

Solutions with added value

Impact Report
2023 Reporting Year for EMEA

Creating Sustainable Solutions





THE FASCINATION OF FLEXIBILITY

PIONEER AND INNOVATION DRIVER FOR THERMOPLASTIC ELASTOMERS



KRAIBURG TPE is a global manufacturer and competence leader of custom-engineered thermoplastic elastomers (TPE) with production sites in Germany, the USA and Malaysia.



Thermoplastic elastomers from KRAIBURG TPE are the basis for more efficiency, comfort and safety in everyday life. They are easy to process, which allows a great deal of freedom. This enables us to produce tailor-made plastics for processing, development and design that exactly meet market and application requirements.

In 2001, KRAIBURG TPE was founded as an independent company within the historical KRAIBURG Group. Today the competence leader in TPE compounds with headquarters in Waldkraiburg delivers future-proof plastics solutions worldwide as basic building blocks for people's everyday lives. The fields of application for our products particularly include:

AUTOMOTIVE – Solutions that get things moving

Touch quality, longterm resistance and processability: TPE compounds specially developed for the automotive industry meet the highest requirements in the exterior, interior and powertrain areas.

INDUSTRY – Special qualities are standard

TPEs are as multifaceted as the industry itself. From electronics and construction through to sanitary equipment: Flexible integration in function and design is appreciated – as is reliability in the flame protection and drinking water areas.

CONSUMER – Uniquely multifaceted

Consumer protection and safe solutions have top priority for many applications, including products with food contact, toys or sports articles.

MEDICAL – Providing convincing safety

In medical and pharmaceutical engineering, medical-grade, clean and resistant TPEs are indispensable. They set standards for safety, quality and reliability.



SUSTAINABILITY LIES IN OUR DNA

TAKEN INTO ACCOUNT FROM THE START

We've always expedited the production of thermoplastic elastomers, while continuing to develop in the area of sustainability. Our milestones at product and company level provide an overview of our progress.



Certification of the **Environment Management System** in accordance with **ISO 14001**



Foundation of **KRAIBURG TPE GmbH & Co. KG** with Production Sites in Waldkraiburg for the Production of Thermoplastic Elastomer Compounds



Production of **Thermoplastic Elastomers with Recycled Content** for the first time



First **Photovoltaic System**
Charging Infrastructure for Electric Vehicles
Corporate Health Award
Water Data Collection System



Start of Sustainability Report
Local Sustainability Bodies
Reorganization of EHS/ Sustainability Teams



Participation in the **Carbon Disclosure Project (CDP)**
Product Carbon Footprint (PCF) and **Corporate Carbon Footprint (CCF)**
Scope 1–3 Emissions for the Waldkraiburg site



Publication of first Sustainability Report
First **EcoVadis rating**: Silver for the Waldkraiburg site
THERMOLAST® R Production Sites in Waldkraiburg for the Production of Thermoplastic Elastomer Compounds



„**2031 Climate Program**“ (SBTi) Program for **Circular Economy**
Sustainability as 6th Core Competency
First products with **ISSC PLUS Certificate**
Product Launch of **bio-based TPEs** and **Recycling Content TPE**



Life Cycle Analysis (LCA) for Utilization of Resources and Circular Economy
Launch of **Recycling Content TPEs** for Automotive



OUR CORE COMPETENCIES

OPTIMIZATION AND FOCUSING: HOW WE CREATE NEW IDEAS



INTERNATIONAL NETWORK

The international presence of KRAIBURG TPE has been a focus from the very beginning. Our customers thus benefit from a decentralized and personal support, logistics and communication network that works quickly and efficiently.



CUSTOMATIZATION AND VISION

The company's mission is to produce high-quality material solutions that are precisely tailored to our customers' requirements and needs. To this end, we use our many years of experience and comprehensive expertise to develop and produce innovative thermoplastic elastomers.



CUSTOMER ORIENTATION

Our business relationships are based on two principles: We respond quickly and deliver on time. Being in close and personal touch with customers enables us to listen and respond to individual needs and to fulfill them. Our local customer advisors worldwide ensure proximity to customers and market knowledge.



SPECIALIZATION AND KNOW-HOW

Irrespective of whether complex projects or optimum processing of products are concerned: Qualified expert teams provide our customers with expertise and creativity to support them in all aspects of planning and implementing their projects.



CONSTANTLY HIGH PRODUCT QUALITY

The quality of raw materials used is of key importance to us – our customers can count on that. Our worldwide identical production and quality standards enable us to guarantee consistent product quality for every batch. This ensures effective production processes.



CORPORATE SUSTAINABILITY

Our approach aims to develop future-proof products and services. These meet the demands of current generations taking into account the resources that succeeding generations will need. We implement our mission together with our stakeholders in strong networks.



CORPORATE SUSTAINABILITY

STEPS TOWARDS SUSTAINABILITY

For us, sustainability means striving for a balance in which ecological action, social responsibility and economic success have the same importance.

Creating Sustainable Solutions



**SINCE 2023,
SUSTAINABILITY IS
OUR 6TH
CORE COMPETENCY**

MOTIVATION AND TARGETS

Sustainability is the basis for the long-term continued existence and success of the company. KRAIBURG TPE has therefore made this issue an integral part of the corporate strategy as additional core competency. This means that managers and employees are committed to acting responsibly within the areas of environment, social matters and governance. The focus is not only on current issues, but also on future ones. This means that sustainability is not only put into practice, but also becomes a long-term perspective.

VISION AND MISSION

Sustainability is the mainstay of our business model. All employees are called upon to advance sustainable solutions in their day-to-day decisions. The slogan “custom-engineered and more” has been extended by the addition “design for sustainability” to match. This approach includes the selection of TPE materials, product design and processing. This applies to the utilization phase as well as to the end of product life with end-of-life options throughout the whole product life cycle.

PRINCIPLES

Our future is sustainable – KRAIBURG TPE wants to play an active role in shaping this change. Four guiding principles have been defined for an effective implementation:

SOLUTION ORIENTATION

We stand for proactive, cooperative and target-oriented work on short-term and long-term solutions – both in-house and externally.

CONTINUOUS IMPROVEMENT

We stand for life-long learning with the aim of getting better every day.

RELIABILITY

We forge long-term and robust business relationships, which are based on reliability and mutual trust. Because we are convinced that only stable partnerships lead to success and growth.

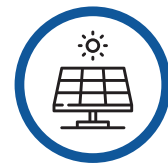
COMMUNICATION

We stand for credibility and transparency at all levels of our activities. These maxims also shape KRAIBURG TPE’s communication both in-house and externally.



OUR CORE TOPICS AND OBJECTIVES

STEPS TOWARDS SUSTAINABILITY



E1 CLIMATE CHANGE

- Objective 1:** Lower climate-relevant emissions
- Objective 2:** Improve process and energy efficiency
- Objective 3:** Pursue the expansion of renewable energy
- Objective 4:** Improve energy supply security



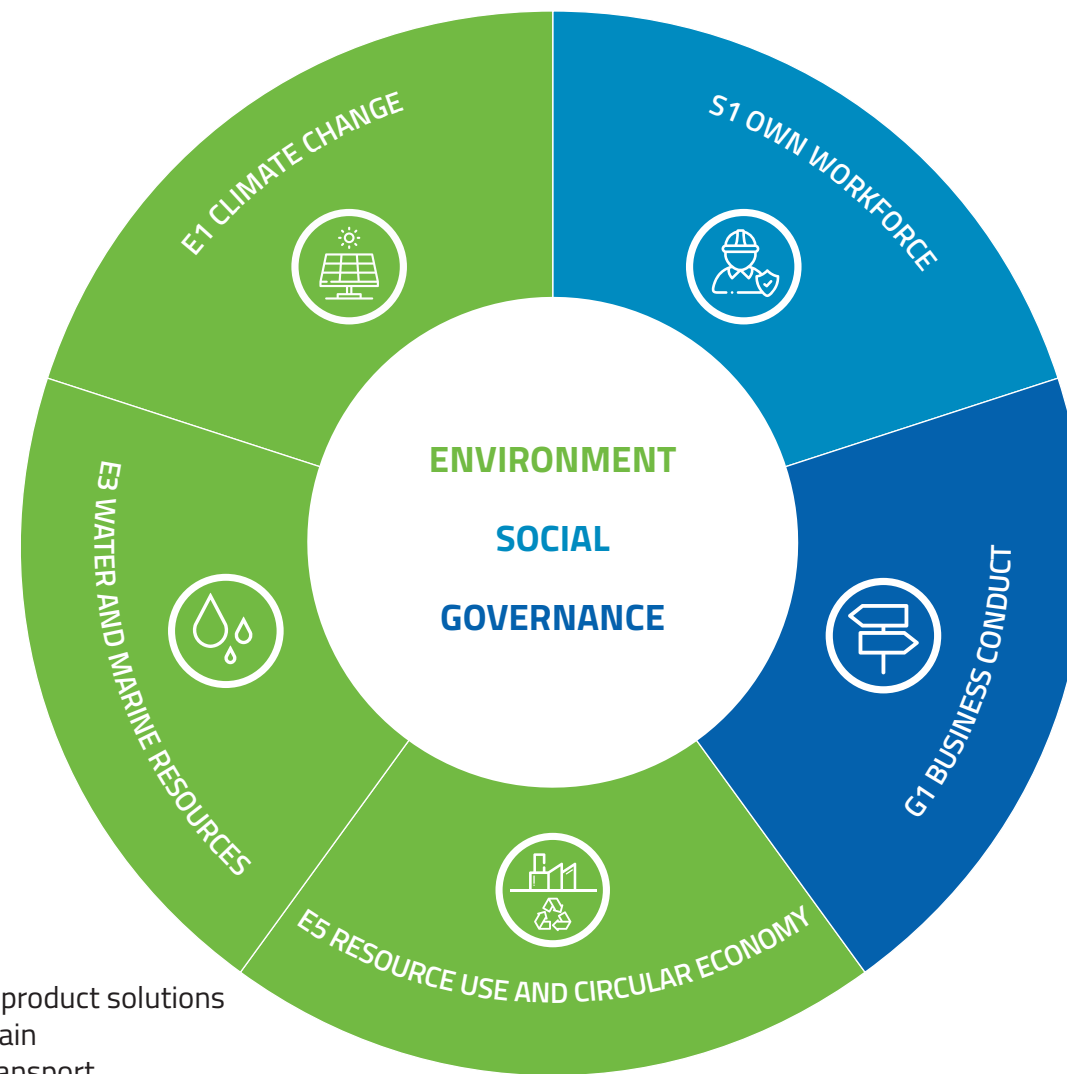
E3: WATER AND MARINE RESOURCES

- Objective 1:** Reduce water consumption to the essential minimum
- Objective 2:** Reduce wastewater volume



E5: RESOURCE USE AND CIRCULAR ECONOMY

- Objective 1:** Develop increasingly sustainable and recyclable product solutions
- Objective 2:** Anchor sustainability standards in the supply chain
- Objective 3:** Efficient design of production, packaging, and transport
- Objective 4:** Increase the utilization of own production residues and returns
- Objective 5:** Expand external partnerships and business relations for increased circularity
- Objective 6:** Avoid, reduce, and utilize waste



S1: OWN WORKFORCE

- Objective 1:** Improve job satisfaction
- Objective 2:** Avoid and reduce occupational accidents within the occupational health and safety framework
- Objective 3:** Support behavior that promotes health through prevention offers
- Objective 4:** Develop and retain skilled workers in line with demand



G1 BUSINESS CONDUCT

- Objective 1:** Ensure compliance with internal code of conduct
- Objective 2:** Ensure legal compliance
- Objective 3:** Ensure transparency through certifications and by adhering to standards

Together with the most important stakeholders, we have identified five core topics and formulated respective targets.

ENVIRONMENT: CLIMATE AND ENERGY

KRAIBURG TPE'S CONTRIBUTION TO THE 1.5 DEGREE TARGET

For a climate strategy to be successful, it is important that growth, innovation, cost efficiency and global competitiveness contribute to the overarching target of reducing greenhouse gases in all areas of production. Since the 2021 base year, the corporate carbon footprint has been annually calculated at company level. Since then, KRAIBURG TPE has been reporting the product carbon footprint at product level. KRAIBURG TPE's climate targets have been validated by Science Based Targets Initiative (SBTi). To achieve these targets, we developed the "2031 climate program", which comprises ambitious measures. The reduction targets in relation to scope 1 and scope 2 as well as energy management actions are incorporated annually into the current climate and energy program. The realization rate for the 2023 reporting year was 98%.

Various sub-targets and measures contribute to this:

Increase in process and energy efficiency

The energy consumption at both production sites in Waldkraiburg has decreased by 4% to 10,330 MWh in 2023.

Expansion of renewable energies

The two photovoltaic systems at the Waldkraiburg site generated 119.5 MWh solar power in the reporting year. We will increase the proportion of renewable energies for purchased electricity in stages to 100% by 2025.

Improvement of energy supply security

A second power transfer station is currently being planned. It will ensure that sufficient electricity is always available if the production capacity is expanded. In addition, the ability to respond to possible faults in the energy supply area will be improved and thus energy supply security will be enhanced.



17.3%

REDUCTION OF CLIMATE EMISSIONS

IN RELATION TO THE 2021 BASE YEAR

To achieve our climate targets and reduce emissions, we have developed the "2031 climate program". This rests upon the calculations from the 2021 base year.





ENVIRONMENT: WATER AND CIRCULAR ECONOMY

PURSUING RESOURCE SAVING APPROACHES



7.3%

**WATER SAVINGS
COMPARED TO 2022**

Water is of fundamental importance for chemical production. At the same time, the resource that is our most important staple food is increasingly becoming scarce. In our company, the largest water consumption results from evaporation during cooling processes. Knowing about our responsibility, we are permanently occupied with analyzing processes and saving water wherever possible.



10%

**PACKAGING SAVINGS
COMPARED TO 2022**

Circular economy describes a system in which existing materials and products are shared, leased, reused, repaired, refurbished and recycled as long as possible. So we rely on developing recyclable solutions, efficient use of resources, in-house recycling and waste prevention. It's particularly important to us at KRAIBURG TPE that we can provide products that have a high proportion of

Part of our products is composed of materials with a very high proportion of recycled content of up to 79 percent even today.

recycled content, contain bio-based materials or have a mass-balanced ISCC PLUS certified bio-circular content. As part of our sustainability road map, it was decided to further develop and successively transform the product portfolio in this respect. Partnerships are of key importance for achieving the target of circular economy. This is why we collaborate intensively with all relevant stakeholders.



“The entire value chain is changing. This requires new approaches and a new way of thinking for the challenges of the future. With recyclates and bio-based raw materials, we develop solutions for a sustainable circular economy.”

Dr. Monika Hofmann,
Director EMEA at KRAIBURG TPE

SOCIAL MATTERS

OUR PROGRAM FOR SKILLED WORKS OF TODAY AND TOMORROW



27

VOCATIONAL TRAINEES

8

OCCUPATIONS REQUIRING FORMAL TRAINING

Taking into account operational and personal matters, employees may flexibly determine the distribution of working hours in coordination with their superior.

KRAIBURG TPE always gives priority to people's safety and health in every situation. It's our employees who make the economic success of our company possible. They carry KRAIBURG TPE's brand to the outside world and thus receive special appreciation. However, the prevention of negative impacts on society and workers along the supply chain, such as the staff of customers, service providers or suppliers, is also taken into account.

To protect and support its employees, KRAIBURG TPE has defined clear guidelines in the form of policies regarding its quality, environmental protection, health and safety at work as well as energy. Along with relevant safety issues, active health promotion is another target in the field of "social matters".

To ensure employees' professional expertise, we also attach great importance to their long-term retention and continuous further training. This will keep KRAIBURG TPE creative and innovative in the future.

Special attention is given to five fields of action:

Values and culture
(Respect, trust and participation)

Health and safety
(Prevention of accidents)

Diversity and equal opportunity
(Equal treatment, transparency in processes, sound company culture)

In-house and external training
(Continuous education of employees)

Work-life balance

GOVERNANCE

A CODE OF CONDUCT AND CLEAR COMPLIANCE GUIDELINES ENSURE CONFORMITY

KRAIBURG TPE promotes a company culture in which behavior and conduct are based on mutual appreciation, respect, acceptance and understanding. The Code of Conduct of the KRAIBURG Group obliges employees to comply with legal, ethical and social standards. It is binding for everyone and does not tolerate any violations. These rules of conduct serve as a guide to act in conformity with the Group on the global market. Clearly defined in-house compliance guidelines, a compliance officer and a web-based whistleblower reporting system are effective instruments for the company's compliance with guidelines and laws. The implemented "Legal Compliance" software solution monitors legal requirements and enables KRAIBURG TPE's individual sites to keep an eye on them at any time.

We stand for responsible business management and the following five principles:

- Transparency:** The organization is open and transparent about its targets, performances and decision processes.
- Responsibility:** The organization acts responsibly and takes responsibility for its actions.
- Participation:** The organization actively engages with its stakeholders and involves them in decision-making processes.
- Fairness:** The organization ensures that decisions are fair, and that equal treatment is guaranteed.
- Responsiveness:** The organization responds to the needs of its stakeholders and takes measures if necessary. This includes a procedure for persons involved to report violations of any kind.

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WHISTLEBLOWER REPORTS

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AUDITS AND INSPECTIONS

Every business partnership requires that our rules and guidelines are accepted and complied with.





EXCELLENCE BY TRANSPARENCY

WE RELY ON CERTIFIED PROCESSES AND ESTABLISHED STANDARDS

KRAIBURG TPE acts and operates in accordance with recognized standards. These are:

Integrated quality, environment and energy management systems: For continuous improvement, KRAIBURG TPE's management system at the Waldkraiburg site has been certified in accordance with ISO 14001 for more than 20 years and the company's energy management system was certified in accordance with ISO 50001 for the first time in 2013.

Product carbon footprint of KRAIBURG TPE compounds: It is reported in accordance with strict requirements and based on DIN EN ISO 14044 and 14067 standards.

Climate targets based on the guidelines of the Science Based Target Initiative (SBTi):

They are based on the Paris Climate Agreement.

SBTi: Starting from the base year of 2021, the company's scope 1 and scope 2 CO₂e emissions are to be reduced by 46.2 percent by 2031, scope 3 CO₂e by 27.5 percent.

The Carbon Disclosure Project (CDP): KRAIBURG TPE was scored a B in the climate area for 2023.

EcoVadis: The platform classifies the sustainability of companies in holistic ratings. Awarded "silver", our sustainability commitment in the fields of environment, working practices, ethics and sustainable procurement is among the best 15% in the chemical sector in 2023.





TOP 3 CUSTOMER BENEFITS

1 PERSONALITY

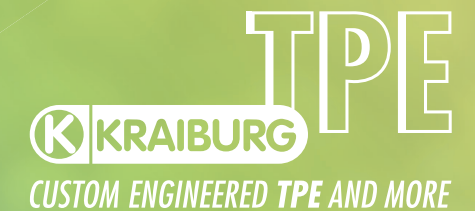
Our global network ensures that we can provide you with fast and efficient service any-time and anywhere. Decentralized support, logistics and communication systems enable us to meet your needs quickly and reliably. Our competent and personal advice on equal footing always supports you in your business processes.

2 EXCELLENCE

We supply you with custom-made, high-quality solutions for the automotive, industry, consumer and medical sectors. Our strict production and quality standards guarantee consistent materials properties for each batch. With our broad expertise, we develop innovative TPEs for you and generate competitive advantages.

3 FUTURE VIABILITY

KRAIBURG TPE meets the demand as well as specific requirements of industries and legislators with TPE compounds. The use of recyclates and bio-based raw materials reduces the product carbon footprint and makes a corresponding contribution to your carbon footprint. We accompany you on your way to a circular economy.



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