

UN Global Compact

**Progress Report**  
Groschopp AG  
**-Drives & More-**  
Viersen / Germany

Period:  
June 2021 - May 2022



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## Endorsement Declaration by the Board of Directors

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Dear Reader,

We, the company GROSCHOPP AG, operate at all times within the guiding principles of the Global Compact. We are engaged with Global Compact since 2011, and we reaffirm that we fully support every aspect of their ten principles and are working continuously on improvements within their terms.

Our company and staff, as well as our business partners, are living in exceptional times which began in 2020 and imposed extraordinary challenges on us. We decided to master this crisis together with courage and confidence, and we were able to achieve our aim so far, although there is still more to do.

The present report provides information of our achievements during last year and it comprises information and results from appraisals of every environmental indicator for 2021. We, together with research establishments and our partners, are involved in developing projects of all environmental areas and designing environmental-friendly products by taking future-oriented action.

This progress report, as well as the detailed sustainability report, is also available on our homepage and can be reviewed at any time.

Viersen, May 2022

Wolfgang Pflug  
-CEO-

## Report Profile

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We, the company GROSCHOPP AG, have recorded all implemented activities during the reporting period from June 2021 to May 2022 in the following progress report, and we have also declared our objectives in respect of the ten principles of the Global Compact.

Sustainability has become a topic of priority worldwide in recent years, and sustainable actions aim to find long-lasting economically- and ecologically-friendly solutions. That is why we have compiled a separate sustainability report which is enclosed.

Quantitative data is sourced from our main factory located in Viersen as well as for our production facility in China.

This report is available in both German and English.

The masculine form is used throughout for legibility reasons; however, all expressions given are naturally applicable to all gender identities.

## Facts about us

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1948: Production of fractional horsepower electric motors begins under the name of EMW Elektromotoren-Feinbauwerk  
Groschopp GmbH & Co. KG



2000: Groschopp & Co. GmbH now trades under Groschopp AG  
**-Drives & More-**  
Foundation of Groschopp BV, Netherlands



2002: Foundation of Gesellschaft Groschopp SARL, France



2006: Foundation of the trading company Ningbo Geluoshi Sai Nuo, China

2007: Foundation of Ningbo Geshuo Co. Ltd., China as a manufacturing plant for serial production



2008: Foundation of Groschopp Sales Company mbH, Viersen



2011: Joining Global Compact



2016: Foundation of Groschopp Systems Solutions, Serbia



2018: Issue of our first sustainability report

The headquarters of GROSCHOFF AG is in Viersen

with approx.  employees from  nations

Turnover 2021 in TEUR : 

Our company in China:

has approx.  employees

Turnover 2021 in TEUR: 

# Human Rights

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1. Companies are expected to support and respect all international human rights.
2. Companies should assure that they are never complicit in any possible human rights violation.

## **1. Policy and objectives:**

The company GROSCHOPP pledges to adhere to and respect all principles in respect of all human rights stipulated within the Global Compact. We support every aspect of its specified content and we foster open-mindedness and tolerance towards all people.

Furthermore, we expect from our business partners the same respect and compliance with their comparable code of conduct.



## **2. Implementation of activities:**

We monitor along our supply chain that business partners also adhere to and support international human rights and for their part ensure that all involved within their daily cooperation with their respective business partners comply with all given responsibilities. We have compiled a Code of Conduct for our suppliers in which we have defined our own Code of Conduct. Every business partner gets this Code of Conduct before finalising any contract and we expect that they follow within the given guidelines as responsibly as we do.

Adherence to these guidelines is audited regularly.

Freedom of opinion, protection of privacy and health protection are exceedingly important factors in our company and are even-handedly applicable to every employee. It is a mandatory condition for every new employee to accept without reservation our Code of Conduct. Responsible social action and common dealings with each other are stipulated in our Code of Conduct.

We are aware that a mere reading of the requirements will not suffice. That is why we are offering training courses which communicate a deeper and more sensitised knowledge, which help in turn to jointly achieve our common objectives.



We know that a continuously developing process is essential to minimise risks for all our stakeholders. We are continuously engaged in this matter on all levels.

### **3. Evaluation of objectives**

The company GROSCHOPP insists on strict adherence to all given provisions. All our staff members are free to contact us at any time should they have questions.

A designated management delegate compiles an annual appraisal report. No infringement against any provision was recorded during the last period.

We fully trust our partners. Nevertheless, their adherence to given guidelines is examined annually along the entire supply chain. The supplier is immediately contacted should any infringement come to light. Unreasonable responses may result in a dissolution of the business connection.

However, no infringement against any provision has been recorded to date.

## Work Standards

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3. Companies should always recognise the freedom of association and the right to collective bargaining
4. Companies should champion to eradicate all forms of forced labour
5. Companies should champion to eradicate child labour
6. Companies should champion to eradicate discrimination both at hiring and during gainful employment

### **1. Policy and objectives:**

GROSCHOFF complies at all times with the international work- and social standards as laid down by the International Work-Organisation (ILO), their defining values, data and definitive procedures in respect of freedom of association and the right for collective bargaining, as well as eradication of forced and/or child labour. Discrimination will not be tolerated in our company.



We also inform all business partners about our Code of Conduct and expect that this Code is strictly adhered to at all times by all involved along the supply line. Within any trusting cooperation, all relevant issues are broached so that any infringement may be detected as early as possible. Should such infringement come to light, a warning shall be issued as a result.

### **2. Implementation of activities:**

We offer our employees a demanding environment and promote personal commitment and autonomy from our staff. In that way, we create a highly motivated and engaged team within an effective work environment so that they contribute significantly to our company development. We are proud of our close and trusting cooperation and we highly value an open communication exchange that has been well proven and tested.

The majority of our staff is unionised. Every employee is free to join, and – naturally – no disadvantages arise from such membership.

GROSCHOPP AG highly values fair, reliable and socially optimal working conditions. Child labour is barred. We offer jobs during school vacations, however, the minimum age for such jobs is 16 years.

Adequate remuneration within the framework of our corporate social responsibility is taken for granted. Similar or comparable operations are paid equally. We also offer for all our employees access to further education.

We have also implemented an improvement suggestion scheme which is fully supported by the board of directors and to which our staff can submit ideas. Successfully implemented suggestions are recognised and are remunerated accordingly.



The health of our staff is an important factor at all times. We avoid every hazard as a matter of principle and do everything in our power to protect our staff. We take all necessary measures according to the best available technology and experience to prevent occupational accidents, occupational disease and other adverse effects. Our staff supports all these procedures responsibly. The safety committee meets regularly.

Our company has appointed a company doctor who – among other duties – informs the responsible personnel about health and safety. Staff members are given special protective equipment when working in departments where such equipment is needed.

First-aiders partake in training and further education courses at regular intervals to enable them to offer optimal help in any emergency. Two occupational accidents were recorded during the reporting period which were documented within the framework of our work-safety-protection to avoid a recurrence.

Due to the continued Covid-19 pandemic, it is of paramount priority for our company to preserve a healthy working environment. The company has taken necessary steps in good time to protect the health of our staff and to guarantee in-plant infection protection. We have introduced an option of flexible working hours two years ago and we have come to realise that our employees were able to improve their lifestyle through such working arrangements. We intend to keep this policy even after the pandemic.

A comprehensive hygiene concept was implemented in all company departments. Every employee is entitled to a self-test as well as to avail of a protective mask, even for their family members. Furthermore, every employee has the opportunity to avail of an in-house Corona vaccination for themselves as well as for their family members



Every year we have an in-house flu vaccination.

Our employees come from many different nations. Such cultural diversity provides vitality and variety and generates an active exchange of ideas. This impacts positively on the already sound working environment. Cultural differences are not only accepted in the company GROSCHOFF AG but they are celebrated alike at smaller and bigger collective events. The majority of the staff is employed for many years in our company, and they feel a sense of belonging with us.



### **3. Evaluation of activities:**

Suppliers are audited by us concerning their implementation and adherence to the Code of Contact regularly.

We also conduct internal audits, and their results are discussed regularly at meetings of the management team. The works committee ensures that all rights of employees are adhered to.

No infringement of the given provisions was recorded during the reporting period.

## Environmental protection

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7. Companies should follow the precautionary principle in handling environmental problems
8. Companies should take the initiative in fostering a greater environmental awareness
9. Companies should accelerate the development and distribution of environmental-friendly technologies

### **1. Policy and objectives:**

Environmental protection is of paramount importance at GROSCHOPP AG. We are of course aware that climatic conditions are changing across the entire globe. Attentiveness and respect for our nature are fundamental factors that also guarantee a blooming planet for future generations.

Our company has a certified environmental protection management system according to DIN EN ISO 14001 which is effectively in use. The latest appraisal was successfully audited in September 2021.



Our company has introduced a Code of Conduct which regulates the entire handling and behaviour of everyone involved along the entire supply chain. Adherence to all stipulated provisions as well as a personal identifying with this Code of Conduct are preconditions for a sound supplier-customer relationship and a trustworthy association with our stakeholders.

### **2. Implementation of activities:**

It is our objective to consolidate the sustainability of our company by producing long-lasting products which are gentle on resources.

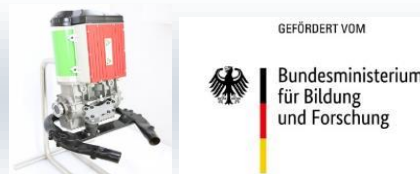
GROSCHOPP AG systematically combines sustainability aspects in the company strategy. Sustainable development aims to handle finite resources future-oriented and responsible. These points have been anchored in our corporate culture for our Asian company as well as for our headquarters.

In producing innovative system solutions we offer our customers efficient, safe and sustainable applications.

In cooperation with institutes of technology and industrial partners technical and progressive objectives – which are government-financed – are created and implemented in future-oriented products. Here are just a few examples:

#### Project Eskam:

A scalable module comprising drive and axis for electrical mobility.  
Sponsored by das German Federal Ministry of Education and Technology



#### Project Muffel:

Intelligent electrical drive-platform for multi- functional vehicles.  
Sponsored by das German Federal Ministry of Education and Technology



#### Project: Heat-Power-Converter (HPC):

Development of a system-integrated HPC to increase the overall efficiency of MOVE-Power-Heat-coupling aggregates (KWKA).



True to our motto "**Sustainability through Quality**" we want to create ethical and responsible behaviour in our company.

We have founded a subsidiary company in China which manufactures components for our drive units which are subsequently completed in our headquarters. This creates a potential lean and well-arranged supply chain that improves the efficiency and effectiveness of processes. Hence, through this arrangement, we are contributing our share to sustainable sourcing.

We are using almost exclusively reusable packaging between our factories in China and Germany so that less packaging waste is generated. Several provisions for the protection of climate and environment have been implemented in our factory to continuously reduce the ecological impacts even further.

Operating figures:

Waste balancing figures show promising developments in Europe as well as in Asia. The entire waste disposal was slightly lower compared to the previous year:

non-reusable	1990:	100.00 t
reusable	1990:	87.00 t
non-reusable	2020:	50.86 t
reusable	2020:	38.00 t
non-reusable	2021:	42.30 t
reusable	2021:	45.81 t

This shows a reduction of non-reusable waste of 16.83% in 2021 compared to 2020 and a reduction of waste values of more than 55% compared to 1990. The reusable waste increased by 20.5% in 2021 compared to 2020, but compared to 1990 it shows a reduction of almost 50%.

Consumption of gas and power generation were as follows:

	1990	2020	2021
Gas consumption in kWh	2,974,601	3,136,885	3,647,609
Electricity consumption in kWh	2,055,205	648,342	586,426
surplus generated electricity in kWh			52,437
CO <sub>2</sub> - pollution in t	2,165	639	712

Two combined heat and power plants (BHKW) provide our main factory with approx. 100% of electricity (550,000 kW). Any surplus generated electricity is fed back into the network for third party usage (52,437 kW).

Hence, we are already 2 percentage points below the value given on 24.06.2021 in the climatic amendment of the Federal Government. This is a promising starting position for a CO<sub>2</sub> – reduced environment.

Consumption of water and waste water were as follows:

	1990	2020	2021
in m <sup>3</sup>	10,580	984	906

Outdated lighting technology was replaced with LED-technology in all company locations.

We also ensure that all environmentally relevant aspects are compiled in future, evaluated and – if necessary – are filed through relevant provisions (preventive and/or monitoring, as well as hazard control and emergency) within the framework of our business activities.

Electrically-driven company bicycles have been introduced, reducing the need for a car ride for shorter distances.



Company cars are of the newest dates and equipped with modern exhaust-gas technology. New Diesel-cars are procured having exhaust gas standard 6d TEMP.



Further objectives for 2022:

- Acquisition of Photovoltaik-equipment for all building roofs
- Acquisition of heat pumps
- Window-restoration for buildings in Viersen
- Further reduction of energy consumption

### **3. Evaluation of activities:**

We evaluate and ensure regularly that all suppliers along the supply chain adhere to the Code of Conduct and the guidelines of the Global Compact.

The environmental-protection management appoints specially designed environmental officers who investigate, evaluate and record all critical aspects of the environment. These records are presented to the board of directors where they are discussed in detail.



## Anti-Corruption Policy:

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10. Companies should fight all kinds of corruption, including extortion and bribery

### **1. Policy and objectives:**

Avoiding anti-competitive behaviour and corruption is an essential part of the company's policy. Such behaviour is often linked with infringements of human rights and environmental awareness, especially along the supply chain. Corruption may also lead to a distortion of competition which can be harmful to the economy.

We have made our position about this unmistakably clear to our suppliers in our Code of Conduct.

Moreover, concerning this matter, all our employees are advised to strictly adhere to the given provisions.

### **2. Implementation of activities.**

In order to effectively face the danger of corruption, the company GROSCHOPP AG has made known their opinion unequivocally in the Code of Conduct. We have instructed our staff to behave impeccably in this matter and not to accept any material or non-material benefits. Only gifts of low value may be accepted without prior permission. However, such presents need to be recorded and shown on demand to management.

It is not permitted to place orders with a close acquaintance, e.g. spouse or family member. Any exception requires approval by management. Whenever an order needs to be placed with a supplier, several quotations are required as a matter of principle. Moreover, any secondary employment for competitors is not permitted



New employees are informed extensively about such conflicts of interest.

Our staff identifies with our philosophy. However, they are directed to immediately inform either the personnel department or the works committee should they become aware of any possible infringement.

Our staff is trained regularly so that each employee can adopt and live by proper conduct.

**3. Evaluation of activities:**

The personnel department and the works committee are instructed to conduct a conversation with the staff members who have infringed. The works committee is dutybound to answer the CEO about such topics in management meetings which are conducted quarterly.

However, no such case has come to light so far.