

Sustainability at Lessmann:

Review of 2024

Guided by our core values - quality, fairness, reliability, independence, and sustainability - we aim to create long-term value for our customers, our environment, our partners, and ourselves. Due to dynamic market changes, sustainable business practices have become even more essential.

With our long-standing commitment to sustainability, we strive to pave the way for future generations. The transition and expansion of our management team have laid the foundation for the future.

Moving forward, the newly structured management team will collaborate on long-term sustainability goals. These will serve as the basis for further sustainability developments. In 2024, concrete goals and topics in the fields of economy, ecology, and social responsibility were already addressed.

I. Economy

The company's primary economic goal is to ensure long-term economic success. For this reason, we have once again set ambitious earnings targets based on EBITDA and stability goals for equity ratios, ensuring the company's independence and maintaining sufficient financial strength for necessary investments and continuous growth. This year, we successfully achieved these goals.

The company aims to maintain its independence from customers, suppliers, and stakeholders while securing sufficient financial resources for investments and growth. Key future goals include moderate growth with a stable earnings ratio, sufficient equity for various investment projects, and the completion of our expansion project, linking the two production halls by summer 2025.

II. Ecology

Lessmann considers ecological responsibility to mean both corporate environmental protection and contributions to climate protection. For instance, our apprentices independently developed projects related to printing behavior and energy consumption to implement improvements. As part of our certification under environmental management standard ISO 14001:2015, we recorded energy consumption in electricity, gas, compressed air, water, waste, and fuel again this year. Additionally, analyzing our company's emissions provided further transparency in this area.

Our investment in another photovoltaic (PV) system (300 kWp) on our facility roofs in 2024, along with our membership in the Bavarian Environmental and Climate Pact since September 2023, clearly demonstrates our awareness and responsibility for the environment and climate. Our long-term reduction targets (for 2025 and 2030), set to be achieved through defined milestones, remain in place for 2024 as well. Furthermore, we are working on minimizing hazardous substances, improving spray can recycling, and increasing the self-consumption of primary energy.

III. Social Responsibility

Social responsibility toward our employees, society, and partners is a key part of our corporate philosophy. Adhering to legal requirements is a given for Lessmann. Beyond this, we engage in social initiatives such as workplace health management. In 2024, we offered free lung function tests and a health course for back care.

To enhance transparency in our supply chain, we conducted a supplier risk assessment concerning human rights. Additionally, we launched an online platform for employee training, which will be further expanded in the coming year. Over the past year, we employed 24 apprentices and students, six of whom successfully completed their training and were hired into specialist departments.

Through foundational training and team workshops, we introduced employees to the HBDI Thinking Styles Analysis, a leadership tool developed by American researcher Ned Herrmann. This year, we continued to qualify and develop our employees through various internal and external training programs.

For 2025, we plan to expand our training platform, recruit skilled workers from our own apprenticeship programs, and implement further health initiatives, such as "Cycling to Work," bike leasing, and health courses tailored to employee feedback. Additionally, we will continue our donations and collaborations with local clubs and schools. Online seminars on health, IT security, and workplace safety also proved effective in 2024.

Outlook: Sustainability Goals for 2025:

I. Economy

- Moderate growth with a stable earnings ratio
- Sufficient equity for various investment projects
- Response to IFO growth forecasts
- Generational transition in commercial management
- Expansion project completion to create additional space for production and logistics (expected by summer 2025)

II. Ecology

- Establishment of long-term reduction targets (2025 and 2030) to be achieved through defined milestones, exceeding short-term ISO 14001 goals
- Reduction of electricity consumption through targeted measures such as leakage detection in the compressed air system
- ISO 14001 focus areas in 2025: waste, storage, and production
- Measures such as hazardous substance reduction and optimized spray can recycling
- Reduction of purchased primary energy through new PV systems, increased solar energy self-consumption, and optimization of wood chip heating to decrease gas purchases
- New sustainability metric: CO₂/kg per brush (indicator for sustainable products)
- Introduction of blister packaging made from cardboard and paper alongside traditional plastic blister packaging

III. Social Responsibility

- Expansion of the training platform
 - Recruitment of skilled workers from in-house apprenticeships
 - "Cycling to Work," bike leasing, and employee health courses
 - Donations and collaboration with local clubs and schools
 - Introduction of an anonymous and public complaints management system
 - Qualification of first aiders and fire protection assistants
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- **Conclusion:** Lessmann GmbH actively commits to a sustainable future. Our efforts in the fields of ecology, economy, and social responsibility demonstrate that we take responsibility—for our employees, our customers, and the environment. We are proud of our achievements and will continue working towards expanding our sustainability goals.