



# Sustainability Report for 2024

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# From progress to responsibility – beverage filling in transformation

Dear Readers:

Beverage filling is more than a technical process. It reflects the development of the human race – from the beginnings of civilization to the present day. Even back in ancient times, the need to preserve water, wine or oil and transport it safely marked a growth in organization within society. The earthenware amphora wasn't simply a vessel – it was a sign of cultural progress.

With the invention of the glass bottle in the Roman Empire and of mechanized filling during the Industrial Revolution, this technology became an essential pillar of our modern supply systems. One small yet pivotal detail was the conception of the crown cork in 1892. It not only made beverages safer but also enabled standardized forms of packaging to be applied, thus facilitating the rise of global brands.

From the 1950s, this development gained enormous momentum during an era history refers to as the Great Acceleration. Population growth, consumer behavior, mobility and technology reached new dimensions. Beverage filling wasn't just a side effect of this dynamism but a driving force.



Kai Acker  
CEO



Martin Resch  
Head of Finance,  
Purchasing and IT



Tobias Wetzel  
CSO

As early as 1972, in its study entitled *The Limits to Growth* the Club of Rome issued a warning against the consequences of unlimited economic growth on a planet with finite resources. Now, over five decades later, these limits are reality: climate change, a shortage of resources and loss of biological diversity are all challenges that have long directly concerned us.

For us as a globally active provider of filling and packaging technology, this means shouldering responsibility. It's not only efficiency that counts, but also impact. Not only technology, but also attitude.

This is why we specifically invest in resource-conserving systems, in modular solutions with reduced energy and water consumption and in digital controllers for maximum efficiency. We promote returnable and recycling strategies, develop circular approaches together with our partners and advocate new standards in industrial responsibility.

These tasks are complex. Yet we're convinced that our branch of industry can do more than simply respond. It can be a driver of systems and solutions that marry economic progress with responsibility for our planet. By combining innovation with awareness.

What started out with the clay amphora is today a key technology for sustainable development. We now need to decide what we use it for.

For many years now, we in the KHS Group have believed that we must assume responsibility for effecting a balance between economic, ecological and social values – and maintain this. We're working extremely seriously and with all of the means at our disposal to bring our own value chain into line with the model of a resource-saving, circular economy. We help our customers to achieve their own sustainability targets by ensuring ever lower consumption in line operation and providing minimalist packaging systems and solutions that have a comparably very low carbon footprint.

Together with Salzgitter AG, the KHS Group has made it its aim to cut greenhouse gas emissions to net zero at the latest by 2045 (Scopes 1 and 2) and 2050 (Scope 3) respectively. This is why, under the umbrella of Salzgitter AG, we have joined the Science-Based Targets initiative (SBTi). In this context, our defined long- and short-term targets were validated and confirmed in the summer of 2024. We've also set the short-term targets on our decarbonization path.

KHS' vision of corporate responsibility is openly practiced in its full social diversity and with shared values by our employees from more than 90 nations worldwide. Their commitment forms the basis for trusting and long-term cooperation with all of our business partners. We always pay very special attention to the safety and protection of all of the people who work for us and operate our machinery.

In the Salzgitter Group, we work closely together to purposefully reduce greenhouse gas emissions and achieve a fair balance of interests in the relationship with our personnel. A working environment in which people are treated with fairness and shown appreciation is a composite part of our identity. In full keeping with our guiding principle, we are a reliable partner to all of our stakeholders.

→ GRI 2-22

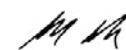
→ ESRS 2 SBM-1

We'd be delighted should you wish to continue to accompany us in our endeavors to help shape the future of the industry responsibly and share your thoughts and ideas with us on this.

With our very best regards,



**Kai Acker**  
CEO  
KHS Group



**Martin Resch**  
Head of Finance,  
Purchasing and IT  
KHS Group



**Tobias Wetzel**  
CSO  
KHS Group

A person with a backpack stands on a rocky mountain peak, looking out over a vast, hazy mountain range. The scene is atmospheric and serves as a background for the title.

# Responsibility & governance

## About KHS

The KHS Group is one of the world's leading manufacturers of filling and packaging systems for the beverage and liquid food industries. The German company was established in 1993 through a merger of Holstein & Kappert AG, founded in Dortmund in 1868, and Seitz-Werke GmbH, founded in Bad Kreuznach in 1887 (later SEN AG). It is therefore one of the most experienced suppliers on the market. In 2024 the company and its over 5,700 employees achieved a turnover of € 1.654 billion. It is headquartered in Dortmund.

The KHS Group is part of the Technology Business Unit of the German SDAX-listed Salzgitter Group. With a sales share of more than 90% in this Group business unit, KHS forms the core of this segment.

The KHS Group operates ten production sites situated across the globe. At its five plants within Germany, KHS develops and manufactures the entire portfolio of filling and packaging systems that are chiefly used to process [r]PET and glass containers and beverage cans. In addition to its German production sites, KHS also has factories in the USA, Mexico, Brazil, India and China. Its production sites outside Germany primarily produce for the local markets and are responsible for independently implementing line projects in their respective regions. They thus forge a link to KHS' German plants, facilitating direct customer support in their local area.

1.654

billion turnover

5,730

employees

As a leading supplier, the KHS Group not only provides its customers with turn-key systems and single machines but also with a full range of services. To this end, the company operates an international network of KHS sales and service offices in over 30 countries.

→ GRI 2-1; GRI 2-6; GRI 2-7; GRI 201-1

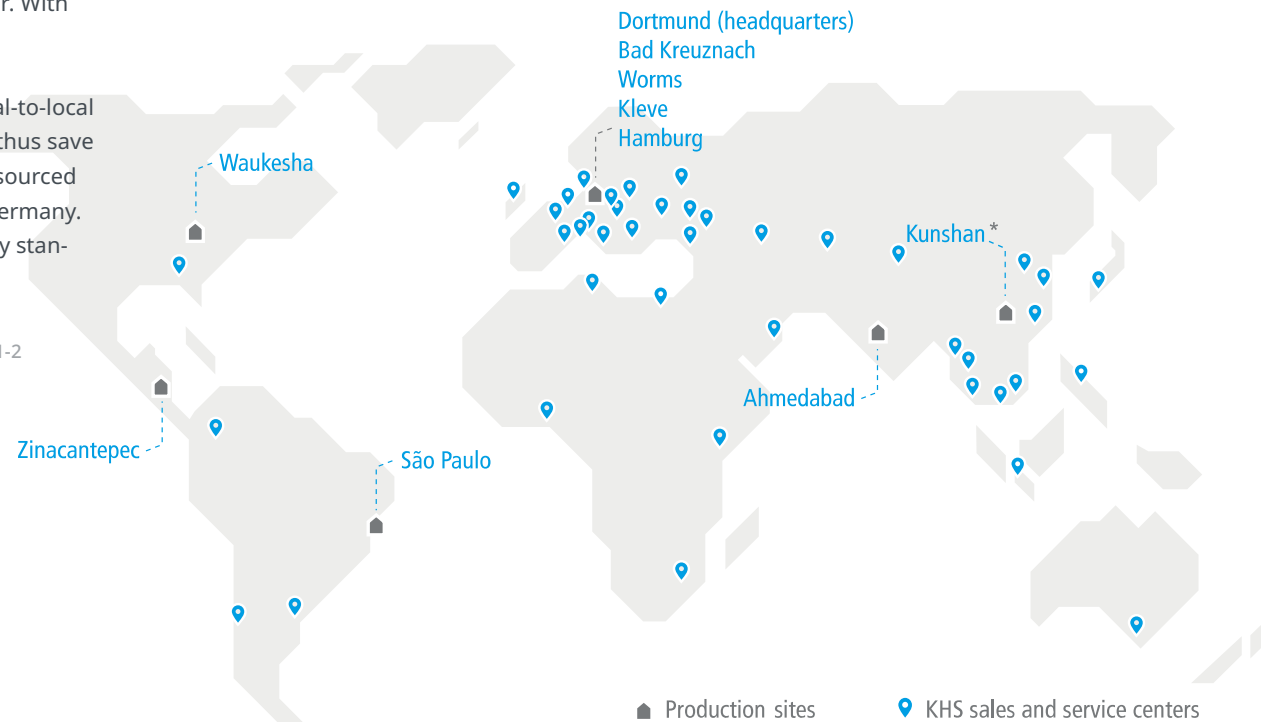
→ No reference; ESRs 2 SBM-1

This network is complemented by a range of digital services that include a 24/7 Service HelpDesk available worldwide, effective remote diagnostics tools and the digital KHS Connect customer portal. KHS' expert teams are networked across all production sites, ensuring uniform standards the world over. With this, KHS meets the demand for services provided locally.

Wherever feasible, the KHS Group organizes its supply chain on a local-to-local basis in order to keep transportation routes as short as possible and thus save on resources. Over 75% of the company's purchasing volume is thus sourced on the European continent, with over 60% thereof originating from Germany. Suppliers and subcontractors are obliged to comply with sustainability standards and are audited.

→ GRI 2-1; GRI 2-7; GRI 204-1; GRI 308-1

→ No reference; ESRs 2 SBM-1; ESRs 2 MDR-P, MDR-A, MDR-T, MDR-M; ESRs G1 G1-2



# Sustainability strategy

## Corporate strategy and mission statement

As a company in the Salzgitter Group, KHS is part of the Salzgitter AG 2030 Group strategy. This strategy focuses on the circular economy or circularity, the principle of closed, low-carbon, resource-conserving energy and material loops. This strategy is mirrored in the objectives defined for KHS as a member of the Technology Business Unit.

- Ecological factors are also always considered in all new and further developments of the product portfolio; this means that:
  - Our (new) machines save on energy and resources and cut down on packaging materials; and
  - line and machine service lives are extended by sustainable and profitable upgrades as our key contribution to a circular economy.
- From an economic perspective, we are constantly increasing our global presence and developing further market shares in our standard field of business.

→ GRI 2-22

→ ESRS 2 SBM-1

We at KHS thus have a responsibility to systematically, continuously and extensively further reduce our impact on the environment and climate using our powers of innovation throughout the entire value chain.

KHS' promise of performance is currently substantiated in our motto of "your reliable partner". The company underlines this in particular by successfully developing especially energy-efficient, resource-conserving machinery and upgrades.



KHS supports its customers throughout the entire life cycle of their lines and machines with periodic new solutions and upgrades that generate added value – and in doing so helps them to reach their own sustainability targets such as low-emission production. This is also achieved in part by used machines or components being given a general overhaul or repaired for reuse in production. As regards sustainable packaging, KHS offers its customers a variety of light-weight, minimalist packaging systems, also with a recyclable barrier coating, that have an exceedingly small carbon footprint. With each filling and packaging system, in a groundbreaking contribution to society KHS aims to supply people with safely packaged beverages and thus also provide them with access to clean drinking water.

Long-term partnerships with versatile specialists produce a constant stream of innovations developed in accord with customer requirements, thus providing a wealth of direct customer benefits. Company shareholdings in these partners form a solid basis of trust and ensure a high real net output ratio. Together with Ferrum Packaging AG, for instance, a leading, internationally renowned manufacturer of can seamers based in Switzerland, KHS develops and sells pre-combined system solutions such as the Innofill Can C and SmartCan by KHS/Ferrum filler/seamer blocks. In 2024, Ferrum Packaging AG and KHS GmbH jointly took over H.F. Meyer Maschinenbau GmbH & Co. KG in Neustadt, Germany. With its core expertise the handling of beverage cans in the filling and packaging process, the company is a leading partner in the food and beverage industries active throughout the world.

This future cooperation will help to build up a competence center for canning technology. Also in 2024, KHS considerably increased its expertise in the handling of PET and glass bottles on high-performance filling and packaging lines by acquiring the majority share in Tyrolon-Schulnig GmbH in Hochfilzen in Austria.

KHS' vision of corporate responsibility is openly practiced in its full social diversity and with shared values by its employees from more than 90 nations worldwide. Their commitment forms the basis for trusting and long-term cooperation with all of our business partners.

### **Sustainability in the business model: use of resources and the circular economy**

In special machine manufacturing, sustainability is never a 'nice-to-have' but an economic must, anchored in the principle of the total cost of ownership (TCO) throughout the product's entire life cycle. As not only the cost of procurement but also all running costs during use are a defining factor here, together with our customers we believe in manufacturing and operating durable, energy-efficient, easy-maintenance lines and single machines. Robust, standardized engineering, predictive maintenance and long-term availability of spare parts cut down on the use of materials and amount of downtime. The high degree of recyclability of many components forms the basis of a resource-conserving circular economy. This strategy combines ecological responsibility with economic added value: customers profit from lower operating costs and greater efficiency, while the impact on the environment, such as high consumption of resources and materials in the filling and packaging process, is constantly reduced.

The KHS Group has formulated its mission in its vision. It sees itself as a reliable partner that gives the global market long-term, profitable added value with the focus on beverages and liquid food. In the Technology Business Unit, our main focus is on sustainable product design, maintenance service, concepts of use and flexibility towards our customers. This allows the service lives of lines already sold to be considerably lengthened.

We facilitate this, for example, by drawing up modular and flexible new machine and line concepts that can be expanded during the course of their operational lifetime to cater for further container sizes or even other container shapes. A broad range of modernizations supports this overriding aim of enabling a longer life cycle. We provide around 150 standard conversions whose primary aim is to save on energy and process media such as water – in both cases key factors for resource-conserving, low-emission beverage production. In 2024 KHS extended its service designed to identify the respective carbon footprint for modernizations. In the first half of 2025, this information will become a fixed feature of the conversions catalog. Economic use of space, ergonomics and operator protection are issues we also consistently continue to observe. As a result, machines from the KHS Group have an imputed service life of 15 years, equal to the average for the industry.

At the machine's end of life, many of the valuable resources it contains – steel, stainless steel, plastic, etc. – can be recycled. With the help of individual machine documentation, customers can take the first steps towards proper, environmentally-friendly disposal of their equipment on their own. On request, KHS is also available to help with dismantling the line for the safe return of used resources to the recycling loop. In certain conditions, KHS customers can also give their machine a general overhaul. At its factory in Zinacantepec, KHS Mexico has successfully provided this service to the local market for several years now – for filling machines, for instance. KHS is currently also applying this principle of refurbishment to select old components that in certain circumstances can be taken back and reconditioned.

Regarding primary and secondary packaging, for many years we have offered a wide range of circular systems and solutions that save on materials. In the context of [r]PET container consultancy, KHS can supply its customers with primary packaging systems that use up to 100% recycled materials. In addition to secondary packaging concepts that consist entirely of recyclate, those that need no secondary packaging at all are also available. We can provide our

customers with validated information on questions about CO<sub>2</sub> equivalents for all KHS packaging systems and solutions.

→ GRI 2-22

→ ESRS 2 SBM-1

### Climate-related opportunities and risks and their financial impact

As a Group company, KHS is involved in Salzgitter AG's ESG risk process (ESG = environmental, social and governance issues). With respect to the environment, protection of our climate is a key criterion. Further identified risks in relation to water and marine resources and resource consumption and the circular economy have also been checked and assessed in the risk process.

Our customers' business – beverage production and filling – is heavily dependent on a reliable water supply, meaning that scarcity of water or problems with water quality can pose considerable risks to operations. This is why at KHS special focus is placed on water-saving technologies and processes in the development of machine and packaging systems. The manufacture of machines and systems in itself is not a particularly water-intensive process; water nevertheless plays a role in metalwork, surface treatment and quality assurance. However, consumption can be further minimized by closed loops, water recovery and efficient production processes and – last but not least – through simulation, which not only yields ecological benefits but also cuts operating costs.

As we also bear responsibility with regard to water thanks to the nature of our business model and because we operate plants in areas of water stress, we are reporting on this topic in the operational [ecology section](#) and in our [key figures](#).

→ GRI 201-2

→ ESRS 2 SBM-3; ESRS E1 E1-3

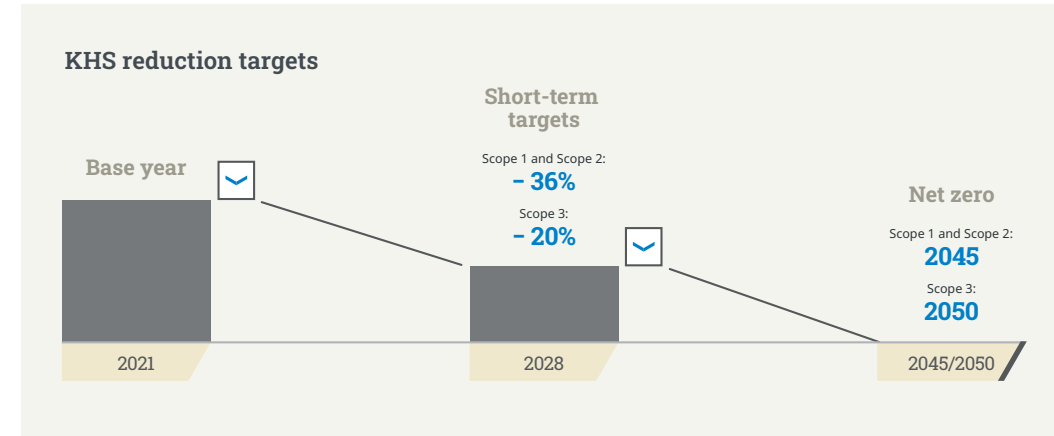
## Decarbonization – our reduction path

Together with Salzgitter AG, the KHS Group has made it its aim to cut greenhouse gas emissions to net zero at the latest by 2045 (Scopes 1 and 2) and 2050 (Scope 3) respectively. This is why, under the umbrella of Salzgitter AG, we have joined the Science-Based Targets initiative (SBTi). In this context, our defined long- and short-term targets were validated in the summer of 2024.

Our short-term targets by 2028 (base year: 2021) for KHS are as follows:

to reduce Scope 1 and 2 greenhouse gas emissions (energy, heat and fuel at KHS production sites) by 35.6% (this amounts to about 6% per year) and Scope 3 greenhouse gas emissions (from the up- and downstream supply chain including procurement, waste, use of sold products) by 20% (equivalent to about 3% a year).

Comparing KHS' reduction targets with those of other companies must be seen in the following context: as KHS GmbH has been using electricity from renewable sources of energy since 2016, Scope 2 emissions were already low in base year 2021; the cut in emissions of approximately 45% achieved as a result of this measure before this base year may no longer be considered.



Regarding the greenhouse gas (or GHG) emissions caused directly or indirectly by our business operations within the course of one year (our corporate carbon footprint or CCF), the KHS Group has devised a reduction path together with various external experts. The core measures along this path, valid for all factories worldwide, are as follows:

- To expand our photovoltaic systems in Germany, the USA, India and China
- To switch over to electromobility
- To replace fossil fuels with renewable energies
- To make strategic adaptations to our supply chain
- To cut our energy consumption.

During the use phase of our machines, GHG emissions can be strongly marginalized to a magnitude of over 90% by the use of renewable sources of energy at customer plants. Modern generations of KHS machines with greater energy efficiency further reduce energy consumption – by up to 30% compared to conventional heating methods in the latest generation of KHS InnoPET Blomax Series V stretch blow molders, for instance, with its newly developed Double Gate heating concept for preform heating.

In beverage production – in other words, a typical field of operation for our customers – filling and packaging machines make up about 10% of our customers' total GHG emissions. Packaging materials account for approximately 30%. Here, KHS is consistently relying on light containers and minimalist packaging; Nature MultiPack, that holds packs together with nothing more than a few dots of adhesive, cuts carbon emissions by 89% in comparison to a film pack made of non-recycled materials. The biggest percentage of GHG emissions generated by beverage producers is down to the procurement of raw materials, beverage production itself (prior to the filling process) and distribution and cooling – aspects KHS has no influence on.

This report contains a summary of the greenhouse gas emissions caused by the KHS Group from base year 2021, split into the categories Scope 1, Scope 2 and Scope 3. When calculating its emissions, KHS works on the basis of the Greenhouse Gas Protocol (GHG Protocol) from 2004.

In the course of its own activities or in its upstream and downstream value chain or outside of the value chain, KHS has neither depleted, stored or reduced its greenhouse gas emissions through climate protection projects. Carbon offset certificates have not been purchased. KHS' focus is on reducing or avoiding greenhouse gas emissions to the greatest possible extent by means of energy efficiency and the use of renewable energies. Carbon dioxide removal with the help of natural or artificial sinks remains an option for the future.

→ GRI 3-3; GRI 305-1; GRI 305-2; GRI 305-3; GRI 305-5

→ ESRS E1 E1-2, E1-3, E1-4, E1-6, E1-7

# Sustainability management

## Organization

Responsibility for sustainability in our organization lies with the KHS Executive Management Board and is the preserve of the CEO. To better bundle and organize our long-term activities in this field, in 2023 our respective expertise and resources were pooled in a central department. Sustainability Management at KHS now controls the implementation and successive further development of our company-wide sustainability program. One focus of this program is to continuously reduce greenhouse gas emissions throughout the entire value chain. This gives rise to a further issue, namely that thanks to its number of employees, since January 1, 2024, KHS GmbH has been directly affected by the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) as an independent legal entity.

In detail, this encompasses the following tasks and responsibilities:

- Regulation of the implementation of the SBTi reduction path
- Drawing up of a climate footprint
- Decarbonization strategies
- Assignment of a human rights officer
- Risk management
- Communication and reporting (in house and within the Group).

Sustainability Management interfaces with Salzgitter AG and in particular with its Strategy and ESG Department, plus with all internal KHS departments regarding environmental and social concerns and corporate governance.

The KHS Group's highest controlling body, its Supervisory Board, also includes the board members of Group parent Salzgitter AG. This promotes the strategic and operative dovetailing of sustainability management within the Group.

→ GRI 2-9; GRI 2-11; GRI 2-12, GRI 2-13

→ ESRs 2 GOV-1; no reference; ESRs 2 GOV-1, GOV-2, SBM-2, ESRs G1 G1-3

## Certification of management systems

Quality management, environmental management, occupational health and safety, energy management and information security management at KHS are aligned with international standards and supplemented by in-house regulations.

The following table shows which percentage of the workforce is covered by KHS' respective management systems.

→ GRI 2-23; GRI 2-24

→ ESRs 2 MDR-P, GOV-2, GOV-4; ESRs S1 S1-1, S1-4; ESRs S2 S2-1, S2-4; ESRs G1 G1-1

Management system	Numbers of employees (in %) covered by the management system in 2024
Production sites with a certified environmental management system (according to ISO 14001)	74.0
Production sites with a certified energy management system (according to ISO 50001)	74.0
Production sites with a certified quality management system (according to ISO 9001)	100
Production sites with a certified occupational health and safety management system (according to ISO 45001)	74.0
Production sites with a certified information security management system (according to ISO 27001)	100

### Global guidelines (summary)

For the KHS Group, value creation and sustainability are inextricably linked. KHS assumes responsibility throughout the value chain and helps to encourage resource-conserving business practices and protect vital natural resources with particularly efficient products and solutions. For us, sustainability means managing its business operations and the economic, ecological and social impact thereof responsibly and reporting on this with transparency.

A number of guidelines exist for this purpose that apply to the entire KHS Group without exception.

The base document regulating ESG is the **Group ESG guideline issued by Salzgitter AG**. This centers on the following:

- Integration of sustainability issues into our organizational and operational structure
- Definition of superordinate processes
- Structuring of cooperation within the Group.

The ESG Group guidelines define the role of the Salzgitter companies – that include the KHS Group – as follows:

- Creation of a transparent and purposeful organizational structure with clear assignment of authorities to meet the ESG requirements of the SZAG Group and KHS' own stakeholders
- Effective processes for integration of ESG requirements
- Development of company-specific strategies that focus on the specifics of the Group companies in tune with SZAG's ESG strategy
- Definition of specific, measurable and relevant key figures for continuous monitoring and control of KHS' own ESG performance
- Timely supply of data for ESG reporting
- Guaranteed integration of the ESG perspective when carrying out risk analyses
- Internal Group committee work
- Training and encouragement of ESG expertise
- Cooperation with stakeholders.

Targets plus the actions and recommendations developed from these to instruct the respective companies in the handling of material ESG topics are individually derived from the Group guidelines. Further valid global guidelines on certain topics exist within the Group, such as the Group guideline on the corporate duty of care in the supply chain.

The KHS Group has issued a number of supplementary rules and guidelines. The most important are described in the following text.

Our **environmental and energy guidelines** contain concrete obligations and targets with respect to energy and greenhouse gases, water consumption, noise and dust emissions, hazardous substances and waste and product use and end of product life. Reporting channel and sanctions management are also regulated herein.

Our **sustainable procurement guidelines** outline the obligation to take social and environment-related aspects into consideration when purchasing goods and services.

Our **labor law and human rights policy** defines the provision of fair working conditions and compliance with international human rights based on the fundamental principles of the International Labor Organization (ILO). It is an integral part of our corporate strategy and a central management task. The policy lists detailed obligations and targets relevant to occupational health and safety, working conditions and the employer/employee relationship, career management, antidiscrimination and diversity and child and forced labor.

To summarize: KHS pledges the following:

- To create safe and healthy working conditions in order to protect the physical and mental health of all employees
- To offer all employees adequate scope for their personal and professional development
- To maintain the legally protected freedom of association
- To provide all employees with a place of work in accordance with internationally recognized human rights
- To not tolerate any form of child or forced labor
- To comply with national and international guidelines governing working conditions and human rights and to make every effort to ensure that suppliers and service providers also observe the same
- To question and improve these guidelines on a regular basis.

Our **anti-corruption guidelines** define uniform worldwide standards for the prevention of corruption and conflicts of interest. They contain precise rules and procedures governing the handling of gratuities and conflicts of interest. To enable these guidelines to be applied worldwide, the value limits for business entertainment are based on what is known as the Big Mac Index (published by the international weekly magazine The Economist) as an indication of purchasing power.

Our **antitrust law guidelines** oblige all employees to conduct themselves in compliance with antitrust law and urges them to report any violations. These guidelines provide a summary of the basic principles of antitrust law and the appropriate conduct in dealings with competitors. They also serve to prevent certain vertical agreements with suppliers or customers and the abuse of a dominant market position.

Our anti-corruption and antitrust law guidelines are updated by the KHS Group's compliance officer every 24 months. They are key requirements under the extensive compliance management system in place at KHS.

→ GRI 2-22; GRI 2-23; GRI 2-24; GRI 3-3; GRI 205-2; GRI 308-1; GRI 403-1; GRI 414-1  
 → ESRS 2 SBM-1; ESRS 2 MDR-P; GOV-2, GOV-4; ESRS S1 S1-1, S1-4; ESRS S2 S2-1, S2-4; ESRS G1 G1-1, G1-3

## ESG targets

By way of summary, the following key ESG targets are thus derived for KHS' own business operations:

- Environment: pursuant to Group targets, net zero by 2045/2050 at the latest and the defined short-term targets by 2028
- Social/governance:
  - Continuous drop in the lost time injury frequency rate
  - Zero cases of human rights violations
  - Increase in the percentage of newly appointed female employees under contracts of employment with individually negotiated tariffs and in managerial positions to 25% by the end of 2025.

→ GRI 305-5; GRI 405-1  
 → ESRS E1 E1-3, E1-4, E1-7; ESRS 2 GOV-1; ESRS S1 S1-6, S1-12

## ESG remuneration elements

Variable remuneration for executive managers contains compensation elements that are regularly also based on ESG targets. Group-wide, these constitute the key performance indicators for accidents at work and the further training of personnel.

→ GRI 2-19  
 → ESRS 2 GOV-3; ESRS E1

## Material topics

Our material topics within the Salzgitter Group are:

Environmental [E]	Social [S]	Governance [G]
Climate protection	Working conditions	Corporate culture
Energy	Equal treatment and opportunities for all	
Air pollution	Lack of specialist workers	
Water	Management of relationships with suppliers, including payment practices	
Resources inflows, including resource use		
Resource outflows related to production and services		
Waste		

As KHS' business model and corporate operations take on a respective special role in the Group, KHS has defined a number of focus points within the scope of its own voluntary reporting. For example, KHS is active in a less energy-intensive industrial sector than its parent company, meaning that material topics such as energy and air pollution continue to thus hold a different status in the KHS environment. KHS assigns a particularly high priority to the following material topics in its own business operations:

- Climate protection
- Working conditions (especially occupational health and safety, including the supply chain)
- Equal treatment and opportunities (especially further training and skills development)
- Lack of specialist workers.

→ GRI 3-1; GRI 3-2

→ ESRS 2 BP-1, IRO-1; ESRS 2 SBM-3

## Reporting and scope of this report

This KHS sustainability report for January 1 to December 31, 2024, is the company's seventh consecutive voluntary report. With the publication of the report for 2023, KHS switched to the yearly issuing period of Salzgitter AG's non-financial report. Our voluntary report is based on the standards of the Global Reporting Initiative (GRI).

KHS aspires to gradually bring its sustainability reporting into line with the requirements for companies obliged to submit a report according to the new EU Corporate Sustainability Reporting Directive (CSRD).

The statements and information given in this report always refer to the entire KHS Group, including all subsidiaries subject to operative control.

In many areas, the key figures for 2024 have been adapted to correspond with the accounting framework of the KHS Group under the requirements of the CSRD. For better distinction from the key figures for 2022 and 2023, in the appropriate places we state which accounting framework the given value refers to. The aim is to provide complete, uniform values for the KHS Group across a period of 36 months for the coming sustainability report for 2025.

Details can be found in the [reporting framework](#) section.

As part of the Salzgitter Group's Technology Business Unit, KHS also provides data for the Group sustainability declaration included in the annual business report issued by Salzgitter AG.

→ GRI 2-29; GRI 3-1; GRI 3-2

→ ESRS 2 SBM-2, SBM-3; ESRS S1 S1-1, S1-2; ESRS S2 S2-1, S2-2; ESRS 2 BP-1, IRO-1

## Ratings, memberships and initiatives

KHS has successfully taken part in the world's biggest sustainability rating system EcoVadis every year since 2012. In 2024, KHS was again awarded gold by the agency. With the scoring system toughened up further by EcoVadis, KHS nevertheless improved on its rating to gain 75 points out of a possible 100 (last year: 71) and achieve clear success especially in the environment and sustainable procurement categories.

According to the EcoVadis rating, KHS is among the top 2% of manufacturers of general machinery. In the environment and sustainable procurement categories, KHS is way above average for the industry.

KHS is also involved in Salzgitter AG Group reporting under the CDP (Carbon Disclosure Project) sustainability ranking, with its greenhouse gas emissions and KHS' associated contributions to topics such as the circular economy being included in the consolidated figures for the Group.

KHS is a member of Germany's VDMA, a trade association of German and European mechanical and plant engineering companies founded in 1892. KHS is also a member of the German employers' association Gesamtmetall, with its workforce in Germany remunerated according to the collective wage agreement for the metalworking industry.

→ GRI 2-28; GRI 2-30

→ ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M; ESRS S1-8



## Responsible corporate management and human rights

One of the most important guiding principles of our company is that we live by our values and set an example in doing so.

We are responsible for adhering to ethical and moral standards within our company and understand this to be much more than just a legal obligation. We are convinced that success can only be generated on the basis of cordial, respectful and considerate cooperation with one another.

With approximately 5,700 people employed at more than 40 production sites and service centers worldwide, a sales share outside Germany of over 90% and a competitive environment which is oligopolistic to a certain extent, KHS is responsible for globally and effectively protecting its good reputation as a trusted business partner.

> 40

production sites and service centers worldwide

90%

sales share outside Germany

## Compliance-Management-System

Compliance with the law, legal regulations, in-house guidelines and correct conduct in general are principles that are observed throughout the Group. KHS addresses compliance risks with a compliance management system (CMS) applied to facilitate analysis, information and education, control, process definition and monitoring. It consists of seven modules:

### 1. Compliance culture

The parent company, management and Supervisory Board of KHS GmbH explicitly pledge to act in accordance with the law and to uphold ethical rules in the course of business. With its code of conduct and in defining a suitable CMS, the Executive Management Board has formally structured this pledge and introduced concrete measures for the implementation thereof. Its objectives are regularly communicated as required to KHS' employees and business partners in order to create a positive compliance culture, actively promote adherence to regulations and prevent any violations. In doing so, the executive managers set an example to others. The necessity and implicitness of the set compliance objectives are explicitly communicated through obligatory training units in the long term. Violations are not tolerated and are systematically penalized.

### 2. Compliance objectives, demand and risk analysis, focus fields

In order to meet its compliance objectives, KHS focuses on the avoidance of corruption, violations of antitrust and competition law, conflicts of interest, money laundering and fraud and considers these issues to be especially relevant. This produces a compliance risk map which is constantly reviewed as part of the CMS and forms the basis for further measures.

### 3. Compliance organization

The responsibility for compliance lies with the KHS GmbH Executive Management Board and is controlled by its Finance Division. Implementation of the CMS is overseen by the Compliance and Legal Affairs Division. Concrete implementation thereof is managed by the compliance office. The compliance office has the right to report directly to the Executive Management Board. On a working level, the compliance office coordinates with Salzgitter AG's compliance organization and reports any relevant violations to the same. The compliance office also controls the coordinators for data privacy, compliance and information security in the subsidiaries and at the production sites.

### 4. Compliance program, rules and measures

KHS has introduced an extensive set of rules and measures founded on its compliance risk map. This in turn is based on KHS' code of conduct that was introduced in 2012 and is compatible with the code of conduct issued by the Salzgitter Group. In essence, both make reference to the United Nations Global Compact. The code centers on a shared system of values and principles designed to act as a guide to the manner in which all personnel must conduct themselves. It includes, in particular, regulations on fair competition, the avoidance of corruption and conflicts of interest, transparent reporting and the duty to observe secrecy. All employees are instructed on the use of the guidelines by their executive managers or our Compliance Department and are encouraged to make queries at any time.

### 5. Communication, training and support

Employees and third parties, such as suppliers and customers, are provided with information and training on the compliance program and fixed responsibilities in relation to their tasks and goals.

## 6. Compliance monitoring, reporting, review of and penalties for violations and improvement of the system

KHS promotes a company culture where issues of integrity can be openly addressed. Employees are supported in this and urged to report any possible violations of the compliance guidelines. They may submit information through their superiors or a trusted manager, the local compliance officer (coordinator) or the Central Compliance Office. Furthermore, they may make use of Salzgitter AG's confidential whistleblower system which is also available to third parties. Notifications can be submitted to this external ombudsperson's office that are then forwarded to the KHS compliance desk for checking and processing. Continuous application of the CMS is monitored by the compliance office. Here, in addition to providing general advice on request, random or event-related checks are performed to monitor adherence to regulations. From time to time, Salzgitter AG's Group Auditing Department subjects the CMS to a check. Any compliance violations established are carefully examined, assessed and appropriately penalized. Preventive measures may be taken to prevent the incident from being repeated. All incidents are documented electronically in revision-proof form.

## 7. Emergency management system

In the event of any action taken by the authorities, KHS has drawn up a set of guidelines to ensure that regular operations are maintained.

→ GRI 2-23; GRI 2-24; GRI 2-26; GRI 2-27; GRI 205-2

→ ESRS 2 MDR-P, GOV-2, GOV-4, SBM-3; ESRS S1 S1-1, S1-3, S1-4, S1-17; ESRS S2 S2-1, S2-3, S2-4; ESRS G1 G1-1, G1-3

## Human rights

In its labor law and human rights policy, the KHS Group pledges to provide fair working conditions and comply with international human rights as an integral part of its corporate strategy and has declared these to be central management tasks. This includes ensuring the right to property, privacy, civil and political rights, freedom of association and collective bargaining, safety, social and cultural rights and the avoidance and combating of harassment, violence and inhuman and degrading treatment. Discrimination in whatever form is not tolerated. KHS pledges to comply with human rights according to the UN's collective human rights treaties and particularly the International Labor Organization (ILO). All employees have the opportunity to report any violations without having to fear disciplinary consequences. All reporting channels are available to them for this purpose, including the anonymous whistleblower system.

→ GRI 2-13; GRI 2-25

→ ESRS 2 GOV-1, GOV-2; ESRS G1 G1-1, G1-3; ESRS S1 S1-1, S1-3; ESRS S2 S2-1, S2-3, S2-4

## Compliance and human rights in the supply chain

To prevent risks to human rights or those related to the environment or to minimize these or end violations of human rights or environmental obligations, the Salzgitter Group has pledged to adequately observe human rights and environment-related duties of care in its supply chains<sup>1</sup>. The basis for this is provided by Germany's Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) that has fully applied to the Salzgitter Group since this law came into force on January 1, 2023. As of January 1, 2024, this law has also applied to the KHS Group, as this has exceeded the defined threshold value of 1,000 employees within Germany.

**Salzgitter AG's Group guidelines on the corporate duty of care in the supply chain** reflect the key requirements of the LkSG for compliance with due diligence. These are founded on a risk management system that uniformly regulates risk analysis, preventive and corrective measures, complaints management through the Group's FAIR TOGETHER whistleblower system and, ultimately, documentation and reporting. Group companies that directly fall under the scope of application of the LkSG are individually obliged to exercise due diligence regarding human rights and in relation to the environment by suitable means within their supply chains; they are required by Group guidelines to uniformly implement the necessary duties of care within the Salzgitter Group. Further, the Group stipulates that all of the Group companies independently affected by the LkSG must create their own internal area of responsibility for the same within their company. This was designated by the KHS Executive Management Board in 2024.

→ GRI 2-23; GRI 2-24; GRI 2-26; GRI 2-27; GRI 308-1; GRI 414-1

→ ESRS 2 MDR-P, GOV-4; ESRS S1 S1-1; ESRS S2 S2-1; ESRS G1 G1-1

In keeping with the law, the Group guidelines refer to the issue of a policy statement regarding human rights strategy. KHS published this policy statement on its human rights strategy in 2024. In it, KHS pledges to honor internationally recognized human rights and outlines its procedure to ensure compliance with its duty of care. A risk analysis and the measures derived from this form the core of this procedure. KHS has published its [LkSG report](#) for 2024 on this subject on its website (German only).

→ GRI 2-23; GRI 2-25; GRI 3-3; GRI 308-1; GRI 414-1

→ ESRS 2 MDR-P, GOV-4; ESRS S1 S1-1, S1-3; S1-4; ESRS S2 S2-1; ESRS G1 G1-1, G1-2

For employees, the KHS code of conduct provides compulsory guidelines that govern their actions in relation to the observance and protection of human rights.

As regards its suppliers, in the future KHS shall endeavor to work only with those companies who treat KHS GmbH's [supplier code of conduct](#) as obligatory and confirm this in writing. In this way, they pledge to also address our expectations regarding the observation of human rights with their own sub-contractors and therefore throughout the entire supply chain.

KHS has made it its designated aim to continuously reduce the environmental impact of the products procured by the Group. In order that all suppliers also adhere to national and international guidelines on human rights and fair working conditions, KHS has implemented various extended measures:

<sup>1</sup> These include the core labor standards of the International Labor Organization of the United Nations (ILO), the international covenants on civil and political and on economic, social and cultural rights and the UN's Guiding Principles on Business and Human Rights. Furthermore, we advocate compliance with the bans set down by the conventions of Minamata, Stockholm and Basel in order to jointly help ensure a humane working environment and create a sustainable economy that is in accord with our natural resources.

In its **sustainable procurement guidelines** KHS pledges to take social and environment-related aspects into consideration when purchasing goods and services and to strictly comply with all valid laws governing the environment and human rights and to demand the same of its suppliers.

KHS therefore **audits** its suppliers with the help of questionnaires and documents of proof with respect to certain management systems governing quality, occupational health and safety, environmental protection and energy, for example. These system audits determine whether the supplier is fundamentally suitable or not. We verify this information by means of supporting documents and tours of the supplier's site. We have introduced process and product audits to ensure product quality.

Since 2012, KHS has regularly taken part in Sedex audits to ensure compliance in its supply chain. The internationally recognized Sedex Members' Ethical Trade Audit (SMETA) is an auditing process developed by the Sedex organization (Supplier Ethical Data Exchange) to monitor compliance with labor law, occupational health and safety standards, environmental standards and business ethics in the supply chain.

→ GRI 2-23; GRI 2-24; GRI 2-26; GRI 308-1; GRI 414-1

→ ESRS 2 MDR-P, GOV-2, GOV-4; ESRS S1 S1-1, S1-3, S1-4; ESRS S2 S2-1, S2-3; ESRS G1 G1-1, G1-2

## Decarbonization in the supply chain

KHS has also made ready for the European Carbon Border Adjustment Mechanism (CBAM). The CBAM is part of the climate policy of the European Union that wants to be climate-neutral by 2050. The regulation aims to prevent the transfer of greenhouse gas emissions to non-EU countries in certain economic sectors covered by EU emissions trading.

→ GRI 308-1

→ ESRS G1 G1-2

# Air and noise emissions

## Emissions

Harmful water pollution emissions, such as chemical waste, nutrients, oil and other hydrocarbons, and soil pollution emissions, like heavy metals, persistent organic pollutants and leachate, do not play any part in the KHS Group's business activities. This is why in this section we shall be concentrating on air emissions. Emissions released into the air can include greenhouse gases such as carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulfur oxides (SO<sub>x</sub>) and nitrogen oxides (NO<sub>x</sub>), volatile organic compounds (VOC), fine dust and heavy metals from combustion processes (such as lead, zinc or cadmium). The reference framework for air emissions is the KHS Group. We shall also examine noise emissions and outline the company's endeavors to avoid emissions such as these.



## Greenhouse gas emissions

Together with Salzgitter AG, the KHS Group has made it its aim to cut greenhouse gas emissions to net zero at the latest by 2045 (Scopes 1 and 2) and 2050 (Scope 3) respectively. This is why, under the umbrella of Salzgitter AG, we have joined the Science-Based Targets initiative (SBTi). In this context, our defined long- and short-term targets were validated and confirmed in the summer of 2024.

Our short-term targets by 2028 (base year: 2021) for KHS are as follows:

to reduce Scope 1 and 2 greenhouse gas emissions (energy, heat and fuel at KHS production sites) by 35.6% (this amounts to about 6% per year) and Scope 3 greenhouse gas emissions (from the up- and downstream supply chain, including procurement, waste, use of sold products) by 20% (equivalent to about 3% a year). A comparison of our reduction targets with those of other market participants and information on our concrete reduction measures can be found in the section on responsibility and governance under [Decarbonization – our reduction path](#).

The following summary gives the direct and indirect greenhouse gas emissions caused by the KHS Group in categories Scope 1, Scope 2 and Scope 3.

When calculating its emissions, KHS works on the basis of the Greenhouse Gas Protocol (GHG Protocol) from 2004. CO<sub>2</sub>e certificates or compensation are not part of our climate protection strategy and have also not been accounted for.

We do not exclude any Scope 3 categories; categories 3.10 (further processing of sold products), 3.13 (leased assets of the downstream value chain), 3.14 (franchises) and 3.15 (investments) are not relevant for the KHS Group.

Downstream Scope 3 emissions chiefly entail the use of our lines and machines at our customers' sites (Scope 3.11; this amounts to about 90%).

KHS Group GHG emissions in 2024	t/CO <sub>2</sub> e
Scope 1: direct GHG emissions	7,487
Scope 2: indirect, energy-related GHG emissions (market-based)	3,187
Total Scope 3	1,851,149

The following measures to cut greenhouse gases emitted by our own operations are being implemented and documented by Environmental Management in cooperation with Sustainability Management.

- Recording of all direct and indirect energy consumption, with central reporting
- Analysis of consumption data, monitoring of existing targets and possible derivation for drawing up new or correcting existing measures
- Adjustment of further targets with respect to energy, heating consumption or greenhouse gases
- Regular reporting of corporate decarbonization measures to the KHS Executive Management Board
- Training courses and further sensitization of employees.

→ GRI 3-3; GRI 305-1; GRI 305-2; GRI 305-3; GRI 305-5

→ ESRS E1 E1-2, E1-3, E1-4, E1-6, E1-7

## Air pollutants

KHS generates emissions of sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>) through heating with natural gas and – to a minimal extent – heating oil at its production sites in Germany and factory in the USA.

In the reporting period, the following quantities were released into the atmosphere:

Type of emission	Reference framework	Unit	2024
Sulfur dioxide (SO <sub>2</sub> )	All plants	kg	310
Nitrogen oxides (NO <sub>x</sub> )	All plants	kg	2,518

Natural gas and heating oil are the key sources of air pollution emissions in KHS' business operations. They are primarily generated in the winter months through the heating of administrative buildings and production shops. The combustion of fossil fuels such as these also makes up a major share of over 95% of KHS' stationary Scope 1 emissions in the coverage of greenhouse gases.

Consequently, a reduction in or even substitution of fossil fuels causes a significant drop in air pollutants and greenhouse gas emissions. For this reason, replacing fossil fuels with renewable sources of energy is one of the core measures of KHS' decarbonization path with these objectives (c.f. the sections on [strategy and governance](#) and [sustainable operations](#)):

- By the end of 2025, KHS wants to cut the heating consumption at its German sites by up to 4.9% over base year 2018.
- By 2028, KHS wishes to decrease the amount of heating oil used at its Dortmund headquarters by up to 90% compared to base year 2021.

Sulfur and nitrogen oxide emissions are regularly analyzed, assessed and recorded in a fixed documentation process by our chimney sweep in order to monitor stationary exhaust systems and furnaces and ensure compliance with emission limit values. When devising concepts to reduce fossil fuels, hot water generation is also taken into consideration as being a contributory cause of air pollution.

→ GRI 3-3; GRI 305-7

→ ESRS E1 E1-2, E1-3, E1-4, E1-7; ESRS E2 E2-4

## Noise emissions

Noise or sound emissions at KHS comprise what is known as industrial noise that can be generated by the operation of systems in Production, for example. A distinction is made here between noise emitted by machines to operators or people working in the vicinity of these machines and noise that can have an impact on the environment outside of the production site. All machines in Production undergo preventive maintenance in relation to disruptive noise to avoid noise emissions. We also take preventive measures by issuing our personnel with hearing protection, especially in Production and Assembly. The Environmental Management and Occupational Health and Safety departments at the respective plants work closely together on these tasks. The key aims here are to prevent any damage to people's health through noise emissions wherever possible and to generally avoid noise pollution.

# Sustainable operations

## Resource-conserving value chain

As a world-leading provider of beverage filling and packaging systems, we have the responsibility to act in an environmentally-friendly manner. KHS questions the impact its own production operations have on the climate and our natural surroundings and aligns its business and manufacturing activities with decarbonization and resource-conserving targets.

### Key risks and opportunities of resource consumption and the management thereof

KHS manufactures machines that require the use of energy and resources, especially in later operation at our customers' production sites. Further reducing consumption levels and in particular continuously increasing the overall equipment effectiveness (OEE) for the above will be central tasks for us in the coming years. This carries with our own understanding of responsible and sustainable business practice. In doing so, we also examine those areas in the value chain both upstream and downstream of our own production process. Here, too, our clear focus is on energy and resource efficiency and thus active protection of our climate. In this way, we reduce our impact on the environment while improving our economic basis and efficiency. Finally, our corporate energy and environmental management systems enable us to reduce our dependency on fossil fuels and a volatile price market and thus boost the security of supply.

→ GRI 3-3; GRI 302-1; GRI 302-2; GRI 302-4; GRI 302-5

→ ESRS E1 E1-2, E1-3, E1-4, E1-5; ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M



In the upstream value chain, with the help of our supplier code of conduct, various guidelines plus internal and independent audits, we make sure that our suppliers comply with environmental regulations and that they also demand this of their subcontractors. A number of reporting channels, also for use anonymously, are available for notifying any violations (c.f. the section on [responsibility and governance](#)).

→ GRI 2-25; GRI 3-3; GRI 308-1

→ ESRS S1 S1-1, S1-3; ESRS S2 S2-1, S2-3, S2-4; ESRS G1 G1-1, G1-2

Employee business trips are increasingly being avoided or undertaken using ecofriendly forms of transport. At the moment, KHS personnel travel for business purposes in their own cars, leased vehicles or those in our fleet or by rail or plane. All vehicles in our fleet have the best emission classes and are state of the art. By collecting extended data on our business traffic, we are gathering information for future savings potential. The continued use of video conference systems has since established itself as a further means of generally reducing the amount of business travel at KHS. KHS expressly supports the use of modern communication media to avoid business travel. For employees' journeys to work – as for necessary business trips – we advocate and support the use of the railroad and public transport, among other means of travel.

Through local production at five international factories and the decentral structure of our worldwide KHS sales and service network, we ensure that in many cases our customers can rely on receiving local support. This not only means huge cuts in travel emissions but also saves time and money.

89% of all waste produced at KHS – largely metal and wood – is recycled and/or reused. For further details on the environmental aspects of our business operations, please see the following section on operational ecology.

With respect to the phase of use of our lines and machines, our prime endeavor is to minimize the use of energy and resources in operation. As this also has a positive effect on the total cost of ownership, sustainability is already built into our business model. We advise our customers to use renewable sources of energy at their factories to minimize their own greenhouse gas emissions. Our lines and machines can regularly be designed so that heat recovery concepts are utilizable, for instance. Regarding packaging systems, KHS consistently relies on light containers, minimalist packaging and recyclability.

→ GRI 3-3; GRI 302-2; GRI 306-2

→ ESRS E1 E1-2, E1-3, E1-4; ESRS E5 E5-2, E5-5; ESRS 2 MDR-P, MDR-A, MDR-T

## Resource inflows and outflows

In special machine manufacturing, valuable resources such as steel, stainless steel and plastic are chiefly used, all of which have a high degree of recyclability. For details of ecologically-relevant material flows and the identification thereof, please see the following section on operational ecology and our [key figures](#).

→ GRI 301-2

→ ESRS E5-4

# Operational ecology

## Environmental and energy management

Environmental and energy management is a key element of our reduction path (c.f. [Decarbonization](#) in the section on responsibility and governance). Three quarters of the KHS workforce worldwide are covered by environmental and energy management systems that are certified according to the internationally recognized ISO standards 14001 and 50001. (Details on all management systems can be found in the [responsibility and governance](#) section.) Regular internal audits and monitoring and recertification audits carried out by external independent auditors confirm the overall effectiveness of our management systems.

KHS GmbH's environmental and energy guidelines are reviewed on an annual basis and specify the minimization of emissions and consumption of raw materials, water and energy, for instance, as strategic goals. The KHS GmbH Facility Management Department is responsible for the company's environmental and energy management. It maintains close contact with our international production sites on this subject in order to exchange guidelines, expertise, best practices and further empirical values and ideas. In this function, it performs the following tasks: provision of information and support to the responsible members of the management boards, bundling, coordination and implementation of the tasks and interests of the various KHS sites, representation of Group environmental and energy policy interests, also through association activities, and internal and external communication of environmental and energy issues.

Environmental and energy-related measures are defined, discussed and followed up in regular meetings of workgroups that comprise KHS GmbH's environmental and energy management officers and the energy and environmental officers at the respective German sites. The workgroups are supplemented by members of the energy and environment teams at the sites and, where required, by representatives of the Executive Management Board or other divisions.

These energy and environment teams perform an important task: they see themselves as an intersite network within Germany that informs the other teams of and swaps ideas on best practices and proven actions that have already been successfully implemented at a specific site. They ascertain where there is need for improvement and independently devise measures on the basis of this. These teams are themselves operatively responsible for monitoring and realizing the given measures and for carrying out internal audits. Ideas submitted by the workforce through the company suggestion scheme are also assessed by the energy and environment team, with the respective entrants – if successful – awarded a prize. At KHS GmbH level an annual management review is held to set central energy-saving targets. This review also includes superordinate risk and opportunity analyses of our energy and environmental management program.

Responsibility for the protection of our climate and environment doesn't end at national borders. The rules laid down in our environment and energy guidelines are therefore made available to our KHS production sites outside Germany as a fundamental basis for their areas of responsibility, with the express recommendation that they comply with these, provided that these are permissible under applicable domestic law.

→ GRI 3-3

→ ESRS E1 E1-2, E1-3, E1-4; ESRS E3 E3-2

## Aims of environmental and energy management

KHS has specified concrete reduction targets up until the end of 2025. These targets are regularly monitored by our energy and environmental management system.

German sites	Reduction targets by the end of 2025 (base year: 2018)	Status quo at the end of 2024
Electricity consumption	-8.9%	-11.8%
Heating requirement	-4.9%	-27.6%
Diesel consumption	-5%	-13.4%

A reduction target of 90% by 2028 is in place for the consumption of heating oil (base year: 2021).

As part of our commitment to climate protection, KHS in Germany has been using certified electricity from renewable sources since 2016. To ensure the future-proof supply of energy generated independently, in August 2023 the first photovoltaic system for a KHS facility was erected in Dortmund by the MaGeno-Solar eG cooperative that was founded specifically for this purpose by 180 employees. This production of green electricity at the site saves a good 190 tons of CO<sub>2</sub> per annum. Following successful installation of a further setup in Bad Kreuznach in February 2025, all other German production sites are to be equipped with photovoltaic systems over the next few years. The factory in Worms will follow in the course of 2025; the PV system is to be installed on the roof of the new logistics hall.

As a manufacturing company, the amount of energy the KHS Group requires for machines, lighting and air conditioning, IT infrastructure and operating materials is considerable. The efficient use of energy and resources in the production process is thus a key factor in KHS' system of energy and environmental management and plays an important role in the company's ecological balance. Numerous ongoing operative projects, such as continued conversion of lights to LED lighting, heat recovery using waste heat from production to heat further rooms in the winter, among other things, optimized hot water generation or improved control units, are thus intended to help us use far less electricity.

KHS GmbH's own vehicle fleet is managed by our headquarters in Dortmund and consists of around 250 vehicles. At the moment, in the course of our decarbonization project our already modern vehicle fleet is being further converted to alternative drive concepts, such as electric or hydrogen-powered cars, with all of the necessary infrastructure. Personal company vehicles are to be fully converted to e-mobility by the end of 2028, with this objective also valid for 50% of all service and pool vehicles. Back in 2022, six charging stations for electric vehicles were installed at KHS GmbH headquarters in Dortmund. In 2023, two charging points apiece were fitted at the German sites in Kleve and Hamburg. In 2024, a further two charging stations were installed in both Worms and Bad Kreuznach respectively. Moreover, a global concept for further expansion of the charging infrastructure at KHS is currently being devised.

→ GRI 302-1; 302-4; GRI 305-5

→ ESRS E1 E1-3, E1-4, E1-5, E1-7; ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M

## Water

KHS systematically records and categorizes its water consumption and quantities of wastewater. No (industrial) wastewater is generated by production at our German sites, merely dirty water and sewage (sanitary wastewater). The share of sanitary wastewater produced also throughout the entire KHS Group is over 90%.

According to the WRI Aqueduct Water Risk Atlas, two of our five production sites outside Germany are located in areas of water stress – Waukesha in Wisconsin, USA, and Ahmedabad in India. The US factory is in an area of medium-high water stress. Several years ago, a reverse osmosis water filter system was therefore installed at the site to test its process engineering systems. Our Indian plant is subject to extremely high water stress, which is why its water management system is highly advanced. The production site strictly adheres to the limits specified by the authorities for the extraction of groundwater and monitors water consumption and outlet data from the sewage treatment plant on a daily basis. As a result, the water table has already significantly recovered. At the factory in Ahmedabad, water recycling plants have been installed on the premises that keep about a quarter of the water extracted in circulation in order to reuse it. The primary goal, however, remains to further reduce water consumption mainly by avoiding the use thereof. The Indian production facility has set itself a reduction target of 2% per annum; this applies to the intensity of water use, measured by turnover, the number of employees and all hours worked. The following additional measures are to help reach this target:

- Regular detailed monitoring of water consumption, leak detection and a repair program
- Improved operational efficiency of the sewage treatment plant
- Water faucets with an optimized flow
- More efficient sprinklers for watering green spaces
- Concepts to encourage changes in behavior.

→ GRI 3-3; GRI 303-1; GRI 303-3; GRI 303-5

→ ESRS E3, E3-2, E3-4; ESRS 2 SBM-3; ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M

## Waste management

We are making key contributions to the conservation of resources by changing over to ecofriendly materials and closed loop systems and by reducing or avoiding waste and the influx of contaminants. Where possible, hazardous materials are substituted by less dangerous alternatives. Waste management is the responsibility of the Occupational Health and Safety and Environmental Management Department. Besides waste separation, another emphasis here is to optimize waste transportation, for example by compressing waste and thus making the storage and removal thereof more efficient and gentler on resources. To be more specific, skip containers are being replaced by waste compactors where this is both possible and practical; roll packers for waste wood are also in use.

89% of all waste is reused and/or recycled. Hazardous waste accounts for just under 3% of the total amount of waste. .

## Efficient processes and recycling flows in production

One key task for KHS is to reduce the amount of energy and resources used in production in order to minimize the impact of our business operations on the environment. KHS attaches special importance to the optimum flow of materials in production, with steel, stainless steel and plastics the three main groups of materials used in the KHS value chain. Where possible, several manufacturing steps are carried out on just one machine to save on resources, for example by using a combined punching/laser machine to process sheet metal. When investing in new machines, our production experts aim to eliminate entire process steps in the manufacture of a product by applying further developed technologies. Individual assembly stages in production are continuously questioned.

Thanks to modular assembly concepts, test runs are first carried out during commissioning, thus saving further on resources such as electricity and water to fill the machine.

3D visualization of our production layouts helps us to optimize processes further. For an optimum transfer of knowledge and fast learning and application of experiences to practical operations at the KHS sites, we are establishing what are known as global industrial engineers worldwide at all of our facilities.

→ GRI 3-3; 306-1; GRI 306-2; GRI 306-3; GRI 306-4

→ ESRS E5 E5-1, E5-2, E5-3; E5-4; E5-5

## Biodiversity at our plants

The United Nations' Convention on Biological Diversity describes biodiversity as being the wide variety of all living organisms, habitats and ecosystems on land, in freshwater, in our oceans and in the air. Furthermore, different species inhabit different niches in our ecosystem. If certain species are no longer present, previously stable ecological systems are disrupted. The decline in biological diversity – or the extinction of species – thus poses a genuine threat to humankind; together with continuing climate change, this is seen as the greatest global challenge. KHS' production sites and all of the people who work at them are embedded in their local communities. We therefore specifically commit ourselves to social and environmental issues within the community and assume responsibility for the good of the local populace. All of our factories are taking concrete action to promote the diversity of species, such as area unsealing, the installation of insect-friendly outside lighting and the planting of wildflower meadows and considerable numbers of trees, especially at our production plants outside Germany.

→ GRI 304

→ ESRS E4 SBM-3

## Packaging

In accordance with our procedural instructions that are binding throughout the Group, we employ reusable packaging made of long-lasting materials to ship our products. Wherever possible, returnable wooden pallets and sustainable materials are therefore used for housing or secondary packaging when transporting our machines. Where film is unavoidable, KHS preferably works with partners who utilize film with a reduced thickness, for example. This is also recyclable and does not contaminate groundwater. We still see potential when it comes to the shipping of spare parts, however, where second-hand packaging could be reused more frequently. Since 2023, the KHS production site in Brazil has been using a machine that shreds boxes that can't be reused whole. This material – currently about 700 kilograms a month, with this amount limited by the number of available boxes – is then used as filling and padding. Accordingly, the amount of paper and cardboard disposed of on site is then reduced.

→ GRI 3-3; GRI 306-2

→ ESRS E5 E5-1, E5-2, E5-3, E5-5

## Logistics

In an attempt to create a sustainable infrastructure, KHS continues to strive to reduce its movement of goods and thus cut down on greenhouse gas and toxic emissions in order to avoid pollution harmful to both humans and the environment as far as possible. KHS lines and machines are heavy; the traffic of goods within the sections of the supply chain we hold sway over thus requires meticulous planning and coordination. One key lever here is the combination or consolidation of shipments, with particular attention paid to the factor of economy. In addition, this procedure always has a positive effect on emissions that can be avoided by intelligent planning.

A further focus is to change the mode of transport. In intensive dialog and coordination with the production sites outside Germany, where possible we want to avoid air freight and instead rely on maritime cargo. One shipment by sea can replace around ten consignments by air. This procedure was validated and further implemented with our international factories in 2024. The aim is to decentralize warehousing and ensure the availability of goods at the respective KHS plant in the long term.

We have identified further potential for reducing transport-related emissions in the existing railroad siding located at our warehousing facility in Dortmund. KHS already transports goods by railroad as a fixed component in its container consignment process, such as when moving deliveries from the factory to the seaport.

The digitalization of all of our internal and external processes is steadily much improving efficiency. Furthermore, the use of current IT tools and systems prevents unnecessary documentation on paper. In addition, our Shipping/Logistics Department calculates individual projects, especially those with a larger volume, with the help of an approved carbon calculator and in doing so optimizes the selection and combination of means and routes of transportation right from the outset. KHS is also constantly upgrading its IT systems to further optimize its shipping emissions, centering here on the perfect utilization of

load carriers, such as containers or trucks. By automatically calculating the ideal load for the shipment space, superfluous load carriers and thus emissions can be avoided.

→ GRI 3-3

→ ESRS E1 E1-2, E1-3, E1-4, E1-7

A photograph of a wind farm on a grassy hill, with several wind turbines visible against a blue sky. The image is overlaid with a dark blue gradient.

# Product responsibility

## Strategic positioning

KHS is a reliable partner to the beverage industry, supplying it with future-proof filling and packaging systems. Besides being safe to operate with effective process monitoring, our plant engineering must function reliably for many years while being energy efficient and saving on resources. This is why we are constantly developing our product portfolio further. One focus here is on modularization and the digitalization of lines and machines. Numerous new technological features resulting from product development are not only available with our new products but also as modernization packages or expansion options for existing machines. This allows our customers to stay flexible by quickly and easily expanding and scaling their production lines to new packaging formats and thus using fewer and fewer materials.

Most of the greenhouse gases emitted by our customers on site stem from the operation of their plant equipment. Saving energy in the filling and packaging process throughout the use phase of a machine remains therefore a top priority with our new and further developments. We universally examine our own upstream and downstream processes in the value chain plus those of our customers, with the aim of systematically and continuously further reducing the impact our lines and machines have on our climate and environment.

KHS also offers its clients a variety of innovative, circular systems and solutions when it comes to sustainable packaging. Our approach always centers on producing a perfectly packaged beverage with regard to product protection, the environment and marketing. To this end, we constantly check and appraise where and how we can make further savings in packaging materials or use alternatives such as recycle, paper and cardboard or biologically degradable plastics.

→ GRI 3-3; GRI 301-1; GRI 301-2; GRI 302-5; GRI 305-5

→ ESRS S4 S4-1, S4-2, S4-4; ESRS E5 E5-4; ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M; ESRS E1 E1-3, E1-4, E1-7

### Quality and processes

KHS manufactures reliable and durable lines and machines according to extensive quality requirements. With modernizations, expansions and a wide range of spare parts, we help to ensure that this also remains so during the operation of our clients' machinery. This calls for a systematic quality management process that not only consistently defines and monitors suitable quality requirements within a company but also those made of its suppliers. All of KHS' German production sites and our international plants in the USA, Mexico, Brazil, India and China have quality management systems in place that are certified according to ISO 9001:2015. (For information on further ISO certification of our management systems, please see the chapter on [responsibility and governance](#).)

Above and beyond this, regional or industry-specific guidelines and standards, approvals and quality seals are also taken into account in our own processes and with respect to our products and services.

Within quality management, a standardized quality notification system provides support with acute problems. Notifications on any one subject result in a measure designed to improve quality being specified; this includes defining fixed responsibilities in a systematic process. Suggestions for improvement made by our personnel and customers are also considered here.

Process management at KHS ensures that procedures within the company are documented, that responsibilities are assigned and processes are continuously optimized. These are divided into core processes (from product development through processing of customer projects to after sales), management processes (control) and support processes (that promote value creation). The method and content of these processes are checked by those responsible for process organization. KHS process management ensures that any action taken is revision-proof by means of a clear approval workflow, system of authorization management and versioning. Processes are audited in house by Quality Assurance/Quality Management and externally during management system certification.

# Sustainability in the product development process

Resource efficiency and the continuous improvement thereof are constant drivers in the new and further development of our lines and machines, in Service and for our packaging systems and solutions, for the efficient use of resources always also improves a system's operational economy. After all, it's economy – in the sense of the total cost of ownership throughout the product's entire life cycle – that primarily influences our customers' decision to buy.

Alongside safe, reliable and trouble-free operation of our plant engineering, at KHS resource efficiency is therefore a cornerstone of ideas and innovation management, research and the further product development process (PDP). One major prerequisite here is that we continuously monitor sustainability-relevant parameters, such as energy and process media savings.

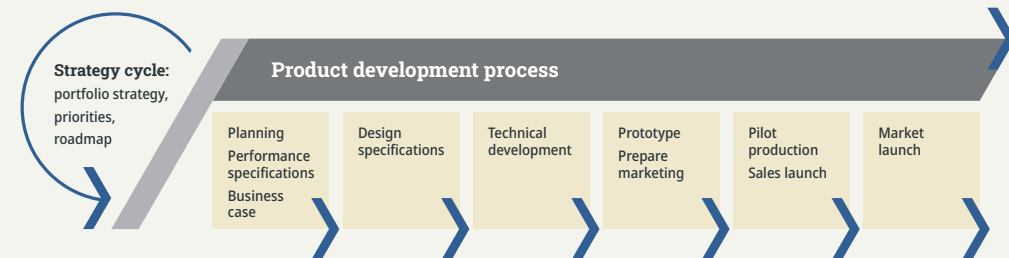
KHS organizes this in two core processes: its strategy cycle and product development. Conceptually, the strategy cycle comes before the product development process and then continues to evolve and recur independently of the latter. This is where market monitoring, feedback from Sales, our own production units and Service plus results from customer workshops are evaluated with the aim of defining development fields and prioritizing these in a roadmap.

Market-oriented systems and solutions are then created during the product development process that meet the real, existing challenges our customers face in their production environment. The key demands made of new and further developments are derived from customer requirements; they are then included in the performance specifications and business case together with sustainability criteria, technologies, market conditions and market trends. In the course of the product development process, customer requirements and economy are repeatedly revalidated. The emerging product is first introduced to the customer's production setup at the prototype phase.

→ GRI 302-5; GRI 305-5

→ ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M, ESRS E1 E1-3, E1-4, E1-7

## Strategy cycle and PDP



# Climate impact and resource efficiency

## Lines and machines: the best systems through sustainability

According to the German Federal Environmental Agency, returnable glass bottles can normally be reused up to 50 times and returnable PET bottles a maximum of 20 times. They all have to be washed before they are refilled; here, the KHS Innoclean Cascade D bottle washer is setting new standards in economy. Compared to the previous Innoclean DM series, the new generation consumes 25% less fresh water, 15% less thermal and 8% less electrical energy. In comparison with a standard industry system, its operating costs are as much as around 40% lower. Moreover, all of the bearing points on these machines are designed as slide or permanently lubricated bearings.

This does away with the need to use lubricating grease in operation; in turn, this means that no more superfluous grease has to be disposed of, thus also having a positive effect on hygiene in the machine environment. All of this results in an approximately 9% smaller carbon footprint. Customers who use sustainable sources of heat can make further individual savings; the heating system on the KHS Innoclean Cascade D can be fully adapted to suit the prevalent operating conditions. Both a low-temperature heater and a multistage heater can be easily implemented, for example, to incorporate surplus residual heat from other operating processes.



The new KHS machine handles bottles extremely gently – a factor not to be underestimated, as this maximizes the number of possible bottle cycles and thus saves on resources and protects the climate. This also means that the individual containers are presentable for sale on the shelf for longer with fewer signs of wear.

One highlight of the machine is the innovative bottle carrier, now in its second generation. In order to be able to wash a large number of bottles per hour, these are fed through the machine in bottle carriers made of metal. The ingenious KHS eco carrier is thin, light and designed in such a way that the amount of energy loss is noticeably further reduced over that of the previous generation without compromising on stability.

The eco carrier is an example of a product that exists merely because it's sustainable – for it (only) pays off as it costs far less to operate. This even means that customers who install eco carriers in old machines have a quick return on their investment.

Information on the respective carbon footprint of particularly energy-intensive machines is given in the KHS [conversion catalog](#).

→ GRI 302-5; GRI 303-5; GRI 305-5

→ ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M; ESRS E3 E3-4; ESRS E1 E1-3, E1-4, E1-7

## Packaging: as little as possible

KHS develops packaging systems that are not only as environmentally-friendly as possible but also primarily enable consumers to enjoy beverages and liquid food products safely at all times. We meet the growing demand from society for packaging that needs fewer resources, is recyclable and safe. With our expertise, we help our customers to leave the smallest possible carbon footprint with their packaging system while providing optimum convenience.

KHS offers this expertise through its holistic Bottles & Shapes container consultancy and service program, for instance. This strikes a balance between consumer- and environmentally-friendly design, reliable line behavior and the efficient use of energy and materials – for containers made of [r]PET as well as glass bottles and beverage cans.

In view of the increasing relevance of climate-related aspects, a few years ago KHS began developing a carbon calculator that computes the carbon footprint of primary and secondary packaging. With this, we help our customers to gain a detailed impression of the possible impact the range of packaging styles KHS offers under its consultancy program can have on the climate. This tool allows them to assess the direct impact of a glass bottle or a beverage can or to study the difference between various types of secondary packaging, for example, in the form of CO<sub>2</sub> equivalents calculated per unit. This quickly illustrates what effect the kind of packaging in particular, plus the type and quantities of materials used, can have on the overall carbon footprint of a packaging style.



From our own surveys, too, we know that consumers expect packaging to be sustainable. Our thoroughly minimalist Nature MultiPack (NMP) system lives up to this expectation particularly well. The NMP joins formations of cans or [r]PET bottles together using just a few dots of adhesive to form a stable pack, from which consumers can easily separate the individual containers. If no carrying handle is applied, compared to a pack wrapped in non-recycled shrink film the NMP's carbon footprint can be reduced by up to 89% for a pack of six cans and by a maximum of 84% for a pack of six [r]PET bottles.

Customers can choose from two types of universal adhesive: one for all standard cans, regardless of their coating or varnish, and the other for [r]PET bottles. For the latter, an adhesive is now available that can be used on practically any shape, size or material thickness of [r]PET bottle. This is lightly foamed on the [r]PET container with the help of a special application method, providing many benefits. One of these becomes evident in bottle-to-bottle recycling: the dots of adhesive that remain on the bottle after it has been separated from the pack don't leave any notable sticky residue behind and thus don't cause any disruptions when fed into bottle deposit machines. The adhesive simply rises to the surface when washed off during the actual recycling process. This makes the material very easy to remove from the recycling loop.

A further advantage is that the dots of adhesive don't fall under the restrictions imposed by the EU's Packaging and Packaging Waste Regulation (PPWR) that came into force in February 2025. KHS also provides a practical alternative to the plastic carrying handle here, namely one made of 100% cardboard – the BottleClip Carrier. This minimalist grip, gradually further developed as a result of years of experience, is stable, light and cost-efficient. This module can be retrofitted onto existing machines.

German mineral water producer VILSA has opted for the KHS Nature MultiPack and BottleClip system, for instance, and with it saves about 2,000 kilometers of shrink film per annum – this is equivalent to the (linear) distance from Hamburg in Germany to Genoa in Italy and back. All told, by using this sustainable pack, marketed under its Nixpack label, our client saves up to 50 metric tons of plastic a year and, depending on the bottle size, cuts its carbon emissions by up to 70%.

→ GRI 301-1; GRI 301-2; GRI 302-5; GRI 305-5; GRI 416-1

→ ESRS E5 E5-4; ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M; ESRS E1 E1-3, E1-4, E1-7

## Circularity

In addition to our striving to act sustainably, we also believe that making all primary and secondary packaging fully recyclable wherever possible constitutes active consumer protection.

The circularity of a type of packaging can be especially well demonstrated when the recycling thereof is both economically calculable and ecologically convincing, such as with bottle-to-bottle recycling using food-grade recyclate, possible for [r]PET containers, for instance. This becomes a challenge when containers are made of what are known as composite or multilayer materials mixed with additives. In such cases, the PET container can no longer be fed into the bottle-to-bottle recycling process. In the face of growing demand for recyclate in food and beverage processing, this type of barrier prevents an important material being retained in the packaging loop.

Why are barriers needed at all for certain beverages packaged in [r]PET containers? As [r]PET containers are gas-permeable as opposed to glass bottles (which are not), carbon dioxide or sensitive ingredients such as vitamins can be lost. [r]PET containers need an additional barrier to give the product suitable protection. The same applies if the beverage requires a longer shelf life, a necessity on many global markets where there are large distances between the production site and the place of sale, for instance.



With its Plasmax coating process, KHS provides a barrier system for [r]PET containers that meets the demand for product protection and long shelf lives in equal measure. Plasmax combines the protective properties of a glass bottle with the weight benefits of an [r]PET container. Furthermore, the treated containers can be fully bottle-to-bottle recycled in the standard recycling process like pure [r]PET.

The recyclability of the coating enables KHS to facilitate the availability of food-grade recyclate.

→ GRI 301-1; GRI 301-2

→ ESRS E5 E5-4

When it comes to circularity, KHS aligns its [r]PET systems and solutions with leading industrial standards such as the European PET Bottle Platform (EPBP). This is a voluntary industry initiative that provides guidelines on the design of PET bottles for recycling, assesses packaging systems and technologies and promotes understanding of the effects of new PET bottle innovations on recycling processes. The initiative supports a circular economy for the European PET value chain. The Association of Plastic Recyclers (APR) is the North American trade association which strongly advocates the recycling of all post-consumer plastic packaging. To this end, the association draws up design guidelines, for example, and recognizes innovations in packaging design that meet its stringent guiding principles governing recyclability, among other criteria.

As regards secondary packaging, the topic of circularity is addressed with greater differentiation. In addition to the aforementioned minimalist systems like Nature MultiPack or Carton Nature Pack, lots of customers continue to rely on classic secondary packaging materials such as film. KHS focuses on two key factors here: firstly, how can we reduce the amount of material used? Secondly, how can we make materials more recyclable? Film is much easier to recycle if it is free of printing ink, for example. This calls for a new approach to marketing and acceptance by consumers in retail. Moreover, KHS is working on developments with respect to packaging film, where alternative biobased materials are being considered as replacements for classic oil-based film. Thanks to its strong network with manufacturers, KHS is able to quickly test new and further developments such as these on actual machines and therefore provide fast market access.

## More sustainable circular economies through Service

KHS develops and manufactures machines and system solutions that are in reliable use for decades. At the machine's end of life, many of the valuable resources it contains – steel, stainless steel, plastic, etc. – can be recycled. To lengthen service life, we offer a broad range of expansion and modernization measures that keep machinery flexible and future-proof. Switching over to new, further developed components in good time gives operators security in production. The growing sensitivity to issues of sustainability on the market is also reflected in the specific customer interest being shown in conversion options that focus on alternative energy concepts and saving energy. Here, too, KHS provides a number of systems and solutions, particularly for older machines.

Ensuring the overall equipment effectiveness across a system's entire period of use is the specific goal of Service. The most important topic in discontinuation management, for instance, is the timely provision of electronic components for unlimited machine availability, for their service life is much shorter than that of the machine itself. KHS provides systems and solutions for its customers that maintain equipment availability or even enhance it. For example, modern electronic control units often also help to improve the efficiency of existing plant engineering and at the same time pave the way for a second life cycle. This is also the general aim of modernization measures initiated during conversions. Of our over 140 standard conversions, around 30% of these are offered by KHS to its customers as a means of boosting energy efficiency.

With the KHS Connect customer portal, KHS not only provides its clients with a modern online shop function for efficient ordering, service and procurement processes but also individual information and advice specifically tailored to our customers' machines. This encompasses service products, conversions, optimization options and component discontinuation, for example.

As each country makes its own demands of an online service portal, KHS Connect will be launched across the globe in stages. Customers can find out which countries KHS Connect is already available in from a list posted on the [company website](#).

→ GRI 301-1; GRI 302-5

→ ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M



## Digital responsibility and protection of intellectual property

information – KHS' own and that of customers and partners – by ensuring the confidentiality, integrity and availability of this information. Ensuring confidentiality means preventing or minimizing unauthorized access to information. Integrity ensures the reliability and correctness of information. Availability means that authorized persons have timely and undisturbed access to data, objects and resources. A number of internal guidelines are in force that have been drawn up together with the Group or specific to the respective company. Regular training courses for personnel ensure that they are suitably sensitized to these issues and that they observe guidelines and instructions.

These comprehensive regulations are key elements of ISO 27001 certification that was acquired in the reporting year. Certification in accordance with ISO 27001 provides internationally recognized proof that a company has introduced an effective information security management system (ISMS). The standard stipulates requirements as to how information can be systematically protected – against unauthorized access, data loss or improper use, for instance. This not only entails taking technical measures but also specifying organizational processes, assigning responsibilities and making continuous improvements. Certification is also of benefit to data security in products and the security of customer system IT.

“Intellectual property” chiefly refers to know-how, ideas, inventions, developments, drawings, plans, results and data. This confidential information, know-how, patents and other intellectual property rights are a key pillar in the market position and technological standing of KHS. At the moment, KHS holds over 7,700 patents worldwide.

→ GRI 2-23; GRI 2-24; GRI 3-3; GRI 418

→ ESRS 2 MDR-P, GOV-2, GOV-4; ESRS S1 S1-1, S1-4; ESRS S2 S2-1, S2-4; ESRS S4 S4-1, S4-3, S4-4, S4-5; ESRS G1 G1-1

A full-page background image with an orange tint. It shows two people from behind, holding hands and raising them in the air. They are standing on a paved path with trees in the background. The person on the left has blonde hair and is wearing a dark backpack. The person on the right is wearing a dark jacket.

# Social governance

## Management of social issues and human rights

The people directly and indirectly connected with KHS form the core of our responsibility to society. First and foremost, we focus on our employees and their families, our customers and suppliers and the local communities where our production sites are located. We are convinced that the key to the success of our company lies in mutual esteem and fair cooperation.

Here, our personnel are our most precious commodity. They shape the future of our company; our success and progress depend on them. KHS thrives on the expertise, commitment and innovative spirit of its entire workforce. For us, good working conditions and an open environment defined by respect and appreciation are therefore basic pillars of the modern world of work. Flexible working hours, remote work options, an attractive and appreciative remuneration structure and a healthy and safe working environment are just a few concrete examples of this. Another major focus lies in specifically involving our personnel in the further development of our company. Our employees' many years of experience and vast expertise help to shape our change and improvement processes to the benefit of all concerned.

Our basic principles governing the lawful manner in which all employees should conduct themselves are outlined in our KHS code of conduct that in essence is based on the United Nations Global Compact. The code centers on a shared system of values and principles. It includes, in particular, regulations on fair competition, the avoidance of corruption and conflicts of interest, transparent reporting and the duty to observe secrecy (see [Compliance management system](#)).

KHS' occupational health and safety management system is certified according to ISO 45001 and currently covers 74% of all KHS personnel worldwide (see [Certification of management systems](#)).

KHS personnel and employees in the supply chain can report or make a complaint through various reporting channels, with some of them enabling users to remain anonymous. Notifications are processed in fixed procedures. Internal and external supplier audits on site also always include tours of the location, during which various social and other aspects are vetted (see the section on [responsibility and governance](#)).

→ GRI 2-22; GRI 2-23; GRI 2-25; GRI 3-3; GRI 403-1; GRI 403-8

→ ESRS 2 SBM-1; ESRS 2 MDR-P, GOV-4; ESRS S1 S1-1, S1-2, S1-3, S1-4, S1-5, S1-14; ESRS S2 S2-1, S2-2, S2-3, S2-4, S2-5; ESRS G1 G1-1

## Human rights policy

With its guidelines on labor law and human rights, the KHS Group pledges, among other things, to provide safe and healthy working conditions, to offer all employees adequate scope for development, to maintain freedom of association and compliance with national and international agreements governing working conditions and human rights and to make every effort to ensure that suppliers and service providers also observe the same (see the sections on [management of sustainability](#), [human rights](#) and [compliance and human rights in the supply chain](#) under Responsibility and governance). The guidelines contain detailed regulations, obligations and goals for the aforementioned points. They apply to the entire KHS Group and all employees worldwide; exceptions are expressly forbidden.

KHS ensures that all child labor is categorically excluded. Throughout the company, age check processes and procedures to safeguard compliance with all statutory regulations governing the protection of minors are in place.

→ GRI 3-3; GRI 408-1

→ ESRS S1 S1-1, S1-2, S1-4, S1-5

# Equal opportunities and remuneration

## Appreciative working environment

At KHS GmbH, our day-to-day dealings with one another, the working conditions on site and the salaries and additional benefits we provide are seen by our employees as a mark of our esteem and a sign of fairness. If we are to commit our employees to the company in the long term, it's very important that they have a sense of purpose in their own work and receive recognition for it. One key element of this is fair feedback; all employees in the KHS Group therefore receive an assessment of their performance in regular discussions as a matter of principle. The current implementation of agreements governing remote work, regulations on leave of absence and working hours, for instance, are further aspects here. Long years of service to the company and a low fluctuation rate are both indicators of the level of satisfaction among our employees.

KHS supports its personnel regardless of their gender, age, ethnicity, skin color, religion, world view, sexual orientation or disability. In the reporting year, KHS employed men and women across all levels of hierarchy with different nationalities, qualifications, levels and forms of education, professional experience and years of service to the company. Our internal regulations do not specify any kinds of quota. The people best suited to the advertised positions are always selected from all male and female applicants. We harbor a strong awareness with respect to avoiding gender-specific differences in remuneration (what's known as the gender pay gap).

In 2024, the ratio of men's to women's basic salary and other remuneration was 1:0.91 for the KHS Group (average unadjusted gender pay gap). We are constantly working on assessing gender pay gaps for equivalent jobs in order to eradicate any inequalities that become apparent.

→ GRI 3-3; GRI 404-3; GRI 405-2

→ ESRS S1 S1-1, S1-2, S1-4, S1-5, S1-13, S1-16; ESRS S2 S2-1, S2-2, S2-4, S2-5

## Fair remuneration

Providing a fair, market-oriented salary is an integral component of our corporate policy at all sites worldwide. Together with key benchmark service providers, we carry out regular salary checks for defined target groups on a global scale in order to ensure this. With this procedure, we support a fair and regionally appropriate system of remuneration worldwide. In all cases, KHS satisfies country-specific legal requirements and by means of benchmarking ensures that market-oriented salaries are paid.

In Germany, KHS personnel are employed based on collective wage agreements or individually negotiated tariffs. Salaries consist of a fixed sum and a fair performance-oriented allowance. The respective collective wage agreements of the metal and electrical industry apply, to which KHS is committed through its membership of various trade associations. In addition, KHS offers further portions of earnings above the pay scale. These include our company pension schemes, such as the MetallRente and SZAG Model programs, and an occupational disability and accident insurance plan. Our employees can make their own contribution to their later financial situation through our company pension program: here, they save a percentage of their salary for their retirement that is then topped up by the company. External specialists advise here on investment options or compensation for inflation, for example.

→ GRI 2-19; GRI 2-30; GRI 401-2

→ ESRS 2 GOV-3, ESRS E1; ESRS S1-8, S1-11

### Increasing internationalization of HR work

The central challenges to society we face today encompass not just climate change but also the development in our demographic, meaning that fewer much-needed qualified experts are available, plus digitalization and the resulting changes this brings to the world of work.

KHS GmbH rises to these challenges in the context of its social responsibility. Embedded in its corporate personnel policy, the company has thus formulated a human resources strategy that defines four fields of action:

1. Digitalization and process efficiency
2. Modern working environment
3. Assurance of skilled labor
4. Personnel development.

For each of these fields of action we have devised numerous measures that are being implemented step by step. These center on optimizing the recruitment of young professionals through qualification initiatives, fostering potential, strengthening employee loyalty and making HR processes as efficient as possible. In all of our activities, we take the demands made of our employees specific to their stage of life into account, among them interruptions in work for family reasons such as parental leave or for the pursuit of personal professional further development goals, and in doing so bring about a change in social priorities within the company.

Of increasing relevance to our HR departments is support for our strategic OneKHS worldwide program that aims to boost global cooperation within the KHS Group. In the course of reorientation of our international HR activities, the alignment and effectivity of personnel development are to be intensified at international level, among other issues. This includes providing study concepts that give executive managers and employees the chance to learn skills and amass expertise that are critical to success. With this, we want to enable them to help influence and further develop our global cooperation and management culture in order to contribute to the future, long-term success of our company.

→ GRI 401-3; GRI 404-2

→ ESRS S1 S1-1, S1-15

## Our mission for future-oriented employment

For KHS, providing someone with a future-oriented, fair and secure job is of high relevance and prerequisite for the success of our company. Some of our customers require that we hold certificates on sustainability and social responsibility, for instance. Here, we are able to provide proof of consistent Sedex SMETA and EcoVadis certification since 2012 (see the section on [ratings, memberships and initiatives](#)).

The working conditions at our company are a key deciding factor when attracting new employees. At a time of fierce competition in the drive to recruit and commit specialist workers, we find it both essential and elemental that we ensure very good working conditions for our employees and hold them in high regard.

Our personnel can depend on us as their reliable and strategic partner at all times. Our work together is built on a performance culture based on trust, respect and esteem, with a fair and cooperative partnership of particular relevance. For all of our futures, we wish to continue to motivate our workforce with this perspective and attract new, good team members to KHS.

KHS ensures that all regulations that must be observed during company activities are adhered to – such as the relevant laws and our in-house rules. To this end, our personnel take part in obligatory training courses on topics such as compliance and data privacy on a regular basis.

→ GRI 2-23; GRI 2-24; GRI 205-2; GRI 404-2

→ ESRS 2 MDR-P, GOV-2, GOV-4; ESRS S1 S1-1, S1-4; ESRS S2 S2-1, S2-4; ESRS G1 G1-1, G1-3



# HR management and co-determination

## HR management

With targeted HR management, KHS lays the foundations for the success of our company in the long term.

Our system of HR management provides holistic support for personnel-related issues by defining HR teams assigned to each department as a first point of contact. They are familiar with local statutory, pay scale and company regulations and ensure that these are complied with. They also act as strategic partners to the management and forge a link between the interests of employees and those of the employer.

The managing directors of our subsidiaries outside Germany are assisted by a central, international HR management unit based in Germany, whereas the international production companies have local HR teams on site.

We are convinced that not only financial goals contribute to the success of the company in the long term. When drawing up agreements with our executive managers, non-financial key figures also play a role. For several years now we have thus fixed annual targets group-wide in order to intensify the further training of our employees and further reduce the number of accidents, for example.

## Co-determination on an equal footing

It is important to our employees that their interests are represented across a broad spectrum. This is a basic prerequisite if we are to work constructively together on an equal footing. This is ensured by trade unions, work councils and other employee representative committees according to the legal basis. The Executive Management Board regularly confers with these associations on the company's development and analyzes the working conditions that derive from this. This trusting and constructive cooperation has a positive impact on our social standards.

We find it particularly important to inform and involve our employees at an early stage so that we can jointly identify potential for the further development of working conditions and the working environment. The way in which personnel are involved varies from plant to plant in order to respect the different legal requirements. In Germany, each production site has works council committees, young person's and trainee representatives (JAV) and severely disabled person's representatives (SBV). These belong to the joint works council, joint JAV and joint SBV respectively. Special topics such as occupational health and safety and basic and further training are dealt with in dedicated committees.

At our German production sites, a number of company agreements have been negotiated with the works council to strengthen the interests of our workforce. They govern the rights, obligations and obligatory standards for employees. These include company agreements on the following topics, among others:

- Workplace health promotion
- Training
- Inclusion
- Addiction prevention
- Company suggestion scheme
- Continuous improvement process (CIP)
- Flexible working hours
- Remote work.

Adherence to agreed regulations is just as important to us as our company agreements, which is why KHS substantiates this with various audits and tests as a matter of course. These include:

- Assessments for exceeding work time limits
- Internal Group revisions
- Cooperation with the state offices for occupational health and safety and with employers' liability insurance associations
- Regular, event-related occupational health and safety inspections
- Internal environmental protection, occupational health and safety and energy management audits
- External audits according to ISO 14001, ISO 45001 and ISO 50001 and certifications such as EcoVadis.

→ GRI 3-3; GRI 403-1; GRI 403-2; GRI 403-3; GRI 403-4; GRI 403-5; GRI 403-6

→ ESRS S1 S1-1, S1-2, S1-3, S1-4, S1-5; ESRS S2 S2-1-, S2-2, S2-4, S2-5; ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M

# Personnel development and knowledge transfer

## Focus on exploitation of existing global potential

In the assignment of material topics, the recruitment and commitment of specialist workers is a top priority for both KHS and the Salzgitter Group. This logically means that globally determinative HR topics such as talent management, successor planning, the advancement of women and digitalization of the world of work are of extremely high relevance to us, too.

KHS' international presence and alignment give the company extra opportunities to address these issues on a global and thus broader scale. At present, personnel development and qualification are thus gaining an increasingly international orientation that transcends national boundaries. In this context, we want to establish a setup that accounts for the prevailing trends, with which we can support our company development in the long term and ensure the necessary build-up of expertise. HR development adopts a holistic approach that includes the following elements:

- Creation of a culture of learning, including suitable learning journeys for the respective roles
- Supervision and expansion of leadership development programs
- Development of talent and trainee programs.

We want to fully exploit and harness the chances provided by an international workforce with its natural diversity, range of expertise and cultural variety for the benefit of our company. Existing global skills are to be made transparent and put to specific use – with suitable opportunities for the development for our employees, also on an international level. Generally speaking, it will be of elemental importance to identify, develop or alter available knowledge and existing skills to reveal different perspectives and paths of development.

In the future, KHS intends to roll out its talent management program further worldwide. The aim is to drive individual development of potential throughout the entire Group and encourage and strengthen cooperation across the various company locations.

For our HR departments, and Personnel Development in particular, this international alignment also triggers a need for change. Our HR departments must increasingly focus on the international context and work towards establishing a cross-functional, flexible and demand-based organization. In keeping with this international transformation, our HR departments will continue to develop their expertise in order to meet the current challenges. derzeitigen Anforderungen gerecht zu werden.

→ GRI 404-2

→ ESRS S1 S1-1

## Advancement of women

It is important that we offer women at KHS the same opportunities for development as their male colleagues. For this reason, we have signed up to Salzgit-ter AG's Career paths for women orientation program that addresses female employees who wish to specifically plan their career and aspire to a managerial role within the Group. This program primarily concentrates on issues such as professional goals, skills, experience and whether a managerial or expert post is preferable.

→ GRI 405-1

→ ESRS 2 GOV-1; ESRS S1 S1-6, 1-12



Dagmar Swientek, executive vice-president of the Service Division, has been with KHS for over 26 years.

## Apprenticeship, personnel development, preservation and transfer of knowledge

In answer to these challenges, we have devised numerous measures as regards personnel development as part of our HR strategy that in turn is embedded in the policies stipulated by our parent company Salzgit-ter AG.

TransferWerk: transferring and safeguarding precious knowledge. In conjunction with the change in our demographic and our transformation from an industrial society to one based on knowledge, KHS is systematically implementing its TransferWerk process. This structured and moderated method of knowledge transfer passes on expertise critical to success and relevant to the company harbored by someone due to leave the company to their successor and is thus permanently retained for KHS.

Our knowledge transfer process starts with preliminary talks in which the executive manager, knowledge provider and knowledge recipient take part. General conditions, requirements and expectations are discussed and a good personal basis for the transfer of knowledge is established. With the help of special software, the knowledge and experience of the knowledge provider are actively requested, systematically recorded and structured. The various fields in this person's knowledge are then prioritized and broken down into details for handover to their successor.

The transfer of knowledge will also be top of the KHS agenda in the future, too – in all directions. Younger personnel hold valuable skills in digitalization or online communication, for instance, that in combination with the experience of long-term employees give us inestimable added value in our global company.

### Group-wide transfer of knowledge

We exploit the potential of knowledge transfer above and beyond the boundaries of our individual Group companies. Group-wide exchange was initiated several years ago with our KONZA program (short for "KONZernweiter Austausch") to intensify cooperation throughout the Group. This initiative is derived from the Group-wide YOUNITED mission statement and encourages employees of Salzgitter AG and all its companies to see work processes, methods and expertise in the same light. Various workshops, idea labs and internships give employees an insight into how people in other departments work and thus identifies new areas of potential for process improvement.

### Training, fostering and retaining skilled workers

We have entered the competition for skilled workers at our company with a wide range of forward-looking training options. Each year, we hire around 50 apprentices and trainees throughout Germany and attach great importance to imparting knowledge using a number of different formats right from the very start. Over 80% of our trainees are taken on for an unlimited duration. The spectrum of courses we run is large. Besides apprenticeships for commercial and industrial/technical vocations, we also offer internships for high-school and university/college students, plus various work/study programs.

50

apprentices and trainees throughout Germany

> 80%

taken on for an unlimited duration

With our special Fit4KHS onboarding program, we ensure that new employees have the best possible start at our company and are given the chance to familiarize themselves with our structures, procedures and team members early on. This also includes an extensive introduction to the topic of occupational health and safety. This program is to be successively expanded to include our international locations.

→ GRI 401-1

→ ESRS S1 S1-6

### KHS Campus

Since 2011, our in-house KHS Campus academy has provided our workforce with a diverse range of further training options. It is available to all personnel and provides courses in soft skills (such as IT, languages, communication and methodological skills) as well as in a wide variety of technical subjects. In order to prepare our employees as best we can for changes in working conditions, we regularly assess further training requirements and adjust our KHS Campus program accordingly. Our further training and personnel development measures are also provided digitally in the form of webinars, for example. On request, Personnel Development also devises courses of further training for entire departments.

### Step4Future

Another module in our personnel development program is our Step4Future talent management plan. It specifically promotes those with high potential and supports them through a mentoring program. Besides developing their expertise in five workshops and training sessions, as there is a fixed study group those taking part have the chance to build up an interdisciplinary network within the company. At KHS, talented individuals can also participate in our own special management development program entitled Fit4Leadership and in personnel development programs run by Salzgitter AG. Management lectures and experience discussion groups round off our range of educational services.

→ GRI 404-2

→ ESRS S1 S1-1

# Health and safety in the workplace

## Occupational health and safety management at KHS

As a production company, occupational health and safety or OHS is especially important to KHS. This applies in particular to our manufacturing and assembly departments and during our commissioning or service assignments. We constantly monitor and invest in OHS measures in order to give our workforce the best possible protection against health hazards with the help of training courses and modern technical systems. Our long-term goal is Vision Zero or no accidents in the workplace. All personnel at our production sites have access to company health care.

We systematically analyze every single industrial accident that results in lost time. Additional protective measures are then derived from this and we check that our OHS processes are adhered to. Although we have continued to further improve our technical OHS measures, accident analysis reveals that an increasing number of accidents are caused by incorrect behavior. This is why we focus on continuously reinforcing people's attitudes towards occupational health and safety. The aim here is to change habitual patterns of behavior that can lead to unsafe situations and accidents.

Our OHS measures are based on Salzgitter AG's group guidelines on occupational health and safety. KHS GmbH's occupational health and safety management program has been certified at all German production sites and at the factory in India since 2011. On a global scale, 74% of all KHS personnel are covered by a certified OHS management system such as the above. Internal and external audits plus various other measures ensure that our Group-wide OHS regulations are complied with. Occupational health and safety is managed on a local level at our plants in Germany, meaning that each production site

has its own occupational health and safety officer. The head of Occupational Health and Safety coordinates these officers and sees to it that procedures are uniform. This ensures that all of our factories have the same high standard of occupational health and safety. The head of Occupational Health and Safety is in regular contact with the Salzgitter AG Occupational Health and Safety Work Group, enabling experience in this field to be shared across all Group companies.

There is an Occupational Health and Safety Committee (OHSC) at every German site that convenes regularly. Meetings are held quarterly with employer representatives, the works council, safety officers, severely disabled person's representatives, the company medical officer and occupational health and safety officers. The safety officers also meet at regular intervals. The Occupational Health and Safety/Occupational Medical Care Department regularly prepares a topic of the month which is circulated to our executive managers who then use this to sensitize their personnel to certain issues. The respective topic is presented by the executive manager within the department and is intended to spark off a discussion with all employees.

Regular OHS training and instructions are provided by executive managers who also draw up hazard assessments and are thus familiar with the subject. All personnel in Germany – also agency workers, trainees and interns – are instructed in occupational health and safety: new employees always on their first day of work, everyone at least once a year, plus in relation to specific incidents, in particular following an accident or with changes to operations. Instruction is usually issued by the respective executive manager; questions can be asked at any time and the participants' learning progress can be easily checked. Further training options are available through KHS Campus.

Employees are cared for by our Occupational Medical Care Department headed by a specialist doctor of occupational medicine and assisted by specialist personnel also trained in occupational medicine. The department provides holistic occupational medical advice. This includes area inspections and optional, obligatory or specifically requested occupational medical care. The department can also be contacted with any questions regarding health issues and for advice on vaccinations. Flu immunization and travel vaccinations are offered, for example, plus advice on travel hygiene. Seminars designed to help people quit smoking are also currently being planned. Data protection with regard to occupational medical care is ensured by the company medical officer's duty of confidentiality; furthermore, only Occupational Medical Care has access to medical data.

One of our services designed to promote health care available in Germany is our active lunch break: twice a week, employees can take part in a free 20-minute training program led by a physiotherapist. A number of cooperations between KHS and various fitness studios enable personnel to benefit from reduced membership fees. Health action campaigns/days run in conjunction with company health insurance schemes, among others, are free of charge and take place on a regular basis during working hours.

→ GRI 403-3; GRI 403-4; GRI 403-5; GRI 403-6

→ ESRS S1 S1-1; ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M

### Quentic OHS software: always up to date

As our executive managers act as role models, how they behave is extremely relevant to occupational health and safety at KHS. They therefore sign what is known as a transfer of duties when they join KHS; this regulates all standard responsibilities with respect to occupational health and safety, environmental protection and energy management. These responsibilities include providing employees with regular instruction and ensuring that first aiders are appointed, for instance. Moreover, executive managers draw up hazard assessments using Quentic occupational health and safety software. This was introduced in Germany back in 2019 and helps us to identify and assess hazards so that we can take suitable measures to minimize these.

Accidents, near-accidents and entries in the accident log are recorded digitally so that executive managers and OHS officers receive direct notification and can follow up any incidents accordingly. Lost-time accidents, accident log entries and unsafe situations with a high risk potential are systematically analyzed with the help of the software. This means that a digital file is created for each incident. The aim of accident analysis is to derive protective measures to prevent accidents of a similar nature occurring.

Quentic OHS software is also used to prepare and administrate hazard assessments. To this end, all hazard assessments are split into five categories:

- Hazards posed by the main activity
- All hazards on the plant premises or in the vicinity of the workplace
- Organizational hazards, such as regular instruction and first aid
- Hazards for pregnant women and those breastfeeding
- Psychological stress.

With Quentic, executive managers and OHS officers have clear and targeted access to information contained in the hazard assessments and to all accidents.

### Travel risk management

We run a travel risk management program specifically for installation sites outside Germany and travel to and from the same that enables risks to the employees concerned to be assessed in advance. Any protective measures deemed necessary can then be derived based on this information. Further travel risk management measures include our HSE (health, safety and environment) manual for installation sites, HSE audits on installation sites and the provision of support for employees regarding medical issues and travel safety by our external services provider International SOS. International SOS provides daily updates on travel destinations and can be reached 24/7 through an app and hotline. It provides immediate assistance with medical and other emergencies, up to and including repatriation if necessary.

→ GRI 403-2

→ ESRS S1 S1-3

### Communication, training and employee involvement

We implement an extensive range of measures to help sensitize our personnel to issues of occupational health and safety on a continuous basis. These include in particular:

- Topic of the month: this is a one-pager that centers on various issues of occupational health and safety and environmental and energy management (see Occupational health and safety management at KHS).
- What we call health action days are regularly held at our German production sites, during which occupational health and safety issues are also addressed.

- Training programs are run for various employee groups in the company (see Occupational health and safety management at KHS), including on travel safety, for instance, and extensive further training options are available for executive managers, such as on OHS-compliant styles of management.

Each and every employee can communicate their questions, ideas or remarks on health and safety risks through a central email address; all notifications are immediately entered in Quentic, where they are then processed.

→ GRI 403-4; GRI 403-5; 403-7

→ ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M; ESRS S2 S2-4

### Responsibility also for mental health

With regard to a person's general state of health, we motivate our employees to make use of KHS' in-house fitness and prevention program. In addition to offering seminars on stress management, resilience and mindfulness, personnel suffering from psychological stress can also contact our occupational medical care service. This is responsible for workplace integration management following psychological treatment.

The company health management program steering committee also meets at least once a year to debate new measures and ideas that further improve the occupational health and safety of KHS employees.

→ GRI 403-3; GRI 403-5; GRI 403-6

→ ESRS S1 S1-1; ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M

## Commitment to local communities

Our policy of social commitment is derived from Salzgitter AG's Group-wide site concept that defines criteria for the systematic and transparent promotion of cultural, social and sports projects and initiatives. The key aim of this concept is to improve the quality of life in the communities where our employees live. This in turn endeavors to strengthen and make visible the regional commitment shown by our respective company production sites. KHS' commitment to society thus primarily takes place at a local level.

For decades, KHS has maintained facilities throughout the world, with its global alignment shaping the way the company does business. We opened our first production site outside Europe in São Paulo, Brazil, in 1962. Since then, we have established a number of further KHS factories in the USA, Mexico, India and China. Our international plants largely manufacture for the regional market according to international standards of quality and ethics. Our global production network enables us to best support regional customer projects and offer customers numerous direct services at a local level.

→ GRI 2-23; GRI 2-24

KHS' long-term presence has resulted in close ties being formed with the employees who work for us there and their families. These are the people we are committed to, especially when addressing occupational health and safety issues, improving production processes and further developing personal skills and qualifications. In our responsibility for our international production sites, we see ourselves as part of the local communities which we contribute to in the form of various campaigns and aid projects.

Every two years, for instance, KHS Brazil continues to employ around ten trainees from state technical colleges as part of their apprenticeship. They receive a fixed salary during their two-year term at the company. All of them are encouraged to learn as much as they can in a special training program that includes practical modules on subjects such as maintenance through to assembly. At the end of this period, they have the chance to be taken on by the company as regular employees. About half of the workforce in Brazil has gone through this program or school cooperation.

Our local presence worldwide is being further strengthened by the expansion of our production capacities – this is the key aim of the KHS 2025 strategy program. With a view to boosting customer proximity, further site investments have thus already been made or are currently being planned across the globe.

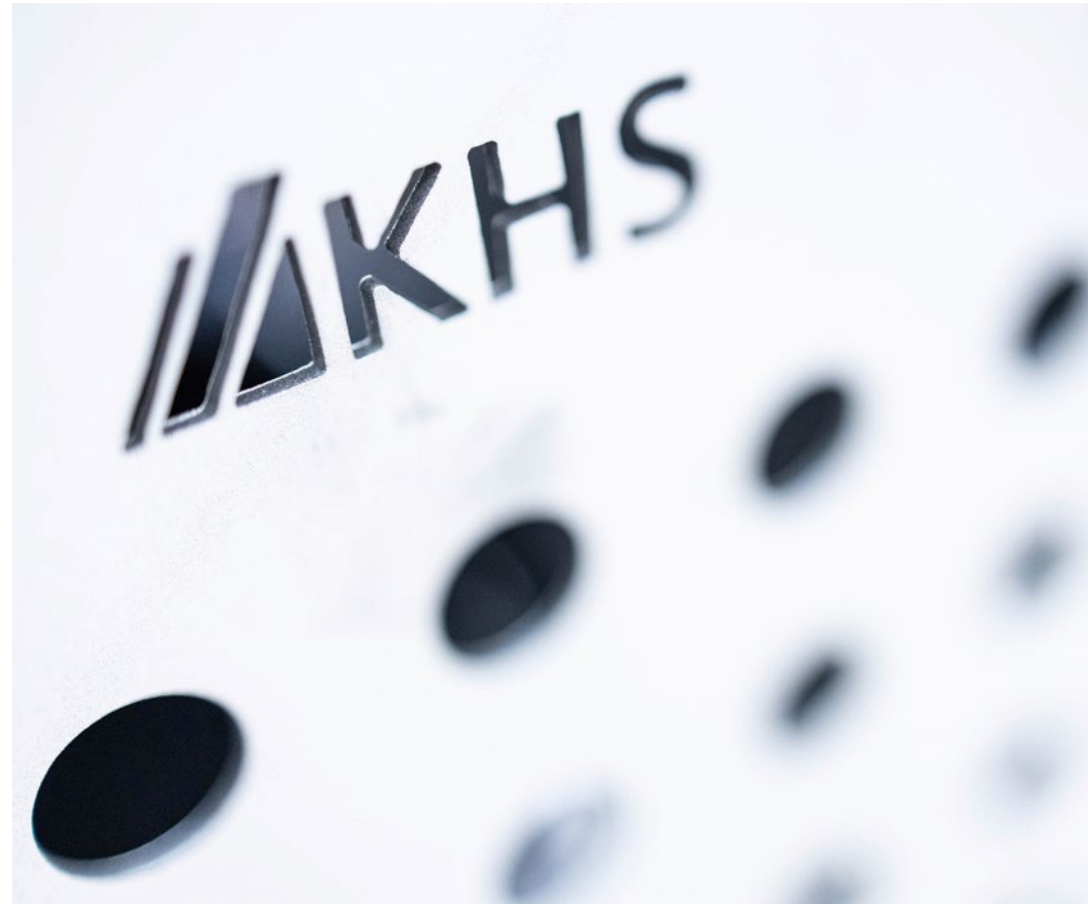
→ GRI 2-23; GRI 2-24

→ ESRS 2 MDR-P, GOV-4; ESRS S1 S1-1; ESRS S2 S2-1; ESRS G1 G1-1

# Facts & Figures

## Key Figures

In many areas, the key figures for 2024 have been adapted to correspond with the accounting framework of the KHS Group under the requirements of the CSRD. For better distinction from the key figures for 2022 and 2023, in the appropriate places we state which accounting framework the given value refers to. The aim is to provide complete, uniform values for the KHS Group across a period of 36 months for the coming sustainability report for 2025.



## Company

	Unit	Reference framework	2024	2023	2022
Sales	€bn	Salzgitter consolidation	1.654	1.516	1.291
EBIT	€m	Salzgitter Technology Business Unit	96.2	81.9	47
EBT	€m	Salzgitter Technology Business Unit	93.5	81.1	48
EBITDA	€m	Salzgitter Technology Business Unit	148.5	114.9	76.8
Business locations	Number	KHS Group	42	43	40
Production sites	Number	KHS Group	10	10	10
Issued patents and utility models	Number	KHS Group	7,758	7,528	7,293
Expenditure for R&D	€m	Salzgitter Technology Business Unit	19.3	26.9	21.8

## Compliance Management

	Unit	Reference framework	2024	2023	2022
Number of confirmed cases of corruption	Number	KHS Group	0	n.s.	n.s.
Number of employees who took part in at least one compliance training course in the reporting year	Share in %	KHS Group	90	91	n.s.

### Compliance training courses by type of training [see below]

Business ethics	Share in %	KHS Group	92	n.s.	n.s.
Antitrust law	Share in %	KHS Group	92	89	n.s.
Prevention of money laundering	Share in %	KHS Group	92	89	n.s.
Prevention of corruption	Share in %	KHS Group	92	89	n.s.
Conflicts of interest	Share in %	KHS Group	92	89	n.s.
Information security	Share in %	KHS Group	92	89	n.s.
Compliance investigations	Number	KHS Group	2	3	n.s.
Production sites for which human rights audits or assessments of human rights implications were carried out (Sedex)	Share in %	KHS Group	90	90	n.s.

## Supply Chain Management

	Unit	Reference framework	2024	2023	2022
<b>Procurements by region of origin and purchasing volume<sup>1</sup></b>					
Germany	Share in %	All plants	61	60	63
Europe	Share in %	All plants	16	16	16
USA	Share in %	All plants	7	9	8
Brazil	Share in %	All plants	6	5	5
China	Share in %	All plants	5	4	5
Americas	Share in %	All plants	2	2	2
Asia	Share in %	All plants	4	4	1
Africa	Share in %	All plants	0	0	0
Oceania	Share in %	All plants	0	0	0

<sup>1</sup> Regions of origin according to [UN Statistics](#).

	Unit	Reference framework	2024	2023	2022
Supplier audits	Number	All plants	70	122	61
Active suppliers who have signed the supplier code of conduct	Share in %	All plants	66	42	33
Targeted suppliers with contracts containing clauses on environmental, labor and human rights requirements	Share in %	All plants	30	32	31
Targeted suppliers who undergo a risk assessment with respect to human rights violations and compliance with environmental standards (Act on Corporate Due Diligence Obligations in Supply Chains, Lieferkettensorgfaltspflichtengesetz, LkSG)	Share in %	All plants	100	84	5
Procurement personnel at all sites who have undergone training in sustainable procurement	Share in %	All plants	66	74	79

## Corporate environmental protection

	Unit	Reference framework	2024	2023	2022
Total energy consumption <sup>1</sup>	MWh	German plants KHS Group	52,578	32,583	34,261
Total energy consumption from renewable sources of energy <sup>2</sup>	MWh	German plants KHS Group	14,641	11,632	10,073
<b>Differentiation according to energy type</b>					
of which heating oil	Share in %	German plants KHS Group	2.3	4.1	5.1
of which natural gas	Share in %	German plants KHS Group	33.3	42.5	46.0
of which fuel (gasoline/diesel)	Share in %	German plants KHS Group	24.9	17.7	15.0
of which electricity	Share in %	German plants KHS Group	37.8	35.7	34.5
of which from renewable energies	Share in %	German plants KHS Group	73.6	35.7	34.5

<sup>1</sup> Formerly “absolute energy consumption”.

<sup>2</sup> Data shown in the 2023 sustainability report as shares in % of the absolute energy consumption.

<sup>3</sup> Data from 2022 and 2023 has been adjusted as a result of final costing.

<sup>4</sup> Values for Scope 3.1 for 2022 and 2023.

<sup>5</sup> NO<sub>x</sub> and SO<sub>2</sub> from company heating processes.

## Inventory of greenhouse gas emissions and air pollutants

	Unit	Reference framework	2024	2023	2022
Scope 1: direct GHG emissions <sup>3</sup>	t CO <sub>2</sub> equivalents	KHS Group	7,487	7,003	7,109
Scope 2: indirect, energy-related GHG emissions [market-based]	t CO <sub>2</sub> equivalents	KHS Group	3,187	3,508	3,176
Total Scope 1 + 2	t CO <sub>2</sub> equivalents	KHS Group	10,674	10,511	10,285
Total upstream Scope 3 GHG emissions <sup>4</sup>	t CO <sub>2</sub> equivalents	KHS Group	161,461	133,875	112,536
Total downstream Scope 3 GHG emissions	t CO <sub>2</sub> equivalents	KHS Group	1,689,688	n.s.	n.s.
Total Scope 3	t CO <sub>2</sub> equivalents	KHS Group	1,851,148	n.s.	n.s.
Total weight of air pollutants <sup>5</sup>	kg	All plants	2,828	n.s.	n.s.
Sites with extraction pipes	Share in %	All plants	55	n.s.	n.s.

## Resource conservation

	Unit	Reference framework	2024	2023	2022
Total water consumption (Previously: absolute water consumption)	m <sup>3</sup>	German plants KHS Group	91,507	38,396	36,843
Total amount of recycled water	m <sup>3</sup>	German plants KHS Group	5,796	n.s.	n.s.
Total amount of water consumed in water risk areas (WRI)	m <sup>3</sup>	KHS Group	38,549	n.s.	n.s.
Total stored amount of water (and changes in storage)	m <sup>3</sup>	German plants KHS Group	712	n.s.	n.s.

	Unit	Reference framework	2024	2023	2022
Total amount of waste	t	German plants KHS Group	5,050	5,025	2,689
Amount of harmless waste	t	German plants KHS Group	4,916	3,532	6,1
Amount of hazardous waste	t	German plants KHS Group	134	183	n.s.
Amount of recycled waste	t	German plants KHS Group	4,483	3,686	n.s.
Amount of waste for final disposal	t	German plants KHS Group	567	29	n.s.
Types/flows of waste in production	Share in %	All plants	Metals: 30.69 Wood: 24.03 Plastics & rubbers: 8.53	n.s.	n.s.

**Product use / End of product life**

	Unit	Reference framework	2024	2023	2022
Share of products with ecological design features (life-long spare parts for extended use)	Share in %	KHS Group	100	n.s.	n.s.
Share of machines with a modular design that can be recycled	Share in %	KHS Group	100	n.s.	n.s.
Share of customers who receive information on product end of life and disposal	Share in %	KHS Group	100	n.s.	n.s.

## Occupational health & safety

	Unit	Reference framework	2024	2023	2022
Accident frequency <sup>1</sup>	Rate	German plants KHS Group	4.5	5.8	6.3
LTIF [Lost Time Injury Frequency] <sup>2</sup>	Rate	KHS Group	5.5	5.4	n.s.
Sickness rate <sup>3</sup>	Share in %	German plants KHS Group	3.9	6.0	6.7
<b>Occupational health and safety</b>					
Number of work-related accidents <sup>4</sup>	Number	German plants KHS Group	52	4	10
of which resulting in death	Number	German plants KHS Group	0	0	0
Number of days of absence caused by industrial accidents	Days	KHS Group	891	n.s.	n.s.

<sup>1</sup> Reportable industrial accidents per one million working hours (referenced to the active workforce).

<sup>2</sup> Industrial accidents with lost time (total number of industrial accidents with lost time x 1,000,000/total hours worked/referenced to the active workforce).

<sup>3</sup> Paid and unpaid hours of sickness in % of target hours; Jan–Dec; core workforce plus apprentices.

<sup>4</sup> Referenced to industrial and work-related accidents (without accidents on the way to/from the place of work or commuting accidents). 2022 and 2023: accidents ≥ 1-3 calendar days of absence from work.

<sup>5</sup> In the course of occupational medical advice (mandatory, optional and/or requested preventive occupational health care, suitability examinations); health care and examination results are usually valid for three years.

<sup>6</sup> Protective equipment according to the area hazard assessment.

<sup>7</sup> Work equipment to be tested according to the test registry; work equipment has varying test periods of between 3–6 months and ten years.

	Unit	Reference framework	2024	2023	2022
<b>Differentiation of all accidents according to type and severity</b>					
Employees who have had a scheduled medical checkup <sup>5</sup>	Share in %	Germany KHS Group	100	100	100
Employees who have been provided with protective equipment <sup>6</sup>	Share in %	Germany KHS Group	100	100	100
Devices at all sites that have undergone regular inspection or testing <sup>7</sup>	Share in %	Germany KHS Group	100	100	100

## Employees

	Unit	Reference framework	2024	2023	2022
Management structure by role <sup>1</sup>	Number	Germany	3 EMB 17 EM 166 (S)DH	4 EMB 15 EM 160 (S)DH	4 EMB 15 EM 153 (S)DH
Number of employees (total workforce) <sup>2</sup>	Number	KHS Group	5,730	5,226	5,046
Number of employees (total workforce in Germany) <sup>2</sup>	Number	Germany	3,371	3,118	3,065
Temporary employment relationships <sup>3</sup>	Number	Germany KHS Group	527	165	147
Fixed-term employment relationships	Share in %	Germany KHS Group	6	10	9
of which female	Share in %	Germany KHS Group	17	n.s.	n.s.
of which male	Share in %	Germany KHS Group	83	n.s.	n.s.
of which non-binary	Share in %	Germany KHS Group	0	n.s.	n.s.
No information	Share in %	Germany KHS Group	0	n.s.	n.s.

	Unit	Reference framework	2024	2023	2022
by region					
Germany	Share in %	Germany KHS Group	86	n.s.	n.s.
Other European countries	Share in %	Germany KHS Group	3	n.s.	n.s.
Asia	Share in %	Germany KHS Group	7	n.s.	n.s.
Americas	Share in %	Germany KHS Group	4	n.s.	n.s.
Africa	Share in %	Germany KHS Group	0	n.s.	n.s.
Pacific	Share in %	Germany KHS Group	0	n.s.	n.s.

<sup>1</sup> Level 1 = Executive Management Board (EMB), Level 2 = divisional head/executive manager (EM), Level 3 = (senior) departmental head ((S)DH)

<sup>2</sup> All figures including apprentices and trainees, employees in the passive phase of early retirement and inactive employees.

<sup>3</sup> Average.

## Employees

	Unit	Reference framework	2024	2023	2022
Permanent employment	Share in %	Germany KHS Group	94	n.s.	n.s.
of which female	Share in %	Germany KHS Group	15	n.s.	n.s.
of which male	Share in %	Germany KHS Group	85	n.s.	n.s.
of which non-binary	Share in %	Germany KHS Group	0	n.s.	n.s.
No information	Share in %	Germany KHS Group	0	n.s.	n.s.

	Unit	Reference framework	2024	2023	2022
by region					
Germany	Share in %	Germany KHS Group	57	n.s.	n.s.
Other European countries	Share in %	Germany KHS Group	5	n.s.	n.s.
Asia	Share in %	Germany KHS Group	9	n.s.	n.s.
Americas	Share in %	Germany KHS Group	20	n.s.	n.s.
Africa	Share in %	Germany KHS Group	5	n.s.	n.s.
Pacific	Share in %	Germany KHS Group	0	n.s.	n.s.

## Employees

	Unit	Reference framework	2024	2023	2022
Employees on flextime work models	Share in %	Germany KHS Group	85	84	k.A.
<b>Employee loyalty</b>					
Average years of service for the company	Years	Germany KHS Group	12	16	17
Fluctuation	Rate	Germany KHS Group	3	2	2
<b>Personnel development</b>					
Average age of the total workforce <sup>2</sup>	Years	Germany KHS Group	44	44	45
Employees under 30 years of age	Number	KHS Group	904	834	772
30 to 50 years of age	Number	KHS Group	2,878	2,651	2,563
Older than 50	Number	KHS Group	1,948	1,741	1,711

<sup>1</sup> All figures including apprentices and trainees, employees in the passive phase of early retirement and inactive employees.

	Unit	Reference framework	2024	2023	2022
<b>Diversity &amp; equality</b>					
Number of women in the total workforce	Share in %	Germany KHS Group	15	14	14
Number of women at management level <sup>4</sup>	Share in %	Germany KHS Group	9	9	10
Employees with severe disabilities	Share in %	Germany KHS Group	2	4	5
Nationalities	Number	Germany KHS Group	96	83	79
Men's basic salary compared to women's	Ratio of 1:x	Germany KHS Group	1:0.91	1:0.93	1:0.95
Employees paid according to/subject to a collective wage agreement.	Share in %	Germany KHS Group	84	83	n.s.
Share of the workforce at all sites represented by officially elected employee representatives.	Share in %	Germany KHS Group	100	100	100
Share of all personnel with access to company health care	Share in %	All plants	100	n.s.	n.s.

<sup>2</sup> Management level includes the Executive Management Board, divisional heads, senior departmental heads and departmental heads.

## Employees

	Unit	Reference framework	2024	2023	2022
<b>Training</b>					
Apprentices and trainees	Number	Germany KHS Group	317	254	254
Average age of apprentices and trainees	Years	Germany KHS Group	23	22	22
<b>Further training and skills development</b>					
Employees at all production sites who have received a regular performance assessment and development plan	Share in %	Germany KHS Group	73	k.A.	k.A.
of which female	Share in %	Germany KHS Group	13	k.A.	k.A.
of which male	Share in %	Germany KHS Group	87	k.A.	k.A.
of which non-binary	Share in %	Germany KHS Group	0	k.A.	k.A.
No information	Share in %	Germany KHS Group	0	k.A.	k.A.

	Unit	Reference framework	2024	2023	2022
Trained employees	Number	Germany KHS Group	4,830	2,929	2,698
Average hours of training per employee	Hours	KHS Group	34	32	k.A.
of which female	Share in %	Germany KHS Group	12	n.s.	n.s.
of which male	Share in %	Germany KHS Group	37	n.s.	n.s.
of which non-binary	Share in %	Germany KHS Group	0	n.s.	n.s.
No information	Share in %	Germany KHS Group	0	n.s.	n.s.
Personnel development measures <sup>5</sup>	Number	Germany KHS Group	23,195	11,199	6,737

### Job application process

Share of all applicants at all sites to whom the relevant transparent recruitment process is made accessible in writing	Share in %	KHS Group	100	100	100
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<sup>1</sup> This figure was increased in 2023 by additional compliance training courses that were further enforced in 2024 and supplemented by iSec teaching units.

## Management systems

	Unit	Reference framework	2024	2023	2022
Production sites with a certified environmental management system (according to ISO 14001) <sup>1</sup>	Share in %	All plants	74.0	74.3	75.6
Production sites with a certified energy management system (according to ISO 50001) <sup>1</sup>	Share in %	All plants	74.0	74.3	75.6
Production sites with a certified quality management system (according to ISO 9001) <sup>1</sup>	Share in %	All plants	100	96.4	n.s.
Production sites with a certified occupational health and safety management system (according to ISO 45001) <sup>1</sup>	Share in %	All plants	74.0	74.3	75.6
Production sites with a certified IT security management system (according to ISO 27001) <sup>1</sup>	Share in %	All plants	100	n.s.	n.s.

<sup>1</sup> Expressed as the percentage share of employees covered by this management system.

# About the KHS sustainability report

The following voluntary sustainability report focuses on the key impact the KHS Group's business activities have on the environment, economy and society and provides information for the reporting period January 1 through December 31, 2024. KHS reports annually on its sustainability achievements.

The report is divided into five main chapters:

- Responsibility and governance
- Air and noise emissions
- Sustainable operations
- Product responsibility
- Social governance.

These chapters describe the key challenges, targets, measures and approaches to management that are based on KHS' sustainability strategy.

## Aim of the sustainability report

Quantifiable, transparent and thus verifiable sustainability achievements are the foundation of progress and further development. In our sustainability report, we outline our sustainability targets and their current state of implementation and highlight the significant commitment shown and specific measures in place at our various production sites.

One of the main purposes of this document is to report on the economic, ecological and social impact of KHS' business operations, using key figures to substantiate this. Our data base was again extended in the drawing up of the current report. Specially developed key performance indicators (KPIs) enable the level of goal achievement with respect to our sustainability efforts to be quantified.

As part of the Salzgitter Group's Technology Business Unit, KHS also provides data for the annual, separate, non-financial Group report issued by Salzgitter AG. Being integrated into the Group reporting process provides new impetus for discussions with our employees, customers and business partners, further stakeholders and the interested public.

Salzgitter AG's separate non-financial Group report was audited externally by the EY GmbH & Co. KG auditing company to obtain limited audit assurance (see Salzgitter AG's annual report for 2024, p. 282ff). KHS set up internal procedures to ensure the quality of the report, particularly regarding KPI reporting and evidence-based information. KHS' independent report was not audited externally.

Our voluntary report is produced with reference to the standards of the Global Reporting Initiative (GRI). In close cooperation with Salzgitter AG, KHS has based its report on the reporting rules defined in particular by the upcoming EU Corporate Sustainability Reporting Directive (CSRD) and the EU's taxonomy directives.

KHS aims to further develop its sustainability report in keeping with these legal requirements and to thus make it easier to compare the report's content with that of any other market participant. In doing so, KHS reinforces its own efforts to gradually bring its sustainability reporting into line with the requirements for companies obliged to submit a report according to the new CSRD. To effect the transition to the CSRD, both standards (GRI and CSRD) were compared in the drawing up of the current report.

This procedure is explained below.

→ GRI 2-1; GRI 2-2; GRI 2-3; GRI 2-4; GRI 2-5

→ No reference; ESRS 1; ESRS 2 BP-1, BP-2; no reference

## Defining the report content

When defining the content of the report, we based this on the central expectations of our stakeholders and the principle of materiality.

In 2024, the Salzgitter Group carried out a double materiality analysis according to CSRD/ESRS (see [Salzgitter AG's annual report for 2024](#), p. 104 ff). KHS contributed to the Group's implementation of the double materiality analysis and in this context identified the special aspects of KHS' field of business with select stakeholders (customers and service providers).

The results of the Salzgitter Group's double materiality analysis specified the data and framework for the thematic priorities of the current sustainability report issued by the KHS Group. To this end, the material sustainability topics of the Salzgitter Group were assessed with a view to their significance for KHS and assigned to the areas of activity where KHS has initiated or (further) developed appropriate management approaches. One central topic for both Salzgitter AG and the KHS Group is climate protection.

In order to extend our reporting system and bring it closer into line with the CSRD, an extensive comparison was made between GRI reporting standards and the CSRD's ESRS reporting standards with the aim of pinpointing potential areas where reporting on KHS' material topics can be expanded. The conclusions drawn from this process are a composite part of the current sustainability report.

Our sustainability report is constantly maintained and further expanded. After producing six consecutive voluntary documents of this nature, the current report was again analyzed with external support. This allowed us to gauge our current status and showed us where we needed to go into greater detail in our presentation of certain subject matter in the report. We were thus able to include the identified potential improvements in this report. The focus here was particularly on applying the results from SZAG's double materiality analysis to this report and consistently expanding our reporting and our data base with respect to our key content.

In our future reports, we aim to reinforce these strategic positions by involving our stakeholders and to further expand our system of sustainability management and sustainability reporting. Together with the greenhouse gas reduction targets for Salzgitter AG and its various companies validated by the SBTi in 2024, the key component in 2025 will be the establishment and approval of our own action plan and the launch of its implementation by 2028.

→ GRI 2-29; GRI 3-1

→ ESRS 2 SBM-2; ESRS S1 S1-1, S1-2; ESRS S2 S2-1, S2-2; ESRS 2 BP-1, IRO-1

## Reporting period and frequency

The current KHS sustainability report refers to the 2024 business year (January 1 through December 31, 2024) and is the sixth consecutive voluntary report to have been issued. The editorial deadline was 05/09/2024. With this issue, KHS covers a single-year reporting period, thus aligning its sustainability report with the yearly issue of Salzgitter AG's non-financial report.

## Reporting framework

The statements and information given in this report always refer to the entire company, including all subsidiaries of the KHS Group subject to operative monitoring (see the About KHS company profile). Participations and companies outside the KHS Group consolidation are not the subject matter of this report.

Restrictions in the scope of this report are noted in the appropriate places and result from the current state of data availability.

All of our business unit locations are to be successively included in the report and are working to produce the necessary data basis.

→ GRI 2-2; GRI 2-3; GRI 2-4

→ ESRS 1; ESRS 2 BP-1, BP-2

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## GRI Content Index

Statement of use: KHS has reported the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 with reference to the GRI Standards. GRI 1: Foundation 2021. The ESRS (European Sustainability Reporting Standards) column contains a reference to the sustainability reporting standards of the CSRD (Corporate Sustainability Reporting Directive) on application of the GRI-ESRS Interoperability Index, published jointly by the GRI and EFRAG in November 2023.

Content	GRI	ESRS	References
Company profile	GRI 2: General disclosures 2021 <ul style="list-style-type: none"> <li>• Disclosure 2-1 Organizational details</li> <li>• Disclosure 2-6 Activities, value chain and other business relationships</li> </ul>	/ ESRS 2 SBM-1	p. 7, 79 p. 7
Report disclosures	GRI 2: General disclosures 2021 <ul style="list-style-type: none"> <li>• Disclosure 2-2 Entities included in the organization's sustainability reporting</li> <li>• Disclosure 2-3 Reporting period, frequency and contact point</li> <li>• Disclosure 2-4 Restatements of information</li> <li>• Disclosure 2-5 External assurance</li> </ul>	ESRS 1; ESRS 2 BP-1 ESRS 1 ESRS 2 BP-2 /	p. 79-80 p. 79-80 p. 79-80 p. 79
Employees	GRI 2: General disclosures 2021 <ul style="list-style-type: none"> <li>• Disclosure 2-7 Employees</li> <li>• Disclosure 2-8 Workers who are not employees</li> </ul>	ESRS 2 SBM-1 ESRS S1 S1-7	p. 7 p. 73
Organizational responsibility and governance	GRI 2: General disclosures 2021 <ul style="list-style-type: none"> <li>• Disclosure 2-9 Governance structure and composition</li> <li>• Disclosure 2-11 Chair of the highest governance body</li> <li>• Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts</li> <li>• Disclosure 2-13 Delegation of responsibility for managing impacts</li> <li>• Disclosure 2-19 Remuneration policies</li> </ul>	ESRS 2 GOV-1 / ESRS 2 GOV-1, GOV-2, SBM-2  ESRS 2 GOV-1, GOV-2; ESRS G1 G1-3 ESRS 2 GOV-3; ESRS E1	p. 13 p. 13 p. 13  p. 13, 21 p. 16, 53

Content	GRI	ESRS	References
Statement on sustainable development strategy	GRI 2: General disclosures 2021 • Disclosure 2-22 Statement on sustainable development strategy	ESRS 2 SBM-1	p. 4, 8, 10, 16, 50
Guidelines and voluntary commitments	GRI 2: General disclosures 2021 • Disclosure 2-23 Policy commitments  • Disclosure 2-24 Embedding policy commitments  • Disclosure 2-25 Processes to remediate negative impacts	ESRS 2 MDR-P, GOV-4; ESRS S1 S1-1; ESRS S2 S2-1; ESRS G1 G1-1 ESRS 2 MDR-P, GOV-2; ESRS S1 S1-4; ESRS S2 S2-4; ESRS G1 G1-1 ESRS S1 S1-1, S1-3; ESRS S2 S2-1, S2-3, S2-4; ESRS G1 G1-1	p. 13, 16, 21-23, 48, 50, 54, 64 p. 13, 16, 21-23, 48, 54, 64 p. 21-22, 32, 50
Compliance management	GRI 2: General disclosures 2021 • Disclosure 2-26 Mechanisms for seeking advice and raising concerns • Disclosure 2-27 Compliance with laws and regulations	ESRS S1 S1-3, ESRS S2 S2-3, ESRS G1 G1-1 ESRS 2 SBM-3; ESRS S1 S1-17	p. 21-23 p. 21-22
Representation by associations and interest groups	GRI 2: General disclosures 2021 • Disclosure 2-28 Membership associations	ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M	p. 18
Stakeholder engagement	GRI 2: General disclosures 2021 • Disclosure 2-29 Approach to stakeholder engagement • Disclosure 2-30 Collective bargaining agreements	ESRS 2 SBM-2; ESRS S1 S1-1, S1-2; ESRS S2 S2-1, S2-2 ESRS S1-8	p. 18, 79 p. 18, 53
Process and results of the materiality analysis	GRI 3: Material topics 2021 • Disclosure 3-1 Process to determine material topics • Disclosure 3-2 List of material topics	ESRS 2 BP-1, IRO-1 ESRS 2 SBM-3	p. 17 p. 17-18
Economic performance	GRI 201: Economic performance 2016 • Disclosure 201-1 Direct economic value generated and distributed • Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	/ ESRS 2 SBM-3; ESRS E1 E1-3	p. 7 p. 11

Content	GRI	ESRS	References
Supplier management and procurement practices	GRI 204: Procurement practices 2016 <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 204-1 Proportion of spending on local suppliers</li> </ul>	ESRS G1 G1-2 ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M	p. 22 p. 7
Anti-corruption	GRI 205: Anti-corruption 2016 <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 205-2 Communication and training about anti-corruption policies and procedures</li> </ul>	ESRS G1 G1-1 ESRS G1 G1-3	p. 16 p. 16, 21, 54
Materials	GRI 301: Materials 2016 <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 301-1 Disclosure 301-1 Materials used by weight or volume</li> <li>• Disclosure 301-2 Recycled input materials used</li> </ul>	ESRS E5 E5-1, E5-2, E5-3 ESRS E5 E5-4 ESRS E5 E5-4	p. 12, 39 p. 39, 44, 46-47 p. 32, 39, 44, 46
Energy	GRI 302: Energy 2016 <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 302-1 Energy consumption within the organization</li> <li>• Disclosure 302-2 Energy consumption outside of the organization</li> <li>• Disclosure 302-4 Reduction of energy consumption</li> <li>• Disclosure 302-5 Reductions in energy requirements of products and services</li> </ul>	ESRS E1 E1-2, E1-3, E1-4 ESRS E1 E1-5 ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M	p. 31-33 p. 31, 34 p. 31-32 p. 31, 34 p. 31, 39, 41, 43-44, 47
Water and effluents	GRI 303: Water and effluents 2018 <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 303-1 Interactions with water as a shared resource</li> <li>• Disclosure 303-3 Water withdrawal</li> <li>• Disclosure 303-5 Water consumption</li> </ul>	ESRS E3 E3-2 ESRS 2 SBM-3, ESRS E3 ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M ESRS E3 E3-4	p. 35 p. 35 p. 35 p. 35, 43
Biodiversity	GRI 304: Biodiversity 2016	ESRS E4 SBM-3	p. 36

Content	GRI	ESRS	References
Climate and emissions to the air	<p>GRI 305: Emissions 2016</p> <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 305-1 Direct (Scope 1) GHG emissions</li> <li>• Disclosure 305-2 Energy indirect (Scope 2) GHG emissions</li> <li>• Disclosure 305-3 Other indirect (Scope 3) GHG emissions</li> <li>• Disclosure 305-5 Reduction of GHG emissions</li> <li>• Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</li> </ul>	<p>ESRS E1 E1-2, E1-3, E1-4, E1-7</p> <p>ESRS E1 E1-4; E1-6</p> <p>ESRS E1 E1-4; E1-6</p> <p>ESRS E1 E1-4, E1-6</p> <p>ESRS E1 E1-3, E1-4, E1-7</p> <p>ESRS E2 E2-4</p>	<p>p. 12</p> <p>p. 12, 27</p> <p>p. 12, 27</p> <p>p. 12, 27</p> <p>p. 12, 16, 27, 34, 39, 41, 43-44</p> <p>p. 28</p>
Waste	<p>GRI 306: Waste 2020</p> <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 306-1 Waste generation and significant waste-related impacts</li> <li>• Disclosure 306-2 Management of significant waste-related impacts</li> <li>• Disclosure 306-3 Waste generated</li> <li>• Disclosure 306-4 Waste diverted from disposal</li> </ul>	<p>ESRS E5 E5-1, E5-2, E5-3</p> <p>ESRS E5 E5-4</p> <p>ESRS E5 E5-2, E5-5</p> <p>ESRS E5 E5-5</p> <p>ESRS E5 E5-5</p>	<p>p. 36-37</p> <p>p. 36</p> <p>p. 32, 36</p> <p>p. 36</p> <p>p. 36</p>
Supplier management and procurement practices	<p>GRI 308: Supplier environmental assessment 2016</p> <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 308-1 New suppliers that were screened using environmental criteria</li> </ul> <p>GRI 414: Supplier social assessment 2016</p> <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 414-1 New suppliers that were screened using social criteria</li> </ul>	<p>ESRS G1 G1-2</p> <p>ESRS G1 G1-2</p> <p>ESRS G1 G1-2</p> <p>ESRS G1 G1-2</p>	<p>p. 32</p> <p>p. 7, 16, 22-23, 32</p> <p>p. 16</p> <p>p. 16, 22-23</p>
Employees and working conditions	<p>GRI 401: Employment 2016</p> <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 401-1 New employee hires and employee turnover</li> <li>• Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</li> <li>• Disclosure 401-3 Parental leave</li> </ul>	<p>ESRS S1 S1-1, S1-2, S1-4, S1-5; ESRS S2 21-1, S2-2, S2-4, S2-5</p> <p>ESRS S1 S1-6</p> <p>ESRS S1 S1-11</p> <p>ESRS S1 S1-15</p>	<p>p. 52</p> <p>p. 60</p> <p>p. 53</p> <p>p. 53</p>

Content	GRI	ESRS	References
Occupational health and safety	<p>GRI 403: Occupational health and safety 2018</p> <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 403-1 Occupational health and safety management system</li> <li>• Disclosure 403-2 Hazard identification, risk assessment, and incident investigation</li> <li>• Disclosure 403-3 Occupational health services</li> <li>• Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety</li> <li>• Disclosure 403-5 Worker training on occupational health and safety</li> <li>• Disclosure 403-6 Promotion of worker health</li> <li>• Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</li> <li>• Disclosure 403-8 Workers covered by an occupational health and safety management system</li> <li>• Disclosure 403-9 Work-related injuries</li> <li>• Disclosure 403-10 Work-related ill health</li> </ul>	<p>ESRS S1 S1-1, S1-2, S1-4, S1-5; ESRS S2 S2-1-, S2-2, S2-4, S2-5</p> <p>ESRS S1 S1-1</p> <p>ESRS S1 S1-3</p> <p>ESRS S1 S1-1</p> <p>ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M</p> <p>ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M</p> <p>ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M</p> <p>ESRS S2 S2-4</p> <p>ESRS S1 S1-14</p> <p>ESRS S1 S1-4, S1-14</p> <p>ESRS S1 S1-4, S1-14</p>	<p>p. 50</p> <p>p. 16, 50, 56</p> <p>p. 56, 63</p> <p>p. 56, 62-63</p> <p>p. 56, 62-63</p> <p>p. 56, 62-63</p> <p>p. 56, 62-63</p> <p>p. 63</p> <p>p. 50</p> <p>p. 72</p> <p>p. 72</p>
Employee training and education	<p>GRI 404: Training and education 2016</p> <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs</li> <li>• Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews</li> </ul>	<p>ESRS S1 S1-1, S1-2, S1-4, S1-5; ESRS S2 S2-1-, S2-2, S2-4, S2-5</p> <p>ESRS S1 S1-1</p> <p>ESRS S1 S1-13</p>	<p>p. 55</p> <p>p. 53-54, 57, 60</p> <p>p. 52</p>

Content	GRI	ESRS	References
Diversity, integration and equal opportunities	GRI 405: Diversity and equal opportunity 2016 <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 405-1 Diversity of governance bodies and employees</li> <li>• Disclosure 405-2 Ratio of basic salary and remuneration of women to men</li> </ul>	ESRS S1 S1-1, S1-2, S1-4, S1-5; ESRS S2 S2-1-, S2-2, S2-4, S2-5 ESRS 2 GOV-1; ESRS S1 S1-6, S1-12 ESRS S1 S1-16	p. 52  p. 16, 58 p. 52
Child labor	GRI 408: Child labor 2016 <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor</li> </ul>	ESRS S1 S1-1, S1-2, S1-4, S1-5 ESRS S1 S1-1	p. 51 p. 51
Customer health and safety	GRI 416: Customer health and safety 2016 <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> <li>• Disclosure 416-1 Assessment of the health and safety impacts of product and service categories</li> </ul>	ESRS S4 S4-1; S4-2; S4-4 ESRS 2 MDR-P, MDR-A, MDR-T, MDR-M	p. 39 p. 44
Customer privacy	GRI 418: Customer privacy 2016 <ul style="list-style-type: none"> <li>• Disclosure 3-3 Management of material topics</li> </ul>	ESRS S4 S4-1, S4-3, S4-4, S4-5	p. 48



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