

# ESG & Q Report November 2023

*\_Environmental*  
*\_Social*  
*\_Governance*  
*\_Quality*



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## *\_01 Introduction*

### *Current situation*

#### *Pandemic, war, price rises and the lessons learnt*

Since the beginning of the development of the supermarket, there has been a steady growth in retail space. Hypermarkets sprang up on greenfield sites. At that time, people were not yet concerned about energy prices, energy efficiency and sustainability. The 21st century, however, marked a turning point. The strong growth of online retail also led to changes and a rethink in traditional food retail. In recent years, the trend has been away from hypermarkets and towards smaller shops in central locations.

The topics of sustainability, energy saving and energy efficiency are also increasingly becoming the focus of retailers, suppliers and customers. Saving energy has become a particularly pressing issue in recent weeks and months due to the ever-increasing electricity and gas prices. However, inflation and rising commodity prices also pose a major challenge. As a company, addressing these issues is now the order of the day.

Together with its parent company DAIKIN, AHT has set itself the task of supporting its customers in their endeavours to combat inflation. With its appliances and products, AHT offers the ideal conditions for taking steps towards an energyefficient and sustainable future, both on a small and large scale.

## \_02 Goals

Back in September 2015, the United Nations adopted a comprehensive global action plan for sustainable global development up to the year 2030. This plan comprises 17 „Sustainable Development Goals“, which are divided into 169 sub-goals (or targets). These goals take into account a wide range of issues, including poverty, inequality, environmental protection, climate change, production conditions and consumer behaviour, and promote a comprehensive approach that includes social, environmental and economic factors in equal measure.

AHT actively pursues the goal of making a positive contribution to the realisation of these ambitious targets. We do this through comprehensive occupational health and safety management, sustainable procurement practices, the use of environmentally friendly refrigerants, the continuous optimisation of our production processes in terms of energy efficiency and waste reduction, and by promoting the recyclability of all our products. We also attach great importance to the well-being of our employees and our commitment to the community.

This year's ESG&Q report provides a comprehensive overview of the current initiatives and measures that the AHT Group has taken to achieve our common environmental, social, governance and quality goals. We invite you to read this report to learn more about our progress and our commitment to sustainability.

The current ESG&Q guideline can be found on the AHT website:  
<https://www.aht.at/unternehmen/nachhaltigkeit>



Detailed information on the individual destinations can be found at  
[https://www.un.org/sustainabledevelopment/sustainable-development-goals/!](https://www.un.org/sustainabledevelopment/sustainable-development-goals/)

## *\_03 Environmental / Environment*

In 2019, DAIKIN Industries Ltd. formulated its environmental vision for the year 2050, by which time DAIKIN aims to be CO<sub>2</sub>-neutral across its entire value chain, including the entire life cycle of its products. Meeting this challenge is a top priority in the corporate strategy.

DAIKIN's upcoming global carbon reduction targets are to reduce total CO<sub>2</sub> emissions by 30 per cent by 2025 and 50 per cent by 2030 (both compared to the 2019 business-as-usual scenario). Since the introduction of its Environmental Vision 2050, DAIKIN has taken specific measures to implement environmental initiatives to achieve the interim targets. These initiatives focus on increasing sales of inverter devices, promoting DAIKIN heat pump heating systems and developing devices with a lower GWP.

As part of its ongoing commitment to a greener future, DAIKIN has introduced a global internal certification system known as „Green Heart Factories“ (GHF). The system is based on internal standards for environmental and social performance and offers all employees the opportunity to make their contribution. The preservation of biodiversity and the introduction of renewable energy are among the aspects recognised under this certification system. The Green Heart Factory standards are constantly evolving and DAIKIN intends to include all of the Group's factories in the system by 2030. As a subsidiary of the DAIKIN Group, AHT supports this path with its own initiatives so that the vision of „net zero emissions“ by 2050 can be achieved together.

### *\_3.1 Solar energy*

Green Power Project:

To achieve the goal of climate neutrality, AHT has launched the Green Power project. This involves utilising the company's large roof areas to generate electricity. By utilising this unused resource, AHT can not only reduce costs, but also make a contribution to environmental protection in the region. To date, three expansion stages of the photovoltaic system have already been realised, with more currently in the planning and approval phase.

AHT's commitment to renewable energy is impressive. With the plant, the company produces 1,500 MWh of electricity per year, which accounts for around 18 to 20 per cent of its own energy requirements. The surplus electricity produced is used to heat water, resulting in efficient utilisation of the energy generated.

AHT has also modernised the heating system and installed a new heat pump. These measures contribute to additional energy savings of 130,000 kWh per year. By using heat pumps, ambient heat can be utilised efficiently to lower heating costs and reduce CO<sub>2</sub> emissions.

### *\_3.2 Recycling strategies and reusable packaging*

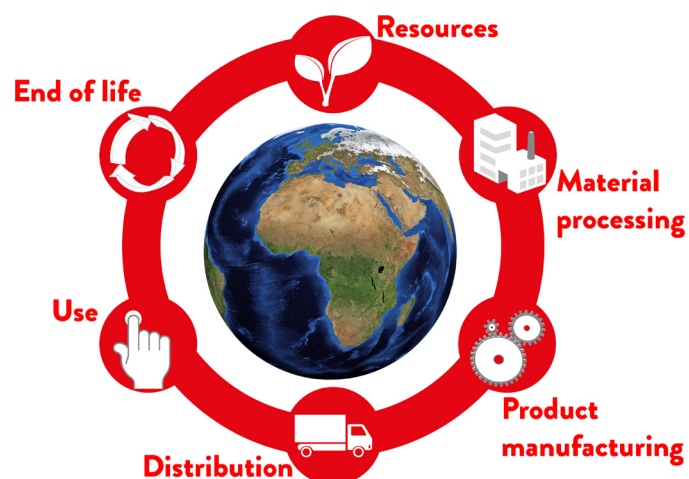
AHT attaches great importance to recycling and tries to reintegrate the plastic waste generated during the thermo-forming of inner containers into the production process. The plastic waste is granulated and used for injection moulded parts. If this is not possible, AHT delivers the waste to suppliers who recycle the plastic waste. The company also focusses on sustainability in the area of packaging. In close cooperation with suppliers, reusable packaging is used to reduce disposable packaging. Reusable packaging is already being used for raw materials and prefabricated parts. Within one year, 47.5 tonnes of waste have already been saved (as of March 2023).



47.5 TONNES OF  
WASTE SAVED

### *\_3.3 Increasing the recycling rate*

AHT is working hard to increase its recycling rate in production. To this end, the recycling process has been analysed in detail and initial measures have already been implemented to simplify the recycling of appliances. Through these efforts, AHT is making a major contribution to climate and environmental protection. By looking at the life cycle of its products and taking measures to reuse and recycle materials, the company is reducing its consumption of resources and minimising its environmental impact.



### 3.4 Environmentally friendly products

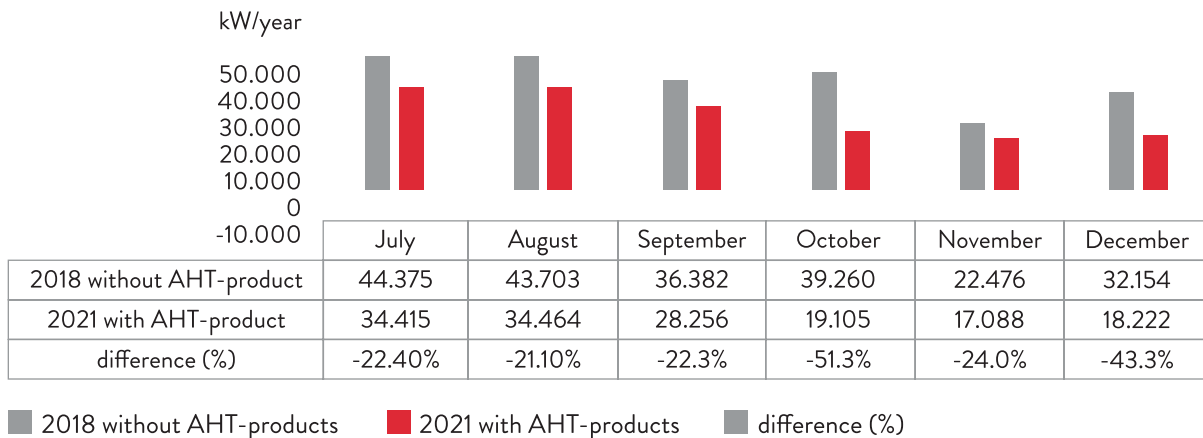
For more than 40 years, AHT has been a manufacturer of refrigeration and freezer cabinets with natural refrigerants. With a complete R290 and R744 range, AHT emphasises this approach and offers appliances that have a low impact on the environment.

But that's not all. The energy consumption of refrigeration and freezer systems is one of the biggest consumers in the food retail sector. With energy-efficient appliances and systems, AHT helps its customers to reduce their ongoing energy consumption and thus make massive cost savings. Below are two impressive examples:

#### Example 1:

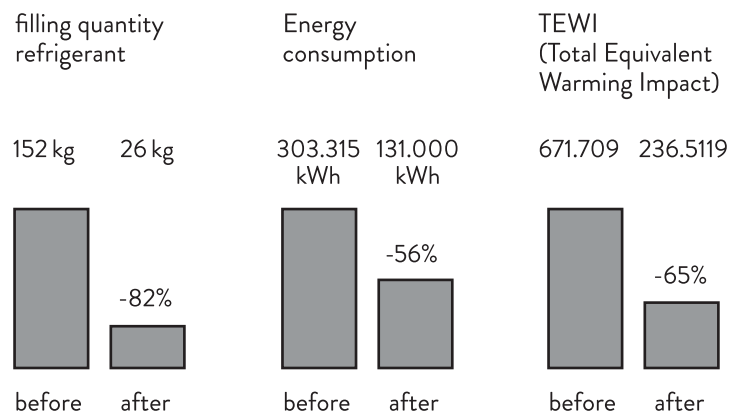
In Spain, 43 linear metres of freezers in a remote installation using R404A refrigerant were replaced with 50 MONTREAL XL & Slim units using the natural refrigerant R290. Although the old remote installation was enlarged from 43 linear metres to 115 linear metres with R290 AHT units, an average energy saving of 30 percent was achieved.

Consumption kW/month (first half of the year 2018 vs first half of the year 2021)



#### Example 2:

In Brazil, an existing remote R404A system was replaced with R290 refrigeration and freezer cabinets. A comparative measurement showed an energy saving of 56 per cent and the TEWI value (TEWI stands for Total Equivalent Warming Impact) was also reduced by 65 per cent.



This not only saves the supermarket energy costs, it has also reduced its CO<sub>2</sub> footprint by 435 tonnes in ten years. Further case studies of successfully installed AHT systems can be found on the AHT website.



## *\_04 Social*

As a successful and sustainable company and one of the largest employers in our region, we consider it our responsibility to not only focus on our own success, but also on the well-being of others. At AHT, we are proud to promote social commitment and would like to tell you about our current initiatives.

### *\_4.1 Co-operation with SOS Children's Villages*

AHT is currently actively supporting the SOS Children's Village in Styria. In Styria, we have taken on a house sponsorship for the „Haus Ulm“ of the SOS children's residential group and provided € 8,000 for this purpose. We will also actively support the SOS Children's Village at events with our „Wo/Manpower“.

It is important to know that around two thirds of the funds needed by SOS Children's Villages come from the public sector. The rest has to be raised through donations and sponsorship. Our support is therefore of crucial importance.





#### ***\_4.2 Product donations***

Chilled and frozen food is an important part of the global food supply. This type of food has a longer shelf life, is easier to store and can therefore be distributed in a targeted manner. The shelf life of food is particularly important where there is little food available and it cannot be consumed immediately.

To ensure that associations and organisations fighting poverty worldwide can store and distribute the food they provide in the best possible way, AHT donates several refrigerators and freezers to various organisations every year. In 2023, appliances were donated to the Vinzmarkt organisation, Tafel Österreich and Soziale Dienste Ennstal, among others.

#### ***\_4.3 Doing good together – blood donation campaign at AHT***

In collaboration with the Red Cross, blood donation campaigns were held at the AHT Rottenmann visitor centre on two dates in October 2022 and May 2023. Over 70 employees rolled up their sleeves to make an important contribution to the blood supply in our region in the event of illness or emergencies.



#### ***\_4.4 Workplace health promotion – Award-winning „Healthy Moments“***

In 2021, „G’sunde Momente“, AHT’s programme to promote occupational health, was launched. Since then, a wide range of activities have been carried out to support the physical and mental well-being of employees.

In 2023, the efforts of the G’sunde Momente team have now been recognised twice:

In March of this year, AHT was awarded the coveted seal of approval for „Workplace Health Promotion (BGF)“, which is valid for three years from 2023 to 2025, certifying the outstanding quality of AHT’s measures.

This was followed shortly afterwards in May 2023 by the Styrian health award „Fit in the Job“, which was awarded to AHT in the over 250 employees category for outstanding achievements in workplace health promotion.

In the current year, a special focus is being placed on preventive healthcare; in spring, vision and hearing tests were offered directly at the AHT site. Tick vaccinations in spring and flu vaccinations in autumn are part of the annual programme and workshops on correct lifting and carrying are held in the production areas. The employees also had a lot of fun at a first aid training course, which was organised in \_10 was carried out in co-operation with the company fire brigade.



#### 4.4 Work safety

As in the past, occupational health and safety are top priorities at AHT. Risks in the workplace have been eliminated through a variety of measures. Among other things, every week a group of our employees receives intensive safety training in which they are made aware of classic hazardous situations and can experience them through practical exercises. From correct lifting and carrying to the correct use of personal protective equipment or the visualisation of blind spots from the perspective of vehicles, it is clearly explained how to protect oneself from hazards.

The 4-Round-Kiken-Yochi is also trained. This cryptic term refers to a panic training method in which employees can recognise risks in 4 steps and contribute to their elimination. On the one hand, this serves to sharpen awareness of unsafe situations, while on the other, we can utilise the existing knowledge of each individual to make improvements.

Of course, this also applies in particular to new colleagues, as they have to be specially trained in our internal processes.

As special attention is paid not only to preventing injuries but also to maintaining health, ergonomics experts were sent to AHT in cooperation with AUVA, who scrutinised many workstations in the production and office areas and developed many suggestions for improvement.

Because our credo is: We want all employees to go home just as healthy as when they arrived.



#### *\_4.5 News from the apprenticeship programme*

##### **English Matura**

In order to improve the English skills of our apprentices and at the same time take account of the trend towards apprenticeships with a school-leaving certificate, our in-house English course has been converted to a school-leaving certificate model: since March 2023, AHT youngsters have been able to complete the English school-leaving certificate during working hours, another new highlight of the AHT Youngsters Academy.

The courses are organised by BFI Rottenmann and take place directly at AHT during the apprentices' working hours. The remaining Matura modules can then be completed voluntarily in the leisure model. This new concept has been very well received by the apprentices and their parents, who were introduced to it at a parents' evening. The oral Matura exam will take place in May 2024.

##### **Apprentice tree**

Another highlight is the newly planted apprentice tree in the spirit of solidarity. On 30 May, a small red maple was planted as an apprentice tree by the apprentices and trainers in the green area in front of the commercial apprentices' break room. The tree symbolises growth and the future. The apprentice tree is intended to motivate the apprentices to get actively involved and make their contribution to the future of AHT.



LEHRLINGSBAUM

##### **Rottenmann Children's Academy**

In July, AHT made a major contribution to the Rottenmann Children's Academy, a regional holiday programme for schoolchildren. This year, everything revolved around the topic of „energy“, with which AHT can identify very well. A total of 13 youngsters aged between 8 and 13 were able to gain an insight into how photovoltaics works and were allowed to get hands-on experience. Our safety measures such as protective gloves, goggles and safety shoes could also be viewed and even tested in the company's own safety centre.



CHILDREN'S  
ACADEMY



### Girls Day

Another tool for promoting young talent is our annual participation in Girls Day. This year, we once again set an important example by offering girls the opportunity to spend a working day gaining an insight into the technical world of work at AHT. This year, the participants were allowed to bend and shape a rose out of sheet metal using heat, in keeping with Valentine's Day. Our youngsters from the 2nd year of training accompanied the schoolgirls through production and told them about their previous experiences in the technical world of work. The aim is to get more girls interested in a technical profession.



## \_05 Governance

Safeguarding and complying with all legal regulations, providing a safe working environment as well as fair, trustworthy and ethically correct behaviour determine our day-to-day work. The corporate ethics of the AHT and DAIKIN Group are defined by the following principles:

Die Unternehmensethik der AHT und DAIKIN-Gruppe wird durch folgende Prinzipien definiert:

- \_01 Ensuring compliance with all legal requirements
- \_02 Placing safe, high-quality products and services on the market that anticipate the future needs of end users
- \_03 Execution of all business activities on the basis of the principles of fair competition
- \_04 Practising fair procurement by cultivating friendly and fair relationships nevertheless demanding and competitive relationship with suppliers
- \_05 Respecting intellectual property rights and confidentiality in connection with business and trade secrets
- \_06 Timely and appropriate disclosure of company data
- \_07 Being a company that aims to minimise the potential negative impact of its activities on the environment
- \_08 Ensuring the safety of all our activities
- \_09 Promote a dynamic work environment that fosters pride and enthusiasm in every employee
- \_10 Protecting the company's assets
- \_11 Restraint in the exchange of hospitality and gifts
- \_12 Maintaining a firm stance against unlawful, anti-community and unethical behaviour

*These core elements are supported by the following guidelines, which can be inspected at any time on request and through regular staff training:*

- \_Corporate Communication Handbook
- \_Ethical Code
- \_ESG&Q Policy
- \_Guideline Public Relations Work
- \_Anti Bribery Policy
- \_Privacy Policy (GDPR)
- \_Economic Sanctions
- \_Export Manual



## \_06 Quality

The further development of management systems and raising awareness of the necessary high quality standard of products and processes remain the focus from a quality perspective. The continuous improvement of management processes is an ongoing task. The revision and updating of all existing procedural instructions is a focus of AHT in order to meet current requirements.

A further step is to improve the existing key figures, which will help to deepen the fact-based decisionmaking approach. New internal training courses are being developed, which are necessary to improve process assurance and workflows in various areas. Every process works better and faster if you have sufficient experience in dealing with your tasks. The main training courses will remain in place and AHT will endeavour to make them more interactive so that the necessary processes can be covered in greater depth.

*What is a quality management system according to ISO9001:2015?*

*Document management, where do you find which documents?*

*Why are exemptions needed?*

*What is an 8D report and corrective & preventive actions?*



The topic of supplier management was greatly improved with the appointment of a quality engineer in the middle of last year. Many supplier audits were carried out and a lot of checks and measures were integrated, which helped to reduce the error rate of the current main suppliers. An important step in the future will be to establish improved communication in order to create an understanding of how important it is to deliver defect-free products. AHT now wants to develop a detailed supplier concept that will be integrated over a longer period of time, first with the main suppliers and then gradually involving all AHT suppliers. AHT will define a process of minimum requirements, which tasks our suppliers have to fulfil and which methodological skills are expected.

Driving continuous improvement must be a task for everyone, because only together can improvements be implemented more easily in order to further increase customer satisfaction and strengthen loyalty to AHT.

## \_07 General

For any questions, comments, suggestions or further information, please contact our AHT General Affairs Team.