

KraussMaffei Group GmbH

2023 SUSTAINABILITY REPORT

TRUE BLUE

KraussMaffei

Pioneering Plastics

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BE HONEST ...



did you notice it straight away? The photo on the cover page of this report is not a real photo, but was created using artificial intelligence. Not many people would probably notice if we did not mention it here. And that's what sustainability communication is all about for me: Mentioning what is real. Presenting the facts. Being honest and transparent. True blue instead of greenwashing.

2023 was a year of upheaval and new beginnings: not only did we celebrate our 185th anniversary, but we also relocated our two largest sites and 74% of all our employees in Germany. Naturally, we took full advantage of the opportunities offered by the new locations – from energy efficiency to ergonomic workplace equipment. We professionalized our sustainability management, invested in better reporting systems and identified where our gaps and blind spots lie in terms of sustainability. We started recording our sustainability performance systematically and on the basis of key performance indicators. We set ourselves targets and developed strategies – in terms of the environment, people and the economy. This first sustainability report by our company provides information on how far we have come along this road in 2023.

In addition, it reports on how our customers are increasing their resource efficiency and cost-effectiveness with machines and solutions from KraussMaffei – and thus successfully mastering the challenges in an ever-faster changing world.

We hope you find our report an informative read.

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

TRUE BLUE

For some, the 80s song by Madonna springs to mind, for others their favorite color. In fact, the term “true blue” goes back to a 16th-century saying. A process was developed in Coventry, England, to keep dyed clothing blue after washing.

As a result, people realized immediately which color they could – and could not – rely on. “As true as Coventry blue” became synonymous with reliability and durability. Shortened to “true blue”, the term today stands for sincerity, honesty, and dependability.

So just perfect for the sustainability communication of a company that has stood for quality, reliability, and efficiency for 185 years. And that also has the color blue in its logo – a color that stands for clarity and freshness and that we associate with clean seas and open skies. The color our planet appears to be to a human in space and which illustrates just how precious and fragile this habitat is.



Management

DAWN OF A NEW ERA

Sustainability in times of social change and the dawn of a “new KraussMaffei” era. Our sustainability manager Dr. Alexandra Coffey talks to Chi Zhang, CEO of the KraussMaffei Group.

Coffey: Mr. Zhang, you have only just recently become CEO of KraussMaffei. How did you find your start at the company?

Zhang: In my former function as Chairman of the Supervisory Board of KraussMaffei, I kept a close eye on the company's development. So I was well prepared and able to immediately tackle the further transformation of our company in January.

Coffey: What did you pay particular attention to?

Zhang: On the production side, it is important to make the best possible use of the excellent conditions that we have at our new locations in Parsdorf and Laatzen. On the customer side, maintaining our technological leadership in the face of complex requirements is a key issue for our success. The same applies to digitalization, where we have been able to launch attractive solutions for our customers. And then, of course, there is the topic of sustainability ...

Coffey: ... for which you had this sustainability report prepared. What is the “true blue” motto all about?

Zhang: (laughs) When the suggestion was first made,

I couldn't imagine what it meant at all, because it's not a typical phrase in my culture. But then I started to look into it. “True blue” is an expression that dates back centuries. It goes back to the textile industry in Coventry, England. The weavers and dyers there developed a process with which the clothes did not fade after washing and retained their beautiful blue color. “As true as Coventry blue” has thus become synonymous with excellent, dependable quality. I liked that. Because we work in a similar way today. With technological quality and excellence, we create machines and solutions that will last for decades. Products that bring tangible benefits to the business, that our customers trust, and that simply last longer. That's sustainability par excellence.

Coffey: Sure, but sustainability also has many other aspects and facets in addition to longevity.

Zhang: One key issue here is the circular economy, which not only poses major challenges for KraussMaffei, but also for our industry as a whole. In fact, even for the whole of society.



CHI ZHANG,
CHIEF EXECUTIVE OFFICER (CEO)
KRAUSSMAFFEI GROUP

Coffey: What do you mean?

Zhang: We need a shift in perspective. The somewhat derogatory term “plastic” includes many plastics that are suspected of standing in the way of transforming our society towards becoming more sustainable. That’s partly true. But I think the truth is also that plastics are and will remain indispensable in our world. The only question is how we can significantly increase the recycling rate and close the material cycles. To do this, we have to see plastics as a valuable recyclable material. As they can in fact be upcycled – in other words, recycled in such a way that the end product is of a higher quality than the original product.

Coffey: What concrete solutions do we have for this?

Zhang: We have developed different system concepts for recycling tasks. For some processes we offer stand-alone solutions or several extruders arranged as a cascade to achieve high quality in the starting material. System solutions consisting of single-screw and twin-screw extruders are an important advantage. We are the only manufacturer who can offer this combination from a single source. So we are the company who can make things happen for our customers, who can breathe life into the transformation toward a sustainable industry with our technology.

Coffey: Do you have a specific example of this?

Zhang: Many in fact. Our US customer PureCycle uses our system solutions made of polypropylene waste to produce high-quality recycled materials that hardly differ at all from new materials. Oldroyd from Norway uses our injection molding systems made of old fishing nets and plastic ropes to produce high-quality components for tunnel construction. Or Gebaplast from the



Netherlands, which uses our machines to produce coasters out of used coffee grounds. In this sense. The list could go on and on. We are striving for more innovations and working closely together with research and science to achieve this. These collaborations are also of strategic importance to us.

Coffey: Another key topic is energy costs. This is sure to remain a burning issue for customers ...

Zhang: Definitely, especially customers in Europe. And it is also clear here that sustainability is a competitive factor. Anyone who increases their energy efficiency, immediately reduces their operating costs and can view the current trends on the electricity market with peace of mind. What many people forget though is that

even small measures often have surprisingly great potential. Just think of our insulating sleeves for injection molding machines. The sleeves are placed around the plasticizing cylinder, stabilize the temperature profile there and therefore improve the process stability. They also reduce the warm-up time by up to 30%, resulting in significant energy savings. In this respect, we are not only a company that makes things possible for our customers, but also a problem solver for pressing economic challenges.

Coffey: These are solutions that enable customers to act more sustainably or produce appropriate products. But what about our own production facilities?

Zhang: With our new locations in Parsdorf and Laatzen,

we are setting standards in terms of sustainability. Through clever plant planning, efficient processes, and state-of-the-art technology, we are significantly reducing energy consumption. We are using resources responsibly. And one of the largest rooftop photovoltaic systems in Europe with 9.1 MW capacity produces electricity in a climate-friendly manner on the roof in Parsdorf. So we have already done a great deal in terms of sustainability. We also intend to implement this sustainable efficiency at our international locations. Admittedly, it will be a long and arduous path. But we're on our way.

Coffey: What are the milestones along this path?

Zhang: The first goal is to report on all our sustainability activities more transparently than in the past. We are already doing quite well in the areas of procurement and human and labor rights in the supply chain. We have devoted a great deal of resources to this over the last year in order to establish clear responsibilities, structures, and methods for risk analysis and monitoring. Decarbonizing our own business area, with the aim of achieving carbon neutrality in the statement of financial position by 2030, will be a major project for us over the next few years. And of course our primary task is to continue to build the best and most sustainable machines or systems for our customers.

Coffey: The transformation needs good personnel.

Zhang: In my first few days at KraussMaffei I met an incredibly dedicated, reliable, and efficient team. It is personally important to me to value these people and give them long-term prospects. But of course we also want to inspire new employees for our exciting journey,

so we aim to further enhance our attractiveness as an employer. With a spirit in which each individual can make the best use of their abilities and gain completely new perspectives for their development. Personally for themselves, but above all for the team at all our locations worldwide. I am looking forward to the dawn of the "new KraussMaffei" era. With the commitment of our teams, we will write the next chapter in this company's important history together.

Coffey: Thank you very much for the interview.

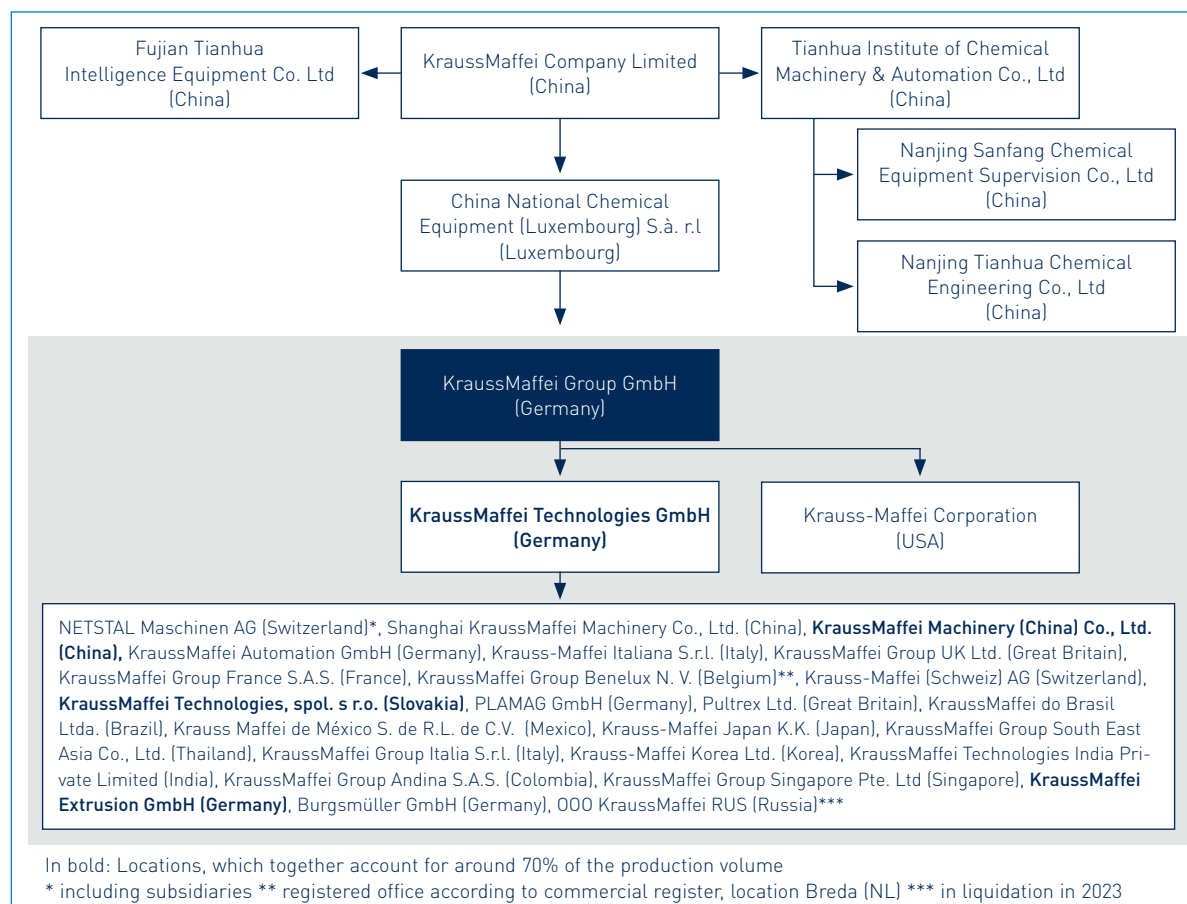


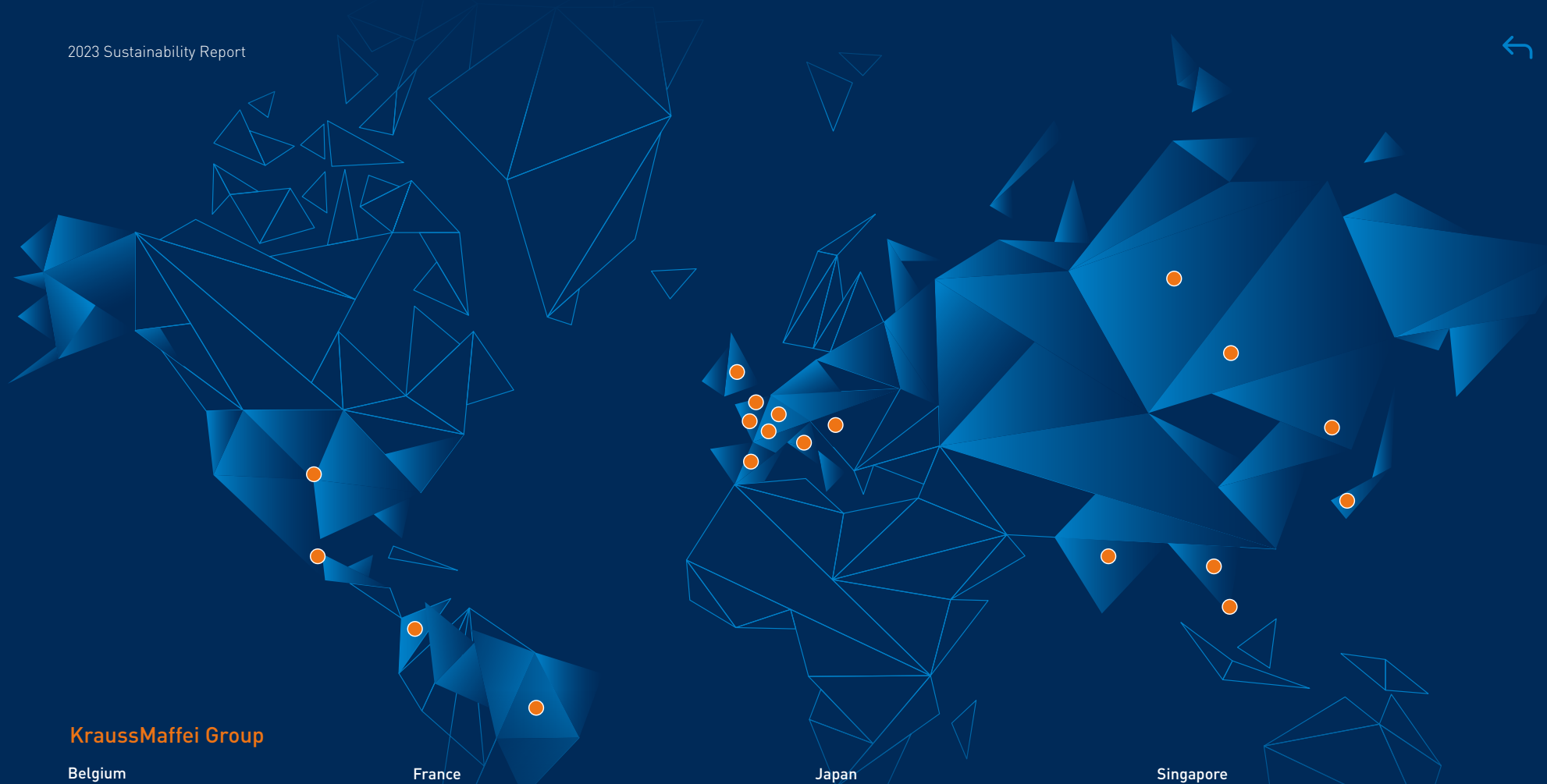
STANDARD DISCLOSURES

This report documents for the first time how Krauss-Maffei is committed to greater sustainability in the plastics industry. For the sake of simplicity, we always refer to “KraussMaffei” in all texts in this report in a general manner, provided that specifying certain parts of the company, locations or companies is not relevant in terms of content and editing. If individual facts apply exclusively to a specific location or entity, we indicate this accordingly.

Project descriptions, product information or reports on initiatives and measures relating to production originate primarily from the locations and companies belonging to KraussMaffei Technologies GmbH. In contrast to the primarily sales-oriented Krauss-Maffei Corporation (USA), this company operates the vast majority of production sites and therefore has a much greater influence on our sustainability. The key performance indicators used come from the four locations Parsdorf and Laatzen (D), Sučany (SVK) and Jiaxing (CN), as the assets produced at these locations and the services coordinated by these locations represent around 70% of the production volume. Minimum shareholdings of less than 10 % are generally not taken into account

As a result of the ongoing expansion and standardiza-





KraussMaffei Group

Belgium

KraussMaffei Group Benelux N.V.*
NETSTAL BENELUX B.V.

Brazil

KraussMaffei do Brasil Ltda.
NETSTAL do Brasil Ltda.

China

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

Germany

Burgsmüller GmbH
KraussMaffei Extrusion GmbH
KraussMaffei Group GmbH
KraussMaffei Technologies GmbH
NETSTAL Deutschland GmbH
KraussMaffei Automation GmbH
PLAMAG GmbH

France

NETSTAL France SAS
KraussMaffei Group France S.A.S.

Great Britain

NETSTAL UK LTD.
KraussMaffei Group UK Ltd.
Pultrex Ltd.

India

KraussMaffei Technologies India Private Limited

Italy

NETSTAL Italia S.r.l.
KraussMaffei Group Italia S.r.l. (Italy)
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

NETSTAL Maquinas S.de R.L. de C.V.,
Krauss Maffei de México S. de R.L. de C.V.

Russia

000 KraussMaffei RUS**

Switzerland

Krauss-Maffei (Switzerland) AG
NETSTAL Maschinen AG

Singapore

NETSTAL Singapore Pte. Ltd.
KraussMaffei Group Singapore Pte. Ltd

Slovakia

KraussMaffei Technologies, spol. s r.o.

Spain

NETSTAL Ibérica S.A.

Thailand

NETSTAL Thailand Co. Ltd.
KraussMaffei Group South East Asia Co., Ltd.

USA

Krauss-Maffei Corporation
NETSTAL Inc.

* registered office according to commercial register,
location Breda (NL)

** in liquidation in 2023

tion of our recording systems, we aim to collect, analyze, and publish consolidated data from all locations in future. Almost all locations worldwide were consolidated for the environmental data, with the exception of some leased sales locations with fewer than 30 employees.

The text in this report was prepared with due attention to gender neutrality. All personal designations naturally apply to all genders.

GRI 2-1

Organizational details

The KraussMaffei Group, headquartered in Parsdorf near Munich, is a limited liability company under German law. It is 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 (Wilmington/Delaware, USA). Apart from the KraussMaffei Group's internal centralized services, the operating business is mainly conducted by the company's 38 direct and indirect subsidiaries. They are active in 19 countries. This makes KraussMaffei one of the world's leading manufacturers of machines and systems for producing and processing plastics and rubber.

GRI 2-2

Entities included in the sustainability reporting

KraussMaffei Group GmbH's entities are shown in the graphic on page 7. We collected information from all

entities for this sustainability report. Key performance indicators are consolidated at best for all entities or at least for the four locations Parsdorf and Laatzen (D), Sučany (SVK) and Jiaxing (CN), which together represent around 70% of the production volume. If individual data does not apply to all entities or data for individual companies is not yet available, this is indicated accordingly. The key performance indicators supplied by the locations and companies were adopted unchanged.

GRI 2-3

Reporting period, frequency and contact point

The reporting period covers the year from January 1 to December 31, 2023. In future, the company will publish an annual sustainability report. Global Sustainability Manager Dr. Alexandra Coffey is responsible for the content of this report. She is happy to receive any questions and suggestions at alexandra.coffey@Kraussmaffei.com

GRI 2-4

Restatements of information

As this is the first KraussMaffei Group GmbH sustainability report, no restatements of information are necessary or possible.

GRI 2-5

External assurance

Credibility and transparency are fundamental components of our sustainability strategy. It therefore goes

without saying for us to have our sustainability report audited by independent, external experts, even without any legal obligation to do so. Following an internal selection process, we commissioned GUT Zertifizierungsgesellschaft für Managementsysteme mbH, Berlin, to audit the report in accordance with the requirements of the international Account Ability Assurance Standard 2020 (AA 1000 AS v3). The latter supported the editorial process in terms of content and examined relevant documents on which the information and key performance indicators published here are based. After a thorough audit, the conformity of the report content with the current GRI 2021 (GRI = Global Reporting Initiative) international standard was confirmed. The corresponding certificate and a declaration of conformity can be found in the Annex to the report.

GRI 2-6, 203, 204

Activities, value chain and other business relationships

KraussMaffei is one of the world's leading manufacturers of machines and systems for producing and processing plastics and rubber. Our range of products and services covers all technologies in injection molding machinery, extrusion technology, reaction process machinery, and additive manufacturing.

KraussMaffei procures raw materials, semi-finished products, materials, and services from 7,887 suppliers. 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 mar-

TRUE BLUE is ...

when marine plastic is turned into functional components for tunnel construction. Our injection molding machines make this possible. For example, here in Iceland.



kets in the USA, China, and Eastern Europe with local buyers based at our local locations. The Purchasing department is headquartered in Parsdorf. This is also where the global responsibility for the material groups lies.

Added value

Added value is created at 44 locations in 19 countries worldwide, where over 4,700 people realize product, process, digital and service solutions for our customers. These include customers in the automotive, packaging, medical, recycling and construction industries, and electrical and electronic product and household appliance manufacturers, among others.

We serve our customers with sales, delivery and the long-term maintenance and repair of our products and solutions directly through our sales departments and service companies. We also cooperate with 570 trade and service partners worldwide, which means we are always close to our customers.

High standards for suppliers

We set specific standards for all those involved along our value chain – suppliers, partners, and employees – with regard to environmental and social sustainability and, in particular, compliance with human rights. The corresponding declarations of commitment and relevant conventions are noted in the Policy commitments section of our report.

During the reporting period, we implemented new structures and processes in order to regularly analyze and, if necessary, optimize our added value on the basis of a solid database. The aim with this is to en-

sure greater transparency in the supply chain in order to be able to accurately assess risks. Details can be found in the Procurement practices section.

GRI 2-7, 2-8, 401, Employees

KraussMaffei employed 4,717 people and 203 apprentices as of the reporting date of December 31, 2023. A detailed breakdown by employment relationship, region, gender, etc. can be found in the People section.

KraussMaffei did not employ any workers who are not employees during the reporting period. If the employment relationship was with another employer, for example a personnel services company, all safety and social standards that also apply to our employees were complied with. This is already ensured during the selection process for personnel service providers by applying our Code of Conduct. We are not aware of any violations of applicable regulations during the reporting period.

GRI 2-9

Governance structure and composition

The highest governance body of KraussMaffei Group GmbH is the Supervisory Board. This was composed as follows during the reporting period:

- **Chi Zhang**, Chair of the Supervisory Board, Chairman of the Board of Directors and Managing Director of KMCL
- **Sibylle Wankel**, Deputy Chair of the Supervisory Board, 1st representative of the IG Metall Munich

Suppliers	7,887	100%
Material group		
Electrical systems	853	10.82%
Systems equipment	734	15.6%
Hydraulic systems	578	7.33%
Mechanical systems	1,267	16.06%
General (non-productive) commodities and services	4,437	56.26%
No material group assigned*	206	2.61%
Internal company orders**	29	0.37%
Some delivery rates run on different product groups		

Purchasing volume		
No purchasing volume*	189	2.4%
€0-10,000	6,171	78.24%
€10,000.01-100,000	1,070	13.57%
€100,000.01-1,000,000	377	4.78%
€1,000,000.01-10,000,000	51	0.65%
Internal company orders**	29	0.37%

Region		
APAC	59	0.75%
China	697	8.84%
EMEA	6,417	81.36%
North America	711	9.01%
South America	3	0.04%

* This includes suppliers where no order was placed in 2023

** Internal deliveries between individual KraussMaffei entities are not recorded in material groups.

office

- **Zhi Zheng**, Member of the Supervisory Board, Director of KMCL
- **Dr. Karlheinz Bourdon**, Member of the Supervisory Board, Management Consultant
- **Xiaoxu Li**, Member of the Supervisory Board, Director and Chief Financial Officer of KMCL
- **Xiaofeng Zhang**, Member of the Supervisory Board, Head of the Office of the Board of Directors of KMCL
- **Jianzhong Kang**, Member of the Supervisory Board, Deputy Managing Director of KMCL
- **Susanne Meyer**, Member of the Supervisory Board, Chair of the Group Works Council
- **Markus Bauer**, employee representative (resigned as of December 13, 2023), replaced by Helmut Hackner
- **Robert Weinmüller**, Member of the Supervisory Board, Warehouse Manager
- **Karsten Schibgilla**, Member of the Supervisory Board, Chair of the KraussMaffei Extrusion GmbH Works Council
- **Sascha Dudzik**, Member of the Supervisory Board, 2nd representative and treasurer of the IG Metall Hannover office

In 2023, two of the 12 members of the Supervisory Board were therefore female.

GRI 2-10, 2-11, 2-12, 2-14, 2-17

Highest governance body

The KraussMaffei Group's Supervisory Board of twelve 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.

Until December 31, 2023, the Chairman of the Supervisory Board of KraussMaffei Group GmbH was Chi Zhang, Chairman of the Board of Directors of KMCL. He did not act as a senior executive within KraussMaffei Group GmbH during the reporting period. Chi Zhang was appointed CEO of the KraussMaffei Group as of January 10, 2024.

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 fulfils its due diligence obligation to identify, manage and, if necessary, optimize all impacts of its business activities on the economy, environment, and people. To this end, the CEO issued an internal mandate in the reporting year to implement the systematic recording of CO₂ and greenhouse gas (GHG) emissions by the end of 2024 in order to be able to document and reduce these based on key performance indicators in future. In addition, an internal



TRUE BLUE Insights

Liquid silicone rubbers (LSR) offer outstanding physical properties and are gaining a foothold in more and more areas of application – for example as a matrix lens for headlights. KraussMaffei injection molding machines enable sophisticated processing with maximum precision and consistency.

TRUE BLUE is ...

when pylons are manufactured using the pultrusion process. This enables electricity to reach people in the most remote regions of the world. Produced on KraussMaffei systems, they are so robust that they can withstand all weathers for many years.

mandate was issued to identify and assess risks along the entire value chain in a standardized manner in order to meet the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG). This was successfully completed during the reporting period. The technical implementation of software-based ESG data management, the core of which is recording and measuring GHG, began on schedule in the first quarter of 2024 following the preparatory work carried out in 2023.

Delegation of responsibility

The responsibility for the company's sustainable development described above has so far been delegated to the senior executives of the responsible areas and implemented within the organization using a governance structure. We fundamentally revised this structure during the reporting year and considerably increased the responsibility of the Injection Molding Machinery (IMM), Reaction Process Machinery (RPM), and Extrusion Technology (EXT) technology areas and the managers associated with them from Operations, Facility Management, and R&D for a sustainable organization, see graphic on page 27.

The Supervisory Board continuously and thoroughly focused on the current position of the company and the further sustainable development of KraussMaffei Group GmbH to monitor the Management Board. The Management Board provided regular, timely, and comprehensive verbal and written reports, in particular on business developments in the individual business areas and the Group's financial position, corporate planning and strategy, the company's profitability, and

the structure and effectiveness of the internal governance system, risk management, and compliance system. The Supervisory Board is informed on an ongoing basis about the impacts of the organization's business activities on the environment and people.

Furthermore, the highest governance body did not take any action to enhance its expertise for further sustainable development, for example by seeking external advice or training.

Reporting

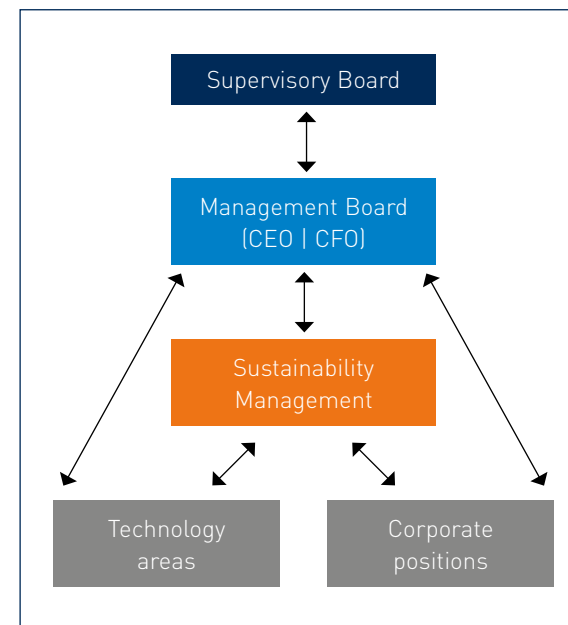
The Management Board tasked the Sustainability Manager with preparing a sustainability report and having it externally audited. The Management Board was involved in defining the material topics and focal points for the report during its preparation. The Management Board was continuously kept informed of the editorial responsibilities, supporting documents, and the editorial process. The agreed draft was submitted to the Management Board for review and approval. This report was published following approval.

GRI 2-13, 203

Delegation of responsibility for managing impacts

The Management Board delegates the majority of action to change impacts to the heads of Injection Molding Machinery, Reaction Process Machinery and Extrusion Technology using a governance structure that was newly introduced during the reporting period. Action relating to compliance, human resources, and risk management are the responsibility of the senior executives in global corporate positions. The Sustain-

ability Manager is involved in all necessary decision-making processes and consults directly with the Management Board on ongoing implementation. They also act as a human rights officer within the meaning of the German LkSG.



GRI 2-15, 206

Conflicts of interest

KraussMaffei attaches great importance to avoiding conflicts of interest or loyalty. Appropriate practices are defined in our Compliance/Code of Ethics, which are binding for all employees through to top manage-

ment: Private interests must not be allowed to influence business decisions. Any personal interests of an employee (including the interests of family members and friendly relationships) that arise or may arise in connection with the KraussMaffei Group's business activities must be brought to the attention of their line manager without delay. No employee is permitted to operate or have a material interest in a company if that company competes in whole or in part with KraussMaffei or has a business relationship with KraussMaffei that is material to KraussMaffei and/or the partner company.

There is also a "non-compete clause" in the employment contracts of the Management Board and Supervisory Board, which regulates the prohibition of holding shares in competing companies. This also applies if the company is run by close family members. Every employee is obliged to inform the HR department in writing as soon as they become aware of a colleague's involvement in such a company. The policy also stipulates that the acceptance of public mandates by KraussMaffei employees must always be agreed with their line manager if a conflict of interest could arise from exercising the mandate. In addition, every employee is required to strictly adhere to the rules of representation and in particular the "dual control principle" in business transactions.

KraussMaffei also requires its suppliers to behave in a way that avoids conflicts of interest from the outset. Corresponding requirements, for example with regard to benefits and gifts, are set out in our Supplier Code of Conduct.

GRI 2-16

Communication of critical concerns

KraussMaffei has set up a whistleblower system to report critical concerns, violations or potential violations of our values and policies. This applies in particular with regard to compliance with applicable law, especially human rights, compliance with social standards, regulations, and conventions, the avoidance of conflicts of interest, corruption, and discrimination, and compliance with all legal standards, directives, guidelines, and regulations relating to environmental protection and climate action.

As part of the whistleblower system, we have set up an external, central office for reporting improper business practices. The attorney Dr. Andreas Minkoff from the Munich law firm "FEIGEN/GRAF Rechtsanwälte Partnerschaftsgesellschaft mbB" has been appointed to serve as an external Compliance Officer to provide a protected reporting channel. Employees and external parties can contact this impartial individual without fear of sanctions or disciplinary action if they have observed any improper business practices at KraussMaffei.

Data protection during reporting

The whistleblower system is available to all stakeholders worldwide – both externally and internally. Each external message can be processed completely anonymously on request. Due to the reporting channels used in practice (telephone numbers, IP addresses), it is not possible to guarantee 100% anonymity for reports from employees. However, in the event that a case is processed further, the identity of the whis-



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when the frame and fork of a child's bike are made of high-performance polyamide 6 polymer with 40% recycled carbon fibers – and are 100% recyclable.



whistleblower and all documents submitted for the report are treated as strictly confidential – unless KraussMaffei is obliged to report all or part of the information to an authority, for example to prevent or prosecute a criminal offense in good time. The data collected through the whistleblower system is processed in accordance with the provisions of the European General Data Protection Regulation (GDPR). All necessary precautions are taken to ensure data protection during collection, transmission, and storage.

For external reports, the 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. Internal reports can be handled in the reporting party's national language on request. The contact options are available to all employees and can also be accessed on the Internet.

Anyone who imposes sanctions on people who have made a report in good faith or are involved in an investigation will be subject to disciplinary action, which may include dismissal. KraussMaffei also reserves the right to take disciplinary and other appropriate action against any person who knowingly makes false or malicious statements with the intent to falsely initiate or misdirect an investigation.

In the reporting period, there were 6 reports through the whistleblower system that required further investigation of the facts. All were assessed by the Compliance department and were resolved and concluded amicably with one measure and without legal proceedings.

GRI 2-19, 2-20

Remuneration policies

In 2023, the remuneration of the members of the Supervisory Board and senior executives consisted of variable remuneration in addition to a basic salary. No performance related to the management of the organization's impacts on the economy, environment, and people is currently taken into account when determining the remuneration components. The full Supervisory Board of KraussMaffei GmbH decides on all questions relating to total remuneration. The decision-making process is not monitored, but is recorded internally. The results are presented transparently by the company, for example in the German Federal Gazette. Apart from the members of the Supervisory Board, no other stakeholders are currently involved in the process of determining remuneration.

GRI 2-22

Statement on sustainable development strategy

The Management Board of KraussMaffei Group GmbH has defined the sustainable development of the company as a fundamental goal. The strategic cornerstones of this development include:

- **Circular economy:** Closed material cycles have huge potential for greater sustainability. Our processes lead the way when it comes to the necessary recycling of plastics: In some processes, the purity and high quality of the recycled materials are almost equivalent to new materials. In order to give plastic waste from various sources the required



TRUE BLUE Insights

Smaller, lighter and with minimal material discharge. The precisionMixhead 8/12-2K-40 mixing head offers excellent homogeneity when discharging PUR foam. The renowned seat manufacturer Grammer Deutschland GmbH has successfully tested the technology in series production. In the picture from left to right: Heinrich Hammer, Head of Process Engineering at Grammer Deutschland GmbH, Wolfgang Rößler, Area Sales Manager at KraussMaffei Technologies GmbH, and Ralf Moser, Head of Mixing Head Development at KraussMaffei Technologies GmbH

mechanical and sensory properties, we provide pioneering compounding technologies that enable the removal of contaminants and the use of additives in the melting process and produce excellent regranulates. The resulting recycled materials are suitable for almost any application.

- **Energy efficiency:** We strive to increase our energy efficiency – not only in our own operating processes, but above all in the machines and systems we produce. This is because life cycle analyses have shown that electricity consumption during operation accounts for an above-average proportion of a machine's overall ecological footprint.
- **Climate action:** We aim to continuously reduce the greenhouse gas emissions of both our operating processes and our products. We are therefore not just aiming to optimize our own climate and ecological footprint, but also to help our customers meet the legal requirements and increasing market demands more effectively. In terms of energy procurement, we are increasingly focusing on renewable energy sources and consistently pursuing decarbonization measures. We always take the economic, social, and legal requirements into account. Increasing energy efficiency in our own processes is also climate action in practice for us, as electricity and fossil fuels are currently the energy sources we use most and therefore offer great potential to reduce our emissions.
- **Human rights:** Respect for human rights is a core value of KraussMaffei. We rely on the ten principles of the UN Global Compact, the Universal Declaration of Human Rights, the five fundamental principles and rights at work from the International Labor Organization (ILO), the OECD Guidelines for

Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the United Nations Sustainable Development Goals. We believe that these rights are inherent to all human beings. And we acknowledge that these rights are interrelated, interdependent, and indivisible. As a company, we recognize that we have a responsibility to respect human rights. We take this responsibility very seriously by thoroughly assessing the risks at suppliers, investigating any incidents, working with our suppliers to find preventive and mitigation measures, and reporting transparently on the results at least once a year.

In line with these strategic guidelines, we have set ourselves the following goals for the sustainable development of the company:

Circular economy: To strengthen our leading position in process engineering for plastics recycling through innovative technologies, especially in the area of digitalization. To specifically develop collaborations with research and science. (see page 56)

Energy efficiency: To expand the certification of locations in the areas of environment and energy, specifically ISO 50001 for the Parsdorf site by mid-2025 (see page 46)

Climate action: To achieve carbon neutrality in our own business area by 2030; completing the consolidation of the Allach, Neuaußing, Schwaig and Plauen sites at the new Parsdorf location with corresponding effects for climate action. (see page 48)



Human rights: To expand the “Human rights in the supply chain” training.

We also want to create a solid database in 2024 so that we can set much more specific targets for future sustainable development. This database does not exist yet. In 2023, we therefore began to establish structures and processes that will enable us to improve data quality in future – not least to determine in which regions and at which locations sustainability investments have the greatest possible leverage. The groundwork included, among other things,

- **Optimizing data collection:** For this we introduced the Quentic software in the area of occupational health and safety, which we can use for example, to document accidents at work and accident prevention measures in a standardized manner (see page 74)
- **Screening the supply chain:** We analyzed all 7,887 suppliers with regard to equal treatment, minimum wage, occupational health and safety, and labor law. We derived measures to minimize the risk of violations of our sustainability requirements in the future.
- **Development:** We defined “energy efficiency” and “emission reduction” as elementary requirements for all development processes for our machines and systems.
- **Review:** We scrutinized outdated targets that were falsely communicated in the past without a specific target achievement path and without a solid foundation of data and eliminated them from our media accordingly.
- **Responsibilities:** We analyzed and optimized the

internal reporting processes for our KPIs. This resulted in a new governance structure (see page 27).

- **Best practice:** We used the relocation to our new and ultra-modern sites to learn lessons about the sustainable design of our processes, methods, and workplaces, and to share this knowledge internally.

On this basis, we intend to define, document, and transparently publish specific and binding sustainability targets by the end of 2024.

GRI 2-23

Policy commitments

The relevance of sustainable development is emphasized by senior executives at KraussMaffei. Key documents and statements of use such as the Environmental Policy, the Human Rights Declaration, the Code of Conduct or the Supplier Code of Conduct are signed by the CEO or CFO.

GRI 2-24, 415

Embedding policy commitments

KraussMaffei ensures compliance with all regulatory obligations through its management systems and governance structure. The Management Board of the respective company is responsible for compliance.

There was no regular, strategic exchange with politicians or non-governmental organizations in the sense of lobbying during the reporting period. Likewise, KraussMaffei has not made any donations or in-kind contributions to political parties or organizations affiliated with them.

GRI 2-25

Processes to remediate negative impacts

Like any business activity, our business operations also have environmental impacts, for example through GHG emissions related to production or transport, land sealing or the consumption of natural resources. We are committed to keeping these impacts as low as possible through our Environmental Policy and our Code of Conduct. We involve our stakeholders in defining the relevant targets and action (see page 22). Possible complaints related to our business practices to reduce negative impacts can be submitted through our whistleblower system (see page 15). In addition, our Global Sustainability Manager is always grateful for any relevant information sent to the central e-mail address sustainability@kraussmaffei.com.

GRI 2-26

Mechanisms for seeking advice and raising concerns

Our Code of Conduct ensures that all KraussMaffei employees are informed about our requirements for responsible business conduct. The respective senior executives are available as contacts for additional advice, and the Group Compliance Officer is available as the last resort. Corresponding concerns can be reported through our whistleblower system (see page 15).

GRI 2-27, 206, 207

Compliance with laws and regulations

Compliance with statutory regulations goes without saying for KraussMaffei. The individual companies are

responsible for compliance with the locally applicable laws in cooperation with the Compliance Officers. In the reporting period, there were no violations that resulted in fines or monetary sanctions.

GRI 2-28

Membership associations

KraussMaffei maintains regular and intensive dialog with associations and interest groups to improve its own performance and gain a deeper understanding of stakeholder expectations as well as long-term trends and developments. These include, among others:

Technical advice on project-related committees: With our expertise, we help identify technical challenges and develop innovative solutions – so that scientific approaches can be translated into concrete and marketable products and technologies.

Handling publicly funded projects: We jointly apply for public funding as part of consortiums from research and industry. As a result, we create and utilize high-potential synergies in the form of highly motivated, interdisciplinary teams from different areas of the value chain.

Support through presentations: We are happy to actively participate in institute events, e.g. by delivering specialist presentations. As a result, we promote exchange between science and industry.

Networking and targeted recruitment in the university and institute setting: The academic setting is ideal for networking. Because we will come across the

students and research assistants of today as specialists and senior executives in industry in future.

During the reporting period, we were members of and/or cooperated with the following organizations:

Research and science

- Clemson University (CU), South Carolina (USA)
- Deutsches Institut für Kautschuktechnik e.V., Hannover (D)
- Europäische Forschungsgesellschaft für Blechverarbeitung e. V. (EFB), Hannover (D)
- Department of Mechanical Engineering, South Westphalia University of Applied Sciences (D)
- Faculty II, Mechanical and Bioprocess Engineering, Hochschule Hannover University of Applied Sciences and Arts (D)
- Faculty of Mechanical Engineering / KTP Plastics Technology, Paderborn University (D)
- Ferris State University (FSU) Big Rapids, Michigan (USA)
- 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)
- Heilbronn University of Applied Sciences (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)
- ITA Group International Centre for Sustainable Textiles, Augsburg (D)
- Institute for Plastics and Recycling Technology (IKK), Leibniz University Hannover (D)
- Chair of Plastics Technology (LKT), FAU (D)
- Chair of Design and Plastics Machinery, University of Duisburg-Essen (D)
- Chair of Medical Technology, TU Munich (D)
- Chair of Carbon Composites, TU Munich (D)
- National Institute for Aviation Research (NIAR), Kansas (USA)
- Penn State Behrend (PSB), Pennsylvania (USA)
- Pittsburg State University (PSU), Kansas (USA)
- Chair of Lightweight Structures and Plastics Processing (SLK), TU Chemnitz (D)
- Chair of Plastics (KT), TU Chemnitz (D)
- Degree program in Plastics Technology, Rosenheim Technical University of Applied Sciences (D)
- Degree program in Mechatronics and Microsystems Technology (MM), Heilbronn University of Applied Sciences (D)
- TU Dortmund (D)
- TU Clausthal-Zellerfeld (D)
- University of Kassel (D)
- University of Chemical Technology, Beijing (CN)
- University of Dayton Research Institute (UDRI), Ohio (USA)
- University of Massachusetts Lowell (Umass Lowell), Massachusetts (USA)

Associations and other institutions

- 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)
- Extrudia – Extrusion in Dialogue – dialog format by Baerlocher GmbH, Unterschleißheim (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
- Kunststoff-Institut für die mittelständische Wirtschaft NRW GmbH, Lüdenscheid (D)
- Kunststoff-Zentrum Leipzig (KUZ) gGmbH, Leipzig (D)
- Open Platforms Communications (OPC), Scottsdale/Arizona (USA)
- German Plastics Center (SKZ), Würzburg (D)
- Verband Deutscher Maschinen- und Anlagenbau e. V. (VDMA), Frankfurt am Main (D)
- Verband der Bayerischen Metall- und Elektroindustrie e. V. (D)
- Verband Deutscher Werkzeug- und Formenbauer e. V. (VDWF) (D)

Other memberships

In the regions of Germany in which KraussMaffei operates, the company is represented in the relevant chambers of industry and commerce. Local or regional memberships of locations outside Germany are not listed in this sustainability report due to a lack of standardized data collection or reporting. We aim to standardize this by the next reporting period in order to ensure a fully comprehensive presentation of our memberships.



Cooperation with NIAR Institute (National Institute for Aviation Research): The US research institute NIAR is investigating how modern composite technologies can be used safely and efficiently in aviation, for example when converting passenger aircraft into cargo planes. KraussMaffei supports the institute with its expertise from the efficiency-driven automotive industry. For example, platens are produced using the FiberForm process to seal window openings on a GX 450.

from left to right: Nolan Strall, President of the KraussMaffei Corporation, Dr. Waruna Seneviratne, Director of NIAR ATLAS, Eugen Schubert, Sales and Application Manager at KraussMaffei Corporation

GRI 2-29

Approach to stakeholder engagement

The requests and suggestions from various stakeholder groups provide us with important impetus for our business activities and the strategic direction of our products, services, and solutions. Our stakeholders' requirements are therefore the basis for our sustainable success.

In addition to our employees, the most important stakeholder groups are customers, business partners and suppliers, shareholders and investors, authorities, media representatives, politicians, non-governmental organizations, and residents in the vicinity of our sites. In order to determine their expectations of the company, we initiate intensive exchange using a wide variety of dialog formats, for example

- They can contact us directly by e-mail at sustainability@kraussmaffei.com or using the contact form on our website [kraussmaffei.com](https://www.kraussmaffei.com).
- Communication using dialog-based media such as LinkedIn and Instagram
- Dialog-based internal media, company meetings, information on relevant key performance figures in production (shop floor management), discussions with senior executives
- Whistleblower system (for details see p. 15)
- Participation in forum and panel discussions. In the reporting period, for example, CAMX in Atlanta in the US state of Georgia (topic: "Polyurethane Class A Overmolding of Injection Parts") or the Rubber News Healthcare Elastomers Conference in Akron, Ohio (topic: "Trends in Medical / Life Science & In-

jection Molding Machines")

- Participation in trade fairs and industry events. In the reporting period, for example, the Fakuma (Friedrichshafen), the Plastics Recycling Show Europe (Amsterdam) or the JEC (Paris).
- Customer dialog in the context of technical consulting, sales, and joint engineering. At our technical center in Laatzen, we have 28 test lines available for customer trials, in particular for the processability of recycled materials.
- Intensive cooperation with research and science, on sustainable solutions in the plastics industry, among other things (for details see p. 20)
- Every single conversation in a business context – because the understanding we gain about the individual challenges the person we are talking to is facing is one of our key competitive advantages as a manufacturer of custom machinery.

We intend to introduce a regular survey of selected suppliers and customers in future to more effectively identify what our stakeholders want.

Our stakeholders' requirements and requests are not currently strategically evaluated. Nevertheless, we were able to use them in an analysis process to determine the material topics for us. This process is described in the following paragraph.

GRI 3-1, 3-2

Process to determine material topics

As part of an internal analysis, our central sustainability management team has defined the potential nega-



Example of successful knowledge transfer between universities and companies: The partnership between KraussMaffei Extrusion and the Institute of Plastics and Recycling Technology at Leibniz University Hannover. In the picture (from left to right): Felix Mehrens (PhD student at the Institute of Plastics and Recycling Technology), Jörg Hasse (Expert Sales, Compounding/Recycling at KraussMaffei Extrusion), Xiaojun Cui (Managing Director at KraussMaffei Extrusion), Gerhard Scheel (Head of Development at KraussMaffei Extrusion), Prof. Dr.-Ing. Hans-Josef Endres (Head of the Institute for Plastics and Recycling Technology), David Rapp (Team Lead Process Technology Compounding/Recycling), and Ralf J. Dahl (Director Sales Extrusion at KraussMaffei Extrusion)

tive and positive impacts of our business activities on the economy, environment and climate, and people. Any risks in the upstream and downstream processes of our value chain were also examined, in particular with regard to compliance with human rights. In our analysis, we supplemented this “inside-out” perspective with an “outside-in” perspective, in which we examined the potential impacts of external risks on our business activities. The risks defined in accordance with our due diligence are listed in the Risk management section (see p. 29).

Step 1: Collection

The fundamental analysis of impacts formed the basis for determining the material topics relevant to our sustainability. In a gap analysis, we first compared our strategic sustainability targets with the status actually achieved in each case. This enabled us to determine which topics are particularly important to us.

Step 2: Weighting

We supplemented and weighted the topics relevant to us with the requirements of our stakeholders. We obtained feedback from the Sales, Compliance, Global Environment and Quality, and HR departments. Employees from the global sales team, who are in regular and close contact with our customers, were asked to outline the key requirements of our customers and stakeholders in a survey. The HR departments of all KraussMaffei companies worldwide were also included in the survey. We also took into account assessments and suggestions for improvement from rating portals and analysis tools (ecovadis, integrity next and SAQ).

As a result, we were able to identify 27 relevant topics. We prioritized these using a specially developed points system. In each case, the influence of a particular topic was assessed in one of the following categories:

- Company’s success in terms of achieving sustainability targets
- Company’s success in terms of sustainability rankings and ratings
- Company’s success in terms of sales
- Company’s compliance and legal conformity
- Key and/or future sustainable development topic.

The following points were then awarded: 0 points (no contribution), 2 points (low contribution), 5 points (medium contribution) and 10 points (high contribution). We also examined whether a topic can be directly influenced by the company and whether it contributes to the UN Sustainable Development Goals (SDGs) that we have prioritized.

Step 3: Comparison

We compared the determined order of material topics with regulatory requirements and our corporate strategy’s key topics, then reweighted them and transferred them into a materiality matrix.

Step 4: Materiality matrix

This prioritization provides the structure for the following report, our actions in everyday business operations and our targets and action. We will continue to standardize the process to determine material topics in future, strategically track it with the help of appropriate software, and expand it to other locations.



GRI 3-3

Management of material topics

For all the topics we defined as material topics, we continuously monitor their positive and negative impacts on

- our economic performance, e.g. through regular business analyses,
- the environment, e.g. by recording and measuring consumption and emission data for our machines, systems and solutions, and developing them further,
- our employees, the employees in our supply chains, and society.

A responsible person or department in the company is defined for each of our material topics. They are responsible for recording and analyzing the negative impacts of our business activities and developing measures to remedy or improve them. Smaller measures or action that can be taken quickly are carried out by those responsible themselves with the involvement of line managers. We work in cross-functional project teams on larger measures, which generally require cross-departmental or cross-border cooperation. The KraussMaffei Group's Management Board (consisting of the CEO and CFO in the reporting period) is involved in the individual topics and their progress in different ways and to varying degrees (see p. 14, GRI 2-13). During the reporting period, the CEO was informed by the Sustainability Manager on a quarterly (regular) and ad hoc basis (as required) on material topics relating to climate action (SDG 13) and decent work (SDG 8). The CFO also acted as Labor Relations

Director and was therefore regularly and fully involved in all HR-related processes in their own business area.

Prioritization of sustainability goals

COLLECTION

of all topics relevant to our sustainability on the basis of an internal gap analysis

Careers and training transparency
Corporate carbon footprint (Scope 1 and 2)
Pay
Anti-corruption management
Product carbon footprint
Code of Conduct
ISO 14001
Formal audit
External assurance/validation
Compliance in our own production facilities
Data quality for corporate carbon footprint for raw materials
Due diligence in the supply chain
Boundaries
Sustainable procurement
Biodiversity
Environmental protection in our own production facilities
Conflict minerals
Materiality analysis
Product life cycle
Reporting principles
Membership in non-governmental organizations
Diversity and inclusion in the workforce
Whistleblower system
Reporting standards
Data quality for corporate carbon footprint for logistics
Corporate carbon footprint (Scope 3)

WEIGHTING

Weighting according to importance for the company's success and for meeting our stakeholders' requirements

- 1) Due diligence in the supply chain
- 2) Compliance in our own production facilities
- 3) Corporate carbon footprint (Scope 1 and 2)
- 4) Corporate carbon footprint (Scope 3)
- 5) Code of Conduct
- 6) Product carbon footprint
- 7) Environmental protection in our own production facilities
- 8) Pay
- 9) Product life cycle
- 10) Conflict minerals
- 11) Reporting standards
- 12) Corporate policies for employment and environmental protection
- 13) ISO 14001
- 14) Whistleblower system
- 15) Career and training transparency
- 16) Diversity and inclusion in the workforce
- 17) Anti-corruption management
- 18) Boundaries
- 19) External audit/validation
- 20) Data quality for corporate carbon footprint for logistics
- 21) Data quality for corporate carbon footprint for raw materials
- 22) Materiality analysis
- 23) Reporting principles
- 24) Formal audit
- 25) Biodiversity
- 26) Sustainable procurement
- 27) Membership in non-governmental organizations

COMPARISON

With regulatory requirements and the cornerstones of our corporate strategy

RESULT

Materiality matrix



ECONOMY

The war in Ukraine, rising energy costs, and global economic crises – many negative events and developments shaped our world last year. In addition to the associated human suffering, these naturally also have a considerable impact on the economy.

We were also affected. Nevertheless, we were able to lay the foundations for a successful future with a restructuring program and the move to our state-of-the-art locations.



Management approach

Our aim is to be the leading solution provider in the field of plastics processing. In doing so, we act in line with the objectives of our main shareholder, Sinochem Holding. We have created the organizational basis to implement our goals with a governance structure (see graphic).

Our management approach is based on the conviction that meeting customer requirements, long-term customer satisfaction, and superior product quality are crucial for economic success. We satisfy these prerequisites with our highly customized solutions. In terms of joint engineering, for example, we carry out material and process tests in our technical center together with the customer in order to develop the best solutions together. We also tailor our engineering, consulting, and sales services to our customers' specific requirements.

Irrespective of this, we focus on the main key technologies and trends for the future success of the company. These include:

- **Circular economy:** As a recycling pioneer, KraussMaffei already has more than three decades of experience in researching and developing the processing and reprocessing of recycled plastics. Customers have already recycled more than one million metric tons of plastics with the help of their KraussMaffei systems. KraussMaffei offers its customers state-of-the-art recycling technologies and digital solutions – ideal for the business models of our time.
- **Sustainability:** The ultimate main challenge – especially for our industry. We have taken this challenge on, developing solutions with which we and our customers can master it together. One example of this is our Reman & Repair & Used Machines business area. As part of remanufacturing, we offer

the reprocessing of components into spare parts with the same function as the original part. For example, we repair plasticizing units and gearboxes or recondition used machines. All of this reduces costs for our customers, conserves natural resources due to the reduced use of materials and significantly reduces CO₂ emissions.

- **Digitalization:** Our comprehensive digital services help our customers minimize downtimes, reduce CO₂ emissions, and make production processes significantly more efficient. This enables considerable cost benefits to be achieved and manufacturing processes to be future-proofed in the long term.
- **Diversity:** KraussMaffei's unique selling point is the combination of four key plastics processing technologies under one roof: extrusion technology, reaction process and injection molding machinery as well as additive manufacturing.
- **Service:** The combination of mechanical excellence and complementary services sets us apart from the competition. We understand the challenges our customers face and can offer the right solutions for them – in terms of machines and systems, digital solutions, and other services. This makes us the one-stop solution provider for our customers.

Yong Li CEO KraussMaffei Group		Jörg Bremer CFO KraussMaffei Group	
Jörg Stech Injection Molding Machinery	Dr. Frank Szimmat Reaction Process Machinery	Dr. Markus Hunger Legal	Kai Schmezzo IT
Xiaojun Cui Extrusion Technology	Dr. Alexandra Coffey Sustainability	Dr. Sebastian Gerold Audit	Sara Scharf Tax
Klaus Jell Digital & Service Solutions	Jürgen Zahl Operations	Martina Dähn Human Resources	Faridh Morales Finance and Controlling
			Alexander Kram Treasury

Structure of management positions relevant to sustainability issues

GRI 201, 202

Economic performance

The KraussMaffei Group generated revenue of EUR 1.26 billion in 2023. Compared to the previous year, this corresponds to a 4% increase.

Despite the slight increase in revenue, 2023 was characterized by a difficult market environment overall:



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KraussMaffei employees in Mexico complete annual training courses as part of the safety and hygiene program, for example on First Aid.

the major political, economic, and social challenges created a climate of uncertainty that led to consumer restraint – which in turn caused our customers to act more conservatively and reduce their investments, particularly in the area of injection molding machinery. This was offset by the amortization of goodwill from the last three sales processes and provisions for a global adjustment and efficiency program.

The economic stability of the company is secured for the long term: As part of Sinochem, an affiliated group with around 210,000 employees and total assets of 304.1 billion renminbi (RMB), the KraussMaffei Group has a solid foundation to finance current and future challenges. In addition, our links with Sinochem will enable us to further expand our business relationships in China and neighboring Asian markets. We have adapted individual machines and solutions to the special requirements of the Chinese market, such as precisionMolding and powerMolding.

Technological quality

However, it is KraussMaffei's superior technologies above all that ensure its economic stability. Customers continue to see KraussMaffei as the technology leader, particularly in the area of large premium machines, according to various market analyses and customer surveys conducted in 2023. We have therefore begun to strategically realign our portfolio in the area of injection molding machinery. In future, the focus will be on large, hydraulically operated machines and automation solutions in the premium segment. These are difficult to find on the market and are developed on a highly customized basis. In this area, we also offer up-and-coming technologies such as the

ColorForm process. This requires a combination of injection molding and reaction process machinery and opens up new possibilities in sustainable production, particularly for automotive manufacturers. We will drive these and other technologies forward in order to set ourselves apart from the competition and gradually tap into new business areas and growth opportunities. However, as a subsidiary of KMCL, which is listed on the Shanghai Stock Exchange, we are bound by the company's requirements regarding the communication of specific financial projections or sales targets.

Cost reduction

KraussMaffei responded to the difficult market environment in 2023 with a global adjustment and efficiency program. We introduced various measures to improve operational performance, increase work efficiency, and reduce the cost base. These measures also included cutting jobs in non-production areas. We are aware of our responsibility to find socially responsible solutions for the employees affected by the planned job cuts. We were able to fulfill our responsibility in the vast majority of cases. We have also successfully restructured our external corporate financing. This has significantly improved the financing conditions. This will support the planned adjustment and efficiency program and further consolidate the company's long-term development in a generally difficult market environment. This will enable us to increase our competitiveness and profitability in order to achieve our ambitious economic goals.

Investments

In the reporting period, we invested EUR 75 million in new production facilities, mainly in Parsdorf (Munich)

and Laatzen (Hannover), but also in Einbeck (Burgsmüller subsidiary) in Lower Saxony and at the Chinese site in Jiaxing. Over the last three years, the investment volume for these plants has exceeded EUR 200 million. This has significantly strengthened our competitiveness and future viability and brought all production sites up to the highest standards.

In the reporting period, we invested the following capital expenditure (CapEx):

Operations	EUR 54.2 million
IT	EUR 3.8 million
R&D	EUR 21.3 million
Other	EUR 13.5 million

Specific examples of investments in modernizing our production:

Treuchtlingen: Modern, economical production cell for hydraulic blocks thanks to investment in a new HEC 630 milling center with a pallet system from Starag Heckert and LERINC. Investment volume: approx. EUR 2.9 million

Laatzen: Acquisition of a boring machine (WaldrichSiegen) and a large lathe (Iberimex) for the production of cylinder bodies, KE > 400 screws and multiplex heads. Investment volume: approx. EUR 2.5 million

Parsdorf: Acquisition of three new honing machines to increase efficiency and minimize costs in the production of IMM cylinders, parallel and conical extrusion cylinders and other rotationally symmetrical components. Production technology switched from vertical to

horizontal honing, thus reducing investment costs but retaining the same quality. Investment volume: approx. EUR 2.2 million

Risk management

As an international company, KraussMaffei is exposed to numerous risks. Key business processes are subject to an internal control and monitoring system in order to identify these 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 support the following arrangements and evaluate the 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

Annual risk management reporting

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. Risks are 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 so-called 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.

Identified risks

A market environment characterized by geopolitical crises and social upheaval currently makes long-term forecasts for business performance extremely difficult. In the reporting period, we primarily identified financial risks as a short-term risk. These are the result of declines in sales and earnings, rising costs for materi-

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when coffee grounds are turned into stylish coffee coasters, saving on new polymers. Our injection molding machines make this possible.



als and semi-finished products as well as

- environmental and sector risks,
- strategic corporate risks,
- operating risks,
- financial risks,
- legal risks,
- other risks.

Opportunities and risks arising from climate change and other sustainability issues

Opportunities and risks arising from material sustainability issues primarily have short-term to medium-term impacts on business activities. They are not currently included in a separate risk category, but are distributed across the categories above. Our sustainability management helps minimize risks and opens up new opportunities to market more sustainable products, especially for the circular economy in the plastics industry.

We reduce potential risks in the areas of environmental protection, safety, health protection, product responsibility, compliance, supplier relationships, and labor and social standards by setting high requirements that are tailored to local conditions. All employees, senior executives and members of the Management Board are required to adhere to our global Code of Conduct, which provides a binding framework for our business practices. The monitoring system is supplemented by the complaints mechanism.

We consider both risks associated with the transition to a low-carbon economy (transition risks) and physical risks as defined by the Task Force on Climate-re-

lated Financial Disclosures (TCFD). As an energy-intensive company and supplier to plastics manufacturers, climate-related risks arise for KraussMaffei in particular from regulatory changes, such as carbon prices through emissions trading systems, taxes or legislation on energy, waste, and recycling quotas. We counter these risks with our carbon management measures. These include, for example, investments in energy-saving installations and PV systems on site as well as in our product development.

In addition, KraussMaffei's carbon footprint and emissions intensity as well as only partial external validation of ESG issues in 2023 may lead to a negative perception of the company and diminish its appeal among external stakeholders, such as ESG rating platforms (Ecovadis, Supplier Assurance, CDP, etc.), as well as customers or investors.

Our product portfolio also includes solutions for the circular economy and climate action, such as technologies for recycling plastics and the use of recycled materials or bio-based plastics. We also offer digital solutions to automatically detect deviations in the production process. This enables customers in the plastics industry to avoid waste, energy consumption, and the associated CO₂ emissions. Regulatory requirements in the EU and the increased international willingness to combat climate change offer additional market opportunities for these products.



TRUE BLUE Insights

Our apprentices in Parsdorf manage their own TikTok channel. Under the title "Kraussbildung", they share their coolest experiences from their apprenticeship with a growing fan base.

GRI 204, 308, 414

Procurement practices

For us, responsibility for the environment and society does not end at the factory gate: We make sure we identify, analyze, and avoid the potential negative impacts of our procurement along our entire value chain. These include, in particular, negative impacts on the environment and violations of human rights. 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 document the results of our risk management and supplier development transparently – in Germany, for example, as part of the report for the Federal Office for Economic Affairs and Export Control (BAFA). This will be completed in the second quarter of 2024.

We organize individual parts of our supplier management using the Prewave software tool. In risk management, for example, this gives us a detailed overview of a supplier's risk profile in real time. To do this, the tool first uses automated screening with the help of artificial intelligence. In 2023, we subjected all relevant suppliers to this screening: Out of 7,887 suppliers, 111 were potentially risky. Their affiliation to the product groups in purchasing was also recorded: A disproportionately high number (90) came from the area of non-production-related commodities and services. In contrast, suppliers in the electrical (12), mechanical (5), and hydraulic (0) system areas were statistically significantly less risky.

All suppliers identified as risky in the screening received a questionnaire automatically sent by the software requesting them to provide information on the potential risks. Only 33.3% of them returned the completed questionnaire and were thus able to clarify the outstanding questions satisfactorily. All others were contacted in person. For the majority of these, the potential risks identified by the software proved to be unfounded; for the remaining suppliers, the review process had not yet been completed by the end of the reporting period. During the reporting period, we identified 13 violations in the area of occupational health and safety, two violations in the area of the environment and one violation in the area of equal treatment in our supply chain. No human rights violations were identified. Similarly, KraussMaffei's customs department did not seize any products that would have violated sanctions guidelines in the international movement of goods.

We are always interested in long-term business relationships with our suppliers. This is why we work with suppliers to continuously improve potential risks in our supply chain. However, we reserve the right to terminate the business relationship in the event of violations.

Conflict minerals

KraussMaffei does not directly source conflict minerals. However, these are present in individual components and materials, e.g. in electrical components. We have therefore introduced a conflict minerals policy regarding the origin of certain minerals from the Democratic Republic of Congo and surrounding countries that have been linked to human rights violations



through the funding of illegal armed groups. We endeavor to source parts, components, and materials from suppliers that are classified as DRC conflict-free when conflict minerals are present in our supply chain.

KraussMaffei expects suppliers to comply with any reporting obligations to the European Union / SEC under the Dodd-Frank Act and to exercise due diligence with respect to their own country of origin inquiries. All suppliers are also expected to establish appropriate due diligence processes for the conflict minerals tin, tungsten, tantalum and gold, and ores and metals containing or consisting of these conflict minerals, in accordance with the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and to exclude smelters and refiners without an appropriate and verified due diligence process as a source of these conflict minerals or ores and metals. By accepting the Supplier Code of Conduct, the supplier undertakes to provide information, without being requested to do so, as to whether its products supplied to KraussMaffei contain these conflict minerals or ores and metals. In addition, the supplier undertakes to provide information about its supply chain with regard to these conflict minerals or ores and metals immediately upon request; this also includes information about the origin of the material.

Ecological risks

With regard to ecological risks, we require our suppliers to comply with our standards and policies through our Supplier Code of Conduct. For example, by ac-

knowledging it, our suppliers commit to handle chemicals and hazardous substances responsibly and to dispose of them properly. If chemicals pose a potential risk to the environment, the supplier must list these as part of a chemicals management system and, if possible, use a more environmentally friendly alternative. In addition, each supplier commits to comply in particular with the requirements of the EU Chemicals Regulation (EC) No. 1907/2006 (REACH = Registration, Evaluation, Authorization and Restriction of CHemicals) in the latest valid version. We are not aware of any violations of our environmental sustainability requirements during the reporting period.

Sustainable procurement

KraussMaffei sourced its raw materials, commodities, and services from almost 8,000 suppliers around the world during the reporting period. All the KraussMaffei Group's necessary purchasing activities are regulated in a separate Group policy. This defines roles, governance, procedures, and processes for global procurement and also sets out requirements for sustainable procurement. The Global Head of Procurement is responsible for its content, while the purchasing managers or those responsible for the local functions and locations are responsible for implementing the policy.

In principle, purchasing and procurement at KraussMaffei are structured according to a global lead buyer concept: There is an independent purchasing department at each production site. In addition, global lead buyers are defined who purchase relevant commodities or materials within certain product groups that are required at more than one location. In addition,

there is a central unit that organizes and monitors all purchasing processes and regulations. The central Purchasing department informs the Sustainability Officer, who reports directly to the CEO, about aspects of sustainability in the context of purchasing and procurement. All new suppliers undergo onboarding, which includes a 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.

At KraussMaffei, there is currently no evaluation of the localization of value added or the strategic increase in the proportion of value added generated in the immediate vicinity of our sites.

GRI 205, 206 Compliance

Compliance with statutory regulations goes without saying for KraussMaffei. Internal company policies and voluntary commitments continue to apply, which we use to ensure ethically correct, honest and fair conduct in all business processes. As we are convinced that this is the essential basis of our long-term success.

We have developed a Group-wide Compliance and Ethics Code that all employees are expected to adhere to. This code sets out the relevant guidelines with regard to compliance and ethics requirements. It deals in particular with topics such as anti-corruption, human rights, equal treatment, fair competition, economic and social responsibility, dealing with conflicts

of interest, proscribing money laundering, bribery and corruption, data protection and data security as well as the protection of intellectual property and trade secrets.

Similarly, we also expect our business partners to behave lawfully and ethically. We have therefore clearly stated our expectations of our suppliers in our Supplier Code of Conduct. Our Compliance and Ethics Code and the KraussMaffei Supplier Code of Conduct are reviewed on an ongoing basis and amended as necessary; the last amendment was made in 2023. The code is currently available in German, English, and Chinese.

Compliance structure

We use a compliance structure to ensure that our requirements are implemented in everyday business operations. This includes a Group-wide central compliance department as well as specialist departments for anti-money laundering and fraud prevention, data protection, foreign trade, product compliance, and human rights compliance. The Group Compliance Officer heads the Group-wide Compliance department and defines the key objectives. They report regularly and as required directly to the member of the Management Board responsible for Compliance and the Supervisory Board's Audit Committee. The Group Compliance Officer is supported by around 12 local Compliance Officers throughout the Group, who are the heads of local compliance departments in Krauss-

Maffei's various business units and international subsidiaries.

Raising employee awareness is a key component of successful compliance prevention. To this end, we comprehensively revised our training system in 2023 and expanded its content. We plan to roll out the revised training system in 2024. Six training courses and training sessions on topics relevant to compliance were offered throughout the Group in 2023.

Employees, business partners, and other external third parties can report possible compliance violations to our external KraussMaffei Compliance Officer, anonymously on request. The process is described in more detail on page 15. The external Compliance Offi-



cer forwards the information, in anonymized form if necessary, directly to the Group Compliance Officer and consults with them on how to proceed. In addition to their line managers and the legal and HR departments, employees can also contact the local compliance officers and the Group Compliance Officer to report possible compliance violations.

In 2023, the compliance officers were notified of ten suspected cases relevant to compliance that required further investigation of the facts. Six of these were conducted by the external KraussMaffei Compliance Officer and four directly by the local compliance officers, the Group Compliance Officer or by other means. All suspected cases were investigated and either proved to be unfounded or were resolved and concluded by mutual agreement between the parties involved without legal proceedings. None of the suspected cases reported in 2023 related to corruption. Similarly, 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 2023. In our opinion, existing legal proceedings have no impacts on the reputation of the KraussMaffei Group as a whole.

KraussMaffei conducts regular internal audits as part of the ICS. Although their focus is on finance-based topics, these audits can also provide indications of risks relevant to compliance. Six audits were carried out at the national companies in Benelux, China, the UK, Mexico, Switzerland, and Thailand in 2023.

GRI 207 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/Code of Ethics, which also forms the basis of our tax strategy.

At KraussMaffei, the tax policy is anchored at top management level. In 2022, we separated the tax department from the accounting department and upgraded it to meet the increasing requirements. The new position of Vice President Corporate Tax was created and successfully filled for this department. They report directly to the CFO. This ensures that the Management Board is constantly informed about general tax developments, current tax performance, tax risks, and substantial changes in tax law. And that is crucial for sustainable corporate management. Finally, a sound tax policy reduces economic risks, as the penalties for non-compliance with tax laws are very high and can result in reputational damage, restrictions on import or export traffic, and criminal sanctions.

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. In principle, we comply with the applicable commercial and tax laws in all countries we operate in. 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, Hamburg, for the reporting period.

KraussMaffei avoids implementing artificial structures that purely serve tax purposes.

Our tax strategy obliges all companies to deal transparently and fairly with the respective tax authorities. We are also transparent with regard to our tax behavior in response to any requests or expectations from other stakeholders.

We are not aware of any violations of applicable tax obligations or our internal tax requirements during the reporting period.

LOOKING BACK TO THE FUTURE

In 2023, we celebrated our 185th anniversary – with many initiatives and activities. Primarily for our employees, of course, but also for our customers. For example, they were able to order a #185 special edition of our CX injection molding machines and also received optional technologies for greater efficiency and sustainability free of charge. Ultimately, everyone benefited from 185 years of pioneering spirit at KraussMaffei.



Fancy a little journey back
in time through 185 years
of KraussMaffei?



ECONOMY KEY PERFORMANCE INDICATORS

Key data on economic performance

Entity/location	Revenue	Number of employees	Investments	Confirmed cases of corruption	Corporate audit
Group (total)	1,260,598,720 (consolidated) *	4,717**	€92,866,339	0	6
KMT	1,506,386,020 (unconsolidated)	4,487	-	0	6
Parsdorf	not specified	1,326	-	0	0
Munich (Allach)	not specified	0	-	0	0
Laatzen	not specified	631	-	0	0
Sučany	not specified	423	-	0	0
Jiaxing	not specified	338	-	0	1
KMC	300,657,462 (unconsolidated)	230	-	0	0
Florence	not specified	210	-	0	0
Brighton	not specified	20	-	0	0
Other production sites	not specified	1,049	-	0	0
KMT (Treuchtlingen)	not specified	132	-	0	0
KMT (Georgsmarienhütte)	not specified	49	-	0	0
KMT (Viersen)	not specified	69	-	0	0
Burgsmüller (Einbeck)	not specified	72	-	0	0
KM Italiana (Abbiategrosso)	not specified	22	-	0	0
Pultrex Limited (Manningtree)	not specified	23	-	0	0
Plamag (Plauen)	not specified	89	-	0	0
KMA (Schwaig)	not specified	135	-	0	0
KMA (Schwerin)	not specified	35	-	0	0
Netstal (Näfels)	not specified	397	-	0	0
KM Japan Corporation (Aichi)	not specified	26	-	0	0

* Consolidation background – elimination of profit on intercompany transfers in the KM Group ** of which 47 in the Group

ECONOMY KEY PERFORMANCE INDICATORS

Entity/location	Revenue	Number of employees	Investments	Confirmed cases of corruption	Corporate audit
Other sales locations	not specified	673	-	0	0
KMT (Verl)	not specified	55	-	0	0
KMT (Renningen)	not specified	24	-	0	0
KM Russia (Moscow)	not specified	4	-	0	0
KMG Italia (Arese)	not specified	17	-	0	0
KMG France (Gennevilliers)	not specified	24	-	0	0
KMG UK (Warrington)	not specified	35	-	0	1
KMG Benelux (Breda)	not specified	17	-	0	1
KM Schweiz AG (Rotkreuz)	not specified	16	-	0	1
Shanghai KM Machinery (Pudong)	not specified	180	-	0	0
KMG Andina (Bogota)	not specified	6	-	0	0
KM Korea (Seoul)	not specified	6	-	0	0
KM Mexico (Queretaro)	not specified	84	-	0	1
KMT India (Pune)	not specified	7	-	0	0
KM Brasil (Cotia)	not specified	16	-	0	0
KMG SEA (Singapore)*	not specified	20	-	0	1
KMT spol. (Zilina)	not specified	27	-	0	0
Netstal Germany (Stuttgart)	not specified	31	-	0	0
Netstal Benelux (Zaventem)	not specified	8	-	0	0
Netstal UK (Warrington)	not specified	6	-	0	0
Netstal Inc. (Florence)	not specified	23	-	0	0
Netstal France (Oyonnax)	not specified	20	-	0	0
Netstal Italia (Cerro Maggiore MI)	not specified	8	-	0	0
Netstal Shanghai (Pudong)	not specified	5	-	0	0
Netstal Thailand (Bangkok)	not specified	10	-	0	0
Netstal Iberica (Mollet del Valles)	not specified	11	-	0	0
Netstal Singapore (Singapore)	not specified	6	-	0	0
Netstal do Brasil (Lambreta)	not specified	7	-	0	0

* incl. Singapore and Thailand

ECONOMY KEY PERFORMANCE INDICATORS

Number of incidents identified during a supplier risk assessment in relation to the Supply Chain Due Diligence Act

















Entity/location	Identified incidents in the social area	Identified incidents in the area of environment	Coverage of screened suppliers
Group (total)	0,2%	0,03%	100% coverage
KMT	not specified	not specified	100% coverage
Parsdorf	not specified	not specified	-
Munich (Allach)	not specified	not specified	-
Laatzen	not specified	not specified	-
Sučany	not specified	not specified	-
Jiaxing	not specified	not specified	-
KMC	not specified	not specified	100% coverage
Florence	not specified	not specified	-
Brighton	not specified	not specified	-
Other production sites	not specified	not specified	100% coverage
KMT (Treuchtlingen)	not specified	not specified	-
KMT (Georgsmarienhütte)	not specified	not specified	-
KMT (Viersen)	not specified	not specified	-
Burgsmüller (Einbeck)	not specified	not specified	-
KM Italiana (Abbiategrosso)	not specified	not specified	-
Pultrex Limited (Manningtree)	not specified	not specified	-
Plamag (Plauen)	not specified	not specified	-
KMA (Schwaig)	not specified	not specified	-
KMA (Schwerin)	not specified	not specified	-
Netstal (Näfels)	not specified	not specified	-
KM Japan Corporation (Aichi)	not specified	not specified	-

ECONOMY KEY PERFORMANCE INDICATORS

Entity/location	Identified incidents in the social area	Identified incidents in the area of environment	Coverage of screened suppliers
Other sales locations	not specified	not specified	100% coverage
KMT (Verl)	not specified	not specified	-
KMT (Renningen)	not specified	not specified	-
KM Russia (Moscow)	not specified	not specified	-
KMG Italia (Arese)	not specified	not specified	-
KMG France (Gennevilliers)	not specified	not specified	-
KMG UK (Warrington)	not specified	not specified	-
KMG Benelux (Breda)	not specified	not specified	-
KM Schweiz AG (Rotkreuz)	not specified	not specified	-
Shanghai KM Machinery (Pudong)	not specified	not specified	-
KMG Andina (Bogota)	not specified	not specified	-
KM Korea (Seoul)	not specified	not specified	-
KM Mexico (Queretaro)	not specified	not specified	-
KMT India (Pune)	not specified	not specified	-
KM Brasil (Cotia)	not specified	not specified	-
KMG SEA (Singapore)*	not specified	not specified	-
KMT spol. (Zilina)	not specified	not specified	-
Netstal Germany (Stuttgart)	not specified	not specified	-
Netstal Benelux (Zaventem)	not specified	not specified	-
Netstal UK (Warrington)	not specified	not specified	-
Netstal Inc. (Florence)	not specified	not specified	-
Netstal France (Oyonnax)	not specified	not specified	-
Netstal Italia (Cerro Maggiore MI)	not specified	not specified	-
Netstal Shanghai (Pudong)	not specified	not specified	-
Netstal Thailand (Bangkok)	not specified	not specified	-
Netstal Iberica (Mollet del Valles)	not specified	not specified	-
Netstal Singapore (Singapore)	not specified	not specified	-
Netstal do Brasil (Lambreta)	not specified	not specified	-

* incl. Singapore and Thailand














GOALS AND MEASURES FOR ECONOMY

Topic	Target	Measure	Implementa- tion by	As of 2023	Overall status	Note	Contribution
Compliance	Identifying and assessing all risks along the value chain in a standardized manner	Introduction of software-based supply chain due diligence management ↗	2023	●	●		 
	Providing transparent information about the company's sustainability performance	Preparation of a first sustainability report in accordance with the GRI standard	2024	○	●	Published	
	Compliance with reporting obligations, providing transparent information on the company's sustainability performance	Preparation of a sustainability report in accordance with the CSRD Directive	2025	Not yet started	○		
	Ensuring ethically correct behavior of employees	Mandatory acknowledgement of our Code of Conduct for new employees	Ongoing	●	○		 
		Tracking reports via the whistleblower system ↗	Ongoing	●	○		 
		Revision of the training system and roll-out with expanded content on topics relating to compliance ↗	2024	○	○		 
		Expansion of human rights training	2024	Not yet started	○		 
	Ensuring ethically correct behavior of partners and suppliers	Requesting acknowledgement of our Supplier Code of Conduct ↗	Ongoing	●	○		 
		Standard review and, if necessary, updating the Supplier Code of Conduct ↗	Ongoing	●	○		 
		Screening of all suppliers with regard to compliance with human rights, employee rights, equal treatment, etc. ↗	ongoing On-going	●	○		 

GOALS AND MEASURES FOR ECONOMY

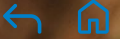
Topic	Target	Measure	Implementa- tion by	As of 2023	Overall status	Note	Contribution
Sustainable development	Strengthening and expanding market position as leading solution provider	Focusing on the strategic technology areas of circular economy and recycling, digitalization, energy efficiency, and climate action ↗	ongoing	●	○		
		Meeting customer requirements and increasing customer satisfaction through product quality, innovative technologies, and attractive services	ongoing	●	○		
		Targeted expansion of cooperation with re- search and science ↗	ongoing	●	○		
		Recording of memberships of locations outside Germany and the USA in local and regional associations and organizations	2024	Not yet started	○		
		Introduction of a new governance structure ↗	2023	●	●		
Sustainabil- ity in the supply chain	Meeting the new requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)	Preparation of a report for the Federal Office of Economics and Export Control (BAFA) ↗	2024	○	●	Published April 2024	
Risk man- agement	Minimizing risks in the supply chain	Increase in the response rate of a questionnaire sent automatically by the Prewave software to potentially risky suppliers from 33.3% to 100%	2024	Not yet started	○		
Stakeholder dialog	Better understanding of stakeholder expectations	Launch of a regular survey of selected suppliers and customers	2025	Not yet started	○		
Materiality	Strategically identify, analyze, and prioritize the key issues for the company	Introduction of a strategic evaluation process for analysis, definition, and weighting	2024	Not yet started	○		

GOALS AND MEASURES FOR ECONOMY

Topic	Target	Measure	Implementa- tion by	As of 2023	Overall status	Note	Contribution
Economic performance	Portfolio optimization "Local for Local"	Optimization of the "precision molding" and "power molding" solutions for the Chinese market ↗	2023	●	●		 
	Portfolio optimization injection molding technology	Focus transfer to large, hydraulically operated machines and automation solutions in the premium segment (e.g. ColorForm) ↗	Ongoing	●	○		 
	Increasing profitability, reducing costs	Implementation of a global adjustment and efficiency program ↗	2024	●	●		 
	Modernizing production facilities	Investment of € 200 million in the modernization of production facilities ↗	2023	●	●		 
	Increasing work efficiency	Investment in process optimizations and IT ↗	Ongoing	●	○		 
	Increasing innovative strength	Investment in research and development ↗	Ongoing	●	○		  

ENVIRONMENT

An intact environment is the basis of all sustainable management. Protecting the environment and using natural resources responsibly therefore go without saying for us. We therefore strive to keep our impacts on the environment as low as possible in all impact categories relevant to the environment and to continuously improve them. We were able to record a number of successes in the reporting year.



Management approach

Our environmentally friendly business practices are based on the environmental strategy. During the reporting period, we introduced an environmental management system (EMS) in accordance with DIN 14001 at our Laatzen site to implement this in our everyday business operations. The Allach site had already been certified accordingly since November 2022 and the management system was externally verified again after the move to Parsdorf in 2023. By the end of 2026, we also want to establish the EMS at the Sučany (SVK) and Jiaxing (CN) sites. All KraussMaffei sites that are not yet certified in accordance with DIN 14001 are to adapt the principles and objectives of the EMS, provide KPIs, and conduct regular environmental training by the end of 2027. The Parsdorf site is also to be certified in accordance with ISO 50001 by mid-2025. The Management Board is continuously involved in the process of introducing the EMS worldwide.

Policy no. 25 (Environmental Management System), which applies throughout the Group, provides the organizational framework for the successful introduction of the EMS. It also clearly describes the roles of the employees with responsibility for this. The process for external system audits and inspections is also described in detail in the policy, as are all the supporting documents. These are stored in the KraussMaffei process map in the cloud-based Bic Process Design application, an internal storage location for process descriptions. All descriptions of processes relevant for the EMS are also available there, for example:

- Control and documentation of systems subject to

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



mandatory inspection

- Conduct in the event of environmental emergencies
- Recording environmentally relevant data from systems and processes
- Recording new environmental aspects during machine acceptance
- Recording new hazardous substances
- Internal return of packaging

We use the Quentic software tool for secure and traceable documentation of inspections. The EMS is reviewed on an ongoing basis in a management review with regard to appropriateness, relevance, opportunities and risks as well as possible improvements.

GRI 302

Energy efficiency

The energy consumption of the KraussMaffei Group, including its subsidiaries, amounted to 100.6 GWh in 2023. The data basis for this calculation is all subsidiaries and all global locations with the exception of non-manufacturing locations with fewer than 30 employees. Data from the KMT spol. research site in Žilina (Slovakia), the KMT sales offices in Bangkok (Thailand) and Seoul (Korea), and six Netstal sales offices in Southern Europe and Asia are missing.

Overview of electricity consumption

Total consumption: 57.9 GWh

Purchased electricity: 49.3 GWh

Of which electricity from own PV: -8.6 GWh (15%)

Increasing energy efficiency is climate action in prac-

tice. That is why we aim to continuously reduce our energy requirements. However, the value calculated for 2023 is only suitable as a starting point to a limited extent, as it is characterized by duplicate accounting due to major relocations (Hannover → Laatzen, Munich → Parsdorf, Schwaig → Parsdorf). While the new Parsdorf site, for example, was “ramped up” over a period of eight months, the old site was gradually dismantled over twelve months and then restored for handover to the landlord. Due to this double charging, the values from 2023 cannot provide a representative basis for future data collection, comparisons, and targets.

In general, we aim to reduce Group-wide energy consumption per operating hour by 5% every year. To achieve this, we are optimizing our processes and ensuring that we adhere to the highest efficiency standards in tenders and new buildings.

Efficiency measures at the locations

The biggest contribution to energy efficiency in 2023 was made by our new location in Parsdorf, which we moved into between January and August 2023. A highly efficient combined heat and power plant (CHP) can produce 1 MW of electricity and thermal energy for coating systems, ventilation, and hot water supply. In addition to a ventilation system, we use modern heat pumps as well as heating and solar panels to efficiently heat the office buildings in order to reduce the amount of energy required. Three absorption and extraction wells are also used for this purpose. In manufacturing, compressed air systems are typically large consumers of energy. We installed a modern heat recovery system there to use this energy twice. Needs-based and sensor-controlled lighting reduces the en-

ergy requirement in production as well as in the administrative and sanitary areas and in the circulation areas inside the building. Thanks to these and other measures, the new factory has been certified with the “Gold” seal in accordance with the German Sustainable Building Council (DGNB) standards.

We also want to further electrify our vehicle fleet in the future. We therefore rewrote the Company Car Policy in 2023 to include electric vehicles. Charging points are available to customers and employees at the new locations in Parsdorf and Laatzen. Our employees can “fill up” there with solar power we have generated ourselves.

We have also taken smaller, quick-to-implement action to increase energy efficiency at various plants, for example in Abbiategrosso (Italy), where we switched to LED lighting, which will save an estimated 4,428 kWh of electricity per year. This roughly corresponds to the electricity consumption for the month of April 2023 at this plant.

The integration of KraussMaffei Automation personnel at the Parsdorf site, which began in the reporting year, and the associated closure of the Schwaig site will enable us to achieve further energy savings, which will be reflected in our carbon footprint from 2024.

Efficiency measures on the products

The energy efficiency of a machine or system is an important deciding factor for our customers. Our products traditionally achieve top values, as they often feature state-of-the-art efficient technologies and intelligent energy management systems as standard. In

TRUE BLUE is ...

when people are willing to actively commit to protecting the environment out of conviction. Just like our employees involved in one of the regular environmental campaigns in Laatzen.

addition, we made our customers a special offer to increase energy efficiency in the reporting year: To mark our 185th anniversary, customers ordering the #185 special edition of our CX series injection molding machines received an energy efficiency package free of charge. This included:

- The BluePower servo drive. This optimally controls the pumps according to current demand and energy requirements, which significantly reduces electricity requirements – and thus lowers operating costs and CO₂ emissions during production.
- BluePower insulating sleeves. These are simply placed around the plasticizing cylinder, where they stabilize the temperature profile, improving process stability. They also reduce the warm-up time by up to 30%, which leads to corresponding energy savings.

GRI 305

Climate action

We are aware of the degree of urgency in the case of man-made climate change and its impacts on our business and society. We are therefore committed to the main goal of the United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement, 2015, to limit global warming to well below 2°C compared to the pre-industrial age.

When considering our emissions, we are therefore focusing less on volatile organic compounds (VOCs) or dust and more on CO₂. We aim to make a significant contribution to decarbonizing our society, i.e. moving away from the use of fossil fuels such as coal, oil or

natural gas.

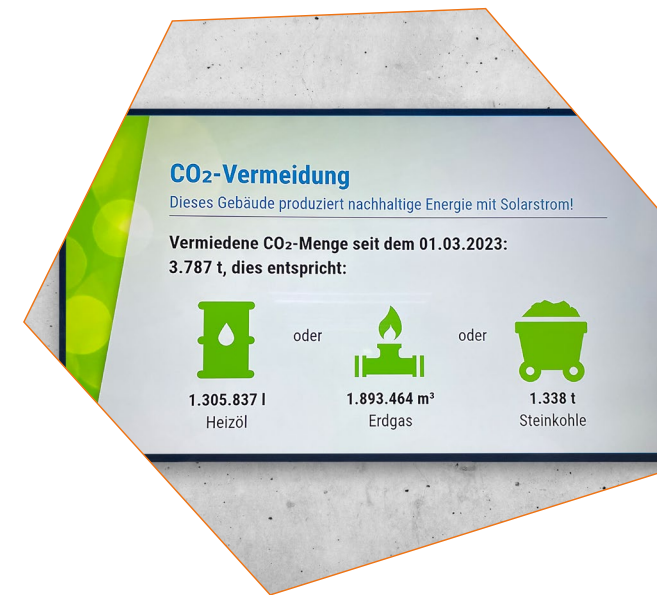
To this end, we have set ourselves the goal of making our global locations carbon neutral by 2030. By 2035, we also aim to make our cradle-to-gate product carbon footprint completely carbon neutral – in other words, the production of our machines until they leave the factory premises. We are pursuing a three-stage strategy for all measures on our path to achieving this goal, 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 by investing in certified climate action projects. This offsetting has not taken place yet during the reporting period.

Climate action measures at the locations

We identified a major influence on the reduction of GHG emissions (Scope 1 and 2). We have successfully implemented a number of measures at our locations to reduce these emissions in our own business area, for example:

- Commissioning one of Europe's largest rooftop PV systems with an output of 9.1 MWp at the Parsdorf site. In 2023, we generated 46% of our electricity requirements ourselves at the new Parsdorf site.
- Phasing out the supply of natural gas in Näfels, the main plant of the Swiss subsidiary Netstal, and switching to district heating. As a result, we were able to reduce emissions by 32 tCO_{2e} compared to the previous year.



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A screen in the foyer shows visitors and employees the actual climate action contribution of our PV system on the roof of our headquarters in Parsdorf. For example, that around 3,700 metric tons of CO₂ emissions were saved within one year.

- Optimizing the compressed air system in Sučany, Slovakia, and replacing the old lights with LED lighting in the administration building – both measures together reduce CO₂ emissions by around 16 tCO_{2e} per year
- Raising awareness and motivating employees to reduce emissions, for example through training. Annual participation in environmental training is generally mandatory, but there is no attendance check.

Electricity

Location	CO _{2e} emissions in kg per m ² *	
Parsdorf 2023	27.41	Location established during the course of the year
Allach (Munich) 2023	35.36	Location closed during the course of the year
Allach (Munich) 2022	71.23	Normal operation

Natural gas

Location	CO _{2e} emissions in kg per m ²	
Parsdorf 2023	6.5	Location established during the course of the year
Allach (Munich) 2023	12.45	Location closed during the course of the year
Allach (Munich) 2022	17.72	Normal operation

*The comparison was made on the basis of square meters and not, as usual, in relation to revenue, as this cannot be shown for individual German locations from the financial reporting.

Climate action measures for products

The largest share of GHG emissions associated with our business activities is generated in Scope 3 in category 11 (Use of sold products emissions). That is why we are working above all on developing machines that are as energy-efficient as possible or retrofitting older machines accordingly. In 2023, we therefore implemented the following product-related measures:

- Developing and practically testing a process with which post-consumer recycled (PCR) plastics can also be used for thermoplastic foam injection molding. This reduces the component weight by around 12% with corresponding emission benefits.
- Further developing the MuCell® process, which offers both material savings and emission optimization in the physical foaming of plastics by adding blowing agents.
- Developing and launching the Lifecycle Value Calculator on the market – a software-based tool that allows users to determine the specific CO₂ savings potential of a machine individually for their respective application and over the entire life cycle.

Emission levels

Just like the energy efficiency figures, the emission levels are also characterized by duplicate accounting as a result of major site relocations, during which plants had to be operated in parallel for months. Therefore, our emission levels are not a representative basis for future data collection, comparisons, and targets.

The emissions for the KraussMaffei Group's own business area in Scope 1 and 2 amounted to 31,817 tCO_{2e}





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when you install the largest rooftop PV system in Europe. Katharina Sem, Manager Global EMS checks the output: Even on a cloudy day like during this photo shoot, the system supplied around 13,000 kWh of climate-friendly electricity by early afternoon. For the period from commissioning in March 2023 to the end of the year, the figure was 8,643.52 MWh.

(location-based) and 27,387 tCO_{2e} (market-based), which corresponds to an intensity (location-based) of 25,24 tCO_{2e}/€1 million revenue and an intensity (market-based) of 21,73 tCO_{2e}/€1 million revenue.

We are gradually expanding our calculations for Scope 3 and will publish them in future.

The data basis for our calculations are the emissions from all locations with the exception of smaller, leased sales and research locations with fewer than 30 employees. This specifically includes, for example, a KMT spol. research site in Žilina (Slovakia), the KMT sales offices in Bangkok (Thailand) and Seoul (Korea), and six Netstal sales locations in Southern Europe and Asia.

In general, we excluded all forms of trading in emissions certificates when calculating the data. When calculating emissions, we used specific emission factors provided to us by the energy providers wherever possible. Where this information was missing, we used the respective country's energy mix as a basis. Other emission factors are taken from the ecoinvent database.

GRI 306 Waste

As a manufacturing company, our plants naturally generate a lot of waste. We are aware of its negative impacts, particularly with regard to the environment. We therefore try to reduce the amount of waste as much as possible. In 2023, we set ourselves the goal of reducing our waste volume by 5% per year in future.

Raising employee awareness is an important step towards achieving this goal. In accordance with the waste hierarchy, we first aim to avoid waste. If this is not possible, our next step is to reduce waste to a minimum. Waste generated should be optimally re-used and recycled in order to minimize the amount of waste to be disposed of.

We only commission specialist disposal companies to dispose of our waste. We are not aware of any violations of applicable legal provisions during the reporting period.

Upstream, most waste is generated from the packaging of delivered goods and materials, primarily plastic film, paper or cardboard, and wood. Downstream, most of the waste is generated during production; the dominant group here is metal.

In 2023, a total of 846 metric tons of waste was generated at the Laatzen site, 622 metric tons in Sučany, and 67 metric tons in Jiaying.

New construction and demolition increase waste volumes

In the reporting period, we also recorded larger quantities of waste construction materials, building materials, and construction scrap. The reasons for this include various construction measures at our new sites in Parsdorf and Laatzen as well as the dismantling of our old site in Allach, which resulted in an above-average amount of scrap metal this year (366 metric tons). In concrete terms, we recorded a waste volume of 5,847 metric tons for 2023, which is broken down into the following portions:

Location	Total waste (t)	Recycling rate*
Allach/ Parsdorf	5,847	85%
Laatzen	846	58%
Sučany	622	83%
Jiaying	67	100%

*Recycling rates are based on the locally applicable legal definition of recycling. In Jiaying, for example, the thermal recovery of waste counts as recovery/recycling and is therefore included in the recovery rate – this is not the case at the other sites.

The amount of hazardous waste increased by 14.6% in 2023 compared to the previous year. The reason for the higher volume of waste is the aforementioned relocations and dismantling measures. At 733 metric tons, the largest group by far is coolant, which we need in our metalworking machines, for example. The second largest group is machining sludge (71 metric tons), which was the result of the special cleaning of a cooling lubricant tank. The remaining approximately 167 metric tons of hazardous waste are distributed among filter materials, varnish and paint residues, paint

sludge, and waste from the reaction pilot plant, e.g. isocyanates. We classify all hazardous waste in accordance with the German Waste Classification Ordinance (Abfallverzeichnis-Verordnung – AVV).

All hazardous waste was disposed of properly in accordance with 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 2023.

We return recyclable materials to the material cycle, especially iron, metal swarf, and scrap metal. Over 3,000 metric tons of this was returned to the material cycle during the reporting period. We strive to continuously increase the proportion of our waste that is recycled. However, the proportion of our waste that is recovered and recycled was not recorded Group-wide in the reporting period. We intend to change this in future.

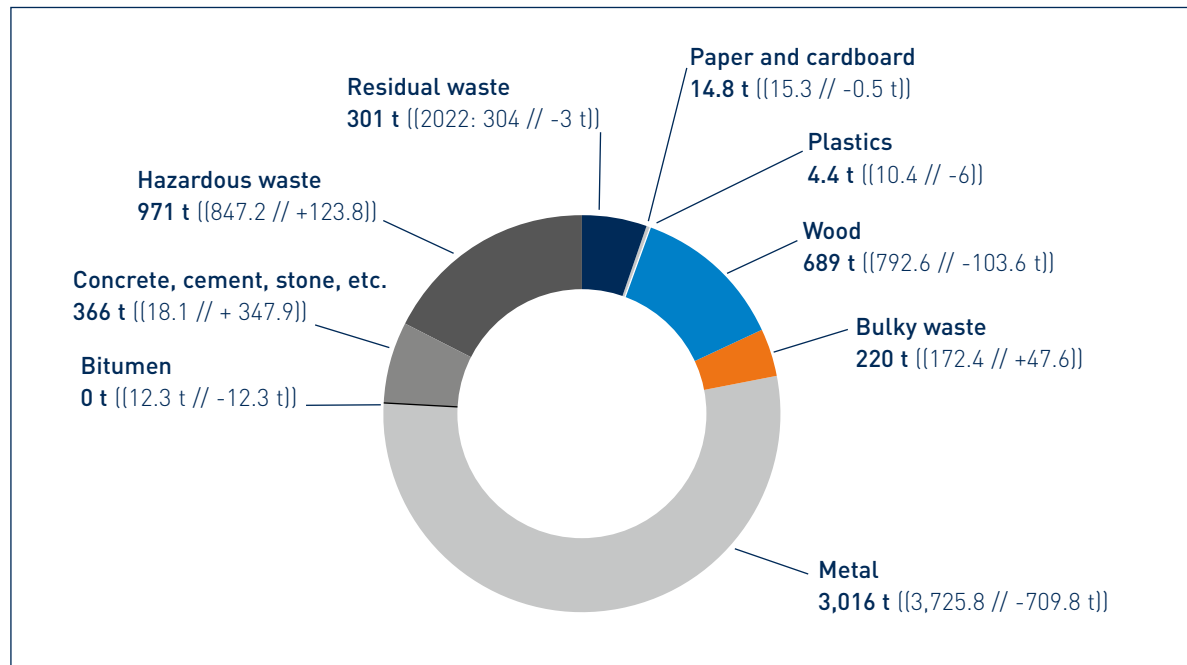
In organizational terms, at least one person has responsibility for the responsible handling of waste at each location. The waste management is in constant communication with the Sustainability Officer. If necessary, they inform the Management Board about significant legal changes, new standardizing regulations or special incidents relating to waste management.

We regularly raise awareness of waste reduction and avoidance among all employees. In addition, we want to work even more closely with customers, initiatives, and associations to drive forward solutions for the circular economy and thus reduce waste volumes.

GRI 301

Sustainable management of resources

We want to conserve natural resources. We therefore handle materials responsibly and process them as efficiently as possible. While our customers primarily process plastics, metals are by far the largest material group for us. We have developed solutions to reduce consumption in both material groups.



Example: Optimized platen design

In our large injection molding machines in the MX Series, hydro-mechanical dual platen clamping units ensure maximum reliability, robustness, and flexibility. In 2023, we optimized the platen geometry and design. This enabled us to reduce the weight of the clamping unit on the MX 3200, for example, by around 20 metric tons. As a result, we will need significantly fewer raw materials to produce them in future. We have taken this success as an opportunity to optimize many more platens. In general, we were able to reduce the amount of material used for moving platens by 18% and for fixed platens by 15%. This material and weight saving brings many other advantages: For example, transport-related emissions are significantly reduced due to lower fuel consumption. There are also significant efficiency benefits for our customers, as the machines with the lighter platens can usually be moved with the existing overhead cranes. And last but not least, the energy requirement during operation is reduced. We also optimized the design of the ejector plates: Instead of full-surface rectangular steel plates, smaller, geometrically adapted plates can now be used. In addition, we successfully tested substitute materials so that these ejector plates can also be manufactured from die-cast.

Example: Screw design for the physical foaming of thermoplastics

MuCell® is a process for the physical foaming of thermoplastics. In this process, the molten plastic is enriched with gas, usually nitrogen. This expands when injected into the mold. This results in the formation of very fine, homogeneous cellular structures, which makes the component light and stable at the same

time. This process is therefore in demand for the production of lightweight components in car interiors, for example. We have developed the optimized universal foaming screw with HPS-Physical Foaming for this complex process. This offers an increase in plasticizing performance of up to 30%. And that means: Customers can generate more output with significantly less material.

Example: Retrofitting

Our machines and systems are extremely durable and can usually be repaired. We run seven repair centers worldwide for this purpose, with the new location in Parsdorf covering an area of 1,700 square meters, where we repair injection molding screws and extruder gears. Compared to the production of new components, this industrial reconditioning of screws or gearboxes saves around 70% material – and therefore CO₂ emissions.

However, we don't just repair individual components, we can also extend the service life of entire machines or systems. We trade in used machines in the clamping force range of 30-5,400 metric tons, which we purchase, recondition and resell. And with our retrofit program, we also offer our existing customers classic retrofitting and the overhaul of wearing parts as well as digital upgrades with an IOT connection – for extrusion lines that have often been in use for several decades. These projects often involve adapting the throughput of older machines and systems to current requirements. For example, we were able to increase the throughput of an old injection molding machine from 1.6 t/h to 2.1 t/h for a customer in Malaysia during the reporting period.



The MX Series' optimized platen design saves on material – and thus conserves valuable resources.



Supervising the environmentally friendly dismantling of the production facilities at the old Munich-Allach site: Dr. Alexandra Coffey, Global Sustainability Manager and Berthold Butzmann, Vice President Sites & Real Estate Projects

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when, after moving to a more modern and sustainable location, the old production facilities are dismantled responsibly and as much as possible is recycled sensibly. Details on the following page.

IN FOCUS: DISMANTLING THE ALLACH SITE

The Munich-Allach site was our Group's headquarters for more than 90 years. However, this traditional location was simply no longer able to meet the requirements of modern, efficient and, above all, sustainable production. We therefore decided to relocate and opened a state-of-the-art factory in Parsdorf (see page 59).

Not least due to our long history at the site, we see it as our corporate responsibility to make dismantling as sustainable as possible. As a result, we do not just leave this to external service providers, but take care of it ourselves. To this end, we appointed our Vice President Sites & Real Estate Projects as the person responsible for coordinating the dismantling process. Berthold Butzmann's high level of technical expertise and great commitment ensure that projects run successfully, that the many companies involved work together smoothly and that valuable resources are used responsibly. Both for the large waste groups and down to the smallest details:

*A total of 1432 metric tons of steel and electrical scrap and 35 metric tons of copper cable are generated during dismantling. All of this is transported away as unmixed recyclable material and remains in the material cycle. **1***

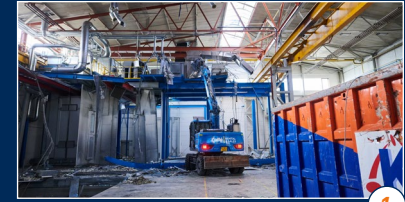
*Bulky waste (especially furniture) amounts to around 335 metric tons. Unfortunately, a lot of furniture is painted or covered with decorative foil and therefore has to be disposed of properly. **2***

*We can no longer use many older systems or machine parts ourselves. Nevertheless, they are far too good to throw away. So we sell them on industry portals. **3***

*Cabins like these for supervisors and machine operators do not have to be scrapped either. They are sold and given a second life in another company. **4***

*Sustainability means paying attention to every detail: We also collected and cleaned these plastic boxes. They will soon be providing valuable services in another company ... **5***

*Many metal objects still contain valuable raw materials. **6***



All retrofits, whether standard modules or special designs, are supplied as ready-to-install complete solutions including the latest documentation. Our customers can also choose from a comprehensive range of services, from installation, commissioning, and instruction to complex training courses. Our Reman, Repair & Used Machines services were in high demand and recorded year-on-year growth of 23% in 2023.

Example: FiberForm process

We developed the FiberForm process. This combines the thermoforming of organo sheets and injection molding into one process. This process results in fiber-reinforced plastic components that are particularly lightweight yet feature a high level of strength. These are used primarily in vehicle manufacturing, where they can replace valuable materials such as steel or aluminum, which are energy-intensive to process.

Example: Additive manufacturing

In contrast to conventional manufacturing processes, additive manufacturing only uses as much material as is actually required. One example is wing elements in aviation, which previously had to be milled out of a block, meaning that a large proportion of the material used became waste. These kinds of components can now be produced much more efficiently in terms of material using our additive manufacturing machines and systems.

Example: Stereolithography 3D printer

Lightweight construction and new design features lead to energy savings through weight reduction while

at the same time improving component properties. One of our innovations in this area is the precision-Print stereolithography 3D printer. This system is characterized by its high precision and material-saving production using the layer-by-layer process. Thanks to precisionPrint, components can be produced without tools with high precision and low material consumption.

GRI 301

Circular economy

Plastics are an indispensable part of modern life. However, their production and disposal also pose risks to the environment. Production is currently based on the consumption of large quantities of fossil fuels, which contributes to the emission of greenhouse gases and drives climate change. Plastics can also release toxic chemicals that contaminate the soil and water if they are not disposed of properly. Despite these risks, plastics also offer opportunities and are indispensable in many areas: They play an important role in medicine, construction, electronics, the automotive industry and many other sectors. In addition, plastics can be recycled and reused, which leads to a reduction in the need for raw materials and a lower environmental impact.

For KraussMaffei, plastics are also the backbone of our business. We are therefore committed to the sustainable use of these plastics as a matter of corporate responsibility and in order to keep our business model fit for the future. We consider plastic to be a recyclable material in order to conserve natural resources in the best possible way and have aligned our product port-

folio accordingly.

The circular economy is therefore a cornerstone of KraussMaffei's overall strategy. As a pioneer in the processing and reprocessing of recycled plastics, we have more than three decades of experience in recycling research and development. Customers have already recycled more than one million metric tons of plastics with the help of our systems – and thus saved around 35% of the amount of CO₂ emissions that would have been produced without recycling.

KraussMaffei has state-of-the-art recycling technologies and digital solutions for the business models of



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Large components can also be produced using 3D printing based on compounds made from recycled materials: KraussMaffei high table at the Compounding World Expo Europe.

our time, for example for mechanical, solvent-based and chemical recycling. With our technologies, plastics can be processed to such an extent that their quality – depending on the process – is equivalent to that of new material. Our machines and digital products (e.g. ZE Blue Power, QuickSwitch, APCplus, ColorAdjust) enable companies to produce more energy-efficiently, reduce waste and process more recycled material. We therefore enable our customers to meet their own sustainability goals and strengthen the circular economy.

Example: Solvent-based plastics recycling

In the mechanical recycling of plastic waste, the regranulated recycled material does not have the same quality and, above all, purity as new material. Post-consumer recycled (PCR) plastics are therefore rarely suitable for products of equal or higher value. This downward cascade stands in the way of a truly circular economy. Solvent-based recycling puts an end to this disadvantage. With the PureCycle technology licensed by the Procter & Gamble Company (P&G), impurities, odors, paint residues, and solvents added for the process can be removed from polypropylene waste so that the high-purity granules produced are virtually indistinguishable from new material both in terms of their optical and mechanical properties.

Extruders from KraussMaffei Extrusion are particularly suitable for solvent-based processes. This was also recognized by the US company PureCycle Technologies, which ordered single-screw and several twin-screw extruders for one of the world's most modern PP recycling plants in the US state of Ohio after several joint test series at our technical center. With the new

plant, PureCycle can now process up to eight metric tons of PP waste per hour into high-quality recycled material that can be used in consumer goods and applications in the automotive and construction industries. PureCycle is currently planning the construction of the first PP recycling plant in Europe, which is to be built in Antwerp and will have an annual capacity of 59,000 metric tons.

Example: PUR recycling

Industrially usable PUR recycling opens up huge potential for sustainability. This would allow large quantities from different applications to be retained in the material cycle. However, the chemical recycling of polyurethane (PUR) has so far often been limited to production waste with a relatively high degree of purity. Post-consumer waste with a high proportion of foreign materials, on the other hand, has so far been ill-suited for industrial recycling. Together with the companies BASF, Remondis, and Rampf, we are working on a continuous process with which such PUR waste does not have to be incinerated, but can be converted into a recycled polyol by means of depolymerization. This serves as a basic material for new plastics and is equivalent to a fossil primary raw material in its properties. As part of this project, KraussMaffei is responsible for developing an efficient overall technical concept for the plastics plant technology.

Example: New RPM mixing head concept

We developed the new precisionMixhead 8/12-2K-40 for optimum homogeneity when discharging PUR foam. This not only increases the processing window for the production of PUR components, but is also more compact and up to 20% lighter. Another advan-



tage of the new generation of mixing heads is that certain components have been designed to be interchangeable, making them easier to maintain. For the first time, the mixing chamber, discharge chamber, control and cleaning pistons can be completely replaced after long wear and tear.

Example: PET recycling

According to the Single-Use Plastics Directive, drinks bottles in the EU must contain 25% recycled content from 2025 at the latest. The quantities of recycled material required for this are relatively difficult to achieve with the single-screw extruders currently in widespread use. KraussMaffei has developed a chemical process that can significantly increase material throughput in PET recycling. In this process, the PET polymer is depolymerized by adding ethylene glycol in a twin-screw extruder, i.e. it is glycolytically broken down into its components and reprocessed in a subsequent reactor stage. This allows throughputs of up to 8 metric tons of PET per hour to be achieved in one extruder. Another advantage of this process is that the PET plastic does not turn yellow, as is common in other recycling processes. The polymer structures are rebuilt so that the recycled material also has the optical and mechanical properties of new material. The material is then reused in the production of drinks bottles.

In our own operating processes, we are also increasingly relying on materials that are obtained or produced in a resource-saving manner and that are returned to the circular economy at the end of the product's life. One example of this is the in-house recycling of transport boxes.

Example: In-house recycling

The days when KraussMaffei stored and transported screw elements in wooden crates are over. Instead, we use crates made from recycled plastic. They are lighter, cheaper and more durable than wooden crates. Since 2023, we have been able to produce such crates on our own injection molding machines, creating a completely closed material cycle. We use production waste, returned damaged crates or purchased recycled material as raw materials. We first remove any odorous substances from the regranulated material and reinforce it mechanically so that it can later withstand the tough demands of everyday use. In 2024, we aim to manufacture them entirely from our own plastic waste from production, trials or damaged crates.

Example: Digital recycling

In collaboration with the Technical University of Munich (TUM), we launched an innovative project, "DigitalRecycle – a digitalized material cycle for the additive manufacturing of recycling-optimized molding tools", which is funded by the Bavarian Ministry of Economic Affairs, Regional Development and Energy. Together, we will research the material cycle of digital tool models and develop new methods for recycling in additive manufacturing. We are using plastic granulate to produce 3D printed tools for fiber composite components. The aim is to enable the production, use, and reuse of a mold as well as the recycling of its materials – thus closing the material cycle.

We raise our employees' awareness of how to use resources responsibly to ensure that the conservation of resources can also be put into practice in everyday business operations. We provide information on this



IN FOCUS: SUSTAINABLE CONSTRUCTION

In recent years, we have invested a three-digit million sum and built four new, state-of-the-art plants: in Ji-aXing in China, in Einbeck (our subsidiary Burgsmüller's new plant), in Laatzen near Hannover, and in Parsdorf near Munich.

These new factories also meet the latest environmental standards. In Parsdorf and Laatzen, for example, we are fully committed to the smart factory concept. This means, for example, modern building technology, including one of the largest rooftop photovoltaic systems in Europe (Parsdorf plant), combined heat and

power plants, heating and cooling sails in the offices, active hall ventilation, and intelligent LED lighting with light and motion sensors. We already set ourselves the goal of certifying our new plants in Parsdorf and Laatzen in accordance with the DGNB system (German Sustainable Building Council) in 2019.



through internal media and notices at production level. In addition, every employee should take part in an appropriate training program once a year. We also constantly exchange ideas with our suppliers and universities in order to optimize the consumption of resources for our products over their entire life cycle.

Water

Although water is one of the most valuable natural resources, it is not a material category for us. For one thing, our production sites are not located in the immediate vicinity of specially designated groundwater protected areas, nor are they located in areas where there is a water shortage. Secondly, the manufacturing of our machines is not associated with high water consumption. We mainly use water for cooling (in closed circuits), in sanitary facilities and in the canteen. In the interests of completeness, we therefore include water abstraction for the large plants in Al-lach/Parsdorf (D), Laatzen (D), Jiaxing (CN) and Sučany (SK) in this report. The consumption of fresh water from public supplies at these locations amounted to a total of 76,804 m³.

We did not record any leaks of substances hazardous to groundwater during the reporting period.

We have installed extraction and absorption wells at our new plant in Parsdorf to effectively cool our buildings, halls, and industrial installations. These innovative systems use the groundwater as a cooling medium by extracting it via extraction wells, passing it through the installation and returning it via absorption wells. This solution enables sustainable and ener-

gy-efficient cooling, as the groundwater has a constantly low temperature, which is used for heat absorption. With this installation, we can effectively cool large areas while minimizing energy consumption, resulting in a comfortable room temperature and an improved working environment.

The Jiaxing site has a system that works with circulating water. Used water is recycled and reused several times. The Chinese government promotes water-saving measures in companies, but the installation of a water circulation system is a voluntary measure on the part of the company.

Mechanical pulse rinsing process

We can make a contribution to saving water through innovations such as the mechanical pulse rinsing process, which we have been marketing since 2023: In plastics processing, i.e. at our customers', large quantities of water are required at various points in production for the cooling and temperature control circuits. Deposits and bacterial films quickly build up in the water-conducting systems, which significantly reduce the desired heat exchange or – similar to limescale deposits in the washing machine – prevent the flow altogether. Normally, such impurities are flushed out with large quantities of valuable fresh water. To reduce these quantities, we have developed a mechanical pulse rinsing process together with our partner com-prex. Small amounts of water are shot into the pipes with compressed air, loosening deposits, solids, and bacterial deposits. This new process requires approx. 30% less pump power than was previously the case and uses approx. 70% less water.



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Using a mechanical pulse flushing process, we can remove deposits from cooling and temperature control circuits in such a way that 30% less pump power and around 70% less water is required.

ENVIRONMENT KEY PERFORMANCE INDICATORS

Key data on energy use

Entity/location	Energy consumption (electricity) in MWh	Energy consumption (gas)	Energy consumption (heating oil)	Energy consumption (diesel) in liters	Energy consumption (district heating) in MWh
Group (total)	57,939	-	-	15,529	4
KMT	56,999	not applicable	not applicable	15,529	4
Parsdorf	27,532	6,994 MWh	not applicable	not applicable	not applicable
Munich (Allach)	14,870	8,178 MWh	not applicable	149	not applicable
Laatzen	4,550	1,655 MWh	not applicable	3,973	not applicable
Sučany	2	2,172 MWh	not applicable	not applicable	not applicable
Jiaxing	4,291	2,767,900 l	not applicable	6,755	not applicable
KMC	940	126,511,977 l	not applicable	not applicable	not applicable
Florence	763	126,471,324 l	not applicable	not applicable	not applicable
Brighton	177	40,653 l	not applicable	not applicable	not applicable
Other production sites	5,401	1,818 MWh	1,184,908 l	4,652	4
KMT (Treuchtlingen)	1,540	235 MWh	not applicable	not applicable	not applicable
KMT (Georgsmarienhütte)	525	235 MWh	not applicable	not applicable	not applicable
KMT (Viersen)	317	not applicable	not applicable	not applicable	not applicable
Burgsmüller (Einbeck)	1,306	1,306 MWh	not applicable	not applicable	not applicable
KM Italiana (Abbiategrosso)	2	not applicable	not applicable	not applicable	not applicable
Pultrex Limited (Manningtree)	165	40 MWh	not applicable	not applicable	not applicable
Plamag (Plauen)	1,029	not applicable	1,184,908 l	not applicable	not applicable
KMA (Schwaig)	270	not applicable	not applicable	not applicable	not applicable
KMA (Schwerin)	81	not applicable	not applicable	not applicable	not applicable
Netstal (Näfels)	4	2,136 MWh	not applicable	not applicable	4
KM Japan Corporation (Aichi)	161	not applicable	not applicable	4,652	not applicable

ENVIRONMENT KEY PERFORMANCE INDICATORS

Entity/location	Energy consumption (electricity) in MWh	Energy consumption (gas)	Energy consumption (heating oil)	Energy consumption (diesel) in liters	Energy consumption (district heating) in MWh
Other sales locations	346	not applicable	59 MWh	not applicable	not applicable
KMT (Verl)	20	not applicable	59 MWh	not applicable	not applicable
KMT (Renningen)	7	not applicable	not applicable	not applicable	not applicable
KM Russia (Moscow)	-	not applicable	not applicable	not applicable	not applicable
KMG Italia (Arese)	100	6,641 l	not applicable	not applicable	not applicable
KMG France (Gennevilliers)	89	97 MWh	not applicable	not applicable	not applicable
KMG UK (Warrington)	0	347 MWh	not applicable	not applicable	not applicable
KMG Benelux (Breda)	12	2,081,000 l	not applicable	not applicable	not applicable
KM Schweiz AG (Rotkreuz)	7	not applicable	not applicable	not applicable	not applicable
Shanghai KM Machinery (Pudong)	68	not applicable	not applicable	not applicable	not applicable
KMG Andina (Bogota)	4	not applicable	not applicable	not applicable	not applicable
KM Korea (Seoul)	-	not applicable	not applicable	not applicable	not applicable
KM Mexico (Queretaro)	23	not applicable	not applicable	not applicable	not applicable
KMT India (Pune)	7	not applicable	not applicable	not applicable	not applicable
KM Brasil (Cotia)	9	not applicable	not applicable	not applicable	not applicable
KMG SEA (Singapore)*	not specified	not applicable	not applicable	not applicable	not applicable
KMT spol. (Zilina)	not specified	not applicable	not applicable	not applicable	not applicable
Netstal Germany (Stuttgart)	not specified	not applicable	not applicable	not applicable	not applicable
Netstal Benelux (Zaventem)	not specified	not applicable	not applicable	not applicable	not applicable
Netstal UK (Warrington)	included in KMG UK	included in KMG UK	included in KMG UK	included in KMG UK	included in KMG UK
Netstal Inc. (Florence)	included in KMC	included in KMC	included in KMC	included in KMC	included in KMC
Netstal France (Oyonnax)	not specified	not applicable	not applicable	not applicable	not applicable
Netstal Italia (Cerro Maggiore MI)	not specified	not applicable	not applicable	not applicable	not applicable
Netstal Shanghai (Pudong)	not specified	not applicable	not applicable	not applicable	not applicable
Netstal Thailand (Bangkok)	not specified	not applicable	not applicable	not applicable	not applicable
Netstal Iberica (Mollet del Valles)	not specified	not applicable	not applicable	not applicable	not applicable
Netstal Singapore (Singapore)	not specified	not applicable	not applicable	not applicable	not applicable
Netstal do Brasil (Lambreta)	not specified	not applicable	not applicable	not applicable	not applicable

* incl. Singapore and Thailand

ENVIRONMENT KEY PERFORMANCE INDICATORS

Key data on energy-related CO₂ emissions

Country	Location	Scope 1 total in tCO _{2e}	Total Scope 1+2 (market-based) in tCO _{2e}	Scope 1 share in %	Scope 2 share in %
Brazil	KraussMaffei do Brasil, Cotia	88	92	96%	4%
China	Shanghai KraussMaffei Machinery Co. Ltd., Shenzhen and Pudong		38	0%	100%
	KraussMaffei Machinery (Zhejiang) Co, Ltd., Jiaxing	166	2,557	6%	94%
Germany	KraussMaffei Technologies GmbH, Allach	1,882	6,090	31%	69%
	KraussMaffei Technologies Parsdorf	2,680	8,026	33%	67%
	KraussMaffei Technologies GmbH, Treuchtlingen	43	478	9%	91%
	KraussMaffei Technologies GmbH, Georgsmarienhütte	43	191	22%	78%
	KraussMaffei Technologies GmbH, Viersen		90	0%	100%
	KraussMaffei Technologies GmbH Sales and Service Center North, Verl	21	29	73%	27%
	KraussMaffei Technologies GmbH, Service Center South-West Renningen		3	0%	100%
	KraussMaffei Automation GmbH, Oberding-Schwaig	168	245	69%	31%
	KraussMaffei Automation GmbH, Schwerin	3	26	13%	87%
	KraussMaffei Extrusion GmbH, Hannover	91	101	89%	11%
	KraussMaffei Extrusion GmbH, Laatzen	313	1,590	20%	80%
	Burgsmüller GmbH, Einbeck	248	617	40%	60%
	Plamag GmbH, Plauen	4,586	4,985	92%	8%
	NETSTAL Deutschland GmbH, Stuttgart				
Slovakia	KraussMaffei Technologies spol s r.o.	13	13	98%	2%
France	KraussMaffei Group France, Gennevilliers	18	22	79%	21%
	NETSTAL France SAS, Oyonnax				

ENVIRONMENT KEY PERFORMANCE INDICATORS

Country	Location	Scope 1 total in tCO _{2e}	Total Scope 1+2 (market-based) in tCO _{2e}	Scope 1 share in %	Scope 2 share in %
Switzerland	KraussMaffei Schweiz AG	62	62	100%	0%
	NETSTAL Maschinen AG Näfels	15	15	99%	1%
Great Britain	KraussMaffei Group UK Ltd. Warrington	247	247	100%	0%
	Pultrex Ltd. Manningtree	7	42	18%	82%
Italy	KraussMaffei Group Italia Arese	102	133	77%	23%
	KraussMaffei Group Italia Abbiategrasso	21	22	97%	3%
Benelux	KraussMaffei Group Benelux N.V.	5	8	59%	41%
North America	KraussMaffei Corporation Florence	775	1,072	72%	28%
	KraussMaffei Corporation Brighton	0	69	0%	100%
Japan	KraussMaffei Japan	24	98	24%	76%
Mexico	KraussMaffei Mexico Queretaro	405	412	98%	2%
Colombia	KraussMaffei Andina Bogota	6	7	78%	22%
India	KraussMaffei Technologies Kalyani Nagar, Pune		5	0%	100%

ENVIRONMENT KEY PERFORMANCE INDICATORS

Key data on other environmentally relevant factors

Entity/location	Waste volume in t	Recycling rate*	Water consumption in m³
Group (total)	-	not specified	144,010
KMT	not specified	not specified	144,010
Parsdorf	5,847	85%	5,875
Munich (Allach)	included in Parsdorf	not specified	32,545
Laatzen	846	58%	16,037
Sučany	622	83%	4,689
Jiaxing	67	100%	17,658
KMC	282	0%	not specified
KMC	153	0%	not specified
Brighton	130	0%	not specified
Other production sites	806	not specified	66,228
KMT (Treuchtlingen)	723	100%	not specified
KMT (Georgsmarienhütte)	not specified	not specified	not specified
KMT (Viersen)	32	89%	not specified
Burgsmüller (Einbeck)	not specified	not specified	not specified
KM Italiana (Abbiategrosso)	13	56%	384
Pultrex Limited (Manningtree)	not specified	not specified	not specified
Plamag (Plauen)	not specified	not specified	not specified
KMA (Schwaig)	25	100%	not specified
KMA (Schwerin)	14	100%	not specified
Netstal (Näfels)	not specified	not specified	65,844
KM Japan Corporation (Aichi)	not specified	not specified	not specified

* Recycling rates are based on the locally applicable legal definition of recycling

ENVIRONMENT KEY PERFORMANCE INDICATORS

Entity/location	Waste volume in t	Recycling rate*	Water consumption in m ³
Other sales locations	not specified	not specified	978
KMT (Verl)	not specified	not specified	not specified
KMT (Renningen)	not specified	not specified	not specified
KM Russia (Moscow)	not specified	not specified	not specified
KMG Italia (Arese)	1,716 m ²	not specified	not specified
KMG France (Gennevilliers)	not specified	not specified	not specified
KMG UK (Warrington)	not specified	not specified	978
KMG Benelux (Breda)	not specified	not specified	not specified
KM Schweiz AG (Rotkreuz)	not specified	not specified	not specified
Shanghai KM Machinery (Pudong)	not specified	not specified	not specified
KMG Andina (Bogota)	not specified	not specified	not specified
KM Korea (Seoul)	not specified	not specified	not specified
KM Mexico (Queretaro)	not specified	not specified	not specified
KMT India (Pune)	not specified	not specified	not specified
KM Brasil (Cotia)	not specified	not specified	not specified
KMG SEA (Singapore)**	not specified	not specified	not specified
KMT spol. (Zilina)	not specified	not specified	not specified
Netstal Germany (Stuttgart)	not specified	not specified	not specified
Netstal Benelux (Zaventem)	not specified	not specified	not specified
Netstal UK (Warrington)	included in KMG UK	included in KMG UK	included in KMG UK
Netstal UK (Warrington)	included in KMC	included in KMC	included in KMC
Netstal France (Oyonnax)	not specified	not specified	not specified
Netstal Italia (Cerro Maggiore MI)	not specified	not specified	not specified
Netstal Shanghai (Pudong)	not specified	not specified	not specified
Netstal Thailand (Bangkok)	not specified	not specified	not specified
Netstal Iberica (Mollet del Valles)	not specified	not specified	not specified
Netstal Singapore (Singapore)	not specified	not specified	not specified
Netstal do Brasil (Lambreta)	not specified	not specified	not specified

* Recycling rates are based on the locally applicable legal definition of recycling. ** incl. Singapore and Thailand

GOALS AND MEASURES FOR ENVIRONMENT

Topic	Target	Measure	Implementa- tion by	As of 2023	Overall status	Note	Contribution
Sustainable development	Define binding sustainability goals	Determination of an indicator-based data-base, followed by the development of binding development goals, including their binding anchoring in the corporate strategy and key corporate policies	2024	●	○	Until now, there has been a lack of a solid database for defining binding and KPI-based sustainability goals.	
	Systematic recording of CO ₂ and GHG emissions	Introduction of software-based ESG data management ↗	2024	●	○		
	Achieving carbon neutrality in own business division	Avoiding emissions by switching processes to a decarbonized economy, increasing the energy efficiency of existing processes, offsetting unavoidable emissions by investing in climate action projects ↗	2030	○	○		
Climate action		Optimization of the compressed air system at the Sučany (SK) site ↗	2023	●	●		
		Raising employee awareness through climate action training ↗	Ongoing	●	○		
		Switching the energy supply at Näfels (CH) from natural gas to district heating ↗	2023	●	●		
		Completion of the consolidation of locations at the new Parsdorf site with corresponding effects on climate action: ↗					
		Allach	2023	●	●		
		Neuaubing	2023	●	●		
		Schwaig	2023	●	●	Relocation to be completed in 2024	
		Spare parts warehouse Plauen	2023	●	●		
	Achieving carbon neutrality of the machines and systems produced (product carbon footprint)	Optimization of resource use and energy efficiency ↗	2035	●	○		

GOALS AND MEASURES FOR ENVIRONMENT

Topic	Target	Measure	Implementa- tion by	As of 2023	Overall status	Note	Contribution
Energy efficiency	Increase the energy efficiency of the machines and systems produced	Introduction of the special edition “#185” of the CX series injection molding machines with free integrated energy efficiency technologies ↗	2023	●	●		
		Developing and launching of the Lifecycle Value Calculator – a digital tool for determining the CO2 savings potential of a specific machine in an individual application and over its entire life cycle. ↗	2023	●	●		
		Introduction of ISO 50001 at the Parsdorf site ↗	2025	Not yet started	○		
	Reduction of Group-wide energy consumption by 5% p.a.	Commissioning of the PV system at the Parsdorf site ↗	2023	●	●		
		Commissioning of the PV system at the Laatzen site	2023	●	●	Commissioning has been delayed due to unresolved contractual details. This is planned for 2024.	
		Development and practical testing of a process for the use of PCR for thermoplastic foam injection molding ↗	2023	●	●		
Circular economy	Realization of closed material cycles	Further development of the MuCell® process ↗	ongoing	●	○		
		Development of a closed material cycle for the production of own transport boxes ↗	2023	●	●		
Environment	Ensuring environmental protection and climate action in the supply chain	Screening of all suppliers with regard to environmental requirements	ongoing	○	○	The 2023 screening focused on hazardous substances and waste, and less on climate action	
	Increasing environmental protection in our own business area	Screening of all suppliers with regard to environmental requirements ↗	2023	●	●	Award recipient: Project partner VGP	
		Receipt of the DGNB “Platinum” award for the Laatzen site	2024	●	○	Award recipient: Project partner VGP	

GOALS AND MEASURES FOR ENVIRONMENT

Topic	Target	Measure	Implementa- tion by	As of 2023	Overall status	Note	Contribution
Sustainable management of resources	Reducing consumption of primary raw materials	Strengthening the "Reman & Repair & Used Machines" division for the industrial reconditioning of used machines ↗	2023	●	●		12 <small>consumption reduction</small>
		Optimization of MX series platen design ↗	2023	●	●		12 <small>consumption reduction</small>
		Development of a process for increased material throughput in PET recycling ↗	2023	●	●		12 <small>consumption reduction</small>
		Development of a new mixing head for more material efficiency in the production of PUR components ↗	2023	●	●		12 <small>consumption reduction</small>
		Best possible utilization of production equipment no longer required at the Allach site ↗	2023	●	●		12 <small>consumption reduction</small>
Environmen- tal management	Implementation of DIN 14001	Introduction at the Laatzen site ↗	2023	●	●		12 <small>consumption reduction</small>
		Confirmation of the certification of the Allach site (2022) at the new Parsdorf site ↗	2023	●	●		12 <small>consumption reduction</small>
		Certification of the Sučany (SK) and Jiaying (CN) sites ↗	2026	○	○		12 <small>consumption reduction</small>
		Adaptation of DIN 14001 at all other locations incl. delivery of KPIs and regular environmental training courses ↗	2027	○	○		12 <small>consumption reduction</small>
Waste	Reduction of waste volume by 5% p.a.	Conversion of processes, use of alternative packaging materials, raising awareness among employees, etc.	Ongoing	○	○		12 <small>consumption reduction</small>
	Reduction of fresh water consumption	Development of a water-saving, mechanical impulse rinsing process for use in machines, systems, and industrial processes ↗	2023	●	●		12 <small>consumption reduction</small>

PEOPLE

We are aware that the expertise, commitment, and satisfaction of our employees is the greatest asset for the long-term success of our company. The economic situation forced us to implement a comprehensive restructuring program in the reporting year, which also included job cuts. Our aim is to create an excellent working environment for the remaining employees. A climate that creates a sense of purpose, opens up new prospects, and provides the opportunity to develop personal potential to the full.



Management approach

We pursue the objectives of our HR strategy through a governance structure with HR managers at each location. We currently do not use a management system in the area of human resources, but record data manually using forms. A transition to software-supported data collection is being planned, with the corresponding roll-out scheduled to begin in 2024. All activities are managed by the HR corporate positions at our headquarters in Parsdorf. They report directly to the Management Board. The CFO was responsible for all employment issues during the reporting period, which means that the entire HR area is anchored in the executive decision-making body.

In principle, our HR strategy aims to train young people ourselves for our long-term needs, to attract the best talent in our industry in a targeted manner, and to retain employees in the long term – among other things, through strategic personnel development with attractive promotion and career opportunities in order to recruit senior executives from within the company.

Our employment policy is based on unequivocal standards that ensure that we adhere to the highest requirements in terms of human rights, labor rights, and sustainable development. These principles include:

- 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 OECD Guidelines for Multinational Enterprises
- 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 such as the Employee Code of Conduct.

At KraussMaffei, our responsibility for employees does not end at the factory gate. Our Supplier Code of Conduct also commits companies along our value chain to treat employees in accordance with our values and principles. In addition, we see ourselves as a responsible corporate citizen and are also committed to the interests of society outside our company boundaries – whether it's in the form of donations, promoting research, sport and culture or by getting involved in the areas surrounding our sites.

GRI 408, 409, 411

Human rights

Respect for human rights is a core value at KraussMaffei. That is why we have a zero-tolerance policy towards any violation of human rights in all our activities and in our supply chain. We formulate this stance explicitly in our Compliance/Code of Ethics, which is binding for all employees and suppliers. We have also written a Declaration of Principles on Human Rights, which states our commitment to respecting all internationally recognized human rights – especially those that are relevant to our operations. This declaration is available online here. In 2024, the KraussMaffei Group

will report for the first time on human rights in the supply chain and in its own business area for the 2023 reporting period as part of the German Act on Corporate Due Diligence Obligations in Supply Chains. The report submitted to the Federal Office for Economic Affairs and Export Control can be viewed here.

In order to meet our due diligence obligations, we conducted an initial, abstract analysis of human rights risks in our business activities and supply chain in 2022. This was put into more concrete terms in 2023, taking the entire supplier base including all subsidiaries into account, and the risks were prioritized according to the probability of occurrence and the possible effectiveness of mitigation measures.

Based on this analysis, we will continue to derive measures to avert any potential risks in the future and align our management processes accordingly. In 2023, we also established regular, standardized, and analytical risk management, defined corresponding responsibilities, and provided human and financial resources. This includes, for example, software for supplier monitoring.

During the reporting period, we did not identify any operating sites or suppliers with a significant risk of violating priority human rights or the collective rights of indigenous peoples. Therefore, we are not aware of any violations of human rights during the reporting period. In our supplier base, in which 7,887 companies were listed in the reporting period, we defined 29 suppliers with a potential link to a human rights violation. We contacted these suppliers to minimize the risk of human rights violations and to develop targeted coop-

eration with the supplier. We are not aware of any actual violations of priority human rights or the rights of indigenous peoples in our own business area.

GRI 401

Employment and employee satisfaction

The KraussMaffei Group employed 4,717 people as of the reporting date of December 31.

During the reporting period, 452 new employees were hired. In the same period, 682 employees left the company. The fluctuation rate amounted to 7.3% in the reporting year. On average, employees stay with us for 12 years.

KraussMaffei also employed exactly 528 people in 2023 who were not employees. This includes 203 apprentices. Although they also have an employment contract, they are managed separately in our recording systems alongside the permanent employees.

KraussMaffei does not employ any workers who are not employees. If the employment relationship is with another employer – for example with a personnel service provider – KraussMaffei ensures that all applicable social and safety standards are complied with. No violations were identified during the reporting period. Compliance is also ensured through our Supplier Code of Conduct.

Number of suppliers for whom risks were identified in relation to



Human rights:
0



Labor rights:
1



Environment:
2



Health and safety:
13

Number of subsidiaries audited for country and sector risks and for international reporting over the last two years (Prewave 360 score)

34

4

Number of subsidiaries audited during the reporting period by an on-site audit

Total employees	4,717	%*
Gender		
Men	3,983	84.4%
Women	734	15.6%
Age		
15-25	251	5.3%
26-35	1,025	21.7%
36-45	1,297	27.5%
46-55	1,182	25.1%
56-65	933	19.8%
> 65	29	0.6%
Region		
CHINA	518	11.0%
NORTH AMERICA	260	5.5%
APAC	80	1.7%
EMEA	3,753	79.6%
LATAM	106	2.2%
Employment relationship		
Full-time	4,407	93.4%
Part-time	310	6.6%
Type of employment contract		
Permanent	4,544	96.3%
Temporary	173	3.7%
Type of employment		
Blue collar	1,635	34.7%
White collar	3,082	65.3%
Localization of added value		
Directly	2,602	55.2%
Indirectly	2,115	44.8%

*Percentages rounded

Satisfied employees are crucial to the company's success. As an employer, we are responsible for creating conditions that enable employees to enjoy job satisfaction. However, the factors necessary for this are subject to massive change: Just a few years ago, monetary aspects were the main deciding factor when choosing an employer, but today job satisfaction is the result of many factors. We are going along with this change and want to shape it with appropriate offers:

Personnel development: Employees receive regular feedback on their personal development and targeted support and individual career planning. Every employee is entitled to at least one such meeting per year. Around 80% of the workforce made use of this form of feedback in 2023. There is also an internal training program and a wide range of international career opportunities.

Work-life balance: We offer opportunities for mobile working, flexible working hours, a flexitime model and, of course, the opportunity to take parental leave to ensure the best possible work-life balance. In the reporting year, 46 people made use of this option, specifically in Germany and Slovakia. There is currently no statistical record of return to work and retention rates.

Modern working environment: In both production and administration, our employees work at ergonomic workstations – for example with lifting aids or scissor lift tables in production, height-adjustable desks at computer workstations, and healthy lighting in all areas. We keep our technical building equipment up to date, with our new locations in Laatzen and Parsdorf in particular setting standards in this regard.

Health and well-being: In addition to standard occupational medical care, some locations offer services to improve health and well-being, such as counseling services, preventive medical check-ups, healthy meals, and joint sports activities. Company benefits for employees, such as sports offers, health checks, financial bonuses, subsidies for local public transport or supplementary insurance are also an expression of our appreciation. The benefits are developed and awarded individually by the locations.

- There is no company pension scheme at the Abbiategrasso (ITA), Bangkok (THA), Breda (NL), Seoul (KOR), Milan (ITA), Plauen (D), and Sučany (SVK) locations
- There are no company benefits at the locations in Breda (NL), Kalyani Nagar (IND), Milan (ITA), Plauen (D), and Sučany (SVK)
- At the Aichi (JPN) and Gennevilliers (FRA) locations, company benefits are only granted on a statutory basis
- At the Bangkok (THA) location, only permanent employees are entitled to company benefits

GRI 402, 405-2

Labor/management relations and fair pay

As a company that is subject to the collective agreement for the metal and electrical industry negotiated by employer representatives and the IG Metall trade union in Germany, it is a key concern for us that all employees are informed transparently and at an early stage about significant operational changes before the public finds out about them. However, there is no fixed notification period for such announcements.



Fair pay goes without saying for us. As a matter of principle, we comply with legal requirements and minimum wages as well as collective agreement provisions, insofar as these are valid for a location. At our locations in Germany, for example, we pay wages in line with the metal and electrical industry wage groups. Wages at the other national companies' locations are based on the respective market benchmarks, which are determined for us by external service providers. In addition, our employees at many locations receive vacation and Christmas bonuses and have the opportunity to take out a company pension plan or benefit from company benefits – at the locations in Germany, for example, using the Corporate Benefits Card.

Gender pay gap

Of course, fair pay also includes avoiding discrimination based on gender (gender pay gap). At KraussMaffei, there is currently a statistical gender pay gap, with women statistically earning 23% less than men. The average salary in 2023 was €3,699.38 for women and €4,550.46 for men. The average monthly starting salary at KraussMaffei in Germany in 2023 was also €4,796.55 for men and only €4,415.82 for women. This imbalance is not the result of unequal treatment, but of statistical ambiguity: We currently only record salaries quantitatively, but not qualitatively. This means that we only add up the salaries and compare their average – but the jobs and scope of work involved are not taken into account. In future, we therefore intend to expand, standardize, and refine the corresponding data collection worldwide in order to be able to make more precise statements about a possible gender pay gap.

GRI 403

Occupational health and safety

Protecting the health of all employees goes without saying for KraussMaffei. That is why we attach great importance to safety in the workplace at all our locations.

Prevention of accidents

We have established a comprehensive accident risk prevention system that applies to all production sites. It stipulates that there must be a person responsible for occupational health 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, comprehensively documented, and the sequence of events is described – including an illustrated description of the risks that caused the accident. In addition to the precise analysis of the sequence of events, cause of the accident, nature and severity of the injury, the parts of the body affected are also recorded.

During the reporting period, those responsible for occupational health and safety recorded this data manually using a standardized template. In 2023, we installed the Quentic software for data collection and introduced it at some locations. This is to be rolled out at other locations from 2024.

A regular safety meeting also takes place at each location. Those responsible discuss measures and make decisions on the implementation of constructive



TRUE BLUE Insights

The right footwear plays an important role in health. In Parsdorf, every employee is therefore provided with exactly the right safety shoes for their individual needs. The feet are measured precisely beforehand.

safety equipment or the affixing of warning notices. In addition, we regularly raise the awareness of our employees, e.g. on the intranet, in training courses, and training sessions using the EHS software. In addition, every senior executive has access to a template for briefing their team. We use our Code of Conduct and regular employee appraisals to make every employee aware of the need to report potential health risks immediately. In addition, every employee is clearly prohibited from violating applicable safety regulations such as accident prevention regulations, trade association rules or specific company 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.

Accident statistics

KraussMaffei uses the OSHA rate instead of the "1,000-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 1,000 employees and thus set in relation to 200,000 hours actually worked.

In 2023, the OSHA rate at KraussMaffei was 2.4, exactly the same as in the previous year – but significantly lower than in 2020 (3.1) and 2021 (3.3). KraussMaffei was able to fall below the average value of 2.5 from the

last seven years since recording began in 2017 in the reporting year. There were 61 accidents during the reporting period but no serious or fatal accidents. Our long-term goal is to be an accident-free company.

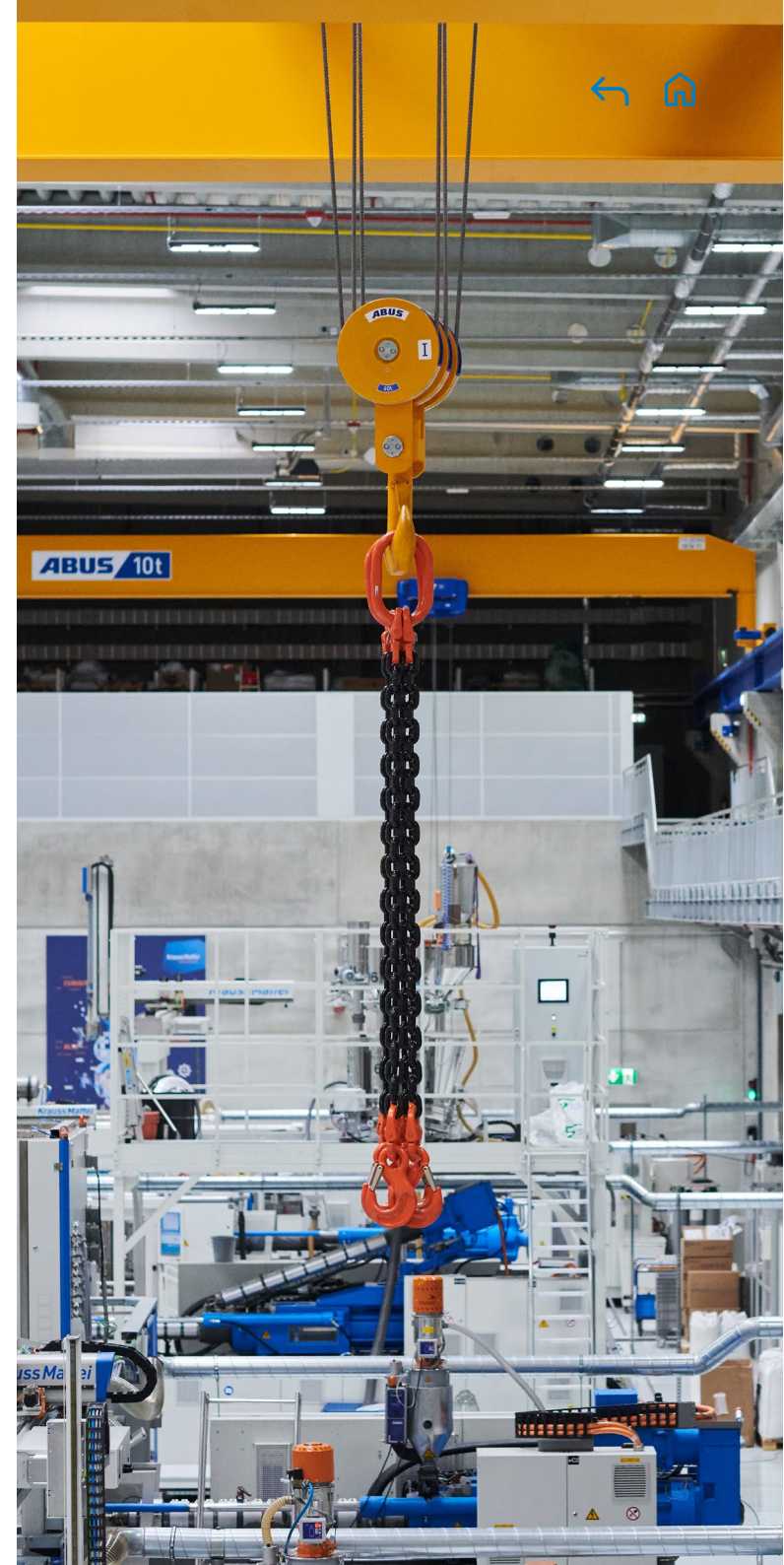
Injuries to the fingers occur more frequently than average. The most common types of injury include cuts and bruises, while the more accident-prone areas include the production and assembly of new machines. The most frequent causes of accidents in 2023 were by far mishaps or individual misconduct. During the reporting period, no specific chronic illnesses were identified that were related to the work we carry out.

Occupational medical care

All locations in Germany are looked after by a company doctor. There is an occupational medical department at the Parsdorf site.

At the Sučany site, an initial examination and regular medical examinations are mandatory under Slovakian law. Employees are only fit for work after an approved medical examination. Precise guidelines apply to the regularity of the examinations: For example, if an employee works the night shift, they must undergo a medical examination every year. An examination is required every 5 years for administrative work. In Sučany, we have also contracted a supplier for the management of occupational hygiene.

Article 35 of the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases applies at our site in China: Therefore, we carry out occupational medical examinations before, during, and after employment in accordance with the regula-



IN FOCUS: OPEN DAYS

Opening doors, inviting family members, and showing transparency – that's what we wanted to do on the open days. Our location in Sučany, Slovakia, kicked off the event with over 1,600 visitors. There was plenty to offer for the children in particular, from theater performances and forklift rides to demonstrations by the local fire department. We then opened our doors in Laatzen.

At the end of June, more than 400 customers attended the pioneers!Day at our new plant in Jiaying, China. They toured the halls, learned about our technologies, and talked about the latest trends in the industry in various technical forums – from lightweight construction technology to the latest digital systems.

Over 1,000 people accepted the invitation to Laatzen and learned more about plastics and recycling, marveled at the large extruders, and enjoyed the extensive buffet, while the young visitors conquered the bouncy castles in the halls. All guests received a small,

3D-printed turtle pin – in reference to the turtle sculpture made from recycled material hanging from the ceiling in the entrance area in Laatzen. A special memory of a special day.

We then welcomed 2,300 guests to Parsdorf to get to know our new location. The halls became a play paradise, the passages a road for a historic KraussMaffei steam roller, and robotic arms turned into puppeteers. There were also factory tours, insights into the various technologies, delicious food and drinks, and exciting tennis duels – battled out with rackets produced by KraussMaffei.





TRUE BLUE is ...

when you collect your own plastic waste, regranulate it, and process it into new plastic boxes on injection molding machines. This film shows exactly how this works.



tions of the PRC State Council's National Health Commission and inform the employee in writing of the examination results. Occupational health examinations are carried out by licensed medical and sanitation facilities.

There is no occupational medical service at our site in the USA.

Healthcare

Preventive healthcare is a high priority at KraussMaffei. Employees in Germany, for example, can therefore take advantage of a comprehensive package of preventive medical examinations. There are also campaign days on the topic of occupational health and safety, which include how to maintain a healthy back, measures to increase mental resilience, and the topic of healthy eating.

These events had to be canceled in 2021 and 2022 due to the coronavirus pandemic and in 2023 in Germany due to the move to the new company buildings in Parsdorf and Laatzen. These events will be held again in 2024.

Employees at our site in the USA also receive healthcare services. These include, for example, an annual visit to a health fair where employees can meet and consult insurance companies. There is also an annual blood pressure check as well as health courses and coaching sessions. As part of the "WellWorks" incentive program, employees can define individual health goals together with their family doctor and record them in writing. If these are achieved, employees earn attractive insurance discounts.

Comparable offers and promotions from other locations are currently not regularly recorded. We want to expand this recording in 2024.

GRI 404

Training and education

We are currently training young people in nine occupations: electronics technicians, industrial clerks, industrial mechanics, technical product designers, metal cutting mechanics, IT specialists, toolmakers, mechatronics engineers, and industrial electricians. Eight dual study programs are also offered in the fields of electrical engineering, mechanical engineering, and engineering.

In 2023, 46 young people started an apprenticeship at KraussMaffei and 60 completed their training successfully. In the same period, 2 dropped out of their apprenticeship early. The respective training managers are required to inquire about and discuss the causes and reasons for dropping out with the apprentices in order to learn from this and adapt our training program accordingly, if necessary.

Own training center in Parsdorf

We opened our own training center at our new location in Parsdorf in 2023. The 150 apprentices currently working there can experience state-of-the-art technology first hand and gain practical experience in turning, milling, pneumatics, and e-pneumatics as well as electrical engineering and mechatronics. Courses for apprentices from other companies are also held there. We also cooperate with schools in the region, take part in careers information fairs, and



carry out internships for school pupils.

We offer comprehensive interdisciplinary training opportunities so that our employees can optimally expand their skills, develop their individual strengths, and pursue their personal goals. These are developed by Talent Management in Munich for the German region and implemented by internal colleagues and external training institutes, both in training events and web-based formats such as webinars, online training or e-learning formats. The training content covers the entire range of topics that are relevant at KraussMaffei. Popular offers in Germany in 2023 included

1. Intercultural training for China
2. Lateral leadership for project managers
3. Leadership development
4. Business administration basics
5. Shaping change

Employees can also take part in defined training programs at many locations in China, Germany, France, India, Italy, and Slovakia. These programs address technical, sales or administrative content. Our employees can also develop their personal skills, for example language skills or self-organization methods.

In 2023, 653 of the 2,695 employees in Germany took part in training. They invested a total of 3,699 hours in this, which corresponds to 1.37 hours per employee. We can currently only present this data for locations in Germany.

405, 202

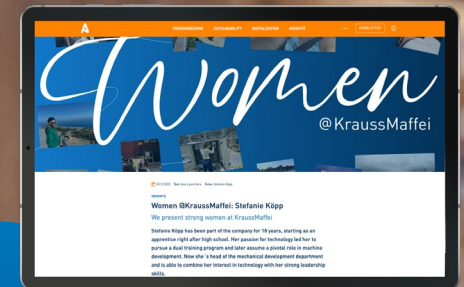
Diversity and equal opportunity

We focus on diversity among our employees to ensure equal opportunity and make our international presence social and fair: Our aim is to specifically promote diversity and inclusion and to ensure a balanced ratio of nationalities, men, women, and non-binary people as well as generations and cultures in our workforce. In principle, we treat all people equally – regardless of their origin and skin color, ideology or sexual orientation, gender, social status or political views, as long as these are based on the principles of a free democratic order and take values such as respect, tolerance, and open-mindedness into account.

The highest governance body of KraussMaffei Group GmbH currently consists of 12 members, ten men and two women. The majority of the Supervisory Board members are over 50 years old. 585 of our senior executives are men (87.8%), 81 are women (12.2%). The proportion of women in the overall workforce is currently 15.5%. This is due to the fact that women are generally significantly underrepresented in many engineering professions. For example, according to the Association of German Engineers (VDI), the proportion of women studying mechanical engineering, electrical engineering, automotive engineering, and information technology is only around 10%.

Wherever possible and appropriate, we involve local communities in our personnel decisions. The majority of the managing directors of our national companies, for example, come from the respective country. This ensures that senior executives know and understand





TRUE BLUE is ...

when you show how varied and diverse jobs at KraussMaffei can be for women – to continuously increase our proportion of women.



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.

Boundless understanding

Diversity and intercultural understanding are part of KraussMaffei's DNA. Our employees come from 57 nations and work together successfully every day. To promote the mutual understanding of different cultures, we give our employees the opportunity to gain professional experience at locations abroad. We also gave members of our employees' families the opportunity to take part in Sinochem Holding's "International Summer Camp". This international meeting took place in Beijing in August 2023 and served to promote intercultural communication skills: Under the motto "Towards a better future with science and technology", 60 children and young people from 10 countries experienced how much fun it is to learn, discover, and do sports together during the two-week camp. They also learned a great deal about the cultures in the other participants' countries. KraussMaffei covered the travel costs for seven children from China, Germany, and the USA.

We condemn all forms of discrimination. No violations of anti-discrimination laws were identified at KraussMaffei in 2023. No incidents of discrimination were reported via our whistleblower system either.

GRI 416

Product safety

We strive to ensure that our machines and systems do not pose any risk to the health and safety of other

people. The safety of our products and services is therefore a key quality feature of KraussMaffei and a firmly established part of our product strategy as well as an indispensable part of any product development. Appropriate requirements are defined and uncompromisingly followed in the product development process in accordance with local statutory and/or standardizing regulations and the recognized state of the art. We are not aware of any deviations from the standards defined therein during the reporting period. We are also not aware of any incidents during the reporting period in which customers were injured due to poor product safety.

We have defined basic employee behaviors that are crucial to achieving and maintaining product safety in our Code of Conduct, which applies to all employees, as well as in our local work regulations. It stipulates, for example, that hazardous substances and dangerous goods must be handled in accordance with legal requirements. We continuously record the specific national legal requirements in SAP and use this system to check compliance with them.

For the manufacturing of our products, we only source materials and semi-finished products from suppliers that are certified in accordance with national or international quality standards. Visible signs of this are, for example, corresponding seals or quality marks such as the CE mark. If our suppliers report information on possible product safety risks, we will pass this on to our customers immediately in order to rule out health risks.



Comprehensive protective measures

We have defined comprehensive protective measures for all our products to ensure the greatest possible safety for our customers' operating personnel. These include, for example, 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 the intended measures are present and functional on every delivered product. The protective measures are based on the results of our risk assessment, which takes the potential extent of damage, its probability of occurrence, and information on applicable safety standards into account. If required, protective measures are validated by calculation, measurement, and fault simulation.

We also draw our customers' attention to residual risks during operation in the operating instructions

and by labeling the product. We also offer safety briefings on handover and a comprehensive range of training and services. In 2024, we will record this standard procedure in daily operational practice in a process description and make it available to all locations worldwide as a binding policy.

Social commitment

KraussMaffei supports charitable organizations and institutions on an individual and case-by-case basis. The locations select the recipients and purpose of this financial support. When making donations, all locations are bound by a policy from our Code of Conduct. According to this,

- requests for donations from individuals must be rejected as a matter of principle
- donations may not be made with the aim of induc-

ing the recipient or a third party to award a contract or make any other business decision in favor of KraussMaffei or a third party

- payments to private accounts are not permitted
- the donation must be absolutely transparent and tax-deductible.

In addition, a restrictive signature policy applies to the granting of donations at all locations in Germany.

In the reporting period, for example, we supported a children's hospital in the US state of Wisconsin with an individual donation of USD 10,000. As part of our innovation management, we also offered our employees the option of increasing their bonus from EUR 400 to EUR 450 to support either the children's charity Unicef, the aid organization "Brot für die Welt" or the conservation organization World Wildlife Fund (WWF) instead it being paid out.



PEOPLE KEY PERFORMANCE INDICATORS

Key employment data

Entity/location	Female quota	Fluctuation rate	Accident rate (absolute)	Accident rate OSHA rate
Group (total)	15.6%*	7.3%	61	not applicable
KMT	-	not specified	39	not applicable
Parsdorf	13.4%	not specified	27	4
Munich (Allach)	included in KMT	not specified	0	0
Laatzen	13.5%	not specified	10	2
Sučany	27.1%	not specified	1	0.3
Jiaxing	12.4%	not specified	1	0.2
KMC	13.9%	not specified	0	0
Florence	-	not specified	0	0
Brighton	-	not specified	0	0
Other production sites	-	not specified	22	not applicable
KMT (Treuchtlingen)	included in KMT	not specified	4	6.4
KMT (Georgsmarienhütte)	included in KMT	not specified	0	0
KMT (Georgsmarienhütte)	included in KMT	not specified	2	4.9
Burgsmüller (Einbeck)	5.6%	not specified	2	3.6
KM Italiana (Abbiategrosso)	18.2%	not specified	0	0
Pultrex Limited (Manningtree)	8.7%	not specified	0	0
Plamag (Plauen)	9.0%	not specified	5	6.2
KMA (Schwaig)	12.4%	not specified	2	3.2
KMA (Schwerin)	included in KMA	not specified	0	0
Netstal (Näfels)	13.1%	not specified	7	2.4
KM Japan Corporation (Aichi)	7.7%	not specified	0	0

* 55.3% of KMG employees are women

PEOPLE KEY PERFORMANCE INDICATORS

Entity/location	Female quota	Fluctuation rate	Accident rate (absolute)	Accident rate OSHA rate
Other sales locations	-	not specified	0	0
KMT (Verl)	included in KMT	not specified	0	0
KMT (Renningen)	included in KMT	not specified	0	0
KM Russia (Moscow)	50.0%	not specified	0	0
KMG Italia (Arese)	17.6%	not specified	0	0
KMG France (Gennevilliers)	25.0%	not specified	0	0
KMG UK (Warrington)	20.0%	not specified	0	0
KMG Benelux (Breda)	11.8%	not specified	0	0
KM Schweiz AG (Rotkreuz)	12.5%	not specified	0	0
Shanghai KM Machinery (Pudong)	23.9%	not specified	0	0
KMG Andina (Bogota)	16.7%	not specified	0	0
KM Korea (Seoul)	33.3%	not specified	0	0
KM Mexico (Queretaro)	25.0%	not specified	0	0
KMT India (Pune)	0.0%	not specified	0	0
KM Brasil (Cotia)	12.5%	not specified	0	0
KMG SEA (Singapore)*	16.7%	not specified	0	0
KMT spol. (Zilina)	included in KMT spol. Sučany	not specified	0	0
Netstal Germany (Stuttgart)	9.7%	not specified	0	0
Netstal Benelux (Zaventem)	0.0%	not specified	0	0
Netstal UK (Warrington)	16.7%	not specified	0	0
Netstal Inc. (Florence)	13.0%	not specified	0	0
Netstal France (Oyonnax)	15.0%	not specified	0	0
Netstal Italia (Cerro Maggiore MI)	12.5%	not specified	0	0
Netstal Shanghai (Pudong)	23.9%	not specified	0	0
Netstal Thailand (Bangkok)	20.0%	not specified	0	0
Netstal Iberica (Mollet del Valles)	9.1%	not specified	0	0
Netstal Singapore (Singapore)	25.0%	not specified	0	0
Netstal do Brasil (Lambreta)	14.3%	not specified	0	0

* incl. Singapore and Thailand

GOALS AND MEASURES

Topic	Target	Measure	Implementa- tion by	As of 2023	Overall status	Note	Contribution
Employment	Optimization of efficiency in personnel management	Introduction of a system for software-supported data acquisition	2024	Not yet started	○		
	Preventing the gender pay gap	Expansion of data collection in order to evaluate the current statistical pay gap between men and women and derive measures to prevent it	2025	Not yet started	○		
Occupational health and safety	Optimization of data acquisition	Introduction of the Quentic software for evaluating accidents at work and deriving measures for accident prevention at pilot sites ↗	2023	●	○		
		Roll-out of the Quentic software for evaluating accidents at work and deriving measures to prevent accidents at other defined locations	2024	Not yet started	○		
	Ensuring occupational safety in the value chain	Screening of all suppliers with regard to occupational safety ↗	2023	●	●		
	Zero-Accident	Increasing the occupational safety of employees ↗	Ongoing	●	○	The target of an accident-free company is practically impossible to achieve, as accidents result from many factors that cannot be influenced. Nevertheless, we are sticking to this ideal. Consequently, every accident that occurs means that we fall short of this target.	
Healthcare	Improving the health of employees	Implementation of campaign days for health and health maintenance at the Parsdorf and Laatzen sites	2024	Not yet started	○		
	Increasing product safety when operating our machines and systems	Development of a process description of the standard safety briefings at handover, including making them available at all locations as a binding guideline	2024	Not yet started	○		

ANNEX

ASSURANCE STATEMENT



Third Party Assurance Statement

to KraussMaffei Group GmbH, Krauss-Maffei-Straße 1, 85599 Parsdorf

We, the GUT Zertifizierungsgesellschaft für Managementsysteme mbH Umweltgutachter (GUTcert), have been engaged to perform a limited assurance engagement in accordance with the AA1000 Assurance Standard (AA1000AS v3, 2020) Type 2 on the disclosures in the GRI Sustainability Report of to KraussMaffei Group GmbH (within the limits disclosed in the Report) for the 2023 reporting period.

Responsibility of the legal representatives

The top management of KraussMaffei Group GmbH is responsible for the preparation of the Sustainability Report in accordance with the reporting concepts of the Global Reporting Initiative Standards (GRI Standards): Impact, Material Topics, Due Diligence and Stakeholder. The quality of the reporting is evaluated against the reporting principles of the GRI Standards:

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability context
- Timeliness
- Verifiability

This responsibility includes the selection and application of appropriate methods to prepare the above-mentioned report, making assumptions and estimates about individual disclosures that are reasonable in the circumstances. Furthermore, the Board of Directors is responsible for designing, implementing and maintaining systems and processes relevant to the preparation of the Report.

Responsibility of the auditors

Our responsibility is to ensure an independent and qualified validation. We express a conclusion based on our work performed as to whether any matters have come to our attention that cause us to believe that the sustainability disclosures presented in the Sustainability Report 2023 have not been prepared, in all material respects, in accordance with the GRI Standards. In addition, we have been engaged to make recommendations for the further development of sustainability management and reporting based on the results of the validation.

The validation is carried out according to the TYPE 2 assurance level of the AA1000AS. The focus of the validation is on the concepts and principles of corporate sustainability responsibility as well as the reliability and quality of the report content on a sample basis.

The validation of the sustainability-related disclosures presented in the report has been planned and performed to enable us to express our opinion with limited assurance.

This limited assurance relates only to evidence from internal sources and groups; obtaining this evidence is limited to the company or management level of the KraussMaffei Group GmbH.

Systems and processes that determine the report content were audited, applying the materiality principle or the stakeholder engagement process. Specific sustainability performance was checked on a sample basis.

The planning of validation procedures was at the auditors' discretion and was implemented through the following activities, among others:

- Inspection of the documents on the 'Strategy 2025', corporate organisation and stakeholder dialogue
- Inspection of the documentation of the systems and processes for the collection, analysis and aggregation of data relating to sustainability performance.
- Personal interview with the CFO
- Personal interviews with the Heads of Global Human Resources, Procurement Processes & Systems, Global Environmental Management & Expert Management, Health and Safety, Compliance,



Corporate Communications & Marketing, Process Engineering & Business Development, Global Innovation, Global Operations

- Personal interviews with the Sustainability Officer and with members of the Sustainability Team including Environmental Protection
- Analytical assessment of communicated key figures for the 2023 reporting period
- Obtaining evidence on a sample basis for individual disclosures, including by inspecting internal management documentation and accounts and analysing data sets generated as reports from internal data systems.

Verdict

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the sustainability disclosures in the Sustainability Report 2023 of KraussMaffei Group GmbH do not comply with the concepts and principles of the GRI Standards.

The reporting was performed in reference to the GRI Standards.

Supplementary notes - Recommendations

Without qualifying the above result, we make the following recommendations for the further development of sustainability management and reporting:

- Implementation and further development of the data collection processes for the "other production sites" and
- the development of standards for data collection and the development of key figures to optimize the comparability of the entities.

Berlin, 10th July 2024

GUT Zertifizierungsgesellschaft für
Managementsysteme mbH
Umweltgutachter

Cornelia Gruber



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



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



DGNB

GRI INDEX

For the reporting period from 01.01.2023 to 31.12.2023, KraussMaffei Group GmbH has compiled the information provided in this GRI Index in accordance with the applicable GRI Standards.

Indicator	Description	Reference
GRI 2-1	Organizational details	p. 9
GRI 2-2	Entities included in the sustainability reporting	p. 9
GRI 2-3	Reporting period, frequency and contact point	p. 9
GRI 2-4	Restatements of information	p. 9
GRI 2-5	External assurance	p. 9
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GRI 2-7	Employees	p. 11
GRI 2-8	Workers who are not employees	p. 11
GRI 2-9	Governance structure and composition	p. 11 f.
GRI 2-10	Nomination and selection of the highest governance body	p. 12
GRI 2-11	Chair of the highest governance body	p. 12
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	p. 12
GRI 2-13	Delegation of responsibility for managing impacts	p. 14 f.
GRI 2-14	Role of the highest governance body in sustainability reporting	p. 12
GRI 2-15	Conflicts of interest	p. 14 f.
GRI 2-16	Communication of critical concerns	p. 15 f.
GRI 2-17	Collective knowledge of the highest governance body	p. 12
GRI 2-19	Remuneration policies	p. 17
GRI 2-20	Process to determine remuneration	p. 17
GRI 2-22	Statement on sustainable development strategy	p. 17 f.

Indicator	Description	Verweis
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GRI 2-24	Embedding policy commitments	p. 19
GRI 2-25	Processes to remediate negative impacts	p. 19
GRI 2-26	Mechanisms for seeking advice and raising concerns	p. 19
GRI 2-27	Compliance with laws and regulations	p. 19 f.
GRI 2-28	Membership associations	p. 20 ff.
GRI 2-29	Approach to stakeholder engagement	p. 22
GRI 3-1	Process to determine material topics	p. 22 f.
GRI 3-2	List of material topics	p. 22 f.
GRI 3-3	Management of material topics	p. 24
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GRI 205	Compliance	p. 33 f.
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GRI 207	Tax	p. 19, 35 f.
GRI 301	Materials (resource protection)	p. 52 ff.
GRI 301	Materials (circular economy)	p. 56 ff.
GRI 302	Energy efficiency	p. 46 f.
GRI 305	Climate action	p. 48 ff.

GRI INDEX

Indicator	Description	Reference
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GRI 401	Employment	p. 11, 72 f.
GRI 402	Labor/management relations and fair pay	p. 73 f.
GRI 403	Occupational health and safety	p. 74 ff.
GRI 404	Training and education	p. 78 f.
GRI 405	Diversity and equal opportunity	p. 79 f.
GRI 408	Child labor (human rights)	p. 71 f.
GRI 409	Forced or compulsory labor (human rights)	p. 71 f.
GRI 411	Rights of the indigenous peoples (human rights)	p. 71 f.
GRI 415	Public policy	p. 19
GRI 416	Customer health and safety (product safety)	p. 81 f.

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. Employing around 4,700 people worldwide, our global network comprises 30 subsidiaries, over ten 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.

Imprint

KraussMaffei Group GmbH

Corporate Communications & Marketing

Dr. Alexandra Coffey

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All information in the sustainability report has been collected and processed with the utmost care. Nevertheless, errors cannot be ruled out 100 %. Any forward-looking statements where made on the basis of current assumptions and estimates at the time of publication.

[kraussmaffei.com](https://www.kraussmaffei.com)

KraussMaffei reserves the right to make technical changes.