KraussMaffei
Pioneering Plastics

KraussMaffei Group GmbH

2024 SUSTAINABILITY REPORT

TRUE BLUE

EDITORIAL

In sustainability management, we talk about scopes and standards, targets and taxonomies. But we quickly forget what it is actually about. Namely, taking specific measures to keep our planet livable – for everyone.

It's good if someone repeatedly reminds us of that. Like this little sea turtle on my desk. We produced them live at FAKUMA with a fully electric PXZ injection molding machine and showed how sandwich construction can significantly increase the recycled content in functional plastic parts with high-quality surfaces. All the trade fair guests were able to take their own turtle away with them and many have shared them on their social networks in fun ways, sometimes very creatively. For each post, we donated a sum of money to a project that protects the precious habitats of real sea turtles.

This is how I envisage sustainability communication: First, make a concrete, substantial contribution with innovative technology and then use a clever idea to raise awareness and inspire many people. I'm sure you will find many more such examples in this report.

Dr. Alexandra Coffey
Head of Marketing & Communications,
Global Sustainability Manager
KraussMaffei Group GmbH

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ABOUT THIS REPORT

With this report, the KraussMaffei Group provides information about its target and actions for sustainable and future-focused business operations.

The reporting organization is KraussMaffei Group GmbH, headquartered in Parsdorf near Munich. It is a limited liability company under German law. The parent company of KraussMaffei Group is China National Chemical Equipment (Luxembourg) S.à r.l. (CNCE Lux). CNCE Group (Hong Kong) Company Limited has held 90.76 percent of CNCE Lux since December 31, 2024. The remaining 9.24 percent is held by the previous sole shareholder, KraussMaffei Company Limited (KMCL). These companies are majority-owned by Sinochem, the world's largest integrated chemical company.

KraussMaffei Group GmbH acts as a holding company for KraussMaffei Technologies GmbH (Parsdorf, Germany) and Krauss-Maffei Corporation (Florence, Kentucky, USA). Apart from the KraussMaffei Group's internal centralized services, the operating business is mainly conducted by the company's direct and indirect subsidiaries. They operate worldwide from 31 locations in 17 countries (see page 8). As of December 31, 2024, the company employed 3,962 people, of which 2,527 were in Germany, and generated revenue of EUR 1.01 billion. This makes KraussMaffei one of the world's leading manufacturers of machines and systems for producing and processing plastics and rubber.

This sustainability report was prepared voluntarily in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). At the time of publication, there is no legal obligation for our company to report on sustainability in accordance with CSRD. This report has been compiled with the utmost care and on the basis of currently available information and data. An external audit of the content (assurance) of the report by an auditor or an independent third party was not carried out due to the current legal uncertainty and the voluntary nature of the reporting.

By voluntarily reporting, we aim to create transparency with regard to our sustainability strategy and performance and to prepare for upcoming regulatory requirements at an early stage. We reserve the right to have future reports audited externally as soon as the legal framework has been defined in greater detail.

The reporting period in this report covers the year from January 1 to December 31, 2024. Where estimates and assumptions have been used to calculate data, this is indicated in the appropriate place. Global Sustainability Manager Dr. Alexandra Coffey is responsible for the content of this report. She can be contacted with any questions and suggestions at alexandra.coffey@kraussmaffei.com

We collected information from all entities to produce this report. Accordingly, all information is consolidated and applies to all parts of the KraussMaffei Group. However, since individual key figures are not yet recorded uniformly at all locations, they are missing at certain points. If this is the case, we have made it clear in the report. There are no retrospective long-term comparisons for key figures in this report. This is for two reasons:

- Over the past two years, we have harmonized data collection systems at the global sites to create a solid data base for profound target definition. This was previously lacking. This process is almost complete.
- In recent years, we have moved to new production facilities at several locations. This process was largely completed in 2024. The double counting of individual key figures resulting from this in previous years – for example, in relation to energy consumption or amount of waste generated – distorted the database. With the relocations successfully completed, the basis has now been created for recording meaningful and valid key figures. Therefore, we define 2024 as the base year for future comparisons.

For the last sustainability report for 2023, the following corrections have been made:

- On page 47, due to an editorial mistake, we incorrectly showed the "energy consumption". In fact, we should have shown "electricity consumption" here.
- In addition, due to the fact that the energy recovery was not taken into account, the amount of solar power and total energy was not correctly represented. Correct is 4,597 MWh of solar power and 96,557 MWh of total energy consumption.
- Due to changes in data collection definitions, the fluctuation rate last year was 6.9%, not 7.3%. For the same reason, the gender pay gap was not 23% but 18.7% for 2023. And the number of employees with fixed-term contracts was 329 in 2023, not 173.

Due diligence

Our risk management (see page 11) ensures that all corporate due diligence requirements are complied with.

KraussMaffei Group GmbH

Brazil
KraussMaffei do Brasil Ltda.

China
KraussMaffei Machinery (China) Co., Ltd.
Shanghai KraussMaffei Machinery Co., Ltd.

Germany
Burgsmüller GmbH
KraussMaffei Automation GmbH
KraussMaffei Extrusion GmbH
KraussMaffei Group GmbH
KraussMaffei Technologies GmbH
PLAMAG GmbH

France
KraussMaffei Group France S.A.S.

UK
KraussMaffei Group UK Ltd.
Pultrex Ltd.

India
KraussMaffei Technologies India Private Limited

Italy
KraussMaffei Group Italia S.r.l.
Krauss-Maffei Italiana S.r.l.

Japan
Krauss-Maffei Japan K.K.

Colombia
KraussMaffei Group Andina S.A.S.

Korea
Krauss-Maffei Korea Ltd.

Mexico
Krauss Maffei de México S. de R.L. de C.V.

Netherlands
KraussMaffei Group Benelux N.V.*

Russia
000 KraussMaffei RUS**

Switzerland
Krauss-Maffei (Schweiz) AG

Singapore
KraussMaffei Group Singapore Pte. Ltd

Slovakia
KraussMaffei Technologies, spol. s r.o.

Thailand
KraussMaffei Group South East Asia Co., Ltd.

USA
Krauss-Maffei Corporation

Some national companies have several locations in the respective country

* Headquarters Belgium, commercial register entry in Breda (NL)
** 2023 in liquidation, insolvency since 2024 due to foreign trade restrictions

We also adhere to due diligence principles in our sustainability communications, particularly when identifying important topics for the company and when selecting and prioritizing issues for this report:

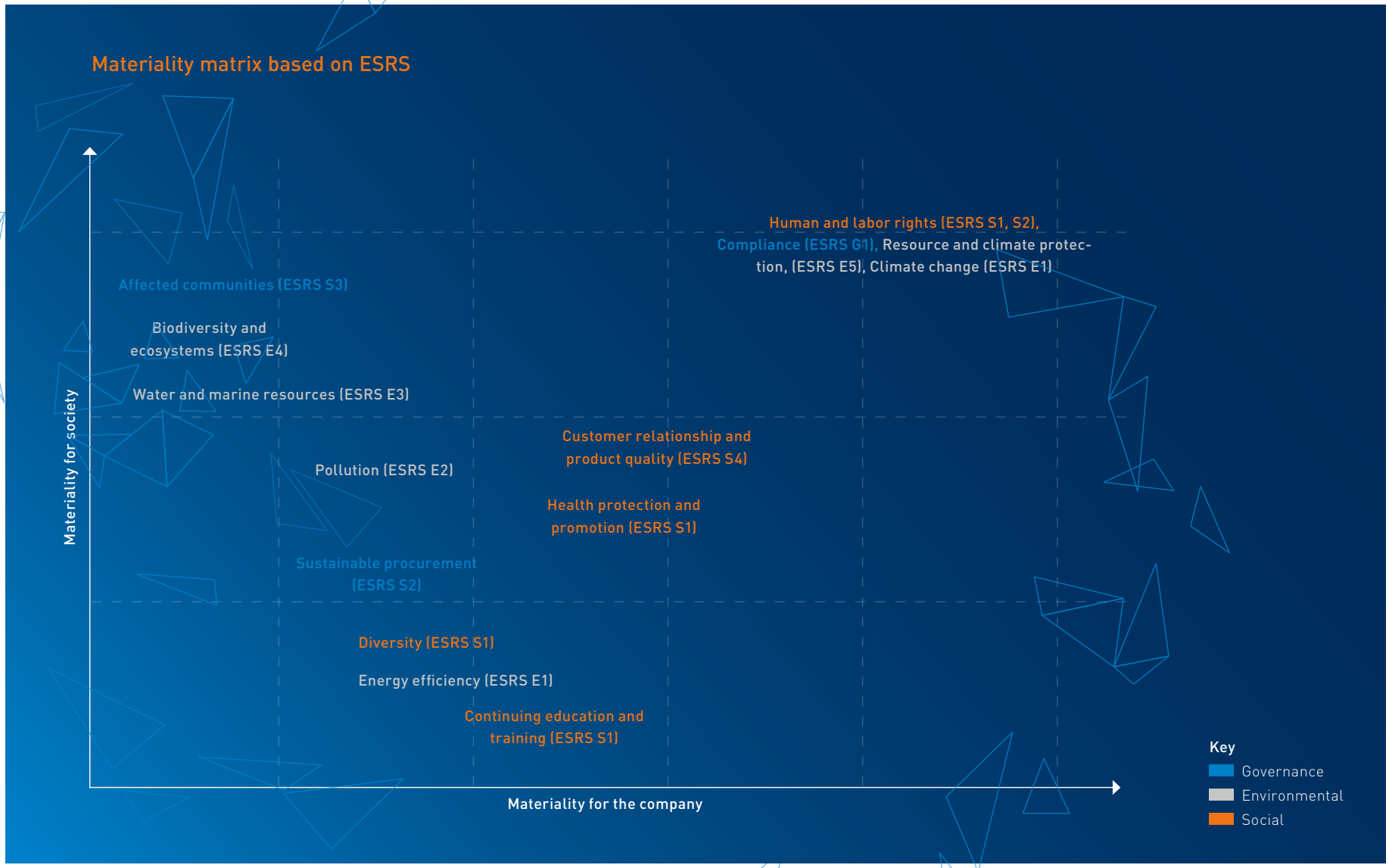
- Climate change (ESRS E1)
- Resource use and circular economy (ESRS E5)
- Own workforce (ESRS S1)
- Workers in the value chain (ESRS S2).

In 2024, the KraussMaffei Group conducted a structured materiality analysis as part of its preparations for the requirements of the European Corporate Sustainability Reporting Directive (CSRD). The aims were to meet the regulatory requirements of the European Sustainability Reporting Standards (ESRS) and to identify strategically relevant sustainability issues for the company. The analysis was based on the principle of double materiality, which takes into account the company's impacts on the environment and society (impact materiality) as well as the financial risks and opportunities for the company itself (financial materiality). The quality of the analysis was ensured by an external consultant.

The methodology was based on the requirements of ESRS 1 (AR 9) and ESRS 2 (IRO-1) and comprised three key process steps:
1. Context analysis: Define the company-specific framework including scope of consolidation, business activities along the value chain, legal framework, and existing risk and due diligence processes.
2. Identification of impacts, risks, and opportunities: Capture potential and actual impacts, risks, and opportunities (IROs) based on internal expertise, external sources, industry-specific standards, and regulatory requirements (e.g. LkSG, CBAM). Documentation and validation were carried out in a structured manner in an Excel template.
3. Materiality assessment: Assessment according to extent, scope, reversibility, and probability of occurrence. An assessment matrix was developed based on risk management. Human rights-related risks were assessed conservatively. Final approval was given by management.

Including stakeholder perspectives was an integral part of the analysis process. Internal stakeholders such as the Group Works Council, Global Procurement, Health & Safety, HR, Sales, Product Management, R&D, and the managing directors of the largest subsidiaries were systematically integrated. External stakeholders were taken into account via existing dialog formats, such as customer inquiries on ESG issues, supplier assessments, feedback from rankings (e.g. EcoVadis, CDP), and via digital channels and trade fair contacts. The results of this work were incorporated into the identification and assessment of the IROs. A direct survey of external stakeholders was not carried out in this first analysis phase.

Materiality matrix based on ESRS



ESRS 2 GENERAL DISCLOSURES

We are committed to achieving greater sustainability with durable and energy-efficient machinery and systems, new circular economy solutions, and smart recycling technologies. We provide information on these in this report.

Strategy and business model

KraussMaffei is one of the world's leading manufacturers of machines and systems for producing and processing plastics and rubber. We stand out from our competitors in key areas:

- **Technological diversity:** We are the only company in the industry to pool expertise for four technology areas in one company: extrusion, injection molding and reaction technology, and additive manufacturing.
- **Quality:** In terms of quality, we do not allow ourselves to compromise. In our processes, we ensure this via appropriate management systems. With certificates, we document that our customers can always rely on outstanding material, product, and process quality at KraussMaffei.
- **Partnership:** We offer our customers custom machinery. At several locations, we operate a technical center in which we develop and test individual processes and system concepts together with customers.
- **Cost-effectiveness:** In addition to custom machine construction, customers can obtain standardized system concepts from us and thus implement particularly economical solutions.
- **Digitalization:** Our digital solutions, especially in the area of system control and networking, open up new potential for customers to increase efficiency.
- **Service:** We create sustainable added value for our customers with individual services – from financing offers to industrial retrofitting of machines and systems.
- **Sustainability:** Our solutions are particularly durable and therefore sustainable solely for that reason. We strive to make them as resource-efficient as possible. They are also designed to conserve energy and resources during operation. In addition, they make a significant contribution to closed material cycles in the plastics industry with innovative recycling solutions.
- **Customer proximity:** We are present in 18 countries worldwide and are always close to our customers with our numerous trade and service partners.
- **Experience:** KraussMaffei has been successful since 1838 and has stood for reliable engineering "Made in Germany" since then.
- **Innovation:** Around 600 patents are an expression of our innovative capacity which we use to provide customers with tangible added value.
- **Understanding:** Our customers are found in a wide variety of industries. Over the decades, we have built up a wealth of knowledge and experience to meet their specific requirements.

These advantages result in clear benefits for our customers. Cultivating and expanding these in a targeted way is at the heart of our strategy for sustainable business development.

Value chain

KraussMaffei develops, manufactures, and distributes individual and standardized machines and systems for producing and processing plastics and rubber, as well as accompanying service solutions. In 2024, we purchased raw materials, semi-finished products, materials, and services from 7,164 suppliers. We thus realized product, process, digital, and service solutions for our customers. They come from a range of industries including automotive, packaging, medical, recycling, construction, and the production of electrical and electronic products and household appliances. Sales, delivery, and the long-term maintenance and repair of our products and solutions for customers are provided via our sales departments and service companies. We also cooperate with numerous trade and service partners worldwide, which means we are always able to be close to our customers.

We set specific standards for all those involved along our value chain with regard to environmental and social sustainability and, in particular, compliance with human rights. The corresponding declarations of commitment are set out in our Supplier Code of Conduct. We carry out supplier-related risk management and risk analysis in accordance with the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). We also make our principles and requirements unmistakably clear, monitor compliance with them, implement preventive measures, and transparently document the results of our risk management and supplier development – for example, as part of the report for the Federal Office for Economic Affairs and Export Control (BAFA), which we have been publishing annually since 2024.

Role of the administrative, management and supervisory bodies

The highest decision-making body is the Supervisory Board. The KraussMaffei Group's Supervisory Board of 12 members is composed with equal representation. The six employer representatives are appointed by resolution by the sole shareholder CNCE Lux. The six employee representatives are made up of three German employee representatives covered by collective wage agreements, two representatives from the IG Metall trade union, and one representative from management following appropriate elections.

In 2024, the following changes were made to this board:

- On January 5, 2024, Chi Zhang resigned as Chair of the Supervisory Board and Managing Director of KMCL. He was replaced by Shihao Yang, Vice President of Sinochem Holdings Corporation Ltd.
- On March 31,2024, Karsten Schibgilla, Member of the Supervisory Board and Chair of KraussMaffei Extrusion GmbH Works Council, resigned. He was replaced on August 12, 2024, by Markus Klein, Deputy Chair of KraussMaffei Technologies GmbH Works Council.
- Markus Bauer was replaced on April 4, 2024, by Helmut Hackner, Head of Commercial Order Processing.
- Zhi Zheng, Deputy Managing Director of China National Chemical Equipment Co. Ltd. until April 8, 2024, was replaced by Dr. Gunnar Merz, Management Consultant, on April 9, 2024.

Since August 12, 2024, the Supervisory Board has been composed of the following members:

Employer representatives

- **Shihao Yang**, Chair of the Supervisory Board, Vice President of Sinochem Holding Corporation Ltd.
- **Dr. Karlheinz Bourdon**, Member of the Supervisory Board, Management Consultant
- **Jianzhong Kang**, Member of the Supervisory Board, Deputy Managing Director of KMCL
- **Xiaoxu Li**, Member of the Supervisory Board, Director and Chief Financial Officer of KMCL
- **Dr. Gunnar Merz**, Member of the Supervisory Board, Management Consultant
- **Xiaofeng Zhang**, Member of the Supervisory Board, Head of the Office of the Board of Directors of KMCL

Employee representatives

- **Sascha Dudzik**, Member of the Supervisory Board, 1st representative and treasurer of the IG Metall branch office Hanover
- **Helmut Hackner**, Supervisory Board Member, Head of Commercial Order Processing
- **Markus Klein**, Supervisory Board Member, Deputy Chairman of KraussMaffei Technologies GmbH Works Council
- **Susanne Meyer**, Member of the Supervisory Board, Chair of the Group Works Council
- **Sibylle Wankel**, Deputy Chair of the Supervisory Board, 1st representative of the IG Metall Munich office
- **Robert Weinmüller**, Member of the Supervisory Board, Warehouse Manager

The KraussMaffei Group's Management Board has

overall responsibility for developing, approving, and updating the key corporate policies that KraussMaffei uses to ensure sustainable development. The Management Board is also responsible for ensuring that the company fulfills its due diligence obligation to identify, manage and, if necessary, optimize all impacts of its business activities on the economy, environment, and people, as well as the associated risks and opportunities. In addition, there is regular exchange between Sustainability Management and the Management Board.

In 2024, there was also a change of personnel on the Management Board: Chi Zhang, former Chair of the Supervisory Board, took over as CEO from Yong Li on January 10. Yong Li became Chief Administrative Officer (CAO). As of July 31, former CFO Jörg Bremer has resigned and left the company. Since 1 August, Thomas Giese has taken over his duties on an interim basis.

Sustainability Management reports directly to the CAO and informs him immediately about important sustainability issues, particularly those relating to environmental and climate protection, social issues and ethics. In 2024, there were no further measures to increase the knowledge and understanding of the highest decision-making and supervisory bodies regarding the sustainability performance of the company. In 2024, sustainability-related performance was not included in incentive schemes. In 2025, the remuneration components of all staff with individual target agreements will be aligned with their sustainability performance for the company.

Risk management

Key business processes are subject to an internal control and monitoring system in order to identify risks at an early stage and counter them in a controlled manner. This is based on an enterprise risk management (ERM) approach that is integrated into the company's organization and complies with the COSO standard (Committee of Sponsoring Organizations of the Treadway Commission). The frameworks link the ERM process with the financial reporting process and the company's internal control system (ICS). We evaluate the following processes and resulting documents in order to identify any potential risks that could jeopardize the company as a going concern:

- Management Board meetings
- Annual planning and forecasting, investment planning, monthly and quarterly reporting
- Production and capacity planning, sales and market analyses
- Cross-divisional coordination of projects, strategic development projects, patent coordination
- Risk workshops
- Purchasing and supplier management
- Customer account management, sales financing, liquidity planning
- Personnel planning and development
- Group auditing, compliance management, internal control system

A multi-stage system has been set up to identify and monitor all risks that could jeopardize the company as a going concern. The aim is to identify the risk of future events on the basis of a short-term and medium-term forecast (observation period: 24 months) in order to initiate the necessary steps to deal with them appropriately in an orderly process.

The main business risks are compared with the company's processes, then analyzed and quantified. Risks

are managed by defining and initiating suitable countermeasures. Any potential risk is assessed according to uniform standards. All identified risks are regularly reported and queried by the area managers on risk recording forms. The maximum amount of damage, the probability of occurrence, and the effectiveness of possible countermeasures are assessed. At the end of this review, the net risk or actual risk potential is determined. The company's overall risk situation results from adding up all the potential individual risks. This in turn can be segmented according to specific risks in the individual areas and overarching risks at company level. The implementation status is monitored at regular intervals through the risk management system. With this process, we have identified the following risks arising from sustainability aspects:

- **Plastics industry risk:** As an important pillar of the global manufacturing industry, the plastics industry has to take into account a number of fundamental market risks. Global economic fluctuations can have a significant impact on the industry. Slowing global economic growth can also reduce the willingness of consumers and businesses to invest, which can indirectly affect our industry. Increasing environmental awareness can also reduce demand for plastic products. In addition, the plastics industry is facing challenges at a political level. Stricter regulatory requirements can lead to significantly higher production and administration costs.

- **Geopolitical risks:** Geopolitical disputes have far-reaching impacts that are not confined to specific regions but also affect the surrounding areas and sectors. They trigger a number of chain reactions including trade restrictions, resource scarcity, and market instability, all of which have a negative impact on various sectors in the affected regions. KraussMaffei was also forced to liquidate its business in Russia from 2023.

  Both investors and downstream buyers, such as those in the automotive, packaging, and construction industries, are scaling back investment because of the economic insecurity created by geopolitical disputes. This leads directly to a decline in demand for plastics machinery. Due to the impacts of geopolitical disputes in Europe, KraussMaffei recorded a decline in new orders last year, which contributed to a sales loss of 19.8% in 2024 compared to the previous year.

- **Environmental risks:** Environmental policy measures, such as plastic bans, which are implemented worldwide have significant impacts on the plastics machinery industry. These measures are aimed at reducing plastic pollution, promoting the substitution and reduction of plastic products, and promoting circular economy and sustainable development. This brings both challenges and opportunities for the plastics machinery industry. On the one hand, such measures exert transformation pressure to develop more efficient, energy-saving, and environmentally friendly systems. On the other hand, such measures make it necessary to adapt the product structure of the industry – for instance, with the conversion of the product portfolio, which entails costs. Downstream customers come mainly from sectors such as the automotive industry and

healthcare. While environmental policies such as plastic bans have some impact on the company's activities and development, the impacts are relatively limited compared to other sectors that are more directly related to single-use plastics.

Purchasing

The purchasing volume is spread across five major material groups: mechanical systems, electrical systems, hydraulic systems, systems, and general commodities and services. We work the supplier markets in the USA, China, and Eastern Europe with local buyers based at our locations there. The Purchasing department is headquartered in Parsdorf. This is also where the global responsibility for the material groups lies.

Purchasing and procurement at KraussMaffei in indirect purchasing are structured according to a Global Lead Buyer concept. In direct purchasing, direct purchasers are active within certain product groups. In addition, there is a central unit in Parsdorf that organizes and monitors all purchasing processes and regulations. All the KraussMaffei Group's purchasing activities are regulated in Group policy no. 8. This defines roles, governance, procedures, and processes for global procurement. The Head of Global Procurement is responsible for the content. The purchasing managers or those responsible for the local functions and locations are responsible for implementing the policy.

KMG and KMT are subject to German Supply Chain Due Diligence Act (LkSG). The Act requires the companies concerned to implement certain due diligence measures in order to prevent or minimize violations, particularly human rights violations, in their own business area and also along their supply chain.

The central Purchasing department informs the Sustainability Officer, who reports directly to the CAO, about all aspects of sustainability in the context of purchasing and procurement.

All new suppliers undergo onboarding, which includes screening of their sustainability performance. All suppliers must accept the Supplier Code of Conduct. The Supplier Code of Conduct is a binding part of the contract for all suppliers with whom a framework agreement is concluded.

Risk management in Purchasing: Screening and remedial process

A software-based risk analysis assigns different levels of risk to all direct suppliers. This is done on the basis of a classification of the suppliers:
(i) according to country risk (consideration of where the contractual partner is based);
(ii) according to commodity risk (risk or non-risk product group/industry category, depending on the goods or services supplied);
(iii) on the basis of web screening for suppliers.
Optionally, the analysis can also include:
(iv) self-reports to be completed by suppliers;
(v) information on individual risky suppliers provided by the company.

Re (i): Country risks are determined on the basis of 11 different publicly available indices and classified as: no risk, low risk, mid risk, high risk, critical risk. These

	2023		2024	
Suppliers	**7,858**	**100%**	**7,164**	**100%**
Material group				
Mechanical systems	1,267	16.12%	1,192	16.64%
Electrical systems	853	10.86%	778	10.86%
Hydraulic systems	578	7.36%	527	7.36%
Systems	517	6.58%	475	6.63%
General commodities and services	4,437	56.46%	4,082	56.98%
No material group assigned*	206	2.62%	110	1.54%

Some suppliers are listed in different product groups

Region				
APAC	52	0.66%	43	0.60%
China	692	8.81%	742	10.35%
EMEA	6,404	81.50%	5,633	78.63%
North America	709	9.02%	745	10.40%
South America	1	0.01%	1	0.01%

* This includes suppliers where no order was placed in 2024

indices address the human rights and environmental risks mentioned in the LkSG, as far as is evident from the indices. We use the software tool Prewave to monitor our suppliers globally.

Re (ii): Prewave uses its own in-stock data on over 100,000 suppliers to determine product groups/industrial risks. These suppliers are classified in industries (ISIC standard) and commodity groups. Prewave has a history of incidents in the individual industries and for individual product groups for the over 100,000 suppliers. Prewave also evaluates this frequency of incidents according to no risk, low risk, mid risk, high risk, and critical risk.

Re (iii): In addition, AI-based web screening is carried out for certain suppliers (ideally for the suppliers presenting the highest risks). This involves checking social media, news, and other information available online on the basis of a supplier keyword and risk keyword search to see if reports are available on the individual suppliers and what these are. Reports are communicated to the user as "risk alerts".

Re (iv): Optionally, risk identification can be supplemented by the results from the supplier self-reports that the risky suppliers have to fill in.

Re (v): Optionally, individual suppliers can be specifically analyzed for risks. The results from (i) to (iii) and optionally also (iv) and (v) are combined and together make up the supplier's 360-degree risk score.

In our Supplier Code of Conduct, we refer to the whistleblower system in this context and explicitly encour-

First-class processes promote highly productive partnerships with our suppliers.

+

Our suppliers and partners stand out for the best performance in terms of quality, price, delivery time, innovation, and service.

+

Clear rules ensure efficient cooperation between Procurement and commercial/technical departments.

10 golden rules

- Management of suppliers is carried out by the Procurement department.
- Three alternative offers for a contract value of more than €10,000.
- The selection of suppliers, negotiations, and the awarding of contracts take place only within the framework of the procurement process.
- No development and procurement project without early involvement of Procurement.
- No contracts without real competition – even if there is only one supplier.
- We work with manufacturer-neutral specifications and avoid factory standards.
- Relevant communication must be coordinated with the lead buyer.
- We ensure availability on the basis of detailed master planning at material level.
- No information on processes, budgets, target costs, and contract trends to suppliers.
- No inquiries about requirements/new parts without the participation of Procurement.

age violations to be reported there. The Supplier Code of Conduct also states that neither KraussMaffei nor its suppliers and business partners accept any form of discrimination against persons who, to the best of their knowledge and belief, have given legitimate evidence to KraussMaffei. Further information on the whistleblower system is publicly available on our website.

Number of screened suppliers:

Significant changes in the corporate structure

In February 2024, KraussMaffei sold its Swiss subsidiary NETSTAL Maschinen AG to Krones AG, a manufacturer of machines for filling and packaging beverages and liquid foods and a long-standing customer of NETSTAL. In addition to NETSTAL Maschinen AG, headquartered in Näfels, Krones also acquired Netstal Deutschland GmbH, a sales and service subsidiary based in Stuttgart, as well as eleven other sales and service units in the USA, South America, Europe and Asia. As part of the sale, around 530 KraussMaffei employees switched to Krones.

True Blue: LearningPods

Learning opportunities are often digital – and therefore not as accessible for employees in the workshops because there are few PC workstations there. We have addressed this imbalance with LearningPods, which we produce ourselves with 3D printing. A PC with a touch screen is installed in this booth as a gateway to the KraussMaffei portals. This includes the intranet and the new learning management system. The LearningPods can be easily moved and can be placed flexibly in the factory. This really gives everyone the opportunity to access more information, to develop their careers, and to enhance their individual strengths.

More information at
https://learningpod.kraussmaffei.com

Jens Fiedler – Contact for the KraussMaffei LearningPod (right) and Sebastian Wucholt, Senior Electrical Engineer at the Injection Molding Technology Testing Center (left)

ESRS E1
CLIMATE CHANGE

We are aware of the severity of man-made climate change and its impact on the lives of everyone. It also has a huge impact on our business. That is why the issue is so important for us.

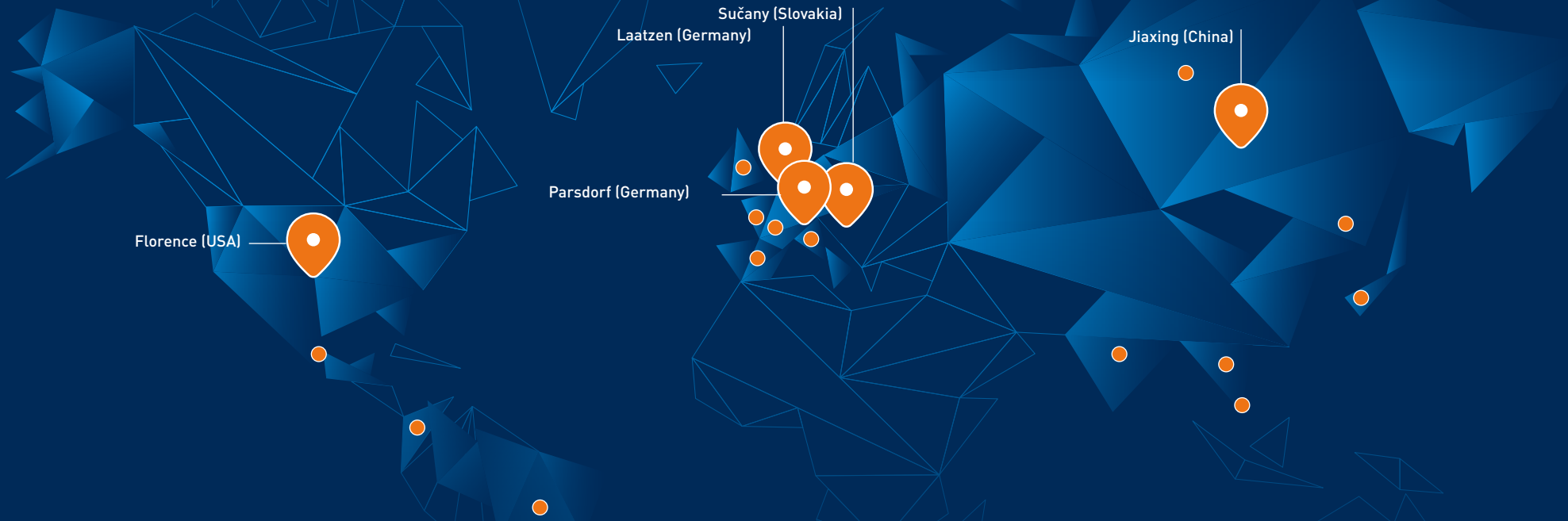
CLIMATE CHANGE
IMPACTS, RISKS, AND OPPORTUNITIES

POSITIVE IMPACTS	NEGATIVE IMPACTS	RISKS	OPPORTUNITIES
Procurement of metallic materials with a high proportion of recycled material reduces GHG emissions (material substitution).	The production of machines and systems involves high energy consumption, which leads to GHG emissions.	Extreme weather events and natural disasters can interrupt global supply chains. This can lead to higher material prices. In addition, we are liable to penalties if we are subsequently unable to fulfill our delivery obligations.	Due to the Carbon Border Adjustment Mechanism (CBAM), the procurement of metallic materials with a high proportion of recycled material can result in cost savings compared to the procurement of metals from primary raw materials
Optimized machine designs reduce the need for metallic primary raw materials, which in turn leads to reduced GHG emissions (reducing raw material).	Incoming and outgoing transports in the value chain cause GHG emissions.	Extreme weather events and natural disasters can damage or destroy systems.	In the medium term, the company's own production of electricity can lead to less dependence on grid operators and a reduction in costs.
Energy-efficient buildings reduce GHG emissions.		The production and use of renewable energy can lead to higher acquisition costs in the short term.	Higher energy efficiency of the machines can make our products more attractive.
Own PV systems increase the proportion of renewable energies and thus contribute to a reduction of CO_2 emissions.		A larger product carbon footprint (PCF) can make our products less attractive.	Machines that require less space can be more attractive.
The plastic parts we produce are often much lighter compared to metal parts. This leads to a reduction in GHG emissions during transportation or the use phase.		Rising energy prices	
		Regulatory measures to price carbon lead to financial risks (directly or indirectly).	

Affects our products at the end-user's site

The largest five production sites at a glance

Share of total production volume around 79% *



Florence, USA
- ≈ 39,000 m²
- 3,522 mWh energy consumption
- 1,811 m³ water consumption
- 0% recycling rate
- 0% ISO certificate coverage
- 0% renewable energy quota

Laatzen, Germany
- 97,000 m²
- 6,535 mWh energy consumption
- 12,876 m³ water consumption
- 96% recycling rate
- 100% ISO certificate coverage
- 20% renewable energy quota

Parsdorf, Germany
- ≈ 243,400 m²
- 32,070 mWh energy consumption
- 13,685 m³ water consumption
- 63% recycling rate
- 100% ISO certificate coverage
- 16% renewable energy quota

Sučany, Slovakia
- 50,000 m²
- 3,620 mWh energy consumption
- 3,259 m³ water consumption
- 10% recycling rate
- 0% ISO certificate coverage
- 0% renewable energy quota

Jiaxing, China
- ≈ 60,000 m²
- 3,466 mWh energy consumption
- 17,495 m³ water consumption
- 79% recycling rate
- 0% ISO certificate coverage
- 5% renewable energy quota**

*unconsolidated
** PV system installed from October 2024

Management approach

Our action for greater climate protection is in accordance with international guidelines and conventions. In particular, we are committed to the goal of the United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement, 2015. This states that global warming should be limited to well below 2°C compared to the pre-industrial age. We also prioritize Goal 13 of the United Nations' Sustainable Development Goals (SDGs) "Climate action".

We have set up a governance structure to ensure that these abstract guidelines are translated into concrete action. Accordingly, employees responsible for the individual technology areas and the central functions of Operations, Facility Management, and R&D collaborate closely with central Sustainability Management. This regularly coordinates with the Management Board, which in turn reports to the Supervisory Board. We also use this structure to delegate the management of all impacts associated with climate change to those responsible for the technology areas and central functions. At the individual sites, climate protection is anchored organizationally with the respective environmental officer or site management.

The expectation of local managers is set out in internal instructions – for example, our environmental strategy, environmental and energy policy, and Group-wide policy No. 25 (Environmental and Energy Management System). In addition to the process for internal audits and inspections, this also regulates the further introduction of the ISO 14001 environmental management system and the ISO 50001 energy management system at the sites that have a direct con-

We installed an efficient cooling system at Parsdorf in 2024. It provides a highly sustainable way of cooling the machines and systems in the production area with water from our own absorption well.

nection to climate protection due to their process requirements with regard to energy efficiency and GHG emissions.

Essential levers for switching to a decarbonized economy for us include

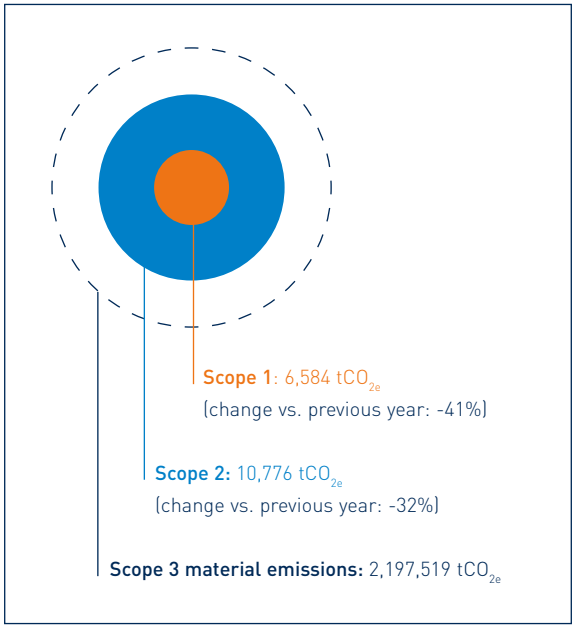
- increasing energy efficiency at the sites (optimize lighting, manage consumers according to demand, reduce building energy demand, use combined heat and power plants and heat pumps, etc.),
- switching to energy sources from renewable sources (generating solar power with own PV systems, switching to electricity from renewable sources, etc.),
- developing innovative technological solutions to increase energy efficiency in the use phase of our machines and systems.

We are pursuing a three-stage strategy for all measures, according to which we will

1) Avoid emissions by switching processes to decarbonized business practices
2) Reduce emissions by increasing the energy efficiency of existing processes
3) Offset unavoidable emissions in the future by investing in certified climate action projects.

Key performance indicators

In 2023, we introduced systematic recording of CO_2 and GHG emissions in order to be able to document and reduce these in a target-oriented way based on key performance indicators in future. The following total GHG emissions were caused by KraussMaffei Group GmbH and its associated companies for the reporting period:



sions, we used the respective country's energy mix where this information was missing due to recording systems not yet being installed. Other emission factors are taken from the Climatiq and ecoinvent databases.

Measures

In 2024, our environmental expenses amounted to around EUR 1.3 million. We have implemented a number of measures in relation to climate change, among other things. These are divided into
(a) measures to adapt to the effects, and
(b) measures to mitigate the effects.

The measures to adapt to the effects of climate change mainly relate to technical building equipment. They include fitting hall glazing with frosted glass and fitting blinds on the outside windows of office buildings to stop the interior heating up in strong sunlight. In the reporting year, we installed a temperature measurement device in individual production areas at the Parsdorf site, coupled with a window control. This allows skylights to be opened automatically at night so that the incoming cooler night air lowers the interior temperature. Air conditioning is mandatory at the vast majority of workplaces. In order to protect us from floods from surface waters caused by heavy rain, our new sites in Parsdorf and Laatzen have extensive infiltration areas, a moat, and rain catchment basins.

The technical design of our products is a major lever for mitigating climate change and its effects. Through improved energy efficiency, we can significantly reduce production-related and operational emissions. The following are some examples that we have implemented in the reporting period:

- Topology optimization of strike plates of our GX/GXCN 551/600/650 series injection molding machines. This not only reduces the demand for raw materials but also reduces logistics-related and operational emissions due to the lower weight.
- Increasing the energy efficiency of all-electric injection molding machines in the PX series. Based on efficiency measurements on the prototype, energy savings of more than 15% are expected.
- Since January 1, 2024, we have been delivering all CX series machines with the BluePower VarioDrive or ServoDrive as standard. As a result, the energy consumption of the machines can be reduced by up to 30%. Adapting the speed to actual energy requirements can also mean lower noise emissions.
- Continuation of the Lite2Duro project in cooperation with the Fraunhofer Institute for Chemical Technology ICT. This involves resource- and CO_2-efficient balanced injection molding of thermoset molding compounds for innovative lightweight construction.
- Participation in the research project "Energy-efficient production of plastics components" with the Institute of Plastics and Circulatory Economy at Leibniz University Hannover. Energy consumption is measured along the whole production chain of a plastic product and optimized through AI-supported processes.
- Projects to identify potential areas for the energy optimization of our twin-screw extruders as well as the production processes of plastic pipes.
- Targeted marketing of our energy-efficient technologies, e.g. BluePower solutions or the innovative DCIM process (Direct Compounding Injection Molding). Here, the compounded melt is conveyed into the plasticizing unit in a single heating process, i.e. without cooling or buffer storage, which reduces polymer degradation. This one-step process saves energy and thus reduces the CO_2 footprint.
- Targeted service offerings that enable our customers to act in a climate-friendly manner. This includes the Lifecycle Value Calculator – a software-based tool that allows users to determine the specific CO_2 savings potential of a machine individually for their respective application and over the entire life cycle. Currently, the "pioneersClub" online portal has more than 2,700 active users and around 700 registered companies.

Energy efficiency

Conscious and responsible use of energy goes a long way towards climate protection. In 2024, we achieved the following key performance indicators for the energy mix in order to boost energy efficiency and make the best possible use of energy from renewable sources:

	2023	2024	Change vs. previous year*
Energy consumption	96,558 MWh	72,163 MWh	–25%
Proportion of purchased electricity	49,288 MWh	36,253 MWh	–27%
Proportion of self-generated electricity	4,597 MWh	6,661 MWh	45%
Proportion of electricity from renewable energies in total energy consumption	5%	9%	not specified
Energy intensity	79 MWH/ million EUR sales	71 MWH/ million EUR sales	–10%

* 2023 cannot be taken as the base year due to the relocation of several production sites. The explanation for this can be found on page 4.

In 2024, we were able to reduce our energy consumption and increase energy efficiency with the following measures:

- At the Laatzen site, we commissioned a PV system with an annual output of 3.7 MWp for continuous operation. This will enable us to cover 43% of our electricity needs from May to December.
- At the Jiaxing (CN) site, we commissioned a PV system with a rated output of 1.18 MWp.
- With our PV system at the Parsdorf site, which is one of the largest rooftop PV systems in Europe with its capacity of 9.1 MWp, we were able to generate 5,192 MWh of solar power in 2024. This enabled us to cover 28.4% of electricity requirements at the site with climate-friendly solar power in 2024.
- We have been able to boost energy efficiency with LED retrofit projects for the lighting facilities at the Florence (United States) and Sučany (Slovakia) sites, as well as by installing demand-oriented lighting and ventilation systems at Parsdorf.
- With standardized leak detection for the compressed air system in Sučany (SK), we will be able to reduce power consumption for the compressed air system by around 10% in future. The introduction of needs-oriented power control of the cooling tower there increases energy efficiency as well.
- In Parsdorf, we conducted the first audit as part of the introduction of ISO 50001. The aim is full certification by the end of March 2025.
- In Laatzen, we conducted an energy audit and developed many ideas for measures to save energy in the future. These include minimized door opening times, a general temperature reduction in the logistics hall and the installation of automatic switch-offs for a suction system in Laatzen.
- In Laatzen, we have put a total of 20 charging stations for electric vehicles into operation.
- In Jiaxing, the diesel forklifts were replaced by electric forklifts.
- We have worked hard to raise our employees' awareness of the issue of climate protection in the operational environment. In 2024, we conducted 103 training courses for 1,711 people. In addition, we use internal information systems (intranet, notices, shop floor media, etc.) to motivate our staff to behave in a way that is as climate-friendly as possible, for example through practical energy-saving tips. In addition, we offer vegetarian and vegan dishes in many canteens as these have a significantly lower CO_2 footprint compared to the meat-based alternative. We are also increasingly using regional products to reduce transport-related CO_2 emissions.

Targets

We want to make a substantial contribution to decarbonizing our society—and thus to achieving the Paris climate protection goals. As part of a transition plan for climate protection, we have therefore defined specific reduction targets for the entire KraussMaffei Group:

- We are aiming to reduce CO_2 emissions by 50% by 2030 at our own operations.
- We want to make our product carbon footprint climate-neutral by 2045. This goal applies on a cradle-to-gate basis, i.e. from the machine production to their departure from the factory upon delivery.

- By 2030, we want to increase the share of renewable energies in the electricity mix at our production sites to 90%.
- By 2035 at the latest, we want to reduce the group-wide energy consumption of our production facilities, measured in terms of revenue, by 30%.

We have adopted short-term goals and measures for individual locations, for example:

- The Parsdorf location is to be certified according to ISO 50001 by the end of November 2025.
- By the end of 2026, we want to bring existing Environmental Management Systems at the Sučany site in Slovakia and the Jiaxing site in China up to the level of the ISO 14001 standard.
- From 2027, all KraussMaffei sites that are not yet certified to ISO 14001 are to implement the principles and targets of our Environmental Management System (EMS), provide relevant KPIs, and conduct regular environmental training.

True Blue: H_2 PIPES

Without green hydrogen, it will be difficult to achieve the climate neutrality that our society is striving for. However, this requires reliable pipelines and networks. Steel pipes are usually used for this purpose, but they have to be laid deep in the ground and carefully welded in many places. As well as composite pipes, an alternative is also high-quality pipes made of PE. Produced using KraussMaffei equipment, they withstand the highest pressure loads and ensure minimum permeation in accordance with current standards – not only for the short to medium-term realistic admixture of 20% hydrogen but also for the long-term transportation of 100% pure hydrogen.

ESRS E2 POLLUTION

An intact environment is the basis of all economic activity. We strive to keep our impact on the environment as low as possible in all relevant impact categories and to continuously improve them.

POLLUTION
IMPACTS, RISKS, AND OPPORTUNITIES

POSITIVE IMPACTS	NEGATIVE IMPACTS	RISKS	OPPORTUNITIES
	When chemicals, cleaning agents, lubricants, or coolants are released, they can be harmful to the environment.	A fault or malfunction in systems could result in air or water pollution. This could create additional costs, such as for repairs, production downtime, or potential fines.	
	Defective filters in the facilities may result in air or water pollution. Air pollution caused by technical gases in the production processes can cause risks for the environment.	Regulatory provisions could mean a ban on PFAS. In this case, alternatives for products such as cables or valves must be procured, which could result in higher costs.	
		A ban on PFAS could force KraussMaffei and its suppliers to replace all materials containing PFAS. This could affect the quality of our machines.	

Management approach

Policy no. 25 (Environmental Management System), which applies throughout the Group, provides the organizational framework for successful implementation of our EMS. It clearly defines the responsibilities of the persons involved.

The policy describes the procedure for external system audits and inspections and the supporting documents. These documents are stored in an internal storage location for process descriptions. All descriptions of the processes relevant to EMS can be found there, such as

- Control and documentation of systems subject to mandatory inspection
- Conduct in the event of environmental emergencies
- Recording of environmentally relevant data from systems and processes
- Inclusion of new environmental aspects during machine acceptance
- Registration of new hazardous substances
- Internal take back of packaging.

We use Quentic software for the secure and traceable documentation of inspections. The appropriateness, relevance, opportunities, risks, and potential improvements of the EMS are regularly examined in a management review reported to the management.

We expect our partners and suppliers to behave in an ecologically responsible manner. We have set out the corresponding requirements in the Supplier Code of Conduct. Chemicals with potential environmental risks need to be identified as part of a chemicals management process and, where possible, replaced by more environmentally friendly alternatives. In addition, our suppliers are required to comply with the current requirements of the European Chemicals Regulation (EC) No. 1907/2006 (REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals).

No violations of our environmental sustainability requirements were identified during the reporting period.

Global EMS Responsible:
Is responsible for the EMS process and for ensuring that the company acts in accordance with the environmental policy and environmental objectives

Global EMS Manager:
Coordinates the definition, implementation, and operation of the global EMS; acts as global process excellence manager for the EMS

Local Site Manager:
Is responsible for the local binding obligations and for the local integration of the global EMS requirements; is also responsible for ensuring that local resources and competencies are sufficiently available to meet the EMS

Local EMS Manager:
Coordinates all local environmental issues, implements global EMS requirements locally; is responsible for keeping local EMS documentation up to date

Air pollution

The emission of pollutants is within legally prescribed limits at all of our sites and is not subject to any separate recording and identification obligation. Potential relevant dangers for the air exist only at sites with their own paint shop, which may release evaporating solvents into the air. However, the total amount of solvent used for these facilities is less than five tons per year. Accordingly, the potential amount released is relatively small. The paint shops are not subject to mandatory inspection but are regularly kept fully functional through a maintenance contract. KraussMaffei's employees conduct regular inspections and provide appropriate documentation. Other emissions do not play a relevant role in production. This also applies to dusts. Although these do occur in some production areas, the machine areas responsible for them are enclosed and contained within housing. This means the dusts can be extracted into the ambient air before emission.

Substances of concern and of very high concern

As a mechanical engineering company, we inevitably use hazardous materials, for example lacquers. Some of these substances are covered by the European REACH regulation on the Registration, Evaluation, Authorisation, and Restriction of Chemicals. We obtain these substances exclusively from reputable suppliers, who confirm their compliance with REACH and with other relevant legal requirements. In this respect, we ourselves only have limited influence at this point.

Some PFAS (per- and polyfluoroalkyl substances) that are released into the environment can cause cancer. Government authorities in Denmark, Germany, Norway, Sweden, and the Netherlands are seeking to ban these substances. As a result, alternative products for the components installed in the machines must be sought. This would affect, for example, cables and valves in machines. We also use other products that contain PFAS, from electrical components to sealing materials. In short, a ban on PFAS would impact on KraussMaffei's business activities, even though these substances are only to be considered very critical when it comes to their production and disposal. In the reporting year, a campaign was planned and conducted to ask all eligible suppliers whether they used PFAS, whether they had plans to replace these "forever chemicals" and whether they were replaceable at all. The response was very poor – overall and in terms of the content. KraussMaffei is therefore in contact with its own suppliers as well as with other companies and initiatives in order to find and offer alternative solutions.

KraussMaffei has its own laboratory for material tests at the Parsdorf site. The group of hazardous substances used here includes etchants such as nital, which are required for analysis and used in very small amounts. Residues are disposed of in a special way in accordance with legal regulations. The laboratory is certified according to ISO 17025.

Other chemicals include isocyanates and polyols. These are used exclusively in the reaction process business area. They pose less of a threat to the environment than to health and occupational safety. We ensure that all safety and protective measures are observed when handling these chemicals. We are not aware of any of these internal requirements being breached in 2024.

We do not expect any financial impacts in connection with the known risks of pollution. There is still too little information available to calculate the financial risks of a PFAS ban, both from regulators in terms of chemical composition, industries, and schedules, and also from our suppliers.

Measures

- The two largest production sites, Parsdorf and Laatzen, are ISO 14001 certified. A review audit was conducted at each site in 2024.
- The Parsdorf and Laatzen sites have been awarded Platinum by the German Sustainable Building Council.
- With the Turtle Project (see page 38), we supported a project in 2024 that protects the endangered habitats of sea turtles.

Many other measures to reduce our environmental impact are at production level. These include practical facilities for exhaust air purification, waste prevention, and resource conservation. These measures are very granular and fall within the area of responsibility of the respective site managers or plant and operations managers. They are not separately recorded, evaluated, or quantified.

True Blue: NIAR

Passenger planes that are taken out of service can continue to fly as cargo aircraft for several years – but only after extensive modification. Currently, the many window openings are closed with metal plates. But modern fiber-reinforced plastics offer the same stability at lower cost and weight. The National Institute for Aviation Research (NIAR) at Wichita State University in Kansas (USA) is researching these benefits. We support the project and use the FiberForm process to manufacture the corresponding components from thermoplastic-impregnated continuous fibers.

ESRS E3 WATER AND MARINE RESOURCES

Water is one of the most valuable natural resources and basis of all life on our planet. For our customers, this topic is fundamental, even though we have only a relatively small influence on it in our own processes.

WATER AND MARINE RESOURCES
IMPACTS, RISKS, AND OPPORTUNITIES

POSITIVE IMPACTS	NEGATIVE IMPACTS	RISKS	OPPORTUNITIES
	When transporting granulates to the production site, microplastics can leak out unintentionally and pollute water.		

Management approach

Our production-related impact on natural water and marine resources is small. None of our production sites are located in the immediate vicinity of designated groundwater protection areas or in regions with water stress or general water scarcity. Water also plays only a minor role in our production as the components, machines, and systems we produce do not need to be flushed in the production process – unlike in companies with serial production (e.g. the automotive industry). We use water mainly as a process medium for cooling production plants and then mainly in closed systems. We use most of the water in sanitary facilities and the canteen.

The Parsdorf and Laatzen sites are ISO 14001 certified. In addition, we raise staff awareness of environmentally responsible behavior. We expect the same from our partners and suppliers. We have set out the corresponding requirements in the Supplier Code of Conduct.

We did not record any leaks of substances hazardous to groundwater at our locations during the reporting period. In the context of water and marine resources, we do not expect any financial impacts in the short and medium term.

Key performance indicators

Water consumption from public supply: 58,453 m³

Measures

At our Parsdorf plant, we use extraction and absorption wells to efficiently cool buildings and systems with groundwater. Thanks to the constantly low water temperature, this system enables energy efficient cooling and a pleasant working environment. In 2024, we removed around 1.6 million cubic meters as a sustainable cooling medium, fed them through the system and returned them.

At the Jiaxing site, we use a circulating water system in which process water from production is treated, filtered in a circulation process, and used several times. In 2024, only 4,107 cubic meters of fresh water were refilled. Thus, we were able to meet 98.16% of the process water demand in production with recycled water. No service water was reused at any other locations.

Also in Jiaxing, we have had our industrial waste water and rainwater monitored by external testing centers. All of our water discharges met local pollution standards.

Our machines are used to manufacture products that, if used and disposed of irresponsibly, contribute to the accumulation of microplastics in the world's oceans – sometimes with dramatic consequences. The negative actions themselves are beyond our control. By continuing to develop intelligent recycling processes, we are helping to create closed material cycles in order to reduce the amount of plastic waste and thus the formation of microplastics.

KraussMaffei does not have any production sites in areas with water shortages. Furthermore, no wastewater is discharged into waterways. Due to the low relevance of water for production, we have not defined any targets that go beyond the general economical use of water as a resource.

True Blue: FIBER DYNAMICS

Electrically powered drones could deliver goods in future and air taxis could transport people safely and quickly to their destination. Both would reduce urban traffic congestion on the ground and cut emissions. The prerequisites are lightweight and high-strength components. Fiber Dynamics Inc., based in Wichita, Kansas, is a specialist in the manufacture of such composite solutions. With a DCIM machine from KraussMaffei, the company achieves extremely fast cycle times, maximum flexibility, and a minimum CO_2 footprint.

ESRS E4 BIODIVERSITY

Our production sites are mostly located in industrial areas without high levels of biodiversity. However, the issue is important to us because we know that biodiversity is crucial for a healthy and livable planet.

BIODIVERSITY
IMPACTS, RISKS, AND OPPORTUNITIES

POSITIVE IMPACTS	NEGATIVE IMPACTS	RISKS	OPPORTUNITIES
	Soil sealing with concrete and asphalt for new buildings reduces soil fertility and its capacity to retain water, which contributes to flooding.		
	The construction of industrial plants, factories, and associated infrastructure leads to the destruction and fragmentation of natural habitats.		

Management approach

The Parsdorf and Laatzen sites are ISO 14001 certified. We expect the same from our partners and suppliers. We have set out the corresponding requirements in the Supplier Code of Conduct.

Key figures and targets

We do not record biodiversity indicators and therefore have not defined any KPIs or targets. KraussMaffei does not have any sites located in areas with significant biodiversity. The five major production sites are located in industrial areas on the outskirts of cities

Measures

At Laatzen and Pardorf, there are compensation areas measuring 67,654 m^2 and 244,400 m^2 respectively. These are partly used as flowering meadows.

At the Laatzen site, employees have created a flowering meadow covering an area of around 300 m^2 and planted a chestnut seedling. This all contributes to improving the microclimate while also having a positive impact on biodiversity.

With the Turtle Project we supported the Turtle Foundation with €6,000.00 in 2024. The donation will help maintain one of five beach camps on Boa Vista for the 2025 nesting season. These camps are the central basis of the conservations measures organized by the Turtle Foundation to protect the turtles. They include night patrols which have reduced poaching to less than 0.2% in recent years. In addition, regular beach cleaning removes plastic waste and thus protects turtles and their young from deadly traps. Thanks to this work, about 600,000 young animals can make their way into the sea every year without harm.

True Blue: WISSNER

Natural, sustainable, and above all safe to use – that is what many parents want products for their children to be. Wood is very popular. But it is better to use wood residues that are produced in the industry anyway than to keep cutting cut down trees. That is exactly what Wissner, a teaching material specialist, does: RE-Wood is made from 80% wood powder and a binder, either recycled plastic or a biopolymer. Wissner uses KraussMaffei machines to produce mathematics-oriented teaching aids and game pieces from this sustainable material.

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

Plastics are indispensable in our modern world but they are partly responsible for global environmental and climate problems. However, they can also be part of the solution: with efficient production that conserves resources and with closed material cycles. This is at the heart of our business model and therefore essential.

RESOURCE USE AND CIRCULAR ECONOMY
IMPACTS, RISKS, AND OPPORTUNITIES

POSITIVE IMPACTS	NEGATIVE IMPACTS	RISKS	OPPORTUNITIES
The use of recycled metals, plastics, and other materials in manufacturing processes reduces dependence on raw materials.	Customers use our machines to produce plastic parts. This leads to more plastic waste which, especially in the countries of the Global South, often cannot be adequately recycled or disposed of at present.		Our machines can process virtually any type of recyclate – even wood. This makes them particularly attractive to customers operating in markets where recycling quotas or plastic bans apply.
Extrusion lines enable the separation of plastic waste from additives and contaminants and are used for the processing. This makes KraussMaffei an integral part of the growing recycling industry.			
With accurate forecasts of the required use of materials for the production of a product, we prevent the waste of valuable raw materials, reduce waste quantities, and cut GHG emissions.			
Our machines are made of about 95% metal. They are disassembled and recycled at the end of their life.			
Cooperation with research institutions and other companies opens up new business potential, especially for the recycling of polyurethane.			
With our Reman & Repair service, we offer customers the opportunity to improve the energy consumption of an existing machine and extend its service life, meaning that the purchase of a new machine – and the corresponding climate and environmental impacts – can be avoided.			
Through the industrial reprocessing of used machinery, we protect natural resources and reduce GHG emissions.			
100% of our largest waste fractions (metals, wood) are recycled. This conserves precious natural resources.			

Affects our products at the end-user's site

Management approach

Protecting our natural resources is part of our corporate responsibility for a planet worth living on. With resource-efficient production and the manufacturing of machinery and systems for the circular economy, we provide our customers with huge benefits in terms of efficiency, cost, and competition. Because we know that the greatest leverage in resource protection is found where our machines are used.
Resource protection and the circular economy are therefore fundamental aspects of every new development, of all our internal processes, and of all the solutions we offer our customers. The decisions necessary for this are therefore of strategic importance to us. They are made by the senior management of the individual technology areas and coordinated with the Management Team. Central Sustainability Management is already involved in this process in the development phase.

In our internal processes, our environmental management system ISO 14001 regulates key requirements with regard to resource protection. In addition, the principles for resource-efficient conduct are laid down in our environmental policy, and policy no. 25 (Environmental Management System) which applies throughout the Group.

In addition, at least one person is in charge of the responsible handling of waste at each location. If necessary, they inform site management or the Management Board about significant legal changes, new standardizing regulations, or special incidents relating to waste management.

Furthermore, continually raising awareness among employees is crucial for ensuring the responsible use of natural resources as well as for avoiding waste. For this, we use internal communication channels and posters in the production areas.

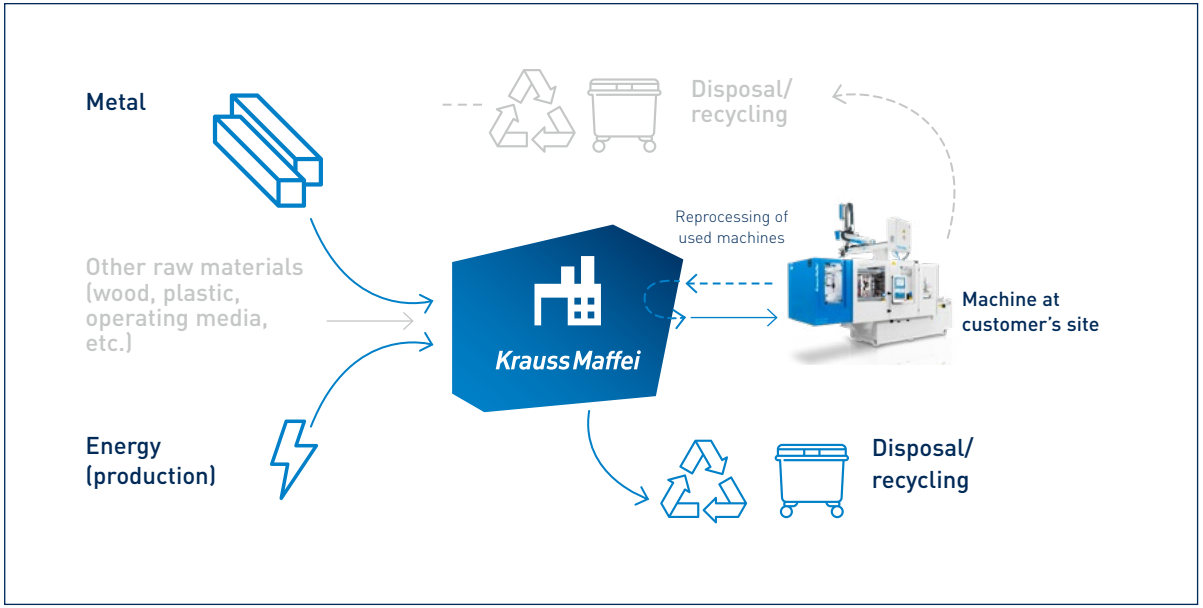
Key performance indicators

We have quantified and analyzed our resource inflows and outflows:

Waste

The total amount of waste in 2023 was 8,972 tons. In 2024, we missed our target of reducing the amount of waste generated each year by 5% compared with the previous year. During the same period, the recycling rate for our waste was 65% across the Group.

Recycling rates are based on the locally applicable legal definition of recycling. In Jiaxing, for example, the thermal recovery of waste counts as recovery/re-



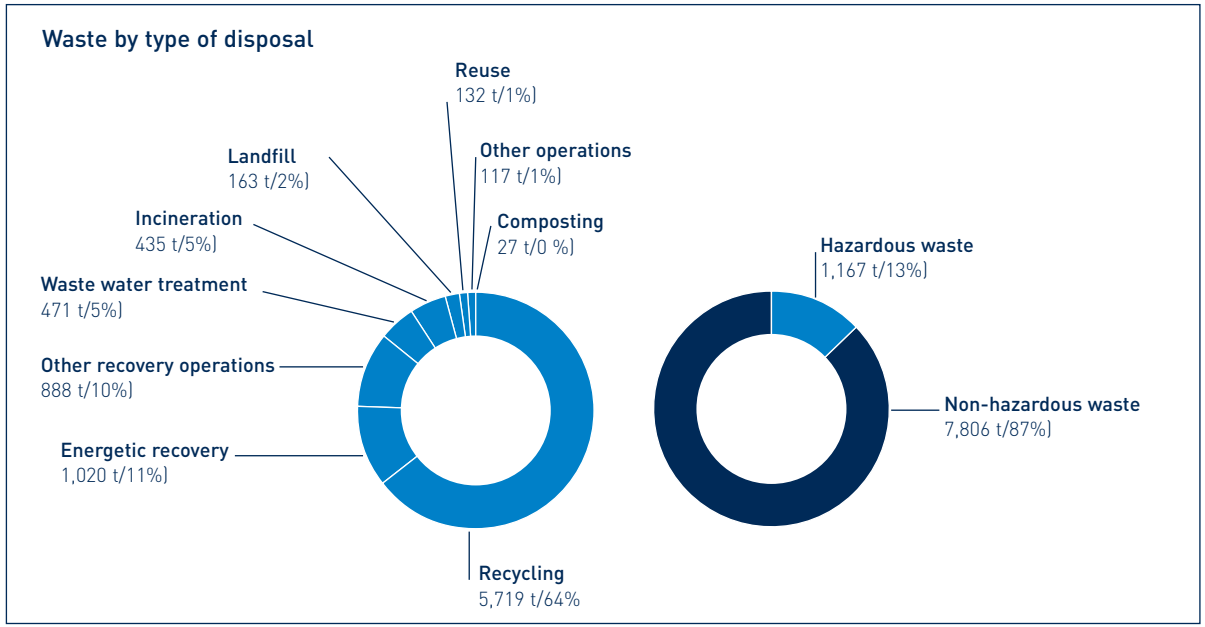
Our machines are made of more than 90% metal.
This is therefore the clearly dominant element in the overview of resource inflows and outflows.

cycling and is therefore included in the recovery rate – this is not the case at other sites.

We classify all hazardous waste in Germany according to the German Waste Classification Ordinance (AVV). Waste is properly disposed of at our locations worldwide in accordance with local legal requirements. We record all waste disposal quantities and certificates as part of our annual waste report. No accidents or administrative offenses in connection with waste disposal were recorded or reported in 2024.

Waste reduction measures

- We work closely with our suppliers and universities in order to continuously optimize the use of materials throughout the entire life cycle of our products.
- During the life cycle of a KM machine, most of the waste occurs at the customers' premises. Based on many technical details, our machines ensure that this is kept low.
- We continuously encourage employees to take a responsible approach to waste prevention. In 2024, the Parsdorf site hosted a day of action with the motto "Healthy and Sustainable". Our waste management company provided information about the waste disposal route. The highlight was the live



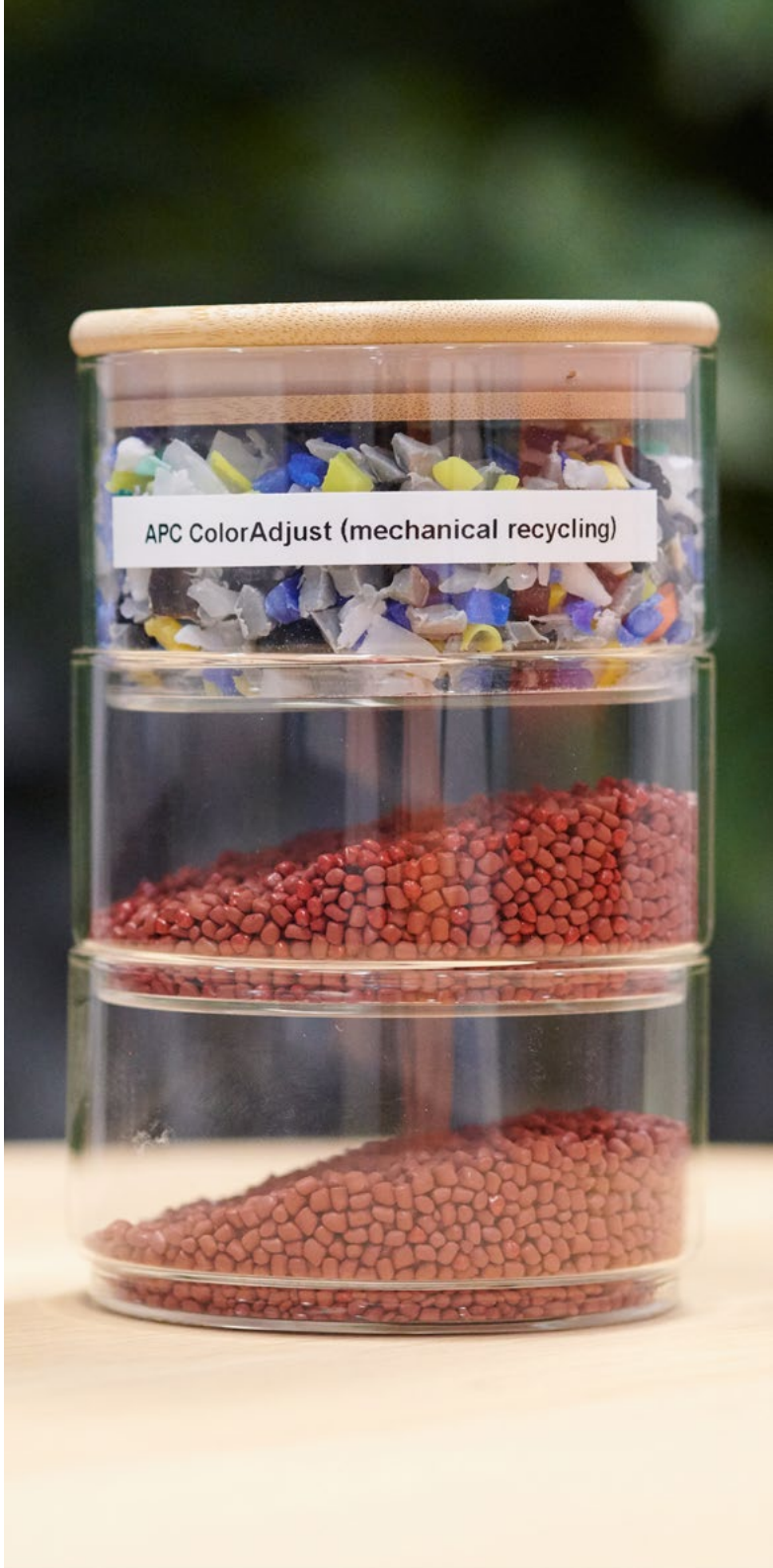


image from the sorting system.

Resource conservation measures

- Topology optimization of strike plates of our injection molding machines. As a result, we reduce the demand for valuable primary raw materials by approx. 15%.
- Development of a compounding process for the production of a 100% bio-based reinforced thermoplastic. It has been possible to integrate up to 30% lignin into the PLA matrix and to obtain a compound with natural antioxidant capacity or activity, which also has improved mechanical properties and controlled biodegradability.
- Development of a HP-RTM (High Pressure Resin Transfer Molding) high-pressure system for the production of carbon-based automobile rims. The visually striking aluminum wheel center is screwed onto the rim body made of carbon fiber-reinforced plastic. Compared to conventional aluminum rims, significantly less aluminum is required and the carbon rims are also up to 30% lighter, delivering further efficiency benefits. In addition, carbon rims are up to 20% stronger than steel rims.
- Substitution of metals when converting passenger aircraft into cargo planes with window closures made of thermoplastic composites. This means not only a considerable saving of material but also considerable weight advantages, which in turn has an effect on the plane's fuel consumption (see page 31).

From the very beginning, we design our machines and systems for a long service life. This design also means that they can be repaired with minimum effort after many years of reliable use. We operate seven specialized repair centers worldwide for repairs. Here, we repair injection molding screws and extruder gears, among other things. We also offer our customers the opportunity to upgrade machines for new production requirements as part of re-manufacturing. In addition to the replacement of extruder screws or gears, this also includes retrofits with IoT connections. Such industrial reprocessing of parts or whole systems saves about 70% in material compared to new production. CO_2 emissions are reduced accordingly. In the Reman, Repair & Used Machines division, we buy specific machines, upgrade them, and then bring them back to market.

Measures to improve the circular economy

KraussMaffei is a recycling pioneer and a leader in the research and development of recycled plastics. Our machines and systems and the accompanying digital solutions are therefore ideal for the business models of our time. In 2024, we further developed and expanded our central recycling processes and applications.

In addition, we have launched or successfully implemented a number of projects:

Recycling: Processes, applications, and solutions			
Material		**Technology**	**Customer benefits**
	rLDPE	purity recyclingLine (mechanical) or purity solventLine (solvent-based)	• Pre-compacting to increase bulk density and throughput • APC colorAdjust measures and controls the target color • Mechanical recycling: purity recyclingLine: highest throughput combined with best quality through stripping, degassing, and filtering for mechanical recycling • Mechanical recycling: Purity CompoundingLine: Recycling and compounding in one step allows throughputs of up to 10,000 kg/h of compound. High sustainability through conversion of regenerated material into high-quality compounds in a single heat • Solvent-based recycling: Purity SolventLine: Material preparation of the material upstream of the reactor by means of a ZE BluePower twin-screw extruder. Material-specific degassing of residual solvents and processing of waste streams downstream of the reactor with ZE BluePower or the large single-screw extruder KE
	rPET	purity glycoLine (chemical) or purity recyclingLine (mechanical)	• Flexible and powerful extrusion solutions for PET recycling • Easy processing of flakes due to large free screw volume and 6D cylinder openings • Deep vacuum for high degassing performance and reduced degradation due to high torque density • Excellent homogenization and moisture removal • APC colorAdjust measures and controls the target color • Mechanical recycling – purity recyclingLine: highest throughput combined with best quality through stripping and degassing • Chemical recycling – purity glycoLine – ZE BluePower twin screw extruder with glycol addition and fine filtration before transfer to reactor for chemical recycling/solvolysis. • World's largest twin-screw extruder for glycolitic removal (purity glycoLine) for > 8 t/h in use
	rHDPE	purity recyclingLine (mechanical) with ZE BluePower twin-screw extruder	• APC colorAdjust measures and controls the target color • Easy processing of flakes due to large free screw volume and 6D cylinder openings • Deep vacuum for high degassing performance and reduced degradation due to high torque density • High throughputs (7 t/h) with low energy consumption • Mechanical recycling: purity recyclingLine: highest throughput combined with best quality through stripping, degassing, and filtering for mechanical recycling • Mechanical recycling: Purity compoundingLine: Recycling and compounding in one step allows throughputs of up to 10,000 kg/h of compound. High sustainability through conversion of regenerated material into high-quality compounds in a single heat • Solvent-based recycling: Purity SolventLine: Material preparation of the material upstream of the reactor by means of a ZE BluePower twin-screw extruder. Material-specific degassing of residual solvents and processing of waste streams downstream of the reactor with ZE Bluepower or the large single-screw extruder KE
	rPS	purity recyclingLine (mechanical) or purity solventLine (solvent-based)	• APC colorAdjust measures and controls the target color • Easy processing of flakes due to large free screw volume and 6D cylinder openings • Deep vacuum for high degassing performance and reduced degradation due to high torque density • purity recyclingLine: highest throughput combined with best quality through stripping, degassing, and filtering for mechanical recycling

Our products – recycling		
	**ZE BluePower twin-screw extruder**	• Large free volume: Increased diameter ratio Da/Di of 1.65 • Perfect wear protection through elliptical collar bushes • Enlarged and optimized: side feeder • Individually adapted process unit: highest modularity thanks to 4- and 6D enclosures • Control technology – BPC touch control • Effective cooling through innovative temperature control system • User-friendly basic framework concept
	**APC colorAdjust**	• High reproducibility also for incoming goods with varying color spectrum • Fully automatic color correction • Contactless monitoring in the process • High degree of automation

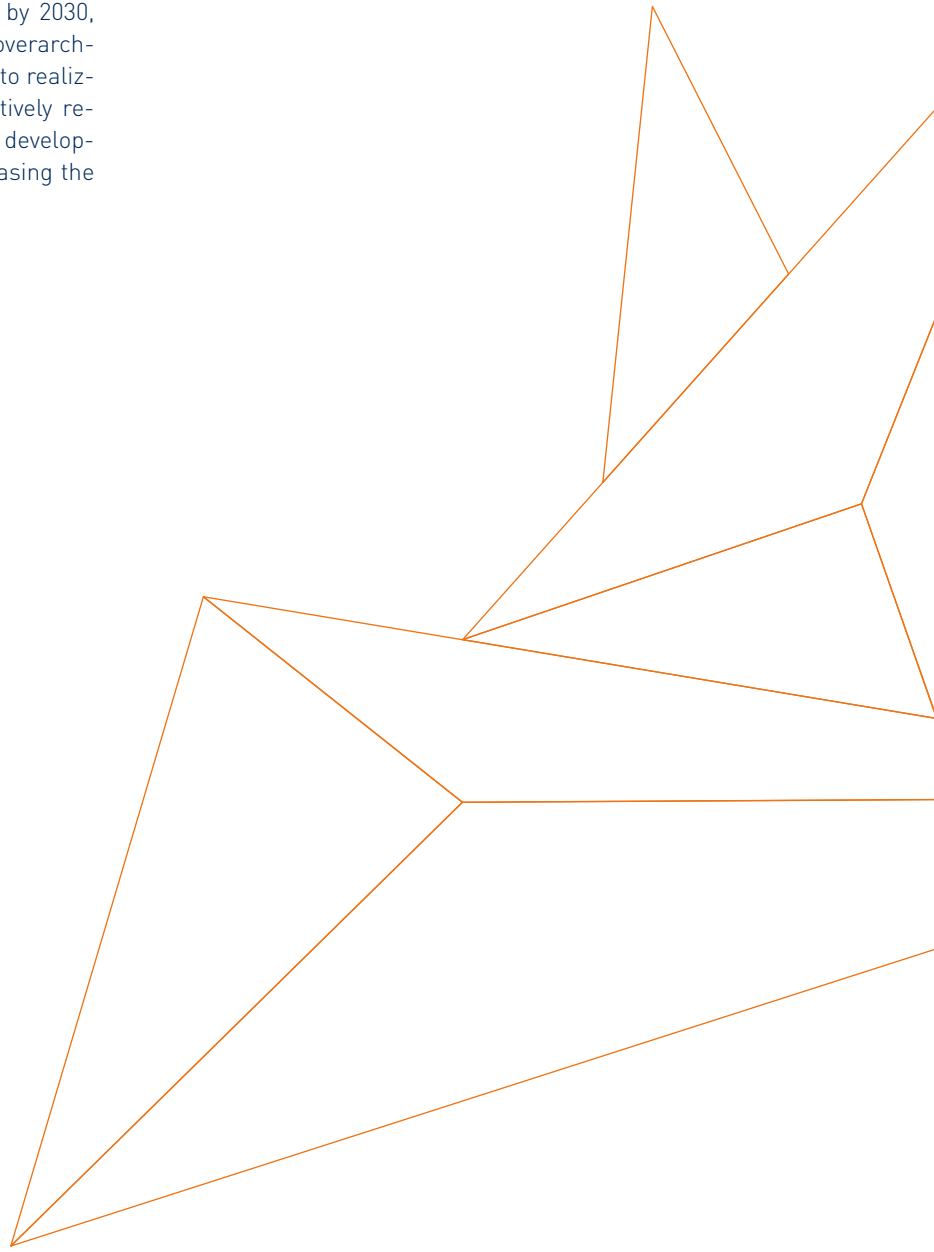
- "Advanced recycling". This refers to advanced recycling processes beyond traditional thermomechanical recycling. These include pyrolysis, gasification, dissolution, and depolymerization. The combined capacity of these projects was about 190,000 tons/year.
- Participation in the CircuFilm consortial project. This concerns the recycling of flexible packaging materials made of LDPE (low density polyethylene), MDPE (medium density polyethylene), and LLDPE (linear low density polyethylene), which are often found in plastic bags, carrier bags, shrink-wrapping, and adhesive labels (fraction DKR310 in the German labeling system "Grüner Punkt"). The aim of the project is to develop a process to clean these recyclables so that they can be returned to the packaging cycle as raw materials.
- Participation in the InRep consortial project. The aim is to develop technologies for the sorting and mechanical and chemical recycling of polyolefins (PE/PP) and PET. These plastics are widely used but often difficult to separate and recycle. In addition, specific quality requirements must be met to ensure sustainable and user-friendly recycling. Using these new methods, the aim is to optimize the quality of recycled plastic to meet industrial standards by 2030. This would significantly reduce the demand for newly manufactured plastic, which in turn would make a positive contribution to climate protection. The InReP project is financed by Dutch company RVO as part of the MOOI subsidy program.
- Participation in the ReKon research project. The aim is to develop innovative and scalable solutions for the mechanical recycling of previously unrecyclable plastic waste. The focus is on technical plastic components in the areas of mobility, energy, electronic, and electrical equipment as well as health and pharmaceuticals. For the first time, an innovative approach should make it possible to obtain high-quality recycled materials from end-of-life plastic components that have not been reusable

up to now. The project takes a holistic optimization approach to all process steps along the entire value chain and thus makes a significant contribution to the circular economy.

- Development of a technology for the continuous chemical depolymerization of polyurethane foams. This has considerable sustainability potential but has so far been limited to chemical recycling of relatively pure production waste. Post-consumer waste with a high proportion of foreign matter has rarely been suitable for industrially usable recycling up to now. Together with project partners, we have developed a process in which this waste can be converted into a recyclate polyol by means of depolymerization. This serves as a base material for new plastics. The process includes an efficient overall concept for relevant recycling facilities and will be presented at the K trade fair in Düsseldorf.
- Submission of two FDA approvals for polyolefin mechanical recycling.
- Demonstration of an upcycling process at NPE in Orlando, Florida. There we showed the recycling of raw materials from disposable items into a component with high utility value and long service life. Specifically, a fully electric PX 251-1400 produced disposable blood tubes for medical technology. Shredded, these serve as the basis for the upcycling process through the ZE 28 BluePower twin-screw extruder. Various additives such as adhesion promoters and liquid colorants were added, mixed, and homogenized. The recompound obtained in this way was used in the all-electric injection molding machine PX 81-180 which made long-lasting bottle openers from it.

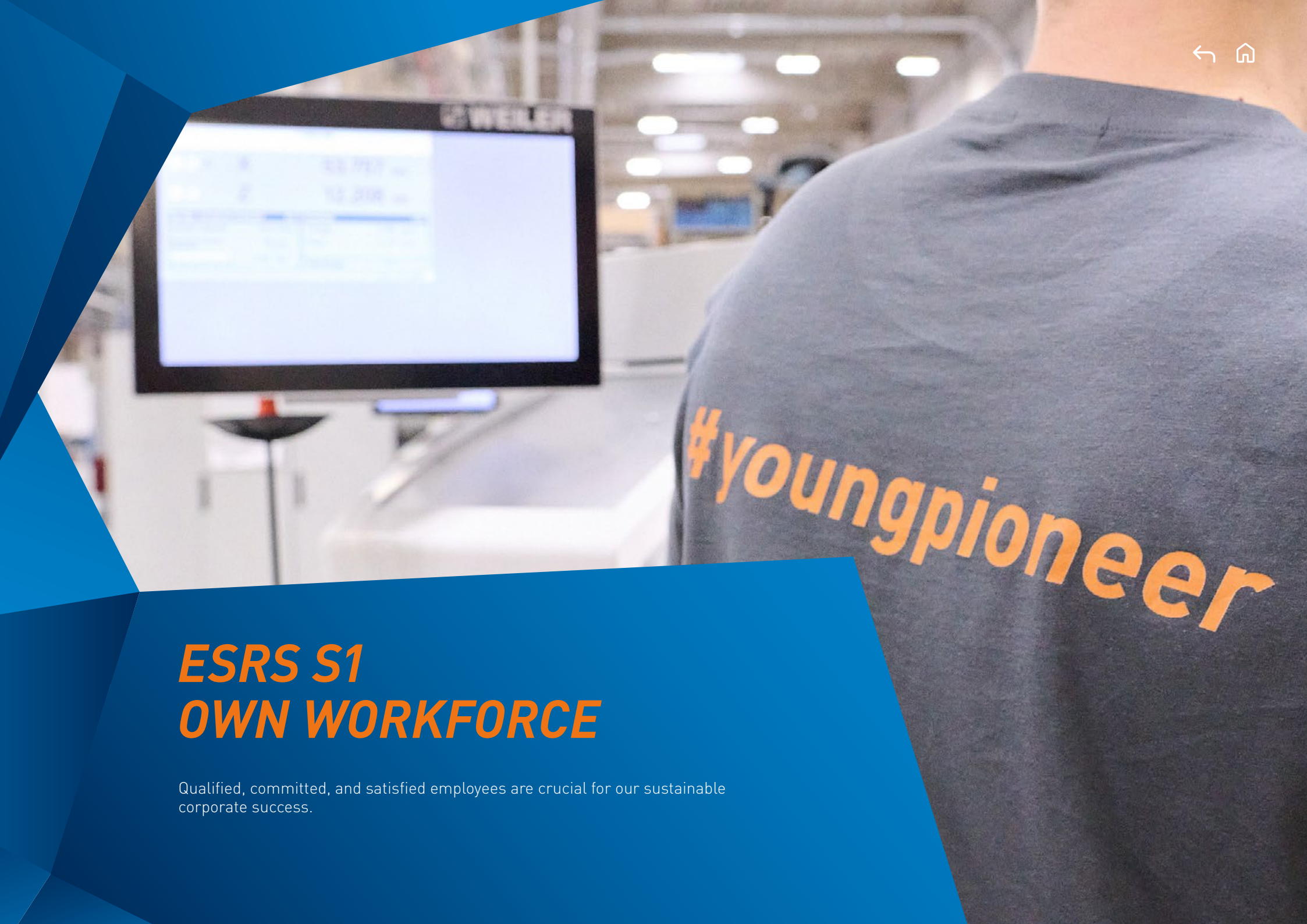
Targets

We want to reduce machine weight by 15% by 2030, based on the 2022 portfolio. In addition, our overarching goal is to make a significant contribution to realizing closed material cycles in order to effectively reduce the amount of plastic waste by further developing intelligent recycling processes and increasing the sale of corresponding technical solutions.



True Blue:
Constructive Rebars

Reinforcing steel makes concrete structures stable and safe. However, the static requirements require more and more steel reinforcements, so gigantic amounts of natural resources are literally sunk into bridges and foundations. A clever alternative: reinforcing bars of composite material. They not only save metal but are also much easier to transport and thus more climate-friendly. In addition, they offer a long service life even in harsh environments – for example, in the case of a bridge pillar standing in salt water. In 2024, we developed a system with which these rods can be produced particularly economically using the extrusion process (pultrusion).



ESRS S1
OWN WORKFORCE

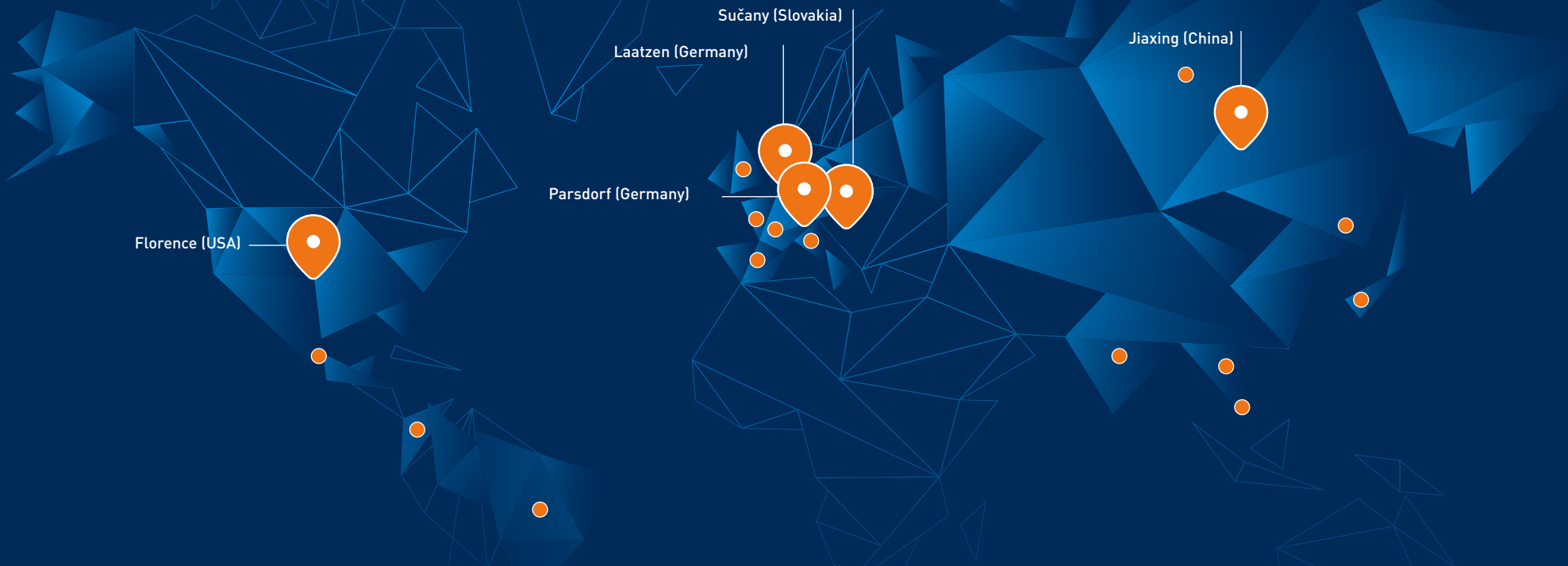
Qualified, committed, and satisfied employees are crucial for our sustainable corporate success.

OWN WORKFORCE
IMPACTS, RISKS, AND OPPORTUNITIES

POSITIVE IMPACTS	NEGATIVE IMPACTS	RISKS	OPPORTUNITIES
Most KraussMaffei employees in the EU work in companies in which collective bargaining agreements apply. This guarantees fair pay and the minimum standard of statutory working conditions (working hours, holidays, training) are exceeded.	A detailed analysis of a possible gender pay gap is not yet available. It is possible that there are inequalities.	Occupational accidents not only cause personal distress but also give rise to significant costs for the employer (including medical expenses, reduced productivity, or, where appropriate, damages or fines for breaches of safety regulations).	
More than 80% of the workforce have a guaranteed vacation period above the statutory minimum. This promotes physical and mental health and boosts our attractiveness as an employer.	People with disabilities may have less chance of being hired due to higher employer costs.	In some countries, there are quotas for the proportion of severely disabled people in the company. Failure to comply may result in fines.	
The majority of employees have an employment contract of indefinite duration. This leads to greater security due to stable incomes.	Improper use of personal data can have negative consequences for the data subjects.	The improper use of personal data may result in a violation of applicable data protection law and lead to fines.	
The interests of employees are represented by elected works councils and are incorporated into company decisions.	In some regions of Asia, there is a risk of exploitation of workers as it is widespread practice to respond to requests outside contracted working hours.		
A wide range of on-the-job and off-the-job training and global career opportunities enhance employee performance, job satisfaction, and commitment.	Working with some chemicals (e.g. special paints, cleaning agents, isocyanates, epoxy resins) can lead to health problems.		
	Working with heavy materials and sharp tools can result in injury.		
	Harassment or violence at work can lead to a toxic work environment, low levels of engagement, health problems, and the loss of important talented individuals.		

The largest five production sites at a glance

Work location of 70% of employees



Florence, USA
- 212 employees
- 100% risk management audit coverage
- 13% female quota
- no collective agreement

Laatzen, Germany
- 678 employees
- 100% risk management audit coverage
- 13% female quota
- 90% collective agreement coverage

Parsdorf, Germany
- 1,362 employees
- 0% risk management audit coverage
- 16% female quota
- 89% collective agreement coverage

Sučany, Slovakia
- 374 employees
- 100% risk management audit coverage
- 30% female quota
- 56% collective agreement coverage

Jiaxing, China
- 333 employees
- 100% risk management audit coverage
- 13% female quota
- no collective agreement

We pursue a targeted HR strategy

Our HR strategy is derived from our corporate strategy and is aligned with its objectives. The focus is on technological leadership and innovative capacity. We face the challenges arising from international competition and labor market developments with energy and confidence.

In recruitment and succession planning, we strive for a healthy balance between attracting new talent from the external labor market and the internal development of employees through strategic HR planning and appropriate training measures. The issue of training and education for employees and senior executives is of particular importance. We see ourselves as a learning organization. This topic has many facets and ranges from vocational training, learning in the workplace, further training for new responsibilities, and international mobility, to the intergenerational exchange of knowledge. We want to offer attractive promotion, career, and development opportunities, both directly and indirectly.

We pursue the objectives of our HR strategy via a balanced governance structure. The global HR function has been anchored in the area of our CEO Chi Zhang since last year, which clearly underlines the strategic relevance of the topic. Three central functions within Corporate HR at our headquarters in Parsdorf, known as Centers of Expertise and Governance, control all measures of strategic importance across the Group. These are: Workforce Analytics & System Architecture, Compensation & Benefits, and Talent, Leadership & Capabilities Development. HR managers at all of our larger sites worldwide deal with local implementation of the measures and are available to senior executives and employees as operational contacts.

Our employment policy is based on unequivocal standards. German labor law and the commitment to social organization are the highest standard for us. We also try to achieve the resulting benefits for employers in countries outside this legal framework. As our minimum requirements, we apply the following standards:

- The Universal Declaration of Human Rights
- The UN Global Compact principles
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- The UN Guiding Principles on Business and Human Rights
- The United Nations' Sustainable Development Goals

The principles formulated in these standards have been incorporated into our internal documents and processes relating to employment. These include work instructions, our Code of Conduct (Compliance and Ethics Code), and the whistleblower system for investigating and prosecuting violations of the aforementioned principles.

Furthermore, we maintain a corporate culture that supports adherence to our values in daily activities and opens up individual potential for each employee . We consciously shape our corporate culture in terms of business success and employee well-being. Aspects such as trust, empathy, transparent communication, a solution-oriented approach, decision-making

Employee Egon Brenner ensures a perfect surface finish in Parsdorf with one of three new honing machines

ability, cooperation, a sense of responsibility, and innovative spirit are the central pillars.

Key performance indicators

As planned, we began the roll-out of software-supported recording of employment-relevant key figures in the reporting year. However, this has not yet taken place at all sites. At present, key employment figures from these locations are recorded manually via questionnaires and sent to head office. The reporting date of the following table is December 31, 2024.

Occupational health and safety

We use the OSHA rate instead of the "100-man rate" to determine lost time due to occupational accidents as this allows for better comparability of accident frequency and severity across multiple sites. The lost working hours due to accidents are converted against a fictitious 100 employees and thus set in relation to 200,000 hours actually worked. Compared to the industry benchmark of 2.9, KraussMaffei scores significantly better with an OSHA rate of 1.6. We will continue to strive to remain below the OSHA quota in the coming years.

	KMG	KMT*	KMC
Accidents/accident-related days lost	48/1,214	47/1,185	1/29
Fatal accidents	0	0	0

Injuries to the fingers occur more frequently than average. The most common types of injury include cuts and bruises, while the more accident-prone areas include production and assembly of new machines. The most common cause of accidents is individual misconduct.

Measures

In 2024, we placed great emphasis on further optimizing working conditions in order to reduce negative impacts and risks in terms of employment and at the same time increase the associated opportunities for sustainable positive business development.

Increasing occupational safety:

The Quentic software, which had been introduced at several pilot sites in 2023, was established at the following additional sites in 2024: Treuchtlingen, Schwerin, Einbeck, Viersen, and Harderberg. The Florence site is scheduled to follow in 2025. With this software, safety risks and occupational accidents can be captured and documented more accurately. We can then optimize the system in place at all sites to prevent accident risks. Under the guidance of the person responsible for occupational health and safety at each site, each area of work is regularly inspected and assessed for possible hazards. The software thus optimizes the system applicable at all locations to prevent accident risks. In this system, it is defined that there must be a person responsible for occupational health and safety at each site. Each work area at a site is regularly inspected, and potential hazards are analyzed and evaluated under their direction. Compliance with all safety standards, directives, and regulations as well as legal requirements is also checked.

All accidents and injuries are recorded and comprehensively documented – including an illustrated description of the failings that caused the accident. In

Employment*	2023	2024*
Total workforce:	**4,717**	**3,962**
Of which:		
Women	734	614
Men	3,983	3,348
Apprentices	240	184
In permanent employment	4,544	3,601
In temporary employment	329	361
Average duration of employment	12 years	13 years
Full-time employees	4,407	3,763
Part-time employees	310	199
Turnover rate	6.9%	7.2%
Age 15–25	251	186
Age 26–35	1,025	865
Age 36–45	1,297	1,120
Age 46–55	1,182	948
Age 56–65	933	816
Age > 65	29	27
Workforce KMT**	3,906	3,689
Workforce KMC	253	231

*We define employees as all active headcount-relevant employees. The figures for 2023 also take into account the employees of Netstal Maschinen AG, which has since been sold, and its associated companies. As of: December 31, 2024
**KMT: KraussMaffei Technologies including its national and international subsidiaries

addition to the precise analysis of the sequence of events, cause of the accident, and nature and severity of the injury, the parts of the body affected are also recorded.

A regular safety meeting takes place at each location. Those responsible discuss measures and make decisions on the implementation of constructive safety equipment or the affixing of warning notices. Every manager is obliged to conduct a safety briefing for new employees. In addition, we regularly raise the awareness of our employees, e.g. in seminars and training sessions and on the intranet. In 2024, 442 seminars, qualification measures, and training courses related to occupational safety were requested and approved at the sites in Germany alone. In total, we have registered the following numbers of participants on our occupational safety training courses:

KraussMaffei Group GmbH: 3,102 participants, 22,385 hours of training (71% of all employees)*
KraussMaffei Technologies GmbH: 2,969 participants, 22,320 hours of training
KraussMaffei Corporation: 133 participants, 65 hours of training

In our operating instructions as well as in our employee appraisals, we raise awareness among employees of the need to report potential health risks immediately. In addition, every employee is clearly prohibited from violating applicable safety regulations. There were no penalties for violations of these prohibitions during the reporting period. The local managers also coordinate their work on cross-location committees.

An intensive sharing of best practice to improve occupational health and safety takes place at quarterly Health and Safety Committee meetings and at the annual global meeting of occupational health and safety officers.

Secure employment also includes adequate social protection. We grant this to all employees in accordance with the respective statutory minimum requirements for sickness, unemployment, occupational accidents, unemployment, parental leave, and retirement.

Working hours:
Working hours are regulated individually by the individual locations in accordance with applicable national legislation. We are not aware of any violations of applicable national regulations during the reporting period.

In Germany, the provisions on working hours agreed in the applicable collective agreement are adopted (affects 2,527 employees in Germany). In order to support individual life planning, flexible arrangements such as part-time working can be made. In addition, 30 days of paid leave are granted to all employees of the company, which means that this provision goes beyond the statutory leave entitlement. In addition, it is possible under certain conditions to have days off instead of receiving the agreed supplementary payment (T-ZUG).

In Slovakia, we introduced additional working time benefits in 2024 that went beyond the legal requirements. For example, single parents receive additional paid leave for up to three days if they have to take care

*Percentage coverage rate is a theoretical value only. Participants are only recorded numerically in the evaluation, not by name. It is likely that one person has completed several training courses, which distorts the statistics.

CORPORATE BENEFITS

Attractive remuneration package

Our aim is fair, transparent, performance-oriented, and market-oriented pay for all employees at KraussMaffei. Employees in Germany, for example, are paid according to the applicable collective agreements of the metal and electrical industry. In addition, there are vacation and Christmas bonuses as well as options for occupational retirement provision. As a rule, management and employees who are not paid according to collective bargaining agreements receive a monthly base salary and variable remuneration, the amount of which depends on the company's economic performance and the individual contribution. In addition to competitive remuneration, we offer our employees various local benefits in the form of discounts and exclusive retail services.

Health and well-being

Physical and mental health is a prerequisite for good performance. To maintain and promote the health of our employees, we therefore offer healthy meals, joint sports activities, and activities for promoting mental health and stress management. This also includes an employee assistance program. In addition, all employees have access to occupational medical care, and we continuously review and expand this range. The regular health days at our head office in Parsdorf site are particularly popular. Our employees work at state-of-the-art, ergonomically designed workstations in a production environment designed for sustainability. At most large locations, we provide parking spaces and charging stations near the workplace.

Training and development opportunities

We promote the development of individual strengths and the achievement of employees' personal goals through targeted training and further education opportunities. These include, in particular, comprehensive training in new roles, regular feedback on personal development and targeted support, vocational training, and training opportunities in the area of key competences as well as in the technical and specialist field. We offer career opportunities worldwide and employees also have the opportunity to work at one of our foreign locations around the world, either on a project or for a longer period.

Flexible working models

We aim to be an attractive employer with forward-looking, flexible working models and a culture based on trust. In addition to the entitlement to 30 vacation days per year, we therefore offer part-time working arrangements as well as the possibility of hybrid work. We also allow our employees to work from abroad under certain conditions.

of one of their children and the child is under ten years old (used by one employee in 2024). People who become parents under the age of 33 receive up to seven additional days of leave (taken by 49 employees in 2024). In addition, employees are allowed to accumulate additional absences depending on their seniority in the company and use these to take care of health care (used by 49 employees in 2024). In addition, employees who have suffered a death in the family receive an additional day of leave.

Training:
The training of young people has traditionally been a high priority at KraussMaffei. We currently provide training in nine occupations: electronics, industrial clerk, technical product design, metal cutting mechanics, IT specialists, toolmaking, mechatronics, plastics and rubber technology, and industrial mechanics. In addition, we offer eight dual degree programs in the fields of electrical engineering, mechatronics, plastics technology, mechanical engineering, and engineering.

Appropriate pay:
Our aim is fair, performance-oriented, and market-oriented pay for all employees at KraussMaffei. For example, for employees covered by collective bargaining agreements in Germany we pay in accordance with the collective agreements for the metal and electrical industry negotiated by employer representatives and the IG Metall trade union. In Slovakia, we pay salaries at the level negotiated by the trade unions ZO OZ KOVO KraussMaffei and ZO FPP pri KraussMaffei. Thus, 58% of our workforce received a collectively agreed wage in the reporting year. The collective bargaining agreement ensures that employees earn an average or even a better income compared to other sectors and regions. In the US, too, our wages are above the regional industry average. Vacation and Christmas bonuses as well as other collective agreement benefits are paid at many locations. As a rule, employees who are not paid according to collective bargaining agreements receive a market-oriented monthly base salary and variable remuneration, the amount of which depends on the specific area of responsibility and the reporting level in the company.

In 2023, we found that there is a gender pay gap between men and women. We also recorded this pay gap in 2024. The average monthly gross salary was around EUR 3,550 for women (previous year: EUR 3,700) and around EUR 4,440 for men (previous year: EUR 4,550).* The average monthly starting salary in Germany was around EUR 5,210 for men (previous year: EUR 4,800) and EUR 4,630 for women (previous year: EUR 4,420). However, the gap in salaries is subject to statistical uncertainty, as only the quantitative pay level for each gender was determined and not the associated roles and workloads. We are planning to adjust data collection accordingly for 2025.

Freedom of association:
At all locations in Germany, a works council represents the interests of the workforce. In other regions of the world, the principle of organized representation of interests is not established in a comparable way. In 2024, 112 employees worldwide were members of a works council or a similar body for representing employee interests. Employees in Germany are involved in company decisions within the framework of codetermination. In Germany and at other locations, such as Florence (USA) or Jiaxing (CN), there are regular company and employee meetings where employees can voice their views, wishes, and suggestions and thus have an influence on company decisions.

Work-life balance:
We aim to be an attractive employer with forward-looking, flexible working models and a culture based on trust. Our employees should be enabled to perform at their best and balance their work and their private life as effectively as possible. We therefore offer part-time working arrangements as well as the possibility of hybrid work and, under certain conditions, working from abroad.

Our regulations for hybrid work were made locally, depending on the usual market practice and applicable national legislation. For our German companies, uniform regulations have been established in the form of a Group works agreement. This means that employees can work remotely on up to two days a week if it is compatible with their current job and with operational requirements.

Last year, we adopted a global policy for working abroad that sets uniform standards for cross-border working worldwide. For example, KraussMaffei employees can work outside the European Economic Area/European Union on up to 30 working days a year if this is compatible with their work.

Personnel development:
We promote the development of individual strengths and the achievement of our employees' personal goals

*Due to the sale of the Swiss subsidiary Netstal, which had a very high wage level, the average gross salary decreased compared to the previous year.

Ensuring a perfect surface finish in one of our new polishing booths: Mahmut Özocak

True Blue: Extraction system

In our new finish center in Parsdorf, our employees deburr, grind, and polish the screws. To ensure that they can rely on top air quality and also that the environment is protected, we have invested in a new suction and filter system. This not only extracts dust – sometimes mixed with chromium VI particles – and filters it reliably out of the exhaust air but also supplies fresh air to the closed working area. In addition, the individual cabins are separated from each other with noise barriers in order to reduce noise pollution.

through targeted further training and qualification measures. These measures support professional development and also strengthen our innovative capacity and competitiveness. A wide range of opportunities for training and education, from vocational training to the learning of staff and senior executives through to intergenerational knowledge exchange and international mobility programs, are the basis of a learning organization.

We make use of digital learning formats, such as e-learning and live online courses, as well as classroom training, including training and workshops for senior executives. We are firmly committed to continuing to implement modern learning formats, such as blended learning, throughout the company. Our goal is to create a globally consistent learning experience and thus a learning culture for all employees.

Our training and further education opportunities can be divided into the following subject areas:

- Key competences (soft skills) include training on non-technical topics related to leadership, change management, and communication. In addition, this includes training courses and activities on intercultural cooperation, lateral leadership in projects, IT training on Microsoft Excel and PowerPoint, and language training for English, German, and Chinese. In Germany, for example, a total of 418 employees received further training in these areas in the reporting period.
- Technical and specialist product training includes training and instruction on our technical products, mainly for our sales and service staff. We also offer these training courses for our customers and sales partners globally.
- Occupational health and safety training encompasses all training on occupational safety and health in order to prevent accidents, as well as all health training such as first aid courses, defibrillator training, and training on mental health.

Employees also have the opportunity to work at one of our locations worldwide, either on a project or for a longer period. In 2024, 17 employees worked as "expatriates" (expats) at KraussMaffei's worldwide locations. We consider it enormously valuable for employees to gain intercultural experience. That is why we support employees (and their family members, if necessary) who move to one of the worldwide KraussMaffei locations as an expat. We help them with accommodation, language courses, and intercultural training.

Recruitment:
We counter the risk of a shortage of skilled workers through targeted recruitment. In 2024, we hired 233 new employees to strengthen our teams and maintain our innovative capacity. To reach out to suitable applicants, we present ourselves via a variety of channels including trade fairs (e.g. FAKUMA in Friedrichshafen, BIZ Arbeitsamt Zukunftsstarter, and at various schools for career orientation), social media (e.g. Instagram, TikTok, facebook, YouTube), and specialized online platforms for recruitment.

Our apprentices in Parsdorf are making a particularly

authentic contribution to an attractive employer brand: under the title "Kraussbildung", they run their own social media channel where they report on their most exciting experiences from their apprenticeships. In general, our social media channels are becoming more and more popular and are thus an increasingly important part of our stakeholder dialog. At the end of 2024, our social media follower numbers were

LinkedIn: 57,129 people (+19% vs. 2023)
Instagram: 936 (+80%)
TikTok: 1,880 (+29%)
Facebook: 23,746 (no comparative data for 2023)

Health:
Comprehensive occupational medical care is provided at each of our locations. In addition, some locations offer services to improve health and well-being. For example, in Germany these include counseling services, free vaccination advice at Parsdorf, preventive examinations, healthy meals, and joint sports activities. The regular health days at the Parsdorf site are particularly popular.

We organize an attractive supporting program with health services such as flu vaccinations and back scans. In 2024, we also added lectures on resilience and stress reduction to the program. In doing so, we are taking into account the increasing mental strain of today's world of work. KraussMaffei has been cooperating with the Fürstenberg Institute on this topic since 2023. KraussMaffei employees in Germany have the opportunity to participate in mental health coaching and counseling for psychological stress via the Fürstenberg Institute. This consulting service for all employees and senior executives is designed to clarify and solve professional, private, and health issues. It is anonymous and free of charge for employees.

Creating a modern working environment that takes ergonomic and occupational health aspects into account is our goal. We therefore always consider these aspects at all newly built sites and when purchasing new equipment. This includes, for example, equipping computer workstations with height-adjustable desks, providing lifting aids in production for moving heavy loads, and fitting health-friendly lighting in all areas.

Health in focus: Health days in Parsdorf

Diversity and equal opportunity:
KraussMaffei stands for diversity. We firmly believe that we should treat all people equally, regardless of gender, origin, religion, belief, disability, age, or sexual orientation. Values such as respect, tolerance, and open-mindedness are embedded in our company. We condemn all forms of discrimination and harassment and take decisive action in suspected cases. No such incident was brought to our attention in 2024. With our whistleblower system, we provide our employees with a tool that can be used to provide appropriate input in this context and also in other relevant contexts in an anonymous manner.

We welcome the best possible balance between nationalities, genders, and different generations and cultures in our workforce. As of December 31, 2024, 61 nationalities were represented in our workforce. The proportion of people with disabilities in Germany was 3% (2023: 4.0%). The proportion of women in the total workforce was relatively low at 15.5% (2023: 15.6%), which reflects a social fact in many engineering professions. The Supervisory Board, the highest governance body of KraussMaffei Group GmbH, currently consists of 12 members, of whom two are women. The proportion of women on this board is therefore 16.7%.

We work with targeted measures to increase diversity in our workforce. In particular, we aim to employ a higher number of female employees in our group of companies on a lasting basis. We are taking various measures to achieve this goal. These include continuously optimizing job advertisements to target women, the ongoing flexibilization of working arrangements, and a program on women in leadership which is expected to start in 2025.

By diversity, we also mean collaboration between different generations and countries. We promote this through intercultural training and the creation of inclusive working conditions. Many employees have worked at KraussMaffei for a long time. We involve these employees as mentors in the training of new employees in order to ensure the continuous transfer of knowledge for our company's innovative capacity. Cultural competence is a key criterion for business success, which is why we try to fill management positions in the national subsidiaries with people from the respective country. For example, 47% of the managers of our national subsidiaries come from the respective country. This ensures that senior executives know and understand the specifics of a market and can adapt our services accordingly. This means we are even closer to our customers and therefore ensures customer satisfaction.

Employee satisfaction:
Satisfied employees are crucial to the company's success. The current turnover rate of 6.9% is an important indicator of the satisfaction of our workforce.

Appreciating each individual is fundamental to us, as is continuous development. That is why all our employees are entitled to regular and structured feedback. Employees have at least one face-to-face meeting per year with their manager. This is focused on personal development and career planning and is a global minimum standard.

A modern working environment for satisfied employees

also includes company benefits such as sports offers, health checks, financial bonuses, and subsidies for local public transport. Due to cultural differences and different market practices, the granting of company benefits is not regulated company-wide but governed by the respective companies or locations.

Targets

We want to be one of the top employers in our industry. To this end, we want to continuously improve the safety, health, and satisfaction of our workforce. Specifically, we have set ourselves the following goals:

- We aim to increase the proportion of female employees in our total workforce to 20% by 2030, starting from 15.6% in 2024.
- We will introduce a global evaluation methodology by mid-2026 and reduce unjustified gender-specific pay differences to +/-5% by 2027.
- We will establish a global process and optimize the system so that all employees are entitled to a structured, annual review with their manager that focuses on both their performance and their personal development.
- We aim to harmonize learning and are introducing a global standard that allows employees at least two hours of learning per month.

Roland Wollmann and Martin Müller of Global Health & safety

True Blue: Cooperation with the Fürstenberg Institute

Whether health, relationship, or job: in difficult life situations, our employees can obtain advice from the Fürstenberg Institute's trained experts. The conversations are held on the phone, via chat or face-to-face as required – and in many languages. 24 hours a day, anonymous, and free.

Simona Dragota, responsible for the cooperation with the Fürstenberg Institute since 2024

ESRS S2 WORKERS IN THE VALUE CHAIN

Responsibility does not end at the factory gate. As a global company, we source and process goods and services from all over the world. Our stakeholders are therefore right to expect us to commit ourselves to respecting human rights, including workers' rights, throughout the value chain.

WORKERS IN THE VALUE CHAIN
IMPACTS, RISKS, AND OPPORTUNITIES

POSITIVE IMPACTS	NEGATIVE IMPACTS	RISKS	OPPORTUNITIES
	Workers in hazardous industries, such as mining and metallurgy, have a higher health risk due to production processes that involve higher risks.	Prominent occupational accidents or deaths in the supply chain can lead to a loss of reputation and loss of revenue.	
	In some countries, collective labor rights are not included in national regulations and therefore cannot be enforced by us.	Strikes in the value chain can lead to an interruption of the supply chain and affect our delivery times. This can result in penalties. Alternatively, we may need to purchase goods from another, more expensive supplier.	
	Child and forced labor are among the most serious human rights violations of all and are found in some countries of our value chain according to international human rights indices.	Violations of human and labor rights in our value chain could result in fines if we have knowingly accepted them and taken no action. In addition, this can lead to increased controls by the labor authorities and loss of reputation and thus loss of sales.	
	Poor working conditions may be experienced by Tier 2 suppliers (employment on a daily basis, working hours or unpaid promised wages).	A lack of professional qualifications among the workers in the value chain can lead to losses in quality and thus increased costs in the production of our machines.	
	We cannot guarantee that ILO regulations are fully complied with in our value chain outside our own operations.		

Management approach

Along our value chain, many people contribute to the quality of our products and services. We have a responsibility to ensure that essential human and labor rights standards are respected outside our company boundaries. The following international guidelines and conventions are relevant for us:

- Universal Declaration of Human Rights,
- UN Global Compact principles,
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work,
- OECD Guidelines for Multinational Enterprises,
- UN Guiding Principles on Business and Human Rights,
- United Nations' Sustainable Development Goals.

Through our Supplier Code of Conduct, we require our partners and suppliers to behave in accordance with these guidelines. For new suppliers, this code is part of the General Terms and Conditions of Purchase.

Respect for human rights is a core value at Krauss-Maffei. We have a policy of zero tolerance towards any form of human rights violation. This principle is embedded in our Compliance and Ethics Code and Supplier Code of Conduct and is binding for all employees and suppliers in our supply chain. In addition, we have published a Declaration of Principles on Human Rights, in which we declare our commitment to respect all internationally recognized human rights. This

- includes the obligation to set up a risk management process and to carry out an annual risk analysis,
- involves the establishment of prevention measures and remedies in individual business areas, in the case of direct and indirect subcontractors, including the verification of their effectiveness,
- presents the grievance process and related measures,
- requires documentation and reporting, describes identified priority risks, and sets expectations relating to human rights and the environment for both own employees and suppliers.

Organizationally, the topic of human rights is anchored in central Sustainability Management. They submit a written report to management at least once a year on the results of the regular risk analysis and the measures derived from this. If necessary, unscheduled reporting is also carried out.

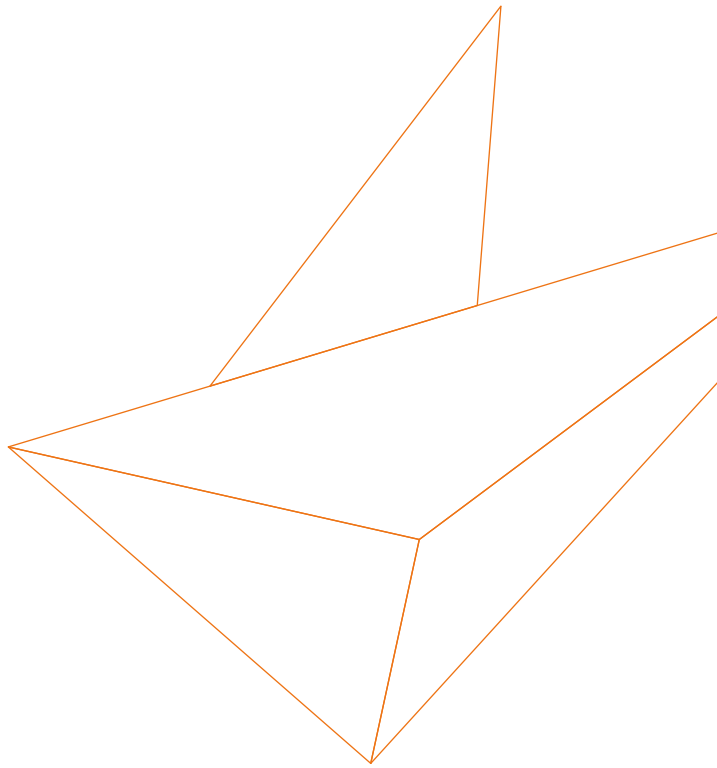
To comply with our due diligence obligations, we have been reviewing all suppliers since 2023.

Key performance indicators

In 2024, we conducted a risk assessment of 100% of our current suppliers using Prewave software, with the following results:

119 suppliers were risky in 2024. Behind all these cases are potential risks based on statistically determined and assessed industry and country risks as well as AI monitoring.

We eliminated 78 (66%) of the potentially risky suppliers from our supplier base due to the extremely low share of sales we generated with them in 2024. For the remaining 41 companies, we have prioritized our measures in accordance with the classification system of the LkSG. 37 (31%) suppliers were classified as low priority and 4 (3%) as high priority. In the vast majority of cases, we were able to clarify potential risks through dialog and confirm them as unfounded. Based on the findings of the previous risk analysis, measures were derived which led to a slight increase in the questionnaire response rate from 30% to 36%. These measures included, for example, raising awareness among suppliers by giving timely notice and discussing the process.



Number of screened suppliers	2023	2024
	7,887	**7,164**
Newly imported data sets	1,442	623
Potentially risky suppliers according to LkSG	111	119
Identified potential risks in the area of human rights:	66	24
Labor rights	63	59
Health and safety risk category	56	74
Environment	31	52

Potentially risky suppliers' membership of commodity groups	111	119
Non-production-related commodities and services	90	93
Mechanical systems	5	15
Electrical systems	12	5
Equipment	0	5
Hydraulic systems	4	1

Risky suppliers' membership of parts of the company*		
KraussMaffei Group GmbH (consolidated)	111	119
of which		
KraussMaffei Technologies GmbH (consolidated)	3	75
KraussMaffei Corporation	5	12
No revenue in 2024	103	32

Origin of risky suppliers	2023	2024
Germany	49	49
China	15	37
USA	15	13
Italy	0	3
Austria	0	1
Switzerland	18	1
Slovakia	8	3
Canada	1	3
Czech Republic	0	2
France	0	2
UK	1	1
Turkey	0	1
Belgium	2	1
Netherlands	0	1
Luxembourg	0	1
Bosnia and Herzegovina	1	0
Hungary	1	0

Confirmed cases	4
Working conditions	1 USA (KMC)
Occupational health and safety	1 Germany (KMT)
Discrimination	1 USA (KMC)
Environmental pollution	1 Germany (KMT)

We are not aware of any actual violations of priority human rights or the rights of indigenous peoples in the reporting period. However, a total of four incidents were reported in the areas of occupational safety, working conditions, discrimination, and environmental pollution (see table p. 66).

* Suppliers from whom no goods were purchased in the reporting year are not assigned to any company

Measures

Responsible purchasing with appropriate risk management is a key lever with which we can prevent potential violations of labor and human rights. Our actions in this regard from the reporting period are described in section ESRS 2.

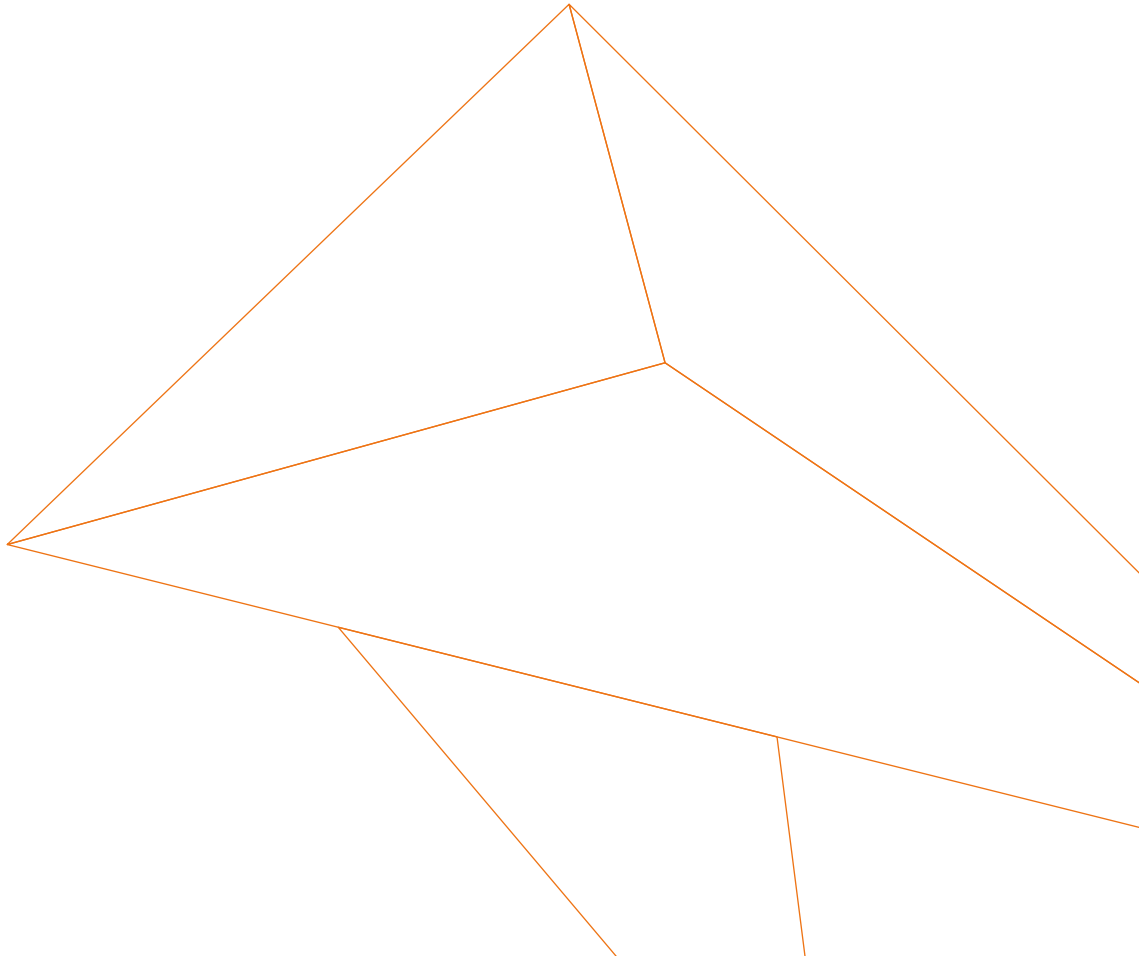
In 2024, we first reported on how human rights are dealt with in the supply chain and in our own business area for the 2023 reporting period as part of the German Supply Chain Due Diligence Act (LkSG). The annual reports submitted to the Federal Office for Economic Affairs and Export Control (BAFA) since 2024 are publicly available.

Labor in the value chain

At KraussMaffei, there is a central point of contact for external persons who wish to report violations of the law or our policies. In the reporting period, this post was held by our external compliance officer, attorney Dr. Andreas Minkoff, who is available worldwide by post, telephone, fax, and email in several languages. Contact information is available on our website. People can also send all compliance-relevant information, reports, and complaints to him, anonymously if desired.

Processes to remedy negative impacts

If there is sufficient evidence of a violation, KraussMaffei will conduct a detailed investigation of the facts. This will be neutral, objective, and in compliance with the presumption of innocence and the applicable laws and data protection. The persons involved will be informed of the report and given the opportunity to comment. The investigation will consider appropriate measures to penalize identified violations and to prevent future risks. Responsibility for responding to violations lies with the respective KraussMaffei Group companies, although it may be necessary to pass on relevant information, including anonymised information, to them.



True Blue: Health days

How does the footbed feel in the new safety shoes? What vaccinations do I need? How does spine training work? We discuss these and many other questions once a year at the Health Days at the Parsdorf site. In 2024, we also included the topic of mental health in our prevention program.

ESRS S4 CONSUMERS AND END-USERS

Satisfied customers ensure our future viability. Excellent machinery, systems, and services and the smooth, efficient, and sustainable operation of these are essential for satisfied customers. This also includes the safety of the operating personnel.

Brandon Wagner, Production Manager at KMC in Florence.

CONSUMERS AND END-USERS
IMPACTS, RISKS, AND OPPORTUNITIES

POSITIVE IMPACTS	NEGATIVE IMPACTS	RISKS	OPPORTUNITIES
The protection of customer data reduces the risk of data loss and leaks, thereby ensuring security.	Failure to comply with safety regulations and standards can lead to injury and death of employees at the customer's premises.	Non-compliance with quality and/or occupational safety standards leads either to compensation or to the recall of the machines. This can result in costs.	The provision of detailed and transparent information on machines can create trust among consumers and improve the brand's reputation and thus sales or follow-up orders.
The analysis of data and diagnosis of deviations as well as repair services improve efficiency and also reduce scrap and extend the life expectancy of the machine.			Providing detailed and transparent information about machines can build trust among customers and improve the brand's reputation, thereby boosting sales and repeat orders.
For safety reasons, we regularly train the customer's employees in the use of machines manufactured by KraussMaffei which prevents harmful incidents.			

Affects our products at the end-user's site

Management approach

KraussMaffei is active exclusively in B2B business. All our machines are manufactured, tested, and put into operation with all relevant safety standards, guidelines, regulations, and legal requirements.

Key performance indicators

- Number of participants in customer and technician training courses in Germany: 936 (number of training courses: 198)

Measures

To ensure the safety of the operating personnel, we offer a comprehensive training program. Training is delivered on-site, digitally, and in our own training centers.

In addition, we have defined far-reaching protective measures for numerous products, such as design or technical protective measures as well as visual or acoustic warnings. Our internal production control ensures that the machine complies with the documentation and that intended measures are present and functional on every delivered product. The protective measures are based on the results of our risk assessment, which takes into account the potential extent of damage, its probability of occurrence, and information on appropriate safety standards. If required, protective measures are validated by calculation, measurement, and fault simulation. Since the 2024 reporting year, we have been recording this proven procedure in a standardized process description. It is a binding policy for all sites worldwide.

We also draw our customers' attention to residual risks during operation in the operating instructions, by labeling the product and we offer safety briefings on handover.

Data protection

In times of increasingly networked machines and systems as well as largely digital order processing, data protection is another focus of our efforts for the greatest possible customer safety and satisfaction. We conduct regular data protection and IT security training to raise staff awareness. Approximately 1,500 employees were trained in this way in the reporting year. All of them are required to sign a declaration of commitment to maintain confidentiality, and mandatory annual training ensures that all employees are kept informed about data protection issues.

At technical level there is a deletion concept. In the event of uncertainties, employees can proactively contact an internal data protection officer who is not bound by instructions in order to ensure maximum neutrality. In 2024, there were no incidents in which our products violated data protection regulations or the integrity of customer data was violated.

Targets

In terms of data protection, extensive audits are planned for 2026 in the human resources departments and IT departments of the individual companies. Another key objective is to review the data processing agreements to ensure that they comply with the latest data protection requirements.

Training manager Thomas Deser with David Metzler, apprentice in technical product design.

In addition, the existing deletion concept will be further optimized by supporting it with automated software in the future. Another key project for 2027 is the certification of the information security management system in accordance with ISO 27001 in order to further strengthen our high data protection and security standards.

True Blue: Synergy horizon

Worldwide, around 50 million tons of lignin are produced annually as a byproduct of wood processing in the paper and bioethanol industries. The vast majority of it is burned. Together with the Polish member of the Synergy Horizon Group, KraussMaffei Extrusion has developed a process for the production of free-flowing lignin powder. This can be dispensed into the extruder as a filler and 100% bio-based reinforced thermoplastics can be produced for a wide variety of applications.

ESRS G1
BUSINESS CONDUCT

At the core of our actions are values such as openness, fairness, trust, self-confidence, responsibility, and courage. This canon of values guides us in our business practices and is our benchmark for ethical conduct towards our customers, partners, suppliers, and all other stakeholders. Ensuring that it can be put into practice at all locations worldwide is the aim and purpose of our business conduct policy.

BUSINESS CONDUCT
IMPACTS, RISKS, AND OPPORTUNITIES

POSITIVE IMPACTS	NEGATIVE IMPACTS	RISKS	OPPORTUNITIES
Our extensive know-how, including in the areas of recycling, circular economy, and energy efficiency, helps our customers to meet increasing sustainability requirements.	Late payments to small suppliers could jeopardize their ability to pay.	In general, we take too long to implement procedural improvements. This leads to competitive disadvantages.	
A whistleblower system, which can be used anonymously on request, ensures that a report made to the best of one's knowledge and belief will not be liable to criminal proceedings.	We are members of various industry associations that also engage in political lobbying. Although we do not lobby ourselves, this can have a negative impact on our reputation in society when it comes to environmental issues.	Poor relationships with our suppliers or payment delays can lead to disruptions in the supply chain that impact production and delivery schedules and result in fines.	
	We have a complex internal organization and system structure that is being revised as part of a transformation project. This reorganization leads to uncertainty in the workforce and to temporary delays in procedures and ambiguities in cooperation.	Corruption, corruptibility, or bribery could result in financial losses, either through more expensive contractual terms for KraussMaffei or through fines.	
		The in-house production rate in the USA is low, meaning that we are affected by higher tariffs from the USA.	

Affects our products at the end-user's site

Management approach

At KraussMaffei, business conduct is a strategic management task. The Management Board and Supervisory Board are responsible for

- promoting an ethical corporate culture
- the legally compliant and sustainable management of relationships with customers, partners, suppliers, and all other stakeholders
- the existence of anti-corruption systems and processes
- the transparency of political engagement and lobbying
- fair payment practices and legally compliant tax payments
- robust risk management

We ensure implementation in everyday business life through our Code of Conduct for employees (Compliance and Ethics Code) or the Code of Conduct for suppliers (Supplier Code of Conduct), as well as through internal instructions, training courses, and process descriptions.

Measures

Compliance

Compliance with legal requirements is a top priority for KraussMaffei. The respective companies are responsible for compliance with local laws in cooperation with the compliance officers. In 2024, KraussMaffei compliance officers were notified of seven suspected compliance-related cases. Two of the suspected cases concerned Shanghai KraussMaffei/KraussMaffei Machinery (China), KraussMaffei Japan and KraussMaffei Technologies; one of the suspected cases concerned the KraussMaffei Corporation. All suspected cases were investigated. Five of the seven reported suspected cases were either proved to be unfounded or were resolved and concluded by mutual agreement between the parties involved without legal proceedings. For the two reported suspected cases of KM Japan, the internal investigation is still ongoing. None of the seven reported cases involved allegations of human rights violations, discrimination, harassment, or bullying. One of the suspected cases reported related to corruption. However, this suspected case proved to be unfounded.

KraussMaffei was not named as a defendant in any legal proceedings relating to anti-competitive behavior or violations of antitrust law and monopoly legislation in 2024. In our opinion, existing legal proceedings have no impacts on the reputation of the KraussMaffei Group as a whole.

Tax

It goes without saying that KraussMaffei complies with applicable tax law and fulfills all tax obligations. We have anchored this claim in our Compliance and Ethics Code, which also forms the basis of our tax strategy. At KraussMaffei, tax policy is anchored at top management level to ensure that the Management Board is constantly informed about general tax developments, current tax performance, tax risks, and substantial changes in tax law.

To ensure our integrity, we have integrated an internal control system that we continuously adapt to changing processes, legal conditions, and other internal and external influences. The key document for this is the Group Tax Policy. This regulates the responsibilities

and powers for all tax matters in our company.

As a globally active company, we are subject to different tax laws in many countries. Our aim is to comply with the applicable commercial and tax laws in all countries in which we operate. This is the responsibility of the individual companies and is implemented by local tax officers at the locations. Our central tax department has global authority to issue guidelines. A complete list of the companies and countries included in the consolidated financial statements is part of the consolidated financial statements. This list and the associated tax performance have been audited by BDO AG Wirtschaftsprüfungsgesellschaft, Munich, for the reporting period.

Our tax strategy obliges all companies to deal transparently and fairly with the respective tax authorities and to comply with all applicable tax obligations. We are also transparent with regard to our tax behavior in response to any requests or expectations from other stakeholders. KraussMaffei avoids implementing artificial structures that purely serve tax purposes.

IT security

Information security and cyber security are fundamental for KraussMaffei. Providing a framework for our actions are legal requirements such as the Network & Information Security Directive NIS 2 (EU Directive on the Cybersecurity of Network and Information Systems, NIS) and the EU Cyber Resilience Act.

We use an information security management system that complies with the international standard ISO 27001. In addition, risk identification and assessment of risks from external cyber attacks is integrated into the Group-wide risk management process.

In 2024, we found that the overall risk of AI-based attacks is increasing. We have responded to this and also use AI-supported monitoring of all processes in our 24/7 Security Operation Center. We are also continually improving our detection and response to cyber threats.

In order to make our workforce more aware of the danger of cyber risks, we conducted a bogus phishing email campaign in 2024. A pretend phishing email was sent to employees. All employees who did not consider this email to be a phishing attempt were automatically assigned to the appropriate training. Independently of this, there is mandatory information security training for every employee every year. The number of participants was 4,078 in 2024.

Whistleblower system

KraussMaffei has set up a whistleblower system that allows employees and external stakeholders to report critical concerns, violations, and potential violations of our values and policies (see p. 67).

In order to ensure a neutral and safe point of contact, we have set up an external, central office for reporting improper business practices. The Munich attorney Dr. Andreas Minkoff from the law firm FEIGEN · GRAF Rechtsanwälte Partnerschaftsgesellschaft mbB acts as an external compliance officer. Employees and external parties can contact him in confidence without fear of sanctions or disciplinary measures if they become aware of problematic business practices within KraussMaffei. The external compliance officer is available to speak to in German and English and, by prior arrangement, also in Spanish, Russian, Italian, and French within the firm. Information in other languages may be submitted in writing. The contact options are available to all employees and can also be accessed online.

External reports can be made completely anonymously if required. For internal reports, absolute anonymity cannot be guaranteed due to technical circumstances. Nevertheless, all information is treated as strictly confidential. The identity of the informant and all transmitted documents remain protected unless KraussMaffei is legally obliged to pass on certain information to the authorities, such as for the prevention or investigation of crimes. The data collected via the whistleblower system is processed in accordance with the European General Data Protection Regulation (GDPR), whereby all necessary security precautions for collection, transmission, and storage are taken.

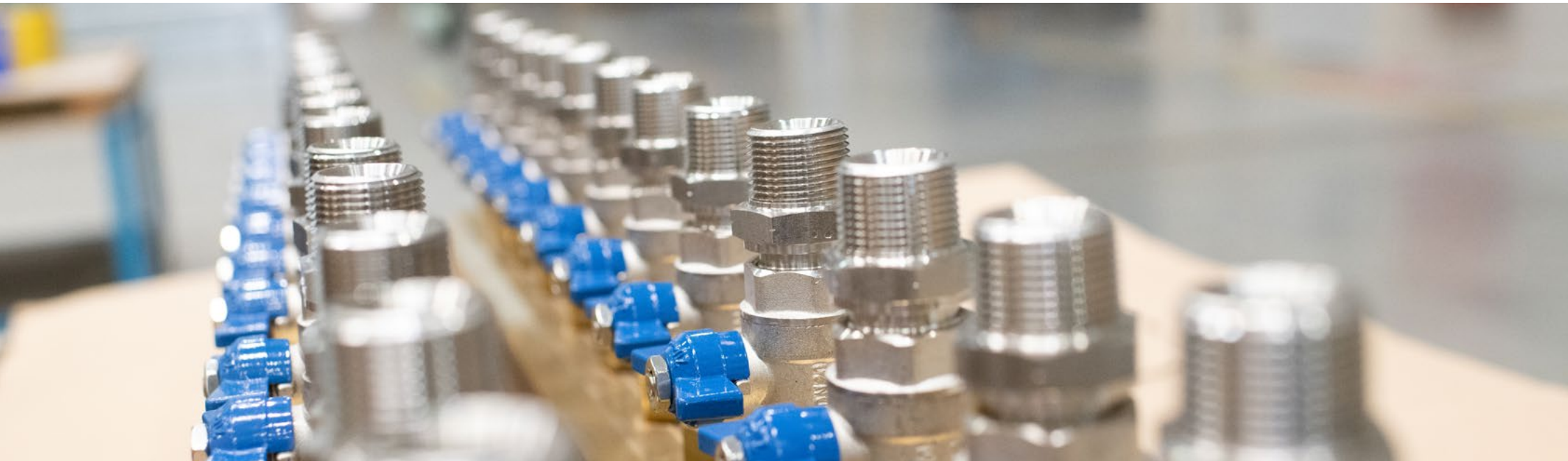
Professional exchange

KraussMaffei maintains regular and in-depth dialog with associations and interest groups in order to increase its own performance and to gain a deeper understanding of the expectations of our stakeholders as well as long-term trends and developments. We contribute our expertise to project-related committees in order to identify technical challenges and develop solutions so that scientific approaches can be converted into marketable products and technologies. In addition, we actively participate in publicly funded projects and apply for funding together with research partners and industrial companies. This collaboration

enables the formation of highly motivated interdisciplinary teams along the entire value chain, creating valuable synergies. In addition, we are involved in promoting interaction between science and industry through specialist lectures at institute events. Networking and targeted recruitment in the university and institute environment are also key elements of our engagement, as today's students and academic employees play a crucial role as future specialists and senior executives in industry. In 2024, there were memberships and partnerships with various organizations to further strengthen this exchange and promote it on a sustained basis:

Research and science

- Faculty of Mechanical Engineering / KTP Plastics Technology, Paderborn University (D)
- Fraunhofer Institute for Chemical Technology (ICT), Pfinztal (D)
- Fraunhofer Pilot Plant Center for Polymer Center for Polymer Synthesis and Processing PAZ, Schkopau (D)
- Fraunhofer Institute for Microstructure of Materials and Systems IMWS, Halle (D)
- Fraunhofer Institute for Casting, Composite and Processing Technology (IGCV), Augsburg (D)
- Institute for Plastics Processing (IKV), RWTH Aachen University (D)
- Institute for Plastics Technology (IKT), University of Stuttgart (D)
- Institute of Lightweight Engineering and Polymer Technology (ILK), TU Dresden (D)
- Institute for Factory Equipment and Logistics – Leibniz University Hannover (D)
- Institute for Plastics and Recycling Technology (IKK), Leibniz University Hannover (D)
- Chair of Plastics Technology (LKT), FAU Erlangen-Nürnberg (D)
- Chair of Design and Plastics Machinery, University of Duisburg-Essen (D)
- Faculty II, Mechanical and Bioprocess Engineering, Hochschule Hannover University of Applied Sciences and Arts (D)
- Chair of Medical Technology, TU Munich (D)
- Chair of Carbon Composites, TU Munich (D)
- Chair of Lightweight Structures and Plastics Processing (SLK), TU Chemnitz (D)
- Chair of Plastics Technology (KT), Chemnitz University of Technology (D)
- Degree program in Plastics Technology, Rosenheim Technical University of Applied Sciences (D)



- TU Clausthal-Zellerfeld (D)
- University of Chemical Technology, Beijing (CN)
- Deutsches Institut für Kautschuktechnik e. V., Hannover (D)
- Europäische Forschungsgesellschaft für Blechverarbeitung e. V. (EFB), Hannover (D)
- ITA Group International Centre for Sustainable Textiles, Augsburg (D)
- Neue Materialien Bayreuth GmbH (D)
- Composites United, Augsburg (D)
- Institute for Sustainable Process Technology (ISPT) (NL)
- Ferris State University (FSU) Big Rapids, Michigan (USA)
- National Institute for Aviation Research (NIAR), Kansas (USA)
- Penn State Behrend (PSB), Pennsylvania (USA)
- Pittsburg State University (PSU), Kansas (USA)
- University of Dayton Research Institute (UDRI), Ohio (USA)
- University of Massachusetts Lowell (Umass Lowell), Massachusetts (USA)
- Clemson University (CU), South Carolina (USA)

FAKUMA 2024

Associations and other institutions

- Verband Deutscher Maschinen- und Anlagenbau e. V. (VDMA), Frankfurt am Main (D)
- Verband der Bayerischen Metall- und Elektroindustrie e. V. (D)
- South German Plastics Center (SKZ), Würzburg (D)
- Reinforced plastics working group (AVK) in Industrievereinigung Verstärkte Kunststoffe e. V., Frankfurt am Main (D)
- Bayern Innovativ GmbH, Nuremberg (D)
- Deutsches Institut für Normung e. V., Berlin (D)
- Europur, European Association of Flexible PU Foam Blocks Manufacturers, Brussels (B)
- Foamed Plastics and Polyurethanes Association (FSK), Stuttgart (D)
- Kunststoff-Netzwerk Franken (KNF) e. V., Bayreuth (D)
- Kunststoff-Institut für die mittelständische Wirtschaft NRW GmbH, Lüdenscheid (D)
- Kunststoff-Zentrum Leipzig (KUZ) gGmbH, Leipzig (D)
- Open Platforms Communications (OPC), Scottsdale/Arizona (USA)
- Verband Deutscher Werkzeug- und Formenbauer e. V. (VDWF) (D)
- Verband der Metallindustrie Niedersachsens e.V., Hanover (VMN) (D)
- Association for the Promotion of Plastics Technology, Paderborn (D)
- Industrie-Club Hannover e.V. (D)

Participation in events organized by associations

- Composites United – annual conference
- FSK – Conference "Foam Plastics and Polyurethanes"

FAKUMA 2024

- EUROPUR – annual conference
- AVK – German Association for Fiber Reinforced Plastics
- KUZ Leipzig – PUR seminar
- VDMA – workshop innovation processes
- VDMA general meeting and workshops
- VDMA Plastics and Rubber Machinery Association annual conference
- EUROPUR - workgroup sustainability
- FTI Stuttgart

Participation in trade fairs

Leading trade fairs:

- Fakuma
- Formnext
- NPE – plastics show North America
- JEC International Composites Show

Other trade fairs:

- Bayern Innovativ, automotive interior conference
- CAMX – Composites & Advanced Materials Expo
- EPTA – World Pultrusion Conference
- SAMPE – Society for the Advancement of Material and Process Engineering USA conference & exhibition
- Utech Europe – exhibition & conference for the global polyurethane industry
- SAMPE Germany – national conference

Political commitment

In the reporting period, there was no regular strategic exchange with political actors or non-governmental organizations in the sense of lobbying. In addition, KraussMaffei did not make any donations or in-kind contributions to parties or for political campaigns. No member of the Management Board or Supervisory Board of KraussMaffei Group GmbH, KraussMaffei Technologies GmbH, KraussMaffei Corporation, or KraussMaffei Extrusion GmbH held a similar position in public administration in the two years prior to appointment.

Corruption prevention and fair competition

We adhere to the rules of fair competition, which we are also obliged to do by our Compliance and Ethics Code. Details are regulated by the Group policy no. 21. Accordingly, agreements on prices, terms and conditions, or other competition-relevant topics, such as participation in tenders or market sharing, are inadmissible and in some cases punishable by law. Informal agreements, such as those concerning non-competition or the submission of bogus offers, are also forbidden. Coordinated customer or supplier boycotts and influencing resale prices are also prohibited. We expect our business partners to comply with applicable antitrust and competition laws.

We attach great importance to stopping corruption, in any form. Our Compliance and Ethics Code is also fundamental here: In five separate chapters, it addresses key aspects of possible evidence of corruption and how to prevent it:

- Prohibition of bribery and corruption
- Ban on accepting or offering benefits or gifts
- Selection of representatives, inter alia
- Conflicts of interest
- Restriction of cash transactions/prohibition of the formation and use of secret accounts

The issue of corruption is also examined in the annual internal audits. In 2024, there was one suspected case of bribery, corruptibility and/or corruption across the Group. This suspected case was intensively investigated internally under the leadership of the Group Compliance Officer and it was deemed to be unfounded on the basis of this investigation.

Management of relationships with suppliers

In many cases, we have been working with the same suppliers for decades. In custom machine construction in particular, we do not rely on a large number of different suppliers but develop specific components with precisely defined requirements together with a few companies. Before a supplier is selected for the production of such a component, they undergo a comprehensive qualification process. With new partners in particular, we check whether they are able to produce the component with the required tolerances and quality standards. This process is complex, which is why a change of supplier is generally not feasible in the short term.

Payment practices

We attach great importance to stable, trusting partnerships with our suppliers. We strive to be a good and trustworthy partner with regard to our suppliers. In this context, we achieved a significantly better payment result in 2024 and paid our suppliers on time or even early. In particular, we prioritized suppliers for whom there were late payments in the past in order to avoid delays in the future. This approach helps us to avoid delivery delays that could result, for example, from exceeding credit limits. We want to prevent such operational restrictions in the mot effective way. Payment terms are usually in the standard range of 30 to 60 days. Where possible, we strive to offers discounts for early payments.

There were no significant or even reputation-endangering legal disputes due to late payments or outstanding payments by us in 2024.

ANNEX

ESRS INDEX

ESRS 2 – General disclosures		
Requirement	**Designation**	**Reference**
BP-1	General basis for preparation of sustainability statements	P. 3
BP-2	Disclosures in relation to specific circumstances	P. 3
GOV-1	The role of the administrative, management and supervisory bodies	P. 10
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	P. 10
GOV-3	Integration of sustainability-related performance in incentive schemes	P. 11
GOV-4	Statement on due diligence	P. 6
GOV-5	Risk management and internal controls over sustainability reporting	P. 11
SBM-1	Strategy, business model and value chain	P. 9, 10
SBM-2	Interests and views of stakeholders	P. 6
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 7, 18, 27, 33, 37, 41, 50, 64, 70, 75, 86
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	P. 6

ESRS E1 –Climate change		
Requirement	**Designation**	**Reference**
E1-1	Transition plan for climate change mitigation	P. 17
E1-2	Policies related to climate change mitigation and adaptation	P. 20
E1-3	Actions and resources in relation to climate change policies	P. 21
E1-4	Targets related to climate change mitigation and adaptation	P. 23
E1-5	Energy consumption and mix	P. 22, 90 ff.
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	P. 21, 90 ff.
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	P. 21
E1-8	Internal carbon pricing	P. 21

ESRS E2 – Pollution		
Requirement	**Designation**	**Reference**
E2-1	Policies related to pollution	P. 26
E2-2	Actions and resources related to pollution	P. 30
E2-3	Targets related to pollution	–
E2-4	Pollution of air, water and soil	P. 28
E2-5	Substances of concern and substances of very high concern	P. 29

ESRS E3 – Water and marine resources		
Requirement	**Designation**	**Reference**
E3-1	Policies related to water and marine resources	P. 32
E3-2	Actions and resources relating to water and marine resources policies	P. 34
E3-3	Targets related to water and marine resources	–
E3-4	Water consumption	P. 34, 90 ff.

ESRS E4 – Biodiversity and ecosystems		
Requirement	**Designation**	**Reference**
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	P. 36
E4-2	Policies related to biodiversity and ecosystems	P. 38
E4-3	Actions and resources related to biodiversity and ecosystems	P. 38
E4-4	Targets related to biodiversity and ecosystems	–
E4-5	Impact metrics related to biodiversity and ecosystems change	P. 38, 90 ff.

ESRS E5 – Resource use and circular economy		
Requirement	**Designation**	**Reference**
E5-1	Policies related to resource use and circular economy	P. 40
E5-2	Actions and resources related to resource use and circular economy	P. 43
E5-3	Targets related to resource use and circular economy	P. 47
E5-4	Resource inflows	P. 42
E5-5	Resource outflows	P. 42

ESRS S1 – Employees and external workers		
Requirement	**Designation**	**Reference**
S1-1	Policies related to own workforce	P. 49
S1-2	Processes for engaging with own workers and workers' representatives about impacts	P. 52
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	P. 52
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	P. 53
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	P. 61
S1-6	Characteristics of the undertaking's employees	P. 60
S1-7	Characteristics of the undertaking's external workers	P. 60
S1-8	Collective bargaining coverage and social dialogue	P. 56
S1-9	Diversity metrics	P. 60, 90 ff.
S1-10	Adequate wages	P. 56
S1-13	Training and skills development metrics	P. 58, 90 ff.
S1-14	Health and safety metrics	P. 59, 90 ff.
S1-16	Remuneration metrics (pay gap and total remuneration)	P. 56, 90 ff.

ESRS S2 – Workers in the value chain		
Requirement	**Designation**	**Reference**
S2-1	Policies related to value chain workers	P. 63
S2-2	Processes for engaging with value chain workers about impacts	P. 65
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	P. 67
S2-4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions and approaches	P. 67
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	–

ESRS S4 – Consumers and end-users		
Requirement	**Designation**	**Reference**
S4-1	Policies related to consumers and end-users	P. 69
S4-2	Processes for engaging with consumers and end-users about impacts	P. 71
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	P. 71
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	P. 71
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	P. 72

ESRS G1 – Business conduct		
Requirement	**Designation**	**Reference**
G1-1	Corporate culture and business conduct policies and corporate culture	P. 74
G1-2	Management of relationships with suppliers	P. 76
G1-3	Prevention and detection of corruption and bribery	P. 76
G1-4	Confirmed incidents of corruption or bribery	P. 80
G1-5	Political influence and lobbying activities	P. 78
G1-6	Payment practices	P. 81

IMPACTS, RISKS, AND OPPORTUNITIES

Impact	Type
Climate change	
Procurement of metallic materials with a high proportion of recycled material reduces GHG emissions (material substitution).	**Positive impact**
Optimized machine designs reduce the need for metallic primary raw materials, which in turn leads to reduced GHG emissions (reducing raw material).	**Positive impact**
Energy-efficient buildings reduce GHG emissions.	**Positive impact**
Own PV systems increase the proportion of renewable energies and thus contribute to a reduction of CO_2 emissions.	**Positive impact**
The plastic parts we produce are often much lighter compared to metal parts. This leads to a reduction in GHG emissions during transportation or the use phase.	**Positive impact**
The production of machines and systems involves high energy consumption, which leads to GHG emissions.	**Negative impact**
Incoming and outgoing transports in the value chain cause GHG emissions.	**Negative impact**
Extreme weather events and natural disasters can interrupt global supply chains. This can lead to higher material prices. In addition, we are liable to penalties if we are subsequently unable to fulfill our delivery obligations.	**Risk**
Extreme weather events and natural disasters can damage or destroy systems.	**Risk**
The production and use of renewable energy can lead to higher acquisition costs in the short term.	**Risk**
A larger product carbon footprint (PCF) can make our products less attractive.	**Risk**
Rising energy prices	**Risk**
Regulatory measures to price carbon lead to financial risks (directly or indirectly).	**Risk**
Due to the Carbon Border Adjustment Mechanism (CBAM), the procurement of metallic materials with a high proportion of recycled material can result in cost savings compared to the procurement of metals from primary raw materials	**Opportunity**
In the medium term, the company's own production of electricity can lead to less dependence on grid operators and a reduction in costs.	**Opportunity**
Higher energy efficiency of the machines can make our products more attractive.	**Opportunity**
Machines that require less space can be more attractive.	**Opportunity**
Pollution	
When chemicals, cleaning agents, lubricants, or coolants are released, they can be harmful to the environment.	**Negative impact**
Defective filters in the facilities may result in air or water pollution. Air pollution caused by technical gases in the production processes can cause risks for the environment.	**Negative impact**
A fault or malfunction in systems could result in air or water pollution. This could create additional costs, such as for repairs, production downtime, or potential fines.	**Risk**
Regulatory provisions could mean a ban on PFAS. In this case, alternatives for products such as cables or valves must be procured, which could result in higher costs.	**Risk**
A ban on PFAS could force KraussMaffei and its suppliers to replace all materials containing PFAS. This could affect the quality of our machines.	**Risk**

Impact	Type
Water and marine resources	
When transporting granulates to the production site, microplastics can leak out unintentionally and pollute water.	**Negative impact**
Biodiversity	
Soil sealing with concrete and asphalt for new buildings reduces soil fertility and its capacity to retain water, which contributes to flooding.	**Negative impact**
The construction of industrial plants, factories, and associated infrastructure leads to the destruction and fragmentation of natural habitats	**Negative impact**
Resource use and circular economy	
The use of recycled metals, plastics, and other materials in manufacturing processes reduces dependence on raw materials.	**Positive impact**
Extrusion lines enable the separation of plastic waste from additives and contaminants and are used for the processing. This makes KraussMaffei an integral part of the growing recycling industry.	**Positive impact**
With accurate forecasts of the required use of materials for the production of a product, we prevent the waste of valuable raw materials, reduce waste quantities, and cut GHG emissions.	**Positive impact**
Our machines are made of about 95% metal. They are disassembled and recycled at the end of their life.	**Positive impact**
Cooperation with research institutions and other companies opens up new business potential, especially for the recycling of polyurethane.	**Positive impact**
With our Reman & Repair service, we offer customers the opportunity to improve the energy consumption of an existing machine and extend its service life, meaning that the purchase of a new machine – and the corresponding climate and environmental impacts – can be avoided.	**Positive impact**
Through the industrial reprocessing of used machinery, we protect natural resources and reduce GHG emissions.	**Positive impact**
100% of our largest waste fractions (metals, wood) are recycled. This conserves precious natural resources.	**Positive impact**
Customers use our machines to produce plastic parts. This leads to more plastic waste which, especially in the countries of the Global South, often cannot be adequately recycled or disposed of at present.	**Negative impact**
Our machines can process virtually any type of recyclate – even wood. This makes them particularly attractive to customers operating in markets where recycling quotas or plastic bans apply.	**Opportunity**
Own workforce	
Most KraussMaffei employees in the EU work in companies in which collective bargaining agreements apply. This guarantees fair pay and the minimum standard of statutory working conditions (working hours, holidays, training) are exceeded.	**Positive impact**
More than 80% of the workforce have a guaranteed vacation period above the statutory minimum. This promotes physical and mental health and boosts our attractiveness as an employer.	**Positive impact**
The majority of employees have an employment contract of indefinite duration. This leads to greater security due to stable incomes.	**Positive impact**
The interests of employees are represented by elected works councils and are incorporated into company decisions.	**Positive impact**
A wide range of on-the-job and off-the-job training and global career opportunities enhance employee performance, job satisfaction, and commitment.	**Positive impact**
A detailed analysis of a possible gender pay gap is not yet available. It is possible that there are inequalities.	**Negative impact**
People with disabilities may have less chance of being hired due to higher employer costs.	**Negative impact**
Improper use of personal data can have negative consequences for the data subjects.	**Negative impact**

Impact	Type
Own workforce	
In some regions of Asia, there is a risk of exploitation of workers as it is widespread practice to respond to requests outside contracted working hours.	**Negative impact**
Working with some chemicals (e.g. special paints, cleaning agents, isocyanates, epoxy resins) can lead to health problems.	**Negative impact**
Working with heavy materials and sharp tools can result in injury.	**Negative impact**
Harassment or violence at work can lead to a toxic work environment, low levels of engagement, health problems, and the loss of important talented individuals.	**Negative impact**
Occupational accidents not only cause personal distress but also give rise to significant costs for the employer (including medical expenses, reduced productivity, or, where appropriate, damages or fines for breaches of safety regulations).	**Risk**
In some countries, there are quotas for the proportion of severely disabled people in the company. Failure to comply may result in fines.	**Risk**
The improper use of personal data may result in a violation of applicable data protection law and lead to fines.	**Risk**
Workers in the value chain	
Workers in hazardous industries, such as mining and metallurgy, have a higher health risk due to production processes that involve higher risks.	**Negative impacts**
In some countries, collective labor rights are not included in national regulations and therefore cannot be enforced by us.	**Negative impacts**
Child and forced labor are among the most serious human rights violations of all and are found in some countries of our value chain according to international human rights indices.	**Negative impacts**
Poor working conditions may be experienced by Tier 2 suppliers (employment on a daily basis, working hours or unpaid promised wages).	**Negative impacts**
We cannot guarantee that ILO regulations are fully complied with in our value chain outside our own operations.	**Negative impacts**
Prominent occupational accidents or deaths in the supply chain can lead to a loss of reputation and loss of revenue.	**Risk**
Strikes in the value chain can lead to an interruption of the supply chain and affect our delivery times. This can result in penalties. Alternatively, we may need to purchase goods from another, more expensive supplier.	**Risk**
Violations of human and labor rights in our value chain could result in fines if we have knowingly accepted them and taken no action. In addition, this can lead to increased controls by the labor authorities and loss of reputation and thus loss of sales.	**Risk**
A lack of professional qualifications among the workers in the value chain can lead to losses in quality and thus increased costs in the production of our machines.	**Risk**
Consumers and end-users	
The protection of customer data reduces the risk of data loss and leaks, thereby ensuring security.	**Positive impacts**
The analysis of data and diagnosis of deviations as well as repair services improve efficiency and also reduce scrap and extend the life expectancy of the machine.	**Positive impacts**
For safety reasons, we regularly train the customer's employees in the use of machines manufactured by KraussMaffei which prevents harmful incidents.	**Positive impacts**
Failure to comply with safety regulations and standards can lead to injury and death of employees at the customer's premises.	**Negative impacts**
Non-compliance with quality and/or occupational safety standards leads either to compensation or to the recall of the machines. This can result in costs.	**Risk**
The provision of detailed and transparent information on machines can create trust among consumers and improve the brand's reputation and thus sales or follow-up orders.	**Opportunity**
Providing detailed and transparent information about machines can build trust among customers and improve the brand's reputation, thereby boosting sales and repeat orders.	**Opportunity**

Impact	Type
Business conduct	
Our extensive know-how, including in the areas of recycling, circular economy, and energy efficiency, helps our customers to meet increasing sustainability requirements.	**Positive impacts**
A whistleblower system, which can be used anonymously on request, ensures that a report made to the best of one's knowledge and belief will not be liable to criminal proceedings.	**Positive impacts**
Late payments to small suppliers could jeopardize their ability to pay.	**Negative impacts**
We are members of various industry associations that also engage in political lobbying. Although we do not lobby ourselves, this can have a negative impact on our reputation in society when it comes to environmental issues.	**Negative impacts**
We have a complex internal organization and system structure that is being revised as part of a transformation project. This reorganization leads to uncertainty in the workforce and to temporary delays in procedures and ambiguities in cooperation.	**Negative impacts**
In general, we take too long to implement procedural improvements. This leads to competitive disadvantages.	**Risk**
Poor relationships with our suppliers or payment delays can lead to disruptions in the supply chain that impact production and delivery schedules and result in fines.	**Risk**
Corruption, corruptibility, or bribery could result in financial losses, either through more expensive contractual terms for KraussMaffei or through fines.	**Risk**
The in-house production rate in the USA is low, meaning that we are affected by higher tariffs from the USA.	**Risk**

KEY PERFORMANCE INDICATORS

Environmental indicators	KM Group	KMT	KMC
Energy consumption, total (MWh)	72,163	67,859	4,304
Energy consumption electricity (MWh)	36,253	35,455	798
Energy consumption fuel (MWh)	28,600	25,093	3,507
Energy consumption heat (MWh)	257	257	–
Renewable energies, generated (MWh)	10,799	10,799	–
Renewable energies, consumed (MWh)	6,661	6,661	–
Renewable energies, share of total energy consumption (%)	9	10	–
Energy intensity (MWh/EUR)	**71**	**59**	**16**
Scopes 1+2 (total) market based (tCO_{2e})	**17,361**	**16,248**	**1,112**
Scope 1 emissions (tCO_{2e} (%))	6,584 (38)	5,772 (36)	813 (73)
Scope 2 emissions (tCO_{2e} (%))	10,776 (62)	10,477 (64)	299 (27)
Scope 3 emissions (tCO_{2e} (%))	**2,197,519**	**1,993,452**	**204,067**
Electronics (tCO_{2e})	1,351,491	1,238,281	113,210
Mechanical systems (tCO_{2e})	443,429	421,475	21,954
Hydraulic systems (tCO_{2e})	182,045	154,631	27,414
Systems (tCO_{2e})	181,347	141,619	39,728
General commodities and services (non-production) (tCO_{2e})	8,016	7,125	891
Business trips (tCO_{2e})	24,001	23,132	869
Transport and packaging (tCO_{2e})	7,190	7,189	0.6
CO_2 intensity (tCO_{2e}/EUR)	**2,174**	**1,719**	**743**
Waste, total (t)	**8,987**	**8,884**	**103**
Hazardous waste total (t)	1,167	1,165	2
Non hazardous waste (t)	7,821	7,719	101
Recycling (t)	5,863	5,863	–
Recycling rate (%)	65	66	0
Disposal (t)	1,050	949	101
Incineration (t)	438	438	–

Environmental indicators	KM Group	KMT	KMC
Waste to Energy (t)	1,020	1,020	
Wastewater Treatment (t)	471	471	
Waste intensity (t/EUR)	**9**	**8**	**0.4**

Environmental indicators	KM Group	KMT	KMC
Water, total (m^3)	**58,453**	**56,642**	**1,811**
Water intensity (m^3/EUR)	**58**	**49**	**7**

Social indicators	KM Group	KMT	KMC
Employees (total)	**3,962**	**3.689**	**231**
Women (absolute/%)	614/15.5	562/15.2	29/12.6
Men (absolute/%)	3,348/84.5	3,127/ 84.8	202/87.4
Employed full-time (absolute/%)	3,763/95	3,498/95	230/99.6
Employed part-time (absolute/%)	198/5	191/5	1/0.4
Apprentices (absolute)	184	180	4
External	117	116	1
In permanent employment (absolute/%)	3,601/91	3,334/90	231/100
In temporary employment (absolute/%)	361/9	355/10	–/0
Blue collar (absolute/%)	1,454/37	1,367/37	87/38
White collar (absolute/%)	2,508/63	2,322/63	144/62
Employees under 35 (absolute/%)	1,051/27	963/26	79/34
Employees under 55 (absolute/%)	2,068/52	1,970/53	75/33
Employees over 55 (absolute/%)	843/21	756/21	77/33
Employees with disabilities (absolute/%)	103/3	103/3	not specified/not specified
Turnover rate (%)	7.2	10,5	6,9

Social indicators	KM Group	KMT	KMC
Work-related sickness cases (absolute)	**48**	**47**	**1**
Direct employees (absolute)	48	47	1
Injuries resulting in death (absolute)	–	–	–
Severity rate (absolute)	**25**	**24**	**29**
Direct employees (absolute)	25	24	29
OSHA rate (%)	1.6	not specified	not specified
Training participation	13,622	13,063	463
Training duration in hours	31,155	30,991	95

Governance	KM Group	KMT	KMC
Revenue (EUR)	**1,010,892,174 (consolidated)**	**1,159,608,108 (unconsolidated)**	**274,603,660 (unconsolidated)**
R&D expenditure (EUR)	25,408,848	24,588,501	820,346
Environmental expenditure (EUR)	1,326,960	1,326,960	–
Corruption and bribery cases (absolute)	–	–	–
Whistleblower Cases (absolute)	13	13	–
Internal audits (absolute)	6	5	1
Supply chain management			
Suppliers, total (absolute)	7,164	not specified*	not specified*
Confirmed cases of verified suppliers, total (absolute)	4	2	2
Identified risky suppliers (absolute/%)	119	75	12
Material groups purchases, total (absolute)	**7,164**	**not specified***	**not specified***
Electrical systems	778	not specified*	not specified*
Hydraulic systems	527	not specified*	not specified*
Mechanical systems	1,192	not specified*	not specified*
Systems	475	not specified*	not specified*
Not part of production	4,082	not specified*	not specified*
Not part of any material group	110	not specified*	not specified*

* Since suppliers deliver to multiple companies, it is not possible to make a precise distinction here.

Governance	KM Group	KMT	KMC
Suppliers by region (absolute)	**7,164**	**6,419**	**745**
EMEA (absolute)	5,633	5,633	–
North America (absolute)	745	–	745
China (absolute)	742	742	–
APAC (absolute)	43	43	–
LATAM (absolute)	1	1	–

Emissions inventory

We record our yearly carbon emissions in order to track our progress and achieve measurable improvements.
The emissions inventory provides the systematic basis for identifying all relevant greenhouse gas emissions in our company. It is based on the structure of the GHG Protocol and serves to transparently record the emission sources in Scope 1, Scope 2 and Scope 3. All categories are assessed in terms of their relevance, the availability of data and the collection methodology in order to be able to carry out subsequent accounting in a sound and consistent manner.

Inventory for 2024	Evaluation	Attributable to company	Data available	Data collection strategy
Scope 1				
Direct emissions from the company fleet	Relevant	4,312 tCO_{2e}	Yes	Data collection throughout the year from all company entities worldwide
Energy sources	Relevant	2,273 tCO_{2e}	Yes	Data collection throughout the year from all company entities worldwide
Scope 2				
Purchased energy for own use	Relevant	10,776 tCO_{2e}	Yes	Data collection throughout the year from all company entities worldwide
Scope 3				
Upstream Scope 3 emissions				
Purchased goods and services	Relevant	1,984,981 tCO_{2e}	Yes	Posted SAP data from all companies connected to the system
Capital goods	Relevant	181,347 tCO_{2e}	Yes	Posted SAP data from all companies

* Possible discrepancies due to rounding

Inventar 2024	Evaluation	Attributable to company	Data available	Data collection strategy
Upstream transportation and distribution	Relevant	5,106 tCO_{2e}	Yes	Transportation orders from all companies connected to SAP
Waste	Relevant	14,882 tCO_{2e}	Yes	Posted SAP data from all companies
Business travel	Relevant	9,118 tCO_{2e}	Yes	Posted SAP data from all companies
Working from home			No	No data collected
Employee commuting		N/A	No	No data collected
Leased assets	Already included in Scope 1 and 2	Already included in Scope 1 and 2	No	Already in place in Scope 1 and 2
Downstream Scope 3 emissions				
Downstream transportation and distribution	Relevant	2,084 tCO_{2e}	Yes	Transportation orders from all companies connected to SAP
Processing of sold products	Not applicable	Products do not undergo further processing	No	
Use of sold products	Not applicable	No customer data available	No	No customer data available
End-of-life treatment of sold products	Not applicable	No customer data available	No	No customer data available

Leasing assets, franchise operations, and investing in shares or financial instruments do not form part of our business model and are therefore not applicable.

ASSURANCE STATEMENTS/CERTIFICATES

ISO 9001:2015 certificate KraussMaffei Technologies GmbH

ISO 9001:2015 certificate KraussMaffei Technologies GmbH Treuchtlingen

ISO 9001:2015 certificate KraussMaffei Extrusion GmbH

ISO 9001:2015 certificate Burgsmüller GmbH

Arbeitskreis verstärkte Kunststoffe (AVK) Innovation Award

ISO 9001:2015 certificate PLAMAG GmbH

ISO 9001:2015 certificate KraussMaffei Machinery (Zhejiang) Co., Ltd.

证书 ISO 9001:2015 KraussMaffei Machinery (Zhejiang) Co., Ltd.

ISO 14001:2015 certificate KraussMaffei Technologies GmbH and KraussMaffei Extrusion GmbH

Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB)

KraussMaffei – Pioneering Plastics

KraussMaffei is one of the world's leading manufacturers of machines and systems for producing and processing plastics and rubber. Our brand has stood for cutting-edge technology for more than 185 years. Our range of services covers all technologies in injection molding machinery, extrusion technology, and reaction process machinery. In 2022, we expanded our portfolio to include additive manufacturing. This broad spectrum of technologies gives KraussMaffei a unique selling proposition in the industry. With strong innovation capacity, we ensure sustainable added value for customers across their entire value chain, with standardized and individual product, process, digital, and service solutions. We deliver these services to customers in the automotive, packaging, medical, and construction industries, and to electrical and electronic product and household appliance manufacturers, among others. KraussMaffei employs around 4,000 people worldwide. Our global network comprises 30 subsidiaries, over 10 production sites, and 570 trade and service partners. This means KraussMaffei is always close to its customers all over the world. The company was founded in Munich in 1838. Today, KraussMaffei is part of Sinochem Holdings Corporation Ltd., one of the world's leading chemical groups.

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Editorial note: For reasons of better readability, the simultaneous use of the language forms male, female, and diverse (m/f/d) is partially omitted. All personal designations apply equally to all genders.

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KraussMaffei reserves the right to make technical changes