

SUSTAINABILITY REPORT 2025

REPORTING PERIOD:
1 January 2025 to 31 December 2025



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KRAIBURG TPE is a global manufacturer of customized thermoplastic elastomers.



KRAIBURG TPE was founded in 2001 as an independent business unit of the KRAIBURG Group and is now the industry's competence leader in the field of TPE compounds. The company's goal is to provide safe, reliable, and sustainable products for customer applications.

With more than 700 employees worldwide and production sites in Germany, the USA and Malaysia, the company offers a large product portfolio for applications in the automotive, industrial and consumer goods industries, as well as for the strictly regulated medical sector.

The established THERMOLAST®, COPEC®, HIPEX® and For Tec E® product lines are processed by injection molding or extrusion and offer manufacturers numerous advantages not only in processing but also in product design.

KRAIBURG TPE is characterized by its innovative strength, global customer orientation, customized product solutions and reliable service. The company is DIN EN ISO 50001:2018 certified at its headquarters in Germany and holds DIN EN ISO 9001:2015 and DIN EN ISO 14001:2015 certifications at all its sites worldwide.

Message from the CEO



For us, sustainability is far more than just a strategic focus area—it is an expression of our responsibility as a family-owned business and an important element of our long-term business strategy. Especially in a time marked by uncertainty and rapid change, it provides us with direction and the opportunity to actively shape the future.

At KRAIBURG TPE, we view sustainability as the interplay of environmental, social, and economic responsibility throughout our entire value chain. Our goal is to make informed decisions today to develop reliable and innovative material solutions while considering environmental, social, and economic aspects for our customers, partners, and society.

As materials experts, we see our products and applications as an important area in which innovation can support sustainability-related objectives. Thermoplastic elastomers enable solutions that combine functionality, durability, and recyclability. Together with our customers, we continuously develop material solutions that address evolving technical, regulatory, and sustainability-related requirements.

A visible milestone on this path is the renewed award of EcoVadis Gold status for all our production sites worldwide. Being among the top 2 % of assessed companies recognises our performance in the areas of environment, labor and human rights, ethics, and sustainable procurement and reflects our continued efforts in these areas.

At the same time, we know that sustainability is not a one-size-fits-all starting point. Our sites worldwide are at different stages of this development, and each faces its own regional challenges. Yet this is precisely where our strength lies: we learn from one another, share best practices, and continuously evolve as a global

organization. Transparency is central to this for us.

With this report, we report on our activities, targets, and selected performance indicators, disclose our goals, and explain how we are pursuing the path we have chosen—not only because it reflects our values, but also because it responds to the expectations of our customers and partners.

We believe that sustainability requires continuous action, transparency, and collaboration. That is why we will continue on our path with determination, take responsibility, and work with our partners to develop material solutions that address evolving customer and market requirements.

Oliver Zintner,
CEO of KRAIBURG TPE



Regional Statement

Dr. Monika
Hofmann,
Director
EMEA



For us, sustainability in the EMEA region means integrating environmental, social, and governance considerations into our daily business activities. We continue to develop our circular economy activities with THERMOLAST® R and provide our customers with material solutions designed to meet evolving technical, regulatory, and sustainability-related requirements while maintaining reliable quality and performance. By sourcing 100 % green electricity from local sources for our German production site, we have further developed our approach to energy procurement.

Our employees play an important role in implementing our sustainability strategy. Through cross-functional collaboration, responsible decision-making, and the continuous improvement of processes, they contribute to the further development of our business. High employee satisfaction reflects our commitment to providing an engaging working environment that encourages participation and continuous development. This culture supports the implementation of our sustainability-related objectives across the organization.



Regional Statement

Dr. Joachim
Mühlmeyer,
Director
Asia Pacific



Asia Pacific continues to evolve rapidly, and sustainability remains an important focus area for future growth and innovation. We continue to expand our portfolio of compounds incorporating PIR, PCR and bio-based content, while further strengthening our GRS-certified product portfolio for the APAC region.

We also continue enhancing sustainability-related activities across the region through initiatives such as solar PV implementation, rainwater utilization and extruder process optimization at our Malaysia production site to support more resource-efficient operations. Environmental protection, energy management, work safety, equality, and responsible business practices remain integral to our approach as we continuously improve our operations. These activities have contributed to improved sustainability ratings in recent years, and we continue to support our customers in pursuing their sustainability objectives.

By combining our global sustainability strategy with strong regional collaboration, local market understanding, and continuous innovation, we continue to support our customers and partners across Asia Pacific while advancing our sustainability-related activities.



Regional Statement

Henning
Karbstein,
Director
Americas



Across our Americas region, sustainability means integrating environmental, social, and governance considerations into our business activities while continuously improving our operations and collaboration. By utilizing 100 % green electricity to produce our materials, we have further developed our approach to energy procurement. At the same time, we continue advancing our circular economy initiatives through the development of recycled-content solutions with up to 50 % recycled material, with future developments targeting up to 70 % recycled content.

In addition, we have expanded our recycling efforts through a pallet buy-back program with a key vendor and by maintaining a recycling stream for plastic and film waste, repurposing these materials as alternative-spec fuel. These initiatives reflect the commitment of our teams across the region and their focus on continuous improvement as we work toward our sustainability-related objectives.



In Conversation with the Head of Sustainability

Mr. Ortmeier, what are currently the most important areas of focus in the field of sustainability at KRAIBURG TPE?

We take a holistic approach. Climate protection and the reduction of our greenhouse gas emissions are central objectives. In this context, a key focus is the circular economy—that is, closing material loops, for example through take-back programs. At the same time, we closely monitor regulatory developments to anticipate requirements early on. Another priority is reducing our energy consumption, particularly our gas usage, including through waste heat recovery and optimizations in ventilation and plant cooling. Furthermore, strengthening our safety culture also plays an important role.

What opportunities arise from implementing these measures?

The measures help strengthen our resilience and competitiveness. For example, thanks to the new waste heat concept, we will reduce gas consumption by up to 80 % at one production site. This is just one example that shows how sustainability measures can help reduce costs, lower dependencies, and create a stable foundation for future developments. At the same time, the structured approach enables us to be well prepared for customer requirements and regulatory developments.

What role do customers and regulatory requirements play in this context?

Both aspects are closely linked. We see that customer requirements continue to increase, particularly with regard to sustainable solutions and transparency. Through verification, we build trust and enhance the credibility of our initiatives. Our goal is to



establish the appropriate structures early on rather than waiting to react once requirements become mandatory.

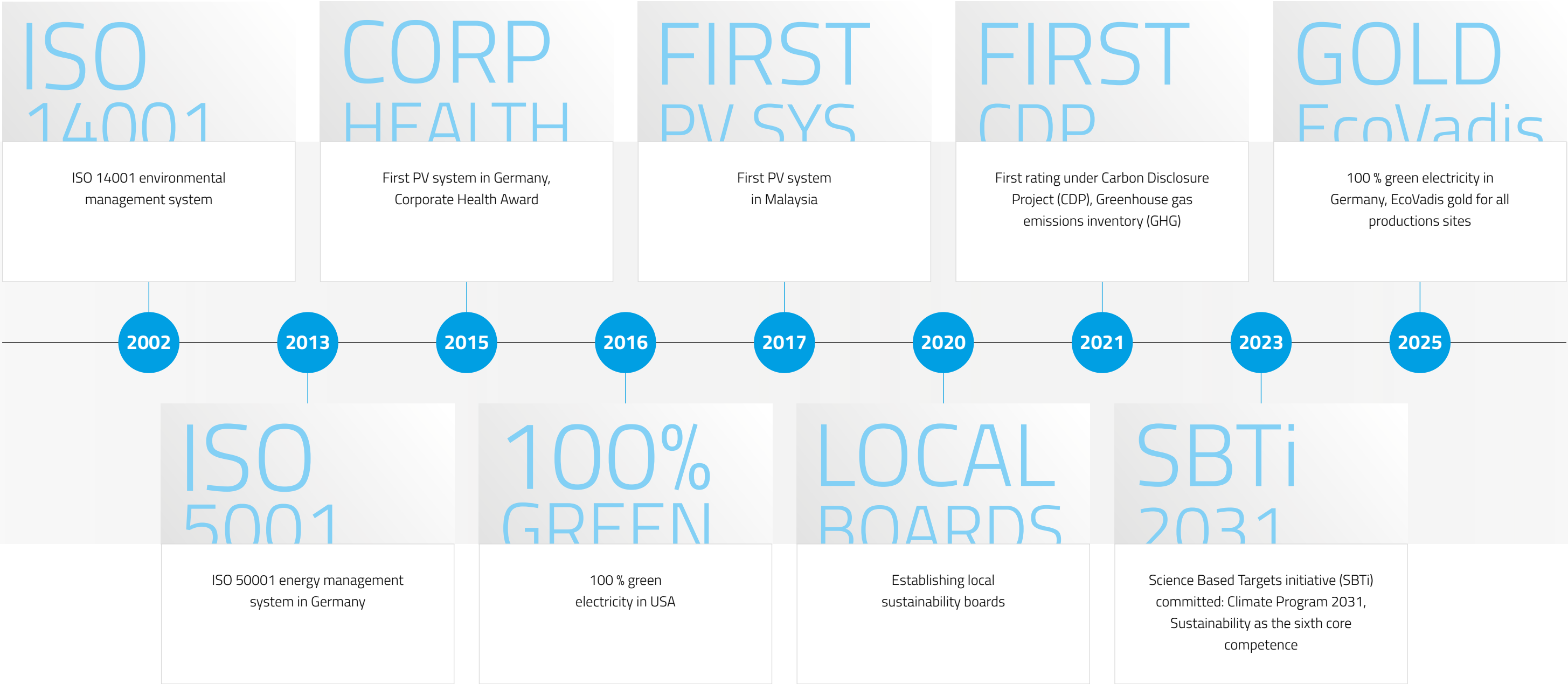
What are the key objectives for the coming months?

A central focus is on integrating sustainability and digitalization more closely, but also on further developing our product portfolio. The digitalization of our processes is a crucial foundation for efficiently meeting future requirements, such as those related to the Digital Product Passport. At the same time, we are advancing our photovoltaic and energy storage concept to reduce energy costs and increase flexibility. We are also further expanding our take-back solutions, as demand in this area is noticeably increasing. In this context, our Loop TPE concept is also gaining further significance: Through the systematic recovery and processing of production residues, we are laying the foundation for high-quality recycled-based compounds and are specifically driving the closure of material cycles.

Is there an overarching guiding principle that shapes your work?

We view sustainability as a continuous process. It is about developing pragmatic, economically viable solutions and implementing them step by step. Our focus is on measures that create measurable value, by stabilizing costs, reducing risks, and strengthening our competitiveness.

Sustainability milestones at KRAIBURG TPE



Product-level milestones at KRAIBURG TPE



European Sustainability Reporting Standards

General requirements and disclosures (ESRS 2)

BP 1 – Basis for preparation of the sustainability statement

This sustainability report has been prepared in alignment with the simplified European Sustainability Reporting Standards (ESRS, version November 2025). The reporting boundary includes the undertaking’s own operations across the production sites in Germany, the United States and Malaysia. Where complete data is not yet available at a global level, disclosures are based on the German production site (Waldkraiburg) and are explicitly identified as such. The system boundaries of the environmental and energy management system at the Waldkraiburg site are Plant T in Friedrich-Schmidt-Straße (property, production, and administration building).

The reporting period corresponds to the fiscal year 2025 (1 January to 31 December).

The sustainability data presented in this report is compiled based on internal reporting systems and management processes, including the integrated management system as well as environmental and energy management systems in accordance with DIN EN ISO 14001:2015 and DIN EN ISO 50001:2018. Data is generally collected at site level and consolidated at corporate level where available. Unless otherwise stated, employee-related data is based on headcount as of 31 December 2025. Environmental and energy-related data is derived from operational measurement systems, internal records and, where applicable, digital monitoring tools. Greenhouse gas emissions are calculated in accordance with the GHG Protocol, applying standard emission factors and recognized calculation methodologies. Where complete and

harmonized data is not yet available across all locations, estimates are applied based on internal data, standard assumptions and the best available information. In such cases, the company applies consistent calculation methodologies to ensure comparability over time. Any limitations regarding data scope, completeness, comparability or accuracy are transparently disclosed in the respective sections of this report.

KRAIBURG TPE continuously works to improve data collection, validation and consolidation processes across all sites to further enhance data quality, consistency and ESRS compliance in future reporting periods.

BP 2 – Phasing-in

KRAIBURG TPE does not apply phase-in provisions under the ESRS for the reporting year 2025. All disclosures included in this report reflect the current state of data availability and reporting processes. Where information is not yet available, this is transparently indicated within the respective disclosures.

GOVERNANCE

GOV 1 – Role of administrative bodies

Sustainability governance at KRAIBURG TPE is embedded within the overall corporate governance structure. Strategic responsibility for sustainability lies with top management, including the Chief Executive Officer (CEO), who is responsible for approving the sustainability strategy and the annual sustainability report. Operational responsibility for sustainability is formally assigned to the Head of Sustainability, who is responsible for coordinating and managing sustainability-related activities across the organization.

Sustainability management is supported by a structured governance framework, including:

- ➔ Global Sustainability Management Team (GSMT), ensuring coordination and alignment across regions
- ➔ Local Sustainability Boards (LSB), responsible for implementing and steering sustainability initiatives at site level

- ➔ Cross-functional involvement of Environmental Management, Energy Management, and the Integrated Management System (IMS)

At site level, responsibilities for environmental and energy management are defined in accordance with DIN EN ISO 14001:2015 and DIN EN ISO 50001:2018. This governance structure ensures that sustainability topics are integrated into operational processes and decision-making throughout the organization.

GOV 2 – Integration of sustainability-related performance in incentive schemes

For the reporting period 2025, no sustainability-related incentive schemes are implemented that link remuneration to sustainability performance. Consequently, no variable remuneration is tied to sustainability-related targets or metrics. The undertaking ensures that sustainability objectives are embedded in governance and operational decision-making through management processes, strategic targets and internal management systems, rather than through formal remuneration mechanisms.

GOV 3 – Statement on due diligence

KRAIBURG TPE applies due diligence processes to identify, assess and manage sustainability related impacts, risks and opportunities across its operations and, where relevant, its value chain. These processes are embedded in the company’s integrated management system and include the identification and assessment of material topics, the implementation of policies and actions, and the monitoring of effectiveness through metrics and targets.

GOV 4 – Risk management and internal controls over sustainability reporting

Risk and opportunity management at KRAIBURG TPE is embedded in the existing management systems and is aligned with the requirements of DIN EN ISO 9001:2015. The ISO 9001-based risk management approach includes systematic identification and assessment of risks and opportunities, integration of risk-based thinking into operational processes, and regular monitoring and review of identified risks. This framework is also applied to sustainability-related risks and opportunities, ensuring that material sustainability topics are considered within the overall risk management system.

Organization and structure



Management KRAIBURG TPE

**Overall responsibility and
fundamental endorsement**

- CEO
- Director EMEA
- Director Asia Pacific
- Director Americas

Global Sustainability Management Team

**Coordination of company-wide
sustainability measures**

- Head of Sustainability Management
- Head of Environment and Safety Management EMEA
- Corporate Sustainability Manager and Circular Economy Manager EMEA
- Sustainability Manager EMEA
- Energy Manager EMEA
- Environmental Manager EMEA and Climate Manager EMEA
- Senior EHS Executive Asia Pacific
- QEHS Manager Asia Pacific
- Director QEHS and QM Lab Americas
- EHS Coordinator Americas
- Corporate Integrated Management System Manager

Local Sustainability Board

**Alignment of corporate sustainability,
management of sustainability
activities, provision of capacities in
the respective areas**

- Regional Director
- Director Corporate Purchasing
- Director Human Resources and Central Services
- Director Operations
- Director Product Development
- Director Sales & Marketing
- Head of Sustainability Management

Sustainability Management Team

**Working level of sustainability
management, coordination and
implementation of sustainability
projects, initiator for other teams**

- Head of Sustainability Management
- Head of Environment and Safety Management
- Circular Economy Manager
- Sustainability Manager
- Energy Manager
- Environmental Manager and Climate Manager
- Safety Manager

STRATEGY

SBM 1 – Strategy, business model and value chain

KRAIBURG TPE is a global manufacturer of thermoplastic elastomers, supplying material solutions to various industries, including automotive, consumer goods, medical technology and industrial applications. The undertaking operates production sites in Germany, the United States, and Malaysia. The undertaking’s

business model is based on the development, production and distribution of thermoplastic elastomer compounds tailored to specific customer requirements. The value creation process includes sourcing of raw materials, compounding and production processes, quality assurance and product development, and distribution to global customers.

The upstream value chain consists primarily of suppliers of raw materials,

including petrochemical-based inputs as well as alternative materials such as recycled and bio-based feedstocks. The downstream value chain includes customers across multiple industries.

Sustainability is integrated into the business model through the development of circular material solutions, increasing use of recycled and bio-based inputs, and continuous improvement of energy and environmental performance in production.

The undertaking’s operations and value chain give rise to material impacts, risks and opportunities related to sustainability topics such as climate change, resource use, circular economy and occupational health and safety.

KRAIBURG TPE uses sustainability not only to reduce costs and mitigate risks, but also to actively capture opportunities arising from increasing demand for sustainable materials, enabling market growth and product innovation. This includes the expansion of recycled and bio-based product solutions, strengthened customer partnerships through sustainability-related services, and access to new market segments driven by regulatory and customer requirements.

SBM 2 – Interests and views of stakeholders

KRAIBURG TPE engages with a variety of stakeholders to understand their interests, expectations and views in relation to sustainability topics. For the reporting year 2025, the description of stakeholder engagement is primarily based on the processes established at the headquarters and the production site in Germany.

The key stakeholder groups identified at the German site include:

- Employees
- Suppliers and cooperation partners
- Customers
- Holding company and shareholders
- Authorities
- Neighboring companies

Stakeholder engagement is carried out through various formats, including:

- regular internal communication and employee feedback processes
- customer interactions and project collaboration
- supplier communication and procurement processes
- audits, certifications and exchanges with authorities

Through these interactions, KRAIBURG TPE gathers insights into stakeholder expectations, particularly regarding product quality and sustainability performance, compliance with environmental and regulatory requirements, occupational health and safety, and responsible business conduct. The information obtained from stakeholder engagement contributes to the identification and assessment of material sustainability topics and is considered in internal decision-making processes.

At present, stakeholder engagement processes are primarily organized at site level.

SBM 3 – Material impacts, risks and opportunities and their interaction with strategy and business model

KRAIBURG TPE identifies material impacts, risks and opportunities (IROs) arising from its business activities and value chain. These IROs are linked to the undertaking’s business model, strategy and operations. The identification of material sustainability topics is based on a materiality assessment that applies the principle of double materiality.

Operational programs, such as the local climate and energy program 2025, translate identified climate-related risks and opportunities into concrete actions and support the implementation of the company’s sustainability strategy.

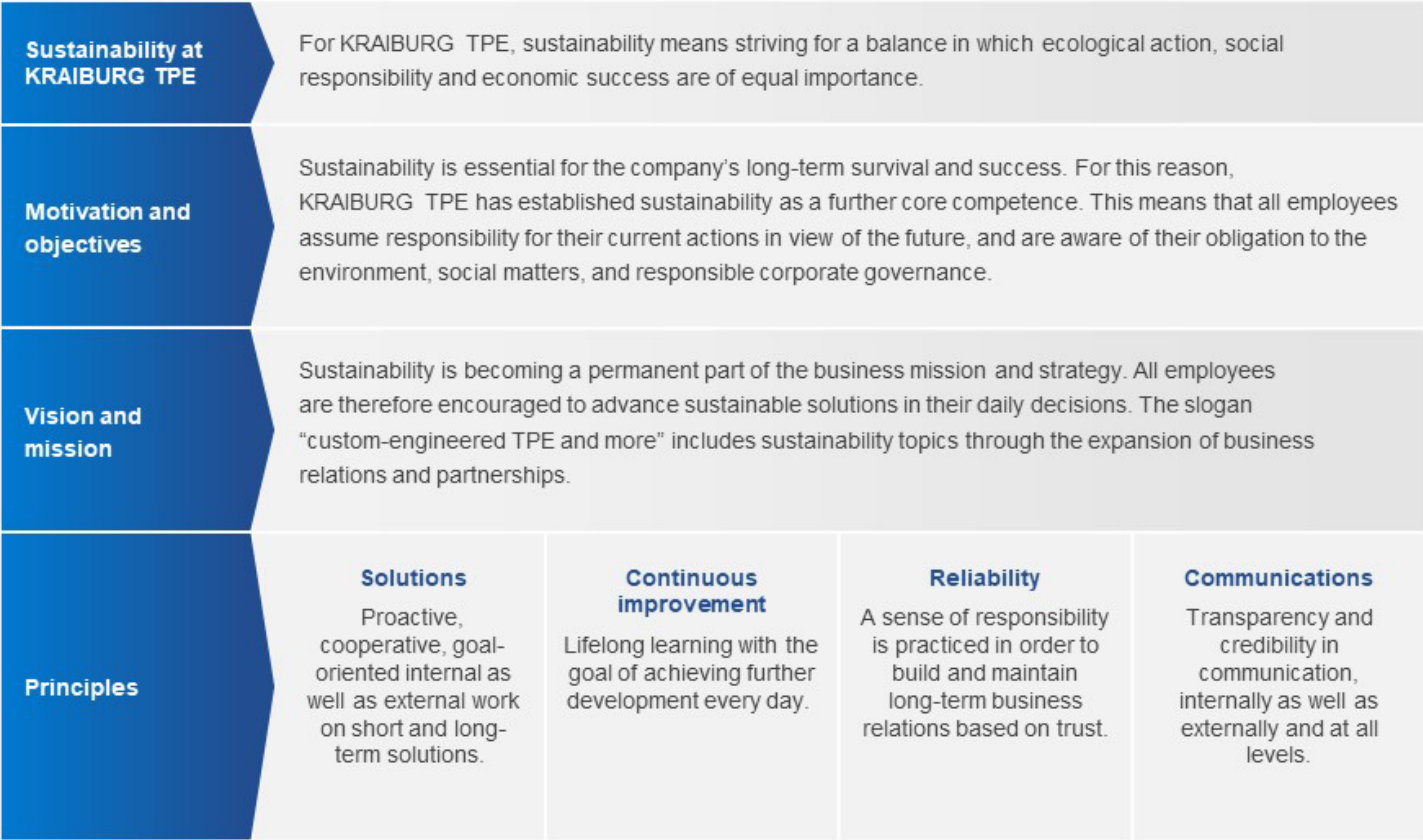


Figure 1: KRAIBURG TPE's commitment to sustainability

MATERIALITY ANALYSIS

IRO 1 – Description of the process to identify and assess material impacts, risks and opportunities

KRAIBURG TPE identifies and assesses material sustainability-related impacts, risks, and opportunities through a structured double materiality assessment process. The assessment is based on a location-specific workshop approach and is supported by internal teams and management. Materiality workshops were conducted at the production sites Germany (December 2024), the United States (November 2024) and Malaysia (October 2025).

The process involves cross-functional internal participants, including relevant management functions, to ensure that sustainability topics are assessed from both operational and strategic perspectives. The methodology applied is consistent across all locations. It includes the assessment of both impact materiality, focusing on the significance of environmental and social impacts of the company’s activities, and financial materiality, assessing risks and opportunities based on their likelihood and potential financial effects on KRAIBURG TPE. The evaluation is supported by a structured qualitative assessment and internal expert judgment.

The double materiality assessment primarily focuses on KRAIBURG TPE’s own operations, reflecting the current availability and maturity of data across the organization. The process is informed by existing internal management systems and assessments (e.g., risk management and environmental management processes), internal data sources and reports, and expert input from relevant internal functions.

Stakeholder perspectives are considered through the involvement of employees, ensuring that internal insights and operational experience are integrated into the evaluation of impacts, risks, and opportunities. The double materiality assessment was conducted as a comprehensive exercise and is subsequently updated on a regular basis. The most recent updates were incorporated through site-specific workshops conducted in 2024 and 2025.

IRO 2 – Material impacts, risks and opportunities

KRAIBURG TPE has identified material sustainability related impacts, risks and opportunities based on the double materiality assessment described in ESRS 2 IRO 1. These relate to the undertaking’s own operations as well as, where relevant, its upstream value chain.

The following section provides a concise description of the undertaking’s material impacts, risks and opportunities, including their actual or potential nature, their positive or negative effects, and their relevance to the environment or people. The identified impacts, risks and opportunities directly inform the company’s sustainability strategy, targets and operational action plans.

E1 - Climate Change

Impact (inside-out)

- GHG emissions from energy consumption in production
- GHG emissions from upstream raw material inputs
- High dependence on fossil-based energy sources

Risk (outside-in)

- Physical risks:
 - Hurricanes, flooding, heat stress (USA)
 - Flooding, haze, power outages (Malaysia)
 - Production disruptions
 - Infrastructure damage
- Transition risks:
 - Increasing regulatory requirements
 - Rising energy costs
 - Rising raw material costs
 - Customer expectations for decarbonization

Opportunity

- Calculation and communication of PCF and CCF
- Increased use of recycled materials (Scope 3 reduction)
- Competitive advantage through early climate action
- Implementation of Science Based Targets initiative

E2 - Pollution

Impact (inside-out)

- Emissions to water, soil, and air
- Risk of chemical spillages
- Wastewater discharge impacts

Risk (outside-in)

- Environmental contamination
- Regulatory penalties and fines
- Operational shutdowns
- Negative impact on local communities

Opportunity

- Improved environmental management systems
- Prevention of leaks and emissions
- Monitoring and inspection processes

E3 - Water

Impact (inside-out)

- Water consumption in production
- Wastewater generation

Risk (outside-in)

- Water supply disruptions
- Water contamination
- Increasing water costs
- Compliance risks (discharge regulations)
- Undetected leaks and inefficiencies

Opportunity

- Reduction of water consumption
- Water recycling and reuse
- Rainwater harvesting
- Process optimization

E5 - Resource Use and Circular Economy

Impact (inside-out)

- High consumption of raw materials
- Generation of production waste
- Limited recyclability of certain products

Risk (outside-in)

- Limited availability of recycled and bio-based materials

- Price volatility of sustainable raw materials
- Increasing customer demand for recycled content because of raw material shortage
- Regulatory requirements for circular economy
- Limited control over end-of-life treatment

Opportunity

- Increase of recycled content in products
- Expansion of internal recycling processes
- Development of take-back systems
- Circular product design and business models

S1 - Own Workforce

Impact (inside-out)

- Occupational health and safety risks in production
- Exposure to operational hazards

Risk (outside-in)

- Workplace accidents and injuries
- Health-related workforce absenteeism
- Shortage of qualified workforce
- Increasing expectations on working conditions
- Employee retention challenges

Opportunity

- Health and safety programs
- Employee training and development
- Ergonomic workplace improvements
- Improved working conditions and facilities

G1 - Business Conduct

Impact (inside-out)

- Influence on compliance and ethical standards
- Impact on sustainable supply chain practices

Risk (outside-in)

- Non-compliance with laws and regulations
- Conflicts with customer codes of conduct
- Conflicts with supplier requirements
- Increasing reporting requirements (CSRD, CDP, SBTi)
- Supply chain due diligence obligations
- Trade restrictions and regulatory differences

Opportunity

- Strengthening governance and compliance systems
- Promotion of responsible sourcing
- Improved transparency and stakeholder trust
- Certifications and structured reporting

Scope and consolidation statement

The double materiality assessment results are based on site-specific analyses for Germany, Malaysia and the United States. The group-level disclosure reflects the aggregation of these results, taking into account regional differences in operational context, regulatory environment, and risk exposure. As this is the first reporting year with a corporate wide double materiality assessment, no comparison to a previous reporting period is available. KRAIBURG TPE plans to further refine and update its materiality assessment for future reports in accordance with the requirements of the simplified ESRS framework.

SUSTAINABILITY GOALS

KRAIBURG TPE has defined a comprehensive set of sustainability goals that translate its strategic ambition into concrete, measurable action across environmental, social and governance dimensions. These goals serve as a central management instrument to drive continuous improvement, support long-term value creation and address material impacts, risks and opportunities identified through the company’s sustainability approach.

They cover key focus areas such as climate change mitigation, resource efficiency and circular economy, responsible water management, employee well-being and development, and ethical business conduct. By embedding these objectives into operational processes and management systems, KRAIBURG TPE ensures that sustainability is systematically integrated into day-to-day decision-making. The following figure provides a structured overview of these goals and their alignment with the different ESG dimensions.

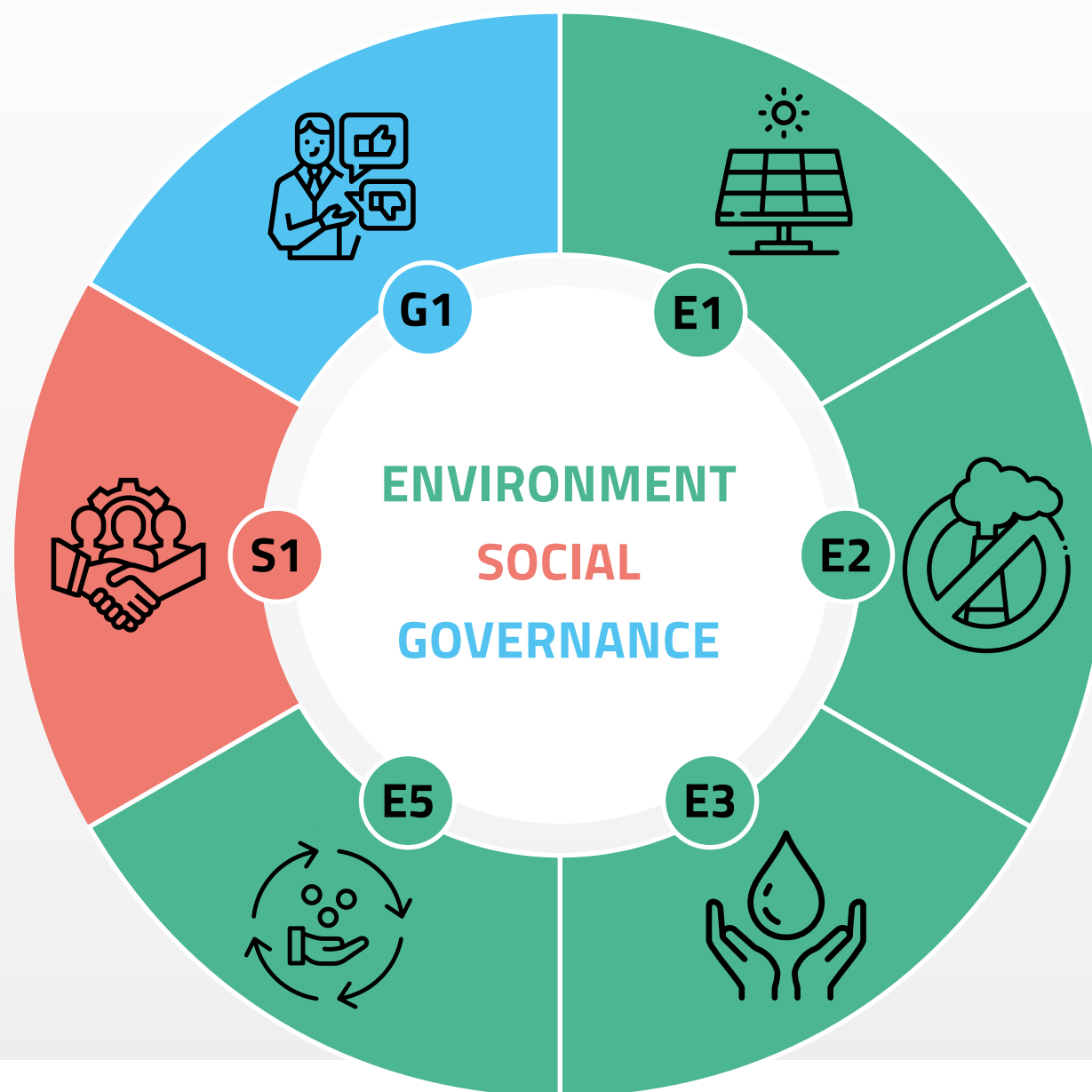
KRAIBURG TPE contributes to selected United Nations Sustainable Development Goals (SDGs) through its sustainability strategy, operational measures and defined objectives across environmental, social and governance topics.

In particular, the company supports SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action) through its climate and circular economy initiatives. In addition, activities related to water management contribute to SDG 6 (Clean Water and Sanitation), while workforce-related measures support SDG 3 (Good Health and Well-being) and SDG 4 (Quality Education).

Governance and business conduct initiatives further contribute to SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities) and SDG 16 (Peace, Justice and Strong Institutions), reflecting the company’s integrated approach to sustainable development.



Sustainability goals of KRAIBURG TPE



E1 - Climate change

- Goal 1:** SBTi: Reduce climate-relevant emissions (Scope 1–3)
- Goal 2:** Increase process and energy efficiency
- Goal 3:** Reduce fossil energy
- Goal 3a:** 100% renewable electricity by 2026
- Goal 4:** Reduce energy costs

E2 - Pollution

- Goal 1:** Prevent loss of plastic pellets
- Goal 2:** Reduce wastewater pollution
- Goal 3:** Keep air pollutants at a minimum
- Goal 4:** Systematically substitute or minimize hazardous substances

S1 - Own Workforce

- Goal 1:** Strengthen employee satisfaction and engagement
- Goal 2:** Avoid and reduce occupational accidents
- Goal 3:** Promote employee well-being and healthy behavior through targeted programs
- Goal 4:** Recruit, develop and retain skilled employees
- Goal 5:** Strengthen leadership culture

E3 - Water

- Goal 1:** Reduce water withdrawal
- Goal 2:** Reduce the amount of wastewater

E5 - Circular Economy

- Goal 1:** Develop sustainable and recyclable product solutions (increase use of recycled materials)
- Goal 2:** Promote partnerships for circular economy implementation
- Goal 3:** Design production, packaging and transport in a more sustainable way
- Goal 4:** Use production residues and by-products as raw materials, close material loops
- Goal 5:** Avoid waste, reduce it, and ensure separate collection and recycling

G1 - Business Conduct

- Goal 1:** Ensure compliance, ethical conduct and integrity
- Goal 2:** Identify and fulfil legal requirements and obligations
- Goal 3:** Ensure transparency through standards and certifications
- Goal 4:** Enhance transparency and traceability in the supply chain through supplier standards and assessments

Environmental information

Norm-relevant environmental, energy and occupational safety information

At the beginning of the environmental section, KRAIBURG TPE provides key information in line with the requirements of its environmental and energy management systems (DIN EN ISO 14001:2015 and DIN EN ISO 50001:2018). The scope of this section is limited to the German production site.

This includes:

- an overview of the input-output balance, describing relevant material, energy and water inputs as well as associated outputs such as emissions and waste
- the presentation of key indicators and performance development, enabling the monitoring and evaluation of environmental, energy-related and occupational safety performance over time

These elements support systematic monitoring, measurement, analysis and evaluation of environmental performance. Data is regularly reviewed to assess the progress towards defined objectives, identify risks and opportunities, and derive corrective or preventive actions where necessary. The results are incorporated into internal reporting processes, including management reviews, to ensure the continued suitability and effectiveness of the management systems and to support continual improvement.

For most material sustainability topics, including climate change, water, pollution, resource use and workforce-related aspects, more comprehensive information, detailed descriptions and key performance indicators are provided in the respective ESRS sections of this report. These disclosures generally follow a company-wide scope, while the information presented in this section focuses on specific operational boundaries. KRAIBURG TPE is continuously working on further harmonizing its management system reporting and ESRS disclosures in order to improve consistency, comparability and integration across reporting frameworks.

INPUT-OUTPUT BALANCE

The input-output balance sheet is a component of environmental reports and is recommended by DIN EN ISO 14001:2015. It shows the key parameters of the German production site.

The input-output balance provides an overview of the main material, energy and water flows at the German production site. The production volume remains at a comparable level to material input, indicating a stable production yield. Energy use is dominated by electricity, while natural gas represents a smaller but relevant share of total energy consumption.

Input	Quantity	Unit
Material consumption, production	32,230	t
Energy	12,785	MWh
Electricity	10,684	MWh
Natural gas	2,101	MWh
Water	21,693	m³
Drinking water	7,677	m³
Fully softened water	14,016	m³

Output	Quantity	Unit
Production volume	32,102	t
Waste	387	t
Non-hazardous waste	336	t
Special hazardous waste	38	t
Hazardous waste from release agents	13	t
Wastewater	21,693	m³
Sewerage	15,477	m³
Evaporation	6,216	m³

Table 1: Input-output balance of the German production site 2025

Land use, biodiversity and nature conservation

The land use indicator shows the changes in land consumption on KRAIBURG TPE's properties. The company attempts to ensure that its business activities have as little negative impact as possible on the region's biodiversity. Compensation areas are therefore created. Land use at the production site remained unchanged, with no additional land consumption in the reporting year. The ratio of developed area to production volume slightly improved compared to previous years, reflecting increased production efficiency in relation to land use. This results in a marginal improvement of the biodiversity-related indicator.

Land use Friedrich-Schmidt-Straße	2021	2022	2023	2024	2025
Total area m²	61,648	61,648	61,648	61,648	61,648
Green area m²	31,829	31,829	31,829	31,829	31,829
Developed area m²	29,819	29,819	29,819	29,819	29,819
Biodiversity (Developed area / production volume in tons)	1	1	1	0.95	0.93

Table 2: Built-up area in m² in relation to the annual quantity produced in t

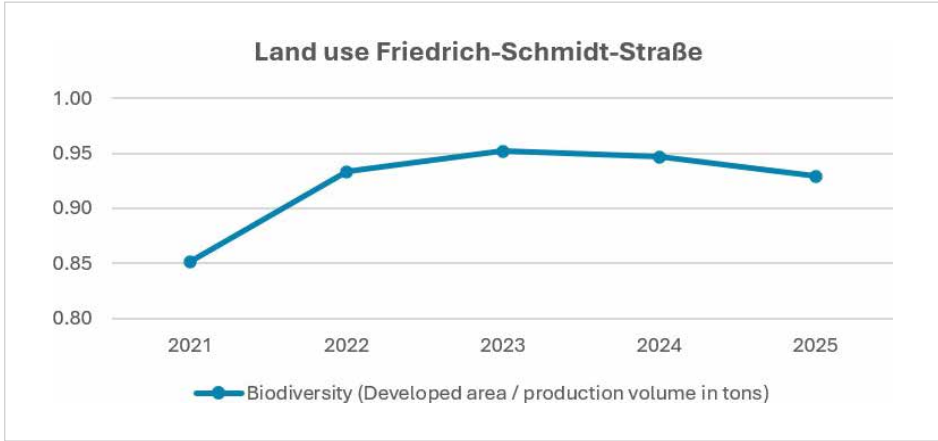


Figure 2: Land use and biodiversity

Greenhouse gas inventory Production site Waldkraiburg in t CO ₂ e	2021	2022	2023	2024	2025	2021 - 2025 in %
Total - market based	129,693	114,904	107,262	113,497	95,901	-26
Scope 1 Emissions	692	648	503	484	560	-26
Scope 2 Emissions - market based	3,205	2,565	2,365	1,761	48	-19
Scope 2 Emissions - location based	6,708	6,144	4,495	4,488	3,316	-99
Scope 3 Emissions	125,796	111,691	104,394	111,252	95,293	-51

3.01 - Purchased goods and services	92,802	80,544	77,462	75,834	75,935	-18
3.03 - Fuel- and energy-related emissions	1,652	1,519	1,149	1,596	502	-70
3.04 - Upstream transportation and distribution	10,854	11,367	9,373	16,064	7,140	-34
3.05 - Waste	584	492	541	540	362	-38
3.06 - Business travel	19	199	287	450	597	3,042
3.07 - Employee commuting	324	346	247	246	391	21

3.09 - Downstream transportation and distribution	336	403	396	408	504	50
3.10 - Processing of sold goods	19,225	16,821	14,939	16,114	9,861	-49

Table 3: Greenhouse gas balance of the German production site

Core indicators and performance development

Core indicators are used to monitor and manage environmental, energy and quality performance.

Environment

Further explanations of the developments in the key performance indicators are provided in the following sections.

Overall, the key performance indicators show varying trends in environmental performance, particularly regarding water withdrawal.

These developments were influenced by operational factors affecting the cooling system that required temporary measures, such as water replacements, to maintain stable operating conditions.

Water withdrawal and wastewater generation are closely linked, reflecting the process-related use of water, particularly for cooling purposes. (see Figure 5)

Waste generation is primarily composed of non-hazardous waste, with a smaller proportion of hazardous waste streams. (see Figure 6 and 7)

Evaporation accounts for the largest share of water consumption within the cooling system and therefore has a significant impact on total water consumption and the associated performance metrics. (see Figure 4)

Indicators	Definition	Unit	2025	2024	2023	2024 - 2025 in %
Specific material consumption	Production volume (yield) / material consumption (production)	t	1.00	1.01	1	-1
Specific Emissions total	Emissions / production volume	toCO ₂ e/to	2.66	2.90	2.93	-8
Specific Emissions Scope 1 and 2	Emissions / production volume	toCO ₂ e/to	0.02	0.07	0.09	-71
Specific Emissions Scope 3	Emissions / production volume	toCO ₂ e/to	2.65	2.83	2.84	-6
Specific cooling water consumption	Heat of evaporation / production volume	kWh/t	133	139	140	-4
Specific water withdrawal	Fresh water / production volume	l/t	680	680	660	0
Softended water extruderline / production order	m ³ / production order	m ³	0.71	0.69	0.63	2
Cooling water, evaporation		m ³	6,216	6,368	6,365	-2
Specific evaporation		m ³	0.19	0.20	0.18	-4
Specific amount of waste	Waste / production volume	kg/t	11.48	12.13	12.56	-5

Table 4: Core indicators for environmental performance

Since the 2025 reporting year, KRAIBURG TPE has used dedicated software to calculate its Corporate Carbon Footprint (CCF), resulting in methodological refinements and improved data quality. This change may affect comparability with previous reporting periods; therefore, prior years, including the SBTi base year, are planned for recalculation to ensure consistency over time. In addition, KRAIBURG TPE intends to have its CCF externally verified in future reporting periods.

Total greenhouse gas emissions at the Waldkraiburg site decreased significantly over the period 2021 to 2025. In 2025, emissions declined compared to the previous year, primarily driven by a substantial reduction in market-based Scope 2 emissions.

Scope 2 emissions decreased significantly due to the increased share of renewable electricity. In contrast, Scope 1 emissions increased compared to 2024, reflecting higher on-site fuel consumption, particularly related to natural gas use.

Scope 3 emissions represent the largest share of total emissions and showed a decrease compared to the previous year. The main contribution continues to originate from purchased goods and services. Developments in Scope 3 emissions should be interpreted with caution, as methodological changes require a recalculation of the baseline before reliable performance trends can be assessed.

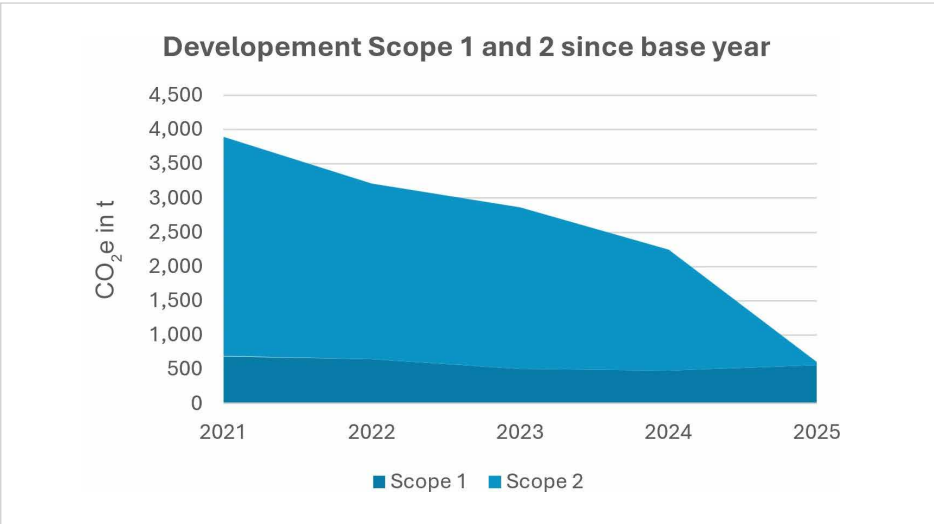


Figure 3: Development of Scope 1 and Scope 2 emissions

The identification of the top five water consumption drivers provides transparency on the main areas of water use and highlights potential opportunities for further optimization.

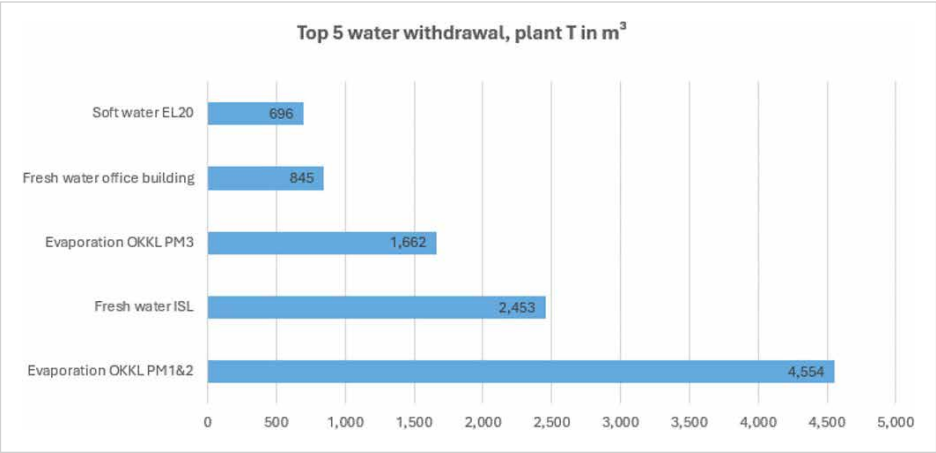


Figure 4: The five largest water withdrawal sources at Plant T in 2025

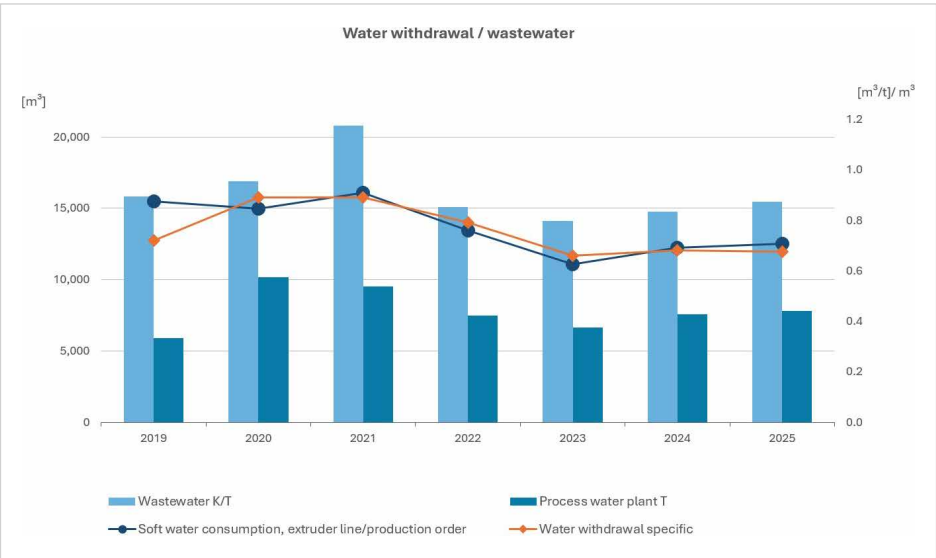


Figure 5: Development of Water Withdrawal and Wastewater Generation

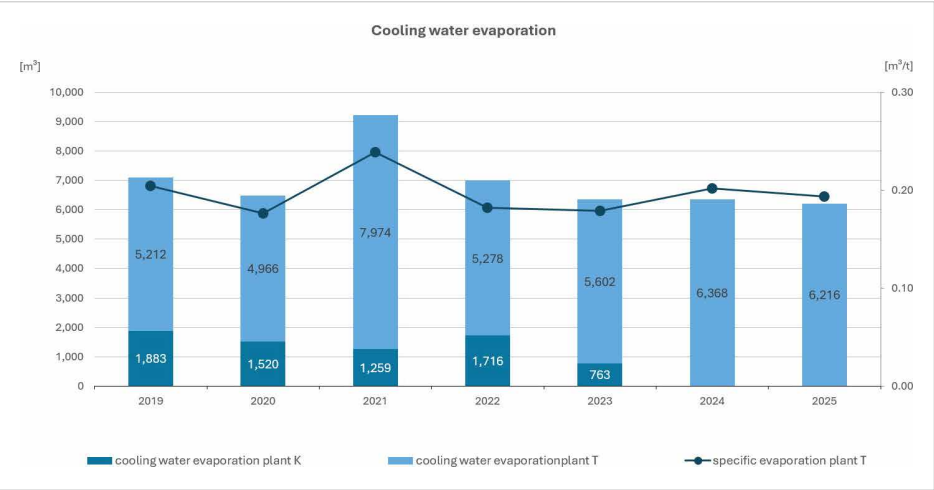


Figure 6: Trends in Cooling Water Evaporation



Figure 7: Trends in Waste Generation

The total specific amount of waste (waste volume in relation to total production volume) decreased by 5 % from 12.13 kg/t to 11.48 kg/t in the reporting year. Non-hazardous waste, consisting primarily of residual waste, plastic waste, paper, wood, iron and steel, accounted for the largest share of total waste. While the absolute quantity increased slightly by 2 %, the specific amount decreased by 2 %

from 10.07 kg/t to 9.88 kg/t. Granulate and plastic waste was sold to external partners for recycling. Following a significant increase in the previous year, film packaging waste decreased by 14 %. As these packaging materials are largely supplied by external partners, KRAIBURG TPE has only limited influence on the quantities. Hazardous waste, mainly consisting of waste oils and contaminated cleaning wastewater, decreased by 13 % compared to the previous year. Waste oils were transferred to external recycling partners for further processing.

Environmental conditions

The environmental standard DIN EN ISO 14001:2015 requires the monitoring of environmental status indicators in order to recognize changes early and respond appropriately.

The German Weather Service (Deutscher Wetterdienst) defines a “heat day” as any day with maximum temperatures reaching or exceeding 30 °Celsius. Days with more than 25 °Celsius are defined as summer days. According to the recorded data, 18 heat days and 60 summer days were recorded in Mühldorf, Upper Bavaria, in 2025.

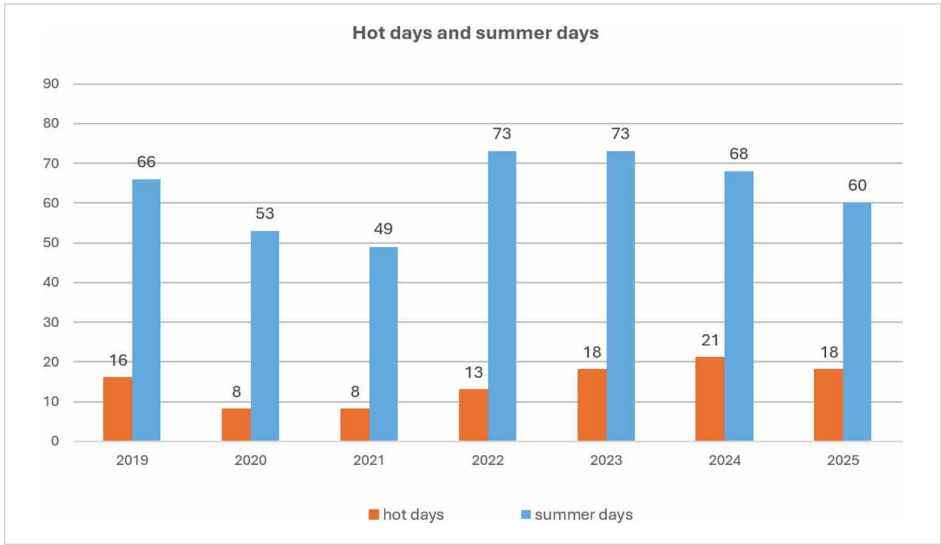


Figure 8: Number of Hot Days and Summer Days in Mühldorf, Upper Bavaria

Environmental accidents

In the 2025 reporting year, KRAIBURG TPE recorded one environmental incident. The incident was assessed as low in severity, without significant environmental impact. The root cause was identified as human error and a deviation from established unloading procedures. Preventive measures include reinforcing unloading procedures and improving awareness and communication regarding delivery processes.



Energy

Total energy consumption increased by 6 % compared to the previous year, driven primarily by higher natural gas consumption, which increased by 30 %. Specific natural gas consumption increased by 15 % due to a higher demand for heating energy, which directly affects the overall consumption level.

In contrast, renewable electricity usage increased significantly, reaching 100 % of total electricity consumption in 2025. As a result, market-based Scope 2 emissions were significantly reduced.

Indicators	Definition	Unit	2025	2024	2023	24 - 25 in %
Energy consumption	Electricity and natural gas consumption	MWh	12,785	12,051	11,995	6 %
Natural gas consumption		MWh	2,101	1,611	1,864	30 %
Specific energy consumption		kWh/t	398	383	383	4 %
Specific electricity consumption	Electricity / production volume	kWh/t	333	329	330	1 %
Specific heating energy consumption	Heating energy / (heated area * daily temperature figure)	Wh/(m²*Kd)	55	47	54	15 %
Renewable electricity generation		kWh	91,855	125,580	119,519	-27 %
Share of electricity from renewable sources		%	100	78	67	28 %

Table 5: Development of Core Energy Performance Indicators

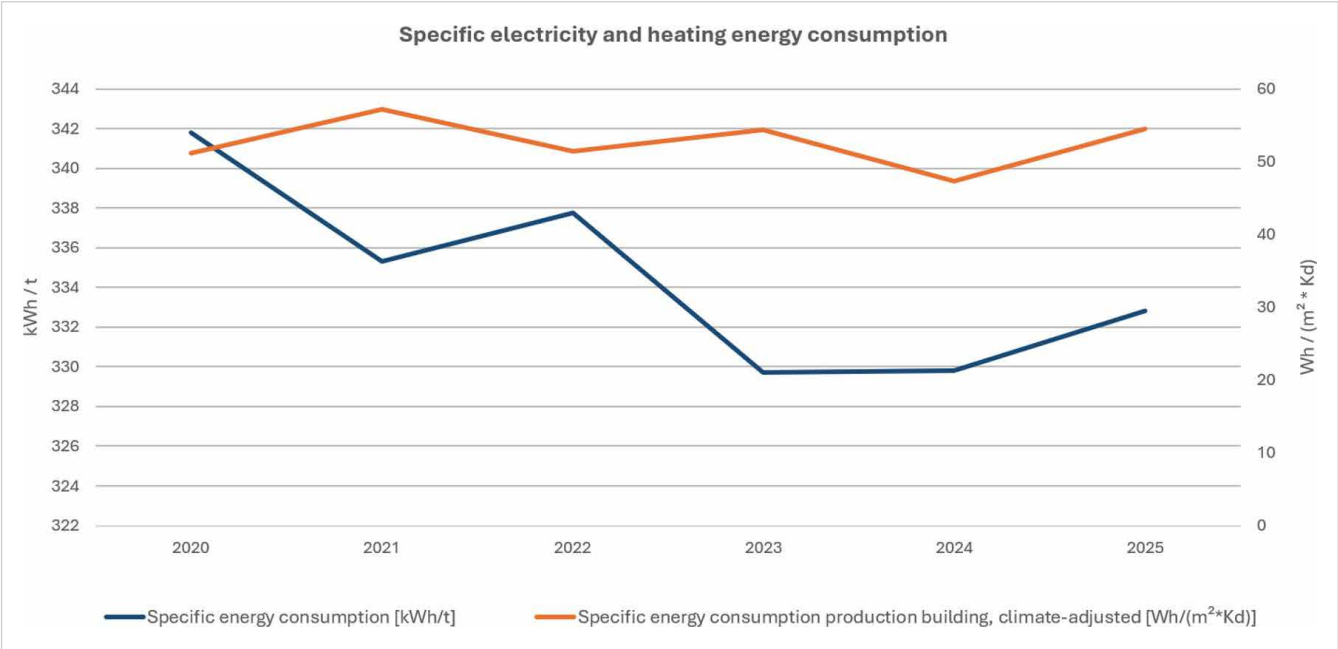


Figure 9: Development of Specific Electricity and Natural Gas Consumption

Specific energy consumption increased by 4 %, reflecting the combined effect of higher energy demand and stable production levels. Specific electricity consumption increased slightly by 1 % and remains at a comparable level to the previous year. The development is influenced by stable production conditions and only minor changes in electricity demand.

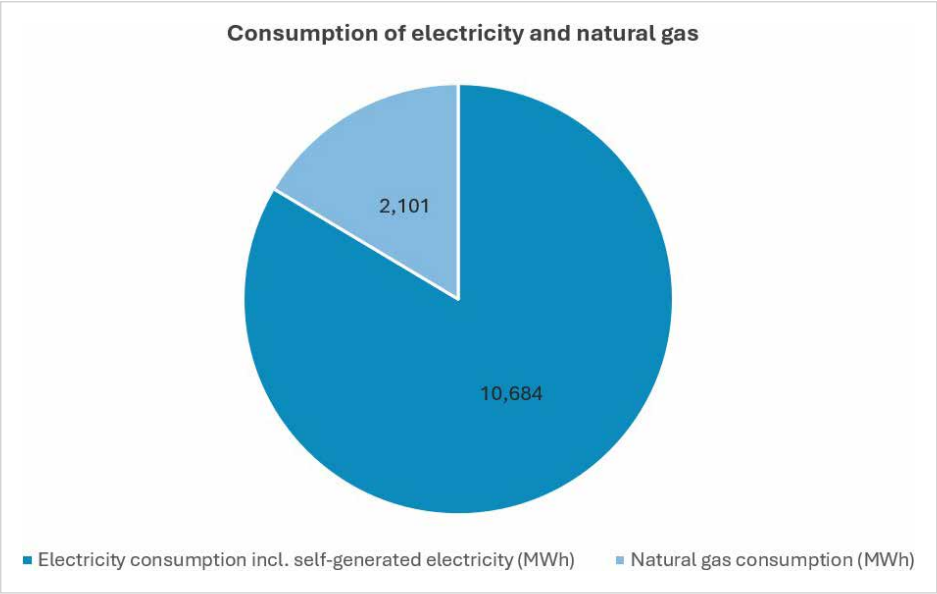


Figure 10: Electricity and Natural Gas Consumption

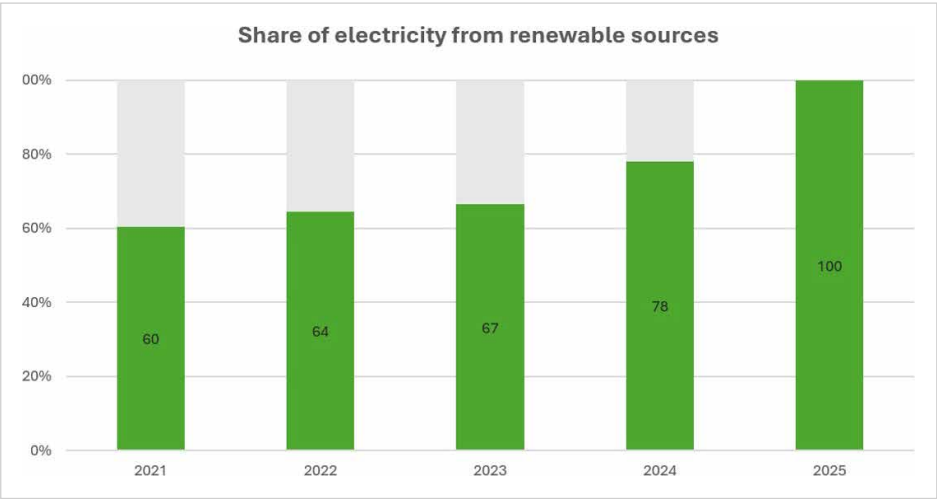


Figure 11: Development of the Share of Electricity from Renewable Energy Source

Occupational safety

Indicators	Definition	2025	2024	2023	24 - 25 in %
Accident rate per 1,000 employees	Number of reportable accidents / 1,000 employees	10.25	10.35	26.41	-1 %
LTIF (Lost Time Injury Frequency)	Frequency of lost time due to accidents / year	9.22	18.66	23.44	-51 %

Table 6: Development of Key Occupational Safety Performance Indicators

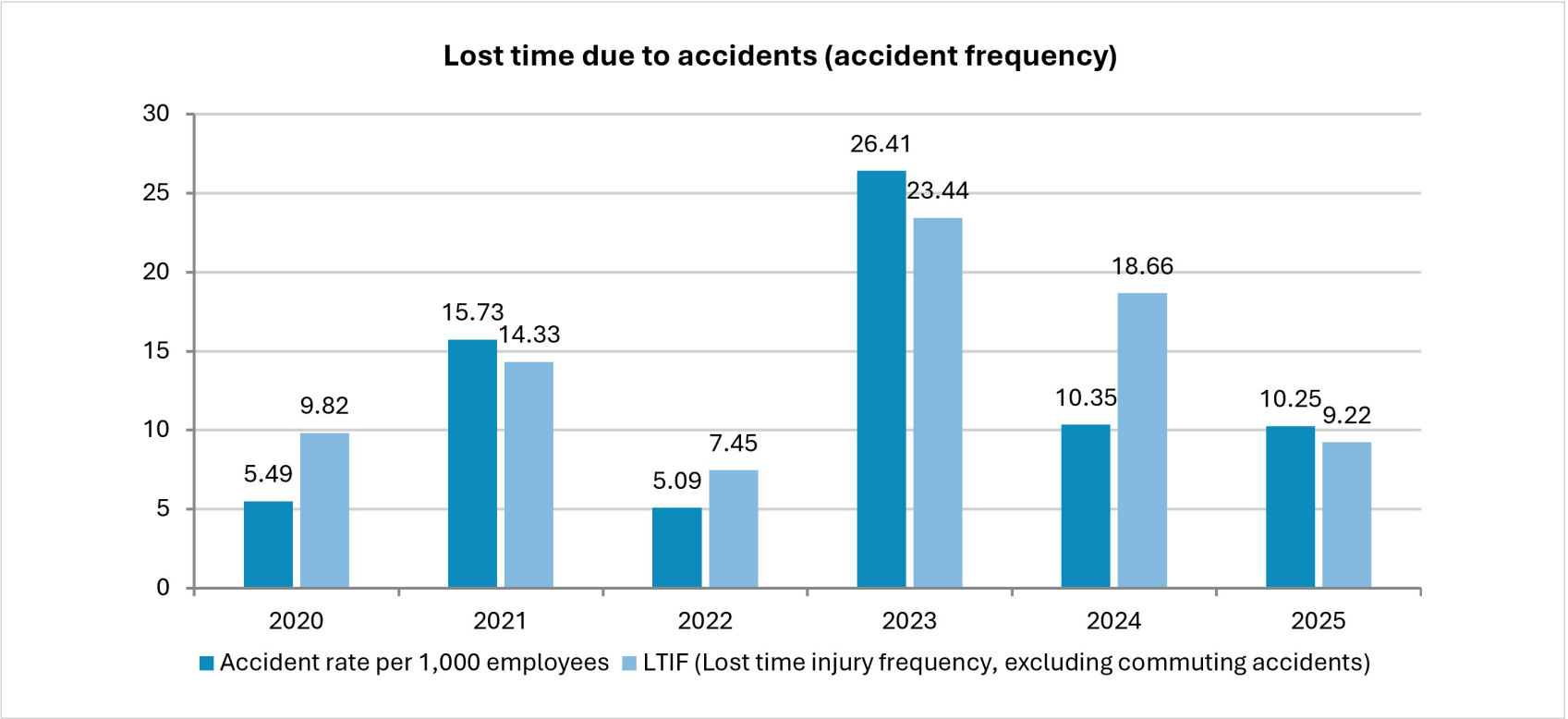


Figure 12: Development of Lost Workdays Due to Occupational Accidents

In 2025, KRAIBURG TPE was able to maintain its accident rates at a level below the chemical industry average, while significantly reducing LTIF. The key focus areas identified through the safety culture assessment will be systematically addressed and further strengthened over the coming years.

E1 Climate change

STRATEGY

E1-1 – Transition plan for climate change mitigation

The transition approach is based on defined greenhouse gas (GHG) emission reduction targets, decarbonization levers and operational actions implemented across the organization. The company has set a science-based GHG

emission reduction target for 2031, expressed as an absolute reduction target.

The reduction targets are defined as follows:

- Scope 1 and 2: reduction of 46.2 % by 2031
- Scope 3: reduction of 27.5 % by 2031
Scope 3 categories covered: purchased goods and services, fuel- and energy-related activities, upstream

transportation and distribution, waste generated in operations, business travel and employee commuting

- Baseline year: 2021

The targets are aligned with recognized methodologies (SBTi framework) and are intended to contribute to limiting global warming in line with the Paris Agreement.

E1-2 – Identification of climate-related risks and scenario analysis

KRAIBURG TPE identifies and assesses climate-related risks as part of its overall risk management framework and double materiality assessment, covering its operations across Europe (Germany), North America (United States) and Asia (Malaysia).

Climate-related physical risks

Physical risks arise from both chronic climate developments and acute weather events and are assessed based on the exposure and sensitivity of the undertaking's operations. Across its operations, water scarcity has been identified as a key climate-related risk factor.

Observed climate trends, particularly in Europe, indicate:

- increasing frequency and intensity of drought periods
- declining groundwater levels, affecting long-term water availability

Given the nature of the company's production processes, which rely significantly on water for cooling purposes, these developments result in a high degree of operational sensitivity to water availability.

As a consequence, the following risks have been identified:

- risks to water supply security, particularly for production processes
- potential production restrictions or temporary shutdowns in the event of water shortages
- impacts on delivery capability and supply chain reliability
- indirect logistical disruptions, for example due to reduced transport capacity under low water conditions

In addition, current process configurations, including the limited reuse of process water, may further increase dependence on continuous water supply. Overall, water scarcity represents a structural physical risk for the undertaking, with increasing relevance over the medium and long term horizon.

Scenario analysis

At the reporting date, the undertaking has not conducted a formal climate-related scenario analysis in accordance with ESRS E1 2.

Risk identification is currently based on:

- observed climate trends and developments

- qualitative risk assessments
- operational experience and internal monitoring systems

The undertaking recognizes that scenario analysis represents an important future development area and may be implemented to further climate risk assessment.

POLICIES AND ACTIONS

E1-4 – Policies

KRAIBURG TPE addresses climate change mitigation and adaptation through its integrated management system and overarching corporate policies.

The company has established a Quality, Environmental, Occupational Health & Safety and Energy Policy, which provides the foundation for managing environmental impacts and energy use.

This policy is embedded in an integrated management system aligned with the requirements of DIN EN ISO 9001:2015 and DIN EN ISO 14001:2015 and incorporates energy- and safety-related aspects.

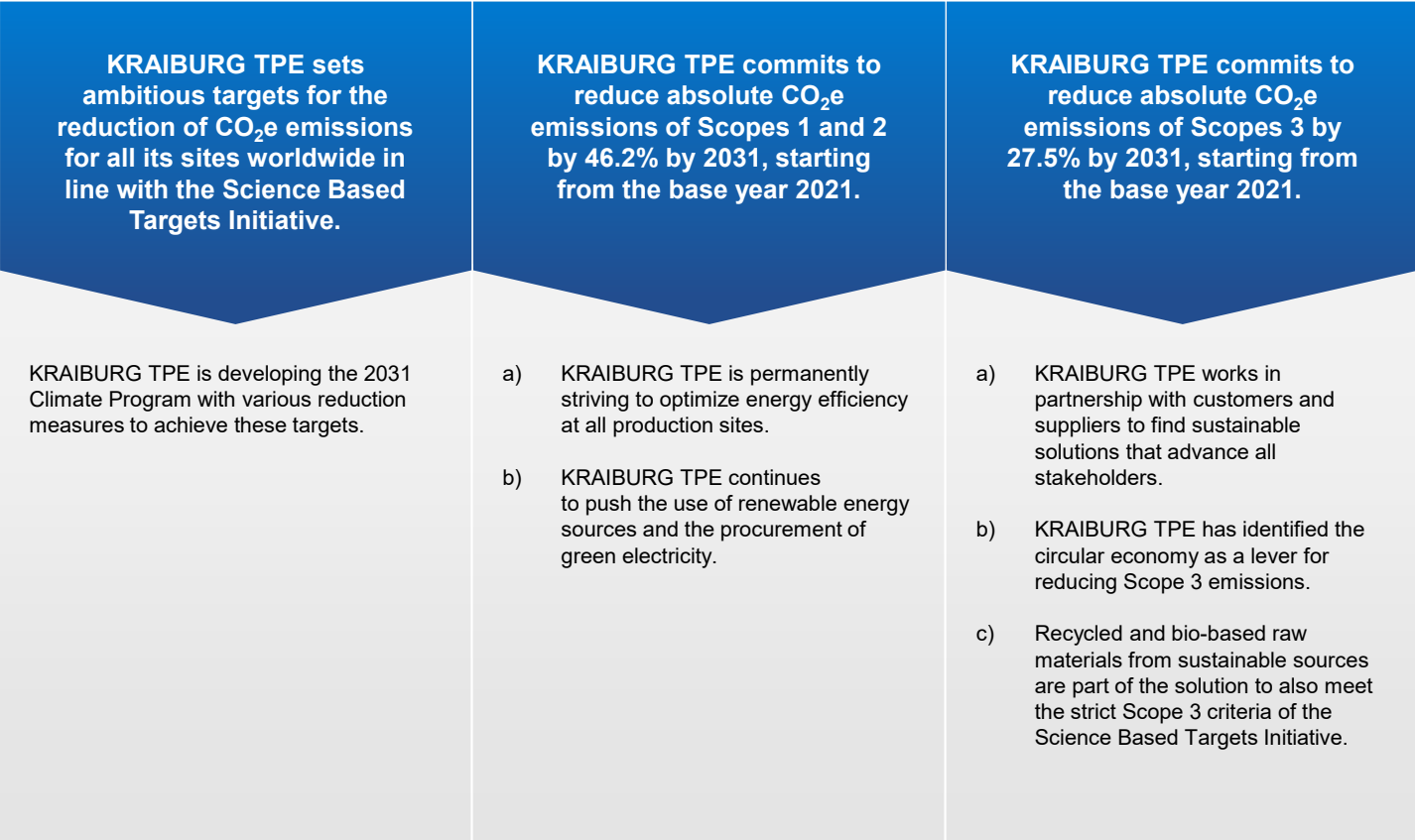


Figure 13: KRAIBURG TPE's 'Climate Program 2031'

The policy includes the following climate-related commitments:

- conservation of natural resources
- reduction and, where possible, avoidance of environmentally harmful emissions and waste
- prevention of incidents and continuous improvement of environmental performance
- compliance with all applicable legal and regulatory requirements
- continuous improvement based on defined objectives, performance indicators, and regular evaluations of effectiveness

The integrated management system defines responsibilities, processes, and measurable objectives, and is binding for all employees. It is supported by regular evaluations of target achievement, risks, and system effectiveness, as well as the implementation of corrective and preventive measures.

E1-5 – Actions and resources in relation to climate change mitigation and adaptation

KRAIBURG TPE implements structured measures to reduce emissions and improve energy performance.

The Climate and Energy Program 2025 includes:

- energy efficiency improvements (e.g., process optimization, equipment upgrades)
- optimization of infrastructure and energy systems
- expansion of measurement and monitoring systems
- development of renewable energy solutions (e.g., PV concepts)
- improvement of the data quality of carbon footprint calculations
- organizational measures (e.g., training, awareness building)

These measures described above contribute to addressing the identified risks and opportunities related to this topic.

METRICS AND TARGETS

E1-6 – Targets related to climate change

KRAIBURG TPE has defined operational and strategic objectives to support the achievement of its climate targets:

- **Goal 1:** Reduce climate-relevant emissions by 2031 in line with the SBTi
- **Goal 2:** Increase process and energy efficiency across operations
- **Goal 3:** Reduce the use of fossil energy sources
- **Goal 3a:** Achieve 100 % renewable electricity by 2026
- **Goal 4:** Reduce energy-related costs through efficiency and optimization measures

E1-7 – Energy consumption and mix

KRAIBURG TPE monitors energy consumption as part of its energy management system. The energy mix data provides an overview of energy consumption by source and the development of renewable and non-renewable energy use within KRAIBURG TPE’s operations. The harmonization and comparability of energy-related data will be further improved in future reporting periods.

	Unit	2024	2025	24 - 25 in %
total energy consumption related to its own operations	MWh	22,397	20,981	-6 %
total energy consumption from fossil sources	MWh	7,760	4,816	-38 %
total energy consumption from nuclear sources	MWh	0	0	0
total energy consumption from renewable sources	MWh	14,637	16,165	10 %
fuel consumption from coal and coal products	MWh	0	0	0
fuel consumption from crude oil and petroleum products	MWh	0	0	0
fuel consumption from natural gas	MWh	1,847	2,465	33 %
fuel consumption from other fossil sources	MWh	0	0	0
consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	5,913	2,351	-60 %

Table 7: Energy consumption and mix

E1-8 – Gross scope 1, 2, 3 Greenhouse gas emissions

KRAIBURG TPE reports greenhouse gas emissions based on the greenhouse gas protocol.

Since the 2025 reporting year, KRAIBURG TPE has used dedicated software to calculate its CCF, resulting in methodological refinements and improved data quality. This change may affect comparability with previous reporting periods; therefore, prior years, including the SBTi base year, are planned to be recalculated, to ensure consistency over time.

In addition, KRAIBURG TPE intends to have its CCF externally verified in future reporting periods.

GHG balance KRAIBURG TPE in t CO ₂ e	2024	2025	2021 - 2025 in %
Total- market based	184,711	203,588	129,693
Scope 1 Emissionen	766	693	-9.5
Scope 2 Emissionen - market based	4,569	1,481	-67.6
Scope 2 Emissionen - location based	10,223	7,348	-28.1
Scope 3 Emissionen	179,376	201,413	12.3
3.1 - Purchased goods and services	130,466	123,900	-5.0
3.2 - Capital goods	-	1,833	not reported in previous year
3.3 - Fuel- and energy-related emissions	2,757	1,102	-60.0
3.4 - Upstream transportation and distribution	8,430	10,178	20.7
3.5 - Waste	845	656	-22.4
3.6 - Business travel	692	877	26.7
3.7 - Employee commuting	614	897	46.1
3.9 - Downstream transportation and distribution	1,941	1,294	-33.3
3.10 - Processing of sold goods	33,631	19,253	-42.8
3.12 - End-of-life treatment of sold products	-	41,424	not reported in previous year
Biogenic emissions	-	2	not reported in previous year

Table 8: Greenhouse gas balance

E2 Pollution

POLICIES AND ACTIONS

E2-1 – Policies related to pollution

KRAIBURG TPE addresses pollution prevention and control through its integrated management system and corporate policies. The company has established a Quality, Environmental, Occupational Health and Safety, and Energy Policy, which includes commitments relevant to pollution prevention, including the conservation of natural resources, the reduction and avoidance of emissions and environmentally harmful substances, compliance with applicable legal and regulatory requirements, and the continuous improvement of environmental performance. These commitments are implemented through the environmental management system in accordance with DIN EN ISO 14001:2015, which defines processes, responsibilities, and monitoring mechanisms for managing environmental aspects.

E2-2 – Actions and resources related to pollution

KRAIBURG TPE implements various measures to prevent and reduce pollution.

Key actions include:

- management and optimization of wastewater treatment and discharge processes
- control and monitoring of cooling water systems
- compliance with regulatory requirements for handling water-hazardous substances
- preparation and implementation of requirements related to the plastic pellet regulation
- continuous assessment of environmental aspects and risks within the management system

The measures described above contribute to addressing the identified risks and opportunities related to this topic.

METRICS AND TARGETS

E2-3 – Targets related to pollution

KRAIBURG TPE has defined pollution-related targets addressing key impacts, risks and opportunities associated with emissions to air, water and soil, the use of materials and substances, and the potential release of microplastics.

- **Goal 1:** Prevent plastic pellet loss to the environment
- **Goal 2:** Reduce wastewater pollution
- **Goal 3:** Keep concentrations of air pollutants at a minimum
- **Goal 4:** Reduce the use of substances of concern (SoC) and substances of very high concern (SVHC) where possible and substitute (REACH/RoHS)

E2-4 – Pollution of air, water, and soil

Air pollution

Air emissions from production processes are managed in accordance with applicable regulatory requirements (e.g., TA Luft). Existing facilities, such as laboratory operations and the pyrolysis oven, comply with regulatory emission limits and are assessed as low risk.

Water pollution

Water management is a key environmental aspect at the production site.

Relevant pollution-related risks include:

- discharge of process water from production
- limited ability to reuse process water
- dependency on sufficient water availability for cooling processes

Wastewater is collected and treated in accordance with regulatory requirements. However, increasing production volumes may impact the efficiency of existing systems.

Soil pollution

Potential environmental risks include accidental releases of substances, such as leakage during filling operations (e.g., oil storage). Preventive measures and compliance with regulatory requirements are in place to minimize these risks.

E2-5 – Substances of concern and substances of very high concern

KRAIBURG TPE utilizes a range of chemical substances and materials in the production of thermoplastic elastomers. Within this context, substances classified as substances of concern and substances of very high concern as defined under the applicable regulatory frameworks (in particular the REACH and CLP Regulation) may be present.

Management of Substances of Concern and Substances of Very High Concern

KRAIBURG TPE maintains procedures aimed at the progressive substitution of SoC and SVHC, where technically feasible and economically reasonable, while ensuring product performance requirements are maintained. Relevant information on regulated substances is made available to customers through safety data sheets and product declarations to support downstream compliance obligations.

The company is committed to continuously reducing the use of substances of concern and enhancing data quality to meet increasing regulatory and stakeholder expectations. All raw materials are subject to a defined approval process requiring suppliers to provide substance-related information and confirm compliance with applicable regulations. Supplier documentation is reviewed and retained in accordance with internal compliance requirements. Identified SoC and SVHC are systematically assessed with regard to hazard classification and potential exposure. Where relevant, risk mitigation measures are implemented and documented.

KRAIBURG TPE has structured processes and controls to identify, assess, and manage substances of concern as well as substances of very high concern throughout its operations and supply chain. The undertaking applies a precautionary approach and maintains controls to monitor, minimize, and, where possible, eliminate their use. The ECHA Candidate List is monitored on a regular basis. Updates are reviewed and assessed for potential impact on products, formulations, and raw materials.

In cases where substances are newly classified, internal reviews are conducted to determine relevance and to define appropriate actions, including reformulation where necessary.

The following table shows the quantities and main classes of substances of concern and of very high concern that are relevant to KRAIBURG TPE. It is based on available data and current levels of supply chain transparency. Full quantification remains subject to uncertainty.

Existing data collection processes are being continuously enhanced to improve the completeness and accuracy of quantitative disclosures.

	Total weight of SOC used or procured in metric tons	Total weight of SOC placed on the market as products or parts of products in metric tons
	2025	2025
Substances of concern (SOCs), thereof	1,536	36,849
Respiratory sensitization	10	0
Skin sensitization	1,580	2,155
Mutagens	0	0
Carcinogens	0	2
Reprotoxic substances	0	2
Specific target organ toxicity - one time contact	0	0
Specific target organ toxicity - repeated contact	0	2
Hazardous to water - chronic	1,168	4,297
Damaging for the ozone layer	0	0

Table 9: Substances of concern

	Total weight of SVHC used or procured in metric tons	Total weight of SVHC placed on the market as products or parts of products in metric tons
	2025	2025
Substances of very high concern (SVHCs), thereof	139	25
Respiratory sensitization	0	0
Skin sensitization	0.1	0
Mutagens	0	0
Carcinogens	0.6	0
Reprotoxic substances	0.6	0
Specific target organ toxicity - one time contact	0	0
Specific target organ toxicity - repeated contact	0.6	0
Hazardous to water - chronic	106	1
Damaging for the ozone layer	0	0

Table 10: Substances of very high concern



E3 Water

POLICIES AND ACTIONS

E3-1 – Policies related to water

KRAIBURG TPE addresses water-related impacts, risks and opportunities through its integrated corporate policies. These policies establish the framework for the responsible management of water resources, including water withdrawal, consumption, discharge and efficiency improvements. Efficient water management contributes to process stability, operational efficiency and cost control.

KRAIBURG TPE has assessed the geographic location of its operations with regard to water stress. At the reporting date none of the company’s production sites are located in areas classified as experiencing high water stress.

E3-2 – Actions and resources related to water

KRAIBURG TPE implements measures to manage water-related impacts, risks and opportunities, in alignment with its water-related policies.

Key actions include:

- improving water efficiency in operations
- optimizing water use across production processes
- ensuring responsible management of water withdrawal, consumption and discharge
- implementation of rainwater harvesting systems to support the use of alternative water sources and reduce dependency on freshwater withdrawal
- planned installation of a waste heat recovery system to improve overall resource efficiency and indirectly reduce water and energy consumption

The measures described above contribute to addressing the identified risks and opportunities related to this topic.

METRICS AND TARGETS

E3-3 – Targets related to water

KRAIBURG TPE has defined water-related targets:

- **Goal 1:** Reduce water withdrawal per production quantity
- **Goal 2:** Reduce the amount of wastewater per production quantity

E3-4 – Water metrics

The collection and consolidation of water-related data across KRAIBURG TPE’s production sites in Germany, the United States and Malaysia remain a challenge due to differences in local data availability, measurement approaches and regulatory frameworks. These differences currently limit the full harmonization and comparability of water metrics at group level. Continuous efforts are underway to further standardize data collection processes and improve the consistency and comparability of water-related disclosures across all locations in future reporting periods.

	Unit	2024	2025	24 - 25 in %
total water consumption	m³	8,521	9,396	10 %
total water consumption in areas with water stress	m³	0	0	0
total water withdrawal	m³	31,430	33,765	7 %
total water discharge	m³	22,909	24,369	6 %
total water recycled and reused	m³	-	-	-
total water stored	m³	-	-	-

Table 11: Water metrics; note: “-” indicates that no data were available for the reporting period.

E5 Resource use and circular economy

POLICIES AND ACTIONS

E5-1 – Policies related to resource use and circular economy

According to KRAIBURG TPE’s Environmental Policy, the company considers circular economy initiatives and the systematic closing of material loops to be critical levers for reducing upstream emissions and supporting the achievement of its climate targets. To support the delivery of these SBTi-validated targets, KRAIBURG TPE implements a structured climate program with a particular focus on reducing Scope 3 emissions.

KRAIBURG TPE aims to prevent waste and to reduce its dependency on primary raw materials.

Product design and sustainability characteristics: KRAIBURG TPE designs and manufactures products that meet high quality and durability requirements while ensuring functional performance throughout their intended use phase. Recyclability is considered during product development alongside requirements related to the protection of human health and the environment. Production processes are aligned with social and environmental sustainability principles.

Sustainable product features and material composition

Products are custom-engineered to support the company’s circular economy and climate objectives. Depending on customer requirements and application, products may incorporate:

- Recycled material content
- Mass-balanced bio-based content certified in accordance with the ISCC PLUS standard
- Quantifiable bio-based content, enabling transparency on renewable material input

- Low-emission raw materials, with environmental impacts assessed through Product Carbon Footprint (PCF) calculations
- Design features enabling low-emission use phases, including lightweight solutions that can contribute to reduced energy consumption during product use

Customer Support and Life Cycle Approach

In addition to product development, KRAIBURG TPE provides advisory services to support customers in reducing environmental impacts throughout the product life cycle. These services include:

- Consultancy on material selection and sustainable downstream processing, aimed at improving energy and material efficiency
- Consultancy on end-of-life options, with the objective of enabling recycling, facilitating take-back schemes and supporting the closure of material loops

Through this integrated product and service approach, KRAIBURG TPE contributes to resource efficiency, emission reduction and the transition towards a more circular economy.

E5-2 – Actions and resources related to resource use and circular economy

KRAIBURG TPE pursues a circular approach to resource use by focusing on waste prevention and reducing dependence on primary raw materials through the increased use of recycled content. In this context, circular economy practices contribute not only to improved resource efficiency but also support the reduction of emissions associated with the extraction and processing of raw materials.



Figure 14: KRAIBURG TPE's current initiatives and activities in the area

To support the delivery of its SBTi-validated climate targets, KRAIBURG TPE implements a structured climate program with a particular focus on emission reductions in Scope 3. The company considers circular economy initiatives and the systematic closing of material loops to be key levers for reducing upstream emissions and supporting the achievement of its climate targets.

In the reporting year, KRAIBURG TPE established a dedicated program to coordinate, steer and monitor measures aimed at meeting its Scope 3 reduction targets.

Within this program, the following key fields of action were defined:

- 1. Systematic increase in the use of more sustainable raw materials, with a primary focus on recycled raw materials and mass-balanced raw materials
- 2. Optimization of internal recycling processes through a company-wide initiative
- 3. Development of customer take-back concepts for TPE materials to enable high-quality recycling and reintegration into material cycles

KRAIBURG TPE has already implemented a range of processes, work instructions and internal policies addressing circular economy principles, recycling and waste management. These instruments provide the organizational framework for the consistent implementation of resource efficiency measures and support continuous improvement in material circularity. It also contributes to addressing the identified risks and opportunities related to this topic.

METRICS AND TARGETS

E5-3 – Targets related to resource use and circular economy

Global Goals:

- **Goal 1:** Develop more sustainable and recyclable product solutions and increase usage of recycled raw materials
- **Goal 2:** Expand external partnerships and business relationships for increased circularity
- **Goal 3:** Use sustainable packaging
- **Goal 4:** Increase utilization of own production residues in suitable compounds
- **Goal 5:** Increase separate collection and recycling of waste

KRAIBURG TPE Production sites	Germany		Malaysia		United States	
	2024	2025	2024	2025	2024	2025
Total weight of used raw materials and packaging material (metric tons)	33,500	32,430	12,559	12,916	7,054	7,498
Total weight of secondary resources used (metric tons) of which	655	520	320	86	50	63
Percentage of recycled raw materials	66	56	2	4	6	2.5
Percentage of internally reprocessed production scrap	34	44	98	96	94	97.5
Percentage of average recycling content of packaging materials	12.5	12.8	-	-	-	-

Table 12: Resource inflows; note: “-” indicates that no data were available for the reporting period

E5-4 – Resource inflows

At all manufacturing locations, KRAIBURG TPE produces customized thermoplastic elastomer compounds. They are primarily based on styrene block copolymers, thermoplastics, plasticizers, mineral fillers, colors and additives. These raw materials are primarily derived from fossil sources. Yet, the company is increasingly incorporating recycled, bio-based, and/or mass-balanced raw materials. This supports the transition towards greater material circularity, reducing environmental impacts and greenhouse gas emissions associated with the production of used raw materials, as well as the company’s dependence on primary fossil-based resources.

The main applied materials do not currently fall under the EU list of critical or strategic raw materials but are associated with global supply chain volatility and carbon intensity risk. Additives, such as stabilizers and pigments, may contain metals classified as critical raw materials, used in small quantities.

5-5 – Resource outflows

PRODUCTS

KRAIBURG TPE contributes to the circular economy by providing thermoplastic elastomers that are durable and inherently recyclable. The durability of TPE-based products depends on material quality, application-specific material selection and the conditions under which the product is used. KRAIBURG TPE supports customers in selecting suitable materials for their applications; however, the final material selection and product design decisions remain the responsibility of the customer.

Repairability is primarily determined at the product level and depends on the design of the final application. Product designs incorporating modular concepts and replaceable components can facilitate repair and extend product lifetimes.

KRAIBURG TPE’s TPS materials are fully reprocessable and can be remelted multiple times with minimal impact on material performance. The company further supports recyclability through confirmations of co-recyclability of certain TPE grades in PP/HDPE streams. These properties have been evaluated and certified in cooperation with the cyclos-HTP institute. In addition, KRAIBURG TPE offers recycling solutions through its Loop TPE project, which includes taking back production waste, sprues or parts from customers, reprocessing them into TPS compounds and supplying these materials back to the customers. Moreover, KRAIBURG TPE materials can replace non-recyclable materials like cross-linked elastomers in many applications. It can also be used in in-process recycling for direct waste reduction in customer production.

WASTE

KRAIBURG TPE generates waste streams from production, maintenance, logistics and administrative activities. Waste is systematically classified, separated at source and managed in accordance with applicable legal requirements and internal procedures. Treatment and disposal are carried out through authorised waste management partners, ensuring compliant handling based on hazard characteristics.

Data collection on waste generation and treatment is based on local regulatory requirements at each production site. This approach ensures that both corporate environmental reporting and site-specific regulatory reporting obligations are fulfilled. Depending on local requirements, waste data is measured, calculated or estimated. Waste quantities and waste streams are subject to comprehensive documentation and traceability requirements in line with local legislation.

KRAIBURG TPE aggregates and evaluates waste data based on available information from all locations. Waste performance and treatment pathways are monitored within the environmental management system and support the evaluation of environmental performance as well as continuous improvement, including measures to reduce waste generation and increase recycling rates.

KRAIBURG TPE Production sites	Germany	Malaysia	United States
	2025	2025	2025
Total weight of waste generated in t	387	294	444
% of hazardous waste of total waste generated	13	11	0,2
% of non-hazardous waste of total waste generated	87	89	99.8
% of waste diverted from disposal	50	97	76
% of waste with other or unknown waste-treatment processes	8	0	0
% of total hazardous waste recycled	40	0	0
% of total hazardous waste with other recovery operations	0	97	0
% of total hazardous waste incinerated	27	0	100
% of total hazardous waste to landfill	0	0	0
% of total non-hazardous waste recycled	52	97	33
% of total non-hazardous waste incinerated	44	0	19
% of total non-hazardous waste to landfill	0	3	5
total amount of radioactive waste in t	0	0	0

Table 13: Resource outflows



Social information

S1 Own workforce

STRATEGY, POLICIES, AND ACTIONS

S1-1 – Policies related to own workforce

KRAIBURG TPE has established a set of policies and internal frameworks to manage impacts, risks and opportunities related to its own workforce across all operations.

Key policies and frameworks include:

- > a global Code of Conduct defining principles for fair working conditions, ethical behavior and compliance
- > occupational health and safety management systems to promote safe and healthy working environments
- > HR policies covering equal treatment, working conditions, employee development and compliance with labor regulations

These policies apply to all employees and are designed to ensure compliance with applicable legal requirements, promote safe and fair working conditions, and respect human rights across all regions.

S1-2 – Engagement with own workforce and workers’ representatives

KRAIBURG TPE engages with its workforce through structured dialogue formats and communication channels to ensure that employee perspectives are considered in decision-making processes.

Employee engagement is supported by:

- > annual employee surveys providing structured feedback
- > regular internal communication across the organization
- > town hall meetings and employee information sessions

Formal worker representation is established in Germany through a works council, enabling structured social dialogue. In regions where no formal worker representation exists (United States and Malaysia), alternative engagement mechanisms such as direct communication formats, interaction with local management and structured feedback processes are used to ensure employee participation and consideration of workforce interests.

Employees and external stakeholders can raise concerns through a whistleblower reporting system, which allows confidential reporting of grievances or potential misconduct. All reported concerns are reviewed and addressed through defined procedures.

S1-3 – Actions and resources related to own workforce

KRAIBURG TPE implements structured actions to address impacts, risks and opportunities related to its own workforce. These actions directly address the material risks identified in the double materiality assessment, particularly occupational health and safety risks, workforce availability and increasing expectations regarding working conditions.

Key actions include:

- > implementing occupational health and safety programs aimed to reduce workplace accidents and improve working conditions
- > providing structured training and development programs, including performance and career development reviews for employees
- > implementing targeted onboarding, retention and recruitment measures to address the availability of skilled workforce

- > providing training on operational safety, chemical handling and process risks
- > implementing employee engagement measures, such as surveys and communication formats, to identify and address workforce-related concerns

The effectiveness of these actions is monitored through internal management systems and regularly reviewed as part of continuous improvement processes. The measures described above contribute to addressing the identified risks and opportunities related to this topic.

METRICS AND TARGETS

S1-4 – Targets related to own workforce

KRAIBURG TPE has defined qualitative targets to ensure responsible workforce management, support employee development and maintain high standards in working conditions and compliance:

- **Goal 1:** Strengthen employee loyalty through job satisfaction
- **Goal 2:** Avoid and reduce occupational accidents year by year in % (occupational safety)
- **Goal 3:** Support employees’ well-being through comprehensive preventive health programs
- **Goal 4:** Recruit, develop and retain skilled workers in line with demand
- **Goal 5:** Strengthen leadership culture

The following information provides an overview of the key workforce metrics for the reporting year 2025.

Workforce-related data is based on internal HR systems and reported on a headcount basis as of 31 December 2025. Where complete data is not yet available across all locations, estimates may be used; any limitations are transparently disclosed.

S1-5 – Characteristics of the undertaking’s employees

The majority of employees are employed under permanent contracts. Temporary contracts represent a limited share of the workforce. No employees are employed under contracts without guaranteed working hours.

	2025	2024
Total number of employees	608	619
> male	454	460
> female	154	159
Employees with permanent employment contracts	566	595
> male	474	460
> female	212	212
Employees with temporary employment contracts	33	26
Employees without a guarantee of a minimum or fixed number of working hours	0	0

Table 14: Employee characteristics (headcount)

S1-6 – Characteristics of non-employees in the undertaking’s own workforce

No non-employees were part of KRAIBURG TPE’s own workforce in 2025. In 2024, one non-employee was reported.

S1-7 – Collective bargaining coverage and social dialogue

In 2025, 97 % of KRAIBURG TPE’s employees in Germany were covered by collective bargaining agreements, compared to 85 % in the previous year. This reflects the strong role of formal social dialogue structures at the German site, while alternative engagement mechanisms are applied in regions without formal collective representation.

S1-8 – Diversity metrics

For the purposes of this disclosure, top management is defined as the top two management levels, including the CEO, Corporate Functions, Directors and Management Team Members.

	2025	2024
Gender distribution at top management level (headcount)		
> male	21	15
> female	8	6
Gender distribution at top management level (%)		
> male	72	71
> female	28	29

Table 15: Diversity metrics

S1-11 – Persons with disabilities

In the reporting year 2025, employees with disabilities represented 2 % of KRAIBURG TPE’s workforce, compared to 3 % in 2024.

S1-12 – Training and skills development metrics

In 2025, 100 % of employees participated in formal performance and career development reviews, compared to 84 % in the previous year.

S1-13 – Health and safety metrics

In the reporting year 2025, KRAIBURG TPE recorded a total of 1,085,139 working hours, compared to 1,056,349 hours in 2024.

	2025	2024
Percentage of employees covered by the occupational safety and health management system	100	100
Number of fatalities resulting from recordable work-related accidents among all people in the undertaking's own workforce	0	0
Number of fatalities from recordable work-related accidents among workers who work on the undertaking's sites, but are not part of its own workforce	0	0
Number of fatalities resulting from recordable work-related ill health among employees	0	0
Number of recordable work-related accidents	10	12
Number of cases of recordable work-related ill health	0	0
Number of days lost to recordable work-related accidents and recordable work-related ill health	200	68

Table 16: Health and safety metrics



Governance Information

G1 Business Conduct

POLICIES AND ACTIONS

G1-1 – Policies related to business conduct

KRAIBURG TPE has implemented a Code of Conduct that defines binding principles for ethical business behavior across all operations and business relationships. It applies to all employees and management and is communicated to business partners, who are expected to comply with its principles as a prerequisite for business cooperation. The policy includes rules on anti-corruption and anti-bribery, gifts and hospitality, conflicts of interest, and compliance with applicable laws and standards. Employees are required to report suspected misconduct via established whistleblower channels, which ensure confidential handling and protection in line with applicable legal requirements. The Code of Conduct is supported by training, internal controls and monitoring processes, and is regularly reviewed and updated to ensure its effectiveness and alignment with regulatory requirements.

G1-2 – Actions related to business conduct

KRAIBURG TPE implements actions to promote responsible business conduct within its operations and supply chain. This includes the systematic assessment of suppliers based on ESG criteria, which are integrated into procurement processes to support informed and risk-based decision-making. This process also helps ensure that the company only works with suppliers that have signed KRAIBURG’s Code of Conduct or can demonstrate adherence to an equivalent standard.

In addition, the company offers training for procurement staff as well as for all other employees. While suppliers are evaluated against ESG criteria, the undertaking currently does not operate a structured supplier engagement program. Within targeted supplier development activities, however, ESG-related improvement measures are discussed and monitored in collaboration with the respective suppliers. Consequently, the company’s approach combines systematic assessment and selection processes with risk-based and performance-oriented supplier development measures.

To support legal and regulatory compliance, the undertaking utilizes dedicated software solutions for legal compliance management, enabling the identification, monitoring, and management of applicable legal requirements. These solutions are provided and maintained by an external service provider. Furthermore, KRAIBURG TPE maintains relevant certifications (e.g., DIN EN ISO 9001:2015, DIN EN ISO 14001:2015 and DIN EN ISO 50001:2018) to ensure transparency and adherence to established management systems.

Measures to prevent and detect corruption and bribery risks are implemented through the Code of Conduct. The undertaking also provides a whistleblower reporting platform, which enables employees and external stakeholders to report suspected misconduct. The platform is supported by processes to investigate reported cases and, where necessary, take corrective actions.

In addition, KRAIBURG TPE participates in external sustainability ratings, including EcoVadis, where the company has achieved Gold status at corporate level, placing it among the top 5 % of all evaluated companies worldwide, and CDP, where the company has achieved a B score for Climate Change. A B score represents the highest rating currently available for SMEs (small and medium-sized enterprises).

The measures described above contribute to addressing the identified risks and opportunities related to this topic.

METRICS AND TARGETS

G1-3 – Targets related to business conduct

KRAIBURG TPE has defined targets to promote and continuously strengthen responsible business conduct across its operations and value chain:

- **Goal 1:** Adhere to KRAIBURG TPE compliance guidelines and implement values and aspects of corporate culture
- **Goal 2:** Keep a comprehensive overview of and comply with relevant legal requirements

- **Goal 3:** Ensure transparency through compliance with standards and certifications
- **Goal 4:** Supplier conduct and traceability: Anchoring sustainability standards in the supply chain

G1-4 – Metrics related to corruption or bribery

During the reporting period:

- no convictions related to corruption or bribery were identified
- no sanctions or administrative penalties were imposed
- no fines related to violations of anti-corruption or anti-bribery laws were incurred

G1-5 – Metrics related to political influence, including lobbying activities

During the reporting period:

- no financial or in-kind political contributions were made
- no indirect political contributions (e.g., via intermediaries) were identified

G1-6 – Metrics related to payment practices

At the reporting date, the undertaking does not apply a single uniform set of standard payment terms across all suppliers. Payment terms may vary depending on, e.g., contractual agreements, supplier type, and regional or business-specific conditions. Payment processes are managed through established financial and procurement systems to ensure timely and contract compliant payments. During the reporting period, no legal proceedings related to late payments to suppliers were identified.

ADDITIONAL GOVERNANCE METRICS

For external sustainability ratings, additional information beyond ESRS requirements may be requested. KRAIBURG TPE takes these requirements into account and transparently includes the relevant supplementary disclosures in its sustainability report:

KRAIBURG TPE Production sites	Germany		Malaysia		United States	
	2025	2024	2025	2024	2025	2024
Percentage of relevant suppliers that have signed a supplier Code of Conduct	100	100	100	100	100	100
Percentage of relevant suppliers with contracts that include sustainability clauses <i>(relevant suppliers are subject to binding sustainability requirements through the Code of Conduct framework)</i>	100	100	100	100	100	100
Percentage of relevant suppliers assessed for CSR performance (e.g., through a questionnaire)	100	100	100	100	100	100
Percentage of relevant suppliers that have undergone an on-site CSR audit	5.5	4	8	0	0	0
Percentage of buyers trained on sustainable procurement	100	100	100	100	100	100
Percentage of relevant suppliers implementing corrective actions or capacity building	100	100	37.50	0	85	84

Table 17: Governance metrics

KRAIBURG TPE has already integrated sustainability into its core business processes to reduce environmental impacts, strengthen resilience and ensure long-term competitiveness. By combining material expertise with close collaboration across its ecosystem—including customers, suppliers and research partners—the company actively drives responsible, future-oriented solutions. Sustainability is a core element of KRAIBURG TPE’s competencies and will be continuously advanced to further strengthen its market position.



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