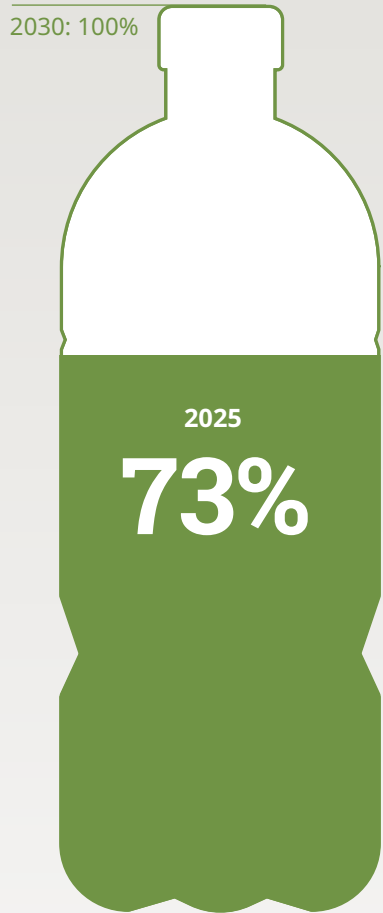


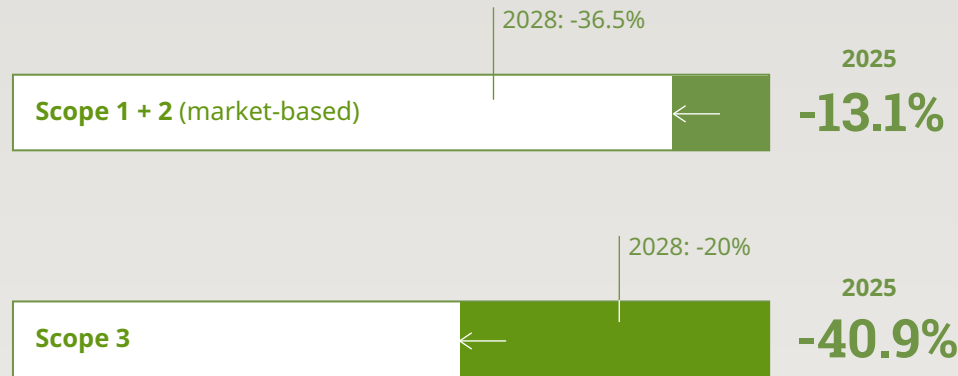


Sustainability Report for 2025

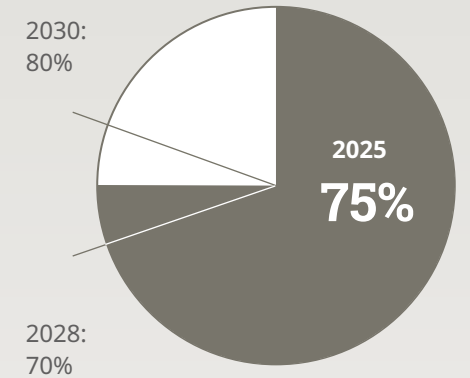
Share of green electricity of the total electricity consumption.



GHG emissions (base year: 2021)



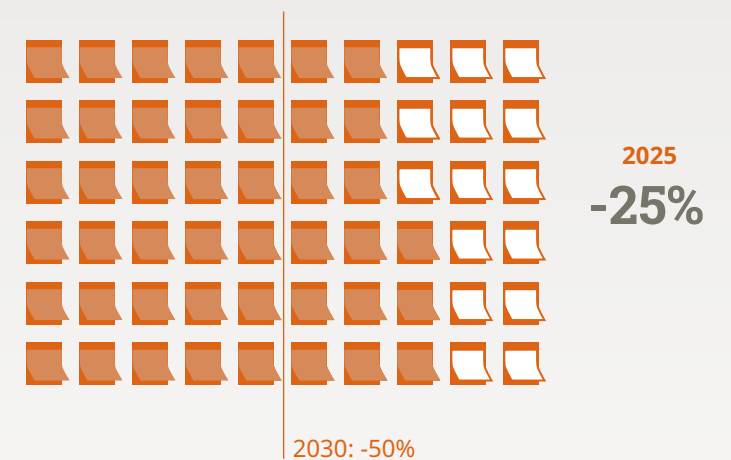
Suppliers who have signed the supplier code of conduct



Number of work-related accidents



Accident frequency with lost days (im comparison to the previous year)*



*Based on the core workforce of the companies in the KHS Group in the respective given year.

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Water, closed loops, responsibility – sustainability as a benchmark for action

**Dear Readers, Customers,
Partners and Friends of KHS:**

Ten years ago in our sustainability report for 2015/2016, we reported here on the even then considerable number of ways with which to save water using our technologies. This topic has lost none of its currency: quite the opposite, in fact.

Water was long considered a reliable constant, a resource that's available whenever required. Today, the picture is quite different. In many regions of the world, natural water systems are coming under increasing pressure. Rivers, soil surfaces and aquifers are growing less stable because the use and regeneration thereof no longer strike an even balance. Current analyses from international institutions clearly show that we've reached a turning point – away from the idea of water's seemingly infinite availability and towards more conscious handling of a finite foundation of our life and economy.

This development isn't a distant scenario but already shapes the general conditions governing entrepreneurial activity. It demands a clear perspective on what's actually feasible – and the will to rethink responsibility. For the answer to excessive structural use of this precious commodity can neither lie in the continuation thereof nor withdrawal; neither are options in responsible corporate management. Action is called for: through more efficient consumption, closed loops and technologies that save on resources instead of depleting them.



Tobias Wetzel
Chief Sales
Officer (CSO)
KHS Group

Kai Acker
Chief Executive
Officer (CEO)
KHS Group

Walter Schön
Chief Human
Resources Officer (CHRO)
KHS Group

Martin Resch
CFO Finance,
Procurement and IT
KHS Group

For us as a supplier of beverage filling and packaging equipment, water is more than a mere resource. It's a starting point, an impact factor and a benchmark all rolled into one. Accordingly, we systematically analyze the water situation at our various production sites worldwide. While our factories in Germany aren't affected by structural water stress at present, on a global scale the situation is quite different: on key markets such as the USA, China and India, there's a greater need for predictive systems of water management.

At our Indian plant in Ahmedabad, for example, we combine consistent control with long-term planning: water is withdrawn within strict given limits, consumption is continuously monitored and water treatment systems feed a not inconsiderable percentage back into the production loop.

In addition, measures such as rainwater seepage and collection ensure that natural basins and reservoirs are actively replenished. The effects are visible, with the groundwater table now stabilized, among other benefits.

Approaches such as these exemplify what we understand by sustainable transformation: the concept of consistent circularity. We aim to use water as efficiently as possible, prevent loss and design usage systems so that they're able to recover by themselves in the long term.

This principle doesn't just apply to our own production facilities but first and foremost to the lines and machines we supply our customers with – for the biggest lever lies in the use of our technologies worldwide. Whether through optimized process management, by replacing water-intensive methods or water reuse – considerable savings potential can be exploited time and again.

Our clients expect transparency, sound data and a concrete effort to reduce our water footprint. With this, sustainability then increasingly becomes a decisive competitive factor – and a benchmark for long-term partnerships. We share this aspiration. For we're convinced that economic success and the responsible use of resources aren't a contradiction in terms but instead mutually dependent.

We therefore treat sustainability as an integrated task, one that's to be practiced throughout the entire value chain. This isn't just about ecological impact but also about resilience through stable processes, safe and reliable supply and – last but not least – security of information.

Here at KHS, we're building up our resilience in these turbulent times through our international alignment and our diversity. Employees from 92 nations contribute their different perspectives, expertise and experience to our company. This diversity makes us stronger – and enables us to provide our customers and partners the world over with reliable systems and solutions. Within the Salzgitter Group, we're also working closely together to consistently cut our greenhouse gas emissions and shoulder responsibility in a fair balance with our personnel.

There's just one more area where we wish for constancy. 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



Martin Resch



Walter Schön



Tobias Wetzel

1

percent of the companies rated by EcoVadis are considered the best and duly awarded platinum status. KHS is one of them!

Sustainability at KHS – General information ESRS 2

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About the report

Aim of the sustainability report

Quantifiable, transparent and thus verifiable sustainability achievements are the foundation of progress. In our sustainability report, we provide information on our sustainability targets and their current state of implementation, highlighting the relevant commitment shown and specific measures in place at our various production, sales and service facilities both within and outside Germany.

KHS reports on the economic, ecological and social impact of its business operations, using key figures to substantiate this. In the current report, the data basis for the entire KHS Group has again been extended. Specially developed key performance indicators (KPIs) enable the level of goal achievement to be quantified with respect to our sustainability efforts.

As part of the Salzgitter Group's Technology Business Unit, KHS also reports in Salzgitter AG's sustainability statement and is thus not obliged to issue a separate report. As its business and market environment is very different to that of the Salzgitter Group, however, KHS has issued its own voluntary sustainability report since the 2013/14 reporting period.

Salzgitter AG's sustainability statement has been audited externally by the EY GmbH & Co. KG auditing company to obtain limited audit assurance (see [Salzgitter AG's annual report for 2025, p. 289 et seqq.](#)). KHS has recourse to internal procedures to ensure the quality of its report, particularly regarding KPI reporting and evidence-based information.

Our report is drawn up in close cooperation with Salzgitter AG. KHS publishes a voluntary report based on the standards of the CSRD. This is because of the growing relevance of non-financial reports within the Group, on the financial market and in KHS' own business environment that also orients itself to CSRD standards outside the European Union. The aim is to provide particularly stakeholders such as customers, banks, insurance companies and prospective new talent and employees with a permanently comparable and reliable portrait of the company's sustainability achievements and progress.

KHS has further developed the current report based on these requirements. In doing so, the simplified reporting obligations proposed by the European Union in 2025 (Omnibus I) and included in the adapted EU reporting standards (draft simplified ESRS) were taken into account. The principal aim is and shall remain to ensure that report content can be compared to that of every other market participant. This is why we shall continue to reference the final index to both Global Reporting Initiative (GRI) standards and European Sustainability Reporting Standards (ESRS).

The procedure is explained below.

Defining the report content

We have based the definition of the report content on the central expectations of our stakeholders and the principle of (double) materiality.

In 2025, the Salzgitter Group updated its double materiality analysis and implemented it according to ESRS (see [Salzgitter AG's annual report for 2025, p. 129](#)). KHS contributed to the Group's implementation and update of this materiality analysis and in this context identified the special aspects of its field of business with select stakeholders (customers and service providers). For details, see the material topics section below.

The key element of this is the consistent implementation of the greenhouse gas reduction targets for Salzgitter AG and its various companies validated by the Science-Based Targets initiative (SBTi) in 2024. KHS has drawn up and adopted an action plan for the implementation of its short-term targets by 2028. The progress thereof will be presented in this report.

Our sustainability report is constantly maintained and further expanded. After producing seven 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 in the report based on the reporting standards and where this ought to be expanded in the next few years. We were thus able to realize most of the identified potential improvements in this report – for example, by tailoring our report structure to that of the ESRS, adding an ESG dashboard to map our progress and expanding our key figures.

For better distinction from the key figures for 2023 and 2024, in the appropriate places we state which accounting framework the given value refers to. Our objective is to present the relevant key figures for the KHS Group in full and in a uniform manner.

We come much closer to achieving this goal in the report for 2025. We shall endeavor to achieve full compliance with the EU reporting standard in the near future once various legal decisions still pending at EU and national level have ultimately been reached.

For this report, KHS has further reinforced its strategic positions with the involvement of internal stakeholders and subsequently broadened its systematic sustainability management system and sustainability reporting.

Reporting period and frequency

The current KHS sustainability report refers to the 2025 business year (January 1 through December 31, 2025). Here, KHS aligns itself with the yearly issue of Salzgitter AG's sustainability statement.

The editorial deadline was April 21, 2026.

01/01 – 12/31/2025	04/21/2026
Reporting period	Deadline

Reporting framework


The statements and information given in this report always refer to the entire company, including all consolidated 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 being successively included in the report and the necessary data basis expanded accordingly.

Auditing

In the 2025 sustainability report, together with its external financial auditor KHS has taken the first step towards obtaining limited assurance (see section [Assurance report](#) of the independent German public auditor). To this end, KHS first selected certain performance indicators and information from the highly prioritized material topics of climate protection and occupational health and safety. The EY GmbH & Co. KG auditing company entrusted with this task is also responsible for external auditing of Salzgitter AG's annual report. All necessary agreements were thus made with the Salzgitter Group and approved by the same in advance.

The audited performance indicators – here, primarily key figures and their underlying data points – are marked with a special symbol  in the report and highlighted appropriately.



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 2025 the company and its over 5,800 employees achieved a turnover of €1.649 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 Salzgitter 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 in Dortmund (headquarters), Hamburg, Bad Kreuznach, Kleve and Worms, 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.

1.649

billion turnover

>5,800

employees

The KHS Group not only provides its customers with turnkey 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.

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, providing fast assistance at a local level and, last but not least, reducing the amount of travel required. With this, KHS meets the demand for services provided in proximity to its customers. Furthermore, KHS' Virtual Training Center (VTC) has been in full operation since 2025, allowing personnel to train on KHS machines regardless of their location.

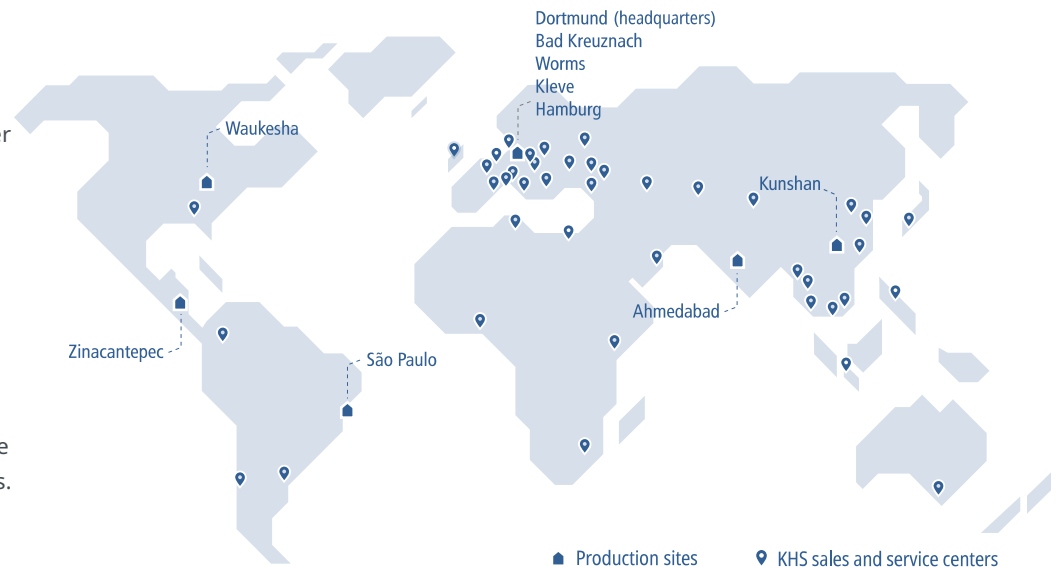
Wherever feasible, the KHS Group organizes its supply chain on a local-to-local basis in order to keep transportation routes as short as possible and thus save on resources. Customers benefit from faster availability and local support. Over 75% of the company's purchasing volume is thus sourced on the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

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.

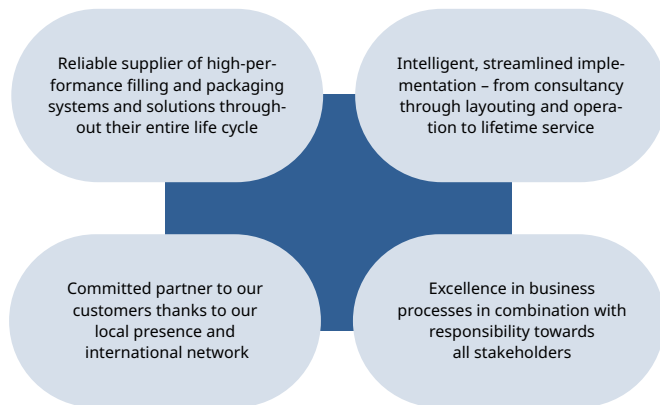
- Ecological factors are also always considered in all new and further developments of the product portfolio; this means that:
- Our (new) machines save on energy and resources and cut down on packaging materials, right down to minimalist systems that require just a few dots of adhesive.
- Line and machine life cycles are lengthened by sustainable and profitable services such as conversions in a 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.



KHS' promise of performance is substantiated in its motto of "your reliable partner". The company underlines this in particular by successfully developing especially energy-efficient, resource-conserving machinery and upgrades. KHS acts globally with local proximity to its customers and ensures maximum product and project quality throughout the entire life cycle of its machinery. In doing so, KHS stands for the following values:

- Individual responsibility
- Customer orientation
- Integrity
- Sense and purpose
- Motivation
- Social responsibility.

The KHS strategy will be developed further during the course of 2026. Our four existing strategic pillars are to be supplemented and expanded.



Our strategic interdisciplinary issue, namely that of sustainability, shores up these pillars and effects a balance between ecological, economic and social aspects across all strategic fields of action.

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

KHS supports its customers throughout the entire life cycle of their lines and machines with 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 lightweight, 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 provide them with access to clean drinking water.

Long-term partnerships with renowned specialists produce a constant stream of innovations developed in accordance with customer requirements, therefore 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 well-known manufacturer of can seamers based in Switzerland, KHS develops and sells pre-combined system solutions such as the InnoFill Can C and Smart-Can by KHS/Ferrum filler/seamer blocks. Back in 2024, Ferrum Packaging AG and KHS GmbH jointly took over H. F. Meyer Maschinenbau GmbH & Co. KG in Neustadt in Holstein, Germany.

With its core expertise the handling of beverage cans in the filling and packaging process, this company is a globally leading partner in the food and beverage industries. This cooperation has enabled a competence center for canning technology to be established. KHS is to increase 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, the consolidation of which is scheduled for 2026.

KHS' vision of corporate responsibility is openly practiced in its full social diversity and with shared values by its employees who originate 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 primarily anchored in the principle of the total cost of ownership (TCO) throughout the life cycle of a machine or turnkey system. As not only the cost of procurement (CAPEX) but also all running costs during use (OPEX) are a defining factor here, together with our customers we believe in manufacturing and operating durable, energy-efficient, easy-maintenance plant equipment. 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.

In the Technology Business Unit, our main focus is on long-lasting 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.

A broad range of expansions and upgrades supports this overriding aim of enabling a longer life cycle. Besides flexible machine additions that allow other container formats or sizes to be processed, KHS offers more than 190 standard conversions. Its conversion portfolio also includes a multitude of customized solutions tailored to individual customer requirements. One clear focus here is to save on energy or process media such as compressed air and water – in both cases, key factors in resource-conserving, low-emission beverage production.

KHS is constantly working to extend its service designed to identify the respective carbon footprint for modernizations and to make this information a fixed feature of its conversion 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 a machine's end of life, a high proportion of its components comprising resources such as steel, stainless steel and plastic 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. If required, KHS is also available to help with dismantling the line for the safe return of used resources to the recycling loop. In certain conditions, on request KHS customers can also give select machines or key components a general overhaul.

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 PET container consultancy, KHS can supply its customers with systems that use up to 100% recycled materials. In addition to secondary packaging concepts that consist entirely of recycle, those that need no secondary packaging at all are also available. We can provide our customers with validated information on questions about CO₂ equivalents for all KHS packaging systems and solutions.



Material topics and scope of the report

As a member of the Salzgitter Group, the KHS Group is part of the process to identify obligatory report topics during the annual update of Salzgitter AG's double materiality analysis. In 2025, the following sustainability issues were considered to be central to the Salzgitter Group::

Environment	Social	Governance
Climate protection	Working conditions (own workforce)	Corporate Culture
Energy	Equal treatment and opportunities for all (own workforce)	Management of relationships, including payment practices
Air pollution	Working conditions (workers in the value chain)	
Water		
Resources inflow, including resource use		
Resource outflows related to production and services		
Waste		

KHS assesses the topics and content of the Salzgitter Group materiality analysis as to their relevance for the KHS Group and subsequently prioritizes them with the aim of defining its own key issues for its voluntary report. This is chiefly because of the fact that KHS' business model and business activities both hold a special status within Salzgitter AG. Regarding its own business activities, KHS allocates particularly high priority to climate protection and working conditions, both within its own operations and in its supply chain. Topics were first prioritized in 2024, with this prioritization to also be largely retained in this form in the future. The only topic to be reevaluated by both the Salzgitter Group and KHS was the lack of specialist workers (see ["Opportunities and risks and their financial impact"](#)).

For KHS, bringing its 2025 sustainability report further into line with ESRS regulations chiefly means extending the process used to specify the report content key to KHS.

To this end, Sustainability Management invited relevant specialist departments to a stakeholder workshop. These then acted as representatives for a specific target group, such as New Machines, Service Sales, Key Account Management and Product Development for customers, Human Resources for personnel and jobseekers and Purchasing for suppliers. The task was to check the topics prioritized for KHS from the Salzgitter Group's materiality analysis for any omissions or loopholes and to identify possible further key content that could be relevant from a stakeholder perspective. The content structure was then coordinated and agreed on with the Executive Management Board in conjunction with a new report structure based on the ESRS.

The following material topics or aspects thereof were thus defined for KHS' voluntary report while simultaneously expanding the Salzgitter Group framework:

Category (E,S,G)	Material topic	Relevant aspects thereof
E	Decarbonization by Service	Augmented Reality, remote systems, conversions, 3D printing, virtual training
E	Corporate water management	Areas of water stress, machine water footprint
E	Sustainable products	Product development process, circularity, life cycle management
S	Internationality	Attractive employer, HR development, diversity

These topics and aspects are already included in this report in various forms and remain a subject for corporate discussion.



Opportunities and risks and their financial impact

As a Group company, KHS is involved in Salzgitter AG's ESG risk process. Physical climate risk analysis is the key tool used with respect to the environment. Here, we refer to reinsurer Munich Re's Location Risk Intelligence platform within the Group in order to identify possible physical and transitory risks and then have these assessed by the affected company in greater detail for more precise allocation. This 'abstract' risk analysis is based on risk indices that enable risks caused by natural hazards and climate change to be understood, measured and managed worldwide. They are derived from average annual loss rates for damage to property (caused by earthquakes, storm and flooding, etc.), among other factors. The average damage potential can then be identified and categorized using these risk indices.

On consideration of its own assets and business activities, KHS assessed the identified acute physical and transitory risks in relation to the extent of damage and probability of occurrence. The risks to be evaluated were linked to the KHS factories in Mexico (hail), India (rainfall, heat stress and fire) and China (storm surge). In all cases, KHS classed the probability of occurrence as low and the associated risks as not significant. The assessments notified by KHS were subsequently checked for plausibility and completeness by the Group.

Further identified risks in relation to water and marine resources and resource consumption and the circular economy were also checked in the risk process and considered to be insignificant. See section [Water](#) for more on areas with water stress.

The lack of specialist workers – with possible negative consequences for the company's long-term competitiveness and innovative strength and their corresponding financial impact – is currently no longer classed as a material topic as KHS has successfully implemented a number of risk-reducing measures to this end (c.f. the section on [social responsibility](#)).

Key long-term opportunities for the company lie in climate protection – as a value driver and for competitive edge. Climate-induced transient events can prove to be an opportunity with respect to a company's business activities, prompting it to develop climate-friendly products and services, cut costs with increased efficiency and boost sales by developing new sales markets or business models, for example. Contributing to the protection of our climate by converting in full or in part to renewable energies and sustainable investments, for instance, can yield higher net profits compared to the competition, as CO₂ prices then have either a lower impact or cease to apply. This can also help to enhance a company's reputation. The significant avoidance of direct greenhouse gases also has a positive effect on KHS in this respect.

Sustainability management

Organization

Responsibility for sustainability in our organization lies with the KHS Executive Management Board and is the preserve of the CEO. Sustainability Management at KHS controls the implementation and successive further development of our strategic core sustainability measure and associated KHS-wide sustainability program. One central endeavor shared with Salzgitter AG is decarbonization within the company and throughout our entire value chain. Here, Sustainability Management supports and regulates all agreed measures. More specifically, it monitors the progress of and challenges presented by the same and regularly reports to the KHS Executive Management Board on in-house steering committees (SC).

In detail, this encompasses the following tasks and responsibilities:

- Control and implementation of KHS' decarbonization strategy according to the SBTi reduction path
- Drawing up of an annual corporate climate footprint
- Regulatory guidance in the areas of labor and human rights within the company and supply chain
- Risk management in the Group context or own topics
- Execution of sustainability ratings
- Implementation and monitoring of further ESG training measures
- Communication and reporting (in house and within the Group).

Sustainability Management interfaces with Salzgitter AG and in particular with its Strategy and Corporate Development 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.

ESG targets

The KHS Group's ESG targets essentially match those of Group parent Salzgitter AG. Only those targets directly associated with steel production are not relevant to KHS, plus the KHS Group has its own climate goal. By way of summary, the following key ESG targets are thus derived:

	Material topic	Target	Target year	Target type
E	Climate	Reduction of scope 1 and 2 greenhouse gas emissions by 35.6% and of scope 3 by 20%	2028	Quantitative
		Reduction of greenhouse gas emissions to net zero	2045 (Scope 1 and 2), 2050 (Scope 3)	Quantitative
	Energy	Use of 100% regenerative electricity supplied by third-party sources	2030	Quantitative
	Environmental protection	Diligent compliance with nationally valid laws and requirements governing pollutant release to maintain our operating license	Continuous	Qualitative
	Water management	Responsible handling of water resources and diligent compliance with water legislation, operational guidelines and nationally valid laws	Continuous	Qualitative
	Use of resources and the circular economy	Minimization of the amount of waste to technically and economically feasible levels and diligent compliance with nationally valid laws and official requirements governing the treatment of waste and residue	Continuous	Qualitative
S	Occupational health and safety	Reduction in the number of accidents (LTIF) by 50% compared to reporting year 2021	2030	Quantitative
		Promotion of personnel health and safety	Continuous	Qualitative
	Further training and skills development	Provision of qualification and development opportunities to maintain employability and promote employee career prospects	Continuous	Qualitative
	Occupational health and safety in the value chain	Minimization of hazards and prevention of accidents to ensure physical integrity, especially at all supplier and partner companies	Continuous	Qualitative
G	Corporate culture	Prevention of violations of laws and internal guidelines or the exposure thereof and initiation of suitable reactions	Continuous	Qualitative
	Management of supplier relations	Successive agreement of our supplier code of conduct with all suppliers where possible	Continuous	Qualitative

There are also further goals in place that we report on in greater detail in conjunction with the individual topics in the relevant sections.

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 our 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 Group ESG 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 characteristics of the Group companies in line 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.

In 2025, for example, KHS placed specific emphasis on the transfer of ESG requirements from the Group guidelines to their companies – in particular by establishing process models and publicizing these internally. Numerous processes were implemented and made available on a company-wide process portal. The aim was to provide clear specifications for the implementation of Group targets and requirements, such as high data quality for CSRD reporting and climate footprints but also a high level of handling and audit reliability within the KHS Group.

Further valid global guidelines on certain topics exist within the Group, such as the Group guidelines on the corporate duty of care in the supply chain.

The KHS Group has issued a number of supplementary rules and guidelines that reflect market conditions. These apply worldwide and without exception; they are therefore binding for all companies and all employees including executive managers.

The following also applies to all guidelines in the KHS Group:

- **Communication:** content is made available to all employees in a suitable fashion and as part of the onboarding process.
- **Sanctions:** all personnel have the opportunity to directly report any violations to the compliance officer or using the KHS whistleblower system without fearing disciplinary consequences for appropriate notifications. If a case of violation is confirmed, this may be penalized by suitable, permissible and proportionate sanctions.
- **Review mechanism:** as a rule, guidelines are revised once a year. Exception: our anti-corruption and antitrust law guidelines are updated by the KHS Group's compliance officer every 24 months.

The most important requirements are described in the following (further details can be subsequently found in the respective sections on the [environment](#), [social responsibility](#) and [corporate governance](#)):

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 as well as eco-design, product use and end of product life.

Our **sustainable procurement guidelines** outline the obligation to take social and environment-related aspects into consideration when purchasing goods and services. They specify that all valid laws governing the environment and human rights must be strictly complied with and that the same is demanded of our suppliers.

KHS' **labor law and human rights guidelines** define the general obligations owed in the context of internationally recognized human rights and the occupational health and safety rights associated with these. Here, KHS clearly orients itself to the fundamental principles of the International Labor Organization (ILO). The guidelines list detailed obligations and targets relevant to

child and forced labor, anti-discrimination and diversity, occupational health and safety, working conditions and the employer/employee relationship and qualification.

Our **ethics guidelines** express KHS' general obligation to not tolerate any form of corruption, fraud, conflicts of interest, money laundering or anti-competitive practices. Further, they designate information security – data privacy, protection of intellectual property and protection of personality rights – as being mandatory. The guidelines contain binding definitions, targets, sanctions and review mechanisms and for further details refer to KHS' anti-corruption, commercial agent, antitrust law and data privacy guidelines and the KHS Group's regulations on information security.

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 urge them to report any violations. These guidelines provide a summary of the basic principles of antitrust law and 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.

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.

Management system	Unit	2025	2024	2023
Production sites with a certified environmental management system (according to ISO 14001)	%	72	74	76
Production sites with a certified energy management system (according to ISO 50001)	%	72	74	76
Production sites with a certified quality management system (according to ISO 9001)	%	100	100	100
Production sites with a certified IT security management system (according to ISO 27001)	%	100	100	n.s.
Production sites with a certified occupational health and safety management system (according to ISO 45001)	%	72	74	76

Ratings, memberships and initiatives

KHS has successfully taken part in the world's biggest sustainability rating system EcoVadis every year since 2012. In 2025, KHS earned EcoVadis platinum status for the very first time, scoring 86 points out of a possible total of 100 (previous year: 75 points). Here, KHS scored significantly higher in the labor and human rights, ethics and sustainable procurement categories especially, cementing its success with its rebalanced sustainability report for 2024.



According to the EcoVadis rating, in 2025 KHS counted among the top 1% of all assessed companies – and still is at the time of publication. In the carbon management level category, KHS is a leader with its first-class system of greenhouse gas management and proven decarbonization ambitions based on recognized science-based targets.

KHS is also involved in Salzgitter AG reporting under the Carbon Disclosure Project (CDP) 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. Salzgitter AG was again awarded the top A grade in this rating in January 2026.

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. It helps to identify risks and human rights violations early on, provide proof of compliance and secure the trust of customers, brands and authorities.

Sedex | Member

KHS is a member of the German Engineering Association (VDMA), a trade association founded in 1882. It 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.



72.5

percent more self-sufficient electricity from renewable sources was used in 2025 compared to the previous year. In absolute figures, this means that in the reporting year KHS independently generated 1,130 megawatt hours of carbon-neutral electricity.

Environment

Climate change ESRS E1	25
Emissions and environmental pollution ESRS E1, ESRS E2	30
Water ESRS E3	33
The circular economy and use of resources ESRS E5	35
Waste ESRS E5	45

Climate change ESRS E1

Under the strategic interdisciplinary issue of sustainability, KHS is responsible for continuously, systematically and extensively reducing its impact on the climate and environment throughout its entire value chain. This is regulated by Salzgitter AG's Group-wide environmental guidelines that declare the protection of our environment, conservation of natural resources and economical use of energy to be key corporate goals. Our common understanding of the responsible handling of such resources constitutes a composite part of our entrepreneurial activities. In particular – but not exclusively – these encompass the following environment-related issues and sub-issues:

- Climate change with climate protection, energy and climate change adaptation
- Environmental protection, including saving air, water and soil from pollution
- Water management
- The circular economy and use of resources.

The core factor of the Group guideline on the environment is the company regulation on climate change. This includes obligatory alignment of our corporate climate protection goals with the Paris Climate Agreement. Protection of the climate and the responsible use of energy inextricably linked to this are thus two central elements of our sustainability strategy and superordinate Group strategy.

KHS supplements this with its own environmental and energy guidelines that include the following obligations:

- The protection of the environment and sustainability when using natural resources are a key company objective. We regard compliance with the applicable laws, limits and thresholds and requirements to be a matter of course. Our understanding of responsible environmental protection and

our handling of energy, resources, greenhouse gas emissions and other pollutants do not end with our adherence to statutory regulations, however, but also play a pivotal role in our corporate activities.

- We promote the environmental and energy expertise of our employees by providing training courses and issuing information on a regular basis.
- Buildings, plants, tools, equipment and production processes are continuously checked and constantly improved, also with respect to energy consumption and environmental protection.
- We seek an open dialog with our stakeholders. This enables the opportunities presented by new processes and products to be verified and evaluated in advance.
- We promote uniform environmental and energy standards at all of our sites throughout the world.

At our production facilities in Germany, Facility Management is responsible for the company's environmental and energy management. In this function, it performs the following tasks:

- Provision of support to the responsible members of the Executive Management Board
- Combination and coordination of tasks and interests
- External representation in environmental and energy policy matters
- Representation of environmental and energy policy interests through association activities
- Internal and external communication of environmental and energy issues.

Environmental and energy-related measures are defined, discussed and followed up in regular meetings of the energy and environmental workgroup. Our subsidiaries outside Germany organize environmental and energy management independently within their own field of operation. The regulations are made available to the same as a basis for action with the express recommendation that they comply with these, provided that they are permissible under applicable domestic law.

KHS' environmental and energy guidelines contain concrete objectives that we report on in conjunction with the relevant topics.

Please see the section on [global guidelines \(summary\)](#) under Sustainability at KHS for communication, our reporting channel, sanctions management and review mechanism.

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.

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

- Scope 1 (emissions from direct stationary and mobile combustion) and Scope 2 (emissions generated by the use of purchased electricity):
→ 35.6% reduction (equivalent to about 6% per annum)
- Scope 3 (emissions generated throughout the upstream and downstream company value chain):
→ 20% reduction (equivalent to about 3% per annum).

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 therefore no longer be considered in the current reduction path.



Regarding the greenhouse gas (or GHG) emissions caused directly or indirectly by our business operations over the course of one year and calculated with the help of our corporate carbon footprint (CCF), KHS has devised a reduction path together with various external experts and derived compulsory core measures from this for all KHS sites:

- Expansion of our photovoltaic systems in Germany, the USA, India and China
- Conversion to electromobility
- Replacement of fossil fuels with renewable energies
- Strategic adaptations to our supply chain
- Reduction of our energy consumption.

A current summary of the greenhouse gas emissions caused by the KHS Group (base year 2021) can be found in the [greenhouse gas emission](#) section. When calculating its emissions, KHS works on the basis of the Greenhouse Gas Protocol (GHG Protocol) from 2004.

KHS' reduction path is neither founded on the implementation of external climate protection projects nor on trade in carbon offset certificates. Our fundamental focus is to reduce or avoid 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.

Further measures

One of our core reduction path measures up until 2028 is to increase the use of photovoltaics at our production sites. In particular, this helps KHS to further lower its energy-related greenhouse gas emissions and become less dependent on the electricity market. Additional photovoltaic systems have thus gone into operation at our factories in Bad Kreuznach and Worms in Germany, Kunshan in China and Ahmedabad in India. This policy builds on a successful model: the photovoltaic systems in Bad Kreuznach and Worms were financed and realized by the MaGeno-Solar eG employees' cooperative. Back in 2023 the initiative, specially founded for this purpose, had the first solar panels installed at our headquarters in Dortmund. MaGeno-Solar now numbers 190 KHS employees and includes personnel still working and some already retired. The cooperative safely refinances its investment with regular leasing payments from KHS and can then distribute the profits to its members in the form of dividends. In this way, it greatly supports the increase in the amount of company electricity generated from renewable sources.

In 2025, through these measures KHS produced a total of 1,130 MWh of carbon-neutral electricity, thus increasing its in-house electricity supply from renewables by 72.5% over the previous year.

Another key element in this context is KHS' promotion of e-mobility. During 2026, daily truck shuttles between our central warehouse and the Dortmund factory on Juchostrasse are to be moved over to use of an e-truck. This enables carbon-neutral supply of production in Dortmund at a low operating cost, as the site's solar electricity can also be used to this end.

KHS' own vehicle fleet in Germany is managed by our headquarters in Dortmund and consists of around 250 vehicles. At the moment, as part of our decarbonization project our already modern vehicle fleet is being further converted to alternative drive concepts such as electrically-powered cars, including all of the necessary infrastructure. All personal company vehicles and 50% of all service and pool vehicles are to be switched over to e-mobility by the end of 2028. In 2022 we began installing charging stations for e-vehicles in Dortmund. Charging points were then set up at our other German factories in Kleve and Hamburg and in Worms and Bad Kreuznach. At the moment, we are planning to further expand the charger infrastructure in Dortmund during the course of 2026. Our other German production facilities will then follow.

Opportunities and risks and their financial impact and adaptation to climate change

KHS is involved in Salzgitter AG's ESG risk process. As a Group company, we refer to reinsurer Munich Re's Location Risk Intelligence platform in order to identify possible physical and transitory risks and then have these assessed by the affected company in greater detail for more precise allocation (see the [Opportunities and risks and their financial impact section](#) under Sustainability at KHS for more information).

This analysis has identified potential physical climate risks at the KHS factories in Mexico (hail), India (rainfall, heat stress and fire) and China (storm surge). In all cases, following individual evaluation the probability of occurrence is currently classed as low and the associated risks as not significant. For many years now, our Indian factory in Ahmedabad, for example, has carried out numerous successful measures to adapt to climate change. Over 12,000 square meters of green space, a fish pond and established trees combined with over 4,000 newly planted varieties plus – last but not least – a sophisticated, closely monitored system of water management have created an ecosystem with intact biodiversity. Air coolers in the buildings, with a good third operated using water from the factory's own water treatment plant, make for pleasant working conditions. Absenteeism in Ahmedabad is low.

Substantial opportunities for the company lie in climate protection as a value driver and for competitive edge (see the [Opportunities and risks and their financial impact section](#) under Sustainability at KHS).

Environmental and energy management

Environmental and energy management is a key element of our reduction path (see the [Decarbonization](#) section). 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 [Management system certification](#) section under Sustainability at KHS.) Regular internal audits and monitoring and recertification audits carried out by external independent auditors confirm the overall effectiveness of our management systems.



Our 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.

Aims of environmental and energy management

KHS GmbH had specified concrete reduction targets up until the end of 2025. The achievement of these targets was regularly monitored by our energy and environmental management system. By the end of target year 2025 we had far surpassed our objectives.

Source of energy	Reduction target by 2025*	Status quo at the end of 2025*
Electricity consumption	-8.9%	-13.3%
Heating requirement	-4.9%	-27.1%
Diesel consumption	-5%	-8.1%

*Base year 2018

As shifts are expected in the sources of energy used for heat generation, the energy and environmental management team is still working on new strategic targets. In the short term, however, by 2027 our heating requirement is to have dropped by 5% compared to base year 2025, with the electricity consumption staying the same.

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 green electricity since 2016.

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 thus remains 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, optimized hot water generation or improved control units, result in considerably lower electricity consumption.

Emissions and environmental pollution ESRS E1, ESRS E2

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 (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur oxides (SO_x) and nitrogen oxides (NO_x), 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. Please see the [Decarbonization – our reduction path](#) section for more information on this subject. CO₂e 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%).

GHG emissions (tCO ₂ e)		2025	Base year 2021
Scope 1	✓	7,819	10,414
Scope 2 (market-based)	✓	3,622	2,749
Scope 2 (site-based)		9,947	9,084
Scope 1 and Scope 2 (total)			
Scope 1 and Scope 2 (market-based)		11,441	13,163
Scope 1 and Scope 2 (site-based)		17,766	19,498

In 2025, cumulative Scope 1 and 2 emissions were slightly below the values for the base year with a rise over the previous year (see section [Key Figures](#)). This results from a higher consumption of heating oil, gasoline and diesel because of the increase in order entries.

GHG emissions (tCO ₂ e)	2025	Base year 2021
3.1: purchased goods and services	108,968	98,109
3.2: capital goods	2,014	3,921
3.3: fuel- and energy-related activities (not included in Scopes 1 and 2)	2,321	2,865
3.4: upstream transportation and distribution	5,124	41,859
3.5: waste generated in operations	681	709
3.6: business travel	6,105	5,367
3.7: employee commuting	8,769	7,228
3.9: downstream transportation and distribution	5,797	6,680
3.11: use of sold products	1,698,575	2,946,855
3.12: end-of-life treatment of sold products	4,049	3,410
Scope 3 (total)	1,842,402	3,117,002

Despite our positive business development, the values for Scope 3 emissions dropped by more than 40% compared to the base year. In addition to the implementation of a good number of innovative further developments in energy and resource efficiency, the increased use of electricity from renewable sources by our clients to operate our lines and machines also plays a significant role here.

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 through a central reporting system
- 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.

Air pollutants

KHS generates emissions of sulfur dioxide (SO₂) and nitrogen oxides (NO_x) through heating with natural gas and – to a minimal extent – heating oil at its production sites in Germany and its factory in the USA. In the reporting period, the following quantities were released into the atmosphere:

Type of emissions	Reference framework	Unit	2025	2024
Sulfur dioxide (SO ₂)	All plants	kg	335	310
Nitrogen oxide (NO _x)	All plants	kg	2,670	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 and is responsible for the increase in 2025 over the previous year.

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 main objectives of KHS' decarbonization path:

- By the end of 2027, KHS wants to cut the heating requirement at its German sites by up to 5% compared to base year 2025.
- 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.

At welding workstations, KHS uses chrome-nickel filters of the highest filter classification to effectively protect personnel from welding vapors and at the same time considerably cut the emissions generated.

When devising concepts to reduce fossil fuels, hot water generation is also taken into consideration as being a contributory cause of air pollution.

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. 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.

For more information on reducing noise through the use of electrically-powered trucks in traffic between our German production sites, see the Climate change – [Further measures](#) section.

Water ESRS E3

Classification of this issue

Water is our silent infrastructure that ensures human safety and wealth, food and energy security, biodiversity, ecological resilience, public health, climate stability and peace. The availability and sustainable management of our water resources and sanitary supply of the same to all are thus included in the 17 Sustainable Development Goals specified by the United Nations. A current report published by the United Nations University (Global Water Bankruptcy: Living Beyond our Hydrological Means in the Post-Crisis Era, United Nations University Institute for Water, Environment and Health (UNU-INWEH), Richmond Hill, Ontario, Canada, 2026) reaches the conclusion that the familiar terms of “water stress” and “water crisis” are no longer adequate. Instead, claims the report, the world is already in a state of water bankruptcy. Scientists are convinced that some damage will remain physically irreparable within our human timescale. Drought caused by humans is a central factor in our new water reality worldwide.

Corporate water management

KHS systematically records and categorizes its water consumption and quantities of wastewater. At our production sites both within and outside Germany, hardly any (industrial) wastewater is caused by production, as the manufacture of our lines and machines is in itself not a particularly water-intensive process. Water nevertheless plays a role in metalwork, surface treatment and quality assurance, such as during the commissioning of our filling machines.

However, consumption can be further minimized and operating costs optimized as a result by closed loops, water recovery, efficient manufacturing processes and – last but not least – through simulation.

Corporate water withdrawal thus centers on dirty water (sanitary wastewater). The share of sanitary wastewater produced throughout the entire KHS Group is over 90%.

Water in the beverage filling and packaging process

The manufacture of lines and machines and operation of beverage filling and packaging systems always consume energy and media. Reducing the amount of water used during operation of our lines and machines is thus a key factor here. In particular in relation to our increasingly critical global water situation and growth in the number of regions with water stress, our customers – especially breweries – do not just carefully examine how water is managed in their supply chain but also how much process water is needed to make their products – or what is known as the water footprint.

A water footprint is an indicator for water consumption. This refers to the amount of water a company (or a nation or a consumer) uses – and not just directly but also indirectly. The quantity of water used in the machine manufacturing process must thus also be taken into consideration. For us as a company, our water footprint is therefore relevant in two ways: in reducing our water consumption, we not only influence our own water footprint but also that of all customers who use our systems.

Risks and opportunities

KHS assesses the water stress risk situation on an annual basis at its various production sites with the help of the WRI Aqueduct Water Risk Atlas. While there is as yet no threat of water stress at our facilities in Germany caused by fluctuating availabilities or fundamental water depletion, for instance, according to our analysis three of our five plants outside Germany are located in regions of water stress: the USA, China and India. Our Indian factory in Ahmedabad is the only site worldwide affected by water stress, lack of water and a fall in the water table, thus falling under all three sub-risk categories identified by the Aqueduct Water Risk Atlas to thus count as a high-risk area.

The plant's system of water management is therefore 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. The factory has three rainwater drainage wells that collect around half of the rainwater that runs off its building and road surfaces. This rainwater is fed directly into the groundwater. The maximum collection capacity is approximately twice that of KHS India's yearly water consumption. Furthermore, at the factory in Ahmedabad, water treatment 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 intended 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.

In implementing the aforementioned extensive measures, KHS has reduced its operative and financial risks to a minimum (water shortages can negatively impact productivity and test runs and in extreme cases cause production to cease).

The major beverage producers now demand on a global scale that an active system of water management is in place and that suppliers – and thus also KHS – provide full transparency as to the use of water at their facilities. This bears potential market and customer risks, as insufficient water management can result in companies being excluded from invitations to tender. There is also a risk to a company's reputation if customer and investor trust is lost. An internal stakeholder survey of our biggest customers has confirmed this: they consider the water footprint of a line or machine to be extremely important and see this as a major selling point. KHS has therefore been working to save water on all its products and system solutions for many years – with proven success.

Whether during the new and further development of our lines and machines or, for example, when optimizing existing systems: even minor changes such as substituting wet conveyor chain lubrication for a dry lubrication method can save up to 5,000 cubic meters of water a year in operation. (Basis for calculation: medium returnable glass line running at 6,000 hours of production per annum.) Treatment plants such as filtration systems can also recycle water to a great extent, again helping to further reduce consumption.

The circular economy and use of resources ESRS E5

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. 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.

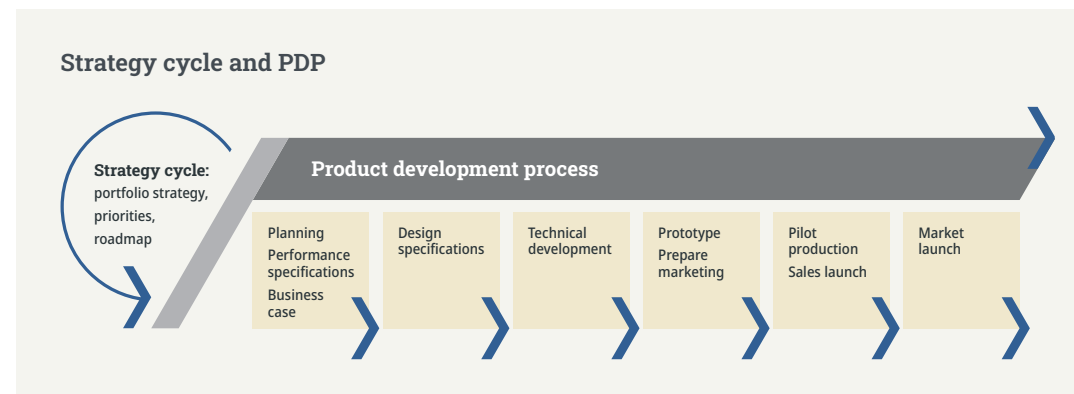
Sustainability in the product development process

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 is 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 and reliable operation of our plant engineering, at KHS resource efficiency is therefore a cornerstone of our ideas and innovation management, research and further product development process. 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.

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 our customers to ensure that this also remains so during the operation of their 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, please see the [Management system certification](#) section under Sustainability at KHS.)

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.

Upstream value chain

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 (see [Sustainability at KHS](#)).

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 (see [Governance](#)).

Material compliance in the supply chain

With the help of established governance and compliance structures, KHS makes sure that material and substance requirements are systematically met throughout its supply chain. Various European regulations – among them REACH (particularly with regard to what are known as SVHC or substances of very high concern), the EU Batteries Regulation and EU F-gas Regulation governing fluorinated greenhouse gases – are included in our internal guidelines and procurement processes and regularly checked. This means that any material-related risks throughout the value chain are identified, assessed and addressed in good time.

In the course of sustainable procurement, KHS not only takes ecological and social criteria into account but also the relevant regulatory requirements. The necessary conformity documents are requested and evaluated for all affected components and materials, especially with respect to restricted substances pursuant to REACH, obligations regarding fluorinated greenhouse gases and any provisions under the EU Batteries Regulation. Moreover, the EU Deforestation Regulation (EUDR) is being closely monitored with respect to its further delayed application and most recent legally adopted simplification measures in order to prepare for our future duties of care in an appropriate manner.

Material-related data – such as information on chemical substances, classifications or certificates of conformity – is systematically recorded and transferred to our technical documentation and material classification documents. Compliance with requirements in the supply chain is supported by regular audits and obligatory adherence to the KHS supplier code of conduct to ensure reliable implementation of regulatory provisions throughout the upstream and downstream value chains.

Operational ecology

Efficient processes and material 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 special machine manufacturing. To a great extent, they are all recyclable. For details of ecologically-relevant material flows and the identification thereof, please see the [Key figures](#) section.

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 our KHS sites, we are establishing what are known as global industrial engineers worldwide at all of our facilities.

Material compliance in operation

By applying defined processes, assigning clear responsibilities and continuously maintaining technical specifications, KHS ensures that all materials used satisfy valid European requirements throughout their entire life cycle.

Compliance with REACH is a key factor here, particularly our duty to inform with respect to substances of very high concern (SVHC) pursuant to section 33 that, on excess of the 0.1 percentage by weight threshold per product, requires relevant substance data to be passed on along the value chain. Further, consumer queries are to be answered within 45 days. KHS systematically monitors all updates to the REACH candidate list and initiates any necessary communication in this regard.

For components with integrated or replaceable batteries, KHS observes the respective relevant specifications given in the EU Batteries Regulation (among them those pertinent to restricted substances, IDs/QR codes, information on period of use and product return). If relevant, digital information requests in conjunction with digital battery passports are prepared for the categories of battery actually affected. The battery passport will come into effect on February 18, 2027.

In components with cooling or air conditioning functions, the specifications contained in the EU F-gas Regulation governing fluorinated greenhouse gases are adhered to. These determine stricter requirements regarding identification and documentation, licensing and quota regulations and new reporting and formatting rules. Manufacturer and distributor obligations are met; operator duties (such as leakage checks and monitoring) are supported by technical design and documentation.

Materials such as seals, plastics and metallic components are subject to binding specifications, with requirements governing certificates of conformity, test methods and constituent thresholds. General conditions are in place that regulate contact with foodstuffs.

With a view to future developments – especially the Ecodesign for Sustainable Products Regulation (ESPR) and introduction of the digital product passport (DPP) – material- and product-related data will be prepared to facilitate later provision in machine-readable formats.

Mobility and logistics

Individual mobility

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 long 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 employee 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. For more information on modern remote training courses and other services, see the [Service](#) section.

Goods transportation

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 this is 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 our production sites outside Germany, wherever possible we want to avoid air freight and instead rely on maritime cargo. One shipment by sea can replace around ten consignments by air. 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 element in its container consignment process, such as when moving deliveries from the nearby container depot to the seaport. Here, KHS only uses road transportation for the 'final mile' from the depot to the factory and back again.

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 a tried-and-tested 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.

Please see section on [Climate change](#) for more on logistics between our production sites in Germany.



Packaging in our own value chain

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 cannot 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.

Downstream value chain

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 therefore remains 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 further reducing the impact our lines and machines have on our climate and environment.

Fully overhauled machines in Brazil

KHS machines are famous for their quality and robust design. Yet even when a machine has been functioning for over 20 years, customers still want their plant engineering to be state of the art and produce with efficiency. This is usually facilitated by smaller conversions or retrofits. Instead of then later investing in a new machine, KHS customers in Brazil can also have an existing system from stock subjected to a more extensive general overhaul and technically modernized. This measure, known as a circular business model, entails completely dismantling the machine; larger components are then cleaned, blasted and repainted or polished. Electrical and electronic components, normally the first parts to become obsolete on any equipment, are replaced. With a complete overhaul at our site in São Paulo, a client's required production capacity can be provided much faster than with a new procurement. Not only are costs lower than those incurred for the purchase of a new machine; another significant benefit is that this measure can be instigated under the usually more flexible budget for operational expenditure (OpEx) instead of as CapEx budgeted as an investment.

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 biodegradable plastics.

Product use: lines and machines

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 (see [Sustainability at KHS](#)). With our broad range of services and conversions, we provide our customers with advice on how to minimize their own greenhouse gas emissions during the machine usage phase.

Here, most greenhouse gas emissions are generated during the equipment's life cycle; these can be strongly marginalized to a magnitude of over 90% by the use of renewable energies at customer plants. Upstream emissions only account for a small percentage of total emissions over a product's lifetime. Nevertheless, KHS has begun to also calculate upstream emissions for its machines in the form of a product carbon footprint (PCF). The aim is to incorporate this into our product portfolio in the long term.

Product use: packaging

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 consistently relies on light containers and minimalist packaging. 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.

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 CO₂ 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 do not leave any notable sticky residue behind and thus do not 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 do not 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.

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 recycle.

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.

Service

Longer life cycles

KHS develops and manufactures machines and system solutions that are in reliable use for decades. To lengthen their 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. In around two thirds of all cases, discontinued components can be replaced by new versions; approximately one third requires further conversion. 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. Our current catalog contains about 190 standard conversions. For several years now, at the customer's request KHS has also specified the carbon footprint for energy-related modernizations. By way of supplement, through its Bottles & Shapes container consultancy program KHS also advises its clients on primary packaging development, focusing on how to save on material. This topic also plays a crucial role when it comes to secondary packaging, with reductions in film thicknesses possible here, among other things.

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. If required, 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 have their machine given a general overhaul.

Sustainability through digital solutions

Virtual training

Training on site, seminars on more complex topics and targeted personnel development are still the key tools used to teach specialist knowledge and expertise. Virtual exploration of a single machine or entire beverage lines and study on a digital twin open up new forms of learning. KHS' Virtual Training Center (VTC) now covers most of the current machine portfolio and is available in several different languages.

As part of KHS Campus, our extensive training program, KHS Campus Virtual facilitates playful self-study in small, compact teaching units. The app runs online on standard Office PCs; customers do not need any additional software or hardware besides a license. Users can train spontaneously at any time, for example during a short break in production and 24/7 .

Customer portal

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. At the moment, our KHS Connect shop is available in over 80% of countries worldwide. Customers can find out which countries KHS Connect is already available in and where it will soon be made accessible from a list posted on the company website.

No delivery time: 3D printing

On request and in the form of a license, KHS provides 3D-printable spare parts which customers can very quickly produce themselves at their own plant to prevent or minimize production downtime, for example. This especially prevents greenhouse gas emissions for packaging, logistics and warehousing.

Waste ESRS E5

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 5% of the total amount of waste.

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nationalities are represented in KHS' global workforce. Their diversity of skills and cultures opens doors to us all over the world.

Social responsibility ESRS S1, ESRS S2

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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](#) under Corporate governance).

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 [Corporate governance](#)).

Labor and human rights guidelines

For the KHS Group as a globally active company, respect for and observance of internationally recognized human rights and, in conjunction with this, of occupational health and safety are core values that manage our treatment of one another and are thus a prerequisite for trusting partnership and cooperation. In our guidelines on labor and human rights, fully revised in 2026, KHS pledges to honor and act on the United Nations' human rights standards and in particular the core principles of the International Labor Organization (ILO).

Rules governing ethical and responsible action and thus promotion of a positive working environment are laid down in the KHS code of conduct that applies to all KHS employees. Moreover, KHS' supplier code of conduct (see [Corporate governance](#)) defines all key aspects in this regard for our direct sub-contractors. The KHS guidelines on labor and human rights supplement and substantiate corresponding guidelines applicable within the Salzgitter Group.

Our guidelines outline the following basic obligations:

- KHS observes the legally protected freedom of association locally applicable at its various locations.
- KHS does not tolerate any form of child or forced labor or slavery.
- KHS has a strict zero tolerance policy against violence and harassment in the workplace. This includes physical, sexual and psychological abuse and all forms of digital violence and abuse.
- KHS protects its personnel by complying with international standards and statutory requirements on occupational health and safety and avoiding any risks to human beings and the environment. Extensive Group regulations are adhered to above and beyond the minimum legal standards and more in-depth, KHS-specific guidelines have been drawn up in this regard.

Our guidelines contain numerous detailed rules, obligations and objectives that also surpass those of the Salzgitter Group. They apply to the entire KHS Group and all employees worldwide; exceptions are expressly forbidden.

Verification of a person's age and identity

KHS has its own tools to ensure that all child labor is categorically excluded. With the help of procedural instructions designed to verify the identity and age of new recruits, KHS makes sure that its companies both within and outside Germany only hire personnel whose identity has been previously verified and for whom proof of the legal minimum age for the intended occupation has been provided.

To guarantee this, the KHS Group acts in accordance with the locally applicable statutory provisions and internal guidelines governing the protection of minors. Further, it also pledges to comply with these laws to prevent child labor and protect the health of young employees.

These regulations are based on the respectively applicable protection of minors and protection of young workers laws valid in the relevant countries. The KHS Group is aware of the relevance of the protection of minors and thus pursues a policy of strict adherence hereto.

Official state documents such as passports, ID cards or other officially recognized documents are accepted as proof of verification of a person's age and identity. The verification process must be documented in the respective company. Here, it must be noted that it is strictly forbidden to collect or retain a passport or ID card.

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.

We're convinced that an accident-free future is possible – through mutual care and attention, continuous improvement and a strong safety awareness. Our aim is to create a working environment where all employees stay healthy and productive to an advanced age. In addition to our long-term target of zero accidents, we aim to reduce our lost time injury frequency or LTIF rate per one million working hours to less than/equal to 4.0 by 2030. KHS Group more than achieved this target in the 2025 reporting year with an LTIF rate of 3.9. Practically all personnel have access to company health care.

Under the motto of "We care", we have specified eight golden rules for ourselves on occupational health and safety that are valid throughout the entire Salzgitter Group:

- We look out for one another!
- We take time for safety!
- We take care of our health!
- We recognize risks and work with foresight!
- We adhere to all safety rules and symbols!
- We only work with safe machines and tools!
- We always move loads safely!
- We always use the prescribed personal protective equipment!

We systematically analyze all industrial accidents that result in days of absence and unsafe situations with a high potential for accident or injury. Additional protective measures are then derived from this and we check that our OHS processes are adhered to. Although we've 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.

OHS management system certification and international regulations

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, 72% of all KHS personnel are covered by a certified OHS management system. 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.

In China, companies are obliged to comply with extensive occupational health and safety regulations. These include in particular regular hazard assessments, organization and documentation of OHS training, provision of suitable personal protective equipment and the establishment of clear emergency and notification procedures. Serious industrial accidents must be reported and processed immediately.

Violations of these requirements can lead to considerable fines and/or official requirements or restrictions being imposed, up to and including the withdrawal of authorizations. In serious cases, the managerial staff responsible may be held personally liable. Clear responsibilities, sound documentation, regular inspections and training exercises and adherence to national and local regulations are essential for legal compliance and implementation.

In Brazil, there is no legal obligation for industrial sites to obtain certification in accordance with ISO 14001, ISO 45001 or ISO 50001. Nevertheless, extensive regulatory requirements are valid governing OHS, the environment and energy use that emulate key elements of formal management systems in their make-up. Regarding occupational health and safety, these rules primarily specify that structured risk identification and assessment, occupational medical monitoring, documented processes, training, emergency care and accident reporting and investigation are ensured, among other aspects.

With respect to environmental issues, permit conditions, monitoring of emissions, wastewater and waste and regular reporting and control obligations form the main framework here. There are no direct obligatory certification requirements for energy management; however, state guidelines, programs and operative requirements are in place aimed at energy efficiency, consumption control and continuous improvement. All told, Brazilian statutory provisions thus create a binding compliance and risk management structure comparable in essence to the requirements set down by international management system standards.



Tobias Kersten
Packaging Expert

In Mexico, the Empresa Segura or safe company system makes reference to the state's PASST program (Programa de Autogestión en Seguridad y Salud en el Trabajo). This is a system underpinned by the Ministry of Labor and Social Welfare (STPS) for the structured self-regulation of occupational health and safety that is geared towards legal conformity, prevention, continuous improvement and the systematic control of OHS measures.

In content, there are clear parallels to ISO 45001, especially regarding its management system approach, risk control and continuous improvement; however, PASST does not constitute international ISO certification and is therefore no replacement for the same. Empresa Segura recognition is granted in stages. According to current STPS guidelines, the individual phases of recognition must be achieved within the calendar year following the respective assessment. As KHS Mexico only signed up to the program in February 2026, state recognition is realistic at the beginning of 2027 at the earliest.

Occupational health and safety at our German sites

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 and everyone else at least once a year, plus in relation to specific incidents such as after an accident, unsafe situations or with changes to operations in particular. 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 staged. 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, health action days and safety 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.

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's 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, unsafe situations 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 travel preparation, medical issues on site and travel safety in general 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.

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](#)).
- Health action campaigns, health action days and safety 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, 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; among other options, our Quentic OHS software also permits notifications to be submitted, anonymously if required. All notifications are collected by Occupational Health and Safety where they are assessed and further measures are introduced.

Responsibility also assumed 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.

Company bicycles: leasing benefits and healthy commuting

The Salzgitter Group collective wage agreement on bicycle leasing stipulates that employees can convert part of their wages in order to profit from a bicycle leasing arrangement. In this case, the employer guarantees a subsidy of up to 15% as equivalent cash compensation for the social security contributions it saves. Personnel can choose from over 350 cycle brands, with theft and damage insurance already included. Furthermore, attractive terms are offered for any extra services booked such as maintenance checks and wear.

Within the KHS Group, further campaigns have been initiated at our subsidiaries outside Germany to promote cycling as a healthy form of travel. For instance, in 2025 our factory in India set up a company cycle pool. Five bikes are available for employees to use during their lunch break or for business purposes on the premises. Covered bicycle racks provide convenience and safety at our Ahmedabad location.

Equal opportunities and remuneration

Appreciative working environment

At KHS, 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; three quarters of all employees in the KHS Group therefore already receive an assessment of their performance in regular discussions. 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 from 92 different nations, with various 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 2025, the ratio of men's to women's basic salary and other remuneration was 1:0.93 for the KHS Group (the ESRS specification is 7%; 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.

Fair remuneration

Providing a fair, market-oriented salary is an integral component of our corporate policy at all sites worldwide. This is also set down in our current labor and human rights guidelines (see the above section on the same). 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 benefits 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.



Melanie Baborsky
Global Account Manager

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 [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 always depend on us as their reliable and strategic partner. 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.

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're 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's 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. Within KHS GmbH, 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.

Worldwide, 63% of KHS personnel are covered by collective wage agreements.

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 our working conditions and working environment. The ways in which personnel are involved vary 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 rating systems such as EcoVadis.



Dorthe Bangsgaard
Managing Director, KHS Nordic

Personnel development and knowledge transfer

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 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 effectiveness 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.

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.

Advancement of women

It's important that we offer women at KHS the same opportunities for development as their male colleagues. For this reason, we have signed up to Salzgitte 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.

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 Salzgitte AG. To ensure the consistent and uniform application thereof, the KHS Group has drawn up procedural instructions governing personnel development that describe our objectives, methods, processes and programs.

Knowledge transfer

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 Transfer-Werk 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 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, thus identifying 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.

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 extensive instruction on the topic of occupational health and safety. This program is to be successively expanded to include our international locations.

KHS Campus

Since 2011, our in-house KHS Campus academy has provided our workforce with a diverse range of further training options. It's 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.

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.

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.



Adem Serilmez
Recipient of the German Sustainability Award

Adem Serilmez is a service and commissioning engineer at KHS. Pleta is the name of the company he's helped to set up from personal conviction and runs in his free time. It markets biodegradable plates and bowls made of fallen leaves from palm trees.

With this, he pragmatically combines his technical expertise with plenty of entrepreneurial initiative while shouldering socioecological responsibility. This has earned him numerous awards and nominations, among them the 2022 German Sustainability Award.

27001

ISO 27001: the management system for information security, cybersecurity and data privacy is a visible manifestation of our increased assumption of digital responsibility.

Corporate governance ESRS G1

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Responsible corporate governance

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

With more than 5,800 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.



Ressy Okochil
Service Key Account Manager

Johnson Njoroge
Service Key Account Manager

Daniella Pleitz
Head of Service,
General Manager
KHS East Africa Ltd.

Jerry Asembo
Service Key Account Manager

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 (UNGC). 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, notifications can also be made through the KHS whistleblower system by personnel and third parties alike that are then forwarded to the KHS compliance desk for checking and processing.

The complaints procedure in place at KHS ensures that the company learns of all information related to its business activities, thus allowing suitable measures to be instigated. This is therefore a major factor in ensuring the effectiveness of the CMS. This is monitored by the compliance office. Here, in addition to providing general advice on request, random or event-related checks are performed to check 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.

Moreover, as a Group company KHS is part of the Salzgitter AG FAIR TOGETHER whistleblower system, through which notifications can also be made.

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.



Digital responsibility and protection of intellectual property

Responsible handling of data and digital technologies has a direct impact on our workforce, our products and services and our entire value chain. Information security and cybersecurity are thus core requirements in our increasing assumption of digital responsibility. One major step in this direction has been to introduce comprehensive regulations on information security; these are also key elements of ISO 27001 certification that was acquired by KHS in 2024.

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. The security of data transmission to and from our lines and machines also benefits from this form of certification, as does the security of our customers' 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 7,900 patents worldwide.

Human rights

Respect for and observance of internationally recognized human rights constitute core corporate values at KHS and are a fundamental requirement in our trusting and respectful treatment of our fellow human beings – both within the company and towards our stakeholders such as suppliers or customers. KHS' code of conduct and the KHS supplier code of conduct form the basis of ethical and responsible behavior in our dealings with one another.

In its labor and human rights guidelines, the KHS Group elaborates on individual principles and in doing so makes reference to those of the United Nations (UN) and the basic principles of the International Labor Organization (ILO) in particular. We thus consider fair working conditions and compliance with international human rights to be an integral part of our corporate strategy and a central management task. This includes ensuring the right to property, privacy and civil and political rights and observance of the legally protected freedom of association locally applicable at our international locations.

We also protect basic rights and avoid and combat harassment, violence and inhuman and degrading treatment. KHS supports the prohibition of all forms of discrimination and the tolerance thereof (see [Social responsibility](#)). 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.

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 suitably observe human rights and environment-related duties of care in its supply chains.

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.

As a company with regular business in the United Kingdom, KHS supports the UK Modern Slavery Act. 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. 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. This law has also applied to KHS GmbH since January 1, 2024.

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. Accordingly, KHS adequately observes human rights and environment-related duties of care in its supply chains.

These are specified in the [policy statement on our human rights strategy](#). 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.

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 subcontractors 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:

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.

Decarbonization in the supply chain

Europe's Carbon Border Adjustment Mechanism (CBAM) is part of the climate policy of the European Union that wants to be climate-neutral by 2050. This regulation aims to prevent the transfer of greenhouse gas emissions to non-EU countries in certain economic sectors covered by EU emissions trading. With its imports of CBAM goods, KHS is above the mass-based threshold of 50 metric tons per annum. It thus applied for authorized CBAM declarant status which it was granted at the end of 2025. In addition, all requirements governing reporting through the EU Commission's CBAM portal are met.



Key Figures

In the 2025 reporting year, the KHS Group's sustainability report was more strongly aligned with the European Sustainability Reporting Standards (ESRS). Our key figures were largely adapted to a uniform reference framework and ESRS terminology was used to describe our data points and in the structure of our key figures table.

As a result, some key figures from the 2025 sustainability report no longer have any comparable values for reporting years 2024 and 2023. This is due to ESRS reporting requirements and to the fact that these key figures were previously based on another reference framework and thus presented differently. The aim is to provide uniform values for the KHS Group across a period of 36 months in our future sustainability reports.

In the data pertinent to our greenhouse gas emissions, we compare our values for 2025 to those of 2024 and base year 2021. In this way, we're also meeting ESRS requirements and giving stakeholders a direct overview of the progress our company has made regarding decarbonization.

In this issue of its sustainability report, KHS subjected a selection of non-financial performance indicators to a business audit with the help of an independent financial auditor in order to obtain limited audit assurance. These figures are separately marked (✓) in the summary and were checked according to ESRS set 1, version 1, 2023.

General information

Financials and earnings

	Unit	Reference framework	2025	2024	2023
Sales	€m	Salzgitter consolidation ¹	1,649	1,654	1,516
EBIT	€m	Salzgitter Technology Business Unit ²	109	96	47
EBT	€m	Salzgitter Technology Business Unit	113	94	48
EBITDA	€m	Salzgitter Technology Business Unit	140	149	77

Corporate structure & Innovation

	Unit	Reference framework	2025	2024	2023
Business locations	Number	KHS Group	41	42	43
Production sites	Number	KHS Group	10	10	10
Issued patents and utility models	Number	KHS Group	7,928	7,758	7,528
Expenditure for R&D	€m	Salzgitter Technology Business Unit	25	19	27

1) Total of all companies included in the compilation of the consolidated financial statement of Salzgitter AG.

2) The Technology Business Unit (BU) is one of four business units at Salzgitter AG. The KHS Group makes up the core of this segment. The unit is completed by DESMA Elastomertechnik GmbH.

3) Based on the total workforce of the KHS Group at its production sites. Expressed as the percentage share of employees covered by this management system.

Management Systems & Audits

	Unit	Reference framework	2025	2024	2023
Production sites for which an environmental risk assessment has been conducted	%	All plants	60%	60%	n.s.
Production sites for which human rights audits or assessments of human rights implications were carried out (according to Sedex)	%	All plants	90%	90%	90%
Production sites for which a detailed health and safety risk analysis has been conducted	%	KHS GmbH + Indian plant	100%	100%	100%

Share of employees covered by a management system³

Certified environmental management system (in accordance with ISO 14001)	%	All plants	72%	74%	76%
Certified energy management system (in accordance with ISO 50001)	%	All plants	72%	74%	76%
Certified quality management system (in accordance with ISO 9001)	%	All plants	100%	100%	100%
Certified Information security management system (in accordance with ISO 27001)	%	All plants	100%	100%	n.s.
Certified occupational health and safety management system (in accordance with ISO 45001)	%	All plants	72%	74%	76%

Environment

Energy consumption and mix (E1-7)

	Unit	Reference framework	2025	2024	2023
Energy consumption					
Total energy consumption	MWh	KHS Group	✔ 54,960	52,578	49,814
Total energy consumption from fossil sources ⁴	MWh	KHS Group	39,126	37,766	n.s.
Total energy consumption from nuclear sources	MWh	KHS Group	634	n.s.	n.s.
Total energy consumption from renewable sources of energy ⁵	MWh	KHS Group	✔ 15,199	14,641	14,352
Fuel consumption from renewable sources	MWh	KHS Group	206	n.s.	n.s.
Consumption of purchased or acquired electricity, heat, steam, or cooling from renewable sources	MWh	KHS Group	13,864	14,515	n.s.

	Unit	Reference framework	2025	2024	2023
Total energy consumption from fossil sources by:					
Fuel consumption from coal and coal products	MWh	KHS Group	0	0	0
Fuel consumption from crude oil and petroleum products	MWh	KHS Group	15,616	14,460	n.s.
Fuel consumption from natural gas	MWh	KHS Group	18,659	17,760	n.s.
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	KHS Group	4,816	5,273	n.s.
Total consumption of electricity	MWh	KHS Group	20,444	20,443	20,196
Energy production					
Total energy production	MWh	KHS Group	1,166	928	n.s.
Renewable energy production	MWh	KHS Group	1,130	655	n.s.
Non-renewable energy production	MWh	KHS Group	36	273	n.s.

4) Also includes non-renewable energy generation that is fully incorporated into KHS' energy consumption.

5) Also includes renewable energy generation that is fully incorporated into KHS' energy consumption.

Gross scope 1, 2, 3 GHG emissions (E1-8)⁶

	Unit	Reference framework	Base year 2021	2025	2024	2023
Scope 1 and Scope 2 GHG emissions						
Scope 1 GHG emissions	tCO ₂ e	KHS Group	10,414	✔ 7,819	7,487	n.s.
Scope 2 GHG emissions (market-based)	tCO ₂ e	KHS Group	2,749	✔ 3,622	3,187	n.s.
Scope 2 GHG emissions (location-based)	tCO ₂ e	KHS Group	9,084	9,947	10,272	n.s.
Total Scope 1 and 2 GHG emissions (market-based)	tCO ₂ e	KHS Group	13,163	11,441	10,674	n.s.
Total Scope 1 and 2 GHG emissions (location-based)	tCO ₂ e	KHS Group	19,498	17,766	17,759	n.s.
Scope 3 GHG emissions						
Total Scope 3 GHG emissions (upstream)	tCO ₂ e	KHS Group	160,057	133,981	144,372	n.s.
Scope 3.1: Purchased goods and services	tCO ₂ e	KHS Group	98,109	108,968	113,089	n.s.
Scope 3.2: Capital goods	tCO ₂ e	KHS Group	3,921	2,014	5,225	n.s.
Scope 3.3: Fuel and energy-related activities (not included in Scope 1 or Scope 2)	tCO ₂ e	KHS Group	2,865	2,321	2,156	n.s.

	Unit	Reference framework	Base year 2021	2025	2024	2023
Scope 3.4: Upstream transportation and distribution	tCO ₂ e	KHS Group	41,859	5,124	7,877	n.s.
Scope 3.5: Waste generated in operations	tCO ₂ e	KHS Group	709	681	460	n.s.
Scope 3.6: Business traveling	tCO ₂ e	KHS Group	5,367	6,105	7,338	n.s.
Scope 3.7: Employee commuting	tCO ₂ e	KHS Group	7,228	8,769	8,227	n.s.
Total Scope 3 GHG emissions (downstream)	tCO ₂ e	KHS Group	2,956,945	1,708,421	1,468,804	n.s.
Scope 3.9: Downstream transportation	tCO ₂ e	KHS Group	6,680	5,797	10,416	n.s.
Scope 3.11: Use of sold products	tCO ₂ e	KHS Group	2,946,855	1,698,575	1,454,370	n.s.
Scope 3.12: End-of-life treatment of sold products	tCO ₂ e	KHS Group	3,410	4,049	4,018	n.s.
Total Scope 3 GHG emissions	tCO ₂ e	KHS Group	3,117,002	1,842,402	1,613,176	n.s.

6) Data from previous years has been partly adjusted as a result of actual emissions.

Pollution of air (E2-4)

	Unit	Reference framework	2025	2024	2023
Total weight of air pollutants ⁷	kg	All plants	3,004	2,828	n.s.
Sites with dust filter	%	All plants	55%	55%	n.s.

Water metrics (E3-4)

	Unit	Reference framework	2025	2024	2023
Water consumption					
Total water withdrawal	m ³	KHS Group	91,041	91,507	n.s.
Total water discharge	m ³	KHS Group	66,914	n.s.	n.s.
Total water consumption	m ³	KHS Group	✔ 24,127	25,315	n.s.
Total water consumption in areas with water stress	m ³	All plants	24,127	38,549	n.s.
Water reusage and storage					
Total water recycled and reused	m ³	KHS Group	6,582	5,796	n.s.
Total water stored	m ³	KHS Group	712	712	n.s.

7) Nitrogen oxide (NO_x) and sulfur dioxide (SO₂) from company heating processes.

Resource outflows (E5-5)

	Unit	Reference framework	2025	2024	2023
Products					
Products with ecological design features (life-long spare parts to extend use)	%	KHS Group	100%	100%	n.s.
Machines with a modular design that can be recycled	%	KHS Group	100%	100%	n.s.
Customers who receive information about product end-of-life and product disposal	%	KHS Group	100%	100%	n.s.
Waste					
The undertaking's waste streams ⁸					
Metals	%	KHS Group	26%	n.s.	n.s.
Wood	%	KHS GmbH	17%	n.s.	n.s.
Plastic & rubbers	%	KHS GmbH	10%	n.s.	n.s.
Total amount of waste	t	KHS Group	6,300	5,050	5,395
Amount of harmless waste	t	KHS Group	5,980	4,916	5,135
Amount of hazardous waste	t	KHS Group	319	134	260
Amount of recycled waste	t	KHS Group	5,636	4,483	2,191
Amount of waste for final disposal	t	KHS Group	545	567	n.s.
Share of total waste from company operations diverted from landfills	%	KHS Group	69%	n.s.	n.s.

8) Includes the three waste materials with the highest occurrence.

Social responsibility

Characteristics of the undertaking's employees (S1-5)⁹

	Unit	Reference framework	2025	2024	2023
Number of employees by country (ten largest countries in terms of employee number)¹⁰					
Germany	Number	KHS Group	3,383	n.s.	n.s.
Brasil	Number	KHS Group	468	n.s.	n.s.
India	Number	KHS Group	347	n.s.	n.s.
USA	Number	KHS Group	328	n.s.	n.s.
Mexico	Number	KHS Group	301	n.s.	n.s.
China	Number	KHS Group	172	n.s.	n.s.
Kenya	Number	KHS Group	80	n.s.	n.s.
Nigeria	Number	KHS Group	65	n.s.	n.s.
Singapore	Number	KHS Group	59	n.s.	n.s.
South Africa	Number	KHS Group	57	n.s.	n.s.
Total number of employees¹⁰	Number	KHS Group	5,861	5,730	5,499
of which female	Number	KHS Group	875	n.s.	n.s.
of which male	Number	KHS Group	4,986	n.s.	n.s.
of which non-binary	Number	KHS Group	0	n.s.	n.s.
Total number of core workforce	Number	KHS Group	5,428	5,308	5,121
of which female	Number	KHS Group	801	n.s.	n.s.
of which male	Number	KHS Group	4,627	n.s.	n.s.
of which non-binary	Number	KHS Group	0	n.s.	n.s.

	Unit	Reference framework	2025	2024	2023
Permanent employees	Number	KHS Group	5,349	5,225	5,032
of which female	Number	KHS Group	787	n.s.	n.s.
of which male	Number	KHS Group	4,562	n.s.	n.s.
of which non-binary	Number	KHS Group	0	n.s.	n.s.
Temporary employees	Number	KHS Group	79	n.s.	n.s.
of which female	Number	KHS Group	14	n.s.	n.s.
of which male	Number	KHS Group	65	n.s.	n.s.
of which non-binary	Number	KHS Group	0	n.s.	n.s.
Average age of the total workforce	Number	KHS Group	45	44	n.s.
Employees under 30 years of age	Number	KHS Group	638	904	834
30 to 50 years of age	Number	KHS Group	2,902	2,878	2,651
Older than 50	Number	KHS Group	1,888	1,948	1,741
Nationalities	Number	KHS Group	92	96	n.s.
Employees on flexible working time models	%	KHS Group	73%	85%	n.s.
Average years of service for the company	Years	KHS Group	13	12	n.s.
Employee turnover rate ¹¹	%	KHS Group	7%	3%	n.s.

9) Unless otherwise indicated, all figures on social information refer to the global core workforce: all employees minus those under a training contract, personnel in the passive phase of early retirement, inactive employees and temporary workers.

10) Referenced to the total workforce: all employees including those under a training contract, personnel in the passive phase of early retirement and inactive employees (without temporary workers).

11) 2025: number of employees who left the company in relation to the average core workforce. Up until 2024: number of employee resignations in relation to the average core workforce.

Diversity and equal treatment (S1-8, S1-11, S1-15)

	Unit	Reference framework	2025	2024	2023
Share of women in the total workforce	%	KHS Group	15%	15%	14%
Share of women at top management level	%	KHS Group	13%	9%	n.s.
Share of women within the Executive Board	%	KHS Group	0%	25%	25%
Employees with severe disabilities	%	KHS Group	2%	2%	n.s.
Average unadjusted gender pay gap	%	KHS Group	7%	9%	7%

Collective bargaining coverage and social dialogue (S1-7)

	Unit	Reference framework	2025	2024	2023
Employees paid according to/ subject to a collective wage agreement.	%	KHS Group	63%	84%	83%
Share of the workforce at all sites represented by officially elected employee representatives.	%	KHS Group	75%	n.s.	n.s.

Training and skills development metrics (S1-12)

	Unit	Reference framework	2025	2024	2023
Apprentices ¹²	Number	KHS Group	323	317	n.s.
Share of total workforce at all sites receiving regular performance appraisal and development planning (e.g., performance review)	%	KHS Group	75%	73%	n.s.
Average number of training hours per employee	h	KHS Group	25	34	n.s.
Share of total workforce at all sites for whom and with whom an individual development and career plan has been drawn up	%	KHS Group	14%	n.s.	n.s.

12) Groups of persons employed under a training contract: apprentices, dual work-study students, trainees, working students and interns.

Health and safety metrics (S1-13)

	Unit	Reference framework	2025	2024	2023
Number of work-related accidents ¹³	Number	KHS Group	✔ 37	47	n.s.
of which resulting in death	Number	KHS Group	0	0	0
Rate of recordable work-related accidents (Lost Time Injury Frequency-rate, LTIF-rate) ¹⁴	Number / million h	KHS Group	✔ 3.9	5.2	5.4
Number of cases of recordable work-related ill health	Number	KHS Group	9	n.s.	n.s.
Number of days lost to recordable work-related accidents, injuries, fatalities and ill health	Number	KHS Group	906	891	n.s.
Share of all personnel with access to company health care	%	KHS Group	92%	n.s.	n.s.

13) With reference to industrial accidents.

14) Industrial accidents with lost time (total number of industrial accidents with lost time x 1,000,000/total hours worked).

Corporate governance

Compliance and ethics¹⁵

	Unit	Reference framework	2025	2024	2023
Number of confirmed cases of corruption	Number	KHS Group	0	0	n.s.
Number of employees who took part in at least one compliance training course in the reporting year	%	KHS Group	32%	90%	91%
Compliance training courses by type of training					
Business ethics	%	KHS Group	92%	92%	n.s.
Antitrust law	%	KHS Group	92%	92%	89%
Prevention of money laundering	%	KHS Group	92%	92%	89%
Prevention of corruption	%	KHS Group	92%	92%	89%
Conflicts of interests	%	KHS Group	92%	92%	89%
Information security	%	KHS Group	97%	92%	89%
Compliance investigations	%	KHS Group	0%	2%	3%

15) Further metrics on compliance and ethics in the *Management systems and audits* table.

Supply Chain Management

	Unit	Reference framework	2025	2024	2023
Procurements by region of origin and purchasing volume ¹⁶					
Germany	%	All plants	61%	61%	60%
Europe	%	All plants	15%	16%	16%
USA	%	All plants	6%	7%	9%
Brazil	%	All plants	6%	6%	5%
China	%	All plants	4%	5%	4%
Americas	%	All plants	3%	2%	2%
Asia	%	All plants	4%	4%	4%
Africa	%	All plants	0%	0%	0%
Oceania	%	All plants	0%	0%	0%
Active suppliers that have gone through a CSR assessment (e.g. questionnaire)	%	All plants	1%	n.s.	n.s.
Active suppliers who have signed the sustainable procurement charter or supplier code of conduct	%	All plants	75%	66%	42%
Active suppliers with contracts containing clauses on environmental, labor and human rights requirements	%	All plants	29%	30%	32%

	Unit	Reference framework	2025	2024	2023
Active 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)	%	All plants	100%	100%	84%
Procurement personnel at all sites who have undergone training in sustainable procurement	%	KHS Group	66%	66%	74%

16) Regions of origin according to [UN Statistics](#).

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ESRS Index

Statement of use: KHS reports the information listed in this ESRS Index for the period from 1 January 2025 to 31 December 2025, with reference to the Draft Simplified ESRS (published in November 2025). To enable interoperability with the Global Reporting Initiative (GRI) sustainability standard, the “GRI Disclosure Requirement” column refers to relevant GRI chapters.

ESRS (Simplified) Disclosure Requirement		GRI Disclosure Requirement	KHS Report Chapter	Page
ESRS 2 General Disclosures				
BP-1	Basis for preparation of the sustainability statement	2-2: Entities included in the organization’s sustainability reporting	<ul style="list-style-type: none"> • Aim of the sustainability report • Defining the report content • Reporting framework 	p. 7 p. 7 p. 8
GOV-1	The role of the administrative, management and supervisory bodies in relation to sustainability	2-9: Governance structure and composition 2-23: Policy commitments	<ul style="list-style-type: none"> • Sustainability management • Environmental and energy management • Sustainability in the product development process 	p. 18 p. 28 p. 35
GOV-4	Risk management and internal controls over sustainability reporting	2-22: Statement on sustainable development strategy 2-23: Policy commitments	<ul style="list-style-type: none"> • Opportunities and risks and their financial impact • Sustainability management • Sustainability in the product development process • Upstream value chain 	p. 17 p. 18 p. 35 p. 36
SBM-1	Strategy, business model and value chain	2-6: Activities, value chain and other business relationships 2-23: Policy commitments	<ul style="list-style-type: none"> • About KHS • Corporate strategy and mission statement • Global guidelines (summary) • The circular economy and use of resources (ESRS E5) • Sustainability in the product development process • Upstream value chain • Operational ecology • Mobility and logistics • Downstream value chain 	p. 10 p. 11 p. 20 p. 35 p. 35 p. 36 p. 37 p. 38 p. 40
SBM-2	Interests and views of stakeholders	2-22: Statement on sustainable development strategy 2-26: Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> • Defining the report content • Material topics and scope of the report • Risks and opportunities (Water) • Upstream value chain 	p. 7 p. 15 p. 34 p. 36

ESRS (Simplified) Disclosure Requirement		GRI Disclosure Requirement	KHS Report Chapter	Page
SBM-3	Interaction of material impacts, risks and opportunities with strategy and business model, and financial effects	201-2: Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> • Sustainability in the business model: use of resources and the circular economy • Opportunities and risks and their financial impact • Opportunities and risks and their financial impact and adaptation to climate change • Risks and opportunities (Water) • Sustainability in the product development process • Downstream value chain • Compliance management system 	p. 13
		308-2: Negative environmental impacts in the supply chain and actions taken		p. 17 p. 27 p. 34 p. 35 p. 40 p. 64
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities and material information to be reported	3-1: Process to determine material topics 2-25: Processes to remediate negative impacts	<ul style="list-style-type: none"> • Defining the report content • Material topics and scope of the report • Risks and opportunities (Water) • The circular economy and use of resources (ESRS E5) • Sustainability in the product development process 	p. 7 p. 15 p. 34 p. 35 p. 35
IRO-2	Material impacts, risks and opportunities and disclosure requirements included in the sustainability statement		<ul style="list-style-type: none"> • Material topics and scope of the report • Opportunities and risks and their financial impact 	p. 15 p. 17
ESRS E1 Climate Change				
E1-1	Transition plan for climate change mitigation		<ul style="list-style-type: none"> • Decarbonization - our reduction path 	p. 26
E1-2	Identification of climate-related risks and scenario analysis	201-2: Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> • Opportunities and risks and their financial impact • Opportunities and risks and their financial impact and adaptation to climate change 	p. 17 p. 27
E1-3	Resilience in relation to climate change and opportunity management	201-2: Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> • Opportunities and risks and their financial impact • The circular economy and use of resources (ESRS E5) 	p. 17 p. 35
E1-4	Policies related to climate change mitigation and adaptation	2-23: Policy commitments 302 3-3: Management of material topics (Energy) 305 3-3: Management of material topics (Emissions)	<ul style="list-style-type: none"> • Global guidelines (summary) • Environmental and energy management • Greenhouse gas emissions • Mobility and logistics 	p. 20 p. 28 p. 30 p. 38

ESRS (Simplified) Disclosure Requirement		GRI Disclosure Requirement	KHS Report Chapter	Page
E1-5	Actions and resources in relation to climate change mitigation and adaptation	302 3-3: Management of material topics (Energy) 302-4: Reduction of energy consumption 305 3-3: Management of material topics (Emissions) 305-5: Reduction of GHG emissions	<ul style="list-style-type: none"> • Decarbonization – our reduction path • Further measures • Opportunities and risks and their financial impact and adaptation to climate change • Environmental and energy management • Aims of environmental and energy management • Greenhouse gas emissions • Air pollutants • Mobility and logistics • Downstream value chain 	p. 26 p. 27 p. 27 p. 28 p. 29 p. 30 p. 31 p. 38 p. 40
E1-6	Targets related to climate change	302 3-3: Management of material topics (Energy) 302-4: Reduction of energy consumption 302-5: Reductions in energy requirements of products and services 305 3-3: Management of material topics (Emissions) 305-5: Reduction of GHG emissions	<ul style="list-style-type: none"> • ESG targets • Decarbonization – our reduction path • Aims of environmental and energy management • Greenhouse gas emissions • Mobility and logistics • Downstream value chain 	p. 18 p. 26 p. 29 p. 30 p. 38 p. 40
E1-7	Energy consumption and mix	302-1: Energy consumption within the organization 302-4: Reduction of energy consumption	<ul style="list-style-type: none"> • Aims of environmental and energy management • Energy consumption and mix (E1-7) 	p. 29 p. 72
E1-8	Gross scope 1, 2, 3 GHG emissions	305-1: Direct (Scope 1) GHG emission 305-2: Energy indirect (Scope 2) GHG emissions 305-3: Other indirect (Scope 3) GHG emissions 305-5: Reduction of GHG emissions	<ul style="list-style-type: none"> • Greenhouse gas emissions • Air pollutants • Downstream value chain • Gross scope 1, 2, 3 GHG emissions (E1-8) 	p. 30 p. 31 p. 40 p. 73
E1-9	GHG removals and GHG mitigation projects financed through carbon credits	305-5: Reduction of GHG emissions	<ul style="list-style-type: none"> • Decarbonization – our reduction path 	p. 26
E1-11	Anticipated financial effects from material physical and transition potential climate-related opportunities		<ul style="list-style-type: none"> • Opportunities and risks and their financial impact 	p. 17

ESRS (Simplified) Disclosure Requirement		GRI Disclosure Requirement	KHS Report Chapter	Page
ESRS E2 Pollution				
E2-1	Policies related to pollution	2-23: Policy commitments 303 3-3: Management of material topics (Water and Effluents) 305 3-3: Management of material topics (Emissions)	<ul style="list-style-type: none"> • Global guidelines (summary) 	p. 20
E2-2	Actions and resources related to pollution	303 3-3: Management of material topics (Water and Effluents) 305 3-3: Management of material topics (Emissions) 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none"> • Air pollutants • Noise emissions • Operational ecology 	p. 31 p. 32 p. 37
E2-3	Targets related to pollution	303 3-3: Management of material topics (Water and Effluents) 305 3-3: Management of material topics (Emissions)	<ul style="list-style-type: none"> • ESG targets • Air pollutants • Operational ecology 	p. 18 p. 31 p. 37
E2-4	Pollution of air, water and soil	305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<ul style="list-style-type: none"> • Air pollutants • Pollution of air (E2-4) 	p. 31 p. 74
ESRS E3 Water				
E3-1	Policies related to water	2-23: Policy commitments 303 3-3: Management of material topics (Water and Effluents)	<ul style="list-style-type: none"> • Global guidelines (summary) • Risks and opportunities (Water) 	p. 20 p. 34
E3-2	Actions and resources related to water	303 3-3: Management of material topics (Water and Effluents) 303-1: Interactions with water as a shared resource 303-3: Water withdrawal 303-4: Water discharge 303-5: Water consumption	<ul style="list-style-type: none"> • Corporate water management • Water in the beverage filling and packaging process • Risks and opportunities (Water) 	p. 33 p. 33 p. 34
E3-3	Targets related to water	303 3-3: Management of material topics (Water and Effluents)	<ul style="list-style-type: none"> • ESG targets • Risks and opportunities (Water) 	p. 18 p. 34
E3-4	Water metrics	303-3: Water withdrawal 303-4: Water discharge 303-5: Water consumption	<ul style="list-style-type: none"> • Risks and opportunities (Water) • Water metrics (E3-4) 	p. 34 p. 74

ESRS (Simplified) Disclosure Requirement	GRI Disclosure Requirement	KHS Report Chapter	Page	
ESRS E5 Resource Use & Circular Economy				
E5-1	Policies related to resource use and circular economy	2-23: Policy commitments 301 3-3: Management of material topics (Materials) 301-1: Materials used by weight or volume 306 3-3: Management of material topics (Waste) 306-2: Management of significant waste-related impacts	<ul style="list-style-type: none"> • Global guidelines (summary) • Sustainability in the product development process • Upstream value chain • Operational ecology • Mobility and logistics • Downstream value chain • Waste (ESRS E5) 	p. 20 p. 35 p. 36 p. 37 p. 38 p. 40 p. 45
E5-2	Actions and resources related to resource use and circular economy	301 3-3: Management of material topics (Materials) 301-3: Reclaimed products and their packaging materials 306 3-3: Management of material topics (Waste) 306-2: Management of significant waste-related impacts	<ul style="list-style-type: none"> • Decarbonization – our reduction path • The circular economy and use of resources (ESRS E5) • Sustainability in the product development process • Operational ecology • Mobility and logistics • Downstream value chain • Service • Waste (ESRS E5) 	p. 26 p. 35 p. 35 p. 37 p. 38 p. 40 p. 43 p. 45
E5-3	Targets related to resource use and circular economy	301 3-3: Management of material topics (Materials) 306 3-3: Management of material topics (Waste)	<ul style="list-style-type: none"> • ESG targets • The circular economy and use of resources (ESRS E5) • Sustainability in the product development process • Operational ecology • Mobility and logistics • Downstream value chain • Waste (ESRS E5) 	p. 18 p. 35 p. 35 p. 37 p. 38 p. 40 p. 45
E5-4	Resource inflows	301-1: Materials used by weight or volume 301-2: Recycled input materials used	<ul style="list-style-type: none"> • Downstream value chain 	p. 40
E5-5	Resource outflows	301-3: Reclaimed products and their packaging materials 306-1: Waste generation and significant waste-related impacts 306-2: Management of significant waste-related impacts 306-3: Waste generated 306-4: Waste diverted from disposal	<ul style="list-style-type: none"> • Service • Resource outflows (E5-5) 	p. 43 p. 74

ESRS (Simplified) Disclosure Requirement	GRI Disclosure Requirement	KHS Report Chapter	Page
ESRS S1 Own Workforce			
S1-1	Policies related to own workforce	2-23: Policy commitments 2-25: Processes to remediate negative impacts 2-29: Approach to stakeholder engagement 401 3-3: Management of material topics (Employment) 403 3-3: Management of material topics (Occupational health and Safety) 403-1: Occupational health and safety management system 408-1: Operations and suppliers at significant risk for incidents of child labor	<ul style="list-style-type: none"> • Global guidelines (summary) p. 20 • Management of social issues and human rights p. 47 • Labor and human rights guidelines p. 47 • Occupational health and safety management at KHS p. 49 • OHS management system certification and international regulations p. 49 • Increasing internationalization of HR work p. 58 • Compliance management system p. 64 • Digital responsibility and protection of intellectual property p. 66 • Human rights p. 67
S1-2	Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy	2-29: Approach to stakeholder engagement 401 3-3: Management of material topics (Employment) 403 3-3: Management of material topics (Occupational health and Safety) 403-4: Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> • Compliance management system p. 64 • Management of social issues and human rights p. 47 • Communication, training and employee involvement p. 53 • HR management p. 56 • Co-determination on an equal footing p. 56
S1-3	Actions and resources related to own workforce	401 3-3: Management of material topics (Employment) 403 3-3: Management of material topics (Occupational health and Safety) 401-3: Parental leave 403-2: Hazard identification, risk assessment, and incident investigation 403-6: Promotion of worker health 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 408-1: Operations and suppliers at significant risk for incidents of child labor 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	<ul style="list-style-type: none"> • Noise emissions p. 32 • Management of social issues and human rights p. 47 • Verification of a person's age and identity p. 48 • Occupational health and safety management at KHS p. 49 • Occupational health and safety at our German sites p. 51 • Quentic OHS software: always up to date p. 52 • Responsibility also assumed for mental health p. 53 • Company bicycles: leasing benefits and healthy commuting p. 53 • Increasing internationalization of HR work p. 58 • Digital responsibility and protection of intellectual property p. 66 • Human rights p. 67

ESRS (Simplified) Disclosure Requirement		GRI Disclosure Requirement	KHS Report Chapter	Page
S1-4	Targets related to own workforce	401 3-3: Management of material topics (Employment) 403 3-3: Management of material topics (Occupational health and Safety) 403-1: Occupational health and safety management system	<ul style="list-style-type: none"> • ESG targets • Occupational health and safety management at KHS • Compliance management system 	p. 18 p. 49 p. 64
S1-5	Characteristics of the undertaking's employees		<ul style="list-style-type: none"> • Characteristics of the undertaking's employees (S1-5) 	p. 75
S1-7	Collective bargaining coverage and social dialogue	2-28: Membership associations 2-30: Collective bargaining agreements	<ul style="list-style-type: none"> • Co-determination on an equal footing • Collective bargaining coverage and social dialogue (S1-7) 	p. 56 p. 76
S1-8	Diversity metrics	405-1: Diversity of governance bodies and employees 406-1: Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> • Appreciative working environment • Diversity and equal treatment (S1-8, S1-11, S1-15) 	p. 54 p. 76
S1-9	Adequate wages	202-1: Ratios of standard entry level wage by gender compared to local minimum wage	<ul style="list-style-type: none"> • Appreciative working environment 	p. 54
S1-11	Persons with disabilities	406-1: Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> • Diversity and equal treatment (S1-8, S1-11, S1-15) 	p. 76
S1-12	Training and skills development metrics	404-2: Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews 205-2: Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> • Apprenticeship, personnel development, preservation and transfer of knowledge • Training and skills development metrics (S1-12) 	p. 59 p. 76
S1-13	Health and safety metrics	403-1: Occupational health and safety management system 403-3: Occupational health services	<ul style="list-style-type: none"> • Occupational health and safety management at KHS • Health and safety metrics (S1-13) 	p. 49 p. 77
S1-15	Remuneration metrics	405-2: Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none"> • Appreciative working environment • Diversity and equal treatment (S1-8, S1-11, S1-15) 	p. 54 p. 76

ESRS (Simplified) Disclosure Requirement		GRI Disclosure Requirement	KHS Report Chapter	Page
ESRS S2 Workers in the Value Chain				
S2-1	Policies related to workers in the value chain	2-23: Policy commitments 408-1: Operations and suppliers at significant risk for incidents of child labor	<ul style="list-style-type: none"> • Global guidelines (summary) • Upstream value chain • Labor and human rights guidelines • Human rights • Compliance and human rights in the supply chain 	p. 20 p. 36 p. 47 p. 67 p. 68
S2-2	Engagement with workers in the value chain, existence of channels for workers in the value chain to raise concerns or needs and approaches to remedy	2-25: Processes to remediate negative impacts	<ul style="list-style-type: none"> • Compliance and human rights in the supply chain • Management of social issues and human rights 	p. 68 p. 47
S2-3	Actions and resources related to workers in the value chain	308-1: New suppliers that were screened using environmental criteria 308-2: Negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none"> • Upstream value chain • Human rights • Compliance and human rights in the supply chain 	p. 36 p. 67 p. 68
S2-4	Targets related to workers in the value chain		<ul style="list-style-type: none"> • ESG targets • Compliance and human rights in the supply chain 	p. 18 p. 68
ESRS S3 Affected Communities				
S3-2	Engagement with affected communities, existence of channels for affected communities to raise concerns or needs and approaches to remedy	413-1: Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> • Management of social issues and human rights • Commitment to local communities 	p. 47 p. 61
S3-3	Actions and resources related to affected communities	413-1: Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> • Commitment to local communities 	p. 61

ESRS (Simplified) Disclosure Requirement		GRI Disclosure Requirement	KHS Report Chapter	Page
ESRS S4 Consumers and End-users				
S4-1	Policies related to consumers and end-users	416 3-3: Management of material topics (Customer Health and Safety) 417 3-3: Management of material topics (Marketing and Labeling) 418 3-3: Management of material topics (Customer Privacy)	<ul style="list-style-type: none"> • Global guidelines (summary) • Downstream value chain • Human rights 	p. 20 p. 40 p. 67
S4-2	Engagement with consumers and end-users, existence of channels for consumers and end-users to raise concerns or needs and approaches to remedy	417-1: Requirements for product and service information and labelling	<ul style="list-style-type: none"> • Risks and opportunities (Water) • Downstream value chain • Service 	p. 34 p. 40 p. 43
S4-3	Actions and resources related to consumers and end-users	416 3-3: Management of material topics (Customer Health and Safety) 416-1: Assessment of the health and safety impacts of product and service categories 417 3-3: Management of material topics (Marketing and Labeling) 417-1: Requirements for product and service information and labelling 418 3-3: Management of material topics (Customer Privacy) 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> • Risks and opportunities (Water) • Operational ecology • Downstream value chain • Service • Human rights 	p. 34 p. 37 p. 40 p. 43 p. 67
ESRS G1 Business Conduct				
G1-1	Policies related to business conduct	2-23: Policy commitments 2-24: Embedding policy commitment 2-25: Processes to remediate negative impacts 2-26: Mechanisms for seeking advice and raising concerns 2-27: Compliance with laws and regulation 204 3-3: Management of material topics (Procurement Practices) 205 3-3: Management of material topics (Anti-corruption) 206 3-3: Management of material topics (Anti-competitive Behavior)	<ul style="list-style-type: none"> • Global guidelines (summary) • Labor and human rights guideline • HR management • Compliance management system • Digital responsibility and protection of intellectual property 	p. 20 p. 47 p. 56 p. 64 p. 66


ESRS (Simplified) Disclosure Requirement		GRI Disclosure Requirement	KHS Report Chapter	Page
G1-2	Actions related to business conduct	2-26: Mechanisms for seeking advice and raising concerns 204 3-3: Management of material topics (Procurement Practices) 205 3-3: Management of material topics (Anti-corruption) 205-1: Operations assessed for risks related to corruption 205-2: Communication and training about anti-corruption policies and procedures 206 3-3: Management of material topics (Anti-competitive Behavior)	<ul style="list-style-type: none"> • Management of social issues and human rights • OHS management system certification and international regulations • Travel risk management • Compliance management system • Digital responsibility and protection of intellectual property • Decarbonization in the supply chain 	p. 47 p. 49 p. 52 p. 64 p. 66 p. 69
G1-3	Targets related to business conduct	3 3-3: Management of material topics 204 3-3: Management of material topics (Procurement Practices) 205 3-3: Management of material topics (Anti-corruption) 206 3-3: Management of material topics (Anti-competitive Behavior)	<ul style="list-style-type: none"> • ESG targets • Responsible corporate governance • Compliance management system 	p. 18 p. 63 p. 64
G1-4	Metrics related to corruption or bribery		<ul style="list-style-type: none"> • Compliance and ethics 	p. 77


Assurance report

Assurance report of the independent German public auditor on a limited assurance engagement in relation to sustainability information

To KHS GmbH, Dortmund

Assurance conclusion

We have conducted a limited assurance engagement on selected sustainability information marked by a symbol  in the accompanying sustainability report of KHS GmbH, Dortmund, ("Company"), for the period from 1 January 2025 to 31 December 2025 ("sustainability information").

Our engagement exclusively refers to the selected items of sustainability information whose disclosures were identified by a symbol  in the sustainability report. Other disclosures made outside this sustainability information were not subject to our assurance engagement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information is not prepared, in all material respects, in accordance with the data points specified below from the European Sustainability Reporting Standards (ESRS Set 1, Version 2023) and the related Application Requirements (AR) (hereinafter referred to as the "applicable criteria"):

- **KPI 1:** paragraph 48(a) of ESRS E1 "Gross Scope 1 greenhouse gas emissions", measured in greenhouse gas (GHG) emissions, expressed in tonnes of CO₂ equivalents
- **KPI 2:** paragraph 49(b) of ESRS E1 "Gross marketbased Scope 2 greenhouse gas emissions", measured in greenhouse gas (GHG) emissions, expressed in tonnes of CO₂ equivalents
- **KPI 3:** paragraph 37 of ESRS E1 "Total energy consumption related to own operations", measured in megawatt hours (MWh)
- **KPI 4:** paragraph 37(c) of ESRS E1 "Total energy consumption from renewable sources", measured in megawatt hours (MWh)
- **KPI 5:** paragraph 28(a) of ESRS E3 "Total water consumption", measured in cubic metres (m³)
- **KPI 6:** paragraph 88(c) of ESRS S1 "Number and rate of recordable workrelated accidents", commonly reported in practice as Lost Time Injury Frequency (LTIF).

Basis for the assurance conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section “German public auditor’s responsibilities for the assurance engagement on the sustainability information.”

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the executive directors for the sustainability information

The executive directors are responsible for the preparation of the sustainability information in accordance with the applicable criteria and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of sustainability information in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability information) or error.

This responsibility of the executive directors includes selecting and applying appropriate reporting policies for preparing the sustainability information, as well as making assumptions and estimates and ascertaining forward-looking information for individual non-financial disclosures.

Inherent limitations in preparing the sustainability information

The applicable European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the sustainability information.

German public auditor’s responsibilities for assurance engagement on the sustainability information

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the sustainability information has not been prepared, in all material respects, in accordance with the applicable criteria.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- Obtain an understanding of the process used to prepare the sustainability information.

- Identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Consider the forward-looking disclosures, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking disclosures.

Summary of the procedures performed by the German public auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- Obtained an understanding of the the structure of the sustainability organization and stakeholder engagement.
- Obtained an understanding of the process applied for preparing the sustainability information as well as the internal controls related to this process;
- Assessed the suitability of the criteria as a whole presented by the executive directors in the sustainability information;

- Inquired executive directors and relevant employees involved in the preparation of the sustainability information about the preparation process, about the internal controls relating to this process, and about disclosures in the sustainability information;
- Inspected relevant documentation of the systems and processes used to collect, aggregate and validate relevant data in the reporting period [such as on the environment and workers];
- Identified and assessed the risk of material misstatement of the sustainability information;
- Performed analytical procedures and made inquiries in relation to selected disclosures in the sustainability information;
- Inspection of sample documents and obtaining evidence relating to the collection and reporting of selected disclosures in the sustainability information;
- Assessed the presentation of the sustainability information in the sustainability report.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the assurance report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]” dated 1 January 2024, which are attached to this report, are applicable to this engagement and also govern our relations with third parties in the context of this engagement (ey-idw-aab-en-2024.pdf).

In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the assurance report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this assurance report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Nürnberg, 27 April 2026

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Süppel
Wirtschaftsprüferin
[German Public Auditor]

Borchard
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