



# GLOBAL COMPACT

2021 COMMUNICATION ON PROGRESS



COMMUNICATION ON  
PROGRESS

SMART IN FLOW CONTROL

SAMSON AKTIENGESELLSCHAFT

Registered office: Frankfurt am Main, Germany

Court of registration: Local District Court Frankfurt am Main, no. HRB 7131

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## COMMUNICATION ON PROGRESS

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# 1 STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

Dear Sir or Madam:

In this communication on progress, we will inform you about the action we have taken in the fifth year of our commitment to the United Nations Global Compact initiative. Our action still continues to be centered around fighting the consequences of the COVID-19 pandemic. Our ultimate objective is to protect the health of our staff, customers, suppliers and business partners all across the world while securing the existing jobs. We are one of the few companies in Germany, which, to date, has not applied for short-time work benefits due to the pandemic. Nor have we received any other financial support from the government. We are proud of this achievement.

Throughout the entire year, our company has overcome unfathomable obstacles on a national and international scale and stuck together as one. During the crisis, individual staff members, our team spirit and solidarity have proven their worth. Well done!

It will take years for the real challenges that Germany and the rest of the world are facing as a result of the COVID-19 disease to become fully evident. In particular, after we have all fully understood that there will not be a life 'after' corona, but instead that we will have to continue living 'with' the coronavirus in some way or other.

These are challenges that we can only master together. Mr. Kofi Annan's vision of enacting a binding system for corporate sustainability to fight worldwide poverty defines the associated framework. We continue to feel committed to its implementation in the UN Global Compact.

Worldwide solidarity is essential to the survival of all of us.

SAMSON AKTIENGESELLSCHAFT



Dr. Andreas Widl  
Chairman of the Executive Board

## 2 HUMAN RIGHTS AND LABOR

- Principle 1** › Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2** › Businesses should make sure that they are not complicit in human rights abuses.
- Principle 3** › Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4** › Businesses should uphold the elimination of all forms of forced and compulsory labour.
- Principle 5** › Businesses should uphold the effective abolition of child labor.
- Principle 6** › Businesses should uphold the elimination of discrimination in respect of employment and occupation.

### 2.1 Declaration on conflict minerals

Numerous SAMSON facilities strongly depend on the supply of raw materials. 'Conflict minerals' refers to raw materials that directly or indirectly finance armed conflict or result in labor or human rights violations.

In the Democratic Republic of the Congo (DRC), armed groups were implicated in several rights violations, such as violence against women, forced labor and child labor in mines. Child labor also occurred in Indonesia, for example in tin mining.

In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (or Dodd-Frank Act) was passed in the US. According to section 1502 of this law, suppliers serving companies listed on US stock exchanges must annually disclose information on the use of conflict materials in their products. According to the Dodd-Frank Act, this covers tin, tantalum, tungsten, gold and their derivatives originated in the Democratic Republic of the Congo (DRC) and adjoining countries.

Cobalt is another candidate for the list of conflict minerals and also assessed by SAMSON. As part of the assessment, the materials affected are entered in the material master data in the SAMSON ERP system.

SAMSON is additionally subject to Regulation (EU) 2017/821, which lays down supply chain due diligence obligations for European Union importers of tin, tantalum and tungsten, their ores and gold originating from conflict-affected and high-risk areas. In response to the 2017 regulation, we have made our in-house documented procedures more specific. Contrary to the US Congress, the EU Commission has published an updated, detailed definition of specific affected or high-risk areas for the companies to identify such areas themselves. ([www.cahraslist.net](http://www.cahraslist.net)).

Demands for more sustainability in the extraction and processing of raw materials are growing. They relate to social, environmental and economic aspects. Under the supply chain due diligence obligations law mentioned in the following, which will enter into force on 1 January 2021, SAMSON will be obliged to provide more supply chain documentation for tin, tantalum, tungsten, their ores and gold. The competent authority for Germany is the Federal Institute for Geosciences and Natural Resources (BGR). According to the National Action Plan for Business and Human Rights, SAMSON links these topics with the requirements laid down in the following laws and regulations:

## 2 HUMAN RIGHTS AND LABOR

- Supply chain due diligence obligations law implementing Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores and gold originating from conflict-affected and high-risk areas (MinRohS-orgG) according to Article 1, law of 2020-04-29 Federal Law Gazette I p. 864 (no. 21)
- UN Global Compact signed by the Executive Board of SAMSON AKTIENGESELLSCHAFT in 2016
- IPC-1755 (Conflict Minerals Data Exchange Standard)
- Gesetz betreffend die Bestrafung des Sklavenraubes und des Sklavenhandel (law governing the penalization of slave abduction and trafficking; published in Reichsgesetzblatt 1895, no. 32, p. 425–426), last amended by Article 54 of the law on the further reassessment of Federal Law (Gesetz über die weitere Bereinigung von Bundesrecht) of 8 December 2010 I 1864

**“ SAMSON has a wide product range: this is both an opportunity and a challenge. Our products are subject to rules and regulations that govern the use or restricted use of certain substances. We take our responsibility in this field very seriously. We work constantly at identifying such substances and replacing them.**

For this purpose, most of the materials used at SAMSON are inventoried, they are assessed based on their material data sheets (MDS) using substance databases and marked as 'potentially affected'. We have imposed stricter contractual obligations on our supply chain in this context regarding compliance with the applicable legal requirements. Background information for clarification is compiled on certain suppliers, who have not been able to eliminate suspicions of using conflict minerals; additionally, such suppliers are asked again for their feedback. This involves continuous communication with all parties involved.

SAMSON analyzes the supplier feedback and incorporates the gathered information into the supplier management ruleset. SAMSON representatives regularly attend working group meetings of the ZVEI (German Electrical and Electronic Manufacturers' Association) and VDMA (Mechanical Engineering Industry Association) industry associations to define our own quality objectives and assessment criteria. Additionally, SAMSON gathers information from external interested parties with relevance to purchasing and sales. This includes customer inquiries as well as studies published by NGOs and press reports. SAMSON checks such information as related to regions of origin, sources of supply and relevant target markets based on the specifications of IPC-1755. For example, we use two material databases with sourcing information provided by the Responsible Minerals Initiative (<http://www.responsiblemineralsinitiative.org/>) and others for verification. The Fundamental Conventions of the ILO are part of our assessment.

## 2 HUMAN RIGHTS AND LABOR

### 2.2 Fundamental Conventions of the International Labour Organization (ILO)

We at SAMSON committed ourselves and our suppliers to observing the fundamental conventions of the International Labour Organization (ILO) many years ago.

– ILO Fundamental Convention C29s	Forced Labour Convention
– ILO Fundamental Convention C87	Freedom of Association and Protection of the Right to Organise Convention
– ILO Fundamental Convention C98	Right to Organise and Collective Bargaining Convention
– ILO Fundamental Convention C100	Equal Remuneration Convention
– ILO Fundamental Convention C105	Abolition of Forced Labour Convention
– ILO Fundamental Convention C111	Discrimination (Employment and Occupation) Convention
– ILO Fundamental Convention C138	Minimum Age Convention
– ILO Fundamental Convention C182	Worst Forms of Child Labour Convention

SAMSON complied with this obligation also in the past reporting year. To underline the importance we place on these aspects, many of the ILO's fundamental conventions have been integrated into the SAMSON Code of Conduct.



**We are committed to providing fair and civil working conditions for all SAMSON employees. This includes:**

- No discrimination, harassment, intimidation or invasion of privacy.
- No illegal employment, child labor or other violations of employee rights.
- No unauthorized disclosure of personal data to third parties.
- No tolerance, arrangement or cover-up of inhumane conduct.

**We are committed to the principle of business sustainability. This includes:**

- No breach of our social commitment or advantage gained from our suppliers' non-observance of this commitment.

All corporate specifications and regulations are based on jurisdiction in Germany as well as the collective bargaining agreement for the metalworking and electrical industry in the German state of Hesse as amended.

## 2 HUMAN RIGHTS AND LABOR

### 2.3 Collective bargaining agreement

SAMSON AKTIENGESELLSCHAFT is a long-standing partner of the German Industrial Union of Metalworkers (Industriegewerkschaft Metall). As in previous years, we have adopted the collective bargaining agreement recently concluded and applied it without any modifications. This also ensured that all members of staff are paid significantly more than the minimum wage. Before granting any orders, we oblige all external service providers to confirm that they observe the minimum wage legislation.

The 2021 negotiations on the collective bargaining agreement were influenced by the coronavirus pandemic. The agreement reached in 2018 was put back into force and will remain valid without any changes until next year. In addition to a pandemic bonus, whose amount SAMSON will voluntarily double, the current bargaining agreement includes a new special transformation payment to be paid out for the first time next year. The SAMSON staff members can also count themselves lucky since SAMSON has not yet been forced to apply for short-time work benefits despite the pandemic.

### 2.4 Works Council

SAMSON has had a Works Council for decades, which is elected by the staff at regular intervals. The last elections were held at the beginning of 2018. The members of staff running for the election had the opportunity to present themselves and their plans so that all voters could get a better overview. This also ensured transparency across divisions and departments. Last year, the Works Council started to keep staff updated about its activities on (electronic) bulletin boards to strengthen communication between staff and the Works Council. This initiative was continued throughout the past reporting year.

### 2.5 Staff satisfaction

The well-being of our staff has top priority for SAMSON. For years, we have been supporting our staff in different ways, for example by providing a corporate pension scheme, by making contributions to the cost of child care or by participating in the J. P. Corporate Challenge. To further expand these activities in the future, we have established a dedicated SAMSON Benefits program, which gives staff access to benefits or special rates offered by various businesses.

SAMSON AKTIENGESELLSCHAFT put in place a flextime work schedule last year, which will make it easier for staff members to balance family and work and grant them greater flexibility. Similar to last year, every staff member had the opportunity to use a free job ticket for public transport in 2021. The ticket is valid across the entire state of Hesse. On weekends, staff members can even take along an accompanying person free of charge.

During the coronavirus pandemic, the health and well-being of our staff came to the fore. Top management responded quickly and made it possible for all staff members to work from home, provided their jobs were suited for mobile work. Shifts in production were staggered, which allowed for contact-free worker changeovers and gave us time to clean the machinery in-between shifts. The required measures to prevent infection and slow transmission, for example on cleaning, disinfecting and social distancing, are strictly enforced in Administration and Production. In addition, top management purchased protective face masks and coronavirus rapid tests and distributed them to the workforce for private and professional use.



## 2 HUMAN RIGHTS AND LABOR

For a certain time, the SAMSON canteen had to be closed down as observing all rules was extremely difficult. As a means of compensation, complimentary lunch packages were made available. As a result, the canteen staff could continue to do their job and catering for the workforce present on site was ensured.

When the canteen was allowed to reopen, staff put together a take-out menu for their colleagues. This prevents long lines in the canteen and enables the workforce to enjoy their food at their workplace.

Top management kept the staff members up to date on the latest developments relating to the pandemic through video podcasts and the information screens.

### 2.6 Vocational and staff training

SAMSON AKTIENGESELLSCHAFT has been known in the Rhine-Main area for many years as a company that offers vocational training opportunities.

More than 30 young persons, several of them with a refugee background, start their vocational training in the commercial and technical fields in our company every year.

Once they have successfully completed their training program, we offer them regular employment in the different departments.

As a way to further improve our support for vocational trainees, we have set up the Study with SAMSON program. After completing their vocational training, former apprentices can decide on one of the different fields of study offered and apply for a subsidized place in a work-and-study program.



SAMSON also gives staff the opportunity to take part in further training in our Edith Sandvoss Academy. Different in-house and external job-related training seminars are offered at regular intervals.

One focus is on developing young managerial staff. All seminars are increasingly held as digital, remote events.

SAMSON has a team in place to support staff members in training-related issues. A new mentoring program was implemented as well.

In 2015, SAMSON established a refugee work program. The program is mainly directed at youth and young adults and intended to facilitate their entry into the German labor market.

We have been able to produce positive results: Some of the young people, who had initially been granted a sponsorship contract to prepare them for the actual vocational training program, were able to start their training after one year. Some have meanwhile completed their programs and taken up jobs as skilled professionals at SAMSON.

## 3 ENVIRONMENTAL PROTECTION



- Principle 7** › Businesses should support a precautionary approach to environmental challenges.
- Principle 8** › Businesses should undertake initiatives to promote greater environmental responsibility.
- Principle 9** › Businesses should encourage the development and diffusion of environmentally friendly technologies.

### 3.1 Integrated management system

SAMSON AKTIENGESELLSCHAFT established an integrated management system (IMS), which combines three management systems into one: quality management according to ISO 9001:2015, environmental management according to ISO 14001:2015, occupational health and safety management according to ISO 45001:2015 and energy management according to ISO 50001:2015. The management systems govern the strategic responsibility and everyday business operations across all areas of the company.

SAMSON AKTIENGESELLSCHAFT defines annual targets for occupational health and safety as well as quality, environmental and energy management. The associated action is redefined every year, monitoring and assessment take place on a monthly basis. In 2020, the following goals could be achieved:

## 3 ENVIRONMENTAL PROTECTION

- Reduce disposed amount of cooling lubricant by 17 % compared to the previous year
- Reduce amount of total waste produced by 14 % compared to the previous year
- Achieve over 90 % separate collection rate for different waste fractions (the rate was confirmed by an independent expert)
- Reduce specific electricity consumption by 14 %
- Reduce heating steam consumption by 14 %
- Reduce CO<sub>2</sub> emissions by 5 % compared to 2019
- Reduce incoming customer complaints by 10 % compared to the previous year

**“ We are committed to the principle of business sustainability. This includes: No risk or lasting damage to the environment.**

To continuously strengthen staff awareness for these topics, the IMS team uses information screens on site, bulletin boards, training seminars and the Intranet site to provide regular updates. They cover important details on energy efficiency, occupational health and safety, environmental protection and the quality of our products. Criteria with IMS relevance are taken into account when procuring new machinery or implementing new processes as well as at the associated planning stages.

### 3.2 Product-related environmental protection

Our products are subject to rules and regulations that govern the use or restricted use of certain substances. We take our responsibility in this field very seriously. We work constantly at identifying such substances and replacing them when the applicable legal requirements change. Such replacements can take place every six months for RoHS (EU Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment) and REACH (EC Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals). Observing the legal requirements is relevant to CE and EAC product marking, for example. SAMSON meets the requirements by complying with EN 50581.



## 3 ENVIRONMENTAL PROTECTION

**SAM**<sup>®</sup>  
DIGITAL



### 3.3 SAM DIGITAL

No development in the past decades has had such an impact on our lives as the growing opportunities of recording, saving, processing and exchanging data. We have automatically integrated new products and systems into our everyday lives. The same development from analog to digital technology can also be seen in industry.

SAMSON is taking on the challenge of digitalization. We are working on becoming the first choice for smart, networked valves, flexible production processes and challenging applications. We are optimally prepared to achieve our objectives. At SAMSON, the staff's know-how on valves, actuators and positioners as well as the customers' knowledge of their processes are brought together.

SAMSON counts on over 100 years of experience in valve engineering and has accumulated the necessary know-how to analyze data and draw the right conclusions.

The solutions offered in the SAM DIGITAL product line are designed to monitor and visualize consumption values and plant states as well as identify savings and optimization potentials.

For customers, this means optimized processes and a true added value, for example in terms of reduced cost of energy and operation, predictive maintenance or lower spending on service and repairs. We at SAMSON also use our SAM DIGITAL solutions on site, for example to implement or support action we take in our integrated management system.

## 3 ENVIRONMENTAL PROTECTION

### 3.4 Innovations

SAMSON engineered an innovative modular valve from assembly in the production departments to the place of installation. The valve design speeds up start-up and maintenance thanks to different modules for pressurized parts, linings and sealing elements as well as full field modularity. In addition to the technological benefit, ecological aspects, such as the sustainable use of resources, are taken into account. Operators can replace all valve components after installation, which considerably extends the average service life of a valve installed in a plant.

This ecological approach will also be taken when developing the new generation of positioners. By cutting back the constant compressed air consumption by up to 40 %, the need for this energy-intensive supply medium is reduced considerably. This shows that SAMSON constantly works towards its goal of implementing the efficient use of resources while sustaining a consistently high level of product quality also in new products.

### 3.5 Combined heat and power plant

SAMSON AKTIENGESELLSCHAFT optimized its energy supply by adding a combined heat and power plant (CHP) for the cogeneration of heat and power. The natural-gas-fired CHP plant was built on the Frankfurt site. The new plant, along with the existing district steam line, guarantees SAMSON AKTIENGESELLSCHAFT's energy supply. The CHP plant is used exclusively to supply SAMSON AKTIENGESELLSCHAFT.

A considerable portion of the existing transfer stations on site will have priority supply with heating water from the CHP plant and lower-priority supply with district steam. Additionally, the CHP plant is integrated into the existing SAM-LAN building automation system, which can communicate with the plant control unit over an interface.

## 4 FIGHT AGAINST CORRUPTION

**Principle 10** › Businesses should work against corruption in all its forms, including extortion and bribery.

### 4.1 SAMSON Code of Conduct

SAMSON implemented a code of conduct many years ago. All executives and staff members at SAMSON and the SAMSON subsidiaries are obliged to observe this code. One of the aspects dealt with in the code of conduct is the avoidance of bribery, corruption, money laundering, terrorist financing, anti-trust agreements and other illegal actions.



**We are committed to integrity in our business activities. This includes:**

- **No gifts, whether they be of financial nature or any other nature, are to be granted or promised to customers, authorities or other business partners.**
- **No personal financial advantage or any other kind of advantage is to be accepted or demanded.**
- **No gifts that go beyond normal hospitality or occasional gifts of low value are to be exchanged.**
- **No commission is to be paid to agents or consultants that unreasonably exceeds the commission common on the market. No unreasonable payments are to be made to third parties through agents or consultants.**
- **All received gifts are to be disclosed and reported to superiors without exception. All received gifts are to be disclosed and reported to superiors without exception.**

**We are committed to fair and lawful competition. This includes:**

- **No illegal cartel agreements with competitors or agreements to unlawfully exclude customers, suppliers or competitors.**
- **No breach of legal regulations and rules to be applied during business transactions.**
- **No tolerance of or involvement in money-laundering activities or financial support of terrorism.**

SAMSON has not become aware of any code violations since the code of conduct was implemented; this period also includes the reporting period.

## 4 FIGHT AGAINST CORRUPTION



### 4.2 Compliance training

To further increase staff awareness for compliance, a new training program was introduced at the beginning of 2018 for all relevant staff groups. In doing so, SAMSON wants to ensure once more that greater awareness for compliance-related topics is raised.

Over the past reporting year, we have intensified our activities in this field and made staff aware of a number of compliance topics. In addition to the eLearning seminars that have already been established, SAMSON has drawn up a detailed compliance manual for staff to observe.

### 4.3 Donations Instead of Gifts

Students completing their vocational training at SAMSON AKTIENGESELLSCHAFT established a virtual company named OPPORTUNITEAM in 2015 to improve the job opportunities available to young people in a developing country. They use the skills and knowledge they acquire during their vocational training program to manufacture and market products and invest the proceedings in a support project. OPPORTUNITEAM requires people from all vocational training fields within the company to be successful.

As part of this initiative, vocational trainees of SAMSON AKTIENGESELLSCHAFT handed over a donation to Mr. Franz-Josef Fischer (chief executive officer of the Strahlemann Stiftung foundation) and Mr. Pietro Sutera (member of the foundation's board of trustees). 5,000 euro were donated to a project that finances the vocational training of young people in Ethiopia. The project is geared towards young Ethiopians living in the rural region of Guassa. It supports them to complete a vocational training program and arranges employment in the local area or, alternatively, promotes self-employment through business start-up advice and micro-credits. This region in Ethiopia is heavily dependent on farming and is feeling the negative impact of climate change. Families and young people here urgently need support to find alternative sources of income.





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