

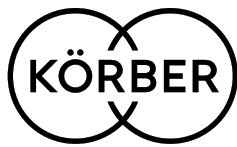
# **Group Guideline Environment**

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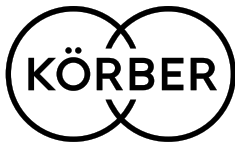
Körber AG, Head of Sustainability

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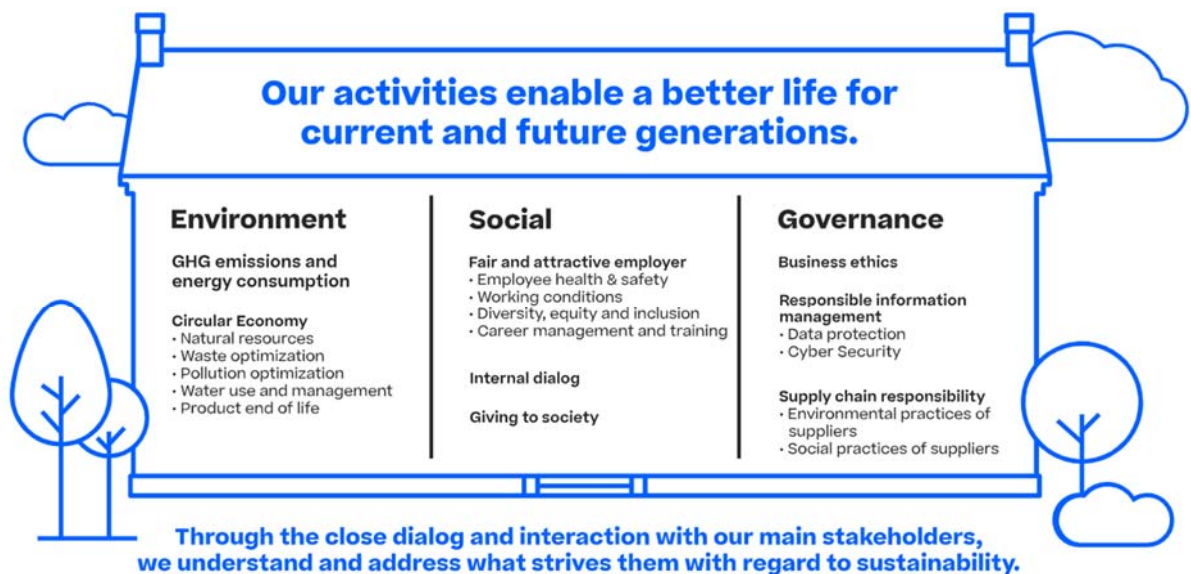
## 1 Preamble

This Group Guideline clarifies the position on the management of environmental and climate issues of the Körber Group, including all its Business Areas and applies to employees in all locations worldwide such as production, service, and sales. This policy defines basic rules, responsibilities, and targets for environmental and climate issues.

## 2 Guiding principle

Our activities enable a better life for current and future generations. We are determined to create a better and more sustainable future by means of our experience, our activities, and our technological expertise. Our sustainability promise is holistic in scope and encompasses all three dimensions of sustainability: environment, social, and governance.

Our “house of sustainability” therefore has three core pillars: environment, social and governance. Within these three core pillars, eight focus fields ensure that our sustainability activities are effectively aligned to achieve our goals across the Group. Our sustainability promise is firmly embedded in our corporate strategy.



The Group Guideline Environment is focusing on the first pillar of our “house of sustainability”.

### 3 Dimension: Environment

In the dimension 'environment' we are reducing CO<sub>2</sub> emissions and energy consumption and thus helping to protect the climate. Our goal is a circular economy in which waste and pollution are avoided as far as possible, materials are reused, and natural resources are conserved.

#### 3.1 GHG emissions and energy consumption

We commit especially to three main goals within our house of sustainability – one for each dimension of sustainability. With our main goal in the environmental dimension, we contribute to the Sustainable Development Goals 7, affordable and clean energy, and 13, climate change, of the United Nations:

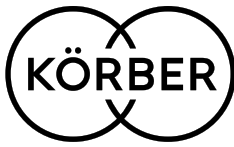


Only things that can be measured can be managed and improved. Our path to carbon neutrality therefore began with an objective and as comprehensive as possible inventory of our direct and indirect greenhouse gas emissions. Based on the inventory of our CO<sub>2</sub> emissions, we have set ambitious climate goals.

##### 3.1.1 Climate goal

Our commitment:

CO<sub>2</sub> emissions are warming the earth's atmosphere and driving climate change. At the 2015 climate summit in Paris, the international community agreed to limit global warming: to well under 2 °C, preferably 1.5 °C compared to the pre-industrial era. At the 2021 climate summit in Glasgow, 200 countries pledged their commitment to continue efforts for limiting the temperature rise to 1.5 degrees. This can only be achieved by drastically reducing CO<sub>2</sub> emissions. We must act - and we need to act now.



Goal:

We are committed to contribute to the Paris climate goals by becoming CO<sub>2</sub>e-neutral in Scope 1 & 2<sup>1</sup> as a Group by 2025.

What we have planned:

We calculate our CO<sub>2</sub> emissions according to the Greenhouse Gas Protocol. In 2021 we began to calculate CO<sub>2</sub> emissions that we can most effectively control ourselves (Scope 1 and Scope 2 as well as selected emission categories in Scope 3) and have quickly defined and implemented first reduction measures (see 3.1.2 to 3.1.4). Further reduction measures will follow as we gain full transparency on Scope 3 emissions (upstream and downstream activities in our value chain). To underline this, in 2022 we committed to the Science Based Target initiative (SBTi).

### 3.1.2 Green energy (electricity and gas)

Our commitment:

The switch from fossil fuels to green energy is a material contribution to the reduction of CO<sub>2</sub> emissions. We are promoting this at all our locations. Wherever it makes sense, we switch to producing our own green energy, for example by operating our own photovoltaic systems.

Goal:

We want to use green electricity and green gas wherever and whenever possible.

What we have planned:

To become CO<sub>2</sub>e-neutral, electricity and gas from renewable energies must and will be used at all Körber Group locations. To do this, we check the availability of green energy at all our locations worldwide. If green electricity and green gas are not available, we look for sustainable alternatives. We are also working on expanding our own green electricity production capacity by installing photovoltaic systems. In addition to these activities, we aim to reduce energy consumption and promote energy efficiency projects.

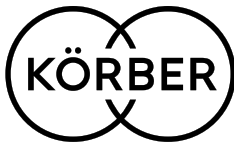
Targets:

- All Körber locations (where possible) with green electricity by 2022 (100%)
- All Körber locations (where possible) with green gas by 2025 (100%)<sup>2</sup>
- All Körber locations (where possible) with PV by 2023 (100%). Nine additional locations by 2023 (more than 7,000 MWh of solar power as calculated by the photovoltaic service provider)

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<sup>1</sup> According to the Greenhouse Gas Protocol: Scope 1: The emissions from owned or operated assets (for example, the fumes from the tailpipes of a company's fleet of vehicles) & Scope 2: The emissions from purchased energy. For more details see Link

<sup>2</sup>Our initial target date 2023, published in our Group Sustainability Report 2021, needed to get postponed due to changing market conditions in 2022.



### 3.1.3 Energy efficiency

Our commitment:

By using green energy, we avoid the use of climate-damaging energy generated from fossil fuels. However, the most sustainable way is to reduce overall energy consumption. Therefore, we are examining all our processes to reduce our energy consumption and use energy even more efficiently.

Goal:

We want to reduce our overall electricity and gas consumption and improve our energy efficiency.

What we have planned:

At Körber, we can reduce energy consumption in many areas, for example in our production and manufacturing processes and by making our employees aware of energy-saving behavior in their daily work. In addition, we are planning to refurbish our existing buildings to improve their energy efficiency and design new buildings to be as climate friendly as possible. We are therefore planning the continuous expansion and use of renewable energies as well as the certification of our buildings according to the DGNB (German Sustainable Building Council) and the international standard LEED (Leadership in Energy and Environmental Design), considering the entire life cycle of a building. Our future real estate development measures will be based on the cradle-to-cradle principle.

Targets:

- In 2023 we will define a feasible path for reducing our energy consumption<sup>2</sup>

Currently we have no concrete targets for reducing our energy consumption. In 2023, we are planning to define a feasible path for reducing our energy consumption based on the energy audits we conducted at our German sites.

### 3.1.4 Green business travel

Our commitment:

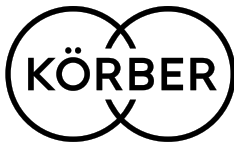
It is not only machines that consume energy — business travel is also a major contributor to our CO<sub>2</sub> emissions. Therefore, sustainability is an essential part of our Group Guideline Business Travel. The guideline adopted sustainable procurement practices to ensure that we operate in an environmentally conscious manner and travel sustainably. That's why at Körber, we are converting our fleet of company cars to electric vehicles and are committed to only travel, when necessary, to be in line with our CO<sub>2</sub> emissions reduction targets. To this end, we are also continuously expanding remote work and hybrid work.

Goal:

We want to travel with a green conscience.

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<sup>2</sup> Our initial target date 2022, published in our Group Sustainability Report 2021, needed to get postponed as we decided to base our activities on energy audits in 2023.



What we have planned:

Over the next few years, every internal combustion engine model in our company car fleet will be successively replaced by an electric vehicle. With our own charging infrastructure at all respective Körber locations, we will ensure that the vehicles are always driven with sustainable energy in the future. However, the most sustainable way to travel is not to travel at all. Business trips should generally be reduced and only undertaken if they cannot be avoided. If a trip is unavoidable, we will produce as little CO<sub>2</sub> as possible and switch from planes to trains for business trips up to 5 hours.

Targets:

- Company fleet to consist exclusively of electric cars by 2030<sup>3</sup>
- The required charging stations are being set up in parallel at the relevant locations
- The travel budget will be reduced by a third compared to the base year 2019

## 3.2 Circular Economy

The circular economy aims to use as few resources as possible within a closed material cycle. Durable structures, repairs, recycling, reuse and minimize waste, material and energy losses, and CO<sub>2</sub> emissions. This can be achieved most efficiently and sustainably if the entire life cycle of products, solutions, and services is considered during development and design.

Circular Economy is one of the drivers for us to reduce our corporate and product carbon footprints. Körber's technological strength and expertise will help us and our customers to reduce energy consumption and CO<sub>2</sub> emissions and therefore become more sustainable. We will use all our know-how and our passion for innovation and excellent manufacturing processes to design, produce and use our products, solutions and services in an even more environmentally friendly manner.

To advance our commitment to Circular Economy, we have set ourselves goals for each subtopic that belongs to Circular Economy.

### 3.2.1 Conservation of resources and climate protection

Our commitment:

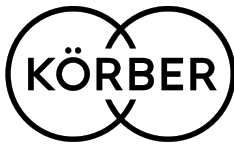
At Körber, we are committed to the conservation of resources and climate protection. We will strive to reduce our environmental impact through the responsible use of natural resources, the minimization of waste and CO<sub>2</sub> emissions, and the promotion of renewable energy sources. Through continuous improvement and innovation, we aim to build a sustainable future for ourselves and our planet. That's why we have a group-wide knowledge exchange group for ECO-design at Körber that further developed into a Think Tank in 2022.

Our activities and goals:

- We are committed to advancing the circular economy through continuous process improvement and innovation. We are committed to improving the circular economy capabilities of our products by designing them for durability, reparability, and recyclability

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<sup>3</sup> Our initial target date 2025, published in our Group Sustainability Report 2021, needed to get postponed due to changing market conditions in 2022.



What we have planned:

We employ a circular economy to conserve resources and protect the climate. We want to design, manufacture, and use our products, solutions, and services in ways that impact the environment as little as possible. Moreover, we want to bring them to the end of their service life in the same way. To this end, we are converting our production systems and minimizing our waste, our material and energy losses, and our CO<sub>2</sub> emissions. To achieve this, extensive changes are necessary throughout our entire value chain. This includes, for example, the increasing use of recycled products and materials as well as the targeted use of raw materials with low CO<sub>2</sub> emissions. We also reduce our use of materials where this is possible. Moreover, we reuse raw materials and resources if possible or process them further. To implement these changes, use and disposal already have to be considered and planned during product development. We are therefore intensifying our activities in the direction of eco-design and design for the circular economy.

Targets:

- In 2023 we will achieve even more transparency about the relevant resource consumption and then define further reduction measures<sup>4</sup>
- Achieve a circular economy in which waste and pollution is avoided as far as possible, materials are reused, and natural resources are conserved.

### **3.2.2 Natural resources**

The quality of life of present and future generations has top priority. With our actions and special attention to environmentally sound use and protection of resources such as water, soil (land), nature (plant and animal), together with our business partners, both customers and suppliers, we make a decisive contribution to the life-sustaining capacities of these resources.

### **3.2.3 Waste optimization**

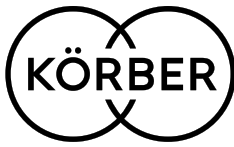
In a Linear Economy, waste is a logical consequence of the take-make-use-dispose model. In a Circular Economy, however, we no longer think about 'waste' as something without value. Instead, we regard waste as a resource for new processes.

In our approach to circular economy, we aim for preventing and reducing the generation of waste, and encourage the re-use, recycling recovery of materials as far as this is possible. The waste that cannot be prevented is separated and disposed properly. One main goal is to reduce the waste volumes and increase recycling rates. We have started to collect data pertaining to the amount of waste in all locations and will define a target path after evaluating that data.

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<sup>4</sup> Our initial target date 2022, published in our Group Sustainability Report 2021, needed to get postponed as we set up a new data collection process to improve data quality. Data will be available 04/2023.





### 3.2.4 Pollution optimization

Air quality: With our Group Guideline Business Travel we foster sustainable travelling. To this end, arrangements have been made, for example, to make first-class rail travel available to all to counteract unnecessary travel by air and the associated higher impact on the environment. Charging stations are being installed at relevant locations for the use of electric company cars. In the future, electric cars will increasingly be used as company vehicles.

In addition, we aim to reduce pollution of noise or dust within our company operations.

### 3.2.5 Water use and management

We are committed to using water efficiently and cost-efficiently, considering the specific requirements of our operations and processes. To achieve this goal, we will explore a range of strategies such as reducing water losses, optimizing treatment processes, and implementing water reuse or recycling programs where feasible and appropriate, to ensure that we use water in the most economical way possible. In general, our production sites are not very water intensive.

### 3.2.6 Product use-phase and end-of-life

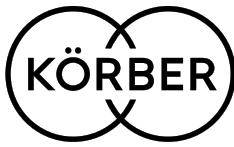
At Körber, we are aware of the significant impact we have on the environment through the manufacturing of our machines and the operation of our products by our customers.

Our activities and goals:

- Combining environmental, technical and economic considerations with our own Körber ECO-design Guideline
- Products that use motors with low energy consumption
- Product design that allows easy, non-destructive disassembly to reuse components and extend product life.

At Körber we recognize the importance of minimizing our impact on the environment, including the proper management of end-of-life products. To support this goal, we offer take-back programs for our machines in the business areas Pharma, Tissue and Technologies which are then refurbished for reuse whenever possible.

Our take-back programs are designed to make it easy for customers to dispose their machines in an environmentally responsible way, while also promoting resource efficiency and circular economy principles. By participating in our take-back program, customers can be confident that their machines will be handled in an environmentally sound manner, reducing waste, and supporting sustainable practices.



## 4 Allocation of responsibilities

At Körber we look at sustainability from a holistic and group-wide perspective. Our internal organization also shows the high priority we assign to this topic.

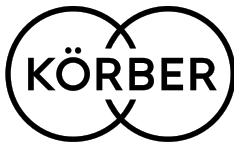
The Chief Operations Officer and Chief Technology Officer of the Körber Group is responsible for the **sustainability initiative**. The core team of the initiative crosses Business Areas and functions. It is led by the Head of Sustainability at the Körber Group. The team developed the Körber Group's sustainability strategy, implements it in collaboration with the Business Areas, and regularly reviews how the whole organization is moving toward its goals.

All of the measures are coordinated within the **Steering Committee for Sustainability**. The steering committee comprises the Körber Group Executive Board, the Chief Executive Officers of our Business Areas, and Head of Sustainability Körber Group. The projects are coordinated by the managers responsible for the focus areas and key topics within Körber's House of Sustainability and by the Business Area Representatives for Sustainability.

Under the sponsorship of the Körber COO / CTO all Business Area CTOs / COOs and the Head of Sustainability Körber Group meet four times a year for the **CTO / COO Circle**. The topic of sustainability (environment, social, governance) is an integral part of this meeting's agenda. Joint decisions are made on how to proceed with sustainability activities about operations, technology and innovation, especially for the dimension environment. BA COOs / CTOs identify common interests in environmental topics and define cross-Körber environmental activities to leverage synergies and create the highest positive impact. In case of need special taskforces are established to work out concepts and implementation plans. For example, we established in 2023 a task force for environment related ISO certifications, which shall develop into a knowledge exchange group for continuous best practice exchange and identifying potential common projects on the topic. We regularly monitor the effectiveness of our environmental measures and the achievement of our environmental targets. Twice a year the status of the implementation of the House of Sustainability – that also includes the environmental dimension - will be reported to the Körber Group Executive Management Board.

We also foster the exchange of knowledge across the Group to learn from best practices and drive forward projects with a common interest. Sustainability issues are also considered within the following **cross-Business Area initiatives and communities of practice**:

- **K.Excellence Initiative:** The Group-wide Operational Excellence Initiative focuses on the continuous improvement of our processes in all functions and areas of the Körber Group - from production to sales, from financing to service and purchasing.
- **K.Innovation Community:** This Group-wide community of technology and innovation experts fosters knowledge exchange and realization of common projects around different topics of technology and innovation with various team formats: In 2021 we established a new **Knowledge Exchange Group for ECO-design** that further developed into a Think Tank in 2022. It consists of experts from all Business Areas to exchange best practices on a regular basis and drives forward projects of common interest like the elaboration of an ECO-design guideline for the Group and a common approach for Life Cycle Assessments. In addition to those activities Group Technology Innovation has internally published the book "ECO-design - Why ECO-design is more than just another method in engineering". The book provides a basic understanding of product carbon footprint as a criterion for engineers.



- In addition, since years we have established a Facility Manager Meeting once a month across our main German sites. The team members develop ideas together and learn from each other.

We encourage all Körber employees to act responsibly and make his or her contribution to environmentally conscious action. For example, we started in 2022 with sensibilization for energy saving measures. We also promote dialog with employees on sustainability issues. Employees can provide suggestions for sustainable activities through various channels: Group intranet page on sustainability, teams channel sustainability and the email address [ideasforsustainability@koerber.com](mailto:ideasforsustainability@koerber.com). Together with the BA representatives for Sustainability we identify implementable activities.

This guideline will be updated and refined until 2024 with more quantitative targets.