



**ENVIRONMENTAL
SOCIAL
GOVERNANCE**

SUSTAINABILITY REPORT 2023
OEST GROUP



ENVIRONMENTAL
SOCIAL
GOVERNANCE

OILS

ENERGIES

SYSTEMS

TECHNOLOGY



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Alexander A. Klein
Chairman of the Board



” Sustainability is not
only limited to our OWN sites,
but integrated into a holistic cycle.”

1. INTERVIEW WITH ALEXANDER A. KLEIN

Mr. Klein, You are the chairman of the board of a company supported by over one hundred years of corporate history. How do the three pillars of sustainability – Environmental, Social and Economic – fit together in your view?

We are in an advantageous position because Oest Group with its independent business units is embedded in a foundation. This means we have the opportunity to manage and invest in our business for the long term. Of course we also have earnings objectives. However, these are positioned in a healthy ratio to our environmental and primarily also our social objectives. In this regard we focus very intensely on offering our workforce secure and modern workplaces. We are the first chemical company in Baden-Württemberg to have been awarded the “Health-Active Company” seal. Our company health management policies are very wide-ranging and are highly valued by our employees as are our flexible working time models. In my opinion, as a medium-sized company, we also have the obligation in this regard to conduct ourselves in a manner that surpasses the average.

Regarding obligation – in your opinion who or what are the biggest sustainability drivers at Oest? Politics, the regulatory environment and legislation, customers, society or the young generation?

Actually all these driving forces. As a company in a vacation region and – hardly anyone knows this – in a spa resort, we already have intrinsic commitments and obligations. Oest has always worked hard to create a balance. This is why from an early stage we started to work with renewable raw materials. For many years we have been using renewable HVO diesel created from vegetable oils and food waste for parts of our vehicle fleet. Our OEST SYSTEMS business unit designs machines which produce elements for private and industrial timber housebuilding. As a renewable raw material, wood is our core theme here and it will become even more established over the next few years. It is a niche in which we feel very comfortable and are now the market leader through our continuous technical innovations. Members of our shareholder group are actively committed to environmental protection and animal welfare in particular; the expectations of sustainable and social management are high. To meet this challenge is both an aspiration and a motivation for us.

And how does Oest combine growth with sustainability?

Oest has always focused on solid, sustainable growth with sound judgement, continuity and vision. The prudent use of resources is also our focus as is our binding commitment to our company location of Freudenstadt along with our social responsibility, both to our employees and the entire region. Our commitment to the United Nations Global Compact initiative founded by the former UN Secretary-General Kofi Annan underscores the responsibility we take for social and environmental sustainability. Members of the initiative undertake to align their operations and strategy to Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

What is the significance of sustainability for you in the management of Oest and what future developments do you expect?

Sustainability must be exemplified by management teams. This covers both planning and actions and starts with how we interact with our employees. A good working environment forms the basis for achieving our objectives. The corresponding framework conditions and processes are created by the management teams. Our employees at all levels are involved thanks to our flat hierarchies. For instance, new ideas and suggestions from our own ranks, also in relation to sustainability, are developed, assessed and implemented. So in short, Oest is sustainable!

And what is it that makes Oest so sustainable?

Our many years of research and development, a high willingness to innovate and the holistic view of our value-creation processes in all our business units – LUBRICANTS, ENERGIES and SYSTEMS – have generated many sustainable products and resource-conserving solutions. These include renewable raw materials, a minimisation of polluting ingredients, optimised material usage, modern production processes along with the continuous improvement of energy efficiency and logistics concepts.

As you have mentioned the individual units – how does sustainability fit with the products in the OEST LUBRICANTS unit in particular?

As a producer of lubricants we operate at the end of the process and value chain and can therefore only sustainably influence the last production phase of a lubrication product, whereas most of the produced products originate from fossil sources. Therefore, we are striving to further accelerate the development towards regenerative ingredients. For many products we have already succeeded, not only in relation to formulations, but also for example with our containers which in part consist of up to 95% recycled plastic. We are also investing continuously in modern energy technology and production procedures. This means that over the last few years we have increased our volumes without consuming proportionately more energy. We have been operating the first photovoltaic systems on the roofs of our building and halls for over 15 years and we are constantly modernising and expanding these. Our objective is to generate over 90% of our annual electricity requirement from wind power plants and solar panels. For peak times and slack periods we resort to a boiler house which is equipped for the use of sustainable heating oils on an e-fuel basis.

In addition to Lubricants you mentioned the other important business units at Oest. What is the significance of sustainability aspects in these units, for instance, in OEST ENERGIES?

They are very significant because it is essential that we move away from fossil energy sources. We are therefore committed to technology transparency and a multi-tiered approach, which in addition to e-mobility and the potential offered by hydrogen technology, also incorporates regenerative fuels such as HVO and e-fuels. We see this long-term as an important decision point in the achievement of our climate objectives. A prime driver is the use of all available technologies. We have been using alternative fuels such as AVIA BlueDiesel with a regenerative proportion of up to 33% for many years. We also supply AVIA Next HVO100 from pure HVO, generated from vegetable residues and waste products in our filling station network and in our wholesale segment. The climate-friendly diesel generates at least 85% less CO₂ and is therefore a practical option for reducing the CO₂ footprint that can be implemented immediately.

As you have mentioned the CO₂ footprint, Oest has for the first time drawn up a greenhouse gas balance which forms part of this report. What actions are you incorporating into this step and how will they further advance?

We consider this balance as a benchmark, in other words the starting point of a journey, which is to be fitted with polluting indicators and used as a success barometer for our future actions. As an environmentally-certified company according to ISO 14001, OEST LUBRICANTS has of course had its eye on CO₂ targets for a long time and with the greenhouse gas balance we are moving the entire corporate group to a new level as regards specific measurability and transparency.

What are Oest's sustainability objectives for the future?

Our long-term objective is to make our products independent of fossil raw materials and at the same to secure production in Germany through the utilisation of sustainable energy sources. These measures will include long-term investments in wind farms which supply us with green electricity. In parallel over the last few years, we have invested greatly in our plant and in the head office. We also understand sustainability as overarching and we have proactively campaigned in associations for an acceptance of new raw materials and production processes. Sustainability is not only limited to our own sites, but integrated into a holistic cycle. We consider this to be a global challenge that we will continue to set ourselves in the future.

Can you give us a practical example where in your private life you are doing something different to previously due to your own sustainability considerations?

Alongside the classic of installing a heat pump at home and generating our own electricity through photovoltaics, the main focus in our family is on "non-use". The most sustainable action is to use no energy and no raw materials – taking a walk to go shopping or catching the train into town, the purchase of products from local, sustainable cultivation or "correct" supply chains and also a reduction in online ordering. Mineral water has been supplied to us for years from the tap and is no longer purchased in bottles. We also support initiatives to recultivate meadows with a specific focus on habitats for bees and insects. My grandparents had a farm so as children we were introduced early to sustainable nutrition and environmental protection.

Finally, back to Oest. Why has Oest Group produced this first Sustainability Report?

As I explained in the previous questions, sustainability has always been the focus of Oest Group and is proactively embodied across the corporate group. However, as we have discovered, this is still not totally appreciated by our customers, suppliers and other stakeholders. We want to change this in future through targeted communications and key indicators in order to create more transparency and reinforce the importance of this issue for our company and make it clear for our environment.



2. OEST GROUP COMPANY PROFILE

Oest Group with Oest Holding GmbH as the holding company is a significant medium-sized corporation in Germany which owns several independent operating companies. Oest's operating activities extend beyond Germany to a further 44 countries and over the years it has become increasingly dynamic through its subsidiaries abroad.

Through its constantly growing international distribution network with partners on all continents for a wide range of industry sectors, markets and processes, Oest offers fit-for-purpose products and services – and depending on the business sector, to customers in Germany, Europe and across the world.

In the 2023 financial year Oest Group generated revenues of € 542 million in its three business units, LUBRICANTS, ENERGIES and SYSTEMS.

The core business in the LUBRICANTS business unit is the development, production and sale of lubricants. The product range covers automotive and industrial applications through to complex special lubricants for the metalworking industry. The customer-base are predominately commercial and industrial customers. Oest supplies the construction, forestry and agricultural sectors with high-grade, quickly biodegradable lubricants and is also considered as one of the market leaders in Germany in this field as a producer of environmentally friendly speciality fuels.

The ENERGIES business unit is divided into the filling station business and energy trading which comprises the direct sale of fuels and combustibles to commercial customers and dealers. As a founding shareholder of Deutsche AVIA, Oest operates around 100 public filling stations with the corresponding service offering. The portfolio of the direct sale of fuels and combustibles ranges from branded heating oils and traditional fuels through regenerative propellants such as HVO, GTL and BlueDiesel to natural gas, electricity and green electricity.

The third pillar of Oest Group is the SYSTEMS business unit and specifically the global special machine construction operations. Oest is now considered a leading technological manufacturer of customer-specific machines and systems for the dosing, mixing and application of glue mixes and adhesives.

The ongoing success of Oest is partly attributable to the broad range of products that appeal to its customers worldwide from the most diverse sectors and markets. We achieve the associated innovations through state-of-the-art research and development. Every year we make considerable investments in the further development of our products and services. Our development teams work hand-in-hand on customer-specific requirements with internal and external applications engineering and quality assurance.



Alongside our demands for quality, progress and the utmost customer benefits, sustainability is a particular focus of our corporate philosophy and is embedded as a strategic objective. As part of this we understand the balance between economic, environmental and social responsibility – starting with the strategic alignment of the company, the handling of resources through a future-oriented product portfolio, to our commitment to our employees and our company.



3. ENVIRONMENTAL – ENVIRONMENTAL RESPONSIBILITY

Corporate governance at Oest Group has always pursued an environmentally responsible approach with the aspiration to incorporate environmental aspects into corporate decision-making in a way that is both forward-looking and systematic.

We acknowledge our specific responsibility for environmental protection, including the avoidance of environmental pollution that may occur due to our business operations and our processes.

The corporate strategy is focused on a high quality level and on environmental sustainability which orients the entire value chain towards these objectives, starting with resources handling through to a future-oriented product portfolio.

Within Oest Group we want to avoid and reduce waste, pollutants and emissions as far as possible. To reduce waste volumes, separation by single material is performed to achieve a higher recycling rate. Our employees receive regular training on waste avoidance and waste separation.

In the development and manufacture of our innovative products we place the utmost emphasis on environmentally friendly ingredients, the resource-conserving use of raw materials and a reduction in the energy we use. Through our greater efficiency our products and services should reduce the resources and energy requirements of our customers and support them in the development of more sustainable processes to in turn enable optimised production. We not only derive our environmental objectives from environmental policy, legal obligations and other external requirements, but also from the stipulations of our stakeholders in order to avoid and minimise negative environmental impacts both for us and for them. Our suppliers and service providers are selected specifically according to their environmental processes and they undertake to adhere to our provisions and standards.

It should be clearly conveyed to our customers and suppliers that they can rely on Oest as a competent partner for issues of environmental sustainability, resource-conserving development, production and recycling of our products.

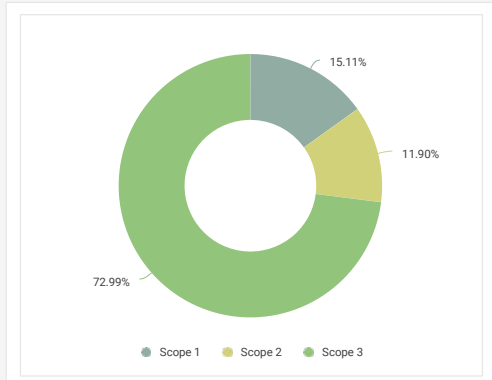
With regard to our quality claim and our sustainability-focused corporate strategy, Oest's environmental certifications are important benchmarks in aligning the entire value chain to environmental objectives. These have been corroborated with the successful environmental certification of OEST LUBRICANTS in accordance with ISO 14001:2017 from TÜV Rheinland.

The following examples of our environmental sustainability relate to product, project and process level. We are also committed to a several alliances and initiatives.

- ➔ Multiple use of containers: Oest already sells a wide range of products in reconditioned drums and IBC containers. A special treatment process makes these containers reusable multiple times making them extremely environmentally friendly and resource-conserving; all internal steel drums and IBC are sent for reconditioning. In 2022 through the use of reconditioning packaging alone, more than 1,000 tonnes of CO₂ were saved compared with the use of new materials.
- ➔ Containers with a high recycled content: In addition to the reusable system for larger containers, conventional small containers are increasingly being replaced by those with a high recycling content.
- ➔ Energy savings through the lowest-energy lighting class (LED) with movement detectors in all buildings and consumption-optimised high-frequency chargers for all forklifts.
- ➔ Oest is involved in several wind farms which cover the average annual requirement for about 7,600 households.
- ➔ Green electricity production: AVIA green electricity comes from 100% from hydropower – and at least one third comes from newly built power stations. This promotes the continuous expansion of green electricity production. AVIA green electricity has been awarded the ok-power quality seal for this.
- ➔ Oest also supports the Green Mobility Future initiative as a supporting member. The independent institute addresses the important future issues of mobility and focuses on scientific monitoring and public relations work to reinforce general awareness of alternative fuels. Its core focus is on aspects of sustainability, e-fuels, bio-fuels, regenerative energies and the bio-economy.
- ➔ E-Fuel Alliance: Against the backdrop of the EU Climate Target Plan 2030, Oest supports the increased use of synthetic, CO₂-neutral, liquid and gaseous energy sources through its active participation in the E-Fuel Alliance. This is because in addition to electricity from solar, wind and hydropower, sustainable renewable fuels such as climate-neutral e-fuels can accelerate the move away from fossil energy sources and thereby considerably reduce emissions of climate-damaging greenhouse gases (GHG).
- ➔ OEST ENERGIES was a pioneer in the introduction of the “RECUP” reusable mug alternative. This waste-avoiding variant has been in use in our own filling stations since 2021.



Our environmental responsibility and corporate governance not only reinforce non-material values but also actually reduce costs, for example as a result of optimised processes and a lower consumption of resources. The environment, our company and also our employees benefit from this since as a result the latter also identify more closely with the company.



Total emissions
7,042 tCO₂e

Scope 1: **1,064 tCO₂e**

Scope 2: **837 tCO₂e**

Scope 3: **5,140 tCO₂e**

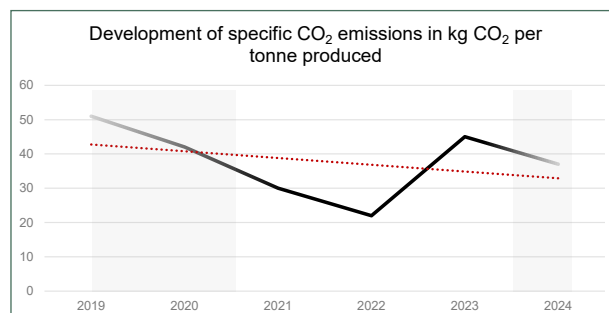
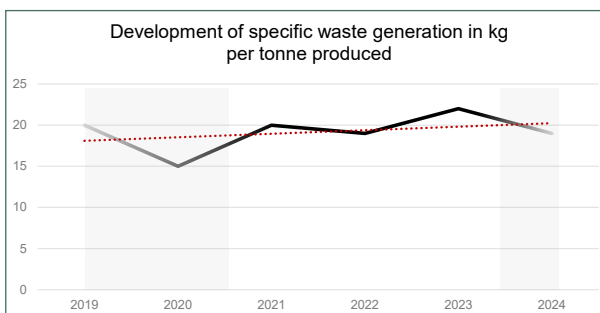
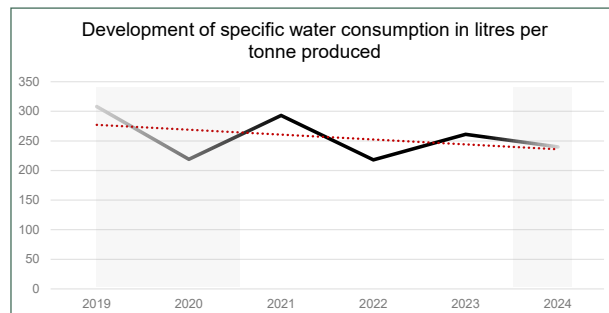
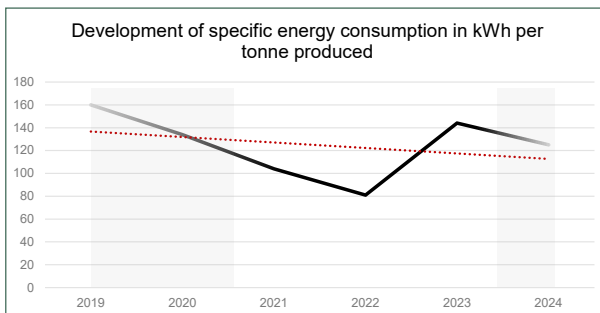
Greenhouse Gas Balance | Oest Group Corporate Carbon Footprint 2022 compiled by Fokus Zukunft GmbH & Co. KG.
Graphic: in-house diagram

Environmental KPIs / OEST LUBRICANTS

	2019	2020	2021	2022	2023	2024**
Development of specific energy consumption in kWh per tonne produced	160	134	104	81	144	125
Development of specific water consumption in litres per tonne produced	308	219	293	218	261	240
Development of specific waste generation in kg per tonne produced	20	15	20	19	22	19
Development of CO ₂ emissions in kg CO ₂ per tonne produced	51	42	30	22	45	37

*) Scope 1+2_direct emissions in the company + indirect emissions from purchased energy ***) Values in H1 2024

Explanations on environmental KPIs: In 2022 an above-average volume was produced which had a positive effect on energy consumption, water consumption (cooling water) and waste generation in relation to production volume. In 2023 production volumes decreased in some months which in turn had the opposite impacts on energy and water consumption and on waste generation in relation to production volume. Total waste volumes are also influenced by the purchase of additional products / commodities. Waste generation in relation to production volume is doubly influenced by make or buy decisions as with a reducing production volume an equal or even higher waste volume may simultaneously occur. Specific CO₂ emissions are influenced by the aforementioned factors. In addition, the geopolitical impacts of the war in Ukraine are also affecting energy-intensive industrial companies. Therefore in 2023 the primary energy source for production was switched from natural gas to heating oil which in the short term led to higher than average CO₂ emissions.





4. SOCIAL – SOCIAL RESPONSIBILITY

In the social area, sustainability for Oest means both assuming responsibility for its own employees and also for society and the region.

The success of Oest Group and its associated expansion is not only the result of farsighted investments in technologies but also in highly-qualified employees. Our employees have always formed the basis of our successful company.

The high degree of identification that our mostly long-standing employees feel with the company is the result of a prudent personnel policy. Our medium-term personnel planning ascertains our personnel requirement at a functional and quality level. Part of this planning is the continuous training we provide in all areas of the company.

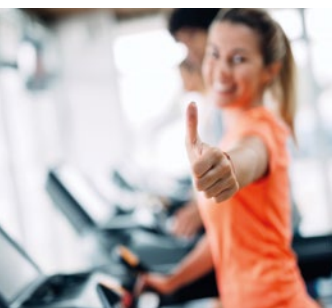
We value vocational and further training very highly because the know-how of our employees is the crucial prerequisite for the continuously high quality standard of our products and services. Our apprentices and dual-study students spend time in all relevant departments throughout their apprenticeship/study period and learn about all our business units and corporate processes. The informal working atmosphere and our flat hierarchies enable broad-based and well-founded vocational training. Internal departmental projects integrate them into important processes at an early phase. Product knowledge is transferred in internal training sessions. Visits to other companies and excursions also form part of the training programme as do regular evening meetups for apprentices and dual study students. A very high level personal support is provided by the trainers and the personal mentor.

Our Oest Academy offers all employees individual promotion and further training opportunities that meet their individual capabilities and objectives in order to give them the opportunity through continuous improvement to achieve their personal career objectives. To this end, internal and external personnel development modules have been introduced at technical and management level which can be followed systematically through further training measures.

Oest Group cultivates a sustainable workplace and corporate culture which is distinguished by employee-oriented measures such as flexible working time models with a work-life balance and mobile working, flat hierarchies with short decision-making routes and various creative opportunities and company health management scheme (BGM).

Since 2014, the company health management scheme has been deeply embedded within the Group. The objective of company health management scheme is to design all work processes to be health-promoting and stress-reducing for employees. In addition to health and safety at work and a healthy workplace design, the Oest company health management scheme includes a range of health-promoting measures and activities for employees. These include:

- ➔ Occupational medical care: compulsory, recommended, and elective preventive care for employees by the company doctor, as well as offers of vaccinations
- ➔ Psychological acute care: personalised counselling services by psychologists
- ➔ Health lectures, seminars and offers of massages in-house
- ➔ Subsidies in the workplace: equipment for mobile working, visual aids, hearing aids, healthy food in the bistro at head office, free water, fruit and hot drinks
- ➔ Subsidies outside the workplace: allowances for fitness centres, swimming pool visits, back training courses, health check-ups and prevention courses
- ➔ Promotion of offers for (communal) sporting activities: company bike leasing, squash, adventure golf, Nordic walking, life kinetics, volleyball and regular running meetups
- ➔ Action days, for example, on Healthy Nutrition" run by professional nutritionists



Occupational safety forms an intrinsic aspect of the Oest company health management scheme and its importance and necessity is conveyed to all company employees. In all companies at top management level (board of directors) there is a keen awareness of occupational safety.

We protect our employees from hazards by evaluating every workplace through risk assessments and verifying these regularly to ensure they are up-to-date. In so doing, we not only comply with occupational health and safety requirements, but we also adapt our working conditions to the respective situation as a matter of course. Our objective is to manage the company in such a way that occupational safety, employee health protection, and the protection of third parties are in harmony with our other corporate objectives.

In 2018, Oest Group was one of the first companies in Baden-Württemberg to be awarded the "Health Active Company" seal and is therefore now regarded as a pioneer in occupational health and safety management. Oest was also awarded the well-known TOP JOB seal as part of the nationwide "TOP JOB" employer comparison for its sustainable, health and performance-oriented workplace culture. This makes us one of Germany's best companies with outstanding employer qualities.

Assuming social responsibility is also an important aspect of the corporate culture at Oest and is of high priority. We take our responsibility seriously, and in addition to the important promotion of local projects near our site, we specifically help the weaker members of our society by supporting a range of charitable institutions and in particular projects for children and young people. In particular we make it our business to give hope to children and young people who are in need, who are ill or who suffer from a physical or mental disability and to improve their quality of life as much as we can. The following actions form part of this:

- ➔ “Flying Hope”: This campaign provides free-of-charge flights for medical treatments or stays at a health resort for children who due to their physical, mental or spiritual conditions are reliant on the help of others.
- ➔ “Children Help Children (Kinder helfen Kindern)”: Every year as part of this campaign, children, parents and grandparents pack packages with toys, handcraft items and children's clothing for children in children's homes.
- ➔ “Donations not gifts”: As a sensible and sustainable alternative to expensive Christmas gifts, Oest participates every year in the SOS Children's Villages campaign as well as in other regular fundraising campaigns, such as for the Eigen-Sinn Foundation, Kämpsele e.V., the Freudenstadt Children's and Youth Hospice Service, the Mitten im Leben Foundation and the German Bone Marrow Donor Centre (DKMS).
- ➔ “Stamps for Bethel”: Oest actively supports the Bethel stamp office philosophy of “No stamp in the rubbish bin” by collecting stamps from incoming mail. These are cut out and collected then donated to the Bethel Foundation stamp office.
- ➔ “Labdoo.org”: Collection points at selected AVIA stations for the aid organisation Labdoo.org for donations of discarded PCs, tablets, e-book readers and laptops. After data deletion and processing, the devices are distributed to schools, orphanages, children/youth and refugee projects around the world with newly installed learning software.
- ➔ “Stop Polio Now”: Oest supports the “Stop Polio Now” campaign from the Rotary Club.



Social KPIs / Total Oest Group

	2021	2022	2023
Average employee age in years	41	42	41
Average employee age in %			
<= 30 years of age	28%	25%	28%
31 – 40 years of age	26%	22%	22%
41 – 50 years of age	13%	18%	19%
> 50 years of age	34%	34%	32%
Average number of employee years of service	9	9	10
Employee fluctuation ¹ in %	6%	9%	7%
Occupational accidents ² per 100 employees	1	2	2
Absentee days per employee due to sickness	14	17	15
Proportion of women in management positions ³ in %	29%	27%	23%

¹ Resignations by request

² Number of accidents with more than 3 absentee days

³ Management, departmental management, team leadership, no representative

Social KPIs / OEST LUBRICANTS

	2021	2022	2023
Average employee age in years	43	44	43
Average employee age in %			
<= 30 years of age	24%	22%	25%
31 – 40 years of age	22%	20%	22%
41 – 50 years of age	14%	17%	15%
> 50 years of age	40%	41%	37%
Average number of employee years of service	12	12	12
Employee fluctuation ¹ in %	3%	7%	4%
Absentee days per employee due to sickness	17	20	16
Proportion of women in management positions ² in %	25%	20%	25%

¹ Resignations by request

² Management, departmental management, team leadership, no representative

Social KPIs / OEST ENERGIES

	2021	2022	2023
Average employee age in years	37	39	38
Average employee age in %			
<= 30 years of age	57%	50%	50%
31 – 40 years of age	3%	7%	7%
41 – 50 years of age	3%	4%	10%
> 50 years of age	37%	39%	33%
Average number of employee years of service	7	8	10
Employee fluctuation ¹ in %	8%	4%	7%
Absentee days per employee due to sickness	6	12	20
Proportion of women in management positions ² in %	45%	45%	30%

¹ Resignations by request

² Management, departmental management, team leadership, no representative

Social KPIs / OEST SYSTEMS

	2021	2022	2023
Average employee age in years	40	40	40
Average employee age in %			
<= 30 years of age	27%	27%	28%
31 – 40 years of age	38%	27%	25%
41 – 50 years of age	10%	22%	24%
> 50 years of age	25%	25%	22%
Average number of employee years of service	7	6	6
Employee fluctuation ¹ in %	14%	13%	12%
Absentee days per employee due to sickness	15	17	15
Proportion of women in management positions ² in %	22%	22%	11%

¹ Resignations by request

² Management, departmental management, team leadership, no representative



5. GOVERNANCE – CORPORATE GOVERNANCE

Human rights

Oest is committed to respecting and supporting human rights. Forming the basis here is the Universal Declaration of Human Rights of the United Nations from 1948 and the Basic Law of the Federal Republic of Germany. Respect for human rights is deeply embedded in our corporate policy. Discrimination on the basis of gender, age, race, nationality, disability, social origin or sexual orientation is not accepted.

Labour standards

Oest complies with all national and international human and labour rights as well as with all treaties and conventions in relation to appropriate working conditions, employment and codes of conduct to which the European Union, the International Labour Organization and the United Nations are signatories. We manage the specific risks faced by our company through technical and organisational measures and we involve our employees. We also support our customers and partners in the responsible handling and usage of our products and we develop solutions that enable safe working conditions. We condemn child labour and we respect the legal provisions on the minimum age of employees. We also condemn forced labour, corporal punishment, threats and harassment of employees. We recognise the right of our employees to freedom of association. Wages, salaries, social benefits and working hours comply with legal requirements.

Conflict minerals

As a producer of lubricants this is a very important issue for Oest. No conflict minerals are processed at Oest. In this way we contribute to ensuring that no human rights violations occur through the purchase of these raw materials in conflict regions.

Combating corruption

Since it was founded in 1915, Oest has earned a reputation as a fair and reliable partner. These values, coupled with innovative, high-quality products, mean that OEST Group companies are now highly regarded around the world as partners, suppliers and customers. Our Compliance Policy is the ethical and legal compass for our mission. It contains the basic rules for conduct within Oest Group and towards our business partners and the general public. The management board, the foundation and supervisory board expect every employee of the individual Oest Group companies to follow the compliance policy to the letter.

Oest Group has been an active member of the UN Global Compact since 2016. A United Nations initiative, the UN Global Compact offers a unique framework for discussing a fairer shaping of globalisation across industry sectors and borders and for bringing this vision to reality with suitable strategies and activities. On the basis of 10 Universal Principles and the Sustainable Development Goals, the UN Global Compact pursues the vision of a more inclusive and sustainable economy for the benefit of all humanity, communities and markets, today and in the future.





6. OILS – OEST LUBRICANTS

Many years of experience, specialist know-how and intensive research & development make Oest one of the key manufacturers of high-quality lubricants. With numerous patents and more than 700 formulations, the product range in the OEST LUBRICANTS business unit consists of a wide range of lubricant solutions for the automotive, industrial and metalworking sectors.

Through the continuous development in its in-house laboratory in Freudenstadt, Oest guarantees modern products in accordance with the state-of-the-art, compliance that exceeds standards but always in terms of environmental and human compatibility.

Oest is viewed as one of the pioneers in the development of bio-lubricants based on rapidly biodegradable, renewable raw materials for a broad range of applications in environmentally sensitive areas, such as timber and forestry, concrete production, municipal works and agriculture.

Back in the 1990s Oest also pioneered the market introduction of environmentally friendly special fuels for 2-stroke and 4-stroke engines. Oest Oecomix 2T and Oest Oeokraft 4T have made the company a market leader in Europe as a manufacturer of special fuels. Oest Oecopower D, which is 100% renewable diesel fuel made from biogenic residues, was added later.

Sustainability and environmental responsibility at OEST LUBRICANTS are not only embraced in the company's production but also through its entire value creation process to containers that use as few resources as possible. The new generation of lubricant canisters consist of 95% recycled plastic. In addition to maximum safety, functionality and ease of use, these are making an important contribution to reducing our CO₂ footprint and supporting sustainable material cycles. The recycled plastic material is used in many 1-litre, 5-litre and 20-litre Oest containers.

The reusable system for Oest Reco drums also operates well. For some product groups, reconditioned drums are used in the same design, but without the Oest logo. These Reco drums are specially prepared and can therefore be reused several times without impairing the lubricant quality and are tested for safety, reliability and functionality. In addition to the cost benefits for our customers, our RECO drums are environmentally friendly and less resource-intensive. Each Reco drum saves up to 120 kg CO₂.



7. ENERGIES – OEST ENERGIES

The OEST ENERGIES business unit integrates all areas related to the filling station business as well as energy trading and mobility and is based on a holistic, strategic focus on its customers, future technologies and upcoming challenges.

As an energy supplier and mobility partner, Oest offers a wide range of energy products consisting of modern heating and fuels, natural gas, electricity and green electricity.

As a founding shareholder of Deutsche AVIA, Oest operates around 100 filling stations in Southwest Germany, some with charging points for electric vehicles and has also been involved for many years in the continuous expansion of AVIA's own wind farms and climate-friendly energy from PV systems.

Research into synthetic fuels and e-fuels is also a high priority. OEST ENERGIES already supplies GTL (gas-to-liquid) and synthetic fuels based on HVO (Hydrotreated Vegetable Oils) – proportionally in AVIA BlueDiesel and as pure HVO fuel, AVIA Next Diesel HVO100. HVO is produced from vegetable residues and waste materials, such as edible oils and fats from the food industry and in pure form saves at least 85% CO₂ compared to fossil diesel.

Following the amendment to the Federal Emission Protection Ordinance which now also authorises the sale of pure HVO diesel at public filling stations, OEST ENERGIES is gradually equipping its AVIA stations with AVIA Next Diesel HVO100. This is another important milestone that directly contributes to CO₂ reduction. In its energy trading, OEST ENERGIES also supplies companies in the wholesale segment as well as cities and municipalities with the climate-friendly HVO diesel fuel.

OEST ENERGIES has also been a partner of the Central/North Black Forest Nature Park since 2021 and will support the "Blooming Nature Park" project sustainably over the long term. The aim of the project is to visually upgrade local areas by sowing indigenous wildflower meadows, to make them environmentally valuable and create new habitats for bees, butterflies and insects. The next sowing campaign is planned for 2024 in Freudenstadt. OEST ENERGIES is therefore making a sustainable contribution to biodiversity in our home region.



8. SYSTEMS – OEST SYSTEMS

OEST SYSTEMS has been one of the technology leaders in the development and production of systems for dosing, mixing and applying adhesives in the wood industry for more than six decades. Oest has played a major role in sustainably shaping the current state-of-the-art with various types of applications and has been included in the list of hidden champions as the world market leader in the field of adhesive technology for the production of cross-laminated timber.

Wood as a sustainable raw material is a key issue here. Over the next few years it will take root more and more and also become a niche within which Oest will play its part with its forward-looking technical innovations for further developing the opportunities and use areas for wood as a material in a sustainable way. Through highly efficient adhesive application valves, Oest is helping keep consumption of adhesives and hardeners as low as possible, which in turn conserves resources.

Customised adhesive application systems from OEST SYSTEMS are also used in the insulation industry and in the production of sandwich elements. These sandwich elements can be found in many caravans and motorhomes produced in Europe – from small caravans to 26-tonne luxury motorhomes including a car garage. The focus here is also on optimum resource and energy efficiency.

One of the essential core competencies when applying and dosing adhesives is pump technology. The pumps developed in-house by Oest can be operated with highly acidic and abrasive adhesives and hardeners. These enable long service lives, reduce maintenance costs and conserve resources.

To ensure its modern development is adapted to the challenges ahead, Oest is constantly working on product innovations and on expanding its services offering to ensure it will be ideally positioned to take advantage of sustainable and future-oriented industry solutions in this area in the growing international environment.



9. TECHNOLOGY – OEST TECHNOLOGY

Georg Oest, a visionary full of courage and pioneering spirit, founded Oest in Freudenstadt in the Black Forest in 1915 in the middle of the First World War as a medium-sized family business. Then as now, the company's exceptional strength lay in its high degree of innovation, flexibility and customer proximity.

From its very first year of operation, its technical oils and lubricants laid the foundation for the production of high-quality mineral oil products. Passionate car lover Georg Oest also wanted to test the quality and performance of his products in everyday racing. At that time many vehicles at various Solitude races were filled with engine and gear oil from Oest under the founding brand Östol. Today, this is reserved exclusively for Oest's high-quality oils for vintage cars.

Over the years of expansion and diversification, further business areas were added to the development and production of lubricants. This is reflected today in the three business units of Oest Group – LUBRICANTS, ENERGIES and SYSTEMS.

The growing environmental awareness in recent decades has led to a plethora of regulations and statutory ordinances. Oest has repeatedly used such specifications to modernise and improve quality. As a company based in the Black Forest environmental approaches have always been very important for Oest. One example of this was back in 1988 with the market launch of quickly biodegradable lubricants based on renewable raw materials that were developed for lubricating chains on chainsaws, saw frames and for formwork in concrete construction. In the 1990s Oest was also a leader in the development of environmentally friendly special fuels for 2-stroke and 4-stroke engines and also assumed a pioneering role with the market launch of Oest Oecomix 2T in 1996. The special two-stroke fuel is odourless, smoke-free and contains no benzene. Oest Oecokraft 4T and Oest Oecopower D were added later as 100% renewable diesel fuel from biogenic residues. Today Oest is one of the market leaders in Germany in the production of special fuels. Due to their environmental and human compatibility, such special fuels are now mandatory for municipal services.

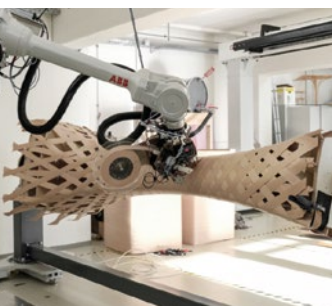
OEST LUBRICANTS is also setting benchmarks in terms of sustainability for metalworking fluids – not only with safe formulations for the protection of people and the environment, but also with modern software-supported fluid management for the environmentally friendly maintenance and care of central systems and machinery.

OEST ENERGIES integrates all areas related to energy trading and mobility, with a focus on future technologies and upcoming challenges. And in this context, quality and sustainability are the focus of the versatile range of products and services. Both in energy trading and in the formulation of the filling station offering, the company always keeps its fingers on the pulse and assumes a pioneering role in many further developments. In the energy and fuel sector the focus is on products with reduced CO₂ emissions and on a significantly improved eco-balance. Relevant to mention here is HVO diesel, which is produced from biogenic residues and generates up to 85% less CO₂. Following the official authorisation of HVO at filling stations, OEST ENERGIES was one of the first providers at selected AVIA stations. In the wholesale segment municipalities and companies have been supplied with regenerative diesel fuel for many years.

OEST ENERGIES has also had very good experiences in the non-fuel sector with its creative filling station approaches focused on individuality, regionality and sustainability. With the opening of a new 'Oesteria' smart store, the company is moving further down this successful path. The robot-controlled shop with a product range capacity of around 800 products only sells food from regional producers from the surrounding area. This pilot project once again underscores the company's close connection to the Black Forest region, its willingness to innovate and its open attitude towards new technologies.

This also applies to OEST SYSTEMS, the mechanical engineering unit of Oest Group. Chipboard was developed in the Black Forest in the 1960s. To produce these boards from pressed wood chips – originally considered a waste product – systems for dosing paraffin emulsions were required. Oest recognized this growing market which was targeted at the resource-conserving use of materials. Over the years, in addition to the dosing systems, the necessary transfer pumps and application aggregates have been developed for the various adhesives used in timber construction and in the sandwich industry. Through the continuous and further development of adhesive application technology, Oest is playing its part in reducing use of adhesives in these industry sectors to a minimum, which in turn reduces costs for the customer, requires fewer resources and also protects the environment. Products manufactured on Oest systems include CLT boards, also known as cross-laminated timber. Since the 2000s detached houses, office buildings and multi-storey residential buildings have been built out of this material. It has a significantly better climate balance than comparable buildings built in the traditional way. One notable example is the WoHo in Berlin, which with its height of 98 metres, will be one of the tallest buildings made predominantly of timber.

It is clear that the success and the associated expansion of all Oest Group business units over the years has been due to sustainable product innovations, far-sighted investments in modern technologies and intensive research and development. Continuity, competence, determination, quality and continuous improvement have always been the focus of Oest's strategy. Also recognising future opportunities and using them to serve customers and for the company's own interest will continue to be the recipe for growth and success. Oest has received numerous awards for its exceptional level of innovation, sustainable growth, and its regional commitment, including Germany's Grand Prix for medium-sized companies, the "Großer Preis des Mittelstandes".











10. OUTLOOK

Oest Group is aware of the growing challenges, especially in relation to Environmental, Social and Governance (ESG) sustainability, and is working hard to address these in the best possible way through entrepreneurial foresight and prudent action.

We see investments in healthy and motivated employees as our most profitable future investment because only with the help of each individual can achieve what Oest Group is all about. We work every single day together with our employees to meet the requirements of our stakeholders through innovative ideas, constant further development and process optimisations, while always staying attuned to our company philosophy.

We want to contribute through our actions towards a consistent understanding of the environmental and social responsibility of every company along the entire supply chain. In this regard our focus is also on expanding our sustainable supplier management, so we can move forward in the right direction together with our suppliers.

Planned sustainability-related objectives and measures for 2024 and beyond include:

-  Continuous CO₂ reduction through ongoing process optimisations, innovations, research and development along with future-oriented site investments in optimised energy efficiency.
-  Construction of a 73 kWp PV system on a warehouse building and the installation of a 330 kWp PV ground-mounted system on company premises during 2024.
-  Possible development of a hydrogen infrastructure as part of the H2 Genesis Project, with an AVIA H2 filling station as a pilot project at the Neckarwiesenstraße site in Stuttgart, with the aim of using it for sustainable mobility and sustainable industry. This represents a contribution to the establishment of hydrogen as an important future energy source.
-  The near-future objective is to operate Oest AVIA stations in an even more climate-friendly manner through specific energy savings and climate offsets. Forming part of this is the planned self-supply via photovoltaics and an energy monitoring system to determine possible efficiency improvements regarding energy and water requirements along with the retrofitting of water treatment systems for car washes.
-  Expansion of the collaboration with the Foodsharing e.V. organisation at Oest AVIA filling stations. The aim here is for voluntary helpers (known in Germany as “food savers”) to collect as many edible foods as possible which may no longer be sold due to the expiry date or other damage and deliver them to associations, food banks and soup kitchens for reuse.
-  In the lubricants area: the use of renewable raw materials, service life extension, reduced energy consumption, greenhouse gas minimisation and calculation of the product carbon footprint for selected products.
-  Calculation of the corporate carbon footprint including all 15 Scope 3 categories in Oest Group and a reduction of downstream Scope 3 emissions (transport emissions and emissions when using specific Oest products).
-  Preparation for the Corporate Sustainability Reporting Directive (CSRD), according to which the Oest Group will be required to report for the 2025 financial year.







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