



Innovative Mobility – Responsibility for Tomorrow

Sustainability Report 2025



About this report

Foreword	3
General Description of Organizational and Financial Objectives, Organizational and Financial Scope	4
Corporate Mission Statement	6
Stakeholders	8

1. Engagement

1.1 Employees, Professional Development, and Health	13
1.2 Academy and Training	18
1.3 Workplace Safety	22
1.4 Data Protection	24
1.5 Information Security	26
1.6 Partnerships	27
1.7 Grants/Sponsorship	28
1.8 Franke Foundation	28

2. Ecology

2.1 Waste disposal	32
2.2 Climate	34
2.3 Environment	37

3. Economy

3.1 The Franke Principle	39
3.2 Franke Wire Race Bearings	39
3.3 Quality	40
3.4 Refurbishing	41
3.5 Supply Chain	42
Legal Notice	43

Foreword

**Dear Sir or Madam,
Dear Reader,**

In a complex world, it is of great importance to Franke GmbH in Aalen to set and uphold ethical and moral standards in order to ensure responsible and sustainable business practices. The Code of Conduct serves as a guide for all employees, as well as for business partners and suppliers, to ensure that the company always acts in accordance with applicable laws and regulations and meets the highest standards of integrity and ethics.

Franke GmbH takes its responsibility toward its employees, business partners, customers, suppliers, and the environment seriously and is committed to treating one another fairly, avoiding conflicts of interest, combating corruption and money laundering, and complying with export control and customs regulations. Furthermore, the company is committed to environmental protection, efficient energy use, and product safety and quality in order to contribute to sustainable development. It recognizes that adhering to these standards is not always easy and that there may be situations in which employees are confronted with cases of doubt or conflict. A Code of Conduct has been formulated for such cases.

It provides everyone with guidelines for conduct that is consistent with company policies and reliable. The company is proud to be committed to these high standards and will continue to work toward implementing them in all areas of our organization:

- 1 Fair Conduct Internally and Externally
- 2 Fair Competition
- 3 Combating Corruption
- 4 Handling of Company Property
- 5 Protection of Trade Secrets and IT Security
- 6 Prohibition of Insider Trading
- 7 Avoiding Conflicts of Interest and Private Activities
- 8 Compliance with Export Control & Customs Regulations
- 9 Occupational Health and Safety
- 10 Product Safety and Quality
- 11 Environmental Protection, Energy Efficiency & Sustainability
- 12 Protection of Personal Data
- 13 Financial Integrity and Anti-Money Laundering
- 14 Conduct in Cases of Doubt and Points of Contact
- 15 Special Responsibilities of Managers



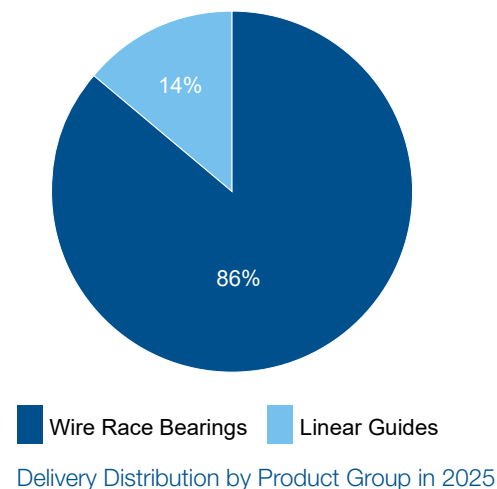
Sustainability-related issues are embedded in our corporate strategy and are implemented through defined goals and measures.

Daniel Groz
Managing Director

Sascha Eberhard
Managing Director

General Description of Organizational and Financial Statement Objectives, Organizational and Reporting Boundaries

Franke GmbH, headquartered in Aalen, is a manufacturer of wire race bearings and linear guide systems. Franke invented the wire race bearing and uses this technology as the basis for all of its products. Franke GmbH's industry classification is code 25.11 (manufacture of metal structures).



The company was founded in 1949, operates internationally, and collaborates with partners in sales and production worldwide. The facility in Aalen also serves as the company's headquarters (geographic coordinates 48°49'45.6"N 10°04'53.6"E), and the company does not operate any other locations; therefore, the sustainability report is prepared on an individual basis. Furthermore, no information classified as classified or confidential has been omitted from this sustainability report. From this location, Franke technology is supplied to many different industries, where its technological differentiators offer attractive solutions to meet customer requirements. Franke GmbH's economic sector is code 25.11 (manufacture of metal structures).

With currently approximately 344 employees (full-time equivalents, approximately 330 full-time employees), currently spread across 6 plants at the headquarters, on a site covering approximately 34,000 m², with approximately 28 sales offices worldwide, the company develops customized products—from concept through prototype construction to extensive testing—in close collaboration with its customers. Revenue for the 2025 reporting year totaled approximately €60 million.

The Franke Principle in Bearings



The key difference between a standard ball bearing and a Franke wire race bearing lies in the raceways. In a wire race bearing, the rolling elements do not roll on solid housing rings, but on delicate wires. The flexibility of the Franke principle allows for freer and simpler design, enabling the development of better products.

Possibilities instead of Restrictions

Franke bearing assemblies can be incorporated into a wide variety of designs. The requirements for the surrounding structure are minimal, since it is not directly exposed to the loads. The wire race bearing bears the main load. This allows you to choose the ideal shape and material for your surrounding structure with virtually complete freedom.

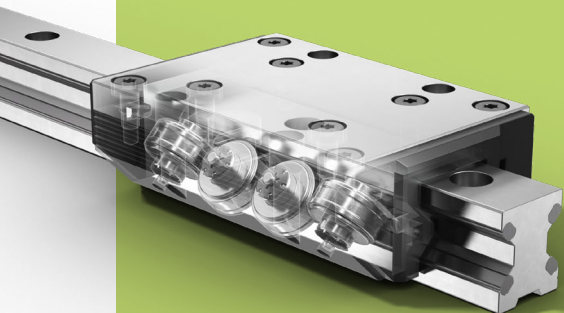
The Franke principle in Linear Guides

Franke linear guides apply the ingenious principle of the wire race bearing to linear motion. Embedded raceways ensure load-bearing capacity on all sides.

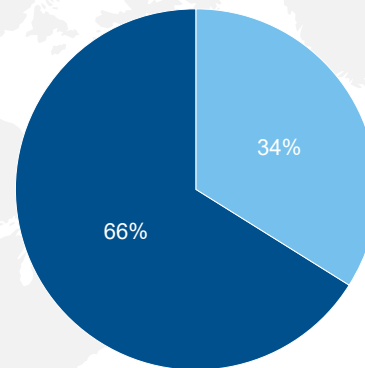
This allows the rest of the structure to be made of lightweight aluminum. Large guided rollers ensure smooth operation—maintenance-free throughout the entire service life. Thanks to their modular design, Franke linear systems can be customized to meet specific requirements.

The Best System for every Customer

The customer's specific application and design requirements alone determine which linear guide is the best fit for their needs. The Franke modular system makes it possible to assemble or design an ideal linear system.



Franke GmbH is an export-oriented company. In the 2025 reporting year, approx. 66% of its goods and services were shipped abroad. The main export destinations in the reporting year were other European countries. Compared to other industries, medical technology is currently the company's most important market segment. Overall, however, Franke GmbH has a very broad business portfolio.



Export Domestic

Export Share in 2025

This is evident not only in the distribution of the company's revenue across many national markets but also in its presence across a wide range of industries and applications. Within these industries, the company serves a diverse range of customers.

This high level of diversification enables the company to mitigate risks arising from economic fluctuations in individual market segments.

Franke GmbH Mission Statement

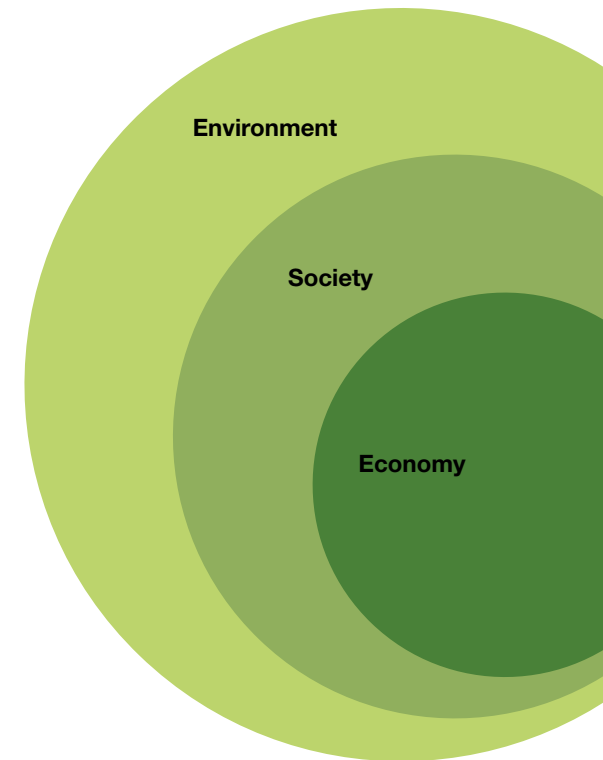
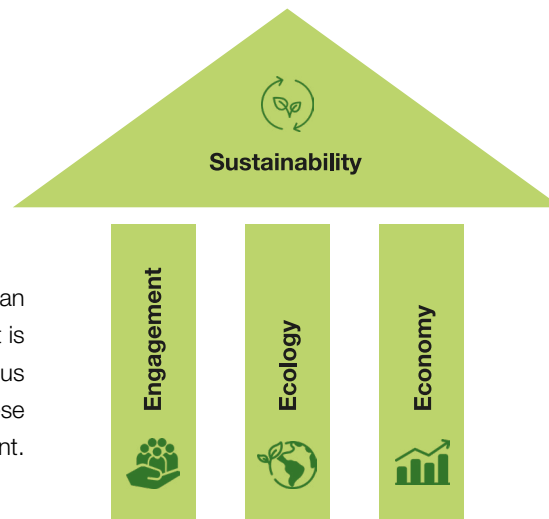
To meet the needs of today's generation—without compromising the opportunities of future generations—Franke GmbH considers a **balance between the environment, society, and the economy** to be essential.

The goal of sustainable development is achieved through the harmony of the three pillars of sustainability (social

responsibility, ecology, and economy). A sustainability team has been established specifically for this purpose, comprising representatives from the relevant departments and senior management. The sustainability report for each calendar year is prepared by the sustainability team in collaboration with the participating departments.

”

The three pillars of sustainability stand on an equal footing. Thus, sustainable development is possible only through the equal and simultaneous implementation of these three dimensions. These dimensions are mutually dependent.



The economy operates within society, which in turn is an important part of the bigger picture and is influenced by it: our environment.

Franke GmbH's mission statement is a description of the company's identity and fundamental principles. It outlines the organization's mission and vision and provides the framework for strategies, goals, and operational activities. The mission of Franke GmbH is: With our invention of the wire race bearing, we help our customers to be innova-

tive. The defined goals, in turn, are intended to bring the vision to life: Franke is an agile technology company. An "agile technology company" in the mechanical engineering sector is a company that systematically combines speed, customer focus, and technological innovation with agile working methods.

It continuously delivers usable technical solutions, quickly adapts products and processes to market and customer requirements, and measures success through short feedback loops.

This mission statement provides the framework for Franke GmbH's corporate goals:

Goals for 2030 - Moving Forward Together



We're improving our **performance**.



We are **resilient**.



We are **innovative**.



We operate **sustainably**.



We work **together**.

Interested Parties

Drivers of climate neutrality



Financial markets:

Effects on company valuation and financing (EU taxonomy)



Market perspective:

Customers ask for sustainability indicators



Laws:

- EU Green Deal
- Paris
- International



Society:

- Fridays for Future
- End consumers
- Human rightse



Ressources & Nature:

- Loss of ecosystems
- Tipping points & irreversibility
- Price increase
- Security of supply

Implementation strategy

- 1 Commitment of the management
- 2 Definition of responsibilities
- 3 Definition of responsibilities
- 4 Stakeholder analysis
- 5 Materiality analysis
- 6 Identify measures

Policies, processes, and training programs are developed and implemented to ensure that all stakeholders understand and can comply with the requirements of the Whistleblower Protection Act.

The website provides interested parties with the opportunity to report a violation. During the 2025 reporting period, Franke GmbH did not receive any complaints or similar concerns from interested parties.

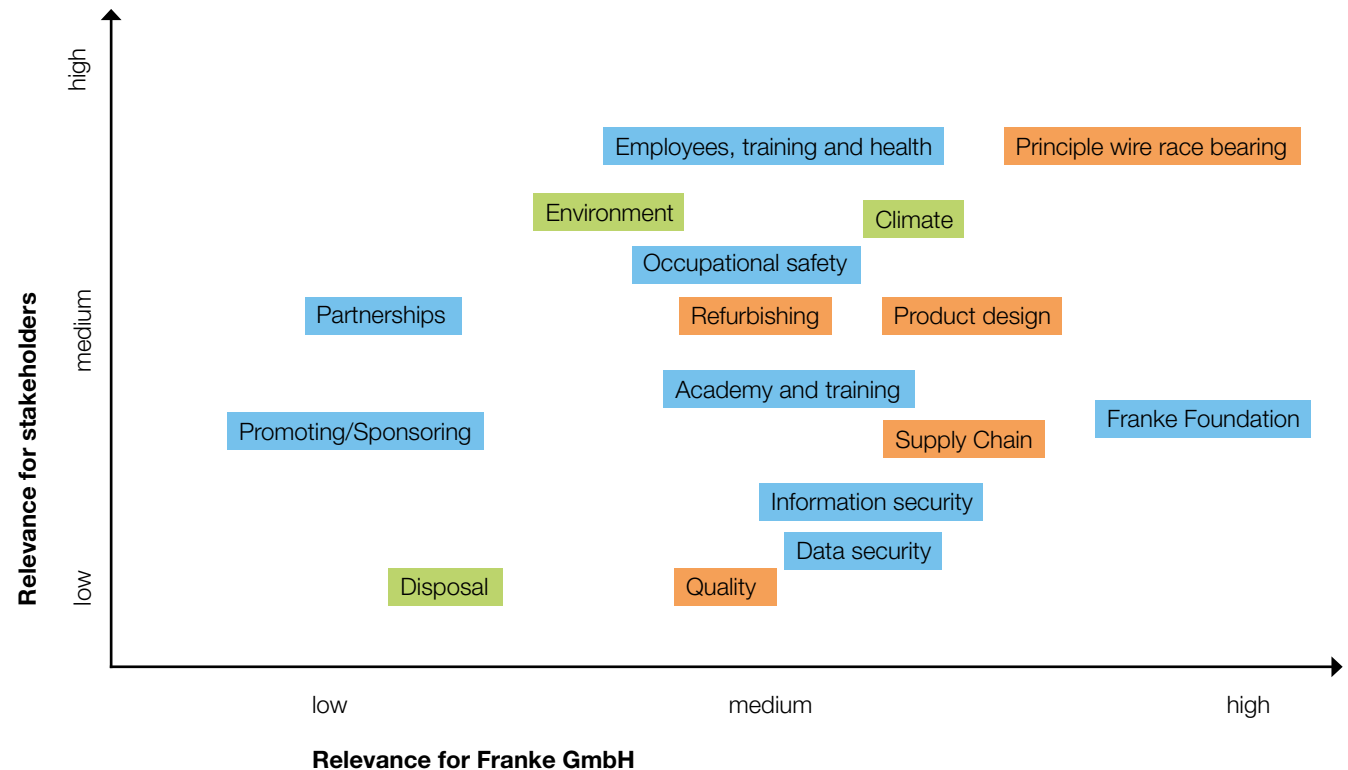
Interested parties	Examples of Requirements/Expectations	Derived Commitment
Legislator	• Implementation of and Compliance with Legal Regulations • Provision of Relevant Documents • Adequate Training and Instruction • Appointment of Statutory Representatives within the Company • Accident Prevention	• Drafting of policies/codes of conduct/product safety policies • Timely approval of products • Compliance with ongoing obligations • Maintaining a positive image in the market • Providing up-to-date specification documents in Drive V • Appointing statutory representatives within the company
Client	• Evaluation of customer requirements; follow-up on any ambiguities • Ensuring product quality • On-time delivery • Ensuring the availability of replacement parts for a specific period • Maintenance and service • Adequate product documentation, along with easy-to-understand operating instructions • Low maintenance costs for environmentally friendly products	• Analysis of trade show visits • Processing customer inquiries and complaints • Assessment of customer requirements • Regular customer surveys
Owner	• positive corporate image • reputation • entitlement to dividends • capital-efficient growth	• Regular Monitoring • Mission Statement and Corporate Goals • Goal-Setting Process
Auditor	• Regular business reports, notifications of significant deviations from plan	• Provision of business documents for the tax audit

Interested parties	Examples of Requirements/Expectations	Derived Commitment
Primary Bank	Regular financial reports, notifications of significant deviations from plan	Meetings with the bank are held twice a year, as well as situation-specific meetings and extraordinary investments
Union	Compliance with collective bargaining agreements, fair compensation, accident prevention	Regular meetings between management and the works council
Municipality	Low emissions, no incidents, water protection	Compliance with ongoing obligations
Employees and Family Members	Health protection, workplace safety, profit sharing, recognition and satisfaction, opportunities for growth	Compliance with ongoing obligations
Visitors	Safety, Health Protection	Guidelines on Safety Rules
Government Agencies	Compliance with requirements, adherence to laws	Safety Training
Neighborhood/Residents	Compliance with Laws	Compliance with Ongoing Obligations
Representatives	Innovative products	Product innovation
BG	Compliance with Laws	Compliance with ongoing obligations
Insurance Companies	Compliance with Laws	Compliance with ongoing obligations
External Providers/Suppliers	Orders, Timely and Clear Orders, Mutual Benefit, Fair Prices, Complete Specifications, Designation of Contact Persons, Delivery Schedule	Contractual agreements, QSV, framework agreements, early supplier selection, supply planning

Significance analysis

The significance analysis was prepared by the sustainability team to ensure that the company's sustainability strategy takes into account precisely those economic, environmental and social issues that offer important opportunities and risks for the company and its stakeholders.

Interested parties can also access the existing information provided by Franke GmbH on the following portals on request:



Engagement

Employees, Professional Development, and Health
Academy and Training
Workplace Safety
Data Protection
Information Security
Partnerships
Grants/Sponsorship
Franke Foundation

Ecology

Disposal
Climate
Environment

Economy

Principle of Wire Race Bearings
Qualität
Produktdesign
Refurbishing
Supply Chain

1. Engagement



Working at Franke

1.1 Employees, Professional Development and Health

Franke GmbH's primary goal is to enhance the company's appeal as an employer and to be perceived as an attractive employer. Building an attractive employer brand not only boosts the company's image but also offers concrete advantages when it comes to recruiting and retaining apprentices, skilled workers, and managers. It is therefore becoming increasingly important to offer benefits to potential applicants.

To position the company as an attractive employer to the outside world, the following channels are used: the website, social media posts, advertisements in daily and trade publications, training, study, and career fairs, career-oriented internships such as Technolino, Bogy/Bors, and Girls' Days, as well as presentations at schools and colleges. Interns, summer workers, and students from colleges and universities receive excellent support from internal mentors and contact persons. Through established networks, additional opportunities are created to discuss topics and recruit employees for Franke GmbH.

Workforce Planning

Our workforce planning combines flexibility (job rotation, overtime accounts, flexible hours, temporary staffing) with medium- and long-term planning that takes relevant skills (e.g., digitalization) into account. We are sustainably increasing the apprenticeship rate, introducing new appren-



ticeship programs, and establishing dual degree programs to specifically address the need for skilled workers in a changing and innovative work environment.

Commitment to Quality and Personal Responsibility

We foster an open culture of quality, view mistakes as opportunities for continuous improvement, and encourage proactive, self-directed collaboration. Our mission statement, which is aligned with our corporate goals, serves as the foundation for our daily actions. All employees are empowered to suggest improvements and to support change in ways that foster innovation.

Leadership, Teamwork, and Social Standards

Managers serve as role models and are regularly present on the job site and available to employees. The communication structure (meetings, SFM, Reko sessions) is continuously reviewed and adjusted as needed. Franke GmbH's mission statement is communicated through-

out the company, and managers are trained to serve as ambassadors for the mission statement through coaching sessions. In this way, social values, diversity, and respect are firmly embedded within the team.

Workplace Conditions

Optimal working conditions and modern equipment are continuously reviewed. Surveys and ASA meetings lead to targeted improvement measures. Job rotation increases flexibility, and targeted prevention and wellness programs (e.g., ergonomic workstations, Wellpass, occupational psychology support, team events) are continuously expanded. This ensures long-term employability and enhances overall performance.

Franke is a company bound by a collective bargaining agreement and compensates all employees in accordance with the applicable ERA collective bargaining agreement. Regardless of gender, employees are compensated based on the corresponding ERA job description.

Professional Development

Agile and lifelong learning: For Franke, agile and lifelong learning is a strategic lever: continuous skills development enhances innovation capacity, ensures competitive strength, and reduces risk by increasing organizational resilience. Learning is not an additional task, but rather part of daily work—in production, development, administration, and leadership. This creates an environment in which acquiring knowledge, sharing knowledge, and learning from one another are natural parts of our corporate culture.

Flexibility and Customization: Self-directed and needs-based learning is supported and encouraged. Learning opportunities are modular and role-based (competency paths). Continuing education takes place not only in traditional courses but is supplemented by modern learning formats—such as digital learning platforms, interactive workshops, e-learning courses, or self-organized study groups. This allows learners to proceed at their own pace and adapt to different learning preferences in order to optimally pursue both personal and business goals.

Digitalization and Future Skills: The focus is on future-oriented topics such as digitalization, AI, Lean, project management, sustainability, health, and Leadership 4.0. Through internal programs such as “Digital Days,” workshops in the Digital Lab, and the promotion of digital ambassadors, digital expertise is systematically integrated into the company. Employees are actively empowered to

use digital tools and embrace change, which sustainably strengthens the company's innovative capacity and resilience.

Share knowledge and learning from one another:

Company-wide knowledge sharing is promoted through the Franke Wiki, keynote presentations, meeting minutes, and hands-on observations. Employees are encouraged to document and share their knowledge. This ensures that expertise remains available throughout the company, skills are built up over the long term, and new ideas are quickly integrated.

Connecting external and internal learning: The company makes targeted use of programs offered by external educational partners, such as the Bildungswerk and the VDMA, as well as university partnerships. By combining internal and external learning opportunities, employees are provided with a wide range of development opportunities, and best practices from outside the company are brought into the organization.

Responsibilities of Managers: Managers guide and support the learning process by setting an example and following the VOPA+ guiding principles: trust, openness, participation, and agility. They identify areas for development, create opportunities for growth, and encourage independent learning.

Sustainability in professional development: An effective continuing education culture is being implemented, in which new skills are continuously applied and further developed. Learning objectives are regularly reviewed and adapted to new requirements. This ensures long-term employability and strengthens Franke GmbH's future viability. In this way, continuing education becomes an active driver of innovation, business performance, continuous development, and a collaborative work environment.



Proactive Health Care

Work-related causes of illness should be identified and eliminated as early as possible. Preventive measures that contribute to maintaining the health of our employees are supported. Workshops on health and well-being help employees maintain a healthy work-life balance. In addition, further measures aimed at promoting workplace health are offered, such as ergonomic workstations, company bicycle leasing, the option to work remotely, and regular team events.



All employees should be able to maintain their productivity and go home healthy after work. Workplace health management (WHM) initiatives are designed to support this. To that end, the company offers programs such as remote work (including e-learning on this topic, which covers ergonomic work practices), flexible work hours, driver safety training, and company bicycles. In addition, team events and workshops, among other things, are intended to foster a sense of community.

Equal Treatment and Equal Opportunity are fundamental principles at Franke GmbH that promote a fair and inclusive society. This means that, regardless of gender, ethnicity, sexual orientation, social background, or other characteristics, every person should have the same opportunities to reach their full potential. In the context of the workplace, this means ensuring gender equality, including equal pay for work of equal value. Women and men have the same opportunities to develop their skills and advance in their careers, whether through training or professional development.



Health Promotion

The health and safety of employees are Franke GmbH's top priority. Through systematic documentation of all processes and the associated records, occupational safety and employee health protection are regulated and continuously improved. Training, informational resources, and a range of other services and measures are designed to prevent accidents and ensure safety. In addition, employees actively involved in sustainability-related work receive systematic and regular training.

The employment and inclusion of people with disabilities is another important aspect of our business operations. The company strives to break down barriers and provide appropriate support to ensure that people with disabilities can participate in the workplace on an equal footing. Measures to combat violence and harassment in the workplace are essential to creating a safe and respectful work environment. Everyone should be free from any form of discrimination, harassment, or violence.

Diversity is a strength, and Franke GmbH is committed to promoting and protecting a diverse workforce. This means that people from different backgrounds and with different perspectives are warmly welcomed.

Ultimately, promoting equal treatment and equal opportunities for all is not only an ethical obligation but also a prerequisite for a thriving and equitable community in which everyone can reach their full potential.

Working conditions are a crucial factor in the well-being of our employees and the efficiency of the workplace. Among the most important aspects are job security, reasonable working hours, and fair wages.

Job security means that employees are protected from arbitrary dismissals and enjoy adequate notice periods and legal safeguards. Flexible work schedules and remote work are designed to support a healthy work-life balance. To this end, we offer discounted access to gyms, water parks, and other public facilities in cooperation with our



partner “Egym Wellpass.” Through the company “Euro-rad,” employees have the opportunity to lease bicycles, e-bikes, or pedelecs at affordable rates.

Franke Health Days, which take place annually (when the economic situation allows), are designed to raise awareness of the topic of “health” and focus on both physical and mental health. In addition, two employees at the company have been trained as MHFA first responders. They are intended to serve as the first points of contact for everyone when it comes to mental health. They act as the link between the occupational health service and the company chaplain. Furthermore, two employees have successfully completed training as “conflict counselors” in cooperation with the Baden-Württemberg Business Education Institute. In the future, an increasing number of employees will also be responsible for caring for a family member. How companies handle this is increasingly becoming a competitive

factor. The companies that succeed are those that support their employees with appropriate programs. That is why, in March 2026, three employees completed training to become workplace care coordinators. Effective immediately, they are the first point of contact for all matters related to caring for family members.

Social dialogue, which is fostered by the existence of works councils, labor unions, and collective bargaining, is of great importance. This enables employees to represent their interests and strengthen their rights. Collective bargaining agreements establish minimum standards and ensure fair pay and working conditions. Rights to information, consultation, and co-determination are also important to ensure that workers’ voices are heard and that they can participate in decisions that affect them. This strengthens trust between employers and employees and promotes cooperation.

Work-life balance is another key aspect. Flexible work arrangements, parental leave, and support for family responsibilities are crucial for meeting employees' needs and boosting productivity. Adequate and fair compensation is essential for making ends meet and enabling a dignified life. This also includes access to social security systems such as health insurance and pension plans. Finally, health and safety in the workplace are of the utmost importance. Employers should ensure that their workplaces are safe

and take all necessary measures to protect the health and safety of their employees. This also includes involving employees in safety measures and providing appropriate training and equipment.

Respect for human right, fundamental freedoms, and domestic principles are fundamental elements of a just and free society. These principles are enshrined in a wide range of international documents, including the Internatio-

nal Charter of Human Rights and other fundamental United Nations human rights conventions.

For Franke GmbH, upholding these principles is a matter of course. The United Nations Convention on the Rights of Persons with Disabilities and the United Nations Declaration on the Rights of Indigenous Peoples are further important documents that protect the rights and dignity of all people, regardless of their origin or abilities.

The International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, as well as its core conventions, emphasize the importance of labor rights and standards that protect the dignity and rights of workers, including the right to freedom of association and collective bargaining.

In addition, regional instruments such as the European Convention for the Protection of Human Rights and Fundamental Freedoms, the European Social Charter, and the Charter of Fundamental Rights of the European Union play an important role in safeguarding human rights and fundamental freedoms at the European level.

Overall, these international and regional legal instruments are crucial for ensuring that human rights and fundamental freedoms are respected, protected, and enforced worldwide, and for promoting a just and democratic society.



1.2 Academy and Training

Academy: Attracting, Developing, and Retaining Talent

In today's fast-paced and dynamic world, companies face the challenge of attracting, developing, and retaining talented employees in order to succeed in a competitive environment. However, simply finding and recruiting talent is not enough to ensure long-term success. Companies must continuously support their employees and offer them opportunities for professional growth to keep pace with the demands of an ever-changing work environment.

To provide employees with access to a wide range of learning opportunities, Franke GmbH has implemented an internal learning platform (Learning Management System, LMS). This LMS enables employees to access training courses, e-learning modules, and resources, such as a competency matrix.

These programs help them expand their skills and keep their knowledge up to date. The training topics are diverse and range from technical skills to leadership and communication training. In addition, Franke GmbH has established a mentoring program in which experienced employees share their expertise and experience with new colleagues. This exchange of knowledge and best practices enables employees to learn from one another and support each other.

In 2023, Franke GmbH launched the comprehensive “Franke Leadership Journey.” This learning journey aimed to support leaders in actively embodying the company's mission statement and serving as role models in their day-to-day work. The initiative was accompanied by a structured 360° feedback process that gave all employees the opportunity to evaluate their manager across various categories. At the same time, internal training programs on a culture of learning from mistakes, agile leadership, and respectful communication were further developed. Franke GmbH also supported external continuing education through financial subsidies and flexible work schedules to enable employees to develop their skills in a sustainable manner. Building on the insights gained in 2023, the focus in 2024 was on strengthening communication skills.

All managers participated in a specially designed “Lego® Serious Play” workshop. This method made it possible to identify communication patterns, reflect on roles, and creatively develop joint solutions. The hands-on and visual approach fostered a deeper understanding of clear,

transparent, and goal-oriented communication—a crucial building block for the further development of the leadership culture.

In 2025, the focus shifted to collaboration within the leadership teams. In a large-scale team-building program, the leaders worked intensively on the topics of setting benchmarks and defining roles. The goal was to establish a shared understanding of priorities, decision-making processes, and responsibilities. Through interactive group tasks, reflection sessions, and practical exercises, collaboration was strengthened and a unified understanding of leadership was further solidified. The results were subsequently incorporated into cross-team collaboration as well as into the strategic direction of leadership development.



Another hallmark of lifelong learning at Franke GmbH is the regular organization of internal training sessions and keynote presentations. These informal learning events enable employees to share their expertise, discuss new trends, and collaboratively develop innovative solutions. Through in-house events such as the “Learning Days,” employees from all departments are introduced to the software tools used within the company.

Through so-called “over-the-shoulder” opportunities, employees have the chance to get a taste of other departments for a day and look over someone else’s shoulder. The internal training program outlines which internal training sessions can be conducted within the company. The necessary information can be found in a fact sheet.

Education and Studies

At Franke GmbH, first-class training is a core focus of the company. A solid education is crucial to the long-term success of its employees, which is why a comprehensive training program has been developed to foster growth and innovation. As part of this commitment, Franke groups its apprentices and dual-track students under the umbrella term “Franke NEXT,” which underscores the company’s forward-looking approach and its commitment to nurturing young talent. Furthermore, Franke’s training rate in the region—at 30%—is above average, highlighting the company’s dedication to fostering young talent. The training portfolio is as focused as possible and concentra-

tes on the technologies and developments relevant to the company. The goal is to prepare graduates as effectively as possible for their careers at Franke GmbH.

Training begins as soon as new trainees are hired. All trainees go through a structured orientation program (training schedule) that provides them with a comprehensive overview of the company, its values, goals, and processes. This lays the foundation for a successful career and fosters a strong connection to the company. The training program includes both theoretical and practical training to ensure that trainees have the necessary expertise and practical skills to successfully perform their duties. The training sessions are conducted by experienced experts and professionals who share their knowledge and experience with the trainees. Great emphasis is placed on hands-on exercises and individual guidance to help trainees apply what they have learned in real-world situations.

The Academy’s Support Initiatives

- Internal learning platform LMS
- Mentoring program
- Leadership development
- 360-degree feedback
- External training programs, exams, and workshops
- Internal training sessions and keynote presentations
- In-house fairs
- Peek-over-the-shoulder
- Internal training program



Proportion of training at Franke 2025:

28

Trainees

10

Studies

Third-year apprentices take on responsibilities and conduct training sessions for their colleagues on topics such as “Working with Office Programs” and “Communicating with Teams and Outlook.” This not only promotes the transfer of knowledge but also strengthens team spirit and collaboration within Franke NEXT.

To be prepared for the digital future, new knowledge and skills are required. These are systematically integrated into the training and continuing education programs at Franke GmbH. Learning with mobile devices or in a modern learning workshop is just as much a part of this as working with 3D printers and electronics.

Since 2021, the trainees have also been participating in a program on digital training, in which they receive extensive training in new, digital teaching methods and learning con-

tent. The trainees support the company in its digitalization process and have been involved in the transformation from the very beginning.

Another key component of workforce development is the hands-on support provided to trainees. To foster a sense of responsibility and entrepreneurial thinking early on, trainees are set up as separate suppliers in the ERP system. This allows them to process both internal and external orders and take on real-world tasks along the value chain. This sense of responsibility is specifically expanded upon

in the Junior Innovators project. In this format, trainees organize themselves into cross-functional teams, manage processes independently, and make operational decisions on their own. They are supported by experienced trainers and mentors who provide guidance using specially developed work instructions without restricting their autonomy. Through this combination of real-world processes, structured coaching, and independent project work, the program succeeds in raising the trainees’ technical understanding to a new level and optimally preparing them for future technical and leadership roles.



Behind it all is an educational concept that, in addition to technical skills, also teaches self-directed learning skills and promotes teamwork among different training groups. At Franke, this is called Matrix 4.0.

In conclusion, the training program at Franke GmbH is characterized by agility, team spirit, competence, and reliability. Through a comprehensive training program, individualized support, and regular opportunities for continuing education, Franke creates an environment in which trainees can realize their full potential.

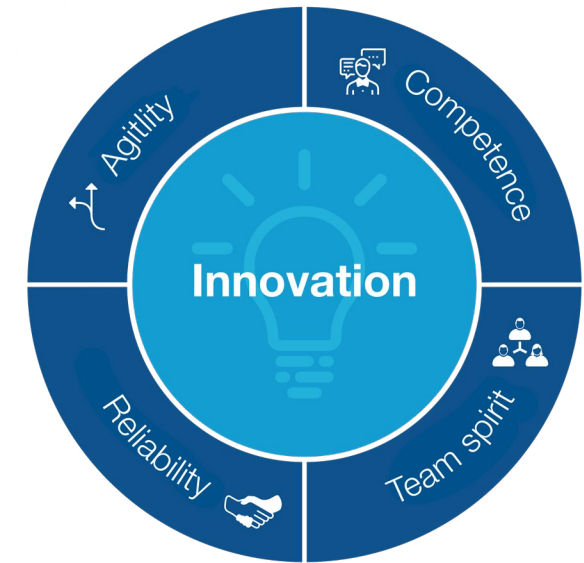
This not only results in highly qualified and motivated employees but also leads to significant growth and a strong competitive advantage for the company. Trainees with outstanding grades have the opportunity to pursue further

education at technical colleges (to become a business administrator, business economist, or master craftsman) or through a dual degree program.

Dual Study Program at Franke: An Investment in the Future

At Franke, the dual study program is a central component of our training strategy, which is focused on long-term development and innovation. Through the close integration of theory and practice, students are given the opportunity to gain valuable experience in a dynamic corporate environment. The dual study program combines academic content with practical applications, enabling students not only to acquire specialized knowledge but also to develop important skills for their future careers. Here, too, we rely on an internal schedule that gives students the opportunity to actively participate in the various departments.

Students are guided by experienced mentors and experts who support them throughout their training. This not only fosters their personal and professional development but also strengthens their connection to the company. At Franke, great importance is placed on effective training that meets the needs of today's workplace. Dual-track students are not only part of the company but also active contributors to projects that help improve our processes and products.



In addition, the company is committed to promoting diversity and equal opportunity in the dual-track program. Diverse perspectives and backgrounds lead to innovative solutions and thus ensure the company's long-term success.

By incorporating best practices into the training programs, we actively contribute to the development of responsible professionals who can master the challenges of the future. Overall, the dual study program at Franke is not just training, but an investment in the future—both for the students and for Franke GmbH.

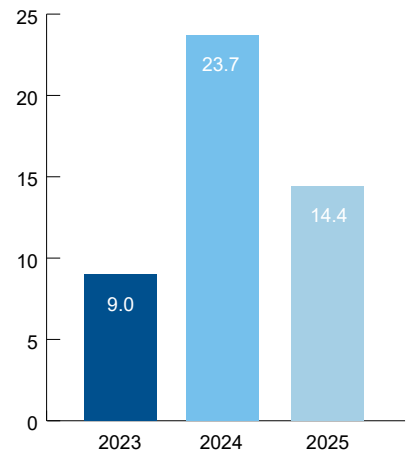


1.3 Workplace Safety

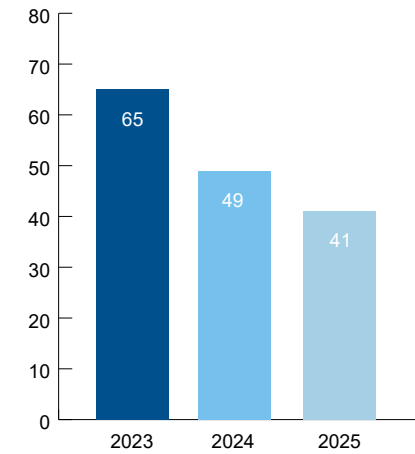
Franke is responsible for the safety and health of employees at work and of other individuals who may be affected by their activities. This responsibility includes promoting and protecting their physical and mental health.

Workplace safety and fire safety are our top priorities in our daily operations. We ensure compliance with all legal requirements. Comprehensive support from the company physician and the occupational safety specialist is guaranteed.

Reducing the frequency and severity of accidents is enshrined in the company's goals (the goal is a zero accident rate). The number of reportable accidents has decreased compared to the 2024 reporting year. The industry average for the BGHM (Wood and Metal Workers' Compensation Association) was 30.3 in 2024, while that of the DGUV (German Social Accident Insurance) was 17.27.



Accident rate Franke GmbH
(reportable accidents at work/1000 employees)



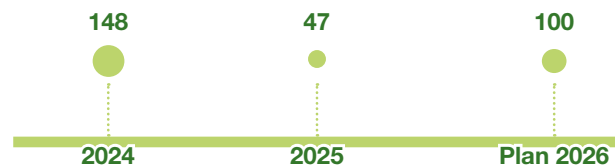
Accident reports

Franke GmbH is working step by step to identify accident hotspots and take appropriate measures to prevent hazards. Accident reports are recorded using software and processed according to the seven steps outlined by the occupational safety specialist (SiFa). There were no fatalities resulting from work-related injuries or work-related illnesses.

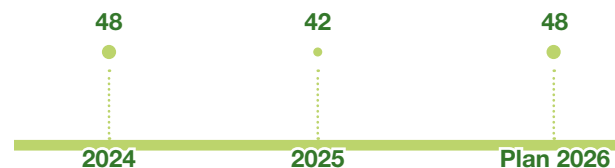
Based on the findings from last year's accident analyses, the company further refined its glove policy, improved PPE (personal protective equipment), and introduced new and updated operating instructions in 2025.



All employees are involved in occupational safety. Training planning for mandatory instruction sessions (including, among other things, safety briefings, crane, forklift, and load-securing training, first-aid courses, and job- and task-specific courses) is carried out in cooperation between the Human Resources Department, the safety officer, and management. The same applies to occupational health screenings (no special occupational health screenings were required in 2025); the number of screenings in recent years:



In 2025, all specified and legally required mandatory training sessions in this regard were systematically implemented, and the plan for 2026 was drawn up:



During the reporting year, the risk assessments were updated in light of changes to the site strategy. In addition, a structured site inspection program was carried out, and the resulting measures were fully implemented.

Occupational safety measures for 2026 have also already been defined and will be implemented collaboratively with a focused approach. The priority here is to continue applying existing methods in collaboration with the internal

and external safety specialists, the safety officers, and the department heads. Ensuring the consistent use of PPE will be a key focus area. Through the company's intranet, FrankeWiki; the "Franke Rundum," which serves as both an online portal and a print magazine; as well as bulletin board postings and informational events, all employees are reached with information on workplace safety. There is also a suggestion program through which any employee can submit specific topic suggestions.



1.4 Privacy Policy

Franke GmbH has always maintained that the protection of personal data is of great importance to an ethical business model. Now, the rise of ever-more-extensive connectivity and the relevance of digitalization and AI once again demonstrate the validity and importance of this assessment.

Since virtually all departments within the company handle personal data, and since the future is likely to bring not only even closer internal integration of departments and processes but also an ever-increasing focus on personalized and responsive communication externally, preventing

any potentially negative consequences resulting from inadequate protection of this data is a top priority.

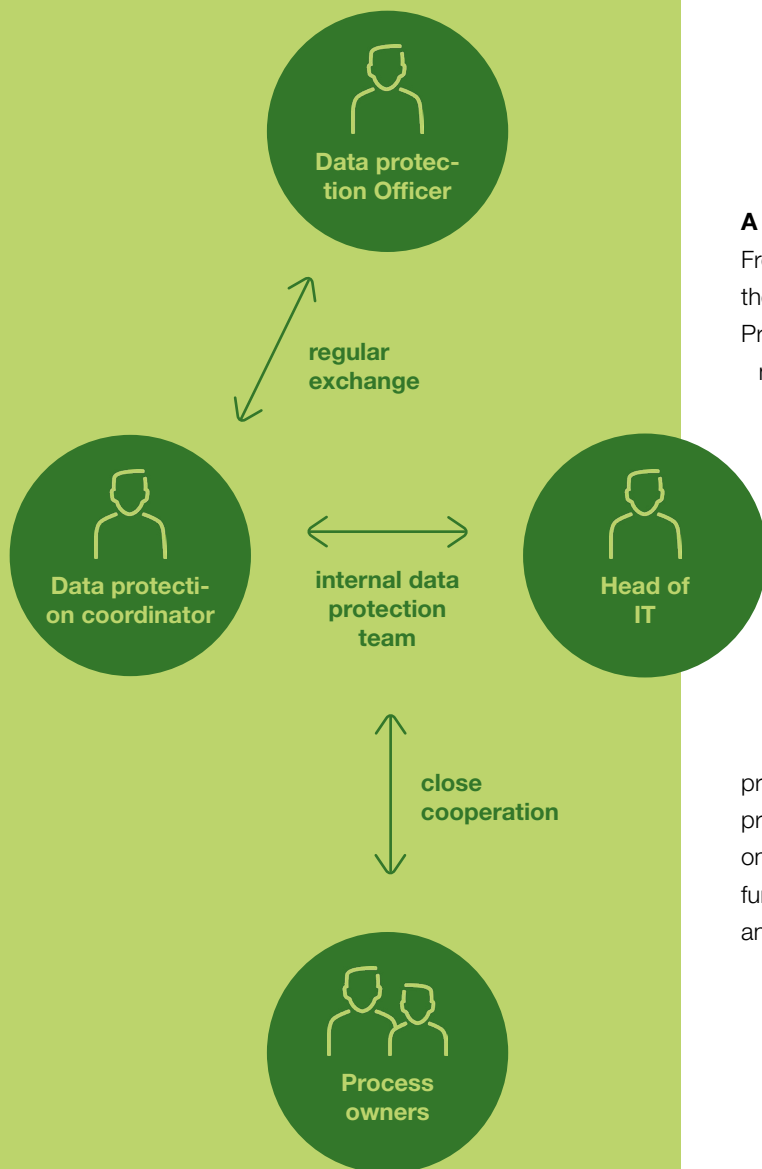
Legal Regulations and Internal Policies

In addition to the rapidly increasing demands resulting from digitalization and connectivity mentioned above, ever-stricter regulation is also driving the further development of data protection processes at Franke GmbH. International and national regulations therefore form the framework for data protection. The European Union's data protection standards are particularly relevant in this context. Binding internal guidelines for handling personal data have been in place for several years and have been effectively supple-

mented since 2023 by the "Digital Services" company agreement. The guidelines themselves were updated again during the current reporting year.

Data protection means responsibility

In addition to the already established, regular training sessions on IT security and data protection, a new training/audit format was introduced in 2024. This format makes it possible to distribute current topics in IT security and data protection flexibly and in a targeted manner across the various departments and, based on feedback from those departments, to derive and implement measures directly as needed.



A data protection team ensures security

From an organizational standpoint, data protection within the company is handled by an external staff unit (the Data Protection Officer), which regularly consults with the internal data protection coordinator, develops topic-specific strategies, advises senior management and process owners, and serves as a direct point of contact for all employees.

The data protection team, which previously consisted of the executive management, the data protection officer, the data protection coordinator, and the head of IT, was expanded in 2024 to include the respective department heads and (as a result, in even closer collaboration with the process owners) establishes principles and rules for the protection of personal data. Since 2024, the data protection team has been conducting audits in the departments to further raise employee awareness and to review processes and data storage.

Regulations on Digital Transformation

In 2024, in addition to internal training initiatives, the agenda focused in particular on adapting processes in light of anticipated changes in the legal landscape. In particular, the regulations in the areas of cybersecurity and artificial intelligence—both those already in effect and those currently under discussion—have far-reaching implications for data protection and will therefore remain a priority at Franke GmbH in 2026 and certainly beyond.

Business Relationships

In addition to complying with legal requirements, technical measures for the protection of personal data also play a crucial role—especially in business relationships outside the European Union. In this regard, data protection at Franke GmbH has benefited from a significant overall increase in IT security standards in recent years. In addition to avoiding fines and reputational damage, robust and effective data protection is increasingly becoming a key factor in the selection of partners and suppliers.

1.5 Information Security

Information Security at the Heart of the Sustainability Strategy

Information security is an integral part of our corporate governance. Protecting sensitive data and ensuring the availability and integrity of our information systems are essential prerequisites for reliable business processes and compliance with legal requirements. At the same time, secure digital workflows support the growing shift away from paper-based processes and promote the efficient exchange of information.

Information Security Policies and Procedures

To ensure an appropriate level of protection, company-wide information security policies and procedures have been established. These govern the responsible handling of company and customer data and define clear responsibilities and procedures. The policies are reviewed regularly and updated as needed to reflect current technical and regulatory developments.

Employee Training and Awareness-Raising

Handling information securely requires a high degree of attention and a strong sense of responsibility from all employees. For this reason, great importance is placed on ongoing training and awareness-raising initiatives. Through practical approaches, such as regular informational sessions and simulated phishing attacks, security awareness is strengthened and preventive behavior is encouraged in day-to-day work.



Technical Security Measures

Appropriate technical measures are implemented to protect IT systems. These include, among other things, network security solutions, encryption technologies, and secure authentication procedures. These measures are continuously monitored and refined to minimize risks posed by external attacks or internal security incidents.

Information Security and Sustainable Development

Reliable information security supports Franke GmbH's sustainability goals by enabling stable digital processes and ensuring the long-term availability of relevant data. This provides an important foundation for transparent decision-making on environmental and social issues and supports the identification and implementation of measures for more efficient resource use.

Further Development of Security Measures

Against the backdrop of ongoing digitalization, information security measures are continuously reviewed and further developed. The goal is to ensure an appropriate and sustainable level of security and to be prepared for changing conditions.

1.6 Partnerships

The company not only acts as a consulting partner for its clients but also maintains long-standing, trusting part-

nerships outside of client projects. At Franke GmbH, the team is convinced that more can be achieved together. To this end, the company relies on flexible teams in which clients and external partners are considered full members.

To enable continuous development, great importance is placed on ongoing learning, and professional exchanges with external experts are highly valued.

Franke GmbH's partners come from the following fields:

Partner for Consulting on Methods, Employee Development, and Continuing Education



Partner for Research, Development, and Digitalization



Partner for Collective Bargaining, Labor Law, and Human Resources Development



Partner for Sustainability, Environmental Management, and Energy Management



Partner for Research, Development, and Digitalization



Partner for Financing and Grant Issues



Partner for Occupational Safety, Fire Safety, Health, and Data Protection



1.7 Funding/Sponsorship

Sponsorship can be a very effective marketing tool, as it allows companies to showcase their brand, products, or services in a broad and targeted manner. Sponsorship generally refers to the financial or material support of events, individuals, or organizations in the hope that the resulting brand exposure will lead to a positive perception and increased customer loyalty.

At Franke GmbH, sponsorship involves, on the one hand, providing free sample parts (wire race bearings, linear systems) for prototypes and research. Specific examples include bearing elements for hubless rims in racing or components for research projects at universities. In return, the company benefits from advertising on race cars or in the media as part of race coverage. This approach allows the company to reach a broad audience and associates the brand with speed, performance, and innovation. Sponsorship is also used at the local level, for example, by supporting schools, sports clubs, or cultural events. In this case, the brand can be showcased in the community while giving back at the same time. By supporting local initiatives, companies can earn the trust and loyalty of consumers.

1.8 Franke Foundation



To mark the 100th birthday of the inventor of the wire race bearing and founder of the Franke company, Egon and Eva Franke established the “Erich Franke Foundation.” The Erich Franke Foundation is named as the beneficiary of the estate of Egon and Eva Franke.

Purposes of the Foundation:

The promotion of science and research; the promotion of assistance for youth and the elderly; the promotion of social welfare; the promotion of nature conservation and landscape preservation in accordance with the Federal Nature Conservation Act and the nature conservation laws of the states; and the promotion of charitable causes within the meaning of § 53 of the German Fiscal Code (AO).



The organs of the foundation are:

1. Board of Directors

Daniel Groz (Partner and Managing Director of Franke GmbH)

2. Advisory Board

Sascha Eberhard (Chairman of the Advisory Board and Managing Director of Franke GmbH)

Bernhard Richter (Pastor (retired) of Aalen City Church)

Frederick Brütting (Mayor of the City of Aalen)

Science & research

Promotion of university projects and start-ups

The Erich Franke Foundation is proud to support research projects at universities and start-ups. It believes in the transformative power of research and innovation and is firmly convinced that these can help to improve the world and find new solutions to pressing problems. Financial support enables promising talents and ideas to realize their potential and drive groundbreaking developments.



Education & Upbringing

Support for youth and elderly care initiative

The foundation is also actively involved in helping young people and the elderly in the Ostalbkreis region. The governing bodies firmly believe that young people and senior citizens deserve special support to improve their quality of life and meet their individual needs. Targeted programs and projects promote integration, education and care for children, young people and the elderly in our region to create an inclusive and supportive community.



Erich Franke

The life of company founder Erich Franke is unique in many respects. How he worked his way up to become a leading design engineer at the global company Zeiss without any higher education, how he was uprooted from his homeland after the Second World War and shortly afterwards took the plunge into entrepreneurship, how he advanced his company with visionary drive on the one hand and a great sense of responsibility for the people in his “business family” on the other. All of this is remarkable - and at the same time a reflection of the history of the 20th century.

The Erich Franke Foundation was established in 2000 by the married couple Egon and Eva Franke on the occasion of the 100th birthday of the inventor of the wire race bearing. The statutory purposes are realized in particular through the following areas.



Environmental protection & sustainability

Help with landscape conservation or species protection projects

The foundation also supports the environment through its passionate commitment to promoting habitat improvement and restoration.

The importance of intact ecosystems for our well-being and the environment is understood and therefore projects that contribute to the protection and restoration of natural habitats are supported. Investments in this area help to preserve biodiversity and promote ecological sustainability.



Charity & welfare

Promotion of charitable institutions in the Ostalbkreis district

The Erich Franke Foundation is also actively involved in supporting charitable and non-profit organizations in the city of Aalen. It is firmly believed that by supporting these organizations and institutions, important social needs in our community can be met.

The aim is to support people in need and to sustainably improve the quality of life of all our fellow citizens.



Erich Franke Foundation

At Franke, we are convinced that everyone strives to improve their lives and their world. The prerequisite for this is individual freedom. With the wire race bearing invented by Erich Franke, we support our customers in developing better products.

The Erich Franke Foundation applies this approach to research as well as to social and ecological commitment. It promotes and supports projects that make our world a better place. True to Erich Franke's guiding principle, a quote from the Jena doctor and professor Moritz Seidel:

“

**The earthly good that has come to
the individual is the result of the work
of many people and should therefore
flow back to the community
as far as possible.**

2. Ecology



2.1 Disposal

Policy

Franke GmbH strives for responsible use of resources that reduces the impact on the environment. To this end, the entire product life cycle is taken into account. The company aims to develop products with a long service life in order to prevent waste in the downstream value chain. Waste generated at our own facilities should, in principle, be avoided, but at the very least minimized. Managers are required to take this into account when planning products and production processes, as well as when planning packaging.

Any waste that is nevertheless generated is sorted and collected using a waste management system. To this end, the necessary on-site waste stations are installed in all plants at the location, and collection stations are set up in the outdoor areas for targeted pickup and proper disposal by selected specialized companies. Franke GmbH does not carry out its own waste recycling. The company works exclusively with certified and qualified specialized firms, preferably from the region.

The waste management officer is responsible for managing the waste inventory and for fulfilling the mandatory reporting requirements to the authorities. The waste management officer reports directly to management, and

measures are initiated and monitored as needed and in consultation with management.

Franke GmbH is not required to appoint an in-house waste management officer pursuant to Section 2 (Obligation to Appoint) of the Ordinance on In-House Waste Management Officers (Waste Management Officer Ordinance—AbfBeauftrV). Similarly, Franke GmbH is not required to appoint a hazardous materials officer, as it is not a shipper, carrier, consignee, packer, filler, or unloader of hazardous materials.

Recent Changes to the Legal Framework

Franke GmbH's current obligations under waste management law are identified in the current legal registry, which is maintained in cooperation with an external service

provider. This registry also includes the resulting measures and a review of their effectiveness. The 2025 amendments to the EU Battery Regulation had no significant impact on Franke GmbH.

The new Regulation (EU) 2024/573 (PPWR—European Packaging Regulation) was reviewed, and as a result, it was determined that Franke GmbH acts as both a manufacturer and a distributor; the resulting ongoing obligations were identified. Changes made by the city to the Ostalbkreis Waste Management Ordinance in 2025 concerned, among other things, Section 11 on organic waste disposal as well as the fees; however, they have no other operational impact. No legal changes with a significant operational impact are expected in 2026.



Activities and Their Impact

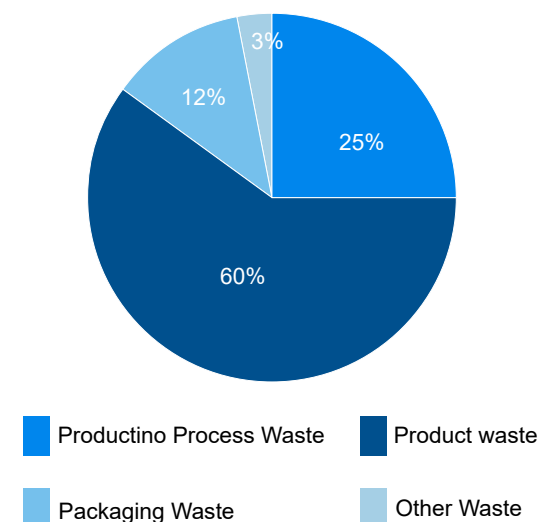
To monitor compliance with waste management regulations, regularly documented internal inspections are conducted, as well as audits by external service providers. Findings identified during these processes are systematically managed using software, and corresponding corrective actions are developed and implemented. The current ISO 14001:2015 environmental certification is available on the website. Interested parties can also find further information on sustainability, including ecology and related subtopics, on the website.

Internal communication with employees takes place via the intranet, while external communication occurs via the internet; interested parties also have the opportunity to report deficiencies or provide other information through these channels. Employees have the opportunity to submit

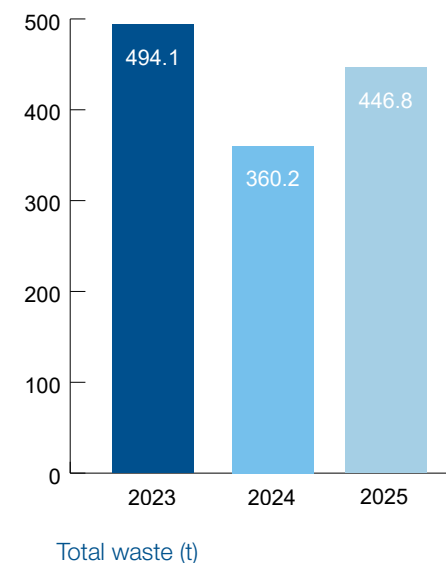
suggestions for improvement, which are then systematically followed up on. The total amount of waste generated increased significantly again in 2025 compared to 2024. This is due to increased production volumes and the resulting rise in product waste and production process waste. Continuous improvement in this area remains a priority. The total annual amount of waste diverted for recycling or reuse in 2025 was 319.87 metric tons.

In 2025, the waste management system was made more efficient due to changes in the operational structure. The hazardous materials registry was further optimized in collaboration with the Production and Warehousing departments. In 2026, there are plans to launch a project to optimize the proper disposal of wood chips. In addition, additional employees in the waste management department will be trained.

Fiscal Year	2023	2024	2025
Total Waste	494.1	360.2	446.8
Hazardous Waste	134.4	84.7	109.8
Non-hazardous Waste	359.7	275.5	335.0
Hazardous Waste/Revenue (t/Mio€)	2.5	1.6	2.1
Non-hazardous Waste/Revenue (t/Mio€)	6.6	5.3	6.4



Waste allocation



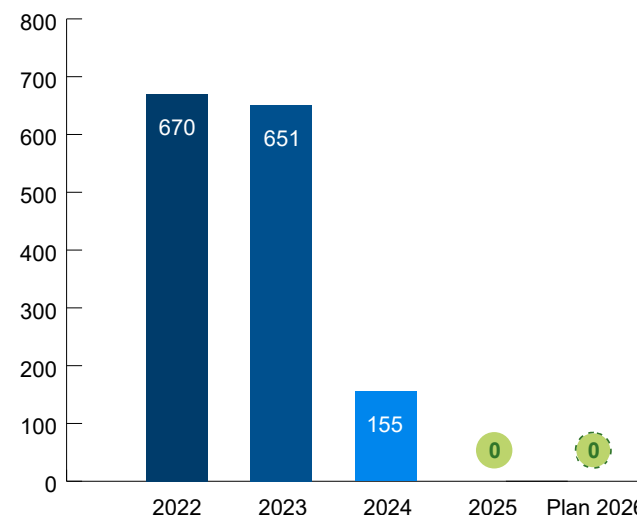
2.2 Climate

Franke GmbH is working to reduce its CO₂ emissions. The company plans to offset remaining emissions through carbon offset measures. Initially, this applies to Scope 1 (direct greenhouse gas emissions from sources owned or controlled by the company) and Scope 2 (emissions resulting from the company's activities but originating from sources owned or controlled by another entity—in our case, purchased energy), but not for Scope 3 (indirect emissions within the value chain), according to the GHG Protocol. The remaining residual emissions will be offset.

A greenhouse gas inventory is prepared for the preceding calendar year, which includes all relevant metrics, as well as other related topics in the area of climate protection, and the resulting potential measures. The energy management officer, as a member of the sustainability team, is responsible for determining the CO₂-related key performance indicators and preparing the greenhouse gas inventory, which includes proposed measures for CO₂ reduction. As part of the sustainability process, the sustainability team also monitors all relevant sustainability issues. The base year for the greenhouse gas inventory is 2021. CO₂ equivalents and their sources must be documented. The uncertainty of the reported data is estimated at +/- 5%. The documented greenhouse gas inventory informa-

tion is based on DIN EN ISO 14064-1. Climate-related risks were assessed in 2025. To determine whether the company's location is in a water-stressed area, a risk factor from the World Resources Institute is applied. Franke GmbH has a water risk rating of low-medium (1–2).

This assessment was also conducted for the relevant suppliers, and no significant risks were identified. The flood risk assessment conducted for our location at Obere Bahnstr. 64, 73431 Aalen determined that the risk of river flooding is unlikely, while the risk of heavy rainfall is rated as moderate. Quantified greenhouse gas emissions report (The greenhouse gas emissions report will be made available to interested parties upon request):

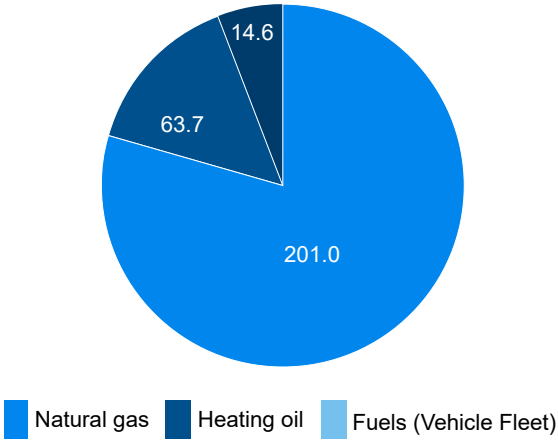


CO₂ emissions (t)

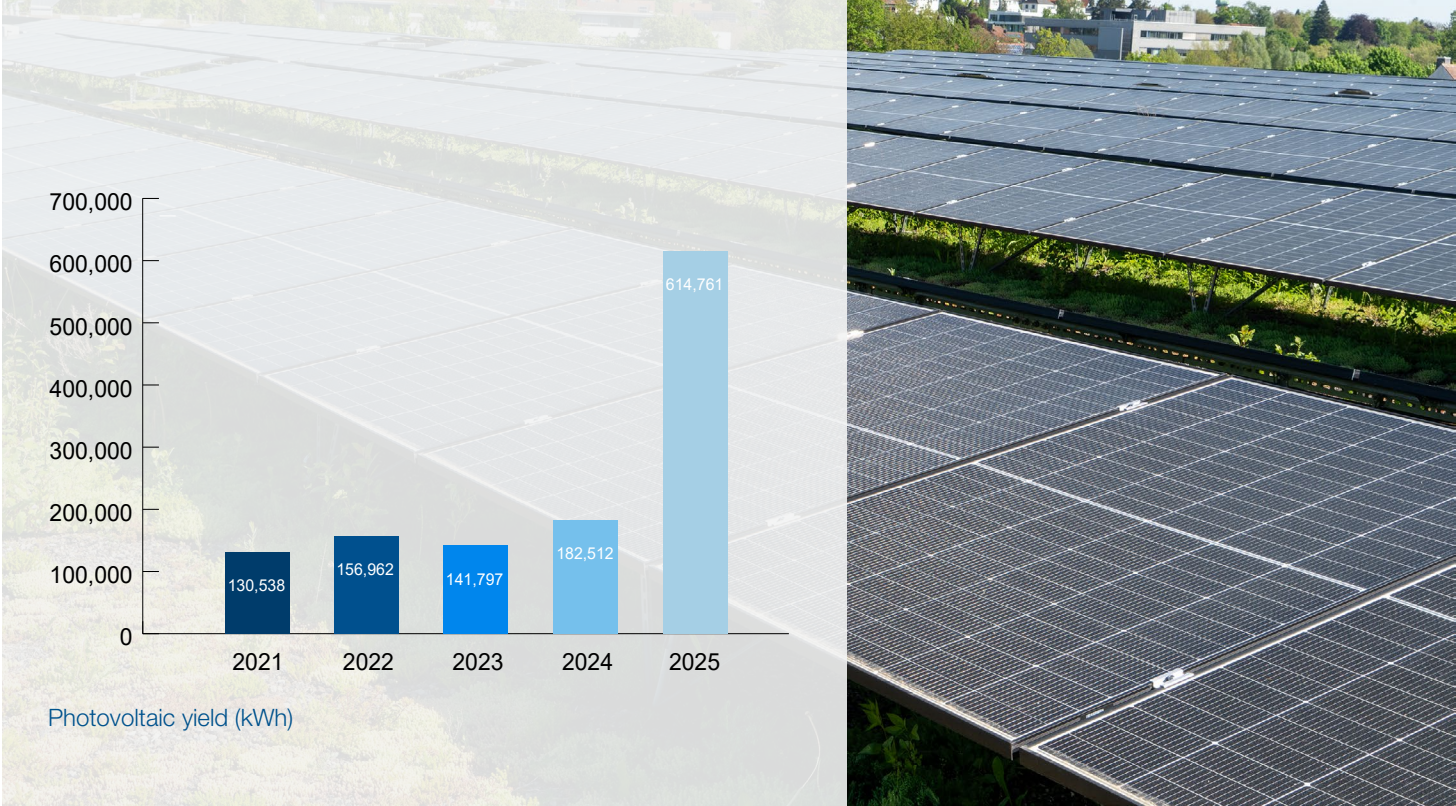
Fiscal Year	2022	2023	2024	2025	Plan 2026
CO ₂ emissions (t)	669.8	651.0	155.4	279.3	234.4
scope 1	187.8	187.5	155.4	279.3	234.4
natural gas	147.6	121.0	112.3	201.0	218.0
heating oil	24.7	42.9	23.9	63.7	0.0
fugitive emissions (greenhouse gases)	15.6	23.6	18.3	14.6	15.5
scope 2			1.0	0.0	1.0
electricity	481.9	463.5	0.0	0.0	0.0
Fuels (vehicle fleet)	481.9	463.5	0.0	0.0	0.0
CO ₂ emissions/turnover (t/mio€)	11.2	11.9	3.9	3.6	2.7
CO ₂ emissions/employees (t/mio€)	2.1	2.0	0.6	0.6	0.0
CO ₂ compensations (t)	0.0	0.0	0.0	280.0	235.0
CO ₂ emissions (t) with compensations	669.8	651.0	155.4	0.0	0.0

The company has set a goal of reducing Scope 1 and Scope 2 greenhouse gas emissions to net zero by 2025. If not all CO₂ emissions can be avoided, the remaining CO₂ emissions will be offset.

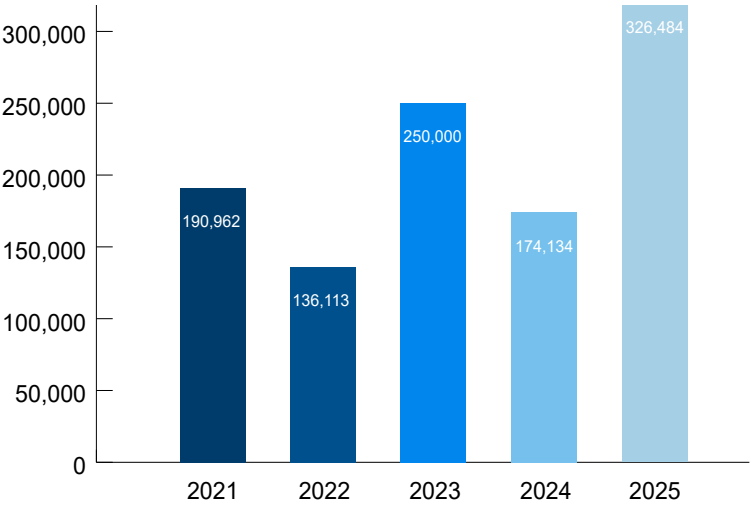
The CO₂ emissions shown for 2024 and 2025 are based on estimates. Emissions calculations for electricity are based on emission factors provided by the energy supplier; those for natural gas and heating oil are based on data from the Federal Environment Agency; and those for fuels are based on data from the Federal Office for Economic Affairs and Export Control.



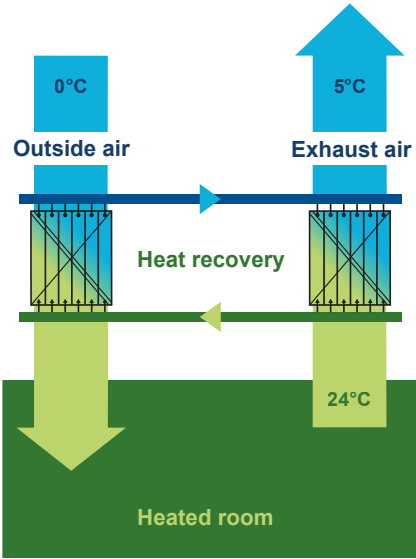
CO₂ emissions (t) in 2025



Photovoltaic yield (kWh)



Heat recovery (kWh)





Energy Efficiency Measures Currently Being Implemented

- Expansion of LED lighting
- Leak testing of the compressed air supply
- Shutdown of the inefficient compressed air supply in Plant 2
- Relocation of production facilities to an energy-efficient plant (site strategy)
- Heat recovery via compressors in Plant 6



Potential Energy Efficiency Measures

- Install an energy data collection system to identify new measures
- Heating system upgrade at Plant 2 (retrofit of a heat pump at Plant 6)
- Centralized exhaust system for the grinding machines at Plant 1



Climate Neutrality Measures Currently Being Implemented

- CO₂ Offsetting
- Use of Green Electricity
- Use of Bio-Natural Gas
- Use of CO₂-Neutral Heating Oil
- Installation of PV Systems
- Sourcing of Aluminum with a Reduced Carbon Footprint



Potential Climate Neutrality Measures

- Expansion of the Photovoltaic System
- Installation of a Battery Storage System for Photovoltaic Systems



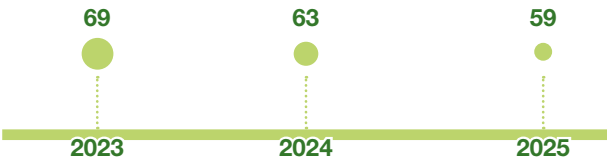
The examples shown here are just a selection. You can find more information about the company's energy efficiency and climate neutrality initiatives on the website at: www.franke-gmbh.com

2.3 Environment

Franke GmbH uses raw materials, purchased parts, semi-finished goods, and preliminary products, as well as energy and water. This process generates emissions, wastewater, and substances that can no longer be used in the subsequent production process. Franke GmbH's business operations also require the use of natural resources and therefore contribute to the increasing scarcity of necessary raw materials and to negative environmental impacts resulting from the extraction, processing, and disposal of materials. This has already led to rising prices for energy, raw materials, other materials, and waste disposal, which in turn undermine competitiveness.

That is why the company optimizes its processes with both environmental and economic considerations in mind and designs them to require as few resources as possible. From product development all the way through to customer use, Franke takes environmental factors into account in order to make follow-up activities largely unnecessary. An environmental management system compliant with the international standard ISO 14001:2015 has been established. In early August 2025, TÜV Süd conducted an ISO 14001:2015 (Environmental) surveillance audit. The audit was successfully completed; no nonconformities were found, but some areas for improvement were identified, which are being implemented gradually. The current certificate is available on the website.

After shipping packaging metrics were calculated for the first time in 2023, the subcategories (packaging breakdown) were also recorded in detail for the first time in 2025. This now makes it possible to conduct targeted comparative analyses. Both the absolute amount of packaging and the packaging ratio were reduced, despite an increase in production volume. Packaging requirements were reduced across all subcategories. The amount of packaging in metric tons:

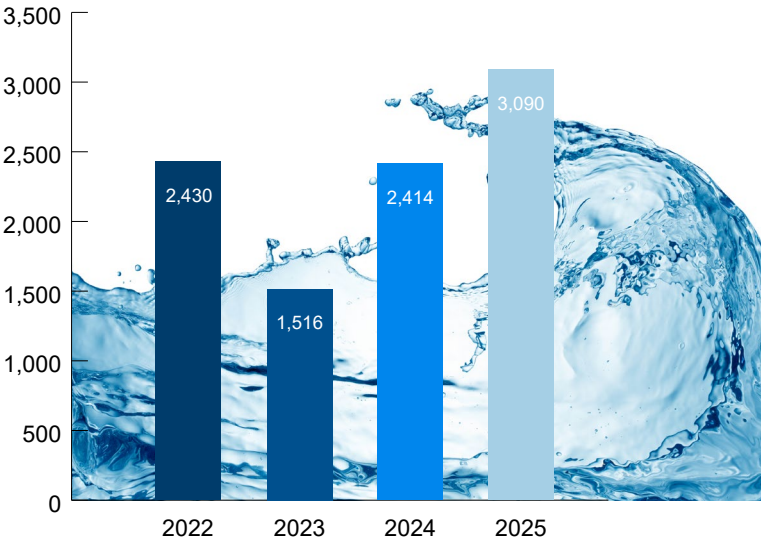


Franke GmbH is not required by law or other national regulations to report its pollutant emissions (air, water, and soil pollution) to the relevant authorities.

The topic of PFAS (per- and polyfluoroalkyl substances) and POPs (persistent organic pollutants) is currently receiving a great deal of media attention under the term “forever chemicals.” Franke is also affected by this issue to a limited extent and strives to avoid using such substances. Their use is prohibited in new projects. Another goal is to use lubricants with lower environmental impacts wherever possible; an ongoing process has been established to this end. Training sessions on proper storage and the handling

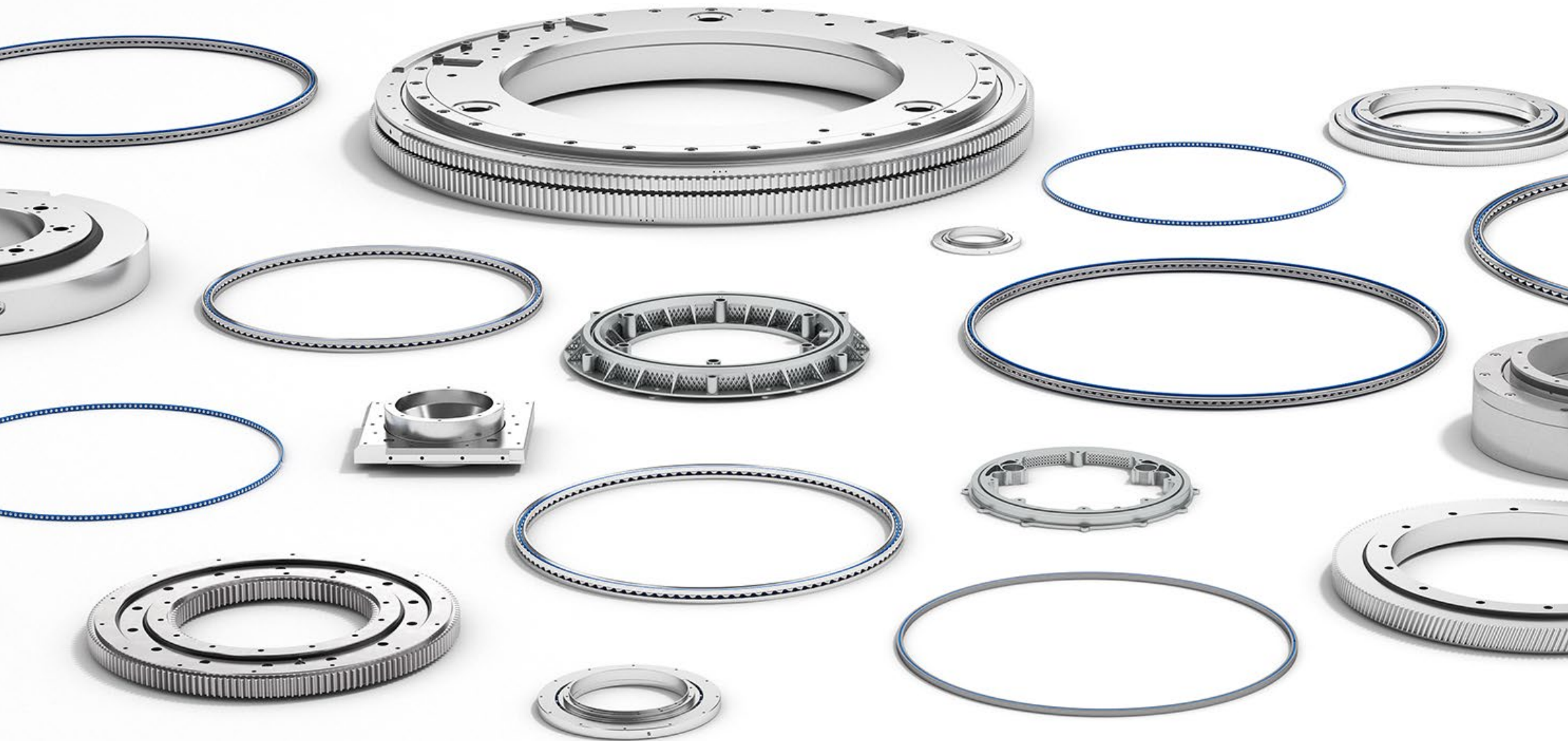
of waste and hazardous substances for the relevant group of employees are scheduled for 2026.

Absolute water consumption (water withdrawal, from areas not subject to high water stress) and water consumption per employee (water ratio) continued to rise in 2025 following a reduction. This is due to an increase in operating area and production volume, and the resulting rise in water consumption. There are no production processes that involve significant water consumption.



Water consumption (m³)

3. Economy



3.1 The Franke Principle

Innovative Roller Bearings: Four Wires for a Better Design

The key difference between a standard ball bearing and a Franke wire race bearing lies in the raceways. In a wire race bearing, the rolling elements do not roll on solid housing rings, but on delicate wires.



Conventional storage
principle



The Franke Principle
in Roller Bearings

The flexibility of the Franke principle allows for freer and simpler design, enabling the development of better products. Thanks to their patented technology, Franke wire race bearings offer maximum design freedom without compromising load-carrying capacity.

The surrounding structure can be manufactured from a wide variety of lightweight materials, and its geometry can be optimally adapted to the specific application.

Linear Guides:

Uniquely dynamic, uniquely customizable

Franke linear guides apply the ingenious principle of the innovative wire race bearing to linear motion. They consist of a lightweight aluminum base body with needle- or ball-bearing rollers made of steel or corrosion-resistant steel and are completely maintenance-free. Special cover plates on the rollers seal the bearing assembly from the outside.

Rollers arranged in a circular pattern ensure the same load-bearing capacity from all directions. The rollers feature a groove that is adapted to the profile of the raceway. This guided-roller system ensures that the rollers are guided axially, resulting in smooth, quiet operation. Rail and carriage profiles can also be customized to meet specific customer requirements.



Franke linear guides are available as a guide rail with a carriage or as a pair of guide rails with a pair of roller shoes.

3.2 Franke Wire Race Bearings

In a wire race bearing, four raceways made of spring steel absorb loads from all directions, saving both weight and

space. This allows for freedom in material selection and a custom-tailored design of the surrounding structure. Reducing weight through the use of aluminum can help lower the drive system's energy consumption. This, in turn, reduces the required drive power and opens up entirely

new possibilities for component design. This design flexibility allows the bearing to be integrated into the customer's housing, saving on materials and costs while significantly reducing the overall weight of the product.

3.3 Quality

The pursuit of quality guides Franke GmbH's business practices, which are always based on the needs and interests of its customers.

The company is a supplier of high-quality products based on its own market research, in-house development, and proprietary patents. At the same time, it forms partnerships with customers to work together to find optimal solutions. The company's responsibility toward its customers extends beyond the products themselves to include support throughout the development and design phases.

Certified Quality Management at Franke

To consistently ensure the quality of its products and services—and to improve them whenever possible—Franke GmbH maintains a strict quality management system.

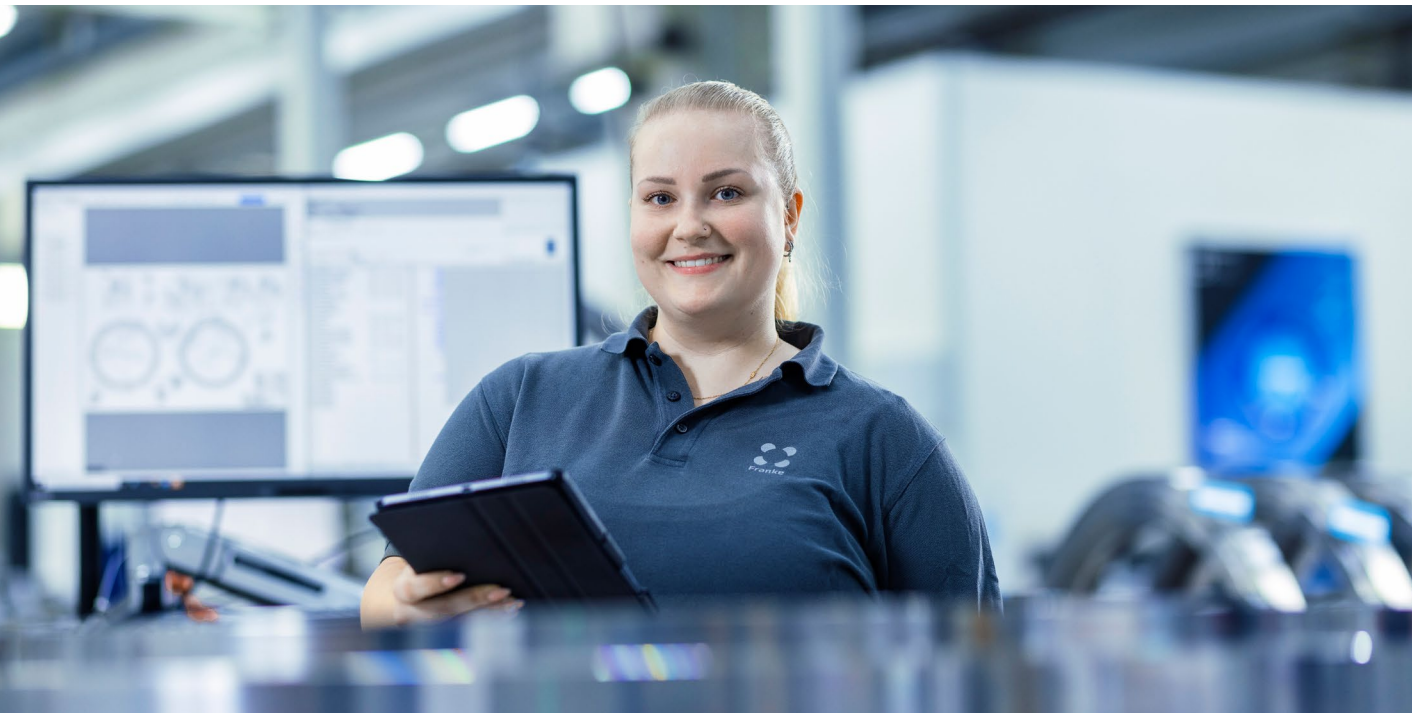
The entire company is certified to DIN EN ISO 14001 and 9001; this certification covers all quality-related activities and is binding for all employees.

Franke GmbH expects all employees to be committed to this shared goal of continuously improving customer satisfaction and to support it to the best of their ability.



Specifically, quality management means:

- Thorough understanding of customer requirements and expectations
- Development and manufacture of market-driven and competitive products by leveraging our innovative capabilities in mastering technologies and methods
- Consistent implementation of the zero-defect strategy, by producing defect-free products through well-controlled processes
- Structured project management and the development of sustainably safe products and processes
- Involvement of suppliers and contractors
- Continuous improvement of processes and products
- Preventing defects before they are detected
- Definition of individual objectives
- Deriving departmental objectives from overarching corporate objectives
- Establishment of corporate policy
- Provision of modern and efficient tools/methods to achieve controllable processes
- Continuous improvement of all processes (CIP)
- Monitoring and evaluating the effectiveness of CIP
- Constant improvement of our employees' knowledge and training levels
- Practicing open information sharing and communication to facilitate efficient collaboration
- Ongoing evaluation of safety, order, and cleanliness criteria



3.3 Refurbishing

Environmental considerations and the responsible use of resources are also important issues in mechanical engineering. In many cases, repairing machines and components rather than scrapping them is the better approach to maintaining or even increasing the efficiency and profitability of a production facility. Franke wire race bearings support you in this effort. Rotating joints with integrated wire race bearings are characterized by their long service life. Once they have reached the end of their service life, the precision-machined housing components can be reused, as they are not directly exposed to the mechanical stresses of the bearing and therefore often remain in good condition. This allows materials to remain in the value chain for longer.

Another option is to perform regular inspections before the service life is reached, in order to prevent a potential failure once the service life is reached. If Franke rotary unions in service are nearing the end of their estimated service life, the bearing is removed and sent to Franke for evaluation. If data such as operating time, number of revolutions, or relubrication cycle are available, providing this information helps assess the condition of the rotary union in relation to its calculated service life. There, an initial visual and functional inspection is conducted to evaluate the possibilities for refurbishment. Even at this stage, the company's

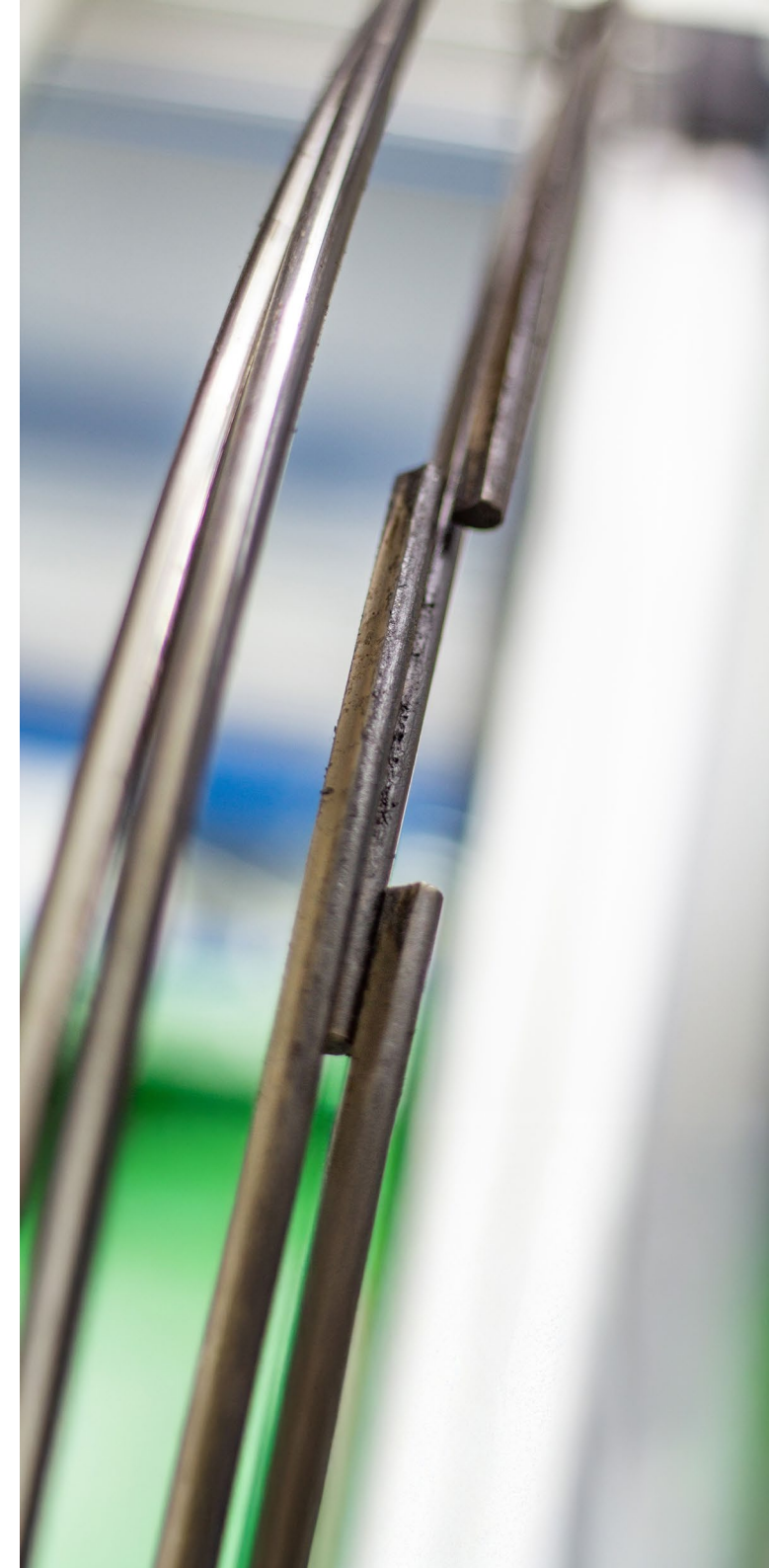
in-house specialists can identify the existing recycling potential. For a final assessment and to determine the scope of repairs, the bearing is opened and disassembled into its individual parts.



In 80% of cases, it is sufficient to manufacture a new bearing assembly consisting of raceways, rolling elements, and a cage, and to install it into the existing housing components.

Once the inspections are complete, the customer receives a report of findings as well as a cost estimate with a specified delivery time. Once the costs are approved, the order is processed accordingly.

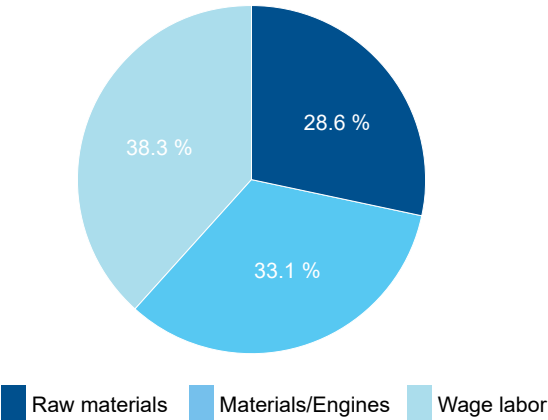
After assembly, the bearing is inspected according to current quality standards and, if necessary, undergoes test runs on appropriate test benches. If all specifications are reliably met, the bearing is returned to the customer. The reconditioned rotary joint now meets the performance specifications of a new bearing.



3.3 Supply Chain

Franke GmbH's Code of Conduct, available on the company's website, serves as the central guideline for procurement activities. Together with the terms and conditions of purchase, it defines the fundamental principles of a partnership-based collaboration with external suppliers and service providers.

Approximately 80% of the total purchasing volume is generated through strategically important suppliers of raw materials, materials, and contract workers. Given the significant value added by suppliers, procurement is a critical support process for the long-term success of Franke GmbH.



Delivery distribution by sector in 2025



A risk-based approach is used to systematically manage suppliers with regard to sustainability issues. Environmental and social considerations are playing an increasingly important role both in the selection of suppliers and in our collaboration with them. This is because environmental pollution, inadequate occupational safety standards, human rights violations, child labor, and forced labor pose risks in supply chains that Franke is committed to addressing. At the same time, business relationships based on partnership can create jobs and have a positive impact on environmental and social standards throughout the supply chain.

We regularly monitor our partnerships through an established supplier evaluation process, which is also subject to continuous improvement. The evaluations are conducted retrospectively after the close of the fiscal year for the preceding calendar year. In 2026, we will hold our first-ever Supplier Day, which is intended to enhance efficiency and

foster constructive collaboration with our key partners. A process for monitoring compliance with the EU Regulation on Conflict Minerals has also been established. Internal and external stakeholders can use the whistleblower system on the company's website to report potential human rights violations within the supply chain. During the reporting year, there were no known violations or complaints regarding human rights in the supply chain or at the company's own facilities.

With the formation of the sustainability team in 2023, the company began systematically addressing the integration of social and environmental sustainability into the supply chain. Specific measures for supplier management were developed, and their implementation began in 2024. In 2025, collaboration with strategic suppliers was further strengthened in all areas, with a focus on sustainability. A material declaration for interested parties was posted on the company's website in 2026.



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This report contains certain forward-looking statements regarding the development of Franke GmbH. The company currently believes that these forward-looking statements are realistic. However, such forward-looking statements are based on both assumptions and estimates that are subject to risks and uncertainties, which could cause actual results to differ materially from those expected. Franke GmbH therefore cannot guarantee that such a deviation will not occur. There are no plans to update the forward-looking statements for events occurring after the reporting date of April 1, 2026. Apparent discrepancies may occur throughout the report due to mathematical rounding in the totals.

Franke on Social Media:



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