GREEN IS MORE THAN A COLOUR

SUSTAINABILITY REPORT 2023







We take responsibility – for our products, but also for the products that are manufactured on our machines. The responsible use of plastics worldwide and the creation of conditions for a sustainable recycling economy are an important part of our corporate culture.

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01/ Message from the Management Board



Dear readers,

Sustainability is a fundamental pillar of all entrepreneurial activities and therefore a priority for ENGEL Group. Across several generations, the use of modern technology to achieve cost effectiveness, ethical conduct, social responsibility and environmental protection has been firmly anchored in our company's values.

We have decided to consolidate our efforts in an integrated sustainability strategy and thereby further professionalise our activities in the associated sustainability topics. We will also communicate our progress in the form of a sustainability report.

We will base our reporting on internationally recognised standards and methods. This will allow transparency and make it easy for you to follow our progress in all matters of sustainability relevant for ENGEL. We want our efforts to be measured by results.

It is our company's goal to play a leading role in our industry's sustainability movement. This aligns with our mission statement "be the first", which has many facets to it. It expresses the notion that we have created prosperity with plastics. We also want to shape our society in a way that makes it possible to live a modern and

yet sustainable life. Together with our customers, we develop efficient injection moulding solutions that enable the resource-preserving processing of plastic. Owing to our longstanding experience in energy efficiency, these solutions are unrivalled. Our slogan "be the first" also stands for ENGEL as a family-owned company and stable employer for its employees. We create a work environment that allows our team members to enjoy their work at ENGEL while bringing their full potential to fruition in pursuit of the company's goals. Every day, we work hard on making ENGEL a little bit better and develop ourselves to achieve these objectives, across organisational hierarchies and national borders.

"We are aware of our responsibility. Not only is a world with sustainable plastics possible, it is also necessary."

This report is based on the input of many of our team members here at ENGEL, and we would like to thank all of them for their continuing commitment.

Stefan Engleder

J. Carlela

Gerhard Dimmler

Gerhard Shunks

Simon Zeilberger

Gerhard Stangl

02/ ENGEL at a glance

COMPANY FOUNDATION

1945

by Ludwig Engel

BUSINESS FORM

100%

family-owned (limited liability company, GmbH)

HEADQUARTERS

Schwertberg

in Upper Austria

PRODUCTION PLANTS

9

in Europe, North America and Asia

REVENUE

50%/29%

Europe / America

REVENUE

19, 12,

Asia / Other regions

REVENUES ENGEL AUSTRIA GMBH

1,195_{m euros}

in the 2022/2023 financial year (see fig. p. 11)

REVENUES ENGEL HOLDING GMBH

1,759 m euros

in the 2022/2023 financial year (see fig. p. 11)

NUMBER OF EMPLOYEES

WOMEN QUOTA

7,560

employees (incl. leased personnel) worldwide

16%

female employees worldwide

APPRENTICES

391

worldwide

ACCIDENT RATE

-60%

in comparison to industry average

PATENTS

130

patents related to sustainability

CERTIFICATES

ISO 14001

at all company locations

GREEN ELECTRICITY

100%

from renewable sources at company sites in Austria

USED MACHINES

70/35

machines/robots per year

ENGEL worldwide



02/ ENGEL at a glanceENGELSustainability Report 2023



03/ The company

Foundation and history

ENGEL is a global leader in engineering and injection moulding machines. We offer complete solutions for all types of plastic applications, innovative technologies, robotics and bespoke system solutions – all from a single source. The success story began many decades ago with the vision of Ludwig Engel.

How it all began

Ludwig Engel already saw the massive potential of plastics shortly after he founded the company in 1945. The fact that ENGEL has remained a highly successful, family-owned business until today makes us proud of our company. Our company's history is a success story: our employees make an essential contribution to this achievement, and they are the ones continuing to write the story of our company with their passion and commitment, day in and day out. The company would like to express its deep gratitude to all of its highly appreciated team members.

In the years following its formation, ENGEL developed the first plastic press, which was patented in 1948. The first injection moulding machine, which is today's main line of business, was launched in 1951, followed by a complete ENGEL range of injection moulding machines in 1959. The 1970s saw ENGEL introducing standard electrical controls, opening its first branch in a foreign country, and building the first production factory outside of Austria. The foundation for our expansion into international markets was laid.

As a family-owned company, we know very well that standstill is not an option and that we must keep with the times in order to safeguard our position as a successful market player. This lead to the development and production of linear robots, which started in 1980 in the Austrian town of Dietach. The decade-long commitment of numerous ENGEL generations did pay off: in 2013, ENGEL became world market leader, with production facilities in Austria, the Czech Republic, Germany, China and Korea.

"We want to assure that the generations to follow in our footsteps will benefit from the foundations laid by us today."

As a family-owned company, sustainability is one of our top priorities. We want to assure that the generations to follow in our footsteps will benefit from the foundations laid by us today. In 2019, this lead to ENGEL becoming a signatory of the Ellen MacArthur Foundation's New Plastics Economy Global Commitment. The commitment paid off: In 2020, Bloomberg added ENGEL to the group of the world's 50 most sustainable and climate-aware companies.

Management Board

- Stefan Engleder (CEO)
- Gerhard Stangl (CPO)
- Simon Zeilberger (CFO)
- Gerhard Dimmler (CTO)

Fundamental principles

Our company is driven by the pioneering development and production of injection mould-

ing machines and their automation. Innovative technologies and modern production facilities in combination with sustainable service and support are aimed at enabling our customers to be competitive and successful in their respective fields of business. At the same time, we always stay true to our values.

Our Code of Compliance defines clear principles for a business conduct that is sustainable, ethically sound and legally compliant. This Code of Compliance is part of our corporate philosophy and an important pillar of our success. It includes, for example, instructions relating to data protection, legal compliance, corruption and bribery, conflicts of interest, appreciation, integrity and fair work conditions, compliance along the supply chain, responsible marketing and product safety, as well as sustainability and environmental protection.

Economic development

ENGEL sold 5,892 injection moulding machines and robots globally in the 2022/2023 fiscal year, which equates to the revenue of EUR 1.7 billion.

Development of revenues at ENGEL



■ ENGEL Holding GmbH / ■ ENGEL Austria GmbH

Sustainability

Our company uses state-of-the-art technologies to anchor cost effectiveness, ethical conduct, social responsibility and environmental protection in our company's core values. It is, however, also important not to limit ourselves to the internal perspective, but to also include the world around us. When selecting our suppliers, it is very important for us that they align with our fundamental values. Sustainability is not just a fancy word for us, but understood as a fundamental goal (also see our ESG Statement).

The ENGEL business model

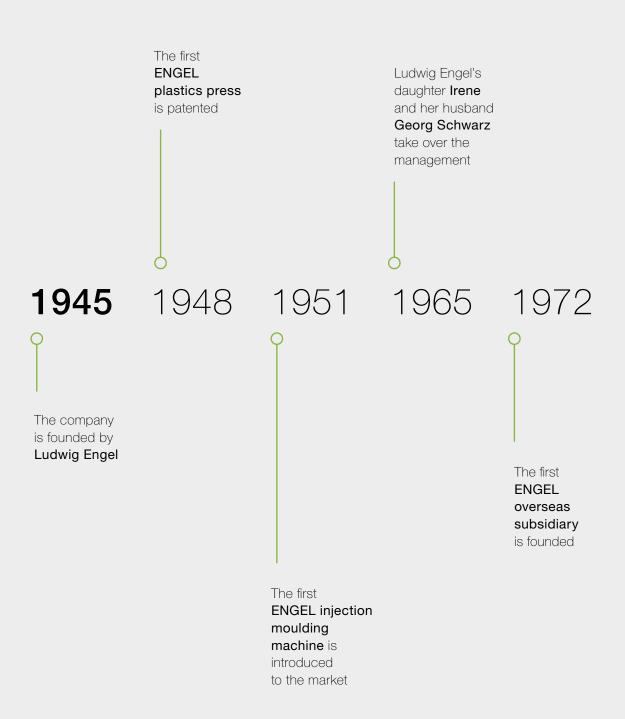
The business sense and purpose of ENGEL is "be the first".

- "be the first" means supporting our customers to be pioneers.
- "be the first" means maintaining and expanding ENGEL's leading role in plastics processing.
- "be the first" means contributing to a modern and healthy life and thus addressing important challenges of the future.
- "be the first" means having people in the company who move out of their comfort zone and always dare to do something new.
- "be the first" means creating a working environment for people in which they can enjoy developing and applying themselves in the interests of the company.

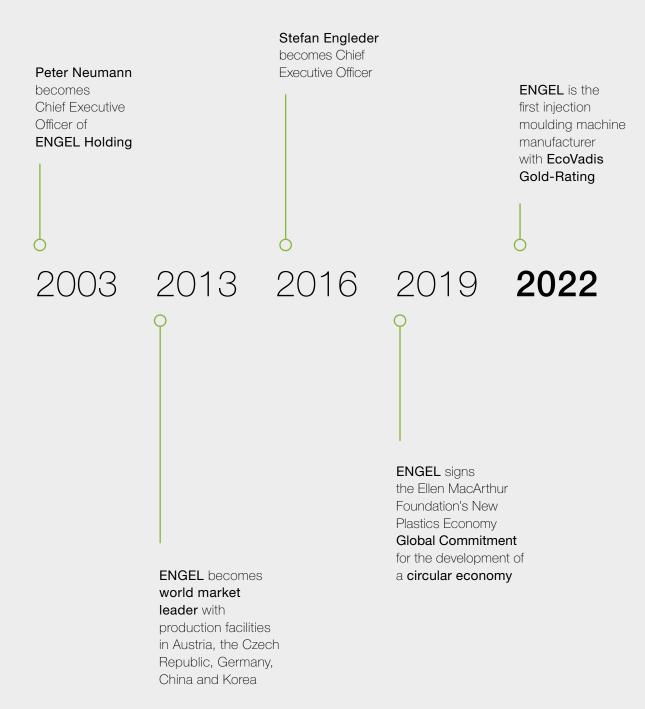
Our mission and vision are based on the values of our corporate culture: embracing change, trust and responsibility.

ENGEL

be the first



03/ The company ENGEL
Sustainability Report 2023



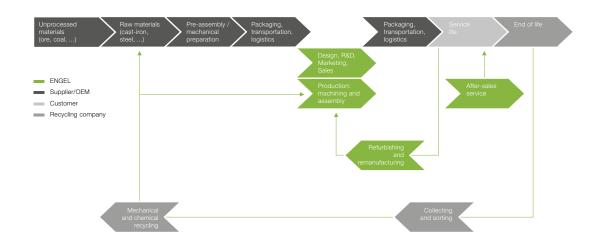
Humans always come first at ENGEL. We combine the stability of a family-owned company with the dynamics of a global player. The focus is on flexibility, innovation, individual responsibility, respect, integrity and a modern work environment. We rely on our experts in all industries:

- Automotive: tailor-made and pioneering solutions for all areas of modern mobility
- Packaging: sophisticated solutions for the efficient production of packaging solutions of any shape, colour or size
- Medical: hygiene solutions with zero-error strategy in the healthcare environment
- Technical moulding: flexible solutions for daily-use products that are quickly available for the global market

• **Teletronics:** innovative solutions for intelligent communication products and entertainment electronics

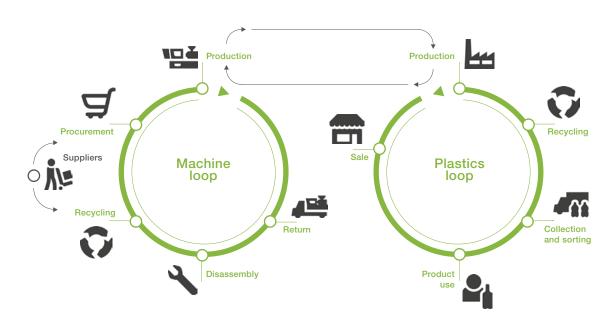
Due to its product portfolio, ENGEL is involved in several loops of the circular economy. On the one hand, the ENGEL machines and systems are within their own cycle, on the other hand ENGEL is also an enabler of the circular economy for plastic. ENGEL's role in the circular economy is illustrated in the following two figures. The first figure shows the simplified value chain of an injection moulding machine. The value-added stages covered by ENGEL are highlighted in green. The second figure illustrates ENGEL's role in the circular economy of the machines and the circular economy of plastic.

Value chain



ENGEL

Framework for the circular economy at ENGEL



ENGEL locations – local and worldwide

ENGEL currently operates nine production factories at strategic locations in Europe, North America and Asia. Each of these factories specialises in the high-end production of a selected ENGEL product segment and can respond quickly to the demand on the respective market. Our nine production factories are located at the following sites:

- Schwertberg, Austria: central administration, central engineering and development, production facility for small and medium-sized machines with up to 6,500 kN clamping force
- St. Valentin, Austria: production facility for large-scale machines with 3,500 kN to 55,000 kN clamping force

- Dietach, Austria: production facility for robots and automation systems
- Hagen, Germany: production facility for automation systems
- Kaplice, Czech Republic: component manufacturing
- York, USA: headquarters of ENGEL North America, final assembly factory for customerspecific solutions
- Shanghai, China: production facility for large-scale machines with 2,500 kN to 55,000 kN clamping force

- Changzhou, China: production facility for large-scale WINTEC machines and for small and medium-sized ENGEL machines
- Pyeongtaek, Korea: production facility for small to medium-sized machines with up to 5,000 kN clamping force

What we offer

The ENGEL range of globally available products and services:

- Injection moulding machines: we produce innovative injection moulding machines for plastic applications from 280 kN to 55,000 kN clamping force for a wide range of different requirements. We offer hydraulic, all-electric and hybrid machines, as well as horizontal and vertical solutions, all meeting the same top-quality standard globally.
- System solutions and robotics: we design and supply turnkey and custom system solutions with precisely fine-tuned components. ENGEL relies on top-quality parts as well as fast, stable and fully automated processes. The various types of industrial robots for different load carrying capacities and ranges guarantee efficient productivity. The CC300 controller offers an integrated control concept for fast and easy operation.
- Process technologies: we develop special technologies for specific applications or for achieving defined part properties. We design complete production systems, including the coordination of all processes and automation components, injection moulding machine, robots and auxiliary equipment.

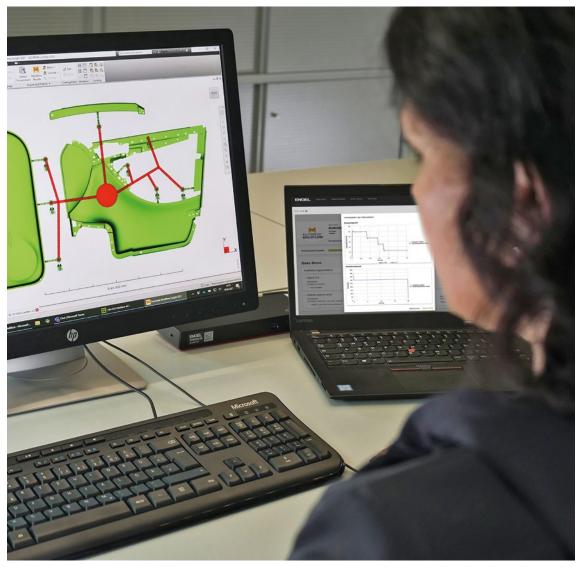
- Plasticising technologies: The plasticising unit is the heart of the injection moulding machine. We offer innovative solutions for a wide range of different systems.
- Digital solutions/smart factory: we believe in the smart factory of the future and have therefore developed a variety of digital solutions. Process stability, productivity and availability together with maximum data security and flexibility are the guiding principles of the "ENGEL inject 4.0" solutions.
- Global service and support: ENGEL offers its customers worldwide 24/7 online and onsite support. Efficient and fast support and service is available from our customer portal e-connect, remote maintenance and condition monitoring. ENGEL also offers training, consulting and coaching for customers. A wide range of service and product packages are intended to make the application and optimisation of machines and processes easier for the customers.
- Circular economy: we promote the efficient use of recycling materials, a higher process stability, an increase of the recycling contents of parts, and the optimisation of processes. Successful examples include our skinmelt technology for sandwich components with up to 50 percent recycled material and the foilmelt technology for up to 100 percent of recycled content.



- Every ENGEL plant specialises in a specific product segment. This is the plant for component manufacturing in Kaplice, Czech Republic.



The ENGEL technology centre, with its motto "Innovation at heart", conveys the possibilities of the smart factory in a practical and very tangible manner.



- Thanks to process simulation, parts can be designed in a way that makes them easier to recycle down the line.



- Comprehensive process analysis and optimisation improves production efficiency, which in turn saves energy and raw materials.

03/ The companyENGELSustainability Report 2023

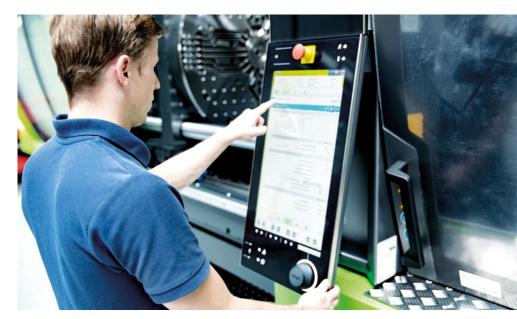




 $-\,$ Our competent service experts support customers globally.

ENGEL
Sustainability Report 2023

03/ The company



- ENGEL employees benefit from a wide-ranging programme for education and training.



— ENGEL attaches great importance to the in-house training of young professionals and offers apprenticeship programmes at all three sites in Austria as well as in Germany, the Czech Republic and China.

ENGEL Sustainability Report 2023



Our bright and modern workplace ensures a pleasant atmosphere.





04/ Sustainability management at ENGEL

ENGEL's core business activities are in the plastic industry. Our industry has faced frequent criticism due to the contamination of the environment and world's oceans with plastic waste. We seek to establish smart solutions that enable the sustainable use of plastics as a valuable material and thereby contribute to preserving precious resources. For us, it is clear that plastics are part of the solution, rather than part of the problem. Not only is a world with sustainable plastics possible, it is also necessary. You could say that the pioneering role is part of ENGEL's DNA. True to our sense and purpose "be the first", we want to take a proactive approach and firmly commit ourselves to the notion of sustainability. Our efforts go beyond our own company: we have set ourselves some explicit goals such as further establishing the circular economy on the market. Together with our customers and suppliers, we have taken steps towards sustainable change and we want to find sensible ways to close the recycling loop for plastic materials. After many years in which we have focused on various activities for sustainable change, we have now developed a comprehensive company-wide sustainability strategy.

A big part of our decisions to promote sustainability in our business is based on the DNA of our family-owned company. This includes prudently thinking ahead. Our activities are geared to the pursuit of the principles of sustainable business conduct, with the aim of laying a solid foundation for future generations. How do we succeed? We will employ an intensified strategy process to firmly and permanently anchor our commitment to sustainability in our corporate values. In order to initiate a lasting transformation, we took the first step and implemented a comprehensive process that included the consultation of all stakeholders and identified sustainability targets for our future actions. Our sustainability report is intended to provide honest insights into our processes and lay the foundation for the numerous development steps to follow and for our company's compliance with future statutory requirements.

Sustainability in our organisational structure

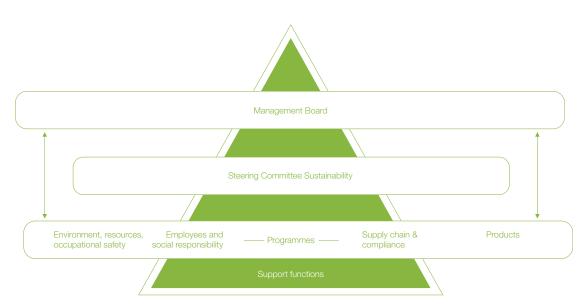
We started laying the foundations for a sustainable development by establishing a sustainability governance system for ENGEL Holding. This organisational structure not only allows for the setting of sustainability objectives, but also for their targeted and guided achievement. Our Sustainability Department reports directly to the Commercial Management as a staff unit, which takes into account the important sustainable anchoring within the framework of ENGEL's business success.

The activities of the Sustainability Department are implemented along the principles of the sustainability strategy in close coordination with the Management Board. In this consultation process, the Management Board is the end customer of the sustainability strategy and will also approve it. The management team is also regularly informed about the progress and results of the implemented measures. In order to achieve the best-possible results, some of the involved persons have the opportunity to make

relevant suggestions, i.e. the Steering Committee Sustainability or the individual programme areas. The owner also supports the strategy process by prioritising certain topics. This has the positive effect of broadening the management team's perspective. The biggest bonus: deep insights. This is because the sustainable development is advanced with the cooperation of all stakeholders. At ENGEL, this collaborative exchange is promoted across all levels.

Sustainability Roadmap

Sustainability Governance



Sustainable strategy development

The responsibilities for our sustainable development are set out in our organisational structure. But advancing a development not only requires committed team members, but first and foremost it needs clearly defined topics and objectives. For this reason, we have strengthened our focus on strategy development in the last years. We have dedicated our efforts to the preparation of a multi-step materiality assessment that will be used to identify the sustainability topics that are relevant for ENGEL.

- Step 1: the starting point for the materiality assessment was initially a collection of the potentially relevant sustainability topics along the value chain at ENGEL.
- Step 2: the topics identified in step 1 were examined in a status-quo analysis that ascertained their implementation in the company so far. The respective sustainability impact and financial impact, i.e. the environmental, social and financial implications, were ascertained and evaluated for each topic.
- Step 3: the analysis was accompanied by a survey of 419 ENGEL stakeholders conducted online. The survey subjects included ENGEL employees, the ENGEL management team, suppliers, customers, representatives from the media and other stakeholder groups. The survey formed the basis for an evaluation to identify the specific sustainability topics considered particularly important by the stakeholders.

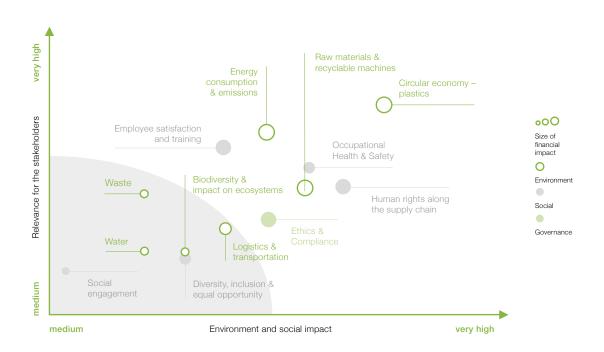
• Step 4: a final round of interviews was conducted with key customers of ENGEL.

The extensive volume of data generated by the analyses and surveys was then used to identify the topics of material significance and prepare a materiality matrix. For the sake of a clear and concise presentation, we made the decision to finalise the materiality matrix by clustering some of the identified topics as follows:

- The topics recyclable machines & raw materials, components & packaging were combined in raw materials & recyclable machines.
- The topics digitalisation & innovation and product reliability & safety were integrated in the topics circular economy – plastic, energy consumption & emissions and raw materials & recyclable machines.
- The topics staff satisfaction, training & professional development were combined in staff satisfaction & training.

A total of seven topics with material significance were identified and prioritised for the further strategy development. The other topics are of equal relevance, but will initially not be in the focus of the further development.

Materiality matrix



The key topics further dealt with in the strategy process form the core of this sustainability report and are therefore explained in detail in the chapters below. The topics of material significance for ENGEL are:

- Circular economy plastics
- Energy consumption & emissions
- Raw materials & recyclable machines
- · Staff satisfaction & training
- Occupational health & safety
- Human rights along the supply chain
- Ethics & compliance

We would like to emphasise that the materiality matrix and this report by no means constitute the fulfillment of our ambitions in the area of sustainability. Rather the opposite is the case: It is a strategic key part in our ongoing process to improve our sustainability performance.

The next steps in the strategy process included a number of workshops with the management team and staff members from other organisational units. Starting with the key topics from the materiality matrix, a dedicated roadmap that sets out the further course of action and clear objectives was developed for each

individual topic. The following divisions and departments contributed to the development:

- Human Resources
- Legal and Compliance
- Controlling
- Risk management
- Plasticising systems and recycling
- Schwertberg plant
- St. Valentin plant
- Development
- Product management
- Strategy
- Purchasing and supply chain management
- Quality management

Within the roadmaps, this productive collaboration generated many objectives for a further sustainable development within the company. Selected highlights include:

- Determination of the corporate carbon footprint for all company locations worldwide
- Professionalisation of the method to determine the product carbon footprint
- Development of a decarbonisation strategy/roadmap including objectives
- Even stronger anchoring of sustainability in the product development process
- Further professionalisation of the sustainable supply chain management
- Development of a business model for circular machines and continued development and expansion of "ENGEL Used Machinery"
- Preparations for requirements from the regulatory environment (CSRD, taxonomy)
- Establishment of governance in the area of sustainability

In addition to the development of the roadmaps, we analysed the specific regulatory environment of ENGEL and used the findings to derive opportunities and risks. The customer surveys conducted for the purposes of the materiality assessment also offered solid, usable information for additional steps. Sustainability is a very important topic, especially for our customers. We would like to further intensify our cooperation in this area through cooperation projects and partnerships in areas including training & professional development and research & development.

"We aspire to make sustainable changes to our company and also strive to be a catalyst for changes in our environment."

The steps outlined above delivered a solid strategy process, which will be continued with our full commitment. The strategy process and activities implemented so far are already having a noticeable effect. The intense discussions on the topic of sustainability raised the awareness for the topic among the employees. Our internal communications are now regularly reporting on sustainability topics, e.g. in our employee magazine and in our ENGEL intranet. Sustainability topics are also increasingly adressed in the course of onboarding new employees. All employees are actively requested to use EPOS (ENGEL Process Optimisation System) to contribute with their wishes and suggested improvements in the area of sustainability. The

departments' progress in the area of sustainability is also audited and evaluated internally using a maturity logic developed specifically for this purpose.

We aspire to make sustainable changes to our company and also strive to be a catalyst for changes in our environment. In this context, ENGEL supports a variety of sustainability initiatives. The firm commitment to sustainable business conduct and the development of a circular economy is, for example, reflected in ENGEL's distinction as one of the 50 Sustainability & Climate Leaders as well as our support for the Ellen MacArthur Foundation. ENGEL Group also takes action against the increasing pollution of our environment with plastic waste and supports the Alliance to End Plastic Waste.

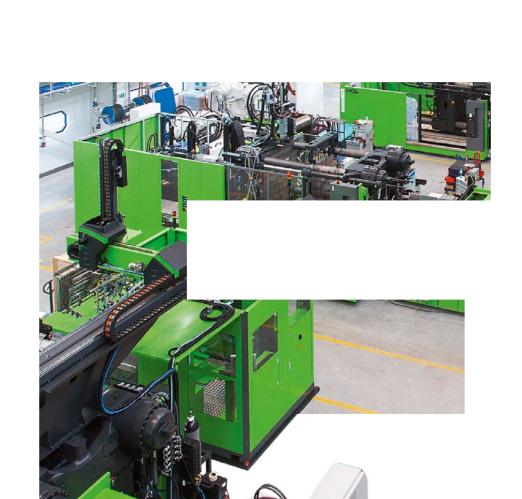
Our understanding of sustainability is also manifest in our Ecovadis Score. In 2022, ENGEL became the first injection moulding machine manufacturer to receive a "Gold" rating, making it one of the world's most sustainable industrial companies. In addition to participating in these initiatives, ENGEL was also distinguished for its commitment to sustainability: our innovative skinmelt technology for the processing of recycled plastic waste was awarded the State of Upper Austria's Environmental Award 2021. Furthermore, the ENGEL two-stage process, which enables plastic waste to be processed as flakes in injection moulding directly after grinding, was honored twice. After being named Product of the Year at the beginning of 2023 by Kunststoff Magazin, the two-stage process also impressed at the Plastic Recycling Show Europe and received the Recycling Machinery Innovation Award 2023. These awards prove that ENGEL meets its sustainability targets and acts accordingly.

Sustainability outlook

Our efforts in the past have laid the foundation for further advancing our sustainable development and meeting all regulatory requirements. With specific measures and solutions, we want to prove to our stakeholders every year that we are the leading solution provider for their sustainability requirements. A yearly sustainability report that follows the contents envisaged in the GRI standard is complementing our transparent reporting portfolio. This report is intended to document our sustainability targets and the progress made with regard to the sustainability topics that are of material importance to the company. While we are still a long way from reaching "peak-sustainability", we can still be proud of the progress made in the past years.

The topic of sustainability governance will be developed further in the years to come. An essential key element of a functioning circular economy is an interconnected value chain. This is why we desire to develop additional sustainable solutions together with our customers and suppliers.

There are many ways and opportunities to advance the sustainable development of our company. We strive to take the role of leading pioneer and consistently develop our company in line with "be the first".



SUSTAINABLE FOCUS AREAS

05/ Environment

ENGEL sees its role as an enabler of the circular economy who is a part of the value-added chain in recycling and evaluates which parts of the recycling loop it can and should sustainably serve with its products and services. In particular, the intent is to ensure that the value-added chain segment which extends from regrind to the finished product is increasingly served by in-house products and services.

Circular economy of plastics

Impact

The discussion about plastics is a highly emotional discourse. Plastics are currently in the spotlight of public criticism. The main reason is the environmental pollution caused by the material. But there are ways to prevent this pollution from happening in the first place. ENGEL has charted a course towards this goal.

The recycling of plastics is far more effective in preserving resources than the production of new plastics. The use of recycled plastics can significantly reduce energy consumption and greenhouse gas emissions. On the one hand, this is relevant for the machine production at ENGEL, but it first and foremost concerns the material's use by customers and consumers. ENGEL builds machines that can process higher contents of recycled material, which in turn enables our customers:

- to reduce their energy consumption and greenhouse gas emissions
- to reduce the use of primary materials

An objectivised criticism of plastics

In the following section, we would like to explain the reasons why we work with plastic and why we are in favour of its continued use.

- Plastic is far more resilient than other materials, and products made from plastic do not have to be replaced as frequently as others.
 The longevity of plastic can become an environmental problem when the material is improperly disposed of, as can be seen at the example of islands made from plastic waste drifting around the world's oceans.
- In comparison with products made from alternative materials, the CO₂ emissions from the production of plastic products are significantly lower.
- Plastic parts have a much lower weight than products from alternative materials, e.g. steel or glass. Half of ENGEL's customers are from the automotive industry, another third from the logistics sector. The lower weight of the cars and transport crates that results from the use of plastics and plastic parts is directly reflected in the lower energy consumption on the road.

KEY FIGURES	Location	Unit	FY 2022/23
Total patents	Global	Quantity	567
Total patents related to sustainability*	Global	Quantity	130
%-share patents related to sustainability	Global	%	23

^{*} Patents related to sustainability are defined as patents that fulfil one of the following criteria: conserves resources (e.g. reduced material input); saves energy; reduces cycle time; optimises processes; reduces machine footprint; increases service life

"Plastic is a high-performance material, it is lightweight, recyclable and preserves resources when processed.

This is the foundation we are planning to build on."

 Its low weight and mechanical characteristics make plastic a high-performance material.

For all of these reasons, plastic plays an important role in successfully reducing CO_2 emissions. If, hypothetically, all plastic materials were replaced with alternative materials, the problem of plastic pollution would indeed be solved once and for all. But this would not give us the power to minimise the global warming in a controlled manner, because the production and use of other materials would consume even more energy: the energy consumption and greenhouse gas emissions would increase significantly.

In some areas, it is not possible to replace plastics without facing major problems, e.g. for syringes used in healthcare, or for many food packaging solutions. ENGEL has therefore made it a priority to design ENGEL machines in order to make the production of plastic products more environmentally friendly.

As a result of the legal framework conditions and the requirements of consumers, recycling solutions are also playing an increasingly important role in terms of profitability.

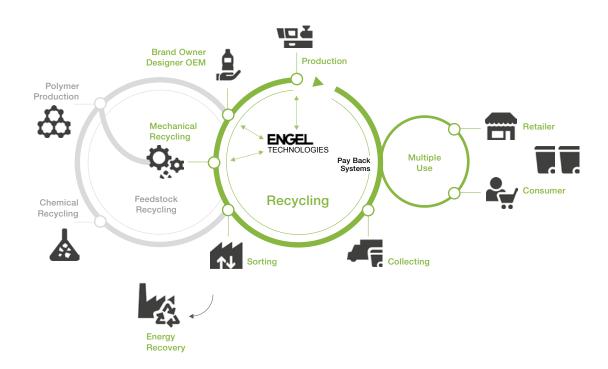
ENGEL seeks to achieve technological and market leadership in circular economy applications and offers solutions for the sustainable use of plastic as a raw material.

ENGEL is a part of the value-added chain in recycling and evaluates which parts of the recycling loop it can and should sustainably serve with its products and services. In particular, the intent is to ensure that the value-added chain segment which extends from regrind to the finished product is increasingly served by inhouse products and services. ENGEL offers a range of solutions that support the "design for recycling" approach, as well as solutions that allow a higher proportion of recycled materials in the product. This is how the company intends to assist its customers in finding their way to adopt the circular economy for themselves.

ENGEL is continuously expanding its range of products and services, with the aim of offering machines that support any of the following aspects:

- Higher process stability
- Increasing the share of recycled content
- Flexibility in the size and quality of recyclates
- Use of alternative materials

Recycling loops



Sustainable technologies and machine concepts at ENGEL

The approach ENGEL is taking in this context is very comprehensive. The company does not rely on a single solution, but works on a variety of technical solutions and therefore approaches the problem at multiple points within the process. ENGEL is the only company on the market that follows this strategy. State of the art technologies and concepts available from ENGEL include:

- · foilmelt, skinmelt
- · iQ weight control
- Two-stage process

An example of the foilmelt technology uses a pre-printed plastic film (label) that is inserted in the cavity. In the next step, the plastic melt (polymer) is injected into the mould. Plastic and label will fuse and form a single unit consisting of the label and the packaging. The benefits of this technology are an optimised print quality, a lasting and hygienic high product quality, as well as shorter production times and lower production costs thanks the fact that there is only a single production step. The label and packaging are made from the same materials, have the same molecular structure and polymer base, and can therefore be recycled together.

Another example application is the coating of plastic parts with a high-quality film. This allows for the use of up to 100 percent recycled base material. The film applied in the final step supports numerous effects and flexible adjustments of the design. The foilmelt technology is a single-stage process ("one-shot process") that allows for the surface design to be produced directly inside the injection moulding machine without any additional steps. This allows for a permanent and safe integration of decorative and functional elements.

The skinmelt technology is used in the manufacturing of so-called "sandwich parts". Only their surface consists of virgin plastic material, with recycled material in the core. The sandwich technology allows pre-processed plastic waste to also be used in products that must satisfy strict surface quality requirements. The skinmelt technology allows higher recyclate content than any other sandwich technology. Its possible applications include vegetable crates, which come into contact with food and must therefore satisfy strict quality requirements. While the outer layer is made from high-quality virgin material, the core is made of up to 50 percent recycled material. In 2021, the State of Upper Austria distinguished ENGEL Austria with the State's Environmental Award for the company's commitment to promoting the circular economy and for its skinmelt technology.

Additionally, ENGEL is optimising its Industry 4.0 programme for the processing of recycled materials. iQ weight control is a smart assistance system that can automatically adjust qualityrelevant parameters and thereby guarantee a higher process stability. iQ weight control identifies fluctuations in the raw material (e.g. varying qualities of recycled materials) and the ambient conditions while adapting the injection profile, the switchover point and the holding pressure for each individual shot to current production conditions. Fluctuations in the properties of the recycled material always pose a major challenge for the processing of purified plastic waste. As it enables the use of recycled materials from different sources, iQ weight control offers many benefits, especially with regard to the circular economy and the use of higher contents of recycled materials.

In 2021, ENGEL developed a machine with a new two-stage process. In this process, the recycled material (plastic flakes) is directly fed into the machine and processed in two finetuned process steps. As a result, plastic waste can be processed with the injection moulding machine directly after the waste was ground to flakes. In the first stage, the raw material is

melted in a standard plasticising screw and then transferred to a second screw, where it is injected into the cavity in a second step. This two-stage process makes it possible to integrate a melt filter and a degassing unit on the injection unit. The technique allows for the manufacturing of products with a consistently high quality from contaminated plastic flakes. This innovation sees ENGEL making a further contribution to the establishment of a circular economy for plastics. Pelletising the recycled material is an energy-intensive process which typically also involves logistics overhead. Eliminating this process step improves the CO₂ footprint and significantly reduces the recycling costs. In terms of concrete figures, this means that the two-stage process can save up to 30 percent of energy consumption. The cost effectiveness is also improved, thanks to the use of lower-quality materials. The ENGEL two-stage process was named Product of the Year 2023 by Kunststoff Magazin and also received the Recycling Machinery Innovation Award 2023 at the Plastic Recycling Show.

ENGEL is entering the circular economy in the field of technical moulding. In order to sustainably secure ENGEL's role as a technology pioneer, the medium to long term will see the company focusing on as-yet unexplored applications, particularly in the mobility segment. In this area, ENGEL will concentrate on solutions and recycling routes that could also include glass fibre reinforced materials.

Polyester (mainly PET) is playing an increasingly important role in the packaging market. ENGEL is evaluating this market segment and developing recycling solutions wherever they are attractive. ENGEL seeks to develop technologies that allow PET, a material with outstanding recycling characteristics, to be used for thinwall packaging solutions. This requires the machines to be equipped in a certain way. This equipment will be a genuine innovation in the area of injection moulding machines and deliver a solution for food packaging.

Due to the many technical innovations and high complexity of the products, it is important to offer training in the handling of the new machines and technologies internally for ENGEL employees as well as externally for the customers.

The developments pursued by ENGEL in the area of the circular economy are strongly driven by the market and customer inquiries. To accommodate this situation, the different ENGEL business units (BU) meet weekly to discuss the individual customer enquiries. The developments in the area of the circular economy are an interdisciplinary project within the company and strongly characterised by an internal exchange of knowledge.

Research and development are essential in order to keep up-to-date and make progress in this challenging area. At this point in time, the legislator is demanding something for which technical solutions do not yet exist. This is difficult to achieve without partners, and ENGEL therefore engages in partnerships and cooperation projects with competitors, customers and research facilities in the area of the circular economy.

Horizontal integration of the value chain

ENGEL has set itself the strategic goal of supporting the circular economy along the entire plastic value chain. This means that everyone must work hand in hand, not only ENGEL itself but also upstream companies along the value chain, i.e. plastic manufacturers, and downstream companies, which are manufacturers of plastic products. This is the only way to ultimately achieve the goal of a closed-loop circular economy for plastics.

ENGEL is therefore not only a member but a founding partner of the LIT Factory at Johannes Kepler University in Linz, where prominent companies along the value chain collaborate in the area of the circular economy. A key element in closing the recycling loop is digitalisation. Plastic particles are proposed to be digitally "tagged" in order to digitally identify the concrete plastic qualities and impurities, in particular in the case of recycled plastic. This allows the plastic-processing ENGEL machine to select the appropriate program for these qualities and properly process contaminated materials.

ENGEL is a member of the following other initiatives and cooperation projects:

Initiatives

- Science Based Targets initiative (SBTi)
- UN Global Compact
- Platform "Verpackung mit Zukunft"
- AEPW Alliance to End Plastic Waste
- New Plastics Economy Ellen MacArthur Foundation
- Member of R-Cycle, a large initiative concerned with parts labelling as a basis for regulated recycling routes

Cooperation projects

- K1-Center CHASE Chemical Systems Engineering
- Johannes Kepler University in Linz (JKU)
- LIT Factory at the JKU
- University of Leoben
- Wood K-Plus
- LCM

Energy consumption & emissions

Impact

The use of renewable energy sources and the implementation of energy-efficient measures enabled ENGEL to successfully reduce its own energy consumption along with the resultant emissions.

A far bigger part of the emissions is, however, caused along the downstream value chain, i.e. by our customers' use of the machines. By developing energy-efficient machines for its customers, ENGEL enables them to significantly reduce their own energy consumption.

ENGEL Austria's current emissions are broken down as follows:

- With more than 80 percent, the majority of all emissions are caused along the downstream supply chain, i.e. when the machines are used by our customers. This chapter will examine these emissions in further detail.
- Another approximately 14 percent of emissions are generated along the supply chain of the components used, which will be the subject of the next chapter.
- The remainder is attributable to other emissions, including those caused within ENGEL's own production. Even though their share is very small, they will still be discussed in this chapter. This is because ENGEL accepts its own responsibility.

KEY FIGURES	Location	Unit	CY 2020	CY 2021	CY 2022	GRI Standards
Energy consumption – ENGEL global						
Total energy consumption within the organisation	Global	MWh		98,990	99,899	302-1
Total fuel consumption within the organisation from non-renewable sources	Global	MWh		34,927	36,269	302-1
Petrol	Global	MWh		328	1,273	302-1
Diesel	Global	MWh		2,605	5,651	302-1
Natural gas	Global	MWh		31,994	29,345	302-1
Total fuel consumption within the organisation from renewable sources	Global	MWh		0	0	302-1
Electricity consumption within the organisation	Global	MWh		64,063	63,630	302-1
%-share renewable electricity	Global	%		70	68	-
Energy consumed for heating within the organisation	Global	MWh		0	0	302-1
Energy consumed for cooling within the organisation	Global	MWh		0	0	302-1
Energy consumed for steam within the organisation	Global	MWh		0	0	302-1
Self-generated electricity	Global	MWh	695	656	1,619	302-1
Electricity sold	Global	MWh	695	656	638	302-1

KEY FIGURES	Location	Unit	CY 2019	CY 2020	CY 2021	CY 2022	GRI Standards
Energy consumption – ENGEL Austria							
Total energy consumption within the organisation	Austria	MWh	60,354	54,650	57,942	52,203	302-1
Total fuel consumption within the organisation from non-renewable sources	Austria	MWh	18,331	17,038	17,725	14,570	302-1
Petrol	Austria	MWh	29	56	20	47	302-1
Diesel	Austria	MWh	1,984	2,134	2,218	1,971	302-1
Natural gas	Austria	MWh	16,319	14,848	15,487	12,552	302-1
Total fuel consumption within the organisation from renewable sources	Austria	MWh	0	0	0	0	302-1
Electricity consumption within the organisation	Austria	MWh	42,023	37,613	40,217	37,633	302-1
%-share renewable electricity	Austria	%	100	100	100	100	-
Energy consumed for heating within the organisation	Austria	MWh	0	0	0	0	302-1
Energy consumed for cooling within the organisation	Austria	MWh	0	0	0	0	302-1
Energy consumed for steam within the organisation	Austria	MWh	0	0	0	0	302-1
Self-generated electricity	Austria	MWh	719	695	656	1,619	302-1
Electricity sold	Austria	MWh	719	695	656	638	302-1
Emissions							
Total GHG emissions (Scope 1, 2 and 3)	Austria	tonnes CO ₂ eq	2,177,460	1,434,197	1,979,664	1,819,549	
Gross direct (Scope 1) GHG emissions	Austria	tonnes CO ₂ eq	3,146	3,471	3,499	2,901	305-1
Energy indirect (Scope 2) GHG emissions	Austria	tonnes CO ₂ eq	486	0	0	0	305-2
Other indirect (Scope 3) GHG emissions	Austria	tonnes CO ₂ eq	2,173,828	1,430,726	1.976.165	1,816,648	305-3
Locations with environmental management system							
%-share of locations with an environmental management system certified to ISO 14001	Global	%	71.40	100.00	100.00	100.00	-

We have therefore broken this chapter down into two sections: the emissions caused by the machines used by customers – downstream emissions – and the measures to reduce energy consumption and emissions at ENGEL's own production plants – own emissions.

Downstream emissions*

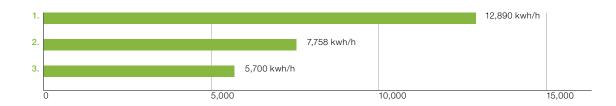
ENGEL is continuously working on increasing the benefit for our customers, i.e. an improved or at least consistent quality of the final product, process stability, and the option to use a higher content of recycled materials, while at the same time reducing the customer's energy consumption. ENGEL is proud of its achievement to continuously reduce the energy consumption of its machines over the past years as a result of the company's technological innovations and advanced developments.

Only ten years ago, a standard hydraulic machine without servo hydraulics was considered state-of-the-art technology. Today's standard, which is installed in almost all ENGEL machines, is a servo hydraulic system that saves 40 percent of energy in comparison to the original machine.

A machine with all optimisation options installed can even save more than 55 percent of the energy consumed by the hydraulic machines from ten years ago. Most of these options are part of the digital product portfolio related to the optimisation of mould temperature control. The above figures are based on measurements obtained for the production of an identical part from the same material and with the same cycle time.

Customers may individually select their preferred optimisation steps. ENGEL therefore offers its customers consulting for energy optimisation.

Energy consumption compared



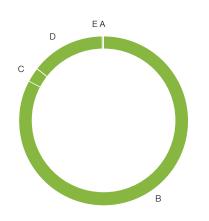
1. Standard hydraulic machine / 2. Standard hydraulic machine with servo hydraulics / 3. Standard hydraulic machine with servo hydraulics and further optimisation measures

 $^{^{\}star}$ Downstream emissions = Energy consumption and emissions from the use of ENGEL machines

Own emissions*

ENGEL Austria has determined its Corporate Carbon Footprint (CCF) for all three sites in Austria. The by far biggest impact (82.65%) from Scope 3 comes from the downstream supply chain, and specifically from the use of the machines installed at the customers. The other major sources of emissions at ENGEL Austria are production materials (14.07% – please refer to the chapter Raw materials & recyclable machines for further information). Other sources are mobility and logistics (2.8%), internal energy consumption (0.25%) and waste (0.23%).

Energy consumption and emissions in %



Α	Energy usage internal	0.25
В	Clients' energy usage for ENGEL products	82.65
С	Mobility & logistics	2.8
D	Production material	14.07
E	Waste	0.23

^{*} Own emissions = Energy consumption and emissions within the ENGEL organisation

As confirmed by the Corporate Carbon Footprint, ENGEL Austria has already made good progress in reducing its own emissions (Scope 1 and 2). ENGEL Austria purchases 100 percent green energy from its energy suppliers for all three Austrian sites and thus saves over 7,000 tons of CO₂ every year. The total electricity consumption of ENGEL Austria amounts to 37,632,710 kWh. To continue the step-by-step reduction of Scope 1 and Scope 2 emissions, ENGEL is currently analysing and validating additional measures, e.g. heat recovery and heat pumps.

In order to identify and monitor the most effective measures on a yearly basis, the improvement of data quality along the value chain is seen as a high priority. In 2022 we managed to improve the data quality in the field of logistics for the years 2022 and 2021 which was integrated in the Corporate Carbon Footprint accordingly.

All of ENGEL Group's production plants worldwide are certified to ISO 14001, the internationally recognised standard for environmental management systems. In this context, internal and external environmental audits are carried out regularly at the different sites.

Another goal pursued by ENGEL Group is the reduction of energy consumption from non-renewable sources. The main focus is on exiting gas. This step is becoming increasingly relevant not only due to lower CO_2 emissions but also for reasons attributable to the current political situation. As of the reporting date, ENGEL Austria is consuming 12,551,900 kWh of gas,

which represents 24.0 percent of the company's total energy consumption.

In addition to reducing the consumption of non-renewable energies, ENGEL also intends to further strengthen the use of renewable energies. In this context, ENGEL is planning additional investments into the expansion of photovoltaic systems at ENGEL locations worldwide. The foundation has been laid: The ENGEL sites in Schwertberg, St. Valentin and York are already equipped with photovoltaic systems. The photovoltaic system at the headquarters in Schwertberg was put into operation in April 2022. With 2,808 modules, which corresponds to 5,789 m², a nominal 1,165.32 kWp can be generated. That means that it is currently possible to cover around ten percent of electricity requirements at the Schwertberg site with the company's own photovoltaic system.

Measures to increase the energy efficiency within the plants are implemented continuously. The current projects include a reduction of the demand for pressurised air, heat recovery from production processes, LED lighting and temperature management in the production halls. In the St. Valentin site, for example, the hall lighting for construction stages 1–6 was replaced by LED. This enables savings of 1,350,000 kWh per year. Furthermore, since January 2023, the waste heat in the local hardening shop has been used for internal energy consumption.

In order to further reduce the internal energy consumption, an internal ${\rm CO_2}$ pricing will be added to the total cost analysis prepared for internal decisions on awarding future purchasing contracts.

As described above, the objectives and strategy of the energy policy pursued by ENGEL Group consist of reducing the company's internal energy consumption and emissions as well as those resulting from the use of ENGEL machines at customer sites. ENGEL is on the right path to assume the role of a pioneer and industry leader. ENGEL is firmly committed to offering its customers the best-possible products while keeping energy costs and emissions low.

Therefore, ENGEL is committing to the Science Based Target Initiative, reducing all Scope 1 and Scope 2 emissions by 50% and Scope 3 emissions by 42% by 2030 compared with 2022.

The position of Head of Sustainability Management was successfully filled in fiscal year 2022/23. The central task of this position is to further accelerate our sustainable transformation process and further expand our leadership role in the area of sustainability.





ENGEL is planning additional investments into the expansion of photovoltaic systems at ENGEL locations worldwide.

Raw materials & recyclable machines

Impact

The use of recycled and alternative, more sustainable materials in the production of its machines has allowed ENGEL to significantly reduce its own environmental footprint caused by the sourcing and processing of raw materials.

ENGEL is making an even bigger contribution by extending the useful life of its machines as a result of maintenance-friendly and recyclable design. The after-sales services offered by ENGEL are another positive contribution to protecting the environment, e.g. the refurbishment and appropriate disposal of decommissioned machines installed at customer sites.

The purchasing and use of raw products and materials account for 14 percent of ENGEL Austria's total CO₂ emissions. In order to reduce emissions and at the same time preserve resources, ENGEL is focusing its sustainability efforts on two different key areas: the reduction and substitution of materials, and recyclable machines. Both areas are described in further detail in the next chapter.

Reduction and substitution of materials

ENGEL has dedicated its extensive engineering expertise to the goal of reducing the input materials and/or substituting heavy materials by more lightweight and sustainable alternatives and thereby sustainably improving the company's environmental footprint. As of the reporting date, ENGEL Austria is sourcing 44 percent of its purchasing from recycled materials. ENGEL aims at achieving an average reduction of material in the single digit percentage range in every design review step. In order to achieve this

goal as soon as possible, ENGEL starts at the beginning during product design, where simulation tools are used for topological optimisation and prototype construction. The focus is on emission-intense and heavy materials, such as cast iron or steel. Reducing the weight of these heavy materials or substituting them for lighter materials has a positive effect on transport emissions and costs, because the emissions and costs caused by the machine's transportation increase in line with its weight.

"ENGEL has set itself the goal of reducing internal packaging materials by two percent per year across all of its factories."

ENGEL also works on optimising the packaging used for the storage and transport of its machines. Internal closed loops for reusing packaging materials were already started in a first step. For example, control cabinets delivered from Kaplice to the St. Valentin site are packed and transported with reusable protective covers. Furthermore, it was possible to introduce reusable containers for the delivery of engines in cooperation with the supplier Kollmorgen. Reusable half pallets including inlays of various sizes for the different engine types have been successfully in use since March 2022. In addition to considerable cost and time savings (when packing and unpacking), amounts of waste can be avoided. More such packaging projects are being planned and tested. ENGEL has set itself the goal of reducing internal packaging materials by two percent per year across all of its factories. In the future, the Group is planning to test reusable packaging in cooper-

ation with its suppliers. The plant in St. Valentin, for example, already more than halved its wood waste – a reduction of around 400 tonnes per year.

KEY FIGURES	Location	Unit	FY 2020/21	FY 2021/22	FY 2022/23	GRI Standards
New suppliers that were screened using environmental criteria						
Class A*						
New suppliers	Austria	Quantity		22	5	308-1
New suppliers that were audited with regard to sustainability criteria	Austria	Quantity		10	4	308-1
%-share of suppliers that were audited with regard to sustainability criteria	Austria	%		45	80	308-1
Class B*						
New suppliers	Austria	Quantity		7	2	308-1
New suppliers that were audited with regard to sustainability criteria	Austria	Quantity		1	2	308-1
%-share of suppliers that were audited with regard to sustainability criteria	Austria	%		14	100	308-1
Class C*						
New suppliers	Austria	Quantity		35	2	308-1
New suppliers that were audited with regard to sustainability criteria	Austria	Quantity		0	0	308-1
%-share of suppliers that were audited with regard to sustainability criteria	Austria	%		-	0	308-1
Materials and recycled starting materials						
%-share of recycled starting materials used	Austria	%	26.53	26.59	26.62	301-2
Local procurement						
%-share of expenditures that go to local** suppliers	Austria	%	51	49	49	204-1
Used machines						
Quantity of used machines per year	Global	Quantity	*** 9	30	39	
Quantity of used robots per year	Global	Quantity	3	13	17	

^{*} For a definition of Class A, B, and C, please refer to the section's body text / ** local = in Austria, per fiscal year / *** in 3 months

ENGEL's procurement of materials has been paying attention to certain environmental criteria of the suppliers for quite some time. A new supplier qualification process was established and breaks suppliers down into three classifications that depend on the complexity of their products and technology. A sustainability audit is 100 percent included in supplier audits (preferably for A-suppliers). A CSR questionnaire is requested 100 percent for new suppliers. Besides, sustainability criteria are an integral part of our general purchasing conditions.

Recyclable machines

In order to optimise usage and disposal of an ENGEL machine, sustainability already has to be considered in the design phase. This serves the pursuit of multiple objectives, including simplification of the machine design to facilitate an easier replacement of defective or inefficient parts, thereby prolonging the machine's useful life. This initiative also promotes a reduction of wear materials. A further aim is to design the machines so they are even easier to retrofit and need less maintenance.

A goal to be achieved is the development of a sensible concept for retrofitting older machines instead of decommissioning them. It is envisaged to prolong the lifespan of older machines by installing a new, modern and energy-saving drive system (ecodriveR) or a new control system. This is proposed in order to refurbish inefficient machines and allow their continued use, instead of having to dispose of them. For this purpose, ENGEL analyses its performance portfolio and assesses the specific efficiency updates that can be implemented for the respective machine type. The associated re-

sponsibilities are primarily assigned to the individual development departments, production, and the ENGEL service organisation.





The objective of EUM is to prolong the useful life of used machines.

"ENGEL Used Machinery" - EUM

Another key area where ENGEL Group wants to make a difference is the refurbishment of machines already on the market. In October 2020, ENGEL Group founded the company "ENGEL Used Machinery" (EUM) as a dedicated vehicle for these activities. The newly formed company will help with further increasing the recyclability of the machines. The objective of EUM is to prolong the useful life of used machines and to keep systems in use longer. ENGEL is working on achieving these objectives with the following range of services:

- Refurbishment of machines in an ENGEL plant.
 This is however subject to the condition that the machine, considering its age and condition, can be refurbished in a way that makes sense under financial and energy-related considerations.
- Buyback of machines from customers, refurbishing them at an ENGEL site and then returning them to the market.
- Prolongation of the machine's useful life or product lifetime by upgrading the machines, e.g. by replacing essential machine components.
- **Increasing** the energy efficiency by installing new drive systems (servo retrofits etc.).
- Implementation of conversions and retrofits as part of a refurbishment, with the aim of making the ENGEL products ready for new applications.
- Refurbishment of machines during a machine relocation at a customer site or occasionally at an ENGEL plant.

Used components are reused for repairs and refurbishments whenever possible. This aims at even further minimising the company's CO_2 footprint. This approach is, for example, applied when replacing used plasticising units, such as cylinders and screws.

EUM also offers ENGEL customers a value appraisal service for older machines and market value appraisals on the basis of the machines' age and condition – in cases where the customer prefers to resell the machine themselves.

The machines that can be returned to the market not only include working machines, but also those already decommissioned – always in consideration of their energy efficiency and expenses for the refurbishment process. If the machine is assessed as unsuitable for refurbishment or continued use due to its age or condition, EUM will take care of the machine's proper disposal, including disposal certificates. Long transport is prevented by disposing of the machines locally (i.e. near the customer site). EUM offers taking care of the complete process from dismantling, removal and transport to scrapping.

The purchasing of machines is focused on Central Europe, while resales take place around the world. The refurbishment takes place in the "Andritzhalle" in Linz, Austria. EUM also acts as an intermediary for sales and purchases between individual customers. Since October 2020, EUM has already refurbished 120 machines. The plans for the future include a further expansion of the EUM services, including into new territories. EUM Mexico is currently being set up in order to be able to serve the prevailing market there.



SUSTAINABLE FOCUS AREAS

06/ Social

By offering modern work conditions, an appreciating corporate culture and extensive development opportunities, ENGEL intends to provide its employees with a work environment that lets them feel good and allows them to harness their full potential.

Staff satisfaction & training

Impact

The development ENGEL has undergone in the decades leading up to today is the result of the commitment and daily work of every single member of our workforce. First and foremost, the company owes its gratitude to all of its employees. Day by day, they further advance ENGEL along the road to success and are the driving force behind the continuing development of our company. ENGEL is proud of its employees, who are always willing to go the extra mile it takes to satisfy the needs of our customers in the best possible way. ENGEL believes that the satisfaction of its employees is a fundamental need, both in their work environment as well as their private lives. This is why the company has made staff satisfaction a top priority. This is not only owed to business-related considerations but to a large degree to the perspective taken by a family-owned company with a rich tradition. The satisfaction of employees at the workplace as a result of work conditions, corporate culture, training and professional development opportunities has a major impact on their quality of life, both in a private and work context.

"As a family-owned company, ENGEL has made a balanced relationship between family and work one of its top priorities." By offering modern work conditions, an appreciating corporate culture and extensive development opportunities, ENGEL intends to provide its employees with a work environment that lets them feel good and allows them to harness their full potential. ENGEL always guarantees fair work conditions. ENGEL is aware that a successful business development is only possible with employees who are mentally and physically healthy and stay healthy over the long term. The company has gone beyond the statutory requirements and committed to a variety of voluntary measures, regulations and processes.

At ENGEL, the collective labour agreement of the metallic industry is used as the foundation of social dialogue and fair practices between employees and employer. Therefore we are fully compliant with all required measures and obligations of the agreement such as the compensation of additional working ours, or the communication of remuneration procedures.

ENGEL seeks to offer its employees an attractive work environment that is going beyond this agreement. This is achieved by multiple factors, including first and foremost interesting and challenging jobs in a global company. ENGEL provides its employees with modern, bright and air-conditioned premises as well as ergonomic workplaces and high quality food in the company's restaurants. As a family-owned company, ENGEL has made a balanced relationship between family and work one of its top priorities. ENGEL therefore offers employees the option of flexible working hours, part-time and flexitime contracts (including for shift workers, work environment permitting), remote working arrangements and in-house daycare facilities at the company's sites in Austria. In spring 2023, ENGEL set up the carpool exchange "Foahr mit, liegt am Weg!" on the Sharepoint intranet. It is currently programmed for the Austrian locations. The employees have the opportunity

to carpool among colleagues quickly and easily. This means that the employees not only save fuel, but also make a valuable contribution to environmental protection.

KEY FIGURES	Location	Unit	FY 2020/21	FY 2021/22	FY 2022/23	GRI Standards
Employees (incl. leased personnel)						
Total staff – by gender	Global	HC	6,734	7,330	7,560	102-8
Female	Global	HC	1,020	1,128	1,192	102-8
Male	Global	HC	5,685	6,132	6,276	102-8
Not specified	Global	HC	29	70	92	
Total staff – by gender	Austria	HC	3,551	3,754	3,762	
Female	Austria	HC	425	467	487	
Male	Austria	HC	3,126	3,287	3,275	
Staff – by age group	Austria	HC	3,551	3,754	3,762	102-8
Under 30	Austria	HC	1,207	1,260	1,212	102-8
30–50	Austria	HC	1,620	1,765	1,797	102-8
Over 50	Austria	HC	724	729	753	102-8
Training and education (incl. leased personne	1)					
Total hours of training/professional development per year	Austria	Hours	8,952	16,344	32,264	
Average hours of training/professional development per year per employee	Austria	Hours	2.52	3.74	8.58	404-1
%-share of employees that have an annual performance review meeting	Austria	%	29.19	26.95	32.92	404-3
Apprentices	Global	HC	345	345	354	405-1
Female	Global	%	12	13	14	405-1
Male	Global	%	88	87	86	405-1
Under 30	Global	%	100	100	99.7	405-1
30–50	Global	%	-	-	0.3	405-1
Over 50	Global	%	-	-	0	405-1

ENGEL also pays its employees a fair, performance-adequate remuneration, with young talents being offered an above-average entry-level salary, depending on their educational attainment.

An overview of the current measures aimed at increasing the satisfaction of ENGEL staff members is presented in the following:

Attractive work environment

- A financially stable, global company
- Interesting and challenging jobs
- Comprehensive range of training and continuing professional development options
- Remote working arrangements
- Modern, bright workspaces and ergonomic workstations
- Range of working time models
- Flexible working hours in the flexitime model
- Free bridging days arrangement (working day hours are extended by extra minutes to compensate for the free days)
- Free parking and a dedicated ENGEL parking garage in Schwertberg
- Good accessibility by public transport
- ENGEL carpool exchange

Performance-adequate remuneration

- Fair and performance-adequate remuneration policy
- Attractive entry-level conditions and salary development
- Variable remuneration for defined occupations
- Voluntary monthly subsidy for commuters
- Voluntary performance bonus

Numerous social benefits

- High quality and discounted food in the company's restaurants
- Private use of company phone and laptop computers permitted
- In-house daycare facilities
- · Bike leasing / Lease my bike
- Employee magazine ENGEL live
- Special discounts in retail, tourism etc. through the works council
- Health check by a company physician
- Stay-healthy programmes and fitness offers
- Occupational reintegration management after extended illness

Teams work better and are more balanced if they are diverse. This is why diversity and equal opportunity are important to ENGEL. Mechanical engineering is a male-dominated industry, and this is also reflected in ENGEL's workforce. Women currently account for 16.0 percent of staff members. But that will change in the future. ENGEL wants to focus on the apprenticeship programmes and thereby increase the proportion of female apprentices and other female trainees. In the reporting year 2022, 14.0 percent of apprentices and trainees were female. Support Programs like the ENGEL Girls' Day are intended to further empower the career of women in our industry.

ENGEL attaches great importance to offering its employees an attractive, modern working environment and is constantly working on the further development of its employer branding. In this context, an interdisciplinary team consisting of employees from Group Communications and Human Resources deals with the internal and external employer branding strategy. The

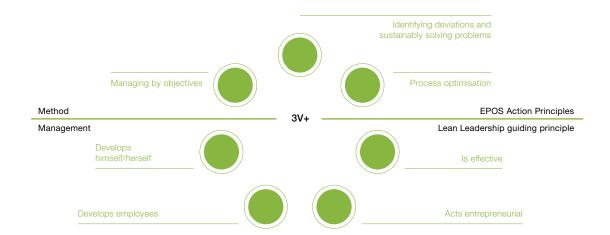
implementation of specific projects is just as much a part of this as the expansion and modernization of the employer promise (employer value proposition). The success of the actions is measured by the indicator of the fluctuation rate. Which is currently 4 percent.

A corporate culture that is marked by appreciation is an important prerequisite for a consistently high staff satisfaction. But the desired culture can only thrive if certain conditions are met. ENGEL has developed the 3V+concept (with trust, responsibility and change

as the three values). These three core values represent the core values of the ENGEL corporate culture. Trust means honesty, appreciation and a down-to-earth attitude. Responsibility takes the form of customer focus, consistency and the will to succeed. Change is symbolised by pro-active initiative, courage and clarity.

The corporate culture at ENGEL is shaped by these three values, which has seen their integration into the ELGS (ENGEL Lean Overall System) together with the three EPOS (ENGEL Process Optimisation System) action fields and

Process optimisation



the Lean Leadership Model. Above that stands the all-encompassing sense and purpose of ENGEL "be the first". It is the permanently valid motivation that is deeply anchored in the company.

Bright career prospects

The training and continuing professional development of its employees is a highly relevant issue for ENGEL. In the internal financial risk analysis of the sustainability topics, training and continuing professional development is the topic with the fifth-highest number of mentions, ranking just below staff satisfaction on the fourth place.

Training and continuing professional development is also very important to our company's owner. This is because ENGEL is an ownermanaged company that takes a long-term perspective on its business development. The training and continuing professional development of employees does not stop at learning technical skills but also extends to personal and social skills as well as foreign languages. A total 32,264 hours of training and continuing professional development were delivered in the reporting period.

ENGEL has set itself the goal of strengthening the qualifications and skills of its employees and managerial staff with yearly training and development programmes that are geared to the respective requirements as well as leadership programmes delivered at the ENGEL Academy. ENGEL managers submit to a potential analysis and, on this basis, complete an individualised, targeted leadership development programme.

The job-relevant continuing professional development of its employees is very important to ENGEL. It assures that staff members keep up to date with the latest developments, advance their careers within the company, and further contribute to the ENGEL success story. The same importance is attributed to the continuing development of methodological and soft skills, such as project management, corporate culture or language skills, which are essential for ENGEL's functioning as an international company. Continuing professional development is delivered at the ENGEL Academy. In 2022, 58.6 percent of employees participated in training measures delivered at the ENGEL Academy.

ENGEL Academy courses and opportunities

Training and continuing professional development is important for all employees. This is why ENGEL offers its employees the opportunity to complete additional educational curricula while staying active in their jobs.

ENGEL is very proud to report that one of its successful trainee programmes, the International Sales Management Trainee Programme, was awarded the "TraineeNet Award 2019" in the competition of Austria's best trainee programmes. This award distinguished ENGEL's trainee programme, which endorses job rotation, promotion of talent, adequate remuneration and reasonable acceptance criteria and therefore meets the basic criteria of a "true and fair training programme". ENGEL also offers other trainee programmes in the area of sales, application engineering or controlling and accounting.

To ensure the rising demand for skilled workers is met, ENGEL has always invested heavily in internal training. 225 apprentices are currently training at the company's three Austrian sites. This is where ENGEL trains the specialists of the future and in this way also responds to the growing shortage of skilled personnel. Following the example set in Austria, apprentices are also trained up to specialists at the component plant in the Czech Republic, the automation centre in Germany, and the production plant in China. The infrastructure for the apprenticeship programme in China was developed in a cooperation between ENGEL and its partner ALPLA, a packaging manufacturer from Austria. The apprentice workshop in Shanghai is equipped in exactly the same way as the trainee workshop in Schwertberg and also features state-of-theart machines. The apprenticeship programme in China meets all Austrian criteria and tests required to assure equal quality in both countries.

ENGEL Academy

Internships

Mandatory internships / Summer internships

Theses & Projects
Project-, Bachelor-, Master-, Diploma-Theses, Dissertation

Trial days, open day in the apprenticeship workshop, open day / family days, girls day, factory tours

Onboarding & Compliance

Welcome kit, buddy programme, initial training plan, Welcome Day, Get together

Social Care / Health Care

Nursery, canteen, occupational integration management, health programme "healthy & fit"

Go International (work abroad)

Exchange of expertise between ENGEL sales and production subsidiaries

Apprenticeship Academy

Apprentice training in Austria, China, Czech Republic and Germany, apprentice training with diploma from secondary school, career by apprenticeship, international exchange of apprentices

Trainee Programme

TSS (Technical Sales Support) Trainee Programme, International Sales Management Trainee Programme,
Trainee Programme Controlling and Accounting, dual acadamy

Talent Management & Succession Planning

Potential analysis for leaders, CAPTain-potential analysis, staff appraisal interview, support on the basis of precise development plan

Coaching Individual-coaching, team-coaching

Lean Academy

Lean management training on topics such as waste management, systematic improvement process by PDCA, key figures and goals, etc.; conduction of audits

Lean Leadership Academy

Leadership development programmes "LeanLeader", diverse additional trainings about communication/conversation techniques, staff appraisal interview

Training & Development Programmes

Training to improve professional, methodical, and personal/social & language competences

Training & development programme for sales staff

After Sales AcademyTraining & development programme for after sales staff

Customer Academy

Training on ENGEL products, process technologies and maintenance, conferences and workshops, e-training

Occupational health & safety

Impact

The assurance of work safety and occupational health is of particular importance for a manufacturing company like ENGEL. If accidents do happen, they can have irreversible consequences for the affected employee's life and result in serious injury all the way to fatal incidents. The company is directly responsible for its employees, and therefore assigns a high priority to occupational health and safety at ENGEL.

A previously less prominent but not less relevant issue is mental health – an area that is continuously moving into the spotlight. Mental wellbeing plays a particularly important role at the workplace, because the mental health of our staff members may suffer as a result of a poor working environment. ENGEL is aware of its responsibility and has also assigned a high priority to this issue.

In general terms, we can state that occupational health and safety relate to physical as well as mental factors – both at work in the office and at work in production. Employees have access to a company physician at all ENGEL sites in Austria. Consultations are offered regularly, i.e. at least once per week. All employees also have access to psychological care by a company psychologist. Individual testing of recovery/stress using surveys are also possible internally.



HSE

The objective of ENGEL in the area of occupational health and safety is to develop a global health, safety & environment management system (HSE).

The objective of ENGEL in the area of occupational health and safety is to develop a global health, safety & environment management system (HSE). ENGEL's goal is to establish a uniform process throughout the entire organisation. A further step will see ENGEL gaining certification to the internationally recognised standard DIN ISO 45001:2018 (management system for safety and health protection at work) for the work safety management at all ENGEL sites. ENGEL is on the right path, which is evident in the fact that customers have also started calling for a certified management system. An internal H&S audit is currently taking place at all ENGEL sites.

KEY FIGURES	Location	Unit	FY 2020/21	FY 2021/22	FY 2022/23	GRI Standards
Number and rate of work-related injuries – employees						
Number of hours worked	Austria	Quantity	4,361,635	5,195,518	5,838,771	
Non-notifiable accidents						
Work accidents						
Incidents (< 1 day on sick leave)	Austria	Quantity	60	74	68	403-9
-	Austria	Rate	11.4	14.1	11.6	403-9
Negligeable accidents (up to 3 days on sick leave)	Austria	Quantity	17	17	20	403-9
		Rate	3.2	3.2	3.4	403-9
Notifiable accidents						
Work accidents						
Minor accidents (4-19 days on sick leave)	Austria	Quantity	18	23	33	403-9
_	Austria	Rate	3.4	4.4	5.7	403-9
Medium accidents (20-45 days on sick leave)	Austria	Quantity	3	12	2	403-9
_	Austria	Rate	0.6	2.3	0.3	403-9
Serious accidents (>45 days on sick leave)	Austria	Quantity	1	3	5	403-9
-	Austria	Rate	0.19	0.57	0.86	403-9
Fatalities as a result of work-related injury	Austria	Quantity	0	0	0	403-9

The company will submit to the regular external audits until the planned certified management system is operational. The current processes at ENGEL Austria* far surpass the requirements under the statutory provisions. Processes are continuously improved and finetuned in view of the analysed potential risks and past measures taken. The clearly abating accident seriousness and frequency over the last few years goes to show how successful ENGEL Austria was in implementing occupational health and safety. ENGEL Austria also shows a very good performance in work safety in comparison to the industry benchmark: in 2022, ENGEL Austria had an accident rate of 2.73 per 1,000 staff, which is much lower than the accident rate of the Austrian industry average.

Even though ENGEL figures outperform the industry average, the goal must always be to improve even further. As the health of every single individual employee is ENGEL's top priority, the ultimate goal is to achieve a lower accident rate each year than in the previous year. For 2023, we want to fall below the accident rate of 2.73 per 1,000 employees. ENGEL's declared goal is zero injuries from accidents and occupational illnesses.

To appraise the current situation, managers at the respective sites regularly carry out an occupational hazard and risk analysis with the support from safety specialists. Workplace in-

spections and factory tours serve to examine relevant factors, e.g. suitable personal protective equipment or mental health aspects. Risks detected at these occasions are discussed in the manager's daily EPOS (ENGEL Process and Optimisation System) meetings. Potential work-related health risks are a regular agenda item. Based on the evaluations performed, ENGEL prepares evaluation reports that set out further measures for the prevention or at least minimisation of remaining hazards and risks. Employees are then provided with thorough training for these measures.

The issue of work safety and accidents is also a fixed item on the agenda of all jours fixes, which take place regularly in the Austrian factories. Dedicated work safety meetings with the Management Board are held at least twice a year at each plant, or more frequently if necessary.

ENGEL actively involves its employees in occupational health and safety. All employees are requested to immediately report any risks and hazards they become aware of during their work to their respective supervisor. Depending on the hazard or risk, these reports are then forwarded to the responsible safety specialists, the local general management, or the Management Board. All personnel, which includes ENGEL employees as well as contractors and hire personnel, are fully integrated in all security issues and processes.

^{*} all described processes relate to ENGEL Austria. The international standardisation and uniform harmonisation of work safety throughout the entire company is a goal for the next few years.

So how does ENGEL go about integrating all its personnel into its work safety processes? One particularly effective way is the use of online platforms and lean board graphics. Improvement projects are created on the basis of regular on-site "SOS tours" and various checklists. They are based on a graphic presentation in the form of a map that marks the locations where accidents, close-calls (almost an accident) and risks were identified. The different locations are then discussed in the team, measures are derived from the discussion. The central platform for documentation and follow-ups are the respective Microsoft Teams groups of the individual areas or departments. The "SOS tours", checklists and safety-relevant measures derived from them are an essential part of the company's health and safety measures, not only at the Austrian sites, but also at all other ENGEL sites around the world.

All interested staff members can take advantage of the available in-house training to qualify as a safety ombudsman. The necessary training events take place regularly. The interest of employees in this training has clearly exceeded the prescribed minimum number of safety ombudsmen. ENGEL is proud to have many committed first responders and emergency paramedics among its workforce, who are qualified to help in the case of an accident.

ENGEL attaches great importance not only to the current, but also the long-term health and wellbeing of its employees. All employees who have been unable to work for more than six weeks in the past twelve months are offered

support in the form of an occupational health and reintegration management programme. The aim of this programme is to help returning employees in restoring their work capacity and safeguarding their health over the long term. Participation in the occupational health and reintegration management programme is voluntary but recommended, because people who were absent from work for a long time often experience difficulties finding their way back into the work process of their own accord.

Another effective measure ENGEL takes to support the sustained health of its workforce is the ENGEL "fit & healthy" programme. The programme is based on three pillars:

- Health
- Nutrition
- Exercise

Within this framework, various training courses, ongoing workshops, lectures and courses on different health-promoting topics are offered. Since the beginning of 2023, physiotherapies and massages can be booked in-house (at the employee's own expense) at the Austrian sites. In addition, employees can take advantage of various discounts at health-related institutions. The offer was rounded off with "Lease my bike". ENGEL employees benefit from an inexpensive form of bike leasing and can also make a contribution to protecting the environment.

Human rights along the supply chain

Impact

Any violation of human rights along the supply chain entails serious consequences for the quality of life of the persons concerned along the entire value chain. Human rights violations may take different forms, e.g. forced labour, child labour, unsafe workplaces, excessive overtime or poor remuneration. Due to the increasing complexity of most supply chains, the number of persons potentially affected by a human rights violation is also increasing.

There are a number of reasons that have motivated ENGEL to engage with the topic of compliance along the supply chain. First and foremost, this is due to its own corporate values as a family-owned company, but also owed to customer inquiries, and because of the preparation for a possible extension of the supply chain legislation initiatives in the European Union and some of its member states. ENGEL cooperates with various suppliers and customers around the world. In this context, the compliance with rules of ethical conduct have highest priority, in particular for suppliers of rare and critical raw materials.

"In the area of human rights,
ENGEL also pursues the overarching
goal of developing a process
or mechanism that assures
unconditional human rights
compliance by all its direct
suppliers (Tier 1)."

The aim is to ideally also include upstream suppliers in the process, but back-to-back compliance cannot always be warranted due to the complexity of the supply chains.

The achievement of the defined goals is evaluated internally at ENGEL. This evaluation takes place using the continually evolving compliance management system (and its built-in monitoring mechanisms) for the entire organisation.

In order to protect human rights along ENGEL's supply chain, the company conducts an assessment of all its direct suppliers in three steps or in three different ways:

- In most cases, the first step in the supplier assessment is the completion of a ESG questionnaire by the potential future partner. The questionnaire is first sent to the supplier, who then completes and returns it to ENGEL. In a second step, the responses and results of the ESG questionnaire are discussed in a meeting between ENGEL and the potential new supplier.
- New suppliers are subjected to a Rapid Plant Assessment (RPA) carried out at the occasion of an initial site inspection at the supplier. This initial analysis of new suppliers is based on observations in all areas of sustainability, e.g. work safety and environmental protection, as well as human rights aspects, especially potential child and forced labour.
- The third step of the assessment is the supplier questionnaire, which mainly deals with technical aspects and covers topics like the supplier's management systems, environmental protection, handling of raw materials and process steps.

If one of these processes at the supplier is suspected of violating human rights, ENGEL – if other targeted measures are not possible or cannot be implemented sensibly – will immediately develop an exit plan and start looking for a suitable alternative supplier.

In addition to this assessment procedure, a second step requires suppliers to give an undertaking to abide by the ENGEL values. Compliance along the supply chain as well as acceptance and observance of the fundamental principles conveyed in the ENGEL corporate values and the Code of Conduct is an indispensable prerequisite for a business relationship. They must also observe the ten universal principles of the UN Global Compact in the areas of work standards, human rights, environmental protection and corruption prevention, as well as the OECD guidelines for multinational businesses, which set out the principles promulgated in the Code.

ENGEL has two key documents in this area, the Supplier Code of Conduct (CoC) and the ENGEL ESG Statement. The Supplier CoC addresses the following topics:

- Human rights (UN Universal Declaration of Human Rights, work standards of the International Labour Organization ILO and OECD principles for multinational companies)
- Work conditions
- Environment
- Anti-corruption
- Adoption of the CoC within the supplier's own supply chain

To assure compliance with these principles, all suppliers are required to sign the ENGEL Supplier CoC or confirm, in the form of a declaration of conformity, that a Code of Conduct that accords with the principles of the ENGEL CoC is in place at their respective companies.

An automated risk potential analysis of all suppliers as the central starting point of this process is also in the planning stages. In accordance with the respectively identified risk potential, targeted audits or measures will be implemented and a termination of the supplier relationship will be considered if necessary. The harmonisation of the relevant processes is intended to provide more standardised criteria and a higher efficiency within the individual qualification processes. The plans also include



Compliance

To further promote compliance, ENGEL is planning to develop a generally applicable uniform process standard for compliance that covers all ENGEL Group companies.

the establishment of standard software that allows a standardised electronic form of the supplier assessment and all associated steps. An additional benefit of such a software-based solution is the opportunity to illustrate and/or evidence the observance of the compliance requirements for ENGEL's own supply chain.



SUSTAINABLE FOCUS AREAS

07/ Governance

The highest standards apply not only to our products, but also to our behavior towards all our stakeholders. We are unreservedly committed to clearly defined ethical values and thus to all legal regulations, such as those relating to human rights, environmental protection, labor and antitrust law and anti-corruption, as well as the values to be supported by the whole ENGEL group.

Ethics & compliance

Impact

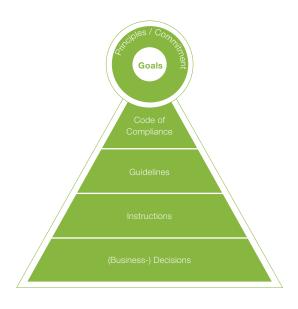
The special importance of ethics and compliance is illustrated by the numerous negative consequences of non-compliance with laws, regulations and directives on the quality of life of the affected persons. The aspects of company-wide compliance are accordingly diverse. A violation of applicable regulation and fundamental principles not only have a negative impact on the individual person, but can grow into problems that entail negative consequences for entire industries, regions and sometimes even countries. This makes it clear that compliance with all its aspects is of fundamental importance for a wide range of persons, beginning with ENGEL's own employees to workers in the supply chain, customers and end users of the products that were manufactured with ENGEL machines.

The highest standards apply not only to our products, but also to our behavior towards all our stakeholders. We are unreservedly committed to clearly defined ethical values and thus to all legal regulations, such as those relating to human rights, environmental protection, labor and antitrust law and anti-corruption, as well as the values to be supported by the whole ENGEL group.

Non-compliance with ethical principles and mandatory regulations may have direct negative consequences for our stakeholders. But non-compliance may also expose ENGEL as a company to direct consequences such as financial penalties, blacklisting or serious reputational damage.

To strengthen the conformity of ethics and compliance within ENGEL Group, all employees are familiarised with the binding rules set out in the Code of Compliance. The internal ENGEL Code of Compliance represents the company's fundamental values and serves as a compass for all ENGEL Group companies. It forms the basis for sustainable, ethically sound and legally compliant business conduct and is a binding set of rules. It represents the essential elements of the ENGEL corporate philosophy – and thereby serves as a strong pillar of ENGEL's sustainable success.

Our normative foundations and how they relate to each other



In addition to the Code of Compliance, once a year, ENGEL employees are asked to participate in the online internal compliance training via the e-learning module. In 2022, 75 percent of ENGEL employees attended the

KEY FIGURES	Location	Unit	FY 2020/21	FY 2021/22	FY 2022/23	GRI Standard
Staff training on Code of Compliance						
%-share of risk-exposed employees* who received training related to the Code of Compliance	Global	%		74.72	82.98	
Number of employees exposed to risk	Global	Quantity		1,084	1,904	
Number of risk-exposed employees who participated in training related to the Code of Compliance	Global	Quantity		810	1,579	
Number of employees	Global	Quantity		7,330	7,560	
Number of employees who participated in training related to the Code of Compliance	Global	Quantity		1,341	1,670	
Anti-corruption						
Number of confirmed corruption incidents	Global	Quantity	0	0	0	205-0
Anti-competitive behaviour						
Legal proceedings due to anti-competitive conduct and breaches of cartel and monopoly law	Global	Quantity	0	0	0	206-
Environmental compliance						
Considerable monetary fines due to non-compliance with environmental laws and regulations	Global	Euros	0	0	0	307-
Non-monetary sanctions due to non-compliance with environmental laws and regulations	Global	Quantity	0	0	0	307-
Socioeconomic compliance						
Considerable monetary fines due to the non-compliance with laws and/or regulations n the social and economic area	Global	Euros	0	0	0	419-
Non-monetary sanctions due to the non-compliance with laws and/or regulations in the social and economic area	Global	Quantity	0	0	0	419-
Data protection						
Number of incidents related to data protection breaches	Global	Quantity	2	0	0	418-
Total of substantiated complaints concerning preaches of customer privacy received	Global	Quantity	0	0	0	418-
Complaints received from outside parties	Global	Quantity	0	0	0	418-
Complaints from regulatory bodies	Global	Quantity	0	0	0	418-
Total number of identified leaks, thefts or losses of customer data	Global	Quantity	0	0	0	418-

^{*} risk-exposed employees are members of staff that are in direct customer contact (sales, service, service technicians, project managers, staff working in project management, marketing etc.)

training related to the ENGEL Code of Compliance and ethical values. Regular training is compulsory for employees with a stronger exposure, e.g. those in frequent contact with customers or suppliers. This allowed ENGEL to further solidify its zero-tolerance strategy in connection with corruption and bribery, with the company reporting zero cases of corruption in 2022.

The contents of the compliance training are based on the key areas covered in the Code of Compliance:

- Data protection
- Observance of the law
- Bribery and corruption
- Prevention of fraud
- · Conflicts of interest
- Respect, integrity and fair working conditions
- Product safety, sustainability and environmental responsibility
- Foreign trade and export control
- Compliance in the supply chain
- Competition and anti-trust law
- Responsible marketing
- Privacy and confidentiality
- Prevention of money laundering
- Tax compliance

ENGEL employees are also offered other training opportunities in the area of compliance, e.g. in relation to conflicts of interest, corruption and bribery, information security, and data protection. The training is complemented by group-wide operating procedures for the relevant compliance topics.

How to report non-compliance and violations

- An online whistleblower platform the ENGEL Integrity Helpline was launched in 2021 and is also accessible to persons who are not ENGEL employees. The whistleblower platform meets the requirements of the European Whistleblower Directive. ENGEL employees are familiarised with the platform at a training event. The platform collects the incoming reports and forwards them to the system address of the Compliance Officer and allows for an anonymous bidirectional communication with the whistleblower.
- The ENGEL Integrity Helpline also offers the additional option of contacting the compliance officer over the phone via an anonymised, non-traceable telephone number.
- Incidents may also be reported by email or at the occasion of a personal meeting.

The Compliance Officer decides on the follow-up of a report and, if necessary, leads the further investigation. In all cases, there is a direct reporting line from the Compliance Officer to the Management Board. If necessary, other specialist departments are involved, whereby in particular the initiation of further investigation steps and any additional measures are coordinated. The compliance management is informed continuously about the ongoing investigative measures taken in each case, for as long as the case remains open.

The insights gained from the incidents and measures taken in response assist in the implementation of sensibilisation measures after the case is closed. The monitoring of compliance breaches takes place directly on the whistleblower platform.

ENGEL pays particular attention to data protection in general and the special requirements resulting from the General Data Protection Regulation (GDPR). By implementing the necessary technical and organisational measures – e.g. a central data protection organisation that is coordinated by IT and Legal –, the company has secured a consistently high level of data protection. As a result, ENGEL did not report a single data protection violation in the year 2022. To raise the awareness for the topic, ENGEL Austria employees also have to complete a training in "information security and data protection", which covers the following points:

- Usernames and passwords
- Confidential documents
- Use of email
- ENGEL Company Data
- Mobile data storage devices
- Protection from unauthorized access
- Social hacking
- WiFi hotspots and internet access points
- Reporting of information security incidents
- Fundamentals of data protection

In addition to data protection requirements under EU law, corresponding legislative initiatives in other legal domains are considered, e.g. the Personal Protection Law in China, with the necessary steps for its implementation being initiated.

ENGEL understands compliance and sustainability with all their facets not as isolated topics, but is rather pursuing a holistic compliance approach that is embedded in all other processes and interfaces. The Compliance Department acts as coordinating port of call for all compliance issues and always interacts closely with other internal stakeholders.

The future will see ENGEL further expanding its compliance processes with a view on the regulatory initiatives related to the EU taxonomy and extended reporting obligations resulting from the Corporate Social Reporting Directive (CSRD). ENGEL will also strengthen the focus on foreign trade and export controls. This is owed to the lasting events related to Russia's war against the Ukraine and the associated sanction packages against the Russian Federation and Belarus.

The future will also see a high priority assigned to the topic of supply chain compliance. Further information can be found in the above chapter "Human rights along the supply chain".

08/ About this report

This report is the second sustainability report published by ENGEL Holding GmbH. The reporting period of the sustainability report is fiscal year 2022/2023 (01/04/2022–31/03/2023). The sustainability report is published every year.

We intend for this report to provide our stakeholders with comprehensive and transparent information about our implemented and future planned sustainability activities.

This report covers the sites of ENGEL Holding. Key figures only reported for ENGEL Austria sites are accompanied by a reference in the text. The sustainability report follows the materiality assessment conducted in 2021 (see the chapter on sustainability management at ENGEL). Corresponding non-financial key performance indicators (as of 31/03/2023) are shown in a table for each of the identified important issues/topics.

This report has been prepared in accordance with the GRI Standards: Core option.

The report was released by the Management Board without an external review.

Current information on sustainability can also be found on our website.

You may contact <u>sustainability@engel.at</u> if you have any questions or comments on this report.

09/ Appendix

Further Key Figures

KEY FIGURES	Location	Unit	FY 2020/21	FY 2021/22	FY 2022/23	GRI Standards
Staff – indefinite contract (incl. leased personnel)						
Austria	Austria	HC	3,544	3,742	3,755	102-8
Female	Austria	HC	423	464	485	102-8
Male	Austria	HC	3,121	3,278	3,270	102-8
Staff – fixed-term contract (incl. leased personnel)						
Austria	Austria	HC	7	12	7	102-8
Female	Austria	HC	2	3	2	102-8
Male	Austria	HC	5	9	5	102-8
Staff - zero-hour contracts						
Austria	Austria	HC	0	0	0	102-8
Female	Austria	HC	0	0	0	102-8
Male	Austria	HC	0	0	0	102-8
Staff – full-time employment (incl. leased personnel)						
Austria	Austria	HC	3,266	3,461	3,399	102-8
Female	Austria	HC	294	317	316	102-8
Male	Austria	HC	2,972	3,144	3,083	102-8
Employees – part-time employment (incl. leased personnel)						
Austria	Austria	HC	285	293	363	102-8
Female	Austria	HC	131	150	171	102-8
Male	Austria	HC	154	143	192	102-8
New staff – by gender & region (incl. leased personnel)						
Austria						
Female	Austria	HC	69	110	91	401-1
Female	Austria	%	16	24	19	401-1
Male	Austria	HC	297	549	291	401-1
Male	Austria	%	10	17	9	401-1

KEY FIGURES	Location	Unit	FY 2020/21	FY 2021/22	FY 2022/23	GRI Standards
New staff – by age group & region (incl. leased personnel)						
Austria						
Under 30	Austria	HC	267	387	251	401-1
Under 30	Austria	%	22	31	21	401-1
30–50	Austria	HC	90	239	118	401-1
30–50	Austria	%	6	14	7	401-1
Over 50	Austria	HC	9	33	13	401-1
Over 50	Austria	%	1	5	2	401-1
Staff that has left the company – by gender & region (excl. leased personnel) Austria						
Austria						
Female	Austria	HC	23	25	37	401-1
Female	Austria	%	6.04	6.10	8.06	401-1
Male	Austria	HC	152	103	108	401-1
Male	Austria	%	5.44	3.48	3.58	401-1
Staff that has left the company – by age group & region (excl. leased personnel)						
Austria						
Under 30	Austria	HC	85	54	64	401-1
Under 30	Austria	%	7.78	4.66	6.07	401-1
30–50	Austria	HC	71	63	72	401-1
30–50	Austria	%	5.12	4.18	4.23	401-1
Over 50	Austria	HC	19	11	9	401-1
Over 50	Austria	%	2.74	1.57	1.24	401-1

KEY FIGURES	Location	Unit	FY 2020/21	FY 2021/22	FY 2022/23	GRI Standards
Diversity in controlling bodies and among staff (incl. leased personnel)						
Management incl. team leaders (workers and salaried employees combined)	Austria	НС	454	447	463	405-1
Female	Austria	%	10	11	9	405-1
Male	Austria	%	90	89	91	405-1
Under 30	Austria	%	10	14	6	405-1
30–50	Austria	%	61	63	66	405-1
Over 50	Austria	%	28	24	28	405-1
Total staff	Austria	НС	3,551	3,754	3,762	
Staff – salaried employees (incl. managerial staff, incl. apprentices)	Austria	HC	1,720	1,807	1,833	405-1
Female	Austria	%	20.81	21.36	21.55	405-1
Male	Austria	%	79.19	78.64	78.45	405-1
Under 30	Austria	%	27.33	27.50	26.19	405-1
30–50	Austria	%	51.92	53.18	53.68	405-1
Over 50	Austria	%	20.76	19.31	20.13	405-1
Staff – workers (incl. managerial staff, incl. apprentices)	Austria	НС	1,831	1,947	1,929	405-1
Female	Austria	%	3.66	4.16	4.77	405-1
Male	Austria	%	96.34	95.84	95.23	405-1
Under 30	Austria	%	40.25	39.19	37.95	405-1
30–50	Austria	%	39.71	41.29	42.15	405-1
Over 50	Austria	%	20.04	19.52	19.91	405-1

COMPANY CARBON FOOTPRINT	Unit	Emission Breakdown	CY 2022
Scope Category			
Energy generation at company facilities	t CO ₂ e	Gas	5,353
	t CO ₂ e	LPG	4
Company vehicles	t CO ₂ e	Diesel/Petrol	1,050
Welding gas	t CO ₂ e	Welding gas	9
Fugitive emissions	t CO ₂ e	Air-conditioner	216
Scope 1	t CO ₂ e		6,632
Purchased electricity, steam, heating, cooling for own use*	t CO ₂ e	Electricity	15,337
	t CO ₂ e	(Electricity Market-Based)	15,337
	t CO ₂ e	(Electricity Location-Based)	23,245
	t CO ₂ e	Heat	0
Scope 2	t CO ₂ e		15,337
Purchased goods and services	t CO ₂ e	Purchased goods	356,911
Capital goods	t CO ₂ e	Capital goods	2,214
Fuel- and energy-related activities (not included in Scope 1 or 2)	t CO₂e	Fuel-energy-related activities	5,913
Upstream transportation	t CO ₂ e	Sea transport	9,280
	t CO ₂ e	Road transport	8,042
Waste generated in operations	t CO ₂ e	Waste	6,518
	t CO ₂ e	Water	49
Business travel	t CO ₂ e	Plane	868
	t CO ₂ e	Rental cars, bus	162
Employee commuting	t CO ₂ e	Cars, bus	9,772
Upstream leased assets	t CO ₂ e	Leased Assets	23,244
Downstream transportation	t CO ₂ e	Transportation	22,315
Use of sold products	t CO ₂ e	Machinery and equipment	3,156,456
Scope 3	t CO ₂ e		3,601,744
CO ₂ Emissions	t CO ₂ e		3,623,713

Our contribution to the Sustainable Development Goals (SDGs)

In 2015, the "2030 Agenda for Sustainable Development" was adopted by all United Nations Member States. The Agenda contains 17 Sustainable Development Goals (SDGs) that apply equally to all countries worldwide. They can be seen as global plan to protect the planet, fight poverty, and achieve world peace and justice. By joining the UN Global Compact this year, ENGEL supports these goals and is committed achieving them. At ENGEL, we focus on those SDGs on which we can exert the greatest impact in its corporate activities and subsequently make the greatest possible contribution to achieving the goals. The SDGs 8, 9, 12 and 13 are considered to be particularly relevant in terms of exerting impact. These goals are briefly summarized below.

SDG 8: Decent work and economic growth

ENGEL aims to focus on sustained management and sustainable corporate growth at all levels to make a significant contribution to an ecological and social transformation. Therefore, great attention is paid on investing in innovations, providing employees with a safe and decent working environment, and specifically addressing the entire supply chain in order to ensure compliance with human rights in this regard as well.

SDG 9: Industry, innovation, and infrastructure

As a machine manufacturer, ENGEL always strives to deal with development related issues as well as with new digital technologies and innovative measures to offer even more efficient and resource-saving machines and solutions.

SDG 12: Responsible consumption and production

ENGEL takes responsibility and pays special attention to manufacturing durable and recyclable machines that are as resource-friendly as possible throughout their entire life cycle. At ENGEL, we also recognize enormous potential, especially in the area of resource-saving processing of used machines and subsequent sale, in order to promote responsible production and ultimately responsible consumption in society.

SDG 13: Climate action

For this reason, the choice of our suppliers, the development and manufacture of our products, as well as our engagement activities of the surrounding conditions and stakeholders are aligned towards the 1.5 °C target of the agreement. We are promoting our own emissions neutrality and also the reduction of global greenhouse gas emissions. Furthermore, we rely on measures, such as, the exclusive purchase of green electricity in the Austrian sites, the general increase in energy efficiency in our buildings or processes and the project of a climate-neutral site.

ESG Standards	Material topic	SDG	UNGC	Reference
Environment	Circular economy of plastics ENGEL wants to make a significant contribution to the prevention of environmental pollution by plastics as well as to promote a sustainable circular economy. For this reason, the focus is on various solutions that support the "design for recycling" approach and enable higher proportion of recycled materials in the products.	3, 6, 8, 9, 12, 14, 15, 17	7, 8, 9	32–38
	Energy consumption & emissions We are constantly striving to reduce our own energy consumption and the resulting emissions, which is why we use energy-efficient measures and promote the use of renewable energy sources. ENGEL also focuses specifically on the downstream supply chain, which causes the majority of all emissions.	3, 7, 8, 12, 13, 14, 15	7, 8, 9	39–43
	Raw materials & recyclable machines To avoid the negative impacts of raw material extraction and processing on the environment, ENGEL uses recycled and alternative, more sustainable materials in the production of its machines. In order to keep the impacts as low as possible, EUM is used to increase the recyclability of the machines and prolong the useful life of used machines.	3, 6, 8, 9, 12, 14, 15	7, 8, 9	44–47
Social	Staff satisfaction & training ENGEL knows that long-term success of a company depends to a large extent on the satisfaction of its employees. For this reason, an attractive working environment for the employees and various development opportunities were created. In addition, ENGEL offers all its employees the opportunity for training and further education.	3, 4, 5, 8, 10	3	50–56
	Occupational health & safety ENGEL continuously tries to identify potential risks at an early stage and to implement measures to prevent accidents and improve workplace conditions in order to ensure the safety and health of employees in the workplace.	3, 8, 16	1	57–60
	Human rights along the supply chain Compliance with human rights is taken into account throughout the whole supply chain by ensuring that ethical behavior is observed and adhered to.	5, 8, 16	all	61–63
Governance	Ethics & compliance The ENGEL Code of Conduct is committed to clearly defined ethical values and compliance with legal regulations. These regulations relate primarily to human rights, environmental protection, labour and antitrust law, and anti-corruption.	5, 10, 16	10	66-69

GRI Content Index

Code	Short name of the disclosure	Remarks and Omissions	Page
GRI 102	GENERAL DISCLOSURES 2016		
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GRI 102-2	Activities, brands, products, and services		8–17
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GRI 102-4	Location of operations		8–9, 15–16
GRI 102-5	Ownership and legal form		6
GRI 102-6	Markets served		8-17
GRI 102-7	Scale of the organization	Information on total capital divided into debt and equity is missing and will be added in the next report.	6–7
GRI 102-8	Information on employees and other workers		51, 75
GRI 102-9	Supply chain	Specific information on the supply chain is missing from this report and will be added in the next report.	61
GRI 102-10	Significant changes to the organization and its supply chain	Not applicable – no change	
GRI 102-11	Precautionary Principle or approach		24–25
GRI 102-12	External initiatives		38
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GRI 102-18	Governance structure		24-25
	Stakeholder engagement		
GRI 102-40	List of stakeholder groups		26
GRI 102-41	Collective bargaining agreements	Information on collective bargaining is missing from this report and will be added in the next report.	
GRI 102-42	Identifying and selecting stakeholders	The stakeholder groups involved were identified using a power interest matrix.	

Code	Short name of the disclosure	Remarks and Omissions	Page
	Stakeholder engagement		
GRI 102-43	Approach to stakeholder engagement		26
GRI 102-44	Key topics and concerns raised		26–28
	Reporting practice		
GRI 102-45	Entities included in the consolidated financial statements		70
GRI 102-46	Defining report content and topic Boundaries		26–29
GRI 102-47	List of material topics		27
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GRI 102-49	Changes in reporting	Not applicable – No changes in reporting	
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	MATERIAL TOPICS		
	Circular economy - plastics		
GRI 103-1	Explanation of the material topic and its boundaries		32–34
GRI 103-2	Management approach and its components		32–38
GRI 103-3	Evaluation of the management approach	The management approach was developed in the course of the strategy project in 2021. The assessment of the management approach will be published in the follow-up report.	
	Energy consumption & emissions		
GRI 103-1	Explanation of the material topic and its boundaries		39
GRI 103-2	Management approach and its components		39–40
GRI 103-3	Evaluation of the management approach	The management approach was developed in the course of the strategy project in 2021. The assessment of the management approach will be published in the follow-up report.	

Code	Short name of the disclosure	Remarks and Omissions	Page
	Energy consumption & emissions		
GRI 302-1	Energy consumption within the organization		39
GRI 305-1	Direct (Scope 1) GHG emissions	Included in our $\mathrm{CO_2}$ equivalent factor are: $\mathrm{CO_2}$, $\mathrm{CH_2}$, $\mathrm{N_2O}$, HFCs , PFCs , $\mathrm{SF_6}$, $\mathrm{NF_3}$. We use the Greenhouse Gas Protocol corporate accounting and reporting standard. The source of the $\mathrm{CO_2}$ emission factors is Ecolnvent 3.8, DEFRA, GHG. The operational control approach was chosen for the calculations.	39–40
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Included in our CO ₂ equivalent factor are: CO ₂ , CH ₃ , N ₂ O, HFCs, PFCs, SF ₈ , NF ₃ . We use the Greenhouse Gas Protocol corporate accounting and reporting standard. The source of the CO ₂ emission factors is Ecolnvent 3.8, DEFRA, GHG. The operational control approach was chosen for the calculations.	39–40
GRI 305-3	Other indirect (Scope 3) GHG emissions	Included in our CO ₂ equivalent factor are: CO ₂ , CH ₃ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ . We use the Greenhouse Gas Protocol corporate accounting and reporting standard. The source of the CO ₂ emission factors is Ecolnvent 3.8, DEFRA, GHG. The operational control approach was chosen for the calculations. The following scopes were included in the calculation: 3.1 purchased goods, 3.3 fuel and energy, 3.4 upstream transport, 3.5 waste, 3.6 business travel, 3.7 employee commuting, 3.9 downstream transport and 3.11 product use. There were no biogenic CO ₂ emissions in the reporting year.	39–40
	Raw materials & recyclable machines		
GRI 103-1	Explanation of the material topic and its boundaries		44–47
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GRI 103-3	Evaluation of the management approach		

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GRI 301-2	Recycled input materials used		45
GRI 204-1	Proportion of spending on local suppliers		45
	Staff satisfaction & training		
GRI 103-1	Explanation of the material topic and its boundaries		49–50
GRI 103-2	Management approach and its components		50-56
GRI 103-3	Evaluation of the management approach	The management approach was developed in the course of the strategy project in 2021. The assessment of the management approach will be published in the follow-up report.	
GRI 401-1	New employee hires and employee turnover	The information in this report refers to employees of ENGEL Austria. For the next report, the key figures will be extended to the ENGEL Group.	75–76
GRI 404-1	Average hours of training per year per employee	The information in this report refers to employees of ENGEL Austria. For the follow- up report, the key figures will be presented for the ENGEL Group and broken down by gender and employee category.	51
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	The information in this report refers to employees of ENGEL Austria. For the follow-up report, the key figures will be presented for the ENGEL Group and broken down by gender and employee category.	51
GRI 405-1	Diversity of governance bodies and employees	The information in this report refers to employees of ENGEL Austria. For the next report, the key figures will be extended to the ENGEL Group.	51, 77
	Occupational health & safety		
GRI 103-1	Explanation of the material topic and its boundaries		57
GRI 103-2	Management approach and its components		57–60
GRI 103-3	Evaluation of the management approach	The management approach was developed in the course of the strategy project in 2021. The assessment of the management approach will be published in the follow-up report.	
GRI 403-1	Occupational health and safety management system		57–59

Code	Short name of the disclosure	Remarks and Omissions	Page
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GRI 403-6	Promotion of worker health		57–60
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		57–60
GRI 403-9	Work-related injuries	The information in this report refers to employees of ENGEL Austria. For the next report, the key figures will be extended to the ENGEL Group.	58–59
	Human rights along the supply chain		
GRI 103-1	Explanation of the material topic and its boundaries		61–63
GRI 103-2	Management approach and its components		61–63
GRI 103-3	Evaluation of the management approach	The management approach was developed in the course of the strategy project in 2021. The assessment of the management approach will be published in the follow-up report.	
	Ethics & compliance		
GRI 103-1	Explanation of the material topic and its boundaries		65–69
GRI 103-2	Management approach and its components		65–69
GRI 103-3	Evaluation of the management approach	The management approach was developed in the course of the strategy project in 2021. The assessment of the management approach will be published in the follow-up report.	
GRI 205-3	Confirmed incidents of corruption and actions taken		67
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ENGEL

Disclaimer for forward-looking statements

This report contains forward-looking statements made on the basis of all information available at the present time. They are usually described by words such as ,"expect", "plan", etc. Actual developments may deviate from the expectations presented here. Likewise, in individual cases, changes may have occurred in the non-financial performance indicators of previous years due to internal control loops to improve data quality.



We take responsibility – for our products, but also for the products that are manufactured on our machines. The responsible use of plastics worldwide and the creation of conditions for a sustainable recycling economy are an important part of our corporate culture.

GREEN IS MORE THAN A COLOUR



