

Sustainability



Fabrice Billard, CEO

Ton Bücher, Chair of the Board of Directors

“We deliver leading compression solutions for a sustainable energy future with sustainability at the core of our company purpose.”

Dear Stakeholders,

Sustainability is a transformative journey. At Burckhardt Compression, we are fully engaged in this transformation as an organization and we are supporting it with our products and services, creating value for all stakeholders. With sustainability at the core of our strategy and purpose, we aim to make a significant contribution toward a sustainable energy future.

This requires a commitment to transparency and accountability. By openly sharing our targets, activities, successes and failures, we demonstrate our integrity and willingness to learn and improve. With this report, we want to further build trust with you as our stakeholders and have therefore made the significant step to have key figures audited externally, for the first time. The report covers the requirements under Article 964a-c and 964j-l of the Swiss Code of Obligations.

In fiscal year 2023, we made tangible progress on our sustainability targets for 2027.

In terms of greenhouse gas emissions, we succeeded in decoupling our growth from our emissions. For the first time, we were able to reduce CO₂ emissions by 5% in absolute terms and by 12% in relative terms, per hour worked. Energy-saving measures, particularly in China, were complemented by solar installations at our service center in Spain and by the complete switch to renewable electricity at Prognost in Germany. With our new detailed climate roadmap for each local unit, we are confident that we will reach our net-zero operational CO₂ emissions ambition by 2035 (Scope 1 and Scope 2).

In the area of working conditions, we successfully launched a new employee survey with an impressive participation rate of 93%. Our Lost Time Injury Rate (LTIR) further improved and remained below our Mid-Range Plan target. We further strengthened our commitment to respect human rights in our value chain with our new human rights policy and third-party risk management policy. In addition, there were no deviations from our zero-incident targets for product safety and business conduct.



Online AR
[report.burckhardtcompression.com/
sustainability-report](https://report.burckhardtcompression.com/sustainability-report)

Sustainability Report

On the business side, we could prove again that sustainability represents a substantial growth opportunity for Burckhardt Compression. In the fiscal year 2023, 33% of our order intake supported the energy transition. To drive further growth, we launched new products and a new service, BC ACTIVATE to support customers in their sustainability efforts.

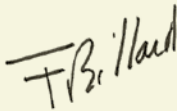
Going forward, we are determined to further accelerate our journey to meet our commitment to the Paris Agreement. I look forward to the coming fiscal year 2024, when we will significantly expand our solar capacity for renewable electricity generation in China and Switzerland. We also strive to make our contributions to energy savings through services more visible and to further expand our portfolio of compression solutions for a sustainable energy future.

All our successes and ambitions are only possible with a highly motivated team and reliable partners. I would like to sincerely thank all our employees for making this transformation happen and would also like to extend my gratitude to our customers, suppliers and other partners. We will succeed together in our transformative journey.

Yours sincerely















Ton Büchner
Chair of the Board of Directors



Fabrice Billard
CEO

Progress on our 2027 sustainability targets

Base Year 2021

Material topic	KPI and target for 2027	Status in 2023
 Climate	Greenhouse gas emission intensity ¹ 2021: 2.1 kg CO ₂ e/h	-50% -0% on track (-9% vs. FY2022)
 Energy	Share of renewable electricity ¹ 2021: 23%	> 75% 34% on track
 Longevity/cyclability	Revamp + upgrades activities in Services 2021: 100 (Index)	200 152 on track
 Application purpose	Order intake supporting the energy transition 2021: 16%	40% 33% on track
 Working conditions	Engagement score in employee survey ² 2024 (January): 4.1	> 4.0 4.1  achieved for FY2023
 Health & safety	Lost Time Injury Rate below 0.7 each year 2021: 1.1	< 0.7 0.5  achieved for FY2023
 Product safety	Incidents related to product safety 2021: 0	0 0  achieved for FY2023
 Business conduct	Incidents related to corruption or anti-competitive behavior 2021: 0	0 0  achieved for FY2023

¹ Scope 1 and 2 emissions, excluding the Shenyang foundry, where we rely on renewable grid electricity or technological developments to achieve our ambitions.

² Updated target based on the new survey methodology.

On a strategic path to a sustainable organization

Our holistic approach to sustainability considers our beneficial and adverse impacts on the economy, society, and the environment, as well as the opportunities and risks that arise for our company in return.

We have rooted sustainability deeply in our core business through our Mid-Range Plan.



Three main strategic directions guide us on our journey.

Creating leading compression solutions for a sustainable energy future

The world has to transition to a sustainable energy future by mastering the trilemma of energy security, clean energy, and energy equity. Our compression technology plays a key role in different areas of this transition. Compressors support and accelerate the transformation toward a sustainable energy future in all market segments where we are active. The range of applications extends from biogas to the production of solar panels or versatile energy transportation options such as Liquefied Natural Gas (LNG) and scalable use of hydrogen as a future energy carrier.

Supporting our customers on their sustainability journey

Increasingly, our customers are embarking on a sustainability journey, just as we are. With our products and services, we can support our customers on this path. When it comes to energy efficiency or reduction of gas leakages, we can realize significant savings together with our customers, since around 99% of the greenhouse gas footprint of a compressor comes from the use phase. Considering the approximately 75'000 existing industrial-

sized reciprocating compressors in the world, our potential positive impact is substantial.

Integrating sustainability in our organization and the supply chain

As a global industrial technology company with over 3'200 employees (FTE), we have the capabilities and the commitment to contribute to a sustainable development. We have integrated sustainability in our core strategy. The Strategy and Sustainability Committee proposes strategies, policies and key performance indicators to the Board of Directors. Corresponding risks and opportunities are assessed as part of the overall company risk management process, overseen by the Audit Committee and reported to the Board of Directors. We also recognize our responsibility to exercise our due diligence obligations in the supply chains and uphold our product responsibility. The largest sustainability potentials for our company lies in our eight material topics as outlined in this Sustainability Report.

Systems Division

Compression technology for a sustainable energy future

Compressors are critical components in several areas of the energy transition and therefore a decisive building block for its success.

Some of the application related to the energy transition are well established and are already significantly contributing to our order intake and sales. For instance, compressors to produce ethylene-vinyl acetate (EVA) used for solar panels continued at a strong pace in the petrochemical segment, and our strong value proposition enabled us to win the largest order in the history of the company in fiscal year 2023. Other applications are just emerging, or are at the stage of pilots, like green ammonia production in the hydrogen mobility and energy segment, or biogas in the segment gas gathering and processing.

New applications related to the energy transition are developing in all market segments.



1. Petrochemical and chemical industry

Traditional applications of our compressors are rooted in the polyethylene (PE), polypropylene (PP) and low-density polyethylene (LDPE) production. In transitional applications, these plastics are produced out of recycled monomer instead of naphtha or natural gas. The main application in a sustainable energy future is the production of ethylene-vinyl acetate (EVA) which is used for encapsulating solar cells. EVA is produced with a chemical reaction at more than 3'000 bar, requiring some of the largest compressors available in the world, and for which Burckhardt Compression is a leader.



2. Gas transport and storage

The traditional applications in this segment are natural gas pipeline, gray hydrogen pipelines or LPG tankers. We are already well present in transitional applications such as LNG tankers, LNG-fueled ships, and LNG import terminals. Our compression technology is used in reliquefaction processes, boil-off gas handling, or for providing fuel gas to modern dual-fuel engines. Further, we have a strong and growing presence in new energy applications such as green hydrogen transport as well as green-ammonia-ready tankers.



3. Hydrogen mobility and energy

Our equipment has been compressing hydrogen for decades, but the importance as a key building block of a sustainable energy future gives it new dimensions. There are several critical equipment to make hydrogen a viable and economical option such as the electrolyzer, the compressor, its motor, and the dispenser in fuel stations. We have stand-out technology for scaling hydrogen compression. It can be applied in transitional applications such as blue hydrogen for mobility and hard-to-abate sector or future-fit green hydrogen applications in liquefaction plants, pipelines, trailer filling, and fuel stations.



4. Industrial gas

Industrial gases are mainly used in industrial processes, such as steelmaking, medical applications, fertilizers, and semiconductors. Traditional fields are the compression of non-organic gases for various applications such as oxygen, helium, or air. As new growth driver, our compressors play an important role in the production of polysilicon, which is the core of solar cells.



5. Refinery

Refineries convert crude oil into commercial products by distillation and chemical reactions, to produce fuels and lubricants, as well as feedstocks for other downstream processes. In this segment, we deliver compressors for 70 years, mainly for hydrogen applications to desulfurize fuels. Additional applications for a sustainable energy future are biofuels, e-fuels (synthetic fuels based on green hydrogen), or sustainable aviation fuels.



6. Gas gathering and processing

We deliver compression solutions for conventional upstream natural gas extraction, enhanced oil recovery or midstream transportation applications. As the energy transition unfolds, new opportunities are arising in this segment. We are successful in the production and processing of biogas at industrial scale. Further potential lies in syngas production (methane synthesis based on green hydrogen) and CO₂ capture, transportation and storage.

Services Division

Sustainability benefits for our customers

Our compressors are used mostly in industrial and energy supply processes. Our service activities often affect various sustainability parameters with a multiplier effect due to the long operating hours and service lives.

The prevention of gas leakage, health and safety improvements, energy savings, and raw material efficiency are some of the key results that we achieve together with our customers.



Contributions to the sustainable development goals (SDGs)



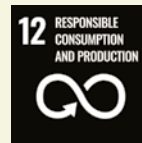
SDG 7

Enabling energy savings through efficiency gains.



SDG 13

Reduction of CO₂ emissions resulting from energy savings.



SDG 12

Extension of service life for wear parts.

Multiple sustainability benefits through one intervention

Our customer, a global air separation company, faced challenges of replacing wear parts every month, high leakages, and power wastage for two dry-running hydrogen compressors of a non-Burckhardt brand. This resulted in a production loss of up to 20% over the last years.

Through our revamp and upgrade service we were able to significantly improve the performance of the compressors. We reduced the gas leakage significantly, a particular challenge in high-pressure hydrogen application. We are convinced that any gas released from a process into the atmosphere should be reduced toward zero, regardless of whether it is a greenhouse gas or not. For many gases, the interaction with other substances in the atmosphere is not yet sufficiently researched, as it is the case for hydrogen.

We enabled a significant reduction of maintenance needs with our services, including various refurbishments and improvements for rings, packings, piston rods and cylinder liners. The compressor ran for 22 months without incident, an unrecorded achievement in the last decade. This success not only reduces resource consumption but also substantially minimizes health and safety risks for maintenance.

Finally, the production losses for the customer plummeted from 17%–20% to around 4%. For our customer, this is a substantial increase in efficiency. With this revamp, we have been able to reduce the energy consumption per m³ gas compressed by 25%. Based on the yearly production, this corresponds to 650 MWh of electricity savings and is equivalent to the electricity consumption of 180 average Swiss households.

Sustainability Report 2023

Our sustainability roadmap is fully integrated in our Mid-Range Plan 2027. It follows a strategic approach, is focused on eight material topics, and has a firmly anchored governance.

Our strategic approach

We create leading compression solutions for a sustainable energy future and aspire to incorporate economic, environmental, and social aspects into our business activities and decisions. We are an industrial technology company specializing in reciprocating compression solutions for all types of gases. With a company history stretching back over 180 years and products with a useful life of more than half a century, we base our business decisions on a long-term perspective. And we approach sustainability with the same mindset: pragmatic, focused on the long-term, creating value and impact driven.

Strategic focus on eight material topics

In our approach, we focus on eight material topics, which we identified in our materiality assessment. These eight topics constitute our framework and the core of our sustainability roadmap. In 2023, we have enhanced our materiality analysis to a double materiality by analyzing our impacts on the economy, environment, and society as well as the implications on our business success (see page 64).

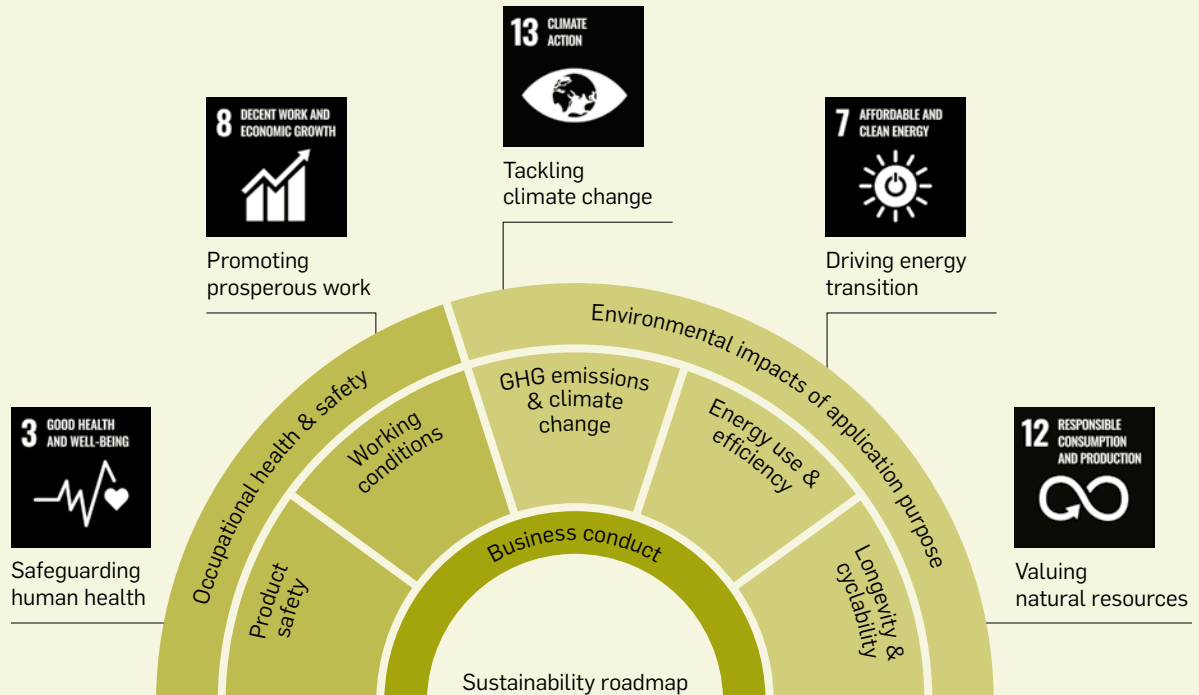
We are committed to supporting the Sustainable Development Goals (SDGs) as part of United Nation's Agenda 2030 for Sustainable Development. We have stated five sustainability ambitions, each linked to a strategic SDG and directly related to our eight material topics:

- Safeguarding human health (SDG 3: Good health and well-being)
- Promoting prosperous work (SDG 8: Decent work and economic growth)
- Tackling climate change (SDG 13: Climate action)
- Driving energy transition (SDG 7: Affordable and clean energy)
- Valuing natural resources (SDG 12: Responsible consumption and production)

We have also identified six additional SDGs to which we can contribute.

Our senior leaders play a key role in achieving our goals, which is why sustainability is part of the remuneration in the form of our long-term incentive plan. Our 2027 target to reduce our greenhouse gas emission intensity by 50%* (2021: 2.1 kg CO₂e/h) is one of three key performance indicators for the long-term incentive of our top management (see page 100, Annual Report 2023).

Strategic sustainability framework



* Excluding the Shenyang foundry where we rely on renewable grid electricity or technological developments to achieve our ambitions.

Sustainability Report

We developed a commitment to net-zero greenhouse gas emissions by 2035 which goes beyond our Mid-Range Plan target for 2027. We follow a 1.5°C climate aspiration in reference to the Paris Agreement for our Scope 1 and Scope 2 emissions. In addition, we are committed to reducing our Scope 3 emissions (see page 45).

Our third-party risk management policy ensures the uphold of our principles from our Code of Conduct in the collaboration with our partners along the value chain. Supply chain management plays a key role in this. In fiscal year 2023, we strengthened our approach on supply chain due diligence, in particular regarding child labor and conflict minerals (see page 65).

Overarching human rights, environmental, and governance due diligence

The focus on our material topics and sustainability ambitions includes an overarching due diligence approach. We acknowledge the responsibility to respect internationally recognized human rights, and international environmental and governance standards, which is also stated in our Code of Conduct. We incorporate the precautionary principle into our activities and decision-making, such as the consideration of environmental requirements in product design, the consideration of human rights in our supply chain, and the assurance of safe product operation at our customers' sites.

Material topics

		value chain impacts			
		supply chain	own operations	use/end-of-life	
Environment	1. Greenhouse gas emissions & climate change	Impacts on climate change, including greenhouse gas emissions along the value chain, and mitigation of climate change risks.	●	●	●
	2. Energy use & efficiency	Energy consumption, efficiency and sources for the production, provision, and operation of Burckhardt Compression's products and services.	●	●	●
	3. Longevity & cyclability	Fostering a long life cycle and the circularity of materials and products in Burckhardt Compression's business activities, including maintenance and repair services.	●	●	●
	4. Environmental impacts of application purpose	Environmental impacts of the use case of Burckhardt Compression's products and services, including the contribution to a sustainable energy transition.	○	○	●
Society	5. Working conditions	Employment terms including working hours, compensation, and labor-management relations as well as the satisfaction of employees with those terms.	●	●	○
	6. Occupational health & safety	Maintaining and promoting a safe and healthy working environment for workers involved in the production and provision of Burckhardt Compression's products and services.	●	●	●
	7. Product safety	Maintaining and promoting the safe and healthy operation of Burckhardt Compression products and maintained products of other brands.	○	○	●
Economy	8. Business conduct	Ensuring and promoting that Burckhardt Compression's business activities are conducted in compliance with regulations, standards and ethical principles.	●	●	●

Our material topics

1. Greenhouse gas emissions and climate change



Topic lead: President Systems Division

Target: Reduce greenhouse gas emission intensity for Scope 1 and 2 by 50%* (2021: 2.1 kg CO₂e/h)

Tackling climate change is one of the most pressing global challenges. The potential consequences of climate change are grave, in some cases irreversible, and affect individuals, organizations, and countries alike. The Paris Agreement of 2015 is a legally binding international treaty between states on climate change. It recognizes the need to limit global warming to below 2°C above preindustrial levels, preferably as low as 1.5°C.

Burckhardt Compression recognizes its responsibility and the potential to reduce its greenhouse gas emissions across the entire value chain. Our activities and technology make an increasing contribution to combating climate change and to supporting Sustainable Development Goal 13: Climate action.

The majority of the emissions associated with our business activities arises in the use phase of our compressors due to their long lifetime of 30 to 50 years. Other emissions occur in our operating facilities, where we have the most direct influence, and in logistics and the materials used.

Our approach

Burckhardt Compression endeavors to reduce the company's carbon footprint and optimize emissions during the use phase of the compressors. We focus on three key areas:

- Reduction of the company's carbon footprint
- Optimization of the impact of our inbound and outbound logistics
- Improvement of the carbon footprint of compressors

Reduction of greenhouse gas emissions during the use phase of our compressor systems is an integral part of our product and innovation management. With our services, we help our customers reduce emissions from installed compressors.

Our climate policy is the basis for all our activities related to climate change and part of our wider environmental policy. Our environmental management system, certified in accordance with ISO 14001, is a key instrument in reducing our environmental footprint. Each subsidiary takes responsibility for reducing its own greenhouse gas emissions according to the global targets.

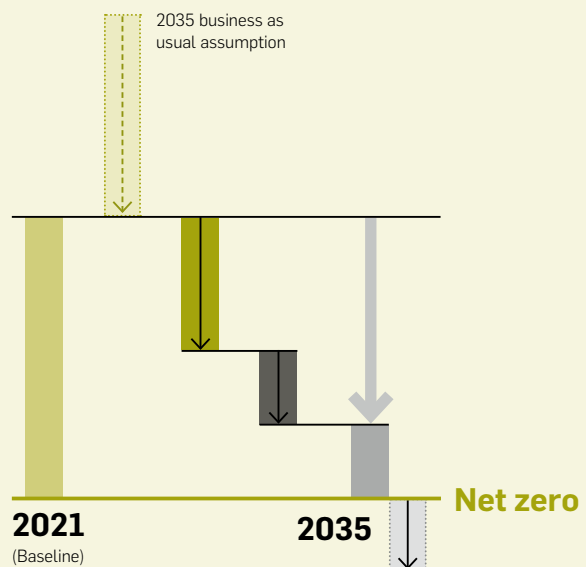
We have embedded our target of reducing our greenhouse gas emission intensity by 50%* (2021: 2.1 kg CO₂e/h) as part of top management's long-term incentives.

* Excluding the Shenyang foundry where we rely on renewable grid electricity or technological developments to achieve our ambitions.

Burckhardt Compression commits to net-zero emissions in its operations by 2035

We follow a 1.5°C climate aspiration in reference to the Paris Agreement for our Scope 1 and 2 emissions. In addition, we are committed to also reduce our Scope 3 emissions. Our roadmap to operational net-zero emissions is built on four key pillars:

- Decoupling business growth from emission growth through avoidance and savings programs
- Conversion to renewable electricity (by 2027: 75% renewable electricity without foundry)
- Reduction of Scope 1 emissions until 2035 through savings and replacement
- Counterbalance any remaining emissions through carbon removal



Sustainability Report

Progress in fiscal year 2023

We have successfully launched the Mid-Range Plan initiative "emission reduction". We identified and valued measures for emission reduction in each local unit to reach our 2027 target of -50% greenhouse gas emission intensity* and our net-zero 2035 commitment. We have now compiled project-based individual emission reduction pathways for each local unit and are able to monitor them in an aggregated group plan. In addition, we were able to verify our Scope 1 and Scope 2 emissions with a limited assurance by an external auditor.

On an operational level, we continued with various projects addressing our emissions. The measures implemented locally focused mainly on electricity consumption and renewable electricity. Prognost in Germany, for example, installed solar panels on their roof which cover around 40% of their energy use. We are also pursuing similar initiatives in other locations like Switzerland, China, and South Korea which are planned to be completed in fiscal year 2024.

We completed our Scope 3 emission inventory for the first time based on the fiscal year 2022 data. As expected, the large majority of our Scope 3 emissions is in the use phase of the compressor. The key factor is the electricity source used by our customers drive the compressor.

Greenhouse gas emissions also play a vital role in our continued product development and collaboration with our customers. In our ongoing endeavors to support our customers in their CO₂ emission reduction efforts, the Services Division launched the new service BC ACTIVATE, which provides customers with diagnostics of their installed base and invaluable insights to aid emission reduction and increase uptime.

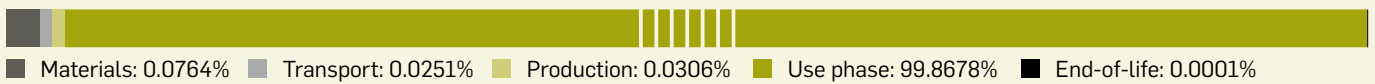
We see high potential for avoidance of gas leakage, particularly where greenhouse gases are compressed. We therefore launched under the umbrella of our energy transition services (ETS) a comprehensive emission management offering for our customers to reduce gas leakages toward zero and to be compliant with increasingly stringent emission legislation.

Greenhouse gas emissions of various compressors over the entire life cycle

in %

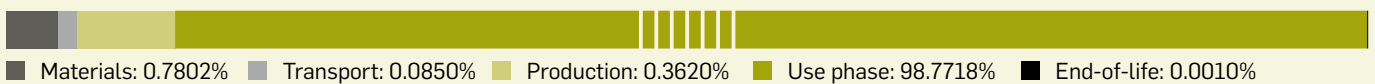
Process Gas Compressor 2B1Y

life cycle 20 years



Diaphragm Compressor MD10

life cycle 20 years



Laby®-GI Compressor 5LP250V

life cycle 30 years



Hyper Compressor K8

life cycle 30 years



The vast majority of emissions over the entire life cycle of a compressors are caused in the use phase due to the high power range of our compressors, their long lifetime and their uninterrupted operation.

* Excluding the Shenyang foundry where we rely on renewable grid electricity or technological developments to achieve our ambitions.

Our performance

The absolute greenhouse gas emissions for Scope 1 and Scope 2 decreased by 5.1% to 19'037 metric tons of CO₂ equivalents (CO₂e), thanks to various energy efficiency projects and due to a slightly reduced output in our foundry. The greenhouse gas emission intensity per working hour decreased by 11.8%, from 3.4 to 3.0 (2.3 to 2.1 without foundry). Similarly, the greenhouse gas emission intensity in tons of CO₂e per million sales decreased by 19.8% from 24.2 to 19.4. The results match with our expectation and planning for the 2027 sustainability target to reduce the greenhouse gas emission intensity Scope 1 and 2 by 50%* (2021: 2.1).

Our Scope 3 emissions for the evaluated fiscal year 2022 are 73.5 million tCO₂ whereby 99.9% are caused in the use phase. Thereof, the majority is linked to adiabatic energy, which is the energy physically needed to compress a certain amount of gas to a certain pressure. This energy is conserved and transmitted to the next process step at the customer's facility. If we take this part out as physically immutable energy, we had 13.1 million tCO₂ Scope 3 emissions which is still 95.9% in the use phase. The main levers to increase energy efficiency are our customers' operating models, proper maintenance and, to a smaller extent, machine efficiency.

Since the launch of BC ACTIVATE, the Services Division has analyzed more than 50 customer compressors and identified reduction potentials of about 3'700 tCO₂e per year.

Our business travel forms only a small part of Burckhardt Compression's other indirect greenhouse gas emissions (Scope 3), but can be directly influenced. Compared with the previous year, the emissions linked to our business trips has increased to 3'931 tCO₂e. The emission remains still slightly below the pre-pandemic level of 2019 in absolute terms (4'177 tCO₂e) and with 1.1 tCO₂e per FTE clearly below 2019 levels in relative terms (1.5 tCO₂e per FTE). We have launched measures to reduce travel frequency in the medium term.

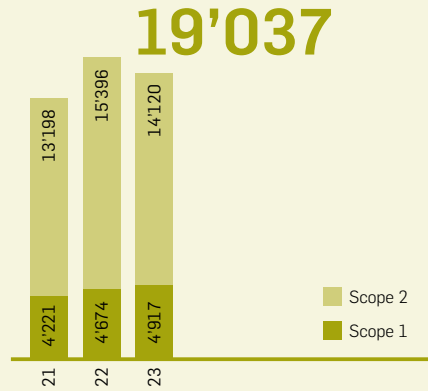
Outlook for fiscal year 2024

In the coming year, we will implement our detailed emission reduction plans for each local unit. A key milestone we expect to achieve is the completion of major solar panel projects in Switzerland, China, and South Korea. We want to refine our Scope 3 calculation and evaluate approaches to report Scope 3 emissions in the same fiscal year in which they occur. We will continue to support our customers in reducing their emissions and are working to further develop special service offerings.

* Excluding the Shenyang foundry where we rely on renewable grid electricity or technological developments to achieve our ambitions.

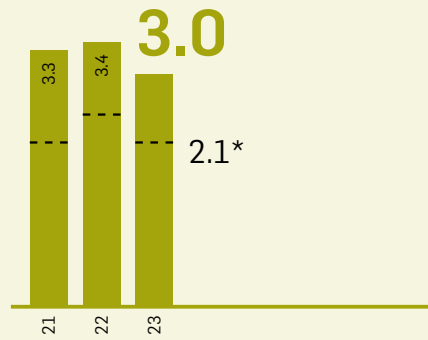
Greenhouse gas emissions

in tons of CO₂e (per calendar year)



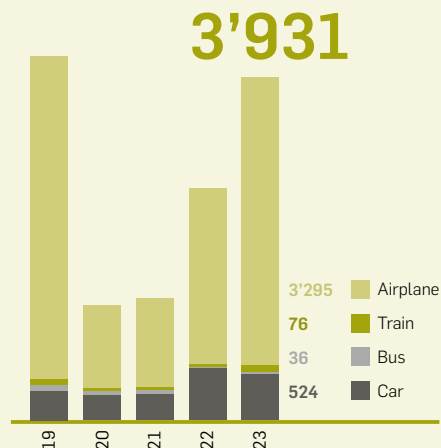
Greenhouse gas emissions intensity Scope 1 and 2

in kg of CO₂e per working hour (per calendar year)



Greenhouse gas emissions business travel

in tons of CO₂e (per calendar year)



The challenge with Scope 3 emission calculations

Calculating Scope 3 emissions is a challenging task, especially for products with a long lifetime and a continuous use. We have calculated our Scope 3 emissions to the best of our knowledge in accordance with the Greenhouse Gas (GHG) Protocol. All 15 defined Scope 3 categories were assessed. For the use phase, we assumed a standardized lifetime for the compressors of 20 years or 30 years, depending on the application. Location-based emission factors from the International Energy Agency (IEA) have been used to calculate direct and indirect emissions per country where the compressors were installed, excluding direct gas leakages, as we are not yet able to accurately estimate effective gas leakages in the operative use by our customers. The applied emission factors remain constant throughout the life cycle of the compressor without considering a projection of future grid electricity or even more progressive scenarios such as the Net Zero Emissions by 2050 Scenario or the Announced Pledges Scenario. This is in accordance with the GHG Protocol, but says little about actual lifetime emissions.

Benchmarks with other companies are difficult as the scope and methodologies to calculate the use phase vary heavily. However, we see Scope 3 emissions as a valuable insight to understand our indirect emissions and the significant reduction potential and business opportunities for the Services Division, considering the thousands of existing compressor packages worldwide. We will continue to measure our Scope 3 emissions and push for the necessary reductions in the areas that we can influence.

2. Energy use and efficiency



Topic lead: Vice President EMEA Systems Division

Target: Increase the share of renewable electricity to 75%* (2021: 23%)

The development of society depends on the conversion, use, storage, and transmission of power. However, the extensive demand for energy is also tied to significant environmental impacts.

Burckhardt Compression's business activities have a significant impact on energy consumption, especially in production, raw material supply and the electricity consumption of our compressors in the use phase. The largest impact of our activities is in the use phase of our products.

Through energy-saving production processes, compressor design and services, we can contribute to the Sustainable Development Goal 7: Affordable and clean energy.

Our approach

Burckhardt Compression endeavors to reduce energy demand and promote renewable energies. The focus is on:

- Energy use, energy efficiency, and energy quality, including renewable energy in our operations.
- Use and efficiency of energy in the operation of our products at customers' sites throughout the use phase.

* Excluding the Shenyang foundry where we rely on renewable grid electricity or technological developments to achieve our ambitions.

Energy savings of 1'856 MWh per year achieved with one compressor revamp

A customer of Burckhardt Compression in Italy operated a compressor with reduced capacity due to lower process gas demand, using a bypass-system. After conducting an engineering study to optimize the setup, we implemented a solution to reduce the volume flow to the customer's requirements by changing the configuration of the compressor from double- to single-acting.

The successful revamp generated a saving of about 230 kW power consumption of the electric motor. Assuming 8'000 operating hours a year, we enabled our customer to achieve recurring 1'856 MWh of energy savings which is equivalent to the annual electricity consumption of over 500 average Swiss households.

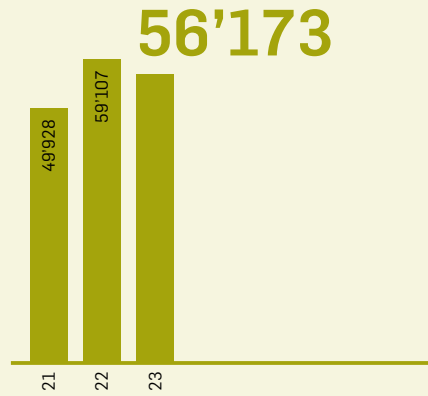
Our environmental policy and ISO-14001-certified environmental management system form the basis of our activities related to energy consumption in our value chain. Each subsidiary takes responsibility for reducing its energy consumption and increasing the share of renewable electricity according to our global target.

Our Winterthur site, for example, is in the process of implementing a multi-year project to save energy in production operations and offices. As another example, the factory in Pune has won the GreenCo Star Performer Award (Gold Rating) several times. GreenCo is an initiative created by the Confederation of Indian Industry (CII). GreenCo's rating system takes a holistic approach to the measurement of the results of corporate environmental initiatives.

The energy consumption of our compressor systems forms an integral part of our product and innovation management. Through our comprehensive services, we improve the energy requirements of our own and third-party compressor systems throughout their entire life cycle.

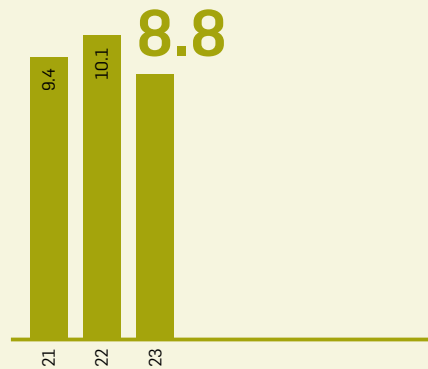
Energy consumption

in MWh (per calendar year)



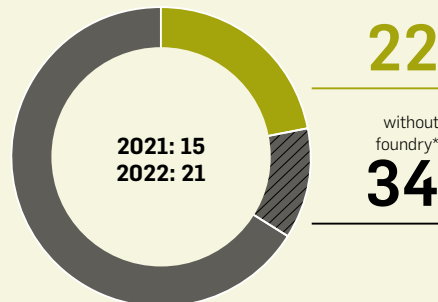
Energy intensity

in kWh per working hour (per calendar year)



Share of renewable electricity

in % (per calendar year)



* Excluding the Shenyang foundry

Sustainability Report

Progress in fiscal year 2023

In the reporting period, Burckhardt Compression continued its measures to reduce energy consumption at different sites. Our production site in Shenyang implemented a daily energy monitoring system and was able to reduce its energy consumption by 4.6% compared to fiscal year 2022. Despite the business growth, Burckhardt Compression Switzerland achieved an energy consumption reduction of 7.0% in the factory through various efficiency projects.

We have planned for the expansion of renewable electricity production at our facilities, following our new Mid-Range Plan target of 75%* renewable electricity by 2027. Our subsidiary Prognost has successfully completed the installation of solar panels on their site in Rheine, Germany, which covers around 40% of the site's electricity demand. Together with the renewable electricity purchased from the grid for the site in Rheine and Webster, United States, the Prognost activities run now entirely on renewable electricity. Similar solar initiatives are in implementation or planning at various sites including the production sites in Winterthur and Shenyang, China.

We made further progress in defining measures and a methodology to track and compare the energy consumption rates of our compressor portfolio. This will allow us to better evaluate and benchmark the engineered-to-order compressor projects and drive measurable performance improvements in energy efficiency. Key to success is to link monitoring and performance data from the field with our in-house calculation tools.

Our performance

Despite our significant sales growth of 18.4%, we were able to reduce our absolute energy consumption by 5.0% to 56'173 MWh due to energy-saving efforts and to a lesser extent due to a slight decrease in output in our foundry. As a consequence, our energy intensity per working hour decreased by 12.9% from 10.1 to 8.8. We were able to increase the Group-wide proportion of renewable electricity only slightly from 21% to 22% as larger solar projects are expected for the financial year 2024. The performance is in line with our planning for reaching our sustainability targets 2027.

With product improvements and services, we managed to reduce our customers' energy consumption in the reporting period. To date, we have evaluated few projects in terms of energy savings because access to data is challenging. We have identified this as an improvement area for our management approach.

Outlook for fiscal year 2024

In the fiscal year 2024, we will continue our roadmap to increase the share of renewable electricity across the Group. Several projects are under implementation in Switzerland, Korea, and China and will be finalized to produce renewable energy for our operations in 2024. Local energy-saving measures at operational level will be an ongoing activity. We are also continuing our efforts to better quantify our energy savings with our customers and increase our impacts with such services. In this context, our service offering BC ACTIVATE will include a dedicated assessment package to consult and implement energy-saving measures for compressors in operation. Furthermore, the collaboration between our data-monitoring unit of our Digital Products and Services team (Prognost) and our sizing team will be further strengthened to link field data with our internal calculation methods for energy consumption in operation.

3. Longevity and cyclability



Topic lead: President Services Division

Target: Increase the revamp and upgrade sales of Services Division by 100% (2021: 100 – Index)

A large number of natural resources are finite, and raw material extraction is associated with significant environmental and social consequences. It is thus essential to keep raw materials for longer in the use phase and to close loops to use materials circularly.

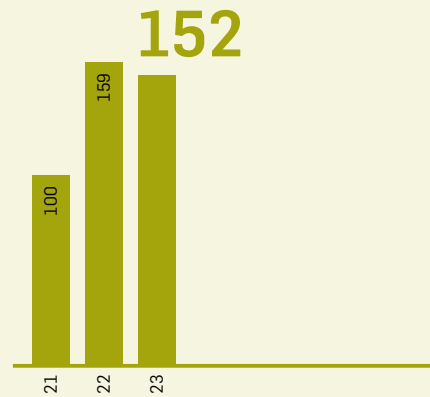
Our compressor systems are built for a lifetime of more than 25 years and the average lifetime is 30 to 50 years. Our oldest known compressor still in service is 94 years old. Our compressors are made of more than 95% iron and steel, which ensures a long service life and makes them highly recyclable.

In the manufacture and servicing of compressors, we have a significant scope to contribute to a circular economy and support Sustainable Development Goal 12: Responsible consumption and production.

Significant impacts result from the raw materials used for our compressors, the replacement of components during the use phase and the use of operating materials such as lubricants.

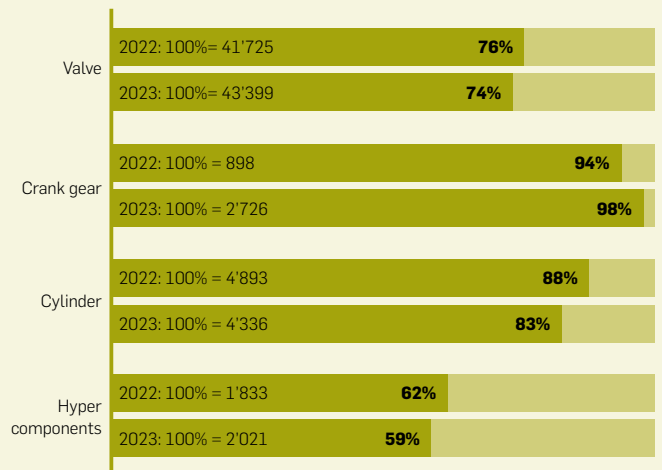
Sales volume for revamp and upgrade services

in index points, base year 2021 = 100



Proportion of reused or refurbished components in service work in 2022/2023 for selected key components.

in %



100% = Total components recycled or newly manufactured by Burckhardt Compression for service activities.

Our approach

Burckhardt Compression fosters long life cycles and the circularity of materials for own compressors and those from other manufacturers by focusing on:

- Longevity of new products through technology, engineering, easy maintenance, and optimized wear parts
- Longer life cycles of existing compressor systems through retrofitting, overhauling, and longer maintenance intervals
- Repairing of components and compressors
- Use of recycled materials, in compliance with material requirements and standards
- Recyclability of our products

To foster longevity, we use our in-depth technical knowledge to develop reliable, long-lasting, and high-performance compressor solutions. Our innovations such as Persisto® materials and Redura® sealing systems ensure a long-lasting operation. We offer a full range of reliable services and durable compressor components developed in-house to achieve our long product lifetime of 30 to 50 years.

By reconditioning equipment, we support the short recycling loop with a comprehensive range of revamp and upgrade services, as well as our refurbish programs for entire compressor systems. We also repair and refurbish compressor components such as valves using our global network of service centers.

Progress in fiscal year 2023

We have anchored the topic of longevity and cyclability in our business development for new machines and services as part of the new Mid-Range Plan. Our long-term approach in services represents a paradigm shift in compressor maintenance: moving away from standardized replacement plans based on the operating cycle to predictive maintenance based on the actual condition of the compressor.

Under the name ETS (energy transitions services), we have started a new initiative which is focusing on solutions with longer runtime time for parts as well as compressors. One essential aspect is identifying the potential to improve the energy efficiency with our diagnostic service BC ACTIVATE.

We were able to successfully implement various revamp and upgrade services for our customers. Projects went from smaller parts upgrades to full-scale and highly complex overhauls, where we transformed compressors for a second life.

After the first retrofits of Laby®-GI from lubricated to dry running in financial year 2023, we continued and have extended the fleet of dry-running compressor. Oil-free compression of the gas renders oil separation and filtration of the gas superfluous and saves up to 1'200 liters of lubricant per year and per compressor.

Two old second-hand compressors brought back to life

Northwest Gas Processing Company in the United States decided to buy two second-hand compressors on the market as their previous rental solution was expensive and not meeting the emission standards. They found two non-Burckhardt compressor packages. The challenge was that this equipment had been out of service for over ten years and needed a total revamp.

Our team from Burckhardt Compression US therefore conducted a total revamp of the engine and compressor packages. All skid components, control panels and lube system were upgraded. The compressors were rebuilt back to zero-hour and the team modified the engine to meet the stringent emission requirements of the local government.

Our performance

As anticipated, sales in revamp and upgrades have slightly decreased compared to the financial year 2023 from 156 to 152 (index), also due to foreign currency effects. We are on track to reach our target for 2027 which is to double our revamp activities compared to the base year 2021 (=100).

Repair instead of replacement is a key element in the circular economy. We contribute to it through our services; for example, the share of refurbished components for valves is 74% in all service interventions.

Outlook for fiscal year 2024

We will continue our condition-based maintenance initiative in fiscal year 2024 and in the following years. Along with our digital offering, this will be one of the main themes in the Services Division.

Another focus will be to enhance our service activities with an emphasis on revamping, and upgrading compressor systems to extend their service life.

Increased compressor reliability results in fewer emissions and extended lifetime

As part of routine preventive maintenance, our client, a leader in plant nutrition and environmental solutions, turned to Burckhardt Compression because they were facing a critical challenge: severe corrosion in a non-Burckhardt compressor cylinder.

We not only delivered an exact replica of the cylinder, but also conducted a comprehensive system analysis. Our proposed holistic solution resolved the corrosion issue and tackled related concerns. Our customer was able to extend the lifetime of the compressor and avoid unscheduled shutdowns which saves energy and costs. In addition, the new one-piece design enables a significant reduction in emissions.

Operating hours in comparison

LABY® Compressor 3K160



Weight: **9 t**

Operating hours: **8'000 per year**

Passenger car



Weight: **1.5 t**

Operating hours: **5'000 total***

* Assumption: 300'000 km at an average of 60 km/h

4. Environmental impacts of application purpose



Topic lead: Vice President Sales Systems Division

Target: Order intake of 40% in applications supporting the energy transition (2021: 16%)

Our core competence is mastering gas compression technologies for a wide range of gases and applications. Gas plays a crucial role in the process industries and energy supply, with applications ranging from conventional energy supply to industrial gases to renewable energy systems. A significant part of the indirect environmental impact of our business activities is linked to the application purpose. We have the potential to contribute to three of our strategic Sustainable Development Goals (7, 12 and 13). The main impacts of this topic are related to the use phase of our products and services.

Our approach

Burckhardt Compression is committed to the long-term alignment of its business activities with a sustainable economic system. We identified four positive impact areas:

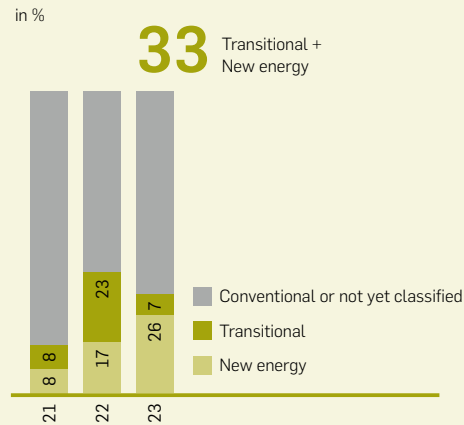
- Climate change mitigation
- Energy transition
- Circular economy
- Environmental pollution prevention

We have developed a sustainability screening approach to analyze our business activities from an environmental impact perspective. This classification system makes use of international standards such as the EU taxonomy for sustainable activities or South Korea's K-Taxonomy, without claiming to fulfill all their technical requirements. The main purpose of our screening system is to serve as a compass for the development of our business activities toward a sustainable energy future.

Largest green H₂ production facility in Europe uses cutting-edge compressors from Burckhardt Compression

We have been selected to provide three advanced oil-free hydrogen compressors for a groundbreaking green hydrogen project in France. The project, a 200 MW electrolyzer plant, is scheduled to commence production in 2026. With a projected annual output of 28,000 tons of green hydrogen, it represents a step toward a more sustainable future by annually reducing carbon dioxide emissions of around 250,000 tons.

Sustainability classification of order intake



We are expanding the range of applications for our customers and supporting the transition to a sustainable economy through our continuous innovation in compressor systems, materials, components, and services. The current focus lies on:

- Solar energy value chain, where our compressors are key equipment for the production of a thin ethylene-vinyl acetate (EVA) film on top of a solar panel and for the polysilicon production of the core.
- Liquefied Natural Gas as a short- and medium-term bridge energy for replacing coal, ensuring energy security during the transition or as a fuel for marine applications, replacing carbon-intensive heavy fuel oil until zero-emission solutions are available.
- Hydrogen as an important component of a sustainable energy future, in which our compressors play a key role in meeting the specific technical challenges of these new applications. The technological advantages of reciprocating compressors for this application are unrivaled efficiency and long service lives.

Progress in fiscal year 2023

We have continued to expand our activities that contribute to a sustainable economy. We were able to achieve further growth in hydrogen mobility and energy and to help the industry solve specific compressor-related technical challenges. This is not least due to our increased R&D and the strengthening of our business development resources for these markets.

The fiscal year 2023 was again very dynamic with a high number of projects for the solar industry, supported by a strong demand for EVA applications.

In addition to our focus areas of LNG, solar industry, and hydrogen, we were able to win further projects in the areas of green ammonia, biofuel and bio-compressed natural gas (bioCNG).

The construction of the new test facility at Burckhardt Compression in Winterthur, Switzerland, is progressing and will soon host a breakthrough compressor technology to support the development of heavy-duty hydrogen refueling stations and trailer-filling applications.

Our performance

We apply our sustainability screening approach to the entire Systems Division but also started a pilot to include Services Division in the future. The current scope covers 70% of the total order intake:

- We classified around 26% (2022: 17%) of the total order intake as new energy applications. Examples are green hydrogen projects in hydrogen mobility and energy or projects for the solar panel industry.
- Around 7% (2022: 23%) of the total order intake is classified as being transitional with environmental advantages, but not yet fully sustainable. Examples are biogas applications in refinery, dual-fuel LNG applications in gas transport & storage, and gray or blue hydrogen projects in hydrogen mobility and energy.
- Around 37% (2022: 32%) of total order intake is classified as conventional applications. Examples are conventional industrial gas or petrochemical applications without a clear link to a sustainability use case.
- 30% (2021: 28%) of the total order intake has not yet been classified.

The demand for compressors for hydrogen applications and ethylene-vinyl acetate (EVA), remained strong, while LNG (Liquefied Natural Gas) applications receded from their historical highs, especially on the marine side, as shipyards producing LNG tankers are fully loaded. We have anticipated this development in our goal setting process which gives us confidence that we will achieve our Mid-Range Plan target by 2027.

Outlook for fiscal year 2024

In the coming fiscal year, we will continue our development of innovative non-lube, high-pressure and high-flow hydrogen compressor systems to meet the specific technical challenges along the hydrogen value chain. We will also further extend our screening approach to the Services Division and evaluate business development opportunities with new applications that support the energy transition such as hydrogen storage, carbon capture and sustainable aviation fuel.

First mover green ammonia import terminal in Rotterdam realized with Burckhardt Compression technologies

We are awarded to deliver two process gas compressors for a pioneer import terminal in Rotterdam. The imported green ammonia will be cracked to obtain hydrogen. The two compressors are needed to purify the residual gas after the cracking process which contains around 12 percent of remaining hydrogen. As a result, the overall hydrogen output will increase by 10%. The project is an important infrastructure foundation for the energy transition in Europe.

5. Working conditions



Topic lead: Chief Human Resources Officer

Target: Maintain an employee engagement score of $\geq 4.0^*$ (2024: 4.1)

Jobs with decent working conditions are a basic premise for the development of individuals and society. They drive prosperity and provide a livelihood for people. Our employees are central to our success, and we are proud of our global and diverse workforce in our production sites and service centers.

With our engagement in providing good working conditions, we contribute to the targets of Sustainable Development Goal 8: Decent work and economic growth. Our most direct impact concerns the working conditions of our more than 3'200 employees (FTE). Further impacts are along our supply chain, also with regard to human rights. We recognize our responsibility to exercise due diligence in collaboration with our business partners.

Our approach

Burckhardt Compression is committed to upholding fundamental international labor standards and strives to provide conditions that exceed the local industry average overall. To achieve this, we focus on three areas:

- Dialog and relations
- Terms and compensation
- Organizational culture

The impacts on employees of suppliers, contractors, and outsourced activities are managed mainly through our supply chain due diligence approach.

Dialog and relations:

We acknowledge and support freedom of association as set out in our Code of Conduct. Open dialog with employees is a priority for Burckhardt Compression and is fostered in various ways. In addition to employee surveys and a continuous exchange with line managers, employees are informed online several times a year personally by members of the Executive Management about the state of the business and other matters, whereby questions are answered. Our online platform and mobile application BC Connect is an exchange platform accessible to all employees and allows them to receive, comment on, and write messages. Other dialog tools are used at local level in the form of collective bargaining and employee representation. 62% of Burckhardt Compression's employees worldwide are covered by a collective agreement.

Employment terms and compensation:

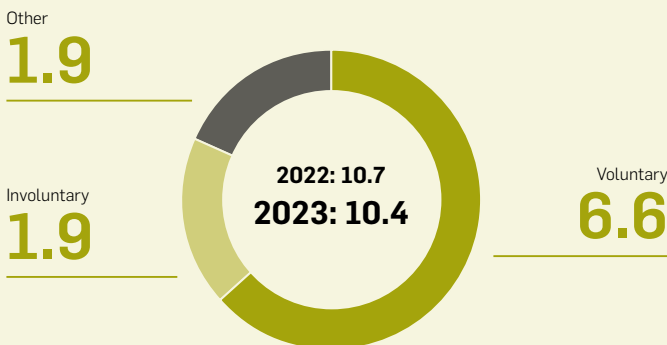
Burckhardt Compression offers attractive terms and conditions of employment adapted to prevailing requirements on an ongoing basis. We benchmark our salaries against external salary surveys conducted by Willis Towers Watson and have an ongoing monitoring system in place to eliminate significant salary differences between equivalent positions. We have greatly expanded our flexibility in terms of staff working from home and have enhanced our infrastructure to enable our employees to work comfortably from a variety of locations.

Organizational culture:

We believe that our well-established corporate culture forms the foundation of our competitiveness. A comprehensive program called "Values and Behaviors" ensures that employees in all Group locations and companies share and actively uphold the same corporate values and principles. The internal Code of Conduct is designed to set fundamental standards and principles for how employees should interact and behave with partners, stakeholders, and the environment. A global Speak Up channel operated by a third party is available to report violations of our standards, values, and behavioral guidelines.

Employee turnover ratio

in % of yearly average of full-time equivalent



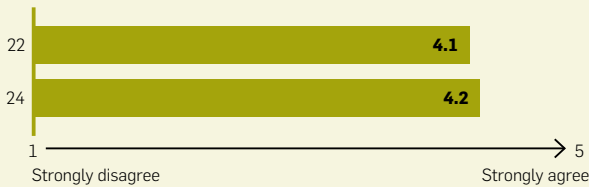
* Updated target based on the new survey methodology.

Rating from employee survey*

January 2022 and January 2024

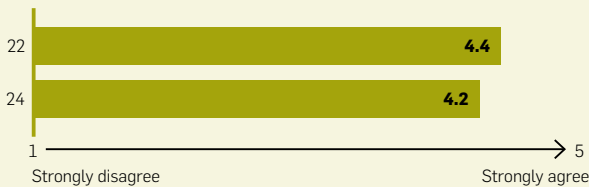
Average points scored for the statement:

"How satisfied are you with your company as a place to work?"



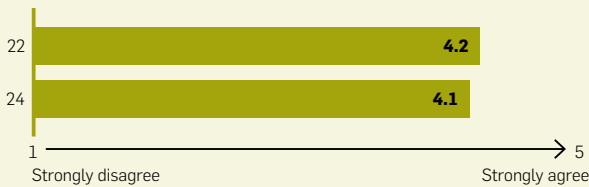
Average points scored for the statement:

"I would recommend my company as a great place to work."



Average points scored for the statement:

"Leadership communicates effectively with the company."



Average points scored for the statement:

"My company provides me with opportunities to balance my work life and personal life."



Average points scored for the statement:

"At work, I am treated with respect."



* Based on new survey methodology and limited comparability due to slightly different questions.

Progress in fiscal year 2023

In fiscal year 2023, we made significant efforts to fundamentally improve our methodology of measuring employee engagement. We have collaborated with one of the world's leading companies in this field and are now able to compare our results against a global industry benchmark. We have also switched from a biennial survey to an annual one and are using fewer and even more compelling questions to measure the engagement.

In addition to new employee engagement questions, the specific questions to assess our management approach for Working Conditions continue to be a component of the survey. We have successfully rolled out the new survey globally to all employees. The participation rate of 93% was even higher than in the past (90%), which already highlights the level of interest and passion of employees toward the company.

Further, we strengthened our commitment to respect and support the internationally recognized human rights with the release of our human rights policy.

Our performance

The employee turnover rate decreased slightly to 10.4% in the reporting period. This figure includes all departures, including fixed-term employment contracts that came to an end. Of this, 6.6 percentage points are accounted for by voluntary departures which marks a significant improvement to last year (7.5). High levels of employee loyalty and identification with the company are also confirmed by the fact that the typical employee has been with the company for 7.8 years.

The overall engagement level of the organization was 4.1 out of 5.0 on a Likert scale which is above the median of the global manufacturing benchmark.

The average score to the question "How satisfied are you with your company as a place to work?" was 4.2 out of 5.0 which positioned the company in the 56th percentile of the global manufacturing benchmark while to the statement "I would recommend my organization as a great place to work" the score was 4.2 out of 5.0 at 46th percentile.

Burckhardt Compression conducts an annual appraisal and performance review with its employees which includes personal development goals and suggestions for continuous improvement. 81% of employees completed the performance appraisal cycle in the reporting period.

Outlook for fiscal year 2024

We will drive measures locally at every team level based on the findings of our new employee engagement survey in order to address the specific needs of our employees in different regions and departments. To strengthen the dialog with our employees, we are planning a review of current practices at the local level.

Among the most attractive employers in Switzerland

Burckhardt Compression ranks as one of the most attractive Swiss employers in the mechanical and plant engineering sector 2024. This ranking is based on an independent survey of employees, and was carried out by data analyst Statista via an online access panel, combined with input from the readers of "Handelszeitung" and "Le Temps". More than 1'500 employers with 200 or more employees in Switzerland were identified for the survey. Burckhardt Compression was placed an excellent 11th in its sector and a good 163rd rank over all sectors which means a top 11% ranking.

6. Occupational health and safety



Topic lead: Vice President Quality & Infrastructure

Target: Keep the Lost Time Injury Rate (LTIR) below 0.7 every year (2021: 1.1)

The protection of physical integrity and the promotion of mental well-being are top priorities for us. By providing a safe working environment and promoting health, we can help achieve Sustainable Development Goal 3: Good health and well-being, and also Sustainable Development Goal 8: Decent work and economic growth. It is also demonstrated that good health of employees has a positive influence on business results. Our influence in this area extends to our own employees, to external employees in our workplaces, and to working conditions in supply chain companies.

Rating from employee survey*

January 2022 and January 2024

Points scored for the statement:

"I feel safe in my work environment."



* Based on new survey methodology and limited comparability due to slightly different questions.

Our approach

We are committed to the prevention of accidents and work-related illnesses and to the promotion of the mental well-being of employees and workers whose work or workplace is under the control of Burckhardt Compression. We focus our approach on two components:

- Occupational health and safety system and prevention culture
- Mental health and well-being

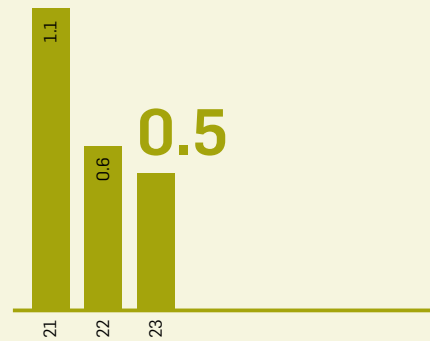
The impact on employee health and safety in our supply chain is controlled through the responsible procurement approach.

Our occupational safety policy and management system certified in line with ISO 45001 form the basis that governs all activities relating to health and safety in the workplace. Numerous measures ranging from detailed risk assessments, safety walks accompanied by management to workplace safety training, and mandatory wearing of protective footwear, protective eyewear, and other work-relevant protective equipment demonstrate their effectiveness through steadily falling risk exposure. Fostering a culture of prevention through raising awareness and involving employee representatives in the safety committee at each site is an important part of our approach.

We have several local programs under the global "Dr. BeWell" initiative to support the mental health and well-being of our employees. These include developing knowledge on topics such as stress management, sleep, and nutrition as well as promoting and encouraging sports activities.

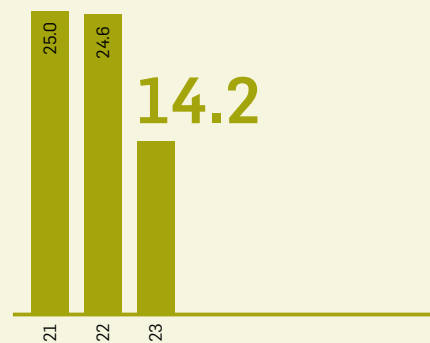
Lost Time Injury Rate (LTIR)

Per 200'000 hours worked (per calendar year)



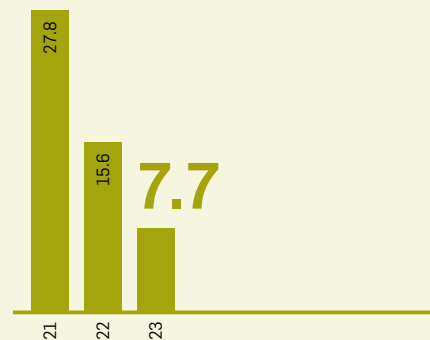
Severity Rate (SR)

Lost days per recordable incidents (per calendar year)



Lost Time Workday Rate (LTWR)

Per 200'000 hours worked (per calendar year)



Progress in fiscal year 2023

We were able to successfully conduct our external audits at Group level in accordance with the ISO 45001 standard. We systematically incorporated the findings of the local certification bodies. We continued a safety awareness campaign in all manufacturing sites including illustrative flyers. We have also evaluated a dedicated software to improve the management of precarious situations and near misses, which will be rolled out in fiscal year 2024.

Further, we have harmonized and strengthened our approach with the development of global minimum standards for occupational health and safety applicable to all subsidiaries. We have also established a global Environment, Occupational Health, and Safety (EOHS) Advisory Board to provide a global platform for the exchange of know-how and best practices.

Various local activities under the "Dr. BeWell" initiative have been continued or initiated, such as coaching and awareness webinars in Switzerland or team sport and meditative yoga sessions in India and China.

Our performance

The Lost Time Injury Rate (LTIR) has further decreased from 0.6 to 0.5. This marks an improvement compared to last year below our Mid-Range Plan target of 0.7. The severity rate has declined substantially from 24.6 to 14.2, which means that accidents were less severe and have resulted in fewer lost days. During this reporting period, we recorded no fatal accidents and no case of work-related ill-health.

Outlook for fiscal year 2024

We will pay special attention on the factory and assembly sites where proportionally the highest number of accidents are registered. The increased workload in production will continue to be a challenge. A second focus for the Mid-Range Plan period is behavior-based safety where we planned to launch a program in 2024. We will also continue to intensify our efforts to strengthen the approach to mental health and well-being.

7. Product safety



Topic lead: Vice President Contracting Systems Division

Target 2027: Maintain zero incidents every year related to product safety (2021: 0)

Compressors are a critical equipment in various applications in the process industry and energy provision. System safety and reliability are the most important areas of expertise in our business due to the high pressures, continuous operation, integration in complex industrial processes, and the individual hazard potentials of the compressed gases. By ensuring product safety, we contribute to the Sustainable Development Goal 3: Good health and well-being. The main impacts are in the commissioning and operational phase and extend over the compressors' decades of life.

Our approach

Burckhardt Compression assures safe operation of compressor systems in every phase of their life cycle. Our approach encompasses five main areas of risk assessment and mitigation:

- **International norms and standards**
Where available, we use and follow international standards for the development, production, commissioning, and maintenance of compressor systems. This includes the evaluation of safety risks and certification in accordance with mandatory laws and standards.
- **Simulation, calculation and testing**
Our comprehensive knowledge of calculation and simulation allows us to optimize the dimensioning of compressor systems. We also use specific testing and inspection procedures to ensure safety and functionality.
- **Strong processes**
Defined working principles, processes and our ISO-9001-certified quality management system ensure our processes meet the strictest requirements.
- **Control systems and maintenance**
Our compressor systems are fitted with a minimum protection system that shuts down the system in the event of a critical disruption. Our PROGNOST®-SILver system for monitoring and diagnosing the condition of reciprocating compressors and our UP! Solutions for long uptime and maximum reliability are further key tools for increasing reliability and safety.
- **Documentation and training**
To ensure the smooth and safe operation of compressor systems, we produce a specific set of operating documents for each system and offer a wide range of training modules available either online or at our training centers.

Progress in fiscal year 2023

We have successfully implemented our pre-order risk assessment and risk mitigation process, which is applied for all projects. Additionally, a new sales release matrix across all product lines serves as an advanced control and screening mechanism to comply with the different country standards and customer guidelines.

In the reporting year, we invested significantly in competence development throughout the organization, continuing the career path for technical expertise and our Global Competence Centers.

Partnering with local packagers, suppliers, and customers, we tested applications in the field before commercial operation, but also invested significantly in our test centers in China and Switzerland.

Additionally, we successfully integrated our new engineering platform launched in fiscal year 2022 in our operations. The engineering platform allows the utilization of pre-engineered modules to ensure a high product and safety level for execution during ramp-up and beyond.

Our performance

As part of the approval process, 100% of the new product configurations have been through a risk and design assessment that includes product safety. No incidents related to the product safety of our compressors were registered over the reporting period. Similarly, no violations of regulations or voluntary codes took place in relation to product safety.

In the reporting period, we registered one near miss for a new product application, which had been handled on site without injury or/and material damage. Lesson learned including raising the awareness at relevant organizational entities are implemented.

The number of new compressors fitted with a Burckhardt Compression control system was further increased. We firmly believe that our control solutions offer significant added value in terms of reliability, safety, and life cycle management of our compressors.

Outlook for fiscal year 2024

Our focus for the coming period will be on implementing the requirements from the updated machinery directive in Europe and launching products into new regions and new applications with the defined risk assessment process. Thereby, various inhouse and external test centers are utilized to simulate dynamics and operational modes.

8. Business conduct



Topic lead: General Counsel

Target 2027: Maintain zero incidents every year related to corruption or anti-competitive behavior (2021: 0)

Unethical business practices have the potential to damage the economy and society. They cause economic losses, promote social inequality, and undermine democratic processes. As a global business with a far-reaching network of business partners, we are committed to conducting our business ethically, legally, and in an environmentally and socially responsible manner, which is a precondition for all other material sustainability topics.

Our approach

Burckhardt Compression undertakes to carry out its business activities in an ethical, legal, and environmentally and socially responsible manner. We expect every business partner with which we have a business relationship to conduct itself in a similar manner. We assess every aspect of our business relationships and focus particularly on:

- Business compliance
- Anti-corruption
- Free competition
- Export and sanctions compliance

Our Code of Conduct defines the fundamental standards and principles for employee interaction and behavior with partners, stakeholders, and the environment. With the Code of Conduct for business partners, our suppliers, local agents, and partners commit to conducting their business in an ethical, legal, and environmentally and socially responsible manner. All employees are required to explicitly acknowledge their understanding of the Code of Conduct on a regular basis. We train our employees in the fields of anti-corruption, business compliance including free competition, and strict adherence to export and sanctions controls.

Burckhardt Compression carries out regular internal audits of all its subsidiaries with a focus on financial, legal, and compliance topics. Every subsidiary is audited at least in a three-year cycle.

Our third-party risk management policy supports us in implementing our risk management with third parties. It clarifies the expectations placed on management and employees when dealing with third parties.

Our Speak Up reporting system is a complaints channel operated by an independent third party. It allows employees, business partners, and third parties that are, or might be, aware of suspected misconduct to register it in the reporting system. The system is designed to allow protection of the identity of the reporting party and for comments to be made anonymously.

Sustainability Report

Progress in fiscal year 2023

We are continuously monitoring our "Values and Behaviors" which, together with our Code of Conduct, form the fundamental behavioral guidelines at Burckhardt Compression. The latest version clearly emphasizes the importance of "Responsibility" as one of the four pillars of our "Values and Behaviors". We also continued with the roll-out of our Code of Conduct for our business partners, which has been signed by suppliers and business partners representing more than 80% of our purchasing volume.

We released a third-party risk management policy in this fiscal year as framework for managing the risks associated with working with third parties. We further strengthened our human rights due diligence with the release of our human rights policy.

To further raise awareness of compliance with the law in our focus areas of business compliance, anti-corruption, free competition, and export and sanctions compliance, we provide targeted training modules for employees concerned. In the reporting period, a total of 296 employees who deal with these areas in their work have successfully completed such modules.

Speak Up, which is now running for the third year, has been updated to a new platform for a more convenient access to place a report.

Our performance

A total of one internal suspected case of misconduct in violation with the Code of Conduct or law was recorded on the Speak Up reporting system, issued by a former employee. The case was duly processed and closed within the reporting period. The processing time to the conclusion of the investigation was 43 days.

We conducted eight internal audits of subsidiaries following our audit cycle. All past identified risks have been mitigated and no significant new risks regarding corruption and anti-competitive behavior have been detected in this financial year.

No violations of competition law or instances of corruption connected to our business activities were identified during the reporting period, nor were any sanctions imposed for any other significant non-compliance with environmental, social, or any other legislation.

Our existing processes and preliminary clarifications of export controls have proven their worth. 7 requests for clarification of export regulations were forwarded to the appropriate authorities during the reporting period and all cases were approved.

Outlook for fiscal year 2024

We are planning to further strengthen and harmonize our training activities for business conduct across Burckhardt Compression. This will further develop our set of trainings in the realm of business and sanctions compliance. Furthermore, we are strengthening our governance and policies around Business Conduct, including a comprehensive Sanctions Compliance Policy. We are further increasing the reach of our Code of Conduct for business partners, particularly in cooperation with our suppliers.

Our Commitment

Firmly anchored sustainability governance

The very top management of our organization is committed to sustainability. Responsibilities are clearly defined at every level and closely linked to strategy. All sustainability-related activities are supervised by the Board of Directors. The Strategy and Sustainability Committee supports the CEO in developing corporate strategy and advises the Board of Directors on all matters relating to strategy and sustainability.

The risks and opportunities linked to sustainability are managed as part of the overall company risk management process and are reported to the Audit Committee and to the Board of Directors.

All members of the Executive Management are also members of the Executive Sustainability Team, which is responsible for the strategic approach at Group level and compliance with our sustainability roadmap.

Every material topic is led by a member of senior management. These managers form the Sustainability Steering Group together with the Managing Directors of the production and assembly sites, and the Regional Heads from the Services Division. The Sustainability Steering Group is responsible for implementing the sustainability roadmap and defining the topic-specific management approach.

Implementation is supported by designated experts in the field and key local individuals in the subsidiaries. They provide technical expertise and ensure on-site implementation.

A designated sustainability manager leads and moderates the related activities at Group level and, as a technical expert, supports all functions and subsidiaries with implementation of the roadmap.

The Sustainability Report on non-financial matters has been prepared, approved, and signed by the Board of Directors in accordance with the requirements of Articles 964b and 964c of the Swiss Code of Obligations.

Sustainability governance at Burckhardt Compression



A clear focus based on our materiality analysis

We use a materiality analysis to determine where our company's activities have the greatest impact on society, the environment, and the economy. For this purpose, we conducted an impact analysis, where we assessed actual and potential positive and negative impacts of our activities along the value chain. In the financial year 2023, we further enhanced our analysis with the perspective of actual and potential implications for our business success, thereby considering a double materiality perspective. The aspects of scale, scope, and likelihood of impacts were considered as assessment categories with a precedence of scale and scope. In this process, we gathered the views and concerns of our key stakeholders – investors, customers, employees, and suppliers – online and in person. Impact is the only determinant for materiality definition for the GRI reporting to be aligned with the standards.

Our materiality matrix assessment

Material topics

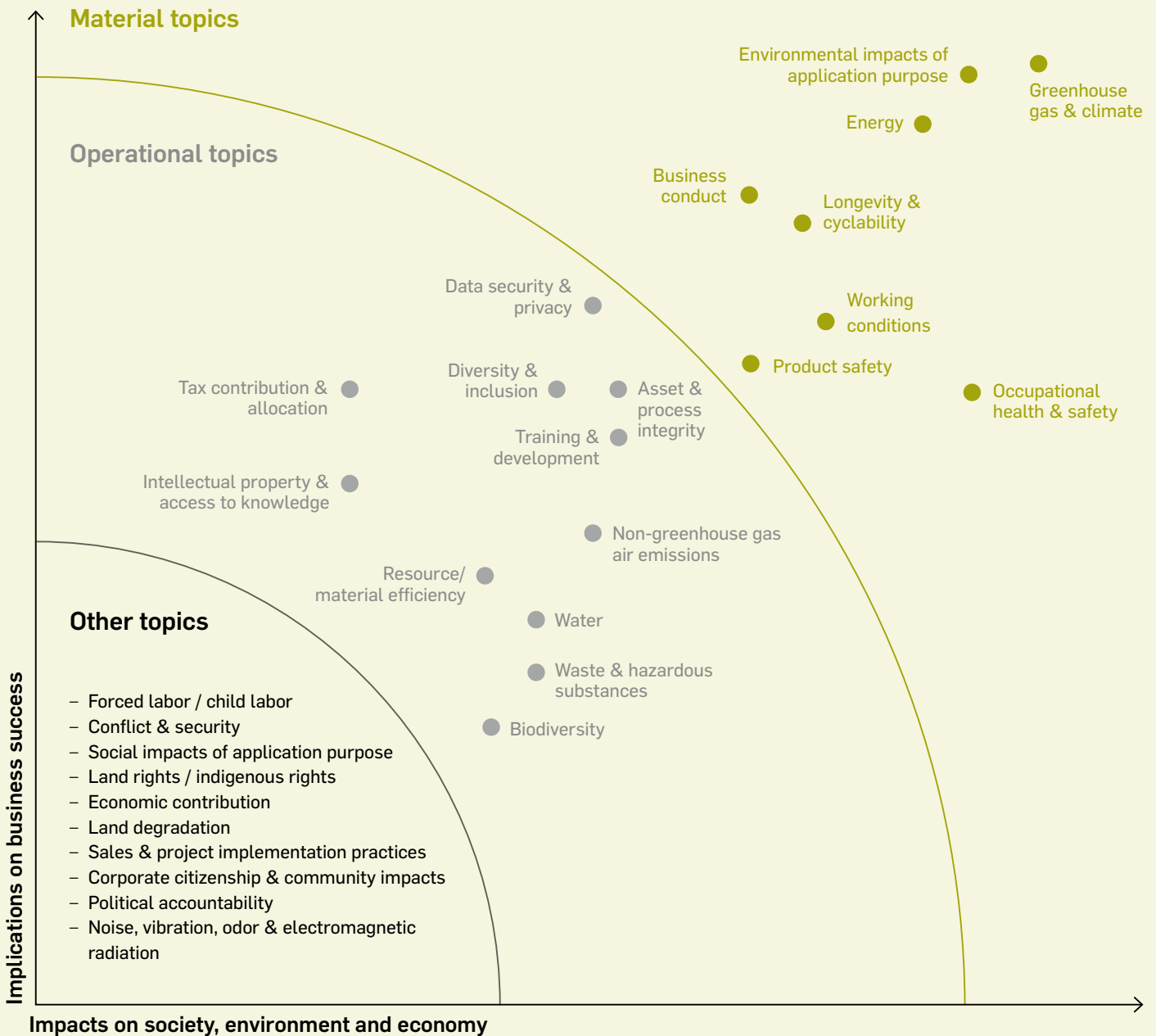
Are included in our strategic approach to sustainability and are subject to extended reporting requirements for our Sustainability Report.

Operational topics

Have an increased relevance in our business activities and are continuously integrated into our operations; communication takes place according to needs and opportunities.

Other topics

May have increased relevance in a specific context but not on a group level; management and communication take place according to needs and opportunities.



For each of the eight material topics, we have appointed a topic leader who, together with subject matter experts, develops our approach. Operational topics are important to us as well, but we do not pursue them with the same strategic approach as the material topics. They are integrated into the operational business activities at the departmental level. Other topics may be of greater relevance for a specific subsidiary, but not across the whole Group. We address these topics on a situation-specific basis.

Our employees are the key to our success

Together, we are successful and create sustainable value. Burckhardt Compression is thus engaged in the advancement of all employees and a diverse workforce. They are a vital factor in the implementation of our sustainability ambitions.

We appreciate our employees' expertise and promote knowledge sharing. Personal training and development are part of the annual appraisal and performance review process and are financially supported by the company. To ensure the ongoing development of technological expertise and personal as well as managerial skills within the company, employees around the world participate in internal technical, product, and leadership training modules, which are conducted across the Group throughout the year with a range of programs. In the fiscal year 2023, we provided on average 15.4 h of internal training per FTE and reached 89% of our employees with our offering.

We promote and support new talent at all levels and are committed to the Swiss system of apprentice training. We currently have 51 apprentices in Switzerland and 20 in India in eight occupations. Burckhardt Compression is a founding member of the initiative launched under the auspices of the Swiss Federal Office for Professional Education and Technology and the Swiss-Indian Chamber of Commerce to establish an apprenticeship system in India based on the Swiss model. The company is also a corporate sponsor of the AZW Training Center in Winterthur, Switzerland, for vocational career pathways.

We fundamentally believe that mixed teams perform better. In the reporting period, women made up 33.3% of the Board of Directors and 20% of Executive Management. Of the global workforce, 15.8% (2021: 15.6%) are female.

Supply chain due diligence

Burckhardt Compression relies on a strong supply chain and taps into its suppliers' experience and knowledge to continuously improve its products. We source raw materials for the foundry in Shenyang, China, raw materials and semi-finished products for the manufacture of compressors in our factories, and components and other accessories to complete the overall compressor systems and maintain them on site. For this, we have an established global supply chain, with core suppliers for production located in the wider regional area.

Due diligence approach

Burckhardt Compression built a due diligence approach informed by the OECD Due Diligence Guidelines and the UN Guiding Principle on Business and Human Rights. Our human rights policy and our third-party risk management policy form the umbrella policies for our management approach. The implementation process is based on four pillars: expectation, identification, verification, and mitigation. In fiscal year 2023, we strengthened our approach with a focus on environment, health and safety, human rights (including forced labor), and in particular child labor and conflict minerals, in compliance with the Articles 964j-k of the Swiss Code of Obligations and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).

Through our Code of Conduct for business partners and the co-applicable implementation guidelines, we set for expectation the same high standards for suppliers as we do within our company, and we also include them in our environmental and quality policy.

We conducted a risk identification considering risks of potential negative impacts as well as the relevance of our suppliers. Over 2000 suppliers were analyzed along the 2023 focus topics. The results confirmed that the main risks are primarily in health and safety, environment and working conditions within human rights.

Based on the risk exposure for each topic and threshold values for the purchasing volume, assessments for verification of the identified risk were initiated at 618 suppliers. 392 suppliers already completed the assessment.

Mitigation measures were initiated for 126 suppliers to complete the assessment or for suppliers with insufficient assessment results to build up their corresponding management systems. Burckhardt Compression is committed to pursue a development-oriented due diligence approach for its suppliers to strengthen their capabilities to fulfill ever-increasing requirements.

In fiscal year 2024, the due diligence approach will be further strengthened and rolled out to other topics. In addition, we plan to strengthen environmental, human rights, and compliance aspects as part of the on-site audits of our suppliers.

Child labor

In line with our commitment to human rights, we are monitoring our suppliers and have a clear demand to not tolerate child labor. The due diligence for child labor follows the overarching due diligence approach for suppliers in compliance with the Articles 964j-k of the Swiss Code of Obligations and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).

The broad risk identification revealed a lower exposure to child labor compared to other topics and other industries. No substantiated suspicion of child labor could be found, either in the risk identification and assessment, in further investigations or in the Speak Up complaint channel. We are committed to apply our due diligence approach to child labor with even lower thresholds in purchasing volume than other risks due to the potential severity of human rights violations in this area.

In the fiscal year 2023, we conducted 178 supplier assessments with regards to child labor. In 13 cases, it was found that the supplier did not have an adequate management system in place despite indications of risk. In these cases, improvements and corrective action measures were initiated.

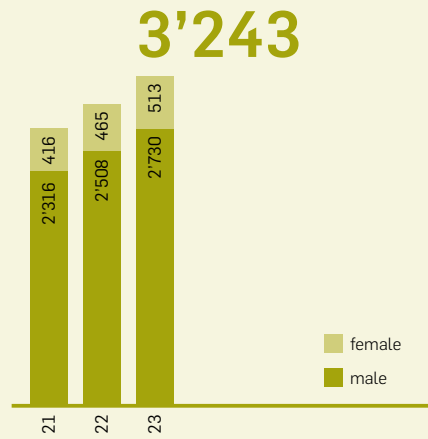
Conflict minerals

Our compressors are made of over 95% by weight of iron and steel. Some components contain tin, tungsten or, in the case of electronics, gold. We have established and published a Conflict Minerals Policy and apply due diligence. In 2023, we initiated a traceability assessment with 33 suppliers in order to obtain evidence that the smelters in our supply chain do not source minerals from conflict affected regions.

We have analyzed our purchasing activities in Switzerland and do not exceed the thresholds set out by the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). An independent assurance company has confirmed our analysis.

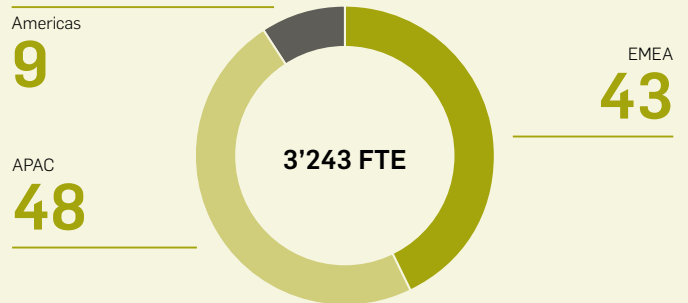
Global workforce by gender

Employees (FTE)



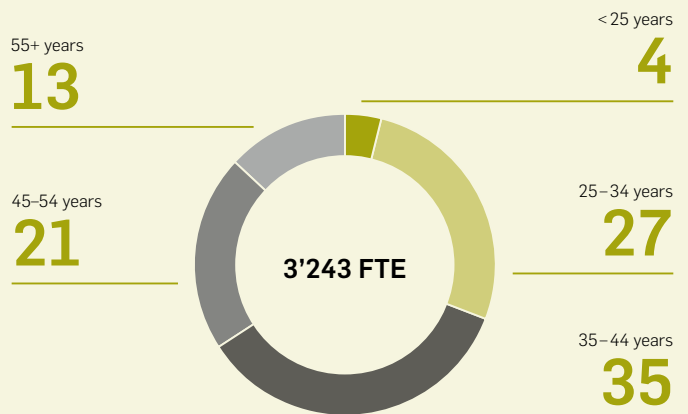
Global workforce by region, 2023

in %



Global workforce by age, 2023

in %



Dialog with our stakeholders

The appropriate involvement of our various stakeholders is extremely important to us. We have identified four key stakeholders within our sustainability management: customers, employees, investors, and suppliers. We are engaged in detailed discussions with them and actively involve them in identifying material topics. In addition, we also maintain an open dialog with other stakeholder groups, such as the local community, media, the scientific community, associations, civil society, and the state, as required.

Customers

We seek long-term customer relations. The longest-standing customer relationship dates back to 1885, when the company supplied BASF in Ludwigshafen with one of the first compressors ever built. Customer satisfaction is measured using various tools. The results are evaluated as part of the management process with the divisional management teams, and actions are initiated and implemented in accordance with the results. Customer priorities in the field of sustainability were climate, energy, and occupational safety. All three are part of our material topics.

In the fiscal year 2023, we successfully completed another cycle of our Voice of Customer survey for the Services Division. We received feedback from over 1'200 participants from over 77 countries and produced 30 specific company reports, all of which help us to create more value for our partnership. In four out of eight performance categories, we achieved a satisfaction level of over 90% with an overall satisfaction level of 92%, which is a further increase compared to the previous survey.

In the Systems Division, customer satisfaction is also measured every year by means of customer surveys. For the coming fiscal year, we have planned to expand customer satisfaction measurement in the Systems Division. This measurement will be based on the Voice of Customers initiative of the Services Division, which allows a significant expansion and harmonization.

Investors

We maintain an open and transparent dialog with our investors and other interested parties. The aim of investor relations is to accurately portray the company and its markets to enable a fair evaluation of Burckhardt Compression stock. Leading Swiss business newspaper "Finanz und Wirtschaft" gives Burckhardt Compression's investor relations and transparency the highest rating of A.

We aim to maintain regular interaction with our key investors in road shows, conferences, and individual meetings. Every year, we conduct several year-end and half-year investor road shows in Zurich, London, the United States, and other financial centers. Furthermore, we participate in various investors conferences in Switzerland, the United Kingdom, and the United States. We also organize on-site visits where we can invite our investors to our Winterthur headquarter in Switzerland to present our company, answer their questions and show them our factory.

In recent years, the importance of ESG (Environment, Social, Governance) rating agencies has also increased significantly for our investors. Important sustainability priorities for our investors include climate change, business conduct, and energy consumption. All three are covered in the material topics.

Employees

Open dialog with employees is a central priority for us and is carried out in different ways. The most important dialog channels are described in this report in the material topic working conditions (see page 56). The key priorities for employees are health and safety at work, working conditions, and training and development. We actively deal with the first two within our material topics. Training and development are a central pillar of our HR management.

We organize very consciously and regularly occasions with our employees, where we get together and cultivate friendships outside of everyday working life, whether it is a thanksgiving celebration in the United States, the Diwali celebration in India, the Chinese New Year party in China, different Christmas dinners or events around the globe or the so-called Name Day celebration in Winterthur to celebrate the birthday of our company. In the financial year 2024, we have planned the first Family Day in Winterthur after the Covid-19 pandemic to include the families and closest people of our employees.

Sustainability Report

Suppliers

We work closely with suppliers in the product development phase, with the aim of long-term partnerships. Exchanges and performance reviews take place on a regular basis via on-site visits, virtual meetings, audits, or inspections. Occasionally, supplier days are held at regional or global level. The central sustainability priorities for suppliers are occupational health and safety, energy consumption, and business conduct. All three topics are key elements of our approach to sustainability.

In the fiscal year 2023, Burckhardt Compression India conducted a supplier day for their key suppliers, where they provided a business overview and outlook to foster supplier preparedness. Two essential topics of the meeting, which are particularly important for us, were sustainability and digitalization. The supplier day also allowed for exchange between suppliers with best practices presentation of improvement steps taken.

We actively give our suppliers feedback in our performance discussions and want to recognize outstanding performance. This is why we distribute supplier awards. This year, three awards were presented to suppliers for their outstanding performance: one at Supplier Day at Burckhardt Compression India, the Burckhardt Compression East Asia Supplier Award, and a global award for outstanding performance in a specific project.

Communities and other stakeholders

We maintain an open relationship with the local communities. We established distinct communication channels for inquiries and communicated these contact points on our website. We also support and promote local initiatives, for example in the areas of education and sports. We practice transparency in our exchange with the media and authorities and strive for timely and open communication.

In the fiscal 2023, we invited the parents of our apprentices at our headquarters in Winterthur to an event to visit their youngster's place of work and talk directly to the responsible personnel. This trust building is important for us as we are highly committed to the apprentice system. This is why we have awarded a prize to young participants of the AZW Training Center in Winterthur for their submitted improvement projects as part of a climate initiative.

Engagement with local stakeholders is also a reality in our subsidiaries. At our Burckhardt Compression India production site for example, we offer the community business support in waste management by selling scrap metal for their recycling business and focus on job opportunities for underprivileged community members. We further contribute toward building schools, water reservoir and are currently in a dialog to set up a waste management facility in the village next to our factory.

Extended key figures

Environmental metrics¹

	2023	2022	2021	
Energy				
Energy use	MWh	56'173	59'107	49'928
Electricity		29'445	30'658	27'779
Fuels and combustibles ²		17'754	18'585	16'608
District heating		8'974	9'864	5'541
Share of renewable electricity	%	22	21	15
Energy intensity	kWh per working hour	8.8	10.1	9.4
Greenhouse gas emissions				
Greenhouse gas emissions Scope 1 ³	tCO ₂ e	4'917	4'674	4'221
Combustibles		1'436	1'551	1'485
Fuels		2'833	2'914	2'508
Others		648	209	228
Greenhouse gas emissions Scope 2 ^{4,5}	tCO ₂ e	14'120	15'396	13'198
Electricity		12'588	13'712	12'252
District heating		1'532	1'684	946
Greenhouse gas emission intensity by working hours (Scope 1 and 2)	kgCO ₂ e per working hour	3.0	3.4	3.3
Greenhouse gas emission intensity by working hours without foundry (Scope 1 and 2)	kgCO ₂ e per working hour	2.1	2.3	2.1
Greenhouse gas emission intensity by sales volume (Scope 1 and 2)	tCO ₂ e per mCHF	19.4	24.2	26.8
Greenhouse gas emissions business travel (Scope 3)	tCO ₂ e	3'931	2'663	1'405
Water and waste				
Water ⁶	m ³	74'991	78'687	83'810
Waste ⁶	t	2'790	3'530	2'805

¹ With the exception of the figures for water consumption and waste, the data relate to all sites of the Burckhardt Compression Group. The data collection for environmental data is performed by calendar year. The denominators sales volume and working hours are collected per fiscal year. The greenhouse gas inventory was calculated according to the WRI/WBCSD Greenhouse Gas Protocol Standard. "Operational control" was selected as the consolidation approach. Working hours are calculated as the average FTE per fiscal year multiplied by 8 hours and 220 working days. Business travel (Scope 3) emissions data for 2019–2022 have been recalculated due to a more precise data availability. The updated values are almost identical for the years 2021–2022 and higher for the years 2019–2020.


² From fossil sources.

³ Scope 1 includes all directly caused emissions (e.g. combustion of fuels, loss of refrigerants).

⁴ Scope 2 includes emissions caused with purchased energy (electricity, district heating).

⁵ Reported according to the market-based approach under the Greenhouse Gas Protocol Scope 2 standard. The location-based approach results in emissions of 14'444 tCO₂e in 2023 (2022: 15'801 tCO₂e, 2021: 13'653 tCO₂e).

⁶ Data refer to the production and assembly sites of the Burckhardt Compression Group, including headquarter (Switzerland, India, China, South Korea, United States) and is informed by the Standards of the Global Reporting Initiative (GRI).

 Assured by PwC 2024 (limited assurance)

Sustainability Report

Health and safety¹


	2023	2022	2021
Health and safety¹			
Lost Time Injury Rate (LTIR) ²	0.5	0.6	1.1
Severity Rate (SR) ³	14.2	24.6	25.0
Lost Time Workday Rate (LTWR) ⁴	7.7	15.6	27.8

¹ The data collection for occupational health and safety data is performed by calendar year. Working hours are compiled as effective working hours per calendar year.

² Rate per 200'000 working hours for number of recordable incidents with lost time > 1 working day.


³ Number of lost days per incident subject to registration with loss > 1 working day.

⁴ Rate per 200'000 working hours for total of lost workdays.

 Assured by PwC 2024 (limited assurance)

Employee structure


	2023	2022	2021
Employee structure	FTE	FTE	FTE
Number of employees	3'243	2'973	2'732
Permanent	2'980	2'724	2'508
Male	2'536	2'320	2'145
Female	444	404	363
EMEA	1'378	1'264	1'152
APAC	1'298	1'155	1'066
Americas	304	305	290
Temporary	263	249	224
Male	194	188	171
Female	69	61	53
EMEA	13	19	16
APAC	250	229	207
Americas	0	1	1
Full-time	3'104	2'856	2'628
Male	2'646	2'442	2'256
Female	458	414	372
EMEA	1'253	1'167	1'065
APAC	1'547	1'384	1'273
Americas	304	305	290
Part-time	139	117	104
Male	84	66	60
Female	55	51	44
EMEA	138	116	103
APAC	1	0	0
Americas	0	1	1
Number of external workers	329	305	298
Number trainees & apprentices	145	178	153

 Assured by PwC 2024 (limited assurance)

Sustainability Report

Employee turnover

	2023		2022		2021	
	FTE	% yearly average	FTE	% yearly average	FTE	% yearly average
New employee hires (% of yearly average)	590	18.7%	510	17.7%	451	17.1%
	FTE	% end of year	FTE	% end of year	FTE	% end of year
New employee hires (% of end of year)	590	18.2%	510	17.2%	451	16.5%
Male	489	17.9%	427	17.0%	382	16.5%
Female	101	19.7%	83	17.9%	69	16.6%
<25 years	52	36.9%	55	43.6%	45	50.2%
25–34 years	251	29.1%	210	26.9%	171	22.2%
35–44 years	163	14.2%	145	13.8%	121	13.7%
45–54 years	87	13.0%	63	10.3%	69	11.6%
54+ years	37	8.7%	37	9.2%	45	11.4%
	FTE	% yearly average	FTE	% yearly average	FTE	% yearly average
Employee turnover (% of yearly average)	328	10.4%	308	10.7%	266	10.1%
	FTE	% end of year	FTE	% end of year	FTE	% end of year
Employee turnover (% of end of year)	328	10.1%	308	10.4%	266	9.7%
Male	275	10.1%	264	10.5%	230	9.9%
Female	53	10.3%	44	9.4%	36	8.7%
<25 years	19	13.3%	17	13.4%	17	19.1%
25–34 years	106	12.3%	100	12.8%	82	10.6%
35–44 years	86	7.5%	80	7.6%	87	9.9%
45–54 years	45	6.7%	43	7.0%	36	6.0%
54+ years	72	17.0%	68	16.9%	44	11.1%

 Assured by PwC 2024 (limited assurance)

GRI content index

Burckhardt Compression has reported in accordance with the GRI Standards for the period April 1, 2023 to March 31, 2024. GRI 1 Foundation 2021 has been used for compiling this report and there is no applicable GRI Sector Standard.

GRI standard	Disclosure	Reference	Further information and omissions
GRI 1: Foundation 2021			
GRI 2: General disclosures 2021			
The organization and its reporting practices			
GRI 2: General disclosures 2021	2-1 Organizational details	p. 116, pp. 138–139	a. Burckhardt Compression Holding AG
	2-2 Entities included in the organization's sustainability reporting	p. 116, pp. 138–139	iii. Consolidation approach applies to all disclosures.
	2-3 Reporting period, frequency, and contact point	–	a. Sustainability report: 04.01.2023 to 03.31.2024, yearly b. Annual report: 04.01.2023 to 03.31.2024 c. Publication: 04.06.2023 d. Contact: sustainability@burckhardtcompression.com
	2-4 Restatements of information	–	CO ₂ emissions for business travel (Scope 3) have been recalculated for the years 2019–2022 due to a more precise data availability. The updated values are almost identical for the years 2021–2022 and slightly higher for the years 2019–2020.
	2-5 External assurance	p. 69–71, p. 78–80	Yes
Activities and workers			
GRI 2: General disclosures 2021	2-6 Activities, value chain, and other business relationships	p. 10, p. 65, p. 116, p. 119	
	2-7 Employees	p. 70	b. iii. One male person in Americas c. FTE at the end of the reporting period. d. Trainees & apprentices are not included since some of our apprentices have an external work contract with the AZW Training Center in Winterthur.
	2-8 Workers who are not employees	p. 70	a. i. Production employees, service technicians and engineers. a. ii. Engineering, project management, field services, compressor manufacturing, and assembly. b. FTE at the end of the reporting period.
Governance			
GRI 2: General disclosures 2021	2-9 Governance structure and composition	pp. 85–91	
	2-10 Nomination and selection of the highest governance body	Bylaws Art. 15–16, pp. 85–91	b. i. Annual discussion with major shareholders and proxy advisors. b. ii-iv. Disclosed, applying not publicly disclosed criteria.
	2-11 Chair of the highest governance body	pp. 86–88	

GRI standard	Disclosure	Reference	Further information and omissions
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 63, pp. 88–91, Organization regulation 1.–4.	
	2-13 Delegation of responsibility for managing impacts	p. 63, pp. 88–91, Organization regulation 1.–5.	
	2-14 Role of the highest governance body in sustainability reporting	p. 63	
	2-15 Conflicts of interest	p. 83, pp. 85–87	a. Annual written confirmation by all members of the highest governance body.
	2-16 Communication of critical concerns	pp. 61–62, Speak Up policy	
	2-17 Collective knowledge of the highest governance body	p. 89, Organization regulation 1.4.4.	Through ongoing communication and reporting.
	2-18 Evaluation of the performance of the highest governance body	p. 91	
	2-19 Remuneration policy	pp. 98–101	
	2-20 Process to determine remuneration	pp. 98–101	
	2-21 Annual total compensation ratio	–	This information is not available. We are evaluating the possibility of providing such information in the future.
Strategy, policies, and practices			
GRI 2: General disclosures 2021	2-22 Statement on sustainable development strategy	pp. 12–14, pp. 34–35	
	2-23 Policy commitments	pp. 43–44, pp. 61–62, pp. 65–66 Code of Conduct	
	2-24 Embedding policy commitments	pp. 61–63, Organization regulation 3.–4.	
	2-25 Process to remediate negative impacts	pp. 61–62, Speak Up policy	
	2-26 Mechanisms for seeking advice and raising concerns	pp. 61–63, Speak Up policy	
	2-27 Compliance with laws and regulations	p. 62	

Sustainability Report

GRI standard	Disclosure	Reference	Further information and omissions
	2-28 Membership associations	–	<ul style="list-style-type: none"> – AZW Winterthur, Board – CII Confederation of Indian Industry – EFRC – European Forum for Reciprocating Compressors – ICAAMC – International Compressor Applications and Machinery Committee – SWISSMEM – Schweizer Maschinen-, Elektro- und Metall-Industrie – Swiss Mechatronics – Swiss-American Chamber of Commerce – Swiss-Chinese Chamber of Commerce – Swiss-Indian Chamber of Commerce – Switzerland Global Enterprise
Stakeholder engagement			
GRI 2: General disclosures 2021	2-29 Approach to stakeholder engagement 2-30 Collective bargaining agreements	pp. 67–68 p. 57	b. Where usual and available, we take existing bargaining agreements as a benchmark.
Material topics			
GRI 3: Material topics 2021	3-1 Process to determine material topics 3-2 List of material topics	pp. 63–65 p. 64	
Greenhouse gas emissions and climate change			
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 45–48	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity	p. 47, p. 69 p. 47, p. 69 pp. 47–48, p. 69 p. 47, p. 69	
Energy use and efficiency			
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 48–50	
GRI 302: Energy 2016	302-1 Energy consumption within the organization 302-3 Energy intensity	p. 49, p. 69 p. 49, p. 69	
Own indicator	Share of renewable electricity	p. 49, p. 69	
Longevity and recyclability			
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 51–53	
Own indicators	Reused or refurbished components Sales of revamp and upgrade services	p. 51 p. 51	
Environmental impacts of application purpose			
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 54–55	
Own indicators	Sustainability classification of business activities	p. 54	
Working conditions			
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 56–58	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 56, p. 71	The breakdown by region is not disclosed for business reasons.
Own indicators	Score satisfaction work situation	p. 57	

GRI standard	Disclosure	Reference	Further information and omissions
	Score workplace recommendation	p. 57	
	Score employee engagement	p. 57	
Occupational health and safety			
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 59-60	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 59	b. All employees who are under the care and control of Burckhardt Compression (including external employees on our premises) are covered.
	403-2 Hazard identification, risk assessment, and incident investigation	–	a. The EOHS team (Environment, Occupational Health, and Safety), under the direction of the Quality Team and Safety Officer, is responsible for conducting risk assessments using risk graphs. The risk assessment will be used for training and awareness activities in the respective work area. Safety inspections are used for risk mitigation. b. Notifications will be made using a dedicated EOHS notification form. c. A work stoppage procedure is in place to stop work in the event of an unsafe situation. d. There is a procedural policy for reporting near misses, incidents, investigations, nonconformities, and corrective and preventive actions.
	403-3 Occupational health services	–	There is a company ambulance service at the site in Winterthur, which is operated in conjunction with surrounding companies.
	403-4 Worker participation, consultation, and communication on occupational health and safety	–	A specific procedure for Consultation & Participation, Communication regulates the involvement of employees. Involvement takes place at all levels (steering committee, core team, execution teams).
	403-5 Worker training on occupational health and safety	p. 59	In addition to mandatory training during induction, regular specific training is provided on work-related hazards, first aid, and emergency and evacuation.
	403-6 Promotion of worker health	p. 59	Non-occupational services and offerings depend on country-specific implementation and may include the following: – regular health check-ups – access to medical facilities – other preventive measures, for example as part of our Dr. BeWell program
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. 65-66	This aspect is covered in our approach to supply chain due diligence.
	403-8 Workers covered by an occupational health and safety management system	p. 59	i. 100% are covered by an occupational health and safety management system. ii. 100% of employees are covered by an internally audited system. iii. 95.2% are covered by an externally certified system.

Sustainability Report

GRI standard	Disclosure	Reference	Further information and omissions
	403-9 Work-related injuries	p. 59 p. 70	We have no differentiation between high-consequence work-related injuries (a. ii.) and work-related injuries (a. iii.).
	403-10 Work-related ill health	p. 60	
Product safety			
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 60–61	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	p. 61	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	p. 61	
Business conduct			
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 61–62	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	p. 62	
	205-2 Communication and training about anti-corruption policies and procedures	p. 62	
	205-3 Confirmed incidents of corruption and actions taken	p. 62	
GRI 206: Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 62	

SASB Mapping

SASB Sustainability Disclosure Topics & Accounting Metrics

Topic	SASB Accounting Metric	Code	Reference	Further information and omissions
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-IG-130a.1	GRI 302-1 GRI 302-3 p. 69	Percentage grid electricity has not been evaluated separately until now.
Employee Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	RT-IG-320a.1	GRI 403-1 to 8 pp. 59, 70	We do not yet track near miss frequency rate (NMFR).
Fuel Economy & Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	RT-IG-410a.1	n/a	Not applicable to our products. The vast majority of Burckhardt Compression's compressors are powered by electricity.
	Sales-weighted fuel efficiency for non-road equipment	RT-IG-410a.2	n/a	
	Sales-weighted fuel efficiency for stationary generators	RT-IG-410a.3	n/a	
	Sales-weighted emissions of: (1) nitrogen oxides (NO _x) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	RT-IG-410a.4	n/a	
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-IG-440a.1	pp. 65–66, pp. 90–91	
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1		This information is not disclosed for business reasons.

SASB Activity Metrics

Activity Metric	Code	Reference	Further information and omissions
Number of units produced by product category	RT-IG-000.A	n/a	This information is not disclosed for business reasons.
Number of employees	RT-IG-000.B	GRI 102-8 p. 70	

Independent practitioner's limited assurance report

on selected indicators in the 2023 Sustainability Report
to the Management of Burckhardt Compression Holding AG

Winterthur

We have been engaged by Management to perform assurance procedures to provide limited assurance on the selected indicators in the 2023 Sustainability Report (including the GHG statement) of Burckhardt Compression Holding AG for the period from 1 April 2023 to 31 March 2024. The selected indicators will be published in the Sustainability Report 2023.

The selected indicators in the 2023 Sustainability Report (including the GHG statement) were prepared by the Management of Burckhardt Compression Holding AG (the 'Company') based on the:

- Energy use per page 69 of the sustainability report – GRI 302-1 Energy consumption within the organization
- Share of renewable electricity per page 69 of the sustainability report – GRI 302-1 Energy consumption within the organization
- Energy intensity per page 69 of the sustainability report – GRI 302-3 Energy intensity
- GHG emissions Scope 1 & Scope 2 per page 69 of the sustainability report – GRI 305-1 Direct (Scope 1) GHG emissions and GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GHG emissions business travel (Scope 3) per page 69 of the sustainability report – GRI 305-3 Other indirect (Scope 3) GHG emissions
- GHG emissions intensity per page 69 of the sustainability report – GRI 305-4 GHG emissions intensity
- Water per page 69 of the sustainability report – Basis of preparation as disclosed on page 69 of the sustainability report on Water consumption as informed by GRI
- Waste per page 69 of the sustainability report – Basis of preparation as disclosed on page 69 of the sustainability report on Waste generated as informed by GRI
- Lost Time Injury Rate (LTIR) and Severity Rate (IR) per page 70 of the sustainability report – GRI 403-9 Work-related injuries
- Lost Time Workday Rate (LTWR) per page 70 of the sustainability report – as informed by GRI 403-9 Work-related injuries
- Number of Employees per page 70 of the sustainability report – GRI 102-8 Information on employees and other workers New employee hires – GRI 401-1 New employee hires and employee turnover
- Employee turnover per page 71 of the sustainability report – GRI 401-1 New employee hires and employee turnover

The above-mentioned GRI Standards and references will be determined in the basis of preparation against which we will evaluate the different KPI (hereafter referred to as the "suitable Criteria").

Inherent limitations

The accuracy and completeness of the selected indicators (including the GHG statement) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the selected indicators (including the GHG statement) is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the selected indicators (including the GHG



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statement) and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the suitable Criteria used by Burckhardt Compression Holding AG.

Management's responsibility

The Management of Burckhardt Compression Holding AG is responsible for preparing and presentation of the selected indicators in the 2023 Sustainability Report in accordance with the suitable Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the selected indicators (including the GHG statement) that are free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the suitable Criteria.

Independence and quality management

We are independent of the Burckhardt Compression Holding AG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform an assurance limited engagement and to express a conclusion on the selected indicators in the 2023 Sustainability Report (including the GHG statement). We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the selected indicators in the 2023 Sustainability Report (including the GHG statement) was not prepared, in all material aspects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following procedures

- Assessing the suitability in the circumstances of Company's use of the suitable Criteria, applied as explained in the GRI index and footnote 6 on page 69 in the 2023 Sustainability Report (including the GHG statement) to the selected indicators in the 2023 Sustainability Report (including the GHG statement);
- Inquiries and detailed walkthroughs with relevant stakeholders for the selected indicators 2023 in the 2023 Sustainability Report (including the GHG statement);
- Inspection of process and control descriptions and other internal guidelines and relevant documents;
- Analytical procedures;
- Reperformance of relevant calculations (including the GHG statement);
- Additional assurance procedures as deemed necessary (e.g. sample based source tracing);
- Local level procedures (site visits to inspect local processes and reconcile source evidence).



We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the selected indicators in the 2023 Sustainability Report (including the GHG statement) of Burckhardt Compression Holding AG for the period from 1 April 2023 to 31 March 2024 are not prepared, in all material respects, in accordance with the suitable Criteria.

Restriction of use and purpose of the report

This report is prepared for, and only for, the Management of Burckhardt Compression Holding AG, and solely for the purpose of reporting to them on selected indicators in the 2023 Sustainability Report(including the GHG statement) and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

PricewaterhouseCoopers AG

Stefan Räbsamen

Petar Lesic

Zürich, 3 June 2024

‘The maintenance and integrity of Burckhardt Compression Holding AG ‘s website and its content are the responsibility of the Board of Directors; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the Burckhardt Compression Holding AG ‘s website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported selected indicators (including the GHG statement) or suitable Criteria since they were initially presented on the website.

Declaration of the Board of Directors

The Board of Directors of Burckhardt Compression Holding AG is responsible for the preparation and presentation of the Sustainability Report 2023 in accordance with the applicable regulations.

The Board of Directors of Burckhardt Compression Holding AG approved the Sustainability Report for the financial year 2023 and commits to make it accessible on the Company's website for a minimum of ten years.

**Non-financial matters according to article 964b
of the Swiss Code of Obligations (CO)**

.....
Environmental matters

.....
Social matters

.....
Employee related matters

.....
Respect for human rights

.....
Combatting corruption

Chapters in this report

.....
Greenhouse gas emissions and climate change

Energy use and efficiency

Longevity and cyclability

Environmental impacts of application purpose

.....
Product safety

Dialog with our stakeholders

.....
Working conditions

Occupational health and safety

.....
Overarching human rights, environmental,

and governance due diligence

Supply chain due diligence

.....
Business conduct

Winterthur, May 31, 2024