

Sustainability Impact Report

2024

EUROPE, MIDDLE EAST,
AND AFRICA

Creating
Sustainable
Solutions





THE FASCINATION OF FLEXIBILITY

PIONEER AND INNOVATION DRIVER FOR TPE

Thermoplastic elastomers (TPE) combine the dynamic processing properties of thermoplastics with the softness and flexibility of elastomers.

In using them, we develop tailored, recyclable solutions for processing, development, and design, enabling us to meet diverse market and application requirements equally effectively.

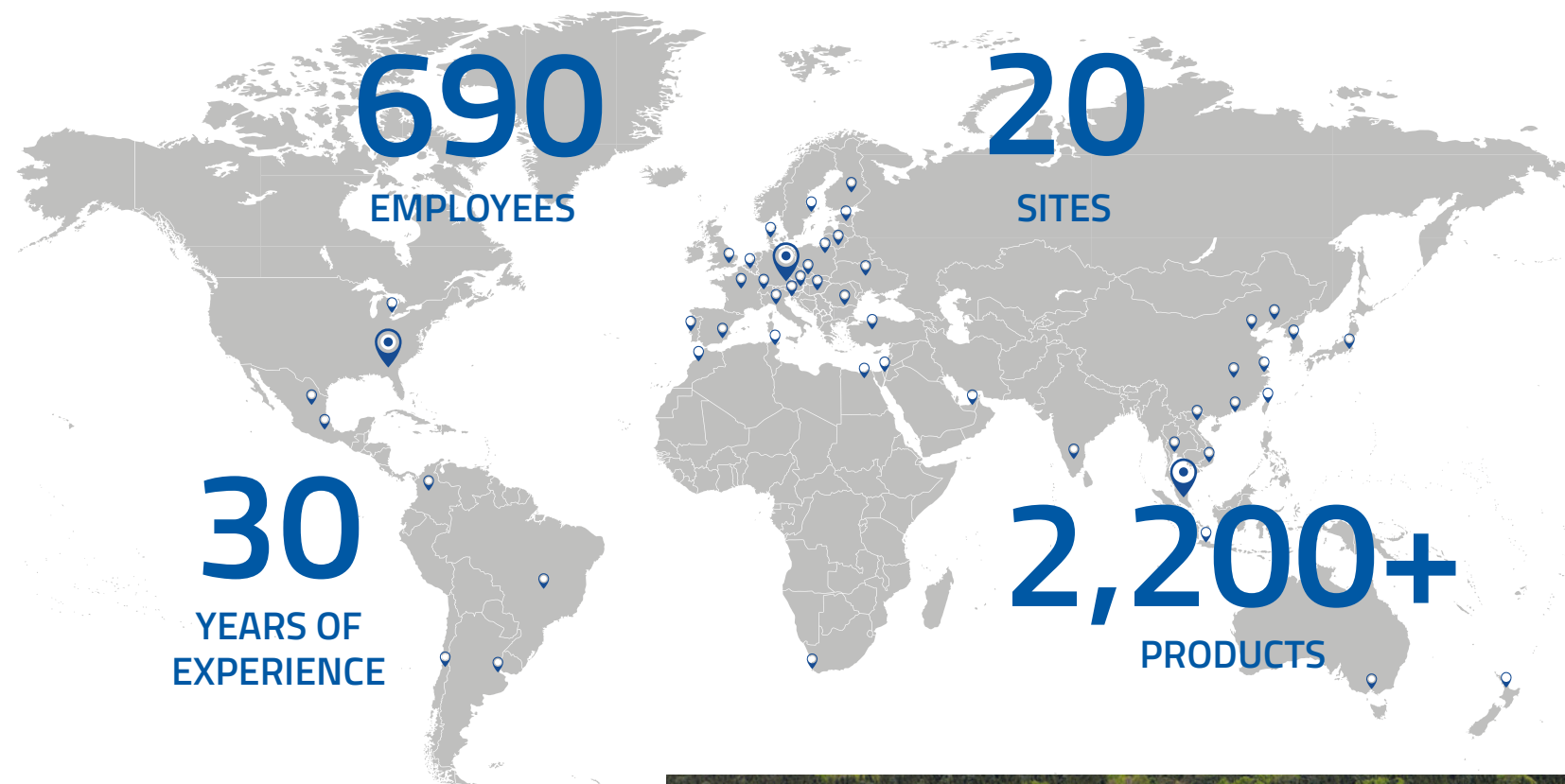
Founded in 2001 as an independent company within the long-established KRAIBURG Group, KRAIBURG TPE, with its headquarters in Waldkraiburg and production sites in Malaysia and the USA, is a global competence leader in TPE compounds, delivering future-proof plastic solutions as basic building blocks for everyday life. The application areas for our products particularly include:

AUTOMOTIVE – Solutions that get things moving

Touch quality, long-term durability, and processability: TPE compounds specially developed for the automotive industry meet the highest requirements in exterior, interior, and powertrain applications.

INDUSTRY – Special qualities as standard

TPEs are as multifaceted as the industry itself. From electronics and construction to sanitary equipment: flexible integration in function and design, reliable for flame protection and drinking water applications.



CONSUMER – Uniquely multifaceted

Consumer protection and safe solutions are paramount in many applications, especially for products with food contact, toys, or sports articles.

MEDICAL – Providing top-quality safety

In medical and pharmaceutical engineering, compliant, clean, and durable TPEs are indispensable. They set standards.





COR(E)PORATE SUSTAINABILITY

FIRMLY EMBEDDED IN OUR STRATEGY AS A CORE COMPETENCY

With our sustainability efforts, we aim for a balance of ecological action, social responsibility, and economic success.

MOTIVATION AND OBJECTIVES

Sustainability is essential for long-term continuity, development, and corporate success. This means that Corporate Sustainability is one of KRAIBURG TPE’s six core competencies. Firmly embedded in the corporate strategy, executives and employees commit to responsible action in the areas of environment, social matters, and governance. By focusing on current and future topics, our sustainability commitment gains a long-term perspective.

VISION AND MISSION

The cornerstone of our business model is: Sustainability. We encourage all employees to advance sustainable solutions in their daily decisions. Accordingly, we expanded the slogan “custom-engineered and more” with the concept of “design for sustainability.”

This encompasses the entire product life cycle – from the selection of TPE materials, product design, processing, and use to end-of-life options.



“Sustainability is a deeply rooted conviction for us at KRAIBURG TPE, shaping our actions for years. Our mission is to create more sustainable solutions on behalf of our customers.”

Dr. Monika Hofmann,
Director EMEA at KRAIBURG TPE





LOOKING BACK AND THINKING AHEAD

MILESTONES AT THE COMPANY AND PRODUCT LEVELS

We’ve been consciously pursuing the path of sustainable business practices and have achieved numerous milestones **for the company** since its founding.



2002

Certification of the environmental management system according to ISO 14001



2015

Installation of the first photovoltaic system

Corporate Health Award



2021


Creation of Corporate Carbon Footprint (CCF) and Product Carbon Footprint (PCF)



2025

EcoVadis Gold Award for all sites

100% green electricity

 More information in our Sustainability Report

Pioneering: We are also making steady progress at the **product level**.

2010


First TPE production with recycled content


2022

THERMOLAST® R (TPE with recycled/bio-based content) product line

2023

First products with ISCC PLUS certification







SUSTAINABILITY AT ITS BEST

FUTURE-PROOF WITH THE THERMOLAST® R LINE

Bio-based TPEs

The THERMOLAST® R range includes a series of products made from renewable sources. Depending on the required adhesion, varying proportions of renewable raw materials – up to approximately 70% – are possible. Bio-based TPEs reduce the consumption of finite, fossil-based materials, have a positive impact on the climate, and feature a lower Product Carbon Footprint.



Recycled Content TPE

Thermoplastic elastomers (TPE) with up to 79% recycled content from post-industrial and/or post-consumer waste streams are our response to the growing demand for environmentally friendly materials. By reducing the Product Carbon Footprint compared to virgin compounds, we support our customers in achieving their sustainability goals.



The result of this line is high-quality and reliable products with a very high proportion of recycled or bio-based materials for consumer goods, industrial applications, and the automotive sector. Initiatives in the field of circular economy and the closing of material loops are key levers for reducing Scope 3 emissions.





IMPROVING EVERY DAY

OUR CORE TOPICS AND OBJECTIVES



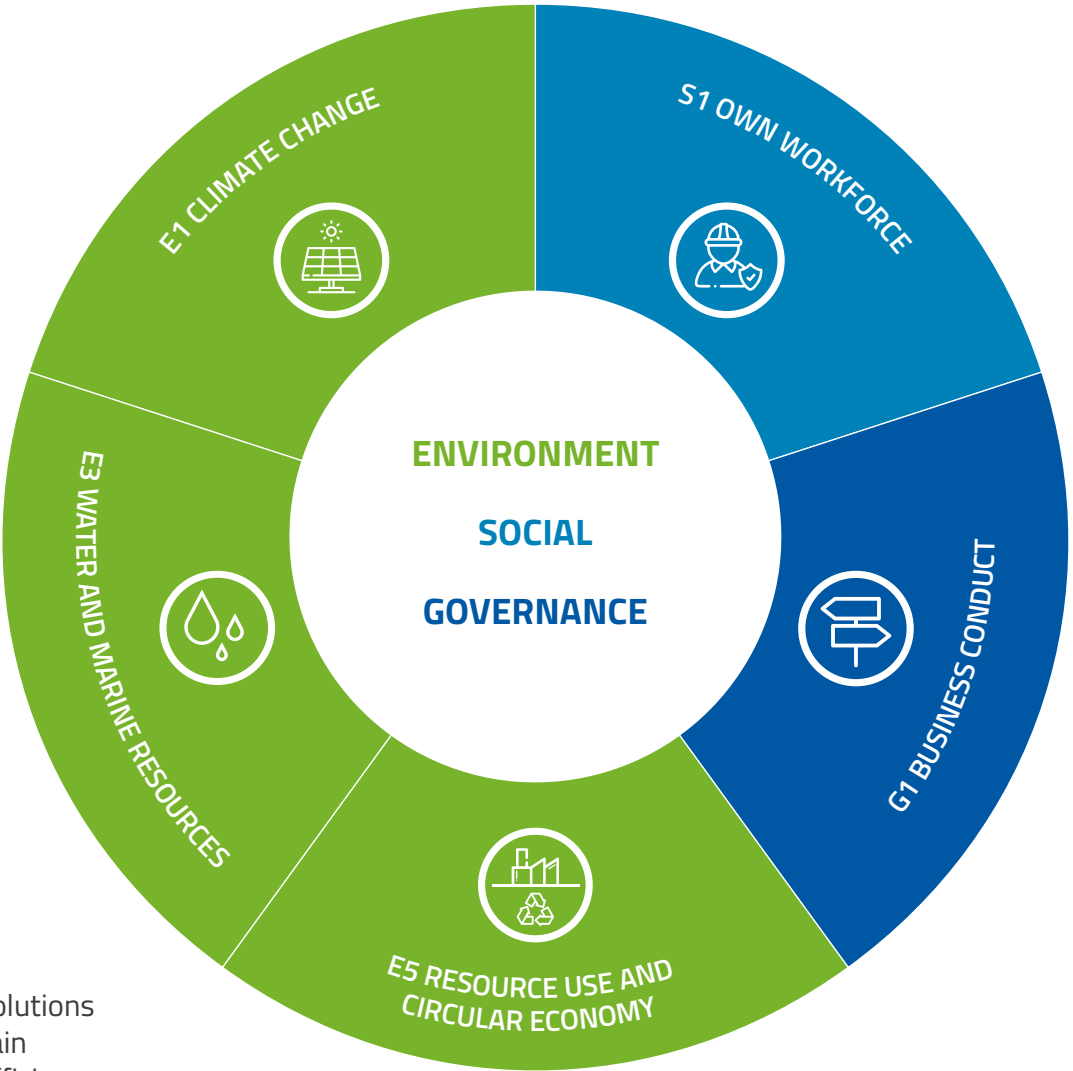
E1 CLIMATE CHANGE
Objective 1: Reduce climate-relevant emissions by 2031 in line with the Science Based Targets initiative (SBTi)
Objective 2: Increase process and energy efficiency
Objective 3: Expand renewable energies
Objective 4: Improve energy supply security



E3 WATER AND MARINE RESOURCES
Objective 1: Reduce water consumption
Objective 2: Reduce wastewater volume



E5 RESOURCE USE AND CIRCULAR ECONOMY
Objective 1: Develop more sustainable and circular product solutions
Objective 2: Anchor sustainability standards in the supply chain
Objective 3: Optimize production, packaging, and transport efficiency
Objective 4: Increase the utilization of our own production residues and returns
Objective 5: Expand external partnerships and business relationships for enhanced circularity
Objective 6: Avoid, reduce, and utilize waste



S1 OWN WORKFORCE
Objective 1: Strengthen employee retention through job satisfaction
Objective 2: Prevent and reduce workplace accidents through occupational safety
Objective 3: Promote health-conscious behavior through prevention programs
Objective 4: Recruit, develop, and retain skilled workers as needed
Objective 5: Strengthen leadership culture



G1 BUSINESS CONDUCT
Objective 1: Comply with compliance guidelines and implement values and aspects of corporate culture
Objective 2: Ensure ongoing legal compliance
Objective 3: Ensure transparency through adherence to standards and certifications


ENVIRONMENT: CLIMATE AND ENERGY

WITH AN AMBITIOUS PROGRAM FOR THE 1.5-DEGREE TARGET

KRAIBURG TPE and its business partners strive to align their activities in an ecologically sustainable manner. Since the base year 2021, the Product Carbon Footprint (PCF) has also been reported at the corporate level, alongside the corporate carbon footprint (CCF). For long-term climate protection, there are ambitious reduction targets for CO₂e emissions regarding Scope 1, 2, and 3, validated by the Science Based Targets initiative (SBTi). In this context, we focus on efficiency improvements, renewable energies, and greater supply security. For the success of this “2031 Climate Program” and energy management, it is vital that growth, innovation, cost efficiency, and global competitiveness contribute to the overarching strategy of reducing harmful greenhouse gases. For 2024, the implementation rate of the annual climate and energy program is 98%.

Greenhouse gas balance

in t CO₂e

 More information in our Sustainability Report

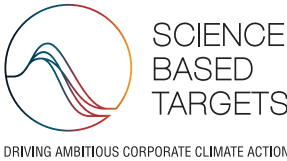
	2021	2022	2023	2024	2021 - 2024 in %
Total – market-based	129,693	114,904	107,262	113,497	- 12.5
Scope 1 Emissions	692	648	503	484	- 30.1
Scope 2 Emissions – market-based	3,205	2,565	2,365	1,761	- 45.1
Scope 2 Emissions – location-based	6,708	6,144	4,495	4,488	- 33.1
Scope 3 Emissions	125,796	111,691	104,394	111,252	- 11.6

3.1 – Purchased goods and services	92,802	80,544	77,462	75,834	- 18.3
3.3 – Fuel- and energy-related emissions	1,652	1,519	1,149	1,596	- 3.4
3.4 – Upstream transportation and distribution	10,854	11,367	9,373	16,064	48.0
3.5 – Waste generated in operations	584	492	541	540	- 7.5
3.6 – Business travel	19	199	287	450	2,268.4
3.7 – Employee commuting	324	346	247	246	- 24.1

3.9 – Downstrea transportation and distribution	336	403	396	408	21.4
3.10 – Processing of sold goods	19,225	16,821	14,939	16,114	- 16.2

78%

ELECTRICITY FROM
RENEWABLE
ENERGY SOURCES



We’re pursuing the
SBTi-validated emission
reduction targets with our
“2031 Climate Program.”



ENVIRONMENT: CIRCULAR ECONOMY

PRESERVING RESOURCES WITH “DESIGN FOR SUSTAINABILITY”

The circular economy describes a system in which existing materials and products are shared, leased, reused, repaired, refurbished, and recycled for as long as possible. This extends the product life cycle and significantly reduces waste. This development is driven by various European and national legislative initiatives as well as the expectations and requirements of business partners and customers. In the plastics industry, and particularly at KRAIBURG TPE, this is a core topic. We focus on developing circular solutions and offering products with recycled content, renewable materials, or a mass-balanced bio-circular share with ISCC PLUS certification. We have achieved a nearly 100% rate in our in-house recycling of start-up materials, production waste, and returns. Efficient design of production, packaging, and transport also plays a crucial role. Waste that cannot be avoided or utilized is disposed of properly and

environmentally responsibly in accordance with circular economy and waste legislation. To achieve this transformation from a linear to a regenerative economic model with closed loops, sustainability standards anchored in the supply chain and external partnerships and business relationships are essential.

TRIPLE
SALES VOLUME OF ISCC
PLUS-CERTIFIED
MATERIALS



Our ongoing initiatives and activities in the field of the circular economy enhance our slogan “custom-engineered TPE and more” by incorporating the concept of “design for sustainability.”



More information in our Sustainability Report

- RAW MATERIALS**
Compounds with recycled and/or bio-based content (including ISCC PLUS)
- PRODUCT DESIGN**
Recyclability of TPE
Disclosure of environmental impacts of products (focus on climate)
- PRODUCTION**
In-house recycling
- PACKAGING**
Optimization of our own packaging materials to reduce waste
- PROCESSING & USE PHASE**
Supporting our customers with material selection and processing for energy and resource efficiency
Our TPE is of very high quality and supports durable/circular products for our customers
- DISPOSAL/RECYCLING**
Initial trials for the take-back of TPE materials from customers
Non-TPE waste is properly separated, collected, and disposed of in accordance with circular economy and waste legislation



SOCIAL: OUR EMPLOYEES

WITH APPRECIATION FOR THE SKILLED WORKERS OF TODAY AND TOMORROW

Our employees make the company’s success possible, carrying the KRAIBURG TPE brand to the outside world. They therefore receive the special appreciation they deserve, with respect, trust, and participation. This also means that we support their independence while taking responsibility for their well-being. To this end, we set numerous goals and enact various measures – particularly in the areas of values and culture, work-life balance, diversity and equal opportunity, safety and health, and internal and external (further) education.

The low turnover rate and 90% company loyalty reflect the high level of job satisfaction at KRAIBURG TPE. Flexible and mobile working, numerous additional benefits in the form of

social contributions, and external consulting services help our employees feel welcomed and valued, too. Furthermore, our systematic Occupational Health Management (OHM) ensures both individual health and a “healthy” company organization. It complements the measures from our environmental occupational safety (UMAS) program, which has reduced the thousand-man rate by approximately 60% and the lost time injury frequency rate (LTIF) by about 20%. This is our concept for the skilled workers of today and tomorrow. Lastly, management is equally trained to strengthen our leadership culture. After all, the long-term retention of professionally competent and continuously trained employees is precisely what secures the company’s future.

2.7%

TURNOVER RATE

86%

JOB SATISFACTION

Employees can flexibly arrange their working hours in coordination with their supervisors, considering both operational needs and personal matters.





GOVERNANCE: BUSINESS CONDUCT

WITH COMPLIANCE AND CODE OF CONDUCT FOR CONFORMITY

We stand for responsible corporate management and follow the principles of transparency, responsibility, participation, fairness, and responsiveness. Our global business activities are in line with national and supranational legal regulations, ethical and social principles, and applicable international conventions. The Code of Conduct provides employees with guidance to act in accordance with the group on the global market. It is binding for all and tolerates no violations. Effective instruments for the company's compliance with guidelines and laws include clearly defined internal guidelines, a compliance officer, an implemented software solution, external reviews, and a web-based whistleblower reporting system. Through these preventive mecha-

nisms, the number of reports and violations remains at zero. We enhance our transparency and credibility by adhering to recognized standards and pursuing certifications. These also include upstream value creation stages. Accordingly, our culture of responsibility extends to the joint design of sustainable supply chains. The basis for this includes the German Supply Chain Due Diligence Act, the Universal Declaration of Human Rights, the Sustainable Development Goals, the UN Global Compact, the principles of the International Labor Organization, and the OECD Guidelines for Multinational Enterprises. All suppliers are required to comply with KRAIBURG TPE's current Code of Conduct and Sustainability Code.

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REPORTS AND
VIOLATIONS

259
AUDITS, INSPECTIONS,
AND EXTERNAL REVIEWS

**Every business partnership
requires acceptance of and
adherence to our rules and
guidelines.**





CORE COMPETENCIES OF KRAIBURG TPE

CUSTOMER SATISFACTION AS THE HIGHEST PRIORITY



INTERNATIONAL NETWORK

The international presence of KRAIBURG TPE has been a focus since the start of operations. Customers benefit from a decentralized, personal support, logistics, and communication network that operates quickly and efficiently.



CUSTOMATIZATION AND VISION

The company's mission is to produce high-quality material solutions. These are precisely tailored to the requirements and needs of customers based on the experience and comprehensive expertise of our employees.



CUSTOMER ORIENTATION

Our business relationships are based on speed and punctuality. Close and personal interaction enables us to meet individual customer needs, while our global presence ensures proximity and market knowledge.



SPECIALIZATION AND KNOW-HOW

Qualified teams support our customers with expertise and creativity in all aspects of planning and implementing their projects – whether for complex endeavors or optimal processing.



CONSISTENTLY HIGH PRODUCT QUALITY

The quality of the raw materials used is crucial for us – our customers can rely on that. Our globally uniform production and quality standards guarantee effective production processes with consistently high product quality for every batch.



CORPORATE SUSTAINABILITY

In developing future-proof products and services, we consider the resources needed by current and future generations. We implement this together with our stakeholders in practice.

SHAPING A MORE SUSTAINABLE FUTURE TOGETHER

For us, reporting is important – but above all, dialogue with our stakeholders matters most. We therefore greatly value your feedback, questions, and suggestions:

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Learn more about Corporate Sustainability at
KRAIBURG TPE in our 2024 Sustainability Report



TPE

CUSTOM ENGINEERED TPE AND MORE

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