

SUSTAINABILITY REPORT 2022

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FOREWORD

Dear readers,

With our passion for rubber, we create innovative solutions for a sustainable world. As a family company, we grow by creating added value for our customers in a spirit of trust and cooperation.

Committed to our customer's needs, we strive to ensure their success and satisfaction. We work together in a respectful and appreciative manner.

As a company, we embrace social and ecological responsibility and contribute to the improvement of daily life. We are committed to diversity and equal opportunity and promote our employees based on their strengths.

With the help of our **integrated management system**, we systematically develop and optimize environmental protection, occupational health and safety, sustainability and energy efficiency.

For more than 30 years, Gummiwerk KRAIBURG has been certified according to the quality standard ISO 9001, since 2002 according to the environmental standard ISO 14001 and since 2013 according to the energy standard ISO 50001. Compliance with these standards is audited annually by accredited auditors and recertified every three years.

In 2022, we have decided to seek certification of our sustainability management by EcoVadis and of our occupational health and safety management in accordance with DIN ISO 45001 in 2023.

We adhere strictly to all legal requirements that apply to us and expect the same from our suppliers and contractors with regard to their legal conformity.



Dr. Darijo Mijolović
CEO



Thomas Brandl
Sustainability Manager

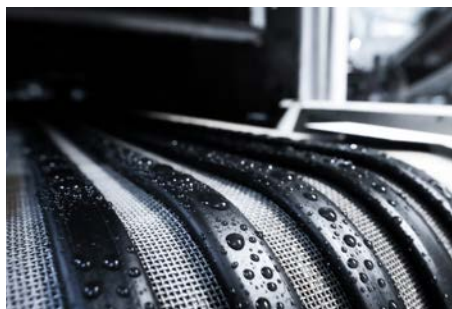
COMPANY PROFILE



GUMMIWERK KRAIBURG GMBH & CO. KG

Gummiwerk KRAIBURG GmbH & Co. KG is a leading manufacturer of rubber and silicone compounds. At our headquarters in Waldkraiburg (Germany), we develop and manufacture customized solutions to meet the demands of today and tomorrow. Our forward-looking approach combines tradition, partnership and innovation.

Serving 12 defined sectors, we address a wide range of applications in a variety of industries such as energy supply, construction industry, food industry, chemical industry, mobility and medical technology. Gummiwerk KRAIBURG compounds are characterized by consistently high quality, performance and reliability. We offer a portfolio of well over 100,000 recipes, with around 3,500 different recipes are produced in series every year.



THE KRAIBURG GROUP

The origins of today's KRAIBURG Group can be traced back to the founding of Gummiwerk KRAIBURG in Waldkraiburg (Germany) in 1947. The KRAIBURG Group, which has been organized as a holding company since 2005 and as KRAIBURG Holding SE & Co. KG since 2022, is still entirely family-owned. Both the headquarters of KRAIBURG Holding and Gummiwerk KRAIBURG are located in Waldkraiburg. In the course of the group's long history, the business with elastic materials has been continuously expanded, companies have been acquired and the growing organization has been restructured time and again.

Today, KRAIBURG Holding comprises nine strategic business areas in the field of elastic materials, employing around 2,500 people and generated sales of approximately € 689 million in 2022. The companies of KRAIBURG Holding position themselves as specialists and competence leaders in their respective markets.

The nine strategic business areas, known as divisions, cover applications such as chewing rubber compounds for technical parts and tires, TPE compounds as well as finished products made from recycled rubber for agriculture, sport, rail and construction. In addition, specialty products such as EPDM granules, PUR finished parts and rollers are manufactured and sold. For more information on the KRAIBURG group, please visit: www.kraiburg.com

THE THREE PILLARS OF SUSTAINABILITY

For us at Gummiwerk KRAIBURG, it is crucial to integrate the three pillars of sustainability – ecology, economy and social responsibility – into our business practices in a balanced way. We believe that a sustainable company must be successful not only economically, but also socially and ecologically.

We are aware that although these three pillars of sustainability are closely linked, they often compete with each other. Therefore, our goal is to assess, consider and strive for a balanced harmony among all three aspects in our daily business practices.

For us, environmental sustainability means minimizing our environmental impact and working to conserve natural resources. We are committed to reduce emissions, use renewable energy and optimize our production processes to minimize our ecological footprint.

In our corporate activities, we believe it is essential for us in order to contribute to a more just society. We provide fair working conditions and prioritize the health and safety of our employees. We comply with the United Nations Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the provisions of Section 2, Paragraph 2, No. 1-12, of LkSG (Lieferkettensorgfaltspflichtengesetz), Act of Corporate Due Diligence Obligations in Supply Chains. We expect the same from our business partners.

Through our commitment to all three pillars of sustainability, Gummiwerk KRAIBURG makes a significant contribution to sustainable development in line with the United Nations Sustainable Development Goals.

To express our commitment and our responsibility, we have developed the following symbol:



Gummiwerk KRAIBURG: **We care.**

GOALS FOR SUSTAINABLE DEVELOPMENT

The United Nations' Sustainable Development Goals (SDGs) provide the global framework for sustainable development. Published in 2015 as part of the 2030 Agenda, they comprise 17 overarching goals with 169 sub-goals that address social, economic and environmental challenges. All sectors of society, including companies, are called upon to contribute to the achievement of the SDGs.



At Gummiwerk KRAIBURG, we align our actions with the 17 Sustainable Development Goals of the United Nations. We have identified the SDGs that are most relevant for our company in order to derive concrete measures.



GOOD HEALTH AND WELL-BEING

Gummiwerk KRAIBURG is committed to an occupational safety management system, including emergency management, as well as a health management system. Furthermore, additional preventive examinations are offered in cooperation with the company doctor. In addition, every employee has the opportunity to seek external, anonymous social counseling.



GENDER EQUALITY

Positions at Gummiwerk KRAIBURG are filled on the basis of qualifications rather than gender. The company subsidizes childcare for employees' children and promotes a better work-life balance through flexible working hours.

7 AFFORDABLE AND
CLEAN ENERGY



AFFORDABLE AND CLEAN ENERGY

Since 2015, we have been producing environmentally friendly and therefore sustainable energy using photovoltaics, with continuous capacity expansion. A combined heat and power plant has been in operation since 2014.

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



INDUSTRY, INNOVATION AND INFRASTRUCTURE

As a leading specialist in rubber and silicone compounds, Gummiwerk KRAIBURG relies on its innovation strategy to ensure long-term success.

10 REDUCED
INEQUALITIES



REDUCED INEQUALITIES

We expect KRAIBURG employees to treat people with respect and integrity. Discrimination based on ethnic origin, gender, religion or belief, disability, age or sexual identity is not tolerated. KRAIBURG is committed to a globally open, inclusive and tolerant corporate culture.

11 SUSTAINABLE CITIES
AND COMMUNITIES



SUSTAINABLE CITIES AND COMMUNITIES

Gummiwerk KRAIBURG is actively involved in a wide range of initiatives within the local community.

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



RESPONSIBLE CONSUMPTION AND PRODUCTION

In our production processes, we prioritize adherence specifications and high quality in order to conserve resources and avoid waste. Our products enable a long product life cycle, contributing to reduced material consumption in the long term.

13 CLIMATE
ACTION



CLIMATE ACTION

Gummiwerk KRAIBURG is committed to reducing its greenhouse gas emissions in the long term. In addition to energy-saving measures, the switch to renewable energy sources is being expanded.

ECOLOGY



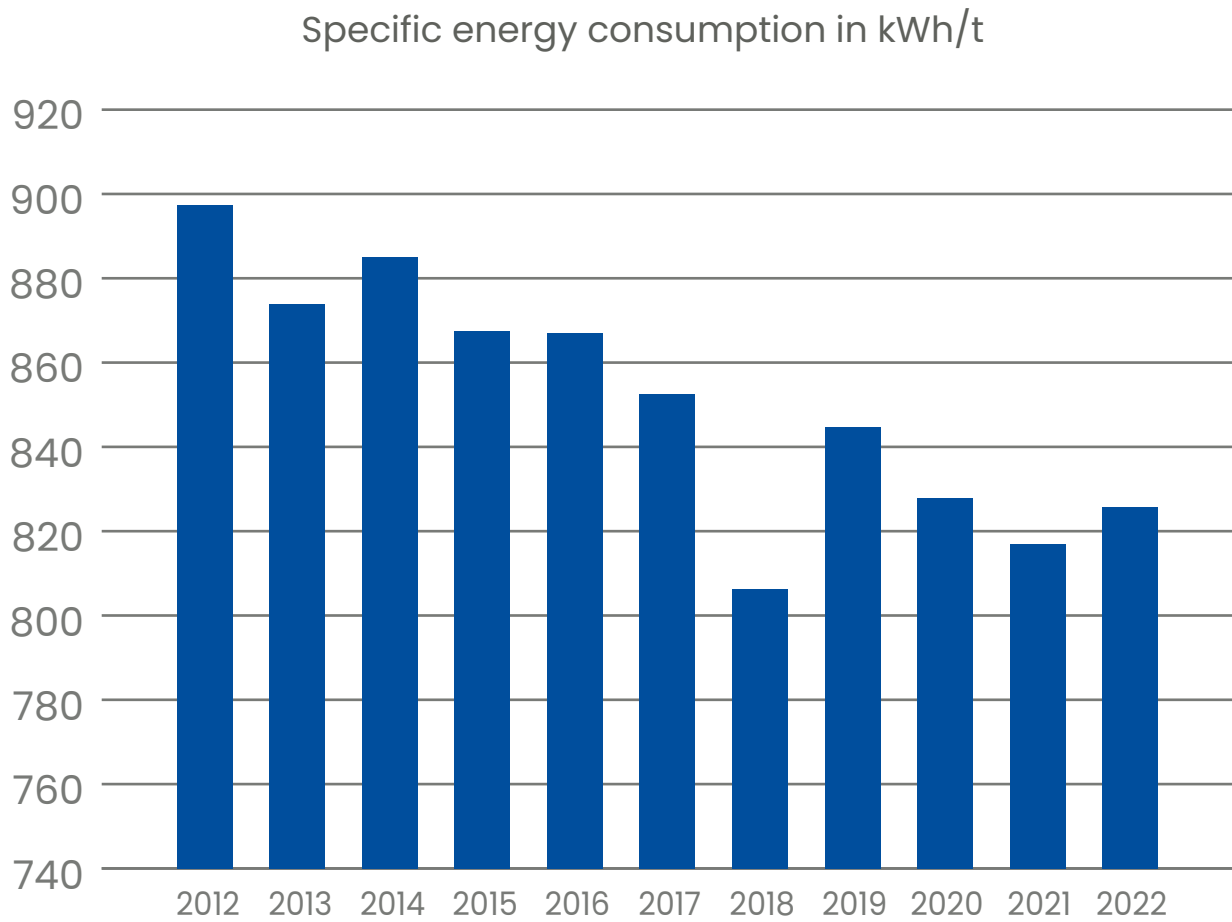
We consider it as our responsibility to use natural resources for our production processes, products and services as sparingly as possible. Therefore, ecological sustainability is firmly anchored in the business activities of Gummiwerk KRAIBURG. Through consistent optimization programs, we achieve a continuous reduction in the consumption of energy and raw materials, both in the manufacture of products and in the redesign and modernization of our buildings and machinery.





ENERGY CONSUMPTION

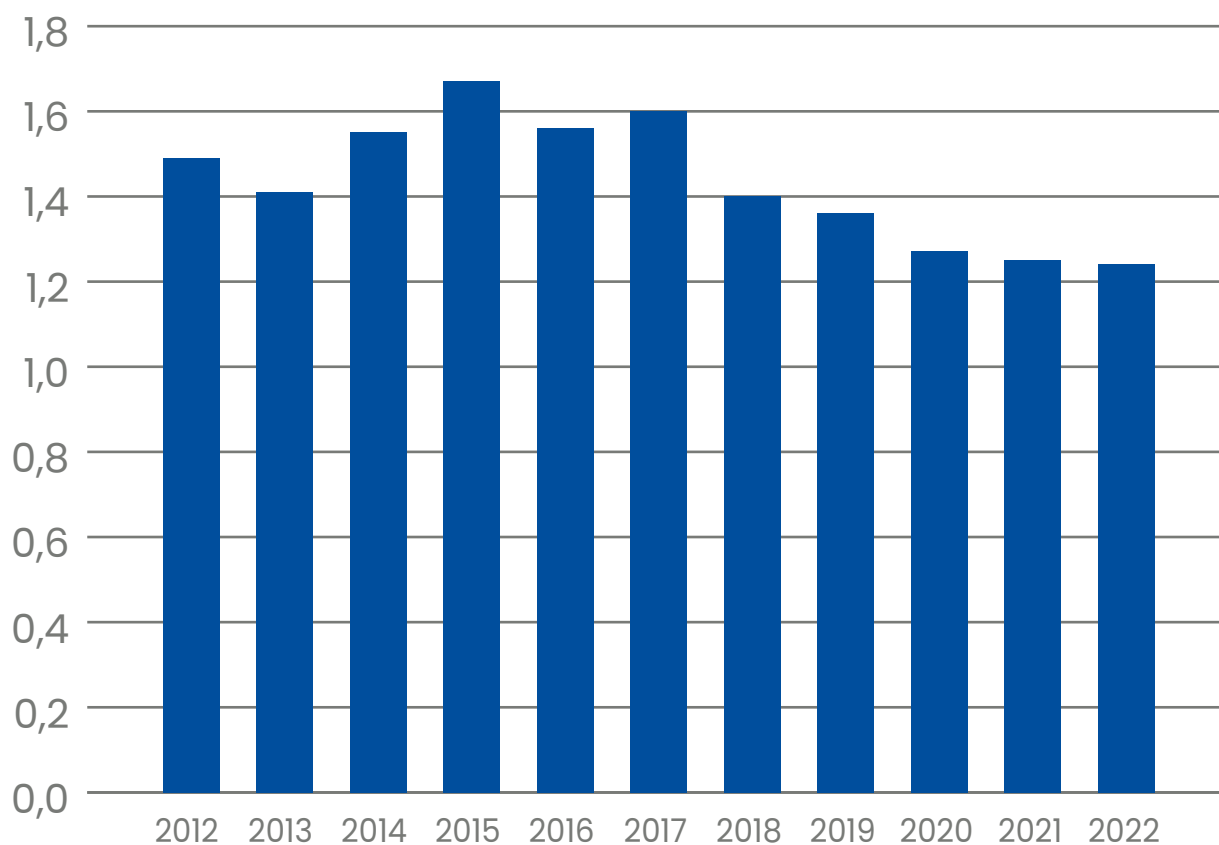
For years, we have been carrying out energy optimizations throughout our entire operational infrastructure. By operating the combined heat and power plant and photovoltaic systems, by using of groundwater for cooling purposes and numerous other energy saving measures, we have been able to continuously reduce the specific energy consumption per tonne of rubber compound sold. An internal survey has identified further potential savings.



WATER CONSUMPTION

Reducing our water consumption is another strategic goal, which has been successfully achieved since 2015.

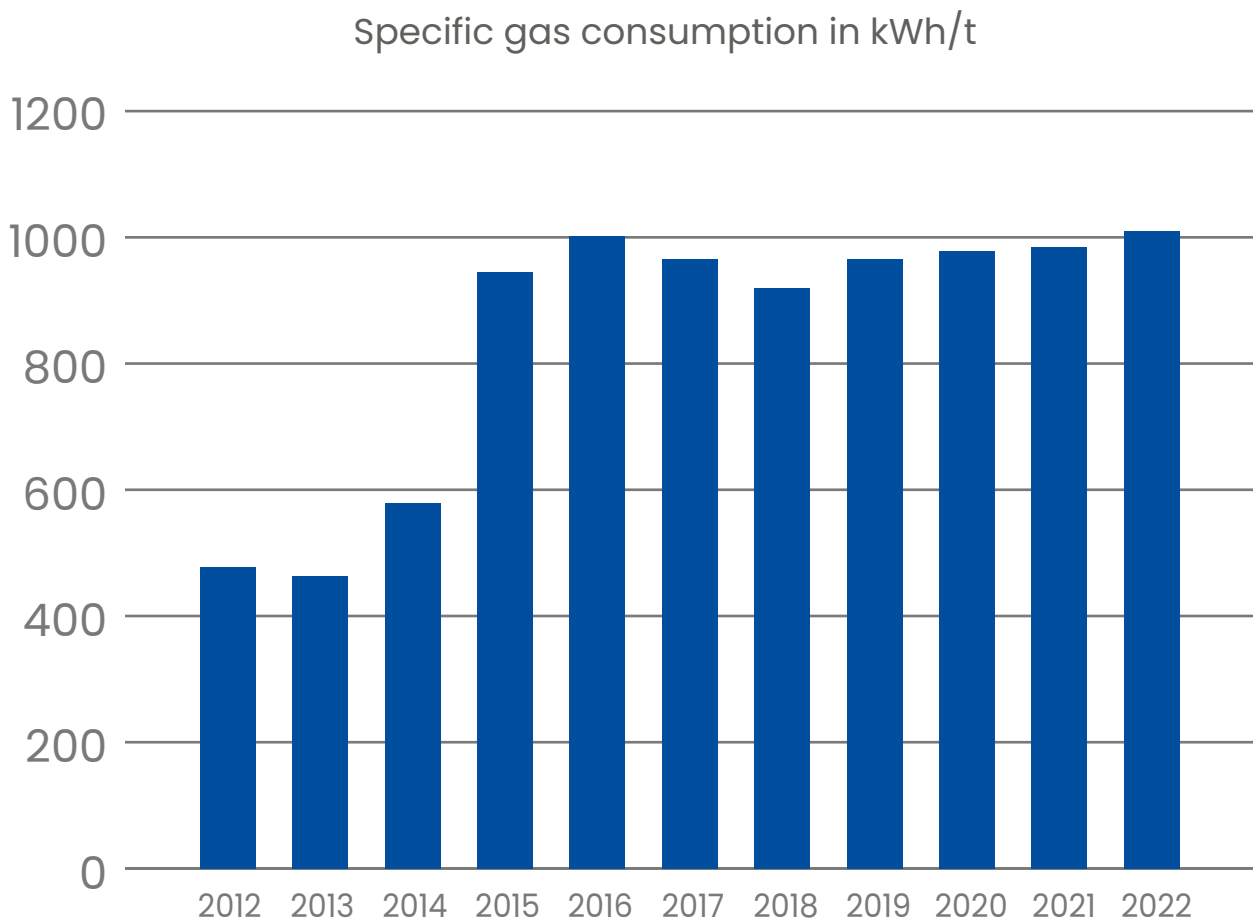
Specific water consumption in m³/t





GAS CONSUMPTION

After 2014, specific gas consumption increased significantly due to the installation of the combined heat and power plant. However, the consumption of externally purchased energy was significantly reduced.



EMISSIONS/INDIRECT DISCHARGE

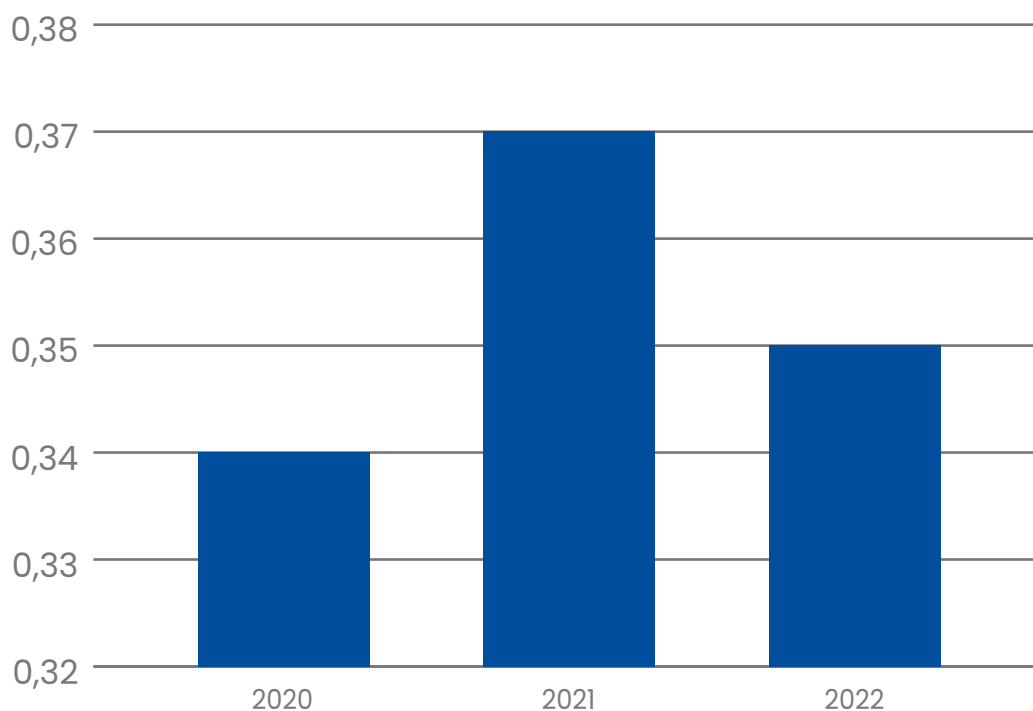
We monitor and adhere to the applicable limit values of the Technical Instructions on Air Quality Control (TA Luft) at our emission points. Our air conditioning systems are regularly checked for leaks by a specialist company. We comply with the limit values set by the local drainage ordinances for the discharge of our industrial wastewater into the municipal sewer.

GREENHOUSE GAS EMISSIONS

The electricity we purchase includes a renewable energy share of between 57% and 65%. In general, there is a commitment to realize potential reductions in greenhouse gas emissions in the coming years.

To determine the company's annual greenhouse gas emissions, we use the Greenhouse Gas Protocol, which covers all Scope 1 and 2 emissions. An accurate accounting of Scope 3 emissions is currently not possible due to insufficient data.

Development of the Corporate Carbon Footprint in
t CO₂ e/t sales volume



Emissions in t CO ₂ e	2020	2021	2022
Scope 1 – Direct emissions	2.393	2.775	2.703
Scope 1.1 – Combustion processes of stationary facilities	2.124	2.512	2.423
Scope 1.3 – Volatile gases	8	1	24
Scope 1.4 – Processes	16	17	17
Scope 2 – Indirect emissions from purchased power			
Scope 2.1 (market based)	1.263	1.745	1.461
CCF (Scope 1 + 2)	3.656	4.519	4.165
Quantity sold in t	10.831	12.161	11.925
Specific CCF (t CO₂e/t)	0,34	0,37	0,35



FIRE AND EXPLOSION PROTECTION, CRISIS MANAGEMENT

Our fire and explosion prevention officers work closely with all managers and operators to ensure a high level of preventive fire and explosion protection.

To protect ourselves from fire hazards, regular firefighting training sessions are carried out with all Gummiwerk KRAIBURG employees. In the event of an emergency, the fire safety officer is supported by eight fire safety assistants. Trained emergency managers and company paramedics are available on all shifts.

A crisis management system was introduced in 2015. Regular crisis team meetings and crisis exercises help to derive and implement improvement measures.

HAZARDOUS SUBSTANCES

Based on our internal hazardous substances policy, we have been ensuring since 2013 that no new hazardous raw materials (e.g. carcinogenic, mutagenic or toxic substances) are introduced. As part of our legal obligations, we evaluate whether potentially hazardous raw materials can be substituted. We implement raw material substitutions in consultation with our customers.



THE SHIPPING OF DANGEROUS GOODS AND HAZARDOUS SUBSTANCES

With our dedicated staff, we organize the transportation of dangerous goods and hazardous substances. We achieve a high level of transport safety through careful selection of our carriers, proper packaging, labeling, preparation of accompanying documents and securing the load.



ENVIRONMENTAL INCIDENTS

Plant managers and operators work closely with environmental management to analyze environmental risks and incidents. Measures are defined and implemented promptly, with a focus on sustainable effectiveness.

We ensure that no substances enter the ground or the company's waterways. Leak detection is facilitated by containment basins. Any spills are dealt with immediately.

In 2022, there were four incidents: three were minor releases of raw materials in contained areas that were quickly absorbed and properly disposed of. The fourth incident was a smoldering fire in the transformer room involving a converter. The fire department was notified by the fire alarm system, but did not have to intervene.



REUSABLE MATERIALS, RECYCLING AND WASTE

We follow the waste hierarchy according to the Waste Act:

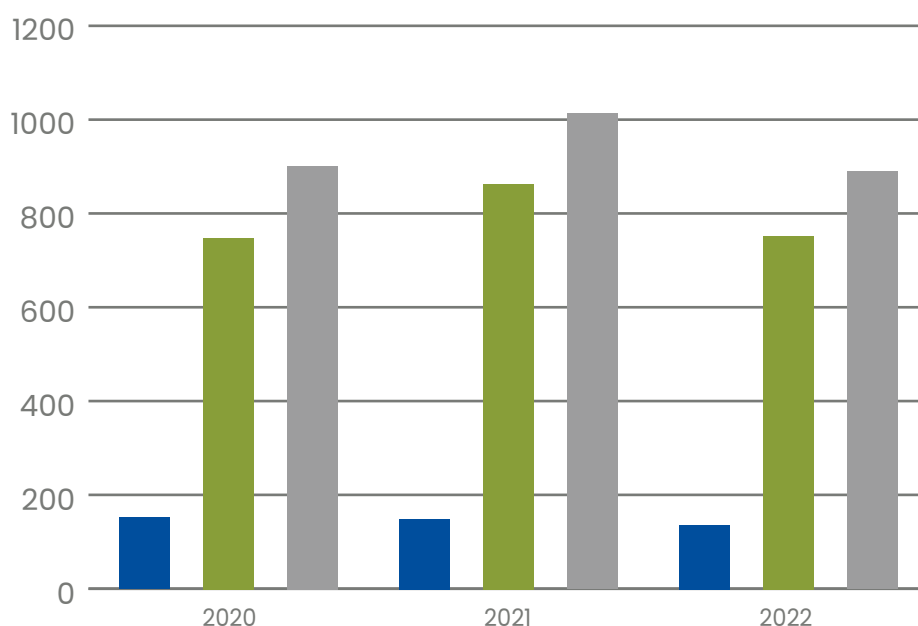
- Avoiding before
- Preparation for reuse before
- Recycling before
- Other utilization or backfilling before
- Disposal

We use reusable packaging such as grid boxes and Euro pallets. Packaging materials such as cardboard boxes, film and wooden pallets are largely recycled or prepared for reuse. Our separate collection rate is 91%.

In our production processes, we focus on compliance with specifications and high quality to conserve resources and avoid waste. Nevertheless, some waste is unavoidable in production and additional waste arises from internal restrictions or claims due to deviations from specifications. In these cases, we also apply the logic of the waste hierarchy. With external partners, we successfully implement downcycling or recycling. If such use is not possible, we send the remaining quantities for thermal recycling.

Waste quantities per year	2020	2021	2022
Hazardous waste in t	153	150	137
Non-hazardous waste in t	747	862	752
Total waste in t	900	1012	889

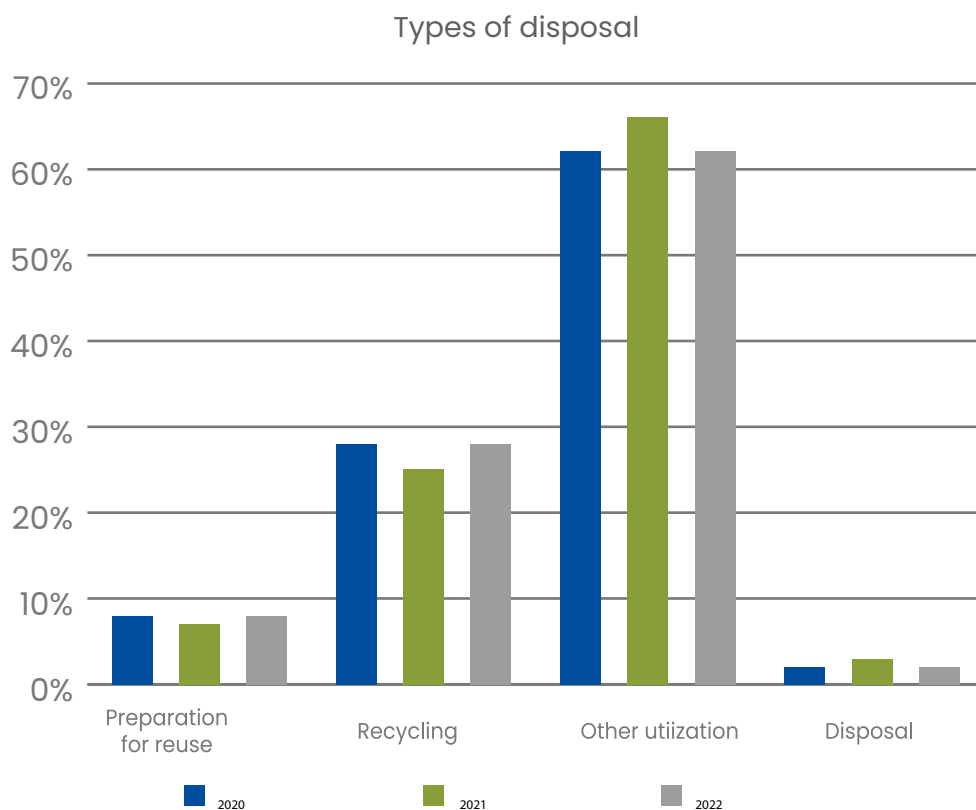
Development of waste generation in t



We are continuously working to minimize the amount of waste. In 2022 we have achieved significant successes compared to the previous year.

In addition to the amount of waste, the corresponding disposal method is also crucial. We have increased our recycling rate and reduced our disposal rate.

Disposal types in percent	2020	2021	2022
Preparation for reuse	8%	7%	8%
Recycling	28%	25%	28%
Other utilization	62%	66%	62%
Disposal	2%	3%	2%



BIODIVERSITY PROJECT

Sustainability encompasses many aspects, including the protection of biodiversity. Alongside to private individuals, companies can also set a positive example.

As part of a biodiversity project, our apprentices made nesting boxes and installed them on trees on the company premises. Packaging material from rubber deliveries was used in the construction of the nesting boxes, providing an additional purpose in line with sustainability.



ECONOMY



As a company, we recognize our responsibility to our customers and to society. We are therefore committed to fair competition and to preventing corruption and bribery. Our business processes and decisions are guided by strict ethical standards and strictly comply with applicable laws and regulations. We strive to conduct our business relationships in a transparent and ethical manner to earn and maintain the trust of our customers and partners.





ANTITRUST LAW

We believe that competition and a free market economy are essential elements of a free society. Their safeguarding and protection of these interests is a top priority for KRAIBURG.

We comply with applicable European and international competition and antitrust laws and expect the same from our business partners.

Regular internal training ensures compliance with current antitrust regulations.



PROTECTION AGAINST CORRUPTION AND BRIBERY

All Gummiwerk KRAIBURG employees receive regular training on their legal obligations to prevent corruption, bribery and corruptibility.

Offering, promising or granting an undue advantage (bribery) is strictly prohibited, especially to public officials and those with special public function.

SOCIAL



As a company, we are responsible for the well-being of our employees. We are committed to protecting labor rights and ensuring a safe and healthy working environment. Equality of opportunity and respect for human rights are fundamental principles that we actively promote. In addition, we engage in social projects and support local initiatives to fulfill our responsibility as a member of society.





OCCUPATIONAL HEALTH AND SAFETY

Our aim is to identify, prevent or minimize potential hazards and health risks as early as possible.

Plant managers and operators, together with safety specialists, implement measures promptly and ensure their sustained effectiveness.

In 2022, there were twelve reportable workplace accidents, an increase of five compared to the previous year. Measures have been implemented to effectively promote a safety culture in our company. The thousand-man rate in 2022 was 31 and the LTIR was 45.

There are specific noise zones in the production area, with sound pressure levels exceeding 85 dB(A). A noise reduction program is underway for these areas and noise limits are being met at property boundaries. In addition, we aim to certify the occupational health and safety management system with the quality seal of BG RCI (Berufsgenossenschaft Rohstoffe und chemische Industrie), a German Institution for Statutory Accident Insurance and Prevention in the Raw Materials and Chemical Industry.

Our internal health management is constantly being expanded. In addition to providing up to 2 company bicycles per employee, we are increasingly offering courses such as yoga, back health, massages and smoking cessation. Moreover, a free fruit basket is provided once a week.

Gummiwerk KRAIBURG values work-life balance, so employees have access to flexible working hours and remote work. The company also subsidizes kindergarten fees. An annual contribution to the company pension scheme ensures that retirement capital is built up.

EQUALITY AND RESPECTFUL TREATMENT

All employees are encouraged to treat others with respect and integrity. Our managers in particular serve as role models in this regard.

Discrimination on the basis of ethnic origin, gender, religion or belief, disability, age or sexual or political orientation will not be tolerated.

We are committed to an inclusive and tolerant culture.

Key Indicator	Value 2022
Employees (total)	421
Number of apprentices	28
Proportion of women in total workforce	19%

Reference date: end of December 2022



HUMAN RIGHTS

Respect for human rights is critical in our global supply chain.

We reject forced or child labor. Children of school age or under the age of 15 may not be employed, unless the respective national legislation requires a higher age limit.

Persons under the age of 18 may not carry out dangerous work without supervision and may not work at night.

Furthermore, remuneration and other benefits must not fall below the legal minimums and all other labor laws, such as maximum working hours, must be observed.



SOCIAL COMMITMENT

Our historical ties are inextricably linked to the growth of our Bavarian home town of Waldkraiburg. We support local initiatives, activities and institutions in the town and surrounding communities.

PROSPECTS

Ecological, economic and social performance, coupled with legal compliance, have been essential to Gummiwerk KRAIBURG for years, yielding positive results in 2022. This positive trend is to be continued in 2023, with a focus on accident prevention, increasing health indicators, reducing waste rates and specific energy consumption, and securing our long-term energy supply.



Gummiwerk KRAIBURG GmbH & Co. KG

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