturing and transporting purchased goods, from distributing and using products, and from disposing of those products. Emissions resulting from business trips taken without a company vehicle and the employees' commute to work are included here.



As part of the risk assessment, the countries with the greatest impact on climate change are analyzed and evaluated using the Climate Risk Index, examining the greenhouse gas emissions according to the countries where the Würth Group's business activities are based.

Climate Risk Index

The Climate Risk Index shows how severely the different countries around the world are affected by extreme weather conditions, such as heat waves or flooding.¹⁾ This helps us ensure transparency with regard to global location and supply chain risks and adapt our business activities accordingly. The Würth Group has locations in two of the ten most affected countries: Japan and India.

Key findings from the first Group-wide climate footprint analysis

The Group-wide climate footprint analysis focuses on Scope 1 and 2 (according to the Greenhouse Gas Protocol) based on the data from the reporting companies. The relevant country-specific emission factors from the International Energy Agency (IEA) were used for the calculations. Due to the lack of available data, we are still working to evaluate and reduce our greenhouse gas emissions from upstream and downstream activities (Scope 3). The Würth Group's climate strategy centers around these underlying data (Scope 1 and 2).

Greenhouse gas emissions of the Würth Group according to location

In 2022, companies located in Germany accounted for 40.9 % (2021: 44.2 %, 2020: 48.1 %) of the Würth Group's total absolute greenhouse gas emissions. Another 36.5% could be attributed to these countries: USA, Italy, Austria, Spain, France, and China (2021: 34.4%, 2020: 32.0%). These seven countries in which the Würth Group is represented are responsible for almost 80% of the total emissions. For this reason, we are primarily focusing on these countries as they offer the greatest potential for reducing Group-wide greenhouse gas emissions.

Energy consumption and top emitters

A look at our energy consumption in 2022 reveals that the Würth Group's vehicle fleet is the largest energy consumer (diesel and gasoline), accounting for 47.1 % (2021: 44.8 %, 2020: 45.9 %). This is also reflected in the climate footprint (Scope 1 and 2) since the vehicle fleet accounts for roughly half of greenhouse gas emissions. Power consumption accounted for 28.4% (2021: 29.1%, 2020: 29.7%) of our total energy consumption. The second largest share of our greenhouse gas emissions can be attributed to the use of electricity, which illustrates how important it is to develop and source regenerative energy.

In-house power generation from photovoltaics and green energy sources

The Würth Group can reduce its greenhouse gas emissions by generating power in house from photovoltaics and by relying on green energy sources. We were able to increase our share of green energy in 2022 by 12.1% compared to 2021. Because the use of electricity represents a high share of greenhouse gas emissions, countries such as Germany, the US, Italy, Austria, Spain, France, and China offer the greatest reduction potential by sourcing green electricity. There is also great potential for expanding in-house power generation.

Conclusion

The climate footprint provides transparent insights into where we currently stand as the Würth Group and makes it possible to identify concepts to reduce our emissions. Furthermore, it allows us to monitor the development of the Würth Group and the effectiveness of the measures. We can already see that we have made progress on our path toward climate neutrality. An underlying Group-wide strategy is required to take full advantage of our potential.



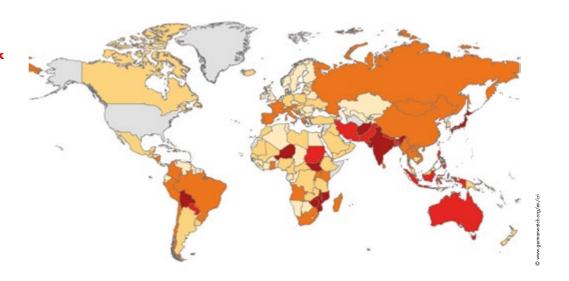
GLOBAL FOCUS REGIONS

Risk assessment according to Climate Risk Index

CRI 2021: Most affected countries in 2019

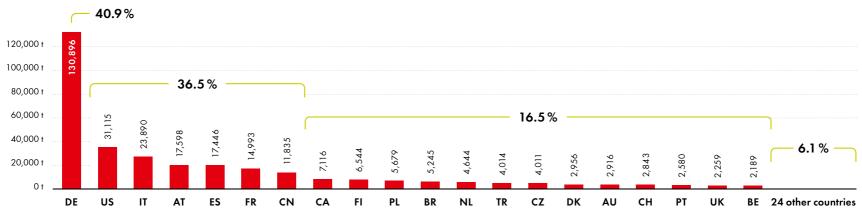
- 1 10 (highest risk level)
- 11-20
- 21-50
- 51-100
- >100 (lowest risk level)
- No data available

Source: Germanwatch and Munich Re NatCatSERVICE



Greenhouse gas emissions (CO2e) of the Würth Group according to location

Absolute volume in tons/year and share within the Würth Group as a percentage in 2022



Source: IEA 2022



Successful measures in the companies

Several companies have already initiated specific measures to avoid and reduce our greenhouse gas emissions with projects related to energy efficiency, in-house power generation, switching to green electricity, and e-mobility. We will be pursuing a joint Group strategy in the future in order to create synergies between the individual companies and to pool our resources.

Developing a systematic climate strategy for the entire Würth Group

The Würth Group has taken a robust approach to sustainability in its planning and implementation, where e-mobility, in-house power generation, and the provision of energy are currently the greatest challenges on the path toward climate neutrality. At the same time, we must not neglect other measures aimed at improving energy efficiency and potentially cutting greenhouse gas emissions.

First climate footprint 2020

The kickoff for the first phase of developing a Group-wide climate strategy was in mid-2021. That is when we started with the data collection and validation for the 157 reporting companies. The first climate footprint with the energy consumption figures and the associated greenhouse gas emissions was prepared for 2020. The CO2e emissions indicated in the report serve as the baseline data for the transformational development toward climate neutrality in the years thereafter. The greenhouse gas emissions of the Würth Group were calculated for the following years according to the same method, which has been refined continuously.

Analysis of potential and development of climate strategy

Based on these underlying data, potential improvements were identified to reduce greenhouse emissions and energy consumption in the second phase. At the same time, we have continued to promote energy efficiency, regenerative energy with regard to electricity and heat, e-mobility, and offsets. After completing the analysis of potential, the development of a Group-wide climate strategy followed.

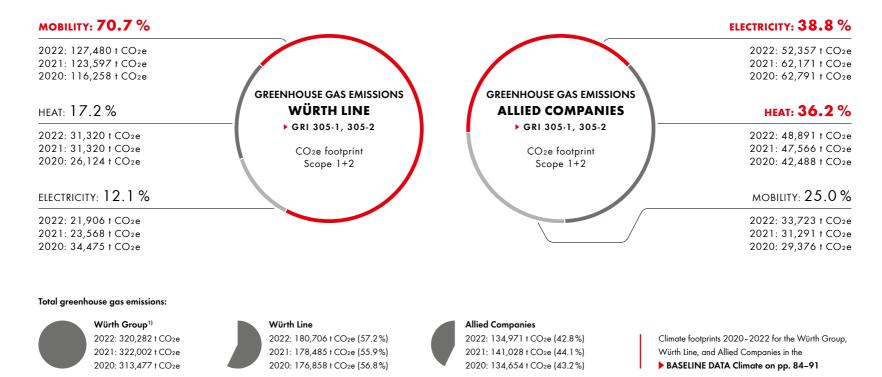
¹⁾ In Scope 1 and 2 according to Greenhouse Gas Protocol



TRANSFORMATION LEVERS RELATED TO CLIMATE IN THE WÜRTH GROUP

Mobility, electricity and heat

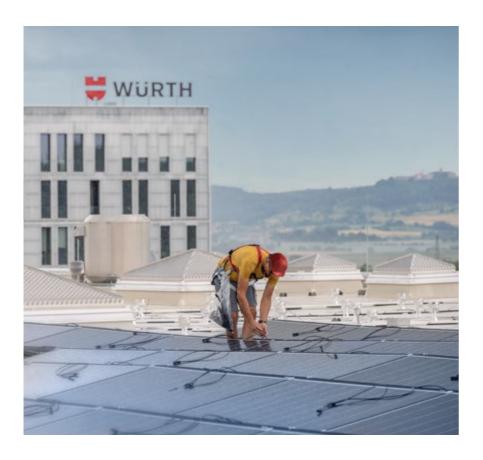
Calculating and determining the sources of greenhouse gas emissions creates transparency in terms of identifying the greatest potential for improving and conserving. For the companies in the Würth Line, the greenhouse gas emissions related to mobility are the highest, accounting for 70.7%. Transitioning the vehicle fleet constitutes the greatest lever of transformation. In contrast, electricity procurement and heat procurement account for the highest shares of CO₂e emissions in the Allied Companies at 38.8% and 36.2%, respectively. Therefore, the procurement and in-house generation of renewable energy represent the greatest transformation levers for these companies.



¹⁾ Kerosene for aircraft is directly included in the Group calculation. As a result, the individual results vary between the Würth Line and Allied Companies and the Würth Group.



PROJECT STATUS 2020-2022



In order to promote the transformation area Climate in all activities and companies of the Würth Line, various sustainable alternatives and systems have been implemented. The following examples of in-house power generation, climate-neutral logistics, and sustainable mobility demonstrate which levers have already been activated and what is planned for the future in the respective companies.

Energy supplied by photovoltaics and heat pump: Würth España S.A., Spain

Würth Spain procures 100% of the power it requires for its headquarters and pick-up shops from renewable and thus green energy sources. At the location in Agoncillo, 2,650 photovoltaic modules with a maximum total output of 1,200 kWp provide 38% of the electricity required there. In order to bolster the in-house power supply, 50 photovoltaic modules were installed at the Palau location in 2022, with a nominal output of 22.5 kilowatts. Aerothermal energy is also used there to heat the water using a heat pump to exchange heat with the outside air and thus generate warm water throughout the entire year. Furthermore, Würth Spain has a contract with an energy provider guaranteeing that 100% of the additional electricity required is generated from renewable energy sources.







With its RFID Kanban services, Würth Industrie Service GmbH & Co. KG offers an immediate system solution for climate-neutral logistics. The RFID Kanban solution can help industrial manufacturing companies both avoid conventional packaging waste and reduce CO2e emissions by over 50% compared to a traditional manual order processing system. In addition, we are concentrating on the Kanban bins themselves, in particular by using circular materials to make the bins and racks.

Regranulate is used in the production process, which is made from 100% recycled materials and can be reused. Any defective bins that have to be sorted out after being returned by the customer are ground into small pieces and transformed into new regranulate. Roughly one ton of CO2e is saved per ton of regranulate compared to using new raw material. Würth Industrie Service GmbH & Co. KG also helps protect the environment by using photovoltaic systems at two of its locations.



Transitioning to electric and hybrid vehicles: Würth Norge AS, Norway

As a traditional sales company, many of the employees at Würth Norge AS spend a great deal of time on the road. Because of this, the company is ideally positioned to make use of alternative drives to drastically reduce its greenhouse gas emissions. Würth Norge AS is leading by example by transitioning to electromobility. Charging stations have already been set up for the employees at the headquarters. In 2022, charging stations were installed at several pick-up shops, and more will follow so that customers can charge their electric vehicles there while they shop. In addition, the company has started to install fast charging stations, which will be available in the first quarter of 2023 and which will be powered in part by solar panels on the roof of the warehouse. Würth Norge AS plans to replace 100% of its company and service vehicles with emission-free vehicles by 2030. At the end of 2022, 35% of all company vehicles were already electric or hybrid. When renewing future leases, employees will be required to choose between an electric and a hybrid vehicle.



Transformation Climate in the Allied Companies

PROJECT STATUS 2020-2022



Photovoltaic systems at the production site:

Arnold Fasteners (Shenyang) Co. LTD, China

Since 2021, Würth Industrial Park Shenyang (WIP) has installed 17,000 m² of solar panels. The PV system at Arnold Fasteners (Shenyang) Co. LTD went into operation in July 2022, covering 10,000 m² with an installed capacity of 942 kWp. A 249-kWp system was installed on the Würth Elektronik building in WIP with approx. 3,000 m² of solar panels. Furthermore, a car park was covered with a 524-kWp PV roof measuring approx. 4,000 m². Both projects were completed at the end of 2022 and went online in January 2023. Every year, WIP consumes a total of around 20 million kilowatt hours of electricity. The PV systems have a maximum output of 1,715 kWp and are expected to generate 1.85 million kWh of electricity per year, thus cutting up to 1,075 tons of CO₂ emissions.

Our Allied Companies are also putting their best foot forward with their own regenerative power systems. Depending on the location, different energy concepts for generating electricity and heat are being implemented-for example, using photovoltaics or hydropower-thus contributing to transformation area Climate. The projects initiated by the Allied Companies have focused on generating electricity from renewable energy sources.

Regenerative power generation using hydropower: **ARNOLD UMFORMTECHNIK GmbH & Co. KG, Germany**

The company ARNOLD UMFORMTECHNIK GmbH & Co. KG has relied on a run-of-river hydroelectric system as a regenerative power generator for 80 years now. In 2022, the system generated 415,463 kWh of electricity. In addition, options involving solar energy and heat recovery are being pursued. ARNOLD's energy management team has been implementing projects and measures to promote energy efficiency and resource protection throughout the company: for example, changing the lighting in the production facilities to LEDs and replacing old compressors and refrigerant dryers with new energy-efficient devices. By optimizing the drying process for heat treat furnaces, it was possible to reduce the energy required for the drying phase by approx. 90%. The Dörzbach location saved 540,000 kWh by installing new LED lighting. Furthermore, a battery energy storage system was installed to boost in-house consumption and reduce load peaks by 120 kW. Thanks to a prototype developed to reduce the amount of compressed air used, it was possible to save approx. 4,500 kWh per machine in the SORTEC production area.







Schmid Schrauben Hainfeld GmbH, Austria

In 2021, a photovoltaic system with 2,080 photovoltaic modules, a total surface area of 3,500 m², and a maximum capacity of 700 kWp was installed on the rooftops of Schmid Schrauben Hainfeld GmbH's production facilities. The system covers 12% of the company's electricity needs using regenerative energy, thus saving roughly 170 tons of CO2e emissions per year. Manufacturing screws consumes a great deal of energy due to the required electricity and heat.

Thanks to the new photovoltaic system, the company has been able to both reduce its energy costs and increase its energy autarky. In addition, six e-charging stations with twelve plugs were installed in the customer parking lot so that employees and customers can charge their electric vehicles with electricity generated in-house.



Regenerative in-house power and heat generation: HAHN+KOLB Werkzeuge GmbH, Germany

HAHN+KOLB relies on modern and sustainable construction for its own facility management, making it possible to generate power while protecting resources. The photovoltaic system with a maximum capacity of 87 kWp on the south side of the corporate headquarters generates up to 88,000 kWh of electricity per year. Not only does the company use regenerative electricity, it has also reduced its annual heating needs considerably by using a heat pump. In the warm summer months, this helps cool the building. Native plants cover 1,400 m² of the green roof, thus compensating in part for sealed surfaces. In addition, the outdoor area has been recultivated while preserving the old trees. Nesting boxes and insect hotels enrich the biodiversity on the company premises and serve to protect local species. HAHN+KOLB was honored by the "UN Decade on Biodiversity 2019" for its efforts.



MATERIAL CYCLES ENSURE THE AVAILABILITY OF HIGH-QUALITY RAW MATERIALS.

The raw materials and resources used to manufacture our products are the greatest future asset of the Würth Group and the key to decoupling our activities from finite resource consumption. If we hope to create value in the future, we will have to respect resources, maintain them in closed-loop material cycles, and use them to create new high-quality, intelligent products again and again. In doing so, we are creating a qualitative foundation for action and growth together with permanent resource availability for the Würth Group.



TRANSFORMATION AREA MATERIAL LIFE CYCLES

By allowing materials to circulate in closed loops in the future, we can secure resource availability within the Würth Group and decarbonize our products.

Resources and rising prices for raw materials are major risks that the Würth Group is facing in the "material cycles" transformation area. These risks make sustainable growth essential. By systematically rethinking our activities and establishing closed-loop material cycles, we can decouple our future growth from finite resource consumption.

Bioregenerative and technical closed-loop material cycles serve as the basis for the Würth Group's understanding of circularity when it comes to material-related greenhouse gas emissions. Accordingly, the focus on decarbonizing materials by means of closed-loop material cycles represents another step toward climate neutrality. By changing our business practices, we are helping to secure the supply of raw materials.

The steps for developing material cycles in the Würth Group:

- + Circular product design
- + Ensuring material health
- + Carbon-neutral production and supply chain
 - + Ensuring recyclability
- + Establishing reverse logistics
- + Complying with social standards in production and supply chain

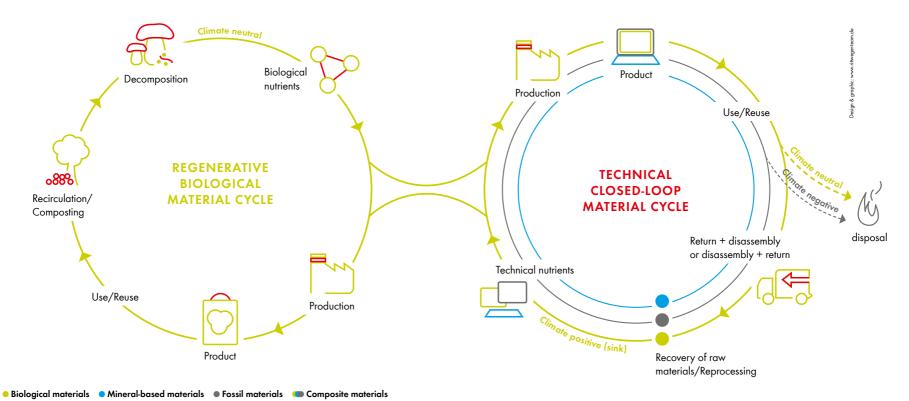


THE WÜRTH GROUP'S UNDERSTANDING OF CIRCULARITY

Material-specific decarbonization in the circular economy¹⁾

The objective of the Würth Group is to make it possible to recover virtually all of the materials used in a product after its life cycle in order to use them as raw material for new products. For this purpose, the products have to be designed so that they can be broken down easily into their individual components in order to allow the raw materials to circulate in closed loops. After neutralizing the emissions generated by the products as a result of their energy consumption, we evaluate the carbon footprint of the material life cycles in accordance with different types of materials: biological, mineral, and fossil materials, as well as composite materials. While biological materials in

regenerative material life cycles enclose natural closed-loop ecosystem processes and are therefore climate neutral, they form a carbon sink in technical closed-loop material life cycles. For example, they sequester carbon from the atmosphere as long as they are kept in this closed-loop cycle and grow back during that time. Fossil materials remain climate neutral in technical closed-loop material cycles until they leave the material cycle by disposal. They then release additional greenhouse gases into the atmosphere and are considered climate negative. In general, we consider mineral-based materials to be climate neutral.



1) Under the conditions of climate-neutral production processes using renewable energy sources (net zero process-related CO2e emissions)

Risk assessment

The consequences of raw material shortages around the world for the business activities of the global economy, as well as for those of the Würth Group, can be felt in rising raw material prices, longer delivery times, lower resource availability, reduced production, and limited predictability. Supply bottlenecks are occurring along with increased demand.

Raw material analysis of Würth Finance International B.V.

Würth Finance International B.V. observes and analyzes how prices have developed for different raw materials over the last several years. Based on these data, a significant price increase can be recognized starting in 2021. This development is also reflected in the procurement prices for the raw materials used by the Würth Group.

Availability of raw materials and supply security

Supply security is a material topic for the Würth Group (p. 31). It is influenced by the decreasing availability of raw materials in the face of growing demand. The scarcity of raw materials in turn is reflected in the increasing prices. In addition, goods that produce high greenhouse gas emissions are penalized financially by various political instruments in order to achieve global climate

goals. The Würth Group aims to tackle these potential risks proactively, assess the effects, and derive appropriate measures accordingly.

Key findings

Sustainable material and resource management is vital for the Würth Group (>p.31). For this reason, we have to safeguard our future business activities by promoting innovative solutions and models as the Würth Group.

Due to growth, demand for raw materials continues to rise in parallel to increasing raw material shortages on the global markets

If we continue our activities within the framework of a linear economy in the future, the current situation with raw materials will become even worse. Recycling is only part of the solution. We have recognized the need for a systematic shift toward a circular economy in order to secure the future growth of the Würth Group and are pushing to decouple our activities from finite resource consumption by integrating material cycles.

Data transparency required by productrelated raw material analyses

Transparent data management is decisive for our transformation to a circular economy due to the wide variety of products in order to respond to

changing market and customer demands, advancing digitalization, and growing data volumes. Based on the data collected, we can manage, assess, quantify, and advance our transformation process so that we can close our material cycles little by little in the future. Product-related raw material analyses are the key.

Conclusion

We need to develop innovative technological solutions for reprocessing commodities and materials and for using them in closed-loop cycles. In addition to expertise and innovative approaches, this also requires a strategy for pooling synergies within the Würth Group and tapping the resulting growth potential for new business models.



GLOBAL RAW MATERIAL ASSESSMENT

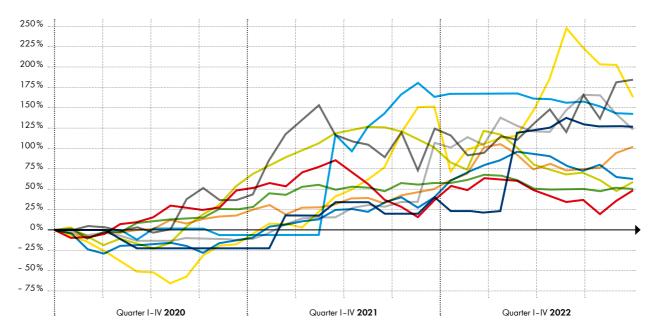
Pricing for relevant raw materials in the Würth Group as risk indicator for availability on global markets

The graph below illustrates how raw material prices developed in the years 2020-2022. Based on the latest information, we have analyzed raw materials that are considered relevant for the Würth Group, such as steel or iron ore. At the same time, we have evaluated raw materials with particularly dynamic prices, such as natural gas and butyl glycol acetate. Because the prices fluctuate greatly, the price changes are displayed as standard percentages.

Ten most relevant raw materials for the Würth Group in 2020–2022:

- Natural gas
- Butyl glycol acetate
- Butyl diglycol
- Acetone
- Urea
- Crude oil
- Steel
- Nickel
- Copper
- Iron ore

Sources: Own graph based on data of Würth Finance International B.V.



Changes in raw material price as percentage in 2020–2022



In order to lay the foundation for the qualitative development of material cycles in the Würth Group, we are developing different systems for assessing the commodities and materials we use.

Collecting and analyzing commodity and material data

A sustainable product portfolio is a material topic for the Würth Group (>p. 31). Therefore, we have defined a system for assessing products. This system includes the collection of supplier data and is designed so that products can be developed further together. Due to the supplier-customer relationships within the Würth Group, the assessment methodology is also applied to the Allied Companies at the supplier level.

Assessment according to **GRI** methodology

Information transparency with regard to the materials used and the share of recycled materials in the products of the Würth Group, as well as our waste production, is fundamental for us (>p. 31). Therefore, we are determining whether the companies have implemented measures to meet the require-

ments of a circular economy and which ones they have used with the goal of reducing waste in their own value chain. This development is analyzed regularly based on the data in order to focus on our objective of closing material cycles.

Newly developed product assessment matrix for the Würth Line

The products of the Würth Line are tested to determine their sustainability performance and evaluated using 4 + 1 criteria with the help of an assessment matrix. The four criteria eco-friendly, environmentally friendly, resource-friendly, and low-emission represent the ecological aspects for evaluating the product. Another criterion deals with the evaluation of the product suppliers with regard to social and fair working conditions. The objective of the product assessment is to create a high level of transparency by means of ecological and social criteria for our customers to select products.

Furthermore, this allows us to develop our products in a more sustainable way. When developing the matrix, the relevant national requirements were taken into account so that it would be internationally recognized for all companies in the Würth Line.

Transparency with material passport

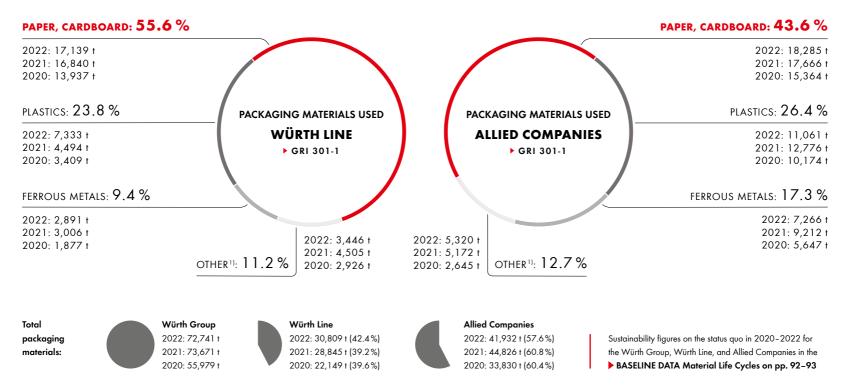
The material passport ensures that our product data management remains transparent. This passport contains important information about the material with regard to social and technical compliance, such as the material composition or compliance with environmental regulations. In order to create a material passport, it is necessary to disclose the product components and their material properties up and down the supply chain. The material properties can be verified using indicators such as origin, toxicity of constituents, and share of recycled materials.



TRANSFORMATION LEVERS RELATED TO MATERIAL LIFE CYCLES IN THE WÜRTH GROUP

Packaging materials and products

The collaboration of all stakeholders along the Würth Group's value chain is indispensable for ensuring that commodities and materials from products circulate in material loops and are available in the necessary quality and quantities. Packaging represents the first transformation lever. There are already established material flows, infrastructures, and high data transparency with regard to the materials being used. Products constitute another transportation lever. In the future, it will be important to gain as much transparency as possible in terms of the materials in the product portfolio. On this basis, the Würth Group can create and close material life cycles.



¹⁾ Glass, aluminum, other composites, textiles, and other materials are combined; incl. difference resulting from companies that do not report a breakdown of the material types.



PROJECT STATUS 2020-2022



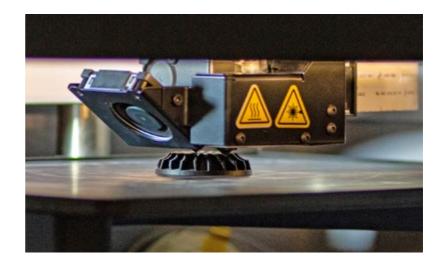
The companies of the Würth Line have implemented various innovative and sustainable projects related to Material Life Cycles. In this regard, projects focus on product design and product development. Special emphasis is placed on selecting resource-friendly materials and an energy-efficient production process. The projects aim to decouple activities from finite materials, thus encouraging sustainable growth.

Circular quality according to Cradle to Cradle Certified™ product standard: Adolf Würth GmbH & Co. KG, Germany

Adolf Würth GmbH & Co. KG has pledged to make as many business activitities as possible circular by 2030. With the Cradle to Cradle Certified™ Silver stamp of approval for a wide range of ORSY® rack system modules, the company has taken another important step toward achieving this goal. This product standard verifies that almost all of the materials used to manufacture a product can be recovered in full. In addition to the circularity criterion described above, the standard also evaluates the effects of the material on human health and the environment, the exclusive use of renewable energy during the production process, the responsible use of water, and social justice with regard to fair and humane working conditions. In the future, Adolf Würth GmbH & Co. KG will endeavor to obtain further Cradle to Cradle Certified™ certifications for its product portfolio.







Recycled EcoFresh safety shoe: Würth MODYF GmbH & Co. KG, Germany

The textile industry in particular has a significant (negative) impact on people, the environment, and nature when manufacturing products. Würth MODYF strives to minimize this impact with its sustainable workwear labels. The company has taken an important step toward achieving closed-loop material cycles with the development of its EcoFresh safety shoe. The upper material of the shoe is made of 100% recycled material, which corresponds to roughly seven to eight plastic bottles per pair of shoes. The shoelaces and anti-perforation inserts are made of 100% recycled PET as well. The additional toe cap on the shoe shaft has also been made of 100% recyclable thermoplastic polyurethane (TPU). The yarn used to manufacture the shoe is certified according to Global Recycled Standard GRS 4.0.

3D printing filaments made of recyclable carbon fibers: Würth Additive Group Inc., USA

The North American Würth Additive Group Inc. sees great potential in the additive manufacturing technique for feeding materials back into sustainable material loops at the end of their life cycle. The company has already started with the product design and is currently developing filaments for the 3D printing of uncritical components from recycled waste materials such as carbon fibers or plastic as part of multiple pilot projects.

Würth Additive Group Inc. has assumed the role of coordinator in this value chain in order to transform the recycled material obtained as waste from the customer into functional 3D printing filaments ready for market. The long-term objective is to develop structures and processes for a successful circular economy model in the field of additive manufacturing.



PROJECT STATUS 2020-2022



Evaporator technology at the production site:

Arnold Fasteners (Shenyang) Co. LTD, China

In 2021, Arnold Fasteners (Shenyang) Co. LTD installed a vacuum evaporator for the electroplating process, which made it possible to reuse process water and thus reduce the consumption of fresh water by nearly 95%. The wastewater is separated into sludge and distillate, which is then fed back into the process instead of fresh water. Since it was put into operation, approx. 18,200 m³ of wastewater have been separated into 17,900 m³ of distillate and approx. 420 tons of sludge. The sludge containing heavy metals, suspended matter, and chemical residues is disposed of properly. This technology is currently the most ecological and economical solution for treating electroplating wastewater, laundry wastewater, and lubricating/cooling emulsions from the manufacturing process. Another system is scheduled to commence operations in June 2023.

From plastic recycling and recovering raw materials to completely circular products, the Allied Companies focus less on product development and more on the actual production and manufacturing process of the products. Increasing the use of recycled materials and cutting CO2e emissions are top priorities here in order to promote the goal of achieving material life cycles in the Würth Group.

Innovative timber construction as a carbon storage: SWG Schraubenwerk Gaisbach GmbH, Germany

As a screw specialist for timber construction, sustainability and environmental protection are key components for the growth strategy of SWG Schraubenwerk Gaisbach GmbH (Production). The company's own production floor with offices demonstrates that it is possible to construct industrial buildings out of timber instead of steel and reinforced concrete, thus capturing eleven times more CO2 than conventional buildings. A total of 1,800 m³ of wood were used for the new building. 400 m³ of this are beech laminated veneer lumber and result in the largest roof structure in the world made of this innovative and high-strength material (trade name BauBuche). Thanks to the ASSY® wood screws approved specifically for this project as fasteners, the rooftop spans up to an impressive 40 meters in width. Furthermore, by using another 1,400 m³ of softwood materials, the builders were able to support the forestry sector in developing diverse mixed forests. In doing so, SWG hopes to cultivate and help shape a new sustainable building culture.







100% recovery of raw materials from plastic recycling: Conmetall Meister GmbH, Germany

By recycling plastic, Conmetall Meister GmbH creates new products from used packaging. Used plastic and plastic packaging collected from recyclables serve as the input material. These are processed, melted down and turned into secondary raw materials. Through appropriate processing steps, the material properties of the recyclates are almost equivalent to those of virgin granules. With the use of recycled plastic, 30% less greenhouse gases are emitted, with production in Germany supporting this. By the end of 2022 102 articles in the sanitary area have been converted to 100% recycled plastic and transferred to the sustainable product line—67 of which have been certified with the Blue Angel.

In addition, the packaging used in the product line is 100% recyclable.

Circular packaging, a cardboard aerosol cap: TUNAP GmbH & Co. KG, Germany

Packaging is unavoidable when it comes to aerosols. That is precisely where TUNAP GmbH & Co. KG aims to start with its cardboard cap, replacing indispensable components with more environmentally friendly versions. Together with Technische Universität Dresden and the packaging manufacturer OecoPac, they developed an aerosol cap made of wound and flanged cardboard. The cardboard cap is made of 100% recycled paper and cardboard and can be completely recycled again after being used. Furthermore, it is more stable than traditional plastic caps and can be fully personalized to satisfy any requirements. TUNAP GmbH & Co. KG was a finalist in the Design category of the 14th German Sustainability Award for this innovative and sustainable packaging technology.



REAL ENVIRONMENTAL AND SOCIAL STANDARDS SET THE VALUE OF OUR SUPPLY CHAINS.

The Würth Group takes an interdisciplinary and collaborative approach to developing a global and sustainable supply chain management system that not only correlates supply chain efficiency and quality of supply, but also contributes to a more participatory, more equitable, and safer living environment, especially for people in countries with a high risk of social standard violations. We focus on upholding human rights, ensuring fair working conditions, and advocating for the conservation of nature.

TRANSFORMATION AREA SOCIAL STANDARDS

By using an international quality and supplier management system, we uphold our due diligence for human rights, the environment, and quality standards within our supply chains.

Social justice and fairness, as well as minimizing social risks in supply chains, are directly connected to sustainable and circular development for the Würth Group. As a multinational organization, we therefore see global frameworks for social and environmental standards as guidelines to ensure consistent compliance with our corporate due diligence obligations. Additionally, identifying and solving major social risks is decisive for the qualitative development of the circular economy in the Würth Group. We aspire to leave nobody behind, no person and no place. This means locating deficits by means of differentiated risk assessments, evaluating them, and eliminating them using effective and preventive measures. In the future, a standardized management system will make it possible to define, manage, and share the status and processes in the supplier network across the Group.

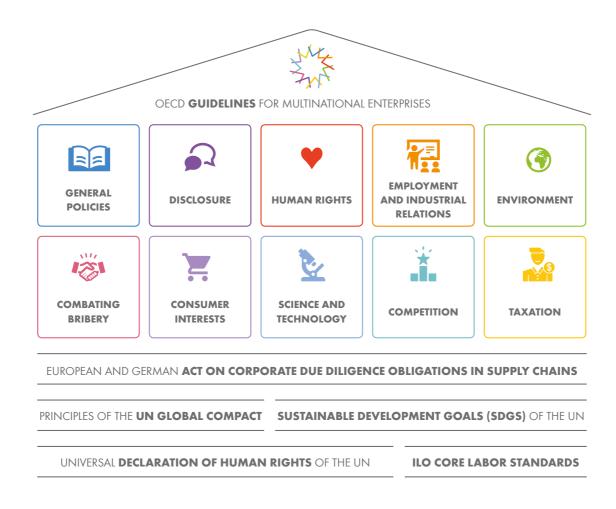
The steps for achieving a socially just supply chain in the Würth Group:

- + Using global standards as a guide
- + Identifying and assessing risks related to product manufacturing and countries
- + Obligating suppliers to comply with sustainability standards
- + Screening and developing suppliers
 - + Transparency by means of progress reports



FRAMEWORKS FOR SOCIAL AND ENVIRONMENTAL STANDARDS IN THE WÜRTH GROUP

Compliance with corporate due diligence on a global scale





Risk assessment

Social risks in the supply chain are evaluated from an external perspective using a social hotspot analysis and based on an internal systemic risk assessment. By combining these two perspectives, it is possible to identify risks and respond to them deliberately.

Determining country-specific risks using social hotspot analyses

Identifying risks to human rights and social impacts at our locations comprises five complex subject areas (> p. 71). The investigation is carried out based on the Social Hotspots Database (SHDB): an independent, globally accessible database that provides multiregional input/output data for local and global supply chains and connects those data to social indicators for evaluation purposes.

Internal risk assessment

The central purchasing companies carry out systemic risk assessments for the materials, products, and processes they use in order to fulfill the requirements for due diligence related to human rights. The risks related to the procurement countries are also included in the sustainability risk analysis of the supply chain. In this case, the impacts of the Würth Group's business activities and purchasing practices on the supply chains are evaluated.

Quality standards and purchasing practices

The Würth Group stands for high-quality products. The supplier screening process serves to ensure that we are collaborating with suitable suppliers. The network of source quality engineers audits and develops the suppliers around the world. A report with approved and banned suppliers is released every year at the Group level as a guide for selecting suppliers. Ensuring reliable compliance with product requirements is an essential task of the quality management team. In the future, sustainability criteria will also be verified by the network.

Key findings

Our risks are primarily found in the upstream value chain. The results of the risk analysis serve as the basis for selecting and evaluating future suppliers.

Differences between Würth Line and Allied Companies

As trading companies, the companies in the Würth Line primarily have final producers as their suppliers. Because they share many of the same suppliers, the purchasing departments cooperate closely. The Allied Companies also include manufacturing companies, which are found at the beginning of the value chain and often purchase directly from raw material suppliers. The supply

chains of the Allied Companies and Würth Line also overlap. Due to the different positions in the value chain, the focus on complying with social standards in the supply chain is different.

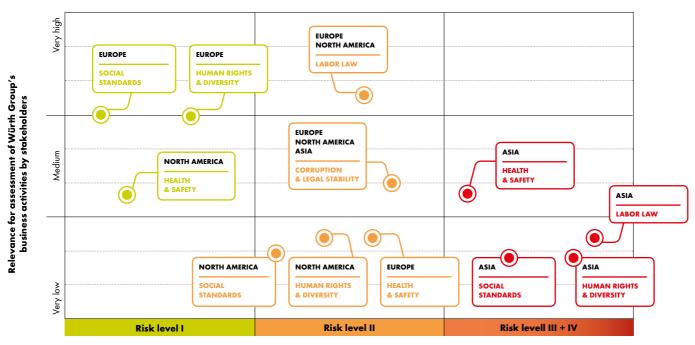
Conclusion

Sustainability in the supply chain is a material topic for the Würth Group. The aim is to ensure occupational health and safety, promote gender equality, and fight corruption. Compliance with social standards should be firmly embedded in our processes, and our suppliers should be screened and developed by means of audits (>p.31).



COUNTRY-SPECIFIC RISK ASSESSMENT IN THE WÜRTH GROUP

Relevance of subject area according to focus regions Europe, North America, and Asia



Materiality of social impacts resulting from Würth Group's business activities at focus locations

The assessment of location risks in the Würth Group serves as a starting point for the risk analysis. Because we share supplier/customer relationships with each other in the Würth Group, several direct suppliers are already included in this assessment. However, the assessment of risks along the entire supply chain is fragmented, which will have to be resolved in the future. Therefore, for the Group-wide social hotspot analysis, we started by examining all Würth Group locations based on human rights and social indicators from the Social Hotspots Database (> p. 70). In order to make it easier to manage the high complexity resulting from the multidimensional character of the Würth Group, we identified and pooled together three key focus locations—Europe, North America, and Asia—based on the total number of companies domiciled there. Furthermore, we clustered the indicators analyzed via the Social Hotspots Database into five main subject areas.

The evaluation scale with the risk levels was fully adopted: Level I - Low, Level II - Medium, Level III - High, and Level IV - Very high. Based on the principle of double materiality, the results were used to estimate the relevance for representatives of the primary stakeholder group with regard to the respective business activity.

SUBJECT AREA LABOR LAW

Child labor
Compulsory labor
Freedom of association, collective
bargaining, and right to strike
Poverty
Unemployment
Fair remuneration

SUBJECT AREA HEALTH AND SAFETY

Workplace accidents and deaths, Work-related exposure to toxic substances and hazards

SUBJECT AREA HUMAN RIGHTS AND DIVERSITY

Equal treatment, gender equity High-conflict areas Rights of indigenous peoples

SUBJECT AREA CORRUPTION AND LEGAL STABILITY

Corruption Legal system

SUBJECT AREA SOCIAL STANDARDS

Access to stationary medical treatment Access to clean drinking water Access to education



In order to uphold social standards in production and supply chains, we oblige the stakeholders to comply with the Code of Compliance and the Supplier Code of Conduct.

Avoiding risks by means of prevention and treatment

The Würth Group follows the general principle of avoiding risks before mitigating risks. Risk and sustainability management is a central responsibility at the senior Group level.

Fulfilling minimum standards

Within the framework of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), a multistage model was established in the Würth Group. In the first stage, all companies are required to fulfill minimum requirements. This includes complying with and communicating the policy statement, as well as implementing sustainability criteria in purchasing and auditing processes. In addition, they have to ensure that suppliers agree to comply with the Supplier Code of Conduct. Training materials are provided on the topic of human rights due diligence. In the second stage, companies are required to fulfill the requirements laid out in the LkSG if they are subject to this law.

In the third stage, companies are required to verify whether they are subject to any other national legislation with regard to social standards in the supply chain. Even if companies are not subject to the law, they may still be required to meet the requirements due to the relevant stipulations of their customers. In the fourth stage, relevant requirements have to be checked and appropriate measures must be taken.

Incorporating sustainability requirements into integrated management systems

With the help of the quality management system, certified according to ISO 9001, our defined processes make sure that the quality requirements for our products and services are fulfilled. In order to fulfill the requirements, the upstream supply chain is integrated into the entire process. We can enforce additional requirements by means of various integrated management systems.

In order to ensure compliance, we perform on-site audits with our suppliers. In the future, we will

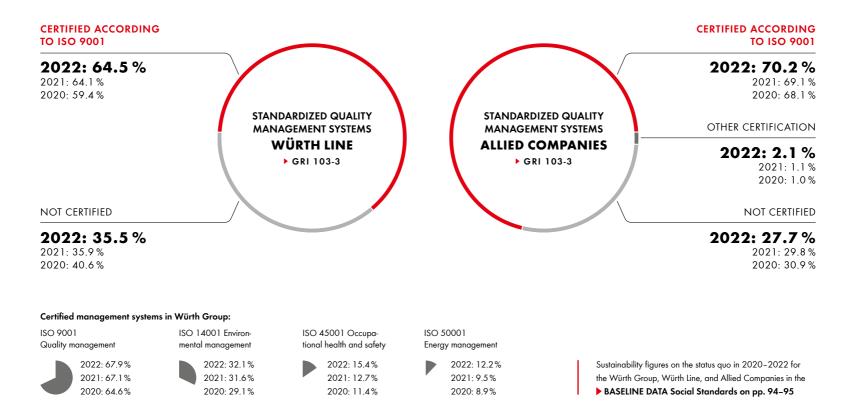
establish a connection to ensure compliance with additional sustainability requirements based on already existing processes. At present, we are working on a Group-wide supplier relationship management (SRM) approach: a supplier tool that helps set up a centralized and standardized supplier management system and provides us with data transparency with regard to the audits we perform. This system will be updated and maintained in collaboration with a service provider in the future.



TRANSFORMATION LEVERS RELATED TO SOCIAL STANDARDS IN THE WÜRTH GROUP

Certified quality management according to ISO 9001

Certified quality management systems represent our greatest transformation levers with regard to social standards in the supply chain. The majority of companies in the Würth Line and Allied Companies already have a management system that is certified according to ISO 9001. In addition, there were around 30 source quality engineers and more than 650 supplier activities per year from 2020 to 2022 in the entire Würth Group.





PROJECT STATUS 2020-2022



Due diligence in relation to sustainability and human rights along the entire supply chain is already entrenched in the Supplier Code of Conduct. These obligations are now also prescribed by law since the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) became effective. The following examples show which measures our Würth Line companies have already taken to ensure fair working conditions and effective environmental standards along our supply chain.

Ensuring due diligence in the supply chain: Adolf Würth GmbH & Co. KG, Germany

Out of a sense of responsibility for sustainability and human rights, Adolf Würth GmbH & Co. KG joined the United Nations Global Compact in 2019. If someone qualifies as a supplier, they commit to complying with the Code of Compliance and Supplier Code of Conduct within the scope of their supplier agreements. As a result, suppliers are also obliged to comply with ethical business practices, human rights, and environmental standards. In the case of a violation, measures for improvement are demanded before terminating the business relationship. After all, remediation is also a reflection of corporate responsibility. If no substantial improvement is made, then the supplier relationship is terminated. Since 2022, the Würth Group has been collecting sustainability and compliance data from its suppliers via the digital platform Integrity Next. A risk assessment is carried out. In the future, Integrity Next will serve as an onboarding tool to evaluate potential suppliers even before signing a contract. A Group-wide strategy for sustainable supply chains is rolled out gradually.







Würth Industrie Service GmbH & Co. KG has established an international network of source quality engineers (SQE) who systematically audit and develop the suppliers of critical fastening elements in close collaboration with the entire Würth Group. This international network of the Industry division consists of approximately 30 highly qualified colleagues who are stationed in the main procurement markets for fasteners across the globe.

This network is rounded off by additional source quality engineers from their business units. Audits are carried out according to uniform standards.

other business units. Audits are carried out according to uniform standards and are coordinated centrally by Würth Industrie Service GmbH & Co. KG. In addition to the systematic screening of quality risks, the network also discusses general risks related to environmental hazards, occupational health and safety, and compliance with social standards. The results form the basis for decisions to approve suppliers for the entire Würth Group.



Confirmation of full supplier compliance:

Würth India Pvt. Ltd., India

Würth India has developed a method for ensuring that suppliers meet the sustainability targets defined by the company. First, subjects related to the environment, human rights, safety, and ethical conduct are explained to all suppliers to raise awareness.

The company receives a confirmation of full compliance with the sustainability targets from all suppliers. This is required to continue business relationships between suppliers and the company. The company's purchasing department has pledged to ensure that all existing and future suppliers fully comply with the guidelines. Sustainability is now one of the main topics in all supplier meetings and visits.



Transformation Social Standards in the Allied Companies

PROJECT STATUS 2020-2022



When it comes to supply chains, social standards are becoming increasingly important. The following example projects illustrate how diverse this area is and where the Allied Companies of the Würth Group are focusing their efforts.

Developing internal guidelines and **Group-wide standards:**

Allied Companies

At the moment, the Würth Group is going through a transition in terms of social standards in the supply chain. Many of our Allied Companies are already carrying out small-scale projects in this area and are working relentlessly on advancing these projects in the years to come. The Würth Group is continuously developing internal guidelines and Group-wide standards to help the companies plan and implement projects. In the future, we will report on our progress.







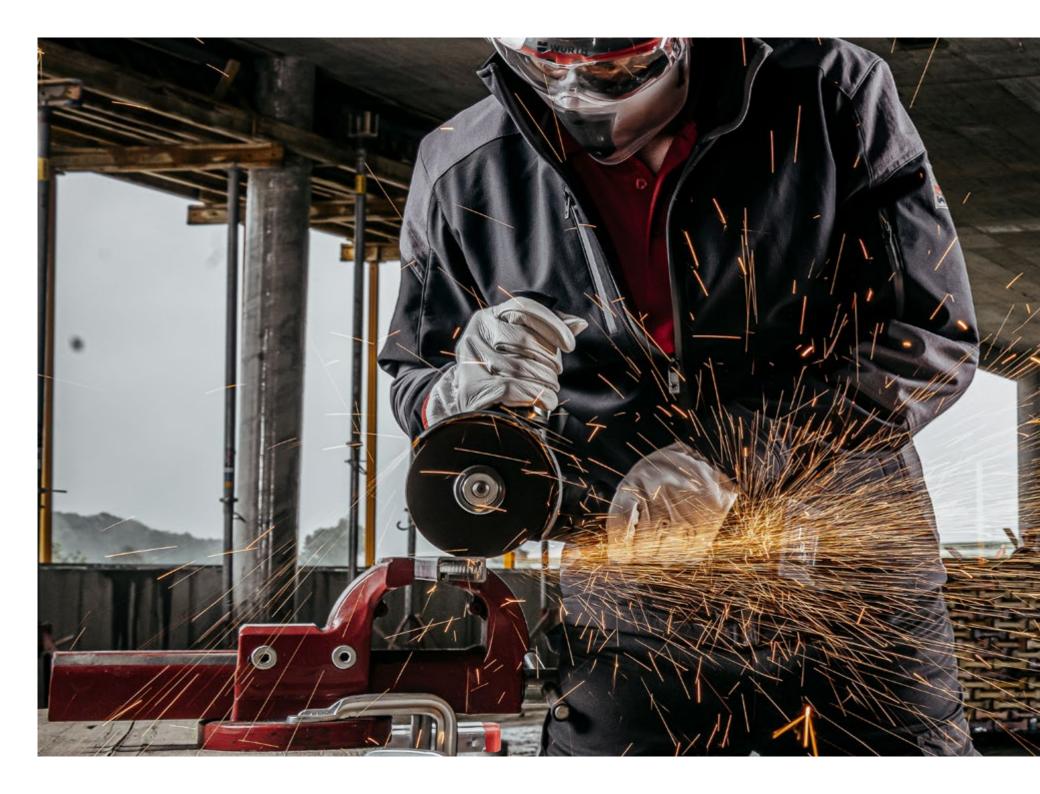
Close collaboration with local suppliers:

SWG Schraubenwerk Gaisbach GmbH, Germany

SWG Schraubenwerk Gaisbach GmbH (Production) is working to promote regional economic and social structures as a company rooted in the Hohenlohe region. The company procures the raw materials, tools, and other supplies for manufacturing screws primarily from regional and local suppliers throughout Europe. In total, 99% of SWG's suppliers are from Europe. Over 74% of the suppliers are based in Germany. SWG relies on partners in EU countries, preferably in the DACH region (Germany, Austria, and Switzerland), for heat treatment and electroplating. As a member of the Würth Group, all of SWG's suppliers comply with the Supplier Code of Conduct. In addition to short, climate-friendly transport routes, stable supply chains, and close collaboration with partners, ensuring social standards in the supply chain plays a key role. The company accomplishes this with its partners based in the European cultural area.

Member of the amfori Business Social Compliance Initiative (BSCI): Conmetall Meister GmbH, Germany

Conmetall Meister GmbH is a member of the amfori Business Social Compliance Initiative (BSCI), which contributes to improving social and ecological standards in global supply chains. The network consists of 2,400 members around the world and is premised on a joint code of conduct for complying with social criteria and implementing relevant measures. The producers are assessed using audits based on this code. With its amfori membership, Conmetall Meister GmbH is playing a leading role in the retail landscape and is therefore on the right track with regard to social standards in the supply chain.





That is what motivates us daily. This has given rise to diversified industries within the Würth Group, offering a wealth of experiences, ideas, and perspectives that can prove valuable to all companies. We have discovered that good baseline data are the key to pooling synergies, learning from one another, and defining performance targets. These data provide us with the ideal preconditions for measuring our collective transformation progress in the future.

BASELINE DATA

A TYPICAL DAY IN THE WÜRTH GROUP 202211



are hired each day

Würth Line: ø 22 employees/d

Allied Companies: ø 14 employees/d

of packaging material are used each day

Würth Line: ø 84 t/d

Allied Companies: ø 115 t/d

of waste (resources) are produced each day

Würth Line: ø 49 t/d

Allied Companies: ø 159 t/d



.1,132 MWh

of water are consumed each day²⁾

Würth Line: ø 4 m³/d

Allied Companies: $\phi 481 \, \text{m}^3/\text{d}$

of power are needed for heating each day

Würth Line: ø 354 MWh/d Allied Companies: ø 576 MWh/d

of electricity are used each day

Würth Line: ø 382 MWh/d Allied Companies: ø 750 MWh/d

¹⁾ All figures are average values (ø) derived from the total annual values from 2022 for 365 days to calculate 1 day/year.

²⁾ Figures refer only to the companies for which water is essential for their business activities.

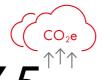


Würth Line: ø 26.9 M. EUR/d Allied Companies: ø 19.9 M. EUR/d

46.8 million Euros



are generated each day in sales



877.5 tons



21 kilograms



 $_{\text{@}}18.7_{\text{grams}}$

of CO₂e emissions are produced each day in total (Scope 1+2)³⁾⁴⁾

Würth Line: ø 495.1 t/d Allied Companies: ø 369.8 t/d of CO₂e emissions are produced each day per employee (Scope 1+2)³⁾⁴⁾

Würth Line: ø 11.1 kg/d Allied Companies: ø 13.2 kg/d of CO₂e emissions are produced per euro in sales (Scope 1 + 2)³⁾⁴⁾

Würth Line: ø 18.4 g/EUR Allied Companies: ø 18.6 g/EUR



 $_{\tt a}23$ MWh

₂180,630 liters

.2,616 kWh

of power are generated and used each day by in-house photovoltaic systems

Würth Line: ø 9 MWh/d Allied Companies: ø 14 MWh/d of gasoline and diesel are consumed each day by the in-house vehicle fleet

Würth Line: ø 143,809 l/d Allied Companies: ø 36,821 l/d of electricity are used each day by electric vehicles

Würth Line: ø 1,594 kWh/d Allied Companies: ø 1,022 kWh/d



Thereof green electricity: Würth Line 57 kWh/d, Allied Companies: 97 kWh/d

³⁾ Data sources: IEA 2021, IEA 2022, IPCC, DEFRA 2021, DEFRA 2022

⁴⁾ Kerosene for aircraft is included directly in the Group calculation. As a result, the individual results vary between the Würth Line and Allied Companies and the Würth Group. (> Climate footprint mobility, p. 88)

GLOBAL FRAMEWORKS

Baseline data Corporate Governance

EMPLOYEES > GRI 405-1



PART-TIME WORKERS

	2022 in %	2022	2021	2020	2022 : 2021 Change in %
Würth Group	100.0	4,808	4,493	4,425	+7.0
Thereof Male	26.6	1,280	1,111	1,169	+15.2
Female	73.4	3,527	3,382	3,256	+4.3
Other	0.0	1			

23.9%

Personnel expense ratio 2022 (2021: 25.6%, 2020: 26.7%)1)

18.3%

Share of new employees in 2022 compared to total workforce (2021: 17.3%, 2020: 12.8%)

Würth Line: 18.2% (2021: 16.9%, 2020: 13.3%)

Allied Companies: 18,6% (2021: 17.9%, 2020: 11.8%)

<15.0%

Total staff turnover in Würth Group 2020-20221)

1) Entire Würth Group



DIVERSITY ▶ GRI 401-1, 405-1

STAFF DIVERSITY

Employees by gender

2022 in %	2022	2021	2020	2022 : 2021 Change in %
61.4	44,626	43,252	41,663	+3.2
38.6	28,062	26,864	25,653	+4.5
100.0	72,688	70,116	67,316	+3.7
71.8	52,171	50,290	48,422	+3.7
28.2	20,506	19,826	18,894	+3.4
0.0	11			
	in % 61.4 38.6 100.0 71.8 28.2	in% 61.4 44,626 38.6 28,062 100.0 72,688 71.8 52,171 28.2 20,506	in% 61.4 44,626 43,252 38.6 28,062 26,864 100.0 72,688 70,116 71.8 52,171 50,290 28.2 20,506 19,826	in % 61.4 44,626 43,252 41,663 38.6 28,062 26,864 25,653 100.0 72,688 70,116 67,316 71.8 52,171 50,290 48,422 28.2 20,506 19,826 18,894

DIVERSITY IN MANAGEMENT BODIES

Share of managers

	2022 in %	2022	2021	2020	2022 : 2021 Change in %
Managers Würth Line	61.6	4,444	4,504	4,421	-1.3
Managers Allied Companies	38.4	2,774	2,685	2,611	+3.3
Würth Group	100.0	7,218	7,189	7,032	+0.4
Thereof Male	82.3	5,944	5,935	5,700	+0.2
Female	17.7	1,274	1,254	1,332	+1.6
Other	0.0	0	-	-	-

DIVERSITY OF NEW HIRES

	2022 in %	2022	2021	2020	2022 : 2021 Change in %
Würth Group	100.0	13,332	12,139	8,586	+9.8
Thereof Male	65.9	8 <i>,7</i> 81	8,089	5,818	+8.6
Female	34.0	4,544	4,050	2,768	+12.2
Other	0.1	7			

¹⁾ Management includes all employees with direct reports in the organization.

57.2%

of the staff is between 30 and 50 years old

32.8%

of the managers are over 50 years old

10.3%

of the companies in the Würth Group do not have any women in management positions¹⁾

> (2021: 9.5 %, 2020: 10.8 %)

Baseline data Climate

CLIMATE FOOTPRINT ELECTRICITY • GRI 302-1, 305-1, 305-2, 305-5

	System boundary	Scope	2022 Consumption	2022 Emissions	2021 Consumption	2021 Emissions	2020 Consumption	2020 Emissions		: 2021 formation
	_			t CO₂e		t CO₂e		t CO₂e	Change in emissions in %	Trend ¹⁾
COUNTRY-SPECIF	FIC ENERGY PROCURE	EMENT ²⁾								
Country-specific	Würth Line	2	69,673,556	21,899	75,584,186	23,568	110,520,464	34,475	- 7. 1	7
electricity mix ³⁾⁴⁾ in kWh	Allied Companies	2	155,568,458	52,257	184,166,847	62,166	186,722,612	62,784	-15.9	7
	W::	2	225,242,014	74,156	259,751,033	85,733	297,243,076	97,259	-13.5	<u> </u>
	Würth Group		223,242,014		237,731,000					
CHP (combined	ER GENERATION FROM			447	2,595,138	524	2,391,901	483		
	ER GENERATION FRO		IERGY SOURCES 2)							
CHP (combined heat and power) 5)	ER GENERATION FRO		2,211,438	447	2,595,138	524	2,391,901	483		
CHP (combined heat and power) 5)	Würth Line Allied Companies		2,211,438 10,184,030	447 2,057	2,595,138 13,610,227	524 2,749	2,391,901 11,573,773	483 2,337		
CHP (combined heat and power) ⁵⁾ in kWh	Würth Line Allied Companies Würth Group Feeding into the		2,211,438 10,184,030 12,395,468	447 2,057	2,595,138 13,610,227 16,205,365	524 2,749	2,391,901 11,573,773 13,965,674	483 2,337		→
CHP (combined heat and power) ⁵⁾ in kWh	Würth Line Allied Companies Würth Group Feeding into the public power grid		2,211,438 10,184,030 12,395,468 1,471,963	2,057 2,503	2,595,138 13,610,227 16,205,365	524 2,749	2,391,901 11,573,773 13,965,674	483 2,337	+1,624.5	



	System boundary	Scope	2022 Consumption	2022 Emissions	2021 Consumption	2021 Emissions	2020 Consumption	2020 Emissions		: 2021 formation
	_			† CO₂e		t CO ₂ e		t CO₂e	Change in emissions in %	Trend ¹⁾
PROCUREMENT	OF GREEN ENERGY FR	OM RENEW	ABLE ENERGY SOUR	CES ²⁾						
Green energy ⁴⁾	Würth Line	2	66,389,052	0	66,631,652	0	18,506,555	0	+/-0	~
in kWh	Allied Companies	2	104,941,576	0	86,214,387	0	69,116,013	0	+/-0	✓
	Würth Group	2	171,330,627	0	152,846,040	0	87,622,568	0	+/-0	~
	_									
IN-HOUSE POW	YER GENERATION FROM	M RENEWAB	LE ENERGY SOURCE 3,258,048	S ²⁾	201,381	0	199,045	0	+/-0	✓
Photovoltaic & Hydropower ⁶⁾		M RENEWAB			201,381	0	199,045 456,571	0	+/-0	*
Photovoltaic &	Würth Line	M RENEWAB 1 1 1	3,258,048	0						<u> </u>
Photovoltaic & Hydropower ⁶⁾	Würth Line Allied Companies	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	3,258,048 5,534,269	0	800,969	0	456,571	0	+/-0	

These future-oriented classifications are based on current estimates and forecasts, which were calculated by evaluating the development over the last two years, as well as any foreseeable and probable business and market developments.

(* Decarbonization model, p. 35)

Data sources:

IEA 2021, IEA 2022, IPCC, DEFRA 2021, DEFRA 2022

Variances within the individual results and the overall result

due to rounding.

3) The country-specific energy mix includes electricity as fuel for e-mobility and electricity for heat pumps. To calculate the country-

specific GHG emissions, 46 specific data sets from the IEA (International Energy Agency) were used

Due to the great heterogeneity, the calculation of country-specific electricity mix is based on the location-based method and the calculation of green electricity is based on the market-based method.

⁵⁾ In-house electricity generated with CHP, which is operated with natural gas. The emissions are included in the climate footprint for heat from fossil fuels, natural gas (Scope 1).

(> Climate footprint heat, p. 86)

⁶⁾ Within a grouping, such as Photovoltaic & Hydropower, the total climate impact is always considered within the respective grouping.

Probable scenario based on current targets and measures (rising emissions)

No major change expected (stagnating emissions)

Development toward more climate neutrality (falling emissions)

[✓] Climate-neutral process (zero emissions)



CLIMATE FOOTPRINT HEAT > GRI 302-1, 305-1, 305-2, 305-5

	System boundary	Scope	2022 Consumption	2022 Emissions	2021 Consumption	2021 Emissions	2020 Consumption	2020 Emissions		2:2021 formation
	_			t CO₂e		t CO₂e		t CO ₂ e	Change in emissions in %	Trend ¹⁾
HEAT FROM FOS	SIL FUELS AND CLIMA	TE-RELEVAN	T REFRIGERANTS ²⁾							
Heating oil	Würth Line	1	3,926,271	1,047	4,155,438	1,109	5,675,837	1,514	-5.6	\rightarrow
in kWh	Allied Companies	1	46,698,388	12,457	42,564,801	11,355	38,444,761	10,256	+9.7	\rightarrow
	Würth Group	1	50,624,659	13,505	46,720,239	12,463	44,120,599	11,770	+8.4	\rightarrow
Natural gas	Würth Line	1	101,858,058	20,571	120,172,860	24,270	100,392,327	20,275	-15.2	\rightarrow
in kWh	Allied Companies	1	152,405,394	30,780	168,588,474	34,048	149,413,589	30,176	-9.6	\rightarrow
	Würth Group	1	254,263,453	51,351	288,761,334	58,318	249,805,916	50,451	-11.9	\rightarrow
District heating	Würth Line	2	19,144,574	5,185	21,548,817	5,837	15,914,549	4,311	-11.2	<u>\</u>
in kWh	Allied Companies	2	7,271,651	1,766	8,871,992	2,161	7,977,640	2,056	-18.3	7
	Würth Group	2	26,416,225	6,951	30,420,809	7,998	23,892,189	6,366	-13.1	7
Other fuels 3)	Würth Line	1	1,821,523	390	412,465	88	23,300	5	+341.1	\rightarrow
in kWh	Allied Companies	1	720,993	155	5,645	1	5,222	1	+12,685.1	\rightarrow
	Würth Group	1	2,542,516	545	418,110	90	28,522	6	+507.5	\rightarrow
Refrigerants	Würth Line	1	2,306	4,102	-	_	-	_	_	\rightarrow
in kg	Allied Companies	1	2,164	3,732	-	-	-	_	-	\rightarrow
	Würth Group	11	4,470	7,834	_					\rightarrow
HEAT FROM COU	JNTRY-SPECIFIC ENER	GY PROCURE	EMENT ²							
Heat pump	Würth Line	2	1,008,381	138	27,944	4	1,163,422	397		
(country-specific electricity mix) ⁴⁾	Allied Companies	2	469,269	131	713,578	206	1,034,004	322		
in kWh	Würth Group	2	1,477,650	269	741,522	210	2,197,426	719		



	System boundary	Scope	2022 Consumption	2022 Emissions	2021 Consumption	2021 Emissions	2020 Consumption	2020 Emissions		2:2021 Sformation
				t CO₂e		t CO₂e		t CO ₂ e	Change in emissions in %	Trend 1)
HEAT FROM REN	EWABLE ENERGY SOL	JRCES 2)								
Biogas	Würth Line	1	-	-	-	-	-	-	-	
in kWh	Allied Companies	1	3,081,957	1	3,661,401	1	148,500	0	-15.8	7
	Würth Group	1	3,081,957	1	3,661,401	1	148,500	0	-15.8	7
Heat pump	Würth Line	2	436,048	0	1,067,554	0	0	0		
(green energy) ⁵⁾ in kWh	Allied Companies	2	2,539,276	0	237,533	0	800	0		
	Würth Group	2	2,975,324	0	1,305,087	0	800	0		
HEAT FROM REN	EWABLE RESOURCES	2)								
Wood chips,	Würth Line	1	2,300,092	24	1,567,270	17	1,839,445	19	+46.8	\rightarrow
wood pellets in kWh	Allied Companies	1	52,404	1	42,370	0	27,824	0	+63.2	\rightarrow
	Würth Group	1	2,352,496	25	1,609,640	17	1,867,269	20	+48.3	\rightarrow
TOTAL EMISSION	NS FROM HEAT 2)	1 + 2		80,211		78,886		68,613	-1.2	7

These future-oriented classifications are based on current estimates and forecasts, which were calculated by evaluating the development over the last two years, as well as any foreseeable and probable business and market developments.

(> Decarbonization model, p. 35)

Data sources:

IEA 2021, IEA 2022, IPCC, DEFRA 2021, DEFRA 2022

Variances within the individual results and the overall result due to rounding.

Other fuels include, for example, propane and liquid gas, which means that multiple GHG factors are applied to the calculation
 Heat pump electricity is represented in the country-specific

⁴⁾ Heat pump electricity is represented in the country-specific electricity (Scope 2). (Climate footprint electricity, p. 84)

 ⁵⁾ Green energy for heat pumps is accounted for in the procurement of green energy from renewable energy sources (Scope 2).
 (> Climate footprint electricity, p. 84)

Probable scenario based on current targets and measures (rising emissions)

No major change expected (stagnating emissions)

Development toward more climate neutrality (falling emissions)

[✓] Climate-neutral process (zero emissions)



CLIMATE FOOTPRINT MOBILITY • GRI 302-1, 305-1, 305-2, 305-5

	System boundary	Scope	2022 Consumption	2022 Emissions	2021 Consumption	2021 Emissions	2020 Consumption	2020 Emissions		: 2021 formation
	_			† CO₂e		t CO₂e		† CO₂e	Change in emissions in %	Trend ¹⁾
MOBILITY FROM	FOSSIL FUELS ²⁾									
Company vehicles	s and aircraft (busine	ss trips)								
Gasoline	Würth Line	1	16,272,074	35,178	13,496,493	29,177	12,761,219	27,588	+20.6	7
in liters	Allied Companies	1	1,213,009	2,622	937,115	2,026	805,007	1,740	+29.4	7
	Würth Group	1	17,485,083	37,800	14,433,609	31,203	13,566,226	29,328	+21.1	7
Diesel	Würth Line	1	36,218,216	92,302	36,920,678	94,420	34,666,055	88,670	-2.2	\rightarrow
in liters	Allied Companies	1	12,226,769	31,100	11,443,514	29,265	10,804,152	27,635	+6.3	\rightarrow
	Würth Group	1	48,444,985	123,403	48,364,191	123,685	45,470,207	116,306	-0.2	\rightarrow
Kerosene in kg	Würth Group	11	1,447,434	4,605	782,248	2,489	617,614	1,965	+85.0	7
MOBILITY FROM	COUNTRY-SPECIFIC E	ENERGY PROC	CUREMENT ²⁾							
Company cars (bi	usiness trips)									
Electricity as fuel 3)	Würth Line	2	561,163	147	16,493	6	11,615	4		
in kWh	Allied Companies	2	337,589	113	52,331	18	26,663	9		
	Würth Group	2	898,751	259	68,824	24	38,278	14		



	System boundary	Scope	2022 Consumption	2022 Emissions	2021 Consumption	2021 Emissions	2020 Consumption	2020 Emissions		2:2021 sformation
				t CO₂e		t CO₂e		t CO ₂ e	Change in emissions in %	Trend ¹⁾
MOBILITY FROM	RENEWABLE ENERGY	′ SOURCES ²⁾								
Green energy	Würth Line	2	20,659	0	_	_	_			
in kWh ⁴⁾	Allied Companies	2	35,391	0	16,483	0	3,476	0		
	Würth Group	2	56,051	0	16,483	0	3,476	0		
Hydrogen (H2)	Würth Line	1	1,519,887	0	16,483	0	3,476	0	+/-0	<u> </u>
& bio-ethanol in liters	Allied Companies	1	12,886	0	_	_	-	_	_	<u>\</u>
in mers	Würth Group	_ 1	1,532,773	0	16,483	0	3,476	0	+/-0	<u> </u>
TOTAL EMISSION	NS FROM MOBILITY 2)	1 + 2		165.808		157,377		147,599	+5.4	7

¹⁾ These future-oriented classifications are based on current estimates and forecasts, which were calculated by evaluating the development over the last two years, as well as any foreseeable and probable business and market developments. (Decarbonization model, p. 35)

Data sources:

IEA 2021, IEA 2022, IPCC, DEFRA 2021, DEFRA 2022

²⁾ Variances within the individual results and the overall result due to rounding.

³⁾ Electricity as fuel is represented in the country-specific electricity (Scope 2). (Climate footprint electricity, p. 84)

⁴⁾ Green energy for E-Mobility is accounted for in the procurement of green energy from renewable energy sources (Scope 2).

⁽ Climate footprint electricity, p. 84)

Probable scenario based on current targets and measures (rising emissions)

No major change expected (stagnating emissions)

Development toward more climate

neutrality (falling emissions)

[✓] Climate-neutral process (zero emissions)



CLIMATE FOOTPRINT WÜRTH GROUP, SCOPE 1 AND SCOPE 2 • GRI 302-1, 305-1, 305-2, 305-5

SCOPE 1	System boundary	2022 Emissions	2021 Emissions	2020 Emissions
		t CO₂e	t CO₂e	t CO₂e
ELECTRICITY ⁵⁾				
In-house power generation	Würth Line	7	0	0
from fossil energy sources	Allied Companies	101	6	7
	Würth Group	108	6	7
In-house power generation	Würth Line	0	0	0
from renewable energy sources	Allied Companies	0	0	0
	Würth Group	0	0	0
HEAT ⁵⁾				
Heat from fossil fuels	Würth Line	22,009	25,467	21,794
	Allied Companies	43,392	45,404	40,432
	Würth Group	65,400	70,871	62,227
Heat from renewable	Würth Line	24	17	19
energy sources and renewable resources 1)	Allied Companies	1	1	0
	Würth Group	25	18	20
Refrigerants ²⁾	Würth Group	7,834		
MOBILITY ⁵⁾				
Mobility from fossil fuels	Würth Line	127,480	123,597	116,258
	Allied Companies	33,723	31,291	29,376
Kerosene ²⁾	Würth Group	4,605	2,489	1,965
	Würth Group	165,808	157,377	147,599
Mobility from renewable	Würth Line	0	0	0
energy sources ³⁾	Allied Companies	0	0	0
	Würth Group	0	0	0
TOTAL EMISSIONS SCO	PE 1 ⁵⁾	239,175	228,271	209,851

SCOPE 2	System boundary	2022 Emissions	2021 Emissions	2020 Emissions
		t CO₂e	t CO₂e	t CO₂e
ELECTRICITY ⁵⁾				
Country-specific	Würth Line	21,899	23,568	34,475
energy procurement, market-based method ⁴⁾	Allied Companies	52,257	62,166	62,784
	Würth Group	74,156	85,733	97,259
Procurement of green	Würth Line	0	0	0
energy from renewable energy sources,	Allied Companies	0	0	0
market-based method ⁴⁾	Würth Group	0	0	0
HEAT 5)				
Externally supplied heat	Würth Line	5,185	5,837	4,311
	Allied Companies	1,766	2,161	2,056
	Würth Group	6,951	7,998	6,366
TOTAL EMISSIONS SCO	OPE 2 ⁵⁾	81,107	93,731	103,626

¹⁾ Includes biogas, wood chips, and wood pellets.

Data sources: IEA 2021, IEA 2022, IPCC, DEFRA 2021, DEFRA 2022

TOTAL EMISSIONS			
SCOPE 1 + 2 ⁵	320,282	322,002	313,477

²⁾ Refrigerants and kerosene for aircraft are included directly in the Group calculation.

³⁾ Electric vehicles are fueled with renewable energy, and bioethanol and hydrogen.

⁴⁾ Due to the great heterogeneity at locations in different countries, we calculate the country-specific emissions for electricity based on official average values. Therefore, the calculation of country-specific electricity mix is based on the location-based method and the calculation of green electricity is based on the market-based method.

⁵⁾ Variances within the individual results and the overall result due to rounding.



CLIMATE FOOTPRINT WÜRTH GROUP, SCOPE 1 + 2 • GRI 302-3, 305-4



4.4t

CO₂e emissions per employee 2022 (2021: 4.6 t/employee, 2020: 4.7 t/employee)

Würth Line: 4.0 t/employee (2021: 4.1 t/employee, 2020: 4.2 t/employee)

Allied Companies: 4.8 t/employee (2021: 5.2 t/employee, 2020: 5.5 t/employee)

19,989 kWh

Total energy consumption ¹⁾ per employee in 2022 (2021: 20,816 kWh/employee, 2020: 11,092 kWh/employee)

Würth Line: 18,169 kWh/employee

(2021: 18,824 kWh/employee, 2020: 17,922 kWh/employee)

Allied Companies: 22,309 kWh/employee

(2021: 23,699 kWh/employee, 2020: 22,818 kWh/employee)



18.7 g

CO₂e emissions per euro in sales in 2022 (2021: 22.0 g/EUR, 2020: 25.1 g/EUR)

Würth Line: 18.4 g/EUR (2021: 21.1 g/EUR, 2020: 24.3 g/EUR)

Allied Companies: 18.6 g/EUR (2021: 22.8 g/EUR, 2020: 27.0 g/EUR)

0.09 kWh

Total energy consumption 1) per euro in sales in 2022 (2021: 0.10 kWh/EUR, 2020: 0.11 kWh/EUR)

Würth Line: 0.08 kWh/EUR (2021: 0.10 kWh/EUR), 2020: 0.10 kWh/EUR)

Allied Companies: 0.09 kWh/EUR (2021: 0.10 kWh/EUR, 2020: 0.11 kWh/EUR)

Calculation basis: Energy consumption data and climate footprint are calculated using the reported number of employees and sales.

1) Total energy corresponds to all energy sources used from the fields of electricity, heat, and mobility. For this purpose, all energy sources are converted into kWh.

Allied Companies

Würth Group



Baseline data Material Life Cycles

PACKAGING AND WASTE > GRI 301-1, 301-2, 306-2, 306-3

Würth Line

	2022	2021	2020	2022	2021	2020	2022	2021	2020
PACKAGING MATERIALS (in t) 1)									
Paper, cardboard	17,139	16,840	13,937	18,284	17,665	15,364	35,423	34,505	29,301
Plastics	7,333	4,494	3,409	11,061	12,775	10,1 <i>7</i> 4	18,394	17,269	13,583
Ferrous metals	2,891	3,006	1,877	<i>7</i> ,266	9,212	5,647	10,157	12,218	7,524
Aluminum	733	<i>7</i> 49	581	77	211	135	810	960	716
Other composite materials	17	12	224	23	268	132	40	280	356
Other (glass, textile fabrics, etc.) ²⁾	2,695	3,744	2,119	5,222	4,695	2,377	7,917	8,439	4,496
Total weight	30,809	28,845	22,149	41,932	44,826	33,830	72,741	73,671	55,979
Thereof recycled material	3,333	1,566	1,023	3,745	2,650	5,187	7,078	4,216	6,210
TYPE OF WASTE (in t) 1) Metals	1,188	797	423	23,113	23,057	19,529	24,301	23,854	19,952
Paper, cardboard	9,217	8,338	8,153	5,879	5,955	5,474	15,096	14,293	13,627
Hazardous waste	1,052	816	720	9,739	9,797	7,468	10,791	10,613	8,188
Other composite materials	893	1,420	1,429	2,059	2,863	1,972	2,952	4,283	3,401
Biomass	101	171	92	2,132	3,176	3,035	2,233	3,347	3,127
Plastics	797	895	398	1,389	1,866	1,722	2,186	2,761	2,120
Nonmetallic minerals	20	26	17	126	265	345	146	291	362
				•		11 500	10 225	7100	
Other (glass, textile fabrics, etc.) 3)	4,807	3,866	5,212	13,527	3,234	11,503	18,335	7,100	16,715

¹⁾ Variances within the individual results and the overall result due to rounding.

²⁾ Incl. difference: In 2022, 10.3% (2021: 19.6%, 2020: 33.5%) of companies did not report according to type of material; Würth Line 2022: 11.3%, 2021: 28.1 %, 2020: 40.6 %; Allied Companies 2022: 9.6%, 2021: 13.8%, 2020: 28.7%

³⁾ Incl. difference: In 2022, 20.5% (2021: 28.5%, 2020: 33.5%) of companies did not report according to type of waste; Würth Line 2022: 32.3%, 2021: 37.5%, 2020: 46.9%; Allied Companies 2022: 12.8%, 2021: 22.3 %; 2020: 24.5 %



NATURAL RESOURCES > GRI 303-1, 303-2, 303-3, 303-4, 304-2

WATER 1)

	2022	2022	2021	2020	2022:2021
	in %	in liters	in liters	in liters	Change in %
Water withdrawal					
Würth Line	0.8	4,681,000	4,147,000	597,000	+12.9
Allied Companies	99.2	548,049,522	518,634,367	469,107,855	+5.7
Würth Group	100.0	552,730,522	522,781,367	469,704,855	+5.7
Water discharge					
Würth Line	0.8	3,082,000	3,450,000	554,000	-10.7
Allied Companies	99.2	372,561,164	287,385,762	248,580,978	+23.6
Würth Group	100.0	375,643,164	290,835,762	249,134,978	+29.2
Water consumption ²⁾					
Würth Line	0.9	1,599,000	697,000	43,000	+129.4
Allied Companies	99.1	175,488,358	231,248,605	220,526,8 <i>77</i>	-24.1
Würth Group	100.0	177,087,358	231,945,605	220,569,877	-23.7

_{For} 22.4%

of companies, the resource water is essential for their business activities

Würth Line: 6.5 % Allied Companies: 33.0 %

¹⁾ Figures refer only to the companies for which water is essential for their business activities 2) Calculation of water consumption: water withdrawn minus water discharged

Baseline data Social Standards

PROCESS AND QUALITY MANAGEMENT • GRI 103-3, 308-1, 414-1

CERTIFIED MANAGEMENT SYSTEMS

Share of standardized processes and ISO-certified companies

	Würth Line		Allied Companies			Würth Group			
	2022 in %	2021 in%	2020 in%	2022 in %	2021 in%	2020 in %	2022 in %	2020 in %	2020 in %
Standardized quality management system	64.5	64.1	59.4	72.3	70.2	69.1	69.2	67.7	65.2
Thereof ISO 9001 certified	64.5	64.1	59.4	70.2	69.1	68.1	67.9	67.1	64.6
Standardized environmental management system	29.0	28.1	25.0	36.2	35.1	33.0	33.3	32.3	29.7
Thereof ISO 14001 certified	29.0	28.1	25.0	34.0	34.0	31.9	32.1	31.6	29.1
Standardized occupational health and safety system	25.8	20.3	18.8	23.4	17.0	14.9	24.4	18.4	16.5
Thereof ISO 45001 certified	17.7	14.1	12.5	13.8	11.7	10.6	15.4	12.7	11.4
Standardized energy management system	11.3	9.4	6.3	21.3	14.9	14.9	17.3	12.7	11.4
Thereof ISO 50001 certified	8.1	4.7	3.1	14.9	12.8	12.8	12.2	9.5	8.9

26.9%

of companies screened new external suppliers 1) based on environmental criteria in 2022

(2021: 24.7%, 2020: 23.4%)

Würth line: 242% (2021: 21.9%, 2020: 21.9%)

Allied Companies: 28.7% (2021: 26.6%, 2020: 24.5%)

23.1 %

of companies screened new external suppliers1) based on social criteria in 2022

(2021: 22.2%, 2020: 19.6%)

Würth Line: 32.3% (2021: 34.4%, 2020: 26.6%)

Allied Companies: 17.0% (2021: 13.8%, 2020: 14.9%)

¹⁾ Procurement volumes > EUR 50,000



SOCIAL STANDARDS ▶ GRI 401-2, 401-3, 403-5, 403-9

OCCUPATIONAL HEALTH AND SAFETY

Total numbers of reportable accidents

	2022 in %	2022	2021	2020	2022 : 2021 Change in %
Würth Line	54.6	680	892	686	-23.8
Allied Companies	45.4	566	610	475	-7.2
Würth Group	100	1,246	1,502	1,161	-17.0

94,9%

of companies trained employees in occupational health and safety in 2022

(2021: 92.4%, 2020: 91.1%)

Würth Line: 93.5 % (2021: 92.2 %, 2020: 89.1 %)

Allied Companies: 95.7% (2021: 92.6%, 2020: 92.6%)

WORK-LIFE BALANCE

Employees on parental leave

	2022 in %	2022	2021	2020	2022 : 2021 Change in %
Würth Line	57.4	1,796	1,532	1,475	+17.2
Allied Companies	42.6	1,333	942	893	+41.5
Würth Group	100	3,129	2,474	2,368	+26.5
Thereof Male	51.5	1,611	1,333	1,342	+20.9
Female	48.4	1,515	1,141	1,026	+32.8
Other	0.1	3			

88.4%

of employees had the option of parental leave or childcare as a supplementary company benefit in 2022

(2021: 80.9%, 2020: 79.2%)

Würth Line: 91.3 % (2021: 80.5 %, 2020: 77.8 %)

Allied Companies: 83,9% (2021: 81.4%, 2020: 81.5%)



TRANSFORMATION HAS A GLOBAL SCALE FOR US.

Globally recognized frameworks allow for standardized benchmarking and offer a uniform response to the different legal requirements and standards. As a result, we can provide our stakeholders with the necessary guidance and support for making decisions to compare and rank the current level of our sustainable development. For us in the Würth Group with companies operating around the world, these frameworks represent the basis for sustainability management.

WÜRTH GROUP





UN SDG CORE OBJECTIVES AND PROJECTS

With the 17 Sustainable Development Goals of the United Nations (UN SDGs) as a guide, we are helping achieve Agenda 2030. As our four core objectives, we are investing in SDGs 8, 9, 12, and 13 as they are directly related to our defined transformation areas Climate, Material Life Cycles, and Social Standards. In doing so, the many individual small-scale projects within the Würth Group have a great impact, as illustrated by the project examples.

CORE GOAL DECENT WORK AND ECONOMIC GROWT

Decent Work and Economic Growth

Running business in harmony with humanity and the environment is considered a cornerstone of our supplier relationships. This is why we introduced a Supplier Code of Conduct based on international standards, which requires our suppliers to commit to responsible business practices.



Responsible Consumption and Production

In order to develop climate-neutral material life cycles and decouple its economic growth from resource consumption, Würth Additive Group Inc. is testing the use of recycled plastics to produce filaments for 3D printing as part of a pilot project.



Industry, Innovation, and Infrastructure

Adolf Würth GmbH & Co. KG's new innovation center promotes more sustainability and innovation for its products in collaboration with other Würth Group subsidiaries.



Climate Action

Würth Elektronik Turkey plants a tree for every order containing electrical components, thus supporting a reforestation project. The employees of Würth MODYF have also planted trees: over 1,000 in cooperation with the "Deutschland forstet auf" project to support the reforestation of a stable mixed forest in the Baden-Württemberg region.



Beyond the core objectives of the Würth Group, further projects are contributing to the remaining objectives, thus anchoring the three dimensions of sustainability—social, environmental, and economic—even more deeply in all companies.



No Poverty

The Würth Group has more than 85,000 employees around the world and provides them with a secure livelihood by paying fair wages. Furthermore, the Würth Group has maintained a long-standing partnership with UNICEF to help children in need.



Gender Equality

With Girl's Day, several subsidiaries of the Würth Group support a project that encourages vocational training and higher education for young women. The Würth Group provides glimpses into careers related to IT, the trades, and technology and offers career guidance free of conventional gender clichés.



Zero Hunger

Würth Elektronik GmbH & Co. KG Circuit Board Technology supports the "We Mill" project, which teaches indigenous women in India to build a sustainable livelihood by selling traditional grains on the market.



Clean Water and Sanitation

Because water is a limited resource, it is necessary to increase the efficiency of water use considerably in all sectors. In order to keep industrial waste as clean as possible, for example, the subsidiary REISSER Schraubentechnik GmbH has developed a passivation technique that does not use hypophosphite. This avoids fish mortality and prevents plants and fields from being overfertilized.



Good Health and Well-Being

In its role as an employer, Adolf Würth GmbH & Co. KG has been actively supporting the health of all its employees with its "Fit with Würth - Health Management" program since 1994. The goal is to raise awareness for a healthy lifestyle and workstyle.



Affordable and Clean Energy

Around the world, we need to increase the share of renewable energy and improve energy efficiency significantly to achieve the 1.5 °C target from the Paris Agreement. In the Würth Group, many of our subsidiaries have already switched to solar, hydro, wind, or geothermal energy completely or in part: for example, ARNOLD UMFORM-TECHNIK GmbH & Co. KG.



Quality Education

The Würth Foundation promotes projects in the fields of art and culture, training and education, and research and science. It also supports integration projects for people with disabilities.





Reduced Inequalities

Since 2008, the Würth Group has been supporting the Special Olympics around the world as an official partner and sponsor, thus using sports to advocate for less inequalities for people with mental and multiple disabilities. The subsidiary Hotel-Restaurant Anne-Sophie promotes more understanding and acceptance in the workplace, where one third of the employees have a disability.



Life on Land

The subsidiaries WASI GmbH, Schmid Schrauben Hainfeld GmbH, and Baier & Michels GmbH & Co. KG, among others, have made it their own personal responsibility to protect our terrestrial ecosystems. They support biodiversity on their own company premises with bee-friendly wildflower meadows, beehives, insect hotels, and fields of lavender.



Sustainable Cities and Communities

Modell Hohenlohe e.V. is a non-profit corporate network that campaigns for more sustainability and environmental awareness in the Hohenlohe region. As a founding member, Adolf Würth GmbH & Co. KG is one of 130 companies cultivating sustainable and forward-looking business practices in their own region.



Peace, Justice and Strong Institutions

The Würth Group campaigns for peace and freedom worldwide. Sending out a strong message in favor of freedom and reconciliation, the Würth Group supports the German War Graves Commission, This commission initiated the PEACE LINE project in 2020 to foster international exchanges, understanding, and European cooperation.



Life Below Water

More than 150 million tons of plastic waste are floating around our world's seas. Adolf Würth GmbH & Co. KG has joined CleanHub to help collect plastic waste before it enters the most valuable ecosystem on earth: the ocean. The plastic is collected by women's self-help groups in Mattannur, India, and then recycled in a second stage.



Partnerships for Sustainable Development

The Würth Group is one of only 45 companies that were selected to submit their own video contribution to the "Vision 2045" campaign. The key topics of Vision 2045 are the fight against climate change and how companies can contribute to achieving the 17 Sustainable Development Goals of the United Nations.



GRI CONTENT INDEX

Transparent reporting in accordance with GRI allows for a global assessment of our economic, ecological, and social performance. The standards mainly focus on Group-wide harmonization and comparability by making use of defined indicators and KPIs.

About this report

The purpose of this non-financial report is for the Würth Group to inform its stakeholders of its initial data-based status, Group-wide sustainability management activities, strategic management approaches, and initial project stages for the sustainable transformation of its companies.

This baseline report is therefore the first sustainability report for the Würth Group and applies to the 2020-2022 reporting period. It contains all indicators with reference to the GRI Sustainability Reporting Standards (SRS) from 2016: Core option. Several requirements cannot yet be fully reflected with the current underlying data; for the purpose of transparency, the information that is available at the moment has been disclosed. In the management approaches (GRI 103), we refer to the core goals of the 17 Sustainable Development Goals of the United Nations (SDGs) and the principles of the

UN Global Compact (UNGC) as global frameworks. These are indicated in the GRI content index next to the corresponding GRI indicators.

We refer to the business activities of all the companies belonging to the Würth Group. All relevant results and activities from 1 January 2020 to 31 December 2022 are included in this report. Any deviating GRI reporting limitations are indicated accordingly.

The relevance for the reported topics is based on the materiality assessment from the Materiality assessment process, p. 26 ff. The links between the GRI standards and the material topics (>p. 31) are indicated accordingly. The sustainability figures in this report were derived from the Group-wide GRI database, which is based on surveys of the companies conducted in advance (> Digital data management and reporting, p. 23 ff.).

Reservations

We do not assume liability for mistakes, technical errors, and printing errors. No external audit was performed. Any statements regarding future developments are based on the information and forecasts available at the time of publication. Therefore, we cannot guarantee that the predicted future development will come to pass.



UN SDG core objectives and projects GRI content index GRI reporting limitations

GRI SRS Content/Comments

General disclosures

ORGANIZATIONAL PROFILE

SUPPLY SECURITY

PRODUCT PORTFOLIO

GRI 102-1 Name of the organization

Würth Group

Adolf Würth GmbH & Co. KG

Activities, brands, products, and services GRI 102-2

> The Würth Group is the world's market leader in the development, production, and distribution of assembly and fastening materials. It currently consists of more than 400 companies in 80 countries with more than 85,000 employees on its payroll. Approximately 43,000 of those employees are in sales.

The Würth Group is divided into two operational units: The Würth Line focuses on the production and sale of assembly and fastening materials for customers in trade and industry. Other trading and production companies, known as the Allied Companies, operate in related business areas, ranging from electrical wholesale and electronics to financial services. The Group generated sales of EUR 19.9 billion in the 2022 fiscal year.

- Diversified industries of the Würth Group, p. 10 ff.
- ▶ 2022 Annual Report of the Würth Group, pp. 58, 66 ff., 112

GRI 102-3 Location of headquarters

Reinhold-Würth-Straße 12-17.

74653 Künzelsau-Gaisbach, Germany

GRI 102-4 Location of operations

> Headquartered in Künzelsau, Germany, the Würth Group operates worldwide and includes over 400 companies with more than 2,500 pick-up shops in 80 countries. Germany is the most important individual market for the Würth Group, accounting for 39.4% of sales.

This report is based on the 156 companies of the Würth Group that are responsible for approx. 88% of the Würth Group's sales in 2022. Due to **GRI SRS** Content/Comments

> changes in the organizational structure, a quantitative assessment was carried out for 157 companies in 2020 and 2021.

▶ 2022 Annual Report of the Würth Group, pp. 58, 62 ff.

APPENDIX

GRI 102-5 Ownership and legal form

> The information in this report was made available by Adolf Würth GmbH & Co. KG and its affiliated companies.

- www.bundesanzeiger.de
- ▶ 2022 Annual Report of the Würth Group, pp. 52 ff.

GRI 102-6 Markets served

▶ 2022 Annual Report of the Würth Group, pp. 62 ff., 66 ff.

GRI 102-7 Scale of the organization

▶ GRI 102-2, 102-4, 102-8

▶ 2022 Annual Report of the Würth Group, pp. 61 ff., 80 ff., 106

GRI 102-8 Information on employees and other workers

The employees were counted individually.

- ▶ GRI 405-1
- ▶ Baseline data Corporate Governance, p. 82
- ▶ SDG 8 (Decent Work and Economic Growth), p. 98
- ▶ 2022 Annual Report of the Würth Group, p. 65, 97

GRI 102-9 Supply chain

> In 2022, the entire Würth Group (Würth Line and Allied Companies) had approx. 1,700 suppliers with a procurement volume of > EUR 1 million each. (2021: approx. 1,400, 2020: approx. 1,200).

The following statements apply only to the Würth Line:

All companies of the Würth Line (Industry + Craft) are required to cover the majority of their needs through the central purchasing companies. In doing so, it is possible to ensure compliance with relevant regulations along the supply chains using a relatively central approach.

The sales volumes processed through the central purchasing companies came out at approx. EUR 2.7 billion in 2022. Geographically, Germany and Europe

Material topic > 75 % relevance (Material topics for the Würth Group, p. 31)



GRI SRS	Content/Comments	GRI SRS	Content/Comments
	were responsible for approx. 59% of this volume, Asia for approx. 31%, and other countries for approx. 10%. The sales volumes processed through the central purchasing companies came out at approx. EUR 2.4 billion in 2021. Geographically, Germany and Europe were responsible for approx. 63% of this volume, Asia for approx. 28%, and other countries for approx. 9%.	GRI 102-13	(SDGs), and to support the 1.5 °C target of the Paris Agreement. ▶ Circular Economy Compass of the Würth Group, p. 37 ▶ Global frameworks, UN SDG core objectives and projects, p. 98 ff. Membership of associations The Würth Group is actively engaged in shaping the public opinion,
GRI 102-10	The sales volumes processed through the central purchasing companies came out at approx. EUR 2.0 billion in 2020. Geographically, Germany and Europe were responsible for approx. 62% of this volume, Asia for approx. 30%, and other countries for approx. 8%. Significant changes to the organization and its supply chain > 2022 Annual Report of the Würth Group, pp. 119, 52		among other things, as a member of the following associations: > Federation of German Industries (BDI) > German Electro and Digital Industry Association (ZVEI) > Federation of German Wholesale, Foreign Trade and Services (BGA) > The Economic Council (Wirtschaftsrat der CDU e. V.) > Centre for European Policy (cep) > International Chamber of Commerce (ICC) > German Chamber of Commerce and Industry (DIHK)
GRI 102-11	Precautionary principle or approach The Würth Group has a comprehensive risk management strategy, which contains the following elements: > The internal monitoring system (= internal auditing), which		 German Association of Screw Wholesalers (FDS e. V.) Atlantikbrücke e. V. – non-partisan association to strengthen transatlantic cooperation in business and politics United Europe e. V. – association promoting pro-European awareness and trade
	checks the effectiveness of the risk management system The decentralized controlling functions of the individual companies The early warning and risk management system		STRATEGY
	The risk management process ensures that risks are monitored at all times at the Group-, business area, and company level. The company carries out systemic risk assessments of the materials, products, and processes it uses in order to apply the precautionary principle.	GRI 102-14	Statement from senior decision-maker Statement by the Advisory Board, p. 14 Statement by the Central Management Board, p. 16
	► GRI 201-2 ► UNGC Principle 7	GRI 102-15	Key impacts, risks, and opportunities As a multinational company, the Würth Group is constantly exposed to
GRI 102-12	External initiatives The Würth Group endorses sustainability principles developed out of house. In general, the company follows the international guidelines of the UN Global Compact and the GRI standards of the Global Reporting Initiative (2016) for sustainability reporting. As a company, we also consider it our obligation to contribute to the fundamental appeal of Agenda 2030, achieving the Sustainable Development Goals		risks but also makes systematic use of opportunities that present themselves. Opportunities and risks can arise both as a result of our own actions or failure to act and as a result of external factors. The risk and opportunity policy of the Würth Group is aimed at meeting the company's medium-term financial objectives and at ensuring the sustainable, long-term growth of the Group. In order to ensure this, the Würth Group has a system that identifies entrepreneurial opportunities and risks, assesses them using a standardized system, weighs them against each other, and communicates them. Our

Content/Comments

GRI SRS Content/Comments

> conscious and systematic approach to addressing opportunities and risks is inextricably linked to our entrepreneurial activities.

In general, risks resulting from sustainability aspects are identified via the Groupwide risk management network. During the reporting period, no major risks were identified in the assessment.

In 2020, sustainability was identified for the first time as a potential opportunity with a positive impact on net assets, financial position, and results of operations. As part of the analysis of sustainability-related risks and opportunities, physical risks related to climate change are also assessed.

▶ GRI 201-2

▶ 2022 Annual Report of the Würth Group, p. 88 ff.

ETHICS AND INTEGRITY

Values, principles, standards, and norms of behavior GRI 102-16

Mutual trust, predictability, honesty, and straightforwardness both inside and outside the company are fundamental principles that are deeply ingrained in Würth's corporate culture. This means not only complying with all applicable laws and in-house regulations, but also ensuring that employees maintain the proper mindset, which represents a key component for the sustainable success of the Würth Group. Extensive internal guidelines known as the "PAP" (Policy and Procedure Manual) operationalize these fundamental principles in the form of descriptions of the structure and process organization, in addition to setting out specific rules and codes of conduct.

The fundamental features of the corporate philosophy are summarized in a Code of Compliance and supplemented with regard to compliance with international standards. The contents of the Code of Compliance of the Würth Group are based on the current directives and regulations of the UN. The compliance organization is supported by the firm conviction of the Central Management Board, the Würth family, the Supervisory Board of the Würth Group, and the Advisory Board that a living and breathing compliance culture plays a key role in the continued, sustainable success of the Würth Group.

▶ 2022 Annual Report of the Würth Group, p. 93

GRI 102-17

Mechanisms for advice and concerns about ethics

APPENDIX

A legal compliance system serves to comply with national and international laws, regulations, self-imposed obligations, and internal guidelines. On this basis, general rules of conduct were defined for all companies of the Würth Group in the form of a Code of Compliance in 2017 in order to provide managers and employees with guidelines regarding the conduct and behavior expected of them by the company.

All Group employees have access to the Code of Compliance, which describes the following:

- General rules of conduct
- > Standards for dealing with business partners
- > Rules for avoiding conflicts of interest
- > Rules for handling information
- > Instructions for application in everyday life

In the event of a potential violation of the compliance rules, all employees of the Würth Group, as well as external stakeholders of the companies, are invited to use the anonymous reporting hotline of the Würth Group (SpeakUp) to report violations.

In 2020-2022, 197 potential violations were reported in the Würth Group via SpeakUp. A total of 20 violations of compliance rules were verified from these reports. Of course, employees can also contact the Company Compliance Officer responsible for their company directly or other people within the compliance organization to voice their concerns.

Confidentiality is of utmost importance when handling compliance issues. This guarantees the commitment to the stipulated principles that whistleblowers will not be punished in any way for reporting a violation (in accordance with legal quidelines/ILO core labor standards).

- ▶ 2022 Annual Report of the Würth Group, p. 93
- ▶ www.bkms-system.net/wuerth



GRI SRS Content/Comments

GOVERNANCE

GRI 102-18 Governance structure

The Advisory Board is the chief supervisory and controlling body of the Würth Group. It advises on strategy and approves corporate planning as well as the use of funds. It appoints the members of the Central Management Board, the Executive Board, and the managing directors of the companies that generate the most sales.

The Central Management Board is the highest decision-making body of the Würth Group. It has five members and is comparable to the management board of a group holding company. Its most important duties include corporate strategy planning, the selection of executives, and the management of strategic business units and functions.

As a Group function, the sustainability team reports to the Central Management Board in monthly meetings. As the chief supervisory and controlling body of the Würth Group, the Advisory Board is also involved in important decision-making processes along with the Central Management Board.

In 2021, an International Sustainability Panel was established with representatives from the different companies of the Würth Group (executives and non-executives from the Würth Line and Allied Companies around the world) in order to raise awareness for sustainability-related issues, develop a common understanding of sustainability, and involve the companies more in decision-making processes related to sustainability. The two meetings that are held each year are also dedicated to sharing best practices when it comes to sustainability and to creating synergies.

- ▶ Organizational structur, p. 9
- ▶ Corporate Governance, p. 41
- ▶ 2022 Annual Report of the Würth Group, p. 52 ff.

GRI 102-19 **Delegating authority**

GRI 102-20

▶ GRI 102-18

Executive-level responsibility for economic, environmental, and social topics

As a Group function, the sustainability team is responsible for the centralized, Group-wide sustainability management in the Würth Group and reports to the Central Management Board. The companies of the Würth Group that participate in the centralized sustainability reporting are required to appoint

GRI SRS Content/Comments

someone responsible for the duties described above (GRI manager). This person is responsible for economic, ecological, and social issues at the company level in coordination with their designated manager (managing director/Executive Board). The centralized, Group-wide Corporate Sustainability team works closely with the GRI managers and meets several times a year.

▶ GRI 102-18

GRI 102-21 Consulting stakeholders on economic, environmental, and social topics

The Würth Group is a global corporation made up of more than 400 companies and represented in 80 different countries, thus operating in a complex environment. The business activities of the Würth Group have an impact on the interests of numerous different stakeholders and vice versa. For this reason, the Würth Group maintains regular contact with its stakeholders in all key markets with regard to different topics in an effort to promote understanding for the respective positions and activities.

As part of its stakeholder engagement, the Würth Groups uses its own platforms, while at the same time participating constructively in public debates. For example, the Würth Group participated as a panelist in the VISION 2045 campaign in Edinburgh, which took place concurrently to the UN Climate Change Conference. The reason for this was the exemplary commitment of these companies to reaching the 1.5°C target from the Paris Climate Agreement.

The representative offices:

Commercial enterprises are faced with more and more expectations from the public as members of civil society, as social partners, and as neighbors. As a collaborator in the fast-paced international economic development, the business community is called on to fulfill its mandate to help shape the community. Würth rises to this challenge with its representative offices in the German capital of Berlin and in the European metropolis Brussels, fostering critical, yet constructive dialogue with social groups and institutions, policymakers, and representatives from business and industry, academia, culture, and the media. The representative offices host roundtable discussions, conferences, and also receptions.

Würth Haus Berlin:

Würth Haus Berlin promotes open dialogue with all responsible social groups and institutions in Germany.

Material topic > 75% relevance (Material topics for the Würth Group, p. 31)



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Content/Comments

Würth Office Brussels:

Content/Comments

Würth Office Brussels offers us the extraordinary opportunity to represent the Würth Group from a central position in the European Union and to advance its economic and sociopolitical ambitions. All topics discussed at the EU level are available to the public in the EU Transparency Register.

Customers:

The more than 4 million customers form the basis for the Würth Group's corporate success. As a result, expanding and maintaining our customer relations are key components of our day-to-day work. Over 300,000 customer contacts per day, presentations, meetings, (digital) open houses, and other events provide for a close relationships with our customers in order to respond quickly to their changing needs, such as their increased interest in sustainability, and to integrate them into these processes.

- ▶ GRI 102-13
- ▶ https://www.wuerth.com/wuerth-group/responsibility/Representative-Offices/ Representative-Offices.php

Composition of the highest governance body and its committees GRI 102-22

- ▶ GRI 102-18
- ▶ Organizational structur, p. 9
- ▶ Corporate Governance, p. 39

Chair of the highest governance body GRI 102-23

▶ GRI 102-18

Nominating and selecting the highest governance body

▶ GRI 102-18

GRI 102-25 Conflicts of interest

GRI 102-24

Corporate governance is ensured in the Würth Group by the following regulations and provisions to avoid conflicts of interest:

- > Dual management system, meaning separation of operative management and supervisory bodies
- > Group Auditing Department

> Auditing of individual and consolidated financial statements by independent auditors

- > Risk management and risk controlling
- > Target-setting and planning process at Group and company level
- > Controlling methods to create transparency in operating units

APPENDIX

- > Rating process by an international rating agency
- > Code of Compliance

GRI 102-26 Role of highest governance body in setting purpose, values, and strategy

The Corporate Sustainability team reports to the Chairman of the Central Management Board of the Würth Group and develops concepts, strategies, and targets in coordination with other managers from the relevant (Group) functions/specialist departments for the defined transformation areas (Climate, Material Life Cycles, Social Standards). The targets are approved by the Central Management Board and the Advisory Board.

▶ GRI 102-21

Collective knowledge of highest governance body GRI 102-27

In order to attain the defined sustainability targets and to implement appropriate measures, a core sustainability management team was formed that reports directly to the Central Management Board.

The Central Management Board and Bettina Würth, Chairwoman of the Advisory Board of the Würth Group, are involved in the materiality assessment process. All new managing directors and managers of the Würth Group receive an introduction to the topic of sustainability as part of the Welcome Seminar. In addition, the International Sustainability Panel meets regularly as a forum for employees interested in sustainability to exchange experiences and network. The Sustainability Management training program offered by Akademie Würth represents our commitment to education for sustainable development. Our aim is to teach our customers, as well as our employees, how to make responsible, sustainable decisions.

- ▶ GRI 102-18
- ▶ Organizational structur, p. 9
- ▶ Corporate Governance, p. 41
- https://www.wuerth.de/web/de/awkg/unternehmen/akademie wuerth 1/ qualifizierungsprogramm_nachhaltigkeitsmanagement.php

Material topic > 75 % relevance (Material topics for the Würth Group, p. 31)



GRI SRS	Content/Comments	GRI SRS	Content/Comments
GRI 102-29	Identifying and managing economic, environmental, and social impacts In addition to an annual risk workshop, in which the Central Management Board is provided with an overall picture of the risk situation within the Würth Group and at the individual companies, a report is submitted to the Audit Committee of the Advisory Board of the Würth Group once a year about the risk situation in the Group and the results of the risk reporting. Based on the risks outlined in this report, the Central Management Board may define focus risks that are relevant for the companies (these risks then have to be taken into consideration and evaluated by the companies/functions involved in the process).	GRI 102-33	Communicating critical concerns As a matter of principle, the Würth Group encourages a culture of open communication across all hierarchical structures. Both external and internal stakeholders can communicate critical concerns anonymously to the responsible points of contact via the SpeakUp reporting hotline. Furthermore, all employees are welcome to discuss their concerns directly with their supervisor or with the designated compliance officer. **www.bkms-system.net/wuerth*
	► Materiality assessment process, p. 26 ff.	GRI 102-34	Nature and total number of critical concerns
GRI 102-30	Effectiveness of risk management processes Joachim Kaltmeier, member of the Central Management Board, acts on behalf of and in consultation with all managing directors of the Würth Group. In this role, he is responsible for all risk management processes that apply at the Group level of the entire Würth Group.		During the reporting period, five incidents related to "Data protection and IT security" were reported to the responsible supervisory body. Any critical concerns are handled by the compliance officers. These concerns are documented using audit-proof case management software within the relevant reporting hotline. The controlling body is responsible for all Würth Group companies.
	► GRI 102-11, 102-15, 102-20 ► 2022 Annual Report of the Würth Group, p. 88 ff.		▶ www.bkms-system.net/wuerth
GRI 102-31	Review of economic, environmental, and social topics During an annual risk workshop, the Central Management Board gains an overall picture of the risk situation within the Würth Group and at the individual companies. This is supplemented by the risk and opportunity report published annually as part of the annual report.	GRI 102-35	Remuneration policies The Würth Group sets great store on performance-based remuneration and market-based compensation. Depending on the business model and function, various salary models are very common. Our salaries are based on regional/local conditions and requirements.
	▶ 2022 Annual Report of the Würth Group, p. 88 ff.		Salaries are based on an employee's level of responsibility. The salary structure has to reflect the basic principle of fairness. When conceiving our remuneration
GRI 102-32	Highest governance body's role in sustainability reporting The Chairman of the Central Management Board himself supervises the Corporate Sustainability team as far as sustainability reporting is concerned in accordance with his function, but he does not play an active role in this context.		systems, we took into account the fact that employees also appreciate other working conditions aside from money. As a rule, a market-based compensation in compliance with legal minimum wages and country-specific social security and tax laws is mandatory.
	He assigns the task of sustainability reporting to the Head of Sustainability & Circularity of the Würth Group, Carina Lebsack. Statement by the Advisory Board, p. 14 Statement by the Central Management Board, p. 16 Materiality assessment process, p. 26 ff.	GRI 102-36	Process for determining remuneration Individual companies rely on a salary benchmarking process. The general focus is to ensure internal pay equity within the companies. On the initiative of individual companies, comparisons are also carried out between the companies of the Würth Group. In any case, the workers' organization is involved in determining and changing remuneration models early on in the process.

Material topic > 75 % relevance (► Material topics for the Würth Group, p. 31)

GRI SRS

Employees have to be familiar with and able to understand the relevant payment model. In addition to the basic salary, variable pay components can be applied, provided they are quantifiable and can be influenced and understood by the employee. Remuneration models have to be fair.

▶ GRI 102-35

Content/Comments

STAKEHOLDER ENGAGEMENT

GRI 102-40 List of stakeholder groups

▶ Differentiating the stakeholder groups in the Würth Group, p. 27

GRI 102-41 Collective bargaining agreements



- ▶ GRI 407-1
- ▶ SDG 8 (Decent Work and Economic Growth), p. 98

GRI 102-42 Identifying and selecting stakeholders

Relevant stakeholders are identified, grouped together by interests, and weighted according to their relevance for the business activities of the Würth Group. The evaluation of the primary stakeholder groups forms the basis for the materiality assessment.

- ▶ GRI 102-40
- ▶ Materiality assessment process, p. 26 ff.

GRI 102-43 Approach to stakeholder engagement

The Würth Group ensures transparency and maintains constant dialogue with neighbors, organizations of civil society, and others who are interested in issues related to economic and sustainable development, in assuming social responsibility, and in climate-protection measures and critical environmental issues. Communication is coordinated according to interest group via various company publications such as the annual report, environmental reports, cultural directory of the Würth Group, sales brochures, sustainability report, etc. As a rule, reports and publications that are relevant to the interests of the stakeholders are publicly accessible

For the Sustainability Report of the Würth Group, a materiality assessment was carried out in 2021 to survey over 3,500 customers, suppliers, and employees about the topic of sustainability in the Würth Group.

APPENDIX

- ▶ GRI 102-42
- ▶ Materiality assessment process, p. 26 ff.

GRI 102-44 Key topics and concerns raised

In order to define the key topics and address the concerns of stakeholders effectively in the future, a materiality assessment was carried out for the first time in 2021 and used as a basis to formulate various key topics.

We also endeavored to determine the impacts of these aspects on sustainable development (environmental, economic, and social). In this context, a committee of experts also validated the relevance of these topics for business. In addition, the highest decision-making body evaluated the aspects and validated both the materiality assessment process and the findings.

By integrating the different schools of thought into the sustainability report, it was possible to see how these topics influence goodwill, how they impact sustainable development, and where there are risks and opportunities. This approach made it possible to create this sustainability report in line with the principle of double materiality. All material topics were incorporated into the strategy development and the reporting.

- ▶ GRI 102-40
- ▶ Materiality assessment process, p. 26 ff.



GRI SRS	Content/Comments	GRI SRS	Content/Comments
	REPORTING PRACTICE	GRI 102-51	Date of most recent report Not applicable, as this report (reporting year 2020–2022) is the first
GRI 102-45	Entities included in the consolidated financial statements This sustainability report refers to the business activities of the Würth Group as		sustainability report published for the Würth Group.
	a whole. A quantitative assessment was carried out for 156 companies, which were responsible for approx. 88 % of total sales in 2022.	GRI 102-52	Reporting cycle The Würth Group has decided to publish its sustainability report annually.
	Due to changes in the organizational structure, a quantitative assessment was carried out for 157 companies in 2020 and 2021.	GRI 102-53	Contact point for questions regarding the report Carina Lebsack,
	 ▶ Diversified industries of the Würth Group, Companies of the Würth Line, Allied Companies, p. 10 ff. ▶ Reporting limitations, inside cover p. 3 		Head of Corporate Sustainability & Circularity of the Würth Group T +49 7940 15-2518 F +49 7940 15-52518 carina.lebsack@wuerth.com
GRI 102-46	Defining report content and topic boundaries The Würth Group is not required to submit a report under the German CSR Directive Implementation Act (Directive 2014/95/EU). However, it is preparing for future legal requirements, such as the Corporate Sustainability Reporting Directive and the EU taxonomy, with its first Group-wide sustainability report. For this purpose, the Würth Group is using the Global Reporting Initiative (GRI) standards from 2016 as a guide.	GRI 102-54	Claims of reporting in accordance with the GRI Standards This report was created based on GRI Standards (2016): Core option. Material topic content and all further GRI indicators classified as relevant are also reported in order to ensure a comprehensive overview. Materiality assessment process, p. 26 ff.
	The next report will be based on the latest GRI standards (2021). The topics' boundaries are defined with the aim of ensuring maximum transparency in accordance with the underlying data that are available.		▶ Baseline data, p. 80 ff.▶ GRI content index, Report profile, p. 101
	▶ GRI 102-51, 102-52	GRI 102-55	GRI content index
	Materiality assessment process, p. 26 ff.		GRI content index, p. 101 ff.
GRI 102-47	List of material topics	GRI 102-56	External assurance An external audit was not performed for the sustainability report in the current
	► Material topics for the Würth Group, p. 31		reporting years. In preparation for a potential audit in the future, the Würth Group carries out an "Assurance Readiness Check" together with an auditing
GRI 102-48	Restatements of information No significant changes to the available data were reported.		company in order to identify potential gaps and improve the quality of the information and data for subsequent reporting periods.
GRI 102-49	Changes in reporting Because this is the first sustainability report of the Würth Group, there were no changes in reporting compared to the previous reporting periods.		► GRI content index, p. 101
GRI 102-50	Reporting period 1 January 2020 to 31 December 2022		

Material topic > 75 % relevance (▶ Material topics for the Würth Group, p. 31)



UN SDG core objectives and projects GRI content index GRI reporting limitations

GRI SRS

Content/Comments

MANAGEMENT APPROACH

GRI 103-1 Explanation of the material topic and its boundary

Topics that were assigned a stakeholder relevance or sustainability relevance greater than 75% were identified as material topics and thus classified as "important" or "very important."

Therefore, the seven topics that were identified have both the highest relevance for stakeholders and the greatest impact on sustainable development.

- ▶ Materiality assessment process, p. 26 ff.
- ▶ Material topics for the Würth Group, p. 31
- ▶ Glossary, p. 135 ff.

Content/Comments

GRI 103-3 Evaluation of the management approach

In 2022, 83.7% of sales (2021: 84.1%, 2020: 84.1%) was generated by companies that have implemented a certified quality management system (Würth Line 2022: 81.3 %, 2021: 83.1 %, 2020: 82.6 %, Allied Companies 2022: (86.2%, 2021: 85.3%, 2020: 85.7%).

In 2022, 49.1% of sales (2021: 51.0%, 2020: 50.5%) was generated by companies that have implemented a certified environmental management system (Würth Line 2022: 66.0%, 2021: 69.5%, 2020: 68.6% / Allied Companies 2022: 32.0%, 2021: 32.3%, 2020: 31.5%).

In 2022, 37.2% of employees (2021: 32.5%, 2020: 30.0%) were working at companies that had implemented a certified occupational health and safety system (Würth Line 2022: 40.0%, 2021: 36.5%, 2020: 33.6% / Allied Companies 2022: 32.9%, 2021: 26.0%, 2020: 24.2%).

In 2022, 42.7% of energy consumption (2021: 27.4%, 2020: 28.6%) was associated with companies that have a certified energy management system (Würth Line 2022: 41.1%, 2021: 7.2%, 2020: 7.2% / Allied Companies 2022: 44.8%, 2021: 45.6%, 2020: 47.1%)

▶ Baseline data Social Standards, p. 94

GRI 200 Economic

APPENDIX

ECONOMIC PERFORMANCE

GRI 103 Management approach Economic Performance (incl. GRI 103-1, 103-2, 103-3)



- ▶ GRI 102-6
- ▶ Short company profile Würth Group, p. 4
- ▶ The principle of growth of the Würth Group, p. 6
- Diversified industries of the Würth Group, p. 10 ff.
- Materiality assessment process, p. 26 ff.
 - ▶ SDG 8 (Decent Work and Economic Growth), p. 98
 - ▶ SDG 9 (Industry, Innovation, and Infrastructure), p. 98
 - ▶ SDG 13 (Climate Action), p. 98
 - ▶ 2022 Annual Report of the Würth Group
 - ▶ UNGC Principle 7

GRI 201-1 Direct economic value generated and distributed

- ▶ Reporting limitations, inside cover p. 3
- ▶ 2022 Annual Report of the Würth Group, p. 104 ff.
- www.bundesanzeiger.de

GRI 201-2 Financial implications and other risks and opportunities due to climate change

In the risk universe (the catalog of risks based on which the companies identify their risks to be reported), the risk "environment" was offered as an option in the years 2020, 2021, and 2022 (as well as previous years). At the company level, the risk and opportunity policy of the Würth Group aims at meeting the company's medium-term financial objectives and at ensuring the sustainable, long-term growth of the entire Group. Both in the year 2022 and in the years 2021 and 2020, no environmental risks were reported in the central risk management system that would have endangered the continued existence of the Group according to the risk and opportunity policy.

In order to take into account global changes and any potential shifts in the risk landscape as a result, the risk universe is constantly being reviewed and,



GRI SRS Content/Comments

if required, expanded. This currently applies to risks related to sustainability, which will be broken down into specific, individual risks for selection starting in 2023. In particular, the risks will be described extensively. As a result, the companies of the Würth Group will be able to assess their risk situation as it relates to climate change, among other things, in more detail in the future in order to identify and report risks and the measures taken.

▶ 2022 Annual Report of the Würth Group, p. 88 ff.

GRI 201-3 Defined benefit plan obligations and other retirement plans

The actuarial valuation of the pension obligations was carried out as of the balance sheet date in each case.

▶ 2022 Annual Report of the Würth Group, pp. 158 ff.

GRI 201-4 Financial assistance received from government

In 2022, financial assistance received from the government came out at EUR 0.8 million

(2021: EUR 4.8 million, 2020: EUR 31.5 million).

In the 2020 and 2021 fiscal years, this assistance was received primarily due to the COVID-19 pandemic.

▶ 2022 Annual Report of the Würth Group, p. 178

MARKET PRESENCE

GRI 103 Management approach Market Presence (incl. GRI 103-1, 103-2, 103-3)



- ▶ GRI 102-6
- ▶ Materiality assessment process, p. 26 ff.
- ▶ SDG 8 (Decent Work and Economic Growth), p. 98
- ▶ 2022 Annual Report of the Würth Group

GRI 202-2 Proportion of senior management hired from the local community

Junior managers are primarily recruited from an in-house pool of talented employees and developed further by means of in-house training and seminar modules for managers. The majority of managers (approx. 80–90%) is recruited and developed locally. Our priority is to develop local managers

GRI SRS Content/Comments

at the companies. Besides their own employee development program, there are options available at Akademie Würth and Würth Business Academy for developing junior management for all companies. Managers have administrative responsibility for other employees.

PROCUREMENT PRACTICES

- **SUPPLY SECURITY**
- SUSTAINABILITY IN THE SUPPLY CHAIN
- INFORMATION TRANSPARENCY

GRI 103 Management approach Procurement Practices (incl. GRI 103-1, 103-2, 103-3)



We give preference to regional suppliers in line with regional value creation, provided they meet the criteria of our supplier audit and, above all, comply with our basic principles of profitability and product quality.

- ▶ Transformation area Social Standards, p. 67 ff.
- ▶ SDG 8 (Decent Work and Economic Growth), p. 98
- ▶ SDG 12 (Responsible Consumption and Production), p. 98

GRI 204-1 Proportion of spending on local suppliers

Based on the data available at present, it is not yet possible to make a statement regarding procurement volumes.

In 2022, 44.9% of the reporting companies in the Würth Group purchased predominantly from local suppliers (direct supplier on the basis of procurement volume > EUR 50,000)

(2021: 46.2%, 2020: 44.9%;

Würth Line 2022: 25.8%, 2021: 26.6%, 2020: 25.0% /

Allied Companies 2022: 57.4%, 2021: 59.6%, 2020: 58.5%).

The geographic definition of "local" refers to the national level (national borders). The term "local supplier" refers to suppliers located in the same country that do not belong to the Würth Group (= external). "Significant operations" include suppliers with a procurement volume > EUR 50,000.

Material topic > 75 % relevance (▶ Material topics for the Würth Group, p. 31)

Content/Comments

GRI SRS

Content/Comments

ANTI-CORRUPTION

- SUSTAINABILITY IN THE SUPPLY CHAIN
- INFORMATION TRANSPARENCY

GRI 103

Management approach Anti-corruption (incl. GRI 103-1, 103-2, 103-3)

The general rules of conduct defined in the Code of Compliance apply to all company employees as a minimum requirement, as well as to all employees of the Würth Group around the world. At the same time, we demand strict compliance with all relevant national and international rules and legislation in connection with anti-corruption policies and dealing with conflicts of interest.

These anti-corruption principles are further operationalized in the Würth Group's gifts and gratuities policy. This guideline informs all employees about the principles, that must be adhered to when accepting and granting benefits, i.e. gifts and invitations.

The Würth Group does not tolerate corruption or bribery in any form, neither the offer or provision nor the request or acceptance of inappropriate benefits or advantages. These principles apply not only to all employees but also to any other individuals and organizations acting on behalf of or in the interest of the Würth Group.

GRI 205-1

Operations assessed for risks related to corruption

The misuse of company assets, which includes corruption, is a priority risk in the risk assessment of the Würth Group. It is assessed annually each time the risk matrix is revised.

The Compliance Management System of the Würth Group and the Code of Compliance, which is mandatory for all business partners of the Würth Group, serve to minimize this risk. In accordance with the Code of Compliance, any form of corruption or bribery is not tolerated. Compliance with these principles is examined as part of corporate audits.

GRI 205-2

Communication and training about anti-corruption policies and procedures

Regularly training and briefing all employees reinforces a culture of compliance and represents a preventive action to fight misconduct, especially corruption.

GRI 205-3 Confirmed incidents of corruption and actions taken

One incident was confirmed for the 2020-2022 reporting period. Due to this incident, an employee received a warning.

APPENDIX

Material topic > 75 % relevance (Material topics for the Würth Group, p. 31)

GRI SRS Content/Comments

GRI 300 Environmental

MATERIALS

- MATERIAL AND RESOURCE MANAGEMENT
- SUSTAINABLE PRODUCT PORTFOLIO

GRI 103

Management approach Materials (incl. GRI 103-1, 103-2, 103-3)





We place great value in using natural resources as sensibly and effectively as possible along the entire value chain. Therefore, for the use of commodities and materials in our products, we consider complete life cycles and focus on new quality properties that can contribute significantly to closing material loops. Ensuring recyclability, eliminating hazardous substances, and producing a good climate footprint are aspects we will consistently incorporate into our new products and product updates in the future.

- ▶ Transformation area Material Life Cycles, p. 55 ff.
- ▶ SDG 8 (Decent Work and Economic Growth), p. 98
- ▶ SDG 12 (Responsible Consumption and Production), p. 98
- ▶ UNGC Principles 7, 8, 9

Materials used by weight or volume GRI 301-1

Packaging material includes both transport packaging and product packaging (inner packaging). Reusable packaging is not included here.

▶ Baseline data Material Life Cycles, p. 92 f.

GRI 301-2 Recycled input materials used

▶ Baseline data Material Life Cycles, p. 92 f.

GRI 301-3 Reclaimed products and their packaging materials

▶ Baseline data Material Life Cycles, p. 92 f.

GRI SRS Content/Comments

ENERGY

ENVIRONMENTAL, ENERGY, AND WATER MANAGEMENT

GRI 103

Management approach Energy (incl. GRI 103-1, 103-2, 103-3) The Würth Group aspires to reduce its energy consumption and is working to





create a data infrastructure and differentiate between different consumption points in order to obtain more detailed information about the consumption sites. Many companies are already using regenerative energy sources for their needs. We plan on expanding our use of these sources in the future with the goal of reducing our emissions further. We are currently coordinating a climate strategy that will allow us to reduce our energy consumption.

- ▶ Materiality assessment process, p. 26 ff.
- ▶ Transformation area Climate, p. 43 ff.
- ▶ SDG 8 (Decent Work and Economic Growth), p. 98
- ▶ SDG 12 (Responsible Consumption and Production), p. 98
- ▶ SDG 13 (Climate Action), p. 98
- ▶ UNGC Principles 7, 8, 9

GRI 302-1 Energy consumption within the organization

- ▶ Transformation area Climate, p. 43 ff.
- ▶ Baseline data Climate, p. 84 ff.

GRI 302-2 Energy consumption outside of the organization

- ▶ Transformation area Climate, p. 43 ff.
- ▶ Baseline data Climate, p. 84 ff.

GRI 302-3 **Energy intensity**

Total energy consumption includes electricity, heat, and mobility.

- ▶ Transformation area Climate, p. 43 ff.
- ▶ Baseline data Climate, p. 91

GRI 302-4 Reduction of energy consumption

- ▶ Transformation area Climate, p. 43 ff.
- ▶ Baseline data Climate, p. 84 ff.

Material topic > 75 % relevance (Material topics for the Würth Group, p. 31)



UN SDG core objectives and projects GRI content index GRI reporting limitations

GRI SRS	Content/Comments
GRI 302-5	Reductions in energy requirements of products and services The ratio of total energy consumption to sales serves as a key figure for decoupling economic activities from energy consumption. • GRI 102-10, 302-4 • Transformation area Climate, p. 43 ff. • Baseline data Climate, p. 84 ff.
	•

WATER AND EFFLUENTS ENVIRONMENTAL, ENERGY, AND WATER MANAGEMENT

Management approach Water and Effluents **GRI 103**



(incl. GRI 103-1, 103-2, 103-3) The Würth Group sets great store on using water sparingly and respectfully as a resource.

- ▶ Materiality assessment process, p. 26 ff.
- ▶ Transformation area Climate, p. 43 ff.
- ▶ SDG 12 (Responsible Consumption and Production), p. 98
- ▶ UNGC Principles 7, 8

GRI 303-1	Interactions with v	vator as a sharo	d recource

Water is considered an essential resource for an organization's operation if its revenues depend on water consumption.

▶ Baseline data Material Life Cycles, p. 93

GRI 303-2 Management of water discharge-related impacts

The Würth Group complies with all relevant legal regulations in the countries where it is located. In addition, 3.2% of the reporting companies fulfilled voluntary standards above and beyond the mandatory standards in 2022 (2021: 1.9%, 2020: 1.9%; Würth Line 2022: 1.6%, 2021: 0.0%, 2020: 0.0% /

Allied Companies 2022: 4.3%, 2021: 3.2%, 2020: 3.2%).

Water withdrawal GRI 303-3

▶ Baseline data Material Life Cycles, p. 93

GRI SRS Content/Comments

GRI 303-4 Water discharge

▶ Baseline data Material Life Cycles, p. 93

GRI 303-5 Water consumption

So far we record water withdrawal and water discharge. We are constantly working to improve the underlying data.

▶ Baseline data Material Life Cycles, p. 93

BIODIVERSITY

GRI 103 Management approach Biodiversity (incl. GRI 103-1, 103-2, 103-3)

- ▶ Materiality assessment process, p. 26 ff.
- ▶ Transformation area Climate, p. 43 ff.
- ▶ UNGC Principles 7, 8

GRI 304-2 Significant impacts of activities, products and services on biodiversity

According to current knowledge, the most significant impacts can be attributed to new buildings or building extensions along with the associated infrastructure and to emissions. To this purpose, the Würth Group is currently developing its own standard for sustainable new construction projects.

GRI 304-3 Habitats protected or restored

During the reporting period, some companies within the Würth Group implemented measures to protect or restore areas.

Material topic > 75 % relevance (Material topics for the Würth Group, p. 31)



GRI SRS Content/Comments

EMISSIONS

ENVIRONMENTAL, ENERGY, AND WATER MANAGEMENT

GRI 103

Management approach Emissions (incl. GRI 103-1, 103-2, 103-3)





Climate management is based on the calculation of the greenhouse gas balance in order to determine specific measures for potential optimization and to pass measures to reduce emissions. In 2021, a climate footprint was created for the entire Würth Group for the first time. This made it possible to identify initial approaches and potential. Individual companies are already implementing various projects related to energy efficiency, renewable energy sources, and e-mobility.

The Würth Group collects the energy consumption data for the companies that participate in the sustainability reporting. The energy consumption includes all locations (offices, production sites, warehouses, pick-up shops, etc.) of the respective company. The consumption figures for rental properties are also recorded. Because the sustainability reporting includes only those companies that are responsible for approx. 88% of sales, the remaining 12% is extrapolated.

- ▶ Materiality assessment process, p. 26 ff.
- ▶ Transformation area Climate, p. 43 ff.
- ▶ Baseline data Climate, p. 84 ff.
- ▶ SDG 12 (Responsible Consumption and Production), p. 98
- ▶ SDG 13 (Climate Action), p. 98
- ▶ UNGC Principles 7, 8, 9

GRI 305-1

Direct greenhouse gas emissions (Scope 1)

The Würth Group records, and analyzes its energy consumption with the aim of determining its global greenhouse gas emissions (GHG).

The calculation of Scope 1 emissions is based on the Greenhouse Gas Protocol and ISO 14064-1:2019. Currently, Scope 1 includes all emissions that come from sources owned or controlled by an organization, such as from the company itself and its own vehicles. This includes, for example, burning fossil fuels to produce heat or to power the company's vehicles. It is not possible to break down the data for private trips in personal vehicles or to differentiate between vehicles rented from third parties and the company's own vehicles. Therefore, all data from these vehicle groups are included under Scope 1. The use of refrigerant was reported for the first time in 2022.

GRI SRS Content/Comments

The calculation of GHG emissions is primarily based on the emission data from the International Energy Agency (IEA, 2020) and DEFRA 2022. The Würth Group collects the energy consumption data for the companies that participate in the sustainability reporting. The energy consumption includes all locations (offices, production sites, warehouses, pick-up shops, etc.) of the respective company. The consumption figures for rental properties are also recorded.

- ▶ Transformation area Climate, p. 43 ff.
- ▶ Baseline data Climate, p. 84 ff.

GRI 305-2

Energy indirect greenhouse gas emissions (Scope 2)

The Würth Group records, and analyzes its energy consumption with the aim of determining its global greenhouse gas emissions (GHG). The calculation of Scope 2 emissions is based on the Greenhouse Gas Protocol

and ISO 14064-1:2019. Currently, Scope 2 covers all indirect emissions that result from energy produced and supplied by third-party energy service companies. This includes electricity, heating, and cooling consumed by an organization. In the Würth Group, green electricity refers to electricity that is not generated from fossil fuels. This includes, for example, electricity generated from wind energy, hydropower, and solar energy.

The calculation of GHG emissions is primarily based on the emission data from the International Energy Agency (IEA, 2020) and DEFRA 2022. The Würth Group collects the energy consumption data for the companies that participate in the sustainability reporting. The energy consumption includes all locations (offices, production sites, warehouses, pick-up shops, etc.) of the respective company. The consumption figures for rental properties are also recorded.

- ▶ Transformation area Climate, p. 43 ff.
- ▶ Baseline data Climate, p. 84 ff.

GRI 305-3

Other indirect greenhouse gas emissions (Scope 3)

Scope 3 emissions include the emissions produced in the upstream and downstream supply chain (including emissions from manufacturing and transporting purchased goods, from distributing and using products, and from disposing of those products) and cannot be collected at the moment due to insufficient data quality. By modifying processes, we aim to improve our underlying data and increase transparency in order to obtain an informative pool of data in the long term for Scope 3 and to disclose these data as well.

- ▶ Transformation area Climate, p. 43 ff.
- ▶ Baseline data Climate, p. 84 ff.

Material topic > 75% relevance (Material topics for the Würth Group, p. 31)



GRI SRS Content/Comments GRI 305-4 Greenhouse gas emissions intensity ▶ Transformation area Climate, p. 43 ff. ▶ Baseline data Climate, p. 91 GRI 305-5 Reduction of greenhouse gas emissions ▶ Transformation area Climate, p. 43 ff. ▶ Baseline data Climate, p. 84 ff.

WASTE

- MATERIAL AND RESOURCE MANAGEMENT
- SUSTAINABLE PRODUCT PORTFOLIO

GRI 103

Management approach Waste (incl. GRI 103-1, 103-2, 103-3)



Within the Würth Group, managing our waste production responsibly is a matter of great concern. There are plans to optimize waste disposal and to prevent and reduce waste production consistently. Furthermore, we are striving to close material loops. In the future, products, product lines, and packaging should be designed so that they can be reprocessed and their materials reclaimed and reused in accordance with the principles of the circular economy.

- ▶ Materiality assessment process, p. 26 ff.
- ▶ Transformation area Material Life Cycles, p. 55 ff.
- ▶ SDG 12 (Responsible Consumption and Production), p. 98
- ▶ UNGC Principles 7, 8, 9

GRI 306-1 Waste generation and significant waste-related impacts

It is not possible to make a statement about this at the moment due to insufficient data

GRI 306-2 Management of significant waste-related impacts

60.9% of the reporting companies implemented at least one of the listed measures to avoid waste in their own value chain in 2022 (2021: 60.1%, 2020: 55.7%;

Würth Line 2022: 59.7%, 2021: 60.9%, 2020: 54.7% /

Allied Companies 2022: 61.7%, 2021: 59.6%, 2020: 56.4%).

GRI SRS

Content/Comments

Input material choices and product design:

APPENDIX

- > Improving materials selection and product design through consideration for longevity and durability, repairability, modularity and disassembly, and recyclability
- > Reducing the use of raw and finite materials by procuring secondary materials (e.g., used or recycled input materials) or renewable materials
- > Substituting inputs that have hazardous characteristics with inputs that are nonhazardous

Collaboration in the value chain and business model innovation:

- > Setting policies for procurement from suppliers that have sound waste prevention and waste management criteria
- > Engaging in or setting up industrial symbiosis as a result of which the organization's waste or other outputs (e.g., by-products from production) become inputs for another organization
- > Participating in an extended producer responsibility scheme, which extends the producer's responsibility for a product or service to its end of life
- > Transitioning to and applying new business models, including product service systems, repair services, or product leasing models that use services instead of products to meet consumer demand
- > Engaging in or setting up take-back schemes and reverse logistics processes to divert products and materials from disposal

End-of-life interventions:

- > Establishing and improving facilities for waste management, including solutions for the collection and sorting of waste
- > Recovering products, components, and materials from waste through preparation for reuse and recycling
- > Implementing new concepts or continuing the use of concepts in line with the Cradle to Cradle® principle
- > Engaging with customers to raise awareness about sustainable consumption practices, such as reduced purchasing of products, product sharing, exchange, reuse, and recycling
- ▶ Materiality assessment process, p. 26 ff.
- ▶ Transformation area Material Life Cycles, p. 55 ff.
- ▶ Baseline data Material Life Cycles, p. 92

Material topic > 75 % relevance (Material topics for the Würth Group, p. 31)



GRI SRS	Content/Comments
GRI 306-3	Waste generated
	▶ Baseline data Material Life Cycles, p. 92
GRI 306-4	Waste diverted from disposal In 2022, 34.3% of waste was diverted from disposal to recovery operations (2021: 37.2%, 2020: 35.8%; Würth Line 2022: 34.8%, 2021: 26.6%, 2020: 24.6% / Allied Companies 2022: 34.1%, 2021: 40.7%, 2020: 39.4%).
GRI 306-5	Waste directed to disposal It is not possible to make a statement about this at the moment due to insufficient data.

ENVIRONMENTAL COMPLIANCE

ENVIRONMENTAL, ENERGY, AND WATER MANAGEMENT

GRI 307-1

Non-compliance with environmental laws and regulations

In 2021, Arnold Fasteners (Shenyang) Co., Ltd. was fined for failing to comply with environmental laws and regulations. Immediate measures were taken to avoid future violations.

For 2020 and 2022, no violations were reported.

GRI SRS Content/Comments

SUPPLIER ENVIRONMENTAL ASSESSMENT

- SUSTAINABILITY IN THE SUPPLY CHAIN
- INFORMATION TRANSPARENCY

GRI 103 Management approach Supplier Environmental Assessment (incl. GRI 103-1, 103-2, 103-3)

As part of supplier audits, external suppliers were screened using the criteria laid out in DIN EN ISO 9001. However, the basic terms of purchase in accordance with the principles of sustainability were not specifically based on this. Reference is made to this every time a contract is concluded.

Current measures include:

- Incorporating ecological principles, such as the use of resource-friendly materials, into the terms of purchase and their continuous improvement
- Monitoring suppliers in regular audits and consistently updating ecological aspects in the supplier screening process
- Basic assessment of resources used in terms of sustainability according to DIN EN ISO 14001
- Suppliers of the companies are required to comply with Group-wide environmental standards as stipulated in the Supplier Code of Conduct (SCOC)
- ▶ Materiality assessment process, p. 26 ff.
- ▶ Transformation area Social Standards, p. 67 ff.
- ▶ Baseline data Social Standards, p. 94
- ▶ UNGC Principle 8

GRI 308-1 New suppliers that were screened using environmental criteria

The suppliers of products that are critical to quality from the field of fasteners are audited and developed by source quality engineers (SQE). This involves process audits, follow-up audits, and quality talks, which are recorded together as supplier activities. A total of 654 supplier activities were carried out in 2020, 680 in 2021, and 745 in 2022. In terms of general risks assessed in the process audits, source quality engineers are required to rate compliance with social standards, management of risks related to environmental hazards, and occupational work and safety. A poor rating in one of these areas results in a ban if no immediate improvements are made.

▶ Baseline data Social Standards, p. 94

Material topic > 75 % relevance (Material topics for the Würth Group, p. 31)

Content/Comments

GRI SRS

Content/Comments

GRI 308-2 Negative environmental impacts in the supply chain and actions taken

If any weaknesses are identified in process audits with regard to risks related to environmental hazards, measures for improvement are demanded as part of the supplier development efforts. However, there is no systematic breakdown of the environmental hazard.

In 127 of the reporting companies, no suppliers with negative environmental impacts were identified in 2022 (2021: 120, 2020: 118;

Würth Line 2022: 51, 2021: 48, 2020: 46 / Allied Companies 2022: 76, 2021: 72, 2020: 72).

In 4 of the companies, suppliers with negative environmental impacts were identified in 2022 (2021: 5, 2020: 6;

Würth Line 2022: 1, 2021: 1, 2020: 2 / Allied Companies 2022: 3, 2021: 4, 2020: 4).

This data has not yet been recorded in the remaining companies.

In an effort to fulfill our corporate due diligence obligations, the Würth Group aims to require its suppliers to comply with certain ecological standards. In instances where negative environmental impacts were identified, one of the companies was able to agree on measures to minimize those negative impacts with the majority of their suppliers.

▶ Transformation area Social Standards, p. 67 ff.

GRI 400 Social

APPENDIX

EMPLOYMENT

GRI 103

Management approach Employment (incl. GRI 103-1, 103-2, 103-3)



- ▶ Materiality assessment process, p. 26 ff.
- Corporate Governance, p. 38 ff.
- ▶ SDG 8 (Decent Work and Economic Growth), p. 98
- ▶ UNGC Principles 3, 6

GRI 401-1 New employee hires and employee turnover

Employee retention is a high priority in our culture. As such, avoiding staff turnover is one of our key strategic issues. The development of staff turnover as a key figure is monitored in all business areas, especially in the sales units. Staff turnover is analyzed using various approaches in order to determine the causes and take countermeasures accordingly.

In addition to this quantitative staff turnover analysis, a qualitative cause analysis is carried out by means of check-out interviews. These interviews focus on finding out the reasons behind staff turnover. The results of the interviews are recorded and compiled in a database. Based on the quantitative and qualitative findings, concrete measures are defined and implemented in the companies to fight staff turnover.

The overall turnover rate of the Würth Group remains below 15% in a multi-year comparison. The long-term affiliation of employees is continually enriched with new and different perspectives.

- > In 2022, 41.7% of new employees were less than 30 years old (Würth Line: 42.0% / Allied Companies 41.2%).
- > 49.9% were between 30 and 50 years old (Würth Line: 50.5% / Allied Companies 48.9%).
- > 8.4% were more than 50 years old (Würth Line: 7.5% / Allied Companies 9.9%)
- ▶ GRI 405-1
- ▶ Baseline data Corporate Governance, p. 82



GRI 401-2 Benefits provided to full-time employees that are not provided to

temporary or part-time employees
In the Würth Group, no distinction is made between full-time and part-time employees with regard to benefits. Every company offers different individual benefits. Across the Group, a positive general attitude is communicated regarding mobile office, and a 3:2 (office:mobile office) arrangement is recommended as a rough guideline. In accordance with their options, business models, and local requirements, this is defined independently by the companies.

Share of Würth Group employees who were able to take advantage of the following fringe benefits in 2022:

> 94.7% Mobile office work model

Content/Comments

GRI SRS

(2021: 88.1%, 2020: 85.3%; Würth Line 2022: 94.6%, 2021: 87.9%, 2020: 86.1% / Allied Companies 2022: 94.9%, 2021: 88.5%, 2020: 84.0%)

> 93.0% Traineeships, continuing education, or training seminars

(2021: 86.0%, 2020: 87.4%; Würth Line 2022: 93.4%, 2021: 82.2%, 2020: 87.1% / Allied Companies 2022: 92.2%, 2021: 92.1%, 2020: 87.8%)

> 88.9% Company events and cultural activities

(2021: 86.8 %, 2020: 84.4 %; Würth Line 2022: 94.2 %, 2021: 89.7 %, 2020: 88.6 % / Allied Companies 2022: 80.5 %, 2021: 82.2 %, 2020: 77.6 %)

> 88.4% Parental leave, child care services

(2021: 80.9%, 2020: 79.2%; Würth Line 2022: 91.3%, 2021: 80.5%, 2020: 77.8% / Allied Companies 2022: 83.9%, 2021: 81.4%, 2020: 81.5%)

> 87.7% Special bonuses, vacation and Christmas bonus

(2021: 85.9%, 2020: 83.4%;

Würth Line 2022: 88.9%, 2021: 86.6%, 2020: 85.1% / Allied Companies 2022: 85.9%, 2021: 84.8%, 2020: 80.6%)

> 85.5% Health care, fitness, or health management programs

(2021: 79.4%, 2020: 73.6%;

Würth Line 2022: 88.2%, 2021: 81.2%, 2020: 76.0% / Allied Companies 2022: 81.2%, 2021: 76.4%, 2020: 69.7%)

GRI SRS Content/Comments

> 76.2% Retirement provisions

(2021: 73.9%, 2020: 73.0%; Würth Line 2022: 75.6%, 2021: 71.6%, 2020: 75.1% / Allied Companies 2022: 77.3%, 2021: 77.5%, 2020: 69.5%)

> 75.6% Company canteen

(2021: 69.9%, 2020: 70.1%; Würth Line 2022: 80.2%, 2021: 75.7%, 2020: 76.6% / Allied Companies 2022: 68.3%, 2021: 60.4%, 2020: 59.6%)

> 72.4% Insurance services

(2021: 65.3 %, 2020: 63.3 %; Würth Line 2022: 71.9 %, 2021: 65.3 %, 2020: 66.7 % / Allied Companies 2022: 73.3 %, 2021: 65.2 %, 2020: 58.6 %)

> 40.3 % Sabbatical

(2021: 38.3 %, 2020: 35.5 %; Würth Line 2022: 45.5 %, 2021: 47.1 %, 2020: 46.2 % / Allied Companies 2022: 32.1 %, 2021: 24.1 %, 2020: 18.2 %)

(Multiple answers possible)

GRI 401-3 Parental leave

▶ Baseline data Social Standards, p. 95

GRI 402-1 Minimum notice periods regarding operational changes

We comply with all legal notice periods.

Material topic > 75 % relevance (Material topics for the Würth Group, p. 31)

Content/Comments

GRI SRS

Content/Comments

OCCUPATIONAL HEALTH AND SAFETY

GRI 103

Management approach Occupational Health and Safety (incl. GRI 103-1, 103-2, 103-3)



The health of our employees is a key asset. We offer a work environment that helps maintain and promote employee health at the workplace in the long term. When developing our health management program, we take into account the connection between work, leadership, and health. Our health management program considers physical and psychological stress factors and helps prevent burnouts in both areas. The management plays an essential role in this regard.

- ▶ Materiality assessment process, p. 26 ff.
- Corporate Governance, p. 38 ff.
- ▶ SDG 8 (Decent Work and Economic Growth), p. 98
- ▶ UNGC Principle 3

GRI 403-1

Occupational health and safety management system

▶ Baseline data Social Standards, p. 94 f.

GRI 403-2

Hazard identification, risk assessment, and incident investigation Hazards related to occupational health and safety are assessed in the companies of the Würth Group based on legal compliance and monitoring guidelines. Most companies also have the following measures in place:

- > A continuous internal process to assess hazards and risks to prevent or mitigate significant negative impacts on occupational health and safety (2022: 79.5%, 2021: 79.1%, 2020: 75.3%; Würth Line 2022: 80.6%, 2021: 81.3%, 2020: 78.1% / Allied Companies 2022: 78.7%, 2021: 77.7%, 2020: 73.4%).
- > An internal process for workers to report work-related hazards and hazardous situations (2022: 73.1%, 2021: 72.8%, 2020: 67.1%; Würth Line 2022: 74.2%, 2021: 75.0%, 2020: 73.4% / Allied Companies 2022: 72.3%, 2021: 71.3%, 2020: 62.8%).

> Policies and routine processes to avoid injury, accidents, or hazardous situations (2022: 81.4%, 2021: 82.3%, 2020: 79.1%; Würth Line 2022: 80.6%, 2021: 79.7%, 2020: 79.7% / Allied Companies 2022: 81.9%, 2021: 84.0%, 2020: 78.7%).

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▶ Baseline data Social Standards, p. 95

GRI 403-3 Occupational health services

In 2022, 95.1% of employees utilized external occupational health services to ensure workplace health and safety within the company. The personal healthrelated information of the employees is protected (2021: 93.7%, 2020: 92.7%;

Würth Line 2022: 94.1%, 2021: 93.3%, 2020: 91.2% / Allied Companies 2022: 96.6%, 2021: 94.5%, 2020: 95.1%).

GRI 403-4 Worker participation, consultation, and communication on occupational health and safety

In 2022, 92.9% of the reporting companies had implemented processes for worker participation and consultation in the development, implementation, and evaluation of occupational health and safety measures (2021: 92.1%, 2020: 90.7%; Würth Line 2022: 92.8%, 2021: 92.0%, 2020: 89.8% /

Allied Companies 2022: 92.9%, 2021: 92.2%, 2020: 92.1%).

GRI 403-5 Worker training on occupational health and safety

We comply with all relevant legal requirements in the respective countries. In several countries, there are also digital training media for this purpose (for example, web-based training seminars on occupational health and safety, handling hazardous substances, or fire protection). Akademie Würth offers seminars on occupational health and safety, including the following:

- > Hazardous substance management
- > Safe handling of hazardous substances in accordance with rules and regulations
- ▶ Baseline data Social Standards, p. 95



GRI SRS Content/Comments

GRI 403-6 **Promotion of worker health**

Share of Würth Group employees who took advantage of voluntary participation in the following benefits to promote health in 2022:

> 69.9% Fitness, exercise, and sports programs

(2021: 66.3 %, 2020: 67.0 %; Würth Line 2022: 68.9 %, 2021: 67.3 %, 2020: 68.8 % / Allied Companies 2022: 71.6 %, 2021: 64.7 %, 2020: 64.0 %)

> 68.8% Healthy food

(2021: 67.3 %, 2020: 64.7 %; Würth Line 2022: 73.4 %, 2021: 70.8 %, 2020: 69.9 % / Allied Companies 2022: 61.6 %, 2021: 61.6 %, 2020: 56.2 %]

> 68.5 % Voluntary health care

(2021: 67.8%, 2020: 67.6%; Würth Line 2022: 63.9%, 2021: 63.4%, 2020: 62.8% / Allied Companies 2022: 75.9%, 2021: 74.9%, 2020: 75.3%]

> 58.6% Stress management

(2021: 54.4%, 2020: 47.8%; Würth Line 2022: 63.7%, 2021: 57.5%, 2020: 50.0% / Allied Companies 2022: 50.5%, 2021: 49.4%, 2020: 44.3%)

> 49.6 % Prevention and treatment of substance abuse

(2021: 48.3 %, 2020: 46.1 %; Würth Line 2022: 54.3 %, 2021: 54.1 %, 2020: 52.5 % / Allied Companies 2022: 42.3 %, 2021: 38.9 %, 2020: 35.7 %)

> 48.3 % Mental training

(2021: 46.6%, 2020: 46.0%; Würth Line 2022: 57.2%, 2021: 54.2%, 2020: 55.5% / Allied Companies 2022: 34.2%, 2021: 34.4%, 2020: 30.6%)

(Multiple answers possible)

▶ Corporate Governance, p. 40

GRI SRS Content/Comments

GRI 403-9 Work-related injuries

▶ Baseline data Social Standards, p. 95

GRI 403-10 Work-related ill health

▶ GRI 403-9

EMPLOYEE DEVELOPMENT, TRAINING AND EDUCATION

GRI 103

Management approach Employee Development, Training and Education (incl. GRI 103-1, 103-2, 103-3)



Training and education are valuable commodities. We invest in our employees in accordance with the maturity level of the company. A great deal of time and money is spent on the onboarding of the employees (especially sales personnel).

We take a proactive approach to training employees who are just beginning their professional career, thus safeguarding the future of the Group. We satisfy most of our personnel requirements by means of apprenticeships, internships, and traineeships. Our apprenticeships and training programs are practical and prepare participants optimally for future jobs in the Group.

In parallel to the work of the HR departments and employee development programs, there are two central departments in the Würth Group dedicated to training and development:

- Akademie Würth is the global contact in all areas related to developing employees and providing companies with advice and consultation. The programs are intended for both in-house Würth Group employees and external customers.
- Würth Business Academy (WBA) is responsible for executive development and offers various development programs and management seminars for managing directors. Moreover, WBA offers an international trainee program as a start to an international career at Würth.

Material topic > 75 % relevance (Material topics for the Würth Group, p. 31)

GRI SRS Content/Comments

- > In addition to these two providers, the Learning Campus is available to the employees with digital training modules on various topics.
- ▶ Materiality assessment process, p. 26 ff.
- Corporate Governance, p. 41
- ▶ SDG 8 (Decent Work and Economic Growth), p. 98

GRI 404-1

Average hours of training per year per employee

On average, 33.3% of the participating companies spent more than 2 working days (20 hours) per employee for training and continuing education in 2022 (2021: 25.3%, 2020: 24.7%;

Würth Line 2022: 45.2%, 2021: 37.5%, 2020: 40.6% / Allied Companies 2022: 25.5%, 2021: 17.0%, 2020: 13.8%).

Only in 5 companies, employees did not take advantage of any training and development opportunities in the reporting year 2022 (2021: 7, 2020: 7).

In 2022, new recruits joined development programs offered by Würth Business Academy:

- > In the Würth Potential Program, 38.6% women (2021: 33.3%, 2020: 44.4%) and 61.4% men (2021: 66.7%, 2020: 55.6%)
- > In the High Potential Program, 17.9% women (2021: 26.2%, 2020: 20.0%) and 82.1% men (2021: 73.8%, 2020: 80.0%)
- > In the Top Potential Program, 0% women (2021: 18.2%) and 100% men (2021: 81.8%)

Würth Potential Program:

The Management Qualification Program has been designed for all employees boasting high development potential who wish to advance within the Würth Group. The Würth Potential Program provides high-potential employees with deeper insight into the Würth Group and the Würth corporate culture. In addition, these talented employees acquire self-management skills and learn how to collaborate successfully with others. The program trains them for management tasks at a company or as specialists in a certain field.

High Potential Program:

The next step in the management qualification process is to prepare employees

GRI SRS

Content/Comments

already working in management or specialist positions for the next stage of development.

Top Potential Program:

In the final stage of the Management Qualification program, high-potential executives are prepared for taking over top positions in the management of a Würth Group company. The goal is to gather comprehensive knowledge in all areas of company management.

Programs for upgrading employee skills and GRI 404-2 transition assistance programs

There is a wide range of opportunities for training and continuing education available to the employees of the Würth Group, from company-specific programs to the Group-wide programs offered by the Würth Group. They can take advantage of training courses and programs offered by Akademie Würth and Würth Business Academy.

Share of employees whose company organized the following training and continuing education programs in 2022:

> 99.4% INTERNAL training courses

(2021: 97.2%, 2020: 95.9%; Würth Line 2022: 100.0%, 2021: 98.9%, 2020: 96.6% / Allied Companies 2022: 98.4%, 2021: 94.4%, 2020: 94.7%)

> 92.3 % EXTERNAL training and continuing education courses funded by the organization

(2021: 87.3%, 2020: 85.0%; Würth Line 2022: 91.5%, 2021: 87.6%, 2020: 84.3% / Allied Companies 2022: 93.5%, 2021: 86.8%, 2020: 86.1%)

(Multiple answers possible)

▶ GRI 103 Management approach Employee Development, Training and Education

GRI 404-3 Percentage of employees receiving regular performance and career development reviews

One of our corporate principles is that every employee has the right to two performance reviews per year.

Material topic > 75 % relevance (Material topics for the Würth Group, p. 31)



GRI SRS Content/Comments

DIVERSITY AND EQUAL OPPORTUNITY

- SUSTAINABILITY IN THE SUPPLY CHAIN
- INFORMATION TRANSPARENCY

GRI 103

Management approach Diversity and Equal Opportunity (incl. GRI 103-1, 103-2, 103-3)



Good decisions are needed for the future. Diverse opinions and perspectives form the basis for good decisions. Diversity is our future. Diversity stands for innovation, for abundance, for opportunities—and that is precisely what the Würth Group stands for. Since the beginning of 2021, diversity has been a focus topic in the Würth Group. The Würth Group has developed a policy regarding diversity as a guide for internal use. Würth Business Academy is organizing how to implement the diversity initiative.

- ▶ Materiality assessment process, p. 26 ff.
- ▶ Corporate Governance, p. 38 ff.
- ▶ Transformation area Social Standards, p. 67 ff.
- ▶ SDG 8 (Decent Work and Economic Growth), p. 98
- ▶ UNGC Principles 1, 2, 3, 4, 5, 6

GRI 405-1 Diversity of governance bodies and employees

> 18.6% of the employees in 2022 were less than 30 years old (Würth Line: 18.2% / Allied Companies 19.3%), 57.3% were between 30 and 50 years old (Würth Line: 59.2% / Allied Companies 54.2%) and 24.1% were more than 50 years old

(Würth Line: 22.6% / Allied Companies 26.5%)

> 11.9% of the part-time employees in 2022 were less than 30 years old

(Würth Line: 13.6% / Allied Companies 10.5%), 54.4% were between 30 and 50 years old

(Würth Line: 53.8% / Allied Companies 55.0%) and

33.7% were more than 50 years old

(Würth Line: 32.6% / Allied Companies 34.5%)

GRI SRS Content/Comments

3.1% of the employees in management positions in 2022 were less than 30 years old (Würth Line: 2.8% / Allied Companies 3.5%), 64.1% were between 30 and 50 years old (Würth Line: 65.7% / Allied Companies 61.6%) and 32.8% were more than 50 years old (Würth Line: 31.5% / Allied Companies 34.9%)

- ▶ GRI 401-1
- ▶ Baseline data Corporate Governance, p. 82

GRI 407-1 Operations and suppliers in which the right to freedom of association and collective baragining may be at risk

The Code of Compliance of the Würth Group requires us and our suppliers to comply with relevant legislation and to adhere to the guidelines of the International Labour Organisation (ILO). Several companies ensure that their suppliers comply by means of supplier codes of conducts. The Würth Group has a template for this purpose. There is no systematic monitoring and inquiry explicitly defined within the scope of process audits.

In 2022, the right to freedom of association and collective bargaining of employees along the supply chain was ensured by:

- 19.9% of the participating companies through voluntary agreements and codes of conduct (2021: 20.3%, 2020: 17.7%;
 Würth Line 2022: 32.3%, 2021: 28.1%, 2020: 25.0% / Allied Companies 2022: 11.7%, 2021: 14.9%, 2020: 12.8%).
- 19.2% of the reporting companies through their terms of purchase (2021: 20.3%, 2020: 17.7%;
 Würth Line 2022: 24.2%, 2021: 28.1%, 2020: 21.9% / Allied Companies 2022: 16.0%, 2021: 14.9%, 2020: 14.9%).
- 51.9% through the legally binding Supplier Code of Conduct or comparable codices (2021: 48.7%, 2020: 41.8%;
 Würth Line 2022: 48.7%, 2021: 48.4%, 2020: 39.1% / Allied Companies 2022: 53.2%, 2021: 48.9%, 2020: 43.6%).

UN SDG core objectives and projects GRI content index GRI reporting limitations

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Content/Comments

GRI SRS Content/Comments

> 34.6% of the companies do not have any mechanisms in place (2021: 36.7%, 2020: 43.0%; Würth Line 2022: 27.4%, 2021: 29.7%, 2020: 35.9% / Allied Companies 2022: 39.4%, 2021: 41.5%, 2020: 47.9%).

(Multiple answers possible)

GRI 408-1

Operations and suppliers at significant risk for incidents of child labor

The Code of Compliance of the Würth Group requires us and our suppliers to comply with relevant legislation and to reject any form of child labor. Several companies ensure that their suppliers comply by means of supplier codes of conducts. The Würth Group has a template for this purpose.

An inquiry regarding the verification of the age of employees and adherence to legal regulations is one potential risk indicator for assessing compliance with social standards in process audits. To secure against the risk of child labor, the following measures were implemented in 2022 in addition to the Code of Compliance of the Würth Group:

- > 75.0% of the reporting companies required their suppliers to comply with the Supplier Code of Conduct (2021: 71.1%, 2020: 63.1%; Würth Line 2022: 85.5%, 2021: 82.8%, 2020: 68.8% / Allied Companies 2022: 68.1%, 2021: 64.9%, 2020: 60.6%).
- > 20.5% ensure this through audits (2021: 19.9%, 2020: 18.0%; Würth Line 2022: 27.4%, 2021: 26.6%, 2020: 26.6% / Allied Companies 2022: 16.0%, 2021: 16.0%, 2020: 12.8%).
- > 25.6% ensure this through contractual terms of purchase (2021: 24.7%, 2020: 22.8%; Würth Line 2022: 29.0%, 2021: 31.3%, 2020: 29.7% / Allied Companies 2022: 23.4%, 2021: 20.2%, 2020: 18.1%).
- > 20.5% of the companies do not have any special mechanisms in place for this purpose (2021: 22.8%, 2020: 29.1%;

Würth Line 2022: 14.5%, 2021: 14.1%, 2020: 23.4% / Allied Companies 2022: 24.5%, 2021: 28.7%, 2020: 33.0%).

(Multiple answers possible)

GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

The Code of Compliance of the Würth Group requires us and our suppliers to comply with relevant legislation and to reject any form of forced labor. Several companies ensure that their suppliers comply by means of supplier codes of conducts. The Würth Group has a template for this purpose. An inquiry into discernible indications of forced labor is a potential risk indicator for assessing compliance with social standards in process audits. To secure against the risk of forced and compulsory labor, the following measures were implemented in 2022 in addition to the Code of Compliance of the Würth Group.

> 75.0% of the reporting companies required their suppliers to comply with the Supplier Code of Conduct (2021: 68.0%, 2020: 61.8%; Würth Line 2022: 83.9%, 2021: 78.1%, 2020: 67.2% / Allied Companies 2022: 69.1%, 2021: 62.8%, 2020: 59.6%).

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- > 22.4% ensure this through audits (2021: 20.6%, 2020: 19.9%; Würth Line 2022: 27.4%, 2021: 23.4%, 2020: 26.6% / Allied Companies 2022: 19.1%, 2021: 19.1%, 2020: 16.0%).
- > 24.4% ensure this through contractual terms of purchase (2021: 23.4%, 2020: 20.9%; Würth Line 2022: 27.4%, 2021: 29.7%, 2020: 28.1% / Allied Companies 2022: 22.3%, 2021: 19.1%, 2020: 16.0%).
- > 19.2% of the companies do not have any special mechanisms in place for this purpose (2021: 24.1%, 2020: 31.0%; Würth Line 2022: 12.9%, 2021: 15.6%, 2020: 25.0% / Allied Companies 2022: 23.4%, 2021: 29.8%, 2020: 35.1%).

(Multiple answers possible)



GRI SRS Content/Comments

HUMAN RIGHTS ASSESSMENT

- SUSTAINABILITY IN THE SUPPLY CHAIN
- INFORMATION TRANSPARENCY

GRI 103

Management approach Human Rights Assessment (incl. GRI 103-1, 103-2, 103-3)



Within the companies of the Würth Group, the Code of Compliance provides for standard Group-wide rules with regard to respecting human rights. These rules are specified by a "Guideline on Protection against Discrimination and Harassment". The guideline aims to raise awareness of all forms of discrimination and violence and to contribute to a culture free of discrimination and violence as well as mutual respect and acceptance in the Würth Group. Key principles of this guideline are:

- > We respect personal rights and human rights, we reject child labor and forced labor, and we make decisions based only on considerations that can be weighed objectively. We respect and safeguard the dignity of our fellow human beings, the privacy and the personal rights of every individual.
- > We see people, their experiences, and their unique personal differences as added value for the Würth Group. Decisions that affect people are therefore made solely on the basis of objective considerations.
- > We do not make any decisions that violate the Universal Declaration of Human Rights UDHR (A/RES/217, UN-Doc. 217/A- (III). When making decisions, we adhere to the guidelines set by the International Labour Organization (ILO).
- ▶ Materiality assessment process, p. 26 ff.
- ▶ Corporate Governance, p. 38 ff.
- ▶ Transformation area Social Standards, p. 67 ff.
- ▶ SDG 8 (Decent Work and Economic Growth), p. 98
- ▶ UNGC Principles 1, 2

GRI 412-2

Employee training on human rights policies or procedures

Regularly training and briefing all employees reinforces a culture of compliance, which also includes addressing the issue of human rights and respecting those rights. Management and executive positions are a top priority for us in this regard.

GRI SRS Content/Comments

Because adhering to our compliance guidelines is an integral part of our business practices, we do not consider the time spent on the subject in the individual training seminars to be relevant.

SUPPLIER SOCIAL ASSESSMENT

- SUSTAINABILITY IN THE SUPPLY CHAIN
- INFORMATION TRANSPARENCY

GRI 103

Management approach Supplier Social Assessment (incl. GRI 103-1, 103-2, 103-3)



The Würth Group takes all necessary measures to guarantee that it and its companies are not involved in any form of inhumane business practices. Appropriate regulations have been laid out in the general terms of purchase, which are mandatory for all suppliers. Furthermore, these regulations dictate that suppliers shall not participate in any form of bribery or corruption, neither actively nor passively and neither directly nor indirectly. In addition, the suppliers are audited regularly to ensure compliance with the core labor standards of the International Labour Organisation (ILO). The sustainability of our business practices and our products starts well before the procurement stage. In the supplier audits, we call for ethical conduct based on the following three pillars: planet, people, profit. The partners of our companies are well aware of the fact that the source quality engineers who represent the Würth Group critically assess these three pillars on site.

- ▶ Materiality assessment process, p. 26 ff.
- ▶ Transformation area Social Standards, p. 67 ff.
- ▶ SDG 8 (Decent Work and Economic Growth), p. 98
- ▶ UNGC Principles 1, 2, 3, 4, 5, 6, 10

GRI 414-1

New suppliers that were screened using social criteria

The suppliers of products that are critical to quality from the field of fasteners are audited and developed by source quality engineers (SQE). This involves process audits, follow-up audits, and quality talks, which are recorded together as supplier activities. A total of 654 supplier activities were carried out in 2020, 680 in 2021, and 745 in 2022. In terms of general risks assessed in the process audits, source quality engineers are required to rate compliance with social standards, management of risks related to environmental hazards, and

Material topic > 75% relevance (Material topics for the Würth Group, p. 31)

Content/Comments

GRI SRS

occupational work and safety. A poor rating in one of these areas results in a ban if no immediate improvements are made.

▶ Baseline data Social Standards, p. 94

GRI 414-2 Negative social impacts in the supply chain and actions taken

If any weaknesses are identified in process audits with regard to risks related to negative social impacts, measures for improvement are demanded as part of the supplier development efforts. However, there is no systematic breakdown of the negative social impacts.

At 120 of the reporting companies, no suppliers with negative impacts on social criteria were identified in 2022 (2021: 123, 2020: 121; Würth Line 2022: 54, 2021: 55, 2020: 53 /

Allied Companies 2022: 66, 2021: 68, 2020: 68).

7 out of the 156 reporting companies were identified to have significant substantiated and negative impacts on social criteria in 2022

(2021: 5, 2020: 8;

Würth Line 2022: 1, 2021: 1, 2020: 3 / Allied Companies 2022: 6, 2021: 4, 2020: 5).

This data has not yet been recorded in the remaining companies.

▶ Transformation area Social Standards, p. 72

Political contributions GRI 415-1

The total amount of financial and in-kind political contributions (estimated monetary value) came out at a maximum of EUR 25,000 annually during the reporting period and could be attributed to one company.

PRODUCT RESPONSIBILITY

- SUSTAINABLE PRODUCT PORTFOLIO
- PRODUCT PORTFOLIO

GRI 103

Management approach Product Responsibility (incl. GRI 103-1, 103-2, 103-3)

APPENDIX





The companies of the Würth Group actively promote the development of new ideas and environmentally friendly products, as well as products that provide users with more health and safety, of their own accord and in collaboration with institutions and scientific research institutes.

The companies take measures to eliminate ingredients, designs, defects, and side effects that pose a danger to human health while manufacturing, using, or disposing of the products. For this purpose, the companies of the Würth Group screen their suppliers and test products at random. Furthermore, the relevant legal frameworks, such as REACH and SVHC, are closely monitored and strictly observed.

- ▶ Materiality assessment process, p. 26 ff.
- ▶ SDG 9 (Industry, Innovation, and Infrastructure), p. 98
- ▶ SDG 12 (Responsible Consumption and Production), p. 98
- ▶ UNGC Principle 9

Assessment of the health and safety impacts GRI 416-1 of product and service categories

For chemical products, this is verified by means of certificates, such as NSF certification (used in the food industry and related areas). We also use EC1 Plus and M1 certification, which measure the emissions of a product and thus protect the employees. If a customer is building their construction project according to a standard industry certification process (e.g., LEED, DGNB, BNB, or baubook), Würth offers several products that fulfill the required criteria. In addition, we work with the platforms Sentinel Haus and Building Material Scout, which promote healthy residential construction. In the chemical industry, the Dangerous Goods and Product Compliance department works together with an external service provider to carry out compliance checks that ensure the legal safety data of a product are defined globally and kept up to date. In the future, this department will also be responsible for material compliance of non-chemical products.

▶ Transformation area Material Life Cycles, p. 55 ff.



GRI SRS	Content/Comments	GRI SRS	Content/Comments
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts		CUSTOMER PRIVACY AND DATA PROTECTION
	of products and services Currently, incidents of non-compliance concerning the health and safety impacts of products and services are only reported for the companies in Germany. No significant fines were disclosed during the reporting period.	GRI 103	Management approach Customer Privacy and Data Protection (incl. GRI 103-1, 103-2, 103-3) All companies of the Würth Group have signed a global data transfer agreement. In doing so, we ensure a standard level of data protection based on
GRI 417-1	Requirements for product and service information and labeling The Würth Group complies with the relevant laws that apply in the individual countries with regard to providing information and labeling. This applies to both the country of production and the delivery country. All packaging and products feature written and visual warnings regarding health risks related to the product, as well as instructions for proper use, in a language and format that		the technical and organizational measures defined in the agreement. This agreement also defines the companies that process order data for companies of the Würth Group along with the services they provide. In principle, this legitimizes what are referred to as C2C (controller-to-controller) and C2P (controller-to-processor) relationships.
	are appropriate for the users concerned. As a rule, safety data sheets are published and distributed for relevant products containing the necessary data, recommendations and information on handling substances and mixtures, and required measures to protect health, promote safety at the workplace, and ensure environmental protection. Hazardous substances and mixtures are generally labeled properly with symbols in accordance with legal labeling requirements. This also applies to the storage, transport, and processing of raw materials, as well as the handling of waste.		In addition to this agreement, every company is required to appoint a data protection officer and an information security officer, seconded by a deputy, as part of internal guidelines (PAP – Policy and Procedure Manual). These officers report to the IT Compliance Officer of the Würth Group. The officers for each company are documented in a centralized identity management system. They are continuously provided with new information via the information page on our Group intranet WGC.
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling It is not possible to make a statement about this at the moment due to insufficient data.	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data Total number of substantiated complaints received concerning breaches of customer privacy, divided by:
GRI 417-3	Incidents of non-compliance concerning marketing communications Currently, incidents of non-compliance concerning marketing communications		Complaints from external parties that were substantiated by the organization: not known at international level
	are only reported for the companies in Germany. No significant fines were disclosed here during the reporting period.		2) Complaints from regulatory authorities: none
			3) Total reported incidents of data theft and data loss in connection with customer data: 2020 to 2022, the Würth Group fell victim to a total of 6 cyber attacks, which likely resulted in the theft or loss of customer data. All incidents were reported to the responsible data protection officers.

Material topic > 75 % relevance (▶ Material topics for the Würth Group, p. 31)

Content/Comments

SOCIOECONOMIC COMPLIANCE

- SUSTAINABILITY IN THE SUPPLY CHAIN
- INFORMATION TRANSPARENCY

GRI 103

Management approach Socioeconomic Compliance (incl. GRI 103-1, 103-2, 103-3)

Compliance with laws in the social and economic area is a top priority for the Würth Group. In the event of a failure to comply, measures are taken to ensure compliance.

- ▶ Culture of values of the Würth Group, p. 8
- ▶ 2022 Annual Report of the Würth Group, p. 93

GRI 419-1

Non-compliance with laws and regulations in the social and economic area

During the 2022 reporting period, fines or sanctions were imposed on 2 of the 156 reporting companies for failing to comply with laws and/or regulations in the social and economic area (2021: 3, 2020: 2). A fine of EUR 1,950 was imposed.

Material topic > 75 % relevance (Material topics for the Würth Group, p. 31)



GRI REPORTING LIMITATIONS

This report is based on data collected in 2020–2022 according to GRI standards for the following companies of the Würth Group:

		GRI Manageme			GRI 301 Materials			GRI 3 Energ				GRI 303 Water ¹⁾	GRI 306 Waste	GRI 308 Environment	GRI 414 Social
	Certified quality management system	Certified occupational health and safety management system	Certified environmental management system	Certified energy management system	Packaging materials used by weight or volume	Energy consumption within the organization – heat	Energy consumption within the organization – refrigerants ²¹	Energy consumption within the organization – electricity	Green electricity use	Selfgenerated electricity	Energy consumption within the organization – mobility	Water consumption	Waste generated	New suppliers that were screened using environmental criteria	New suppliers that were screened using social criteria
■ contribution to total key figure □ no contribution to total key figure	103-3	103-3	103-3	103-3	301-1	302-1	302-1	302-1	302-1	302-1	302-1	303-5	306-3	308-1	414-1
In some cases, consolidated reporting is carried out for several companies, which means that this data is taken into account in the overall evaluation despite the absence of individual data collection.	2022 2021 2020	2022 2021 2020	2022 2021 2020	2022 2021 2020	2022 2021 2020	2022 2021 2020	2022 2021 2020	2022 2021 2020	2022 2021 2020	2022 2021 2020	2022 2021 2020	2022 2021 2020	2022 2021 2020	2022 2021 2020	2022 2021 2020
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Marine Fasteners Inc.				000				■ ■ □		000			■ □ □		
McFadden´s Hardwood & Hardware Inc.															
Northern Safety Company, Inc.															
Oliver H. Van Horn Co., LLC															
Würth Industrial US, Inc.				000						000					
Würth Argentina S.A.		000	000	000			-			000					
Wurth Baer Supply Co.															

APPENDIX

Wurth Vietnam Company Limited

¹⁾ Includes only companies for which water is fundamental to business activities

²⁾ First-time registration of refrigerants 2022

³⁾ Company was closed in 2022



	GRI 103 Management Approach		GRI 301 Materials			GRI 30 Energ				GRI 303 Water ¹⁾	GRI 306 Waste	GRI 308 Environment	GRI 414 Social
	103-3	103-3	301-1	302-1	302-1	302-1	302-1	302-1	302-1	303-5	306-3	308-1	414-1
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UN SDG core objectives and projects GRI content index GRI reporting limitations

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APPENDIX

GLOSSARY

Good to know: Definitions to ensure a common understanding in the Würth Group

B

Biodiversity

Includes the following aspects: biological diversity, nature conservation, sustainable use of nature, and environmental protection. Biodiversity represents an essential foundation of our life, which we need to survive and which we also have to protect on a sustained basis.

▶ Climate, Material Life Cycles

C

Carbon neutral

Refers to only carbon dioxide emissions (CO₂) and ignores other greenhouse gases. No additional CO₂ emissions are produced, or CO₂ emissions are offset in full.

▶ Climate

Carbon offset

Offsets unavoidable greenhouse gas emissions with investments in climate action projects

▶ Climate

Carbon sink

Refers to natural ecosystems, such as forests and wetlands, that have the capacity to capture CO₂ from the air and store it. This works only as long as the ecosystems remain intact.

▶ Climate

Circular economy

A regenerative economic system in which raw resources, materials, and products circulate in loops after being used in order to maintain a life cycle that is as long as possible. No more waste is produced, but rather all resources are reused, repaired, or recycled.

▶ Climate, Material Life Cycles, Social Standards

Climate neutrality

All greenhouse gas emissions are either avoided or offset in the individual Scopes (according to the Greenhouse Gas Protocol). This means that the concentration of greenhouse gases in the earth's atmosphere does not increase as a result of the respective activity and does not have a negative impact on the environment.

▶ Climate

CO₂ equivalents (CO₂e)

Unit used to compare the climate impact of all greenhouse gases. The conversion into CO₂

WÜRTI Glossar

> equivalents indicates how much a greenhouse gas contributes to global warming over a certain period of time compared to the same amount of CO₂.

▶ Climate

Code of Compliance

Guidelines and rules of conduct for companies and their business partners to ensure responsible, ethical, and moral conduct.

▶ Corporate Governance, Social Standards

Corporate Sustainability Reporting Directive (CSRD)

A guide for sustainability reporting published by the European Commission in April 2021 to replace the former "Non-Financial Reporting Directive" (NFRD). It requires the disclosure of information regarding the environment, employees, and social concerns, for example.

▶ Corporate Governance

Cradle to Cradle®

A design concept based on the principle of the circular economy with the objective of keeping products in recurring material life cycles. The product materials are fed back into either the biological or the technical life cycle.

▶ Climate, Material Life Cycles

D

Decarbonization

Describes the economic shift away from using carbon-based energy sources. This involves reducing not only carbon dioxide emissions but also all greenhouse gases.

▶ Climate

Declaration of conformity

A legal document that the authorized representative (e.g., manufacturer or importer) of a product has to sign to declare that their product complies with the requirements of the relevant EC/EU directives. If a declaration of conformity has not been signed, products subject to a directive may not be introduced onto the EU market.

▶ Social Standards

Diversity and inclusion

Refers to the diverse range of people and lifestyles and the approaches to promoting this deliberately. The aim of diversity is to accept and appreciate all people regardless of their gender, ethnic origin, skin color, age, disabilities, religion or ideology, and sexual identity. Inclusion refers to the respectful and constructive involvement of all groups of people within an organization, in particular ensuring equal opportunities for people with disabilities and social minorities.

▶ Corporate Governance

Double materiality

An important principle of sustainability reporting with regard to the materiality of issues. In addition to climate-related impacts on the company (outside-in), the relevant impacts of a company's activities on the climate (inside-out) also have to be addressed. This is laid out in the Non-Financial Reporting Directive of the EU Commission and will also be regulated within the scope of the Corporate Sustainability Reporting Directive (CSRD) in the future.

▶ Corporate Governance

E

EcoVadis

A sustainability assessment platform for global supply chains. After participating in the EcoVadis questionnaire and verifying their activities with evidence, companies are rated based on a scorecard. This shows how well a company has integrated the principles of sustainability/CSR into its business and management system.

▶ Climate, Material Life Cycles, Social Standards

Environmental Product Declaration (EPD)

Describes how products impact the environment in the form of a neutral and objective report. Ideally, the report covers the entire life cycle of the products.

▶ Climate, Material Life Cycles



European Green Deal (2019)

A strategy that aims to transform the EU into a resource-efficient, modern, and competitive economy where there are no net emissions of greenhouse gases by 2050, economic growth is decoupled from resource use, and no one and no place is left behind. It provides a series of actions to achieve: among other things, the objective of producing 55% less emissions by 2030 compared to 1990.

▶ Climate, Material Life Cycles, Social Standards

EU taxonomy

A classification system within the scope of the European Green Deal that makes it possible for investors to determine whether their economic activities inside the EU are environmentally sustainable.

▶ Climate, Material Life Cycles

G

Global Reporting Initiative (GRI)

Supplies guidelines for creating sustainability reports, which the Würth Group uses to guide its activities. The GRI indicators include ecological, economic, and social performance indicators. The objective is to ensure international comparability, standardization, and transparency.

► Corporate Governance, Climate, Material Life Cycles, Social Standards

Green energy

Refers to electricity that is not generated from fossil fuels. This includes, for instance, electricity generated from wind energy, hydropower, and solar energy.

▶ Climate

Greenhouse Gas Protocol/ GHG Protocol (Scopes 1–3)

A set of international standards for offsetting greenhouse gas emissions. The protocol aims to calculate greenhouse gas emissions along the entire value and supply chain and to report them transparently. Greenhouse gases are divided into three categories or "scopes" in the GHG Protocol:

- Scope 1: Includes all direct emissions produced by a company (e.g., as a result of power generation, vehicles, and production activities)
- Scope 2: Includes all indirect emissions produced by a company (e.g., as a result of energy generated outside the company and purchased energy)
- Scope 3: Includes all other indirect emissions produced by a company (e.g., as a result of employee commuting or manufacturing and transporting purchased goods)
- ▶ Climate

Greenwashing

Refers to communication methods that give a company an environmentally friendly image without actually taking any measures to protect the environment and without any supporting evidence.

▶ Corporate Governance

ILO Core Labour Standards

Social standards within the scope of the global trade system for ensuring humane working conditions and protective measures in terms of freedom of association and collective bargaining, eliminating compulsory labor, abolishing child labor, and prohibiting all forms of discrimination.

▶ Social Standards

Intergenerational justice

Refers to the fairness between present and future generations, encouraging each generation to live responsibly so that following generations are not encumbered with unreasonable burdens.

▶ Corporate Governance

ISO 9001

A standard that sets out the criteria for companies to implement a universally accepted quality management system. ISO 9001 is based on establishing a continuous improvement process (CIP).

▶ Corporate Governance

ISO 14001

An international standard for environmental management systems to plan, implement, manage, and improve environmental performance, targets, and obligations in companies.

▶ Climate, Material Life Cycles

ISO 45001

A standard describing the requirements for an occupational safety management system to optimize health and safety in the workplace.

▶ Corporate Governance

ISO 50001

An international standard for energy management based on the implementation of a system to manage and improve power consumption and power efficiency.

▶ Climate

Location-based method

One of two methods defined in Scope 2 (GHG Protocol) to measure the indirect emissions resulting from electricity based on the average emission intensity where the electricity is consumed. Also see M: market-based method.

▶ Climate

TRANSFORMATION APPROACH

Market-based method

One of two methods defined in Scope 2 (GHG Protocol) to measure the indirect emissions resulting from electricity based on the emission factors of the respective electricity supplier. Also see L: locationbased method.

▶ Climate

Material passport

Organizes product specifications into a clear overview to ensure comprehensive data management for products with information regarding material, social, and technical compliance.

Climate, Material Life Cycles, Social Standards

Material topics

... of the Würth Group include:

Supply security means ensuring reliable planning and supplies by means of long-term contracts, thus making it possible to respond quickly in times of crisis.

Material and resource management refers to the implementation of circular business practices in order to minimize the use of resources. This involves tracing the origin of the raw materials used.

Environmental, energy, and water management refers to complying with environmental directives, introducing a company environmental management system (DIN EN ISO

14001), recording water and energy consumption, and using regenerative energy sources.

A sustainable product portfolio refers to using a resource-friendly and recyclable production process and replacing critical materials with non-hazardous alternatives. In addition, this means developing circular products, such as those certified according to the Cradle to Cradle CertifiedTM product standard and FSC.

The product portfolio comprises a wide and deep range of products, as well as innovative new products and updates.

Sustainability in the supply chain means using a transparent supplier management system and verifying that suppliers comply with environmental and social standards.

Information transparency means ensuring that information regarding the supply chain and material composition is accessible at all times.

▶ Climate, Material Life Cycles, Social Standards

N

Net zero emissions/Zero emissions

Refers to a product, process, or other system whose life cycle phases (production, use, implementation, disposal, etc.) do not produce any greenhouse gases; in contrast, net zero refers to the state in which the balance of positive emissions and negative emissions is zero after all compensation measures.

▶ Climate



P

Product environmental footprint

A method for measuring the sustainability of products based on the principle of the life cycle assessment. All resource-related, environmental, and health-related impacts of the product are calculated. The goal is to provide a common methodology for measuring environmental performance.

▶ Climate, Material Life Cycles

Product life cycle

The length of time from a product first being introduced to consumers until it is removed from the market. The cycle can be divided into five different stages (e.g., growth or maturity stage). In order to ensure sustainable production, it is not enough to take only the manufacturing stage into account for the product. Instead, the entire life cycle has to be analyzed and assessed.

▶ Climate

Product stewardship

A concept for companies to assume responsibility for the environmental impacts of the products they manufacture, sell, or purchase. This comprises all stages of the product life cycle, including the management stage at the end.

▶ Climate, Material Life Cycles

R

Recyclability

Describes the suitability of a product or material to be converted into a new product or used for a similar application.

▶ Material Life Cycles

Recyclates/Secondary materials

Raw materials obtained from recycled waste. They serve as base materials for new products or packaging and differ from primary materials (which are extracted from nature). A difference is made between secondary material extracted from household waste (post-consumer recycled or PCR) and secondary material extracted from industrial waste (post-industrial recycled or PIR).

► Material Life Cycles

S

Supplier Code of Conduct

A code of conduct for suppliers and a key feature of every supplier agreement. The requirements laid out in the Würth Supplier Code of Conduct are based on the Universal Declaration of Human Rights, the core labor standards of the International Labour Organisation (ILO), the ten principles of the UN Global Compact, and the Rio Declaration of Environment and Development.

▶ Social Standards

T

(Sustainable) Transformation

Describes the fundamental transition from the current economic system based on resource consumption to a system that preserves resources. Another goal of sustainable transformation is to reduce greenhouse gas emissions. At the same time, it sets out to mitigate the economic, ecological, and social impacts of climate change in order to safeguard and improve living conditions on earth. This requires a new way of thinking with regard to most economic activities and aspects of our daily lives: with innovative technological leaps, changing from a linear to a circular model, social equality, and international cooperation.

▶ Transformation approach

U

Upstream supply chains

Include all activities involved in the procurement of basic products or source materials, the treatment of goods, and the actual production of the end product.

▶ Climate, Material Life Cycles, Social Standards

MEDIA LIBRARY AND CONTACT INFORMATION

Find out more about the sustainable development of the Würth Group.

Media on the Würth Group's sustainability



OFFICIAL SUSTAINABILITY WEBSITE

of the Würth Group with download of the 2020-2022 Sustainability Report www.wuerth.com/sustainability



MAGAZINE PDF "THE CIRCULAR WAY"

Magazine on sustainability development in the Würth Group https://bit.ly/3TTQWgA



VIDEO

Sustainability in the Würth Group youtu.be/Rfsx1kUUCl4



VIDEO

Episode about the Würth Group in "EARTH with John Holden" youtu.be/ysH_GvW_GOk

Further publications



2022 ANNUAL REPORT

https://gb2022.wuerth.com



NEWSROOM

Würth Group press portal https://news.wuerth.com/en



COMPLIANCE

Würth Group Code of Compliance https://www.wuerth.com/wuerth-group/Company/ Compliance/Compliance.php



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www.wuerth.com/nachhaltigkeit www.wuerth.com/sustainability news.wuerth.com

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Wherever grammatically possible, gender-neutral or inclusive pronouns were used. This is deliberately intended to avoid any discriminatory language. The masculine form was used in some cases only to describe business subjects, such as suppliers, customers, or service providers. All role descriptions apply equally to all genders in line with the principle of equal treatment.

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The most important word in our dealings with one another is

THANK YOU.

//

Prof. Dr. h. c. mult. Reinhold Würth, Chairman of the Supervisory Board of the Würth Group

Thanks, recognition and respect for employees' achievements are natural, basic requirements to ensure the company's successful development. Our executives live these values in their everyday work and are role models. They safeguard transparency within the company and show what path can ensure a successful future of the Würth Group. Communication is absolutely essential here.

This sustainability report for the entire Würth Group is the ideal example of this. Thank you to everyone who helped us with this and who continues to drive the Würth Group forward on its transformation toward a circular economy.

