

SUSTAIN- ABILITY REPORT 2023.

*We live
sustainability.*

Editorial



Dear Reader,

We are delighted to present our latest Sustainability Report. This documents our GoGreen250 sustainability initiative with its diverse measures aimed at achieving our ambitious target of CO₂ neutrality by 2029.

We have clearly committed to acting in harmony with the definition of the German Council for Sustainable Development. For Kurtz Ersa, sustainability means that the action we take today, gives consideration to the needs of future generations. The responsibility for ensuring that we all achieve this goal lies in our hands.

Despite the major challenges to be faced, we have used the last few years as a driving force for a number of planned transformations. This is why the 2023 audit of our progress towards greater sustainability has been so gratifying. We have met the targets we set ourselves and implemented a series of ambitious plans. Included among these are not only the installation of three PV plants and 70 E charging points but also our widespread changeover to LED lighting at two sites and the installation of two new heating plants with significantly greater efficiency. The success of the measures is also demonstrated by the improvement in the "sustainability barometer": We achieved a considerably higher score in the ESG rating and are now among the top 25% of companies in our branch.

Details of these measures and their positive impacts – where these are reflected in the numbers – can be found in this, our third Sustainability Report. In keeping with our understanding of sustainability as described above, we record not only ecological considerations but also economic and social aspects. For example, we have successfully installed a whistleblower protection and complaints system and are proud of our wide-ranging commitment to the region. I take particular pleasure in our multilayered training and education measures and in the compatibility of job and family, or job and carer role. Not only because they better meet the needs of our employees, but also because they live up to the standards we set for Kurtz Ersa as a team.

Our striving for greater sustainability continues apace in 2024. Since the beginning of the year we have been buying in primarily green electricity and biogas as energy source. A further PV plant is to be added and a further site equipped with LED lighting. Our endeavours also extend to new fields. The implementation of the German Supply Chain Due Diligence Act (SCDDA) enjoys high priority, as we honour our commitments. We expect our direct suppliers to assume the same responsibilities as we assume ourselves: When it comes to safeguarding essential human rights and social and environmental standards, there may be no exceptions. This extends, in particular, to fair wages, the avoidance of pollution and destruction of the environment and protection against child labour and slave labour.

Overall, we are focusing more closely on our international sites and ensure that more intensive networking guarantees that our sustainability endeavours are also comprehensively reflected there too. With the help of a modern software solution, we intend determining and constantly improving our enterprise-wide CO₂ footprint and particularly our Scope 3 emissions. Our GoGreen250 strategic focus can only reach its full potential if it receives the same commitment from all our companies worldwide. In this context, we are exploiting the ever-advancing digitization and a new, highly-modern CRM system currently being introduced. Further details can be found in the chapter "Sustainable Selling".

Kurtz Ersa is a family enterprise which naturally embraces modern management methods while at the same time respecting and safeguarding its traditions and history. This makes our company particularly future oriented. We feel responsible for leaving an intact environment for our children and grandchildren.

You can discover more about our current contributions in this area in the 2023 Sustainability Report. I wish you an informative read.

A handwritten signature in black ink, appearing to be 'T. Mühleck', written in a cursive style.

Your Thomas Mühleck

CFO and since 28.09.2023 CEO a.i. of Kurtz Ersa Group

[GRI 2-22]



Our aim by 2029: CO₂ neutrality



Notes for reading comprehension

With the Sustainability Report 2023, Kurtz Ersa continues its annual reporting on matters relating to corporate sustainability. It is the third report and, like its predecessors, has been drafted in accordance with the requirements of the Global Reporting Initiative (GRI). This comprehensive standard is one of the most internationally-recognised frameworks for sustainability reporting. It defines the facts which an organisation must consider and publish as proof of its ecological, economic and social performance. With the application of the GRI Standards, our aim is to show in a transparent and comparable way, the extent to which Kurtz Ersa contributes or aims to contribute to sustainable development.

Since the publication of new "universal standards" in October 2021, the structure and content of GRI-compliant sustainability reporting has been in line with comprehensively updated criteria – of course these have also been incorporated into this report. As we already adapted the previous report to include the mandatory data, few major changes to structure and content apply in the 2023 reporting year. We continue to strive to further increase the transparency our company with regard to the impact on the economy, the environment and people.

This report with details of the 2023 business year is drafted with reference to the GRI Standards. This means that in addition to general topics we also report on those standards which affect essential themes as a result of our business activity. Furthermore, the GRI is also successively publishing sector standards, however, to date, no material has become

available for the engineering sector (as incidentally is the case with most branches). Consequently a presentation of sector standards is not yet possible; apart from that, we have reported as comprehensively as possible.

The structuring into seven thematic areas has been retained; the selection of reported aspects corresponds to the system of the GRI standard. For better comprehensibility, we refer at the end of the paragraphs to the number of the relevant standard; in addition, the GRI content index provides simple orientation as to where exactly in the report we address the respective GRI topic.

The next report, relating to the 2024 business year will see completion of the changeover to the Corporate Sustainability Reporting standard. The CSRD was drawn up as European Union guidelines for sustainability reporting and, by 2026, will become mandatory for EU-based companies of our size for the 2025 reporting year. The European Sustainability Reporting Standards (ESRS) defined therein, which had been in force since January 2023, are intended, on the one hand, to show the sustainability-related risks and opportunities for the business activity of our company and, on the other, demonstrate the impact on humans and the environment.

In those areas of the report where we build on results from the previous year, we refer to the respective changes in order to clearly indicate developments. We also indicate the data included in our report for the first time, as no developments can be shown which relate to the previous years. Where possible, we shall augment these in the coming reports. [\[GRI 2-4\]](#)

Strategy for sustainable development – Our GoGreen250 programme

With its internal GoGreen250 initiative, Kurtz Ersa boasts a clear sustainability compass. The aim is to have the transformation to a CO₂-neutral enterprise completed in time for the 250th anniversary of the company's foundation in 2029 – although this bar is set very high in our particularly material-intensive and energy-intensive branch. To date we have managed to hold our course: Since June 2022, Kurtz Ersa has had membership in the UN Global Compact (UNGC) and has thus committed to the ten principles of the global initiative. In this way, we too assume

responsibility for the implementation of the Sustainable Development Goals (SDGs), for example with our focus on the safeguarding of human rights and labour rights, combating corruption and protecting the environment. Our GoGreen250 programme defines specific targets, enabling us to act in a more sustainable way and continuously reduce our carbon footprint. The implementation is in the hands of topic-specific working groups which create sustainable solutions for the various sections of the production and supply chain. [\[GRI 2-22\]](#)



Content

ABOUT US.	06	Scope 1 and 2 emissions, international sites	44
Organisational details	08	Waste	45
Involvement of stakeholders	10	Prioritising waste avoidance	45
Reporting procedure	11	Reduction of hazardous waste	47
Materiality analysis	12	Water	48
Report profile	13	Rainwater utilisation reduces water demand	48
Governance structure and governance body	14	Sustainable water management	49
Organisational structure of Kurtz Ersa Group	15		
Declaration of commitment	15	SUSTAINABLE	
17 goals for sustainable development	16	SELLING.	50
ESG targets	18	Customer health and safety	53
		Markets supplied	53
		Digitization	54
		Increasing e-vehicles in the fleet	56
SUSTAINABLE			
DEVELOPMENT.	20	SUSTAINABLE	
Far-sighted development	22	MANAGEMENT.	58
Bearing the entire life cycle in mind	22	Financial stability and profitability	60
Roadmap for sustainable soldering machines	23	Our approach: Holistic and international	61
Award-winning innovation	24	Corporate governance	62
Scientific findings	25	Internal implementation of Supply Chain Act	64
A wealth of ideas serving one goal	25	Kurtz Ersa again achieves CDP Score C	64
		ESG rating up 8 points	65
		Social commitment	66
SUSTAINABLE			
PROCUREMENT.	26	SUSTAINABLE	
Assuming responsibility in the supply chain	29	LIVING.	68
Social and ecological standards for suppliers	30	The Kurtz Ersa Spirit	71
Carbon footprint pilot project	32	Responsible employer	72
		Training and professional advancement	75
		Occupational health and safety	76
SUSTAINABLE			
PRODUCTION.	34	Key data	78
Energy	36	GRI content index	80
Expansion of regenerative energies	37		
Energy consumption within the organisation	37		
Reduction of energy demand	38		
Worldwide consumption of power, natural gas and heating oil	41		
Greenhouse gas emissions	42		
Measuring and reducing energy consumption	42		

Editorial comment: This report addresses all individuals equally, in line with gender mainstreaming. Where this is not reflected in the text, this serves only to aid reading comprehension and is completely free of discriminatory intent.



About us.

*As a family company now operating
in its seventh generation, thinking
and acting sustainably has been in
our DNA since 1779.*



Organisational details

Kurtz Holding GmbH & Co. Beteiligungs KG (hereinafter: Kurtz Ersa) is a globally-active machine engineering company. It is an owner-managed family company now operating in the seventh generation with the legal structure of a private limited company. The three main business sectors comprise the areas soldering systems and soldering tools (Electronics Production Equipment), foam and foundry machines and 3D-metal printing (Moulding Machines) and automation solutions (Automation). The Kurtz Ersa headquarters are located in Kreuzwertheim (Franconia, Germany). [\[GRI 2-1\]](#)

The internationally structured company incorporates subsidiaries in Europe, North America and Asia. In total, the company operates seven production sites in the countries Germany [5], USA and China; in addition, Kurtz Ersa has six subsidiaries abroad (China [2], France, India, Mexico and Vietnam). A further production site will be added in 2024, with completion of the plant currently under construction in Mexico. [\[GRI 2-1\]](#)

The presentation of details on production facilities and further sites abroad differs from that of the previous year's report in which production sites and sales sites were not shown separately, leading to some foreign sites being counted a number of times; furthermore the globalPoint ICS was overlooked in the listing of production sites in the text (unlike the list in the chart). We have now corrected the list (see also current chart below). [\[GRI 2-4\]](#)

As per 31.12.2023, the Group incorporated a total of 16 companies. Apart from the companies and subsidiaries named in the GRI 2-1 details, Kurtz Ersa is not involved in any further entities (such as subsidiaries, joint ventures or minority shareholdings) so that no further relevant details can be given in our sustainability reporting. [\[GRI 2-2\]](#)

Kurtz Ersa turnover in the 2023 business year totalled EUR 343 million. The report encompasses all the Group's production and sales sites. In Region Asia, we operate our own production sites for Ersa and Kurtz machinery while Region USA, in addition to small-scale production, has specialised in repairs for Ersa and Kurtz machinery. Here, Kurtz equipment, some of it as old as 20 or 30 years, is completely overhauled and technically updated to state of the art. [\[GRI 2-1\]](#)

All in all, the Group employs, 1,554 staff in total (up 36 on the previous year), of whom 1,031 (-1) work at the headquarters in Wertheim and Kreuzwertheim. SCHILLER AUTOMATION GmbH & Co. KG employs a further 147 (± 0), in USA 47 (+3), in Region Asia 278 (-17) and rest of the world 51 (+51) (Status 31.12.2023). [\[GRI 2-7\]](#)

Locations in Germany:

- Kurtz Holding GmbH & Co. Beteiligungs KG
- Ersa GmbH*
- Kurtz GmbH & Co. KG*
- Kurtz Ersa Automation GmbH*
- globalPoint ICS GmbH & Co. KG*
- Kurtz Ersa Logistik GmbH
- Kurtz Ersa Hammer Academy GmbH
- SCHILLER AUTOMATION GmbH & Co. KG*

International locations:

- Kurtz Ersa, Inc.*
- Kurtz Ersa México
- Kurtz Ersa Asia Ltd.
- Kurtz Shanghai Ltd.
- Kurtz Zhuhai Manufacturing Ltd.*
- Kurtz Ersa Vietnam
- Kurtz Ersa India
- Kurtz Ersa France

*Production sites.



**Electronics
Production
Equipment**

**Moulding
Machines**

Automation



Kreuzwertheim

WORLDWIDE APPLICATION CENTERS
**WORLDWIDE
PARTNERSHIPS**
MULTICULTURAL · CONNECTIVITY
PROCESS KNOW HOW

**CUSTOMER
SERVICES**
ANY TIME – ANYWHERE
MADE BY KURTZ ERSA
GLOBAL PLAYER
UNIFIED QUALITY STANDARD



**Worldwide
1,554
Employees**



**Since
1779
Innovative**

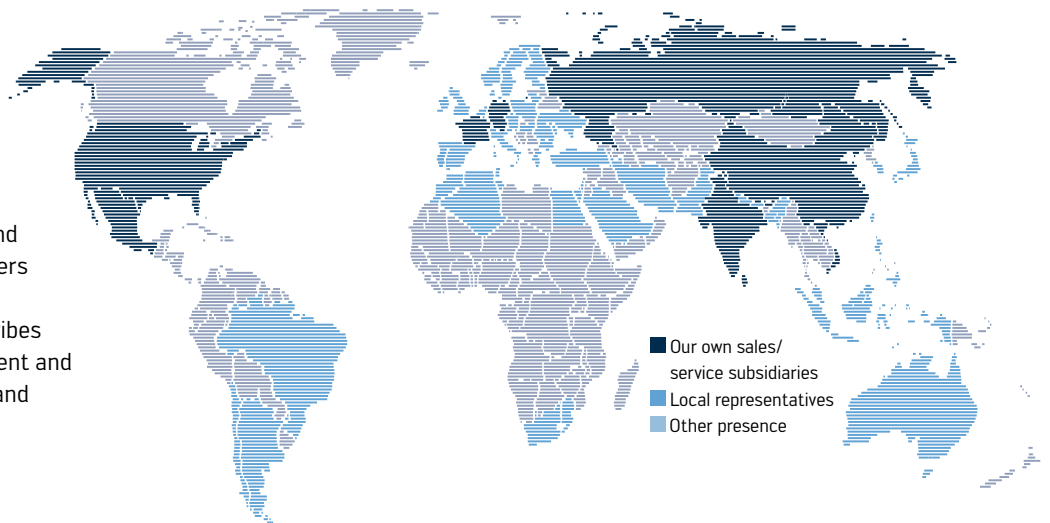


**BY 2023:
343 million
Euro turnover**

GLOBAL. Our products and services are available worldwide

AHEAD. Stands for our technological market leadership and our aim to be a benchmark for others

SUSTAINABLE. Describes sustainable management, permanent and reliable partnerships and respect and protection for the environment



Involvement of stakeholders

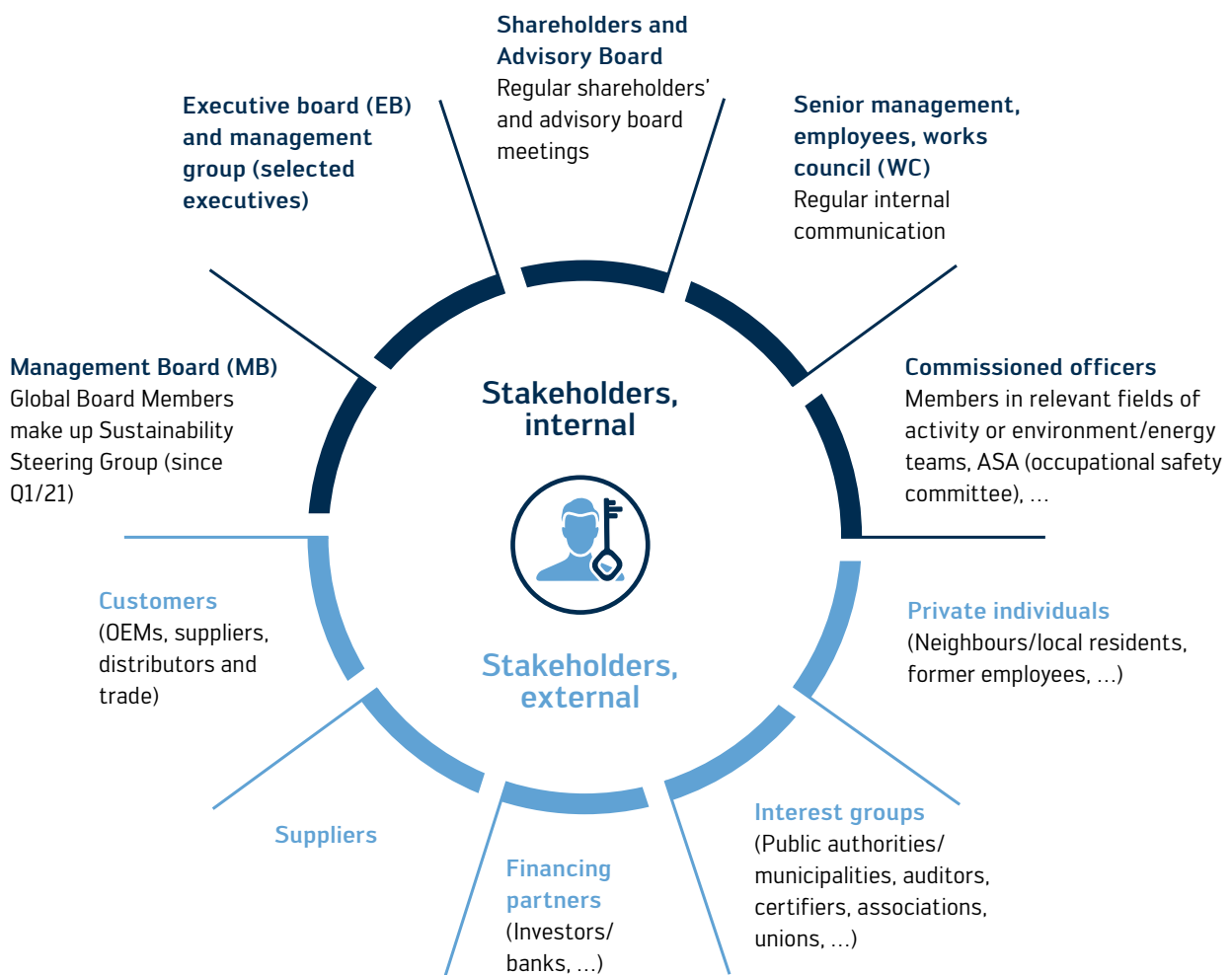
Sustainable activity at corporate level must constantly be subjected to reflection and correction by the stakeholders. This is why we regard the exchange of information and views with various stakeholders as standard practice. We are keen to incorporate their experience and expectations and at the same time promote the implementation of our sustainability strategy and define specific action steps.

In the course of the adaptation of our reporting to conform with the CSRD guidelines, we are planning a repeat stakeholder survey (internal and external) for the period end 2024/beginning 2025. The aim is to assess and incorporate the concerns of all stakeholders for the then mandatory double materiality (in addition to financial impact on the company, the impact on humans and the environment must always be taken into account).

In preparation for focused stakeholder communication, the key parties involved, both internally and externally, were defined for the first time in 2021. The decisive criterion, in addition to the pro-

ximity to at least one of the companies in the Group, was the active involvement of the individual stakeholders. This takes the form, in particular, of (frequently institutionalised) communication and the possibility to influence the activities of Kurtz Ersä. Therefore a stakeholder is at least the addressee for certain communication forms, frequently also the driving force in the form of (operative and strategic) decision making. Open and regular exchange is one of our basic principles. In some cases, the contact is subject to legal regulation (e.g. in the case of unions, works council).

The list of our stakeholders encompasses all employees, in particular the Management Board, the Executive Board, share-holders, Advisory Board Members and the works council. Among external stakeholders the focus is on customers, suppliers and further business partners, journalists, interest groups (such as investors/banks, public authorities/municipalities, auditors, certifiers, associations, trade unions) as well as private individuals (neighbours/local residents, former employees). [\[GRI 2-29\]](#)





Reporting procedure

This Report was drawn up in reference to the current GRI Standards and correspondingly complies with the stipulations updated in 2021. References to the respective chapters appear in the GRI Content Index at the end of the Report (page 80 and 81).

This Report is appearing for the last time on the basis of the GRI Standards. The next report on the 2024 business year will be oriented towards the European Corporate Sustainability Reporting Directive (CSRD) although this directive will only become binding for us one year later.

Since 2021 responsibility at Kurtz Ersä for the creation of the report lies with the Sustainability Steering Group composed of the international Management Board of Kurtz Ersä. The Steering Group tasks the Project Management Offices (PMO) with the collection of relevant data and presentation of a Sustainability Report. It examines the result and approves publication. To date we have dispensed with an additional external examination with regard to compliance with the GRI Standards. [GRI 2-5; 2-12; 2-14]

Materiality analysis

The selection of central topics and fields of action in our sustainability reporting is based on a materiality analysis. According to GRI, the materiality of topics is determined by consideration at two dimensional levels. In addition to the significance from the stakeholder perspective, the effects of corporate action are also to be taken into account. We meet these requirements with a stakeholder survey carried out in 2021, on the one hand, and through the permanent further development of our sustainability strategy with the involvement of our technical specialists and senior management from all areas of the company.

This allows us to take diverse perspectives and points of focus into account in defining material topics. The decision to focus on six fields of activity (material topics) was taken in the Steering Group. For further details on materiality analysis we refer to the 2022 Sustainability Report. [\[GRI 3-1\]](#)

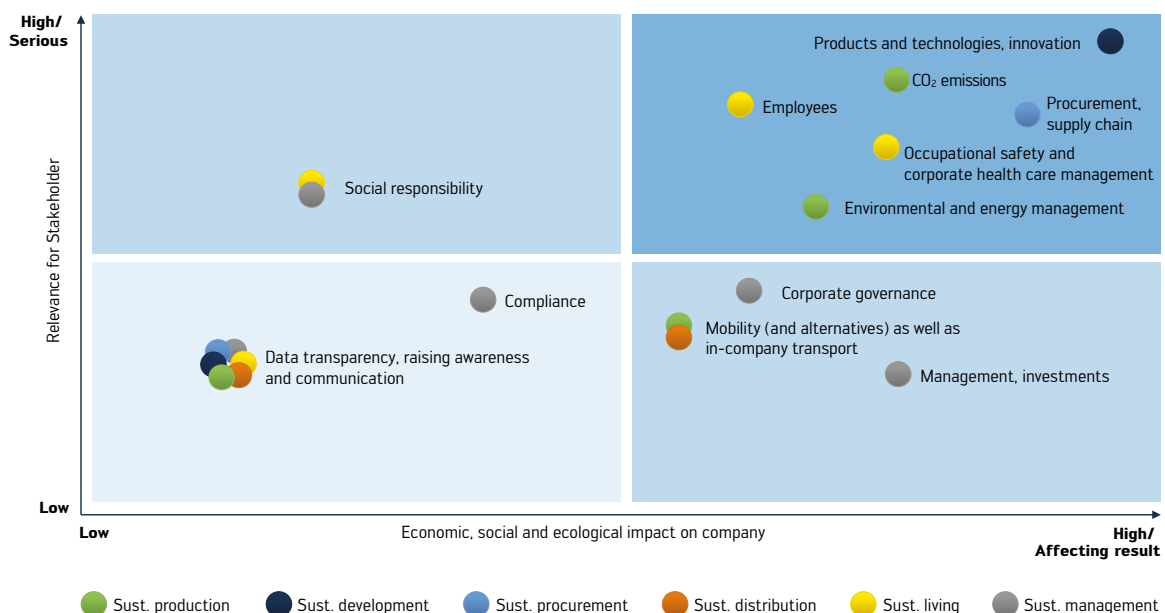
The main points of focus of our presentation correspond to those of the previous year. This ensures comparability of data and the clear visibility of a development with regard to the material topics.

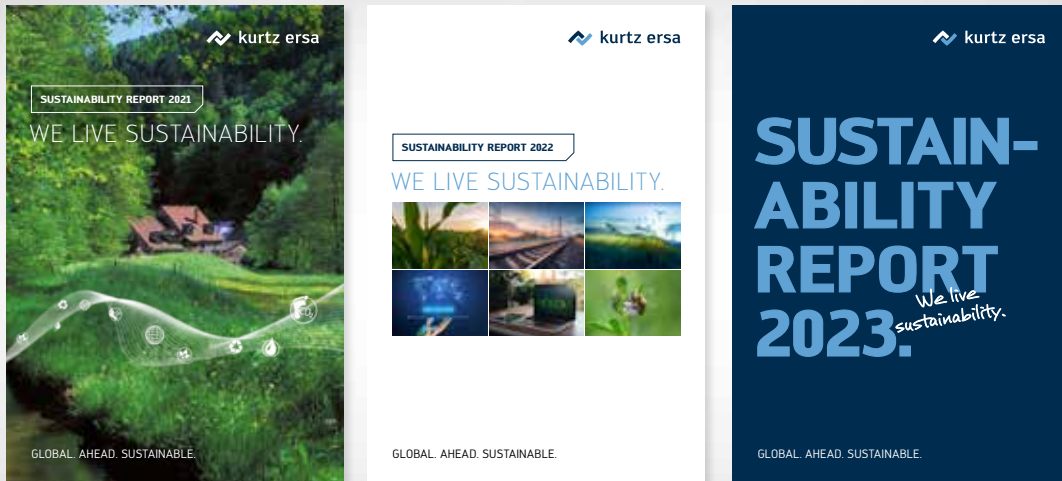
We report specifically on

- **Sustainable Development** – Products and technologies
- **Sustainable Procurement** – Procurement, supply chain, packaging waste
- **Sustainable Production** – internal energy consumption (production processes, administration, buildings, mobility (and alternatives)) as well as internal transport, production, packaging and municipal waste, CO₂ emissions
- **Sustainable Selling** – Mobility (and alternatives) as well as options for virtual customer contact and product presentations
- **Sustainable Management** – Compliance, social responsibility, corporate governance, management/investment
- **Sustainable Living** – Social responsibility employees, occupational safety and corporate healthcare management [\[GRI 3-2\]](#)

With the changeover to reporting in accordance with the CSRD standard in the next report, double materiality will be required. To this end we will once again involve our stakeholders (see p. 10 Stakeholder Survey) and explain the process in the next report.

Material topics matrix





Report profile

Kurtz Ersas is publishing a Sustainability Report for the third successive year. This edition once again reflects the content and guidelines of the GRI standard (Global Reporting Initiative) in order to ensure uniform and comparable presentation.

The reporting period for this Sustainability Report encompasses the 2023 business year, from 01.01. to 31.12.2023.

The editorial deadline was 31 March, 2024. Kurtz Ersas intends publishing a new edition of the Sustainability Report each year, relating to the previous business year. The data in this report covers the same period as the current financial report. [GRI 2-3 a-c]

In each of the companies in the Group, individual employees have been selected and trained in the bundling and transfer of figures and data on the respective sustainability aspects. Responsible for the implementation of the report and contact partners for queries are

Anna Hieble

Central Division Management Systems & ESG
E-Mail: anna-maria.hieble@kurtzersa.de

Marcus Loistl

Central Division Communication
E-Mail: marcus.loistl@kurtzersa.de
[GRI 2-3 d]

Governance structure and governance body

The international Kurtz Ersa Management Board (Global Board) currently comprises six members, each of whom is responsible for a relevant business division or a region. The Management Board is supervised and advised by the Advisory Board. The Sustainability Steering Group, consisting of the international Management Board of Kurtz Ersa, directs the company's sustainability management, i.e. the impact of the business activity of Kurtz Ersa on the economy, the environment and on people. This group is also tasked with the role of most senior supervisory authority when it comes to the scope and progress of the sustainability measures. Members of the Steering Group are:

- Thomas Mühleck, CFO and CEO a.i., Director of Kurtz Holding GmbH & Co. Beteiligungs KG, Director of Kurtz Ersa Logistik GmbH and Kurtz Ersa Hammer Academy GmbH, responsible for the central divisions IT, Management Systems, Communications and ESG as well as Corporate Finance, Controlling, Human Resources, Procurement, Real Estate and Logistics
- Dr. Michael Fischer, Director of Kurtz Holding GmbH & Co. Beteiligungs KG, Director of Ersa GmbH, responsible for the business segment Electronics Production Equipment (EPE)
- Ulrich Bühlmann, Director of Kurtz Holding GmbH & Co. Beteiligungs KG, Director of Kurtz GmbH & Co. KG, responsible for the business segment Moulding Machines (MM)
- Dr. Michael Wenzel, Director of Kurtz Holding GmbH & Co. Beteiligungs KG, Director of Kurtz Ersa Automation GmbH and Managing Director of SCHILLER AUTOMATION GmbH & Co. KG, responsible for the business segment Automation

- Bernd Schenker, Director of Kurtz Holding GmbH & Co. Beteiligungs KG, President & COO of Kurtz Ersa Asia Ltd., Kurtz Zhuhai Manufacturing Ltd., Kurtz Shanghai Ltd. and Kurtz Ersa Vietnam Company Ltd., responsible for Region Asia
- Albrecht Beck, Director of Kurtz Holding GmbH & Co. Beteiligungs KG, President & COO of Kurtz Ersa, Inc., Kurtz Ersa México S.A. de C.V., responsible for Region America

In addition to the directors of the holding who make up the Global Board, six further operative directors head up the individual companies. Each of these units is assigned to a business segment (EPE, MM or Automation). This ensures that all regions and parts of the company are equally represented. At the same time, these positions bundle comprehensive budgeting and staffing responsibility, so that measures promoting sustainable development can be influenced directly. [\[GRI 2-9\]](#)

In addition to its advisory function, the Advisory Board also supervises the Management Board. Many years of experience in the company and personal aptitude are prerequisites for appointment to the Advisory Board. [\[GRI 2-10\]](#)

Chair of the Advisory Boards and thus the supreme supervisory authority is Rainer Kurtz. [\[GRI 2-11\]](#)

Advisory Board and shareholders are regularly informed of the status of planning and implementation. Project Management Offices (PMO) are tasked with the implementation of all measures arising from the management of the specified impacts. [\[GRI 2-13\]](#)



The Global Board of the Kurtz Ersa Group (from left.): Thomas Mühleck, CFO / CEO a.i., Albrecht Beck, President and COO Kurtz Ersa, Inc., Michael Wenzel, Director Kurtz Ersa Automation GmbH and SCHILLER AUTOMATION GmbH & Co. KG, Ulrich Bühlmann, Director Kurtz GmbH & Co. KG, Michael Fischer, Director Ersa GmbH, Bernd Schenker, President & COO Kurtz Ersa Asia

It is important to us to anchor an awareness of sustainable processes and our desire to implement the GoGreen250 Initiative even more firmly in our corporate actions. For this reason we have linked one element of the annual bonus for Management Board Members and executives to sustainability criteria. In this we are guided by the ESG rating which represents an objective

benchmark for the performance of a company in the areas environment, social affairs and corporate management (ESG) and which is drawn up annually by external experts. The implementation of central sustainability criteria has been reflected in our remuneration practice since 2023. [\[GRI 2-19\]](#)

Organisational structure of the Kurtz Ersa Group



Declaration of commitment

Within the framework of our corporate operations, we observe internationally recognised human rights as defined, among other things, in the UN Guiding Principles on Business and Human Rights. For further orientation in this context, we draw on the OECD Due Diligence Guidance for Responsible Business Conduct and the German governments national action plan, the Supply Chain Due Diligence Act derived from it. Our Code of Conduct describes, among other things, the resulting minimum standards we set for ourselves and our business partners, particularly our suppliers. These standards are specifically stipulated in our Policy Declaration (see p. 62 and 63).

In addition, our GoGreen250 initiative applies as a guideline for responsible corporate action. With this strategy, resolved in 2020, we have undertaken to examine all projects and processes to determine their sustainable impact. This includes ecological aspects as well as all topics relating to economic concerns, staff retention and social commitment.

In addition, our membership of the UN Global Compact, obliges us to observe the ten principles of the international network and report regularly on the status quo and the advances made. Here, all member institutions emphasise their commitment to the safeguarding of human rights and labour rights, active combating of corruption and consistent protection of the environment. [\[GRI 2-23a\]](#)

The decision to issue the above Declaration of Commitment and to join the UN Global Compact was taken by the Steering Group Sustainability, the highest supervisory authority. Employees are informed regularly of the self-commitments and progress in the GoGreen250 initiative by means of posts on the intranet and publicly accessible websites or social media. [\[GRI 2-23d, f\]](#)

17 goals for sustainable development

In September 2015, the United Nations (UN) unanimously adopted the 2030 Agenda. At the heart of the Agenda are 17 Sustainable Development Goals (SDG) which are intended to make a significant contribution to solving global challenges in the areas of sustainable economic activity, environmental protection and social justice. The community of states therefore places the focus on combating extreme poverty, improving the living conditions of all people and protecting our planet, and emphasises that the global challenges can only be solved through joint action. Since 2016, the member countries have been in the processes of translating this vision into national development plans and organising their implementation. Civil society is thus also called upon to play its part and promote sustainable development.

Kurtz Ersa welcomes the UN sustainability goals and supports the implementation as far as possible. Many elements of our sustainability strategy correspond to one or more of the goals of the 2030 Agenda so that many of our measures in specific implementation are also a contribution within the meaning of the UN Sustainable Development Goals. In preparing our Sustainability Report for the 2022 business year we, for the first time, specifically assigned our business processes and fields of activity to the 17 SDGs in order to more clearly demonstrate the common orientation. Here we identified eight SDGs which are significantly matched by, or correspond to, our corporate actions. Our long-term aim is to ensure that our sustainability management contributes to achieving as many of these goals as possible.



SDG 3: Health and well-being

The goal is to ensure good health for people of all ages and promote their well-being. We pursue this goal by making the health of our employees our primary concern in our internal processes and also by ensuring that our products, in both their manufacturing and their use, do not negatively impact on human well-being.



SDG 4: High standard of education

Here the focus is on an inclusive, equal-opportunity and high-quality educational system. In addition, the possibility of life-long learning should be available to all. We are aware that education is key to a just and viable future society. And that our company too is dependent on the (advanced) training of our employees. This is why we established the Kurtz Ersa Hammer Academy, cooperate with universities and thus invest in the education of our employees.



SDG 7: Affordable and clean energy

In this way, access to affordable, reliable and modern energy is to be widely secured for all. Particularly such energy intensive branches as machine engineering bear a responsibility to promote resource-preserving energy sources. We not only use green energy, but also increasingly rely on our own energy generation by means of photovoltaic.



SDG 8: Humane working conditions and economic growth

The focus here is on permanent, wide-scale and sustainable economic growth and measures geared towards full employment and fair working conditions for all. Because employment not only secures livelihoods but also hones workers' skills and provides meaning. The jobs we offer secure employment and contribute to economic growth.



SDG 9: Industry, Innovation and Infrastructure

This goal describes the aspiration to develop a stable infrastructure which, in a widespread and sustainable way, will promote industrialisation and innovation. Together with our customers, we are working on innovative solutions for the challenges of the future and in part developing a modern infrastructure, the development and utilisation of which will become ever-more sustainable.



SDG 12: Sustainable consumption and production

The increasing scarcity of resources on our planet necessitates fundamental change in our production and consumption practices. Accordingly, the goal promotes the implementation of sustainable consumption and production patterns. This area is a central one as we can greatly influence the manufacturing and production of our products. For this reason, we pay close attention to the economical use of resources in cooperate with universities and thus invest in the education of production, the reduction of waste and energy demand, durable products and – where possible – the replacement of parts rather than whole machines.



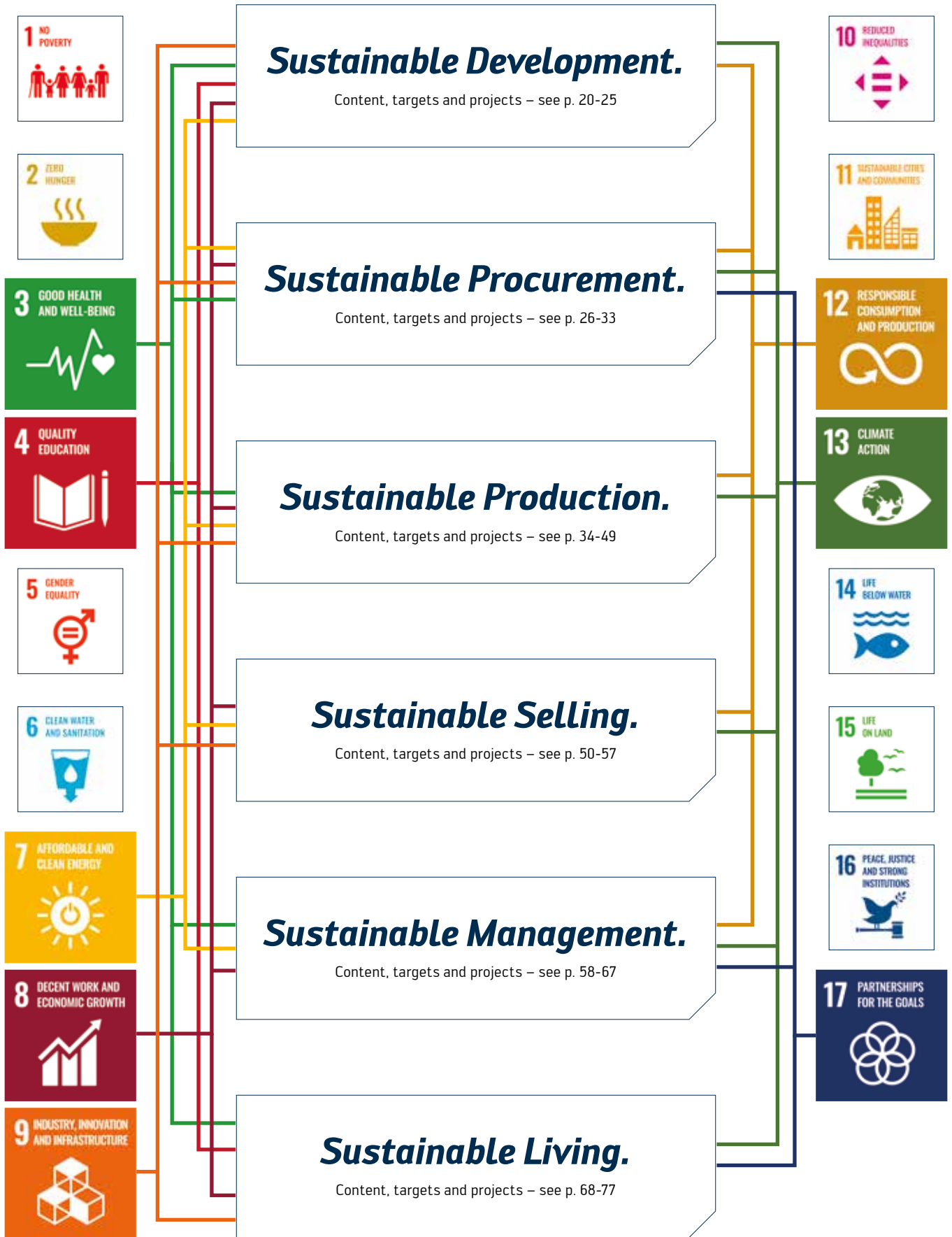
SDG 13: Climate-protection measures

The threat posed by climate change requires immediate measures to combat it and to curb its effects. For us, this means reducing the proportion of harmful CO₂ output by forgoing, or increasingly foregoing, fossil fuels.



SDG 17: Partnerships for the goals

This goal aims to strengthen the means of implementation and revitalise the global partnership for sustainable development. We too are convinced that we can only achieve the goal of sustainable development by working together and therefore address all stakeholders in our measures. In addition, we are involved in national and global networks and avail of transparent and sustainable supply chains.



ESG Targets

Unless otherwise specified, the scope of the ESG targets encompasses the entire international Kurtz Ersa Group. (Status 31.12.2023)

ENVIRONMENT

Reduce greenhouse gas emissions

CO₂ neutrality in Scope 1



CO₂ neutrality in Scope 2



Implement Scope 3 reduction targets



Develop software-supported Scope 3 emissions audit based on GHG



Determine and submit SBTi targets (Science Based Targets Initiative)



Increase energy efficiency*



Increase internal power generation**



Waste avoidance

Reduction of waste volume***



Reduction of hazardous waste***



Reduction of packaging waste***



Electrification of German vehicle fleet

Share of e-vehicles



Share of hybrid vehicles



Involve strategic suppliers CO₂-reduction target****



*Energy consumption (electricity, gas, oil and fuel) in GJ per million € turnover.

**Relating to our sites in Kreuzwertheim and Wertheim.

***Waste volume in kg in relation to production hours at German sites.

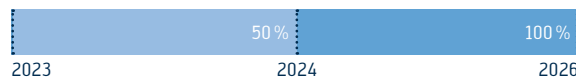
****Speak to all strategic suppliers regarding their CO₂ reduction.

SOCIAL

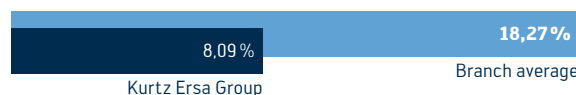
Quota of women in internat. top management incl. Advisory Board and shareholders



Implementation LMS (Learning Management System) incl. internat. roll-out*

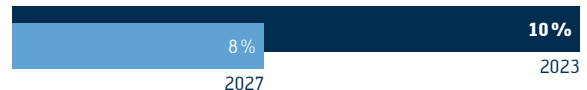


Occupational health and safety 2023 (Rate per 1,000 workers < BG (Mutual Indemnity Association) rate)**



Health management

Improve gradual return to work rate***



Implementation of "People & Culture" measures



*Number of international employees involved.

**Number of work-related accidents with sick leave below branch average.

***Employees of German sites, totalling 6 weeks of sick leave within 12 months.

■ Our goal

■ Goal achievement, Status 31.12.2023

GOVERNANCE

Result of ESG rating*



Result of CDP rating



International roll-out of IMS (Integrated Management System)**

ISO 9001 + ISO 50001



ISO 14001 + ISO 45001



“Code of Conduct“ training for all international employees



Annual sustainability budget***



*Achieving this target is an element of the annual bonus for Management Board and senior management.

**ISO 9001, ISO 14001, ISO 45001 and ISO 50001 covering all international employees.

***See calculation and projects on p. 60.

Measures

Extract from the international ESG Measures List regarding projects implemented in 2023 with the greatest anticipated impacts (final assessment of effectiveness to be conducted after 12 months). (Status 31.12.2023.)

Expansion of use of regenerative energies

Purchase of green electricity at German sites



Purchase of biogas at German sites*



Reduction of our natural gas consumption

Replacement of heating and controls Kurtz



Replacement of heating and controls Ersa



Replacement of windows Ersa R2



Reduction of our water consumption

70 m³ rainwater cistern incl. infiltr. ditches KEL



Reduction of our electricity consumption

Changeover to LED lighting AUTO



Changeover to LED lighting Ersa



Generation of own regenerative energies

203 kWp PV Plant Ersa R4



412 kWp PV plant Ersa R3



868 kWp PV plant Kurtz



Promotion of e-mobility

70 E-charging points Kreuzwertheim/Wertheim



*With the exception of SCHILLER AUTOMATION (no natural gas connection available).

Sustainable Development.

*Right from the product idea and its development,
we influence the sustainability of our components
and applications.*





ENERGY
EFFICIENCY

i-Tool

i-CON Series

150°C



GOGREEN250



16

Introduction

Sustainable transformation in machine engineering is based, above all, on one core competence: the ability to develop technical solutions which not only operate smartly but also meet high ecological and social standards. This applies all the more, given that up to 80% of all product-related environmental impacts have their roots in the product development stage¹. This is why we comprehensively consider sustainable aspects during the development phase, setting ourselves the goal of making no compromises when it comes to customer requirements and safety standards.

Far-sighted development

As a globally-operating machine engineering company, we are part of a particularly energy-intensive and material-intensive sector. In order to give due consideration to ethical, social and ecological aspects in the development of new product components, sustainable analysis (materiality) plays a central role. It encompasses the choice of commodities and material, their sources and procurement and production processes as well as delivery distances and the environmental impacts in the operational phase.

In addition to the typical technical requirements, we also factor in the essential eco-balance data in the early phase of development, for example data on the subsequent energy consumption and operating resources and on manufacturing efficiency. Similarly, we consider the question of disposal and recycling at the end of the service life. Thus the development takes on a key role in terms of the environmentally and socially responsible production and use of our products. [GRI 3-3b, d]

Bearing the entire life cycle in mind

We want to achieve transparency regarding the environmental impacts of our processes and products – as early as the initial stage. For this reason we have committed, in both our GoGreen250 programme and in our membership of the UN GlobalCompact, to comprehensively analysing our processes and consistently gearing them towards sustainability goals. Our aim is to significantly reduce our carbon footprint – particularly with regard to the development and production in our own plants as well as the entire life cycle of the products. Furthermore, in the context of our Integrated Management System (IMS) we are obliged to define energy

and environment protection goals, among others, and to review these annually, calling on the involvement of external auditors. Therefore we keep the material and energy requirement for manufacturing in mind, even at the development stage, and include the subsequent operation in our deliberations. In addition to the consistent implementation of customer requirements, we bear in mind the economical use of resources in operation when developing new products, in order to reduce the environmental impacts at this early stage. [GRI 2-22]

¹"It is estimated that over 80% of all product-related environmental impacts originate during a products design stage."
Source: <https://joint-research-centre.ec.europa.eu/scientific-activities-z/sustainable-product-policy>



Roadmap for sustainable soldering machines

For around one hundred years now, we have been setting new impulses in the development of industrial soldering technologies. Advances in plant technology and safety, in efficiency and in material continuously make the production process less onerous for the customer. Since as far back as 2006, leaded solder has been prohibited in commercial use due to the health and environmental hazards it presents. For some years now, sustainability aspects have been playing an increasing role in development, for example, low levels of energy and material consumption. For this reason, we are now drawing up a special roadmap for the sustainable development of soldering machines. Our aim is to compile a comprehensive planning document in 2024, for the time frame up to 2030, specifying features, measures and improvements to our products with regard to greater sustainability. In the early planning it became clear that individual aspects would require a different time frame for realisation and that they differ even in their initial situation. For this reason, in addition to clearly defined projects, ideas and measures will appear whose proof of concept has yet to be provided.

The roadmap is intended to describe various approaches and measures serving the sustainable development of soldering machines and tools. The planning will only be presented in detail in the next Sustainability Report, following completion. However, central points have already been determined and encompass, for example, the incorporation of scientific research. One

option is the assignment of Bachelor Theses on the consideration of specific sustainability effects, while another involves the cooperation of an association closely linked to TU Darmstadt. There, in a scientific project, researchers record machinery consumption in various operational scenarios and analyse it with the aim of defining optimisation measures for certain components and processes.

Further points in the roadmap relate to plant insulation and heating technologies. In both cases, heat losses are to be reduced. In addition, more efficient technology could reduce the energy consumed for cooling or heating the production halls. In a further project, we intend determining to what extent automation and optimisation of the plant programming could provide benefits in energy consumption. Furthermore, we are extending our range of smart services, step by step, which in turn reduces the travel activity of service technicians. In the long run, such aspects as the development of alternative soldering processes and the close examination of the carbon footprint or the life cycle will be included in the sustainability roadmap. This should also include the improved recyclability of machine parts at the end of their service life.

Award-winning innovation

The long-term EU climate neutrality goal (*net zero CO₂ emissions*) also requires industry to undergo a transformation. The decisive factor here is the compatibility of manufacturing with environmental and climate protection. Kurtz Ersa is active and successful in this area. Once again in 2023, the radio frequency technology (RF) from the Kurtz Protective Solutions division was among the winners, this time with the Foam Expo China Award in the category "Best Practice in Sustainability". The sustainable development practices of Kurtz Ersa Asia Ltd. were also honoured in the production of EPS foam products (EPS = expanded polystyrene), the steamless RF moulding process is particularly energy efficient and economical in the use of valuable resources. Moving forward, the technology should also be able to process biodegradable materials.

Kurtz Ersa has also made important progress in the electronic measuring equipment for the creation of soldering profiles. The Group company, globalPoint, has developed a new measuring system which does away with the time-consuming and high-energy heating and cooling of a reflow oven in the soldering process. The "horus®" electronic measuring equipment creates a soldering profile with greater efficiency and lower consumption of resources. This innovation was awarded

second place by the jury at the "Productronica Innovation Award" within the framework of the leading trade fair for electronics, Productronica.



Other innovations presented at the electronics fair in the course of the year related to the further development of soldering machines in the area of reflow and selective soldering. Here too, the innovative performance was reflected in a number of awards, for example two SMT Technology Awards for the VERSAFLOW ONE X model and the Ersa SCAVENGER system, which significantly simplifies the removal of solder residue. Our innovations contribute to permitting soldering processes to work with lower energy input and in some cases lower use of material while retaining at least the same high quality; in addition, they are faster and more reliable in use. They are thus proof of our sustained development performance. [\[GRI 3-3 d\]](#)





Scientific findings

In the search for advances in sustainable transformation we are placing faith in scientific support. Our aim is a soundly-based assessment of how product efficiency can be improved, the proportion of recyclable materials increased and the energy requirement of our products and services reduced. To this end, we are working, among other institutions, with the Duale Hochschule Baden-Württemberg where, in the context of a number of projects, the energy con-

sumed during the operation of a number of soldering machines from the Ersa GmbH, for example, was examined in detail. The cooperation further focuses on the examination of the life cycles of our machines and how these differ depending on certain environmental aspects. We expect the results to provide specific reference points for a further reduction of energy consumption and impulses for the development of new model generations. [\[GRI 3-3 d,e\]](#)

A wealth of ideas serving one goal

The sustainable development process at Kurtz Ersa also includes our staff. In many regards, we bring possible improvements into sharper focus, for example self-commitment to CO₂ neutrality or assessments by external experts such as the ESG Rating. One tool in this improvement process, particularly important due to its low-threshold nature, is our idea management scheme. Within this framework, every employee can submit his or her own ideas and point out unexploited potential. In 2023, almost 200 suggestions, around 10% of

which related directly to the area of sustainability. In the previous year this figure was as high as 19%. At the time, the threatened gas shortages motivated many employees to come up with ideas. The suggestions in the reporting period related primarily to typical development adjustments to optimise our machines and to the improvement assembly and production processes.

Regardless of their area of focus, we examine the implementability of all ideas. [\[GRI 2-29\]](#)



Sustainable Procurement.

Implementing sustainable supply chains is a marathon rather than a sprint. We take one step at a time in order to make our supply chain more efficient, more ethical and more environment friendly.





25%

18%

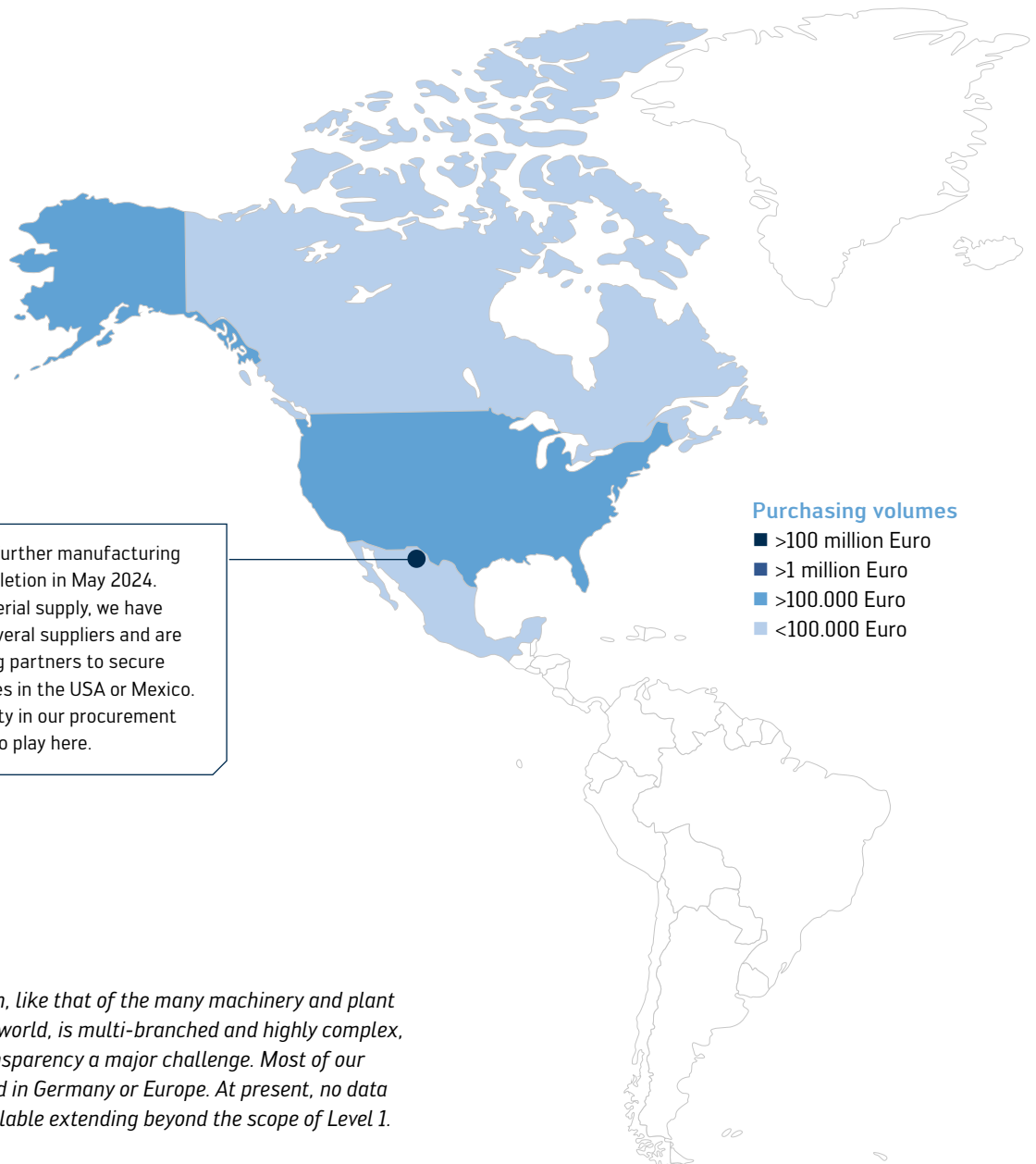
  
LkSG
SUPPLY CHAIN ACT

  
MENSCHENRECHTE
HUMAN RIGHTS



Introduction

We see our responsibility for sustainability as relating not only to our own actions but also to our supply chain. Working together with our suppliers, we will develop strategies to reduce CO₂ emissions in order to achieve our CO₂ neutrality. At the same time, against the background of the Supply Chain Due Diligence Act, we are also intensifying the exchange and cooperation relating to human rights and the environment with our business partners. One central aim of our endeavours is to establish a consistently sustainable supply network within the meaning of No. 17 of the UN Sustainable Development Goals (SDG) (see p. 17). Here we strive for partnerships to jointly achieve the targets. Through specific changes at various levels, we are initiating a comprehensive changeover to holistic, sustainable procurement.



We are currently building a further manufacturing site in Mexico, due for completion in May 2024. In order to secure local material supply, we have already been able to find several suppliers and are negotiating with our existing partners to secure supply from their subsidiaries in the USA or Mexico. The inclusion of sustainability in our procurement processes will also come into play here.

The Kurtz Ersa supply chain, like that of the many machinery and plant manufacturers around the world, is multi-branched and highly complex, making the creation of transparency a major challenge. Most of our contract partners are based in Germany or Europe. At present, no data on indirect suppliers is available extending beyond the scope of Level 1.

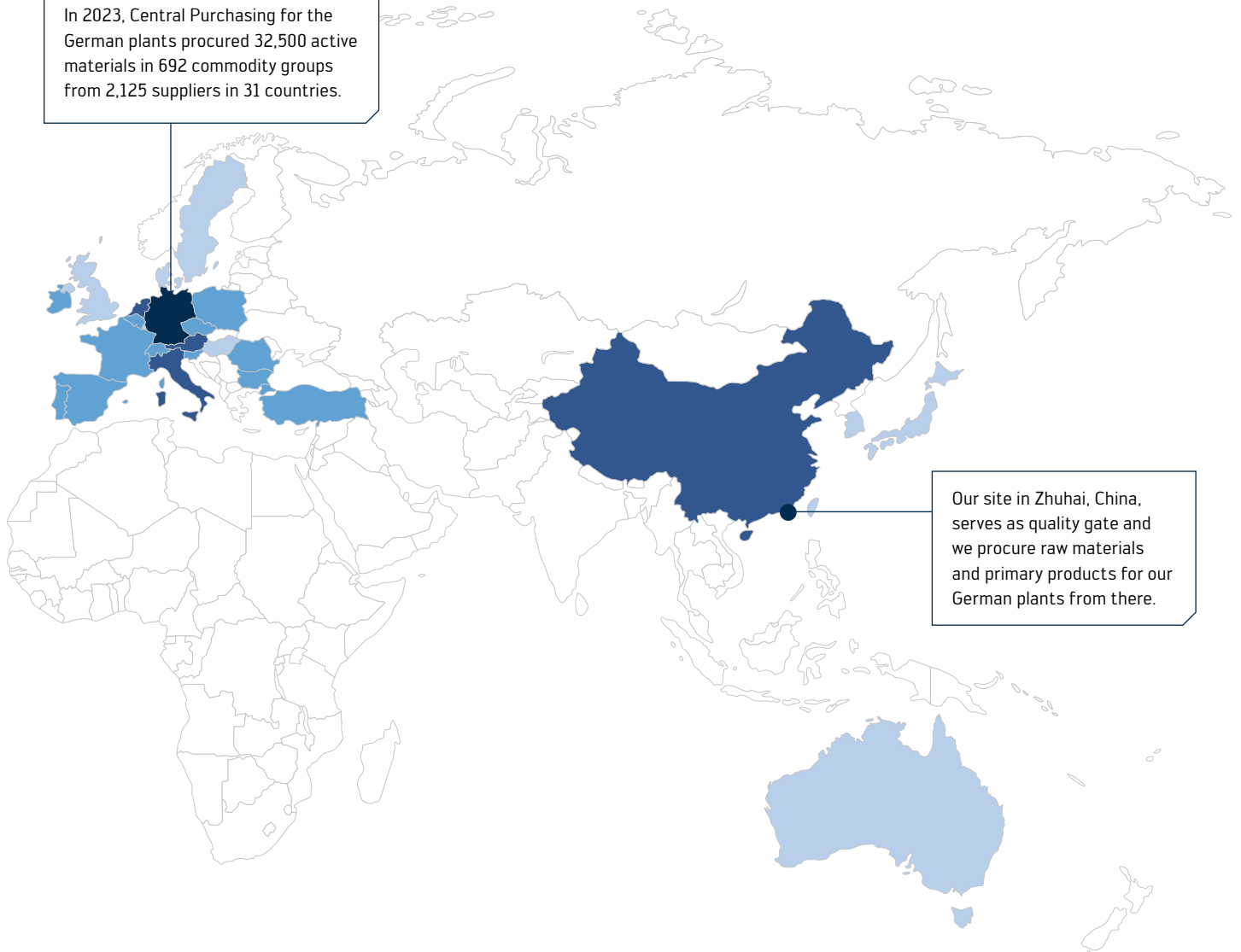
Assuming responsibility in the supply chain

At Kurtz Ersä, sustainable procurement means analysing the environmental, social and economic impacts of the goods and services we buy. Our overriding goal extends across the entire supply chain of our products and focuses on advocating for humane working conditions and social provisions as well as environmental protection. A major challenge is the often non-existent transparency along the supply chain, increasing the risk of infringement of labour and social standards as well as harmful environmental impacts. We respond to this challenge by maintaining long-term, partnership-based relationships with our direct suppliers and constantly improving the quality of our data. In this way, we not only reinforce the sustainability of our procurement practices but also guarantee responsible configuration of our entire value chain. [\[GRI 3-3 a-d\]](#)

In strategic terms, the topic is anchored in the Sustainability and Supply Chain Compliance Management unit in the purchasing department. This is responsible for the implementation of the associated goals and reports directly to the Chief Procurement Officer. [\[GRI 2-25-a\]](#)

The fact of our increasing success in strategically anchoring our responsibility in the area of "Sustainable Procurement" is confirmed by our ESG Rating 2023 from EcoVadis: In the field of sustainable procurement we achieved a 10-point improvement (see p. 65).

In 2023, Central Purchasing for the German plants procured 32,500 active materials in 692 commodity groups from 2,125 suppliers in 31 countries.



Our site in Zhuhai, China, serves as quality gate and we procure raw materials and primary products for our German plants from there.

Supplier locations

- | | | | | | | | |
|---------|-------------|----------------|----------|----------|-------------|--------|-----------|
| Germany | Netherlands | Portugal | USA | Slovenia | Mexico | UK | Taiwan |
| Austria | Spain | Czech Republic | Ireland | France | Luxemburg | Malta | Australia |
| China | Hong Kong | Belgium | Poland | Romania | South Korea | Japan | Hungary |
| Italy | Switzerland | Turkey | Bulgaria | Sweden | Denmark | Canada | |



Purchasing volume of the German plants approx. 138 million Euro

A large proportion of the purchasing volume is accounted for by productive materials which we procure primarily in the form of pre-fabricated components. We purchase raw material only to a minor extent. [GRI 2-6-b]



Transport
0,5 %



Energy
1,2 %



Services
13,4 %



Productive material
77,6 %



Non-productive material
6,4 %



Steel (raw material)
0,5 %



Other raw material
0,5 %

Social and ecological standards for suppliers

In 2023, we replaced our previous Supplier Code of Conduct with the Group-wide Kurtz Ersa Code of Conduct, drawn up with the involvement of the Purchasing Department (see p. 62). The new Code of Conduct summarises our understanding of ethical and sustainable conduct for us and our business partners. The background to this change is the fact that we wish to apply the same standards to our business partners as we do to ourselves. This is a manifestation of our understanding of partnership.

By availing of a newly defined process, we will place the principles for cooperation laid down in the Code of Conduct more firmly in the focus and agree them accordingly. Our aim is to raise awareness among suppliers for the importance of human rights and the environment, thus reducing human rights infringements and environmental risks. In addition, we consider various management system certificates such as ISO 14001 (environment), ISO 45001 (occupational health and safety) or ISO 50001 (energy) in the selection of our suppliers. [GRI 2-6-b]

Preparing for the Supply Chain Due Diligence Act (SCDDA)

Against the background of the Supply Chain Due Diligence Act (SCDDA), which has applied to Kurtz Ersa since 1 January, 2024, we have been establishing a risk management process since 2023. In regular analyses, potential human rights and environmental risks are examined on the basis of country indices, taking information on branches and commodity groups into account. An additional questionnaire on the topics of human rights and environment and, where necessary, quick checks and audits extend the risk assessment to the supplier level. Based on the identified risks, we will devise preventative and remedial measures, together with the at-risk suppliers, and make reparation where infringements have occurred. We have also adapted the contract documents such as purchasing conditions and framework agreements and newly anchored our joint responsibility as relates to human rights and the environment.

These changes will be introduced step-by-step at our suppliers and will be defined as the basis for cooperation in new supply contracts. In order to monitor the

efficacy, we have set ourselves the goal of establishing a corresponding key data system in 2024 and, by adapting the supplier assessments, will provide them with feedback on their sustainability performance.

Even today, we are actively approaching our suppliers to prepare them for the upcoming changes. Thanks to our standardised slideshow, the SCDDA and sustainability are already established topics in our meetings with suppliers. But our SCDDA awareness raising is not restricted to our suppliers: New employees in the purchasing area are trained on sustainability with a special focus on the requirements of the Supply Chain Due Diligence Act.

Communication relating to the topics of sustainability and SCDDA will be considerably expanded in the course of 2024 and the range of training courses and workshops extended. [\[GRI 414\]](#)

Implementation of our SCDDA software

Due to the complexity of our Supply Chain Due Diligence Act processes, we have decided on a software solution. Together with our provider, we have commenced implementation at our sites in Wertheim and Kreuzwertheim. In the course of this launch, and working intensively with our software provider, we have comprehensively tested the software and conducted extensive analyses. In the course of the first risk analysis tests, we identified the suppliers who had to be included in the scope of the risk analysis. At the same time, we developed a

system for the categorisation of suppliers according to NACE codes, permitting abstract risk analysis, not only according to countries, but also at branch level. The installation of the SAP interface gives us automatic access to our relevant supplier data, updated daily. We also respond to news reports relating to our suppliers. For 2024/25, we are planning to introduce the software at our subsidiaries SCHILLER AUTOMATION and Kurtz Zhuhai Manufacturing in China.

Management of complaints in the supply chain

The cross-group complaints mechanism, (see also p. 63, whistleblower protection system) can be used to register complaints regarding suppliers or others involved in the supply chain. A special process has been defined

for dealing with complaints relating to suppliers. All the resulting findings will be incorporated into our risk management process. [\[GRI 2-6-b, GRI 414\]](#)

	2022	2023
Complaints relating to the supply chain	0	0

Carbon footprint pilot project

We are convinced that our CO₂ neutrality goal can only be achieved in joint cooperation with our suppliers. With this in mind, we launched a pilot project on the carbon footprint topic at product level. The aim was to determine how relevant our suppliers consider the topic of CO₂ audit and the challenges they face – and the challenges this presents for us.

The drawing up of carbon footprints at product level is proving highly complex and the required data is often not yet available. The project has reinforced our belief that it will be some time yet before we can expect across-the-board CO₂ footprints from our suppliers.

In order to continue working towards our CO₂-goal in the meantime, despite this setback, we will be calling on digital support so that, initially using approximated values, we will be able to identify our main points of CO₂-related focus and derive corresponding reduction targets, measures and key data (see also p. 45).

However, we will not only be initiating external projects on renewable energy, increased efficiency and a closed loop with our suppliers but rather also intensifying internal cooperation with the Development and Design Engineering department. The aim is to set down the carbon footprint in the material specifications and take this into account in new projects as early as the product creation stage.

Initial successes – Focus on sustainable products

The range of products and services procured indirectly is highly diverse, making it difficult to strategically anchor the topic of sustainability in individual product categories. The responsible procurement of coffee encompasses very different criteria to the purchase of a printer or the procurement of cleaning services. And more sustainable alternatives are not always available.

In the Sustainable Procurement Working Group we therefore turned our attention to selected everyday commodities, obtained information from suppliers and examined the potential. In the Office Supplies product category in particular, we were able to identify many more sustainable alternatives and even find a local partner for their procurement: memo AG. Before memo includes products in its range, these are thoroughly examined in terms of

the environmental impacts of their production, use and disposal.

Therefore, with the changeover to memo, mainly recycled paper is in use at the Kreuzwertheim and Wertheim sites. We also benefit from memo's green delivery system which involves the goods being delivered in green returnable crates. The additional bundling of orders by memo and the twice-weekly collective deliveries allowed us to save additional CO₂. Furthermore, since the end of 2023, we have been using work gloves with an 88% recycling content and plastic-free packaging in the assembly and logistics area. These examples prove that sustainability does not have to be expensive. They have actually resulted in a long-term optimisation of our costs. [\[GRI 308\]](#)

Together we are strong

The implementation of the specifications arising from the Supply Chain Due Diligence Act, and the achievement of CO₂ neutrality are no easy matter – but together we can come up with solutions. This is why we engage in an exchange of information with our suppliers and further network partners. These include the Verband Deutscher Maschinen und Anlagenbau (VDMA), the Help desk on Business and

Human Rights of the Agency for Business and Economic Development and closely associated companies under the motto "Cooperation rather than competition". Therefore in 2023, we became actively involved in the VDMA project group "ESG in the supply chain" and cooperated on the compilation of a questionnaire and on training material. [\[GRI 2-28\]](#)

Supply Chain Due Diligence Act (SCDDA)

2024/2025

- Compilation of measures and audit plans
- Development of a performance measurement system
- Adjustment of supplier evaluation
- Introduction of the software in
 - new Mexican production site (with production start)
 - SCHILLER AUTOMATION (following introduction SAP)
 - Kurtz Zhuhai Manufacturing

Mid-2024

System go-live SCDDA-software and internal training courses

January–April 2024

Master data editing

October 2023

Link-up SAP

July 2023

Start and test phase (SCDDA)

April 2023

Kick-off for introduction of the SCDDA software from osapiens

November 2022

Commencement of supplier sensitisation for SCDDA and CO₂ neutrality using slideshow

July–December 2022

- Conceptual design SCDDA-compliant processes
- Selection of a suitable digital tool for conducting risk analyses, supplier surveys and compilation and management of schedule of measures
- Networking with other affected companies

April–October 2021

Master Thesis Sustainable Procurement

CO₂ neutrality

2024/2025

- Introduction of a software
- Creation of transparency regarding an emissions audit
- Definition of key data and implementation of reduction targets
- Cooperation with development and design engineering on new projects to define the carbon footprint in material specifications
- Implementation of projects with suppliers on use of renewable energies, increased efficiency and strengthening of closed-loop economy

January 2024

Changeover to biogas

June 2023

Start pilot project on product carbon footprint with selected suppliers

February 2023

Start project on potential in non-production purchasing – from office material to procurement of certified refurbished IT products from companies practicing inclusion

October 2022

Recording of CO₂ emissions in transport

September 2022

Commencement market scrutiny to select software for CO₂ management

Juli 2022

Sustainability and SCDDA Management unit

2022

Use of green power at German sites (exception SCHILLER AUTOMATION)

2025

2024

2023

2022

2021



kurtz ers

E-MOBILITY

DRIVEN BY KURTZ FRS

Für Mitarbeitende
und Geschäftspartner

Scope 1
Scope 2
Scope 3



Sustainable Production.

We invest heavily in making our production more resource efficient. For example, by producing our own solar energy.



Introduction

Like all other industrial companies, we are facing the challenge of how to reflect economic and ecological sustainability in our production processes. This is all the more true as, in the manufacturing of our products – be they modern soldering plants, foundry and particle foam machinery or holistic automation solutions – we are dependent on the use of natural resources. By setting ourselves the standard of ecologically responsible production, we want to minimize the negative impacts on the environment. At the same time, we keep in mind the need to remain competitive and avoid endangering the long-term stability of the company (and consequently job security). A major element in our endeavours to maintain the balance of sustainability, profitability and efficiency, involves identifying and optimising the major influencing factors. Therefore, at the moment, we are concentrating primarily on the reduction of energy requirements, waste management and the reduction of CO₂ emissions. We also make the same demands of our international sites. The measures not only support us in the long-term anchoring of sustainable processes in our production, but also in operating our buildings and sites more efficiently. [GRI 3-3 b, d]

Energy

One central leitmotif in our business processes is the economical use of natural resources. We therefore pay particular attention to reducing the use of energy. At the same time, we are increasing our commitment to internal power generation and aim to raise the proportion of regenerative energy sources in our energy mix. In this way, we wish to reduce the environmental impacts of production. Having achieved visible progress for our German sites, we intend taking the same steps at international level. [GRI 302]

With ISO 50001 certification, the energy management at all German company units meets the requirements of the

European Energy Efficiency Directive and its legal implementation in Germany where it is regulated in the Energy Service Act.

The energy demand at Kurtz Ersa is made up primarily of electrical power, gas and diesel. Power is necessary, above all for the operation of machines, equipment and IT systems, for the lighting of production halls and administrative buildings and for the generation of compressed air. Natural gas, or biogas is used primarily as an energy source for heat generation and, to a minor extent, as process gas. In addition, the company requires fuel (diesel, petrol and electricity) for its vehicle fleet (see p.57).

Expansion of regenerative energies

Since January 2023 we have procured 100 % of the electricity for all German sites from regenerative sources (green electricity). As planned, as of the beginning of 2024, we have also completely changed over to using only regenerative products (biogas) to meet our gas needs.

We have also taken a major step in the in-house generation of electricity and have almost met our target of increasing the proportion of power generated in-house to 16 % of our entire energy consumption at German sites by the end of 2023, with the minimum set at 400 MWh. This is primarily due to the three new photovoltaic sys-

tems which went online in the course of 2023. In total they generated 473 MWh electricity (= 1,701 GJ), augmented by 57 MWh (= 205 GJ) from the company's own combined heat and power plant (CHP). Of the 530 MWh electricity (= 1,906 GJ) thus generated, we were able to use 382 MWh (= 1,375 GJ) for our own operations. Thus the proportion of power generated in-house rose in 2023 from 2.5 to 12.2% of the overall power demand of the sites in Kreuzwertheim and Wertheim. As the new plants were not in operation for the entire reporting year, we anticipate a further increase in the proportion of in-house generated electricity for 2024. [\[GRI 302-1b\]](#)

Energy consumption within the organisation

In addition to increasing our in-house energy generation, we see a major sustainability effect in the reduction of our energy demand and intend to achieve continuous advances in this regard. In the reporting period, we further reduced electricity demand in the entire Group to a total of 5,071 MWh (= 18,277 GJ). Following on 5,229 MWh in 2022, this represents a drop of 3.0%. In 2019 the group-wide demand still lay at 4,328 MWh, but without the inclusion of SCHILLER AUTOMATION, which has been taken over in the meantime, or the figures for the international sites. When these are added, the figure lies at 5,614 MWh. At the German sites, electricity consumption has risen slightly to 3,695 MWh (= 13,325

GJ), an increase of 1.3%. This is attributable to greater demand for Electricity arising from electro-mobility, i.e. the rise in e-vehicles and charging points and the extension of our logistic centre, along with an increase in development and commissioning activity. When the electricity used for charging is excluded, consumption in 2023 lay at 3,631 MWh (= 13,094 GJ) and thus 0.5% below the 2022 figure.

While, as a result of the additional consumption specified above, we have missed our target of 250,000 kWh less consumption in 2023, we have still achieved savings of 167,000 kWh. This was the result of consistent implementation of savings projects such as the wide-scale changeover to LED.

Reduction of energy demand

Consumption of natural gas has also dropped further throughout the Group. In 2023, we consumed a total of 4,149 MWh natural gas (= 14,934 GJ); compared to the previous year, this represents a reduction of 11.9%. Seen against the figures for 2019 (6,405 MWh) the reduction is actually as high as 35.2%. We have therefore clearly achieved our aim of keeping year-on-year consumption in the reporting period at least constant, despite the fact that we have included all international sites in our 2023 statistics.

A major factor in the reduction in the reporting period was a significant decrease in process gas. Here consumption dropped by 18.6% from 907 MWh to just 738 MWh (= 2,656 GJ). This results from the decommissioning of powder coating, a reduction of process steam and minor savings in the CHP. In 2019, consumption was still at 2,009 MWh.

We have also been able to reduce consumption of heating gas. In 2023, we used 3,411 MWh (= 12,278 GJ) for heating, representing a 10.3% reduction on the previous year (3,803 MWh), although even then we had achieved a significant

reduction in view of the threatened gas shortage. The further reduction in consumption results from the change-over to more efficient heating systems at two sites, where the savings achieved will be seen in full from next year on, as well as the milder weather in winter. The reduction in heating is all the more impressive when the fact is taken into account that the completion of the extension of our logistic centre in the course of the year increased the area used by around 3,300 square metres. In 2023, 82.2% of overall energy consumption was accounted for by heating gas, 17.8% remain for process gas. In the previous year, the ratio was still 80.7% (heating gas) to 19.3% (process gas).

In the reporting period, we also succeeded in further reducing oil consumption to 593 MWh (= 2,134 GJ). Compared to the previous year, this represents a reduction of 3.4%, also attributable to the milder weather. [GRI 302-1]

Details on the reduction of energy consumption directly attributable to energy-saving and energy efficiency initiatives appear in the charts on p. 41. [GRI 302-4]



Photovoltaic: Our contribution to the energy revolution

We announced their installation in our previous report: In 2023, Kurtz Ersä commissioned three photovoltaic plants for its own use. The first plant on the roof of Ersä GmbH factory premises went online in April. In total, the 501 modules correspond to installed capacity of 202 kWp; in the course of a year, the plant should generate around 180,000 kWh of electricity. As we are producing primarily for our own use, this allows us to significantly reduce our procurement from outside sources. Only the energy which we cannot use ourselves (for example at the weekends) is fed into the general grid.

With the two further plants added in the course of the year at the Wertheim and Kreuzwertheim sites, we have now installed 3,660 modules with an overall output of around 1,5 MWp. Supply difficulties in relation to some components delayed commissioning by several months. Precise details on the volume of in-house generated and internally used energy appear in the reference chapter (see pages 37 and 41). From 2024 onwards, we anticipate being able to produce around 40% of the energy required at our Kreuzwertheim and Wertheim sites ourselves.

Changeover to LED saves energy and costs

In the reporting year, we invested heavily in LED lamps and as a result significantly reduced our energy consumption for lighting. Step by step over a number of months, we have replaced the lamps in several of the production facilities and office buildings at two sites in Wertheim. The smart control of the LEDs also offers us the option to activate certain areas individually and adapt the brilliance or vary the lighting automatically depending on the daylight.

We will continue working on the changeover to energy efficient LED lighting. Together with the use of smart controls, we are reducing our electricity demand for lighting in the converted buildings by around 40%. This step is a further building block on our path to CO₂ neutrality by 2029.



International IMS creates uniform processes

An Integrated Management System (IMS) amalgamates a number of management systems into a uniform structure. This has the benefit of bundling requirements from a number of different areas thus allowing synergies to be exploited.

For years, corporate processes have been becoming increasingly more international and complex, in particular their number, interfaces and impacts are experiencing continuous growth. For this reason, the Kurtz Ersa Management Board has decided to include all workplaces through a uniform IMS – across the entire Group and across all state boundaries. At Kurtz Ersa this applies specifically to Quality Management (ISO 9001), Environmental Management (ISO 14001), Occupational Safety and Health Management (ISO 45001) and Energy Management (ISO 50001). We anticipate that it

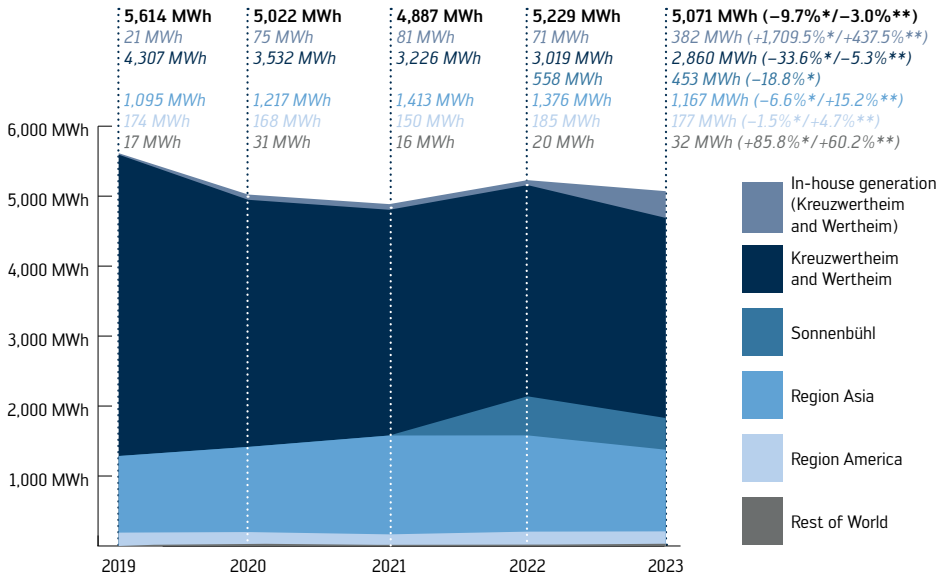
will produce a further harmonisation of structures and processes, less susceptibility to errors and additional process synergies – in brief: a clean and efficient management system encompassing all four ISO standards.

Over 90 % of workplaces covered

By the end of 2024 we intend to have over 90 % of all global workplaces certified according to ISO 14001, ISO 45001 and ISO 50001. We anticipate that this will not only result in positive effects with regard to process flow but also in relation to the promotion of sustainability, allowing us to reach our ambitious targets. The only exceptions are very small sites which, however, are likely to be included in our IMS in the next certification cycle from 2027 to 2029.

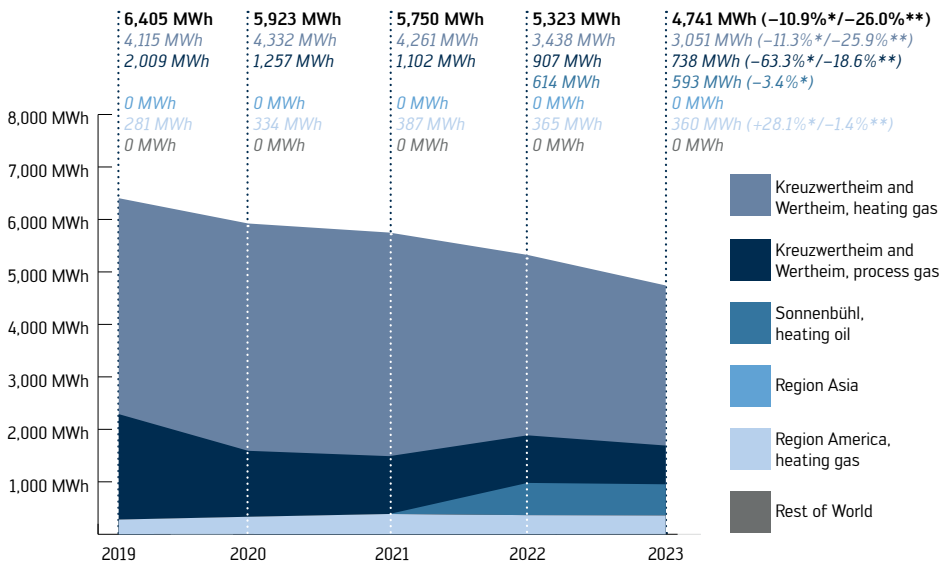
Worldwide consumption of power, natural gas and heating oil

Consumption of power from energy suppliers and in-house generated power Kurtz Erska Group 2019-23



*2023 to 2022. **2023 to 2019.

Consumption of heating gas and heating oil Kurtz Erska Group 2019-23



*2023 to 2022. **2023 to 2019.

Greenhouse gas emissions

Greenhouse gas emissions are one of the main causes of global warming. When combusted, fossil fuels like as coal, oil and gas release large quantities of greenhouse gas such as carbon dioxide (CO₂) into the atmosphere. Kurtz Ersa too causes CO₂ emissions in the manufacturing, transport and operation of our products. With the launch of the European Green Deal, the EU has set itself the target of reducing greenhouse gas emissions by at least 55% by 2030, as compared to the data for 1990. We too are contributing towards the necessary transformation, particularly in the area of energy supply and mobility: In our sustainability strategy, we have committed to a steady reduction of greenhouse gas emissions in both fields. Our ambitious plan even aims to achieve CO₂ neutrality (in relation to Scope 1 and 2

emissions and selected Scope 3 emissions) throughout the Group by 2029. The complete changeover to electricity and gas from regenerative sources is making a tangible impact in this regard.

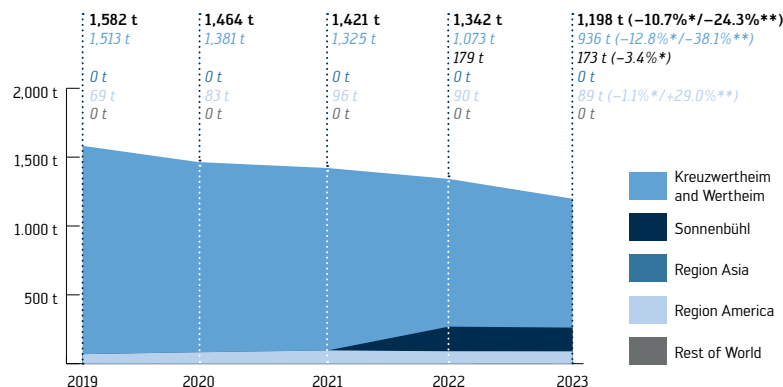
In our drive to prevent emissions which are harmful to the environment, we are concentrating primarily on energy saving as this is where our influence is greatest. Despite the continuing fall in energy prices, this strategy is also of economic significance. It results in steps to measure, optimize and reduce energy consumption – and consequently CO₂ output via direct and indirect emissions. A further building block is our Integrated Management System, in particular our many years of ISO 14001 and ISO 50001 certification (see p. 40). [\[GRI 305\]](#)

Measuring and reducing energy consumption

In analysing our direct corporate emissions, we base our approach on the Greenhouse Gas Protocol (GHG-Protocol) which was developed as a tool for determining greenhouse gas emissions in companies. During the reporting period, we significantly reduced our Scope 1 emissions, primarily by reducing consumption of natural gas and

heating oil. The CO₂ emissions in 2023 dropped from 1,342 to 1,198 tonnes, representing a saving of 10.7%. This reduction resulted firstly from an 11.9% drop in emissions from natural gas in the Group as a whole and secondly from a minor reduction in our heating oil consumption of 3.4%.

CO₂ emissions Scope 1, natural gas/heating oil Kurtz Ersa Group 2019-23



*2023 to 2022. **2023 to 2019.

In contrast, the CO₂ emissions of our vehicle fleet rose in the reporting year. In 2023 the figure was 974 tonnes following on 772 tonnes of CO₂ in the previous, an increase of 26.2%. This is primarily attributable to the inclusion, for the first time, of our international vehicle fleet, which was responsible for 208 tonnes of CO₂ emissions. Without

this effect, the CO₂ emissions of our vehicle fleet lies at 766 tonnes and thus just below the previous year's level. This development is a positive one considering that the figure has remained almost constant despite a rise in kilometres covered (see p. 57). [\[GRI 305-1\]](#)

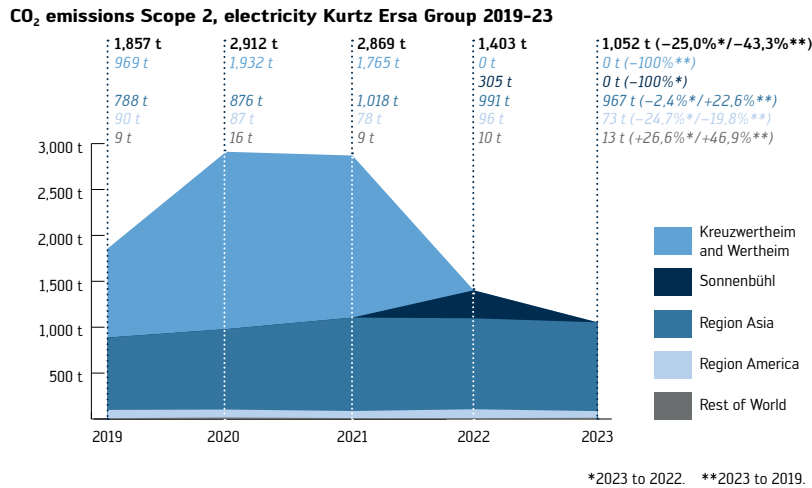
Indirect GHG emissions

The complete changeover to contracts with 100% green energy on 1 January, 2023 means that no CO₂ emissions arising from electricity consumption need be recorded for our German sites (Scope 2: Indirect energy-related emissions). In the previous year, CO₂ emissions for SCHILLER AUTOMATION still ran at 305 tonnes. Scope 2 emissions at the international sites amounted to 1,052 tonnes in 2023. Throughout the company, the year-on-year reduction amounts to almost 25% (2022: 1,403 tonnes of CO₂ according to Scope 2). [GRI 305-2]

Wherever it makes sense to do so, we are continuing to change our fleet over to fully electric vehicles. For this reason, and due to the expansion of our e-charging points, we anticipate an increase in electricity demand in 2024, amounting to around 100,000 kWh. However, this will have no effect on the CO₂ emissions from electricity demand, as we consume exclusively CO₂-neutral electricity or PV electricity which we generate ourselves.

In order to specifically record and analyse the other indirect greenhouse gas emissions (Scope 3) we are currently intensively searching for a suitable software solution. With its support, we want to improve data management in order to draw up our Corporate Carbon Footprint (CCF) and place the CO₂ audit on a soundly-based footing. As this will be our point of focus in the coming years, we have, in the context of a Bachelor Thesis, identified all the relevant areas which need to be included. These are, for example, emissions arising from:

- Purchase of goods and services (Scope 3-1),
- Transport and distribution in the upstream value chain (Scope 3-4),
- The waste we produce (Scope 3-5),
- Business travel (Scope 3-6),
- Employees commuting between home and workplace (Scope 3-7)
- Transport and distribution in the downstream value chain (Scope 3-9)
- Use of the produces sold by us and the end of their life cycle (Scope 3-12). [GRI 305-3]



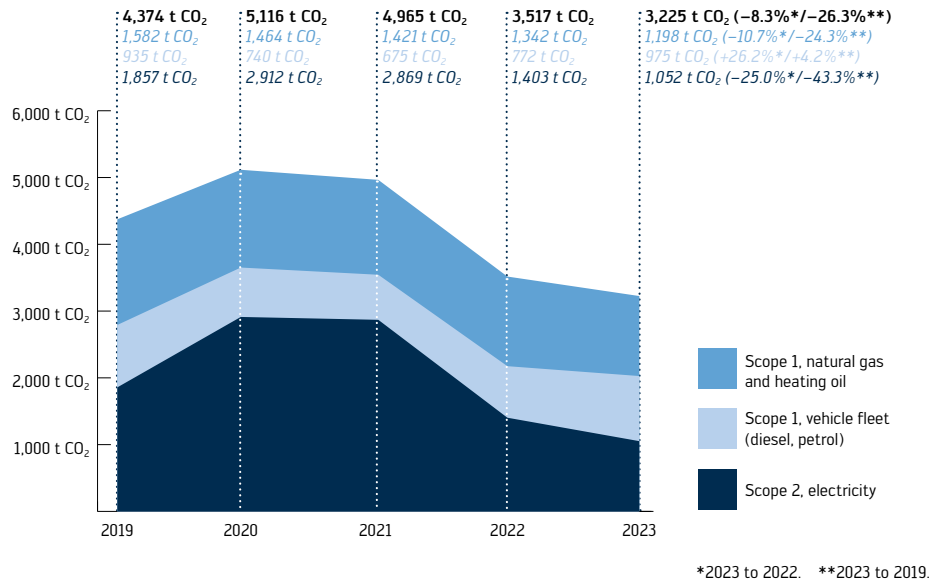
Once again, the overall CO₂ emissions have dropped significantly compared to the previous year even though we have recorded higher Scope 1 emissions for our vehicle fleet. Even with complete inclusion of all international sites in 2023 we have reduced the Scope 1 and 2 CO₂ emissions by 8.3% from 3,517 to 3,225 tonnes.

This significant reduction is attributable primarily to our lower consumption and demonstrates the successful implementation of savings measures and the success of the changeover to green electricity and a successive changeover to e-mobility. [GRI 305-5]

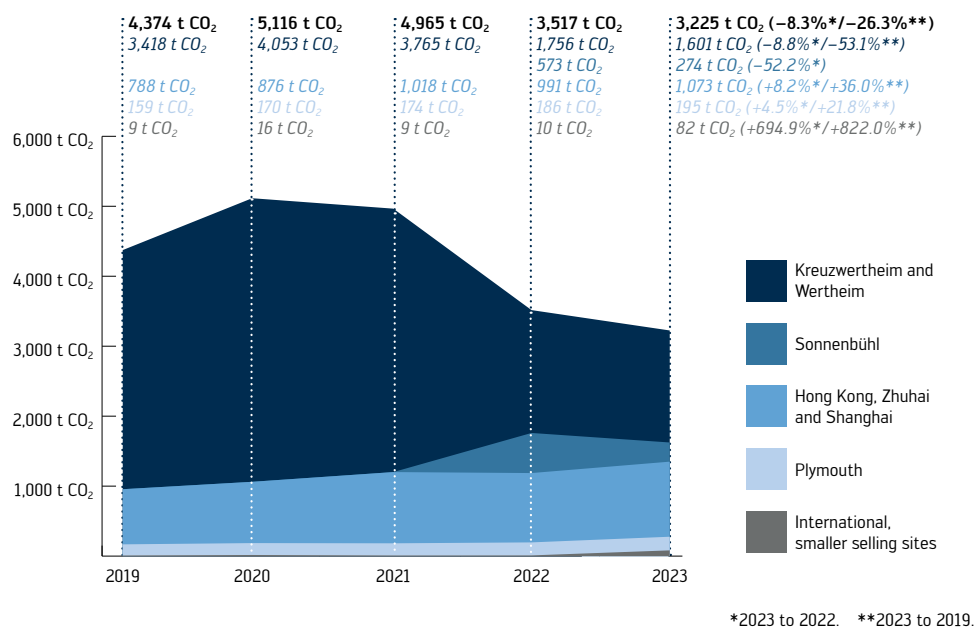
¹The figures for the Scope 2 emissions in 2022 (305 tonnes CO₂ for SCHILLER AUTOMATION or 1,403 tonnes CO₂ in total) deviate from the values stated in our last Sustainability Report (268 or 1,458 tonnes CO₂). This is due to the delayed reporting of consumption data from a number of international sites and from SCHILLER AUTOMATION. For this reason, the figure could only be updated after the time of going to press.

Scope 1 and 2 emissions, international sites

CO₂ emissions Scope 1 and 2, international



CO₂ emissions Scope 1 and 2 by international site



Waste

In the sustainability considerations of manufacturing companies, how waste is dealt with is of particular significance. On the one hand, waste is inevitable in the production process while, on the other, the approach to waste recycling and waste avoidance has a major impact on the sustainability audit, allowing the reduction of material flow and the economical use of energy resources. In addition, waste constitutes an environmental risk as, for example, incorrect storage and disposal can allow harmful and hazardous substances to be released into the environment.

At Kurtz Ersä, ensuring the proper handling of waste is standard practice. This includes measures for disposal as well as for recycling raw materials which can be reused in production. We regard the avoidance of waste as the most effective strategy for keeping pollution to a minimum. Where this is not possible, we make every effort to recycle the waste products. Here the consistent separation of waste by category is a necessary prerequisite.

Prioritising waste avoidance

The best type of waste is the kind that does not occur in the first place. This is what moves us to make every effort to avoid waste, for example by optimising production and improving existing processes. Besides production itself, a major source of waste are the processes in the supply chain. We therefore also involve our partners in our efforts to achieve greater awareness in dealing with packaging material.

We have set ourselves clear targets for waste reduction. The aim is to significantly reduce waste volumes, both waste in general and hazardous waste, in terms of production hours: Waste volumes are to drop by 50% by 2025. Here too, 2019 serves as the reference year.

Here too, a project aimed at reducing waste in the supply chain is to be launched in April 2023 under the leadership of Kurtz Ersä Logistics. The aim is to draw up a concept on the introduction and handling of returnable packaging, i.e. packaging which can be used multiple times in the area of logistics. Here we see considerable potential, especially in cooperation with local suppliers. If the project comes to fruition, we will go into the details and show saving potential in our next report. [\[GRI 306-2\]](#)

In the current reporting period, the adjusted total volume of waste from all German sites was down around 40 tonnes on the previous year. Following on 395 tonnes in 2022, the figure was 355 tonnes (minus 10.1%). Compared to the reference year 2019 (394 tonnes) too, the trend was positive, representing a reduction of 9.9%. The lower waste volume is evident not only in absolute figures but also in the improvement in the relevant key performance indicators (KPI).

We have disregarded one one-off effect: during the reporting period, around 102 tonnes of debris occurred as a result of extensive earthworks at a number of sites for the erection of charging points for e-vehicles and for new transformer stations. In order to retain comparability with previous and subsequent years, we have not included these, or the quantity of compostable material and lop, in calculating the KPIs, but are reporting on this additional volume.

The greatest reduction in the reporting period can be recorded in the figures for hazardous waste which, year-on-year, dropped by 95.2% and in relation to 2019 by 93.4%. In terms of absolute volume, packaging waste (paper, plastic,

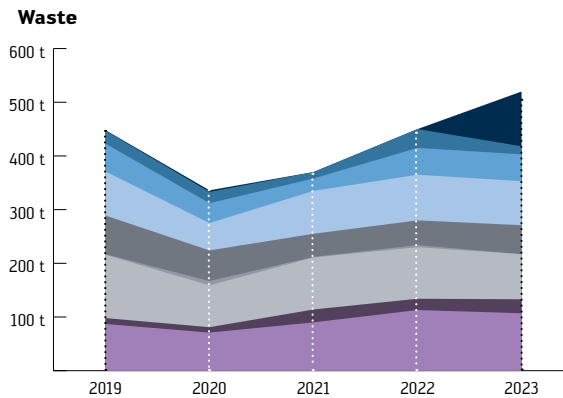
wood) also sank in the past year, in total by 13 tonnes to 217 tonnes, even though a rise was recorded in plastic packaging waste. The reduction is attributable to the lower levels of component purchasing due to the drop in incoming orders in the reporting period.

In 2023, for the first time, we collected data on waste volume at our international sites (outside of Germany). Across all categories, a total of 101 tonnes of waste was recorded, 10 tonnes of which were accounted for by hazardous waste.

[GRI 306-3]

With the waste volumes occurring in 2023, we can record progress in terms of central efficiency ratios. We have come significantly closer to our aim of halving the 2019 volume by 2025. We have also made good progress with regard to the overall waste volumes per production hour.

In this regard, the figure for 2023 was 208 grammes, compared to 239 grammes in the previous year (minus 12.8%).



Waste	2019	2020	2021	2022	2023	23 to 19	23 to 22
Construction waste	1 t	3 t	0 t	0 t	102 t	n.s.	n.s.
Hazardous waste	24 t	21 t	12 t	35 t	15 t	-36.9%	-57.7%
Compostable material/lop	52 t	37 t	23 t	50 t	50 t	-4.6%	±0.0%
Metals	82 t	51 t	80 t	85 t	82 t	+0.4%	-3.1%
Residual waste	72 t	57 t	43 t	46 t	54 t	-24.7%	+18.5%
Non-hazardous production waste	1 t	8 t	1 t	4 t	0 t	-50.0%	-100.0%
Wooden packaging	118 t	78 t	97 t	96 t	84 t	-28.8%	-12.8%
Plastic packaging	11 t	10 t	24 t	21 t	26 t	+135%	+26.7%
Paper and cardboard packaging	87 t	71 t	90 t	113 t	107 t	+22.5%	-5.6%
Total, German sites	447 t	336 t	370 t	449 t	520 t	+16.2%	+15.8%
Total, German sites (adjusted)	394 t	296 t	347 t	399 t	368 t	-6.5%	-7.8%
Total, internat. sites	n.s.	n.s.	n.s.	n.s.	101 t	n.s.	n.s.

Alongside this, we have introduced further measures to improve waste separation. We have adjusted our internal processes and, over the course of the reporting period, installed new containers and set up new waste islands in a number of production halls. These two measures support our aim of ensuring that waste is consistently separated.

A further element in our waste reduction is the use of packaging cardboard as filling material for our own shipments. In 2023 we filled 60 sacks with shredded cardboard which we then reused. This is the equivalent of around 3.5 tonnes of packing material for our shipping. [\[GRI 306-4\]](#)



Reduction of hazardous waste

In our striving to make production processes more sustainable, a special focus is always on hazardous waste due to its high environmental impact. With completion of the de-commissioning of galvanic coating in 2022, we have made considerable progress in this respect. One source of hazardous waste in our operations has

been eliminated. We are now concentrating on the gradual replacement of hazardous operating materials with less-hazardous or, ideally, non-hazardous alternatives and are conducting investigations to determine where this is possible (substitution of hazardous substances).



Water

Water is a central resource and one which is increasingly unevenly distributed. Therefore economical use of water is standard practice for Kurtz Ersä, particularly so as the significance of an adequate and equitable water supply is also becoming tangible at our sites in Germany as a result of the increasing occurrence of summer droughts. The primary demand for drinking water and tap water in our company arises in kitchenettes and sanitary facilities and for food preparation in our canteens. In addition, water is also used for production and other operations (process water). In our dealings with this resource, we closely observe the water pollution control laws and react immediately when these become more stringent by adapting our processes. [GRI 303]

Rainwater utilisation reduces water demand

While the expansion of the Kurtz Ersä Logistic Centre in Kreuzwertheim was in the planning stage, sustainability aspects played a major role, particularly with regard to economical use of water resources. In the course of the earthworks in the grounds, we installed an infiltration ditch. It is located entirely beneath the surface of the site and consists of a rainwater retention basin with integrated cisterns. The cisterns can store up to 70 cubic metres of rainwater which, in the future, we will use for watering our grounds. We anticipate that this will allow us to reduce our annual drinking water requirements by around 500 cubic metres.

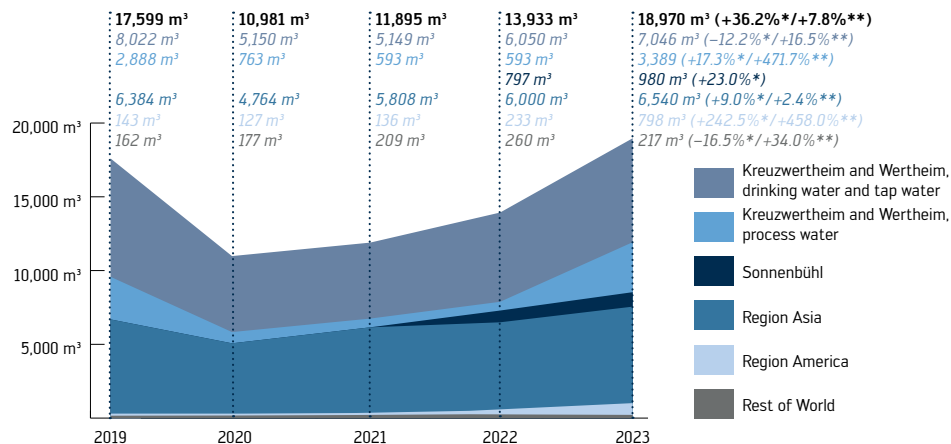
Sustainable water management

Sustainable water management is a central element of our operational environmental protection and encompasses a number of aspects. An essential consideration is to reduce water use and in this context to also involve our supply chain and increase the efficiency of use. We are at pains not to aggravate water shortages and do not draw surface water from lakes or rivers or from wells. Rather at all sites we are connected to the public water supply. In this way, we take the pressure off areas suffering from water stress where the water used is greater than the inflow. Our water management also includes waste water which could be polluted with trace elements. All our sites are connected to the public sewage system; we collect polluted waste water and have it picked up, treated and cleaned by specialist firms.

As this involves only a few cubic meters per year, we take a simplified view of the situation and are assuming that the waste water fed into the public waste water system corresponds to the quantity of water used.

Our water management also extends to our building projects. With all new projects, we plan the installation of cisterns or infiltration ditches (underground rainwater retention basin) in order to store rainwater for future use or release it only gradually into the groundwater following extreme rainfall events, thus taking pressure off the public waste water system. In addition, we raise staff awareness for the economical use of drinking water, in order to further reduce water consumption. [\[GRI 303-1, -3\]](#)

Water consumption and waste water volume Kurtz Ersa Group 2019-23



*2023 to 2022. **2023 to 2019.

Water consumption

Last year, water consumption rose, both within the Group and at the individual sites. This is accounted for by a slight increase in the number of employees. Furthermore, in the course of replacing two heating systems, the heating water was drained and replaced and an additional water tank installed for the sprinkler system. Overall, consumption in 2023 amounted to 18,970 m³ up from 13,933 m³ in 2022 (plus 36.2 %); this is attributable to a technical defect in one of the systems, which unfortunately accounted for an additional 3,000 m³. This explains the distinct rise in process water to 3,389 m³ in 2023, a plus of 71.7% on the 593 m³ in the previous year. If the effects of the technical defect are disregarded, a figure of 389 cubic metres of process water

remains, which would represent a year-on-year reduction of around 344%. From this perspective, and seen in relation to 2019, the reduction amounts to 86.5%.

Across the Group, consumption of drinking water rose from 13,340 m³ to the current figure of 15,581 m³ (plus 16.8%) while in 2019 this figure was at 14,711 m³. Thus drinking water consumption has risen 5.9% compared to 2019. Taken in isolation, water consumption at SCHILLER AUTOMATION rose by 23.0% to 980 m³ and at the international sites rose by 16.4% from 6,493 m³ in 2022 to 7,554 m³ in the reporting year. [\[GRI 303-5\]](#)



kurt/ersa

GERMAN TECHNOLOGY
MADE FOR INDIA

Sustainable Selling.

In the sales environment, personal contact is just as important as the clever digital processes which raise our customer solutions to a new level.

Introduction

We want to sell products and services. However, it is important to us to do so as sustainably as possible. Being a family company now operating in its seventh generation, our focus is not on the short-term sale but on long-term success and the safeguarding of company values. This approach encompasses a high degree of customer satisfaction and loyalty, and investment in groundbreaking products, for example resource-efficient machines (see page 22 and following). In dialogue with our customers, we place great emphasis on credibility, transparency and a form of address geared to the target group, to inform them of the benefits of sustainable product solutions.

At the same time, in the areas of marketing, sales, customer care and service, we are increasingly availing of digital processes and solutions such as our new CRM system for customer relationship management. In sales, among other benefits, this contributes to a considerable reduction of the time spent on, and expenses incurred in, travelling (car, air, rail). Similarly, the company's own vehicle fleet increasingly features vehicles with environment-friendly engines, primarily e-vehicles, as a means of reducing the related CO₂ emissions (see p. 57) In order to specifically record and analyse the other indirect greenhouse gas emissions (Scope 3) which also include emissions for business travel, we are planning to install a suitable software solution (see p. 45). [GRI 2-6, 3-3]

Customers health and safety

For Kurtz Ersa, the safety of our products and services had top priority. This applies first and foremost to the commissioning, operation and production of our machinery and systems. We do everything in our power to ensure the safety of our customers and to rule out potential risks to all those concerned. This overriding principle also includes the safe handling of harmful and hazardous substances. In all events we want to prevent leakages or improper use to ensure that people in the vicinity of the machines are not exposed to risks.

Where, despite all precautionary measures, our customers are endangered or affected, we are well prepared. Our detailed crisis and safety management systems ensure that we can provide quick and comprehensive assistance at any time.

During the reporting period, no incidents were reported which could impact on the health or safety of customers. [\[GRI 416, 416-2\]](#)



Markets supplied

Kurtz Ersa is a broadly-based machine engineering company and a sought-after partner in numerous sectors. We generate around 80% of our turnover with international business partners. The greater proportion of our business activity relates to the automotive industry, where the annual figures lie bet-

ween 20% and 30%. A further key market is electronic production. Here we provide product and service solutions in the segments e-mobility, 5G communication, smart factory, healthcare, smart home, smart grid and green energy as well as automation and digitization. [\[GRI 2-6a\]](#)

Digitization

Digitization is one of the major motors for far-reaching transition in business and society, this also applies with regard to greater sustainability. It not only permits industry to massively reduce CO₂ emissions. In many other branches too, digital technology promotes and accelerates sustainable development, for example through data-based efficiency enhancement or innovations.

The transformation resulting from modern information technology impacts industrial manufacturing in general, and machine engineering in particular: machinery and systems are designed and planned with the aid of digital technology and controlled using modern operating software. Kurtz Ersa avails of the extensive possibilities offered by digitization but is also aware of the associated challenges such as data security, Big Data or Artificial Intelligence, and is skilled in dealing with them.

But these are outweighed by the associated opportunities: data-based processes aid us in optimising sales and making needs-based decisions from the customer's perspective. Among other benefits are individualised offers and application for specific customer requirements. The use of analysis tools can help cut down on the consumption of

valuable resources. In addition, a digital infrastructure is a prerequisite for making supply chains more transparent. In this context, IT-supported, demand-oriented planning can allow inventory and logistics processed to be managed as efficiently as possible.

New CRM system

At Kurtz Ersa, digitization is also helping us reduce the energy previously required for sales, customer care and service. Effects stem mainly from travel activity on several levels. For example, customer meetings via online conferencing have become established, using the existing digital infrastructure, reducing the volume of travel. The more sensitive approach to business travel significantly reduces the costs of sales-related mobility (car, air, rail travel) and consequently the emissions caused by business travel.

Kurtz Ersa anticipates a further boost to sustainability from the new CRM system (Customer Relationship Management) which is being introduced in 2023 and 2024. It will replace an existing system and will further digitize our entire customer service activities. Classic sales activities are highly time-consuming and often require business





travel. In future, the new software for the collection, management, planning and implementation of sales and marketing activities will serve as the basis for more efficient and sustainable work in these areas and augment the classic sales activities and personal contact with the customer.

One benefit of the new CRM system is the fact that it permits the storage of all important customer data in one place. Similarly it guarantees that our sales and marketing teams can access it from all over the world, particularly at all Kurtz Ersa sites and mobile working environments. In this way, they can use constantly updated data, even at short notice, and make soundly-based decisions using this information. In addition, the improved interlinking of marketing, sales and service via automatic data reconciliation leads more quickly to tailor-made products and services, in turn reducing the number and length of sales calls and partially shifting sales processes to digital workflows.

Overall, by using the CRM system, Kurtz Ersa plans to reduce the time and effort which goes into coordination and the resulting travel, to digitize paper processes and in this way prevent the occurrence of CO₂ emissions. In the long term, the new software is intended to aid our transformation to a more sustainable company.

Long-distance maintenance and optimisation

Even more far-reaching changes can be anticipated as a result of the ongoing digitization of industrial production and the interconnectivity with associated services – and the opportunities they present. For example, the evaluation of data collected in real time leads to better process and machine monitoring. Following customer approval, interconnectivity with digital control terminals will enable our specialists to perform remote maintenance or carry out optimisation measures. In future, customer callouts and the associated consumption of energy, will no longer be absolutely necessary for this work. We are currently working on predictive maintenance measures which would allow us to proactively maintain machinery and systems in the future. [\[GRI 302-5\]](#)



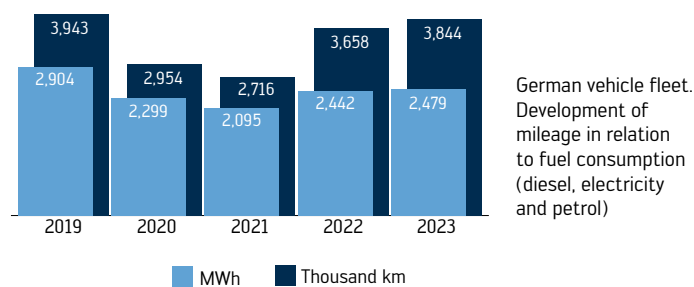
Increasing e-vehicles in the fleet

Kurtz Ersa is working on increasingly replacing vehicles in its own fleet with environment-friendly engines, above all e-vehicles. The long-term goal is to significantly reduce fuel consumption and the resulting emissions within the framework of what is technically feasible. 2023 saw major advances along this path in Germany: by the end of the reporting year, our fleet included fewer cars with internal combustion engines and more electric and hybrid vehicles. We are particularly pleased to report that the number of electric vehicles has more than doubled within a year.

Since summer 2023, as planned, over 70 charging points for electric vehicles are in operation at our German sites, all fed exclusively with energy from renewable sources. Should electricity from Kurtz Ersa's own photovoltaic plants be unavailable, we buy in green electricity to meet our needs.

The demands made of our vehicle fleet are wide-ranging. Current analyses show that electric vehicles are the most practical for short and medium-range trips, with diesel vehicles preferable for those travelling farther. Hybrid vehicles, on the other hand, are often not the most economical or ecological choice given our driver profile. Therefore, although numbers increased in 2023, they will play only a minor role in the future.

The changeover to a fleet of electric-powered vehicles is a further measure towards reducing fuel consumption. At the same time, we are endeavouring to lower the emissions resulting from business travel. Our employees are encouraged to consider whether a trip is actually necessary in the first place. In some cases meetings can be amalgamated so that, for example, several face-to-face appointments can be covered in just one trip. Furthermore, our employees always inquire whether meetings with customers can be held via online video conferencing in order to avoid or reduce travel.



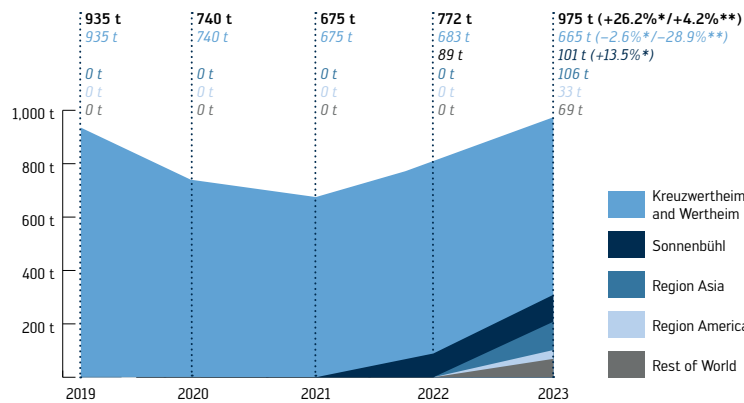
Drop in fuel consumption in 2023

The effects of the fleet conversion are already becoming evident in 2023; our fleet is becoming steadily more efficient (see p. 56). At the German sites, we consumed less fuel than in 2022 although the total miles covered rose by 5.1% to 3.8 million kilometres. The significant increase (number of vehicles, kilometres covered and the volume of fuel consumed) in 2022 is the result of the amalgamation of our fleet with that of SCHILLER AUTOMATION which was taken over at the beginning of 2022. In 2023, the CO₂ emissions dropped by around 6 tonnes, or 0.8%. Compared to the reference year, 2019, this represents a reduction of 18.1%. These

successes are attributable to the more pronounced electrification of our fleet. The overall energy consumption (fuel in litres plus kWh charging electricity) has still risen by 1.5% to 2,479 MWh due to the increase in fleet size.

At four international sites in Mexico, China, USA and France, our 21 company vehicles consumed, on average, 8.1 litres per 100 kilometres. This lies above the German average of 6.3 litres per 100 kilometres, but is accounted for by the fact that we deploy two busses for staff transport as well as one truck at our foreign sites. [\[GRI 302-1, 302-4\]](#)

CO₂ emissions Scope 1, vehicle fleet Kurtz Ersa Group 2019-23



70 e-charging points on company car parks

In the past year, Kurtz Ersa significantly improved the infrastructure for the further conversion of the fleet to battery-driven vehicles. 70 charging points for e-vehicles were installed at our sites in Wertheim and Kreuzwertheim in 2023. The charging points are available to the company's own fleet as well as for the private vehicles of employees and our business partners.

Many employees are now availing of the offer. Once they have been registered, the stations are activated for charging at a special rate. In 2023, the relevant volume of power across all sites was around 64 MWh.





United Nations
Global Compact



srh



Sustainable Management.

Long-term success ensures that values are retained. So too does our commitment to social and cultural initiatives.

Financial stability and profitability

Kurtz Ersa is a privately owned family company and, thanks to the high equity ratio is financially independent. We place great emphasis on stability, non-dependence on banks and stock exchanges and on the long-term enhancement of our shareholder value. We achieve this through a company strategy oriented towards the long term and through sustainable management at day-to-day level. We also take a comprehensive view of all the relevant economic, ecological and social aspects.

Our management activity and our sustainability strategy are interdependent: Economic performance is the basis for sustainable change. Financial stability and profitability ensure our growth. We invested heavily in 2023, among other things in photovoltaic (see p. 39), e-charging infrastructure (see p. 57), LED lighting (see p. 60), heating systems and new windows.

Kurtz Ersa has set itself the target of investing at least 1% of its operative EBIT result in sustainable projects. In 2023 this amounted to almost 2.5 million Euro, corresponding to around 10% of EBIT and thus lies significantly above the target. For 2024 we intend

commissioning a further photovoltaic plant and converting a further site to LED. In addition, we will be changing our German sites over from natural gas to biogas and optimising control of the heating system.

Economic performance

The net turnover of the entire Kurtz Ersa Group amounted to EUR 343 million in the 2023 business year. The decline as compared to the figure of EUR 360 million in 2022 is attributable above all to the weaker global economy. The downturn in sales affected almost all our business divisions and all the countries in which we operate. Total assets at the end of the business year on 31.12.2023 amounted to EUR 265 million Euro, of which EUR 99 million were equity and EUR 166 outside capital. The balance-sheet equity thus lay at 37%, the economic equity, in contrast, at 60%.

In 2023, our tax portion in Germany amounted to 35.6 (previous year: 31.1%) in relation to our domestic EBIT while only 18.9% (previous year 11.4%) were incurred for EBIT generated outside of the country. [GRI 201, 201-1]



BY 2023:
343 million €
net turnover

Equity ratio:
60 %
as per am 31.12.2023

Our approach: Holistic and international

For us, sustainability also means not looking at individual areas and topics in isolation. One manifestation of this is our central CESG unity (Corporate Environmental Social and Governance) newly established in 2023. This holistic approach is a precondition for the effective interplay of the individual ESG segments. It allows us to exploit existing synergies and better weigh up advantages and disadvantages. This is complemented by close cooperation with other central units in the holding, further international divisions and technical experts in the company and internal and external stakeholders. This applies in particular for topics such as the Corporate Sustainability Reporting Directive (CSRD), EU Taxonomy and the Supply Chain Due Diligence Act (SCDDA) which can only be meaningfully implemented in cooperation with the responsible stakeholders.

Equally, it is the view of Kurtz Ersa that sustainability does not end at the German national border. As a Group operating worldwide, we naturally take an international approach. Whether sustainability reporting, ESG rating (see p. 65), CDP score (see p. 64) or Code of Conduct (see p. 62), our activities and targets encompass all of Kurtz Ersa's global sites. This will also apply to the new international Integrated Management System (iIMS), in which we will amalgamate four individual management systems for the standards ISO 9001 (Quality), ISO 14001 (Environment), ISO 45001 (Occupational Health and Safety) and ISO 50001 (Energy) into a uniform, superordinate and centrally controlled structure (see p. 40). Most of our German sites have already held certification for many years now, by the end of 2024, this is to extend to all the company sites in Germany and abroad, with the exception of the small sales offices. [\[GRI 3-3 b-d\]](#)

Corporate governance

For Kurtz Ersa, corporate governance, an afar-sighted and responsible style of corporate management, is an indispensable prerequisite for successful business. The minimum standard we set ourselves and our employees is the observance of all relevant laws, directives, rules and obligations in our corporate activities. And we expect the same of all our business partners.

Central aspects of effective governance are responsible risk management and transparency in our entrepreneurial activity. Our Code of Conduct provides a sound basis for meeting these requirements. [\[GRI 2-27\]](#)

Kurtz Ersa Code of Conduct

The Kurtz Ersa Code of Conduct (CoC), as updated in 2023, frames our standards for responsible business practices, particular with regard to ethics, integrity and sustainability and the observance of applicable laws and voluntary commitments. The Code of Conduct applies for all employees of Kurtz Ersa and our business partners, in particular our suppliers. Among the central issues addressed in the CoC are the observance or safeguarding of

- human rights and social standards,
- job security and labour laws,
- environmental legislation, energy and climate protection,
- product safety,
- ethical conduct, integrity and anticorruption.

In order to ensure that all employees are familiar with the content and the individual thematic areas of the CoC, they must attend mandatory courses. These offer them the opportunity to ask questions and also learn how they should react in the case of infringements. By the end of 2023, 75% of our international employees have completed the Code of Conduct courses organised by our Hammer Academy.



Data protection

A further pillar of trust-based business relationships is the conscientious and secure handling of our data, both our customers' data and the data of our employees, customers and suppliers. Guidance on the processing of personal data is provided by the EU General Data Protection Regulation (GDPR).

We are continually working on implementing these requirements. When infringements of the data protection regulations do occur, we always use this as an opportunity to improve internal processes.

Whistleblower protection

In summer 2023, Kurtz Ersä launched a complaints management and whistleblower system. This allows employees to anonymously report infringements of current legislation, our Code of Conduct or other deficiencies.

Among other things this applies for the suspected disregard of human rights and social standards, environmental protection, health and safety infringements, corruption, fraud, money laundering or theft, as well as the infringement of data protection or competition laws. We assure all employees of confidentiality and ensure that whistleblowers are not penalised, either personally or professionally. With this new platform, Kurtz Ersä has implemented the statutory requirements of the German Whistleblower Protection Act and the EU Whistleblower Directive, as well as the Supply Chain Due Diligence Act (SCDDA) which

has applied to Kurtz Ersä since 1 January, 2024. In 2023, following the introduction of the reporting process in the second half of the year, five reports were received, spread across various legal and risk-related areas.

Directive	Risk category	Quantity	
		2023	Q1/2024
SCDDA	Human rights infringements	0	0
	Violation of environment legislation	0	0
Whistleblower Protection Act	Data protection	1	2
	Theft, fraud	0	0
	Money laundering	0	0
	Corruption	0	0
	Product safety	0	0
	Environmental protection	1	0
	Disclosure of trade secrets	0	0
	Competition and anti-trust laws	0	0
	Other	1	0
	of which spam/without content	2	0

Dealing with infringements

Compliance with legal regulations, regulatory stipulations and internal compliance rules are standard practice at Kurtz Ersä. [\[GRI 2-27\]](#)

Infringements are simply not acceptable and – taking the facts of the situation into consideration – are appropriately penalised. In

2023 no disciplinary or labour law related measures were necessary based on notification received. Nor was any legal action pending against Kurtz Ersä in the reporting period for non observance of regulations relating to the environment, or to social or business matters, or major fines imposed. [\[GRI 307-1\]](#)

Compliance Management System

In order to expand the scope of risk management, it is necessary to focus more closely on the structured management of the legal risks. For this reason, we commenced with the expansion of our Compliance Management System (CMS) in summer 2023 and created a relevant unit of our own. This supports us in creating transparency regarding existing compliance risks in the company, implementing new and existing require-

ments in a compliant and efficient manner and in increasing awareness of compliance topics within the workforce. This presupposes a new compliance culture and will not happen from one day to the next. Rather it requires structured implementation planning with pre-determined milestones. Our aim is to implement an appropriate and effective CMS – beginning with the German sites.

Internal implementation of Supply Chain Act

The German Supply Chain Due Diligence Act (SCDDA) has been in force since January 1, 2024, including at Kurtz Ersä. The new legal framework is binding, not only for our global suppliers (see p. 31). Within the company too, we are obliged to implement the environmental and human rights due diligence obligations enshrined in the SCDDA. For this reason, our defined processes, for example regarding preven-

tion and remedial measures, apply both to the supply chain and, to at least the same extent, to our international sites. Against this background, we have clarified internal accountability, appointed a human rights officer, updated our Code of Conduct (see p. 62 and set up a complaints mechanism (see p. 63). We are currently working on finalising our policy declaration.



Kurtz Ersä again achieves CDP Score C

Once again in 2023, Kurtz Ersä achieved the CDP Score C, repeating the result of the first attempt at this independent rating in 2022. Score C in the Climate Change Report which primarily considers greenhouse gas emissions, represents a solid, mid-field placing. In 2023, over 21,000 companies were voluntarily assessed by the not-for-profit organisation CDP, formerly CO₂ Disclosure Project.

Happily, Kurtz Ersä improved in two categories compared to the previous year, rising from D to C. These were in Emission Reduction Initiatives and CO₂-reduced products as well as in the Energy category. For the next CDP rating in summer 2024 we are aiming for even greater improvement with our current projects. These focus on recording our Scope 3 emissions in the upstream and downstream supply

chain as accurately as possible, defining targets and implementing these in the coming years. This also includes emissions and energy consumption resulting from business trips (Scope 3-6), commuting by our employees (Scope 3-7) procurement of goods and services (Scope 3-1), customers' use of machines manufactured by us (Scope 3-11) and upstream and downstream transport (Scopes 3-4 und 3-9).

CDP is an international climate protection programme within the framework of which companies, as well as institutions and organisations, voluntarily disclose information on the environmental impacts of their activities. This is backed by a non-profit organisation which collects and evaluates annual data on harmful environmental impacts. Once the data has been analysed, each participating organisation is rated.



ESG rating up 8 points

In 2023, the ESG rating of the Kurtz Ersa Group improved by 5 points to 56 of a possible 100 points and once again was awarded a bronze medal. Within our sector, we are among the top 25% of the companies assessed. ESG stands for Environment, Social Standards and Governance and measures the voluntary contribution made by companies towards sustainable development, exceeding the legal stipulations. The accolade is awarded by the highly respected rating agency EcoVadis.

We intend building on this success. This most recent award confirms that with our comprehensive sustainability strategy and the numerous measures launched within this framework, we are on the right path. For example, in the category Environment, we received 70 points, up 10 on last year's figure, a considerably higher rating than the sector average of 48 points.

In this thematic area, the EcoVadis assessment included energy and water consumption, waste volume in the company and the associated regulations and documentation. In the areas Labour/Human Rights (including diversity at the workplace, frequency and severity of accidents and the training on offer) and Sustainable Procurement we attained an above-average result for the sector.

Only in the area of Ethics, where, with 40 points, we lie just below the sector average of 42 points, does the rating agency see potential for improvement. But even in this area we are making good progress and have already launched several measures and projects, among them the updating of our Code of Conduct and the installation of a Compliance Unit in the Holding.

Social commitment



Kurtz Ersä embraces its social responsibility in a wide range of ways. The focus of our social involvement lies primarily on the Main-Franconia region where our headquarters are located and to which we have enjoyed close links for generations. We see ourselves as being part of this society and are anxious to actively share in shaping it, particularly as an attractive employer offering secure jobs, and as a reliable business partners.

We also assume responsibility outside of our core business and consciously support projects which benefit the community and strengthen coexistence in the region. Long-term partnerships are important to us as they ensure dependable support.

We promote external organisations and projects in the social sector and in the areas of culture, education and training. We coordinate these activities through the non-profit Anna Göbel and Otto Kurtz Foundation. This was founded in 2006 in memory of the former head of the company and his sister. [\[GRI 203-1\]](#)

Social involvement

In 2023, Kurtz Ersä supported Bestenheid Primary School's garden project, planned and implemented by the Friends of the School. This saw the creation of a water course, an outdoor classroom, a fire pit and a stone wall to offer student an inspiring learning environment.

We also regularly support local sports clubs with activities such as soccer, riding, cycling, basketball and competitive shooting as well as music societies, carnival societies, the Young Scientist organisation, the Friend of the City of Wertheim, youth centres and kindergartens. Our support extends to making donations to the Red Cross and placing ads in the newsletter produced by final-year classes to support graduating students. We provide a shuttle service for our apprentices to make it easier for them to reach the Vocational School or other company sites, or to avail of further training offers.

We increasingly endeavour to help people in need and in this way make a positive contribution to society.

In the area of charities, we made a Christmas donation to the Tafel Wertheim food bank in 2023 and supported the children's home association, Sonetschko Kinderheimhilfe, which provides aid to a facility in Ukraine, as well as the postcard drive of the Wertheim Women's Association to keep the local hospital open.





Culture and education

In order to promote cultural diversity and education, we also support the Mozartfest Würzburg, the Association for the Promotion of the Main-Franconia Theatre, Würzburg, and the associated Stifterkreis Rosenkavaliers and the endowed chair at SRH Distance Learning University, Riedlingen.

The series of concerts serves to preserve and convey the work of the composer and encourage listeners to engage with it. The long-standing festival began back in 1921 in the form of a week of music and theatre and only received the name Mozartfest in 1923.

The Würzburg Association for the Promotion of Main-Franconia Theatre has set itself the task of continu-

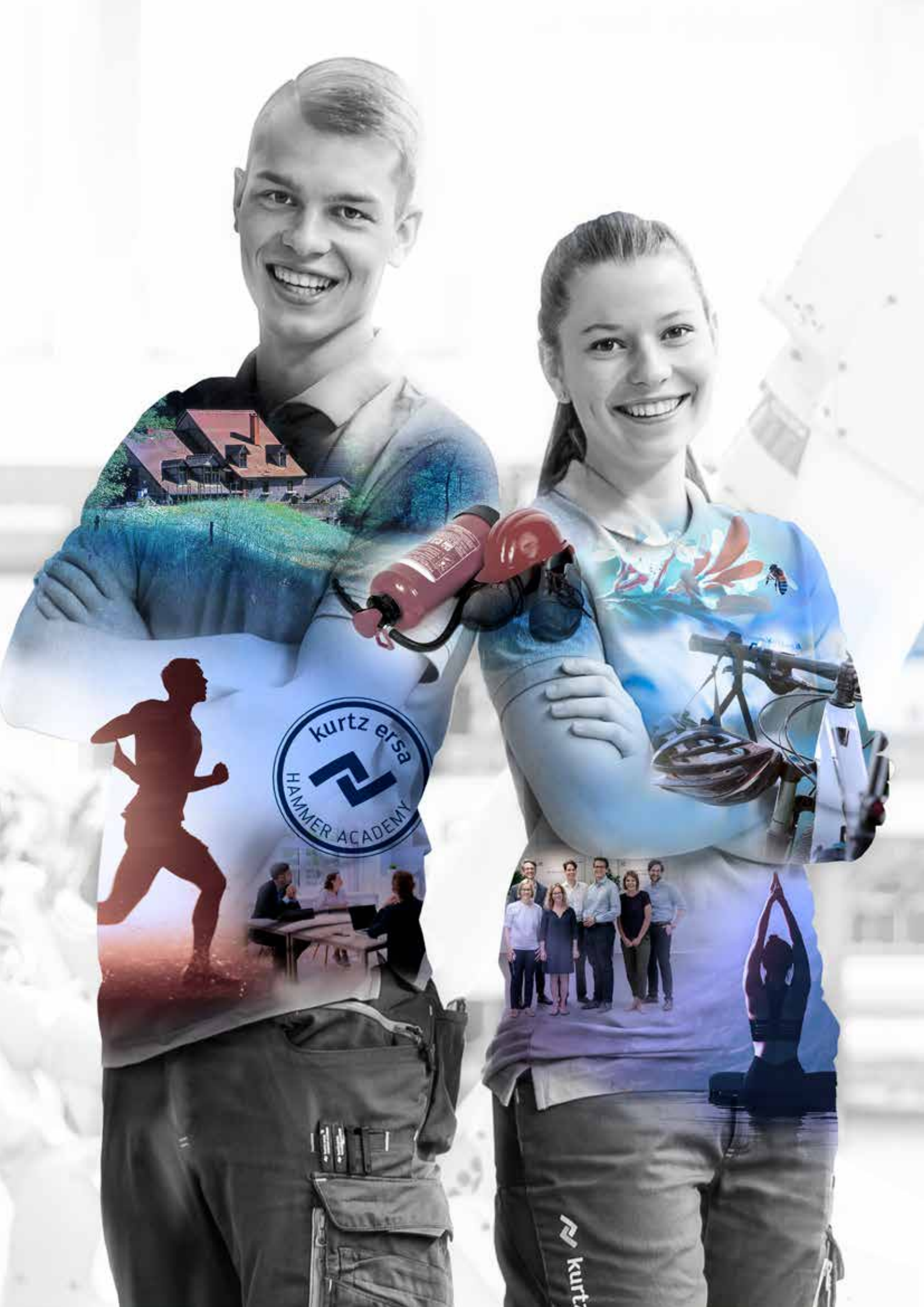
ously and sustainably promoting the artistic endeavours of the Mainfranken Theater and the Würzburg Philharmonic Orchestra. The funding is used, among other things, to support theatre and music education and for the staging of productions in all sectors. At the same time, grants from the Stifterkreis Rosenkavaliers aid the long-term maintenance of the theatre's extraordinary standard.

The state-registered SRH Distance Learning University specialises in on-the-job online studies. It offers 63 Bachelors and Masters courses, six MBA courses and 90 university certificates, to which our endowed chair makes a contribution. Furthermore, the educational institution is among the few climate-neutral universities in Germany.

Indirect economic impacts

Kurtz Ersä is a company which, for generations, has maintained close ties to the Main-Franconia region. We see ourselves as part of this society and want to play an active role in shaping it. We already contribute as an employer offering secure jobs, and as a reliable business partner. But we also assume responsibility beyond our core area of business and rely on long-term partnerships as the only way to ensure dependable support. In our social involvement, we concentrate on projects which benefit the common good.





kurtz

Sustainable Living.

*Our decision stands: Equal opportunities,
diversity and occupational health and safety
are our inalienable guiding principles.*



Introduction

Highly-qualified, motivated and contented employees are the basis for the success of a company. For this reason, Kurtz Ersa makes every effort to meet them as an attractive and responsible employer. We value a culture which stands for both high performance and a positive working atmosphere. Each individual can bring his or her strengths into play and, in doing so, support others. In addition, we hold ourselves to the standard we have set ourselves of meeting our social responsibilities towards our employees equally at all our sites.

We offer our employees more than just secure jobs, development opportunities and equitable remuneration. We offer equal opportunities to all, promote good health and protect employees from discrimination and exploitation. This results in a corporate climate of mutual respect, which supports and motivates: the Kurtz Ersa Spirit. For us a company is more than just a production operation and a day-to-day workplace. We see ourselves as part of a social structure with long-term perspectives which benefits from the successful togetherness of all those involved.

The Kurtz Ersa Spirit

How we are advancing our partnership-based corporate and management culture

In 2020, Kurtz Ersa initiated an internal "People & Culture" project to further advance the strong, partnership-based corporate and management culture which is particularly close to our hearts as a family company with a long tradition. Further aims of the project to strengthen the "team feeling" across the entire workforce and confirm our reputation as an attractive employer and sought-after business partner. The long-term focus, the strong quality orientation, the employee-friendly corporate culture and the significance of sustainable management are central values inherent to the Kurtz Ersa Spirit. The programme is to be fully implemented by the end of 2027.

What is important to us is that the changes are not decreed "from the top down" but rather supported and driven forward, step by step, by all employees working together. For this reason, we are concentrating on the areas which strengthen our community of values, advance our strategic goals and have the greatest impact on our everyday lives. This includes the awareness that "this is my contribution to the success of Kurtz Ersa", the work-life balance and the greatest possible contentment of all employees of the Kurtz Ersa Group. We determined this contentment in 2023 in the Puls-Check 2.0 survey. In April and October, employees could air their views on the topics of trust, team spirit, respect and management as well as staff satisfaction and Kurtz Ersa as an employer, on a voluntary basis and anonymously, and submit their own suggestions for improvement. On both occasions participation rates were gratifyingly high – in October, 76% of all employees took part.

One valuable finding was that our employees report above-average commitment. The so-called "commitment index" is made up of four individual core areas: "I enjoy my work", "I would recommend Kurtz Ersa to my friends as a good employer", "The future of my company spurs me on", "All things considered, I am satisfied with Kurtz Ersa as an employer". In October, the resulting average was 2.1 and therefore 0.3 better than in the previous survey.

In October 2023, the average agreement rate in the four questions was 69%. By implementing a number of measures we have succeeded in improving significantly within six months (April 2023: 57%).

Our "People & Culture" project team is made up of employees from all areas and hierarchical levels. In 2022 it identified the six specific fields of activity which contribute fundamentally to achieving the project goal: The role and self identity of senior management, staff advancement at all levels and internal communication as well as the working environment and the quality of the work. Initial results have already come in: Internal communication, for example, already shows an improvement in dialogue and information flow. Since mid-2023, the "Hammer App" has had a chat box where all employees can post their own contributions and enter into dialogue with the management. Similarly, employees receive more regular and diverse information from and about the Group. The range of topics is also considerably wider than it used to be.



The Kurtz Ersa Spirit also finds expression in the "attractive employer" programme and the promotion of employee health (through preventative health measures). These are augmented with extensive company further training programmes, most of them via the offer of the Kurtz Ersa Learning Campus and the Hammer Academy founded in 2016 as well as with measures promoting the compatibility of family and career or early retirement schemes. In these points, management always cooperates closely and confidentially with the employee representatives in the works council. [GRI 3-3 c, d]

Responsible employer

A central factor in the success of Kurtz Ersä is its motivated, qualified and satisfied workforce. With extensive measures and offers, we embrace our role as a responsible employer and create a working environment which encourages employees to remain with us long term. Because we recognize

that the dedication with which they work every day is a major factor in the sustainable economic success of Kurtz Ersä. To ensure that this remains the case in the future, we are constantly on the look-out for qualified specialists and motivated young talents.

Employment

In the 2023 business year, the Kurtz Ersä Group workforce at the German and international sites was 1,554 (previous year: 1,518). 11.2% of these jobs were short-term (previous year: 13.8%). At 91.6% (previous year: 91.1%) the proportion of full-time employees remains very high. In the reporting period, the percentage of part-time employees

was around just 8.4 (previous year: 8.9%). Included in the figures are all employees registered in the Kurtz Ersä personnel management system on the reporting date, 31 December, and thus drawing a salary. This encompasses salaried workers, industrial workers, management, trainees, temporary workers and interns. [\[GRI 2-7; 401\]](#)

	2019		2020		2021		2022			2023		
	m	f	m	f	m	f	m	f	d	f	w	d
Full-time	650	136	638	129	733	131	752	130	0	795	150	0
Part-time	14	54	13	50	20	51	28	59	0	26	60	0

In the course of 2023, Kurtz Ersä hired a total of 174 new employees in Germany, exceeding the previous years' figures (2022: 159; 2021: 116). The percentage of women among new employees rose to 23.6; in 2022 the figure was still 17.6%. At the international sites, 24 new employees joined the company, among them six women, so that in total we have hired 198 new employees across the Group (percentage of women: 23.7). [\[GRI 401-1a, 1b\]](#)

of agreed targets. Each employee falls into at least one of these formats so that an annual review is always guaranteed. [\[GRI 404-3\]](#)

At least once a year, the performance of each employee at Kurtz Ersä is reviewed and feedback provided on their professional development. This may occur within the framework of appraisal interviews (ERA), during the update of the skills profile or in the context of the regular evaluation

The Hammer Innovations Programme (HIP) helps us to remain an innovation leader in all our business sectors, to secure jobs, to retain satisfied customers and acquire new ones. The HIP bonus is a voluntary benefit at Kurtz Ersä and is paid out along with the payslip in the following February. In addition, every employee can submit his or her own ideas for optimising operational processes which we then neutrally evaluate. If we successfully implement an idea, the employee shares in the annual savings achieved.

Employment*	
Permanent	Temporary
88,8%	11,2%

Type of employment*	
Part-time	Full-time
8,4%	91,6%

Temporary workers*	
27	
Most frequent type: Contract staffing	
White-collar	Blue-collar
9	18

*Relates to the Kreuzwertheim and Wertheim sites.

Diversity and equal opportunities

Our aim is to reflect the increasing diversity of our society in our employee structure. We regard the promotion of equal opportunities for all applicants and all employees as an integral element in corporate structures and an essential contribution to strengthening diversity.

People from many different countries and cultural backgrounds work together at Kurtz Ersä. An environment and atmosphere free from discrimination based on gender, age, religion, sexual identity, origin or handicap is a prerequisite for our successful business operations. For this reason, we ensure that all employees are given the same opportunities and can interact without the fear of discrimination. Our human resources management is particularly sensitive to this issue and supports a diverse workforce as well as conflict-free cooperation among all employees. [\[GRI 405\]](#)

The percentage of women at our German sites rose in 2023 as a result of the inclusion of Schiller Automation, increasing to 29.7% from 28% in 2022. Similarly, the percentage of women among industrial employees increased to 13.2 (previous year: 10%). Across the entire Group, the percentage of women among our salaried employees lies at 28.6 and among our industrial employees at 12.4. We will be intensifying our efforts to increasingly employ women in the industrial area.

The age structure in the reporting period was as follows: Among salaried employees, 22.6% (previous year: 23.8%) were under 30, 47.3% (previous year: 51.5%) between 30

and 50 and 30.1% (previous year: 24.7%) above 50 years of age. A different ratio can be seen among industrial employees. In this group, 30.7% (previous year: 38.8%) were still under 30, 40.4% (previous year: 34.6%) lay between 30 and 50, and 29.1% (previous year: 26.6%) were over 50 years of age. [\[GRI 405-1a, 1b\]](#)

Regarding the make-up of the Management Board, Global Board, Advisory Board and Shareholders, Kurtz Ersä has set a specific target: By 2024, women are to be represented with a percentage of 30. The percentage of women already rose in the reporting year to 24.1. In 2023, the Management Board, for example, consisted of five males and one female and six of the ten shareholders were female. At the same time the age profile has shifted downwards, particularly among shareholders (see table below). A similar development will occur in the Advisory Board in 2024.

Equal Pay, i.e. payment irrespective of gender, is standard practice at Kurtz Ersä. For this reason, women receive the same pay as their male counterparts for the same or similar work. In Germany this is already regulated for most of the workforce (2023: 78.4%; 2022: 74%) by means of negotiated wage agreements which specify payment independent of gender or other factors. Throughout the entire Group, the rate of negotiated agreements in the reporting year lay at 59.5% in the reporting year. [\[GRI 405-2\]](#)

International top-management incl. Advisory Board and shareholders by gender and age

	2019			2020			2021			2022			2023		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Male	0	3	14	0	1	16	0	1	16	0	1	20	2	2	17
Female	0	1	0	0	2	0	0	1	0	0	1	0	1	5	1
Diverse	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Employees by gender*

	2019		2020		2021		2022			2023		
	m	f	m	f	m	f	m	f	d	m	f	d
Salaried	403	146	377	138	372	137	382	145	0	491	197	0
Industrial	261	44	274	41	381	45	383	41	0	759	107	0

Employees by age*

	2019			2020			2021			2022			2023		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Salaried	142	264	143	120	258	137	106	275	128	126	271	130	127	390	171
Industrial	115	93	97	114	106	95	165	146	115	164	147	113	243	392	231

*As of 2023 for all international sites.

Parental leave

Kurtz Ersa support its employees when they become parents, among other things by providing information on parental leave and back-to-work models. Furthermore, all parents are entitled to parental leave, even those with fixed-term or part-time contracts. In 2023, 40 employees (previous year 41) availed of parental leave, among them 31 men (previous year: 26, see table). In 2023, 31 employees (previous year: 41) returned to their workplaces at the end of their parental leave, 28 men and 3 women. In the repor-

ting period, the return rate among males following parental leave was 90.3% (previous year 100%) with a return rate of 33.3% among females (previous year: 26.7%). Following parental leave, Kurtz Ersa also supports its employees, for example with holiday camps for children. At the end of every year, we carry out a survey to determine the dates which would suit most employees in the following year, and organize the holiday camp accordingly. [GRI 401-3a, 3b, 3c, 3e]

	2019		2020		2021		2022			2023		
	m	f	m	f	m	f	m	f	d	m	f	d
Employees on parental leave	35	14	32	16	47	14	26	15	0	31	9	0
Returns from parental leave	100%	35,7%	90,6%	31,3%	93,6%	57,1%	100%	26,7%	0	90,3%	33,3%	0

Environment-friendly commuting

Kurtz Ersa is at pains to reduce the CO₂ emissions of its commuting staff. One option is the use of the commuter app, which is free for employees, which supports the formation of car pools for the commute to work and which show our sites in Kreuzwertheim and Wertheim as destinations. By the end of 2023, around 400 regional users from different companies had registered. As this bundles travel to the workplace, we take the trips organised via this app into account in our CO₂ savings. The same applies for days spent working from home, trips with public transport and kilometres covered on foot or by bike.

We have been promoting this environment-friendly mode of transport since summer 2023 by cooperating with the "Jobrad" bike to work initiative: Our employees select the bike or e-bike they want at one of the contracted dealerships and we, as their employer, lease the bike and make it available to them. This provides staff with an incentive to forgo the car for their daily commute and, at the same

time, enjoy the health benefits. Employees can also report trips with their own bike or using the Jobrad scheme via the commuter app, so that the CO₂ emissions saved are included in the company's CO₂ audit. We record the emissions resulting from employees commuting between home and workplace under other indirect greenhouse gas emissions (Scope 3, see p. 45). [GRI 305-3]



Training and professional advancement

Kurtz Ersä places great emphasis on specifically fostering the professional and personal development of its employees. Highly skilled personnel and their loyalty to us constitute an important pillar of our corporate success. With the creation of the Hammer Academy in 2016, we established an educational platform which is open to all employees. It is the

basis for providing them with both the expertise they require in their daily working lives and vital qualifications for their professional advancement. In 2023 we once again offered a multitude of training courses so that, on average, each employee enjoyed 1.26 days of further training.

90 apprentices

At the same time, Kurtz Ersä is at pains to provide young people with successful career prospects and trains them accordingly: we offer school-leavers apprenticeships or Dual Study options in eight different sectors. As per 31 December, 2023, 90 apprentices were undergoing training at Kurtz Ersä.

In order to ensure that, moving forward, Kurtz Ersä will also be assured of an adequate pool of specialists, we endeavour to awaken interest in technical and scientific interdependencies. For this reason, in cooperation with 20 other companies in the region, we have set up the association "MINT Region Main-Tauber". MINT stands for Mathematics, Information Sciences, Natural Sciences and Technology.

The Kurtz Ersä Hammer Academy will be actively involved in the planned MINT projects – the initial ideas are already on the drawing board.

We place similar emphasis on motivating young people to give some thought to their future careers before their schooldays come to an end. Such events as the Wertheim Training Night help them to do so. In October 2023, around 300 guests availed of the opportunity to look around within the gates at Kurtz Ersä. The young visitors found out more about training options and workplaces at the Wertheim site, spoke to trainers and trainees and tested their technical aptitude, for example in a hand-soldering workshop.

Idea of life-long learning

The quality of a company, its products and its performance depends on the level of knowledge and skill of the workforce. Therefore, in addition to education and training, the Hammer Academy also promotes the individual advancement of employees. At the same time, this permits us to create an environment in which technical management and senior management are prepared to face the challenges of the future and see their long-term prospects with the company.

To a large extent, the seminars and further training offers of the Hammer Academy are based around instructors drawn from among our own staff and management. This secures the transfer of know-how within the Group and offers the skilled personnel involved a further motivating role. In brief: The Hammer Academy is an intrinsic element in our corporate culture.

Cooperation partners

An opportunity to expand our horizons beyond the boundaries of our own company is provided by our four academic cooperation partners with whom we have been working closely for many years. In this way, we not only ensure the scope and quality of training and further education at Kurtz Ersä, but also create joint training formats. In detail, these are:

Cooperative State University (Mosbach): Our cooperation partner for combined studies where practical elements can be completed in one of our Group companies.

SRH Distance Learning University (Riedlingen): Here the cooperation includes on-the-job studies encompassing both partners. In addition we offer employees the option of doing various Bachelor and Master courses.

Steinbeis University (Berlin): Provided valuable support in setting up the Hammer Academy and continues to support the work of the institution by having lecturers from the university also teach at the Hammer Academy.

Technical University (Munich/Heilbronn): In addition to support and cooperation on student research projects, the collaboration also includes the publication of employer profiles and job advertisements on the university-wide job board. [GRI 103, 404]

Occupational health and safety

A healthy and motivated workforce is the mainstay of Kurtz Ersä. This is why we attach special significance to the protection of employee health. The primary aim of our occupational health and safety protection is to prevent accidents and work-induced illness. While the accident figures for

2023 were up slightly on the very low rate in 2022, they are still significantly below the average for our branch as reported to the Berufsgenossenschaft mutual indemnity association (see chart on this page).

Safety at work

An important role in this regard is played by occupational health and safety. At every German site, Kurtz Ersä complies with all legal requirements and safety standard in the area of occupational health and safety. Therefore our occupational health and safety management system has been developed in accordance with the international DIN ISO 45001 standard and certified at most of our sites. Its scope encompasses almost all workplaces and employees at our domestic sites. The intention is to expand the management system to the international sites by the end of 2024, to then cover the vast majority of all workplaces and employees at the international sites (see p. 40). Furthermore, in accordance with the legal stipulations (Section 11 ASiG), we have established an Occupational Health and Safety Committee (ASA) which, in its regular meetings, works on improving workplace safety even further.

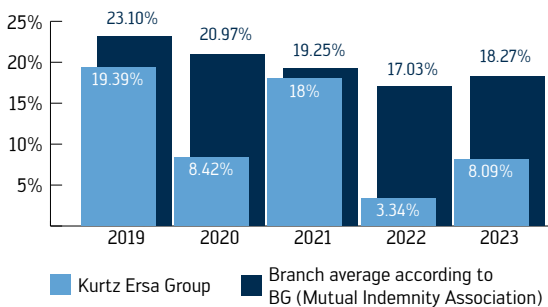
show that the levels of general dust, nickel and chrome were significantly below the critical values for workplaces.

Briefings are carried out regularly and as the occasion requires. Each new employee takes part in a mandatory training session on workplace safety. Management staff receive more advanced and detailed training. Employees with additional health and safety duties, such as first-aiders, fire officers and evacuation officers attend additional training courses. In order to comply with the statutory stipulations with regard to fire officers, 34 employees underwent the relevant training, including training on the use of fire extinguishers, in autumn 2023. Their further duties include support during the emergency evacuation of buildings; drills were carried out at both our main German sites in September and November 2023. Across the Group, 71 first aiders received training in the reporting year; some of these trainees were novices, others were brushing up their skills. From 2024 onwards, we intend integrating first aid training into the apprenticeships.

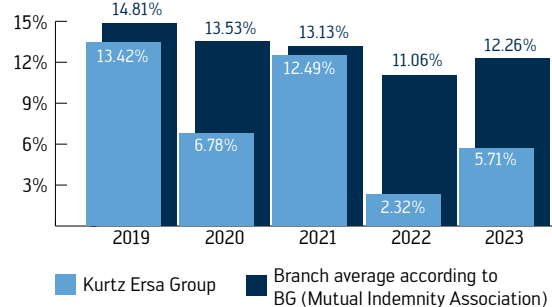
An internal Health and Safety Officer (FaSi) reporting directly to the Management Board supports us in the identification of risks in our operations. The FaSi helps avoid accidents by keeping staff informed on safety topics and inspecting individual workplaces, for example in the context of regular site inspections. They also assist the operation managers in drawing up risk assessments and operating instructions. In 2023, these routine activities were also on the agenda for our new field of business, 3D metal printing (additive manufacturing). The task was to develop all the necessary occupational health and safety measures in this area and design them in the best interests of the employees. The performance monitoring encompasses extensive dangerous substance readings which

In our operations, any accidents which occur are systematically analysed. In the case of accidents subject to mandatory reporting, accident analysis by the relevant supervisor ensues. In addition, our experts evaluate all accident log book entries, among other things in order ensure that clusters at certain workplaces or during certain activities are recognised in good time and corresponding measures taken.

Incidents per 1,000 employees



Incidents per 1 million hours



Promoting employee health

At Kurtz Ersa, the promotion of good health begins at the workplace. We provide our employees with an ergonomically correct working environment and, as far as possible, reduce the stress resulting from strenuous work, noise, heat or similar factors. Regular inspections of the working conditions contribute to their improvement – should this be necessary.

In recent years we have primarily improved the ergonomic design of the assembly workplaces. By now, heavy loads at many workplaces are almost always lifted by suitable lifting devices. This has a correspondingly positive effect on the

musculoskeletal system of the colleagues involved. If an employee has been absent for a longer period due to illness, help is available from our company rehabilitations management scheme which, among other things, permits a gradual adaptation of working times. In addition, in accordance with the Occupational Safety Act, we retain the services of a highly motivated company doctor who can be contacted to answer questions, provide advice and for health checks. All employees can avail on a voluntary basis of an annual flu vaccination carried out by their general practitioner which we reward with a voucher.

Promoting employee health

Furthermore, Kurtz Ersa has developed a range of offers aimed at promoting health-conscious behaviour among employees. In this context, our in-house Hammer Academy offers a comprehensive programme on sport and health, such as yoga courses, seminars on strengthening resilience and calmness or on quitting smoking. In cooperation with local health insurance companies, we hold annual health-awareness days at the German sites, focusing on education and advice on health-related matters.

In April 2023, in cooperation with the BARMER health insurance company in Wertheim and Kreuzwertheim, we organised the Strong Immune System action day, in which, among other things, employees had the opportunity to have their lung function measured in the Allergy-Mobil of the German Allergy and Asthma Association (DAAB). Great interest is also generated among the workforce in the annual Wertheimer Messelauf run, which Kurtz Ersa supports as the main sponsor. In 2023, 78 running enthusiasts from among the workforce took part. At the end of October 2023, employees had the opportunity to take part, either directly on

site or online, in a motivation seminar with Olympic ski jump champion Martin Schmitt. This also involved an exclusive training session on how to stay fit in day-to-day life. And in November 2023, employees participated for the first time in the international "Movember" which draws attention to men's health. It is intended to motivate them to attend regular check-ups in order to avoid serious illness. Participants demonstrated their involvement by growing a moustache. The term Movember is made up of the words moustache (in brief mo) and November. Exercise-loving employees were able to rejoice in the fact that Kurtz Ersa joined the cycle-to-work Jobrad initiative in summer 2023, thus supporting them in their environment-conscious trips by bicycle (see page 74).

The legal stipulations aimed at preventing the spread of Covid-19 are no longer in force. Even so, we continue to make free masks and test kits available to our employees which they can use on a voluntary basis. [GRI 403, 403-1, 403-2, 403-3, 403-5, 403-6]

Five years of bee patronage

For five years now, Kurtz Ersa has been involved as a bee patron in the beeswe.love initiative. While the protection of bees is not one of our central themes, we want to make a contribution to the cause. Our involvement serves a range of aims: to combat the worldwide decline in the bee population, safeguard the necessary protection for these vital insects and at the same time strengthen biodiversity and preserve the ecological balance. Our long-standing patronage helps local beekeepers with the care, breeding and multiplication of their colonies – and promotes the harmonious coexistence and the interactive relationship between humans, bees and nature.



Key data

Consumption of natural gas and heating oil

Region	Location	Use	2019	2020	2021	2022	2023	23 to 19	23 to 22
Germany	Kreuzwertheim and Wertheim	Heating gas	14,815 GJ	15,596 GJ	15,340 GJ	12,377 GJ	10,983 GJ	-25.9 %	-11.3 %
		Process gas	7,231 GJ	4,526 GJ	3,969 GJ	3,264 GJ	2,656 GJ	-63.3 %	-18.6 %
Germany	Sonnenbühl	Heating oil				2,210 GJ	2,134 GJ		-3.4 %
Region Asia	Hong Kong, Zhuhai and Shanghai*		0 GJ	0 GJ	0 GJ	0 GJ	0 GJ		
Region America	Plymouth	Heating gas	1,013 GJ	1,202 GJ	1,392 GJ	1,314 GJ	1,295 GJ	+27.8 %	-1.4 %
Rest of World	International, smaller sales sites*		0 GJ	0 GJ	0 GJ	0 GJ	0 GJ		
Total Group			23,059 GJ	21,324 GJ	20,701 GJ	19,165 GJ	17,068 GJ	-26.0 %	-10.9 %

Fuel consumption (diesel and petrol)

Region	Location	2019	2020	2021	2022	2023	23 to 19	23 to 22
Germany	Kreuzwertheim and Wertheim	10,454 GJ	8,275 GJ	7,542 GJ	7,630 GJ	7,439 GJ	-28.8 %	-2.5 %
Germany	Sonnenbühl				991 GJ	1,132 GJ		+14.2 %
Region Asia	Hong Kong, Zhuhai and Shanghai**					1,184 GJ		
Region America	Plymouth**					374 GJ		
Rest of World	International, smaller sales sites**					771 GJ		
Total Group		10,454 GJ	8,275 GJ	7,542 GJ	8,621 GJ	10,900 GJ	+4.3 %	+26.4 %

Power consumption

Region	Location	Use	2019	2020	2021	2022	2023	23 to 19	23 to 22
Germany	Kreuzwertheim and Wertheim***	Bought in	15,451 GJ	12,693 GJ	11,489 GJ	10,802 GJ	10,088 GJ	-34.7 %	-6.6 %
		Direct consumption	76 GJ	270 GJ	292 GJ	256 GJ	1,375 GJ	+1,709.5 %	+437.5 %
		Charging infrastructure	0 GJ	0 GJ	20 GJ	67 GJ	231 GJ		+246.3 %
Germany	Sonnenbühl	Bought in				2,008 GJ	1,631 GJ		-18.8 %
		Direct consumption				0 GJ	0 GJ		
		Charging infrastructure				0 GJ	0 GJ		
Region Asia	Hong Kong, Zhuhai and Shanghai	Bought in	3,942 GJ	4,384 GJ	5,101 GJ	4,954 GJ	4,202 GJ	+6.6 %	-15.2 %
		Direct consumption	0 GJ	0 GJ	0 GJ	0 GJ	0 GJ		
		Charging infrastructure	0 GJ	0 GJ	0 GJ	0 GJ	0 GJ		
Region America	Plymouth	Bought in	626 GJ	605 GJ	540 GJ	667 GJ	636 GJ	+1.5 %	-4.7 %
		Direct consumption	0 GJ	0 GJ	0 GJ	0 GJ	0 GJ		
		Charging infrastructure	0 GJ	0 GJ	0 GJ	0 GJ	0 GJ		
Rest of World	International, smaller sales sites	Bought in	62 GJ	112 GJ	61 GJ	71 GJ	114 GJ	+85.8 %	+60.2 %
		Direct consumption	0 GJ	0 GJ	0 GJ	0 GJ	0 GJ		
		Charging infrastructure	0 GJ	0 GJ	0 GJ	0 GJ	0 GJ		
Total Group			20,157 GJ	18,064 GJ	17,503 GJ	18,825 GJ	18,277 GJ	-9.3 %	-2.9 %

Water consumption

Region	Location	2019	2020	2021	2022	2023	23 to 19	23 to 22
Germany	Kreuzwertheim and Wertheim	10,910 m ³	5,913 m ³	5,742 m ³	6,643 m ³	10,435 m ³	-4.4 %	+57.1 %
Germany	Sonnenbühl				797 m ³	980 m ³		+23.0 %
Region Asia	Hong Kong, Zhuhai and Shanghai	6384 m ³	4,764 m ³	5,808 m ³	6,000 m ³	6,540 m ³	+2.4 %	+9.0 %
Region America	Plymouth	143 m ³	127 m ³	136 m ³	233 m ³	798 m ³	+458.0 %	+242.5 %
Rest of World	International, smaller sales sites	162 m ³	177 m ³	209 m ³	260 m ³	217 m ³	+34.0 %	-16.5 %
Total Group		17,599 m³	10,981 m³	11,895 m³	13,933 m³	18,970 m³	+7.8 %	+36.2 %

*No natural gas and heating oil consumption at these locations.

**Data not recorded up to 2022.

***Electricity generation and charging infrastructure currently available only at these sites.

Scope 1 emissions from natural gas and heating oil consumption

Region	Location	2019	2020	2021	2022	2023	23 to 19	23 to 22
Germany	Kreuzwertheim and Wertheim	1,513 t CO ₂	1,381 t CO ₂	1,325 t CO ₂	1,073 t CO ₂	936 t CO ₂	-38.1%	-12.8%
Germany	Sonnenbühl				179 t CO ₂	173 t CO ₂		-3.4%
Region Asia	Hong Kong, Zhuhai and Shanghai*	0 t CO ₂	0 t CO ₂	0 t CO ₂	0 t CO ₂	0 t CO ₂		
Region America	Plymouth	69 t CO ₂	83 t CO ₂	96 t CO ₂	90 t CO ₂	89 t CO ₂	+29.0%	-1.1%
Rest of World	International, smaller sales sites*	0 t CO ₂	0 t CO ₂	0 t CO ₂	0 t CO ₂	0 t CO ₂		
Total Group		1,582 t CO₂	1,464 t CO₂	1,421 t CO₂	1,342 t CO₂	1,198 t CO₂	-24.3%	-10.7%

Scope 1 emissions from fuel consumption (diesel and petrol)

Region	Location	2019	2020	2021	2022	2023	23 to 19	23 to 22
Germany	Kreuzwertheim and Wertheim	935 t CO ₂	740 t CO ₂	675 t CO ₂	683 t CO ₂	665 t CO ₂	-28.9%	-2.6%
Germany	Sonnenbühl				89 t CO ₂	101 t CO ₂		+13.5%
Region Asia	Hong Kong, Zhuhai and Shanghai**					106 t CO ₂		
Region America	Plymouth**					34 t CO ₂		
Rest of World	International, smaller sales sites**					69 t CO ₂		
Total Group		935 t CO₂	740 t CO₂	675 t CO₂	772 t CO₂	975 t CO₂	+4.2%	+26.2%

Scope 2 emissions from power consumption

Region	Location	2019	2020	2021	2022	2023	23 to 19	23 to 22
Germany	Kreuzwertheim and Wertheim***	969 t CO ₂	1,932 t CO ₂	1,765 t CO ₂	0 t CO ₂	0 t CO ₂	-100.0%	
Germany	Sonnenbühl***				305 t CO ₂	0 t CO ₂		-100.0%
Region Asia	Hong Kong, Zhuhai and Shanghai	788 t CO ₂	876 t CO ₂	1,018 t CO ₂	991 t CO ₂	967 t CO ₂	+22.6%	-2.4%
Region America	Plymouth	90 t CO ₂	87 t CO ₂	78 t CO ₂	96 t CO ₂	73 t CO ₂	-19.8%	-24.7%
Rest of World	International, smaller sales sites	9 t CO ₂	16 t CO ₂	9 t CO ₂	10 t CO ₂	13 t CO ₂	+46.9%	+26.6%
Total Group		1,857 t CO₂	2,912 t CO₂	2,869 t CO₂	1,403 t CO₂	1,052 t CO₂	-43.3%	-25.0%

*No natural gas and heating oil consumption at these locations.

**Data not recorded up to 2022.

***Converted to 100% green electricity from 2022 or 2023 (Sonnenbühl).

GRI content index

We have prepared this report on our economic, environmental and social performance in accordance with the core option of the international guidelines developed by the Global Reporting Initiative (GRI).

Principles [GRI 1]

The content of the Standard GRI 1: Principles (2021) were considered in the preparation of this Sustainability Report.

General information [GRI 2]

Organisational details [GRI 2-1]	Page 8
Entities included in the organisations sustainability reporting [GRI 2-2]	Page 8
Reporting period, frequency of reporting, contact point [GRI 2-3]	Page 13
Correction or restatement of information [GRI 2-4]	Pages 3, 8
External assurance [GRI 2-5]	Page 11
Activities, value chain and other business relationships [GRI 2-6]	Pages 30, 31, 52, 53
Employees [GRI 2-7]	Pages 8, 72
Governance structure and composition [GRI 2-9]	Page 14
Nomination and selection of highest governance body [GRI 2-10]	Page 14
Chairperson of highest governance body [GRI 2-11]	Page 14
Role of highest governance body [GRI 2-12; 2-14]	Page 11
Delegation of responsibility for managing impacts [GRI 2-13]	Page 14
Remuneration policies [GRI 2-19]	Page 15
Declaration of application of strategy for sustainable development [GRI 2-22]	Pages 2, 4, 22
Declaration of commitment to principles and approaches [GRI 2-23]	Page 15
Process to eliminate negative impacts [GRI 2-25]	Page 29
Compliance with laws and regulations [GRI 2-27]	Pages 62, 63
Membership in associations and interest groups [GRI 2-28]	Page 32
Approach to stakeholder involvement [GRI 2-29]	Pages 10, 25

Process to determine material topics [GRI 3-1] Page 12

List of material topics [GRI 3-2] Page 12

Management of material topics [GRI 3-3]

Sustainable Development: Development with foresight [GRI 3-3 b, d]	Page 22
Sustainable Procurement: Assuming responsibility in the supply chain [GRI 3-3 a-d]	Page 28
Sustainable Production: Introduction [GRI 3-3 b, d]	Page 36
Sustainable Selling: Introduction [GRI 3-3 d]	Page 52
Sustainable Management: Our approach: Holistic and international [GRI 3-3 b-d]	Page 61
Sustainable Living: The Kurtz Ersa Spirit [GRI 3-3 c, d]	Page 71

Specific information: Economic

Economic performance [GRI 201]	Page 60
Indirect economic impacts [GRI 203]	Page 66

Specific information: Ecological

Energy [GRI 302]	Page 36
Energy consumption within the organisation [GRI 302-1]	Pages 37, 38, 57
Reduction of energy consumption [GRI 302-4]	Page 38, 57
Reduction of energy demand for products and services [GRI 302-5]	Page 55
Water [GRI 303]	Page 48
Water as a shared resource [GRI 303-1]	Page 49
Water extraction [GRI 303-3]	Page 49
Water consumption [GRI 303-5]	Page 49
Emissions [GRI 305]	Page 42
Direct GHG emissions (Scope 1) [GRI 305-1]	Page 42
Indirect energy-related GHG emissions (Scope 2) [GRI 305-2]	Page 43
Other indirect GHG emissions (Scope 3) [GRI 305-3]	Pages 43, 74
Reduction of GHG emissions [GRI 305-5]	Page 43
Waste [GRI 306]	Page 45
Management of significant waste-related impacts [GRI 306-2]	Page 45
Waste generated [GRI 306-3]	Page 46
Waste diverted from disposal [GRI 306-4]	Page 47
Non-compliance with environmental laws and regulations [GRI 307-1]	Page 63
Environmental assessment of suppliers [GRI 308]	Page 32

Specific information: Social

Employees [GRI 401]	Page 72
New employees [GRI 401-1]	Page 72
Parental leave [GRI 401-3]	Page 74
Occupational health and safety [GRI 403]	Page 77
Management system for occupational health and safety [GRI 403-1]	Page 77
Hazard identification, risk assessment and incident investigation [GRI 403-2]	Page 77
Occupational health services [GRI 403-3]	Page 77
Staff training in occupational health and safety [GRI 403-5]	Page 77
Promotion of employee health [GRI 403-6]	Page 77
Education and training [GRI 404]	Page 75
Percentage of employees receiving regular performance and career development reviews [GRI 404-3]	Page 72
Diversity and equal opportunities [GRI 405]	Page 73
Diversity in governance bodies and among employees [405-1]	Page 73
Basic salary and remuneration of women in relation to basic salary and remuneration of men [405-2]	Page 73
Social assessment of suppliers [GRI 414]	Page 31
Customer health and safety [GRI 416]	Page 53
Violations relating to the health and safety impacts of products and services [GRI 416-2]	Page 53

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