Innovation in Motion – Acting for tomorrow Sustainability report 2024

Franke



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Imprint

Foreword

Ladies and Gentlemen, Dear reader,

In a confusing world, it is of great importance for Franke GmbH in Aalen to set and adhere to ethical and moral standards in order to ensure responsible and sustainable business activities. The Code of Conduct serves as a guide for all employees, business partners and suppliers to ensure that the company always acts in accordance with applicable laws and regulations and meets the highest standards of integrity and ethics.

Franke GmbH takes its responsibility towards its employees, business partners, customers, suppliers and the environment seriously and is committed to treating each other fairly, avoiding conflicts of interest, combating corruption and money laundering and complying with export control and customs regulations. In addition, it is committed to environmental protection, effective energy use and product safety and quality in order to make its contribution to sustainable development. It is aware that compliance with these standards is not always easy and that there may be situations in which employees are confronted with doubts or conflicts. A code of conduct has been formulated for such cases.

It provides everyone with a guideline for company-compliant, reliable conduct. The company is proud to be committed to these high standards and will continue to strive to implement them in all areas of our company:

- **1** Fair treatment internally and externally
- 2 Fair competition
- 3 Anti-corruption
- 4 Handling of company property
- 5 Protection of trade secrets and IT security
- 6 Prohibition of insider trading
- 7 Avoidance of conflicts of interest and private activities
- 8 Compliance with export control and customs regulations
- 9 Occupational health and safety
- 10 Product safety and quality
- **11** Environmental protection, energy efficiency and sustainability
- **12** Protection of personal data
- **13** Financial integrity and anti-money laundering
- 14 Conduct in cases of doubt and contact persons
- **15** Special responsibility of managers









Managing Director

Sascha Eberhard Managing Director

General description of the organizational and accounting objectives, organizational and reporting boundaries

Franke GmbH, based in Aalen, is a manufacturer of wire race bearings and linear guide systems. Franke is the inventor of the wire race bearing and uses this technology as the basis for all its products.

The company was founded in 1949, operates internationally and works with partners worldwide in sales and production. The location in Aalen is also the headquarters and the company does not operate any other locations beyond this. From here, Franke technology is supplied to many different industries in which the technological differentiation features offer attractive solutions for customer requirements. With currently approx. 350 employees, currently in 6 plants at the headquarters, on a site of approx. 34,000m², with approx. 28 sales agencies worldwide, individual products are developed in close cooperation with the customers, from the conception to the construction of prototypes to extensive test series.

Turnover amounted to around € 52 million in the reporting year 2024. Franke GmbH is an export-oriented company. In the 2024 reporting year, 58% of deliveries and services went abroad. The most important export countries in the reporting year were in other European countries.





The Franke principle for rolling bearings



The key difference between a conventional ball bearing and a Franke wire race bearing lies in the races. In a wire race bearing, the rolling elements do not roll on solid housing rings, but on delicate wires. The flexibility of the Franke principle makes it possible to design more freely and simply in order to develop better products.

Possibilities instead of specifications

Franke bearing elements can be used in a wide variety of constructions. The demands on the enclosing structure are low, as it is not directly exposed to the loads. The main load is borne by the wire race bearing. This means that you are virtually free to determine the ideal shape and material for your subsequent construction.

The Franke principle for linear systems

Franke linear guides transfer the ingenious principle of the wire race bearing to linear movements. Inserted raceways ensure load-bearing capacity on all sides. This allows the rest of the construction to be made of lightweight aluminum. Large guided rollers ensure smooth running - maintenance-free over the entire service life. Thanks to their modular design, Franke linear systems can be individually adapted to requirements.

The best system for every customer

The customer's application and design alone determine which linear guide is the best for the individual. The Franke modular system makes it possible to put together or design an ideal linear system.



Industries supplied by Franke GmbH in 2024

In a sector comparison, medical technology and general mechanical engineering are the company's most important market segments.

Overall, however, Franke GmbH is very broadly positioned. This is reflected not only in the distribution of the company's sales across many national markets, but also in the distribution across a large number of industries and applications. There are a large number of customers within these sectors.

This high level of diversification enables the company to cushion risks arising from economic fluctuations in individual market segments.

Corporate mission statement Franke GmbH

In order to meet the needs of today's generation - without compromising the opportunities of future generations - we consider a balance between the environment, society and the economy to be essential.

The goal of sustainable development is achieved by harmonizing the three pillars of sustainability (commitment/ ecology/economy).

A sustainability team was set up specifically for this purpose, which comprises the MW (Marketing), RP (Human Resources) and BU (Energy/Environment) divisions and reports directly to the Management Board. The sustainability report for the respective calendar year is prepared in collaboration between the sustainability team and the departments involved.







The economy operates within society, which in turn is an important part of the big picture and is influenced by it: Our environment. Franke GmbH's mission statement is a description of the company's self-image and basic principles. It describes the mission and vision of the organization and forms the framework for strategies, goals and operational activities.

The Franke mission is: With our invention of the wire race bearing, we help our customers to be innovative. In turn,

the vision is to be realized through the defined goals: Franke is an agile technology company.

This mission statement forms the framework for the corporate goals of Franke GmbH, in which the topics of **efficiency and sustainability** are firmly anchored.

Conserving resources and avoiding waste not only improves the quality of life for us and our children. Such measures also pay off in cash and make a company an attractive and preferred business partner. This is why the topic is firmly anchored in the company's objectives:

We are economically successful

We are innovative

Innovative

ideas

Economical

- Our goal is continuous growth
- We have a stable return on sales
- We achieve our value stream targets
- We open up new markets and applications

• We try out new things and learn

• We rely on innovative techno-

• Our working environment pro-

motes creativity and innovation

logies and processes

- We meet challenges with new
 - We are digitally fit

lization

Digital

We are

digital

- We sell via digital channels
- Business processes are transparent and understandable

• We take advantage of digita-

.

Ecological

- All processes are efficient and sustainable
- We are constantly improving our workflows
- Franke is climate-neutral
- Our core business gives us the freedom to develop
- Standardization where possible, individualization where necessary

We work together

Social

- We work together, not alongside or against each other
- We cooperate with customers, suppliers and partners
- Co-working instead of working together

Interested parties

Drivers of climate neutrality



Financial markets::

Effects on company valuation and financing (EU taxonomy)



Market perspective:: Customers ask for sustainability indicators

Laws: • EU Green Deal

- Paris
- International



Society:

- Fridays for Future
- End consumers
- Human rightse



Ressources & Nature:

- Loss of ecosystems
- Tipping points & irreversibility
- Price increase
- Security of supply

Implementation strategy

	Commitment of the management
	Definition of responsibilities
З	Definition of responsibilities
4	Stakeholder analysis
6	Identify measures

Interested Parties	Examples of requirements/expectations	Derived voluntary commitment		
Legislator	 Implementation of and compliance with legal regulations 	 Formulation of policy/code of conduct/product safety policy 		
	 Provision of appropriate documents 	Timely approval of products		
	Adequate training and instruction	Compliance with ongoing obligations		
	 Appointment of legal representatives in the company 	 Maintaining a positive image on the market 		
	Prevention of accidents	 Provision of current specification documents in drive V 		
		• Appointment of legal representatives in the company		
Customer	 Evaluation of customer requirements, queries in the event of 	Evaluation of trade fair visits		
	ambiguities	 Processing customer enquiries/complaints 		
	Ensuring product quality	 Evaluation of customer requirements 		
	Adherence to delivery dates	Regular customer surveys		
 Ensuring spare parts deliveries for a specific period of time 				
	Maintenance and service			
	 Sufficient documentation for the product, in addition to comprehensible 	e		
	operating instructions			
	Low costs for maintenance of environmentally friendly products			
Owner	 Positive image of the company 	Regular controlling		
	Reputation	 Mission statement and corporate objectives 		
	Entitlement to dividends	Target development process		
	capital-efficient growth			
Auditor	 Regular business management information, notification of major deviations from plan 	 Provision of business management documents for the tax audit 		

Interested Parties	Examples of requirements/expectations	Derived voluntary commitment
House bank	 Regular business management information, notifications of major deviations from plan 	 A meeting with the bank is held twice a year, situation-related discussions, extraordinary investments
House bank	Compliance with collective agreements, fair pay, accident prevention	Regular discussions between management and works council
Community	 Low emissions, no incidents, water protection 	Compliance with current obligations
Employees and relatives	 Health protection, job security, profit sharing, recognition and satisfaction, development opportunities 	 Compliance with current obligations
Visitors	Safety, health protection	Notes on safety rules
Authorities	Fulfillment of requirements, compliance with laws	Safety instruction
Neighborhood/neighbors	Compliance with laws	Compliance with current obligations
Representatives	 Innovative products 	Product innovation
Professional association	Compliance with laws	Compliance with current obligations
Insurances	Compliance with laws	Compliance with current obligations
External provider/ supplier	 Orders, legally clear orders, mutual benefit, fair prices, complete specification, naming of contact persons, delivery schedule 	 Contractual agreements, QAAs, framework agreements, early supplier selection, delivery scheduling

Significance analysis

The significance analysis was prepared by the sustainability team to ensure that the company's sustainability strategy takes into account precisely those economic, environmental and social issues that offer important opportunities and risks for the company and its stakeholders.

Interested parties can also access the existing information provided by Franke GmbH on the following portals on request:





Assent



Ecology	Economy
Disposal	Principle wire race bearing
	Quality
	Product design
	Refurbishing
	Supply Chain
	Disposal Climate

1. Engagement

Working at Franke

1.1 Employees, training and health

Franke GmbH is primarily concerned with increasing the attractiveness of the company as an employer and being perceived as an attractive employer. Building an attractive employer brand not only enhances the company's image, but also has very specific advantages when it comes to finding and retaining trainees, specialists and managers. It is therefore becoming increasingly important to offer benefits to potential applicants.

Franke refers to its strengths as a medium-sized company in which all employees have a name

The following channels are used to position the company externally as an attractive employer: Website, posts on social media, advertisements in daily and trade journals, training, study and career fairs, career orientation internships such as Technolino, Bogy/Bors, Girls' Days, presentations at schools and universities. Interns, vacation work



and students from colleges and universities are well looked after by internal mentors and contact persons. Additional opportunities are created via established networks to exchange information on topics and attract employees to Franke GmbH.

Personnel planning

In order to meet the targeted demand for future specialists, the training quota has been significantly increased and new apprenticeships and dual study programs are being offered in line with the changing requirements of an agile working world.

Workplace conditions

Environmental factors, work organization and work processes are constantly put to the test with the aim of creating optimal working conditions. Franke GmbH employees feel comfortable in a modern and appealing working environment. Targeted training with the aim of "job rotation" helps them to be agile and flexible.

Active health care

Workplace-related causes of illness are to be identified and eliminated as early as possible. Preventive measures that contribute to keeping our employees healthy are promoted. With workshops on health and well-being, we help our employees to maintain a good work-life balance.

We also offer other measures to promote health in the workplace, such as ergonomic workstations, leasing a company bicycle, the option of mobile working and regular team events.

Health promotion

The health and safety of employees is a top priority for Franke GmbH. With the help of systematic documentation of all processes and the associated documents, the occupational safety and health protection of employees is regulated and continuously improved. Training courses, information services and a range of other services and measures are designed to prevent accidents and ensure safety. Equal treatment and equal opportunities are all fundamental principles for Franke GmbH that promote a fair and inclusive society. This means that regardless of gender, ethnicity, sexual orientation, social background or other characteristics, everyone should have the same opportunities to develop their full potential.

In the context of the world of work, this means ensuring gender equality, including equal pay for work of equal value. Women and men have the same opportunity to

All employees should retain their ability to work and enjoy healthy leisure time. Occupational health management (OHM) measures are designed to support this. In this regard, there are offers such as mobile working (including e-learning on this topic, which includes ergonomic working), flexible working hours, driver safety training and company bicycles. In addition, team events and workshops are intended to promote a sense of social community.



develop their skills and advance, whether through training or professional development.

The employment and inclusion of people with disabilities is another important aspect of the company's activities. The company strives to remove barriers and provide appropriate support to ensure that people with disabilities can participate in the workplace on an equal footing.

Measures against violence and harassment in the workplace are essential to create a safe and respectful working environment. Everyone should be free from any form of discrimination, harassment or violence. Diversity is a strength, Franke GmbH is committed to promoting and protecting a diverse workforce. This means that people from different backgrounds and with different perspectives are welcome.

Ultimately, promoting equal treatment and opportunity for all is not only an ethical obligation, but also a prerequisite for a thriving and equitable workplace where everyone can reach their full potential.

Working conditions are a decisive factor for the wellbeing of our employees and the efficiency of workplaces. The most important aspects include secure employment, reasonable working hours and fair wages.

Secure employment means that employees are protected from arbitrary dismissal and enjoy reasonable notice periods and legal security. Flexible working time arrangements and mobile working should support a healthy work-life balance. For example, discounted access to gyms, leisure pools and other public facilities is offered in cooperation with the partner "Egym Wellpass". The company "Eurorad" gives employees the opportunity to lease bicycles, e-bikes or pedelecs at a reasonable price.

Franke Health Days are held annually to raise awareness of the topic of "health" and focus on both physical and mental health.

In addition, two employees in the company have been trained as MHFA first aiders. They are to be the first point of contact for everyone when it comes to mental health. They are the link to the occupational health service and the company chaplain.

The social dialog promoted by the existence of works

councils, trade unions and collective bargaining is of great importance. This enables employees to represent their interests and strengthen their rights. Collective agreements set minimum standards and guarantee fair pay and working conditions. Information, consultation and co-determination rights are

also important to ensure that their voices are heard and that they can participate in decisions that affect them. This strengthens trust between employers and employees and promotes cooperation.



Work-life balance is another key aspect. Flexible working time models, parental leave and support for family respon-



sibilities are crucial to meeting the needs of employees and increasing productivity.

Adequate and fair pay is crucial in order to secure a livelihood and enable a dignified life. This also includes access to social security systems such as health insurance and pensions.

Finally, health and safety in the workplace is of paramount importance. Employers should ensure that their workplaces are safe and take all necessary measures to protect the health and safety of their employees. This includes involving them in safety measures and providing appropriate training and equipment.

Respect for human rights, fundamenta freedoms and democratic principles

are fundamental elements of a just and free society. These principles are enshrined in a large number of international documents, including the International Bill of Human Rights and other fundamental human rights conventions of the United Nations. For us at Franke, it is a matter of course to take this into account.

The United Nations Convention on the Rights of Persons with Disabilities and the United Nations Declaration on the Rights of Indigenous Peoples are other important documents that protect the rights and dignity of all people, regardless of their origin or abilities.

The International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and its fundamental conventions emphasize the importance of labor rights and standards that protect the dignity and rights of workers, including the right to freedom of association and collective bargaining.

In addition, regional instruments such as the European Convention for the Protection of Human Rights and Fundamental Freedoms, the European Social Charter and the Charter of Fundamental Rights of the European Union play an important role in safeguarding human rights and fundamental freedoms at European level. Overall, these international and regional legal instruments are crucial to ensure that human rights and fundamental

freedoms are respected, protected and enforced worldwide and to promote a just and democratic society.



1.2 Academy and training

Academy: Attracting, promoting and retaining talent

In today's fast-paced and dynamic world, companies face the challenge of attracting, developing and retaining talented employees in order to compete successfully. However, simply finding and recruiting talent is not enough to ensure long-term success. Companies must continuously support their employees and offer them opportunities to develop further in order to keep pace with the demands of a constantly changing world of work. In order to offer employees access to a wide range of learning opportunities, Franke GmbH has implemented an internal learning platform (Learning Management System LMS). This LMS enables employees to access training courses, e-learning modules and resources, such as a skills matrix.

These help them to expand their skills and keep their knowledge up to date. The learning content is diverse and ranges from technical skills to leadership and communication training. Another important building block is the development of managers. To this end, Franke GmbH is constantly developing new training concepts on the topics of leadership and error culture as well as agile leadership. A new module, the "short talks" format, is being introduced to promote a transparent management culture.

Employees are also encouraged to participate in external training programs, retreats and workshops. The company offers financial support and flexible working hours to ensure that employees have the opportunity to expand their knowledge and skills beyond the boundaries of the company.



At Franke GmbH, lifelong learning is therefore at the heart of a progressive corporate culture. We recognize the importance of the continuous development of our employees and have therefore implemented a variety of measures to promote lifelong learning. Another feature of lifelong learning at Franke GmbH is the regular organization of internal training courses and keynote speeches. These informal learning events enable employees to share their specialist knowledge, discuss new trends and develop innovative solutions together. With the help of internal trade fairs, such as the "Learning Days", employees from all areas are introduced to software tools that are used internally.

Through so-called "shoulder looks", employees are given the opportunity to get a taste of other specialist areas for a day and look over the shoulder of another employee. The internal training program shows which internal training courses can be carried out in the company. With the help of a profile, the necessary information can be read out.

Training and study

At Franke GmbH, first-class training is the focus of the company. Sound training is of great importance for the long-term success of its employees, which is why a comprehensive training program has been developed to promote growth and innovation. As part of this commitment,

trainees and dual students at Franke are grouped under the term "Franke NEXT", which illustrates the future-oriented focus and the promotion of young talent within the company.

In addition, Franke's training rate in the region is above average at 30%, which underlines the company's commitment to promoting young talent. The training portfolio is as focused as possible and concentrates on the technologies and developments relevant to the company. The aim is to prepare graduates in the best possible way for their employment at Franke GmbH.

Training begins as soon as new trainees are hired. All trainees undergo a structured induction program (flowthrough plan) that gives them a comprehensive overview of the company, its values, goals and processes. This lays the foundation for a successful career and fosters a strong connection to the company.

The training program includes both theoretical and practical training to ensure that trainees have the necessary expertise and practical skills to perform their tasks successfully. The training courses are conducted by experienced experts and professionals who share their knowledge and experience with the trainees. Great emphasis is placed on practical exercises and individual support in order to apply what has been learned in real-life situations.

Fördermaßnahmen der Academy

interne Lernplattform LMS Mentoring-Programm Entwicklung der Führungskräfte 360 Grad-Feedback externe Weiterbildungsprogramme, Klausuren & Workshops interne Schulungen & Impulsvorträge hausinteren Messen Schulterblicke internes Weiterbildungsprogramm



Share of training at Franke 2024





Apprentices in their 3rd year take on responsible tasks and carry out training for their colleagues, for example on topics such as 'Working with Office programs' and 'Communication with teams and Outlook'. This not only promotes the transfer of knowledge, but also strengthens team spirit and cooperation within Franke NEXT.

New knowledge and skills are needed to be equipped for the digital future. These are systematically integrated into training and further education at Franke GmbH. Learning with mobile devices or in a modern learning workshop are just as much a part of this as the use of 3D printers and electronics.

The trainees have also been undergoing digital training since 2021, in which they receive extensive training in teaching new, digital teaching methods and learning content. The trainees support the company in the digitalization process and are involved in the transformation right from the start. Another important part of training at Franke GmbH is the individual support of all trainees. Each apprentice is assigned a mentor who serves as a point of contact and support. They accompany the trainees throughout their training and offer them valuable advice, feedback and personal development opportunities.

In addition, trainees are offered regular training opportunities to ensure that they stay up to date and continue to develop. These training courses can take place both internally and externally and cover topics such as new technologies (e.g. 3D printing), current trends and soft skills.

A great deal is also invested in understanding the company's specific products. Apprentices learn about wire race bearing technology from day one and develop their own exhibits for trade fairs. Franke GmbH attaches great importance to a positive learning environment in which trainees are motivated, supported and encouraged to reach their full potential. There is open communication where questions can be asked and ideas exchanged. Trainees are encouraged to act independently, find solutions to problems and take responsibility.

This responsibility is transferred to the trainees in the "Junior Innovators" project. In this project, they have to organize themselves in a team across different professions and manage the processes independently. The trainees are supported by experienced trainers and mentors using work instructions they have developed themselves. This helps to raise the trainees' technical understanding to a new level. Behind everything is an educational concept that teaches not only technical skills but also self-learning skills and promotes teamwork between different training groups. At Franke, this is called Matrix 4.0.

In conclusion, training at Franke GmbH is characterized by agility, team spirit, competence and reliability. Through a comprehensive training program, individual support and regular further training opportunities, Franke creates an environment in which trainees can develop their potential. This not only leads to highly qualified and motivated employees, but also to sustainable development and a strong competitive advantage for the company. Apprentices with excellent qualifications have the opportunity for further



training in the form of technical colleges (business administrator/master craftsman) or a dual study program.

Dual study program at Franke: An investment in the future

At Franke, the dual study program is a central component of our training strategy, which is geared towards long-term sustainability and innovation. By closely integrating theory and practice, we offer our students the opportunity to gain valuable experience in a dynamic corporate environment. Our dual study program combines academic content with practical applications, enabling students not only to acquire specialist knowledge, but also to develop important skills for their professional future. Here, too, we rely on an internal flow-through plan in which students are also given the opportunity to actively participate in the specialist departments.

Students are accompanied by experienced mentors and experts who support them throughout their training. This not only promotes their personal and professional development, but also strengthens their loyalty to our company. At Franke, we attach great importance to sustainable training that meets the needs of today's working world. Our dual students are not only part of the company, but also active co-creators of projects that contribute to the improvement of our processes and products.



We are also committed to promoting diversity and equal opportunities in our dual study program. We are convinced that different perspectives and backgrounds lead to innovative solutions and thus ensure the long-term success of Franke.

By integrating sustainable practices into our training programs, we actively contribute to the development of responsible professionals who can master the challenges of the future.

Overall, the dual study program at Franke is not just an apprenticeship, but an investment in the future - both for our students and for our company.

1.3 Occupational safety

Franke GmbH is responsible for the safety and health of its employees at work and other persons who may be affected by their activities.

This responsibility includes the promotion and protection of their physical and mental health.

Occupational safety and fire protection are at the forefront of our daily activities. Compliance with all legal requirements is ensured and overall supervision by the company doctor and the occupational safety specialist is guaranteed.

The reduction in the frequency and severity of accidents is set out in the corporate objectives.

The number of reportable accidents has increased compared to the 2023 reporting year, but should remain below the industry average (2023 rates in Germany for the German Social Accident Insurance DGUV: 18.09, and for the Employer's Liability Insurance Association for Wood and Metal BGHM: 30.18):



Accident rate Franke GmbH (reportable accidents at work/1000 employees)



Franke GmbH is gradually working on identifying the main accident black spots and taking appropriate measures to avoid hazards. Accident reports are recorded, analyzed, communicated and processed using software. As a result of last year's accident analyses, a special new glove plan was developed and introduced in 2024.



All employees are involved in the topic of occupational safety. Training planning for the mandatory instructions (including safety instructions, crane, forklift and load securing instructions, first aider courses, specialist and activity-specific courses) is carried out in cooperation between the HR department, the safety specialist and the management. The same applies to preventive occupational health care (no special preventive occupational health examinations were required in 2024), the number of preventive examinations in recent years:



In 2024, all defined tasks were systematically implemented in this regard and the planning for 2025 was drawn up: 48 mandatory briefings were carried out in 2024, and the same number is planned for 2025.



In the reporting year, the risk assessments and operating instructions were expanded and instructions were provided. Furthermore, inspections and emergency drills were carried out with regard to the site changes and the resulting measures were fully implemented. The marking of escape and rescue routes was checked and the fire doors were systematically recorded and checked.

Measures in the area of occupational safety have already been defined for 2025 and will be implemented together in a focused manner. The focus here is on a restructured inspection program in cooperation with the internal and external safety experts, the safety officers and the area managers (including an increase in the number). The risk assessments must also be revised throughout due to the structural changes and the newly built Plant 6 and the resulting shifts in production and personnel. The company uses the FrankeWiki intranet, Rundum Franke as an online portal and as a print magazine, as well as notices and information events to reach all employees in the company on the subject of occupational safety. There is also an improvement suggestion box, which all employees can use to suggest specific topics.

1.4 Data protection

Franke GmbH has always held the view that the protection of personal data is of great importance for a sound business model. The advent of ever more extensive networking and the relevance of digitalization and Al once again demonstrates the accuracy and importance of this assessment.

As almost all specialist areas of the company handle personal data and, in addition to even closer networking of specialist areas and processes internally, an ever-increasing focus on individual and responsive communication is also becoming apparent externally in the future, avoiding potentially negative effects due to gaps in the protection of this data is a top priority.

Legal regulations and internal guidelines

In addition to the aforementioned, rapidly increasing requirements due to digitalization and networking, the ever-increasing regulation is also a driver for the further development of data protection processes at Franke GmbH. International and national regulations therefore form the framework for data protection. The data protection standards of the European Union are particularly relevant here. Binding internal guidelines on the handling of personal data have been in place for several years and have been usefully supplemented by the "Digital Services" company



agreement since 2023. The guidelines themselves were updated again in the current reporting year.



Data protection means responsibility

In addition to the already established, regular training courses in the areas of IT security and data protection, a new training/audit format was introduced in 2024, which enables current IT security and data protection topics to be distributed flexibly and in a targeted manner to specialist departments and, if necessary, measures to be derived and implemented directly from the feedback from the specialist departments.

A data protection team ensures security

In organizational terms, data protection in the company is covered by an external staff unit (the data protection officer), which regularly exchanges information with the internal data protection coordinator and develops topic-specific concepts, advises management and process owners and is directly available to all employees as a point of contact.

The data protection team, which previously consisted of management, the data protection officer and coordinator and the IT manager, was expanded in 2024 to include the respective department heads and defines principles and rules for the protection of personal data (in even closer cooperation with the process owners).

The "data protection consultation hour" introduced in 2023, during which the data protection officer is available to employees in person and on site once a month, was optimized in terms of time based on the experience gained during the test phase.

Since 2024, the data protection team has been conducting audits in the specialist departments to further sensitize employees and audit processes and data storage.



Regulations on digital transformation

In 2024, in addition to internal qualification measures, the focus was on adapting processes to the expected changes in the legal situation. In particular, the regulations that have already come into force and are currently being discussed in the areas of cyber security and artificial intelligence have far-reaching implications for data protection, even in their drafts, and will therefore remain a focus for Franke GmbH in 2025 and beyond.

Business relationships

In addition to the fulfillment of legal requirements, technical measures regarding the protection of personal data also play a decisive role - especially in business relationships with third countries such as China.

Here, data protection at Franke GmbH benefits from a general level of IT protection that has also been massively increased in recent years. In addition to avoiding fines and reputational damage, good and functioning data protection is also increasingly a decision-making criterion when selecting partners and suppliers.

1.5 Information security

Information security in the focus of the sustainability strategy

Information security plays a central role in Franke GmbH's efforts to embed sustainability in all areas of the company. Protecting sensitive data and ensuring the integrity of information systems are not only legal obligations, but also an essential part of our corporate responsibility. By specifically protecting digital information, we also make an important contribution to environmental sustainability by reducing paper-based processes and making digital exchange secure.

Information security policies and procedures

The company has established strict information security policies and procedures that are regularly reviewed and updated to keep pace with the latest technologies and threat scenarios. These guidelines define clear responsibilities and processes for handling company and customer data. In addition, regular risk analyses are carried out to identify and address potential vulnerabilities at an early stage.

Employee training and awareness-raising

Franke GmbH is aware that the security of its information depends largely on the awareness and behavior of its employees. For this reason, we continuously invest in training and awareness programs. Interactive training formats and regular phishing simulations help to identify risks at an early stage and take preventive action.

Technical safety measures

Advanced security technologies and procedures are used to secure the data. These include firewalls, encryption techniques and multi-factor authentication mechanisms, to name but a few. These technologies are constantly moni-



tored and updated to provide protection against external attacks and internal security risks.

Sustainable development and information security

Information security contributes directly to sustainability goals by ensuring the availability and integrity of data that is essential to environmental and social initiatives. Protecting this data not only supports responsible corporate governance, but also promotes transparency and trust in sustainability efforts.

Future-oriented security strategies

In view of the constantly evolving digital environment, Franke GmbH is continuously developing its information security strategy.

This includes investments in new technologies and the expansion of the security awareness program. The aim is not only to optimize security measures, but also to proactively anticipate future challenges.

1.6 Partnerships

The company not only acts as a consulting partner for its customers, but also maintains long-term, trusting partners-

hips outside of customer projects.

This is because Franke GmbH is convinced that more can be achieved together. To this end, the company relies on flexible teams in which customers and external partners are seen as members. In order to enable continuous further development, great importance is attached to constant learning and professional exchange with external experts is valued.

The partners of Franke GmbH come from the following sectors:	
Partner for research, development and digitalization	D LEANPARTNERS
Partner for consulting on methods, employee development and training	LERN WERKSTATT
Partner for the development of products and components	berg
Partner for collective bargaining, labor law and personnel development	
Partner for financing and funding iccurs	ANZLEI ZAPP tsprüfung Steuerberatung
Partner for occupational safety, fire protection, health, data protection	wehr Aalen
Partner for sustainability, environmental management, energy management	

1.7 Funding/sponsorship

Sponsorship can be a very effective marketing tool as it allows companies to showcase their brand, products or services in a broad and targeted way. Sponsorship generally refers to the financial or material support of events, people or organizations in the hope that the associated presentation of the brand will lead to a positive perception and increased customer loyalty.

At Franke GmbH, sponsoring consists on the one hand of providing free sample parts (wire race bearings, linear systems) for prototypes and research. Specific examples include bearing elements for hubless rims in racing or components for student research projects at universities. In return, we benefit from advertising measures on the racing cars or in the media as part of the reporting. In this way, we can appeal to a wide audience and associate our brand with speed, performance and innovation.

Sponsorship is also used at a local level, for example by supporting schools, sports clubs or cultural events. In this case, we can present our brand in the community and give something back at the same time. By supporting local initiatives, companies can gain the trust and loyalty of consumers.

1.8 Franke Foundation

To mark the 100th birthday of the inventor of the wire race bearing and founder of the Franke company, Egon and Eva Franke have established the "Erich Franke Foundation". The Erich Franke Foundation is the legatee of Egon and Eva Franke.

Erich FrankeFoundation

Help. Promote. Support.

Purposes of the foundation:

The promotion of science and research, the promotion of youth and elderly care, the promotion of welfare, the promotion of nature conservation and landscape conservation within the meaning of the Federal Nature Conservation Act and the nature conservation laws of the federal states and the promotion of charitable purposes within the meaning of § 53 AO



The organs of the foundation are:

1. Board of Directors

Daniel Groz (Partner and Managing Director of Franke GmbH)

2. Advisory Board

Sascha Eberhard (Chairman of the Advisory Board and Managing Director of Franke GmbH) Bernhard Richter (Pastor (retired) of Aalen City Church) Frederick Brütting (Mayor of the City of Aalen)



Help. Promote. Support.

Science & research Promotion of university projects and start-ups



The Erich Franke Foundation is proud to support research projects at universities and start-ups. It believes in the transformative power of research and innovation and is firmly convinced that these can help to improve the world and find new solutions to pressing problems. Financial support enables promising talents and ideas to realize their potential and drive groundbreaking developments.

Education and upbringing Support for youth and elderly care initiative



The foundation is also actively involved in helping young people and the elderly in the Ostalbkreis region. The governing bodies firmly believe that young people and senior citizens deserve special support to improve their quality of life and meet their individual needs. Targeted programs and projects promote integration, education and care for children, young people and the elderly in our region to create an inclusive and supportive community.

Erich Franke

The life of company founder Erich Franke is unique in many respects. How he worked his way up to become a leading design engineer at the global company Zeiss without any higher education, how he was uprooted from his homeland after the Second World War and shortly afterwards took the plunge into entrepreneurship, how he advanced his company with visionary drive on the one hand and a great sense of responsibility for the people in his "business family" on the other. All of this is remarkable - and at the same time a reflection

of the history of the 20th century.

The Erich Franke Foundation was established in 2000 by the married couple Egon and Eva Franke on the occasion of the 100th birthday of the inventor of the wire race bearing. The statutory purposes are realized in particular through the following areas.





Help. Promote. Support.

Environmental protection & sustainability

Help with landscape conservation or species protection projects



The foundation also supports the environment through its passionate commitment to promoting habitat improvement and restoration. The importance of intact ecosystems for our well-being and the environment is understood and therefore projects that contribute to the protection and restoration of natural habitats are supported. Investments in this area help to preserve biodiversity and promote ecological sustainability.

Erich Franke Foundation

At Franke, we are convinced that everyone strives to improve their lives and their world. The prerequisite for this is individual freedom. With the wire race bearing invented by Erich Franke, we support our customers in developing better products.

The Erich Franke Foundation applies this approach to research as well as to social and ecological commitment. It promotes and supports projects that make our world a better place. True to Erich Franke's guiding principle, a quote from the Jena doctor and professor Moritz Seidel:

Charity & welfare

Promotion of charitable institutions in the Ostalbkreis district



The Erich Franke Foundation is also actively involved in supporting charitable and non-profit organizations in the city of Aalen. It is firmly believed that by supporting these organizations and institutions, important social needs in our community can be met.

The aim is to support people in need and to sustainably improve the quality of life of all our fellow citizens.

The earthly good that has come to the individual is the result of the work of many people and should therefore flow back to the community as far as possible.

2. Ecology

2.1 Disposal

Formal

Franke GmbH strives to use resources responsibly in order to reduce the impact on the environment. To this end, the entire product life cycle is considered. Products with a long service life are targeted in order to avoid waste in the downstream value chain.

The waste generated in the company's own plants should be avoided in principle, but at least minimized.

Managers are required to take this into account when planning products and production processes, as well as when planning packaging.

The waste that is nevertheless produced is separated and collected using a waste management system. For this purpose, the necessary waste stations are installed on site in all plants, as well as the collection stations in the outdoor areas for targeted collection or proper disposal by selected specialist companies. Franke GmbH does not reprocess waste itself. It works exclusively with certified and qualified specialist companies, if possible from the region. The waste balance sheet is managed by the representative, who is also responsible for the official reporting obligation. The waste officer reports directly to the management, and measures are also initiated and pursued if necessary and in coordination.

Current changes to the legal framework

The company's ongoing obligations under waste legislation are identified in the current legal register in cooperation with an external service provider. This also includes the resulting measures and the effectiveness check. In 2024, there were changes to the city's statutes on public wastewater disposal and the waste management statutes of the Ostalbkreis district, but these have no operational impact. No legal changes with a significant operational impact are expected in 2025.



Activities and their effects

Documented internal inspections and audits by external service providers are carried out regularly to monitor compliance with waste legislation. Identified findings are systematically managed in a software program and measures are derived and implemented.

The current environmental certificate in accordance with ISO 14001:2015 is available on the website (www.frankegmbh.com); further information for interested parties is also listed there.

Internal communication with employees takes place via the Internet, where they also have the opportunity to report deficiencies or suggestions for improvement, which are then systematically followed up.

No significant changes or measures in the processes have been planned for 2024 and none have arisen. Due to major changes in the infrastructure at the plants, a project on proper storage and associated training for handling hazardous substances is planned for 2025.



Business year	2022	2023	2024
total waste	301.9	494.1	360.2
hazardous waste	75.9	134.4	84.7
non-hazardous waste	226.0	359.7	275.5
hazardous waste/turnover (t/mio€)	11.2	2.5	1.6
ungefährliche Abfälle/Umsatz (t/Mio€)	2.1	6.6	5.3

500 ſ

400

300

200

100

2.2 Climate

Franke GmbH is aiming for CO_2 neutrality by 2025. Initially for Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased energy), but not for Scope 3 (indirect emissions within the value chain), in accordance with the GHG Protocol.

The greenhouse gas balance for the respective previous calendar year is determined, which contains all relevant key figures, as well as the other associated topics in the area of climate protection and the resulting potential measures. The energy management officer, as a member of the sustainability team, is responsible for determining the CO_2 -relevant key figures and preparing the greenhouse gas balance sheet, which contains proposals for measures to reduce CO_2 . In the sustainability process, all relevant sustainability issues are also monitored by the relevant team.

The base year for the greenhouse gas balance is 2021. The CO_2 equivalents and their sources must be documented. The uncertainty of the data provided is to be assessed at +/- 5%. The documented greenhouse gas balance information is based on DIN EN ISO 14064-1. According to the current status, Franke GmbH is obliged to prepare a sustainability report from 2025.



Quantified balance sheet of greenhouse gas emissions (The greenhouse gas balance sheet will be made available to interested parties by arrangement):

business year	2021	2022	2023	2024	2025
CO ₂ emissions (t)	901.3	669.8	650.5	144.4	0.0
scope 1	366.5	172.2	163.9	127.0	9.0
natural gas	282.5	147.6	121.0	102.2	8.1
heating oil	84.1	24.7	42.9	23.9	0.0
fugitive emissions				1.0	1.0
(greenhouse gases)					
scope 2	534.8	497.5	486.5	120.4	20.8
electricity	514.2	481.9	463.0	102.2	0.0
Fuels (vehicle fleet)	20.6	15.6	23.6	18.3	20.8
CO ₂ emissions/	17.0	11.2	11.9	2.8	0.0
turnover (t/mio€)					
CO ₂ emissions/	3.5	2.1	2.0	0.4	0.0
employees (t/mio€)					
$\rm CO_2$ compensations (t)	0.0	94.5	0.0	0.0	29.8



CO₂ Emissions (t)

The company is pursuing the goal of CO_2 neutrality by 2025 for Scope 1 and 2 emissions. If not all CO_2 emissions can be avoided, the remaining CO_2 emissions are to be offset. The CO_2 emissions shown for 2024 and 2025 are based on estimates. The calculations for electricity emissions are based on emission factors from the energy supplier, the emission factors for natural gas and heating oil are based on data from the Federal Environment Agency, and fuels are based on data from the Federal Office of Economics and Export Control.











Photovoltaic yield (kWh)



The new construction of Plant 6 in 2025 will increase internal energy yields.







Energy efficiency measures in implementation

- Relocation of production facilities to energy-efficient plant
- New measuring machine with sustainable features (power consumption reduction during downtime/automatic compressed air shutdown/ recuperation)
- Shutdown of inefficient compressed air supply in plant 2
- Heat recovery compressors plant 6



Potential energy efficiency measures

- Expansion of LED lighting
- Heating renewal in plant 2
- Reduction of our production waste
- Expansion of energy monitoring

- Climate neutrality measures in implementation
- Use of green electricity
- Use of bio natural gas
- Use of CO₂-neutral heating oil
- PV systems
- Heat recovery
- Procurement of raw material aluminum
- With reduced CO₂ footprint

- CO₂ compensation
- Installation of further PV system

The examples shown here are just an excerpt. Further measures for energy efficiency and climate neutrality in the company can be found on the website at: www.franke-gmbh.com





2.3 Environment

At Franke GmbH, raw materials, purchased parts, semi-finished products and preliminary products as well as energy and water are used. This results in emissions, waste water and substances that can no longer be used in the subsequent production process.

Franke's business activities also require the use of natural resources and therefore contribute to the fact that required raw materials are becoming scarcer and negative environmental impacts occur due to the extraction, processing and disposal of materials. As a result, prices for energy, raw materials, materials and waste disposal are already rising, which in turn affects competitiveness.

This is why Franke also optimizes its processes in terms of ecological and economic aspects and designs them in such a way that as few resources as possible are required. From product development through to use by customers, Franke takes environmental aspects into account in order to make downstream activities largely superfluous. An environmental management system in accordance with the international ISO 14001 standard has been established. The ISO 14001:2015 (environment) re-audit by TÜV Süd took place in September and was successfully passed; the updated certificate is available on the homepage. Absolute water consumption and water consumption per employee (water quota) increased again in 2024 following a reduction in previous years, although the new Plant 6 building, including the associated increase in operating space, must also be taken into account:



After the shipping packaging figures were determined for the first time in the previous reporting year, a comparative analysis was carried out for the first time for 2024. Both the absolute packaging quantity and the packaging ratio were reduced.

In order to detect further potential for improvement, it is planned to obtain better transparency for analyses in the future by further optimizing the recording software. The packaging quantity (t) of the last 2 years:



The process for PFAS and POPs was defined in 2024. The topic of PFAS (per- and polyfluoroalkyl substances) and POP (persistent organic pollutants) is currently very present in the media under the catchphrase "eternal chemicals". Franke is also affected by this issue and endeavors not to use such substances and to use lubricants that are as environmentally friendly as possible.

An analysis of the cooling lubricants currently used was also carried out; potential optimization potentials for this are to be considered in 2025 and implemented if possible. Training courses on proper storage and handling of waste and hazardous substances for the employees concerned are also being planned for 2025.

3. Economy

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3.1 The Franke principle

Innovative rolling bearings: With four wires for a better design

The key difference between a conventional ball bearing and a Franke wire race bearing lies in the races. In a wire race bearing, the rolling elements do not roll on solid housing rings, but on delicate wires.



The flexibility of the Franke principle makes it possible to design more freely and easily in order to develop better products. Thanks to their patented technology, Franke wire race bearings offer maximum design freedom without compromising on load capacity.

The enclosing construction can be realized in a variety of lightweight materials and its geometry can be optimally adapted to the respective application.

Linear guideways:

Uniquely dynamic, uniquely individual

Linear guides from Franke transfer the ingenious principle of the innovative wire race bearing to linear movements. They consist of a lightweight aluminum base body with needle or ball bearing mounted rollers made of steel or corrosion-free steel and are completely maintenance-free. Special cover plates on the rollers seal the bearing to the outside. Rollers in an O arrangement ensure an equally high load-bearing capacity from all directions. The rollers are provided with a groove that is adapted to the profile of the track. This guided roller system guides the rollers axially and ensures smooth and quiet running. Rail and carriage profiles can also be customized.



Franke linear guideways are available as guide rails with carriages or as a pair of guide rails with a pair of roller shoes.

3.2 Franke Wire Race Bearings

In a wire race bearing, four races made of spring steel absorb the loads from all directions. This saves both weight and space. This allows a free choice of materials and a customized design of the enclosing structure. For example, by using aluminum instead of steel, a lower weight and thus a lower mass inertia can be achieved. This means that less drive power is required and completely new possibilities for designing components are opened up.

This design freedom allows the bearing to be integrated into the customer's housing, saving material and costs and greatly reducing the weight of the overall product.



3.3 Quality

The pursuit of quality determines the entrepreneurial activities at Franke GmbH, which are always based on the requirements and interests of the customers.

Franke is a supplier of high-quality products based on its own market research, development and patents. At the same time, partnerships are formed with customers in order to find optimal solutions together. The company's responsibility towards its customers not only relates to the products, but also includes support beyond development and design.



In detail, quality management means:

- Precise knowledge of customer requirements and expectations
- expectations
- Development and manufacture of market-driven and competitive products using our innovative skills in mastering technologies and methods
- Consistent implementation of the zero-defect strategy, by creating defect-free products through mastered processes
- Structured project management and development of sustainably safe products and processes
- Involvement of suppliers and contractors
- Continuous improvement of processes and products
- Prevention of defects before detection of defects
- Definition of individual objectives
- Definition of overarching corporate objectives
- Definition of corporate policy
- Provision of modern and efficient tools and methods, to achieve controllable processes
- Continuous improvement of all processes (CIPs)
- Monitoring and evaluation of the effectiveness of CIPs
- Continuous improvement of our employees' knowledge and training
- Practicing open information and communication for the purpose of efficient cooperation
- Permanent evaluation of safety, order and cleanliness
 criteria

Certified quality management at Franke

Franke GmbH operates a strict quality management system to ensure the quality of products and services at all times and to improve them wherever possible. The entire quality management system is certified in accordance with DIN EN ISO 14001 and 9001, covers all quality-related activities and is binding for all employees.



We expect all employees to be committed to this common goal of continuously improving customer satisfaction and to support it to the best of their ability.



3.3 Refurbishing

Sustainability and resource conservation are also important issues in mechanical engineering. In many cases, repairing machines and components instead of scrapping them is the better approach to maintaining or even increasing the efficiency and profitability of a production plant.

Franke Wire Race Bearings support you in this. Slewing rings with integrated wire race bearings are characterized by a long service life. Once their useful life has been reached, the precisely manufactured housing parts can be reused, as they are not directly exposed to the mechanical loads of the bearing and therefore often remain in good condition. This contributes to the conservation of resources and sustainable use of materials.

Another alternative is regular inspection before the service life is reached in order to prevent possible failure when the service life is reached.

If Franke slewing rings are approaching the end of their estimated service life, the bearing is removed and sent to Franke GmbH for inspection. There, an initial visual and functional inspection is carried out to assess the possibility of retreading. Even at this stage, the company's internal specialists recognize the existing recycling potential. For the final assessment and determination of the repair frame, the bearing is opened and dismantled into its individual In 80% of cases, it is sufficient to manufacture a new bearing element from races, rolling elements and cage and insert it into the existing housing parts.

parts. Once the investigations have been completed, the customer receives a report on the findings and a cost estimate with a defined delivery time. Once the costs have been approved, the order is initiated accordingly.

After assembly, the bearing is inspected in accordance with current quality standards and, if necessary, undergoes test runs on suitable test benches. If all specifications are reliably met, the bearing is returned to the customer. The repaired slewing ring now corresponds to the functional data of a new bearing.



3.3 Supply Chain

The Code of Conduct of Franke GmbH, which can be viewed on the company website (www.franke-gmbh.com), is also the central guideline for action in procurement. Together with the purchasing conditions, it defines the basic understanding of a partnership-based cooperation with external suppliers.

> Due to the high value-added contribution of suppliers, procurement is an important support process for the long-term success of Franke GmbH.





 Raw materials
 Material
 Wage labor

 Delivery distribution by sector in 2024

A risk-based approach is used to systematically manage suppliers with regard to sustainability aspects. Environmental and social aspects are playing an increasingly important role both in the selection process and in cooperation with suppliers. This is because environmental pollution, inadequate occupational safety standards, human rights violations and child or forced labor pose risks in supply chains that Franke wants to counteract.

On the other hand, business relationships based on partnership can

create jobs and have a positive impact on environmental and social standards along the supply chain.

Cooperation is regularly monitored by means of an established supplier evaluation at Franke GmbH, which is also subject to continuous improvement. The assessments are carried out retrospectively and are performed after the end of the financial year for the previous calendar year. A process for monitoring compliance with the EU regulation on conflict materials has also been established. Internal and external stakeholders can use the whistleblower system on the company website to report possible



human rights violations within the supply chain. In the reporting year, there were no known violations or complaints relating to human rights in the supply chain or at the company's own site.

The formation of an internal sustainability team in 2023 marked the start of a systematic approach to embedding social and environmental sustainability in the company's supply chain. Specific measures for supplier management were developed and implementation began in 2024. In 2025, cooperation with strategic suppliers is to be further intensified in all areas, taking sustainability into account.



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Disclaimer:

This report contains certain forward-looking statements concerning the development of Franke GmbH. The company currently assumes that these forward-looking statements are realistic. However, such forward-looking statements are based on both assumptions and estimates that are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. Franke GmbH can therefore not be held liable for any such deviation. There are no plans to update the forward-looking statements for events occurring after the reporting date of April 1, 2025. Apparent differences may occur throughout the report due to mathematical rounding in the additions.

Franke on Social Media:

