



PEC

Sustainability Report

2023

TABLE OF CONTENTS

01

Introduction

About PEC	04
Message from the Board	05
Core Value	06
Our Operations	07

02

Environmental

Environmental Standpoint	10
Our Ambitions	11
Our Publications	12
Performance Metrics	13
Sustainability Journey	14
Nature & Biodiversity	15

03

Social

Our people	17
Learning & Development	19
Diversity, Equality & Inclusion	21
Women at PEC	23
Societal Impacts	25

04

Governance

Our Leadership	29
Anti-Corruption Statement	30
Business Conduct & Ethics	31
Human Rights Statement	32
Data Privacy & Information Security	33
Supplier Code of Conduct	34
Occupational Health & Safety	35
Compensation Policy	37
Reasonable Practice	38

05

Appendix

ESG Highlights	40
GRI Index	41
Methods & Practice	46
Glossary	47
Acknowledgment	50

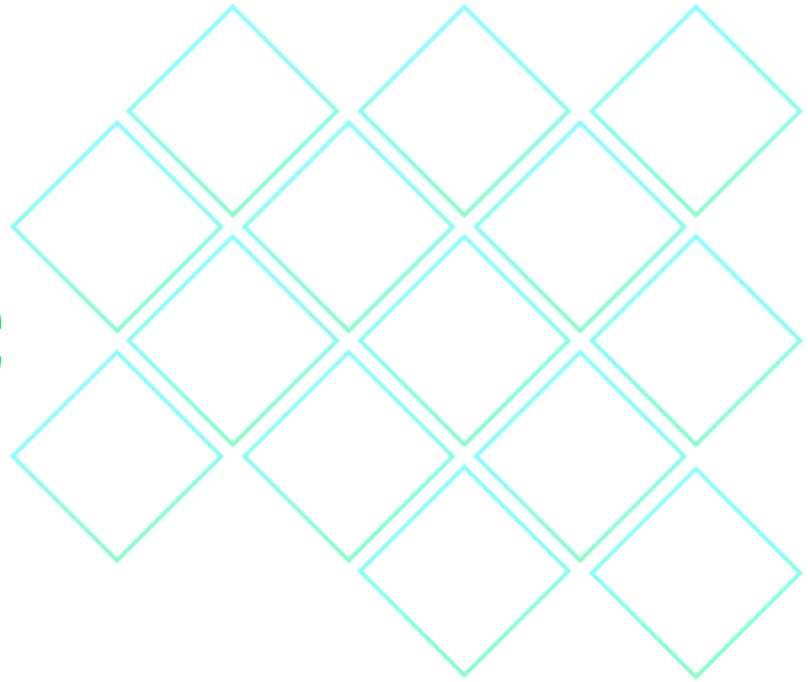


PEEC

PEEC

Introduction

ABOUT PEC



Established in 2008, PEC Project – Engineers & Consultants GmbH, has been working with stronger values engraved deeply into roots that drive and deliver positive, supportive, and successful change to the clients. PEC emphasizes current climate change challenges and aspires to actively provide support and responsibly operate to bring a positive social impact.



Stefan Koch, CEO PEC GmbH



Ingo Lipa, CEO PEC GmbH

- **Eur 20+ Mil in revenue**
- **More than 5 location**
- **25+ clients served**

- **200+ Colleagues**
- **5+ Industries**

MESSAGE FROM OUR LEADERS

Sustainability has become increasingly critical to our business processes and products in recent years. As a mid-sized company, we have a responsibility to the environment and to our fellow human beings. We must be aware that our actions impact the world around us. Sustainable development within, positive impact on the customer, and providing support are the ideas we want to integrate into the company's DNA! Our sustainability journey is a testament to our growing responsibility. We are actively making our business processes more sustainable and inspiring our customers to do the same. We are working towards achieving sustainable goals and improving our performance in our own operations. To contribute to the world's transformation, we have initiated a sustainable consulting process for our valued customers, providing them with customized services to help them achieve their goals. In this report, we have shared our journey, business, and ambitions.

Sustainability is not a destination but a journey where we at PEC work together and support every aspect of our business to achieve our goals. Our transformational goals in environmental and social impact have been transparently communicated in this report.

Under the astute leadership of our management, a dedicated team of sustainability experts diligently manages our internal and external communication and processes. This structured and focused approach ensures that our sustainability journey is future-proof and achievable and that we continue to make progress towards overall sustainable development. On the business side, we are increasing our efforts in sustainability consulting to empower companies on their path to a sustainable future. We thrive on equal contributions, conscious actions, and sustainable decisions.

-Board of Management- PEC GmbH.
-Sustainability Team- PEC GmbH.

CORE VALUES

Act with Integrity

Honesty and trust are the cornerstones of successful collaboration with the customers. PEC values reliability, takes personal responsibility, and always treats project work with confidentiality.

Strive for Improvement

PEC strives for excellence! In partnership with the customers, PEC approaches each project with a total commitment to delivering the highest-quality results. PEC sees challenges as opportunities to develop ourselves further.

Drive Innovation

PEC's passion is innovation through new thinking and agile action. Thinking and diversity of ideas know no limits; PEC challenges the status quo and dares to actively shape the change to climate-neutral and sustainable products.

Empower Team Spirit

PEC is a close-knit team and a vibrant network with a "can do" mentality! PEC faces challenges together, exchanges of experiences, and shares various knowledgable insights.



OUR OPERATIONS & SERVICES

MANAGEMENT CONSULTING

Sustainability Management
Supply chain Management
Direct-/Indirect Procurement
Critical Parts Management
Product Strategy
Process Management

PROJECT SERVICES

Project Management
Risk Management
Requirements Management
Agile Project Management
Change Management

IT-CONSULTING

DevOps
IT-Operations
IT-Product development
Transition management

Industrial Management

Cost Engineering
Product Validation & Verification

DIGITAL SOLUTIONS

Smart 2V Portal
Risk Mgt. Tool
Relation Manager
PSB-Tool
CPM-Tool
Aftersales Management System



Environment

IMPACTS & RESPONSIBILITY

Creating a sustainable future is a pressing issue today. Addressing climate change and reducing its impacts is crucial. PEC understands the importance of developing sustainable targets and aims to become resilient and create sustainability stewardship.



Environmental degradation threatens ecosystems, human health, and future generations. By implementing sustainable practices and reducing pollution, organizations can mitigate these impacts, preserve natural resources, and contribute to a healthier planet. PEC addresses environmental concerns and is increasingly important for maintaining regulatory compliance, meeting consumer expectations, and ensuring long-term business viability. Prioritizing environmental responsibility is not only ethical but also essential to fostering a sustainable and resilient global economy.

OUR SUSTAINABILITY STANDPOINT



PEC highlights the pivotal role of the UN SDGs in guiding global efforts towards a more sustainable future. PEC is committed to prioritizing these goals, recognizing their significance in addressing pressing global challenges through a strategic approach to sustainability. PEC has identified key UN SDGs that align with its business operations and values by integrating these goals into its corporate strategy.

PEC aims to contribute meaningfully to its achievement while driving positive impacts for society and the environment through concrete actions and initiatives, such as reducing carbon emissions, promoting gender equality, responsible consumption and production, and fostering innovation for sustainable development. PEC is dedicated to advancing the UN SDGs and creating a more inclusive, equitable, and resilient world for all.



OUR SUSTAINABILITY AMBITIONS

Setting sustainability goals is paramount for companies in today's world, where environmental and social responsibility are becoming increasingly crucial.

To drive stewardship and take responsibility, PEC is committed to acting responsibly toward sustainability and has developed goals and targets for a successful sustainable transformation.

PEC is taking action and has addressed its entire business conduct. Emissions are reported and carefully calculated. PEC works continuously and responsibly to set goals, take action, and achieve them. Although the journey is long and challenging, PEC believes in net-zero ambitions and is committed to setting goals and taking action.

**By 2035
Reduction of
company
emissions upto
50%**

By addressing the supply chain and conducting assessments to ensure that all PEC suppliers are compliant and operating under full control, PEC aims to continually build better relationships with its supply chain and relevant stakeholders.

PEC grows stronger each year; in addition to its financial and environmental goals, PEC is also focused on fostering diversity, equality, and inclusion within the company and promoting top-notch business conduct. PEC's crucial goals and targets are complying with the laws and performing due diligence.

On the other hand, PEC consistently works to develop customized solutions for its customers and assists them throughout their journeys and transformations towards sustainability.

KEY PUBLICATION

Together with **The Climate Choice**, **PEC** made a successful collaboration and published a whitepaper, **"Getting Started with Carbon Accounting for Suppliers (including free tools)"**

GETTING STARTED WITH CARBON ACCOUNTING

Carbon accounting has become increasingly important for businesses in recent years, particularly when it comes to addressing challenges related to climate change. It is now considered a crucial aspect of sustainable business practices.

INCLUDES 8 FREE CARBON ACCOUNTING TOOLS

This free resource offers the background and a list of free carbon accounting tools and software solutions tailored to suppliers. Use the tools for your business or support your suppliers on their climate journey.

THIS GUIDE OFFERS:

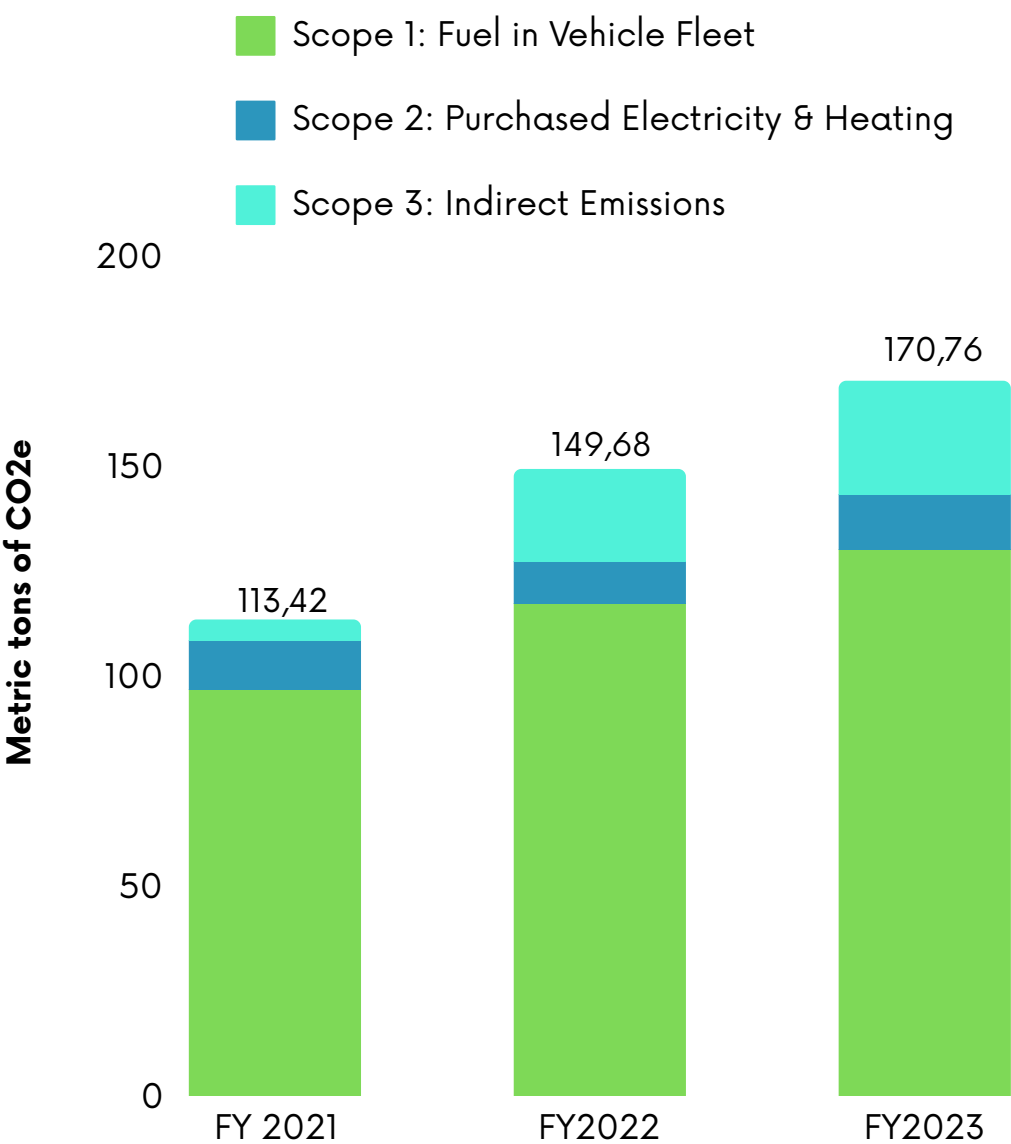
- Overview to start with Carbon Accounting.
- Explanation of Key Concepts & Methodologies.
- A catalog & analysis of 8 free-of-charge carbon accounting tools.
- Sector-specific tools for carbon accounting for packaging & print products, farming/agriculture products, and logistics emissions.



ENVIRONMENTAL PERFORMANCE

Being in the service sector, PEC has to constantly update its working model according to customer and project needs. Also, as a service provider, our work and travel behavior have the highest impact on our emissions—especially Scope 1. PEC encourages its employees to travel with as environmentally friendly options as possible.

PEC GHG Emissions by Scope



ADVANCING SUSTAINABILITY JOURNEY

PEC advances the sustainability journey through two approaches: inspiring clients and customers to take action and developing targets to make a positive impact. Transitioning to a low-carbon economy is crucial, and PEC is committed to providing solutions to clients and engaging with people to facilitate the transition.



PEC has been ISO-14001 certified since 2021. This certification confirms PEC's ability to apply the EMS (Environmental Management System) to reduce negative environmental effects.

And PEC didn't stop there. In 2023, PEC enhanced its sustainability journey by reviewing its sustainability operations with EcoVadis, which evaluates environmental, economic, and social policies.

For more information, refer to the section "[Responsible Practices](#)."

NATURE & BIODIVERSITY

Biodiversity is essential for ecosystem health, providing vital services such as pollination and climate regulation. It increases ecosystem resilience, helping them adapt to environmental change and mitigate risks. In addition, biodiversity has cultural and recreational value, enriching human lives and connecting us to nature. Recognizing its importance, it is vital to conserve and sustainably manage biodiversity for the benefit of present and future generations.

According to the World Economic Forum, around 50% of the World's GDP depends on Nature. Organizations and businesses are responsible for maintaining this balance and reducing the negative impacts on nature.

PEC understands the importance of and aims to conserve Biodiversity and protect nature throughout its value chain.



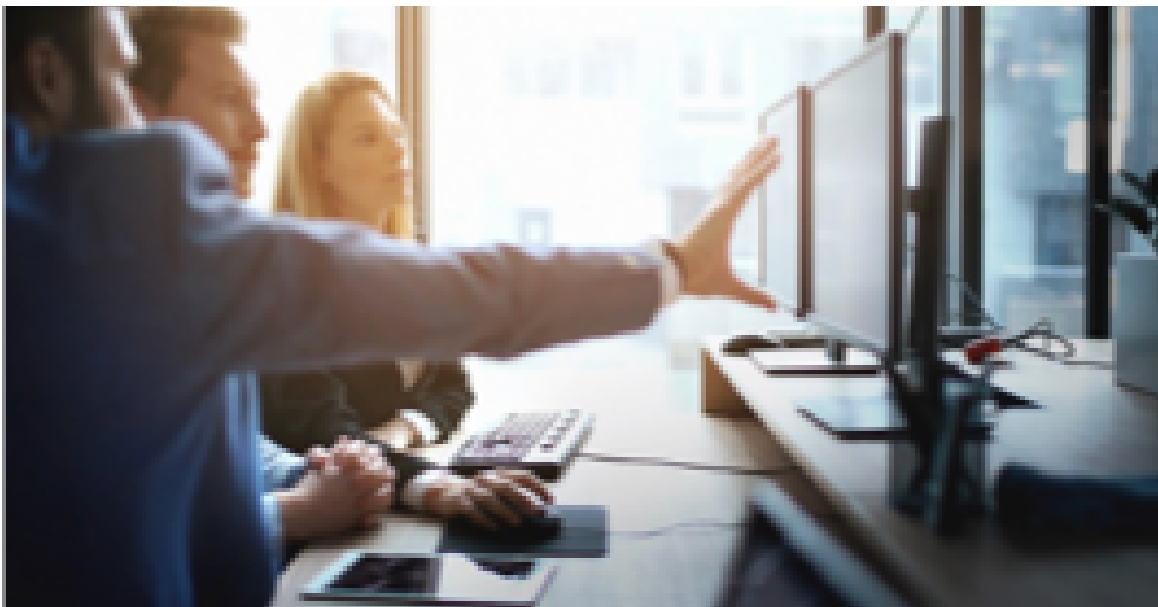
To address and mitigate these impacts, PEC is constantly developing a business strategy to protect biodiversity and nature. PEC continuously supports ideas to protect biodiversity and nature in real estate and purchased goods and services.

PEC

Social

OUR PEOPLE

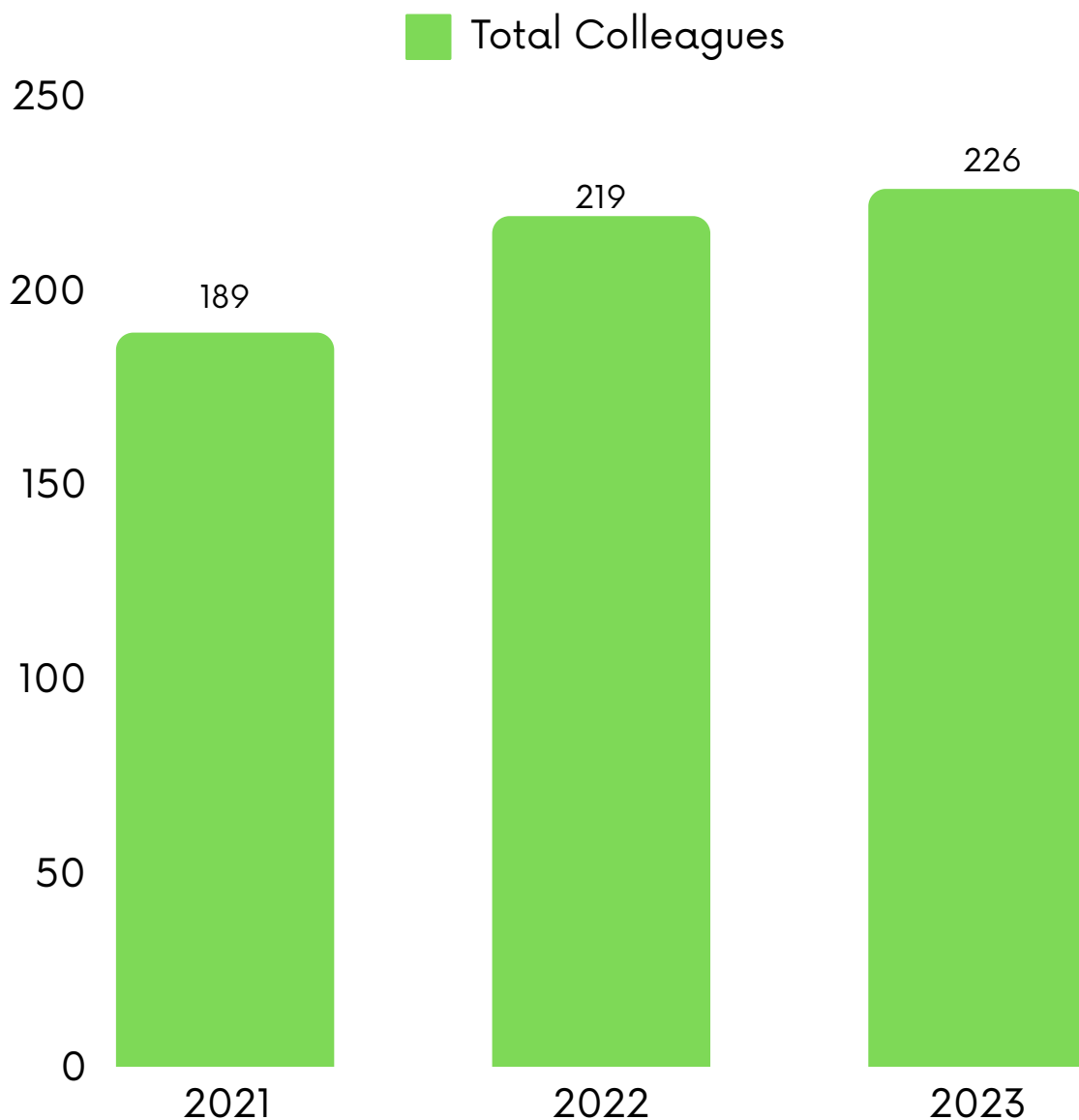
Employee satisfaction is critical to a company's development and long-term success. It fosters innovation, collaboration, and loyalty. Investing in employee development increases their skills and productivity and ensures a pipeline of capable individuals for future leadership roles. Ultimately, prioritizing employee development ensures the organization's long-term success and resilience. At PEC, we provide opportunities and growth for every employee and inspire them to grow personally and professionally.



In 2023, PEC was certified as a "Great Place to Work." ("Great Place to Work is an employee engagement survey that helps companies improve their culture and promote a healthy working environment.) PEC is committed to providing development opportunities for every role and allowing peers to focus on improving and enhancing their skill proficiency and meeting performance expectations.

OUR PEOPLE

Each year, PEC grows bigger and stronger, providing opportunities for talented and aspirational candidates. PEC widens the possibilities for its employees by offering training and opportunities, strengthening inspiration to grow and be successful.



LEARNING & DEVELOPMENT

8 DECENT WORK AND ECONOMIC GROWTH

Learning & Development is an essential and core part of the business for its success and virtue. Accelerating agility and innovation, strengthening capabilities to address critical business and social challenges facing clients and society, and delivering high-quality results are the sole purposes of L&D.

PEC ACADEMY

VISION

PEC offers its employees a comprehensive, future-oriented further training program to design and promote each individual's development path.

MISSION

The PEC Academy is focused on bringing all PEC employees to their highest performance level.



PEC aims to build the competence of its employees and offers them training courses. This training model helps expand and develop consultants' skills, focusing on continuous and inclusive learning. This learning begins with onboarding and continues throughout each employee's career, whether they take a specialized path or move on to a senior leadership position.

LEARNING & DEVELOPMENT



- 150+ hours trained.
- 25+ different intellectual courses.
- Over 5 different areas.

The PEC Academy provides interactive learning for all PEC employees. Courses are designed to enhance their skills and expand their knowledge from management and technical skills to soft skills. In addition, training on ESG topics is planned and will be available in 2024.

The PEC Academy offers various internal and external training to each employee. Internal trainings are conducted by PEC's subject matter experts, and external trainings are sourced from renowned providers.

For PEC, the growth of its employees is a fundamental value and paramount objective. PEC aims to incorporate more interactive areas and training courses for a diverse and inclusive workforce.

DIVERSITY, EQUALITY & INCLUSION



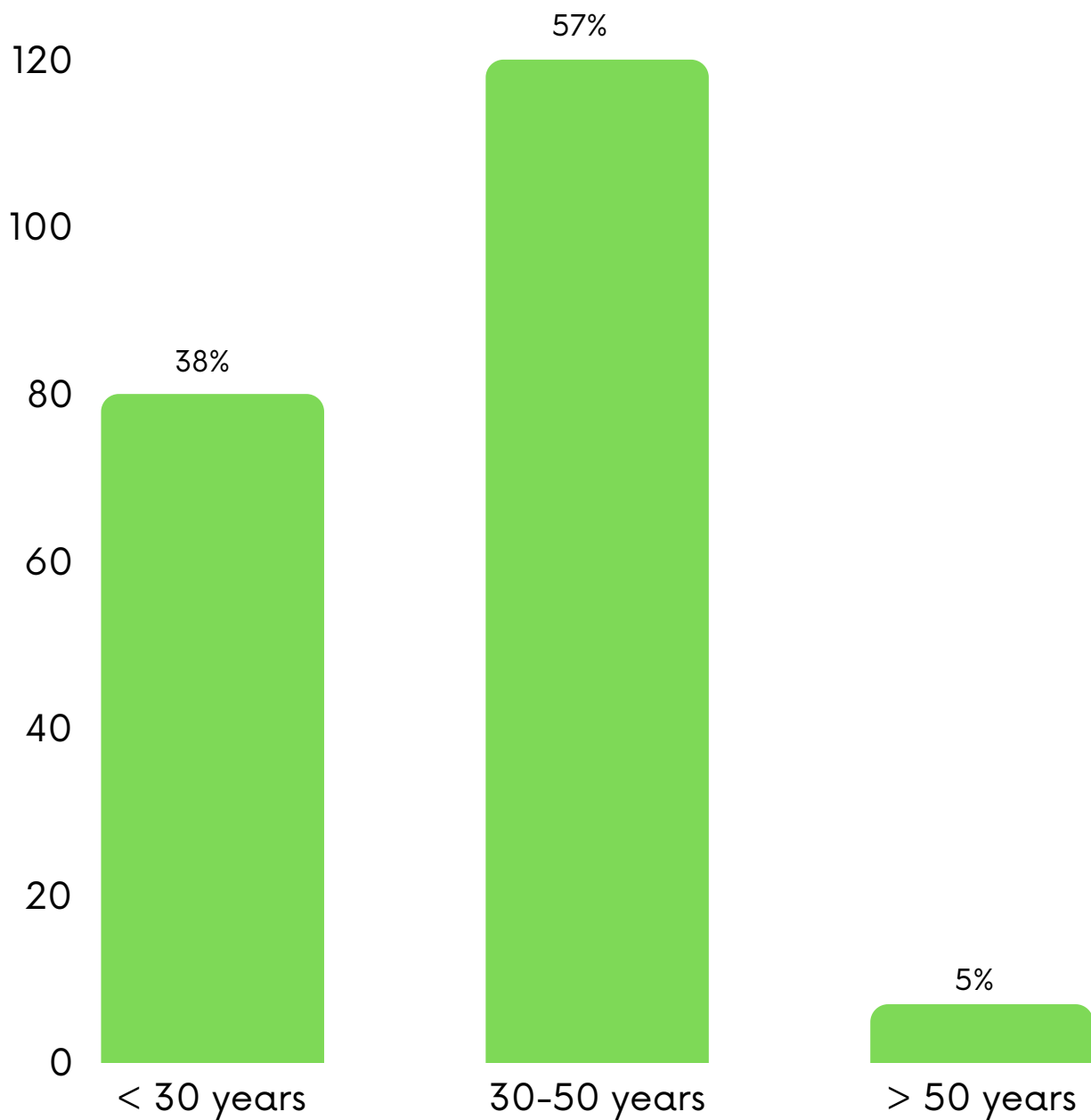
Diversity and equity are PEC's priority areas. PEC is committed to fostering an inclusive workplace culture based on respect. Regardless of gender, religion, or race, PEC is committed to provide opportunities for work and growth.



PEC prioritizes DEI efforts and believes in driving societal change. These efforts include providing growth and opportunity, cutting-edge knowledge, and building value-added partnerships. PEC proudly supports the leaders, businesses, and communities working to create a more just, inclusive, and equitable society. While progress has been made, PEC and the rest of the world still have a long way to go.

OUR PEOPLE

■ Percentage of employees by Age in the Workforce



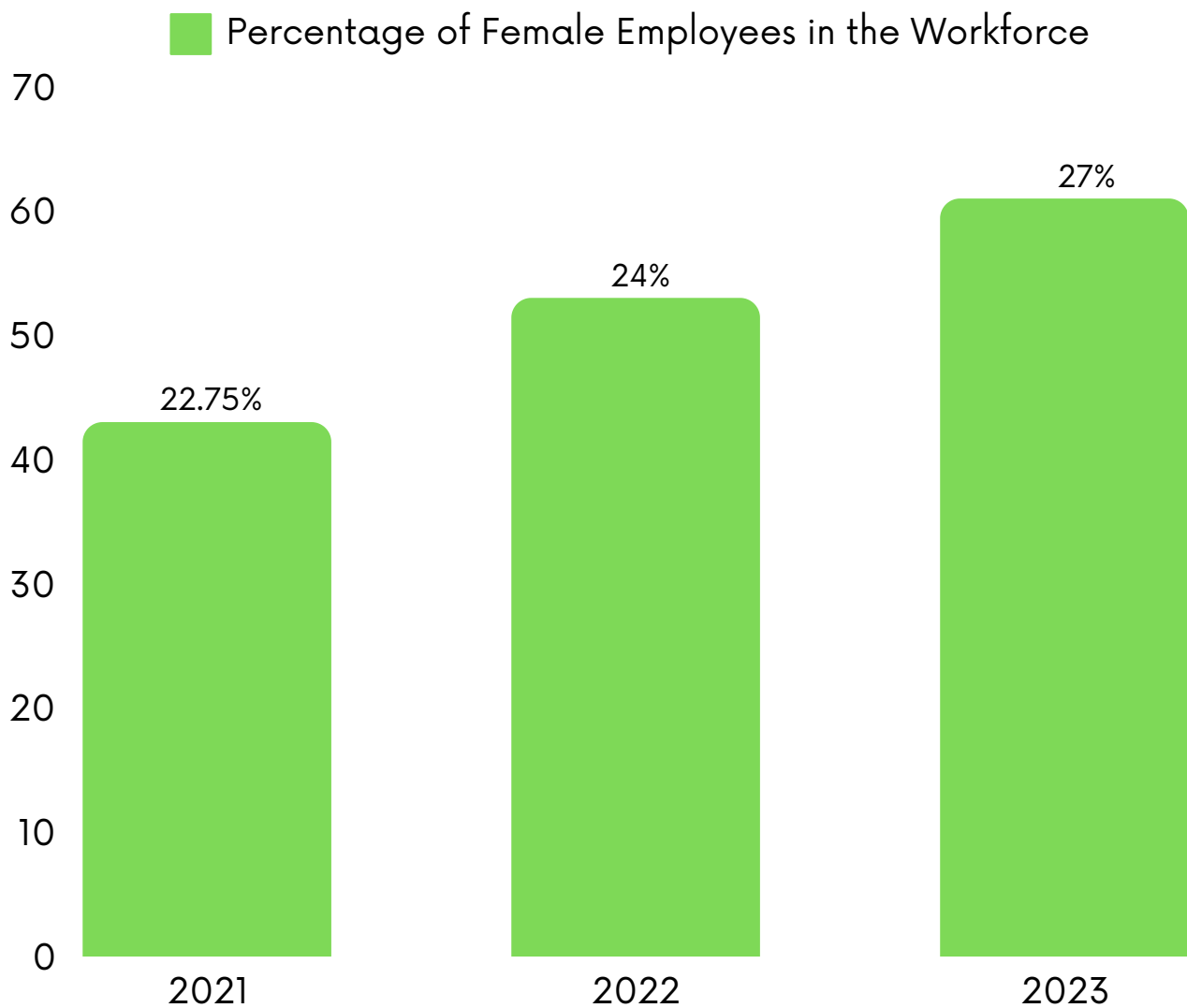
WOMEN AT PEC

Empowering women in business is essential to foster diversity and inclusivity. Innovation and productivity can be enhanced by providing targeted support for women's professional growth. Women in leadership positions bring diverse perspectives and valuable skills to organizations. Initiatives to empower women significantly contribute to economic development and social progress. Creating work environments where women can realize their potential and take on leadership roles is essential to shaping a fairer future.



At PEC, we highly value workplace diversity and support the integration and development of women in industry, IT, and other technical areas. Each year, PEC organizes a special workshop for our female employees to build networks and create role models. This cross-location training covers new and current topics annually, including behavior models and business strategies, and provides ample space for experience sharing. PEC is committed to equal opportunities and actively supports women in all roles and positions within the company.

OUR PEOPLE



IMPACT TOWARDS SOCIETY

Every company has a responsibility to society as a whole. PEC Charity also acts with this self-image and always strives to live up to this responsibility in its activities. Charitable activities are an integral part of PEC's corporate culture. Various new projects have been developed and the PEC Charity has also positioned itself. The PEC Charity bundles PEC's ongoing charitable projects to consciously focus more on social responsibility and PEC's internal topics of sustainability and nature conservation. The cross-site initiative aims to make a positive contribution to society through self-initiated campaigns and by supporting public charity projects.



Together, PEC takes action on the ground and enables participation in various areas. For example, participation in charity runs, support for social projects or the company-wide appeal for blood donations. In addition to providing financial support to charities such as animal shelters, hospitals and food banks, PEC has also entered into a new partnership. The PEC Charity relies on the personal involvement of colleagues at all locations.

IMPACT TOWARDS SOCIETY

Through corporate social responsibility, PEC strives to make a positive impact on society. Whether through charitable donations, environmental conservation efforts or community development projects, these actions demonstrate a commitment to giving back. By addressing social issues, PEC helps improve lives, strengthen communities and build customer trust, ultimately creating a more sustainable and inclusive future for all.



STELP eV

STELP was founded in 2015 by Serkan Eren, who, with outstanding personal commitment, brings help to where it is urgently needed. The association advocates for a world where children, women, and men - regardless of origin, age, sexual orientation, or political and religious ideology - live free from acute hardship and self-determination in dignity and security and shape their future sustainably through their efforts. He focuses primarily on the warmth and openness shown. In 2023, the President of the Federal Republic of Germany awarded him the Federal Cross of Merit on Ribbon for his tireless work. PEC has actively supported and endured a partnership with STELP to create a positive social impact and plans on continuous development.

IMPACT TOWARDS SOCIETY

PEC has actively supported and participated in campaigns for societal benefits and development. For the 2023 summer event, PEC partnered with food banks and animal shelters and provided maximum support and collaboration in addition to fundraising.



The campaign was organized by the PEC Charity. In addition to the campaign at the summer event, in which employees at PEC participated in charitable donations of their choice, the working group also organized blood donation campaigns and clean-ups for World Cleanup Day.



OUR LEADERSHIP

PEC is committed to continuous improvement in transparency and accountability. It operates under common mission, purpose, and values. An open and binding culture is essential and always practiced at PEC. Within the PEC Group, cross-company and company-specific shareholder meetings are held regularly to discuss important matters and internal dialogue.

In addition, annual meetings are held between management and advisors. These meetings focus on projects like employee growth and opportunity and their personal development. Management also conducts legal and regulatory compliance requirements and work environment infrastructure. The Board of Management (BOM) at PEC consists of 14 shareholders, including two Chief Executive Officers(CEO) and 12 other partners.

PEC also acknowledges the UN Sustainable Development Goals (SDGs) and supports the Paris Climate Agreement by aligning actions and transparently communicating their environmental footprint. Management's environmental policy ensures compliance with applicable laws and regulations. The ISO 14001 Environment Management Systems certification mentioned in the Environmental section above helps ensure that PEC adheres to fair practices and a safe working environment at all locations.



ANTI CORRUPTION COMMITMENT

Commitment to anti-corruption is essential for companies to uphold integrity and trust. It ensures fair competition, safeguards reputation, and enhances investor confidence. By adhering to strict anti-corruption standards, companies demonstrate ethical leadership and contribute to a level playing field in the marketplace. A strong commitment to anti-corruption promotes sustainable business practices and strengthens stakeholder partnerships.

The PEC's anti-corruption policy includes compliance with all the codes of ethics and the laws of the countries where the business is conducted. PEC takes a firm stand against bribery, carefully addresses facilitated payments and political contributions and even considers a gift policy. The PEC Compliance Officer and the BOM ensure policies are adopted and carefully followed. The PEC compliance officer ensures that all employees working strictly follow the policies and guidelines when interacting with clients and relative stakeholders. Policies include permissible gifts, exchange of valuable items, and political contributions that must be made within the procedures and policies established by PEC.

PEC is committed to ensuring compliance with the PEC Code of Ethics. This effectiveness depends on consistent enforcement. Reported cases involving employees suspected of violating the anti-corruption compliance program will be promptly investigated. Any conduct that violates PEC's compliance policies must be corrected immediately and is subject to disciplinary action, up to and including termination of employment. PEC will also cooperate fully with law enforcement authorities in the countries in which it operates to assist in the civil or criminal prosecution of violations of applicable laws.



BUSINESS CONDUCT & ETHICS

Business ethics are paramount to fostering trust, integrity, and sustainability in the corporate world. Compliance with ethical principles ensures fair treatment of stakeholders, including employees, customers, and the community. Adherence to ethical standards enhances reputation, mitigates risks, and fosters long-term success.



Throughout the years, PEC has proudly adhered to its values and ethics while conducting business within and with its clients. Integrity and trust are always at the forefront of the core values, and PEC strives to create a positive environment for customers and society while maintaining integrity and trust.

The PEC Compliance management team is responsible for developing programs and ensuring that all PEC employees are committed to and participate in programs and activities related to ethics and business conduct.

At PEC, principles like TRUST, RESPECT, INTEGRITY, and APPRECIATION are developed to facilitate cooperation. The guiding principles describe what action PEC expects from all employees at PEC when dealing with society, third parties, and within the company.

HUMAN RIGHTS POLICY

PEC respects and practices the importance of Human Rights, including the right to freedom of association, compliance with Land, Forest, and Water rights, and rejection of forced evictions. PEC is committed to respecting and following human rights.

The BOM and PEC's Compliance Officer ensure that no child labor is conducted within PEC and at the customer site where the employment of young workers is practiced and promoted. PEC also has a strict policy regarding forced labor. PEC addresses the issue with careful due diligence and practices a zero-tolerance policy.

Fair compensation and appropriate, favorable working conditions have always been a high priority at PEC. In addition to compensation, social benefits are provided to each employee working for and at PEC.

At PEC, all kinds of Human rights violations, like harassment and discrimination based on gender, sexual orientation, origin, indigenous peoples, and other related parties, are strictly rejected, and policies to punish the conduct against such behaviors are made.

PEC GmbH is committed to complying with all relevant laws and regulations regarding compensation and labor rights. Its use of temporary, agency, and outsourced workers must also abide by these laws and regulations.

PEC DATA PRIVACY & INFORMATION SECURITY

A data protection policy is indispensable for any company in today's digital landscape. It serves as a blueprint for the responsible handling of sensitive information; a robust privacy policy underscores the company's commitment to ethical business practices and demonstrates accountability in protecting individuals' privacy rights. It is a cornerstone of building a resilient and trustworthy business ecosystem in an increasingly data-driven world.

PEC takes data protection and privacy very seriously. PEC employees who handle critical data internally and externally understand its importance and are trained annually to comply with the policies established at PEC and the GDPR law.

Since 2019, PEC has audited the entire firm, become certified with TISAX, and successfully implemented ISMS. PEC's management communicates data protection and privacy-related information and training.

Every employee at PEC is trained and follows the Data protection policy established by the management. The policy is based on Article 28 of the General Data Protection Regulations (GDPR).

SUPPLIER CODE OF CONDUCT

PEC maintains the highest ethical standards and follows relevant laws, rules, and regulations when dealing with and conducting business with suppliers.

A supplier code of conduct outlines the ethical, social, and environmental standards companies expect their suppliers to meet. It typically includes provisions related to labor practices, human rights, environmental stewardship, business integrity, and other areas of corporate responsibility.

Current laws like Lieferkettensorgfaltspflichtengesetz (LkSG) have had an immediate impact since its inception. Companies must take the initiative to understand their supply chain and the businesses they conduct.

PEC also takes responsible action when doing business with suppliers. The PEC Supplier Code of Conduct ensures that suppliers follow and report on the ethical, social, and environmental standards and demonstrates transparency in their operations. Addressing critical topics like child labor and forced labor is essential. How suppliers conduct their operations from an ecological standpoint is also critical to PEC.

PEC has planned regular assessment checks for its suppliers and chooses to act responsibly to build sustainable business development with the entire value chain. PEC aims to strengthen supplier due diligence processes to further align with the UN Guiding Principles on Business and Human Rights.

Increase direct supplier engagement and capacity-building. Communicate the importance of emissions reductions to suppliers. Increased visibility at supplier diversity advocacy events is among the areas PEC will target in the coming years.

OCCUPATIONAL HEALTH & SAFETY

For any company, the health and well-being of its employees and staff is always considered the most important aspect. PEC follows the laws of the Federal Republic of Germany regarding occupational health and safety (OHS). As the effects of mental and emotional stress have become more prominent elements of every organization's workplace, PEC demonstrates care for the employees and promotes a culture of supportive, diverse, and empowering meritocracy.

PEC has appointed a responsible point of contact at each site to ensure safety at work and equipment accessibility in times of need. PEC aims to build resilience and well-being within the company by providing training on safety and security while working and providing support with additional societal benefits for the employees.



OCCUPATIONAL HEALTH & SAFETY

In terms of employee health and well-being, PEC supports employees with a service called "FeelFree," a health insurance card provided by Hallesche. The insurance provides a wide range of additional well-being services for the employee in times of need.

In order to meet all workplace safety requirements, PEC commissions the services of an external occupational safety expert. During regular inspections, all critical issues are reviewed and optimized in accordance with applicable ergonomic guidelines. Every employee receives an annual safety briefing. In addition, all PEC offices offer healthy and balanced catering and the opportunity to participate in numerous sports activities (e.g., via Commotion, etc.). Every employee has the possibility to lease a company bicycle under favorable conditions since the introduction of the Feel Free health budget. The Feel Free health budget is a supplementary health insurance financed by the employer

Mental stress in the workplace is also carefully addressed at PEC. Regularly reviewing sick leave for length and frequency in order to take efficient measures to reduce sick leave and promote employee motivation to prevent psychological stress.



COMPENSATION POLICY

PEC GmbH is committed to provide its employees with equal pay and compensation. It is of utmost importance for PEC to ensure benefits and fair compensation practices, which help the organization foster employee satisfaction, motivation, and growth.

The compensation policy determines equal pay for work regardless of gender, origin, or age. The compensations are based on cross-location, performance-related, and transparent evaluation.

Complying with tax legislation and local regulations, PEC sorts all employees into salary bands based on their performance, relevant skills, and experience. A dedicated payroll department and the Chief Human Resource Manager are responsible for due diligence and application.

Crucial to the pay equity approach are objective benchmarking, market insights from multiple external sources, and robust audit processes that ensure all colleagues are paid equitably throughout their careers. PEC also offers other crucial benefits to their employees and families.

The “Health and Well-being” of colleagues is a top priority, and for the same, PEC provides the following benefits

- Medical Care,
- Corporate benefits and,
- Wellness subscriptions. (read more on [OHS](#))

PEC uses company integration management ([BEM](#)) to enable employees with extended periods of disability to work and return to our company as smoothly as possible.

RESPONSIBLE PRACTICE

At PEC, the goal is to do business responsibly through, accountability and transparency. PEC aspires to lead by its integrity, respect, trust, and appreciation values and set the standard of accountability and compliance within the organization.

To obtain complete transparency and accountability, PEC has established an internal Sustainability team led by the Chief Compliance Officer, which conducts operations involving ESG topics and due diligence.

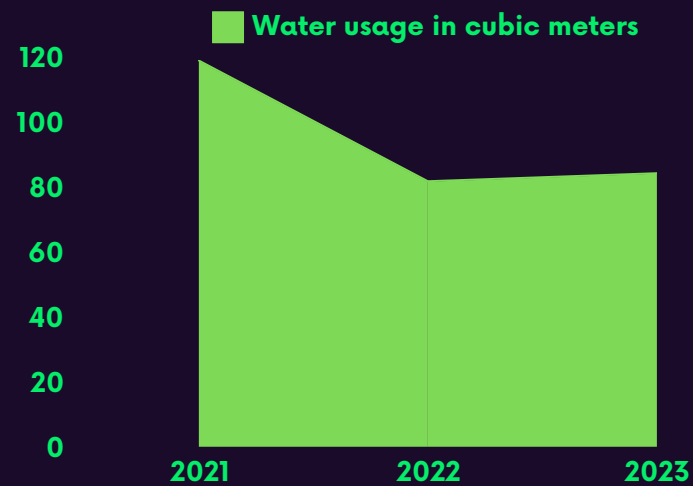
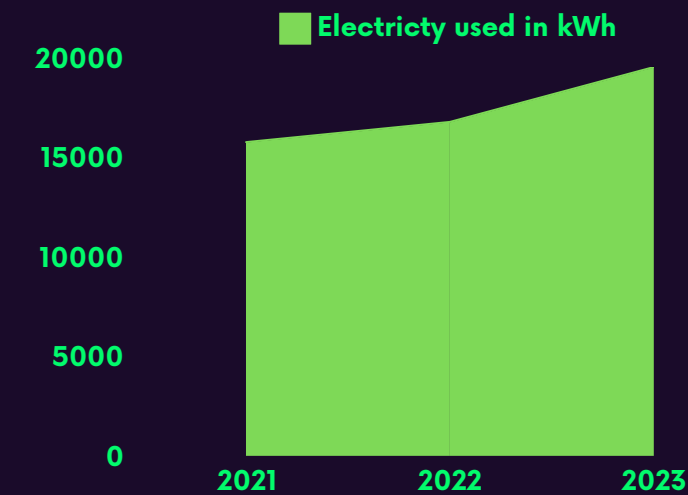
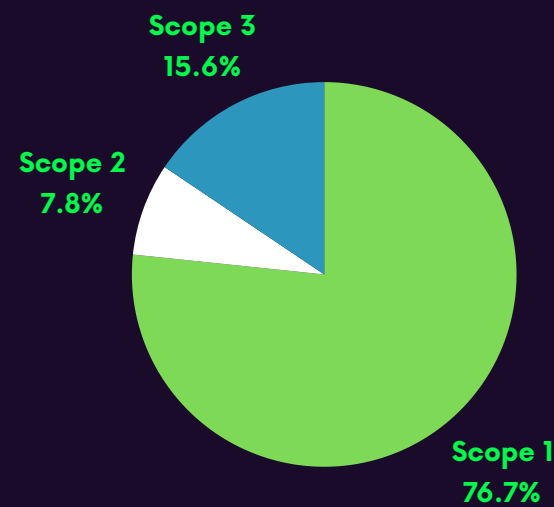
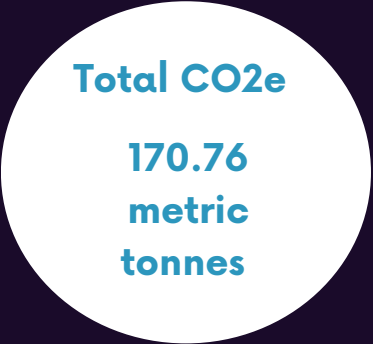
The internal Sustainability team is responsible for all internal communication and handling company reporting matters. They also provide training materials and solutions to addressed topics and discussions. The team conducts workshops and develops measures to improve the company's performance and align with management's goals and targets.

The dynamic nature of the team allows the application of skills in the course of work. It empowers colleagues to develop unique profiles and advance based on development inputs and outputs rather than tenure. At PEC, the flexible and flat nature of hierarchies induces the team to suggest new solutions and drive innovation that enhances the company's overall growth.

The Chief Compliance Officer takes into account all the requests, concerns, and questions raised within the company by the employees and management and works with the team and BOM to provide a solution.

Appendix

ESG HIGHLIGHT



GRI CONTENT INDEX

Disclosure number	Disclosure Title	Response Location
GRI 1: Foundation 2021		
GRI 2: General Disclosure 2021		
2-1	Organization Details	Page no: 4
2-2	Entites included in Sustainability Reporting	PEC Project Engineers & Consultants GmbH.
2-3	Reporting period, frequency and contact point	2023.
2-4	Restatments of Information	No significant statements required.
2-5	External assurance	Subject to Management review.
2-6	Activities, value chain and other business relationships	Page no: 7
2-7	Employees	Page no: 18
2-8	Workers who are not employees	Not reported due to confidentiality constraints.
2-9	Governance Structure	Page no:29
2-10	Nomination and selection of highest governance body	Page no:29
2-11	Chair of the highest governance body	Page no:29
2-12	Role of the highest governance body	Page no:29
2-13	Delegation of responsibility for managing impacts	Page no: 35
2-14	Role of the highest governance body in Sustainability Reporting	Chief Compliance Officer.
2-15	Conflicts of interest	No Conflicts.
2-16	Communication of critical concerns	Page no: 35

GRI CONTENT INDEX

Disclosure number	Disclosure Title	Response Location
2-17	Collective knowledge of the highest governance body	Not reported due to confidentiality constraints.
2-18	Evaluation of the performance of the highest governance body	Not reported due to confidentiality constraints.
2-19	Remuneration policies	Page no: 37
2-20	Process to determine remuneration	Page no: 37
2-21	Annual total compensation ratio	Not reported due to confidentiality constraints.
2-22	Statement on sustainable development strategy	Page no: 11
2-23	Policy commitments	Page no: 30 Page no: 31 Page no: 32 Page no: 33 Page no: 35 Page no: 36
2-24	Embedding policy commitments	Page no: 29
2-25	Process to remediate negative impacts	Page no: 30 Page no: 31 Page no: 32 Page no: 33 Page no: 35 Page no: 36
2-26	Mechanisms for seeking advice and raising concerns	Page no: 29
2-27	Compliance with laws and regulations	Not reported due to confidentiality constraints.
2-28	Membership associations	Not reported due to confidentiality constraints.
2-29	Approach to Stakeholder engagement	Not reported due to confidentiality constraints.
2-30	Collective bargaining agreements	Not reported due to confidentiality constraints.

GRI CONTENT INDEX

Disclosure number	Disclosure Title	Response Location
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Subject to Management review.
3-2	List of Material topics	Page no: 35
GRI 201 Economic Performance 2016		
201-1	Direct economic value generated and distributed	page no: 37
201-2	Financial implication and other risks and opportunities due to climate change.	Not reported due to confidentiality constraints.
GRI 205: Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	Page no: 30
205-2	Communication and training about anti-corruption policies and procedures	Page no: 30
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Page no: 13
GRI 303: Water and Effluents 2016		
303-1	Water consumption	page no: 38
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Page no: 13
305-2	Indirect (Scope 2) GHG emissions	Page no: 13
305-3	Other indirect (Scope 3) GHG emissions	Page no: 13
305-5	Reduction of GHG emissions	Page no: 11

GRI CONTENT INDEX

Disclosure number	Disclosure Title	Response Location
GRI 306: Waste 2020		
306-2	Management of significant waste-related impacts	Page no: 14
GRI 308: Supplier Environment Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Not reported due to confidentiality constraints.
GRI 401: Employment 2016		
401-1	New employee hires	Page no: 18
401-2	Benefits provided to full-time employees that are not provided to temporary part-time employees	Page no: 34
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Page no: 33
403-4	Worker participation, consultation, communication on occupational health and safety	Page no: 33
GRI 404: Training and Education		
404-1	Average hours of trainings per year per employee	Page no: 20
404-2	Programs for upgrading employee skills and transition assistance program	Page no: 20
404-3	Percentage of employees receiving regular performance and career development reviews	Every employee participates in the training courses mention on Page no: 20
GRI 405: Diversity and Equal Opportunities 2016		
405-1	Diversity of governance bodies and employees	Page no: 21
405-2	Ratio of basic salary and remuneration	Page no: 37

GRI CONTENT INDEX

Disclosure number	Disclosure Title	Response Location
GRI 406: Non-Discrimination 2016		
406-1	Incidents of discrimination and corrective action taken	Not reported due to confidentiality constraints.
GRI 408: Child Labor 2018		
408-1	Operations and suppliers at significant risk for incidents of child labor	Page no: 36
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page no: 36
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers screened using social criteria	Not reported due to confidentiality constraints.
414-2	Negative social impact in the supply chain and action taken	Page no: 36
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No cases of breaches have been reported in the reporting year 2023.

METHOD & STANDARD

PEC GmbH has reported, as per the GRI Standards, for the period January 1, 2023, to December 31, 2023.

The Global Reporting Initiative (GRI) is a widely recognized sustainability reporting standard that provides a comprehensive framework for organizations to disclose their environmental, social, and governance (ESG) impacts transparently. The GRI framework covers various topics, including greenhouse gas emissions, labor practices, human rights, product responsibility, and community engagement. By adhering to GRI standards, organizations can enhance accountability, build stakeholder trust, and drive positive change toward a more sustainable future.

PEC complies with the current GRI standards and has inculcated the reporting format according to the framework provided by GR. The information in each section is subject to PEC GmbH, which is transparently communicated to all the relevant and essential stakeholders. The alignment with different policies, such as Human rights, code of conduct, environmental policy, and data protection policies, is established and communicated internally by the Board of Management (BOM).

The report's information comprises activities within and outside of PE. PEC aims to report these activities and their impacts on ESG more transparently and responsibly, aligning the targets with the UN Sustainable Development Goals (SDG). With the help of the GRI framework, PEC aims to improve and disclose ESG-relevant information to interested parties and essential stakeholders.

Some information in the GRI Content Index is not reported due to confidentiality constraints, is under management review, and will, therefore, be subject to disclosure in the upcoming reporting years.

GLOSSARY

Term	Definition	Acronym
Carbon Accountitng	The process of calculating the greenhouse emissions is known as carbon accounting. All of the emissions are converted into carbon equivalent.	CA
Corporate Sustainability Reporting Directives	The Corporate Sustainability Reporting Directive (CSRD) requires companies to report on the impact of corporate activities on the environment and society and requires the audit (assurance) of reported information.	CSRD
Diversity, Equality & Inclusion	Diversity, equity, and inclusion are organizational frameworks that seek to promote "the fair treatment and full participation of all people," particularly groups "who have historically been underrepresented or subject to discrimination" based on identity or disability	DEI
Environment Management System	Environment Management System is an ISO certification process where the company is certified and audited on their conduct of business and working conditions.	EMS
Environmental Social Governance	Environmental, Social, and Governance pillars are the aspects of sustainability that focus on impacts related to climate, society, and economy	ESG
General Data Protection Regulatons	The General Data Protection Regulation (GDPR) is a European Union regulation on information privacy in the European Union and the European Economic Area. It is an essential component of EU privacy and human rights law.	GDPR

GLOSSARY

Term	Definition	Acronym
GHG emissions	The greenhouse gas emissions are the emissions produced by company as a result of their operations, they cover different scopes comprising the entire supply chain.	GHG
Gross Domestic Product	Gross Domestic Product is the standard measure of the value added created by producing goods and services in a country during a specific period.	GDP
International Organization for Standardization	The International Standards Organization is an entity that provides certifications and audits to companies for different aspects like Quality management, life cycle assessment, and energy and environment management.	ISO
Occupational Health & Safety	Occupational safety and health or occupational health and safety is a multidisciplinary field concerned with people's safety, health, and welfare at work.	OHS
Paris Agreement	The Paris Agreement, often called the Paris Accords or the Paris Climate Accords, is an international treaty on climate change. Adopted in 2015, the agreement covers climate change mitigation, adaptation, and finance.	-
Scope 1,2, and 3	The GHG Protocol Standard, in its guidance, has classified greenhouse emissions into scopes 1, 2, and 3. Scope 1 is the direct emissions from the company's assets. Scopes 2 and 3 are the indirect emissions from activities like purchasing heat and electricity for their operations within the entire value chain.	-

GLOSSARY

Term	Definition	Acronym
Supply Chain Due Dilligence Act	The Supply Chain Act is a German law requiring companies to monitor human rights and environmental risks in their supply chains.	LkSG
UN SDGs	United Nations introduced the 17 Sustainable Development Goals, which covers all the aspects of sustainability and provide chance of equal growth & opportunities	SDGs

ACKNOWLEDGEMENT

PEC GmbH management is responsible for the completeness, accuracy, and validity of the information provided in the report. All the information is based on the validated data the management provided, assessed, and audited. The report's sole purpose is to provide information on performance metrics and the activities involved within the company.

PEC GmbH considers sustainability essential and aims to establish goals and targets by complying with current laws and regulations.

PEC GmbH bases its estimation and methodologies on experience, available information, and various other reasonable assumptions. The data provided in the report was obtained from the financial reporting system, accounts, and other internal records.

PEC GmbH appreciates all interested stakeholders involved in the preparation of the report and for the information provided within the report.

PEC GmbH thanks the customers for trusting and believing in the efforts, which has allowed PEC to make a positive impact.

PEC GmbH acknowledges the communities in which they operate for their ongoing support and cooperation. PEC is committed to being responsible corporate citizens and contributing positively to their social and environmental well-being.

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