

The focus of our structured endeavours over the long term: our natural and social environment, now and in the future.





### **Foreword**

#### Dear Readers,

We are delighted to present the third edition of our ARBURG Sustainability Report.

In 2023, the period covered by this report, we celebrated a very special anniversary: 100 years of the ARBURG family business. This century of innovation and tradition motivates us further to live our responsibility for a sustainable future with even greater commitment.

The upcoming statutory reporting process from 2025 also shows how important transparent and responsible action has become for companies We welcome this development, because it aligns with our self-image: Wir sind da – we are there for our environment and future generations.

A sustainability report logically deals with the topic of sustainability in terms of content. In our view, however, it only demonstrates its true quality and very own strategic and constituent sustainability when it is published consistently and continuously.

We are delighted that our efforts around sustainable business activity have been recognised this year with the EcoVadis gold medal, an im-

provement compared with the previous year. This success strengthens us in our actions and shows that we are on the right path.

With an eye to the conservation of natural resources, the ARBURG Sustainability Report remains an exclusively electronic publication. Its structure continues to be orientated towards WIN-Charta, the sustainability management system of the state of Baden-Württemberg, and is updated annually. You will find detailed information on the scope and validity in the appendix to this report.

A lot of people have worked very hard and with great enthusiasm on this Report and we would like to thank them very much for their commitment.

Once again, we hope you enjoy reading this third issue!

Juliane Hehl Renate Keinath Michael Hehl

## arburg GREEN world

arburgGREENworld brings together all of ARBURG's activities for greater production and resource efficiency and a more circular economy.

## **Sustainably green**

We are doing everything we can to achieve a goal that concerns us all: a sustainable reduction in the carbon footprint of plastics processing.

ARBURG is one of the world's leading machine manufacturers for plastics processing. Our product portfolio encompasses ALLROUNDER injection moulding machines with clamping forces of between 125 and 6,500 kN, freeformers for industrial additive manufacturing, robotic systems, customer and industry-specific turnkey solutions, and additional peripheral equipment. In the plastics industry, we are pioneers in the areas of production efficiency, digitalisation, (Industry 4.0) and sustainability. Since our foundation in 1923, we have manufactured exclusively in Lossburg in the Black Forest (Germany). Of our workforce of around 3,700, approximately 3,100 people are currently employed in Germany.

The inventors and tinkerers in our company have always provided the

innovations, while the company's owners and our local environment with its many recreational opportunities have ensured attentiveness to resource conservation and energy efficiency. Our environment is also the "home of injection moulding". As early as 2012, ARBURG was one of the first companies to be awarded triple certification for quality, environment and energy. In 2023, we added certifications for training quality and IT security. Plastics have been viewed more critically in recent years, although in certain areas – such as medicine or e-mobility – we can no longer conceive of life without them. Yet the handling of plastics is our real problem. We have recognised this and want to do everything in our power to help find solutions to known problems such as degradability and waste accumulation. To achieve this, we take a holistic

view of our products and produc-

tion processes. This has led to the development of our arburgGREEN-world programme. Our aims are to continuously increase the production efficiency of plastics processing, to sustainably reduce its carbon footprint and to promote the use of recycled materials and bioplastics.

In 2021, we set out our understanding of arburgGREENworld in concrete terms in an action plan. We continuously analyse our situation, for example by again participating in the internationally renowned Carbon Disclosure Project (CDP) in 2022 and receiving a CDP score. The result: as in 2022, a score of "B", an above-average result. This certifies that ARBURG is on a very good course in the areas of climate protection, ecology and CO<sub>3</sub> emissions. In addition, Eco-Vadis and SBTi (Science Based Target Initiative), two further sustainability assessment projects, were

added in 2023. With the EcoVadis "Gold Score", ARBURG is among the top 5 per cent of companies. ARBURG supports the ten principles of the United Nations Global Compact in the areas of human rights, labour standards, environmental protection and anti-corruption. We commit to integrating the UN Global Compact and its principles into our corporate strategy and culture and our day-to-day business, and to participating in cooperation projects that promote the general goals of the United Nations, in particular the Sustainable Development Goals.

arburgGREENworld is therefore both a statement and a milestone: for solutions at our customers' facilities and at our central production site. In this way, ARBURG makes a sustainable green impact.

## **KEY FIGURES AT A GLANCE**

ARBURG

**FOUNDED IN** 

in Lossburg in the Black Forest (Germany)

- to this day, the headquarters and production site of the family-run company, now in its third generation

2,300



**TRAINEES** AND STUDENTS



since 1949: we achieved this impressive figure in 2023 in our training division

**ARBURG** generated around

2,300,000 kWh **OF SOLAR POWER** with photovoltaics **LOCATIONS** 

ARBURG has subsidiaries in a total of 26 countries around the globe





In 2023

3,700 EMPLOYEES GENERATED EUR 780,000,000



## 5-fold **CERTIFICATION**

in accordance with ISO 9001, 14001, 29993, 50001 and 27001 - quality, environment, energy, training and IT security





is official confirmation for ARBURG that it performs better than average in the areas of climate protection, ecology and CO<sub>2</sub> emissions compared to other mechanical engineering companies



125,000,000 kg of CO<sub>2</sub> EMISSIONS SAVED

**BETWEEN 2010 AND 2023** 

Clear evidence that we stand by our responsibility

**COMPANY HQ COVERING** 210,000 m<sup>2</sup>

> Our globally unique manufacturing facility delivers products that are "Made by ARBURG made in Germany"

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our employees

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#### "Wir sind da." We are here for everyone

For ARBURG as a long-established family company, regions, family and people have always been important aspects of our brand promise "Wir sind da." This sentence encapsulates our firm intention not only to deliver technological excellence, but also to champion the environment and the interests of our customers, employees and partners, as well as other stakeholder groups. We do this "without compromise", as succinctly summed up by our corporate philosophy: "You can rely on us, just like a trusted family-member."

#### Locally grounded, at home throughout the world

Our roots are in the Black Forest. This is our base. This is where the heart of the extended ARBURG family has been beating for almost 100 years. But the magic isn't confined to Lossburg: at all ARBURG locations around the world, employees, customers and business partners get to experience just what "Wir sind da." means. Our strong roots at our central production location do not mean that we are not also at home worldwide. As one of the leading machine manufacturers for plastics processing, ARBURG and its employees can be found in over 100 countries around the world. Since we are a global and cosmopolitan company, we also attach particular importance to the active protection and upholding of human and workers' rights.

#### Mutual esteem is our driving force

Words alone will not achieve lasting positive development for all – action is the key. This is why ARBURG acts according to the same moral principles all over the world and sets the bar particularly high in this respect. Equality and empathy are practised worldwide at ARBURG. After all, we all live and work together. All employees at ARBURG contribute in every respect to the ongoing success of the company and thus also directly to the well-being of all.



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#### Our Code of Conduct: Universally applicable

Our Code of Conduct and the House of Compliance@ ARBURG (see Section 10) summarise the basic rules applicable throughout the ARBURG Group for ethical and legally compliant dealings with each other and with business partners, authorities and other third parties. Among other things, these cover compliance with national and international regulations, free and fair competition, the rejection of corruption and money laundering, exemplifying social and societal responsibility, and compliance with health and data privacy requirements.

Due to the increasing globalisation of production processes, ARBURG attaches particular importance to compliance with ethical principles at all its locations.

Accordingly, every person in a position of responsibility ensures that, within their area, the following aspects, for example, are observed and practised by

the company and its employees:

- Protection of and respect for human rights
- Guaranteeing workers' rights under the respective labour and collective bargaining laws (collective bargaining coverage)
- Ban on forced and child labour
- Application of the principles regarding equal opportunities in the selection of employees
- Ban on exercising undue influence or accepting benefits for favours

ARBURG expects all business partners to apply these binding values as the basis for a business relationship. In addition, business partners are expected to work towards the systematic dissemination of these standards in the supply chain. Pursuing these goals also ensures our national and international competitiveness through transparent behaviour and honesty. We also constantly communicate these principles to all employees, for example through our employee information or in our "New Joiners' Day" induction programme.

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#### Trust as a basis

When we say that we preserve rights, then that's what we do. Worldwide. In equal measure. Without distinction. Our Code of Conduct is clearly formulated: "The prohibition of discrimination and the observance of human rights are a matter of course for ARBURG. [...] ARBURG expects all business partners to also apply these basic rules as a basis for a business relationship. ARBURG also expects these standards to be consistently propagated throughout the entire supply chain". We also check this by auditing our business partners and suppliers on site.

#### **Trusting suppliers**

Before suppliers are approved, they are surveyed via a Supplier Self-Assessment (SSA) on subjects such as the Code of Conduct. This is supplemented by a continuously updated energy and environmental questionnaire for energy-intensive suppliers or those with particular environmental risks. Grounds for immediate exclusion would include the use of child labour, for example, or a failure to respect human and workers' rights. The majority of our suppliers have ISO certifications in which the applicable law for each location is integrated.

ARBURG evaluates its suppliers on the basis of the knowledge gained in each case and formulates questions from this if certain facts are not clearly identifiable. This applies to the area of sustainability goals, for example.

#### Trusting employees

Without a long-term commitment to employees, there will be little motivation and identification with the company. Our management principles state the following: "We trust our employees. Regular staff appraisals help employees to act on their own responsibility within a defined framework." And it is precisely this autonomous behaviour that we want to promote. Through structured cooperation, teamwork, flat hierarchies, and open doors. We are interested in what our employees have to say. Because we want to remain innovative. And innovations only come about when we pool our efforts. Both in terms of thinking and acting.

#### **Trusting partners**

When it comes to our business partners, continuity and sustainability are also important, especially when production takes place at a central location. This is the only way for trust to develop and for a lasting and healthy collaborative relationship to be established. And of course this also applies to our customer ties. Here, as in all other relationships, we rely on longevity, trust and openness. Only this will create a lasting win-win situation for all. This is how it was. And this is how it will remain. "Wir sind da." We are here. And we are here to stay. Including when it comes to sustainability!

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#### Focus on "ARBURGers"

Internally, our employees are called ARBURGers. They often call themselves this too – which shows how much our employees identify with the company. In recent years, a number of ARBURG employees who have been with the company for almost half a century have retired.

Our ARBURGers enjoy working for us. And they usually do so for an above-average length of time.

#### Our goal: To positively shape corporate culture

In our brand principles we have stated that people are a key part of our business. They are responsible for the company's success and are constantly working to make our brand promise "Wir sind da" a reality. In Development. In Production. In their interaction with customers. In Service. And in all other areas of the company. They carry out research, work meticulously, develop and optimise products, while always staying on course.

One of our goals is to continuously increase ARBURG's attractiveness as an interesting employer. Accordingly, the company is already a highly valued employer and partner, which can be seen, for example, in how sought-after our apprenticeships for young people are. As a medium to large-sized family-owned company, we are constantly developing within a dynamic environment in order to offer our employees first-class conditions for their personal and professional careers in the long term. Physical presence and digitalised work complement each other perfectly in this respect.

#### What we do for our ARBURGers

The ARBURG "Health allround" programme, which has been active for several years, includes special and continuously expanded investments and measures to improve and maintain the health of all employees. These include:

- Occupational health management with six employees
- The ARBURG Health Center (AHC), our training facility, supervised by sports therapists
- Workplace social counselling service
- Workplace integration management
- The ARBURG football tournament
- The ARBURG running championships
- The "Cycle to work" initiative
- Free flu vaccination
- Courses for healthy eating and stopping smoking
- The preventive health days for trainees
- Regular health checks for managers

On average, the age of ARBURG employees is 39.3 years and their

LENGTH OF SERVICE IS





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#### **Protected: Health and work**

A separate organisational unit headed by our full-time safety officer is responsible for ensuring safe and pleasant working conditions. On the subject itself, the ARBURG Code of Conduct states: "Employee health and safety are in the best interests of ARBURG. Health protection and occupational safety in accordance with the applicable regulations are therefore an integral part of all operational processes. ARBURG ensures that employees are kept informed through regular training. In addition, employees are required to actively familiarise themselves with the applicable safety regulations at work and at the premises of customers or business partners, to remain vigilant at all times, and to use the prescribed protective clothing and equipment."

Regular driving safety training courses for groups and departments with the company's own vehicles promote safety and enhance the company's image. These courses have a positive impact on ARBURG's accident statistics and on the company's image thanks to safe and defensive driving.

#### The framework conditions: Always fair

Our corporate philosophy states that ARBURG is aware of its social responsibility towards its employees, wherever in the world they are located. This is why we extensively guarantee the rights of employees under the relevant labour and collective bargaining laws. Reflecting the size of the workforce, the works council elected in ARBURG"s headquarters in Lossburg in 2023 consists of 26 people from a wide range of corporate divisions, including ten women. The company offers voluntary financial benefits worldwide, such as special payments for many years of service, weddings and additions to the family. The subsidisation of travel costs for public transport or the company buses as part of mobility management and childcare for parents working at ARBURG at the headquarters in Lossburg complete the offer.

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#### ARBURGers should feel at ease

By dealing with each other in a spirit of partnership, we promote a positive working atmosphere. Regular staff appraisals help employees to act on their own responsibility. ARBURG also shows its appreciation for its employees through a broad-based training and development programme. The "SuccessFactors Learning" training portal, which combines services in the area of further training, is available to all ARBURG employees. They can view what's on offer, book training courses, and maintain their personal learning history via the portal. In addition to the "Leadership Allrounder" leadership development programme (see Section 10), the current offering includes language courses, specialised training and individual further training – online and also via external offers. In 2023, we conducted 90 face-to-face training events. There were also six online events and 89 e-learning courses.

## Active provision of information to all stakeholder groups

With regard to cooperation and team spirit, the company's management guidelines state that "ARBURG pursues an open policy of providing information both externally to the public, e.g. to authorities, interest groups and citizens, and internally to employees." In this way, ARBURG lives up to its social responsibility. Ways in which we actively provide information to our employees include:

- The intranet, which is updated daily,
- Employee terminals at strategic points in the company,
- The staff newspaper "der allrounder" in German and English and the customer magazine "today" in six languages.

A representative analysis confirmed the excellent uptake of internal communication in 2020.

#### The working day: Flexible

At ARBURG, flexitime regulations apply both to normal working hours and to shift models. In 2021, remote working was expanded at ARBURG in the course of the coronavirus pandemic.

Our new onboarding concept introduced in 2022 welcomes new employees "on board" in the most appreciative and positive way possible. The corporate culture should become visible and tangible and identify ARBURG as a highly attractive employer.

In 2023, there were 1,134 ARBURG employees working from home. In this way, we also did something for the environment. By not having to travel to work, it was possible to save a total of around 2,000,000 km.



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#### Infrastructure at its finest

In recent years, the work infrastructure in the administrative area has been modernised in a way that positively promotes teamwork. This includes setting up open-plan offices with small, screened-off communication units, as well as coffee bars and meeting points where employees can not only spend their breaks but also gather for "casual" discussions. Each open-plan office also has several meeting rooms with fully networked audio-visual equipment for presentation and communication purposes. Our automatic, environmentally friendly and resource-efficient air-conditioning system, which ensures that the air is changed regularly in all indoor spaces, also helps to promote health. The generous glass façades allow pleasant views of the surrounding landscape, which also motivates our employees. Finally, flexible office equipment ensures that every workstation can be comprehensively adapted from an ergonomics perspective.

#### ARBURG Allround Center (AAC)

The AAC offers several balanced, wholesome meals for breakfast, lunch and dinner and always at least one additional vegetarian dish at lunchtime. All menus are subsidised for ARBURG residents. The new AAC has 648 seats and has been designed in such a way that the technology and space available will be able to cope with requirements in the medium to long term. We are thus offering our employees a comprehensive, top-quality catering experience.

#### ARBURG Health Center (AHC)

The AGC at the Lossburg location in Germany brings ARBURG's occupational health management together centrally in a 900-square-metre space. With its high-quality facilities, the in-house health facility offers employees added value beyond training and courses in the areas of promoting and maintaining their health. An app informs employees about news and changes in the ARBURG Health Center, which also stores device settings and training progress. All training areas are chip-controlled and adjust to the respective users; two trainers are also available for individual support – this unique concept resulted in an average of over 100 registered training sessions per day in 2023.



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03.2 Our diverse group of stakeholders

03.1 "Wir sind da." – live and virtual

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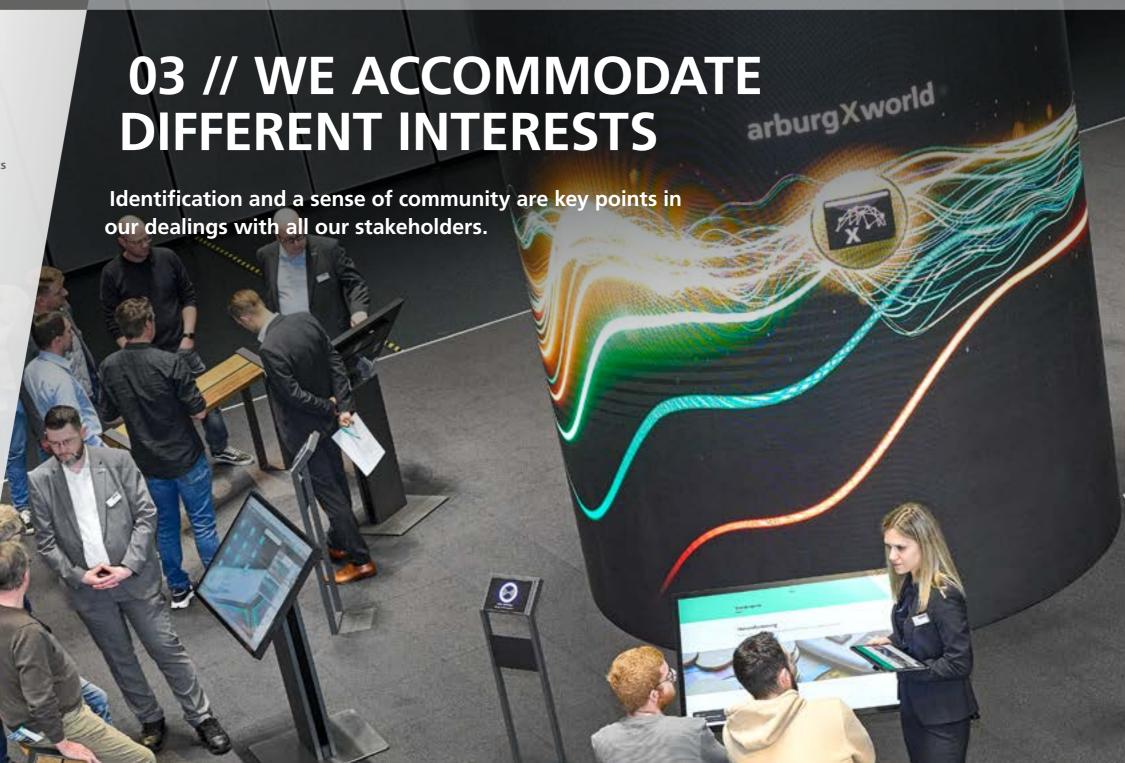
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#### The large ARBURG family

At ARBURG, everyone who works with and for us feels a special sense of community, which is expressed in a variety of ways:

- In the determination to keep our promises to all stakeholders
- In the care of this family-oriented company for its employees
- In our philosophy of taking care of the needs of the customers
- In the desire to foster cohesion and show loyalty
- In our appreciation of loyalty and solidarity as long-term perspectives

Strengthening shared values, building and maintaining loyalty: ARBURG stands for reliability towards all stakeholders.

Every person at ARBURG practices these values consistently, and our customers appreciate this. This is why we are the "home of injection moulding" for all our stakeholders.

#### Sticking together. Working together.

When we talk about "the ARBURG family", however, we mean much more than the owners. Besides all our current and former employees, the "family" also includes our customers and business partners, who have often been with us for many years. A close collaborative partnership is just as important to us as the expansion of our global technology expertise for all

relevant industries. This is how our family business is filled with life and becomes a corporate family. So an identification with ARBURG, this sense of community, encompasses everyone who has anything to do with us. And not only at our parent company in Lossburg, but at all our locations worldwide. This is what we mean by the special ARBURG spirit: this feeling of being welcome at ARBURG, of feeling at home at ARBURG.



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#### Our diverse group of stakeholders

The overall context in which ARBURG operates as a company includes a number of interested groups. We are committed to these stakeholders in a variety of ways. These include, for example, our own employees and subsidiaries, trade and project partners, customers and interested parties, suppliers, cooperating institutions such as the TÜV (German Technical Inspection Agency), insurance companies and employers' liability insurance associations, international bodies that ensure compliance with the respective country import requirements, as well as educational institutions, associations, the press and political parties.

In addition to these target groups, we are also dedicated to the stakeholder groups that are located in the vicinity of our corporate activities and perform important tasks. These include municipalities, associations and other organisations, authorities, neighbours and banks, but also interested community members. ARBURG also gains new ideas and inspiration from its many contacts and cooperations. Key examples include:

**Young people.** Through events like "Technolino", we already make contact with kindergarten children. We use regional training fairs and our ARBURG information days for school leavers to find interested young people and inspire them to take up training at ARBURG (see <u>Section 11</u>).

**Academic institutions.** We maintain close contacts with universities and research centres, with whom we conduct joint basic research in order to remain innovative. We support these institutions nationally and internationally with loans of machinery and also with our expertise (see <u>Section 8</u>).

#### Regional associations and institutions.

We support regional associations and institutions. For example, ARBURG is the main sponsor of the regional combined youth teams in Freudenstadt and Lossburg/ Wittendorf/Lombach (see also Section 11).

**People with disabilities.** We work with organisations for the disabled, such as Schwarzwaldwerkstatt Dornstetten, as suppliers.

**Non-governmental organisations.** We live up to our responsibility when we say that we not only build machines, but also ensure that they can be used in an environmentally friendly way. Through the use of biocompatible plastics. Or the processing of recycled materials. We want to raise awareness of this among all relevant target groups.

**New employees.** Our efforts to reach out to potential employees are not confined to trade fairs and other events. We are also breaking new ground in this area, for example with an action-packed cinema commercial.

- 01 // We preserve rights
- 02 // We ensure the well-being of all our employees

#### 03 // We accommodate different interests

- 03.1 The large ARBURG family
- 03.2 Our diverse group of stakeholders
- → 03.1 "Wir sind da." live and virtual
  - 04 // We use resources sparingly
  - 05 // We protect the things we love
  - 06 // We stand behind our products
  - 07 // We build on our success
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#### "Wir sind da." - live and virtual

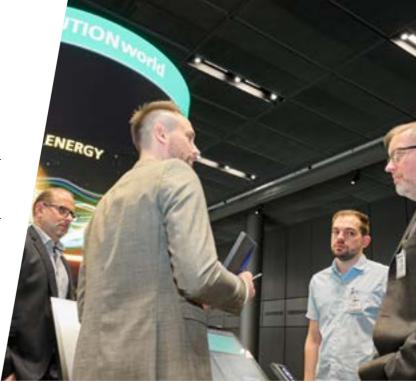
As well as our participation in trade fairs around the world, the ARBURG Technology Days in Lossburg, which in 2023 were renamed "Anniversary Days" to mark the anniversary "100 years of the Hehl family business", are another highlight in the area of customer contact and support.

5,700 customers from 53 countries visited our "think tank" in the northern Black Forest from 8 to 11 March 2023. As always, the exhibition space extended over the entire company: as well as more than 50 exhibits and innovative applications, we also showcased our combined expertise on important topics such as sustainability, digitalisation, sustainability and automation. As well as the hybrid anniversary machine, also on show was more on the topic "Action Plan: Energy" for greater energy efficiency. Every second machine processed alternative plastics or recycled material.

Since 1999, we have welcomed around 100,000 visitors to our Technology Days. This makes this event the world"s biggest in-house event in the plastics industry.

#### Communicating digitally – in meaningful ways

We complement participation in trade fairs and in-house events with extensive activities in the field of digital communication. We further expanded our social media presence with channels on Facebook, LinkedIn, Twitter, Instagram, YouTube, Wechat, Tik-Tok and Line. We also held 30 webinars on the topics of arburgXworld, digitalisation, GESTICA, LSR, medical technology, maintenance and automation.





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03 // We accommodate different interests

→ 04 // We use resources sparingly

04.1 Taking the long view as a basis

04.2 Making resources valuable

04.3 Using natural resources

04.4 Avoiding waste

05 // We protect the things we love

06 // We stand behind our products

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# 04 // WE USE RESOURCES SPARINGLY

Our environmental and energy policy has been shaped for generations by the protection of nature.



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#### Taking the long view as a basis

Our corporate philosophy clearly states the basis of our environmental and energy policy. By helping to preserve the natural foundations of life and conserve resources, we are underscoring our forward-looking approach. Based on the analysis of all relevant indicators, we define specific, measurable targets and measures that we realise with our environmental and energy programme. Suppliers, service providers and external employees are also involved in these efforts. ARBURG has defined sustainability as an important

We know that our business success can only be lasting – i.e. "sustainable" – if we also take ecological aspects into account in our work.

goal, to be achieved through resource efficiency and a circular economy. Our thinking and actions are geared towards the long term and our decisions are not based on a short-term return on investment.

This not only allows us to maintain detailed control over our outstanding quality, but also guarantees short, reliable and flexible supply chains through a high proportion (approximately 60 per cent) of in-house production and a majority of national and regional suppliers in our supply chain management system.

We also make sure to work with certified companies that place importance on the careful use of resources While this may initially entail slightly higher costs, it has clear advantages in terms of quality, transparency, and auditing, along with flexibility and delivery capability.

We recognise that the global situation has changed, and respond to this in an appropriate way through targeted internationalisation efforts.

An important milestone in this context was the implementation of the Supply Chain Due Diligence Act in 2022, under which ARBURG obliges its suppliers worldwide to adhere to basic human rights standards. ARBURG has established appropriate escalation routines for this purpose.



ONLY 577 KM\* AWAY from our production site in Lossburg.

\* calculated per tonne of product weight

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#### Making resources valuable

When we construct or renovate buildings, we think through these projects with a view to maximising resource efficiency. This has been the case since our first major plant expansion in the 1970s involving the administration building at our company headquarters in Germany. In that instance, we implemented a façade heating system that was a revolutionary technology for low-temperature heating at the time. Waste heat from production has been put to multiple use, which means we have been saving heating energy and reducing carbon emissions for more than 40 years.

This is achieved by means of an overarching process heat management system that ARBURG is continuously advancing in order to control the

Thanks to heat recovery, ARBURG makes multiple use of the energy supplied and can heat the buildings in a virtually cost and carbon-neutral manner. ARBURG has been operating several production halls with almost zero heating energy since the turn of the millennium.

various heating circuits in the company in an energy-efficient and needsbased way. The portfolio of technologies in use ranges from air heat exchangers, compressed air and power generation using heat recovery, to geothermal systems.

#### Geothermal energy: Using warmth and coolness in combination

Geothermal energy is the use of the ground as a store for warmth and coolness, which we manage to optimum effect using seasonal climate potentials. Waste heat from production can be stored in the rock during the summer months. At the same time, temperatures of between 14 and 16 degrees Celsius can be achieved with ground cooling, enabling buildings to be air-conditioned particularly efficiently. In winter, we then retrieve the stored waste heat from the ground.

As early as 2009, more than two million tonnes of rock were activated for geothermal energy through 24 bores during the construction of the Customer Center. In 2021, another 30 bores were added under the assembly hall 23. With this second geothermal system, an additional 1,200,000 kilowatt hours of heat and 800,000 kilowatt hours of cooling can be generated annually. This corresponds to what more than 50 households with four people use for heating each year.

## 780 kW GEOTHERMAL ENERGY



Underneath the company headquarters there are: 54 bores 199 m drilling depth 10,547 m drilled in total 42,188 m of pipeline

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#### **Using natural resources**

Due to natural influences, the share of renewable self-generated electricity in 2023 was 14.4 per cent, including self-generated wind power (see Section 5). Added to this is the use of rainwater as service water. Instead of letting water from sealed surfaces go unused, we collect it via several cisterns with a permanent storage capacity of 1,522 cubic metres (2022). In 2023, a total of 8,134 cubic metres of rainwater was collected, thus relieving the burden on groundwater pipes.

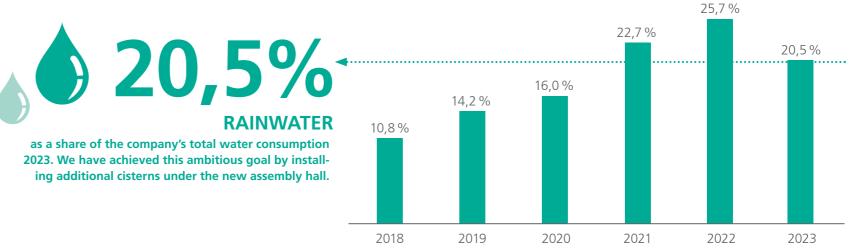
#### Building technology: Saving energy across the board

Another important objective when planning new buildings or renovating existing ones is the use of natural resources. In addition to generous glass façades, the ARBURG standard also includes north light shed roofs, with which we minimise the need for electrical lighting to the bare minimum. In our assembly halls, for example, we achieve the specified workplace brightness of 500 lux without additional light, even on gloomy winter days. Since 2020, we have been gradually converting our lighting at our headquarters to LED technology. In addition, we also rely on solar energy generated from sunlight and natural air conditioning via shading and outside air.

The interlinking of the entire infrastructure plays an important role here. At ARBURG, this has been taken care of by "smart" building technology since 1993. Blinds and windows are activated on the basis of data from the in-house weather station, for example. Cool night air can be used to ventilate the buildings energy-efficiently.

Always seeing the big picture is deeply ingrained in ARBURG's DNA. Hybrid cooling towers, for example, save over 40 per cent of fresh water compared to classic open cooling towers thanks to a closed cooling water system. The use of natural cold during winter additionally allows energy savings for compression refrigeration machines.

Share of total water consumption accounted for by rainwater



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#### **Avoiding waste**

Waste should be seen as a valuable material. True to this motto, ARBURG's waste management team ensures that all waste produced by the company is consistently separated. In 2023, ARBURG produced a total of 6,519 metric tons of waste, an increase of 62 metric tons compared with the previous year. In relation to the quantity of injection moulding machines produced, however, total waste decreased by 7.9 kg to 219.8 kg/t of product. The amount of hazardous waste fell by 3 metric tons in 2023 to 687 metric tons. This was exclusively due to the waste type "old emulsion", which is now completely disposed of externally. In addition, the company is also stepping up recycling.

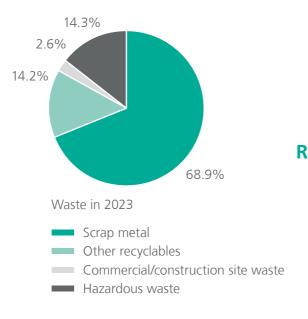
For example, by collecting plastic waste by type from moulded parts from customer trials and acceptance tests. We also advise customers on this topic as part of our arburgGREENworld programme.

#### An integrated approach benefits everyone

A philosophy of environmental protection and resource conservation is also applied throughout the production process. For example, we work with FEM or bionically optimised moulded parts that require less material and machining time for the same stability. Cast and forged parts are already prefabricated in such a way that only minor in-house machining is required. Another example is our powder enamel coating, which is free of solvents and emissions and allows the overspray to be recycled. The coated surfaces are highly durable – a win-win situation: Our customers benefit from high-quality materials, while ARBURG

Helectric charging stations in the visitors' car park, the promotion of local public transport and the use of bicycles by our ARBURGers show that even seemingly small details are considered when it comes to reducing our carbon footprint.

benefits from the use of a cost-effective, energy-efficient and environmentally friendly production process. Measures implemented in 2021 that also touch on environmental protection include the conversion of the newly installed SMD PCB assembly to lead-free solder. This reduces the amount of hazardous substances in the waste, while at the same time sustainably improving the safety of employees.



RECYCLING RATE: 74%

of all waste generated was recycled in 2023. ARBURG attaches great importance to the topic of the circular economy



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05.3 Sustainable: ARBURG's electricity mix

05.4 Focus on reducing emissions

05.5 Climate management and climate strategy

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# 05 // WE PROTECT THE THINGS WE LOVE

We set ourselves ambitious targets for energy and emissions – and keep to them!



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#### **Energy and emissions pioneer**

We have repeatedly spoken – including at various points in this Sustainability Report – about the fact that we have been working for decades to keep our carbon footprint as small as possible. This comes from an understanding of the issue that was initially rather emotional, but always innovation-oriented. In plain language: the ARBURG headquarters in Lossburg are located in the Northern Black Forest tourist region, in countryside with a high recreational value. ARBURG's owners, the Hehl and Keinath families, have always felt committed to this and have acted accordingly: the business operates without smoke and also blends very harmoniously into the landscape in terms of its external appearance.

To be able to sensibly manage energy use and hence a large part of the emissions, there are now detailed goals and targets to which both the partners and the entire workforce feel committed.

For example, the ARBURG Code of Conduct states that "environmental protection and the conservation of resources and energy ... are an integral part of ARBURG's corporate culture. ... ARBURG's environmental and energy programme contains the strategic and operational objectives for improving environmental protection, in particular for increasing energy efficiency and energy savings."

#### The ARBURG environment and energy programme

The annual planning for the environment and energy programme takes place on the basis of the results from the previous year's annual environmental report. The current company targets as well as indicators, measured values and other relevant inputs are taken into account as information. For energy planning, the consumption data for the entire company is used. Apart from the legal requirements, the objectives set by management are essential for planning.  $\mathrm{CO}_2$  reduction and total energy requirement in relation to the output of products and the ARBURG energy mix are important indicators for these objectives.

The planning is updated at least once a year by the Environmental Committee and the Energy Efficiency Panel. The results are documented in the environmental

and energy programme, approved by management and published internally within the company.

#### Clear targets

ARBURG has set clear targets for reducing emissions. Based on the 2012 figures, the total energy requirement at the German headquarters should be reduced by a further five per cent by 2024. The share of photovoltaics and geothermal energy as renewable forms of energy should be increased to at least seven per cent of the total energy requirement in the same period.

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#### Saving energy is a priority

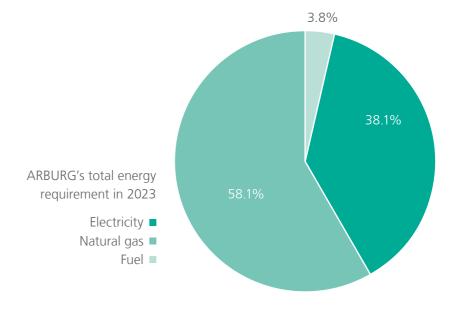
The successful implementation of an energy management system in 2012 with ISO 50001 certification is also proof of the company's efforts in terms of sustainable management.

In addition to considering absolute consumption, ARBURG also evaluates the technical degree of utilisation. This means that production capacity utilisation is taken into account as a key factor influencing consumption, thereby increasing the informative value when assessing energy efficiency measures.

ARBURG's total energy requirement naturally takes into account the sustainable reduction of carbon emissions. This indicator is made up of the consumption of natural gas for heat and power generation, electric power, and the fuel consumption of the entire vehicle fleet. The target formulated by ARBURG during the introduction of ISO 50001 in 2012 provides for a five per cent reduction in the total energy requirement at the German company headquarters by 2024. In 2023, we exceeded this target once again with a value of 1,691.1 kWh/t of product.

#### On the trail of potential savings

Investments in saving energy have played an important role throughout the company for decades. An important component of energy management according to ISO 50001 are specifically planned, detailed and continuous energy measurements to determine exactly where and how much energy is used in the IT infrastructure or in the manufacturing process, for example. By monitoring and analysing annual consumption, hidden potential savings can also be identified. In this regard, we also rely on the ideas and suggestions of all our employees, whose awareness of the topic of energy efficiency is raised through various activities.



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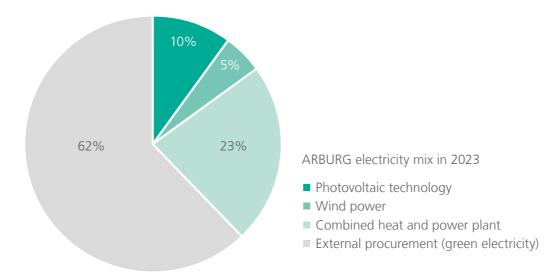
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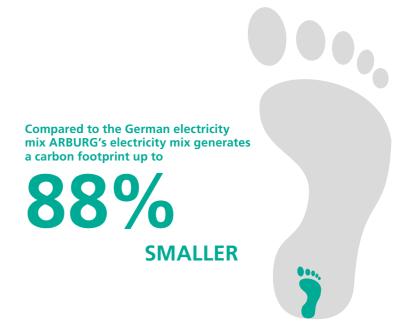
#### Sustainable: ARBURG's electricity mix

Our electricity mix is one thing above all else: sustainable. This is because, in addition to self-generated electricity from photovoltaics, wind power, and combined heat and power, the mix for our location in Lossburg consists of regional electricity and gas purchased from outside sources. The electricity comes from completely ecological sources, meaning that it consists of 100 per cent carbon-neutral green electricity – and has done so since 2016. The modules generate an average annual output of 700,000 kilowatt hours. Added to this are 197 kWp from the roof of our construction hall 9 since 2023. This brings the installed total output to 2.86 megawatts peak, which is an annual consumption of about 700 households with four people.

Our goal of increasing the share of renewable energy forms such as photovoltaics and geothermal energy (see <u>Section 4</u>) to at least seven per cent of total electricity requirements by 2024 was already achieved for the first time in 2017 and actually exceeded it in 2023 with around ten percent of our electricity requirement covered by solar-powered electricity. In addition, our two wind turbines generated approximately 1.3 million kilowatt hours of carbon-neutral green electricity in 2023.

Since 1996, we have also been using highly efficient combined heat and power plants with an efficiency of more than 90 per cent to generate process heat and electricity. The gas-powered combined heat and power plants contributed around 6.4 million kilowatt hours to the energy mix in 2023.





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#### Focus on reducing emissions

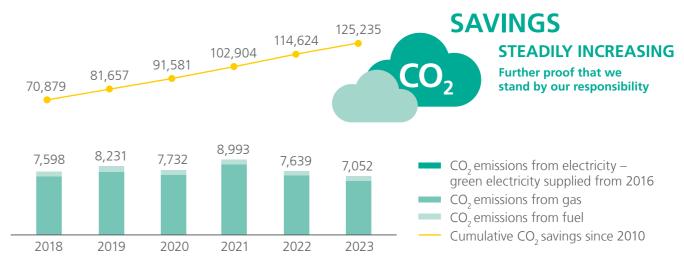
In 2023, a total of 23 per cent of the total electricity requirement was generated by combined heat and power plants. By producing heat and electricity simultaneously, ARBURG was able to prevent over 1.3 million kilograms of  ${\rm CO_2}$  from being emitted in the same year.

To further improve its carbon footprint, the company has also exclusively purchased external green electricity from renewable sources (hydropower) since 2016 and from 2022 also carbon-neutral gas with corresponding CO<sub>2</sub> offsetting (promotion of climate protection offsetting projects). The share of electricity purchased from outside sources has been declining at

ARBURG for years. For example, the company's internal Energy Efficiency Panel aims to reduce electricity consumption by one per cent compared to the previous year. Waste must be systematically avoided. Proof that conserving resources pays off many times over. In 2023, the proportion of compressed air leakages at ARBURG was 1.17 per cent – industry standards are between 20 and 45 per cent.

The total fuel consumption for the German headquarters' vehicle fleet was 221,295 litres in 2023, a significant increase of 29,167 litres compared with the previous year. The consumption per 100 km was also higher than in recent years, at 6.26 litres. Thanks to the extensive measures taken with regard to energy, ARBURG has managed to save around 100 million kilograms of carbon emissions in the last eleven years.

Emissions and savings in tonnes of CO<sub>2</sub>



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#### Climate management and climate strategy

To ensure comprehensive carbon accounting, the Corporate Carbon Footprint (CCF) was calculated for the second time in 2021 (data basis: 2010), and covers the entire company including all branches worldwide. Comprehensive carbon accounting via the Corporate Carbon Footprint (CCF) was one of the bases for the Carbon Disclosure Project (CDP), in whose evaluation ARBURG 2023 once again participated – this time with great success. With its new "B" score, ARBURG is at what is known as "Management" level, meaning that coordinated measures are being taken on climate issues and the company is continuing to develop its own strategies in this regard. This is higher than a "C" score, or "Awareness" level – the European average - which certifies that companies with this score have "knowledge of the impact of climate issues".

In future, the corporate carbon footprint (CCF) will serve as an indicator guiding ARBURG's climate strategy.

The average in the mechanical engineering sector is at an even lower level with a "D" score. These companies are merely "transparent on climate issues". This is all the more gratifying as the CDP criteria are continuously being tightened.

#### EcoVadis sustainability assessment

In 2023, ARBURG also participated in the EcoVadis sustainability assessment. EcoVadis is a platform for assessing corporate social responsibility and sustainable global procurement. With a gold medal, ARBURG is in the top five percent of evaluated companies in the area "Production of special machines".

#### **SBTi: Science Based Targets Initiative**

ARBURG has also been a member of the Science
Based Targets initiative since 2022. More than 3,000
companies and financial institutions worldwide are
working together here to reduce their emissions in line
with climate science. ARBURG has adopted the status
"Commitment" and thus declared its intention to
develop targets with regard to reduction specifications
and to submit these for validation within 24 months.



#### **CDP SCORE**



is official confirmation for ARBURG that it performs better than average in the areas of climate protection, ecology and CO<sub>2</sub> emissions compared to other mechanical engineering companies

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06.3 All-round customer care

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# 06 // WE STAND BEHIND OUR PRODUCTS

The quality and reliability of our products have top priority – this is what ARBURG is known for worldwide.



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#### Quality made by ARBURG

The ARBURG brand stands for quality, reliability and personal proximity, which we clearly express with our "Wir sind da." brand positioning. We provide outstanding technology that is "made by ARBURG – made in Germany", and always where our customers are. Many companies can claim the same. But in our case, there is a decisive factor: we allow ourselves to be measured against our promises in the long term. Our customers, employees and the general public can rely on this. Impressive examples include our high proportion of in-house production and our regional supplier structure (see Section 4).

Quality is the most important promise to our customers in every respect. This is why we produce our machines exclusively in Lossburg, Germany, under high environmental and energy standards.

#### How we think about quality

Production in so-called "low-wage countries" is not an option for ARBURG. We do almost everything in our own way, including and especially in this respect. And we do many things differently to other companies. Because for us, the quality and reliability of our products and services are our top priority. This enables us to respect economic, ecological and social requirements in equal measure. Our commitment to quality

is also an important economic and competitive factor. We are guided by the following principles, as set out in our employee information document "Company Philosophy":

- Quality means the satisfaction of our customers. We help them to manufacture their products efficiently and economically.
- Every employee is responsible for quality, because only qualified, motivated employees who are willing to work hard and who encourage each other can produce quality. This also secures the jobs of all employees.
- We manufacture flawless products. Any defects are identified at an early stage, analysed, and their causes eliminated.
- We demand flawless supplies. To achieve this, we clearly specify our requirements and insist that they are met.
- We want to constantly improve so as to optimise our quality and profitability on a sustainable basis.

#### How we ensure our quality

Quality assurance has many facets. We try to take a comprehensive view – which includes the following measures:

- Before series production starts, new technology is intensively tested and tried out by strategic partners.
- Machines are individually specified with regard to performance and energy requirements using calcula-

tion tools such as our economic efficiency calculator.

- Every machine and every system must complete a 48-hour test run before it is delivered.
- Turnkey projects are generally accepted in-house with customer participation.
- Online support is provided via a secure data line to save time.
- Spare parts for machines that are more than ten years old.

We also have a global service network. For our services, we have a local focus worldwide so that we can always be on site quickly. The majority of these specialists are trained at ARBURG's German headquarters or by qualified trainers at our subsidiaries.

To offer customers quick and easy access to standard machines, all European users of the arburgXworld customer portal can view the list of available machines and request quotations via the new "Ready2Go" app. In addition to "New Machines", the app also lists "Refurbished Machines" and "Showroom Machines".

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#### Sustainability means quality

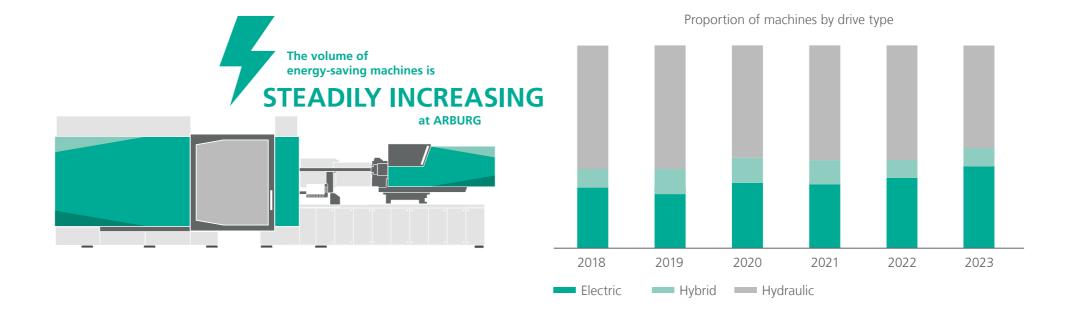
The strategic objectives for our products, as set out on the ARBURG intranet, also correspond to our philosophy regarding quality. They are driven by technological developments, international customer needs and high production efficiency. With this in mind, our product portfolio is constantly reviewed, and expanded and supplemented in innovative ways. Energy-efficient machine concepts based on a modular system offer our global customers – who have varying industry focuses – customised efficient solutions for all aspects of plastics processing.

#### How we set ourselves product-related goals

For us, a key aspect of quality and reliability is building machines and systems that are up to date in terms of environmental protection and resource conservation. By consistently developing and using high-end technology, we can help our customers unlock important added value time and time again. One example is water-cooled motors that operate with low emissions and make waste heat usable. The potential that this opens up for our customers is demonstrated by our activities, as described in <u>Section 4</u>. Our proprietary planetary roller screw drives are another example, ena-

bling a very long service life, minimal need for service and few failures. We produce this high quality ourselves! That's why we have been providing a full five-year warranty on this important drive train component since 2021.

Electric machines now account for more than 40 per cent of total machine sales, while hybrid machines account for around 10 per cent. We will also continuously optimise our machine technology in terms of energy efficiency in the future.



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- 04 // We use resources sparingly
- 05 // We protect the things we love

#### 06 // We stand behind our products

- 06.1 Quality made by ARBURG
- 06.2 Sustainability means quality
- → 06.3 All-round customer care
  - 07 // We build on our success
  - 08 // We are long-term innovators
  - 09 // We invest with vision
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#### All-round customer care

At our headquarters in Lossburg, Germany, we support our customers in our own Customer Center. More than 30 ALLROUNDER injection moulding machines, seven freeformers for additive manufacturing and laboratories for special processes are available in an area totalling 2,100 square metres. No questions are left unanswered in this respect, as our customers are provided with optimal conditions for tests and trials. These offerings are supplemented by ARBURG Technology Centers (ATC) or ARBURG Technology Factories (ATF) at our subsidiaries worldwide.

#### Support down to the last detail - in analogue and digital form

For support to be truly sustainable and effective, it must be comprehensive and also address important details that don't immediately spring to everyone's mind. Take the example of the "arburgXworld" customer portal: ARBURG offers digital services on a central platform in the form of numerous apps, with additional apps being added on an ongoing basis. All areas of the customer's business benefit from this – from purchasing, production planning, manufacturing, and maintenance through to management.

The transfer of specialist knowledge is also an important matter for us, because this is the only way to get the best out of our technology in terms of production and resource efficiency. Since we started providing customer training in 1969, we have been developing our range of courses to meet practical needs, and with a global focus. Our three-stage learning model shows all interested parties at a glance which courses complement each other, how to combine them in a meaningful way, and what recommendations our certified course leaders have for further information seminars. This ensures learning success.

Our Training Center is equipped in line with the latest insights into digital learning. For example, all course participants work with ARBURG touch screen PCs and simulated control systems that are cross-linked with each other. The centrepiece is the 1,200 square metre machine hall on the ground floor, where theory and practice can be combined even more closely.





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#### → 07 // We build on our success

07.1 Success safeguards jobs

07.2 Training for lasting success

07.2 Ongoing investments

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#### Success safeguards jobs

ARBURG's mission statement sums up our basic attitude: "We are an internationally independent, innovative, market-leading company with customer-oriented products of the highest quality. We transmit our employees' enthusiasm to our customers and partners!". ARBURG has a global presence, is one of the market leaders in the industry, and is also one of the most innovative machine manufacturers in Germany. Our fundamental performance figures prove that we are not exaggerating here: In 2023, the company, which is managed by the third generation of the family, achieved a consolidated turnover of 780 million euros in an economic environment that remains difficult. The continuous development of the company furthers and

expands our business activities. In addition, ARBURG constantly strives to optimise output and quality in all areas, thereby cementing its status as a high-performance company. The profits generated will secure our company's success in the long term. However, the company's healthy growth will also allow for extensive investments and the creation of more jobs worldwide in the future.

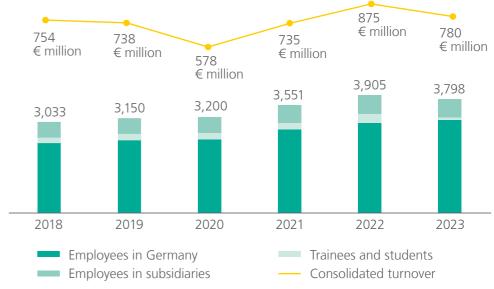
#### **Important ARBURG positions**

We have formulated key corporate principles in our employee information document "ARBURG Positions":

- ARBURG is and remains a private company
- ARBURG operates worldwide
- ARBURG grows through its own efforts
- ARBURG produces and supplies technologically sophisticated machines and systems
- ARBURG produces at its Lossburg location
- ARBURG carries out systematic succession planning
- ARBURG employees always act with the company in mind

Consolidated turnover and number of employees





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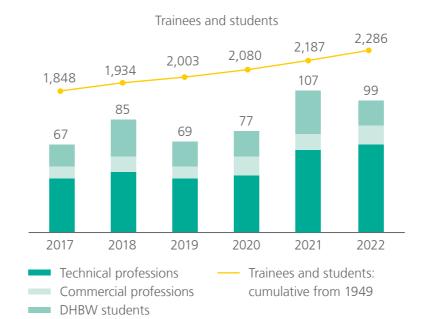
#### Training for lasting success

ARBURG has been helping young people to start their careers with training for more than 70 years. In 2021/22, 71 trainees and students from Baden-Württemberg Cooperative State University (DHBW) were taken on as permanent employees. ARBURG exclusively offers demand-oriented training in a total of twelve apprenticeships and eight degree courses. The current five-star rating of trainers in the business magazine "Capital" and our successful certification under "DIN ISO 29993 – Quality Management System for Educational Institutions" show that our training system is something to be proud of.

#### **Networked and digital learning**

ARBURG offers young career starters, whether trainees or students at the Baden-Württemberg Cooperative State University (DHBW), the perfect infrastructure for learning with a networked, digitalised Training Center covering 2,000 square metres. In the area of digital learning, this happens, for example via video conferencing, along with the introduction of e-learning via our mobile learning system for personalised study online and on all mobile devices. For the first time, DHBW students and the industrial trainees in the 2021 cohort have received their own personally

assigned laptops and tablets, which are networked both with their training institutions and with ARBURG, so that they can make good use of them. This means that almost 100 per cent of trainees and DHBW students can access digital learning tools for effective training work.





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#### Ongoing investments

Permanent investments ensure the dynamic development of the company. Our construction activities alone in recent years have seen a total of a three-figure million amount flow into new buildings at just the Lossburg location.

All our activities are dependent on our company's success, but they also determine it. This is why ARBURG continuously invests in the entire infrastructure. So that innovations are successful and competitive advantages are secured.

In addition, we ensure our high productivity and innovative strength through continuous investments. In 2023, investments included:

- Installation and commissioning of a new air circulation chamber furnace for heat treatment of planetary rollers in May 2023. High-quality insulation and sealing systems on the furnace lid enabled a significant reduction in energy requirement and throughput times to be achieved.
- A new sheet metal processing centre for cable guides went into operation back in December 2022.
   Motors with the highest energy efficiency class and consistent shutdown of parts of the system when at idle has a positive impact both on the energy requirement of the system and on the throughput time: this was reduced from more than 35 minutes to just 3 minutes.

- The ARBURG Innovation Hub opened in Karlsruhe in 2023 should serve in the future to attract more IT and software experts to the company. The new location is perfect, since the nearby Karlsruhe Institute of Technology (KIT) and the Karlsruhe University of Applied Sciences (HKA) both offer computer science studies. In addition, the company headquarters in Lossburg are only around 100 kilometres away.
- The conversion of the lighting equipment in production to LEDs is currently still ongoing. The estimated energy saving once this work is complete will be one megawatt hour per year.

#### International growth

Another element of our brand promise is to be on the spot quickly anywhere in the world, thereby saving resources in the long term. Another key aspect of "Wir sind da." is that we are available to all our stakeholders and target groups quickly and at no great expense. Wherever they need us. This requires, among

other things, an international presence with our own organisations and our own subsidiaries in 36 locations in 26 countries (2023). Last year and this year, we have primarily driven forward the expansion of our German and European locations, and we have done so above all with sustainability in mind:

- Our ARBURG Technology Center ATC in Radevormwald is currently being completely renovated. The annual energy requirement is thus reduced to 40 per cent of a new building.
- The ATC in Rednitzhembach is also currently being made more energy-efficient with the help of geothermal drilling and a photovoltaic (PV) system on the roof.



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08.1 A long tradition of innovation

08.1 Digitalisation delivers sustainability

08.1 Focus on research

09 // We invest with vision

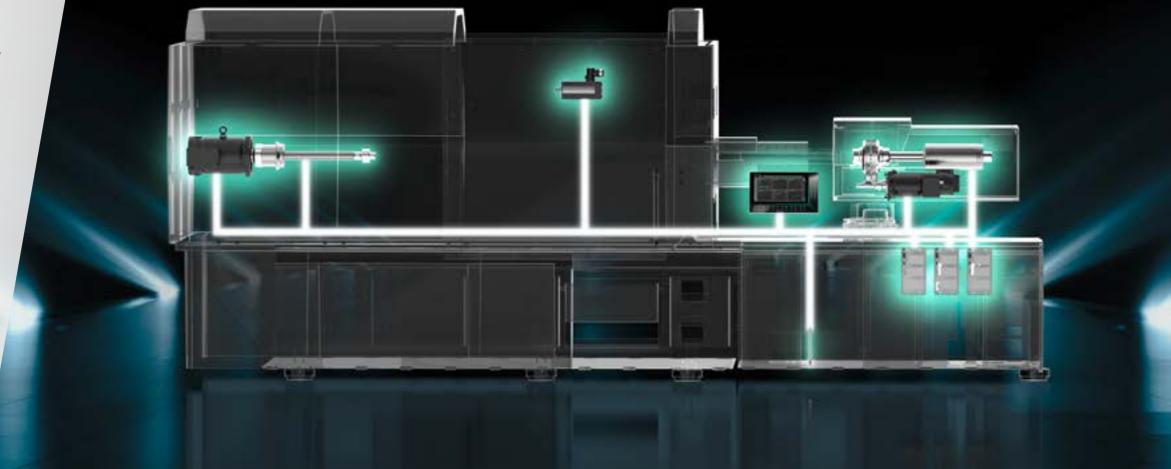
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# 08 // WE ARE LONG-TERM INNOVATORS

The drive for constant improvement is embedded in ARBURG's genes.



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#### A long tradition of innovation

Being a technological leader has always been ARBURG's guiding principle. We also formulate this in our strategic objectives: "One of the key reasons for ARBURG's excellent position in the global market is the company's strong innovation capabilities. In order to preserve and enhance this strength, we encourage innovation management at ARBURG, expand the skill sets of our entire workforce, continuously invest in research and development, and intensify our cooperation with universities and research institutes.

By ensuring our innovative strength, we aim to maintain a product range that always meets current market needs and sets trends in mechanical engineering and digitalisation. Our determination to constantly improve is what drives us forward."

These commitments clearly show that ARBURG was and is not only a pure mechanical engineering company, but also a process, automation, control and IT specialist.

#### Setting milestones, being innovative

We question the status quo, which is why we do many things differently from others and have often generated significant added value for our customers as a result. This can be seen from various technological milestones.

We know how to process plastics. And we have done since 1954. This is why we have repeatedly shaped and advanced the development of our industry in a (r)evolutionary way. Several hundred patents are proof of this: 20 years of exclusivity for ingenious ideas is also sustainability!

The concentration of various measures aimed at "production and resource efficiency" has characterised our work over the past few decades. And we also set standards in digitalisation time and again. This is because we can draw on a pool of expertise spanning more than 60 years in controller technology and more than three decades in automated and IT-networked production. Our aspiration is to be your technology and system partner. For more value creation. For more resource efficiency. For brand new business models.

#### Peak performance through in-house production

Success is the mother of invention. This applies to all our technology. We have long been of the opinion that we can be even more independent in terms of our operations if we keep the share of in-house production high. This way, we remain more supply-ready than others.

Take controls, for example: From development to delivery, everything is handled by us in-house. Our GESTICA computer architecture has also been specifically designed for topics of the future such as IT security, machine learning and assistants. This is why we are still gradually rolling out GESTICA across our entire product range.

As early as 2021, the decision was made to produce various "Ready2Go" machines. Customers thus have the advantage of having a machine delivered individually specified within only about four weeks, despite supply bottlenecks worldwide.

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#### Digitalisation delivers sustainability

Our two programmes "arburgXworld" and "arburg-GREENworld" are two sides of the same coin – our ongoing efforts to make plastics processing even more effective for society and for our customers worldwide in a sustainable way. For this purpose, dedicated presentation and consultation rooms were set up in the Customer Center at the headquarters in Lossburg, Germany, in 2022.

#### "arburgXworld": Creating added value

We continue to drive digitalisation both internally and externally. Around 3,000 customers are now enjoying the benefits of our "arburgXworld" customer portal. For this reason, too, we have continued to systematically expand our range of digital products and services in 2022.

#### **Fast digitalisation: 5G Campus**

A campus network has been installed at the ARBURG Customer Center in Lossburg since the Technology Days 2022. Campus networks offer, among other things, the possibility to maintain machines remotely or to make necessary changes in the production process online.

#### "arburgGREENworld": Showing responsibility

In this programme to combine our activities on the circular economy and conservation of resources, we have placed our focus on established standards in 2023. As well as Corporate Carbon Footprint (CCP), renewed CDP evaluation and corresponding ISO certification, we have once again successfully participated in the Science Based Targets initiative and the EcoVadis Business Sustainability Ratings.

At the same time, we have started various projects and partnerships, which help us to remain innovative:

 Project "CUNA": In 2021, the sustainable injection moulding production of CUNA returnable cups made from vegetable raw material started at the SmartFactory of Ostwestfalen-Lippe University of Applied Sciences, Lemgo, Germany, with the help of ARBURG. ARBURG contributes expertise in the areas of automation, digitalisation and bioplastics processing to the project. • Institute of Plastics and Circular Economy (IKK):
ARBURG is underlining the seriousness and longterm nature of its arburgGREENworld programme
through a strategic cooperation with Leibnitz Uni-

versity Hannover, Germany.

• EuProGigant research project: EuProGiant, an Austrian/German flagship project, is dedicated to a data infrastructure that will make Europe's production and manufacturing industry more sovereign, powerful, resilient and sustainable. 16 companies, universities and research institutions have joined forces in this project. ARBURG is contributing a use case about better, more sustainable component design and production with fewer CO<sub>2</sub> emissions through the intelligent exchange of data.

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#### Focus on research

ARBURG continuously invests in research and development, for example in close collaborations with various universities and research institutes.

#### **Spotlight: E-mobility**

2021 has shown that e-mobility is now mainstream – with corresponding growth rates in the registration of subsidised e-vehicles. Numerous customer projects initiated last year underline this trend. Projects for engine compartment parts and components, for example, but also in connection with the development and implementation of wall-mounted charging points, or "wallboxes".

#### Spotlight: Industrial additive manufacturing

ARBURG sees a large future market in additive manufacturing (AM). From custom manufacturing to mass production – the entire spectrum of plastics processing is possible with ARBURG as a partner. In this area, we position ourselves with the freeformer as a production system and the patented APF (ARBURG Plastics Freeforming) process as well as with the 3D printers of our ARBURG family member innovatiQ. It is precisely this unique selling point of being able to process original materials with the freeformer that is constantly opening up new fields of application for additive manufacturing. Our process is particularly sustainable due to its economical application of individual plastic layers without additional material consumption, sprues or bad parts, as well as its direct use of granulates without pre-fabrication.

The BioFusion 4.0 research project deals with the substitution of bio-based plastics by using waste fats. For this purpose, a fermentation is implemented with the help of a biocatalyst in the form of bacteria, which leads to the production of the plastic PHB. After being processed into a granulate, the PHB can be processed on freeformers. Possible areas of application for components made from such biopolymers include spare parts with a short service life, manufacturing aids or personalised orthoses. This enables carbon-neutral additive manufacturing in a holistically sustainable process chain with locally optimised material flows.



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09.2 Sustainable: Our financial policy

09.3 The "ARBURG family" is growing

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## 09 // WE INVEST WITH VISION

ARBURG: a private company that acts independently and grows autonomously



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#### Stubbornness as a positive attribute

There are truths that hold true because they have repeatedly proven themselves in the historical development of a company. For example, it is an inherent part of who we are that we take risks not only in economically strong phases, but also whenever it seems commercially appropriate to do so.

At ARBURG, investments have never been made in response to economic cycles, but have always been driven by the wider context of the well-being of the company, the region, and its people.

Evidence from our company's history shows that this approach has paid off. Including the investments over the past few years, which are described in <u>Section 7</u>. Above all, our fundamental decision to keep production at a location in Germany with a high level of in-house manufacturing for global machine sales has so far been confirmed as farsighted and correct in this context. Consequently, the decisions to invest in the sustainable modernisation of the two ATCs in Radevormwald and Rednitzhembach, which act as ARBURG's calling cards for the Northwest and Southeast regions of Germany, are also logical from 2022 onwards.

#### **Basis of our success**

Our stubbornness, however, has nothing to do with narrow-mindedness, but with long-term striving for success! It is an expression of our desire to persevere in every way when we are convinced of something. An important determinant in this context is and remains the question of who benefits from our "stubborn" behaviour. If it is our customers, employees, suppliers and the regions, then we have done everything right!

#### Securing our autonomy in the long term

What drives us to adopt this approach is easy to explain: we can take our fate into our own hands, thereby remaining independent in our decisions and actions. In the process, we are securing the long-term independence of our company through a corporate and financial policy that is not only self-determined, but also forward-looking. ARBURG is and remains a "private family affair" and is not growing because financial investors want it that way, but because this is healthy and works with a sense of proportion. In other words: we spend our own financial resources in a focused way on the expansion of our own company. This view is common to all partners across all generations!

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#### **Sustainable: Our financial policy**

All our financing decisions are subject to the following criteria:

- Sustainable financial leeway must be guaranteed
- Autonomous action must not be restricted
- We do not expose our company to any risks
- Financing is only carried out in concert with reputable financial service providers, with whom we generally have a long-term collaborative relationship

In addition to purely economic aspects, ARBURG also takes into account the concerns of employees and the environment. This is integrated social responsibility as ARBURG understands it. //

Proof of this approach can be seen in the construction of two assembly halls in recent years, each with around 28,500 square metres of floor space and an investment volume of tens of millions of euros. In addition, our Training Center is a modern facility for sophisticated customer support. But also the continuous investments in the expansion of our worldwide subsidiaries, such as the new location in Vietnam in 2023 or the further global development of ARBURG Prototyping Center APC for the production of additively manufactured customer components, are part of this. This is flanked by further spending on production technology for state-of-the-art machining centres and systems for combined metal processing and finishing. The common sense argument here is that it is good for customers and the company in the long term if we invest in a targeted and responsible manner in expanding ARBURG into a high-tech company.

#### Best practice: Building for the future

With regard to the development and realisation of the ARBURG corporate buildings, Managing Partner Michael Hehl says: "For decades, we have been working in the area of corporate development in exactly the same way as we do with products and processes: progress and cutting-edge technology always go hand in hand with the conservation of resources and sustainability. Accordingly, our demands on architecture and building technology are high. They are usually far ahead of their time and the current state of the art. And that will not change. Examples of this are the heat recovery systems that were implemented in our administration building back in the 1980s, the central control technology for resource-efficient air conditioning in the building, the combined heat and power plants, our continuously expanding photovoltaic and geothermal systems, and our lightweight construction with reduced concrete content. In many cases, we pioneered technologies and innovations that only found their way into other industrial buildings much later."

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#### The "ARBURG Family" is developing

One example of sustainable and strategically sensible ARBURG investments was the purchase of innovatiQ GmbH + Co KG and AMKmotion by the entrepreneurial families Hehl and Keinath in 2020 and 2021. The ARBURG Family thus consists of the companies ARBURG, AMKmotion for drive technology and innovatiQ for 3D printing.

At ARBURG, takeovers also follow the historically successful path of managing all core competencies and the respective know-how in-house so that all important product components can be developed and manufactured sustainably by the company itself. //



#### AMKmotion: Member of the ARBURG family

ARBURG has been using AMK drive components for a long time – since

1994, to be precise. The purchase of AMK's Drives & Automation division and the renaming of the company to "AMKmotion" strategically secured important know-how for the long term, and also unlocked synergies in future development work from that point onwards. As a result, ARBURG has direct control over the entire electric drive train for its ALLROUNDERs. The division's 500 or so employees were retained, and the Kirchheim/ Teck and Weida locations in Germany and Gabrovo in Bulgaria continued to operate.



#### **New company ARBURGadditive**

The acquisition of innovatiQ GmbH + Co KG as a "Member of the ARBURG Family" is an ideal fit for ARBURG's in-

dustrial additive manufacturing with the APF process and the freeformers innovatiQ, with 25 employees in Feldkirchen, Bavaria, is engaged in the development and production of 3D printers.

The founding of ARBURGadditive GmbH + Co KG in October 2021, a subsidiary of ARBURG GmbH + Co KG based in Lossburg, Germany, will expand the range of machines and expertise available to our customers to include an additional additive manufacturing technology – including the unique LAM (Liquid Additive Manufacturing) processing patented by innovatiQ. Added to this are 3D printing systems that operate on the basis of FFF (fused filament fabrication) technology.

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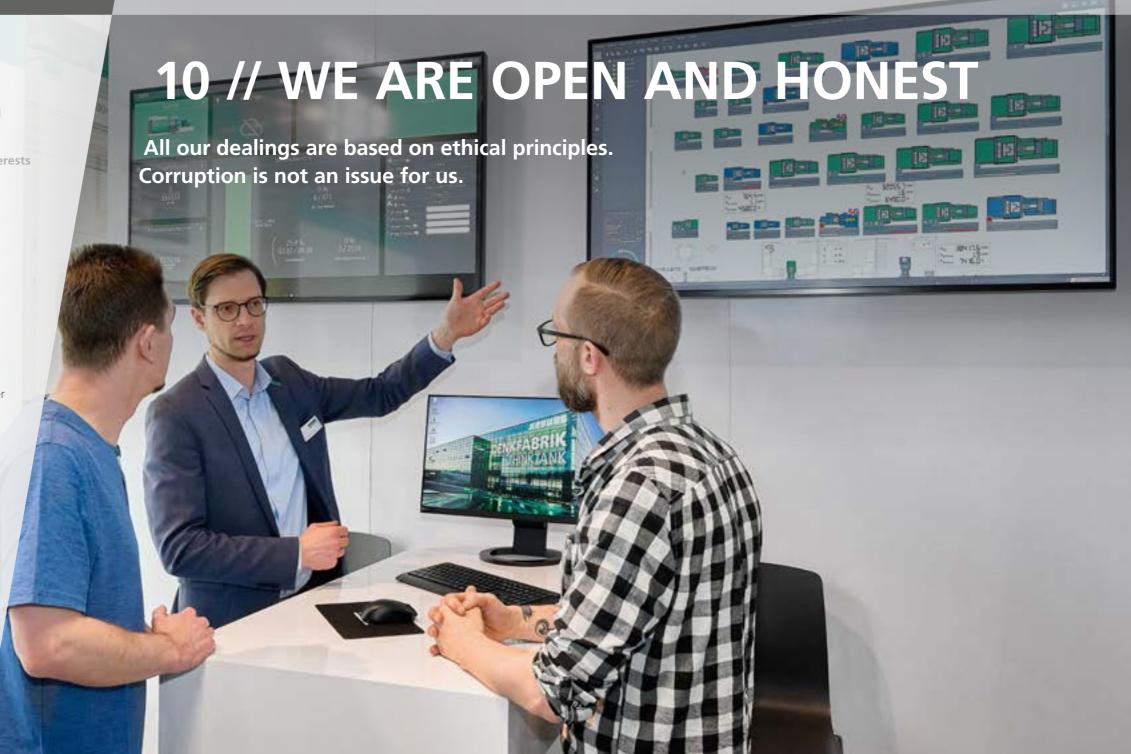
10.1 ARBURG: A company with character

10.2 Compliance@ARBURG

10.3 Making our principles a reality for everyone

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#### ARBURG: A company with character

As a family business, we have grown organically for the most part. This is also reflected in our attitude: we were, are and will remain down-to-earth, reliable and honest. And this is the case everywhere in the world where we do business.

"Substance over appearance" has long been the premise of our company's business activities. Our ethical principles should also be understood in this sense.

Our conduct is shaped by ethical rules that apply throughout the company alongside regulations in compliance with legal requirements. When every employee knows how to behave in terms of adhering to fundamental values, the company takes on a character. In our case, that of a family business. With all its advantages. Because ARBURG is not only a B2B brand classic and hidden champion, but also a market leader

and go-getter. Plus a reliable and honest partner. With a mind and attitude of its own. Open and transparent in every respect. This is what sets us apart.



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#### 10 // We are open and honest

- 10.1 ARBURG: A company with character
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#### Compliance@ARBURG

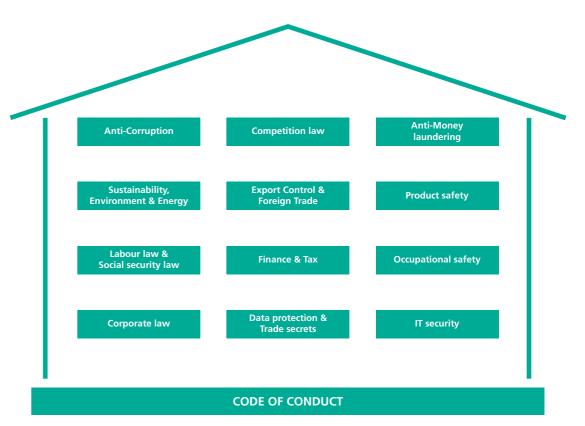
The House of Compliance@ARBURG, which is tailored to ARBURG's specific risk profile, and the ARBURG Code of Conduct form the framework of our compliance management and raise employee awareness with regard to compliance with applicable laws and rules. The values laid down are binding for all employees and managers.

Compliance, i.e. conduct in conformity with the law and the rules, is the focus of our daily actions. Compliance includes adherence to all legal requirements as well as ethical guidelines, standards of conduct, voluntary codes and internal rules and regulations by the company and all its employees.

The organisation is committed to practising, observing and implementing these values and their substance, which are indispensable to us. The principles of compliance and conduct that apply to ARBURG include the following:

- Compliance with all requirements under company law
- Consistent action against fraud and anti-competitive practices
- Compliance with all applicable laws and regulations in connection with tax law, on the basis of which

- the ARBURG companies must calculate and pay their taxes
- Guaranteeing the protection of privacy, the protection of personal data, and the security of all business information in all business processes
- Adherence to an appropriate standard of technical and organisational data security, in particular protection against unauthorised access and loss
- Compliance with regulations for the protection of employees and/or the reduction of risks to their safety and health, and implementation of measures for the avoidance of adverse effects on the health of employees



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#### Making our principles a reality for everyone

Developing these principles is one thing. Making them comprehensible, transparent and understandable for everyone, i.e. bringing them to life, can only be achieved through clear communication by the relevant line managers. To help with this, ARBURG has introduced the "Leadership Allrounder", an effective training tool for managers. All department and team managers as well as shift supervisors take part in this training at regular intervals in order to adequately communicate important rules and regulations to all employees in the company. Only if everyone is taught these guidelines, is familiar with them and acts accordingly will the company remain open and honest in the long run.

One of the important goals of the Leadership Allrounder programme is to establish a uniform understanding of leadership and a common leadership culture in the medium term.

#### The "Leadership Allrounder" mission

This programme is designed to teach managers at ARBURG more about self-management, employee and team leadership, and the corporate context. A mentoring programme is just as much a part of the training as a customisable development programme and leadership dialogue evenings with representatives from the management team. The goal is to produce superbly trained managers who practise a uniform ARBURG management culture and pursue an authentic management style. They should be able to self-reflect, manage, and lead and support their team members according to their strengths.

Outstanding staff management is of strategic importance to ARBURG, as managers motivate and bind employees to the company. In addition, the Leadership Allrounder programme creates a framework in which employees can develop.

#### ARBURG: No place for corruption!

The ARBURG Anti-Corruption Policy was drafted to specify the company's compliance efforts with regard to corruption and has applied globally to the entire ARBURG Group since spring 2021.

This Anti-Corruption Policy provides ARBURG employees with guidelines and specific recommendations on how to deal with gifts, invitations and other benefits.

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#### Responsibility beyond the region

It goes without saying that a company with around 3,000 employees at its Lossburg headquarters alone has a responsibility not only as an employer, towards the environment and its partners, but also towards the region it calls home. This is where we are based, this is where our roots are. So we operate sustainably here too. We give some of our success back to many regional institutions in the form of social responsibility, thereby creating a win-win situation. ARBURG is perceived as a regionally important company that supports regional institutions. This helps both sides.

We are also making a name for ourselves regionally – through our actions – this is what sets the ARBURG family company apart. //

88,000 km
BY BIKE
Despite wind, weather and working from home, 120 ARBURGers took part in

from home, 120 ARBURGers took part in the AOK "Cycle to Work" campaign on a total of 4,531 days in 2023. This is a clear indication that our employees also support their company's "green" commitment and promote it in the region

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#### Commitment to young people

We have discovered that you can successfully introduce children and young adults to technical subjects if you do it in a playful and very practical way. For this reason, our "education offensive" starts at a very early age: in pre-school.

The little ones are always amazed at our "Little Scientists' House" programme. As a company, we also regularly get involved in Lossburg's summer holiday programme and make the summer holidays exciting for all children with attractive activities at the company.

**Educational partnerships** connect us with various primary and secondary schools and training colleges in the region. These include the Progymnasium Alpirsbach, the Falkenrealschule Freudenstadt, the Gemeinschaftsschule Lossburg, the Heinrich-Schickhardt-Schule Freudenstadt, the John-Bühler-Realschule Dornhan and the Seminar für Ausbildung und Fortbildung der Lehrkräfte Freudenstadt (primary school). For primary school grades 1 to 4, we also organise school visits related to topics the children are learning about – for example, wind, sun, electric currents and bridge building.

In the school sector, we supplement our work with **regular school visits** by our trainees throughout the region.

The "Girls' Day" is aimed in particular at girls from the 5th grade upwards, with the aim of introducing them to a technical profession or a corresponding course of study. In other words, ARBURG is helping to encourage more women to take up technical professions.

Together with Technisches Gymnasium Freudenstadt, ARBURG organizes the **Student Engineer Academy (SIA)**. This cooperation model brings together schools, universities and companies to build a forum.

As an industrial partner and founding member, ARBURG is working with the **Black Forest Campus** in Freudenstadt to drive forward joint solutions in the mechanical engineering and manufacturing industries. The campus is a regional centre for teaching, research and technology transfer in the mechanical engineering and manufacturing industry with a focus on digitalisation, leadership and sustainability.

Various trade fair events and our own activities, such as the **ARBURG Info Days** also target school leavers as well as potential trainees and DHBW students.

The **Hector Children's Academy** in Lossburg supports gifted primary school children in order to awaken their interest in technology and science as early as possible. For this reason, ARBURG also cooperates with kindergartens and primary schools and offers a technology course every semester.

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#### Commitment from our surroundings to societies

ARBURG regularly supports regional associations with non-cash and cash donations. One example is the combined youth teams in Freudenstadt and Lossburg/Wittendorf/Lombach, of which the company is the main sponsor. Children and young people from several regional clubs are coached together in the teams. As the partnership is planned for several years, there is also a degree of long-term planning security.

## Landscape restoration: offsetting and remedying construction work

When a company with 210,000 square metres of total floor space at present starts building at its central production site in Lossburg, Germany, this not only creates jobs and production capacity, but also a lot of excavated earth, for example. This is balanced with appropriate natural areas, but also renaturalised with innovative projects, i.e. landscaped and planted in a near-natural way.

A recent project focused on greening the area around the newest assembly hall in Lossburg. In 2023, a large flower meadow was cultivated here again, which helps preserve the biodiversity of native animals and insects. The water requirement is far lower, and the meadow is only mown once a year by hand using a scythe.

## Social commitment: Childcare, care for the elderly, fire service and church

We are socially involved in the region in various ways and present ARBURG to all stakeholders as a company with a sense of responsibility:

- As a "Firefighters Partner" recognised by the German Firefighters Association, ARBURG supports both the company's own fire service with rope rescue and rescue service, as well as the Lossburg volunteer fire service.
- The initiative of the two senior citizens, Eugen and Karl Hehl, to establish the "Seniorenzentrum Gebrüder-Hehl-Stift" in Lossburg in 1999 was also regionally sustainable.



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#### Rethinking and thinking ahead

Others may shake their heads – but that does not stop us in our decisions. This is how we have been working from the very beginning. Highly flexible and always ready to question the status quo, even in its entirety, so that we can continue to develop in a new and sustainable way. Founded in 1923 as a medical technology manufacturer, ARBURG produced consumer goods after the war and then moved into flash light production. This varied product history alone shows the adaptability of the owners and their closeness to the market.

The switch to mechanical engineering was for the owners' own benefit to solve a problem with the product they were making back then. A key consequence of the company's rapid development is that it has also become more intensively involved in control, automation and IT technology, as well as production and building technology. At ARBURG, thinking ahead has always meant thinking disruptively and questioning everything in order to arrive at the best solution.

#### Central production as best practice

As we have already discussed elsewhere, sustainability is often associated with the long term at ARBURG. One such long-term and hence sustainable decision is our commitment to the central production site in Lossburg, Germany, and the ongoing expansion there. As early as the mid-1960s, the general development plan was designed for a workforce of 1,500 people – unimaginable at the time, but far exceeded today with more than 1,000 additional employees.

The later decision (in 1999 to be precise) to excavate the earth not only for the production expansion at that time, but for a total of four possible construction phases, was a move in the same direction. The third of these assembly halls was taken into use in 2021. All the excavated material from back then has already been sustainably renaturalised in the surrounding area.

The decisions in favour of centralised production at one location were recently confirmed by the impact of the disrupted global supply chains. The large vertical range of in-house production meant that production could continue quickly and almost without disruption, while the ARBURG supply chains with mainly European and German partners remained surprisingly flexible because they were short. Added to this are the critical advantages in terms of our carbon footprint and resource efficiency. In summary: ARBURG has remained able to deliver throughout the last few months, which has been extremely well received by our customers. Two vivid examples of this: The further expansion of our PCB production at the Lossburg headquarters and the implementation of our own EMC laboratory.



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#### Interdisciplinary cooperation

Our own developments and innovations keep our company "young" in the figurative sense and ensure our technological leadership. However, at ARBURG we also always have our ear to the market, enabling us to follow trends that may only pick up momentum in the coming years. This is what sets us apart and makes us a sought-after partner, even for large companies with global operations.

There is a long tradition of continuous improvement at ARBURG. Employees are included in this and their good ideas are rewarded.

One aspect of joint technology development is to initiate and support flexible innovation processes, for example. This broadens the base – because whatever is achieved in flagship projects of this type ultimately benefits all our customers, as it flows into the machine series. You can read more about this in <u>Section 8</u>, where we have de-

scribed in more detail numerous research projects and initiatives in which ARBURG has been involved in recent years. For example, in relation to the meta-topics of lightweight construction and the circular economy.

### **Environmental Committee and Energy Savings Panel**

Due to our tradition of environmental protection, we recognised very early on that we had to pool all our activities and actions on this front in order to remain successful in this area despite our dynamic growth. For this reason, the Energy Savings Panel has been in existence since 1996. As a committee, one of its tasks is to develop and implement the ARBURG environmental and energy programme. This contains strategic and operational targets:

- for improving environmental protection,
- for increasing energy efficiency,
- for savings opportunities in all types of energy used at the location.

The report from the Energy Savings Panel is included in the annual internal environmental report and the Sustainability Report. The Energy Savings Panel supplements the Environmental Committee. Among other things, this Committee is responsible for:

- continuously developing the environmental management system,
- following up on measures from the environmental programme,
- analysing environmental data for the environmental performance statement and report,
- reporting to the management team.

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#### Thinking and acting sustainably

#### arburgGREENworld

With the "arburgGREENworld" programme, we are combining our activities relating to circular economy and the conservation of resources. This starts with the energy-saving operation of the injection moulding machine and the safe, efficient processing of the materials used. New technologies and digital networking of the entire value chain are catalysts for a sustainable circular economy and moreover for greater competitiveness.

During the trade fairs in 2023, in particular at our Technology Days in Lossburg, "arburgGREENworld" was still ever-present. There, all important global questions around sustainability, circular economy and CO2 reduction as well as their practical implementation in day-to-day industrial operations were discussed from many sides.

Together with customers and in prestigious research networks, we tackle the important issues of sustainability and resource conservation head on. This is only possible by considering the entire value chain and continuously transferring knowledge and expertise. The aim is to significantly reduce the carbon footprint in plastics processing through sustainability in production and products and to enable plastic as a recyclable material to be returned to the cycle.



## **Appendix and legal notice**

#### **About the Sustainability Report**

The ARBURG Sustainability Report describes the measures and progress made by the company with regard to our sustainable business activities for the 2023 financial year (1 January 2023 to 31 December 2023).

The Report is based on the guiding principles of the WIN Charter, the sustainability management system of the state of Baden-Württemberg. Besides the voluntary commitment to sustainability by the participating companies, a prominent feature of the WIN Charter is its regionally binding component. The WIN Charter meets the requirements of EU Directive 2014/95/EU on sustainability reporting.

Unless otherwise stated, the key indicators and trend graphs in this Report refer to ARBURG's central production location in Lossburg, Germany. In individual cases, more up-to-date data for the 2023 financial year was not yet available as of the editorial deadline on 01 July 2024. For this reason, information at various points shown may also refer to the 2022 financial year. When adding data, discrepancies may occur due to rounding.

The 2023 Sustainability Report is available online in German and English.

#### **Legal notice**

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