



German Engineering

Sustainability Report 2023

SATA GmbH & Co. KG





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SATA

Foreword of the management



Dear Sirs,

We are pleased to present our latest Sustainability Report. In a time when environmental awareness and social responsibility are essential priorities, we are committed to transparently sharing our efforts and achievements in this area.

Our company is continuously working on developing and implementing sustainable practices. We firmly believe that economic success and environmental and social responsibility must go hand in hand. For this reason, we have taken numerous measures in recent years to make our processes more environmentally friendly, use resources efficiently and strengthen our social commitment.

This report provides a comprehensive overview of our initiatives, progress and future goals. We are proud of what we have achieved, but we also know that there is still a lot of work ahead of us. Sustainability is an ongoing process that requires constant learning and adaptation. Together with our employees, partners and customers, we want to continue on this path and make a positive contribution to society and the environment.

We thank you for your interest and support and invite you to take a closer look at our efforts and successes.

We hope you enjoy the read!

A handwritten signature in black ink, appearing to read 'Kaiser', written in a cursive style.

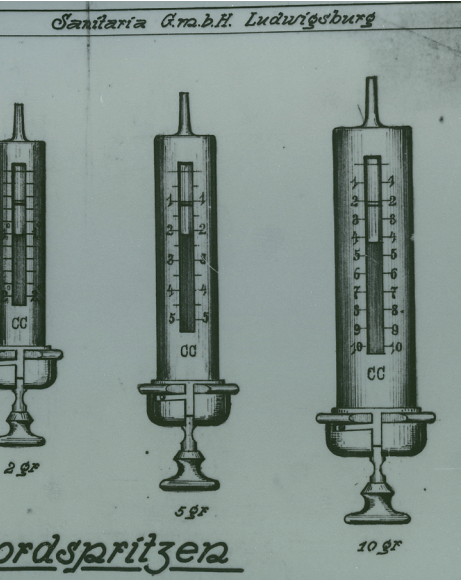
Florian Kaiser
Managing Director

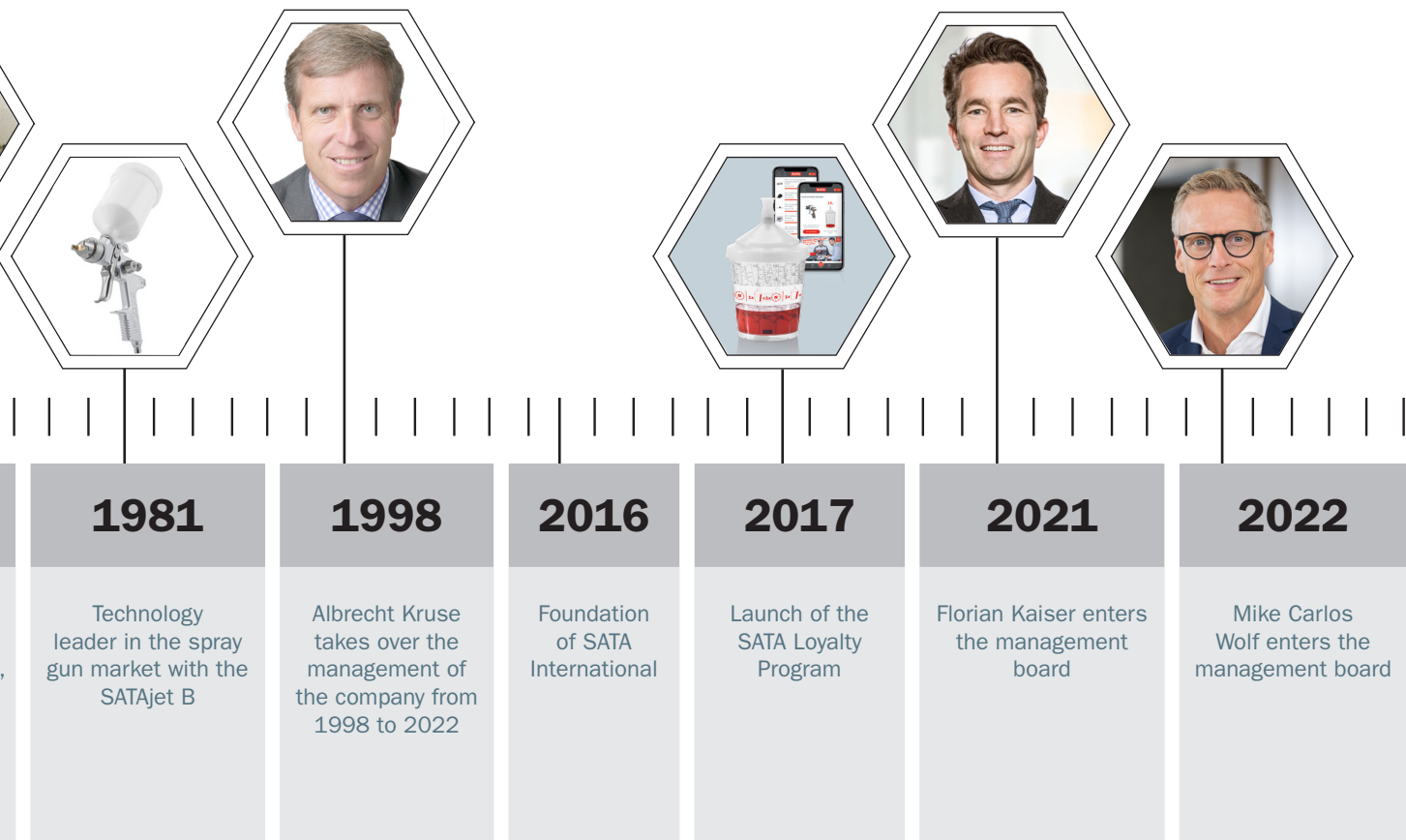
A handwritten signature in black ink, appearing to read 'Wolf', written in a cursive style.

Mike Carlos Wolf
Managing Director

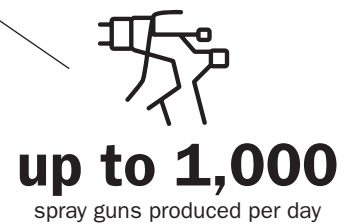
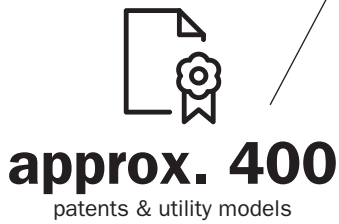
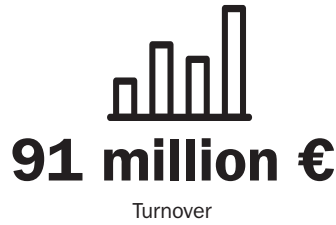
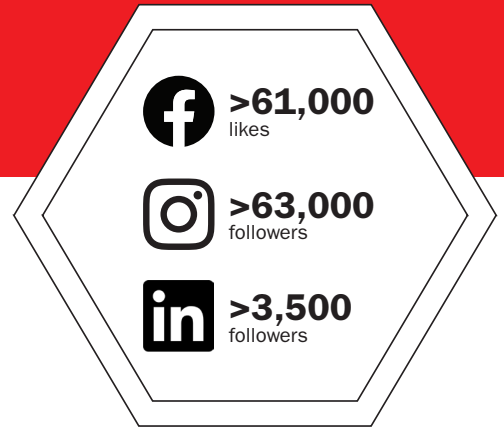
SATA at a glance

Year	Milestone
1907	Company foundation in Stuttgart
1918	Anton Kreidler acquires a stake in the company, which is converted into a public limited company in 1921
1925	Introduction of the first "spray gun"
1942	After the death of his father, Anton Kreidler also acquires the company shares of his siblings
1962	Alfred Kreidler turns the company into a family business
1980	Manfred Liphardt, Managing Director from 1965 to 1998 continues to run the company after Alfred Kreidler's death

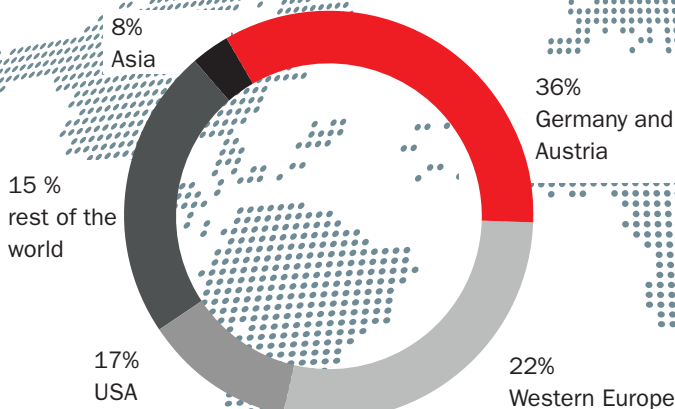




SATA at a glance 2023



SATA: Turnover share by countries



SATA's understanding of sustainability

What sustainability means to us at SATA: Taking responsibility in all three dimensions: economy, environment and social issues.

Economy

Quality and precision are the hallmarks of the SATA brand and also the basis of our continued success for many years. This is why we are always looking for ways to further improve our products and continue to add value.

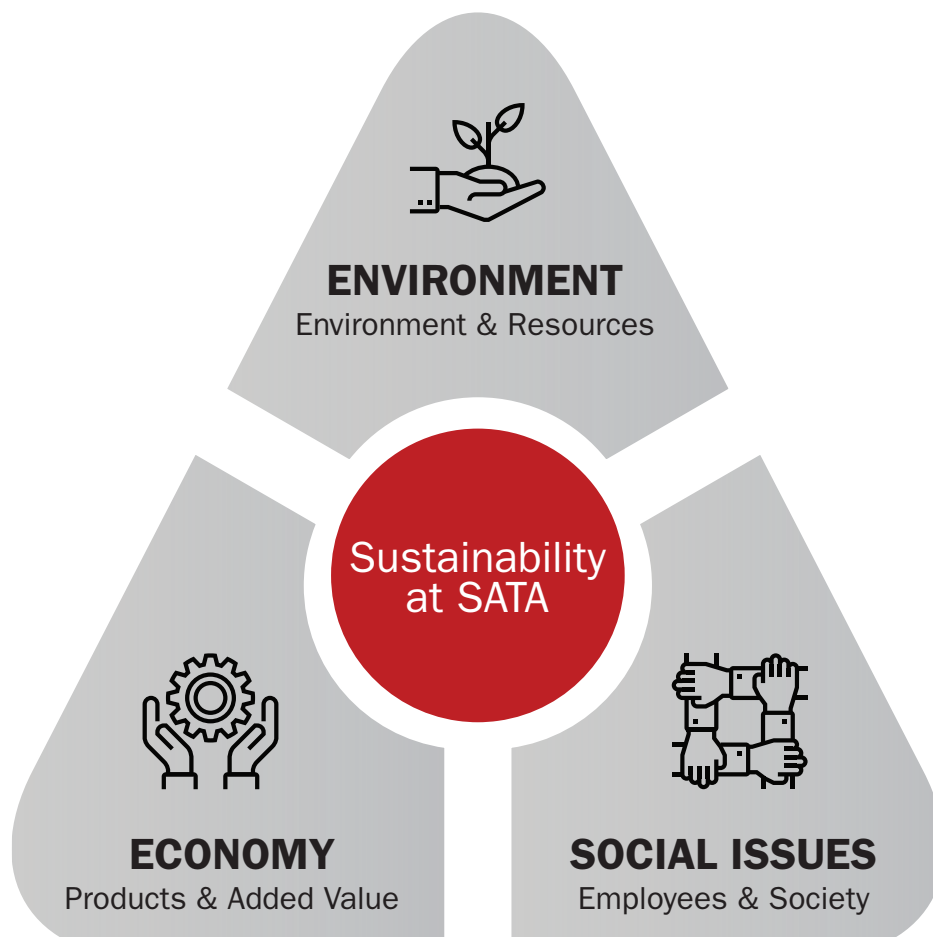
Economic success is a basic requirement for creating and maintaining jobs as well as for investments. At the same time, we are convinced that all three dimensions of sustainability are interdependent in the long run and must be kept in harmony with one another.

Environment

We are aware that the environment is the basis of our existence and that resources are finite. This is why we are motivated to identify additional measures to keep our environmental impact – the so-called carbon footprint – as a manufacturing company as low as possible.

Social issues

Our success is also based on our employees, for whom we aim to be a reliable employer providing fair compensation and an attractive working environment. Beyond that, we also want to give back to society. Therefore, supporting social and cultural projects is especially important to us.





Products & Added Value

When it comes to our products and added value, our focus lies on the **high quality**, which makes the SATA brand so special. **Customer satisfaction** – preferably as **customer enthusiasm** – is of great importance to us at SATA. This and the quality of our products are the basis for our economic success.

Continuous improvement in the production and assembly

At SATA, we always focus on the continuous improvement of our processes. Even through small and step-by-step optimisations, we can achieve a constant improvement in quality and we can increase the efficiency of our processes. In addition to reducing costs and shortening throughput times, an ergonomic workplace is also of great importance for us.

The quality control process of the nozzle sets as an example of continuous improvement

Every year, we produce several hundred thousand nozzle sets worldwide. To ensure that our customers receive products of the best possible quality, every single one of these nozzle sets is getting controlled by mounting the paint needle, fluid tip and air cap in a spray gun and testing the spray pattern. Due to the large number of variants, it can happen that up to 13 different nozzle sets are tested at one workplace.

For this reason, the testing equipment had to be reset several times within a shift. Thanks to the ideas for improvement initiated by the employees, the set-up times were significantly reduced in several steps and the working conditions were made much more ergonomic.

The implementation of a quick-change system eliminates the time-consuming set-up work that was necessary for adjusting the spraying distance, spraying width and spraying angle after each spray gun change. This has reduced the setup time by more than 50%.

In addition, this system also helps to reduce the strain on the employees' wrists.

Projected over a year, this eliminates hundreds of thousands of turning movements. In addition, a height adjustment system has been installed that allows our employees to adjust the working heights to their personal needs.

In order to **work as efficiently as possible**, the departments are arranged in competence centres in line with the work process. This ensures personal contact and minimum distances between the departments. SATA is of course certified in accordance with the ISO 9001:2015 quality management standard.

At SATA, one thing is key: **Passion for Precision**. At SATA, just being “precise” is not enough. It has to be “extremely precise”. During our manufacturing process, both the products and the set-up of machines as well as the required tools and equipment are consistently monitored and documented. There is no tolerance for dimensional deviations. For example, an air cap only 0.008 mm (i.e. 8 µm) too large does not suffice. Products with such aberrations are excluded from delivery; there are no second-choice products going into the market.

Our products are produced and as-



„With my work, I contribute significantly to the image of SATA as a premium brand.“

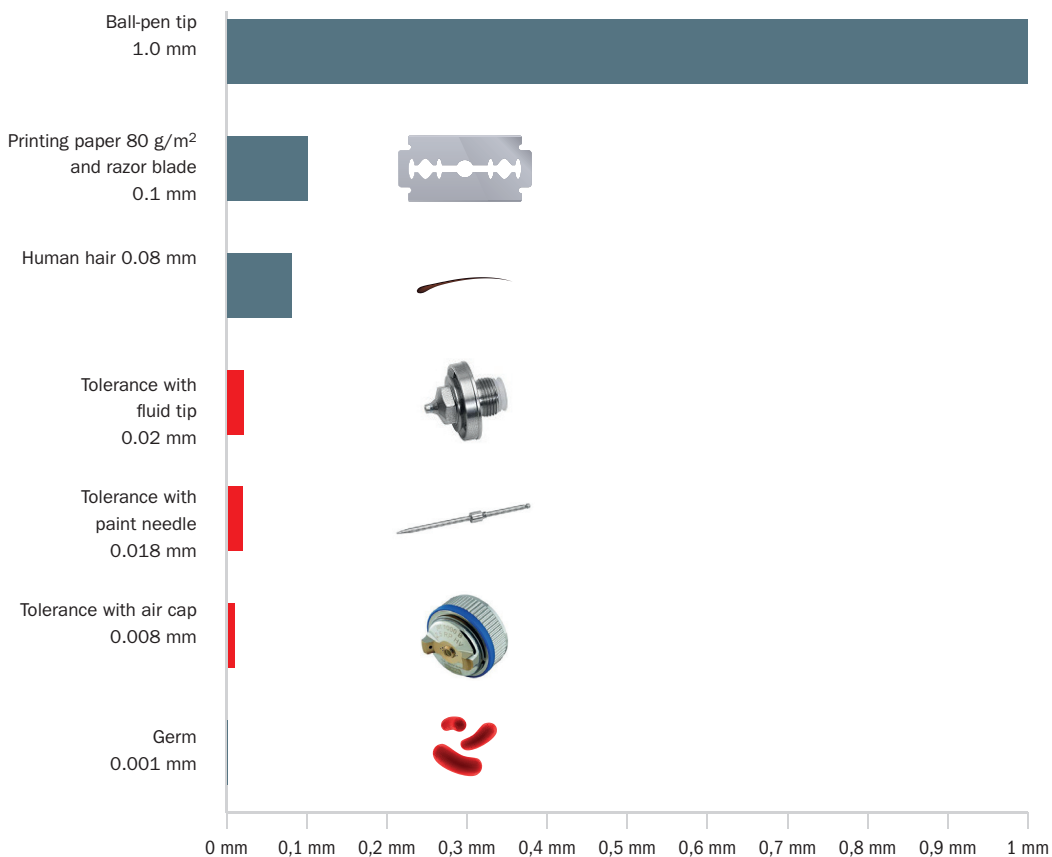
Karina Lukic (Production employee)

sembled in so-called "work islands". In contrast to classic assembly line production, this means that one employee is responsible for all the assembly steps of the final product. This significantly improves quality awareness and raises the good-part quota.

In addition, there are weekly and even daily internal and interdepartmental meetings – so-called shop floor management meetings, – in which employees can exchange information about the status of their work as well as any unforeseen changes and important news.

At the end of the production chain, the products are inspected. For spray guns and nozzle sets, this means a quality control of 100% of the products. The products may only be packed and shipped to one of over 100 countries worldwide after they pass the **strict quality control** of the highly critical inspectors.

Permitted deviation from nominal dimensions compared to common object dimensions





Products & Added Value

The long-term maintenance of customer relations and customer satisfaction is of utmost importance to SATA. This also includes communicating innovations and improvements in the best possible way.

With our seminar program we want to achieve exactly this: giving our customers the best possible support when it comes to the application of our products. We do this through **practical training, target group-specific seminar content** and an **open exchange of experiences**.

The seminars cover all content from the automotive and wood finishing sector as well as industrial application on basic, advanced and professional levels. Through this close contact with our partners in the market, we gain valuable insights into the needs of our customers.

Of course, we use the knowledge we gain here also for the development of new products – our goal is to achieve the **greatest possible customer benefit**.

In addition, we use our **social media channels** to enhance personal interaction and a direct dialogue, providing followers worldwide with useful tips and news about SATA products.

SATA makes regular appearances at **national and international** exhibitions and trade fairs. Experience all SATA products and latest developments first hand and receive detailed information about new products and innovations.



„When developing our products, we always have the needs of our customers in mind. This makes us a reliable partner for painters all over the world.“

Marlon Albrecht (Deputy Head of Spray Gun Assembly Centre)

Environment & Resources



As a manufacturing company, SATA feels particularly committed to **environmental** responsibility, the creation of the natural basis of life and the conservation of **resources**. By integrating these contents into the corporate objectives, these topics are firmly anchored in everyday life at SATA. Compliance with legal regulations and official requirements is a matter of course for us. From this, we derive our key priorities that affect both the product requirements as well as our **energy and waste management**.

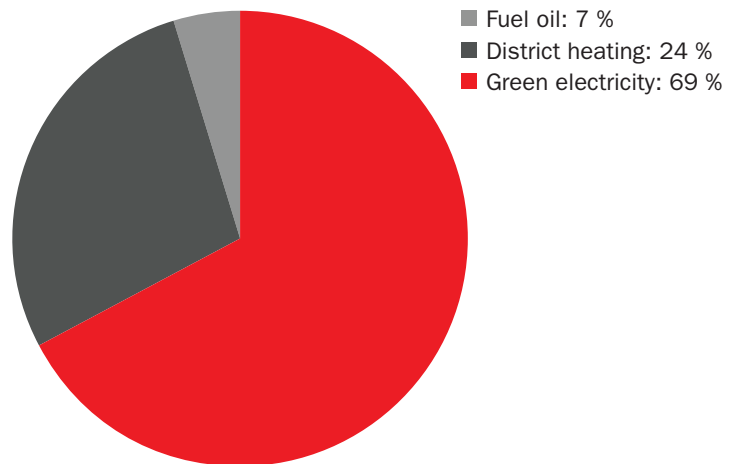
Energy Management

Sustainability means not restricting the ability of future generations to develop through current actions but ideally supporting them in the long term. Therefore, for example, we pursue the constant reduction of energy demand in the company and reduce the use of fossil energy sources successively. The energy sources for SATA's business activities are green electricity, district heating and heating oil. SATA strives for an energy supply that is as environment-friendly as possible. Therefore, numerous measures have been taken in Kornwestheim in recent years. The main energy source is electricity. For the past 10 years, SATA has been using 100 % green electricity from renewable sources, primarily to reduce the share of fossil energy sources and thus CO2 emissions.

Since 2009, a heat pump and **geothermal energy** have been used to heat some of the buildings. In addition, the photovoltaic system installed in 2011 supplies electricity to the power grid. Three years later, we switched from heating oil to district heating from a nearby biomass power plant, which we use to cover the base load. In 2023, the PV system was extended to a total of 350 modules and connected to a transformer station that feeds the electricity generated directly into the company network.

Share of energy sources in 2023

SATA primarily makes use of environmentally friendly energy sources



„In projects to secure the future of our production in Germany (e.g. the construction of a photovoltaic systems), I contribute to SATA's sustainability strategy.“

Steffen Rothert (Product Manager)





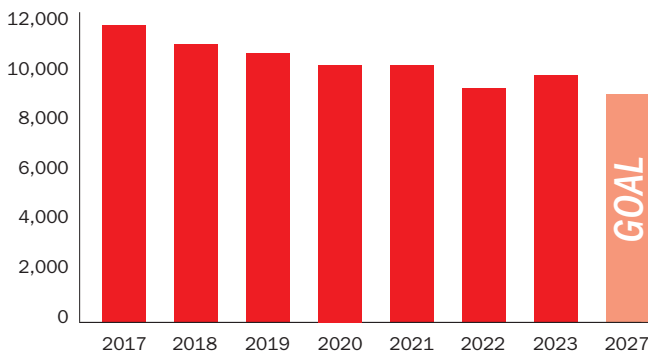
Environment & Resources

In the past, significant investments were made in environmentally friendly technologies, and now SATA has a sustainable energy supply. SATA will continue to pay special attention to environmental aspects and resource efficiency in upcoming investments, new acquisitions and the modernisation of equipment and buildings, as well as in the selection of materials and suppliers.

CO2 emissions

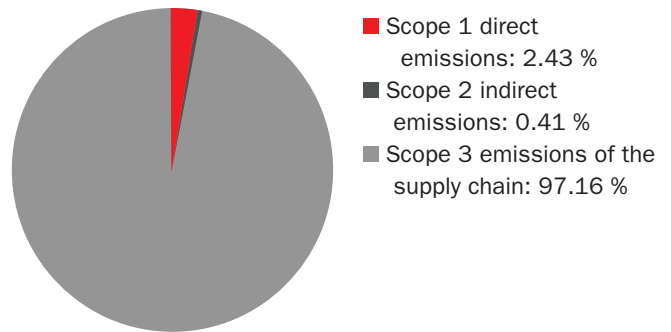
The implementation of energy management measures has significantly decreased CO2 emissions, with a reduction of 2,104 tons since 2017. Our goal is to reduce CO2 emissions to below 9,000 tons by 2027.

CO2 emissions in t



In order to be able to monitor the CO2 emissions, SATA prepares a carbon footprint report every year, which is based on the specifications of the "Greenhouse Gas Protocols". The template for this report was already created in 2011 and is now used by more than 90 % of the 500 companies with the highest turnover in the United States. It was developed with the participation of several NGOs supported by scientists. The emissions are divided into 3 areas: Scope 1, 2 and 3.

Categories of CO2 emissions in 2023



Scope 1 includes the direct emissions resulting from SATA's activities. These emission sources are, for example, heating, cooling and steam generation, company-owned vehicles and the operation of air conditioning systems.

Scope 2 includes indirect emissions from electricity, heat and steam purchased by SATA from energy suppliers.

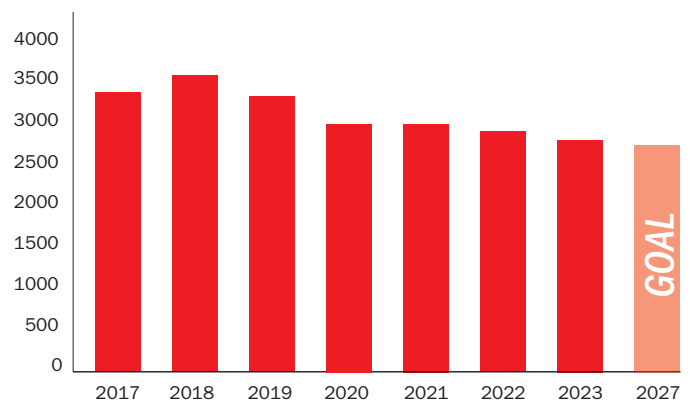
Scope 3 includes other indirect emissions along the supply chain: i.e. all emissions that are a consequence of our activities but originate from independent external sources. These CO2 emissions are generated along the value chain by transporting the preliminary products to us and the goods to the customer – i.e. both upstream at suppliers and downstream at distribution partners, dealers and the users of our products.

Scope 3 accounts for the largest share of CO2 emissions at SATA, for example, due to the energy required for atomisation (compressed air) generated by the compressors. By constantly optimising the atomisation quality, we also contribute to the conservation of resources. We work closely with our partners in the market and also focus on energy efficiency in the development of new products in order to reduce the CO2 emissions.

Water consumption

The trend towards reducing water consumption in recent years continued in 2022 and 2023. Since 2017, the specific water consumption per million euros turnover has been reduced by more than 18 %. Recycling of emulsion liquids is an important measure in this regard. Our goal is to reduce the water consumption to less than 2,700 m³ by 2027.

Water consumption in m³

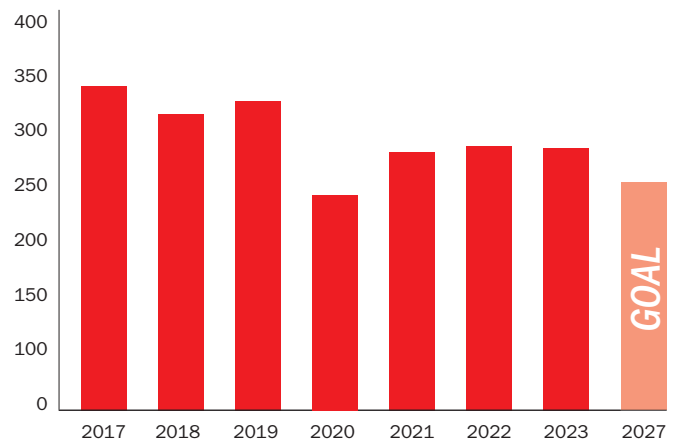


Waste Management

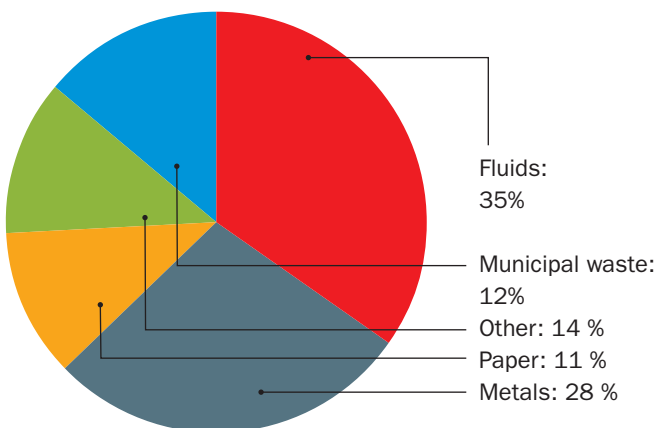
The waste volume has been reduced by -21.88 % in absolute terms since 2017. As SATA uses metal-cutting technologies and requires lubricants and cooling fluids to operate the corresponding machines, the largest amount of waste is generated in these two areas.

Specifically in these areas, methods are being developed to further reduce the volume of metal and liquid waste. Our goal is to reduce the waste volume to less than 250 m³ by 2027.

Waste volume in m³



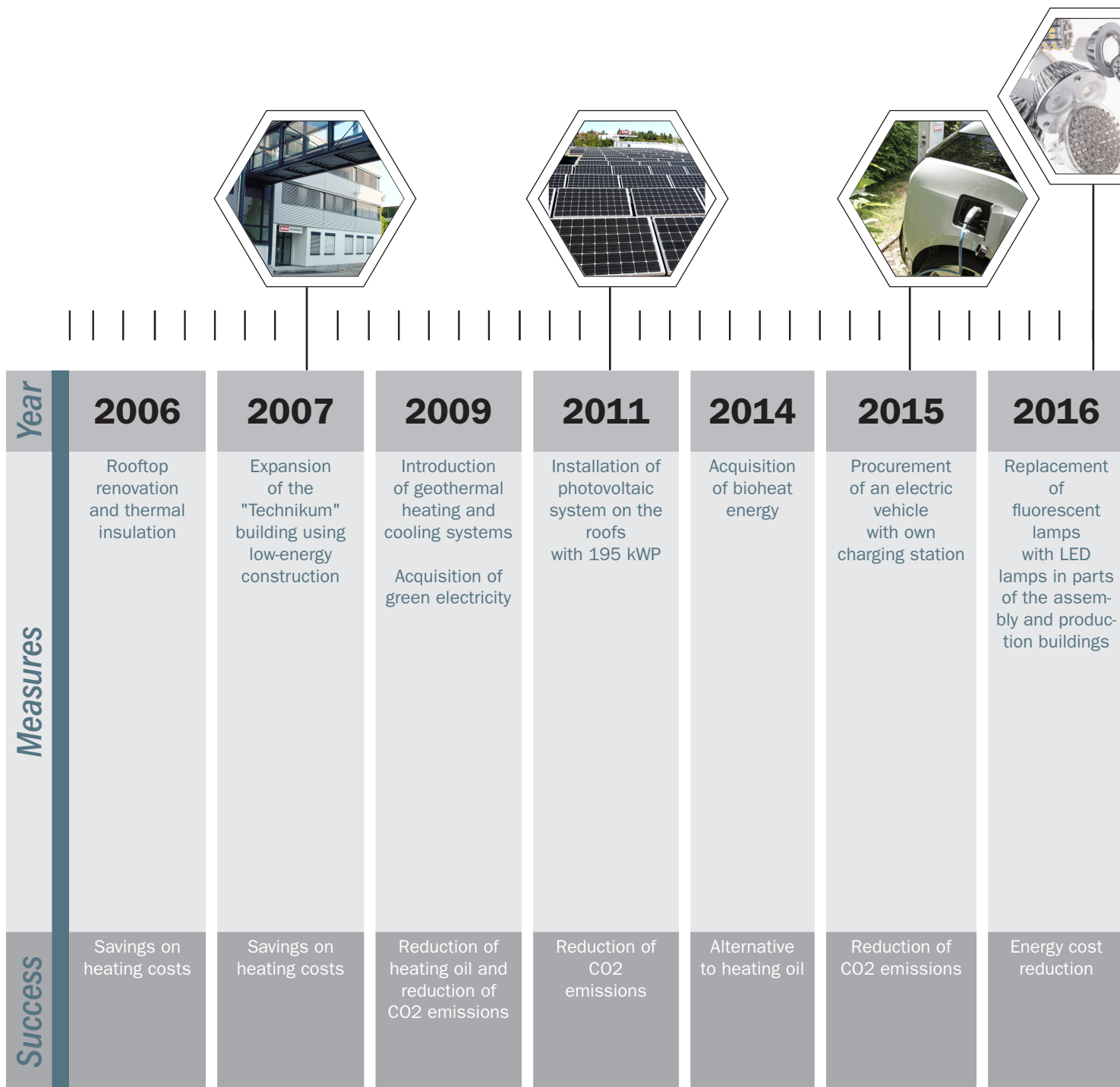
Share of the waste volume in 2023

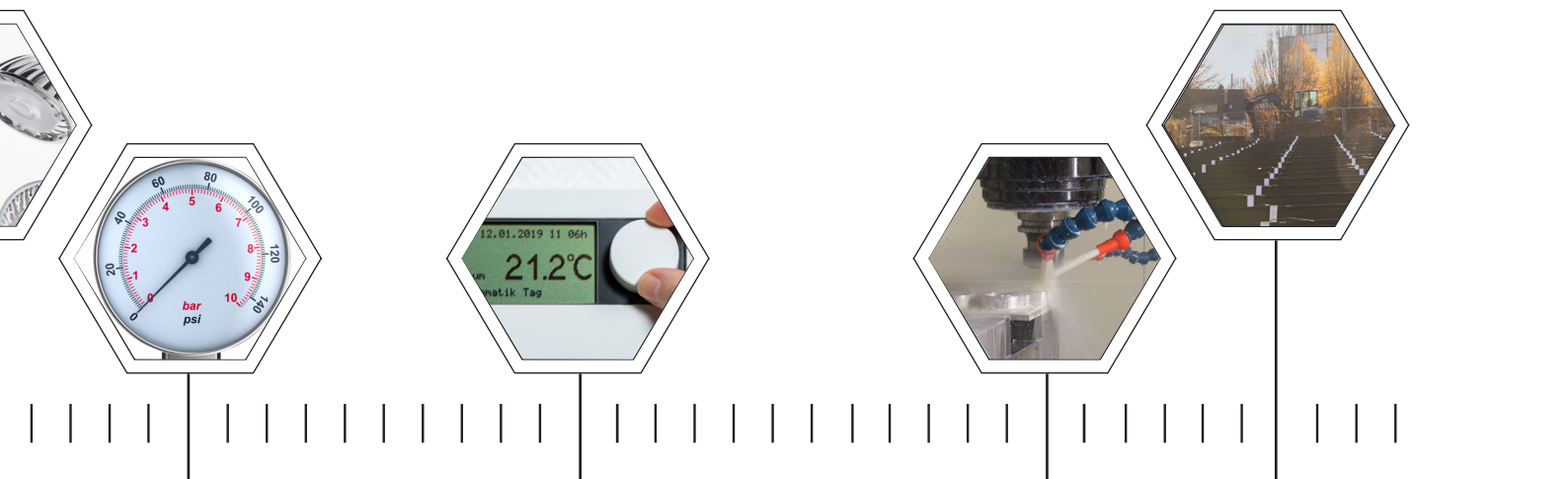




Environment & Resources

Examples of Measures in the Environmental Dimension of Sustainability





2017

Reduction of operating pressure of compressed air system by 0.7 bar (9 %) from 7.5 bar to 6.8 bar

KEFF consulting (German network for Energy Efficiency)

Energy cost reduction
Search for additional energy saving potentials

2018

Installation of radiator valves with flow limitation

Room temperature limitation

2019

Definition of reduced standard room temperatures during heating period

Fluid management of cooling lubricants for tooling machines

Avoidance of overheated rooms | Reduction of waste volume

2020

Smartphone-controlled heating and air conditioning, light and blind control

Renewal of ventilation control in parts of the building

Installation of electronic heating control in assembly building

Increase of filter capacity for the galvanic rinsing water by means of a flow volume increase

Reduction of CO2 emissions through digitalisation

2022

Monitoring of the cooling lubricant emulsion by service providers

Increase the service life of the emulsion by up to 100% | Reduce the waste volume by 9,000 liters per year

2023

In addition to the ground-mounted photovoltaic system a transformer station is also being built. It converts the direct current supplied by the modules into alternating current and transmits this via the main distribution board into the company network. Furthermore, it is also a key building block for a future company-owned ring network. Completion is planned for 2024.

From 2024, generating a total of ~ 600 MWh of electricity. (21 % of our annual electricity consumption)

Compliance at SATA

SATA ensures – in order to guarantee sustainable corporate success – that all legal and internal company regulations are fulfilled. Legal violations can lead to sanctions and liability not only for the responsible employees, executives and management but also for the company itself. Damage to the company's reputation associated with legal violations may have a lasting impact on the image of SATA with business partners and customers and may even deepen economic damage. The principle of legality applies at SATA.

The management is obliged to ensure that legal requirements are adhered to in the company.

In addition, we implemented a **compliance management system** with the goal of **creating a comprehensive set of rules to guide the managers and employees, to detect non-compliant behaviour and to prevent it.** In the event of a claim, possible liability con-

sequences for the company and the responsible persons are to be reduced or, if possible, averted. The basic features of a compliance management system include a **compliance risk analysis** and measures derived from it, such as **compliance commitments, compliance organisation, compliance guidelines, training and advisory measures and monitoring systems.**

The central compliance measures include the **Code of Conduct** and the Compliance Guideline. While the Code of Conduct serves as a kind of "corporate constitution" of SATA and provides a general overview of the legal areas relevant to SATA, the Compliance Guideline also explains to SATA's stakeholders the essential legal obligations applicable to their field of activity. The Compliance Guideline, on the other hand, is supplemented and specified by further guidelines in areas that are particularly relevant to SATA: for example, by the **Data Protection Guideline, IT**

Guidelines and Antitrust Directive, as well as other internal company guidelines and behavioural instructions.

However, sustainability is not only relevant to ensure long-term corporate success, but it also plays a major role in socio-political terms nowadays.

There are a number of legislative efforts at national, European and international level that could impose further obligations on SATA in the future.



Employees & Society



Corporate values are desirable moral or ethical principles that form the basis of the cooperation in an organisation. They find their expression through the employees' behaviour and character and shape their way of thinking. By defining and actively living these corporate values, the trust of all employees and managers increases in the actions of others and also in the decisions made because it can be assumed that all decisions reflect these values.

In August 2019, a project was initiated to identify SATA's specific corporate values. Every employee had the opportunity to become part of the value management team. When selecting the team, it was important to have all SATA departments and stakeholders represented.

As a result, the four values of the SATA were determined:

- Commitment
- Precision
- Appreciation
- Fun at work

By **fun**, we mean first and foremost enjoying our work and working together with our colleagues. We are enthusiastic about our tasks and we work not only with commitment and passion but also with pleasure and composure. When defining our values, the framework conditions had to be very clear. On the other hand, within this framework, they should also allow everyone to define their own interpretation of the values – in the company's sense.

and that is quite right.

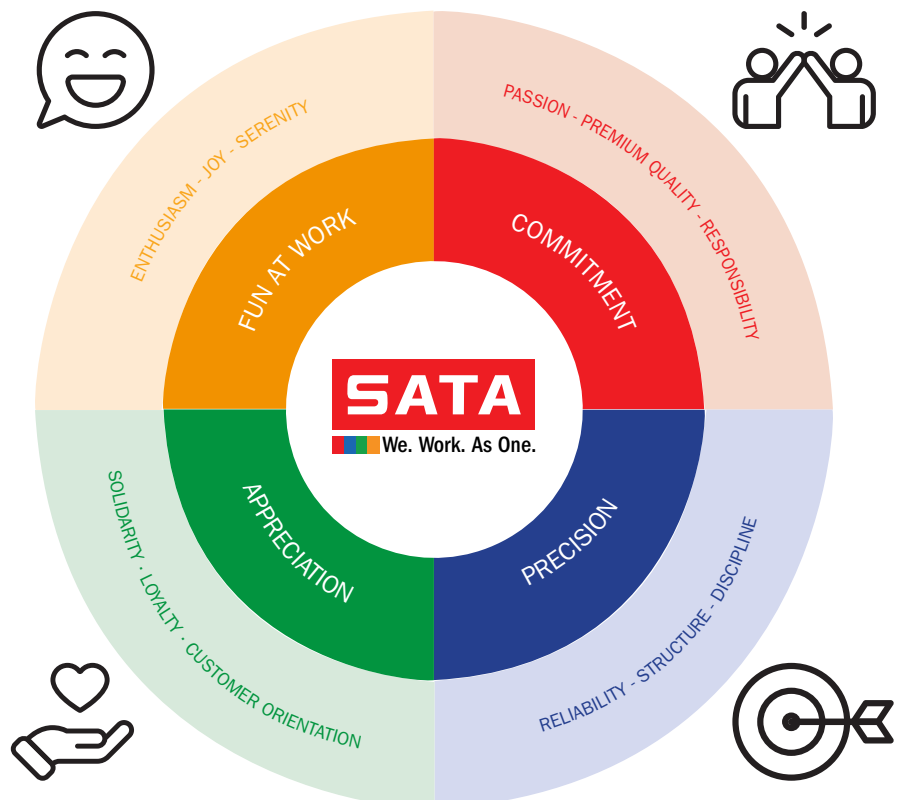
What is important is the basic direction. This provides the basis for trust in each other and in SATA and a positive development in the future.

How exactly the values are being lived in daily life may be different for everyone,

SATA's definition of **commitment** is characterised by always delivering premium quality if it comes to our business activities, our products or any information we pass on, regardless of whether this information is sent to internal or external customers. It also means to take the initiative, work with passion and take responsibility for one's own actions.

At SATA, **precision** means being reliable and working in a structured and disciplined way.

We express **appreciation** towards colleagues, managers and business partners by treating each other with respect, goodwill, friendliness, interest and attentiveness. It is reflected in solidarity and loyalty to each other as well as customer orientation towards colleagues and external partners.





Social and cultural commitment



For more than two decades, SATA has been committed to supporting numerous social and cultural projects. In 2023, our focus was on supporting the Ludwigsburg Palace Festival.

By supporting this regional festival, we contribute to a rich and diverse music program that showcases local talent while also drawing renowned artists. This initiative not only enriches the cultural landscape but also fosters regional identity and strengthens community bonds.

Since 2021, the Ludwigsburg Palace Festival has been actively supporting the 17 Sustainable Development Goals set by the United Nations as part of the global Agenda 2030. Sustainability, in its social, ecological and economic dimensions, is reflected in the content of its program, usage of natural resources, purchasing choices and partnerships.

The concert festival attracts numerous visitors every year, which has a positive impact on the local economy. Hotels, restaurants and local businesses benefit from the increased number of visitors, which secures jobs and creates new business opportunities. In addition, the media attention the festival receives raises the profile of our region as an attractive destination.

Our partnership with the festival highlights our dedication to supporting cultural and social projects in our region. We are proud to be part of this valuable initiative and look forward to supporting the festival again next year






ZIELE FÜR NACHHALTIGE ENTWICKLUNG

<p>1 KEINE ARMUT</p> 	<p>2 KEIN HUNGER</p> 	<p>3 GESUNDHEIT UND WOHLERGEHEN</p> 	<p>4 HOCHWERTIGE BILDUNG</p> 	<p>5 GESCHLECHTER-GLEICHHEIT</p> 	<p>6 SAUBERES WASSER UND SANITÄR-EINRICHTUNGEN</p> 
<p>7 BEZAHLBARE UND SAUBERE ENERGIE</p> 	<p>8 MENSCHENWÜRDIGE ARBEIT UND WIRTSCHAFTSWACHSTUM</p> 	<p>9 INDUSTRIE, INNOVATION UND INFRASTRUKTUR</p> 	<p>10 WENIGER UNGLEICHHEITEN</p> 	<p>11 NACHHALTIGE STÄDTE UND GEMEINDEN</p> 	<p>12 NACHHALTIGE/R KONSUM UND PRODUKTION</p> 
<p>13 MASSNAHMEN ZUM KLIMASCHUTZ</p> 	<p>14 LEBEN UNTER WASSER</p> 	<p>15 LEBEN AN LAND</p> 	<p>16 FRIEDEN, GERECHTIGKEIT UND STARKE INSTITUTIONEN</p> 	<p>17 PARTNERSCHAFTEN ZUR ERREICHUNG DER ZIELE</p> 	<p> ZIELE FÜR NACHHALTIGE ENTWICKLUNG</p>



Social and cultural commitment

Recipients of donations in recent years – Some examples

Year	2015	2016	2017	2018	2019
Culture					
National projects	<p>Bürgerstiftung Stuttgart</p> <p>Offers to promote integration and social participation of refugee children in a Stuttgart refugee home</p>	<p>"Werkstatt Integration"</p> <p>Language and integration courses for young refugees and orientation placements in vocational schools</p>	<p>aufwind e.V.</p> <p>Counseling and support for families with seriously ill, chronically ill or prematurely born children in Ludwigsburg hospital.</p>	<p>KIDsmiling e.V.</p> <p>Offers free football training sessions on public football grounds to boost the self-motivation of children and adolescents and to make them strong and fit for their future prospects</p>	<p>KIDS...</p> <p>Establish...</p> <p>project in...</p> <p>Ca...</p>
International projects	<p>Save the Children e.V. CHINA</p> <p>Improvement of primary education in disadvantaged rural areas</p>	<p>Maria Auxiliadora Peru</p> <p>Modernisation and adaptation of school facilities to the needs of disabled children under supervision, as well as training programs for teachers and support staff</p>	<p>IRESO Rio de Janeiro e.V. Brasil</p> <p>Training for around 200 students a year in Rio de Janeiro – mostly from surrounding favelas</p>	<p>PRO Namibia Children e.V. Namibia</p> <p>Supports a home with an attached primary school for orphans and street children in Omomas to expand care and support options</p>	<p>Maltese...</p> <p>L...</p> <p>Support...</p> <p>Chabro...</p> <p>which en...</p> <p>physical...</p> <p>disab...</p> <p>especially...</p> <p>to go on...</p> <p>1:1</p>



2019

2020

2021

2022

2023



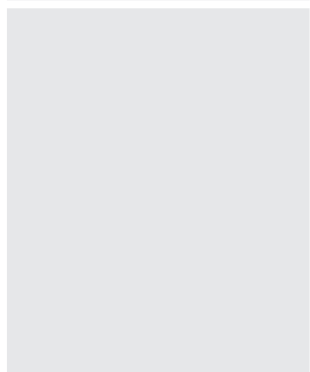
LUDWIGS BURG FESTIVAL

KIDsmiling e.V.
 Implementation of a pilot project in Stuttgart-Bad Cannstatt

KIDsmiling e.V.
 Opening of locations in Stuttgart-Zuffenhausen, Ludwigsburg and Kornwestheim

KIDsmiling e.V.
 Opening a facility in Ludwigsburg

KIDsmiling e.V.
 Project set-up in Stuttgart

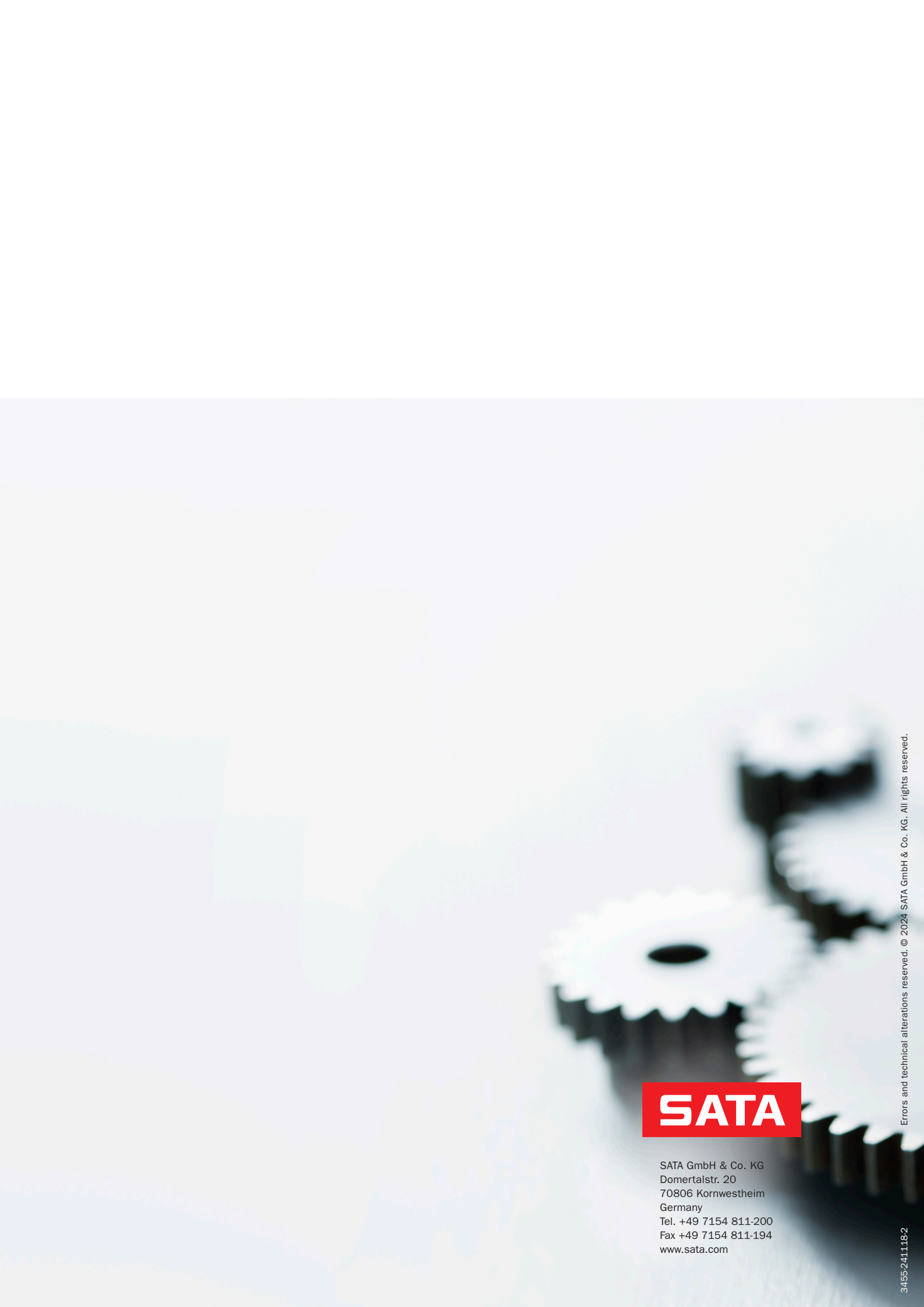


for International Children from Lebanon
 of the Camps through project, enables severely physically and mentally disabled people, especially young people, to spend holidays with family support

Austin Hatcher Foundation For Pediatric Cancer | USA
 Improves the quality of life for children with cancer through recreational activities and vocational training

Austin Hatcher Foundation For Pediatric Cancer | USA
 Support in designing an individual Factory Five Daytona Coupé





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