

Declaration of conformity 2023

COMPO

Indicator set


GRI SRS

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Indicator set

The declaration was drawn up in accordance with the following reporting standards:

GRI SRS

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General

General Information

Describe your business model (including type of company, products / services)

About COMPO

COMPO is the leading supplier of branded products for plants in the home and garden in Europe. Since its foundation in 1956 and the start of its international orientation in 1967, COMPO has developed into one of the few international full-range suppliers for plant care in the home and garden and is the market leader in Belgium, Germany, Italy, Austria, Switzerland and Spain. Hobby gardeners will find everything they need to care for their plants in the wide range of products - from potting soil and fertiliser to lawn seed, pest control and plant protection products with a focus on organic products. In addition to the product range, COMPO offers comprehensive concepts and provides support with a broad spectrum of different innovative analogue and digital services. Today, more than 800 employees at 25 locations across Europe work day in, day out to develop diverse and sustainable quality products and solutions. Since 2021, COMPO has been part of Duke Street, a successful investor in Europe for over 25 years.

At a glance

Founding year	1956
Group Management	Stephan Engster (CEO); Anton Staals (CFO)
Employees	> 800
Shareholder	Duke Street
Product range	the diverse product range with a focus on organic products includes potting soil and compost, fertiliser and plant care, lawn care, plant protection and pest control
Companies	25, e.g. in Austria, Belgium, France, Italy, Poland, Spain, Switzerland

Expanded reporting scope for the 2023 Sustainability Code declaration

In the first Sustainability Code declaration for the 2022 reporting year, COMPO focussed on all German locations. Accordingly, only examples from Germany

were cited with regard to brands and products. In the 2023 reporting year, the Sustainability Code declaration refers to COMPO Consumer GmbH, under which all international companies are bundled. For reasons of better readability, only COMPO is referred to in the Sustainability Code declaration. However, if individual pieces of information only refer to individual locations, this will be indicated accordingly.

Brands and products

It all began in 1956 with the launch of the first potting soil in consumer-friendly packaging - the introduction of the well-known and to date multi-awarded-winning brand COMPO SANA[®]. Over the years, COMPO's brand and product portfolio has evolved, always in line with the needs of the market and consumers. The different brands and their specific roles and positioning are both related to each other and in line with the company's objectives.

COMPO*

With its broad spectrum in the product categories of potting soil, lawn care, garden fertilisers, plant care, plant protection and biocides, the COMPO brand offers both mineral and organic solutions that are equally effective and safe for humans, animals and nature. Throughout the COMPO range, the focus is always on the most sustainable value chain possible.

**Algoflash in France; Gesal in Switzerland, Italy and Spain*

COMPO BIO*

Organic quality products have a long tradition at COMPO. The segment was focussed on early on and has been consistently expanded ever since. The wide range of products under the COMPO BIO brand stands for natural and fully effective performance in all plant care product categories. As part of COMPO, COMPO BIO is aimed specifically at those hobby gardeners who only use biological solutions and prefer to work purely organically. For example, all COMPO BIO soils and soil conditioners are 100 per cent peat-free. The fertilisers in the COMPO BIO line are purely organic solutions that are suitable for organic farming in accordance with Regulation (EU) 2018/848.

**Algoflash Naturasol in France and COMPO Organic in the Czech Republic*



öko balance*

COMPO öko balance is the first range consisting of soil, liquid and solid fertilisers made from completely recycled ingredients and packaging. The vegan organic range thus consistently follows the principles of the circular economy. No new resources are used for the ingredients and packaging; instead, nutrient-rich residual materials, for example from the food industry or green compost and recycled materials are processed into effective products. This saves waste and CO₂.

**or organic & recyclé in France and organic & recycled in Italy and Belgium*



Product packaging

COMPO's holistic approach to sustainability also includes product packaging. As a result, 98 percent of the packaging solutions used have a recycle

content that is optimised for the respective packaging material and are 100 percent recyclable.

Find out more about the company, brands and products: <https://www.compo-group.com/en/>

Additional remarks:

This declaration is a complete translation of COMPO's German DNK declaration for the 2023 reporting year.

CRITERIA 1–10: SUSTAINABILITY POLICY

Criteria 1–4 concerning STRATEGY

1. Strategic Analysis and Action

The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.

Company-wide sustainability strategy

Sustainability is firmly rooted in COMPO's own vision of responsible action and has always been a central component of the long-term corporate strategy. In the first Sustainability Code Declaration 2022, COMPO placed a stronger focus on the topic and transferred all activities into a Group-wide sustainability strategy in a comprehensive, Group-wide process, the further development, operationalisation and implementation of which has since been continuously driven forward by COMPO's sustainability team, the ESG House of Competence (ESG HoC) (see criterion 5). Sustainability management is based on processes that involve the continuous processing of the defined sustainability topics and ensure a strategic link between the individual areas. It is an integral part of COMPO's integrated management system. The existing projects of the ESG programme are therefore incorporated into the relevant divisions and implemented throughout the company.

Standards, guidelines and ratings that guide our actions

COMPO has been undergoing a holistic CSR assessment with the internationally recognised rating agency EcoVadis since 2018. Since 2022, reporting in accordance with the Sustainability Code and the Global Reporting Initiative (GRI) performance indicators used therein has been an important component of COMPO's sustainability strategy. In addition, COMPO uses the Sustainable Development Goals (SDGs), the 17 UN Sustainable Development Goals for a fairer and more sustainable world, as guidelines for its own sustainability strategy.

Science Based Targets Initiative

As part of the company-wide ESG programme, COMPO signed the commitment letter of the Science Based Targets Initiative (SBTi) in autumn 2023. By joining, COMPO is following the path clearly defined by the SBTi to reduce

emissions in line with current climate science and the goals of the Paris Climate Agreement. COMPO develops concrete near-term targets and reduction plans that are reviewed according to current scientific standards (see Criterion 3 and Criterion 13). In particular, COMPO is committed to the strategic goal of reducing emissions in accordance with the 1.5-degree pathway of the Paris Climate Agreement.

United Nations Global Compact Initiative (UNGC) and UN Global Compact Network Germany e. V.

In 2023, COMPO decides to join the network for sustainable business, thereby setting an additional example of responsibility for nature, society and the future and emphasising its responsibility as a green leader in the industry.

Overview of key areas of action

As part of its ESG management, COMPO regularly reviews the key sustainability issues. In preparation for the reporting obligation under the Corporate Sustainability Reporting Directive (CSRD) from 2026 (1st reporting year 2025), this is done with the double materiality analysis of the key CSR topics to be considered along the value chain, which was initiated in 2023. In accordance with the European Sustainability Reporting Standards (ESRS), the results are intended to supplement the previously focussed topics of the materiality analysis from 2022. The process will be completed by the end of 2024. Until then, the key SDGs identified in the first materiality analysis (CheckN) and the strategic goals and measures derived from them will remain valid:

Strategic alignment of sustainability management in line with the Sustainable Development Goals

	SDG	Goal
ENVIRONMENT	9	Industry, Innovation & Infrastructure
	12	Sustainable consumption and production
	13	Climate protection measures
	15	Life on land
SOCIAL	3	Health and well-being
	4	High-quality education

2. Materiality

The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.

Corporate environment

As one of the leading international suppliers of branded products for plants in the home and garden, COMPO is aware of its responsibility towards society, nature and the environment. In its strategic guidelines, COMPO has committed itself to continuously expanding its leading role in the field of organic and natural solutions. The company-wide sustainability strategy forms the framework for this.

Material sustainability issues

A materiality analysis is the prerequisite for identifying specific sustainability goals for the individual prioritised fields of action, backing them up with verifiable indicators and bundling them into a roadmap. In order to identify the sustainability topics relevant to COMPO, a materiality analysis was conducted for the first time in the 2022 reporting year under the leadership of the cross-departmental strategy team using a discursive workshop format (CheckN) and supplemented by expert interviews with internal stakeholders. The process was successfully completed in the 2022 reporting year.

As part of the continuous improvement process of ESG management, COMPO regularly reviews the material sustainability topics. In preparation for the reporting obligation under the CSRD from 2026 (1st reporting year 2025) and the EU taxonomy, a double materiality analysis is carried out in accordance with the ESRS along the entire value chain. The analysis initiated in 2023 will be carried out in 2024, taking into account the upstream and downstream value chain.

Based on a detailed analysis of business activities, the material topics are recorded from the inside-out perspective (impact materiality assessment) and from the outside-in perspective (financial materiality assessment). In order to determine the material topics from both perspectives, the list is selected in various topic owner workshops by drawing on existing findings and risk analyses and through intensive discussion of the environmental, social and governance topics. The process takes place in four stages: context analysis, longlisting, evaluation and shortlisting. Completion is planned by the end of 2024.

The material sustainability topics from the 2022 reporting year, which were developed on the basis of the materiality analysis using the discursive workshop format (CheckN) from a company and stakeholder perspective, will remain valid for this period:

Strategic alignment of sustainability management based on the Sustainable Development Goals

	SDG	Definition of
Environment	9	Industry, Innovation & Infrastructure
	12	Sustainable consumption and production
	13	Climate protection measures
	15	Life on land
Social	3	Health and well-being
	4	High-quality education

Outside-in perspective

COMPO reflects the outside-in perspective through the views of its stakeholders. For example, COMPO supports the fundamental objectives of the "Torfminderungsstrategie- und Nationaler Moorschutzstrategie der Bundesregierung": together with the companies organised in the German Industrieverband Garten (IVG), COMPO decided back in 2020 to reduce the use of peat in substrates. The reorientation in the raw materials sector is progressing very successfully. COMPO has already exceeded its voluntary commitment for 2025 to reduce the proportion of peat in growing media for the hobby sector in Germany to less than 50 per cent. Only RPP-certified peat is used in the peat-containing potting soil products, in the spirit of responsible raw material selection. In Switzerland, all potting soils are 100 per cent peat-free.

The sustainability issues that affect COMPO's business activities also include in particular

- International gardening trends derived from the Zukunftsinstitut's megatrends, for example, such as the growing demand for organic products across target groups, urban gardening, diversity in gardening and self-sufficiency
- Climate change and drought, which require continuous adjustments to the product range, particularly in the potting soil, soil protection products, lawn care and garden fertiliser categories
- Limited availability of sustainable raw materials, such as green compost or wood chips

- Relevant findings from our own market research studies with garden and plant owners on attitudes towards sustainability, climate change and drought as well as the demand for organic products. Conducted in 2023 in Italy, France, Spain and Germany.

Inside Out perspective

In order to make a significant contribution to a green, natural and sustainable everyday life with products and solutions, local production, raw materials including their extraction for the products and packaging are analysed, evaluated using an internally developed list of criteria and continuously optimised.

As part of the consistent regionalisation strategy, regional suppliers are prioritised when awarding contracts. Investments in existing and new locations are also an important factor and contribute to economic and social progress.

In addition, the creation of long-term and secure jobs at all locations supports regional development. COMPO provides training in nine professions. During their studies, it is possible to gain practical work experience at COMPO as part of student programmes.

As can be seen from the prioritised SDGs and the defined goals, COMPO sees a particular impact through its business activities:

- Climate protection through active CO₂ reduction management
- Biodiversity, for example through soil improvement
- Sustainable consumption by focussing on organic products and the consistent expansion of organic lines
- Production in line with the circular economy by maximising the percentage of renewable resources or recycled materials while ensuring recyclability at the same time

Social and environmental risks associated with the relevant sustainability aspects:

- Availability of raw materials
- Shortage of skilled labour

COMPO proactively meets the challenges mentioned above, for example through ongoing research efforts and systematic employer brand management, the search for suitable environmentally friendly alternatives and an adapted and responsible purchasing strategy.

Social and environmental opportunities:

COMPO has intensively analysed the megatrends in the strategy process and identifies the following developments as opportunities for the business model:

- Sustainable and resource-conserving gardening

- Environment and nature
- Health
- Organic and self-sufficiency
- The diversity of gardening
- Effects of climate extremes

Conclusions for management and product range:

All of the topics mentioned have been incorporated into the target development process. By defining them as objectives or integrating them into target images, they are anchored in the management process and are processed according to the "Plan-Do-Check-Act" management cycle as well as taken into account in product development.

3. Objectives

The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

Based on the results of the materiality analysis in 2022, COMPO has set itself comprehensive targets and underlying implementation initiatives with defined KPIs to measure progress. They are divided into longer-term, medium-term and short-term strategic goals, which should be implemented as early as 2023. The review of target achievement is managed centrally by the ESG House of Competence, considered as part of quality management and tracked in the individual areas at an operational level.

Short-term goals

In the Sustainability Code declaration for the 2022 reporting year, COMPO formulated four short-term targets. These have either already been fully achieved at the current time or significant progress has been made towards achieving the targets, which are discussed below:

Switch to green electricity and e-mobility

The installation of e-charging stations as a necessary prerequisite for the electrification of the vehicle fleet in Germany took place as early as 2022. The e-charging stations also promote e-mobility among employees, who can also use them for private e-cars and e-bikes.

In 2023, COMPO achieved its goal of initially switching to green electricity at all German locations so that the electricity purchased in Germany no longer causes any CO₂ emissions. The switch to green electricity at the international locations is being planned.

ISO 14001 / EMAS

COMPO has been certified in accordance with DIN EN ISO 9001 for two decades. In the 2022 reporting year, additional certification in accordance with DIN EN ISO 14001 was sought. This is being planned and driven forward in 2023. The aim is to complete certification in accordance with DIN EN ISO 14001 for the first location in Germany in 2024. All other German locations will be certified in accordance with the European environmental management and energy management standard EMAS by the end of 2024 in order to drive forward the sustainable improvement of the integrated management system and place an even greater focus on environmental performance.

SBTi

The key objective of reviewing membership of the SBTi was also achieved in the 2023 reporting year. As explained in detail in Criterion 1, joining the SBTi was done with the aim of following the clearly defined path to reduce emissions in line with the goals of the Paris Climate Agreement. By joining, COMPO commits to the strategic goal of reducing emissions in accordance with the 1.5-degree pathway of the Paris Climate Agreement.

ECOPROFIT®

In light of the accession to the SBTi and the review of the accession to the UN Global Compact, the decision was made not to pursue the participation in the ECOPROFIT® programme, which was again sought in the 2022 reporting year, in favour of the international initiatives.

Medium and long-term goals

With the aim of making our own contribution to the United Nations Sustainable Development Goals with our company-wide sustainability activities, a systematic comparison with the global sustainability goals was already carried out for the 2022 reporting year. In this context, strategic objectives and the resulting programmes of measures and KPIs were developed for the key SDGs for COMPO: health and well-being (SDG 3), quality education (SDG 4), industry, innovation and infrastructure (SDG 9), sustainable consumption and production (SDG 12), climate action (SDG 13) and life on land (SDG 15). Based on the joint materiality assessment, the SDGs that are relevant to COMPO's own business model and on which COMPO's business activities have an impact were prioritised in strategy workshops.

These were further elaborated in the 2023 reporting year, concretised in the business divisions and the achievement of targets in the individual business units was driven forward. The monitoring of the individual projects as part of the regular meetings of the ESG HoC also provided support (see criteria 5 & 6). Progress in relation to the individual sustainability activities is discussed in more detail in the following criteria (see criterion 11 onwards).

Target workshops are planned for autumn 2024, in which further sub-targets with milestones and responsibilities will be developed for each department,

which will also take into account the ESRS data points to be reported.

Strategic objectives of sustainability management based on the Sustainable Development Goals

Range	SDG		Objective
Environment	9	Industry, Innovation & Infrastructure	<p>We are establishing ourselves as a "green leader" in the industry with a sustainable product range that enables consumers to lead a responsible lifestyle and through resource-conserving production.</p> <p>We have defined consistent assessment criteria for sustainability and apply these consistently to the entire product portfolio.</p>
	12	Sustainable consumption and production	<p>We are pioneers in circular value creation through strategic partnerships in the raw materials and packaging sector of the green industry.</p> <p>We promote organic gardening through target group-orientated knowledge transfer via all our communication channels and with our products.</p>
	13	Climate protection measures	<p>Our product portfolio is environmentally friendly and fulfils the highest quality standards and the requirements of all customer groups.</p> <p>We are committed to decarbonising our production sites and at the same time reducing our transport routes through regional sourcing.</p> <p>We develop strategies to permanently reduce CO₂ emissions.</p>
	15	Life on land	<p>We are consistently switching to more organics and thus improving biodiversity in the gardens.</p>
	3	Health and well-being	<p>We are a responsible and future-orientated employer.</p> <p>We are characterised by a pleasant working atmosphere, teamwork and a flat hierarchy.</p>

Social			We offer all employees safe workplaces in a working environment in which all essential health and safety measures are in place.
	4	High-quality education	<p>We have created a framework for professional and personal development, thereby strengthening the expertise of our employees.</p> <p>We record our sustainability initiatives and regularly publish a sustainability report in accordance with recognised standards.</p>

4. Depth of the Value Chain

The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

The Code of Conduct defines responsible behaviour and sustainable business practices as central requirements for COMPO at all levels along the entire value chain. The COMPO value chain is mapped in quality management in the stages of research and product development, raw material selection and procurement, production processes, supply chain and sales processes, customer service and disposal:

Research and product development

Internal research work drives product innovation: in our own research centre at the Münster site, a multidisciplinary team investigates how each individual product can be made even more effective, safer, more environmentally friendly and easier to use. In addition to the search for new, ecologically compatible raw materials, the experts create new formulations and continuously develop product recipes. In order to continuously improve COMPO's quality products, the successful completion of authorisation procedures, particularly in plant protection, plays an important role. All products are intensively tested internally and externally and undergo a strict procedure before they are launched on the market.

Dealing with challenges

An initial risk assessment is carried out at this point in the value chain to ensure that the required quantities and qualities of raw materials are available.

Raw material selection and procurement

The selection and plant-specific composition of raw materials is the basis for

the success of COMPO's products. The focus here is on high-quality, renewable raw materials that are sourced regionally and come from the circular economy wherever possible. For the potting soils, for example, these are quality-assured green compost, bark humus and wood fibres that are processed at regional production sites. In addition, the selection of raw materials is subject to established risk management and a systematic supplier evaluation to ensure responsible procurement practices along the value chain (criterion 12). COMPO secures raw material and material requirements through an established and reliable supplier network, continuous research efforts and cooperation with strong partners.

Responsibly produced peat

The peat contained in all peat-containing substrates is certified by the European multi-stakeholder organisation "Responsibly Produced Peat" (RPP). This organisation has established a transparent certification system for the responsible extraction of peat. This includes strict criteria with regard to the selection of areas, peat extraction and subsequent utilisation of the land. For example, COMPO only uses peatland that has already been used for agriculture or has degenerated and is no longer of high ecological value. Intact peatlands remain untouched to protect the flora and fauna. All extraction areas are subsequently rewetted and renaturalised. As soon as the area has been completely saturated with water again, plants typical of raised bogs such as cotton grass and peat moss can colonise in the following years, which in turn serve as a habitat for animals living in this vegetation. In this way, living raised bogs grow again over time. By the end of 2021, COMPO had already successfully rewetted over 1,000 hectares and secured them as peatland sites for the long term.

PEFC

The PEFC seal on COMPO's products indicates that the wood they contain comes from sustainably managed forests, recycling and controlled sources.

Challenges in the selection and procurement of raw materials

The procurement of sustainable raw materials will remain a challenge in the value chain throughout the industry in the 2023 reporting year: it remains difficult to source important renewable raw materials in sufficient quantities, in the required high quality and at reasonable prices, particularly against the backdrop of competition for utilisation, e.g. with agriculture for green compost or the energy sector for wood chips and bark humus. Other raw materials that are interesting due to their properties, such as peat moss, also currently have limited possibilities for use - in this case in soil production.

Production process and regionalisation strategy

The regional provision and processing of raw materials ensure shorter delivery times and routes and therefore a significant reduction in emissions. It also enables COMPO to guarantee greater reliability and flexibility in the supply chain and ensure better control of quality and volume flows. This is

particularly essential when production volumes in a product category increase significantly and continue to grow.

Supply chain and sales processes

COMPO only enters into business relationships that are in line with the core values of integrity, fairness and respect, compliance with regulations and the law, employment, occupational health and safety, production safety and quality, and environmental protection. The Code of Conduct stipulates that COMPO conducts business and maintains business relationships in compliance with all laws and regulations and in accordance with high ethical standards (see Criterion 17 for details).

Customer service

In addition to the product range and the comprehensive concepts, COMPO supports and continuously expands a broad spectrum of different innovative analogue and digital services. The aim is to support retail partners and end consumers on all channels and at all times as a reliable expert for gardening topics - with a positive response from retailers and end consumers. In particular, digital services - from the online training academy and a podcast to WhatsApp and video advice - are the focus of further development, which users can access anywhere and at any time.

Waste disposal

COMPO aims to minimise the volume of waste, especially commercial municipal waste, and to keep the already very low proportion of hazardous waste to a minimum. All waste is disposed of via specialised waste disposal companies in accordance with national regulations. Different, needs-based packaging sizes help consumers to avoid product and active ingredient residues.

Recycling

In the area of packaging, COMPO can point to a long-term increase in the proportion of recycled materials. Packaging solutions are used in all product categories that have a recycle content of up to 100 per cent and are 100 per cent recyclable. The sustainable packaging concept is presented in criterion 11. Here, too, it is important to ensure that the required materials are available in the quantities needed.

Criteria 5–10 concerning PROCESS MANAGEMENT

5. Responsibility

Accountability within the company's management with regard to sustainability is disclosed.

Sustainability management

As part of the sustainability strategy process, the responsibilities and structures for the consistent pursuit of sustainability within COMPO were reorganised in the first reporting year 2022. Since then, responsibilities have been organised accordingly at both management and operational level. The following responsibilities apply for the 2023 reporting year.

Management and Business Development

The Executive Board / Group Management bears overall responsibility for the company-wide sustainability strategy. Strategic, analytical and operational project responsibility continues to lie with the Business Development department, whose head reports directly to the Management Board. It advises the Executive Board on the further development of the fundamental ESG orientation and provides continuous information on the monitoring of the sustainability commitment. This ensures that sustainability issues remain an integral part of strategic decisions at management level.

ESG House of Competence

A sustainable, Group-wide transformation is a joint task. The interdisciplinary HoC was formed in 2022 from the cross-departmental strategy team, which drove forward the further development of the independent sustainability strategy in 2022 and was also responsible for the first CO₂ accounting. Since then, it has managed and supported sustainability activities in the individual business units and is responsible for stakeholder dialogue and internal and external Group-wide sustainability communication.



The core team covers all business areas and fields relevant to the sustainability strategy. In addition to Business Development, the areas of Quality Management, Research & Development, Sourcing (Purchasing Department), Finance, Legal and Compliance, Human Resources and Brand Strategy & Corporate Communication are represented in the HoC. Depending on the issue at hand, other employees are involved in working on the respective areas of activity. Since August 2023, a Corporate Responsibility Manager, who reports directly to the Head of Business Development, has coordinated the activities of the HoC. He also coordinates the regular meetings of the HoC and the topic owners and teams of individual sub-projects.

6. Rules and Processes

The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

COMPO's corporate governance summarises the company-wide values and standards. It regulates how decisions are made and how action is taken and applies equally to management, senior executives and employees. It is also the basis for relationships with superiors, colleagues and partners. In this way, it creates the framework for working and acting with integrity and responsibility and the basis for a successful, sustainable transformation process.

Objectives

COMPO sets itself short-, medium- and long-term goals to ensure the company's success and continued existence (see criterion 3). In addition, measures to achieve the targets are defined and regularly reported. COMPO is committed to ensuring the availability of the resources and information required to achieve its objectives.

Integrated management system

The integrated management system is based on the standards DIN EN ISO 9001, DIN EN ISO 14001, DIN EN ISO 45001 and EMAS. While DIN EN ISO 9001 has already been implemented for two decades, all other standards will initially be introduced at all German sites from 2023 and by the end of 2024. COMPO's integrated management system includes continuous monitoring and improvement processes: In-house and independent controls ensure that all necessary stakeholder-related requirements are met. In order to fulfil regulatory requirements, both existing legislation is reviewed for amendments and new legislation is reviewed for its applicability to business activities. In addition, COMPO regularly and comprehensively reassesses environmental aspects and the associated opportunities and risks and derives measures from this. The effectiveness of existing measures and processes is monitored in the annual audits and new optimised solutions are derived where necessary.

All sustainability issues and measures are integrated into the "Plan-Do-Check-Act" management cycle.

Code of Conduct

The Code of Conduct provides the legal and ethical framework for the behaviour of management, senior executives and employees. It defines the basic rules of behaviour within the company and in relation to the general public and the company's business partners. The Code of Conduct is also a mandatory component of COMPO's supplier contracts and forms the basis for reviewing the requirements along the supply chain as part of the "Lieferkettensorgfaltspflichtengesetz" (LkSG).

The Code also reflects COMPO's core values, in particular integrity, fairness and respect, compliance with regulations and laws, employment, occupational health and safety, production safety and quality, and environmental protection. It ensures that COMPO's business and business relationships are conducted in accordance with sustainability goals, all laws and regulations and high ethical standards. This is because only such business behaviour simultaneously serves social interests and ensures the long-term continued existence and success of the company. The rules that apply within the company are followed by all employees at all times and everywhere.

The Code of Conduct is supplemented by the provisions of the anti-corruption guidelines. The internal whistleblower system also enables anonymous reporting of unethical behaviour. More detailed explanations can be found in criterion 20.

Management of the ESG programme

COMPO's Group-wide ESG programme and the operational implementation of all strategic sustainability goals are managed by the interdisciplinary ESG HoC at the headquarters in Münster.

At the HoC's regular meetings (see criterion 5), reports are given in particular on project progress and relevant content for training courses is jointly identified. The introduction of a management and reporting system based on the requirements of the CSRD will be prepared in the 2023 reporting year.

Regular internal communication about project statuses and the organisation of training courses on sustainability management will ensure that all COMPO Group employees are informed. In addition, training courses on environmental protection and supplementary training resources help all employees to act in the interests of environmental protection and sustainability - which in turn has a positive impact on the targets set.

Participation in associations and initiatives

Membership of national and international associations and initiatives (e.g. GME, IVA or IMM) that deal with sustainability issues, among other things, is part of COMPO's multi-stakeholder approach. In 2023, COMPO will review further memberships in the UN Global Compact, UN Global Compact DE and B.A.U.M. e.V. in order to further expand its commitment through new memberships from 2024. By participating, COMPO wants to ensure that it continuously receives new impetus for its own sustainability management on the one hand and, on the other, to contribute its own requirements and standards of sustainable management to the associations and initiatives as a green leader in the industry.

Certifications

Compliance with quality standards is a particular concern for COMPO. Regular quality controls make compliance with quality standards transparent:

RPP

All substrates containing peat are certified by the European multi-stakeholder organisation RPP. Further information can be found in criterion 4.

'Blauer Engel'

The relevance of recycling, resource conservation and sustainable consumption is constantly increasing. For this reason, the packaging of all COMPO BIO Soils in Germany and Austria contains at least 80 per cent recycled plastic, which has been awarded the 'Blauer Engel' eco-label.

International Featured Standards

All ant and vermin baits are also certified in accordance with the IFS HPC standard in the 2023 reporting year. The IFS HPC audit focuses on reviewing risk management, customer specifications, traceability and crisis management. The core of this customised standard is risk management, which makes it possible to prove that these products do not pose a risk to the health and safety of consumers.

PEFC

The PEFC seal on COMPO's products indicates that the wood they contain comes from sustainably managed forests, recycling and controlled sources.

CO₂ neutral website

To offset the CO₂ emissions of web technologies, COMPO has joined the CO₂ neutral website initiative.

7. Control

The company states how and what performance indicators related to sustainability are used in its regular internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

Performance indicators for managing and monitoring sustainability targets

As described in criterion 3 Objectives, specific strategic objectives were developed for all of COMPO's material sustainability topics in the 2022 reporting year, which are still valid and relate to the entire Group. These objectives and the associated implementation initiatives were each backed up with necessary and other meaningful key performance indicators (KPIs) to enable performance measurement and thus continuous monitoring.

To ensure reliability, comparability and consistency, the set of key performance indicators and the data sets continue to be determined in accordance with the Global Reporting Initiative (GRI) standard. In addition, the process documentation, data collection and data quality are reviewed in the form of internal audits. In future, management and control will be further optimised through the Group-wide use of software-supported sustainability management, which will be implemented in 2023.

The monitoring system for non-financial key figures was still being developed in the 2022 reporting year. The key figures were collected in the new system for the first time in 2021 and partly in 2022. The development of the monitoring system has now been successfully completed. COMPO's aim is to continuously develop it in line with the latest standards and current corporate objectives.

The ESG HoC regularly monitors the degree of target achievement based on the newly established key performance indicator system during the year in accordance with the roadmap. Sustainability management is based on recognised international standards such as the GRI and the DNK reporting

standard. In future, the SBTi will also be applied, whose commitment letter was signed in the 2023 reporting year. The disclosure of sustainability indicators will also be comprehensively expanded in line with the new ESRS reporting standard and a progress report will be submitted in accordance with the requirements of the UN Global Compact.

COMPO's most important non-financial performance indicators continue to include

Range	SDG		Objective	Selected performance indicators
Environment	9	Industry, Innovation & Infrastructure	<p>We are establishing ourselves as a "green leader" in the industry with a sustainable product range that enables consumers to lead a responsible lifestyle and through resource-conserving production.</p> <p>We have defined consistent assessment criteria for sustainability and apply these consistently to the entire product portfolio.</p>	<p>GRI SRS-301-1 Materials used</p> <p>GRI SRS-306-3 (2020): Waste generated</p>
	12	Sustainable consumption and production	<p>We are pioneers in circular value creation through strategic partnerships in the raw materials and packaging sector of the green industry.</p> <p>We promote organic gardening through target group-orientated knowledge transfer via all our communication channels and with our products.</p>	GRI SRS-304-2: Significant impacts of activities, products, and services on biodiversity
	13	Climate protection measures	<p>Our product portfolio is environmentally friendly and fulfils the highest quality standards and the requirements of all customer groups.</p> <p>We are committed to decarbonising our</p>	<p>GRI SRS-301-1 Materials used</p> <p>GRI SRS 301-2 Recycled input materials used</p> <p>GRI SRS-305-1: Direct GHG emissions (Scope</p>

			<p>production sites and at the same time reducing our transport routes through regional sourcing.</p> <p>We develop strategies to permanently reduce CO₂ emissions.</p>	<p>1) GRI SRS-305-2: Indirect energy-related GHG emissions (Scope 2) GRI SRS-305-3: Other indirect GHG emissions (Scope 3) GRI SRS-305-5: Reduction of GHG emissions GRI 302-1: Energy consumption within the organisation GRI SRS-302-4: Reduction of energy consumption</p>
	15	Life on land	We are consistently switching to more organics and thus improving biodiversity in the gardens.	<p>GRI SRS-301-1 Materials used GRI SRS 301-2 Recycled input materials used</p>
Social	3	Health and well-being	<p>We are a responsible and future-orientated employer.</p> <p>We are characterised by a pleasant working atmosphere, teamwork and a flat hierarchy.</p> <p>We offer all employees safe workplaces in a working environment in which all essential health and safety measures are in place.</p>	<p>GRI SRS-403-9: Work-related injuries GRI SRS-403-10: Work-related illnesses GRI SRS-403-4: Employee participation and occupational health and safety GRI SRS-405-1: Diversity GRI SRS-406-1: Incidents of discrimination</p>
	4	High-quality education	We have created a framework for professional and personal development, thereby strengthening the expertise of our	<p>GRI SRS-102-16: Values GRI SRS-404-1 (see G4-LA9): Number of hours of education and</p>

			employees. We record our sustainability initiatives and regularly publish a sustainability report in accordance with recognised standards.	training
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These and other performance indicators and the progress made in relation to the individual sustainability activities are discussed in more detail in the following criteria.

Key Performance Indicators to criteria 5 to 7

Key Performance Indicator GRI SRS-102-16: Values

The reporting organization shall report the following information:

- a. A description of the organization's values, principles, standards, and norms of behavior.

Values

COMPO's actions are determined by five values. In order to focus even more strongly than before on nature and environmental protection and to anchor the associated vision and mission in COMPO's values, the value of quality was further developed in the course of the 2023 reporting year and expanded as follows.

Quality

The uncompromising demand for the highest quality forms the basis for COMPO's success. With solutions and products of convincing quality that work reliably and are easy and safe to use, everyone can rely on achieving the best possible results for the environment and users with the least amount of effort and expense.

Reliability

COMPO always keeps its promise and accompanies and inspires garden owners and plant lovers in the design of their green living space. COMPO is at their side with years of knowledge and experience.

Responsibility

COMPO takes responsibility for its employees, partners and customers - and for a green world. The extensive range of sustainable and natural products helps everyone to realise the full potential of their plants and strengthen their connection to nature and the environment.

Innovation

Innovative strength is the basis for developing sustainable solutions that work and the best performance. The versatility of COMPO's range offers answers to every individual gardening need and awakens new potential.

Joy of life

Gardening in harmony with nature and the environment is pure joy of life. Green oases create a valuable balance to everyday life and at the same time provide countless opportunities to try things out for yourself.

Principles, standards and norms of behaviour at COMPO

The topic of sustainability is also firmly anchored in COMPO's principles, standards and norms of behaviour. These are set out in detail in Criterion 6.

8. Incentive Systems

The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

Incentive systems for management, executives and employees

As already explained in the Code declaration for the 2022 reporting year, COMPO has direct and indirect incentive systems for the Executive Board/Group Management, managers and non-tariff employees. These continue to exist in the 2023 reporting year and are valid regardless of location. COMPO has an incentive system that explicitly includes sustainability targets at the top management level. In the reporting year, in addition to the development of a CO₂ monitoring system, the disclosure of the Group-wide corporate carbon footprint (Scope 1-3) and the identification of drivers for the preparation of SBTi, for example, are included in the evaluation, which is anchored in the strategic goal of decarbonising COMPO's production sites (SDG 13). For senior managers and non-tariff employees, sustainability targets are implicitly included in existing incentive systems. In addition to a fixed salary, they receive a percentage as variable remuneration. The variable remuneration is based on company targets and, depending on the management level, also on personal targets.

In order to also provide targeted incentives to protect the environment and promote employee health, COMPO continues to offer all employees in Germany

and Austria a company bicycle leasing scheme, the COMPO-Bike, depending on their location. Depending on local possibilities, there are additional measures at the sites to promote health, such as an in-house gym or courses and personal trainers.

The company suggestion scheme provides targeted incentives to make COMPO more efficient, future-proof and environmentally friendly. It invites employees to identify problems or areas for improvement and suggest solutions. All employees in Germany are eligible to participate. The suggestions are submitted to an internal evaluation committee via the company suggestion scheme officer. In the event of a positive assessment, the suggestion is rewarded with a bonus. In 2023, this happened for a total of six suggestions.

Evaluation by the Board

As in the 2022 reporting year, the Board is involved in all of COMPO's key strategic decisions in the 2023 reporting year. The core corporate values are also incorporated into these decisions. This ensures that sustainability aspects are adequately taken into account in the company's development. In addition, sustainability and the associated goals, opportunities and risks continue to be key topics at the regular Board meetings and are therefore subject to continuous monitoring. The Board is also continuously informed about COMPO's sustainability reporting.

Key Performance Indicators to criteria 8

Key Performance Indicator GRI SRS-102-35: Remuneration policies

The reporting organization shall report the following information:

- a.** Remuneration policies for the highest governance body and senior executives for the following types of remuneration:
 - i.** Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;
 - ii.** Sign-on bonuses or recruitment incentive payments;
 - iii.** Termination payments;
 - iv.** Clawbacks;
 - v.** Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.

- b.** How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.

COMPO's remuneration instruments ensure reliable, fair and performance-

related remuneration for all employees. For reasons of competition and confidentiality, no further public disclosures on GRI SRS-102-35 will be made in the current 2023 reporting year.

Key Performance Indicator GRI SRS-102-38: Annual total compensation ratio

The reporting organization shall report the following information:

a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

For reasons of competition and confidentiality, no public disclosures are made on GRI SRS-102-38 in the current reporting year either.

9. Stakeholder Engagement

The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.

Identification of stakeholder groups

COMPO's mission can only be achieved through everyone's commitment and by working together: To offer sustainable and responsible products and services that help everyone to realise the full potential of their plants and at the same time give something back to our nature.

This is why COMPO attaches particular importance to an ongoing dialogue with all relevant stakeholders in order to drive forward and further develop the company-wide sustainability strategy from a stakeholder perspective. The stakeholder groups relevant to COMPO were identified in the 2022 reporting year as part of several strategy workshops and internal interviews with selected stakeholders.

COMPO seeks and maintains an active dialogue with internal and external target groups arising from its core business. The selection is also up to date in the Group-wide view and will therefore be retained for the 2023 reporting year. The selection of key stakeholders is continuously reviewed and adjusted as necessary.

Internal stakeholder groups

- Duke Street / Shareholder
- Board
- Category Board
- ESG HoC
- Employees

External stakeholders

- Consumers
- Trading partner
- Suppliers
- Service provider
- Banks and insurance companies
- Labour unions
- Associations
- Politics and administration
- Authorities and authorisation bodies
- Non-governmental organisations
- Science and research
- Media
- Other multipliers
- People who live in the vicinity of the production sites
- The public
- Auditors

Stakeholder dialogue

- **Employees:** Employees are the most important resource, also for ensuring success in the sustainability process. For this reason, there is a continuous direct dialogue at employee level with the respective manager as well as regular feedback meetings. In addition to these dialogue formats, COMPO also provides information on progress in the sustainability process via the intranet, newsletters and corporate social media channels.
- **Duke Street:** Environmental protection and the development of ecologically sustainable products are of particular concern to the COMPO shareholder. The company-wide sustainability strategy is therefore a fixed item on the agenda at regular Board meetings as well as in systematic bilateral dialogue with the Board members.
- **Consumers:** COMPO offers end consumers numerous different channels and services - from gardening advice at the POS to social media and WhatsApp services - to enable them to enter into a simple dialogue with COMPO. This has proven its worth and provides important impetus for business decisions. Accordingly, the service and dialogue offering is being systematically optimised and expanded. The further development of

the product range is always tailored to current customer needs and long-term consumer trends.

- **Trading partners and suppliers:** Responsible procurement is achieved within the framework of value-orientated partnerships with trading or cooperation partners. To this end, COMPO has firmly established a continuous personal dialogue with retailers and suppliers, which also focuses on environmental issues such as short transport routes and social issues. Retail partners also have a wide range of services at their disposal in the form of the retailer portal, specialist retail training courses and newsletters, which help them to achieve their own sustainability goals.

COMPO also proactively seeks dialogue with all other stakeholder groups as required. Systematic involvement of relevant external and internal stakeholders is also planned as part of the double materiality analysis in accordance with the CSRD.

Key Performance Indicators to criteria 9

Key Performance Indicator GRI SRS-102-44: Key topics and concerns

The reporting organization shall report the following information:

- a. Key topics and concerns that have been raised through stakeholder engagement, including:
 - i. how the organization has responded to those key topics and concerns, including through its reporting;
 - ii. the stakeholder groups that raised each of the key topics and concerns.

Important topics and concerns

Important topics that emerged from the dialogue with stakeholders in the 2022 reporting year and provided impetus for COMPO's commitment to sustainability continue to be highly relevant for key internal and external stakeholder groups in the 2023 reporting year. The topics and concerns identified are continuously analysed by the COMPO HoC and aligned with the sustainability activities.

- Ensuring the highest quality standards
- Continuously growing demand for organic products
- Peat reduction strategy
- Use of renewable raw materials
- Sustainable packaging concept
- Origin of products, regional production sites and local decarbonisation
- Environmental protection in the supply chain and product life cycle

- Implementation of existing directives and regulations
- CO₂ balance, information on GHG emissions, reduction plan
- Employer branding, employee recruitment and development

In the course of 2023, COMPO's stakeholders did not raise any further issues relevant to the ESG programme with COMPO.

10. Innovation and Product Management

The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

Innovation management

In 1956, COMPO was the first company to bring potting soil onto the market in consumer-friendly packaging. To this day, innovation is a combination of new products, services and manufacturing processes and is an important part of COMPO's corporate culture.

COMPO's innovation management is based on application needs, market developments and on the aspects of research and development, technical innovation and location development:

- **Research and development:** Internal research work drives product innovation: at the in-house research centre at the Münster headquarters, a multidisciplinary team investigates how each individual product can be made even more effective, safer, more environmentally friendly and easier to use. In addition to searching for new raw materials, the experts create new formulations and continuously develop product recipes. Research and development work is also responsible for testing efficacy and plant compatibility. The effects of soils, fertilisers and pesticides are tested directly on our own outdoor test areas and in greenhouses and formulations are adapted accordingly. The successful completion of authorisation procedures plays an important role. All products undergo intensive internal and external testing before they are launched on the market. Plant protection products in particular are subject to stringent legal requirements. When it comes to the number of authorisations for new products in this area, COMPO is one of the leading companies in the industry. The number of successful authorisations and registrations speaks for itself.

- **Technical innovations:** COMPO has the technical understanding and the technical capabilities to scale up innovative solutions and make them widely available. This applies both to new product lines developed in-house and to systematic collaborations and acquisitions that open up access to unique expertise, technologies and raw materials. Targeted collaboration with various partners along the entire value chain makes it possible to pool and integrate expertise and technical know-how, develop innovative and sustainable products and solutions and make them available to a broad international target group.
- **Site development:** In order to manage innovative developments in the best possible way and at the same time make the greatest possible contribution in terms of sustainability, COMPO focuses on investing in its own sites and equipment on site. The regional provision and processing of raw materials ensure shorter delivery times and routes and thus a significant reduction in emissions. This enables COMPO to guarantee greater reliability and flexibility in the supply chain and ensure better control of quality and volume flows. This is particularly essential when production volumes in the product category increase significantly and continue to grow. The largest investment project in the company's history was launched in Münster in 2023. The first results are expected to be presented in 2024. The planned measures will make an important contribution to the company's competitiveness and sustainability.

Fixed structures and recurring dialogue rounds have been established along the entire value chain to drive forward the internal innovation process:

This includes, for example, the Category Board committee, which meets at regular intervals throughout the year to discuss, select and drive forward future product innovations. During the entire development period, there is intensive collaboration between International Category Management, Research & Development, Market Research and Purchasing. Through firmly established processes, impulses and information from the market become a fundamental part of the corporate innovation process.

In addition, the company suggestion scheme encourages all employees to contribute their own ideas and suggestions for improvement on how COMPO can work in a more efficient, future-proof and environmentally friendly manner. All COMPO employees are eligible to participate. All suggestions received will be treated confidentially. The suggestions for improvement are evaluated by an evaluation committee. These voluntary contributions are recognised by COMPO and rewarded with a bonus if the suggestion is evaluated positively (see criterion 8).

Special product innovations and further developments are the result of innovation management.

COMPO laid the foundation for its successful history with the innovation of the first potting soil in consumer-friendly packaging. COMPO has always broken new ground and never tires of finding innovations and providing new answers. Expertise, decades of experience and courage are constant companions in consolidating its market leadership in Europe and never standing still.

An excerpt of product innovations and further developments:

- **COMPO BIO GRANUPLANT® Drainage and planting granules:** In 2022, COMPO will launch COMPO BIO GRANUPLANT® drainage and planting granules, the sustainable alternative to expanded clay. With 96 per cent less CO₂ emissions than conventional expanded clay, this innovative organic solution is particularly environmentally friendly. The particularly durable new product is also very versatile. As drainage, it impresses with its high water conductivity and storage capacity. As a cover for the top layer of soil, it offers very good protection against drying out and thus makes an important contribution to gardening in hot and dry conditions. In 2023, GRANUPLANT® is honoured with the prestigious TASPO Award for best product innovation B2C. In the same year, COMPO develops a complementary holistic indoor concept, which is launched in 2024.
- **A full range of organic lawn care products:** The systematic expansion of the COMPO BIO lawn care range is COMPO's answer to the growing demand for innovative and environmentally friendly lawn care for the entire garden year. The optimally coordinated natural lawn care products are suitable for organic farming, consist of 100 per cent natural ingredients and are harmless to humans, animals and nature. The fertilisers' specially balanced ingredients also ensure heat-resistant lawns.
- **Organic slow-release fertiliser with sheep's wool:** COMPO launched the first organic slow-release fertilisers with sheep's wool over 10 years ago. Sheep's wool is a sustainable and valuable raw material. It impresses with its high nutrient content as well as its enormous water storage capacity and improved plant nutrition during dry periods. The wool it contains, which is obtained exclusively from sheep's wool waste, also releases the nutrients slowly and particularly gently to the plants.
- **COMPO BIO Blue Fertiliser:** With COMPO BIO Blue Fertiliser, COMPO translates the positive and learned properties of the traditional product Blaukorn® into organic quality. The step of reinventing classics and translating them into organic quality is forward-looking and an essential part of COMPO's sustainability strategy. Naturally powerful, the new COMPO BIO blue fertiliser has ingredients with a particularly high nutrient content. The organic universal fertiliser, which has won several international awards, supplies fruit, vegetables and garden plants quickly and reliably with all the important nutrients and ensures healthy plant



growth and a high-yield harvest.

- **COMPO BIO Herbst-Fit special garden fertiliser:** The special garden fertiliser made from 100 percent natural ingredients is suitable for organic farming and can be used universally. An extra high potassium content strengthens the cell structure of garden and pot plants and regulates the water balance in the plant. This increases resistance to frost and strengthens the plants' cell tissue for upcoming periods of heat. At the same time, magnesium promotes root growth and enables water absorption - even when the soil is slightly frozen. The nitrogen content, on the other hand, is significantly reduced to prevent strong plant growth before the dormant phase.
- **COMPO BIO Fortigo:** In Italy and Spain, COMPO offers COMPO BIO Fortigo, a coordinated concept of potting soils and organic liquid fertilisers, enriched with selected activating organic raw materials such as algae extract. The aim is to maximise the strength of the entire plant - from root to flower.
- **Single Dose:** COMPO's successful Single Dose concept focusses on uncomplicated and sustainable plant protection. The practical single-use portion bottles are designed for standard spray liquid quantities, so there is no need for complicated measuring and calculating or problems disposing of leftover active ingredients.
- **COMPO öko balance:** With öko balance, COMPO offers a holistic concept for environmentally friendly plant care for the first time. Both the ingredients and packaging of the products are made from recycled raw materials. This makes COMPO the first company in the industry to consistently implement the idea of a resource-saving product cycle. The internationally available line, which is considered groundbreaking in the industry, was honoured as Product of the Year in 2020.
- **Raised bed system:** The interest in home-grown fruit and vegetables has been unbroken for years. Raised beds are particularly in vogue. COMPO offers organic products for every raised bed layer as well as 100 per cent natural and vegan fertilisers.

In the 2023 reporting year, intensive work will be carried out on the further development of the product range, which will focus on the challenges and consequences for plant care in all weather extremes. In this way, COMPO will find answers to special requirements resulting from extreme weather events such as floods, heavy rainfall, heat waves and droughts; persistent heat and drought, rising average temperatures or declining precipitation in spring, summer and autumn.

Key Performance Indicators to criteria 10

Key Performance Indicator G4-FS11

(report also in accordance with GRI SRS): Percentage of assets subject to positive and negative environmental or social screening.
(Note: the indicator should also be reported when reporting to GRI SRS)

No financial investments will be made Group-wide in the 2023 reporting year. This is due to the fundamental structure and orientation of the company. From an exclusively liabilities-side perspective, there are two main areas of provisions, pension provisions amounting to 5.4 per cent and renaturation provisions amounting to 0.7 per cent of the balance sheet total.

Criteria 11–20: Sustainability Aspects

Criteria 11–13 concerning ENVIRONMENTAL MATTERS

11. Usage of Natural Resources

The company discloses the extent to which natural resources are used for the company’s business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.

One of the central objectives of COMPO's sustainability strategy is to confirm its pioneering role in circular value creation in the raw materials and packaging sector of the green industry through strategic partnerships.

For both the raw materials used as starting materials for the products and the packaging materials used, the focus is on regional, renewable raw materials that originate from the circular economy wherever possible. Both the environmentally friendly selection of raw materials and the most economical and responsible use of these raw materials are being continuously developed. For production, this means using raw materials as efficiently as possible, returning them directly to the cycle wherever possible, minimising water and energy requirements and avoiding waste wherever possible.

Some of the most important natural resources used in the company's activities are

General	Fertiliser	Peat and peat substitutes
<ul style="list-style-type: none"> • Energy in MWh • Water in m³ 	<ul style="list-style-type: none"> • Vinasse in litres • Sheep's wool in tonnes • Horn shavings in tonnes • Lime in tonnes 	<ul style="list-style-type: none"> • RPP-certified peat in m³ • Green compost in m³ • Wood fibres in m³ • Bark humus in m³ • Coconut fibres in m³

Depending on the composition and production volumes, different quantities of raw materials and supplies are used.

Renewable raw materials and circular economy

COMPO's aim is to obtain and use resources as sustainably as possible. The focus is therefore on the use of local organic raw materials that are obtained from the circular economy wherever possible. These include RAL-certified green compost and COMPO wood fibre, for example. The raw materials obtained from the circular economy can be found in the extensive product range, which fulfils the growing need to garden as sustainably as possible in home and allotment gardens.

Cooperation with RETERRA/REMONDIS

In cooperation with the company RETERRA/REMONDIS, COMPO is working on developing products whose raw materials are obtained from the circular economy. COMPO is thus focussing on the upcoming legal requirements of the Green Deal and is setting itself the highest standards in order to promote innovation more strongly.

Cooperation with the city administration in Vienna

An important milestone with regard to decentralised production was achieved in Austria many years ago. An agreement was reached with the city administration of Vienna for COMPO to take over the compost from all the cuttings that accumulate during the maintenance of municipal green spaces in order to use the valuable renewable raw material in its own products. To this end, COMPO has built its own soil production facility in Vienna, where green compost is processed on site.

Cooperation with the municipal community in Nauen

In Nauen, the green waste from private households in Nauen and the surrounding municipalities is collected, delivered to COMPO and processed into soil and soil protection products on site at COMPO. The cooperation, which has existed for years, is being continuously expanded.

Sustainable packaging

COMPO's packaging made from recycled materials sets industry standards and has already won several prestigious awards such as the German Packaging Award and the Plastic Recycling Awards. These are not conventional reusable solutions, such as those familiar from the beverage industry, but a packaging concept that relies on 100 per cent recyclability in addition to a recycled content. The packaging is used for all product categories, i.e. for foil bags, bottles and buckets. All folding cartons are made from 100 per cent recycled paper. All buckets have a recycled content of 90 per cent. Depending on the product line, the potting soil packaging consists of up to 80 per cent recycled plastic. Just like the buckets, the liquid fertiliser bottles have the highest proportion of recycled material at 90 percent.

Together with Kunststoff Recycling Grünstadt, COMPO succeeded in increasing the recycled content of the liquid fertiliser bottle to 100 per cent.

The joint further development was rewarded with the international Plastics Recycling Award in the "Plastic Packaging Product" category in the 2023 reporting year and holds out the prospect that from 2024, only liquid fertiliser bottles made of 100% post-consumer recycles will be used throughout the Group.

Materials are used for the packaging that are recovered from the recycling loop and returned to the market as post-consumer material in line with the circular economy. In this way, disposable packaging becomes a reusable solution that offers the advantage of contributing to a significant reduction in primary raw materials (virgin materials). Depending on the material fraction and the effort involved in the recycling process, between 20 and 50 per cent of CO₂ can be saved by avoiding virgin materials in equal measure.

Further key figures on the scope of the natural resources essential for business activities can be found in the performance indicators for criteria 11 to 12.

12. Resource Management

The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.

Qualitative and quantitative targets for resource efficiency

COMPO plays a pioneering role in circular value creation through strategic partnerships in the raw materials and packaging sector.

The topic of resource efficiency is explicitly anchored in the Group-wide ESG programme in four targets relating to SDGs 12, 13 and 15:

Range	SDG		Objective
Environment	12	Sustainable consumption and production	We are pioneers in circular value creation through strategic partnerships in the raw materials and packaging sector of the green industry.
	13	Climate protection measures	Our product portfolio is environmentally friendly and fulfils the highest quality standards and the requirements of all customer groups. We are committed to decarbonising our production sites and at the same time reducing our transport routes through regional sourcing.
	15	Life on land	We are consistently switching to more organics and thus improving biodiversity in the gardens.

Progress report on strategic measures to achieve these goals:

- **Internal research activities to find alternative raw materials and technologies**

In the 2023 reporting year, COMPO set up an internal project group to search for alternative raw materials across all product groups. This group began its work in 2023 and is conducting feasibility studies on various alternative raw materials. The aim is to report on the results of the feasibility studies in the next Sustainability Code declaration.

- **Increasing the proportion of renewable raw materials of regional origin in soils**

Together with the companies organised in the Industrieverband Garten (IVG), COMPO decided back in 2020 to reduce the use of peat in substrates. The voluntary commitment includes reducing the proportion of peat in growing media in the consumer sector to less than 50 per cent by 2025. At the same time, the proportion of high-quality and efficient peat substitutes, such as quality-assured green compost and wood fibre, which are purchased regionally or come from our own production, will be increased (see also Criterion 11 and Criterion 13).

- **Increasing the proportion of peat-free soils**

Across the Group, the vast majority of the entire potting soil range is already significantly peat-reduced or even peat-free. The peat-free proportion will be continuously increased over the coming years as part of COMPO's peat reduction strategy.

- **Increasing the proportion of organic products by reducing mineral raw materials**

In addition to legal regulations, comprehensive market and trend studies

have confirmed COMPO's decision to systematically reduce mineral raw materials in favour of the use of organic raw materials and to underpin its pioneering role in this area. To this end, the largest investment project in the company's history was launched in 2023. The first results are expected to be presented in 2024.

- **Further increase in the recyclate content of packaging while maintaining 100 per cent recyclability**

Together with Kunststoff Recycling Grünstadt, COMPO succeeded in increasing the recyclate content of the liquid fertiliser bottle to 100 per cent. The joint further development was rewarded with the international Plastics Recycling Award in the "Plastic Packaging Product" category in the 2023 reporting year and holds out the prospect that, from 2024, only liquid fertiliser packaging consisting of 100% post-consumer recyclates will be used throughout the Group.

- **Conversion to renewable energies**

All German locations have already switched to green electricity. The switch to green electricity at the international locations is being planned.

- **Further shortening of transport routes through regional production**

COMPO is already setting industry standards in Germany with the regional provision and processing of raw materials. In the coming years, this approach will be pursued further, particularly in Southern Europe.

- **Expansion of stakeholder dialogue and strategic partnerships as a basis and support for the above objectives and measures**

COMPO is clearly committed to an open dialogue with all relevant stakeholders, with whom a regular personal exchange takes place. Stakeholders are surveyed again, particularly in the course of CSRD reporting.

Risks

Only if renewable raw materials and innovative packaging materials are available in the required quantities and in sufficient quality, also from an economic perspective, will it be possible to maintain and achieve the desired increases in sustainability standards. COMPO ensures this through a close network of strategic partnerships and long-term supplier relationships. A regular and systematic risk analysis of our own business area and an associated assessment of the human rights and environmental risks of direct suppliers is carried out in accordance with section 5 of the LkSG. Supplier audits of selected suppliers were prepared in the 2023 reporting year. COMPO's ongoing political commitment also helps to ensure reliable framework conditions in this area.

Key Performance Indicators to criteria 11 to 12

Key Performance Indicator GRI SRS-301-1: Materials used

The reporting organization shall report the following information:

a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:

- i. non-renewable materials used;
- ii. renewable materials used.

Materials used in tonnes	2022	2023
Renewable raw materials	528.343	503.964
Raw materials non-renewable	359.382	304.662
Total raw materials	887.725	808.626
Renewable packaging materials	6.598	5.825
Packaging materials non-renewable	119	100
Total packaging material	6.717	5.925

GRI SRS-301-1; Basis: internal data collection; international production sites

In the 2023 reporting year, 62.3 per cent of renewable raw materials were used to manufacture products. Compared to the previous year, the proportion of renewable raw materials used to manufacture products increased by 2.8 per cent.

Renewable resources accounted for 98.3 per cent of packaging materials in the 2023 reporting year. Compared to the previous year, the already very high proportion of renewable packaging materials was even increased by 0.1 per cent.

Key Performance Indicator GRI SRS-302-1: Energy consumption
The reporting organization shall report the following information:

a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.

b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.

c. In joules, watt-hours or multiples, the total:

i. electricity consumption

ii. heating consumption

iii. cooling consumption

iv. steam consumption

d. In joules, watt-hours or multiples, the total:

i. electricity sold

ii. heating sold

iii. cooling sold

iv. steam sold

e. Total energy consumption within the organization, in joules or multiples.

f. Standards, methodologies, assumptions, and/or calculation tools used.

g. Source of the conversion factors used.

Energy consumption from non-renewable sources in MWh	2022	2023
Diesel car	2.476,73	2.821,71
Diesel machines/ production vehicles	12.701,32	10.714,40
Petrol car	263,56	265,36
Liquefied petroleum gas (mobility)	53,37	252,26
Natural gas	5.279,22	5.836,74
Heating oil	1.605,19	890,29
Liquid gas heat	206,98	178,31
Electricity	4.723,26	977,15
Vapour energy	0,00	0,00
Cooling energy	0,00	0,00
Total	27.309,63	21.936,22

GRI SRS-302-1 Basis: internal data collection; international production sites

Energy consumption from renewable sources in MWh	2022	2023
Logs	31,59	39,90
Wood briquettes	0,00	6,24
Green electricity	1.498,74	5.043,34
Total	1.530,33	5.089,48

GRI SRS-302-1 Basis: internal data collection; international production sites

A reduction in energy consumption of 6.3 percent was achieved in particular by optimising warehouse management. The total increase in energy consumption from renewable energy sources amounts to 232.6 per cent compared to the base year. In addition, energy consumption from renewable sources tripled.

Fuel consumption of renewable sources - e-mobility in MWh	2023
Charging company cars at the Münster site, green electricity	21,27
Charging of private vehicles at the Münster site, green electricity	7,46
External charging of company cars (power source unknown)	18,94

GRI SRS-302-1; Basis: internal data collection; International production sites

German locations have been using 100 per cent green electricity since the 2023 reporting year. The switch to e-mobility is currently partial and will be successively expanded. The consumption of fossil fuels by some of the company car fleet and employee vehicles has already been successfully reduced and replaced by renewable energies. For example, charging with green electricity takes place via e-charging points at the Münster site. Electric forklift trucks are also used at the Münster production site, which are charged with green electricity. Consumption cannot yet be reported separately for this period.

COMPO does not sell energy to third parties.

Total energy consumption in MWh	2022	2023
Total energy consumption <i>Production sites</i>	28.786,59	27.025,70

GRI SRS-302-1; Basis: internal data collection international production sites

Included categories Energy consumption:

- Petrol (car)
- Firewood
- Briquettes

- Diesel (passenger car)
- Diesel (production vehicles/machines)
- Natural gas
- Liquid gas (heating)
- Liquefied petroleum gas (mobility)
- Heating oil
- Electricity consumption from grey electricity
- Electricity consumption from green electricity
- Electricity consumption e-mobility

Quantitative data enquiry in the divisions and locations with the help of enquiry tools.

Key Performance Indicator GRI SRS-302-4: Reduction of energy consumption

The reporting organization shall report the following information:

- a.** Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.
- b.** Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.
- c.** Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.
- d.** Standards, methodologies, assumptions, and/or calculation tools used.

COMPO's energy consumption fell by 6.29 per cent compared to the previous year. This is due to a reduction in production volume as a result of optimised inventory management and further improved processes.

Base year: 2022. This year saw the establishment of a CO₂ monitoring system with detailed data collection.

Greenhouse gas emissions from energy consumption at the production facilities are calculated in accordance with the Greenhouse Gas (GHG) Protocol.

Key Performance Indicator GRI SRS-303-3: Water withdrawal
The reporting organization shall report the following information:

- a.** Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:
- i.** Surface water;
 - ii.** Groundwater;
 - iii.** Seawater;
 - iv.** Produced water;
 - v.** Third-party water.
- b.** Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:
- i.** Surface water;
 - ii.** Groundwater;
 - iii.** Seawater;
 - iv.** Produced water;
 - v.** Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.
- c.** A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:
- i.** Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids);
 - ii.** Other water ($> 1,000$ mg/L Total Dissolved Solids).
- d.** Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Water withdrawal in m³	2022	2023
Total surface water	11.302	13.489
Total groundwater	3.250	2.613
Total	14.552	16.102

GRI SRS-303-3; Basis: internal data collection; International production sites

The analysis of water stress areas was carried out for the first time in 2023 using the WWF's Water Risk Filter. All of COMPO's international production sites were included for this purpose. They are defined as water stress areas as soon as they are classified as "High" or "Very High" according to the "Basin Water Stress" survey of the Water Risk Filter.

Water withdrawal from water stress areas in m ³	2022	2023
Total high risk	3.240	3.185
Total very high risk	2.291	3.085
Total water withdrawal from water stress areas	5.531	6.270

GRI SRS-303-3; Basis: internal data collection; International production sites

Key Performance Indicator GRI SRS-306-3: Waste generated
The reporting organization shall report the following information:

- a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.
- b. Contextual information necessary to understand the data and how the data has been compiled.

Hazardous waste in tonnes	2022	2023
Chemicals	12,88	0,77
Waste containing oil	33,60	16,77
Vehicle waste	0,00	7,94
Electrical waste	0,14	1,51
Packaging waste	0,00	0,00
Miscellaneous	0,00	0,00
Total	46,62	26,99

GRI SRS-306-3 (2020); basis: internal data collection; international production sites

Non-hazardous waste in tonnes	2022	2023
Paper	269,70	223,64
Plastics	239,02	307,65
Wood	407,11	276,72
E-scrap	1,80	0
Metal	337,10	141,68
Green waste	10,91	2,56
Commercial municipal waste	602,50	636,08
Building rubble	21,80	16,60
Miscellaneous	23,69	0
Total	1.913,63	1.604,93

GRI SRS-306-3 (2020); basis: internal data collection; international production sites

Of all waste in the 2022 reporting year, approx. 97.6 per cent is non-hazardous waste. In 2023, this figure is 98.3 per cent. This means that the already low proportion of hazardous waste for the COMPO Group as a whole has been reduced by a further 0.7 per

cent. Data is based on information provided by international waste disposal

service providers on the basis of the European Waste Catalogue.

13. Climate-Relevant Emissions

The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.

Targets and planned date of target achievement for climate-relevant emissions

At the centre of COMPO's company-wide sustainability strategy is the development of a concept for the continuous reduction of greenhouse gas emissions. Accordingly, two targets relating to SDG 13 climate protection measures were already developed in the 2022 reporting year and backed up with measures and performance indicators.

Range	SDG		Objective
Environment	13	Climate protection measures	<p>We are focusing on decarbonising our production sites while reducing our transport routes through regional sourcing.</p> <p>We are developing strategies to permanently reduce CO₂ emissions.</p>

With the aim of reducing CO₂ emissions as much as possible, a complete and comprehensive Corporate Carbon Footprint (CCF) calculation of all international COMPO production sites will be carried out for the first time from 2022, in accordance with the internationally recognised Greenhouse Gas Protocol (GHG) for the respective reporting year. This included Scope 1 and Scope 2 emissions as well as selected Scope 3 categories, which were defined at the beginning in accordance with the principle of materiality (Category 3-1 Purchased goods and services and Category 3-4 Transport and distribution. COMPO has accounted for internal transport between sites and the dispatch of products to retailers).

Only complete transparency about the status quo of the company creates the prerequisites for identifying the main drivers of CO₂ emissions and deriving quantitative reduction targets with corresponding measures in a concrete timetable. This analysis was successfully completed in 2024 and is available for

the reporting years 2022 and 2023.

The signing of the Science Based Target Initiative commitment letter in October 2023 represents an important step in the science-based validation and review of the ambitious Group-wide reduction targets and measures. This commits COMPO to reducing emissions in accordance with the 1.5-degree pathway of the Paris Climate Agreement.

In concrete terms, this means that COMPO will take appropriate measures to achieve significant emission reductions of 42 per cent by 2030 (Scope 1 and 2). It is also important to expand the balance for SBTi to include all Scope 3 categories that have not yet been balanced as a basis for further steps. In doing so, COMPO aims to achieve the highest possible data quality.

One challenge here is the selection of suitable emission factors due to the large number of input materials.

Most important emission sources and greatest challenges with regard to climate-relevant emissions

A detailed internal analysis of the CCF makes it clear to COMPO as a production company which emission sources along the value chain are decisive for COMPO - these essentially originate from the purchased raw materials used to manufacture the products (Scope 3-1).

Significant sources of emissions:

Scope	Designation	emissions in tonnes of CO₂e	Share in %
3-4	Transport and distribution (lorry, rail, sea)	34.827	20,40
1-4,3-1	Raw material green compost (from own composting, purchased)	34.860	20,2
1-4,3-1	Raw material peat (for own production from extraction areas and storage, additional purchase)	25.808	15,12
3-1	Raw materials Mineral fertiliser	19.827	11,62
1-2	Diesel (production vehicles)	2.829	1,66

In order to achieve scientifically based reduction targets within the framework of SBTi and beyond, COMPO has set itself the goal of reducing the relevant emissions along the entire value chain as far as possible.

Strategies and specific measures to reduce climate-relevant emissions and degree of achievement of previous targets:

- **Search for and development of innovative and low-emission raw material alternatives:**

In our own research centre at our Münster headquarters, a multidisciplinary team - also in close cooperation with external stakeholders - is driving the search for new ecological and highly effective raw materials and product formulations (see Criterion 10 for details).

- **Reducing emissions through short transport routes - international expansion:**

The regional provision of natural materials, corresponding raw materials and regional, decentralised production facilities ensures short delivery routes and times. This results in a clear reduction in emissions as well as even greater reliability and flexibility in the supply chain.

- **Switch to green electricity and e-mobility:**

In order to reduce Scope 1 and Scope 2 emissions from the electricity we purchase, we switched to green electricity at all German locations in 2023. Gradual expansion at international level is planned from 2024.

- **PV systems for self-generation of renewable energy:**

Evaluation of the expansion of PV systems as a supplementary measure, with the aim of making the potential for in-house production of renewable energy transparent.

- **E-charging stations and COMPO Job-Bike:**

In order to promote more environmentally friendly mobility, e-charging stations were installed in Münster in 2022. In addition, all employees at the German sites were offered a company bike leasing scheme. The expansion of these measures to other company locations and divisions is currently being examined.

Reference values for the calculations

2022 is the base year for the Corporate Carbon Footprint (CCF) calculation of all international COMPO production sites. This year saw the establishment of a CO₂ monitoring system with detailed data collection. Emissions in Scope 1, Scope 2 and Scope 3 are calculated in accordance with the requirements of the GHG Protocol.

Key Performance Indicators to criteria 13

Key Performance Indicator GRI SRS-305-1: Direct (Scope 1) GHG emissions

The reporting organization shall report the following information:

- a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.
- b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃ or all.
- c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.
- d. Base year for the calculation, if applicable, including:
 - i. the rationale for choosing it;
 - ii. emissions in the base year;
 - iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f. Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g. Standards, methodologies, assumptions, and/or calculation tools used.

Total Scope 1 emissions in tonnes

	2022	2023
CO ₂ -equivalent	26.385	23.594

GRI SRS-305-1; basis: internal data collection; international production sites

Gases included in the calculation: all

Base year: 2022

A CO₂ monitoring system with detailed data collection was set up in the 2023 reporting year.

Scope 1

- o Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA) (2023).

Informationsblatt CO₂-Faktoren.

- Umweltbundesamt (2021). Emissionsbilanz erneuerbarer Energieträger: Bestimmung der vermiedenen Emissionen im Jahr 2020. Climate Change 71/2021.
- Umweltbundesamt (2022). CO₂-Emissionsfaktoren für fossile Brennstoffe: Aktualisierung 2022. Climate Change 28/2022

Consolidation approach: operational control

Scope 1 emissions are calculated in accordance with the GHG Protocol.

Key Performance Indicator GRI SRS-305-2: Energy indirect (Scope 2) GHG emissions

The reporting organization shall report the following information:

- a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.
- b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.
- c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
- d. Base year for the calculation, if applicable, including:
 - i. the rationale for choosing it;
 - ii. emissions in the base year;
 - iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f. Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g. Standards, methodologies, assumptions, and/or calculation tools used.

Total Scope 2 emissions in tonnes

	2022	2023
CO ₂ -equivalent	706	77

GRI SRS-305-2; basis: internal data collection; international production sites

Gases included in the calculation: all

Base year: 2022

A CO₂ monitoring system with detailed data collection was set up in the 2023 reporting year.

Scope 2

- Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA) (2023). Informationsblatt CO₂-Faktoren.
- Pawlik, V. (2023). Höhe der CO₂-Emissionen durch Stromerzeugung in der EU nach Ländern im Jahr 2022. Statista.
- Spezifische Angaben von Lieferanten

Consolidation approach: operational control

Scope 2 emissions are calculated in accordance with the GHG Protocol.

Key Performance Indicator GRI SRS-305-3: Other indirect (Scope 3) GHG emissions

The reporting organization shall report the following information:

a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.

b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.

c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.

d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.

e. Base year for the calculation, if applicable, including:

i. the rationale for choosing it;

ii. emissions in the base year;

iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

g. Standards, methodologies, assumptions, and/or calculation tools used.

Total Scope 3 emissions in tonnes

	2022	2023
CO ₂ -equivalent	208.651	147.016

GRI SRS-305-3; Basis: internal data collection; International production sites

Gases included in the calculation: all

The analysis includes the categories Scope 3.1 Purchased goods and services and Scope 3.4 Transport and distribution.

Base year: 2022

A CO₂ monitoring system with detailed data collection was set up in the 2023 reporting year.

Scope 3 - Data collections and databases

- Defra (Department for Environment, Food and Rural Affairs)
- ecoinvent
- Idemat
- ÖKOBAUDAT
- ProBas (process-orientated basic data for environmental management instruments), Federal Environment Agency
- Specific information from suppliers

Original literature

- Eymann, M., Stucki, M., et al. (2015). *Torf und Torfersatzprodukte im Vergleich: Eigenschaften, Verfügbarkeit, ökologische Nachhaltigkeit und soziale Auswirkungen*. Institut für Umwelt und Natürliche Ressourcen, Zürcher Hochschule für Angewandte Wissenschaften ZHAW, Zürich.
- Fehrenbach, H., Köppen, S., Markwardt, S., & Vogt, R. (2016). *Aktualisierung der Eingangsdaten und Emissionsbilanzen wesentlicher biogener Energienutzungspfade (BioEm)*. Texte | 09/2016. Umweltbundesamt.
- Quantis (2012). *Comparative life cycle assessment of horticultural growing media based on peat and other growing media constituents*. Report prepared for the European Peat and Growing Media Association (EPAGMA). Verfügbar unter: [comparative-life-cycle-assessment-of-horticultural-growing-media-based-on-peat-and-other-growing-media-constituents.pdf](https://www.erden-substrate.info/comparative-life-cycle-assessment-of-horticultural-growing-media-based-on-peat-and-other-growing-media-constituents.pdf) ([erden-substrate.info](https://www.erden-substrate.info))

Scope 3 emissions are calculated in accordance with the GHG Protocol.

Key Performance Indicator GRI SRS-305-5: Reduction of GHG emissions

The reporting organization shall report the following information:

- a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.
- b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
- c. Base year or baseline, including the rationale for choosing it.
- d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
- e. Standards, methodologies, assumptions, and/or calculation tools used.

Gases included in the calculation: all

Base year: 2022

A CO₂ monitoring system with detailed data collection was set up in the 2023 reporting year.

COMPO achieved significant reductions in CO₂ emissions in Scope 1 as well as in Scopes 2 and 3:

- Scope 1 emissions fell from 26,385 to 23,598 tCO₂ e. The reduction is due to the optimisation of peat extraction volumes and the associated reduction in storage emissions.
- In Scope 2, a reduction in emissions from 706 to 77 tCO₂ e was achieved by switching to green electricity at all German locations.
- Scope 3 emissions fell from 208,651 to 147,016 tCO₂ e. The significant reduction is based on optimised production processes combined with better inventory management and a reduction in transport emissions.

This shows that COMPO's strategy of accelerated decentralisation/regionalisation is leading to a significant reduction in emissions. This will be further developed and expanded in the future.

Scope 3 emissions are calculated in accordance with the GHG Protocol.

Criteria 14–20 concerning SOCIETY

Criteria 14–16 concerning EMPLOYEE-RELATED MATTERS

14. Employment Rights

The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.

Internationality

Since the beginning of its international orientation in 1967, COMPO has successfully expanded and developed its locations. At all locations, COMPO complies with the regulations that apply in the respective country. The points outlined below also apply to the COMPO locations.

Objectives

Compliance with employee rights was identified as a key area of action and anchored in the company-wide sustainability strategy with three overarching objectives:

Range	SDG		Objective
Social	3	Health and well-being	<p>We are a responsible and future-orientated employer.</p> <p>We are characterised by a pleasant working atmosphere, teamwork and a flat hierarchy.</p> <p>We offer all employees safe workplaces in a working environment in which all essential health and safety measures are in place.</p>

KPIs and quantitative targets

Associated KPIs are described in the context of performance indicators 14 -

16. These in turn result in the following quantitative targets:

- Avoid as many work-related injuries as possible and take all necessary measures to do so
- Keep the number of work-related illnesses at zero per cent

The aforementioned targets will be achieved for the 2023 reporting year.

Strategies for respecting employee rights

Employee rights are enshrined in the Code of Conduct, which applies throughout the Group. The COMPO Compliance Officer ensures that the contents of the guideline and the Code of Conduct are taken into account and is the point of contact in the event of any breaches of duty.

Ensuring that suitable measures for first aid, firefighting and evacuation are in place in every plant and office is the basis for a safe working environment. Every supervisor is responsible for ensuring that employees who take up or take over a new job are informed of the specific risks associated with the work or workplace and that regular mandatory training is provided on the topics of work safety and protection. All protective equipment required for occupational safety is provided by COMPO.

It goes without saying that COMPO respects human rights without exception in all its business activities. Further details on human rights and employment are set out in Criterion 15. Criterion 20 describes how violations of the Code of Conduct are consistently penalised.

COMPO is committed to providing all employees with a safe and healthy working environment and is constantly improving this. A roadmap for ISO 45001 certification for occupational health and safety management systems was therefore developed in the 2023 reporting year. The aim is to certify all production sites in accordance with this standard. The aim is to have the first sites certified by the end of 2024.

Employee participation strategies

Participation by all employees is expressly desired at COMPO. At the sites in Münster, Gnarrenburg, Uchte, Roche les Beaupre and Asnières-sur-Seine, Cesano Maderno and Barcelona, COMPO has works councils that represent the concerns of employees covered by collective agreements and those not covered by collective agreements on site and are in regular dialogue with the management in a spirit of trust. Works agreements are used to regulate aspects of the relationship between the employer and employees that are not formulated in the law.

In addition, all employees in Germany and Austria are encouraged via the company suggestion scheme to contribute their own ideas and suggestions for improvement on how COMPO can work in a more efficient, future-proof and

environmentally friendly manner (criterion 8).

Involvement of employees in the company's sustainability management

The company-wide sustainability strategy can only be successful if all employees play their part. To enable and ensure this, the ESG HoC represents a cross-section of all departments and work areas at COMPO. Other employees are involved depending on the issue at hand.

The topic of sustainability is reported on regularly via internal communication channels. For example, updates on the topic are an integral part of the internal management newsletter, which is sent to all employees once a quarter. In addition, country-specific or Group-wide workshops on individual measures from COMPO's ESG programme are organised on a regular basis.

Risks

It all starts with prevention. COMPO expects all employees to pay constant attention to occupational health and safety issues and to carry out their work in a way that protects their own health and safety as well as that of other employees and the company's neighbours. Any deficiencies in occupational health and safety that are identified are immediately reported to the responsible line manager and the responsible occupational health and safety specialist and rectified. There are currently no indications that COMPO poses any risks with possible negative effects on the rights of employees.

The rights of employees in COMPO's supply chain are discussed in more detail in Criterion 17.

15. Equal Opportunities

The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.

In contrast to criteria such as qualification and human rights, equal opportunities is not a direct field of action of the sustainability strategy. In the materiality analysis, which was carried out carefully along the SDGs and the assigned fields of action at the beginning of the strategy development, the field of action of equal opportunities was assessed as not material in the discursive format of the CheckN. This decision was based solely on the fact that other areas of action have a significantly greater influence on the future viability of the business model and the company. Accordingly, no

objectives are mentioned below.

Even if the criterion does not represent a material element of the company-wide sustainability strategy, the demands for equal opportunities and diversity are important requirements for COMPO's own actions. Accordingly, these are firmly anchored in the Code of Conduct and are practised in the company's day-to-day operations.

Equal opportunities and diversity

COMPO offers equal employment opportunities for all employees and follows the principle of "equal pay for work of equal value". Unlawful discrimination against employees is not tolerated. The Code of Conduct therefore stipulates that no employee may discriminate against another employee or business partner because of their ethnic background, culture or religion, age, disability, gender, sexual orientation or ideology.

Occupational health and safety

The health and safety of employees is of particular importance. Accordingly, a safe and healthy working environment is provided and continuously improved. In the same way, it is ensured that the company does not create any risks to the health and safety of neighbours or to nature. Occupational health and safety is ensured within the framework of the applicable national regulations and on the basis of the company's health and safety policy.

To prevent work-related injuries and illnesses, COMPO is committed to providing safe and healthy working conditions. To this end, risks are identified and continuously minimised by means of a catalogue of measures. The company's safety issues are regularly communicated and trained with the relevant parties and, where appropriate, written down in work instructions and process descriptions that are accessible to all.

Appropriate remuneration

COMPO ensures that all employees are paid appropriately and fairly. Where available, COMPO is guided by the local wage structures. Depending on the location, employees benefit from additional corporate benefits (see e.g. criterion 16).

Compatibility of family and career

COMPO generally offers flexitime to all employees. COMPO also offers employees a wide range of flexible working time models to help them reconcile work and family, care or other special life situations. Against the backdrop of the Covid-19 pandemic, mobile working has also been maintained, greatly expanded and properly enshrined in the works agreement.

In addition, existing works councils monitor co-determination rights and ensure equal opportunities. Employee participation in the company is desired and is dealt with in detail in criterion 14.

16. Qualifications

The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

COMPO as an employer

The corporate values of quality, reliability, responsibility, innovation and joy of life also take top priority in COMPO's working environment: at COMPO, employees are encouraged and challenged both personally and professionally. The aim is to maintain employability while taking demographic developments into account, but above all to motivate employees by enabling and promoting lifelong learning. This is also reflected in the overarching objectives of the company-wide sustainability strategy:

Objectives

Qualification is a central field of action and is represented in the company-wide sustainability strategy with four overarching objectives.

Range	SDG		Objective
Social	3	Health and well-being	We are a responsible and forward-looking employer characterised by a pleasant working atmosphere, teamwork and a flat hierarchy, and we offer all employees safe workplaces in a working environment in which all essential health and safety measures are in place.
	4	High-quality education	We have created a framework for professional and personal development, thereby strengthening the expertise of our employees.

Like all other objectives, these are also underpinned by KPIs. They are presented as part of the performance indicators for criteria 14-16.

KPIs and quantitative target

For the base year 2022 and the reporting year 2023, the GRI SRS-404-1 was used to record the number of hours of training and further education for the first time. The aim is to carry out a differentiated evaluation of the GRI in 2024 as a first step in order to be able to provide a training and

development offering that is optimised to meet specific requirements. On this basis, it is planned to examine whether a Group-wide regulation for training and development should be sought and to what extent an increase in the KPI is sought in this context. The first-time survey of the number of hours spent on training and development in the 2023 reporting year will provide an important performance indicator and the data basis for the process described above.

Strategies and specific measures

In addition to Group-wide measures in the areas of training and further education as well as health promotion, which are continuously developed and updated, e.g. internal language training, individual offers are developed together with employees to meet specific requirements.

Training

In the 2023 reporting year, COMPO provided training in nine professions across the Group. These are as follows

- Dual study programme B.A. Business Administration
- IT specialist for application development
- IT specialist for system integration
- Warehouse logistics specialist
- Warehouse specialist
- Industrial clerk
- Office management assistant
- Businessman/woman in e-commerce
- Machine and plant operator

Right from the start, trainees and students are important team members and gradually take on their own responsibilities. During their studies, it is possible to gain practical work experience at COMPO as part of student programmes. Students are also supported with individual career coaching. A personal mentor provides support with expert knowledge and specific questions. Due to the training conditions, all industrial clerks can be offered the opportunity of an internship abroad of at least four weeks during their training.

Further training

As part of its further training measures, COMPO offers a wide range of individual further training opportunities, dual study programmes, seminars, internal language courses or training at the in-house training academy. Managers and employees jointly determine the personal development plans of each individual employee in annual employee appraisals. Further harmonisation of the employee appraisal process at an international level is being planned.

The transfer of knowledge on the topic of sustainability is an essential component of a sustainable corporate transformation. COMPO organises training courses and workshops in which all employees are informed about

current developments in sustainability management. Further training courses on environmental protection and additional training resources help employees to act sustainably.

COMPO also offers special benefits depending on the location:

- **Basic benefits:** The basic benefits include flexible working hours, mobile working, remuneration in line with the industry, various forms of allowances and modern workplace equipment.
- **Health:** Depending on the location, measures to promote health include fitness studios or courses, personal trainers and COMPO Bike. If an employee is unable to work for an extended period of time, the company integration management tool enables them to return to the company as early as possible and helps them get back to work. The collective labour agreements in Germany, France and Italy also stipulate that COMPO provides all employees in the collective labour agreement with additional time off in lieu.
- **Culture & environment:** COMPO's culture includes flat hierarchies, an open working atmosphere, team spirit, respectful cooperation, an international network, employee and team events.

Risks

The ongoing demographic change also poses a challenge for COMPO. Such a shortage of skilled labour can lead to an increased workload for the remaining employees and have a negative impact on their health and safety. The combination of training and further education programmes and measures to promote health and make work easier through innovative processes, particularly in the area of repetitive tasks, makes it possible to proactively counter this in advance.

Key Performance Indicators to criteria 14 to 16

Key Performance Indicator GRI SRS-403-9: Work-related injuries
The reporting organization shall report the following information:

a. For all employees:

- i.** The number and rate of fatalities as a result of work-related injury;
- ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
- iii.** The number and rate of recordable work-related injuries;
- iv.** The main types of work-related injury;
- v.** The number of hours worked.

b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number and rate of fatalities as a result of work-related injury;
- ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
- iii.** The number and rate of recordable work-related injuries;
- iv.** The main types of work-related injury;
- v.** The number of hours worked.

You will find the remaining numbers c-g of the indicator SRS 403-9 in the GRI standard and may additionally report them here.

Key Performance Indicator GRI SRS-403-10: Work-related ill health

The reporting organization shall report the following information:

a. For all employees:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

You will find the remaining numbers c-e of the indicator SRS 403-10 in the GRI standard and may additionally report them here.

Work-related injuries - salaried employees

	2022	2023
Number of work-related injuries	14	7
Rate of work-related injuries	8,53	7,37
Number of work-related injuries with serious consequences	0	0
Rate of work-related injuries with serious consequences	0	0
Number of deaths due to work-related injuries	0	0
Rate of fatalities due to work-related injuries	0	0
Number of hours worked	1.641.955,09	1.764.175,77
Most important work-related injuries	Cuts, bruises, contusions, strains, stretching, falls	

GRI-SRS- 403-9; basis: internal data collection; consideration of all international locations

This information is not available for all employees who are not salaried employees in the reporting years 2022 and 2023.

Work-related illnesses - salaried employees

	2022	2023
Number of work-related illnesses	0	0
Rate of work-related illnesses	0	0
Number of deaths due to work-related illnesses	0	0
Rate of fatalities due to work-related injuries	0	0
Main types of work-related illnesses	No cases identified of work-related illnesses	

GRI-SRS- 403-10; basis: internal data collection; consideration of all international locations

Key Performance Indicator GRI SRS-403-4: Worker participation on occupational health and safety

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

- a.** A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.
- b.** Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.

COMPO ensures that statutory provisions on occupational health and safety are complied with at all production and administrative sites. Appropriate technical measures have been implemented at all COMPO locations. Instead of standardised procedures for employee participation in occupational health and safety, country-specific measures are implemented that take into account the local conditions and regulations.

In Germany, for example, an occupational health and safety committee has been set up to support managers and employees and safety officers have been appointed. The health and safety committee has an advisory function on matters relating to occupational health and safety and accident prevention. The committee is made up of representatives from the following areas, among others: Quality Management and Assurance, Plant Management, Human Resources, the Works Council and occupational safety specialists. The ASA meetings are held quarterly.

Key Performance Indicator GRI SRS-404-1: Average hours of training

The reporting organization shall report the following information:

- a.** Average hours of training that the organization's employees have undertaken during the reporting period, by:
 - i.** gender;
 - ii.** employee category.

Training and further education	Year	Hours of training and further education	Number of employees (full-time)	Average training and development hours per employee
Total	2022	43.284	821	52,72
	2023	47.273	860	54,96

GRI SRS-404-1; basis: internal data collection; consideration of all international locations

For the reporting years 2022 and 2023, training and development hours are not broken down by employee category or gender.

Key Performance Indicator GRI SRS-405-1: Diversity

The reporting organization shall report the following information:

a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:

- i.** Gender;
- ii.** Age group: under 30 years old, 30-50 years old, over 50 years old;
- iii.** Other indicators of diversity where relevant (such as minority or vulnerable groups).

b. Percentage of employees per employee category in each of the following diversity categories:

- i.** Gender;
- ii.** Age group: under 30 years old, 30-50 years old, over 50 years old;
- iii.** Other indicators of diversity where relevant (such as minority or vulnerable groups).

Diversity by gender and age group - figures in %

	Persons in supervisory bodies		Middle management		Salaried employees		Commercial employees		Total	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Male	85,00	84,21	70,27	69,74	54,52	55,04	87,77	88,06	71,18	71,40
Female	15,00	15,79	29,73	30,26	45,48	44,96	12,23	11,94	28,82	28,60
< 30 y	0	0	0	1,32	16,02	15,25	14,36	14,59	13,54	13,37
30 - 50 y	30,00	26,32	40,54	40,79	50,13	52,45	46,01	43,24	47,02	46,86
> 50 y	70,00	73,68	59,46	57,89	33,85	32,30	39,63	42,18	39,44	39,77

GRI SRS-405-1; basis: internal data collection; consideration of all international locations

No other diversity indicators are surveyed.

Key Performance Indicator GRI SRS-406-1: Incidents of discrimination

The reporting organization shall report the following information:

- a. Total number of incidents of discrimination during the reporting period.
- b. Status of the incidents and actions taken with reference to the following:
 - i. Incident reviewed by the organization;
 - ii. Remediation plans being implemented;
 - iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;
 - iv. Incident no longer subject to action.

There were no incidents of discrimination at COMPO during the reporting period.

Criterion 17 concerning RESPECT FOR HUMAN RIGHTS

17. Human Rights

The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.

COMPO takes responsibility

COMPO takes responsibility for its employees, partners and customers - and emphasises this with a strong corporate governance. Responsible corporate management and control are the cornerstones of long-term success at COMPO. Clear principles, internal guidelines and responsible business relationships are always in line with the corporate values of quality, reliability, responsibility, innovation and joy of life, thus creating the framework for working and acting with integrity and responsibility.

Objectives and degree of target achievement

In the 2022 reporting year, the primary focus was on developing the strategic

objectives of COMPO's areas of action, which were assessed as material in the strategy development process. They were developed as part of the strategy workshops described in criterion 3 on the basis of the joint materiality assessment for the SDGs. At the same time, the goal was set to define qualitative and quantifiable targets for the human rights criterion by the ESG HoC by 2024 and to back them up with corresponding performance indicators. These will be available in the 2023 reporting year. As an internationally active group, the objectives focus on the requirements of the German LkSG.

Specific targets and degree of target achievement:

Already implemented in the 2023 reporting year:

- Group-wide standardised implementation of the German LkSG requirements in all areas of the company
- Implementation of all requirements for preparing a risk analysis in accordance with the LkSG by preparing the risk analysis from procurement year 2023, writing to all suppliers, adapting the purchasing guidelines
- Preparation of the review of operating sites with regard to human rights aspects in the form of on-site audits

Next steps:

From 2024: Supply chain and supplier audits of selected suppliers with regard to compliance with human rights, labour law regulations, general legislation and in accordance with COMPO requirements.

Strategies and concrete measures for compliance with human rights within the Group and at supplier companies.

Code of Conduct

COMPO's Code of Conduct defines both the basic rules of behaviour within the company and the general public as well as the relationship with the company's key business partners. The obligation to comply with the Code of Conduct is therefore an integral part of these contracts. It stipulates that COMPO conducts business and maintains business relationships in accordance with sustainability goals, in full compliance with all laws and regulations and with high ethical standards.

The Code of Conduct stipulates that COMPO respects and supports internationally proclaimed human rights in accordance with the United Nations Universal Declaration of Human Rights.

International Labour Organization

In its Declaration on Fundamental Rights at Work, the International Labour Organization (ILO) sets out principles that COMPO fully supports. COMPO is also committed to the formulation and implementation of international labour and social standards and the creation of decent working conditions, which are

an essential prerequisite for combating poverty in the work of the ILO. Forced labour, child labour and discrimination are not tolerated in any form - this applies to COMPO just as much as to any of the company's business partners.

COMPO follows the principle of "equal pay for work of equal value". COMPO also requires its business partners to comply with all relevant laws on the remuneration of labour. Similarly, the statutory provisions on working hours, protection of basic needs and data security must be complied with.

Supplier Code of Conduct

All suppliers are subject to ongoing supplier evaluations. The Supplier Code of Conduct is a mandatory component of all significant supplier relationships and is therefore applied to them. Suppliers undertake to comply with the criteria and laws on respecting human rights within the Code of Conduct. With the entry into force of the German LkSG, the standard of suppliers is documented and compliance with the agreed parameters is monitored. A regular and systematic risk analysis of the company's own business area and an associated assessment of direct suppliers for potential opportunities and risks with regard to ESG is carried out in accordance with Section 5 of the German LkSG. Supplier audits of selected suppliers will be prepared in the 2023 reporting year. In the 2023 reporting year, a review of operating sites with regard to human rights aspects is planned in the form of on-site audits. This will be implemented from 2024.

There are currently no known cases of human rights violations.

Risks

All of COMPO's production sites and over 90 per cent of all key suppliers are located within the EU. This is intended to ensure that the existing rules and control mechanisms at regional, national and EU level generally guarantee compliance with human rights and the prevention of child labour in these areas. Our own risk analyses with regard to ESG issues and supplier audits - for all suppliers inside and outside the EU - also ensure that the risk of non-compliance, which is considered low against this background, is further minimised.

Key Performance Indicators to criteria 17

Key Performance Indicator GRI SRS-412-3: Investment agreements subject to human rights screenings

The reporting organization shall report the following information:

- a.** Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.
- b.** The definition used for ‘significant investment agreements’.

The LkSG is a mandatory component of all significant supplier relationships and is therefore applied to them.

Key Performance Indicator GRI SRS-412-1: Operations subject to human rights reviews

The reporting organization shall report the following information:

- a.** Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

In the 2023 reporting year, a review of operating sites with regard to human rights aspects is planned in the form of on-site audits. This will be implemented from 2024.

Key Performance Indicator GRI SRS-414-1: New suppliers subject to social screening

The reporting organization shall report the following information:

- a.** Percentage of new suppliers that were screened using social criteria.

The Code of Conduct is a binding component of all key supplier relationships and is applied accordingly.

Percentage **of new suppliers that were screened using social criteria**

2022	2023
83	67*

GRI SRS-414-1; basis: internal data collection

**By default, the survey is carried out in the following year, i.e. in this case in*

2024, and has not yet been completed at the time of reporting. Therefore, a final comparison between reporting year 2023 and base year 2022 is not yet possible at the time of preparing the Sustainability Code declaration.

Key Performance Indicator GRI SRS-414-2: Social impacts in the supply chain

The reporting organization shall report the following information:

- a. Number of suppliers assessed for social impacts.
- b. Number of suppliers identified as having significant actual and potential negative social impacts.
- c. Significant actual and potential negative social impacts identified in the supply chain.
- d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.
- e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

The Code of Conduct is a binding component of all key supplier relationships and is applied accordingly.

**New suppliers that were screened on the basis of social impact
[absolute]**

	2023
Number of suppliers screened for social impacts	423
Number of suppliers identified as having significant actual and potential negative social impacts	0
Significant actual and potential negative social impacts identified in the supply chain	None

GRI SRS-414-2; Basis: internal data collection

A business relationship with 92 per cent of suppliers can be maintained without restriction in 2024. For 8 per cent of suppliers, no enquiry was made due to the termination of the collaboration or the feedback was incomplete and the suppliers were blocked accordingly.

Criterion 18 concerning SOCIAL MATTERS

18. Corporate Citizenship

The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

COMPO is particularly committed to selected ecological and social projects in the vicinity of the individual locations and supports them as continuously and long-term as possible. With the aim of further expanding and strengthening its commitment, COMPO began developing a framework concept in 2022 in which all existing and future measures are embedded. The concept will be further elaborated in the 2023 reporting year. The aim is to finalise the concept by the end of 2024 and begin its introduction.

The measures in the 2023 reporting year include, for example

Un giardino per amico

In Italy, COMPO supports the educational project "Un giardino per amico", which aims to promote gardening as an educational activity that stimulates all the senses. The project aims to inspire kindergarten and primary school children to discover the importance of caring for our natural environment.

Westfalenfleiß

At its Münster site, COMPO commissions charitable companies such as Westfalenfleiß to take care of the outdoor facilities and suitable activities in production, for example. Westfalenfleiß GmbH is a non-profit organisation sponsored by Arbeiterwohlfahrt, Bezirk Westliches Westfalen e.V. based in Dortmund and Lebenshilfe Münster e.V. Westfalenfleiß GmbH focuses on people with disabilities. In Münster and Telgte, they are offered suitable workplaces for vocational rehabilitation, differentiated housing options and individualised assistance in the areas of living and leisure.

TSV Handorf

COMPO supports TSV Handorf, a traditional grassroots sports club, as a premium sponsor. As a premium sponsor, it is COMPO's concern to move the club and the Münster-Handorf district in which both are based.

Handballverband Westfalen e.V.

COMPO is intensifying its long-term collaboration with the Handballverband Westfalen in the 2023 reporting year. The common goal is to strengthen the promotion of young handball players in Westphalia. In addition, the commitment will be deepened and strengthened with further measures that go beyond sport. The aim is to showcase the high-quality training programmes

offered by the club and company. COMPO has been involved with HV Westfalen since 2018.

Ökullus pleasure garden for the "Die Wersepiraten" Kindergarten
COMPO will continue to support the "Die Wersepiraten" Kindergarten in Münster-Handorf in 2023 by financing a plot of land for gardening and the necessary organic produce. The aim of this programme is to show even the youngest children how much fun home-grown fruit and vegetables can be.

Support for regional educational organisations

Enabling and promoting school internships and training programmes; supporting projects through donations in kind

Sponsoring allotment garden sites

Organic products are regularly made available to allotment garden sites in order to promote gardening in harmony with nature with COMPO.

Key Performance Indicators to criteria 18

Key Performance Indicator GRI SRS-201-1: Direct economic value generated and distributed

The reporting organization shall report the following information:

a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:

- i.** Direct economic value generated: revenues;
- ii.** Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;
- iii.** Economic value retained: 'direct economic value generated' less 'economic value distributed'.

b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.

As a limited liability company, COMPO Consumer is obliged to publish its balance sheet in accordance with Section 325 of the German HGB. The information is publicly accessible via the german 'Bundesanzeiger'.

Criteria 19–20 concerning ANTI-CORRUPTION AND BRIBERY MATTERS

19. Political Influence

All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

Legislative process and political engagement

Continuous monitoring and targeted political engagement will remain important for COMPO in the 2023 reporting year.

Legislative process

Of particular relevance to COMPO are laws, regulations and directives at EU, federal and state policy level that affect individual raw materials (such as peat, green compost or woodchips), product groups (e.g. potting soils, plant protection or biocides), the principles of the circular economy or other sustainability aspects in the areas of the environment, social affairs and responsible business. The relevant legal framework conditions are continuously monitored in the specialised departments. In addition, a legal register is maintained for the necessary legislation and its amendments.

Political commitment

COMPO lobbies on selected topics. COMPO advocates the responsible use of natural resources and a clear political framework that recognises the importance of products in key areas of life and ensures the sustainable development of the industry.

Political involvement takes the form of memberships and participation in associations and organisations such as Growing Media Europe (GME), the German Industrieverband Agrar (IVA), the German Industrieverband Garten (IVG) and in the 'Verband deutscher Gartencenter' (VDG), in direct dialogue with politicians and in the form of statements and position papers on legislative and consultation processes.

Key developments at a glance:

On behalf of the German Federal Ministry of Food and Agriculture (BMEL), an internationally applicable, standardised certification system for peat substitutes (HORTICERT) was developed, which is intended to cover both the assurance and verification of relevant sustainability criteria and the balancing of

greenhouse gas emissions along the entire value chain. COMPO worked intensively on this project, the pilot phase of which was successfully completed in November 2023. It is currently being transferred to regular operations.

Party donations

No party donations or other contributions are made to state organisations.

Key Performance Indicators to criteria 19

Key Performance Indicator GRI SRS-415-1: Political contributions
The reporting organization shall report the following information:

- a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.
- b. If applicable, how the monetary value of in-kind contributions was estimated.

COMPO does not make any donations to political parties.

20. Conduct that Complies with the Law and Policy

The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

Targets and progress report

In the 2022 reporting year, COMPO set itself the goal of adopting qualitative and quantifiable targets for the compliance criterion. These are now available: For example, COMPO is pursuing the objective of maintaining the performance indicators GRI SRS-205-3: Incidents of corruption among employees and business partners and GRI SRS-419-1: Non-compliance with laws and regulations at zero across the Group in the future with the combination of Group-wide strategies, standards and specific measures described above. To this end, training on the topic will be further developed in the reporting year, so that in 2024 the web-based mandatory training courses will be supplemented by mandatory face-to-face training courses with the compliance

manager.

Compliance management

At COMPO, compliance with internal company and legal provisions is an integral part of the internal value system and the company's core values. The binding framework for legal and ethical behaviour and for compliance with legal requirements is clearly defined in the Group-wide compliance system. It forms the basis for the implementation of internal and external requirements. In order to sensitise all employees to conduct that complies with the law and guidelines, the topic of compliance is an integral part of mandatory training courses. The Compliance Manager, who reports directly to the Management Board, is responsible for the compliance system.

Compulsory web-based training courses, which must be completed annually, teach employees and managers alike about compliance issues. The training courses cover compliance with legal regulations, internal standards, procedures and responsibilities as well as measures to prevent corruption. The training documents are regularly reviewed to ensure they are up to date and reflect general developments and are revised as necessary.

Anti-corruption guideline

The anti-corruption guideline is another important component of the company's rules and principles. In this way, COMPO safeguards its reputation risk and positions itself as a business partner with integrity that is committed to fair competition. By adopting it as a company agreement, it is binding for COMPO employees.

Internal whistleblower system

All violations of applicable law or the COMPO Compliance System are not tolerated, but consistently penalised. The internal whistleblower system gives employees, business partners and third parties the opportunity to report irregular behaviour at any time, anonymously if they wish.

Four-eyes principle

The dual control principle ensures absolute transparency for all important awards, contracts and invoices. This reduces the risk of errors and misuse. The dual control principle is supplemented by a company-wide transparent grading system for signatory authorisations.

As was the case for the 2022 reporting year, there are no known compliance violations for 2023. Against this background and in view of firmly established standards and measures, no material risks of unlawful behaviour and, in particular, corruption arising from COMPO's business activities are seen.

Key Performance Indicators to criteria 20

Key Performance Indicator GRI SRS-205-1: Operations assessed for risks related to corruption

The reporting organization shall report the following information:

- a.** Total number and percentage of operations assessed for risks related to corruption.
- b.** Significant risks related to corruption identified through the risk assessment.

The risk of corruption is classified as low, meaning that no separate audit of the operating sites was carried out for the 2023 reporting year.

Key Performance Indicator GRI SRS-205-3: Incidents of corruption

The reporting organization shall report the following information:

- a.** Total number and nature of confirmed incidents of corruption.
- b.** Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
- c.** Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.
- d.** Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

There were no known cases of corruption among employees or business partners in the reporting years 2022 and 2023.

Key Performance Indicator GRI SRS-419-1: Non-compliance with laws and regulations

The reporting organization shall report the following information:

- a.** Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
 - i.** total monetary value of significant fines;
 - ii.** total number of non-monetary sanctions;
 - iii.** cases brought through dispute resolution mechanisms.
- b.** If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.
- c.** The context against which significant fines and non-monetary sanctions were incurred.

In 2022 and 2023, no significant fines were imposed or non-monetary sanctions initiated against COMPO.

Overview of the GRI indicators in the Sustainable Code declaration

In this Sustainable Code declaration, we have reported according to the "comply or explain" principle on the GRI indicators listed below. This document refers to the GRI Standards 2016, unless otherwise noted in the table.

Areas	Sustainable Code criteria	GRI SRS indicators
STRATEGY	1. Strategic Analysis and Action	
	2. Materiality	
	3. Objectives	
	4. Depth of the Value Chain	
PROCESS MANAGEMENT	5. Responsibility	GRI SRS 102-16
	6. Rules and Processes	
	7. Control	
	8. Incentive Systems	GRI SRS 102-35 GRI SRS 102-38
	9. Stakeholder Engagement	GRI SRS 102-44
	10. Innovation and Product Management	G4-FS11
ENVIRONMENT	11. Usage of Natural Resources	GRI SRS 301-1
	12. Resource-Management	GRI SRS 302-1 GRI SRS 302-4 GRI SRS 303-3 (2018) GRI SRS 306-2 (2020)*
	13. Climate-Relevant Emissions	GRI SRS 305-1 GRI SRS 305-2 GRI SRS 305-3 GRI SRS 305-5
SOCIETY	14. Employment Rights	GRI SRS 403-4 (2018)
	15. Equal-Opportunities	GRI SRS 403-9 (2018)
	16. Qualifications	GRI SRS 403-10 (2018) GRI SRS 404-1 GRI SRS 405-1 GRI SRS 406-1
	17. Human Rights	GRI SRS 412-3 GRI SRS 412-1 GRI SRS 414-1 GRI SRS 414-2
	18. Corporate-Citizenship	GRI SRS 201-1
	19. Political Influence	GRI SRS 415-1
	20. Conduct that Complies with the Law and Policy	GRI SRS 205-1 GRI SRS 205-3 GRI SRS 419-1

*GRI has adapted GRI SRS 306 (Waste). The revised version comes into force on 01.01.2022. In the course of this, the numbering for reporting on waste generated has changed from 306-2 to 306-3.