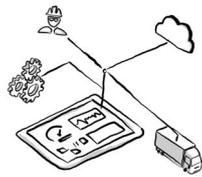
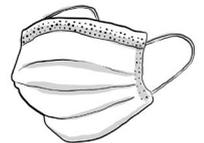
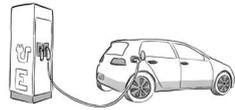


ESG / Sustainability

KAEFER Sustainability Report 2021

A very warm welcome to the 11th edition of our KAEFER Group Sustainability Report – filled with initiatives from around the world and analysis of progress to date as we work towards fulfilling our ambitious sustainability goals.



Intro

Our aim in sharing these stories is to encourage even more people to get involved in building a sustainable future. The report covers our activities across the following areas:

ENVIRONMENT

Climate Protection
Waste Management
Energy Efficiency

SOCIAL

Health & Safety
Communities
Training
Diversity

GOVERNANCE

Compliance
Human Rights
Leadership
Supply Chain

Thanks to everyone at KAEFER for your extraordinary dedication in 2021 – maintaining continuity of service for our clients in exceptional circumstances and ensuring a prosperous future for everyone connected with the company. We hope you enjoy reading this report and learning more about our efforts to increase accountability on all issues related to sustainability at KAEFER.

As always, we look forward to your feedback at crs@kaefer.com.

The KAEFER Corporate Responsibility & Sustainability Team, May 2022

Message from the Board

KAEFER's longstanding focus on sustainability continues to shape a prosperous future for the company.

Company Profile

When it counts, count on us! At KAEFER, our goal is clear – to be the most reliable and efficient provider of technical industrial services.

Sustainability Approach

From CSR to ESG – sustainability means meeting our needs without compromising the ability of future generations to meet theirs.

Climate Protection

Caring about the environment means taking action to protect it – both at work and in the communities where we operate.

Energy Efficiency

From KAEFER energy audits to stricter emissions targets – improving energy efficiency is cost-effective for our clients and protects our shared environment.

Waste Management

Waste not, want not – the secret to effective waste reduction lies in our commitment to a culture of continuous improvement.

Health & Safety

From the clothes people wear to the way they think, speak and move – taking a holistic approach as our understanding of health & safety evolves.

Communities

We celebrate the fact that so many people at KAEFER are determined to make a positive contribution in the communities where they live and work.

Diversity

KAEFER's success is built on finding the best people and making sure they feel at home – whoever they are and wherever that might be!

Training

KAEFER people are KAEFER's future – we do everything we can to provide the best possible opportunities for professional development.

Values and Human Rights

KAEFER runs on shared values, including respect for the individual and a commitment to the highest ethical standards.

Compliance

As a global company, it's vital we have the right Compliance Management System in place.

Leadership

At KAEFER, leadership is about open and honest communication, creating opportunities shape the future, and embracing change.

Supply Chain

KAEFER worked with nearly 21,000 different suppliers in 2021. Relationships built on trust and integrity are crucial to our continued success.

About this Report

From ESG to SDG and GRI – learn more about how we've put this report together.

Message from the Executive Board

Our Co-CEOs Dr. Roland Gärber and Steen Hansen explain KAEFER's approach on ESG and sustainability and how we intend to achieve the targets we have set ourselves.

Embracing change to shape our future

In 2021, KAEFER put more emphasis on ESG by integrating it into the corporate strategy LIFT2025. What was the reasoning behind this?

Sustainability is and was always embedded in our strategy. To highlight the importance of Environment, Social and Governance (ESG), we have now explicitly integrated it into one of the four pillars of our LIFT2025 strategy. Besides our intrinsic motivation, we also see more and more external requirements from different stakeholders that affect us as a company. People want a clear governance structure and measurable goals. To take this into account, we decided to structure our ESG approach accordingly.

Looking back on 2021, which key developments regarding sustainability and ESG stand out for you? What were the key achievements?

Despite all the uncertainties, KAEFER performed strongly in 2021, doing our best to keep people safe and healthy. We are proud of our safety record and that we stand together as a global team of 30,000 people in these difficult times. Also, when it comes to exceptional occurrences -natural catastrophes in communities where we are active – like the severe floods in Germany and Brazil. Our people worldwide didn't hesitate to show their support, got actively involved wherever they could and joined our donation campaigns. This is something we are extremely proud of.

When it comes to ESG in general, we are fully aware that we can't achieve our goals without the support of the KAEFER team worldwide. It is and will be a team effort to implement our ESG roadmap and fill it with life since many different functions, activities and departments are involved. As a result, we decided to go for a cross-departmental approach to define and implement our ESG approach. The first results are already part of this report. It is a long journey and there is lots of work to be done.

Where do we as a company need to show even more engagement?

As individuals as well as a company, we see many challenges but also opportunities. Climate change is affecting all of us and we need intensive collaboration to tackle these global challenges. Working in the area of energy efficiency and insulation, we believe that we can do our part to enable our clients to reduce their emissions. When reflecting on and discussing our internal tasks, our aim is to further develop our reporting ensuring that we provide transparent information on ESG and sustainability in general. Communicating our efforts and achievements and measuring them against our targets will help us identify room for improvement and areas where we need to be more active.

Where do you see KAEFER positioned in our sustainability ambitions?

Our sustainability journey has started many years back and we are proud of what we have achieved so far and the support and involvement from our people worldwide. Although the topic is not new to us or our teams, we recognise that there is a change and we see ourselves at the starting point when it comes to integrating measurable KPIs into our sustainability and ESG approach.

Some of these indicators will be developed based on new laws, others on requests from our stakeholders. Our aim is to make sure we continuously engage with those groups to make sure that we integrate their needs along with upcoming national, regional and global regulations.



Dr. Roland Gärber and Steen Hansen, May 2022

More information on KAEFER's Executive Board and Advisory Board can be found here:

[Link KAEFER Website](#)

Company Profile

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About this Report

Company Profile

Since 1918, when businessman Carl Kaefer began improving the efficiency of cold stores on ships with peat cladding, KAEFER has grown from a niche insulation business to a global leader in the provision of technical industrial services and solutions with an annual turnover of €1.8 billion.

When it counts, count on us!

Headquartered in Bremen, Germany, and led by co-CEOs Dr. Roland Gärber and Steen E. Hansen, KAEFER specialises in insulation, access solutions, surface protection, passive fire protection, electrical & mechanical and specialised services as well as interior outfitting. In 2021, over 30,000 employees served a global client base across more than 30 countries.

KAEFER’s operational units around the world offer a comprehensive range of services to help our clients safeguard asset performance even under extreme operational and climate conditions, including:

- > planning and development.
- > manufacturing, material supply and delivery.
- > assembly and installation.
- > service and maintenance.
- > project and quality management.
- > general contracting services.
- > inspection, testing, and energy auditing services.



Core Services

Insulation

KAEFER is passionate about developing, creating, and fitting insulation for industrial and high-tech applications. No matter whether it’s thermal and cryogenic insulation, noise protection or acoustic insulation – we have the technical skills and specialised knowledge our clients need.

From traditional industries to evolving markets, we develop and produce a range of proprietary products and systems, as well as innovative solutions to protect, maintain and ensure the integrity, performance, and function of our customer’s assets.

Access

No matter how large, complex or unusual the task, KAEFER’s team of access specialists have the skills and experience to assess requirements and recommend the most practical and efficient access system, ranging from scaffolding and rope access to elevated platforms and other specialist access methods.

KAEFER clients benefit from our commitment to rapid mobilisation, minimal set up time, limited disruption,

and first-class cost management. Innovations such as our dedicated Scaffolding Management Software ensure efficient and professional site management.

Surface Protection

Buildings and industrial facilities need to be protected from wind, weather, water, process temperatures and chemical stress. Our surface protection expertise ensures that structures remain intact and corrosion-free for longer.

Mitigating corrosion, enhancing functionality, and extending asset life – our experts combine the right coating solutions with optimal substrate preparation processes to deliver superior protection.

Passive Fire Protection

Fire remains a substantial risk. KAEFER develops and implements passive fire protection systems that provide the highest levels of safety for people who live and work inside industrial facilities, large buildings, and on ships and offshore platforms.

From trading products to innovative tailored solutions, as well as the planning, development and execution of large-scale fire tests for qualifying fire protection systems, KAEFER has the experience and expertise to keep fire at bay.

Electrical & Mechanical Services

KAEFER provides a wide range of electrical and mechanical services. Regardless of the scope of work that needs to be carried out, our professional specialists are on hand to install and maintain structures and components – and keep industrial plants and other facilities functioning as efficiently, safely, and cost-effectively as possible.

Interior Outfitting

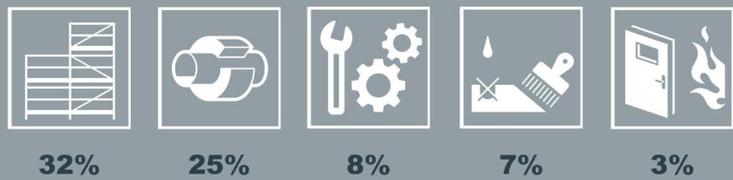
KAEFER provides complete interior outfitting services across a wide variety of facilities and buildings.

Specialising in challenging projects that are often subject to substantial time pressure and difficult environmental conditions, KAEFER experts combine ingenuity with innovative solutions and products to create interiors of the highest quality.

OUR SERVICE PORTFOLIO

Scaffold Training **Insulation** Rope Access Training
Access Solutions **Thermal Insulation** **Electromechanical Maintenance**
Rope Access Facades CUI Management Services **Mattresses**
 Thermography/Energy Audits **Scaffolding** Glycol and Heat Tracing
 Cryogenics / LNG **Refractory** **Passive Fire Protection** Metal Construction
Offshore and Industry Maintenance Facilities Services
Asbestos Solutions Noise and Vibration Prognosis **Fire Safety Products**
 System Testing in own Laboratories Mechanical Services
 Manpower Supply **Interior Outfitting** Design & Engineering **HVAC**
Non-Destructive Testing Scaffold Design **Surface Protection**
 Industrial Cleaning Cold Storage Doors Materials Supply Mega Yacht Refit
 Civil Maintenance **Yacht Interior Design**

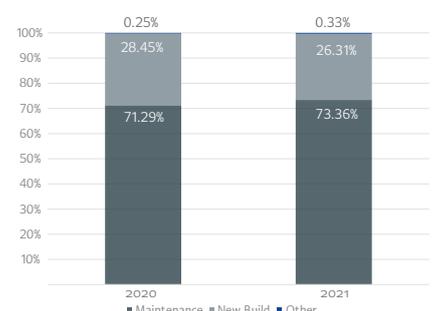
OUR CORE SERVICES



75% of total turnover. The remaining 25% are generated by related services.

Share of Turnover by Contract Type 2020 / 2021

KAEFER is a worldwide partner of customers on new build and maintenance projects. In 2021 the share of maintenance projects increased offering a stable perspective for KAEFER's future.



A reputation for excellence

KAEFER partners with clients globally to improve energy efficiency and extend assets life cycles. Our clients trust us because they know we make no compromises on HSE (Health, Safety & Environment), quality, risk management or compliance controls. Our mission remains the same on every project: to be the most reliable and efficient provider of technical industrial services.



Percentage of ISO 9001 certification at KAEFER: 84%

(based on 2021 Group Turnover, before consolidation)

We fulfil this mission through a combination of standardisation – for example in project governance, to ensure world class project execution throughout the KAEFER Group – and autonomy for people on the ground who have the skills and expertise to respond to local conditions. Our operational units are supported by KAEFER’s Corporate Innovation & Technical Excellence department and global expert network. As well as conducting original research and development work, this team of experienced engineers provides technical support around the world.

We also create additional value for clients via the KAEFER LEAN Journey, focussing on continuous improvement towards waste free processes. As an innovative, forward-thinking company, we continue to blaze a trail when it comes to integrating proven new methodologies and technologies, both on-site and in the office.



Securing the future – LIFT2025

During 2021, KAEFER’s corporate strategy was updated to take account of several important developments at the company as well as within the global environment.

The core elements and goals remain unchanged – to cement our position as the world’s most reliable and efficient provider of technical industrial services. With a focus on operations excellence, digitalisation, and structural streamlining to further empower our people, our strategy is designed to deliver profitable growth and entrepreneurial independence.

New in 2021! As global pressure on natural resources continues to grow, KAEFER’s updated strategy puts even greater emphasis on formalising our commitment to measurable ESG (Environment, Social, Governance) targets, ensuring we continue to play an important role in building a sustainable, energy-efficient future.



"Even though sustainability has been at the top of our agenda for many years, now it's time to make everything more measurable, to express ESG (Environment, Social, Governance) in concrete, key performance indicators following all regulations that are being implemented worldwide with the goal to achieve the set targets."

Steen Hansen, KAEFER Co-CEO

Securing the future – Innovations for a more sustainable world

Liquid Natural Gas – KAEFER's LNG Solutions Center

Safer and greener than traditional alternatives, LNG has become the preferred source of energy for ships and offshore facilities, platforms, and vessels – and KAEFER is dedicated to developing and using LNG in new and innovative ways.

Located in Australia, our LNG Global Solutions Center combines leading experts in the field with state-of-the-art facilities for replicating cryogenic conditions. In recent years, the team have developed or improved numerous solutions for industry, including:

- > Cryogenic cargo and fuel tank insulation systems.
- > Pipe and gas plant insulation, high density pipe supports.
- > Spray foam systems, vacuum insulation solutions.
- > Fluid handling solutions, cryogenic energy storage.
- > On- and off-line repair services for cryogenic tanks and pipework.

KAEFER Image Film



This video is uploaded by the provider YouTube. By clicking on "Watch video" you accept the data protection declaration of the provider. We have no influence on data processing by YouTube

Sustainability Approach

Our company was founded more than 100 years ago with the aim to reduce the energy waste in ships leaving from the port of Bremen. This first guiding principle has influenced much of what we have accomplished in the century since.

CRS meets Sustainability meets ESG

Sustainability means meeting our needs without compromising the ability of future generations to meet theirs. It means managing natural, economic and social resources responsibly and effectively to create additional value for our stakeholders and long-term resilience for our business.

Every day at KAEFER, we help companies to prevent energy waste and become more efficient. Sustainability is at the heart of our strategy and our daily work – a way of thinking, acting and working, which helps us develop innovative solutions to global challenges and underpins our commitment to integrating environmental protection, social responsibility and good governance (ESG) throughout our value chain.

“ESG and sustainability belong together,” explains Francisca Gorgodian, Head of Corporate Sustainability & Communication at KAEFER. “We can speak of following a sustainable strategy when we comply with the set ESG directives, when we can demonstrate that we are focusing on environmental, social and governance issues. Sustainability is becoming our license to operate. ESG criteria are helping us to follow up on our sustainability goals.”

At KAEFER, we promote sustainability

As an enabler – the services we provide enable our customers to substantially reduce their environmental footprint.

As a leader – we lead by example, following ESG standards in all our business activities. Our annual Sustainability Report benchmarks our performance as a company against multiple frameworks, including ESG, the Global Reporting Initiative (GRI) and the UN’s Global Sustainable Development Goals (SDG).

As we evolve as a company, so our understanding of sustainability continues to evolve. In 2008, we created a dedicated Corporate Responsibility & Sustainability (CRS) department to set the sustainability framework for our company, support local management in its implementation, and make sure the environmental, social and community-based efforts of our employees around the world are integrated, properly resourced and effective.

The CRS department continues to be central to our sustainability efforts. Working closely with a network of KAEFER Sustainability Champions, located in different departments and KAEFER business units around the world to organise and implement campaigns on issues related to sustainability.

Beginning in 2021, KAEFER’s CRS department is also supported by a cross-departmental ESG Project Management Office.

NEW! The ESG Project Management Office (ESG PMO)

ESG stands for Environment, Social and Governance. In 2021, KAEFER decided to incorporate this language into our sustainability policies to make it easier for us to measure key performance indicators which aren't captured by financial indicators.

While the CRS department aims to support our business in its effort to become even more sustainable and accountable, the ESG PMO follows a cross-departmental approach.

Erhard Dubs, Corporate Strategy Manager and member of the ESG Project Management Office, says, "although sustainability is not only about becoming greener, there is an increasing awareness of ambitious carbon footprint targets, for instance due to the European Green Deal. We need to understand how this will impact our business and consider the strategic action we need to take now to fulfil our clients' and the societies' future requirements."

For Francisca Gorgodian, it all boils down to taking action. "We know that our behaviour has an impact on our environment and our society. So we need to adopt a strategy that takes all of the lessons we've learned about being sustainable, including all of the technology we've developed, and put it to use. Instead of just talking about it, we need to act consistently all over the KAEFER world and ensure that our actions and reports tackle all relevant ESG criteria in our organisation."

This new focus on ESG will make it easier for us to provide specific sustainability data to clients, banks, investors, shareholders, and the wider public. Combined with the continuing work of our CRS department, it will also help us identify opportunities and risks in a constantly changing environment.

Talis Zvidrins, Supply Chain Expert and member of the ESG Project Management Office, says "to maximise our sustainability impact, we assess our position in the different value chains we are part of and operate in. From this basis we already search for more environmentally efficient solutions. The next level is to develop approaches with our business partners, up and down the value chain, how to enable sustainable change."

ESG Steering Committee: Steers strategic agenda and guidance; Monitors initiatives portfolio.

ESG Project Management Office: Supports all project stakeholders in planning and execution.

Workstreams: Short-, medium- or long-term working groups composed by experts from different business units and corporate departments focusing on the development of specific and agreed ESG targets.

Sounding Board: Entity and headquarter representatives providing (expert) opinion on design and progress of project without having authority to issue directives.



Launching in 2022 – Measurable targets for a sustainable future

Currently in development, a global Group ESG policy, including a strategic ESG Roadmap and Vision, will support KAEFER's mission to be the most reliable and efficient provider of technical industrial services. This updated approach complies with the demands of our stakeholders – internal and external.

Specific KAEFER initiatives and systems in the areas of Environment, Social & Governance are addressed in more detail in the relevant sections of this report.

For Julia Kasparek, Global Sustainability Manager and member of the ESG Project Management Office, "it's clear that our business will not only be affected by climate change, but also the social and governance challenges need to be considered. We work out in the open oceans, on the coast, far inland where it's hot and dry. In all of these places and many more, weather and climate as well as working conditions and for instance the health & safety of our employees are fundamental and affect every aspect of what we do. It's our duty to minimise the effects not just on the environments we work in, but on the environment as a whole."

ESG Project Management Office member Niels Gogler, Executive Assistant to Co-CEO Roland Gärber, adds: "It may well be a struggle to achieve our goals, but we simply cannot go on without challenging ourselves. We have to adopt an attitude of action and tackle sustainability head on."

Engaged and informed – the KAEFER Sustainability Report and Stakeholder Survey

The more we can involve people at KAEFER, the more we can accelerate our progress on sustainability issues. It's through engaging with all our stakeholders, that we ensure our actions are not only right, but also effective. Our most recent Sustainability Stakeholder Survey, conducted in February 2021, received a record number of responses. In total, 1,196 people from 33 countries took part – a 32% increase on the 2019 edition of the survey. The results show that more and more people at and outside of KAEFER are engaging with sustainability related topics, in particular the reduction of emissions and waste management.

The topics covered in our Sustainability Report reflect the concerns of our stakeholders. In order to place our progress in context, content is aligned with our ESG approach and incorporates the UN's Sustainable Development Goals and the Global Reporting Initiative (GRI) framework. Please see [About this Report](#) for further details.

"KAEFER's core business is already helping to reduce energy waste and improving the carbon footprint of our clients. But we also need to do our homework and constantly work on our own sustainability. That's where our effort to comply with ESG criteria (Environment, Social and Governance) is so important."

Dr. Roland Gärber, KAEFER Co-CEO

Climate Protection

Caring about the environment means taking action to protect it. At KAEFER, our work – from energy audits to effective insulation and long-term facility maintenance – is designed to help clients optimise asset efficiency, save energy, and reduce emissions. This focus places us in a strong position when it comes to mitigating the impact of the climate crisis.

KAEFER attaches high importance to environmental protection and actively supports the introduction of measures to reduce carbon emissions through the European Industrial Insulation Foundation (EiiF). (Please see the [Energy Efficiency](#) section of this report).

Energy loss from an uninsulated DN 150/6-inch valve running all year amounts to 10,600 kWh. Transforming that thermal energy with 40% thermodynamic efficiency would produce an additional 4,000 kWh of electricity – enough power to keep a Tesla Model S running for 20,000 km!

Several KAEFER business units have undergone the ISO 14001 certification process in recent years, reflecting the latest guidelines in environmental management and energy efficiency. In 2020, the company also introduced a comprehensive Group Environmental Policy, placing an even stronger focus on environmental awareness, the efficient use of resources, identification of risks and hazards, and the management of environmental impacts.



At work – embracing technology to reduce material consumption

At KAEFER, our goal is to deliver services to our customers without incidents, on time, and in the most cost-efficient – and waste-free – manner. We reduce waste by getting it right – meeting our clients' quality requirements through world-class project management. From our scaffolding design team (which models potential access solutions to reduce material consumption) to the realisation of paperless sites via the implementation of our bespoke Digital Project Management Solutions (DPMS) system – our goal is always to minimise the environmental impact of the industries in which we operate.



When it comes to digitalisation, we often first think of the devices we hold in the palms of our hands, or the computers at work. But digitalisation goes further than that – it's as much about the processes that happen behind the scenes that provide value and make our lives easier and more efficient. One of the best examples of this is DPMS - The Order to Invoice Solution – a major turning point on KAEFER's digital Lean Journey.

What is DPMS? Simply put, it's a digital Order to Invoice Solution covering all KAEFER's services for all types of industries. From the very first step when a client request is received, through scoping and cost estimates and then authorisation, planning the jobs and performance monitoring, Hindrance documentation and

Quality Inspection through to Invoice information, DPMS streamlines the complete process and makes it fully transparent at every juncture. This is not just good for the client, who can see exactly what is happening at any point, but also provides for greater efficiency on KAEFER's part, as it makes all the resources required for a project or process visible and, consequently, optimisable. Considering the current projects, implementing DPMS has brought on average 10-30% efficiency improvement in the administrative processes on site. In 2021, DPMS was used by 77 projects in 5 countries in 2021 and in 2022, the target is to further expand the use of DPMS on additional 55 projects.

DPMS is based on Lean Site Management and is therefore its logical extension. It is available for the entire organisation to use and profit from. By harmonising and standardising processes, whilst accounting for the individual aspects of projects at the same time, DPMS helps achieve margin targets more easily, reduces order to invoice time, virtually eliminates paper-work and substantially improves transparency and productivity. In short: it provides benefits to our clients and everybody at KAEFER.

Case Study #1: Initiated and already implemented in Norway, Prefab Base is a customised, paper free software solution to support the administration of all processes in prefabrication. Prefab Base provides transparency, an overview of production, and full control. By connecting planning and operations, as well as coordinating communication across borders, Prefab Base allows us to optimise lead times and offer our clients a streamlined process – with live information on production status.



Case Study #2: In 2021, KAEFER's Corporate Innovation and Technical Excellence (CIE) department developed, trialed, and publicised a new, improved approach to surface protection. Combining a double-diaphragm pump set-up with a specific portfolio of products, the team was able to significantly reduce overspray with no loss in quality – resulting in less waste and more savings for our clients. The specifics of the new approach were shared with our global KAEFER surface protection experts around the world last November.

KAEFER gets active on World Environment Day

June 5th is World Environment Day. In 2021, the KAEFER FOUNDATION marked the day by asking employees to submit ideas for positive change. The team received a truly inspiring number of suggestions, recommendations, and updates from around the world. We learned about projects to squeeze every drop from cans of paint, ideas for disposing of COVID-19 masks sustainably, and initiatives to build bridges between trees in Brazil to provide monkeys with safe passage over work sites.

Partnering with selected NGOs

From projects to clean rivers and public parks to recycling industrial materials – when the KAEFER FOUNDATION asked employees to submit ideas for positive environmental change, most suggestions fell into one of three categories: supporting biodiversity, facilitating recycling, and encouraging waste collection & cleaning.

Inspired, the Foundation set about finding four non-profit organisations in different countries whose work in these areas we could support and promote.

Norway. Clean Shores Global organises community clean-ups along ocean shorelines, lakesides, and riverbanks. As well as supporting the organisation with a monthly donation for a period of 12 months, KAEFER Energy employees have also been taking part in various clean-ups around Norway. In October 2021, for example, 30 employees and their families helped clear several hundred kilos of tires, plastic packaging, ropes, fishing nets, Styrofoam, and metal.

Brazil. Created in 1986 as a non-governmental and non-profit organisation, the SOS Mata Atlântica Foundation defends what's left of the Atlantic Forest (Mata Atlântica). KAEFER is supporting the organisation with monthly donations for a period of 12 months.

France. Founded in 2019 in Dunkerque (France), DK Clean Up organises waste collection campaigns on the beaches and streets of northern France and uses the materials for up-cycling projects. During 2021, the organisation has coordinated more than 50 clean-ups, collecting 17,470kg of waste with the help of 890 volunteers.

South Africa. Live Life Always is a South African initiative which organises beach clean-ups, as well as local waste collection and recycling campaigns. The KAEFER FOUNDATION is supporting the organisation with monthly donations for a period of 12 months.



Trees, bees & sleeves

There isn't space here to provide an adequate tribute to all the many fabulous initiatives taking place around the world. Hopefully the brief selection below gives some idea of the creativity and care shown by so many people at KAEFER.

Trees

After the success of "Treedom" in 2020 (when proceeds from a flea market at HQ were donated to an inspirational tree-planting initiative in Cameroon) several KAEFER entities followed suit in 2021. The team in Saudi Arabia planted new trees as part of their World Environment Day celebrations. In the UK, KAEFER supported a scheme to plant a total of 2,021 trees at the Westlakes Science Park. And in Germany, KAEFER Industrie raised money for Oro Verde, a foundation dedicated to tropical rainforests.

Bees

It's not just trees. At the KAEFER WANNER offices in Nantes (France), employee and beekeeper Philippe Desailly now produces a delicious own-brand organic honey from two beehives, installed on site to mark World Environment Day! New colonies of bees have also been spotted at KAEFER's Bremen, Nordhausen and Scheeßel locations in Germany.



Sleeves

When it comes right down to it, clean-ups are about rolling up your sleeves and getting down to some hard physical labour. Volunteers in Australia and Canada didn't shy away from doing their bit to improve areas of natural beauty in multiple locations Down Under and along the Sturgeon River in St. Albert, Alberta.



Energy Efficiency

At KAEFER, we are renowned the world over for our expertise in improving energy efficiency through the application of insulation, keeping energy from escaping from pipes and structures in the form of heat or cold.

Message from the Board

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KAEFER – for an energy efficient future

We also advocate for improved energy efficiency via the European Industrial Insulation Foundation (EiIF).

KAEFER and the EiIF

Preventing energy waste has never been so important – particularly in energy-intensive sectors such as chemical processing, oil and gas, or metal transformation. And eliminating thermal losses from pipes is a vital part of our collective journey towards a more sustainable future. The economic rationale for improving insulation is no less clear than the environmental.

Adding 100mm of insulation to 35 metres of previously uninsulated 203 C hot pipe saves up to €24,000 in annual energy costs.

In environmental terms, insulating just the 35 metres mentioned above would save 137 tonnes of CO₂ a year. In purely economic terms, the cost of insulating the same 35 metres would be recouped in approximately 2 months. Industrial facilities rarely need to (re)apply insulation on just 35 metres of pipe, of course, but KAEFER energy audits suggest that even comprehensive improvements see an average return on investment of just two years – and the economic benefits will only grow as regulatory frameworks for emissions and energy become increasingly strict.

Raising awareness

50,000,000 tons of CO₂ and 600 PJ of energy are wasted every year in the EU due to insufficient or missing industrial insulation – equal to the annual emissions of 15 million cars and the energy used by 10 million households.

Capturing energy and keeping it from escaping is a simple and logical way to save money and reduce CO₂ emissions. Problematically, however, companies often find themselves under pressure to reduce investment and maintenance costs. A lack of knowledge about the benefits of insulation can lead to short-term thinking, exacerbated by poor communication between departments responsible for energy and maintenance budgets respectively.

The non-profit EiiF was founded in 2009 (by KAEFER among others) to overcome these hurdles and raise awareness of the benefits of thermal insulation in industrial plants – both financial and environmental.

In many cases, when it comes to insufficient insulation, the cost of CO₂ emissions actually exceeds energy costs – and it's expected that prices per tonne of CO₂ will soon increase.

In addition to releasing regular publications advocating for stricter insulation regulations in the EU, the EiiF sent a comprehensive study to the European Council in 2021, setting out the ways in which insulation can contribute to the decarbonisation of industry and play a vital role in achieving the EU's goal of becoming climate-neutral by 2050.

EiiF Study 2021 compares current energy losses (based on more than 2,500 thermal energy audits and TIPCHECKS performed by EiiF members over the last ten years) with a best practice scenario (plants insulated according to the German VDI 4610 guideline). The findings demonstrate beyond doubt that raising insulation standards would result in huge environmental benefits, as well as substantial financial advantages for industry.

Five for Fit for 55

KAEFER and the EiiF were delighted last year when EU leaders agreed to set a 55% net GHG emissions reduction target for 2030. The two organisations had strongly advocated for this more ambitious target. Five of our specific recommendations, designed to help ensure a fair and effective green transition, have also been incorporated into the European Commission's Fit for 55 package.



KAEFER Energy Audits

In addition to providing a full range of insulation solutions, KAEFER has dedicated teams of experts conducting comprehensive energy audits around the world.

Even in plants which are already insulated, energy audits almost always reveal significant potential savings from improved insulation – with an average return on investment of less than 2 years.

Finding and mitigating energy loss is a complex process, however. Once a pipe system is installed, it's difficult to see heat loss. KAEFER insulation specialists use cutting edge thermal visualisation technology to record ambient conditions and thermal data. To a professional with a trained eye and the right specialist equipment, detailed thermography exposes areas where energy either escapes or is absorbed. KAEFER engineers also evaluate why particular systems are losing energy. The possibilities are numerous, ranging from poorly applied insulation, corrosion caused by condensation, or heat stress to components and systems. KAEFER's familiarity with complex infrastructure and industrial facilities – often as a result of existing maintenance contracts – means our engineers can take a truly proactive approach to preventative checks and inspections.



Spreading the word

We constantly strive to increase the overall number of trained energy audit engineers – and improve our service. In January 2021, for example, 22 people from 10 companies and 9 different countries came to KAEFER Headquarters for energy audit training according to TIPCHECK standards. The bespoke course included modules on data collection and reporting, and the requirements of ISO 50001 and EN16247 energy management systems.



Congratulations! KAEFER in Thailand

In 2021, KAEFER in Thailand were proud recipients of the Green Industry Level 3 “Green System” award, certifying their commitment to systematic environmental management, including monitoring, assessment, and reviews for continuous improvement.



Waste Management

In our day-to-day activities insulating and maintaining buildings, ships, and industrial facilities, KAEFER's goal is to reduce energy waste, improve efficiency, and apply the kind of preventative maintenance programs which save time, money, and resources.

Waste not, want not!

KAEFER's commitment to waste reduction was further strengthened in 2013 with the launch of our Lean Journey, designed to generate as close to zero waste as possible by optimising processes and continuously improving them.



For Axel Schulz, Global Lean Manager, the link to sustainability is obvious: “while supporting LEAN Projects, I have not just seen safety and efficiency improvements, but also waste reduction in CO2 emissions. LEAN plus green equals less waste and our LEAN approach is further pushing sustainability on our jobsites.”

Lean Site Management ensures we have the materials we need, where we need them, when we need them. By getting it right the first time, we waste less time, effort, and materials - and achieve higher levels of safety and efficiency.



KAEFER's Lean Journey

Simply put, LEAN means creating more value for our clients as well as for our teams. This is achieved by generating as close to zero waste as possible by optimising processes and continuously improving them.

The idea is to waste less time, effort, and materials. We call getting things right the first time heading towards ‘True North’. Lean Site Management guarantees that the right materials are at the right place at the right time, in the right amount and right quality. It is not about reinventing the wheel, but rather about optimising a proven concept and ensuring that the wheel runs smoothly without any interruptions. Which means employing simple measures such as planning and performance management – thinking about what to do before, during and after a shift and how to achieve agreed goals. This allows us to achieve higher levels of health, safety, and efficiency, while meeting all quality requirements.



Given this history and this mindset among our employees, it's hardly surprising that we take a similar approach with our internal processes, switching to paperless project management tools, investing in e-vehicles, and even distributing reusable coffee cups to staff.

In addition, 2021 saw the launch of several new waste management and elimination initiatives around the KAEFER world.

In **France**, the KAEFER WANNER prefabrication workshop in Pompignac took a step closer to zero non-recycled waste when it launched a partnership with ELISE ATLANTIQUE to improve the sorting, collection, and treatment of its waste. Plans are now underway to extend the project to all KAEFER WANNER offices and work sites in France.

In **Germany**, upgrades in IT systems at KAEFER Headquarters rendered a generation of landline telephones obsolete. These were all carefully collected, along with other devices no longer in use, and sent for recycling. All the money received in return for the raw materials was donated to the KAEFER FOUNDATION.



Health & Safety

From the clothes people wear to the way they think, speak and move, the concept of health & safety at work has come a long way over the years. Some things don't change, however, and once again health & safety was identified as the single most important topic for participants in the 2021 edition of our stakeholder survey. A timely reminder that a continuously developing awareness of risk, and a workplace that's safer than ever before, is no excuse for complacency.

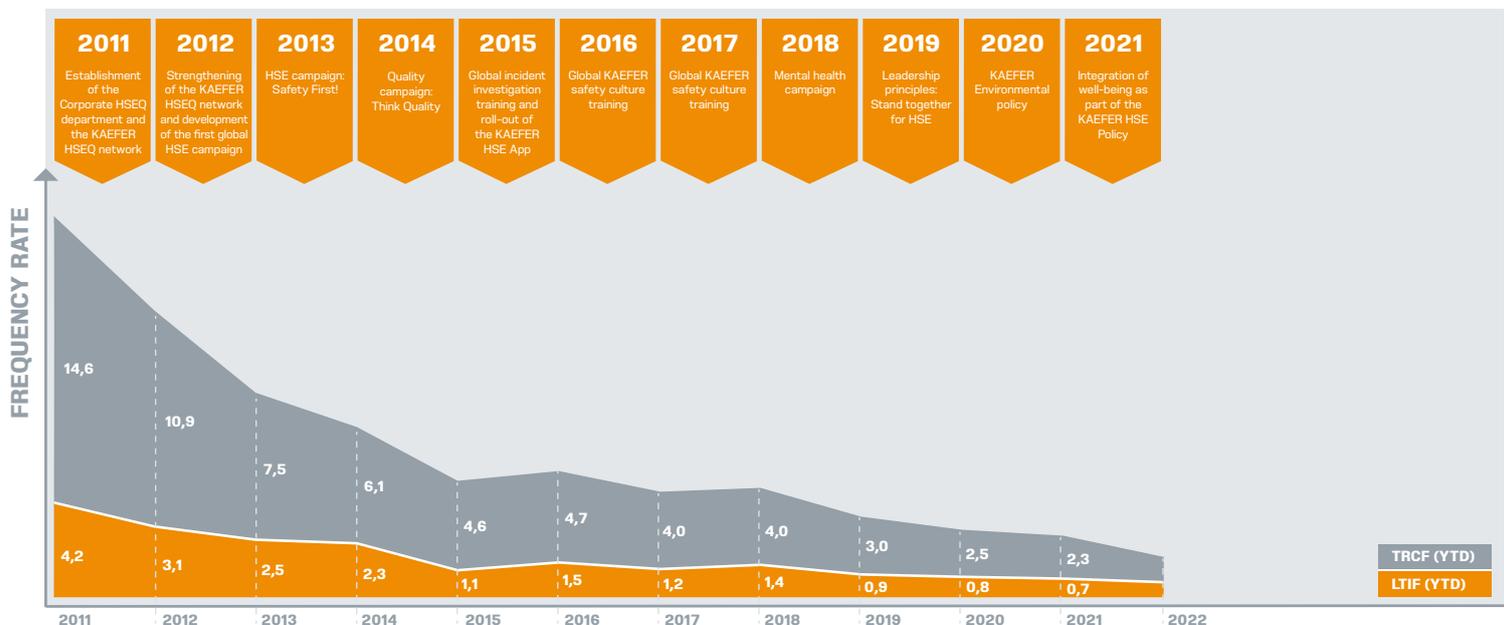
Consistent improvement over time

KAEFER's Lost Time Injury Frequency Rate (LTIF) and Total Recordable Case Frequency (TRCF) figures from 2021 demonstrate that our work towards creating a safety culture at KAEFER continues to pay dividends. Having achieved such low incident levels, the challenge now lies in maintaining our focus – learning from one another and sharing best practices from around the KAEFER world.

Percentage of ISO 45001 certification at KAEFER: 84%

(based on 2021 Group Turnover, before consolidation)

KAEFER's Lost Time Injury Frequency Rate (LTIF) and Total Recordable Case Frequency (TRCF)



Abbreviations: YTD - Year-To-Date, LTIF - 'Lost Time Incident Frequency' meaning the so-called lost time incidents per one million man-hours. 'Lost time' is described as a situation where a worker needs to stay home following the injury. TRCF - Total Recordable Cases Frequency' and consists of all incidents that have to be included in the statistics and is also counted per one million man-hours.

More than 600 colleagues are part of KAEFER's HSE organisation worldwide!

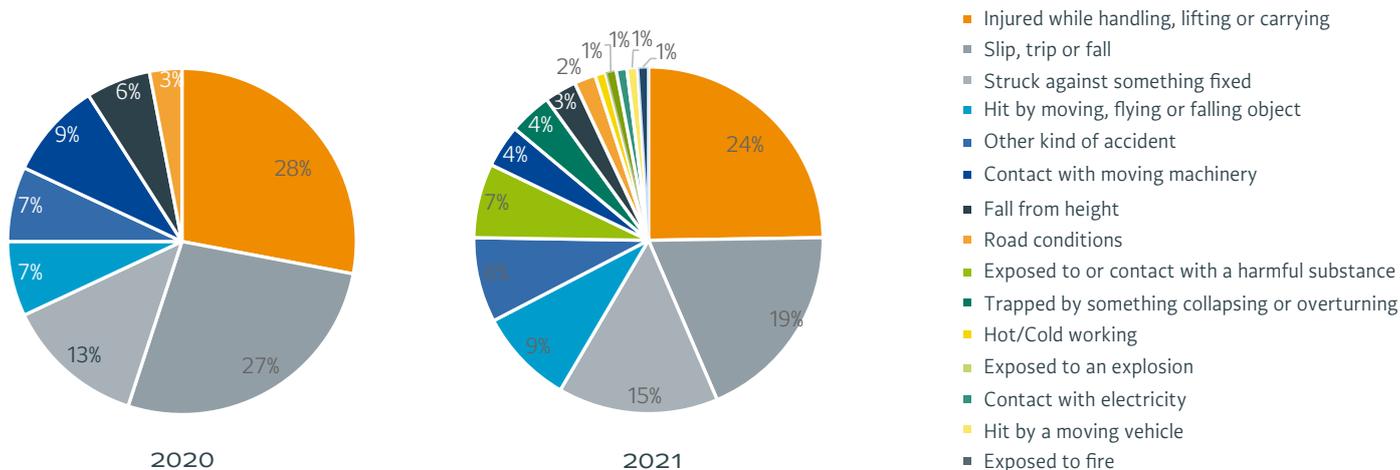


One eye-catching 2021 initiative took place in Australia, where the health and safety team had noticed a slight rise in incidents around the turn of the year. In response, they launched a campaign at the end of 2020 asking employees to describe their SAFE Choices for a safe start to the new year. The campaign attracted more than 500 contributions from KAEFER employees during the campaign.

In France, KAEFER WANNER keeps employees focussed via regular Health & Safety Days. At their March event last year, the team continued highlighting the risks of musculoskeletal disorders (MSD) and advised on a whole range of preventative measures, including limiting manual handling, improving the ergonomics of workstations, implementing muscle stimulation sessions, testing exoskeletons, and promoting hydration, nutrition, and sleep.

Just like athletes, many KAEFER employees work in jobs which put long-term pressure on muscles, tendons and ligaments. In addition, they're often active in extreme environmental conditions. Heat is a particular issue in many countries, which is why KAEFER in Canada ran a major Beat the Heat campaign in 2021 (the hottest summer on record in parts of the country) and all employees in Saudi Arabia were invited to a medical check-up camp to help them stay fit and healthy.

Distribution of incident causes 2020 / 2021



Mental health – keep it in mind!

A genuine health and safety culture is about more than simply reducing physical accidents and incidents. Maintaining mental wellbeing is just as important – which is why we place such emphasis on the benefits of better communication – between colleagues and with supervisors – and invest in ‘talking’ initiatives that are of such value to everyone at KAEFER.

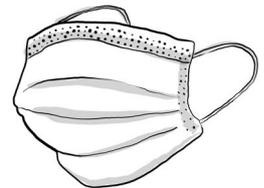
At KAEFER in the UK & Ireland, for example, the concept of ‘Mental Health First Aiders’ has been introduced. These trained volunteers act as a first point of contact for employees who might be struggling. The initiative proved so popular that the team have committed to train 5% of the UK workforce as Mental Health Champions during 2022. It’s also been shared as a Best Practice across KAEFER via a series of mental health ‘train the trainer’ sessions, inspiring similar initiatives in multiple countries.



Our team in the UAE launched the KAEFER Fun Hour in 2021, a monthly event for employees involving games, challenges, and birthday celebrations. In Australia, senior management released a [video](#) sharing experiences around mental health from their own lives as part of R U OK? Day. They also demonstrated an admirable desire to listen, asking employees what really mattered to them as part of a project called Take Care of Yourself, So You Can Take Care of What Matters.

Highlight! Brazil – Superheroes unite against COVID-19

Brazil was hit particularly hard by the global pandemic in 2021. Determined to remain focused on the fight against COVID, the team in Espírito Santo called on a league of superheroes for help. Spiderman, Batman, and Wonder Woman were among the heroes helping to organise queues, inspect masks, and provide people with information. Employees and clients loved the initiative and took its central message to heart: The hero of this fight is you!



A new thread

What we wear at work plays a major role in keeping us safe. That's why Corporate Health, Safety & Environment (CHSE) and Corporate Supply Management (CSM) have been working to standardise work clothing, focussing initially on KAEFER entities in Europe. Until now, different countries have used different suppliers. After an exhaustive search and comprehensive tests throughout 2021, however, a single supplier has now been identified, allowing KAEFER to provide employees with the best quality workwear.



Staying fit to make a difference

KAEFER people all over the world raised money for health-related causes in 2021. Many were creative, growing outsized moustaches in the UK and Ireland or hosting the Cancer Council's Biggest Morning Tea in Australia. From cycling through northern France to fitness classes in Spain, however, more and more people are raising money by taking up the kind of physical challenges that keep them fit, healthy and alert in the workplace.

Communities

The 'S' in ESG stands for Social – something we take very seriously at KAEFER. Wherever they're based, KAEFER people are proud of being part of a diverse, global company – and committed to building a genuine sense of community across national borders and departmental disciplines. The starting point is making sure everyone works in safe and well-managed environments, and that people feel confident they can fulfil their potential at KAEFER. We work hard to keep stakeholders informed and involved in our decision-making processes – and we love the fact that so many KAEFER people are determined to make a positive contribution in the communities where they live and work.

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Changing lives – The KAEFER FOUNDATION

The KAEFER FOUNDATION has spent the last decade providing non-bureaucratic help and support for colleagues and their families around the world. Funded solely through charitable donations, the KAEFER FOUNDATION co-ordinates initiatives in emergency situations (such as the COVID-19 pandemic or the war in Ukraine). The FOUNDATION also supports initiatives and research projects which promote a sustainable future.

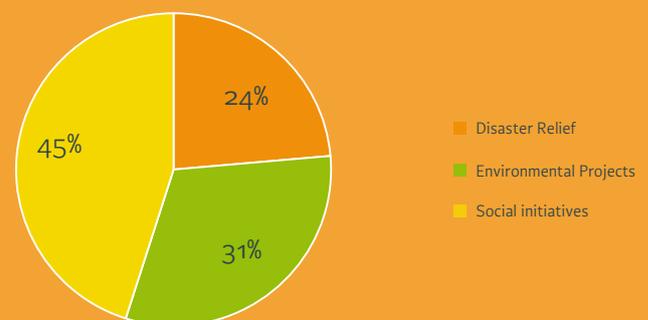
“Through the KAEFER FOUNDATION we aim to positively change the lives of many people and to be able to provide rapid assistance in places where immediate help is needed.”

KAEFER FOUNDATION Managing Directors Dirk Brand-Saßen and Francisca Gorgodian

The FOUNDATION helps people in need across a range of issues, including:

- > Prevention of diseases such as HIV/AIDS, Tuberculosis, and support for victims of these illnesses.
- > Education, apprenticeships, and training.
- > Science and research.
- > Protection of the environment and ecosystem; especially climate protection and energy efficiency.
- > Development projects for younger generations.
- > Natural disasters and catastrophes.

KAEFER FOUNDATION Activities Split 2021



Major projects 2021

There was no shortage of challenges in 2021. The team did everything in their power to provide help where it was needed most.

India – More than 2,000 people from India work for KAEFER in the Middle East. Realising how hard parts of India were being hit by the COVID-19 pandemic, KAEFER management in the Middle East raised money for Habitat for Humanity, including a donation from the KAEFER FOUNDATION. The funds went towards much needed supplies for families in Maharashtra, India.

Brazil – In February 2021, severe rainfall in Santa Maria de Itabira caused flooding and landslides in the Brazilian federal state of Minas Gerais. RIP Serviços Industriais (KAEFER’s entity in Brazil) distributed drinking water, ovens, and washing machines to affected communities in the region. A joint initiative, the KAEFER FOUNDATION contributed to the project as well.

Germany – The summer of 2021 brought some of the worst flooding Western Germany has ever seen, in a region where KAEFER is active. Fortunately, none of our employees or their relatives were directly affected but the FOUNDATION still took swift action. With the amazing support of KAEFER employees, the team coordinated a series of fundraising initiatives, with donations distributed to people in need via “Aktion Deutschland Hilft e.V.” (an alliance of German aid organisations).

Also, in **Germany** – Students suffered during the COVID-19 pandemic in more ways than one. For many of the more than 5,000 students enrolled at universities in Bremen, jobs in the hospitality industry – a traditional source of student income – became increasingly precarious. The FOUNDATION donated to Xenos e.V – a charity which provides the financial support some students need to complete their studies.

HIV / AIDS – The fight against HIV/AIDS was one of the FOUNDATION’s founding causes. The battle continues through numerous initiatives carried out in support of World AIDS Day on December 1st each year. In 2021, our colleagues of KAEFER in Malaysia created a [short video](#) to show solidarity with the millions of people living with HIV worldwide.



KAEFER FOUNDATION - Looking Back at 2021 (Video)



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The “Venuslauf”

Another initiative which attracts widespread support at KAEFER took place between 17 and 19 September in 2021, when numerous employees in countries all over the world went running, jogging, swimming and cycling – covering an extraordinary 23,904km and raising more than €35,000 for cancer charities.

That’s double the distance we covered in 2020. The KAEFER FOUNDATION expects an even greater turnout in 2022!

Among numerous fabulous achievements, highlights included 15 employees in Norway who walked 648km from Egersund to Stavenger to raise money for cancer research, and five employees in the UK who ran 5km every day for 50 days to raise funds for Down's Syndrome charities.

In total, KAEFER raised more than € 35,000 for cancer charities, including:

- > €18,000 in Germany for the Bremer Cancer Society.
- > €12,000 in France for Gustave Roussy.
- > €1,000 in the UK and Ireland for Macmillan Cancer Support.
- > €2,350 in Canada for the Alberta Cancer Agency.
- > €3,000 in Sweden for the Swedish Cancer Society.



Changing lives together

Interested in getting involved? If you'd like to volunteer or make a donation, please get in touch with us at Foundation@kaefer.com.

KAEFER Foundation gGmbH
Deutsche Bank AG
IBAN DE62 2907 0050 0169 0049 00
BIC (SWIFT) DEUTDEHBXXX

Together, we can make a difference.

More Great Initiatives

We take enormous pride in initiatives launched independently by KAEFER people around the world.

Highlight! Australia

KAEFER staff in Australia rode between 10 and 140km along the coast of Western Australia to raise much-needed funds for people living with neurological conditions.

Highlight! South Africa

"Education is the most powerful weapon you can use to change the world." Nelson Mandela.

As part of 2021's Nelson Mandela Day celebrations, the KAEFER team in South Africa collected over 160 books for distribution throughout rural schools in the Rustenburg region.



Diversity

KAEFER's success is built on finding the best people and making sure they feel at home – wherever that might be! The very nature of being a global company means that we, as people, are at least as diverse as the many locations we operate in.

Valuing Diversity

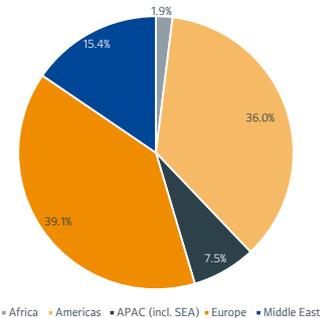
We take pride in being different and foster a culture that embraces the many facets of diversity inherent in our workforce. That brings out the best in our people, who epitomise our values and live them every day. Diversity enriches our lives in many ways. A program in the Middle East – celebrating events from the different cultures and religions of our workforce – is a perfect example of how initiatives which highlight alternative perspectives can help us develop new ideas, find innovative solutions – and have more fun at work!

Blue Collars and White Collars worldwide



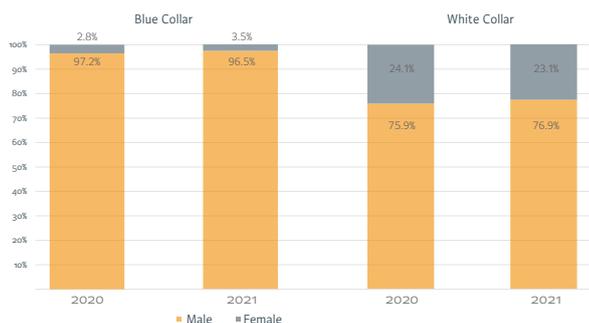
As of 31st December 2021

Employees per Region



As of 31st December 2021

Blue Collars and White Collars - Split male and female

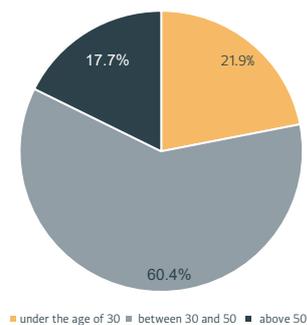


As of 31st December 2021

Note: Note: based on figures from Brazil, Germany, Ireland, Kuwait, Lithuania, Norway, Qatar, South Africa, UAE, UK.

At KAEFER, we believe that everyone has the right to define their own gender identity and refer only to 'men' and 'women' in this document purely for the purposes of reporting.

Employee Age Groups



As of 31st December 2021

Note: based on figures from Brazil, Germany, Ireland, Kuwait, Lithuania, Norway, Qatar, South Africa, UAE, UK

Pursuing change

Our industry is still undeniably male dominated. By taking active steps to change this, we are working towards correcting imbalances and building acceptance where necessary. Gender shouldn't be a barrier when considering work in an industrial environment – that's one of the reasons why KAEFER in Brazil (RIP) started a diversity and inclusion campaign called PLURAL. In addition, the team established an internal Diversity Council in 2021, with four working groups covering race, disabilities, generations, and gender. Each group is sponsored by a director at the company.

Case Study: As part of our mission to develop more employment opportunities for differently abled people, the KAEFER team in the UK & Ireland were delighted to welcome two new members of staff in 2021 with Down's Syndrome. In addition, the team spent the year working with three different Down's Syndrome Associations to promote awareness, challenge perceptions, and raise vital funds, as well as taking part in training sessions run by the Association's WorkFit program to ensure that people with special needs are understood and catered for at KAEFER.

During 2021, KAEFER UK & Ireland colleagues raised an epic £63,000 for their charity partners: Down's Syndrome Association, Down's Syndrome Scotland, and Down Syndrome Ireland overreaching the target of £50,000!



Working with indigenous peoples

Historically, extractive industries have a poor record of working co-operatively with indigenous peoples. As a service provider to oil and gas plants in countries such as Australia and Canada, KAEFER is determined to play a proactive role in rebuilding trust and pioneering progressive ways of working with indigenous communities to build strong foundations for a sustainable future.

The first step lies in recognising that this kind of change doesn't happen overnight. Instead, it demands patience, long-term thinking, and a genuine desire to make a difference. That's certainly the philosophy being followed at KAEFER, where teams are gradually building trust through diversity programs and establishing partnerships and joint ventures. And – above all – by listening!

As part of Australia's 2021's NAIDOC Week in July – celebrating the history, culture, and achievements of Aboriginal and Torres Strait Islander peoples – KAEFER employees were privileged to hear a presentation from Whadjuk Noongar Elder Shaun Nannup. Shaun presented a virtual session on the theme of "Heal, Country" and made a powerful case for greater protection for Australia's lands, waters, sacred sites, and cultural heritage.

Also engaged in the hard work of learning and reconciliation, employees at KAEFER in Canada took part in a smudging ceremony in 2021 as part of the country's National Day for Truth and Reconciliation. Guided through the traditional ceremony by Indigenous Knowledge Keeper Eva Stang, employees wore orange in memory of the indigenous children subjected to the country's notorious residential school system.



Training

KAEFER is an industrial service provider. Our most valuable resources are not machines or patents, but the people who make up KAEFER – providing our clients with world-class services in dozens of countries around the world.

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One group. More than 30,000 voices

Over time, KAEFER has become a more diverse organisation. We are proud of this development, recognising the unique experiences which people bring to our team worldwide. We appreciate and respect the many ways in which people from different backgrounds, with different talents and skills, enrich our workforce.

It's the diverse nature of our company that makes KAEFER such an exciting and rewarding place to work. Wherever they're based, our people aim to develop and expand their skills to become even better in their areas of expertise. In return, we do everything we can to offer varied fields of activity and the best possible opportunities for personal and professional progress. From vocational and technical training to management and leadership development – our programs are suited to all requirements, local and global, short and long term, basic and advanced.

Safety Training

At KAEFER, our commitment to vocational training exists alongside an uncompromising program of safety training activities. Every day, our employees work on building sites around the world, braving heights, cold, heat, wind, and rain. To work towards our safety vision of zero incidents and accidents, we focus on fostering an inclusive safety culture through regular Toolbox Talks and training sessions.



Lean Development Programme – Trainings 2021

KAEFER's Lean Journey creates customer value through continuous improvement towards waste free processes. The speed of our progress depends on informing and engaging as many people as possible about LEAN methods and goals – above all through training!

The goal of KAEFER's Lean Journey is to make it possible for every employee to improve every day. In 2021, in order to engage more and more people in this journey, the Lean Team at Headquarters in Bremen piloted a series of Lean e-learning nuggets in Brazil, the Middle East and Norway as an integrated part of the Lean e-learning onboarding programme. Nearly 1,000 employees, in six different languages, participated in the trial. The responses have allowed us to identify gaps and significantly improve the LEAN onboarding process as we continue to add new e-learning nuggets and expand the program into new countries.

Meeting face to face for our regular Lean Leader training sessions and workshops was impossible in 2021. To ensure and continue sharing best practices, the Lean Team was quick to organise a series of Global Lean Leader Collaboration calls throughout the year. The collaboration began with a vote among Lean Leaders, identifying LEAN on small and short projects and the best LEAN methods for site management as the most pressing topics for discussion during subsequent sessions.

A full program of virtual webinars also took place during the year, including sessions for advanced practitioners on topics such as the Power of Visual Controls.



159 Participants
8 units
Portuguese training



400+ Participants
6 units
Training in English, Arabic and Hindi



300+ Participants
5 units
Training in English, Norwegian and Polish



Global resources tailored to local needs

In addition to training programs designed for KAEFER as a whole, individual entities are also encouraged to develop their own programs with a view to meeting local needs. Of course, wherever best practices are developed, we're always quick to spread the good news!

France: Never stop learning! KAEFER WANNER launched its own management academy in 2021. The community of 70 project managers, project leaders, and site supervisors will follow a 12-month training course consisting of four 3-day modules around best practices in leadership, and business and financial management. Programs for department and site managers are scheduled to follow shortly.

Norway: In 2021, demand for training at KAEFER Energy in Norway was so high that new subject managers were engaged across the complete range of training programs. KAEFER Energy's Academy also supports continuing career development with regular discussions highlighting the challenges and opportunities of HR-related topics such as diversity and equality, career development, the battle for the best workforce, and wage development. For 2021, Norway reported 10.59 hours of training per employee.

Saudi Arabia: **New in 2021!** KAEFER in Saudi Arabia launched a scholarship program for the children of workers in the kingdom, providing additional support to high achievers. 18 talented young men and women secured scholarships in the program's inaugural year. With children of nearly 1,200 employees eligible for the program, we're sure they will be the first of many!



"I don't want my children to follow in my footsteps. I want them to take the path I did and go further than I could ever dream of. That's possible at KAEFER."

Jonas Boman, Sweden

"KAEFER is ethical and traditional, yet forward-thinking and progressive at the same time."

Liliane Pereira Matos, Brazil

"It's great to be able to rely on such a dedicated and resourceful team unconditionally."

Marymol Yujin, United Arab Emirates

A place to read

At KAEFER, love of education extends beyond vocational and leadership training – as this initiative demonstrates!

In 2021, RIP (KAEFER in **Brazil**) and the KAEFER FOUNDATION joined social project "Das Letras" to equip and renovate the library at Faruk Parish School in Parauapebas with new equipment and materials, providing a safe and beautiful place for more than 1,200 children to read.



Values and Human Rights

KAEFER runs on shared values, including respect for the individual and a commitment to the highest ethical standards.

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A culture of care – and a concrete commitment to values and human rights

KAEFER is a services company – we never forget that our services are provided by people, often carrying out demanding, physical tasks in remote and inhospitable locations. Our success is based on ensuring that our people work in safe and mutually supportive environments – and we will only continue to succeed for as long as we foster a culture where human rights are respected and protected. We empower our employees and they empower KAEFER.

As a business, we want to actively contribute to positive outcomes. Our commitment to human rights is embedded in our KAEFER Code of Business Conduct and we are currently developing a dedicated Human Rights policy for the Group as a whole.

Our approach to human rights

We are firmly committed to treating all our stakeholders with dignity and respect. This commitment is a key part of our values and extends to all our employees, clients, business partners, contractors and the communities in which we are active. Furthermore, we believe we have a responsibility to promote good practices and support human rights around the world. This starts with small, everyday activities and extends to the leverage we have as a multinational corporation.

Our approach to human rights is integrated in the KAEFER Code of Business Conduct:

- > KAEFER is committed to treating its employees and everyone who is involved in our business operations with fairness and respect. Specific rules and guidelines vary from country to country, however, as an organisation, KAEFER is committed to promoting a positive and productive workplace environment and to stamping out discriminatory practices and harassment.
- > We believe in cooperation, teamwork, and trust all of which contribute to a constructive working environment. All forms of discrimination including harassment and intimidation as well as any form of hostility and violent or abusive conduct will not be tolerated.
- > KAEFER is committed to upholding internationally recognised human rights and fundamental freedoms. We expect our suppliers and business partners to recognise and abide by laws governing minimum age requirements for the workforce. KAEFER will not tolerate any violations of these rules and also rejects any forms of child or forced labour.

Our values

A family-owned company for more than 100 years, KAEFER runs on common values with trust as the foundation of all our business activities. Respect for the individual, collaboration, collegiality, and a culture of continuous improvement combine to help us make the right decisions in complex situations. We take pride in our reliability, and a focus on results which allows us to exceed the expectations of our clients. At the same time, we remain modest, never forgetting that there is always room for improvement.

KAEFER's diverse scope of services is paired with a defined sustainability mindset – economically, socially, environmentally, and culturally. Clients, business partners, subcontractors and stakeholders can expect KAEFER to do business to the highest ethical standards, fulfil its obligations, and act as a fair and lawful partner.



KAEFER - Our values (Film)



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Compliance

As the world becomes smaller and simultaneously more complex – and as KAEFER’s service offering grows in scope and sophistication – a comprehensive approach to good governance forms a vital part of our focus on ESG, enshrined in KAEFER’s strategy and corporate culture.

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One group. One set of values. One code.

From the workforce on a construction site to project management, administration and group management, everyone at KAEFER has a legal and ethical responsibility for their actions. As a global company, it’s vital we have the right Compliance Management System (CMS) in place – and equally crucial that all KAEFER employees understand their responsibilities and feel supported in their decision-making.

At KAEFER, we define compliance as a series of internal rules and procedures that are voluntarily adopted by a company to prevent, detect, and resolve conduct or practices that are illegal or that do not abide by the company’s ethical and business standards. Our focus on compliance was formally recognised in France in 2021, when KAEFER WANNER joined KAEFER in Brazil as recipients of the coveted ISO 37001 certificate.

KAEFER’s Code of Business Conduct makes explicit our determination to fight corruption in all its forms and has been further reinforced by the creation of numerous preventative rules in recent years (as part of our Group framework on Compliance).

KAEFER’s Company Policy and Code of Business Conduct reflects the fact that risk assessments identify corruption as a particular danger – financially, legally, and reputationally, as well as for its debilitating effects on society as a whole. Our priority is to minimise corruption risks in a structured manner and operate an appropriate and effective compliance management system based on a structure of Prevent, Detect, Respond. Our CMS also includes the KAEFER Compliance Helpline for employees and other stakeholders with concerns (confidential reporting channel).

Organisationally, KAEFER’s Corporate Compliance, Consulting & Audit (CCA) department is headed by the Group’s Chief Compliance Officer, who reports directly to the company’s Co-CEO¹, the Executive Board and the Advisory Board and is supported at group level by a Compliance Committee. The department is acting globally, with local compliance officers in all KAEFER business units and countries. These officers report directly to the Managing Directors in the relevant country, and the Group Chief Compliance Officer.

Local compliance officers manage issues where they occur, supporting KAEFER employees with any concerns or questions, including but not limited to:

- > Business Partner Due Diligence.
- > Anti-corruption & bribery.
- > Donations and Sponsoring.

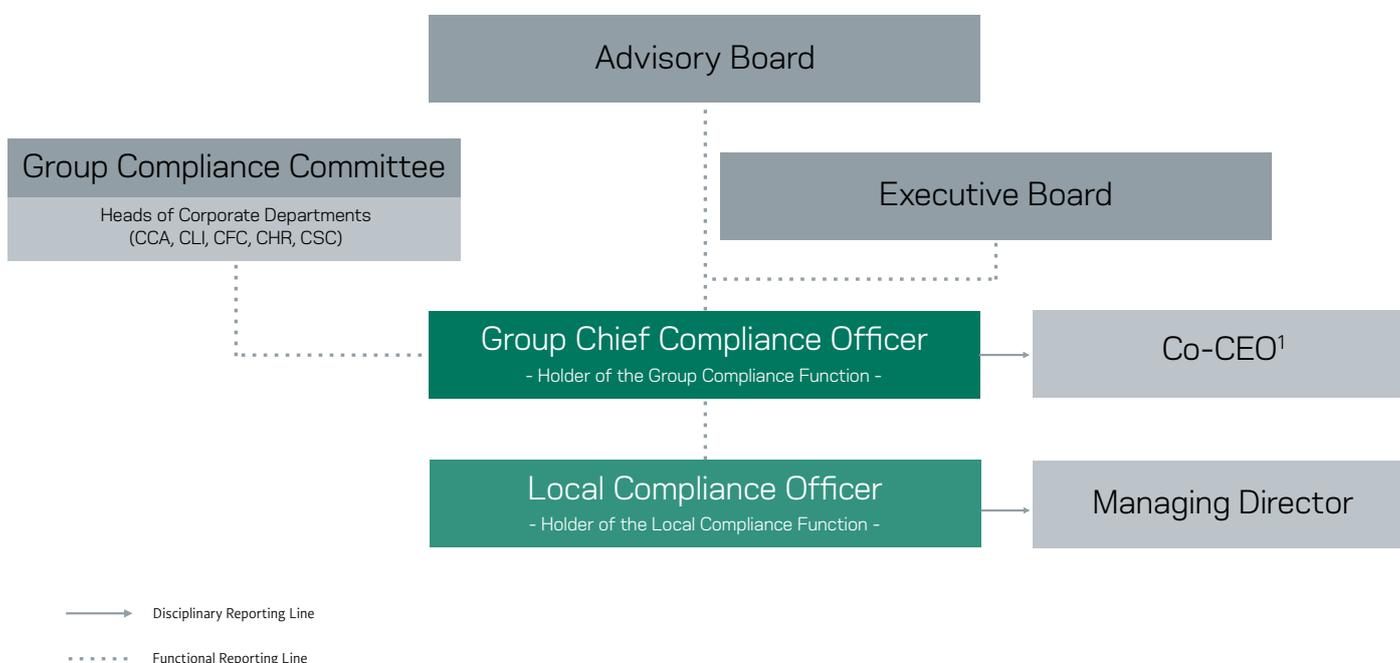
- > Conflicts of Interest.
- > Cash Transactions.



During 2021, all KAEFER business units underwent comprehensive compliance risk assessment for corruption risks.

Compliance Risk assessments are updated at least annually. We are committed to continuous improvement, however no need has been identified for adjustments of KAEFER's management approach in 2021.

Extract from KAEFER's Group Compliance Organisation



Note 1: Member KAEFER Group Executive Board being responsible for Compliance
 Abbreviations: CCA - Corporate Compliance, Consulting & Audit, CFC - Corporate Finance & Controlling, CHR - Corporate Human Resources, CLI - Corporate Legal & Insurance, CSC - Corporate Sustainability & Communication

100% of KAEFER's Management Boards worldwide have been trained on anti-corruption policies and procedures.

KAEFER's Compliance Training was set up in 2018 and has been continuously developed to raise awareness and train colleagues worldwide (online as well as on site) in order to prevent misbehaviour.

Coverage of KAEFER Code of Business Conduct eLearning (White Collar): 97 %

Coverage of KAEFER Code of Business Conduct offline training (Blue Collar): 95 %



Compliance Trainings - Participation rates per Region

	Code of Conduct (eLearning)	Code of Conduct (offline training)	Anti-Corruption (eLearning)	Conflicts of Interest (eLearning)
Australia (APAC) & SEA	95%	100%	92%	98%
Brazil	96%	89%	96%	-
Canada	92%	100%	88%	96%
CONMAR	96%	89%	94%	88%
Emerging Countries	99%	96%	100%	83%
Europe	99%	98%	98%	92%
Middle East	100%	100%	100%	72%
South Africa	100%	94%	100%	100%

Notes:

Conflicts of Interest training has been launched in October 2021, Roll-out in Brazil scheduled for 2022.

In general, Compliance trainings need to be renewed regularly. These training figures refer to Requalification and the target group of White Collar employees.. Offline trainings refer to the target group of Blue Collar employees.

The KAEFER Global Compliance Survey

In Autumn 2021, a global compliance survey was conducted for the first time, with approximately 2,700 people taking part. One of the main goals of the survey was to gain an understanding of how aware employees are of the KAEFER Code of Business Conduct, compliance rules and guidelines generally, and to what degree people recognise the importance of the topic.

Respondents also indicated that they:

- > are able to talk openly with superiors about compliance-relevant topics and suggestions for improvement.
- > would report violations (such as corruption, fraud, or theft) of the Code of Business Conduct or internal guidelines to their supervisor, local compliance officer, or via the Compliance Helpline.

KAEFER's Compliance organisation worldwide is grateful to everyone who took part as the valuable feedback from respondents allows the team to keep seeking improvements, such as launching additional measures to help publicise the KAEFER Compliance Helpline throughout the company thus improving our overall performance.



Over 95% of respondents know the KAEFER Code of Business Conduct.

Over 90% of respondents agree with the statement that integrity and compliance have a high priority.

Leadership

Leadership is about creating – and taking – opportunities to shape the future.

Message from the Board

Company Profile

Sustainability Approach

Climate Protection

Energy Efficiency

Waste Management

Health & Safety

Communities

Diversity

Training

Values and Human Rights

Compliance

Leadership

Supply Chain

About this Report

Leadership at KAEFER means a prosperous future for everyone

We are very happy to announce that KAEFER will enter into a partnership with the Germany based SMS group ('SMS') and the European PE-fund Altor Fund V ('Altor') domiciled in Sweden, who, together, will become a 50% shareholder in KAEFER. This new partnership will place KAEFER in an even stronger position to succeed in the highly competitive market for technical industrial services, as well as allowing us to develop additional capabilities in areas such as decarbonisation, energy transition, and LNG.



Leadership means embracing change – data analytics

The potential benefits of “going digital” – and particularly of using analytics to improve decision-making – are enormous. Realising these benefits requires energy, patience, and strong leadership.

In 2021, KAEFER Energy in Norway began trialling business analytics service Power BI, a digital platform which allows users to gather, analyse and easily share huge quantities of raw data. In this way, data becomes information, providing the insights necessary for better decision-making. The trials in Norway were a great success – and the platform is already in use in other KAEFER countries around the world!

Leadership means sharing information – the KAEFER expert networks

Around the globe, KAEFER technical experts ensure that local customers receive reliable, high-quality services. More than 70 of these experts are also part of the KAEFER Expert Network, meeting several times a year in groups specialising in: Thermal Insulation; Access Technology; Passive Fire Protection; Surface Protection; and Non-Destructive Testing (NDT).

Regular exchanges ensure that colleagues use the latest technologies and best practices for project costing and execution KAEFER-wide. The meetings also provide a framework to promote and evaluate KAEFER's own developments and innovations.

Breakthroughs 2021

More than 20 KAEFER Expert Meetings took place in 2021, leading to numerous exciting innovations, including the development of a "control box" to increase productivity and reduce abrasive media consumption in sandblasting operations, various surface preparation methods that can be applied in the removal of lead-based paint, and cross-country support for 5D access simulations and planning.

In addition, selected product suppliers were invited to relevant expert meetings to present their technologies and solutions and provide an overview of their products and latest developments.

Leadership means continuous improvement – customer relationship management

In Germany, the entire inquiry and quotation process for KAEFER Industrie was digitalised in 2021, when a new Customer Relationship Management (CRM) tool was seamlessly integrated. The system works using a timeline, which allows employees to track e-mails, calls, appointments and notes throughout the course of making an offer or corresponding with a customer. The new system also provides detailed information on turnover from the previous three years and on offers open, lost and won. By providing a transparent source of knowledge about the behaviour and interests of customers, the system makes it easier for the Industrie team to address and anticipate individual client needs and make the sales process even more efficient.



Leadership means staying informed – the KAEFER Procurement Podcast

Hosted by the Corporate Supply Management Department (CSM), KAEFER's 'K POD' procurement podcast keeps people up to date with innovations in the procurement industry. Including insights from internal and external experts, interviews about special activities or projects, and short features on topics that have a wide overlap with other areas, K POD helps listeners think differently about procurement.



Supply Chain

KAEFER worked with nearly 21,000 different suppliers in 2021. Relationships built on trust and integrity are crucial to our continued success.

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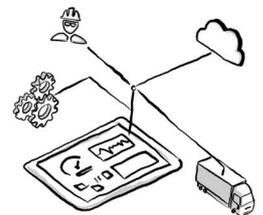
Leadership

Supply Chain

About this Report

The KAEFER Supply Chain

A service provider rather than a manufacturer or producer, KAEFER offers an extremely broad range of complex works and services within an extensive community of organisations, clients, sub-contractors, consultants and suppliers, in sectors ranging from industry to construction and marine and offshore. Projects vary, of course, but it's safe to say our clients are businesses, and that the work we carry out on their behalf is 'labour intensive'.



As we continue to expand, both geographically and in terms of our range of services, we are seeing a clear year on year increase in the number of suppliers we work with – up from approximately 15,000 in 40 countries in 2020 to nearly 21,000 in 2021. The sharp increase in suppliers was also due to supply chain disruptions and material shortages that we faced last year. As markets and the global geopolitical environment becomes more volatile, we need to adapt our sourcing.

Nevertheless, we are still committed to have long-term relations with our suppliers. Therefore, the number of core suppliers (from whom we purchase roughly 80% of materials and services) has risen only slightly – from 1,500 to 1,600. Such a large and growing number of commercial relationships requires a robust supply chain management system. We have identified the need to increase our supply chain resilience through transparency and dialogue with our suppliers - and a huge part of this is getting to know their operations better. In future, we will take a more systematic approach to assessing our suppliers' operational, environmental and social standards.

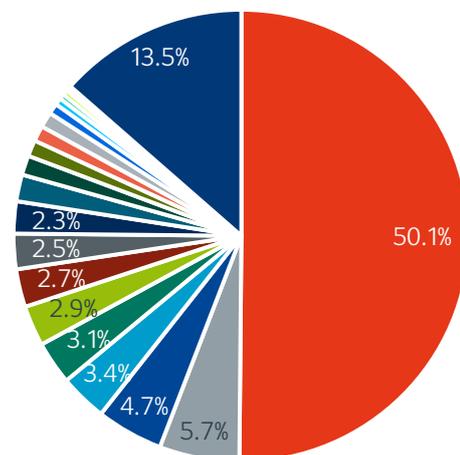
We will also comply with the increased number of supply chain due diligence requirements issued by several countries in which we operate (e.g. German Supply Chain Law or Norwegian Transparency Law). KAEFER allocates substantial resources to supply chain management in all the countries where we operate. Developing lasting relationships with trustworthy partners – and consistently making efforts to improve our portfolio of suppliers – has multiple economic and reputational benefits. And, of course, working closely with suppliers – and developing expertise in using their products – also provides us with a competitive edge!



That was certainly the case in 2021 when the access team at KAEFER in Poland were winners at Layher's inaugural More Opportunities competition, claiming the Best Technical Solution prize for the construction of an

auxiliary platform at ENEA’s Połaniec Power Plant. The jury stressed the high levels of skill and professionalism on display – a real feather in the cap for KAEFER S.A. as the team continues to grow its access services business.

Procurement Categories



- Services
- Insulation
- Vehicles
- Equipment & Tools
- Chemicals
- Safety, Accident Protection, PPE
- Estates, Buildings, Containers
- Interior Outfitting / Installation
- Metals
- Scaffolding Material
- Office Products & Furnishing
- IT, Communication & Media Technology
- Materials Handling & Storage Technology
- Foils
- Machinery
- Blasting Media
- Home Economics (Kitchen Equipment)
- Machine Element, Fixing, Mounting
- Utilities (Power, Heat, Water)
- Hygiene Product and Cleaning Agent
- Others and not categorised

KAEFER’s Supply Chain Management System

KAEFER’s current system, can be broken down into five separate phases:

1. The incorporation of supply chain management guidelines into relevant internal policies and management handbooks.
2. Environmental and Human Rights Risk Assessments in dialogue with our suppliers.
3. Preventative measures, e.g. supplier qualification.
4. Grievance mechanism, included in KAEFER's whistleblower system.
5. Monitoring and reporting.



About this Report

This is the 11th KAEFER Sustainability Report, intended to demonstrate how topics of Sustainability and ESG affect us as a company – both globally and locally.

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About this Report

Sustainability Reporting at KAEFER

Published in a digital format, the report provides information on our performance during 2021 (1 January – 31 December 2021) and illustrates how KAEFER integrates sustainability into daily business activities. Since 2012, KAEFER has published sustainability reports on an annual basis, combining statistical data with articles about relevant events, projects, and initiatives.

The KAEFER Sustainability Report is intended to inform our stakeholders about sustainability at KAEFER and is also used for pre-qualifications, audits and ratings. Production of the report is a collaborative effort between the Corporate Responsibility and Sustainability department, the ESG Project Management Office, the Sustainability Sounding Board, and our global network of Sustainability and Communication Champions.

External assurance was not obtained for the development of this report. However, we strongly believe that the data, along with earlier reports and the KAEFER website, is sufficient to meet GRI requirements. The report is structured according to ESG criteria (Environment, Social, Governance). As always, we have tried to cover all KAEFER entities worldwide. A note can be found next to indicators where it has not been possible to obtain complete data. Although we have taken great care when collecting and analysing the data, mistakes cannot be excluded with absolute certainty. We are confident that as we learn and progress, we will continue to improve our approach and performance regarding our responsibilities as a company and our sustainability strategy and activities. Our aim is to share best practices and communicate effectively in order to present an accurate picture of sustainability at KAEFER. We would like to take this opportunity to thank everyone involved in the creation of this report.

Prior editions of this report, as well as additional information on Corporate Responsibility and Sustainability, can be found on our website www.kaefer.com. Information on the KAEFER FOUNDATION is available at www.kaefer.com/The-KAEFER-FOUNDATION.html. As always, we seek to fulfil the expectations of our stakeholders by integrating their feedback into planning for the next edition of the Sustainability Report. If you'd like to join the conversation, we'd love to hear from you at crs@kaefer.com.

Stakeholder Involvement

In early 2021, we carried out our biennial Stakeholder Survey to gain a better understanding of the expectations and perspectives of the people we engage with. We offer a wide range of services and operate in multiple markets, meaning that our work takes place in a complex business environment with a diverse network

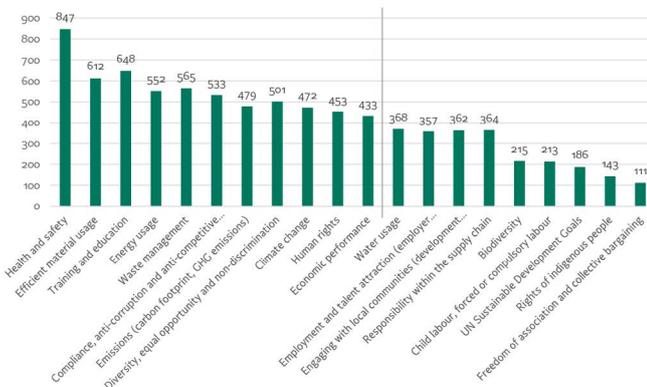
of partners. Our principal stakeholders are our employees, clients, investors, suppliers, competitors, and the local communities where we have operations. The input of our stakeholders enables us to determine focus areas and sharpen our sustainability strategy.



We received a record number of responses to our 2021 Sustainability Stakeholder Survey. A total of 1,196 people from 33 countries took part, which represents a 32% increase on the previous survey (2019). The results indicate that more and more KAEFER people are engaging with sustainability topics and in particular the technical aspects of emissions reduction and waste management. Their priorities have been reflected in the structure of this report.

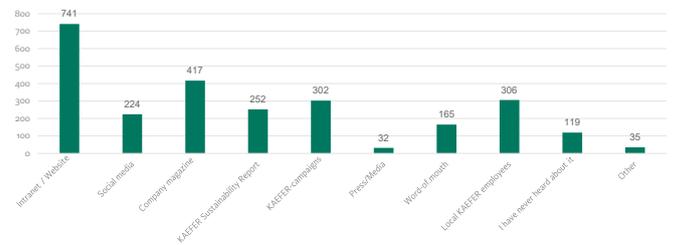
Stakeholder Survey 2021

Most important Topics



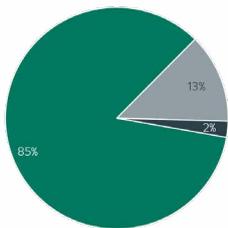
Note: multiple answers possible for this question.

Source of Information



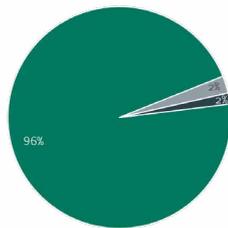
Note: multiple answers possible for this question.

Do you see KAEFER as a sustainable company?



■ Yes ■ No ■ Skipped

Would you recommend KAEFER?



Report Structure

To help our stakeholders and other interested parties find information in this report, we have included an index in which the various topics are mapped against the three separate sustainability guidelines used by KAEFER:

ESG

This report has been structured according to ESG criteria to help our stakeholders assess KAEFER's sustainability.

- > E (Environment): Climate Protection, Waste Management, Energy Efficiency.
- > S (Social): Health & Safety, Communities, Diversity, Training, Human Rights.
- > G (Governance): Compliance, Leadership, Supply Chain.

GRI

A non-profit organisation, GRI provides the world's most widely used standard framework for sustainability reporting. The framework helps companies identify, gather, and report their sustainability activities in a clear and comparable manner. The KAEFER Sustainability Report is aligned with the GRI Standards Core Option. Material topics are based on the results of our 2021 Stakeholder Survey.

SDGs

The UN's Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all. They were introduced in 2015 and address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace, and justice. Only through integrated strategies designed to improve health and education, reduce inequality, spur economic growth, and protect our environment can we hope to end poverty. SDGs have been integrated into KAEFER's Sustainability Report since 2019. We also assess KAEFER sustainability activities in the context of SDGs via:

- > **Impact Assessment:** KAEFER's Sustainability Working Group/ ESG PMO performed an impact assessment.
- > **Defining and identifying KAEFER's top three SDGs:**
 - #3 – good health & wellbeing,
 - #13 – climate action,
 - #16 – peace, justice & strong institutions.

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