

SUS TAIN ABIL ITY



GLOBAL. AHEAD. SUSTAINABLE.

Sustainability Report 2025



FAIRNESS & TRUST RESPECT
TRADITION SINCE 1779 OUR COMMITMENT FOR YOUR SUCCESS
ENERGY SAVING & CO., NEUTRALITY · SAFETY TEAM SPIRIT
FAMILY BUSINESS GOGREEN250
GENERATIONS OF RELIABLE PARTNERSHIPS RESOURCE EFFICIENT · RECYCLING
SUSTAINABLE PRODUCTS

Editorial

“Nothing is as constant as change.” This quote goes back to Heraclitus of Ephesus – and it is just as relevant today as it was some 2,500 years ago. Because in mechanical engineering, too, the following applies: markets change, requirements grow, and technologies develop rapidly. Or – as Friedrich Schiller so aptly put it: “Those who do not move with the times, will be swept away by the times!” For us, this is both – an incentive and an obligation: not only to accept change, but to actively shape it.

We experienced this adaptability and courage to change many times within our company in 2025. With the acquisition of two companies in Germany, we strategically expanded our product portfolio towards the semiconductor industry and micro-assembly, thus setting an important course for the future. In doing so, we not only strengthened our expertise and innovative capacity, but also created the foundation for meeting customer requirements even more comprehensively.

At the same time, we expanded our international sales network: two new sales locations in Singapore and Romania were established and integrated at the beginning of 2025. Proximity to our customers, faster delivery times, a better understanding of regional markets, and shorter communication channels are key success factors for us – and a significant contribution to bringing sustainable solutions to a wider audience.

For us, however, change is more than growth and structure. It also means consistently considering responsibility: for our employees, for our locations, for our supply chains – and for the environment. Sustainability is not an add-on for us, but an integral part of our commitment to long-term success – economically sound, technologically leading, and socially reliable.

This fifth sustainability report shows how we brought this commitment to life in 2025 – with progress, clear goals, and issues we still need to work on. I invite you to take a look at our GoGreen250 sustainability initiative, our measures, goals, and key performance indicators, and what drives us. Because change is most successful when it is transparent – and when it is shaped together.



Thomas Mühleck

A handwritten signature in blue ink, appearing to be 'T. Mühleck', written over a horizontal line.

Yours, Thomas Mühleck
CEO, Kurtz Ersa Group

Editorial note: This report addresses all people equally in terms of gender equality and gender mainstreaming. If the spelling does not obviously take this into account, it is solely for the sake of better reading flow and is in no way intended to be discriminatory.





Contents

ESRS 2 – General Disclosures		4						
1.1	[BP-1] General basis for preparation of the sustainability report	4	2.17	[E1-4] Targets related to climate change mitigation and adaptation	16	3.1.7	[S1-6] Characteristics of undertaking's employees	32
1.2	[BP-2] Disclosures in relation to specific circumstances	5	2.18	[E1-5] Energy consumption and mix	17	3.1.8	[S1-8] Collective bargaining coverage and social dialog	33
1.3	[GOV-1] The role of the administrative, management and supervisory bodies	5	2.19	[E1-6] Gross Scopes 1, 2, 3 and total GHG emissions	21	3.1.9	[S1-9] Diversity metrics	33
1.4	[GOV-2] Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	6	2.1.10	[E1-7] GHG removals and GHG mitigation projects financed through carbon credits	24	3.1.10	[S1-13] Training and skills development metrics	34
1.5	[GOV-3] Integration of sustainability-related performance in incentive schemes	6	2.1.11	[E1-8] Internal carbon pricing	24	3.1.11	[S1-14] Health and safety metrics	35
1.6	[GOV-4] Statement on due diligence	6	2.3	[E3] Water and marine resources	24	3.1.12	[S1-15] Work-life balance metrics	35
1.7	[GOV-5] Risk management and internal controls over sustainability reporting	7	2.3.1	[E3-1] Policies related to water and marine resources	24	3.1.13	[S1-17] Incidents, complaints and severe human rights impacts	35
1.8	[SBM-1] Strategy, business model and value chain	7	2.3.2	[E3-2] Actions and resources related to water and marine resources	24	3.2	[S2] Workers in the value chain	36
1.9	[SBM-2] Interests and views of stakeholders	8	2.3.3	[E3-3] Targets related to water and marine resources	25	3.2.1	[S2-SBM-3] Material impacts, risks and opportunities	36
1.10	[SBM-3] Material impacts, risks and opportunities	10	2.3.4	[E3-4] Water consumption	25	3.2.2	[S2-1] Policies related to value chain workers	36
1.11	[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities	10	2.5	[E5] Resource use and circular economy	25	3.2.3	[S2-2] Processes for engaging with value chain workers about impacts	37
1.12	[IRO-2] Disclosure requirements in ESRS covered by the undertaking's sustainability report	11	2.5.1	[E5-1] Policies related to resource use and circular economy	25	3.2.4	[S2-3] Processes to remediate negative impacts and channels for value chain workers to raise concerns	37
			2.5.2	[E5-2] Actions and resources related to resource use and circular economy	26	3.2.5	[S2-4] Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	37
			2.5.3	[E5-3] Targets related to resource use and circular economy	26	3.2.6	[S2-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	37
			2.5.4	[E5-4] Resource inflows	27			
			2.5.5	[E5-5] Resource outflows	28			
ESRS E – Environmental Information		13	ESRS S – Social Information		30	ESRS G1 – Business Conduct		38
2.1	[E1] Climate change	14	3.1	[S1] Own workforce	31	4.1	[G1-SBM-3] Material impacts, risks and opportunities	39
2.1.1	[GOV-3] Integration of sustainability-related performance in incentive schemes	14	3.1.1	[S1-SBM-3] Material impacts, risks and opportunities	31	4.2	[G1-1] Business conduct policies and corporate culture	39
2.1.2	[E1-1] Transition plan for climate change mitigation	14	3.1.2	[S1-1] Policies related to own workforce	31	4.3	[G1-2] Management of relationships with suppliers	40
2.1.3	[E1-SBM-3] Material impacts, risks and opportunities	14	3.1.3	[S1-2] Processes for engaging with own workers and workers' representatives about impacts	31	4.4	[G1-3] Prevention and detection of corruption or bribery	40
2.1.4	[IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities	15	3.1.4	[S1-3] Processes to remediate negative impacts and channels for own workforce to raise concerns	32	4.5	[G1-MDR-A] Actions and resources in relation to material sustainability matters	40
2.1.5	[E1-2] Policies related to climate change mitigation and adaptation	15	3.1.5	[S1-4] Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	32	4.6	[G1-4] Incidents of corruption or bribery	41
2.1.6	[E1-3] Actions and resources in relation to climate change policies	15	3.1.6	[S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	32	4.7	[G1-6] Payment practices	41
						4.8	Targets related to corporate governance	41



ESRS 2 – General Disclosures

1.1 [BP-1] General basis for preparation of the sustainability report

This year, Kurtz Ersa is reporting on sustainability matters for the second time in accordance with the Corporate Sustainability Reporting Directive (CSRD), using the European Sustainability Reporting Standards (ESRS) derived from the CSRD as of November 2025. For reporting year 2025, we have again deliberately chosen the title “Sustainability Report” rather than “Sustainability Statement”, as this is a standalone report. The reporting period relates to the 2025 financial year from January 1 to December 31, 2025.

Aligning our reporting with the CSRD framework entails adjustments to the way we identify the topics that are material for Kurtz Ersa. As required by the ESRS, we have therefore been applying the principle of double materiality since the beginning of 2025. When we applied this concept for the first time, we considered both the impacts of our business activities on people and the environment and the risks and opportunities that contribute to the Group’s financial stability. Alongside our own operations, the double materiality assessment also covered upstream and downstream value chains. This year’s Sustainability Report largely retains the structure of the previous report. Most of the content published to date is included again; information that is not directly relevant to the report continues to be provided on our website. To ensure comparability with our reports prepared in accordance with the GRI standards for the years 2021 to 2023, the Sustainability Report 2024 sets out in detail where the content of our six fields of action can be found within the ESRS structure used as well as on our website, since the transition to CSRD-based reporting. Further information on the structure of the current report, in line with the ESRS, is provided under 1.12 [IRO-2]. In several places we also refer to information already published on our website and to our Sustainability Reports for the last four reporting years. These reports are available on

our website. With this approach, we aim to avoid duplication and to keep our CSRD-aligned Sustainability Reports focused as far as possible on data and facts.

Within individual ESRS chapters, we also address certain aspects in the form of policies, actions and targets that are not directly linked to specific IROs, in order to maintain continuity with our sustainability reporting from recent years. However, these aspects still fall within the ESRS chapters identified as material for the Kurtz Ersa Group as a result of the double materiality analysis.

The disclosures in this Sustainability Report relate to the same period covered by the current financial report. Responsibility for preparing the report lies with Kurtz Ersa’s Sustainability Steering Committee, which is made up of Kurtz Ersa’s international management (Global Board). The Steering Committee assigns the central department Corporate Quality Management and Corporate Environmental Social Governance (CQM+CESG) the central function to collect relevant data and present it in a Sustainability Report. The Steering Committee reviews the results and approves them for publication. Once again, we are not commissioning an additional external audit on compliance with the CSRD standard this year. In preparation for the external audit required in future, the sustainability information included in the 2025 financial management report has been expanded and verified by an external party.

As of December 31, 2025, the Group comprises 19 companies (eight in Germany and 11 internationally). During the reporting year, changes arose, firstly, from the integration of Kurtz Ersa Automation GmbH into Ersa GmbH with effect from July 1, 2025, and of globalPoint ICS GmbH & Co. KG at the turn of the year 2025/26. Secondly, two companies with locations in Germany became part of the Kurtz Ersa Group. Since September 1, 2025, Kurtz Ersa Semicon GmbH (formerly ATV Technologie GmbH) has been included in the Group, followed on December 1, 2025, by Kurtz Ersa Smart Production GmbH (formerly Häcker Automation GmbH). Beyond this, Kurtz Ersa does not hold interests in any other entities (such as sub-

sidaries, joint ventures or minority shareholdings), meaning that no further disclosures can be made in our sustainability reporting in this respect. The consolidation perimeter for reporting purposes includes all production, administrative and sales locations within the Group. In deviation from the financial report, the sustainability report discloses information for all sites. This is primarily to ensure comparability of ESG information across all locations.

Locations in Germany:

- Kurtz Holding GmbH & Co. Beteiligungs KG
- Ersa GmbH*
- Kurtz GmbH & Co. KG*
- Kurtz Ersa Hammer Academy GmbH
- Kurtz Ersa Logistik GmbH
- Kurtz Ersa Semicon GmbH*
- Kurtz Ersa Smart Production GmbH*
- SCHILLER AUTOMATION GmbH & Co. KG*

International locations:

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

*Production sites.

In addition to our own operations, our Sustainability Report also considers Kurtz Ersa’s upstream and downstream value chains, and our greenhouse gas (GHG) accounting is aligned with the GHG Protocol. Under our GoGreen250 initiative, our ambitious plan is to achieve Group-wide carbon neutrality by 2029 (in respect of Scopes 1 and 2 and disclosed Scope 3 emissions). We disclose our progress in the software-based collection and analysis of our indirect greenhouse gas emissions (Scope 3), as well as detailed information on our Scope 1 and 2 emissions, under 2.1.9 [E1-6].



1.2 [BP-2] Disclosures in relation to specific circumstances

The following time horizons defined in ESRS 1 (Section 6.4) apply again to this year's Sustainability Report and double materiality analysis:

- short-term: max. 1 year
- medium-term: 1 to 5 years
- long-term: more than 5 years

To ensure, to the best of our knowledge and belief, complete disclosure of data and metrics, certain assumptions were made during data collection and analysis based on estimates and extrapolations. This results in uncertainties in the findings and partially limited data quality. These uncertainties and the associated limitations in data quality are particularly relevant for the Group's international locations and for upstream and downstream value chains. Under 2.1.9 [E1-6], we address in detail the limitations relating to Scope 3 emissions, which were collected for the first time in the reporting year.

Our aim is to continuously improve data quality and to resolve the uncertainties identified. With the introduction of a software for the systematic recording of emissions, we were able to make further progress towards this target in the reporting year. The international roll-out of our Integrated Management System (IMS), planned to be completed by the end of 2026, marks another key milestone on this path.

As explained in 1.1 [BP-1], this is the second time we have prepared the report in line with the CSRD. In this context, we are building on the ESRS structure and graphics used in the previous report, as well as on the revised ESRS chapters as of November 2025. The information on material topics and on impacts, risks and opportunities (IROs) identified in the materiality assessment conducted in 2025 and first presented in the previous report has been carried over into this report, as there have been no material changes since

then in our own operations or in upstream and downstream value chains and therefore no need for reassessment.

1.3 [GOV-1] The role of the administrative, management and supervisory bodies

Kurtz Ersa's international management (Global Board) currently comprises six members, each responsible for a business unit or specific regions.

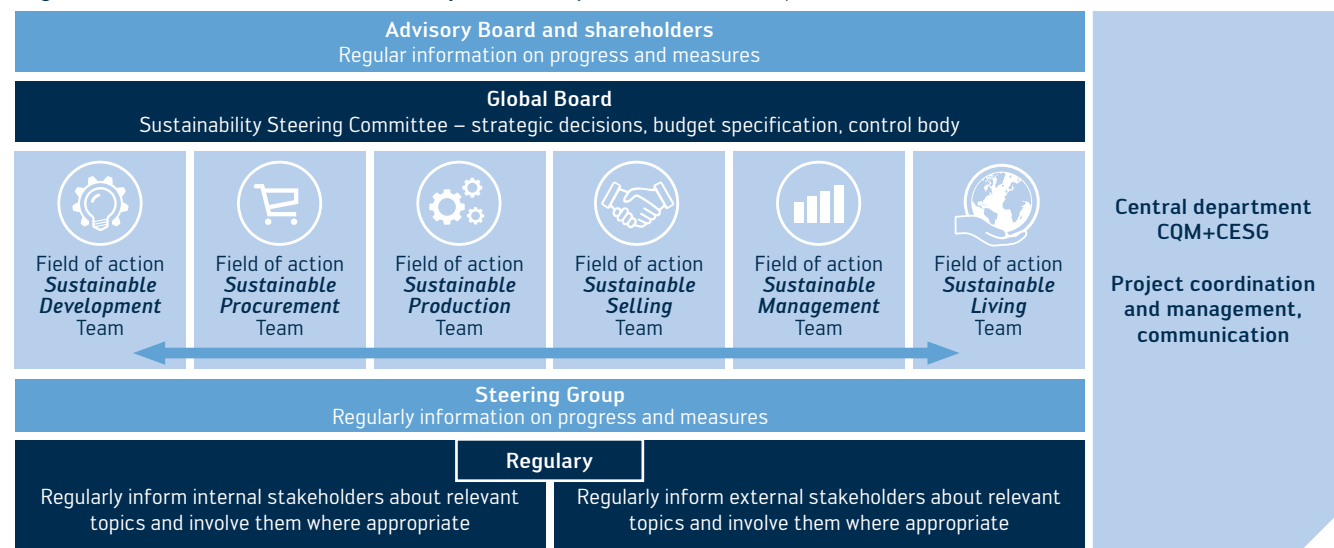
The members of the Global Board are

- **Thomas Mühleck** (CEO, Chairman of the Global Board)
- **Hubert Baren** (Managing Director, Automation)
- **Albrecht Beck** (Managing Director, Region Americas)
- **Andrea Carta** (Managing Director, Moulding Machines)
- **Dr. Michael Fischer** (Managing Director, Electronics Production Equipment)
- **Bernd Schenker** (Managing Director, Region Asia)

In addition to the holding company's managing directors who form the Global Board, there are seven further operational managing directors leading the individual companies. These entities are each assigned to a business segment, which is described in more detail under 1.8 [SBM-1]. This ensures that all regions and parts of the business are equally represented. At the same time, comprehensive budget and personnel responsibility is concentrated at these positions, meaning that measures supporting sustainable development can be influenced directly.

In addition to its advisory function, the Advisory Board also exercises oversight of the management. Longstanding entrepreneurial experience and personal suitability are prerequisites for appointment to the Advisory Board. The Chair of the Advisory Board, and therefore of the highest supervisory body, is Rainer Kurtz.

Organisational structure Kurtz Ersa Group on the subject of sustainability





Both the Advisory Board and the shareholders are regularly informed about plans and progress in implementation. The central department CQM+CESG is responsible for the operational implementation of all measures resulting from the management of the aforementioned effects. Further information on our administrative, management and supervisory bodies is available on our website under [Management](#).

1.4 [GOV-2] Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Global Board also forms the Sustainability Steering Committee, which governs the company's sustainability management, i.e. the impacts of Kurtz Ersas's business activities on the environment and people, and the management of risks and opportunities relevant to the Group's success. It also serves as the highest oversight body and assumes responsibility for the content of policies and ESG targets and for implementing sustainability measures. In regular meetings, held approximately every eight weeks, the central department CQM+CESG reports, among other things, on:

- monitoring the definition of corporate targets
- monitoring of the progress towards achieving corporate targets
- monitoring and steering the decarbonization scenario analysis as part of Science Based Targets (SBTs)
- monitoring of the reporting and ISO audit processes
- reviewing and steering of the assessment process for dependencies, impacts, risks and opportunities
- approving of corporate policies and/or commitments
- monitoring of compliance with corporate policies and/or commitments
- monitoring and steering public engagement

1.5 [GOV-3] Integration of sustainability-related performance in incentive schemes

It is important to us to embed awareness of sustainable processes and our commitment to implementing the Go-Green250 initiative even more firmly in our business practices. For this reason, we have linked part of the annual special payment for management and executives to sustainability criteria.

In doing so, we use the ESG rating as a reference, as it provides an objective measure of a company's performance in the areas of environment, social matters and governance (ESG), and is prepared annually by external experts. The implementation of key sustainability criteria has influenced our remuneration practices since 2023 and is also communicated externally on our website under the tab [Governance](#).

1.6 [GOV-4] Statement on due diligence

In the course of our business activities, we respect internationally recognized human rights, as defined, among other sources, in the UN Guiding Principles on Business and Human Rights. Further guidance in this context is provided by the OECD Due Diligence Guidance for Responsible Business Conduct, as well as by the German Government's National Action Plan and the Supply Chain Due Diligence Act (SCDDA) derived from it.

Our Code of Conduct sets out, among other things, the resulting minimum requirements for us and our business partners, particularly our suppliers. These requirements are further specified in our Policy Statement, which is available on our website.

In addition, our membership of the UN Global Compact commits us to follow the ten principles of the international network and to report transparently and regularly on our status and progress. In doing so, all member institutions emphasize their commitment to safeguarding human and labor rights, actively combating corruption and consistently protecting the environment.

Sustainability is an important building block of our corporate strategy (see also 1.8 [SBM-1]) and is likewise embedded in our brand value **Global. Ahead. Sustainable.**

Given our holistic and international approach, we naturally do not view sustainability in isolation. This holistic perspective is a prerequisite for effective interaction between the individual ESG segments and has formed the frame in the central department CQM+CESG since 2023. This also establishes an approach that ensures all policies, actions and targets associated with due diligence are discussed intensively between the Global Board and the central department and are incorporated into corporate management (see 1.4 [GOV-2]).

We engage stakeholders, for example, through their involvement in the double materiality analysis (1.11 [IRO-1] and 1.9 [SBM-2]), our whistleblower system (3.1.13 [S1-17]) and our sustainable supplier management (3.2.2 [S2-1]). The identification and assessment of negative impacts on people and the environment is carried out via the double materiality analysis (1.11 [IRO-1]), which also draws on our risk management (1.7 [GOV-5]). This, in turn, forms the basis for implementing the SCDDA and for rolling out a Compliance Management System (CMS). The tracking and effectiveness of our overall efforts are currently measured, for example, using the complaints received through our whistleblower system (3.1.13 [S1-17]) and by monitoring the development of risk assessments.



1.7 [GOV-5] Risk management and internal controls over sustainability reporting

A structured, consistent risk management system helps to create transparency regarding existing risks and risks that may become relevant in the near future, to assess these risks, and to derive suitable measures to manage them. This also includes ESG risks.

At Kurtz Ersa, for prioritization purposes, risks are divided into three risk classes, or five in the case of ESG risks, depending on the probability of occurrence and the potential level of damage. A risk management process has been established for reporting risks and for reviewing risk assessments at least annually.

Kurtz Ersa's Global Board is regularly informed about current risks and risk management in general, as well as the status of implementing measures, as part of the Steering Committee meetings. In the event of significant risk increases outside the annual reporting cycle, an ad hoc report is provided. The methodology and scope of risk assessment are continuously reviewed and optimized.

Internal controls relating to sustainability reporting

As Kurtz Ersa is not required to report in accordance with the CSRD standard for the reporting year, we do not carry out a CSRD-based completeness check of data and information. However, to ensure the completeness and accuracy of the data disclosed in the Sustainability Report, data is collected with the relevant experts – for example, consumption data of our machines produced together with product owners – and is subjected to repeated plausibility checks (including within the central department CQM+CESG). In addition, some of the data used to calculate Scope 3 emissions comes from various sources, particularly in Scope 3.1 (purchased goods and services). Cross-checking these

sources has enabled us to achieve the best possible data quality. Using the software introduced in 2025, we also pursue a continuous improvement approach to data quality and integrity.

1.8 [SBM-1] Strategy business model and value chain

Kurtz Holding GmbH & Co. Beteiligungs KG (Kurtz Ersa) is an internationally active mechanical engineering company. It is subject to the legal form of a partnership already run by the seventh generation as a family business. The three business segments cover the following areas:

- Soldering systems, soldering tools, soldering lines and semiconductor technology (Electronics Production Equipment)
- Foam, foundry and die-casting machinery, and 3D metal printing (Moulding Machines)
- Automation solutions for electronics production and micro-product production (Automation)

Kurtz Ersa's headquarters is in Kreuzwertheim (Bavaria). With its international structure, the company has locations in Europe, North and Central America, and Asia. Overall, the company operates eight production sites in Germany (5), the USA, Mexico and China; in addition, Kurtz Ersa has eight further sites abroad (China [2], France, India, Mexico, Vietnam, Singapore and Romania).

Kurtz Ersa's supply chain – like that of many machinery and plant manufacturers worldwide – is extensive and highly complex, making transparency a key challenge. A large proportion of our contractual partners are based in Germany or Europe (see the chart under 2.5.2 [E5-2]). At present, we have no information on indirect suppliers beyond tier 1. Kurtz Ersa is also a broadly positioned mechanical engineering company

and a sought-after partner across numerous industries. Around 87% of our sales is generated with international business partners.

Across all parts of the Group, we employ a total of 1,745 people (+147 compared with the previous year), including 1,043 (–17) at our headquarters in the municipalities of Wertheim and Kreuzwertheim. A further 226 employees (+75) work at our three other sites in Germany (Sonnenbühl, Vaterstetten and Waltershausen), 48 (±0) in the USA, 18 (+18) in Mexico, 341 (+46) in the Asia region, and 69 (+25) in the rest of the world; reporting date in each case December 31, 2025.

Kurtz Ersa's net revenue in financial year 2025 totalled EUR 291 million. The flat trend compared with EUR 293 million in 2024 is primarily attributable to the continuing weakness of the global economy. Total assets amounted to EUR 265 million at the end of the financial year on December 31, 2025, of which EUR 102 million related to equity and EUR 163 million to liabilities. Balance-sheet equity therefore stood at 38.6%, while economic equity stood at 51.4%.

Further information on our Group structure, as well as our vision and mission, our brand values and more, can be found on our website. In our downloads section, we also provide an overview illustrating how we align our business activities with the 17 UN Sustainable Development Goals (SDGs).

The sustainability strategy is actively shaped by stakeholders with (very) high priority for the Group. Their involvement is explained under 1.9 [SBM-2].

In 2020, we defined six fields of action that we use to structure the full set of our sustainability topics. These determined the structure of our Sustainability Reports for reporting years 2021 to 2023. Where the content from our former reporting structure can be found within the ESRs structure, and which topics are covered on our website, is set out in Annex 5.1 of the Sustainability Report 2024.

1.9 [SBM-2] Interests and views of stakeholders

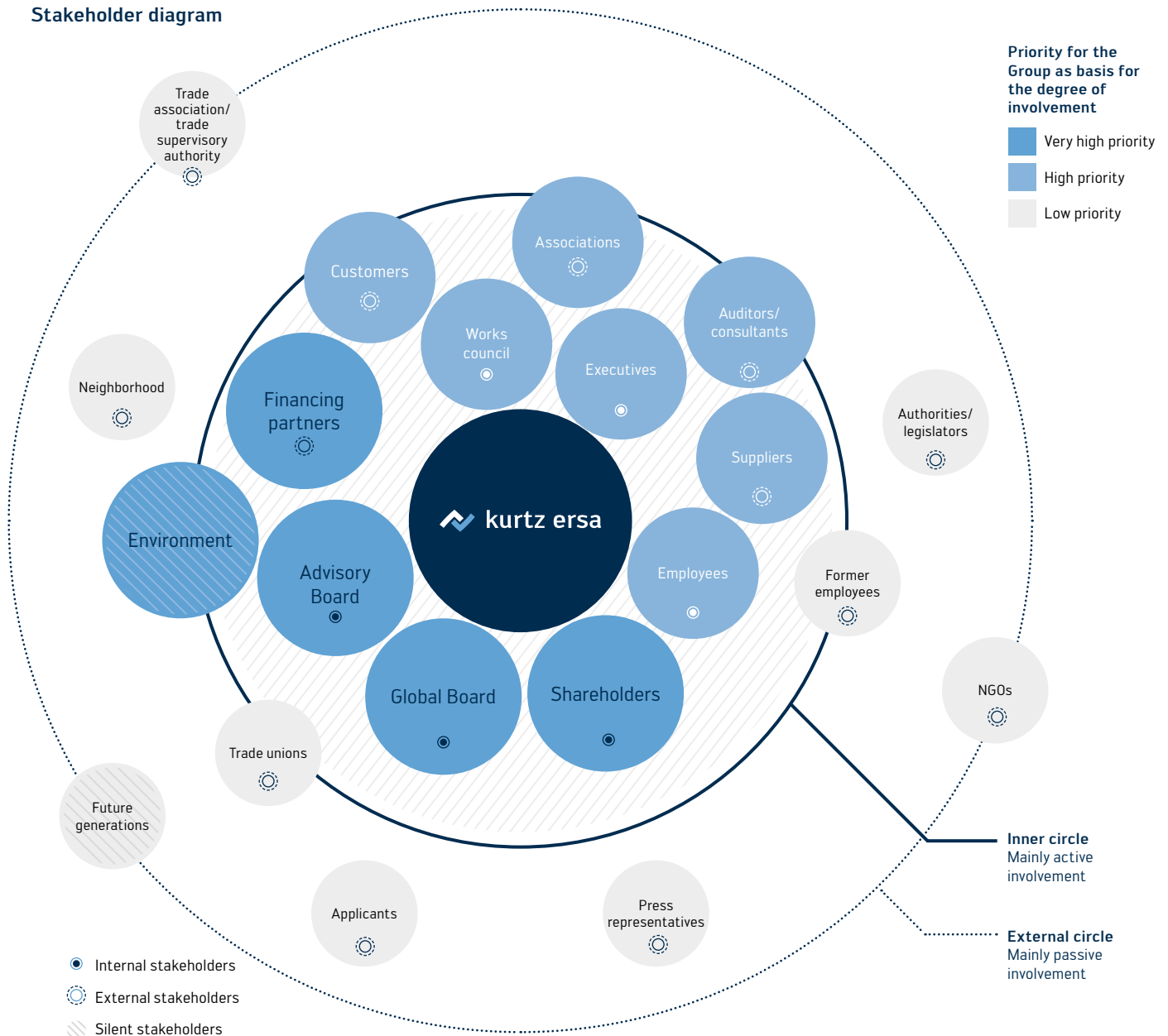
Sustainable corporate action should always be subject to reflection by relevant stakeholder groups and, where appropriate, be reoriented by decision-makers in light of the results. For this reason, dialog with a range of stakeholder representatives – “stakeholders” – is self-evident for us.

To support targeted stakeholder communication, we first defined our key stakeholder groups – internally and externally – in 2021. Besides proximity to at least one company within the Group, the decisive criterion was the degree of active engagement. At that time, engagement was based on (often institutionalized) communication and the ability to influence Kurtz Ersa’s activities.

As part of aligning our sustainability reporting with the CSRD, we expanded our stakeholder engagement framework at the end of 2024 and reviewed the currency of our key stakeholder groups. Our framework has since been based on the AA1000 Stakeholder Engagement Standard (SES). Building on our efforts in 2021 and the AA1000 approach, we developed a stakeholder matrix that helps us determine the degree to which our stakeholder groups are involved in our strategic and operational sustainability matters. For prioritization, we rely on the interaction of the criteria interest, influence and knowledge. Our interpretation of these criteria is described in greater depth in the Sustainability Report 2024 under 1.9 [SBM-2].

Since our first mapping in 2021, the overall set of stakeholder groups expanded slightly in 2024. In line with the CSRD, we have since distinguished between internal, external and “silent” stakeholder groups. As there have been no relevant changes prompting us to update our key stakeholder groups, we continue to distinguish between the following three stakeholder categories. Our internal stakeholder groups include shareholders, Advisory Board members, the Global Board, all employees, our managers and the works council. Our external stakeholder groups include both our direct

Stakeholder diagram



business partners, i.e. customers and suppliers, as well as financing partners, press representatives, local authorities and legislators, auditors and consultants (including in their role as certifiers), associations, employers' liability insurance associations, the trade supervisory authority and trade unions. In addition, this category includes stakeholders in the local community and private individuals as potential new employees or former employees of the Kurtz Ersa Group.

"Silent" stakeholders are stakeholders who do not exert a direct or vocal influence on corporate decisions but are nevertheless strongly affected by the company's activities




and strategies. For us, these include the environment and future generations.

Open and regular dialog is fundamental to us. In some cases, contact is also subject to legal requirements (including in relation to trade unions and works councils). The numerous channels available to our internal stakeholders for information exchange and dialog are described in detail under 3.1.1 [S1-SBM-3], which also sets out the communication routes used with our external stakeholders.

Based on our stakeholder matrix, we actively involved our key stakeholder groups – those shown as having a (very)

high priority in the diagram on page 9 – in the double materiality analysis at the beginning of 2025. Engagement took place via a new questionnaire covering both the non-financial and the financial perspective. Unfortunately, we did not receive any usable feedback from our external stakeholders through this route. As a result, our internal experts represented the interests of external stakeholders (for example, customers and suppliers) by answering the stakeholder questionnaire on their behalf in a short interview. The approach selected for the evaluation within the overall context of the double materiality analysis is described in detail in the Sustainability Report 2024; see 1.9 [SBM-2].

Material positive and negative impacts of the Kurtz Ersa Group on people and the environment

ESRS	Topic	Sub-topic	Impact	Relevance	Value chain
 Environment	[E1] Climate change	Climate change mitigation	Direct and indirect GHG emissions in Scope 1 and 2	Actual ↓	(1), (2)
			Indirect GHG emissions in Scope 3	Actual ↓	(3)
		Energy	Purchase and use of fossil fuels	Actual ↓	(1), (2)
			Decarbonization in Scope 1 and 2	Actual ↑	(1), (2)
			Energy consumption due to building technology	Actual ↓	(2)
	[E3] Water and marine resources	Water: water consumption	Drinking and fresh water consumption	Actual ↓	(2)
[E5] Resource use and circular economy	Waste	Waste generation	Actual ↓	(2)	
 Social	[S1] Own workforce	Working conditions: secure employment	Privately owned family business	Actual ↑	(2)
		Working conditions: social dialog	Diverse communication channels	Actual ↑	(2)
		Equal treatment and opportunities for all: training and skills development	Abundance of (internal company) development concepts	Actual ↑	(2)
	[S2] Workers in the value chain	Working conditions: health and safety	Deficits in requirements and implementation	Potential ↓	(1), (3)
		Working conditions: social dialog	Poor working conditions due to inadequate dialog	Potential ↓	(1), (3)
 Governance	[G1] Business conduct	Management of relationships with suppliers, including payment practices	Distinct requirements (esp. on ESG issues)	Actual ↑	(1)
		Protection of whistleblowers	Anonymous complaint management and whistleblower system	Actual ↑	(1), (2), (3)
		Corruption and bribery: prevention and detection including training	Mechanisms for prevention and detection	Actual ↑	(1), (2), (3)

↑ Positive ↓ Negative (1) Upstream value creation (2) Own business division (3) Downstream value creation



Through stakeholder engagement, our aim is to establish regular dialog and build strong, value-creating relationships with our stakeholders. We want to incorporate their experience and expectations while also promoting the implementation of our sustainability strategy, and to define concrete steps towards sustainability together.

To involve our stakeholders in our sustainability matters at regular intervals, we intend to reassess our stakeholder groups approximately every two years with regard to the degree of their engagement in our sustainability matters – next expected at the end of 2026. Based on the decision within the Omnibus I package on new thresholds for CSRD reporting, we are not required to report in line with the CSRD at present; however, we still want to prepare for a potential reporting obligation in the coming years. Accordingly, we will continue to follow the approach of preparing our stakeholders step by step for the associated holistic perspective on sustainability topics.

1.10 [SBM-3] Material impacts, risks and opportunities

As a result of the double materiality analysis, for the following ESG topics defined in the ESRS

- [E1] Climate change
- [E3] Water and marine resources
- [E5] Resource use and circular economy
- [S1] Own workforce
- [S2] Workers in the value chain
- [G1] Business conduct

material impacts, risks and/or opportunities were identified for Kurtz Ersa. These are disclosed in the two tables on pages 9 and 11 and supplemented by further attributes such as materiality and their allocation within Kurtz Ersa's value chain.

At present, our targets and measures are aligned with our overarching sustainability strategy, GoGreen250, and – within the environmental domain – focus on aspects with significant leverage for reducing emissions. Some key elements of our sustainability strategy are reflected in the IROs we have identified; for example, energy is a central theme. Going forward, we intend to focus even more strongly on the material IROs and analyze where our business model and strategy show weaknesses or gaps that should be addressed to strengthen resilience, particularly in relation to risks.

After working intensively in the reporting year on capturing our CCF (Corporate Carbon Footprint), our next step is to develop scenario analyses for our business model, which are a prerequisite for setting scientifically grounded targets.

Key milestones can be found on the timeline on our website via the tab *Sustainability*, as well as in the target overviews at the beginning of the chapters E, S and G. The (likely) impact of both the material negative and the material positive effects on people and the environment is explained at the beginning under the corresponding ESRS topics for E, S and G.

1.11 [IRO-1] Description of the process to identify and assess material impacts, risks and opportunities

In the past, the selection of the core topics and fields of action in our sustainability reporting was based on a materiality analysis. In 2020, this analysis resulted in the six fields of action "Sustainable Development", "Sustainable Procurement", "Sustainable Production", "Sustainable Sales", "Sustainable Living" and "Sustainable Business". We will continue to use these fields of action in the future to ensure comparability of current and future targets and measures with the disclosures in the Sustainability Reports for reporting years 2021 to 2023 and to make developments visible.

Following the transition of our sustainability reporting to a CSRD-aligned approach, we first applied the concept of the double materiality analysis (DMA) at the end of 2024 and used it to assess the ESRS standards for the Kurtz Ersa Group.

The DMA concept is based on two perspectives for determining materiality: inside-out and outside-in. The inside-out perspective covers the impacts associated with ESG topics that a company has on society and the environment. The outside-in perspective covers the risks and opportunities associated with ESG topics for a company's financial stability. To identify relevant topics and material aspects in the form of IROs, we followed the steps below within the double materiality analysis:




	Industry evaluation	(Mechanical and plant engineering)
+	Internal company evaluation	(Kurtz Ersa – Central Department CQM+CESG)
+	Stakeholder engagement	(Key Stakeholder)
=	Holistic evaluation	(Material and non-material topics and IROs for Kurtz Ersa)

Details on our approach in each of these steps can be found in the Sustainability Report 2024 under 1.11 [IRO-1].

Throughout the entire process, we placed great emphasis on continuous exchange between sustainability and compliance experts, for example to ensure that insights from the risk and opportunity analysis could be incorporated into the IRO assessment. In the course of capturing and assessing the IROs, a shared understanding was reached on the assessment criteria that determine the overall result of the IROs. Guidance was provided, among others, by DNK and EFRAG publications.

Social aspects were analyzed and assessed separately – both with regard to Kurtz Ersa's own workforce and with regard to workers in the value chain.

Material risks and opportunities for the financial success of the Kurtz Ersa Group

ESRS	Topic	Sub-topic	Risk/Opportunity	Relevance	Value chain
 Environment	[E1] Climate change	Energy	Resource-efficient machines and technology that promote the manufacture and use of sustainable products	↑	(3)
	[E5] Resource use and circular economy	Resource inflows, including resource utilization	Procurement of resources and global sourcing	↓	(1), (2)
 Social	[S1] Own workforce	Working conditions: secure employment	Location and personnel-related costs	↓	(2)
 Governance	[G1] Business conduct	Corporate culture	Costs and effort associated with regulation	↓	(2)

↑ Chance ↓ Risk (1) Upstream value creation (2) Own business division (3) Downstream value creation

How stakeholder involvement within the double materiality analysis was implemented in 2024 is summarized under 1.9 [SBM-2]. Further details can be found in the Sustainability Report 2024. Impacts were assessed based on an estimate of occurrence within defined time horizons, as well as scale, scope and remediability. The time horizons are set out under 1.2 [BP-2] and follow the ESRS proposal. Further guidance on our interpretation of the assessment criteria is also provided in the Sustainability Report 2024 under 1.11 [IRO-1].

The assessment of ESG risks is part of Kurtz Ersa's structured and consistent risk management system, which is described under 1.7 [GOV-5]. A three-level scale is used to classify other types of risks. How risks are handled is described under 1.7 [GOV-5]. ESG risks will be reviewed and reassessed as part of the regular process in Q1 2026.

A report on the results and on how ESG opportunities are handled will be provided in the next Sustainability Report. The results of the double materiality analysis first conducted at the end of 2024 remain valid. A cycle of approximately two years was defined during the reporting period for regular review of validity. Accordingly, a review of material topics and IROs is planned for the end of 2026. The double materiality analysis will also include a review and, if necessary, a reassessment of stakeholders (see 1.9 [SBM-2]). The DMA and stakeholder engagement will be carried out outside the defined cycle as needed. During the reporting period, despite changes in the corporate structure, there was no such need, as the newly acquired business units must first be fully integrated into the Group and will then be included in the next scheduled cycle of the assessment.

1.12 [IRO-2] Disclosure requirements in ESRS covered by the undertaking's sustainability report

The ESRS disclosures covered by this year's Sustainability Report can be found in the table of contents. The following topics were classified as non-material based on the double materiality assessment conducted at the end of 2024, after the respective IROs had been assessed and individually evaluated by sustainability experts in the company context. This classification remains valid until the next double materiality assessment and therefore also applies to the reporting period.



[E2] Environmental pollution

Kurtz Ersa discharges its wastewater – except for process wastewater, which is collected separately and collected and treated by specialist contractors – entirely into the public sewer system.

In addition, we use very few hazardous substances, meaning emissions occur only to a limited extent. Our waste is separated as effectively as possible, collected by certified waste disposal companies and processed further. Within our own operations, the main sources of air pollution from exhaust gases and pollution from microplastics currently arise from our vehicle fleet, through exhaust emissions and tire abrasion.

Given the currently known severity and scope of these sub-topics, pollution is not material for the reporting period.

Information on energy and water consumption, waste volumes generated and greenhouse gas emissions for recent years is disclosed under the relevant chapters 2.1.8 [E1-5], 2.1.9 [E1-6], 2.3.4 [E3-4] and 2.5.5 [E5-5]. As we have, in the reporting year, retrospectively collected the greenhouse gases generated in our upstream and downstream value chains for the period 2023 to 2025, we are disclosing Scope 3 emissions for the first time in 2.1.9 [E1-6].

[E4] Biodiversity and ecosystems

In the reporting year, no designated cultural heritage sites or nature conservation areas were affected by the Group's locations.

[S3] Affected communities

In the reporting year, no communities in the vicinity of Kurtz Ersa sites were affected by the Group's business activities.

[S4] Consumers and end users

Most of our products are positioned in the B2B segment; the only exception is our hand soldering irons. The safety and health of our customers is our top priority. For this reason, we address this topic in Kurtz Ersa's Code of Conduct and implement extensive measures to ensure safe machinery.

Some of the information in this report was collected as part of the double materiality assessment conducted at the end of 2024. This information was supplemented, among other things, with content from previous Sustainability Reports and with information specifically relating to the reporting year. The material sustainability matters are presented in the relevant topic chapters (e.g. [E1], [E2], etc.).

This also includes information that is not directly linked to specific IROs, but relates to the ESRS topics identified as material for Kurtz Ersa.

Information is provided where it is relevant to understanding the matter presented or supports decision-making by the Sustainability Report's primary users. Where information on policies, actions and targets is provided, it covers those data points for which Kurtz Ersa already has information and data available. Overall, the data is meaningful and of high quality. The limitations of our data quality are described in detail under 1.2 [BP-2].



ESRS E

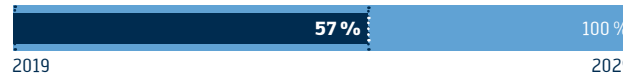
Environmental Information



Targets:

Reduce greenhouse gas emissions

CO₂ neutrality in Scope 1 / Group-wide



CO₂ neutrality in Scope 1 / German locations



CO₂ neutrality in Scope 2 / Group-wide



CO₂ neutrality in Scope 2 / German locations



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**



Renewable energy share*****



Waste avoidance

Reduction of waste volume***



Reduction of hazardous waste***

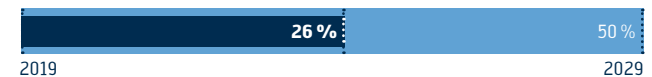


Reduction of packaging waste***



Electrification of German vehicle fleet

Share of e-vehicles (pure electric and hybrid vehicles)



Sustainable Procurement

Integrating Strategic Suppliers into CO₂ Reduction Target****



Building a Network of Sustainable Strategic Suppliers*****



*Energy consumption (electricity, gas, oil, and fuels) in MWh per million EUR turnover.

**Relating to our sites in Kreuzwertheim and Wertheim.

***Waste volume in kg in relation to production hours at German sites. The target horizon has been extended to 2029.

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

*****Group-wide perspective, see also the chart on page 22.

*****Share of the German purchasing volume of SAP-connected companies (see 2.5.4 (E5-4)).

■ Our target ■ Target achievement, status 31.12.2025



ESRS E – Environmental Information

2.1 [E1] Climate Change

2.1.1 [GOV-3] Integration of sustainability-related performance in incentive schemes

As explained in chapter 1.5 [GOV-3], part of the annual special payments for the executives and managers is linked to the outcome of our annual ESG rating. Climate-related aspects form part of the sustainability criteria assessed.

2.1.2 [E1-1] Transition plan for climate change mitigation

In our sustainability strategy, we have committed to a continuous reduction of greenhouse gas emissions. Our ambitious plan is to achieve Group-wide CO₂ neutrality by 2029 (in respect of Scope 1 and Scope 2 and disclosed Scope 3 emissions).

In 2020, Kurtz Ersa – among other objectives – set itself the decarbonization target as part of the GoGreen250 initiative and developed a transition plan for the ongoing reduction of Scope 1 and Scope 2 emissions. An overview of the milestones achieved, and savings made since then can be found in this report and in our sustainability content on our website.

Since the beginning of 2025, we have been using a GHG-compliant software solution to record and analyze our greenhouse gas emissions. We expect this to deliver significant benefits, particularly for accounting for other indirect greenhouse gas emissions (Scope 3) and our Corporate Carbon Footprint (CCF).

As these areas will be a key focus in the coming years, we have identified the relevant Scope 3 categories to be included going forward. The emissions are caused, for example, by:

- the purchase of goods and services (Scope 3-1)
- the purchase of capital goods (Scope 3-2)
- fuel- and energy-related activities (Scope 3-3)
- upstream transportation and distribution (Scope 3-4)
- waste generated in operations (Scope 3-5)
- business travel (Scope 3-6)
- employee commuting (Scope 3-7)
- upstream leased assets (Scope 3-8)
- downstream transportation and distribution (Scope 3-9)
- the use of sold products (Scope 3-11)
- end-of-life treatment of sold products (Scope 3-12)

Scopes 3-10 (processing of sold intermediate products), 3-13 (downstream leased assets), 3-14 (franchises) and 3-15 (investments) are not applicable to Kurtz Ersa.

From Q2 2026, our software will enable us to model different decarbonization scenarios for GHG emissions caused by us (Scope 1, Scope 2 and Scope 3). Scientifically grounded, SBT-based (SBT = “Science Based Targets”) Scope 3 targets are to be defined during 2026 and approved internally and externally.

2.1.3 [E1-SBM-3] Material impacts, risks and opportunities

The material climate-related IROs are set out in tabular form in chapter 1.10 [SBM-3]. Greenhouse gas emissions are one of the main drivers of global warming. When fossil fuels such as coal, oil and gas are burned, large quantities of greenhouse gases such as carbon dioxide (CO₂) are released into the atmosphere.

Kurtz Ersa’s material impacts on the climate extend across the entire value chain. Within our own operations, direct and indirect GHG emissions – particularly CO₂ – are generated, among other things, through production, transportation and the operation of assets.

We require electricity, for example, to operate buildings, machinery, equipment and IT systems, and to run heat pumps. Biogas and natural gas are used primarily as energy sources for heat generation and only to a limited extent as process gas. Heating oil is used as an energy source for heat generation at two sites. In addition, our company requires fuels (diesel, petrol and electricity) to operate its vehicle fleet.

As a positive impact, we can highlight in particular the significant reduction in GHG emissions and the resulting decarbonization of Scope 1 and Scope 2 emissions at our German locations since the 2019 base year. At our international locations, we are still exploring ways to reduce GHG emissions, including through the use of renewable energy. Projects already implemented or planned, and their effects, are described on our website and in this report.

We continue to see a significant opportunity for Kurtz Ersa in the development and manufacture of efficient, innovative machines that enable our customers to produce more sustainably. For example, we see customer-side production of products from renewable raw materials as a major opportunity in the near future.

For the reporting period, no material physical risks and no material transition risks related to climate change were identified for the Kurtz Ersa Group and the associated value chain.



2.1.4 [IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities

In future, we intend to draw more strongly on our GHG data-collection software to further refine our climate-related IROs, and to use an integrated SBT tool to derive additional decarbonization targets and measures for Scopes 1, 2 and 3 based on scenario analyses (see also [E1-1]).

2.1.5 [E1-2] Policies related to climate change mitigation and adaptation

As a globally active mechanical engineering company, we operate in a particularly energy- and resource-intensive sector. We aim to achieve our emissions-reduction targets through a wide range of measures at our locations – for example, switching to electricity and gas from renewable sources, continuously increasing our share of self-generated electricity through investment in our own photovoltaic systems, electrifying our vehicle fleet and, where possible, reducing energy consumption.

The progress achieved through implementing the aforementioned policies in recent years is aligned with recognized frameworks and standards, including our management systems and the GHG Protocol. In future, the SBTi will also form part of this framework. Further information is available on our website under the tab [Sustainability](#).

The results of the policies – visible in 2025 and compared with previous years – are set out in detail for the topic of climate change under 2.1.8 [E1-5] and 2.1.9 [E1-6].

Sustainable product development

With regard to our products, we consider key sustainability data at an early stage of development, alongside the typical technical requirements for machinery. For this purpose, we maintain a dedicated sustainability development roadmap that sets out and assigns projects and topics strategically over the long term.

In addition to established priorities such as increasing efficiency and reducing our machines' energy and media consumption, our current considerations increasingly cover the full product life cycle. This includes, in particular, questions around optimized disposal and recycling once our products reach the end of their useful life.

New, more efficient and more flexible heating concepts for our soldering machines enable more targeted energy input and more adaptable process design. These include new solutions based on infrared radiation, hybrid heating, matrix heating and reflector baffles.

In addition, we are pursuing two objectives simultaneously with an innovative cleaning system: increasing productivity while significantly reducing waste volumes by minimizing contamination residues.

We also continue to focus on digitization and improving the capture of our machines' consumption data. Only robust data makes improvements controllable, measurable and sustainably actionable. We therefore consistently rely on energy meters and standardized MES interfaces to create transparency and systematically identify optimization potential.

Sustainable procurement

For Kurtz Ersa, sustainable procurement means systematically assessing the ecological, social, societal and economic impacts of the goods and services we purchase. Our overarching objective covers the entire supply chain for our products and is aimed at promoting decent working and social conditions and ensuring comprehensive environmental protection. A key challenge is the limited transparency often found across supply chains, which increases the risk of violations of labor and social standards as well as negative environmental impacts. We address this through long-term, partnership-based cooperation with our direct suppliers and through continuous improvement of our data foundation. In this way, we strengthen the sustainability of our procurement and ensure responsible design across the entire value chain.

2.1.6 [E1-3] Actions and resources in relation to climate change policies

The measures implemented focus primarily on saving energy and resources and improving energy efficiency. In 2025, we again made sustainable investments, including replacing another heating system with a significantly more efficient model and switching one of the newly added German sites to renewable electricity. Unfortunately, a switch is currently not possible at the second German site due to a long-term contract. In addition, we carried out extensive maintenance on our CHP plant, enabling us to use it again without restrictions over the coming years.

The individual measures are described in more detail under [Environmental](#) on our website. They form part of the policies outlined above and contribute to achieving our targets. We have summarized the extent to which we were able to implement the measures defined for 2025 in an overview of actions. For 2026 and 2027, our plans include commissioning our



fifth photovoltaic system and conducting a profitability assessment for a battery storage system. If the result is positive, the battery storage system will be installed, and another hall will be converted to LED lighting.

Kurtz Ersa has set itself the target of investing at least 1% of operating profit (EBIT) in sustainable projects each financial year. In 2025, this amounted to around EUR 80,000 (previous year: over EUR 0.5 million), corresponding to around 1% (previous year: around 26%) of EBIT. The target was therefore met again.

Sustainability in procurement decisions and supplier steering

For project-related procurement (e.g. the purchase of capital goods or sourcing initiatives with higher purchasing volumes), the Procurement function uses a standardized supplier evaluation matrix. This matrix supplements traditional criteria such as price, quality, technology and delivery capability with sustainability aspects, thereby systematically integrating sustainability into decision-making processes.

Five sustainability criteria are mandatory within the evaluation matrix:

- use of renewable energy
- CO₂ reduction targets
- Product Carbon Footprint
- acknowledgement of the Kurtz Ersa Code of Conduct
- the risk score determined by our SCDDA software

Measures

Excerpt from the international ESG measures list of the projects predominantly implemented in 2024 and 2025 with the greatest expected impact, status 31.12.2025.

Reduction of our electricity consumption

Changeover to LED lighting Ersa



Reduction of our natural gas consumption

Replacement of heating and controls Ersa



Reduction of our water consumption

70 m³ rainwater cistern incl. infiltr. ditches KEL



Generation of own regenerative energies

379 kWp plant KEL



Overall, the sustainability criteria account for 20% of the total score and are treated as a fixed part of the decision basis when comparing multiple suppliers. As a result, sustainability aspects are not only discussed qualitatively, but are also quantified and integrated into supplier selection in a transparent and traceable manner.

2.1.7 [E1-4] Targets related to climate change mitigation and adaptation

The overarching target of the Group's GoGreen250 initiative is to deliver the transformation to a carbon-neutral company by the Group's 250th anniversary in 2029. This refers to CO₂ neutrality in Scope 1 and Scope 2 as well as partially in Scope 3.

Our climate mitigation targets address reductions in

greenhouse gases across all scopes. The base year for reductions in Scope 1 and Scope 2 is 2019. In the reporting year, we successfully established – as planned – software-supported emissions accounting for Scope 1, Scope 2 and Scope 3 for the years 2023 to 2025. This is also one of the prerequisites for defining robust SBT targets. We aim to submit and have these confirmed by 2027.

As energy consumption plays a significant role in our own operations, we have set targets for improving energy efficiency, increasing self-generated electricity and electrifying the vehicle fleet. Integrating our strategic suppliers into our CO₂ reduction target is also an important objective and is being driven by the central department Procurement (see page 14). This section shows not only the status of the procurement-related target, but also our overall target achievement in the Environmental area for reporting year 2025. Our environmental targets and the measures adopted to achieve them are primarily based on analyses of our consumption figures and the associated emissions.

Our external ISO 14001 and ISO 50001 audits are used to monitor consumption data, energy and environmental performance, and to verify progress.

We see room for improvement in how our target overview is presented, as it currently includes both absolute and percentage-based targets and reduction targets. With our software-supported emissions data management, we aim to align our targets more closely with the scientific foundations of the SBTi and to allocate our targets to different time horizons in this context. In addition, the targets published represent only an excerpt of our targets and highlight some of the most significant decarbonization levers.

Among other things, we collect a range of intensity-based metrics on a regular basis for ISO 50001 certification. As the reporting obligation has been postponed further, we are focusing for the time being on disclosures that are material for us and for which we have meaningful information and data available.

2.1.8 [E1-5] Energy consumption and energy mix

Our total energy consumption in the reporting year amounts to 14,858 MWh. Of this, 6,716 MWh relates to fossil energy and 8,142 MWh to renewable energy. Fossil energy consumption comprises 527 MWh of natural gas, 758 MWh of

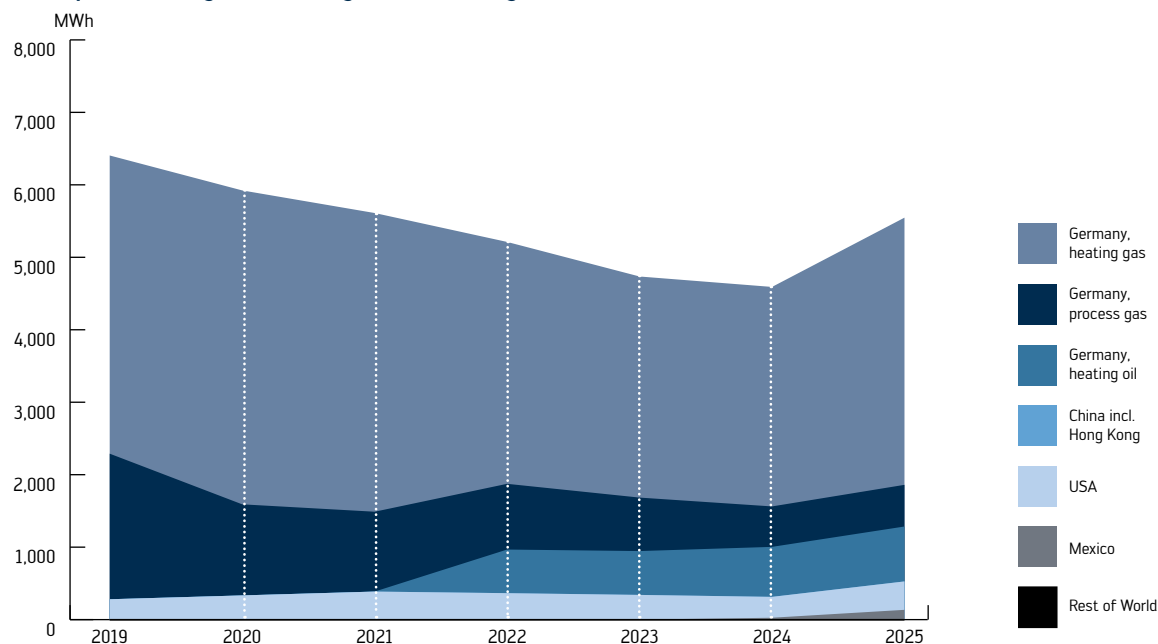
heating oil, 2,397 MWh of electricity purchased at international locations, 132 MWh of locally sourced electricity at German locations, and 2,902 MWh of fuels (diesel and petrol).

Renewable energy consumption comprises 4,262 MWh of biogas, 2,762 MWh of purchased green electricity at German locations, 1,032 MWh of self-generated and directly consumed electricity, and 86 MWh of green electricity charged by our electric vehicles at external charging points. Of the 1,032 MWh of self-generated electricity in the reporting year, 972 MWh was produced via our photovoltaic systems and 59 MWh via our CHP plant (combined heat and power).

Despite our continuous efforts to ensure the highest possible data quality, uncertainties also arose in this reporting year. Among other things, the service charge statements for two German locations were not yet available at the editorial deadline, meaning that consumption had to be estimated based on the previous year's figures.

However, the greatest uncertainties continue to arise at our international locations.

Consumption of biogas, natural gas and heating oil



Consumption from fossil energy

Natural gas consumption

Group-wide natural gas consumption increased significantly. In 2025, we consumed a total of 527 MWh of natural gas, which represents an increase of 67.8% compared with the previous year (314 MWh). Compared with 2019 (281 MWh), the increase is 87.5%. This is primarily attributable to the first full year of operation of our new production site in Mexico.

The share of natural gas within the combined consumption of biogas, natural gas and heating oil increased to 9.5% (previous year: 6.8%).

Electricity consumption

At our international locations, electricity demand increased to 2,397 MWh during the reporting period. This rise of 28.6% (previous year: 1,864 MWh) is mainly due to higher utilization and the two new locations. In reporting year 2025, not all properties at our German locations could yet be fully supplied with green electricity (see page 20). Accordingly, 132 MWh of electricity was sourced from the local electricity mix under the "location-based" methodology.

Heating oil consumption

Heating oil consumption increased to 758 MWh during the reporting period. Compared with the previous year (690 MWh), this represents an increase of 9.9%.

Consumption of biogas, natural gas and heating oil

Region	Location	Use	2019	2020	2021	2022	2023	2024	2025	25 to 19	25 to 24
Germany	Kreuzwertheim, Wertheim, Sonnenbühl, Vaterstetten (from 09/2025) and Waltershausen (from 12/2025)	Heating gas	4,115 MWh	4,332 MWh	4,122 MWh	3,338 MWh	3,051 MWh	3,029 MWh	3,687 MWh	-10.4 %	+21.7 %
		Process gas	2,009 MWh	1,257 MWh	1,102 MWh	907 MWh	738 MWh	558 MWh	575 MWh	-71.4 %	+3.0 %
		Heating oil				602 MWh	605 MWh	690 MWh	758 MWh		+9.9 %
China incl. Hong Kong	Hong Kong, Zhuhai and Shanghai*		0 MWh	0 MWh	0 MWh	0 MWh	0 MWh	0 MWh	0 MWh		
USA	Plymouth	Heating gas	281 MWh	334 MWh	387 MWh	365 MWh	341 MWh	288 MWh	392 MWh	+39.5 %	+36.4 %
Mexico	Ciudad Juárez (from 2024)	Heating gas						26 MWh	135 MWh		+422.4 %
Rest of World	International, small sales locations*		0 MWh	0 MWh	0 MWh	0 MWh	0 MWh	0 MWh	0 MWh		
Total Group			6,405 MWh	5,923 MWh	5,611 MWh	5,211 MWh	4,736 MWh	4,590 MWh	5,547 MWh	-13.4 %	+20.9 %

*No biogas, natural gas, or heating oil consumption at these locations.



Fuel consumption

Despite an expanded vehicle fleet, total consumption of diesel and petrol decreased by 4.4% to 2,902 MWh (previous year: 3,037 MWh).

At our German locations, we consumed 2,181 MWh of fuel, 7.5% less than in the previous year (2,354 MWh). Total mileage also decreased by 6.3% compared with 2024, to 3,739 thousand kilometres.

In addition, our electric car fleet consumed a total of 167 MWh of electricity in 2025 – an increase of 35 MWh, or 26.5%, compared with the previous year. Overall energy consumption (fuel plus charging electricity) nevertheless decreased by 5.6% to 2,348 MWh at the German locations. This effect is due to the further electrification of our fleet.

Consumption from renewable energy

Since January 2022, we have sourced electricity for our German locations from renewable sources (green electricity). Three leased buildings in Germany are excluded, as switching to a green electricity contract is generally – or currently – still not possible for them. At the beginning of 2024, we also switched our gas procurement in Germany fully to renewable generation (biogas).

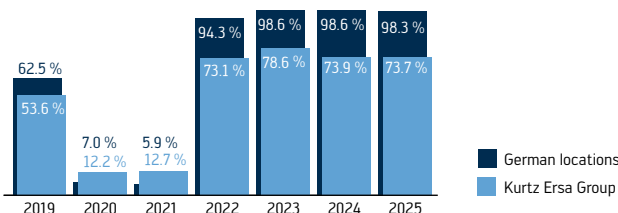
We regularly review the feasibility of generating or procuring renewable energy at our international locations; however, this has not yet been implemented. At present, we only benefit from a steadily increasing share of renewable energy sources in international electricity generation (the electricity mix). In 2019, the average share of renewables in the international electricity mix was 19.3%; in the reporting year, it rose to 27.0%.

Fuel consumption (diesel and petrol)

Region	Location	2019	2020	2021	2022	2023	2024	2025	25 to 19	25 to 24
Germany	Kreuzertheim, Wertheim, Sonnenbühl, Vaterstetten (from 09/2025) and Waltershausen (from 12/2025)	2,904 MWh	2,299 MWh	2,095 MWh	2,410 MWh	2,383 MWh	2,354 MWh	2,181 MWh	-24.9 %	-7.5 %
China incl. Hong Kong	Hong Kong, Zhuhai and Shanghai*					329 MWh	413 MWh	398 MWh		-3.5 %
USA	Plymouth*					104 MWh	111 MWh	184 MWh		+65.0 %
Mexico	Ciudad Juárez (from 2024)						0 MWh	0 MWh		
Rest of World	International, small sales locations*					214 MWh	158 MWh	139 MWh		12.0 %
Total Group		2,904 MWh	2,299 MWh	2,095 MWh	2,410 MWh	3,031 MWh	3,037 MWh	2,902 MWh	-0.1 %	-4.4 %

*No data was collected until 2022.

Renewable energy share, Kurtz Ersä Group 2019-25

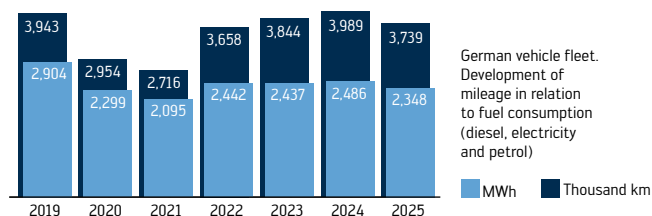


Biogas

Group-wide biogas consumption increased slightly again. In 2025, we consumed a total of 4,262 MWh of biogas, an increase of 18.8% compared with the previous year (3,587 MWh).

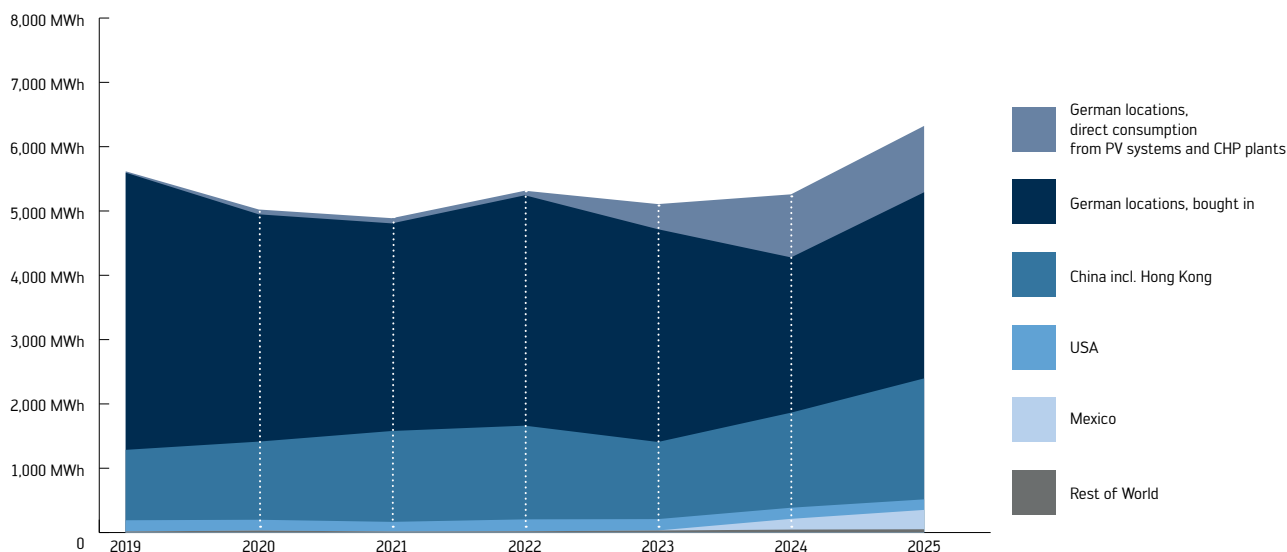
The share of process gas decreased again and, in 2025, stood at just 10.4% (previous year: 12.2%). Biogas' share of the combined consumption of biogas, natural gas and heating oil decreased slightly to 76.8% (previous year: 78.1%).

German vehicle fleet





Consumption of power from energy suppliers and in-house generated power Kurtz Ersa Group 2019-25



Consumption from renewable energies

At the German locations supplied with green electricity, purchased electricity increased from 2,324 MWh to 2,762 MWh – an increase of 18.8%. Here too, the increase is primarily attributable to higher utilization and the two new locations.

In-house generation of electricity and CHP

The four photovoltaic systems currently in operation were connected to the grid during 2023 (three systems) and 2024 (one system). In 2025, our CHP plant was out of operation for just under two months due to repairs and therefore produced less electricity than in previous years.

Of the 3,926 MWh of electricity consumed at our German locations in the reporting year, we generated and directly consumed around 1,032 MWh via our photovoltaic systems and our CHP plant. Our photovoltaic systems supplied 972 MWh and the company's CHP plant supplied 59 MWh.

As a result, the self-generation share at the Kreuzwertheim and Wertheim locations increased from 0.5% (2019) to 33% (2024), and then declined in 2025 to 30.4% due to a slightly lower self-generation share and the CHP plant downtime.

Charging current

By the end of 2024, we had increased the share of electrically powered vehicles to 28% (17% fully electric and 11% hybrid). Due to the two newly added locations in Germany, we added a total of nine vehicles – predominantly diesel – reducing the share to 26% (20% fully electric and 6% hybrid). As a result, we were again unable to meet our self-imposed target in this reporting year.

Nevertheless, we will continue to convert our fleet increasingly to battery-electric vehicles where it is technically feasible, in order to further reduce emissions. Among other measures, we plan to install EV charging points at our location in Sonnenbühl. We expect a similar effect to that seen at our Kreuzwertheim and Wertheim locations, where seventy charging points are available and, in 2025, 30% of fleet vehicles were electrically powered (24% fully electric and 6.0% hybrid).

Power consumption

Region	Location	Use	2019	2020	2021	2022	2023	2024	2025	25 to 19	25 to 24	
Germany	Kreuzwertheim, Wertheim, Sonnenbühl, Vaterstetten (from 09/2025) and Waltershausen (from 12/2025)	Bought in	4,310 MWh	3,534 MWh	3,228 MWh	3,582 MWh	3,308 MWh	2,414 MWh	2,894 MWh	-32.9 %	19.9 %	
		Direct consumption	21 MWh	75 MWh	81 MWh	71 MWh	391 MWh	981 MWh	1,032 MWh	4,787.7 %	5.2 %	
		of which charging infrastructure*	0 MWh	0 MWh	6 MWh	21 MWh	63 MWh	101 MWh	127 MWh			25.6 %
		of which bought in, heat pump								16 MWh		
China incl. Hong Kong	Hong Kong, Zhuhai and Shanghai	Bought in	1,095 MWh	1,215 MWh	1,413 MWh	1,457 MWh	1,199 MWh	1,478 MWh	1,881 MWh	71.8 %	27.3 %	
USA	Plymouth	Bought in	174 MWh	168 MWh	150 MWh	185 MWh	177 MWh	173 MWh	164 MWh	-5.7 %	-5.2 %	
Mexico	Ciudad Juárez (from 2024)	Bought in						167 MWh	301 MWh		81.0 %	
Rest of World	International, small sales locations	Bought in	17 MWh	31 MWh	16 MWh	20 MWh	32 MWh	46 MWh	51 MWh	196.0 %	10.9 %	
Total Group			5,617 MWh	5,023 MWh	4,888 MWh	5,315 MWh	5,107 MWh	5,259 MWh	6,323 MWh	12.9 %	20.5 %	

*Amount of electricity supplied via our charging points.

In 2025, the volume of electricity supplied to our fleet, employees and business partners across all sites totalled around 127 MWh (previous year: 101 MWh). In addition, our electric vehicles charged a total of 86 MWh at external charging points during the reporting year (previous year: 64 MWh).

2.1.9 [E1-6] Gross Scopes 1, 2 and 3 and total GHG emissions

As a manufacturer of machinery and systems, Kurtz Ersa operates in a climate- and energy-intensive sector. Emissions data collection is aligned with the GHG Protocol. As described under 2.1.8, there are certain data-quality uncertainties in the collection of consumption data. These uncertainties also affect the recording of greenhouse gas emissions.

Scope 1 – direct GHG emissions

During the reporting period, we were able to keep our Scope 1 emissions largely stable. In 2025, they increased by 2.3%, from 1,060 tonnes to 1,084 tonnes.

Natural gas and heating oil

CO₂ emissions from stationary sources (primarily heating systems at our international sites) increased by 18.9% to 333 tonnes (previous year: 280 tonnes). This was driven by weather effects and by the newly added locations.

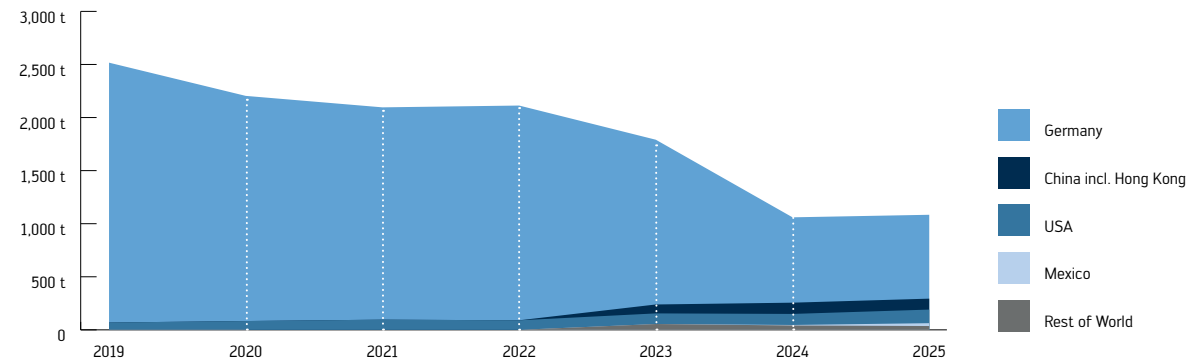
Fuels

Die Emissions from non-stationary sources (Kurtz Ersa's international vehicle fleet) decreased from 780 tonnes to 751 tonnes (a reduction of 3.7%). The reasons include lower mileage and the ongoing transition to more efficient vehicles.

CO₂ emissions Scope 1

Region	Location	2019	2020	2021	2022	2023	2024	2025	25 to 19	25 to 24
Germany	Kreuzwertheim, Wertheim, Sonnenbühl, Vaterstetten (from 09/2025) and Waltershausen (from 12/2025)	2,448 t	2,121 t	2,000 t	2,023 t	1,552 t	804 t	790 t	-67.7%	-1.7%
China incl. Hong Kong	Hong Kong, Zhuhai and Shanghai*	0 t	0 t	0 t	0 t	84 t	106 t	103 t		-2.8%
USA	Plymouth	69 t	83 t	96 t	90 t	100 t	104 t	128 t	85.5%	23.1%
Mexico	Ciudad Juárez (from 2024)	0 t	0 t	0 t	0 t	0 t	5 t	27 t		440.0%
Rest of World	International, small sales locations*	0 t	0 t	0 t	0 t	55 t	41 t	36 t		-12.2%
Total Group		2,517 t	2,204 t	2,096 t	2,113 t	1,791 t	1,060 t	1,084 t	-56.9%	2.3%

*No biogas, natural gas, or heating oil consumption at these locations. Fleet emissions will only be recorded from 2023 onwards.





Scope 2 – indirect GHG emissions

Across the company as a whole, Scope 2 emissions increased by 29.8% year on year to a total of 1,583 tonnes. Compared with the 2019 base year, indirect GHG emissions decreased by 14.8%.

Electricity – market-based

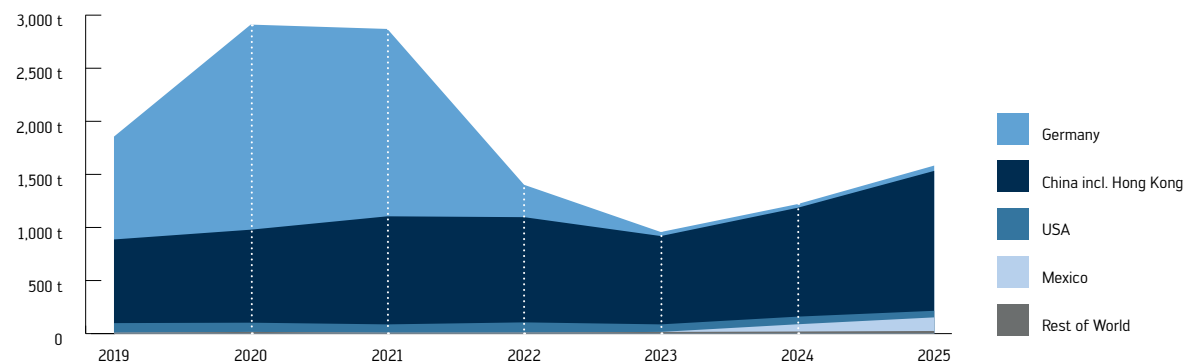
Since 2023, the German locations have largely been supplied with electricity from renewable sources (green electricity). Only three leased buildings were excluded in the reporting year, as switching to a green electricity contract is generally – or currently – still not possible.

Electricity – location-based

In 2025, Scope 2 emissions at the German sites without green electricity supply amounted to 50 tonnes of CO₂ (previous year: 35 tonnes) – an increase of 42.9% due to the two newly added buildings without green electricity supply. At our international locations, a total of 1,533 tonnes of CO₂ was emitted in 2025 (previous year: 1,185 tonnes), an increase of 29.4%. The key drivers were the substantial increase in consumption at our international locations, resulting from newly added locations and higher utilization.

CO₂ emissions Scope 2

Region	Location	2019	2020	2021	2022	2023	2024	2025	25 to 19	25 to 24
Germany	Kreuzwertheim, Wertheim, Sonnenbühl, Vaterstetten (from 09/2025) and Waltershausen (from 12/2025)	969 t	1,932 t	1,765 t	305 t	38 t	35 t	50 t	-94.8%	42.9%
China incl. Hong Kong	Hong Kong, Zhuhai and Shanghai	788 t	876 t	1,018 t	991 t	832 t	1,025 t	1,318 t	67.3%	28.6%
USA	Plymouth	90 t	87 t	78 t	96 t	71 t	72 t	62 t	-31.1%	-13.9%
Mexico	Ciudad Juárez (from 2024)						68 t	128 t		88.2%
Rest of World	International, small sales locations	9 t	16 t	9 t	10 t	16 t	20 t	25 t	177.8%	25.0%
Total Group		1,857 t	2,912 t	2,869 t	1,403 t	957 t	1,220 t	1,583 t	-14.8%	29.8%



Scope 3 – other indirect GHG emissions

The overarching target of our GoGreen250 sustainability initiative is to achieve CO₂ neutrality by 2029 in Scope 1 and Scope 2 and partially in Scope 3. A CCF calculation carried out for the first time in the reporting year shows that around 99% of Kurtz Ersa's total emissions arise in the upstream and downstream value chain (Scope 3). The largest contributors are the energy consumption of our products at customer sites (Scope 3-11) and our supply chain, including purchased goods and services (Scope 3-1).

Methodology

Base year

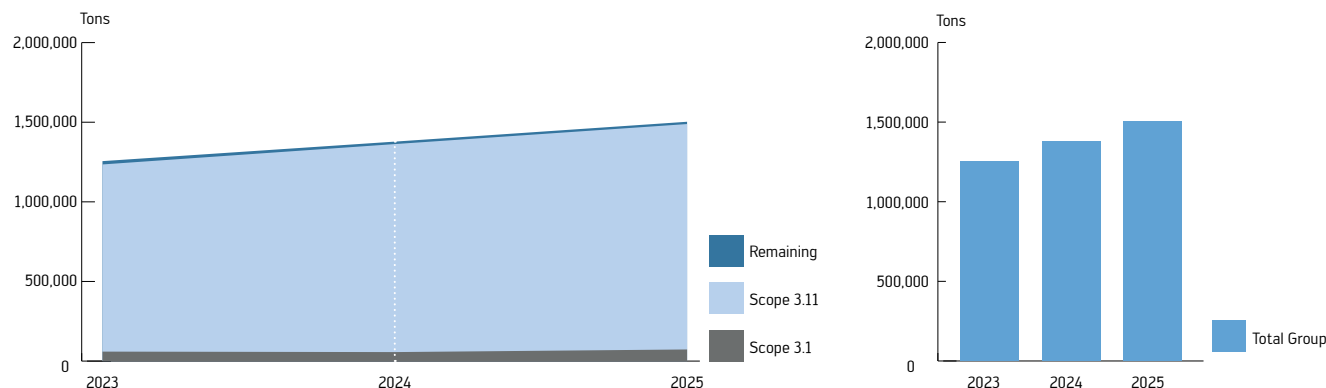
We selected 2023 as the base year because, from that year onwards, many required data points were also available internationally and a pilot CO₂ footprint for Scope 3 emissions was developed in collaboration with an external service provider.

The disclosed Scope 3 emissions are based – like Scopes 1 and 2 – on the methodology of the GHG Protocol. The calculation bases for the individual Scope 3 categories were developed for the first time in the reporting year. Assumptions were made based on the data currently available and on exchanges with experts from various functions, such as product owners. Final emissions accounting was carried out in our CCF software. The selection of emission factors is linked to the assumptions made and was, in part, determined in consultation with our software provider. Where possible, market-based emission factors were used – particularly for electricity purchased at our German locations.

Hybrid approach

For Scope 3-2, a hybrid approach was used due to data quality, combining spend-based and mass-based emission factors.

CO₂ emissions Scope 3



	Activity-based	Spend-based	Not applicable	GHG Emissions 2025
3.1 – Purchased goods and services	x	x		73,017 t
3.2 – Capital goods	x	x		50 t
3.3 – Fuel and energy-related activities	x			907 t
3.4 – Upstream transportation	x			1,217 t
3.5 – Waste disposal	x			216 t
3.6 – Business travel		x		3,299 t
3.7 – Employee commuting	x			3,390 t
3.8 – Upstream leased equipment	x	x		114 t
3.9 – Downstream transportation	x			4,257 t
3.10 – Processing of intermediate products sold			x	–
3.11 – Use of products sold	x			1,415,474 t
3.12 – Disposal of products sold	x			917 t
3.13 – Downstream leased assets			x	–
3.14 – Franchise companies			x	–
3.15 – Investments			x	–



Activity-based approach (distances, weights, etc.)

Scope 3-3 emissions were calculated using actual energy consumption, consistent with Scopes 1 and 2. Scopes 3-4 and 3-9 were calculated using distance-based data. Scope 3-5 is based on actual and qualified estimated waste volumes. Assumptions regarding employee commuting are based on calculated distances and on general and region-specific data on transport-mode shares and the composition of the passenger-car fleet by fuel type. Scope 3-11 is based on the number of products sold worldwide and various assumptions regarding typical usage scenarios. As Kurtz Ersa has a product portfolio strongly characterized by custom-built machinery, the required data and assumptions were collected and developed to the best of our knowledge and belief, including input and validation from internal technical experts. For Scope 3-12, the weight of sold products was used, and assumptions were made regarding proportional allocation to different waste streams and treatment methods.

Spend-based approach

For Scope 3-1, a spend-based approach based on procurement volume was selected due to the availability of emission factors. Scope 3-6 is based on spend for business travel, and Scope 3-8 on costs relating to leased assets.

Non-applicable categories

Scopes 3-10, 3-13, 3-14 and 3-15 are not applicable to Kurtz Ersa's business model.

Data quality and optimization approach

As Scope 3 emissions were recorded comprehensively for the first time in the reporting year, some assumptions were made based on estimates and data gaps were closed using extrapolations. Data that did not appear plausible was excluded with justification. Compared with the 2023 data basis – where uncertainties were greatest overall – uncertainties were already reduced somewhat for 2024 and 2025.

To further develop our Scope 3 data, we are currently focusing in particular on Scope 3-11, as this is the area for which we are responsible for the largest volume of indirect emissions. Given our business model as a custom-machine manufacturer, the diverse use of our product portfolio entails uncertainties that we aim to reduce continuously. Our international locations are also a focus of further work: we intend to validate assumptions and close remaining data gaps.

Outlook

Although Kurtz Ersa's ability to influence Scope 3 emissions is only indirect and limited, we have set ourselves the target of defining specific reduction targets for 2026. We will do this as part of our decarbonization strategy and in line with the requirements of the Science Based Targets initiative (SBTi). With these new targets, we are taking the necessary steps to act beyond the CO₂ neutrality in Scope 1 and 2 and, in part, Scope 3 targeted for 2029. Through a continuous, long-term approach to influencing our indirect emissions, we remain firmly committed to contributing to the Paris Agreement's target of limiting global warming to maximum 1.5 degree.

2.1.10 [E1-7] GHG removals and GHG mitigation projects financed through carbon credits

Kurtz Ersa was not involved in any projects for the removal and storage of greenhouse gases in the reporting year. In addition, there were no purchased or cancelled CO₂ certificates.

2.1.11 [E1-8] Internal carbon pricing

In 2022, an internal CO₂ price of EUR 100 per tonne of CO₂ was set. Since then, it has been used primarily by Procurement to calculate global sourcing projects.

2.3 [E3] Water and marine resources

One of the Group's material impacts on the environment is water consumption. As water is becoming an increasingly scarce resource, we aim to minimize our negative impact on the distribution and use of drinking and fresh water. We obtain our drinking water exclusively through the public drinking water supply and do not extract water from wells or take surface water from rivers or lakes. As we also discharge our wastewater exclusively into the public sewer system, we can rule out negative impacts in relation to marine resources.

2.3.1 [E3-1] Policies related to water and marine resources

Water is a fundamental resource that is increasingly unevenly distributed. For Kurtz Ersa, using water as sparingly as possible is self-evident, not least because the importance of a sufficient and fair water supply – due to increasingly frequent summer droughts – is also becoming noticeable at our locations in Germany. By reducing our water consumption, we therefore aim to contribute to our own and broader security of supply and to adapt to the impacts of climate change.

Within the company, our primary demand is for drinking and service water in kitchenettes and sanitary facilities, as well as for food preparation in canteens. In addition, a small proportion of water is used for production and other operational processes (process water).

2.3.2 [E3-2] Actions and resources related to water and marine resources

Since 2024, a cistern at one of our Kreuzwertheim sites has been used to irrigate outdoor areas. Further information is available on our website under rainwater use. Whether this



measure delivers ecological and economic benefits – and whether similar measures make sense – can only be assessed at a later point in time.

2.3.3 [E3-3] Targets related to water and marine resources

A specific target for reducing our water consumption relates to the project described under 2.3.2 [E3-2]. In addition, we aim to continuously reduce our average per-capita water consumption. As some locations – particularly smaller ones – do not have separate water meters, certain consumption volumes are based on qualified estimates.

2.3.4 [E3-4] Water consumption

Water consumption increased again in the past year due to the significantly higher number of employees. In the reporting year, a technical defect at one installation also resulted in approximately 300 cubic meters of additional water consumption. Overall consumption in 2025 amounted to 15,370 cubic meters, compared with 13,766 cubic meters in 2024 (an increase of 11.6%).

Group-wide drinking water consumption increased from 12,890 cubic meters to 15,229 cubic meters (an increase of 18.1%). In 2019, this figure stood at 17,645 cubic meters across fewer locations. As a result, drinking water demand has decreased by 14.7% compared with 2019.

Group-wide rainwater consumption increased to 89 cubic meters in the reporting year. Looking at per-capita water consumption, the trend is positive. In 2019, average water consumption was 14.1 cubic meters per employee; we reduced this step by step to 8.6 cubic meters per person by 2024. Due to the technical defect, consumption rose slightly in 2025 to 8.8 cubic metres.

Water consumption and waste water volume Kurtz Ersa Group 2019-25

Region	Location	2019	2020	2021	2022	2023	2024	2025	25 to 19	25 to 24
Germany	Kreuzwertheim, Wertheim, Sonnenbühl, Vaterstetten (from 09/2025) and Waltershausen (from 12/2025)	10,909 m ³	5,891 m ³	6,867 m ³	7,255 m ³	11,453 m ³	7,403 m ³	6,892 m ³	-36.8%	-6.9%
China incl. Hong Kong	Hong Kong, Zhuhai and Shanghai	6,724 m ³	5,107 m ³	6,159 m ³	5,949 m ³	4,614 m ³	5,796 m ³	7,730 m ³	15.0%	33.4%
USA	Plymouth	420 m ³	375 m ³	400 m ³	191 m ³	275 m ³	309 m ³	272 m ³	-35.3%	-12.0%
Mexico	Ciudad Juárez (from 2024)						44 m ³	125 m ³		184.1%
Rest of World	International, small sales locations	180 m ³	204 m ³	226 m ³	286 m ³	188 m ³	215 m ³	351 m ³	95.3%	63.3%
Total Group		18,233 m³	11,577 m³	13,652 m³	13,680 m³	16,530 m³	13,766 m³	15,370 m³	-15.7%	11.6%

2.5 [E5] Resource use and circular economy

Kurtz Ersa's business activities generate a wide range of waste across both upstream and downstream supply chains and our own operations. A proportion of this waste can be recycled, such as paper and cardboard, wood, metals or plastics.

As landfilling and incineration of waste in particular are associated with negative environmental impacts, we seek to avoid waste wherever possible. For us, this applies in particular to waste categories such as residual waste and hazardous waste.

Resource procurement is associated with material risks, as we source many materials worldwide and markets can change abruptly and unpredictably due to influencing factors such as political decisions and regulatory requirements. However, this also creates opportunities for our international locations.

2.5.1 [E5-1] Policies related to resource use and circular economy

A central element of our efforts to reconcile sustainability, profitability and efficiency is to identify the most significant influencing factors and optimize them in a targeted manner. In Procurement, we work with a range of business partners to make our sourcing progressively more sustainable. We expect all suppliers to comply with the standards defined in our Code of Conduct, in particular with regard to labor and environmental requirements.

In the area of material compliance, we aim to achieve transparency regarding the substances contained in our products. Our target is to substitute hazardous substances and conflict minerals wherever possible. To this end, the central Procurement and Sustainability functions work closely together. Further information is available on our [website](#). Another key factor is the waste generated at Kurtz Ersa. While waste cannot be avoided entirely in production processes, prevention and recovery have a significant impact on our sustainability performance, as they reduce material flows and conserve resources. Proper handling of waste is a

matter of course for us. We consider waste prevention to be the most effective strategy; where this is not possible, we focus on recovery. A prerequisite for this is consistent waste separation. We also involve our business partners to promote a more mindful approach to packaging materials.

Achieving the EU's long-term climate-neutrality target ("net-zero CO₂ emissions") also requires industrial transformation. This, in turn, depends on innovation in environmentally and climate-compatible manufacturing. Kurtz Ersa contributes through innovative machine developments – particularly our radio-frequency technology (RF), our rework systems and the refurbishment of machines. RF enables energy-efficient, water-saving foam production and allows the use of recycled or bio-based materials. Rework systems repair incorrectly soldered circuit boards, thereby avoiding scrappage. Refurbishing legacy machines reduces waste and conserves resources.

2.5.2 [E5-2] Actions and resources related to resource use and circular economy

Material compliance is implemented systematically: all suppliers are surveyed annually, for example on REACH/SVHC, EU RoHS, POPs, PFAS and conflict minerals. Data collection is carried out by an external service provider. To date, results have been available for manual evaluation; from 2026 onwards, they will be presented graphically in the procurement controlling system. This will make compliance status standardized, visible and manageable.

In addition, a new position for material compliance has been created within CQM+CESG. This role is intended to establish the framework for consistent implementation across the Group and to coordinate the topic. In the near future, we plan to expand the information on material compliance on our website, for example by publishing the CMRT (Conflict Minerals Reporting Template).

Systematic review and optimization of

the supplier portfolio

As part of supplier management, the key suppliers managed in NPM (non-production material) were systematically reviewed with regard to sustainability aspects. Our aim was to create transparency on suppliers' sustainability status, identify risks and improvement potential, and embed sustainability consistently as a criterion in supplier steering.

The review comprised several components, which were documented and assessed for each supplier:

- requesting and reviewing ISO certificates (e.g. relevant management systems and their validity)
- checking existing EcoVadis assessments as an external indicator of sustainability performance
- analyzing the product portfolio with regard to sustainable materials and alternatives
- developing sustainable suppliers (e.g. identifying suitable providers and moving gradually over to them)
- recording future sustainability measures and targets within the supplier relationship (further development and improvement planning)

Based on the findings, specific steering decisions were derived and initiated, including:

- prioritizing suppliers that pursue a more sustainable approach and can provide corresponding evidence and performance
- replacing suppliers with no discernible sustainable approach where more sustainable competitors are available and requirements for quality and security of supply can be met
- implementing specific improvement and changeover projects in selected commodity groups

The results of the portfolio review were implemented in

practice across several procurement areas, including:

- **office supplies:** switching to Streit as a supplier, which clearly labels sustainable products; this also covers all copy paper
- **office furniture:** sourcing sustainable office furniture from VS Möbel in the immediate vicinity, supporting shorter transport routes alongside material and quality considerations
- **Amazon Business:** using platform functionality that labels sustainable products and prioritizes them in search results
- **sanitary consumables:** equipping washrooms with sustainable hand-towel paper from Kimberly-Clark, which is routed into targeted recycling after use (contribution to circular economy)
- **IT equipment:** switching the sourcing of IT equipment to AfB, a provider focused on circular economy, environmental protection and inclusion

In services – particularly for trades and maintenance activities – we primarily work with locally based partners, thereby supporting the local economy and smaller trades businesses, and avoiding unnecessarily long travel distances and associated CO₂ emissions.

2.5.3 [E5-3] Targets related to resource use and circular economy

We have set clear targets for waste reduction. Overall waste volumes, as well as hazardous waste and packaging waste – each in relation to productive hours – are to be reduced significantly. Unfortunately, we were unable to reduce the volume of waste as much as originally planned. For this reason, we have set a new deadline for achieving our ambitious reduction target.

By 2029 (previously: 2025), waste is to be reduced by 50%, using 2019 as the reference year. This target forms part of the target overview at the beginning of the chapter on page 14.

2.5.4 [E5-4] Resource inflows

Kurtz Ersa's supply chain – like that of many machinery and plant manufacturers worldwide – is extensive and highly complex, making transparency a key challenge.

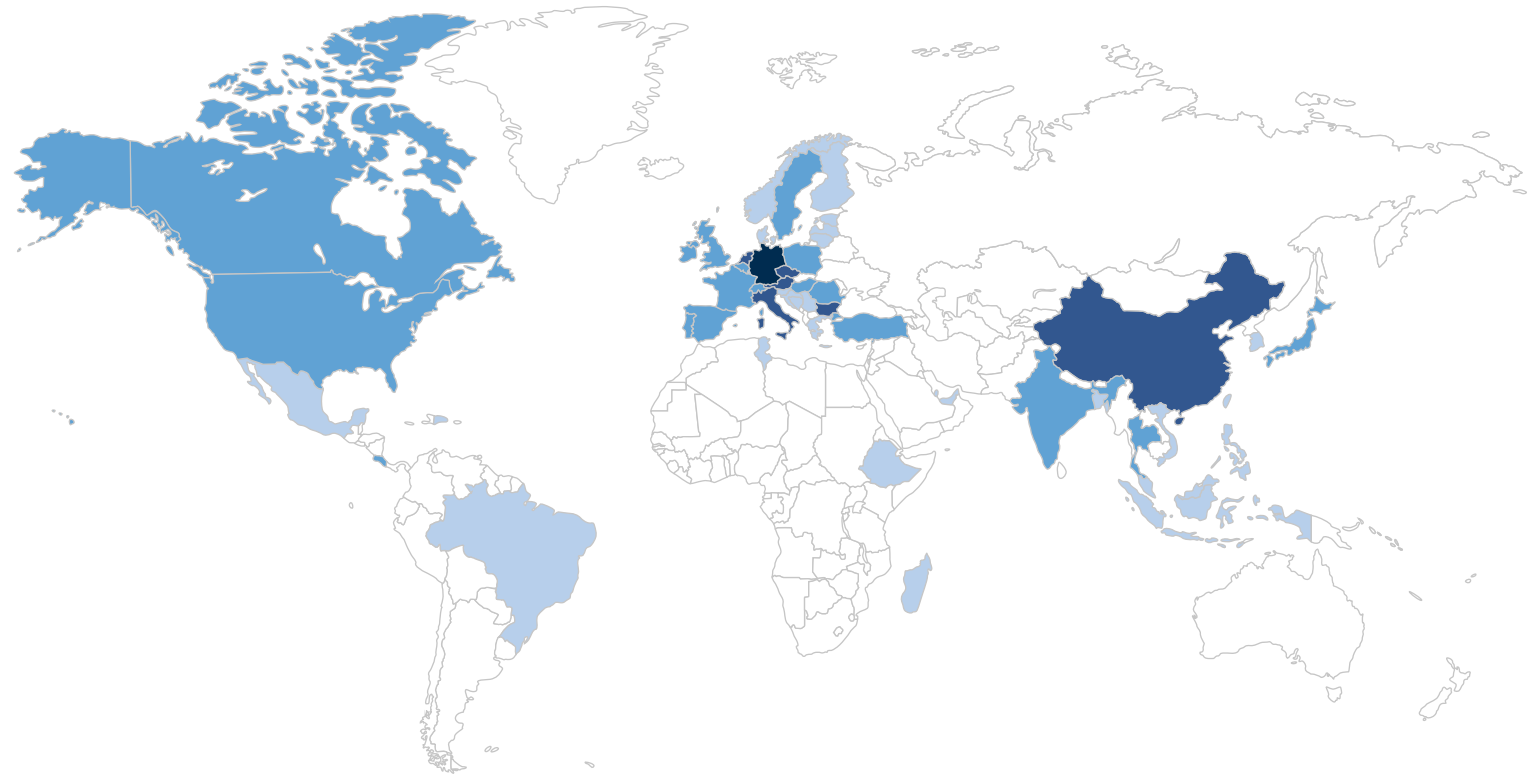
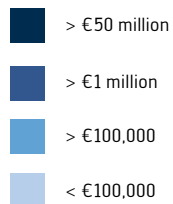
A large proportion of our contractual partners are based in Germany or Europe. At present, we have no information on indirect suppliers beyond tier 1. A substantial share of our purchasing volume relates to productive material

(81%), which we source predominantly in the form of finished components. Raw materials are purchased directly only to a very limited extent.

This structure shapes our approach to sustainable procurement: key levers lie primarily in collaboration with suppliers of finished components, their production processes, the materials used, and transparency regarding emissions- and risk-relevant data along the supply chain.

Supplier Locations and Purchase Volume

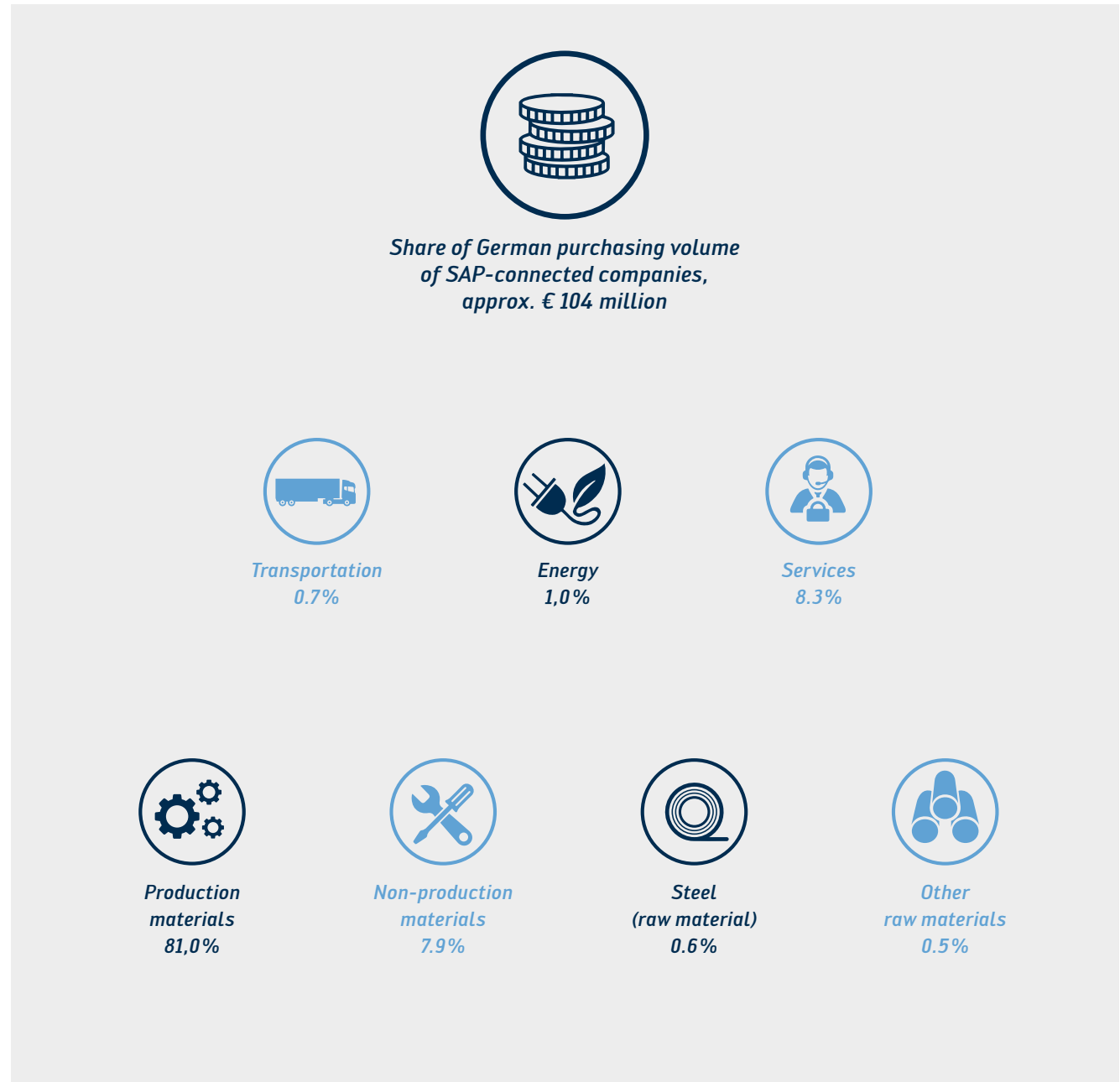
- | | |
|----------------|-------------|
| Belgium | Malta |
| Bulgaria | Netherlands |
| Canada | Austria |
| China | Poland |
| Costa Rica | Portugal |
| Czech Republic | Romania |
| France | Spain |
| Germany | Sweden |
| Great Britain | Switzerland |
| Hungary | Taiwan |
| India | Thailand |
| Ireland | Turkey |
| Italy | USA |
| Japan | |



2.5.5 [E5-5] Resource outflows

In the current reporting period, adjusted total waste across all German locations decreased by around 25 tonnes compared with the previous year. After 361 tonnes in 2024, the figure fell to 336 tonnes (a reduction of 6.9%). The trend is also positive compared with the 2019 reference year (411 tonnes), with a decrease of 18.2%. The reduction is reflected not only in absolute figures, but also in improved performance indicators (KPIs).

During the reporting period, the volume of hazardous waste increased by around four tonnes due to a disposal campaign at one location; compared with 2019, however, the volume has been reduced by 43.1%. The absolute volume of packaging waste (paper, plastic, wood) also rose by a total of 18 tonnes to 193 tonnes last year. Only paper waste decreased slightly year on year (by 1.1%). The other two fractions increased due to an improved order situation and a change in waste separation, rising by 53.4% (plastic) and 16.5% (wood).

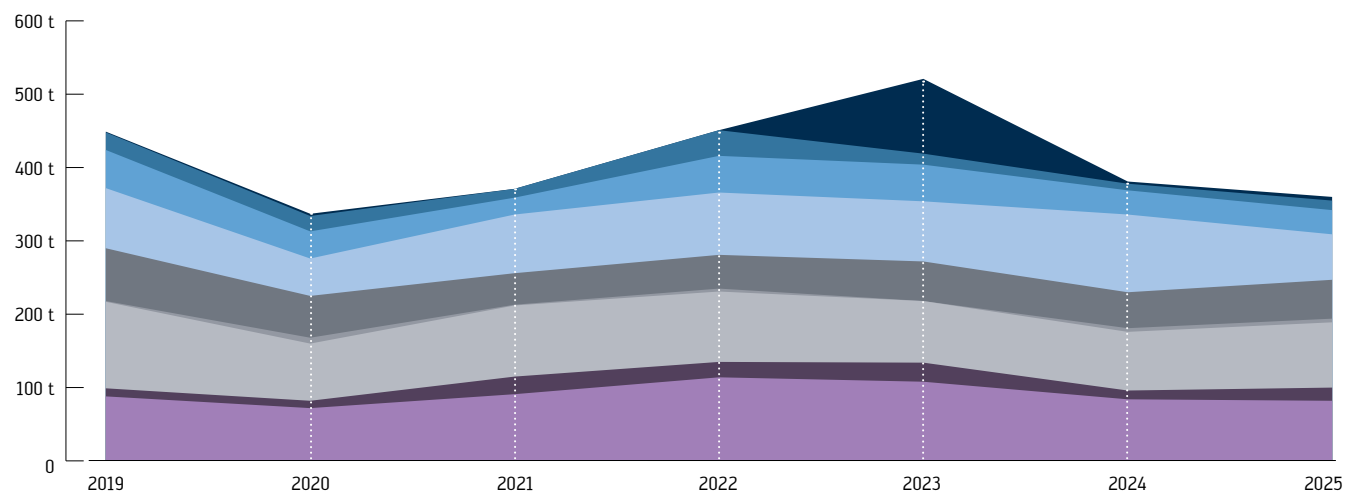


In 2025, for the third time, we recorded – or estimated with qualification – the volume of waste at our international locations (outside Germany): across all categories, a total of 89 tonnes of waste was generated (previous year: 85 tonnes). Of this, 5 tonnes were hazardous waste (previous year: 9 tonnes).

Based on the waste volumes generated in 2025, we achieved relevant progress with regard to key efficiency indicators. We also improved in terms of total waste per productive hour: in 2025, 217 grams of waste were generated per productive hour, compared with 233 grams in the previous year (a reduction of 6.7%).

In the base year, we had to adjust the figure due to a miscalculation, correcting the total volume upwards by 17 tonnes.

Waste



Waste	2019	2020	2021	2022	2023	2024	2025	25 to 19	25 to 24
■ Construction waste	1 t	3 t	0 t	0 t	102 t	3 t	5 t	+289.3 %	+68.1 %
■ Hazardous waste	24 t	21 t	12 t	35 t	15 t	9 t	13 t	-43.1 %	+46.2 %
■ Compostable material/lop	52 t	37 t	23 t	50 t	50 t	33 t	33 t	-36.8 %	+0.4 %
■ Metals	82 t	51 t	80 t	85 t	82 t	106 t	68 t	-16.6 %	-35.8 %
■ Residual waste	89 t	57 t	43 t	46 t	54 t	66 t	55 t	-38.1 %	-16.6 %
■ Non-hazardous production waste	1 t	8 t	1 t	4 t	0 t	5 t	6 t	+744.5 %	+23.4 %
■ Wooden packaging	118 t	78 t	97 t	96 t	84 t	80 t	94 t	-20.3 %	+16.5 %
■ Plastic packaging	11 t	10 t	24 t	21 t	26 t	12 t	18 t	+59.7 %	+53.4 %
■ Paper and cardboard packaging	87 t	71 t	90 t	113 t	107 t	83 t	82 t	-6.3 %	-1.1 %
Total, German sites	464 t	336 t	370 t	449 t	520 t	397 t	374 t	-19.4 %	-5.7 %
Total, German sites (adjusted)	411 t	296 t	347 t	399 t	368 t	361 t	336 t	-18.2 %	-6.9 %
Total, international sites	N/A	N/A	N/A	N/A	101 t	85 t	89 t	N/A	+5.0 %



ESRS S

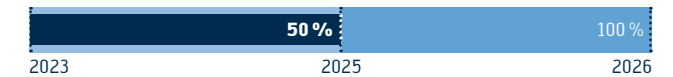
Social Information

Targets:

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 (yearly)



Health management

Improve gradual return to work rate***



Ensure a living wage****



*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.

****For details on the calculation, see 3.1.8 [S1-8].

■ Our target

■ Target achievement, status 31.12.2025



ESRS S – Social Information

3.1 [S1] Own workforce

3.1.1 [S1-SBM-3] Material impacts, risks and opportunities

The material IROs relating to the Group's workforce are set out in tabular form in chapter 1.10 [SBM-3]. With regard to working conditions, as well as equal treatment and equal opportunities, Kurtz Ersa's positive impacts include secure employment, social dialog and opportunities for training and development. Kurtz Ersa is a privately owned family business with a strong equity ratio (51.4% economic equity and 38.6% balance-sheet equity). This financial stability – alongside the security and values associated with a family business now in its seventh generation – has a predominantly positive impact on our employees. Particularly at our German locations, there are families whose members are already working at Kurtz Ersa in the second, third or even fourth generation, often spending their entire working lives with us.

We also have low staff turnover at our international locations, with many employees having worked for Kurtz Ersa for decades. In addition, the impact on social dialog is notable due to our wide range of communication channels. Kurtz Ersa provides various platforms, for example to contribute ideas or raise direct questions with our top management. Some of these can be used anonymously. Examples include our intranet (Hammer App), which offers numerous information and dialog functions – since 2025 also including the "CEO Talk", a moderated podcast in which employees' questions are answered – as well as physical and digital noticeboards. In addition, there are monthly information events at which the respective managing director reports

on current business developments and other topical matters.

As employee's development is fundamental to Kurtz Ersa, we have the "Hammer Academy", which offers an extensive training programme. The programme is tailored to the company's requirements in terms of hard and soft skills; further details are provided under 3.1.2 [S1-1].

Personnel costs are a significant cost factor at both our German and international locations. This is because we employ only (highly) qualified, well-paid specialists and a substantial share of our international workforce is covered by collective agreements (2025: 45%). A large proportion of our employees (2025: 72.7%) are based in Germany, yet our products are sold worldwide (export ratio of around 80%). To reduce risks to the Group's competitiveness in global markets and to leverage the opportunities arising from local production, Kurtz Ersa is currently implementing appropriate measures. The benefits we expect include faster delivery times and cost reductions.

3.1.2 [S1-1] Policies related to own workforce

A key factor in Kurtz Ersa's success is its committed, qualified and satisfied employees. Through comprehensive measures and offerings, we fulfil our role as a responsible employer and create a working environment that encourages long-term retention. Our employees make a material contribution to Kurtz Ersa's sustainable economic success through their day-to-day commitment. To ensure this remains the case in future, we continuously seek qualified specialists and motivated talent. Our policies for continuously improving working conditions include occupational health and safety, health protection and health management. In addition, as an attractive emp-

loyer we provide our employees with a wide range of further benefits. These corporate benefits can be accessed [here](#). The topic of equal opportunities and equal treatment – like other social topics – is addressed in our Code of Conduct. In this context, we focus primarily on safeguarding and promoting diversity, as well as supporting work-life balance.

The Hammer Innovations Programme ("HIP") helps us remain an innovation leader across all business areas, safeguard jobs, retain satisfied customers and win new ones. We also place emphasis on measures that promote training and continuing professional development, as well as on our position as an attractive training provider. In 2016, the Hammer Academy was launched as a lifelong learning platform. It is open to all employees and is dedicated to training, further education and individual development. In this way, we create an environment in which specialists and managers are prepared for future challenges and see a long-term perspective within the company. A large part of the Hammer Academy's seminar and training programme is delivered by instructors drawn from our own employees and managers, supporting knowledge transfer across the Group.

3.1.3 [S1-2] Processes for engaging with own workers and workers' representatives about impacts

Short-, medium- and long-term time horizons have been defined for identifying and assessing impacts, risks and opportunities related to Kurtz Ersa's workforce. The double materiality analysis is described in detail under 1.11 [IRO-1]. Stakeholder engagement is addressed under 1.9 [SBM-2]. As employees and employee representatives are key stakeholders, they were included in the DMA through a survey and interviews.



3.1.4 [S1-3] Processes to remediate negative impacts and channels for own workforce to raise concerns

No material negative impacts were identified for the reporting period. However, as already highlighted as a positive impact, there are numerous channels through which employees can raise concerns or needs directly, or have them reviewed.

For example, the Group's intranet ("Hammer App") provides various channels for ideas and innovation. Through idea management, every employee can submit suggestions to optimize operational processes, which are then assessed neutrally. If an idea is successfully implemented, the employee will receive a share of the annual savings achieved. Since 2024, employees and individual teams or departments have also been able to learn from each other by proposing topics for the "Innovation Talk" format.

In addition, anyone can engage in dialog with the Management – either anonymously or by name – and raise any type of concern. Concerns can be raised directly both through the monthly hybrid information event, in which managing directors report on the current status and provide an outlook, and through employee representatives.

In the reporting year, as in previous years, an employee survey was conducted. For the first time, colleagues from our international locations in the Americas and Asia were also included. This supports our aim of expanding the Group-wide coverage of channels.

Employees – as well as third parties – can also submit reports anonymously via our whistleblower and complaints management system. Further information is available on our website under [Compliance](#). We do not tolerate violations or misconduct and take appropriate action, taking the specific circumstances into account. We also assure all employees of confidentiality and ensure that whistleblowers do not suffer personal or professional disadvantages.

3.1.5 [S1-4] Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

To further strengthen our positive impact on social dialog, we expanded our communication formats again in 2025. This includes, in particular, the internal podcast "CEO Talk", which was launched in 2024 and has already been published several times. To promote international dialog, we hosted numerous colleagues from our international locations at Kurtz Ersä in Germany in 2025. In future, we also plan to roll out our intranet, the Hammer App, internationally.

In addition, the training programme offered by our Hammer Academy is continuously updated and expanded. To enable us to offer training digitally in future, learning management software (LMS) was introduced at German locations at the end of 2024 and has been rolled out gradually since 2025.

To strengthen our position as a responsible family business in economically challenging times, internal measures were taken to reduce the risk of location- and personnel-related costs. The overall effectiveness of the measures taken in the reporting year can be assessed very positively, as signs of recovery are emerging and most measures could be discontinued again towards the end of the financial year. The Group's international orientation also contributes to this positive development and stability.

Further measures were also implemented in the areas of certifications and corporate health management, which can be viewed under [Social](#). As part of our health management activities, we participated in STADTRADELN for the second consecutive year in 2025 (an initiative supported by the Baden-Württemberg Ministry of the Environment and the Main-Tauber district). We also take part in several company runs every year.

3.1.6 [S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Our social targets are presented in an overview at the beginning of the chapter. To promote the positive impacts identified, the implementation of an LMS is part of our strategy. An international roll-out of the LMS remains on our agenda. In addition, there is a target in the area of occupational safety and health management, as well as a target share of women in international top management.

In the reporting year, an additional target was introduced focusing on living wages. This topic is explained under 3.1.8. In doing so, we have addressed another important issue aimed at creating fair working conditions.

3.1.7 [S1-6] Characteristics of the undertaking's employees

In financial year 2025, the Kurtz Ersä Group employed 1,745 people across its German and international locations (previous year: 1,598).

Over the course of 2025, Kurtz Ersä hired a total of 235 employees worldwide (previous year: 144). Women accounted for 19.6% of new hires (previous year: 22.6%).

In the Main-Spessart region, our company is one of the larger employers. Across our German locations, we employed a total of 1,269 people (previous year: 1,211). In the reporting year, 17.2% of positions worldwide were fixed-term (previous year: 15.4%). The share of full-time employees in our operations remained very high at 93.5%. Part-time employment accounted for around 6.5% during the reporting period.

The figures include all employees recorded in Kurtz Ersä's HR system as of December 31, and therefore receiving



remuneration. This includes salaried employees, industrial employees, managing directors, apprentices, temporary staff and interns.

3.1.8 [S1-8] Collective bargaining coverage and social dialog

Equal pay, i.e. remuneration irrespective of gender, is a given at Kurtz Ersa. Women therefore receive the same pay as male colleagues for the same or comparable work. In Germany, this is already regulated for the majority of the workforce through collective agreements (2025: 61.9%; 2024: 79%; 2023: 78.4%; 2022: 74%), which stipulate pay regardless of gender or other factors. Across the Group, the share of employees covered by collective agreements was 45% in the reporting year (previous year: 59.9%). This change results from a growing number of international employees and the two newly added locations in Germany.

Kurtz Ersa has had works councils for many years, which, among other things, represent employees' social interests. In addition to the Group Works Council, there are works councils at Ersa GmbH, Kurtz GmbH & Co. KG, Kurtz Ersa Logistik GmbH and SCHILLER AUTOMATION GmbH & Co. KG. As transparency and traceability are particularly important to us, all current bargaining agreements across the Group have been made available in our intranet, the Hammer App, since the reporting year. This ensures easy access to the applicable rules at all times and enables employees to stay fully informed.

Living Wage

For the first time, we assessed whether remuneration at all our locations worldwide is sufficient to secure a basic standard of living ("living wage") for our own employees. We use external benchmarks from WageIndicator and the Global Living Wage Coalition (GLWC) as living-wage references. The assessment includes gross pay paid out (fixed and variable

components). Apprentices, students and part-time employees are included in the analysis and are explained separately in the presentation of results.

The living-wage benchmarks are assigned for each location to the most appropriate regional reference (country/region/city) from WageIndicator or GLWC. To ensure comparability, internal pay data and external benchmarks are converted to a consistent basis (gross, monthly wage). For apprentices and students, it should be noted that pay serves an educational or qualification purpose; this group is therefore reported separately in the results.

The analysis of 2025 salary data shows that, of our 1,745 employees worldwide, 1,609 (92%) receive at least the local living wage. At international locations, this applies to 476 out of 476 employees (100%); at German locations, to 1,133 out of 1,269 employees (89%). When these figures are adjusted, i.e. excluding our 105 apprentices and (dual) students at German locations, 97% of employees (1,133 out of 1,164) are above the

regional reference value. For our 95 part-time employees, we intend to use a more meaningful assessment in the 2026 analysis, for example based on hourly pay.

3.1.9 [S1-9] Diversity metrics

Across the Group, women account for 26.4% of salaried employees (previous year: 25.5%) and 10% of industrial employees (previous year: 10%). We will continue our efforts to employ more women, particularly in the industrial workforce. The age structure during the reporting period was as follows: among salaried employees, 17% (previous year: 18.8%) were under 30 years of age, 59.8% (previous year: 56.9%) were between 30 and 50 years old, and 23.2% (previous year: 24.3%) were over 50. The ratio differs somewhat for industrial employees: 26.3% (previous year: 27.6%) were under 30, 44.3% (previous year: 40.9%) were between 30 and 50, and 29.4% (previous year: 31.5%) were over 50.

Employees by contract and gender (number of persons or FTEs)

	2019		2020		2021		2022			2023			2024*			2025		
	m	f	m	f	m	f	m	f	d	m	f	d	m	f	d	m	f	d
Full-time	650	136	638	129	733	131	752	130	0	795	150	0	1,250	244	0	1,360	272	0
Part-time	14	54	13	50	20	51	28	59	0	26	60	0	32	72	0	34	79	0

*From 2024 onwards, international information, before that exclusively related to German locations.

Employment	
Permanent	Temporary
82.8%	17.2%

Employment type*	
Full-time	Part-time
6.5%	93.5%

Temporary workers	
3	
Most frequent type: Contract staffing	
White-collar	Blue-collar
3	0



With regard to the composition of the Management Board, Global Board, Advisory Board and shareholders, Kurtz Ersa set a specific target: women should account for 30% of top management. In the reporting year, the share of women was 33.3% (previous year: 34.5%), and thus above the target. In 2025, the Management Board comprised six men and one woman (previous year: five men and one woman), while the Global Board continues to comprise six men. Of the ten shareholders, six were women, and since 2024 the Advisory Board has comprised three women and four men.

3.1.10 [S1-13] Training and skills development metrics

All employees at Kurtz Ersa receive a performance appraisal and feedback on their professional development at least once a year. This can take place within the framework of the grouping interviews (ERA), when updating the competence profile or in connection with the regular evaluation of target agreements. Every employee is covered by at least one of these formats, ensuring that an appraisal interview is conducted in all cases. The average number of training days per employee in 2025 was slightly more than 1 day.

International workplace accident rate (work-related accidents rate)

2024	2025
0.97	1.87

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

	2019			2020			2021			2022			2023			2024			2025		
	<30	30-50	>50	<30	30-50	>50	<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	1	4	14	0	5	15
Female	0	1	0	0	2	0	0	1	0	0	1	0	1	5	1	1	8	1	1	8	1
Diverse	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Employees by gender*

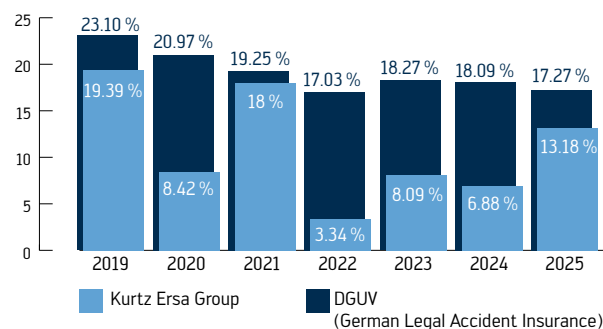
	2019		2020		2021		2022			2023			2024			2025		
	m	f	m	f	m	f	m	f	d	m	f	d	m	f	d	m	f	d
Salaried	403	146	377	138	372	137	382	145	0	491	197	0	751	257	0	791	284	0
Industrial	261	44	274	41	381	45	383	41	0	759	107	0	531	59	0	603	67	0

Employees by age*

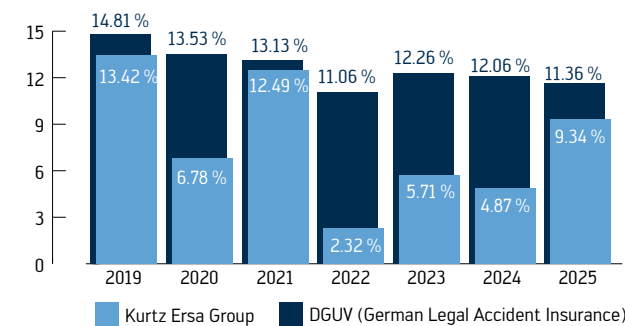
	2019			2020			2021			2022			2023			2024			2025		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Salaried	142	264	143	120	258	137	106	275	128	126	271	130	127	390	171	190	575	243	183	643	249
Industrial	115	93	97	114	106	95	165	146	115	164	147	113	243	392	231	163	242	185	176	297	197

*As of 2023 for all international sites.

Incidents per 1,000 employees**



Incidents per 1 million hours**



**International data since 2024, prior to that related exclusively to German locations.



3.1.11 [S1-14] Health and safety metrics

A healthy and motivated workforce is the foundation of Kurtz Ersa's performance. We therefore attach particular importance to protecting employees' health. The primary goal of occupational health and safety is to prevent accidents and work-related illnesses. In 2025, accident figures increased slightly compared with the previous year but remain significantly below the DGUV (German Social Accident Insurance) industry average.

Training and briefings take place regularly and as required. All new employees attend mandatory training on occupational safety, while managers receive additional and more in-depth training. This is complemented by individual machine- and system-specific training. Employees with additional occupational safety responsibilities – such as first aiders, fire wardens and evacuation assistants – are trained and upskilled in line with the relevant requirements.

To meet legal requirements regarding the number of fire safety assistants, we trained a total of 18 employees accordingly in 2025, including in the use of portable fire extinguishers. Their additional duties include supporting the evacuation of buildings in emergencies; this is practiced at regular intervals at our main German and international locations. At Group level, we trained more than 120 first aiders during the reporting year – a new record.

Some were newly trained, while others refreshed their knowledge. Further information can be found under Occupational safety and ISO 45001 certification.

3.1.12 [S1-15] Work-life balance metrics

Kurtz Ersa supports employees when they become parents, including by providing information on parental leave models and returning to work. At the same time, all employees are entitled to parental leave, regardless of fixed-term or part-time contracts. In 2025, 55 employees took parental leave (previous year: 87), including 38 men (previous year: 63, see the table on page 36).

In 2025, 40 employees returned to work after parental leave (previous year: 70): 34 men and 6 women. The return rate after parental leave during the reporting period was 89.5% for male employees (previous year: 98.4%) and 35.3% for female employees (previous year: 33.3%).

Kurtz Ersa also continues to support employees with children after parental leave, for example through holiday childcare. At the end of each year, we use a survey to identify the dates that best suit the majority of employees in the coming year and organize the holiday childcare accordingly.

	2019		2020		2021		2022			2023			2024			2025		
	m	f	m	f	m	f	m	f	d	m	f	d	m	f	d	m	f	d
	Employees on parental leave	35	14	32	16	47	14	26	15	0	31	9	0	63	24	0	38	17
Returns from parental leave	100%	35.7%	90.6%	31.3%	93.6%	57.1%	100%	26.7%	0%	90.3%	33.3%	0%	98.4%	33.3%	0%	98.5%	35.3%	0%

3.1.13 [S1-17] Incidents, complaints and severe human rights impacts

Kurtz Ersa introduced its digital whistleblower and complaints management system in summer 2023. This channel enables employees to report suspected violations of applicable laws, our Code of Conduct or other misconduct – also anonymously.

This applies, among other things, to suspected

- non-compliance with human rights and social standards
- environmental and occupational health and safety violations
- corruption, fraud or money laundering or
- theft and the
- violation of data protection and competition law.

We assure all employees of confidentiality and ensure that whistleblowers do not suffer personal or professional disadvantages. Through the platform used, Kurtz Ersa has implemented the statutory requirements of both the German Whistleblower Protection Act and the German Supply Chain Due Diligence Act, which has applied to Kurtz Ersa since 1 January 2024. The following reports have been received since the reporting procedure was introduced in 2023:

Directive	Risk category	Quantity		
		2023	2024	2025
SCDDA	Human rights infringements	0	0	0
	Violation of environment legislation	0	0	0
Whistleblower Protection Act	Data protection	1	2	1
	Theft, fraud	0	0	1
	Money laundering	0	0	0
	Corruption	0	1	0
	Product safety	0	0	0
	Environmental protection	1	0	0
	Disclosure of trade secrets	0	0	0
	Competition and anti-trust laws	0	0	0
	Other	1	1	0
	of which spam/without content	2	2	0
Total number of relevant reports (without spam)		1	2	2

In 2025, no disciplinary or employment-law measures were taken on the basis of the reports received. In addition, all reports are used to assess and improve our processes and management systems. During the reporting period, there were also no legal proceedings pending against Kurtz Ersa for non-compliance with environmental, social or economic regulations, and no significant fines were imposed.

3.2 [S2] Workers in the value chain

3.2.1 [S2-SBM-3] Material impacts, risks and opportunities

From Kurtz Ersa's perspective, potentially negative impacts on working conditions in the value chain arise from the Group's internationalization and its complex value chains. As explained under 1.8 [SBM-1], Kurtz Ersa's procurement operates globally, including in China, and around 80% of its customers are located outside Germany. Kurtz Ersa's customers are predominantly B2B customers and employ workers across a range of industries. A key challenge is the frequent lack of transparency along supply chains, which increases the risk of violations of labor and social standards and harmful environmental impacts.

If there were deficiencies in Kurtz Ersa's requirements for its business partners, or if the defined requirements, such as those arising from the Code of Conduct, were not appropriately addressed and implemented, this could have a negative impact on workers in the value chain. For example, the World Health Organization (WHO) has shown that poor working conditions constitute a health risk factor. As Kurtz Ersa manufactures complex machinery, deficiencies in related requirements can have a particular impact on the health protection and safety of workers.

Social dialog is also essential for good working conditions, as it enables grievances to be remedied and concerns to be raised. Dialog between Kurtz Ersa and its numerous business partners

is indispensable to prevent potential negative impacts on working conditions in the value chain. At the same time, Kurtz Ersa's influence on working conditions at its business partners, and on the implementation of requirements arising, for example, from the CoC, is limited.

3.2.2 [S2-1] Policies related to value chain workers

A key objective of our efforts is to establish a consistently sustainable supplier network in line with Goal 17 of the United Nations Sustainable Development Goals (SDGs). To this end, we aim to build partnerships with our suppliers in order to achieve our targets together. As a result, human-rights and environmental topics are also reflected in supplier selection, for example by considering certifications relating to environment (ISO 14001), occupational health and safety (ISO 45001) and energy (ISO 50001). In addition, the Code of Conduct is a central instrument defining our understanding of ethical and sustainable behavior for us and our business partners. Alongside appropriate working conditions, our Code of Conduct (CoC) also covers equal opportunities and other labor-related rights.

We attach importance to involving the relevant departments in topics affecting the value chain, which is why multiple departments contributed to the development of the CoC. We also provide opportunities for stakeholders to raise concerns regarding supply-chain issues, as the whistleblower protection system also allows complaints about – or from – suppliers or other parties involved in the supply chain.

Supply chain risk management supports the regular analysis of potential human rights and environmental risks based on various country indices and by incorporating information on industry and product groups. To manage sustainability risks in the supply chain systematically, Kurtz Ersa uses the cloud-based osapiens HUB platform. It aggregates data from existing corporate systems and provides dashboards and KPIs for sustainability, SCDDA and ESG reporting.

Procurement determines an average risk score per supplier twice a year (scale: 0 = very low risk to 5 = high risk), derived from the following risk drivers:

- country risk – based on external indices and risk indicators for the relevant country of origin or location
- industry risk – based on typically higher-risk sectors and sourcing areas
- AI-supported media screening – screening publicly available information for relevant indications

This score enables early identification of human-rights and environmental risks, supplier prioritization and the initiation of targeted follow-up measures. The content is aligned with the due diligence obligations of the SCDDA and covers topics such as human rights, occupational health and safety, appropriate working conditions, environmental due diligence obligations, risk management, and complaint and reporting obligations. The status quo has been reviewed on a regular basis since mid-2024. For the first time, it was documented as of December 31, 2025, and will now be collected on a semi-annual basis.

The SCDDA risk management approach is described and embedded in detail in our internal procedural instruction on this topic, which also defines risk thresholds. Based on these, we set a target of maintaining a risk score of no more than 1.4 (= low risk) on a permanent basis. The current risk score of 1.16 is well below this threshold.

To ensure that operators and users of our machines are not exposed to risks or negative impacts, we have developed policies on customer health and safety, which are explained on our website under [safe products / customer safety](#). In addition, we pursue digitization concepts in order to further digitalize our entire customer service. Connectivity with digital end devices for control will enable our specialists, subject to customer approval, to maintain or optimize machine processes remotely. This can reduce the need for customer visits and also reduce the workload for our employees on customer locations.

3.2.3 [S2-2] Processes for engaging with value chain workers about impacts

We have direct points of contact in the relevant departments for our contacts with suppliers and customers. Most business partner relationships have been in place for many years – often decades – resulting in established communication and exchange. In addition, all workers in the value chain have the option of contacting us via our anonymous whistleblower protection system.

3.2.4 [S2-3] Processes to remediate negative impacts and channels for value chain workers to raise concerns

Complaints relating to suppliers or other parties in the supply chain can also be submitted via the Group-wide complaints mechanism, i.e. the whistleblower system. A dedicated process has been defined for handling supplier-related complaints. All findings are incorporated into our risk management. No supply-chain-related complaints were received in the reporting period or in the years prior, as shown under 3.1.13 [S1-17].

3.2.5 [S2-4] Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Sustainability is embedded in Procurement through clear, recurring qualification and standardization components. Once a year, all procurement employees are trained on “Sustainability in Procurement”, including the requirements of the German Supply Chain Due Diligence Act (SCDDA). The training is documented systematically. In addition, sustainability requirements are integrated into supplier relationships through standardized contractual clauses (including the Kurtz Ersa Code of Conduct).

Sustainability dialog with strategic suppliers

We maintain regular exchanges with strategic suppliers on sustainability topics. The aim is to create transparency regarding suppliers’ maturity and progress, communicate requirements clearly and actively support improvements along the supply chain. Results are documented in the procurement controlling system and used for supplier steering. Alongside contractual requirements (e.g. the Kurtz Ersa Code of Conduct as the contractual basis for expected behavior such as integrity, human rights, working conditions, environmental and compliance requirements), topics such as risk management, conflict minerals and environmental relevance are also addressed. This ensures that sustainability is not treated as a standalone topic for strategic suppliers, but as an integral part of the supplier relationship, contractual requirements and risk-based supplier steering in Procurement.

To avoid potential impacts in the downstream value chain, we place strong emphasis on health and safety requirements.

Since 2024, we have been working intensively on material compliance. In this context, a newly created position is to be filled in 2026. This role will establish the framework for consistent implementation across the Group and will coordinate the topic. Further details are provided in chapter [E5-2].

3.2.6 [S2-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

By the end of 2026, we have set ourselves the target of training our international employees, as well as employees of our newly acquired companies, on ethical and sustainable behavior through a CoC training course. This target is assigned to Governance and is included in the target overview in the following chapter. Through this, we also aim to promote appropriate conduct towards our business partners in the value chain and to help disseminate this behavior to other companies.

Our goal is to strengthen the sustainability of our supply chain systematically and make it transparent. The basis for this is the certifications of our business partners collected through self-disclosure. For strategic suppliers – who account for around 78% of our total purchasing volume by value – we regularly record whether ISO 14001 or EMAS (environmental management), ISO 45001 (occupational health and safety) and ISO 50001 (energy management) certifications are in place. If a company holds at least one of these certifications, it is classified as a “sustainable supplier”. Twice a year, we calculate the share of purchasing volume attributable to this group and set it in relation to the total purchasing volume of strategic suppliers. By 2029, our target is to place at least 50% of this volume with appropriately certified, sustainable sources. Through sustainability dialogues, we aim to involve strategic suppliers in the CO₂ reduction target (see [E1-4] and [E5-2]).



ESRS G1

Business Conduct



Targets:

Result of CDP rating (Climate)



Publish EMRT



Supplier risk score <1.4 (annually)****



Part-based material compliance Return rate*****



Annual sustainability budget***



Result of ESG rating*



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



ISO 14001+ISO 50001



ISO 45001



"Code of Conduct" training for all international employees



*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. The target had to be postponed from 2025 to 2026 because the high capacity utilization of our sites in China made a rollout unfeasible.

***See calculation and projects on page 17.

****Risk score of German suppliers based on the SCDDA tool; Risk score <1.4 means very low risk, „green“.

*****Referring to German suppliers.

■ Our target

■ Target achievement, status 31.12.2025



ESRS G1 – Business Conduct

4.1 [G1-SBM-3] Material impacts, risks and opportunities

For this disclosure requirement, we refer to the information on business conduct provided under ESRS 2 General Disclosures, in particular sections 1.3 [GOV-1] and 1.4 [GOV-2].

As part of establishing long-term supplier relationships, Procurement engages intensively with the requirements of the German Supply Chain Due Diligence Act (SCDDA). Kurtz Ersa has defined requirements for business partners (particularly on ESG topics), which are communicated to suppliers, for example through the Group's Code of Conduct and Policy Statement, and are intended to deepen sustainable and ethical relationships that have a positive effect along the entire value chain. Certifications (e.g. ISO 9001, ISO 14001, ISO 45001 and ISO 50001) are also taken into account in supplier selection. Since mid-2025, certifications in the area of information security (ISO 27001, TISAX, etc.) have also been considered for relevant products or services. In addition, we operate an anonymous whistleblower system, which is described in more detail under 3.1.13 [S1-17]. Introducing a CMS (Compliance Management System), a CoC (Code of Conduct) and the whistleblower system enables all stakeholders to identify and report potential indications of corrupt or unethical behavior.

Overall, Kurtz Ersa's governance structure has a positive effect on corporate management and promotes an understanding of sustainable business relationships among all stakeholders. One risk is the increasing administrative burden associated with the growing number of laws and regulations. If this reduces the company's efficiency, it may have a negative impact on the Group's financial stability. At the same time, it should be emphasized that non-compliance with requirements can also have substantial financial

consequences. The Compliance function therefore supports the responsible departments in implementing requirements in a risk-based and appropriate manner.

4.2 [G1-1] Business conduct policies and corporate culture

Kurtz Ersa's Corporate Guidelines form the basis for the further documents on corporate culture and the requirements for governance. Under the headings Vision, Mission and Purpose, they describe the direction in which the company intends to develop and the value-driven self-understanding through which these objectives are to be achieved. The Corporate Guidelines are available to all stakeholders in the downloads section of the Group's website ("Vision, Mission & Purpose").

The following documents specify the implementation of the Corporate Guidelines:

- Code of Conduct (applicable to all Kurtz Ersa employees internationally, as well as to all suppliers as part of the supplier agreement)
- Policy Statement
- Compliance Guideline, including the Compliance Policy

Through the Sustainability Steering Committee, the company's management (Global Board and Advisory Board) receives regular updates on the status of material IROs in the area of Governance. Based on this, the corporate culture documents are reviewed regularly for currency and, where necessary, updated and communicated again. In the reporting year, the Policy Statement was reviewed and updated to reflect the current structure and – as intended – the findings from the first SCDDA risk analysis. The content is communicated internally through mandatory training (Code of Conduct, Corporate Strategy), the Integrated Management System (IMS), and external-ly via the website and the Sustainability Report.

As part of CoC training, employees are also informed about the whistleblower and complaints management system. This includes, in particular, information on the special protection of whistleblowers against retaliation, the available reporting channels and points of contact for misconduct, and the confidential handling of reports. In the reporting year, the training was prepared for conversion to e-learning to ensure timely training coverage across all locations. From 2026, the fundamentals of particularly relevant topics for employees – including corruption prevention – will be addressed more strongly. In addition, a learning-progress check was implemented in the form of random quiz questions across all content.

Reports and complaints for all Group companies are processed centrally at Kurtz Holding GmbH & Co. Beteiligungs KG by the Compliance team within the central department CQM+CESG. Access to incoming reports is restricted, via the tool used for this purpose, to authorized employees. The defined responsibilities and processes comply with the requirements of Directive (EU) 2019/1937 (Whistleblower Directive) and the German Whistleblower Protection Act. Requirements for evidence of professional competence are fulfilled through participation in external training. Reporting to the company's management (Global Board and Advisory Board) is ensured by process.

Another important basis for trusted business relationships is the careful and secure handling of our data, as well as the data of our employees, customers and suppliers. If a breach of data protection rules occurs, we always treat it as an opportunity to improve our internal processes. A further building block supporting the protection of data and information is the Information Security Management System (ISMS) implemented in 2025. Among other things, these measures help ensure compliance with the requirements of the NIS2 Directive, which has applied in Germany since December 06, 2025.



4.3 [G1-2] Management of relationships with suppliers

Our approach to managing relationships with suppliers is described on our website under *Procurement*. This section also includes our supplier terms and conditions, the Policy Statement for implementing the German Supply Chain Due Diligence Act (SCDDA), and our Code of Conduct. In addition, we have a procedural instruction on this topic within the Integrated Management System (IMS).

To manage and continuously develop our production suppliers in a structured manner, we also apply an ABC classification as part of supplier evaluation. Developments are reviewed over a 3-year period to make performance trends visible, to request action plans in a targeted way, and to prioritize measures. All production suppliers are assessed annually and on a monthly year-to-date basis using the parameters logistics, quality and procurement. Follow-up measures are derived from the annual assessment, agreed with the supplier and implemented.

We are currently working on integrating sustainability as an additional evaluation criterion into the supplier assessment process. The aim is to embed sustainability as a permanent component of regular performance evaluation alongside logistics, quality and procurement. This will broaden supplier steering so that not only operational and commercial performance, but also sustainability-related expectations and developments are incorporated systematically into performance measurement and action planning.

Under 2.5.2 [E5-2], we already addressed the sourcing of sustainable products in the context of our resource inflows. We intend to further strengthen and expand our relationships with providers of sustainable products, materials and resources. For the avoidance of late payments, particularly towards SMEs, we refer to the disclosures under G1-6.

For the reporting period, we did not identify any actual impacts on the supply chain. The potentially negative impacts

identified may affect the supply chain. Through our established supplier management, we seek to prevent these impacts from materializing and to help ensure good working conditions, equal treatment and equal opportunities, and compliance with other labor-related rights.

4.4 [G1-3] Prevention and detection of corruption or bribery

Our minimum requirement – for both our employees and us as a Group – is to comply with all applicable laws, regulations, rules and obligations in our business activities. We expect the same of our business partners. Responsible risk management and transparent business conduct are further key elements of effective governance. Our Code of Conduct provides the foundation for this. Accordingly, all Kurtz Ersa employees are required to complete training on the Code of Conduct (see also G1-1). Using practical examples, this training also covers corruption, bribery and conflicts of interest. In addition, a gifts guideline was introduced, including a checklist for accepting benefits. To detect allegations or incidents relating to corruption and bribery, we use, among other tools, our whistleblower system alongside internal controls. This system, together with our approach to dealing with misconduct, has already been described under 3.1.13 [S1-17].

Within our Compliance Management System, a specific corruption risk analysis is prepared and documented annually as part of the assessment of compliance risks. The results are reported to the Global Board and Advisory Board as part of regular compliance and risk reporting. If specific allegations or reports of corruption arise, an ad hoc report is issued.

As announced in the previous report, the compliance training concept was formally adopted in the reporting year. Individual areas with an increased risk of corruption and bribery were identified. For these areas, more in-depth training, including knowledge checks, will be provided going forward.

4.5 [G1-MDR-A] Actions and resources related to material sustainability matters

Actions to further expand the CMS and risk management were continued in the reporting year. Processes for regular review and reassessment of risks, as well as reporting to the Global Board and Advisory Board for both topics, are in place. The new production locations were included in the analysis of ESG risks and an initial assessment was carried out. No material risks were identified.

The actions implemented in 2025 relating to the prevention and detection of corruption are described under 4.4 [G1-3]. To meet due diligence obligations under the SCDDA, in 2025 we further refined the legally required risk management approach, focusing on the principles of “risk orientation” and “appropriateness”. The risk analysis for direct suppliers was updated based on defined parameters, and risks identified as material were analyzed in more detail through individual supplier questionnaires.

To counter the risk of rising administrative effort, topics relating to sustainability, compliance and the Integrated Management System are consolidated within the central department CQM+CESG. In close exchange with experts from various functions, we aim to define consistent processes and to prioritize topics.

Since the last report, developments at EU level within the so-called “Omnibus procedures” have led to changes in the scope of application and substantive implementation of sustainability-related directives and regulations. A particular impact for Kurtz Ersa results from the postponement of the CSRD reporting obligation. Regardless of this, we are continuing to follow our established implementation roadmap.

While any simplifications in implementing already adopted legal requirements – such as the EU Supply Chain Directive or the EU Deforestation Regulation (EUDR) – are welcome, it also becomes more challenging to prepare implementation



with the necessary urgency without creating unnecessary effort at the same time. This will require an even stronger focus on risk-based, pragmatic implementation planning.

4.6 [G1-4] Incidents of corruption or bribery

There were no reports relating to corruption or bribery in the reporting year (see the table under 3.1.13 [S1-17]). There were also no indications of corruption or bribery outside the reporting procedure.

4.7 [G1-6] Payment practices

On our website, we have published our key procurement documents, which form the formal basis for long-term collaboration. These include our purchasing terms and conditions, which are generally agreed with all suppliers irrespective of company size. They also include our standard payment terms (30 days with 3% discount, 90 days net). Invoices are generally paid by the agreed due date. There are currently no legal proceedings pending against Kurtz Ersa for late payment.

4.8 Targets related to corporate governance

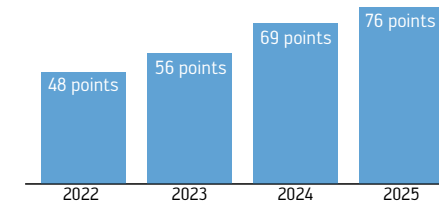
A selection of the governance targets set by Kurtz Ersa is shown on page 40, and our detailed progress can be followed on our website under *Compliance* and *Governance*. We already exceeded our self-imposed ESG rating target for 2026 in 2024, but we aim to continue improving on an ongoing basis.

The international roll-out of our Integrated Management System is to be completed by the end of 2026 and includes the two newly added German locations, as well as our locations in Hong Kong, Zhuhai and Shanghai. This supports Kurtz Ersa's alignment of processes and standards at both national and international level.

Likewise, the target of training 100% of international employees on the CoC by the end of 2026 contributes to this. This also aims to deepen positive impacts along the entire value chain.

Finally, the target value for the annual sustainability budget safeguards our future projects and progress on ESG topics at all levels.

Development of the ESG rating result (EcoVadis)



Development of CDP rating results

