



SUSTAINABILITY GUIDELINES

of the KRAIBURG Group

As of May 2024

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Sustainability as a guiding principle

Preamble

Social responsibility towards our employees and the resource-conserving use of raw materials have always been seen as fundamental pillars of our business activities at KRAIBURG. And so, we continue to pursue a clear vision for a sustainable future:

As KRAIBURG Group we want to appear as a role model by adopting innovative and effective practices and strive to develop sustainability to one of our core competencies in order to ensure our corporate success.

This we will achieve by harmonizing economic, ecological, and social aspects.

Thus, we meet the needs of our stakeholders of today and tomorrow.

As a specialist and competence leader for rubber and TPE compounds, as well as for finished products made from recycled rubber and special products such as EPDM granules, PUR molded parts and rollers, we are aware of our ecological, social and economic responsibility towards the environment, society and parties associated with us through our actions.

We see ourselves as a driver of sustainable solutions in our business units. The principles of a circular economy are already part of the business models of various KRAIBURG business units. By the end of 2024, all divisions will be certified according to ISO standard 14001, have undergone a sustainability rating by EcoVadis and have implemented the requirements of the German Supply Chain Sustainability Act (Lieferkettensorgfaltspflichtengesetz - LkSG). A whistleblower system in accordance with the Whistleblower Protection Act (Hinweisgeberschutzgesetz - HinSchG) has been active in all divisions since 2023. Sustainable action is set to become another of KRAIBURG's core competencies. In the future, this will be a key factor for the long-term success and existence of the KRAIBURG Group. Sustainability is to become an integral part of the business strategies.

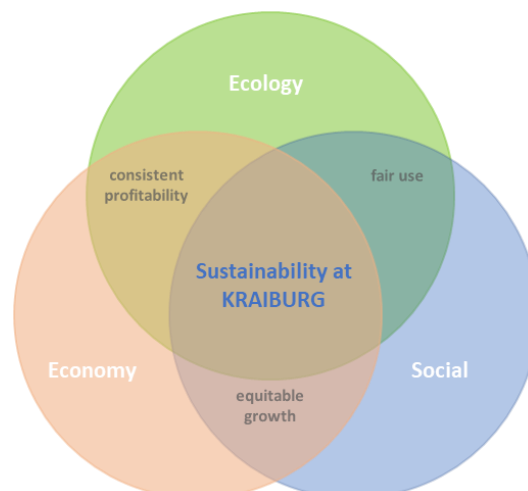


Figure 1: Sustainability at KRAIBURG

In order to play our part in sustainable development, taking into account global guidelines such as the UN Global Compact (UNGC) and the UN Sustainable Development Goals (SDGs), we set ourselves ambitious goals that are achieved through consistent strategies and targeted measures.

Our sustainability vision should be established as a guiding principle for all employees in our corporate culture in order to promote responsible action and develop resilient sustainability management structures within the organization. Transparency and credibility in internal and external communication are indispensable tools in this regard.

We are aware that we can only master the challenges of the future if we work together!

Sustainability at KRAIBURG – Strategic priorities

Sustainability still poses many challenges for the KRAIBURG Group today. Political requirements are increasing the bureaucratic burden, customer expectations regarding sustainable product alternatives need to be met, energy prices are rising and increasing economic pressure.

However, despite all the difficulties, sustainability also offers immense opportunities for the future. The expansion of renewable energies at the sites can reduce dependency on the volatile electricity market and thus increase economic planning security, product innovations can open up new business areas and circular production processes can promote the efficient use of resources.

As part of the sustainability reporting process, KRAIBURG carried out a materiality analysis and identified six sustainability-related core topics that present particular opportunities or risks for us in the KRAIBURG Group or in which our activities have or could have a particularly positive or negative impact on society and the environment (Figure 2).

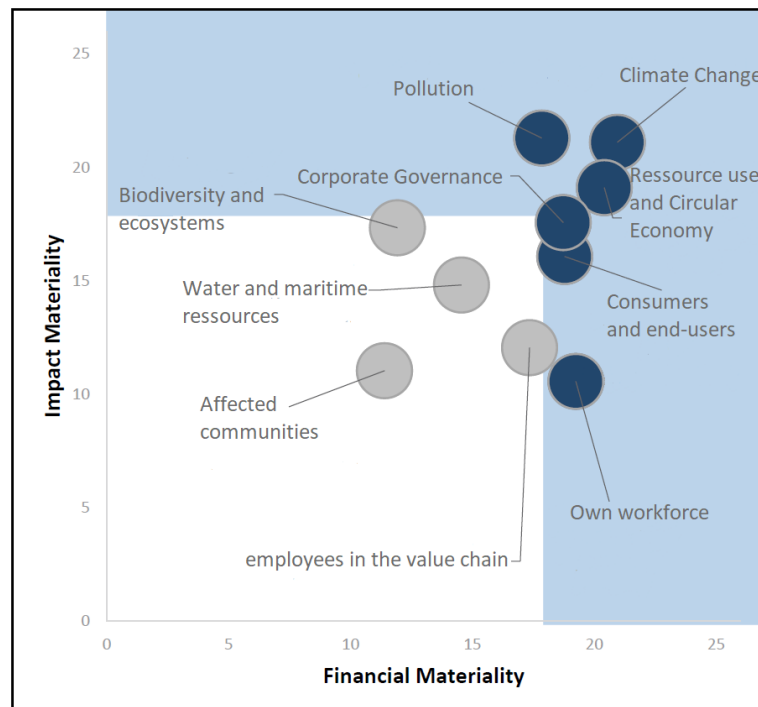


Figure 2: Materiality matrix of the KRAIBURG Group

The aim is to minimize risks in the individual areas, make the best possible use of opportunities and reduce negative effects on society and the environment to a minimum.

Climate Change

At KRAIBURG, we are committed to reducing the greenhouse gas emissions directly and indirectly associated with our activities (Scope 1, 2 & 3) to the greatest possible extent and in line with the reduction targets of the Paris Climate Agreement. To this end, ecologically, ethically and economically justifiable measures are taken, which are primarily aimed at increasing energy efficiency, switching to renewable energy sources, expanding renewable energy systems, increasing material efficiency and substituting climate-damaging materials. As a basis, the requirements of the ISO 14001 standard are to be met and an effective energy management system is to be operated.

Compensation measures with regard to greenhouse gas emissions should only be taken as a last, supplementary measure. The avoidance and reduction of greenhouse gas emissions should be prioritized in the following order:

1. Avoid
2. Reduce
3. Compensate

If compensatory measures have to be taken, care is taken when selecting them to invest in trustworthy and comprehensible concepts and to create the greatest possible transparency.

Pollution

The health of people and the environment is one of KRAIBURG's most valuable assets. Pollution of indoor and outdoor air, soil and water caused by our activities is to be avoided or, where unavoidable, reduced to a minimum, as far as costs and benefits are in harmony. Possible sources of environmental pollution are checked at regular intervals and, if necessary, sensible measures are taken to avoid or minimize environmental pollution.

The use of substances of concern and substances of very high concern (SVHC), according to the ECHA (European Chemicals Agency) candidate list, must be minimized and, where possible, avoided altogether. The aim is to replace all substances of concern and substances of very high concern with harmless substances, preferably from renewable sources.

It is ensured that personal contact between employees and hazardous substances is avoided as far as possible. The proper handling of hazardous substances, their correct disposal and the use of suitable protective equipment is standard practice.

Resource use and Circular Economy (CE)

Closing material loops is a major lever for KRAIBURG to reduce our environmental impact and is already part of some of our business models and day-to-day activities.

Above all, in order to increase resource efficiency and minimize dependencies, products (especially in the area of product development), services, strategies, business models, processes and working methods are to be reconsidered and further developed with regard to the transformation towards a circular economy.

The core elements of a circular economy should be taken into account and applied at the highest possible level (Figure 3).

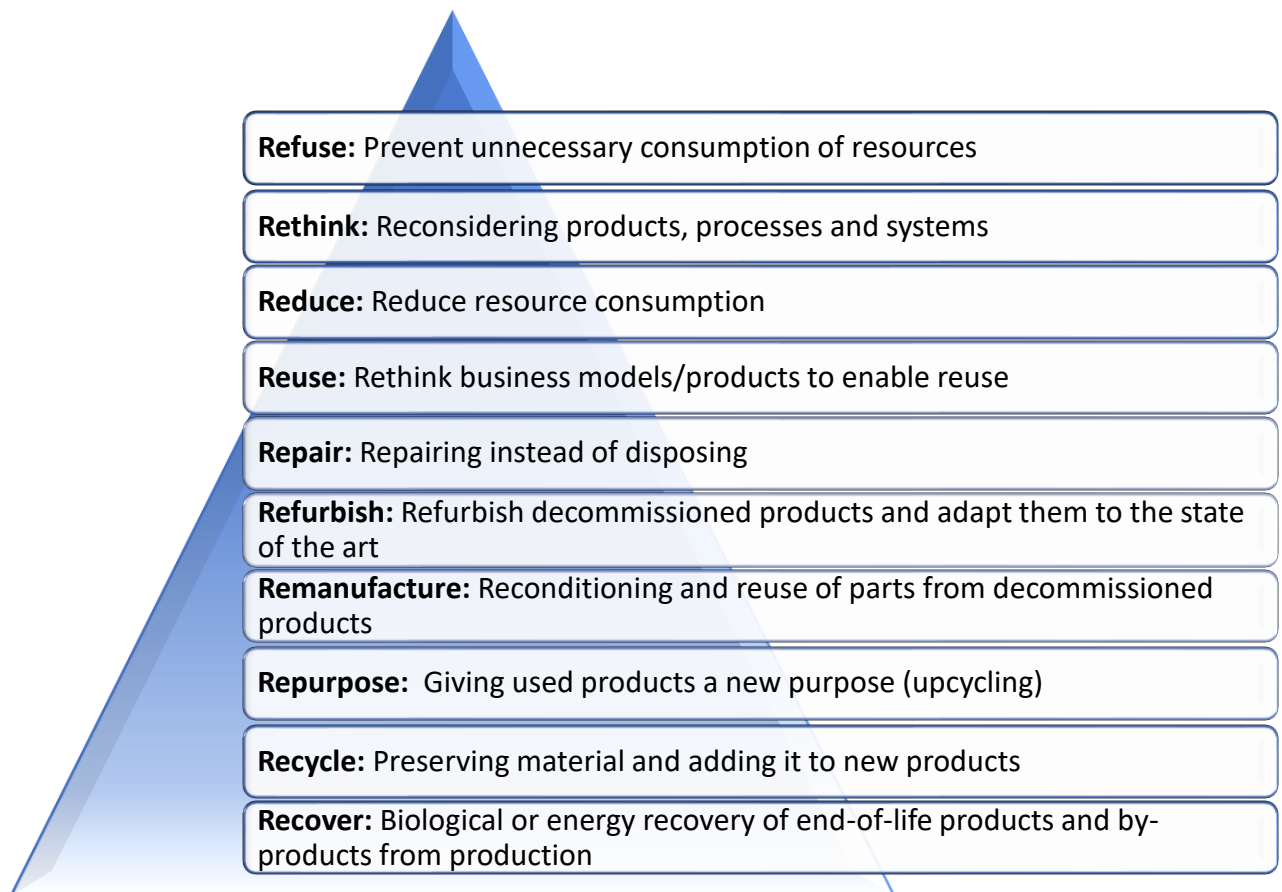


Figure 3: Core elements of the circular economy

Own workforce

KRAIBURG positions itself on the market as an ecologically and socially committed company and as an attractive employer, creating real added value for all employees through its employee-related benefits.

Important topics such as appropriate working hours and remuneration, equality for all employees, regardless of ethnic origin, nationality, skin color, gender, sexual orientation, gender identity, disability, age, religion, political opinion or social background, as well as the compatibility of private and professional life, the opportunity for skills development and further training, and the health of our employees are part of KRAIBURG's corporate values and employee orientation.

KRAIBURG acts according to the highest ethical standards and treats all employees with respect and integrity in accordance with generally recognized standards and principles such as the United Nations Universal Declaration of Human Rights, the UN Global Compact, the principles of the International Labor Organization (ILO) and the OECD Guidelines for Multinational Enterprises.

The violation of personal boundaries through discrimination or harassment is not tolerated at KRAIBURG. At KRAIBURG, we stand for diversity and equal opportunities.

Consumers and end-users

KRAIBURG attaches great importance to safeguarding the interests of customers and end users, both in terms of information and security-related matters. Compliance with data protection guidelines must be ensured at all times. KRAIBURG also endeavors to establish a transparent communication culture and to integrate an easily accessible complaints system in addition to the open provision of relevant information.

When used as intended, our products must not endanger the safety or health of customers and end-users, regardless of age. Free access to our products must not be prevented for discriminatory reasons. KRAIBURG strictly rejects misleading marketing practices that are intended to deceive customers and end users.

We ensure that no products are developed, manufactured and distributed by KRAIBURG that are knowingly designed to harm people.

Corporate governance

KRAIBURG's credo is a cosmopolitan and people-oriented corporate culture in which the needs and interests of employees, customers and other stakeholders are heard.

Compliance with legal and ethical standards, e.g. to protect whistleblowers or to prevent and combat corruption and bribery, is anchored in corresponding corporate guidelines and is inextricably linked to KRAIBURG's business activities. As a globally active, strong and reliable employer and business partner, we uphold our corporate values:

1. Financial independence and profitability secure our existence.
2. Powerful, flexible and largely independent divisions are responsible for the respective product, the market, the customers and the operating results.
3. We ensure maximum efficiency for our customers and work consistently in a market- and customer-oriented manner. This is how we make our business partners successful and satisfied in the long term.
4. As a company, we assume social and ecological responsibility and thus contribute to improving our daily lives.
5. We ensure that no products are developed, manufactured and distributed by KRAIBURG that are knowingly designed to harm people.

6. We develop, promote and challenge our employees according to their strengths. The satisfaction of our employees is both an incentive and an obligation for us.
7. We stand for diversity and equal opportunities.
8. We are committed to discussing the matter in order to find the best solution for our business partners and the company. Our cooperation is characterized by respectful and appreciative interaction.
9. We focus on the essentials by setting clear goals and take responsibility for results.
10. We keep rules and our promises and are reliable. Mutual trust is the basis of our corporate culture.
11. We address mistakes openly in order to learn from them. Openness creates transparency and enables change.

Sustainability Management at KRAIBURG

Sustainability management is a diverse and complex field of activities and cannot be seen as a separate area of responsibility. Rather, it requires the networking of different areas of expertise and integration into the strategic management of the KRAIBURG Group.

This is done at both holding company and divisional level by appointing a person (or department, if applicable) responsible for sustainability management, who is primarily responsible for coordinating sustainability-related issues and advises the management on decision-making on sustainability-related topics. The competencies and areas of responsibility of the sustainability managers are regulated by clear job profiles.

Secondly, sustainability committees are formed, which are chaired by the management and ensure the involvement of experts from the respective divisions in sustainability management. The aim is to promote the exchange of information on necessary activities and initiate the development of targeted measures to improve sustainability-related performance on the basis of relevant sustainability indicators.

The fundamental goal is to increase the sustainability-related performance of the entire KRAIBURG Group, especially, but not only, in the core areas described above, thereby minimizing our ecological footprint, generating added social value and ultimately developing a resilient, sustainable business foundation for the future.

Sustainability performance indicators and sustainability targets of the KRAIBURG Group

In the ongoing sustainability reporting process, relevant performance indicators are defined and, if necessary, specific targets are developed on the basis of the data collected.

The requirements of the European Union's Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS) of the European Financial Reporting Advisory Group (EFRAG) as well as any relevant recognized topic-specific standards and regulations are taken into account.

The basic timetable for the implementation of (legal) requirements relevant across the Group is shown in Figure 4.

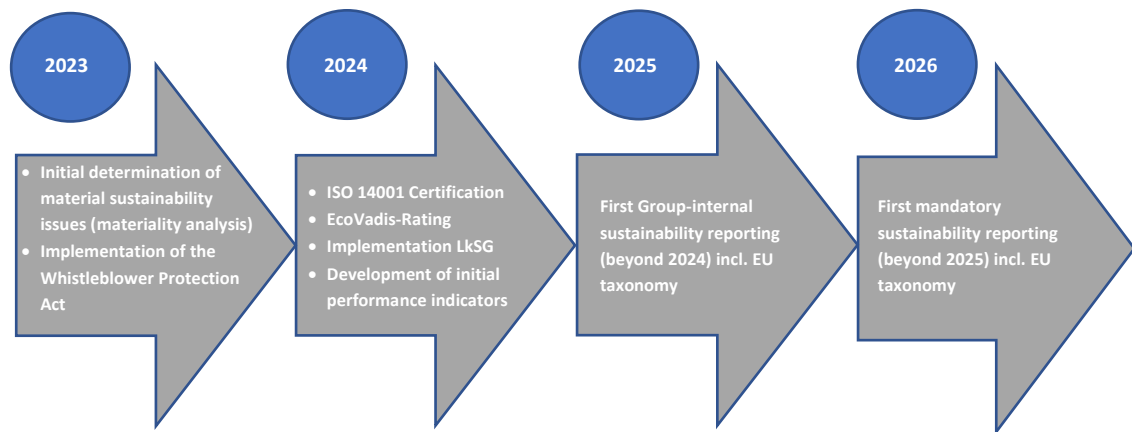


Figure 4: General schedule for the implementation of cross-group relevant requirements

Waldkraiburg, May 2024

Board of Directors of KRAIBURG SE & CO. KG

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