



Solutions. For Life.

Non-financial Report 2024

Combined Separate Non-financial Report

Sustainability is one of KSB's strategic pillars and has always been a key focus of its business activities. The company understands sustainability to encompass environmental responsibility and the responsible use of resources, as well as its responsibility to employees and its corporate social commitment. These topics are covered in this combined separate non-financial report pursuant to Sections 289b(3) and 315b(3) HGB [*Handelsgesetzbuch* – German Commercial Code] and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the Establishment of a Framework to Facilitate Sustainable Investment, and Amending Regulation (EU) 2019/2088 (hereinafter referred to as the EU Taxonomy Regulation). The report fulfils the requirements of the *CSR-Richtlinie-Umsetzungsgesetz* [German CSR Directive Implementation Act] and combines the statement at company level with the Group statement outside of the management report.

For the 2024 Annual Report, KSB has prepared its non-financial report based, for the first time, on the European Sustainability Reporting Standards (ESRS) published by the European Financial Reporting Advisory Group (EFRAG). When preparing the non-financial report, KSB followed the structure of the ESRS as closely as possible to present a full and clear picture of the company's sustainability-related activities, impacts, risks and opportunities, as well as provide guidance for the reader.

By amending its reporting format, KSB acknowledges the importance of the European Sustainability Reporting Standards (ESRS) adopted by the European Commission.

EU Directive 2022/2464 as regards corporate sustainability reporting (CSRD) was not transposed into German law in 2024. Therefore, KSB's reporting continues to be based on the applicable provisions of the *Handelsgesetzbuch* (HGB) and the EU Taxonomy Regulation.

The results of the double materiality assessment required by the CSRD specify which topics are to be reported on in the sustainability report. These topics are presented in detail in the following non-financial report, which is based on the results of the double materiality assessment conducted by KSB at the end of 2023 / beginning of 2024. This non-financial report also contains information in accordance with the requirements of the HGB.

The non-financial report of KSB SE & Co KGaA has been summarised in the separate non-financial report for the KSB Group because a combined Group report is relevant and meaningful for the stakeholders due to the integration of the activities of KSB SE & Co KGaA within the processes of the Group as a whole.

This report has been prepared without an explicitly recognised framework, but is based on the requirements of the ESRS in all material respects. The change of reporting format has been implemented in preparation

for the anticipated future mandatory reporting in accordance with ESRS.

It is assumed that reporting will comply with the ESRS as of the coming financial year depending on how the legal situation develops.

Since this is the first time the report has been prepared based on the ESRS, the structure of the report and the presentation of policies, actions and targets cannot be compared with those of previous years. For this reason, previous year disclosures are not presented.

For the current reporting year, KSB has included the following elements:

- A materiality assessment in accordance with ESRS 1, under consideration of double materiality, including an assessment of risks, opportunities and impacts over short-, medium- and long-term time horizons.
- The interests of relevant stakeholders and readers of this report
- Observance of the ESRS structure, in terms of the listed policies, actions, targets and metrics, as part of KSB's due diligence process
- Presentation of relevant indicators and the underlying methodology

For this purpose, KSB applies the double materiality principle and uses the criteria set out in ESRS 1 to assess actual and potential environmental, social and governance (ESG) impacts throughout the value chain (over short-, medium- and long-term time horizons).

The indicators presented in the non-financial report are consistent with the definitions in the ESRS. Any deviations are indicated and explained.

The policies, actions and targets set out in this non-financial report for KSB at Group level are also pursued at the level of the parent company KSB SE & Co KGaA unless expressly stated otherwise.

The results of the Group's policies are comparable in effect to those of KSB SE & Co. KGaA.

Pursuant to Section 289c(1) HGB, the non-financial report must include a brief description of KSB's business model.

Pursuant to Section 289c(2) HGB, the non-financial report must also refer to the following five aspects:

- Environmental matters
- Employee-related matters
- Social matters
- Respect for human rights
- Combating corruption and bribery

In accordance with its business model, KSB supplies customers worldwide with high-quality pumps and valves as well as related support services. The company develops the vast majority of its products itself and manufactures them in factories on four continents. The products are sold via its own sales organisation, supported by dealer networks comprising selected partners. Further details about the KSB business model are provided in the Strategy, Business Model and Value Chain section of the non-financial report.

As a member of the UN Global Compact, KSB commits to aligning its business activities with ten universal principles. The Global Compact principles apply equally to managers and employees throughout the company as well as to all suppliers and business partners.

Risks Related to Non-financial Aspects

KSB has not identified any material risks, as assessed based on the net risk method, associated with its own business and the business relationships of the company or its products and services which, in all probability, have or could have a serious negative impact on non-financial aspects pursuant to Section 289c HGB such as the environment, anti-corruption, human rights, employee concerns and social issues. All other risks affecting business activities are described in the non-financial report and the Risks and Opportunities Report section in the combined management report.

Environmental matters

A detailed presentation of environmental matters is provided in the Environmental Information section below (from page 80).

Employee-related matters

A detailed presentation of employee-related matters is provided in the Social Information section below (from page 104).

Social matters

Information about social engagement is provided in the Social Information section (from page 129).

Respect for human rights

For more information about policies relating to respect for human rights, see the Social Information section below (from page 122).

Combating corruption and bribery

A detailed presentation of our policy for combating corruption and bribery is provided in the Corporate Governance Information section below (from page 130).

General Information

General basis for preparation of the non-financial report

Framework and data basis

The non-financial report has been prepared on the basis of the European Sustainability Reporting Standards (ESRS) published by the European Financial Reporting Advisory Group (EFRAG). The KSB Group presents the sustainability issues that are material to its business activities and the impacts of these activities on different sustainability matters.

A double materiality assessment (DMA) was conducted to identify the material IROs (impacts, risks and opportunities) and the material topics derived from these, which are presented in the Environmental Information, Social Information and Corporate Governance Information sections.

The implementation process and methodology of the DMA are described in the General Information section.

The reporting of all data points on greenhouse gas (GHG) emissions (Scope 1–3 emissions) is based on the Greenhouse Gas Protocol.

Consolidated Group

This non-financial report has been prepared on a consolidated basis.

The information in this report relates to KSB SE & Co. KGaA and the companies directly or indirectly controlled by it, over which KSB has operational control.

The reporting period for the non-financial report is the 2024 financial year.

The consolidated Group for the non-financial report corresponds in principle to the consolidated Group for the financial statements plus the companies which KSB has not included in the consolidated financial statements for reasons of lack of financial materiality.

This non-financial report includes climate and environmental indicators for new companies or companies acquired in the reporting year, starting from the month in which the company was established or ownership was transferred.

Data from discontinued or closed companies are included for the part of the reporting period in which they were in operation.

The report considers impacts, risks and opportunities for the company's own operations as well as for the upstream and downstream value chain. Due to the complexity of the KSB Group with its many production sites, over 1,800 different products and a variety of supply chains and processes, material business areas and products have been prioritised for simplification purposes. The Workers in the Value Chain section focuses on the upstream value chain in particular.

The policies and directives on climate change mitigation, human rights and corporate governance mentioned in this non-financial report also apply to the upstream and downstream value chain.

In its calculation of Scope 3 greenhouse gas emissions, KSB included the upstream and downstream value chain to produce the material key performance indicators (KPIs) disclosed in this non-financial report.

KSB has opted not to use the safeguard clauses of ESRS 1, Section 7.7 regarding classified and sensitive information, and information on intellectual property, know-how or results of innovation.

KSB has also opted not to use the exemption under Article 19a(3) and Article 29a(3) of Directive 2013/34/EU.

Disclosures in relation to specific circumstances

Time horizons

KSB has adopted the time intervals defined in ESRS 1 Section 6.4 Definition of short-, medium- and long-term for reporting purposes.

Short term: reporting period of the financial statements

Medium-term: up to five years

Long-term: more than five years

In addition to the three time intervals mentioned, KSB needs a fourth period in the risk management process (up to 24 months) within the medium-term horizon due to the legal requirements of insolvency law. This time horizon was also used in the double materiality assessment and the appraisal of risks and opportunities.

Value chain estimation

Do the parameters include data on the upstream and/or downstream value chain, which have been estimated using indirect sources: YES NO

Greenhouse gas emission indicators of the upstream and downstream value chain (Scope 3)

The quantification of greenhouse gas emissions in the upstream and downstream value chain in particular is inherently uncertain due to the incomplete scientific basis for determining the emission factors and underlying calculation methodology.

Purchased goods and services (Scope 3.1)

The greenhouse gas emissions calculation for purchased goods and services is based on KSB's global purchasing volume for manufacturing companies. For subsidiaries without detailed financial spend information (non-manufacturing companies), figures have been projected based on the number of employees.

Data have been obtained from the OECD, the European Environment Agency and the US Environmental Protection Agency (EPA).

This methodology is subject to considerable inaccuracies due to the conversion of different currencies and the effects of inflation and projection. However, the impact of price fluctuations in the GHG emissions calculation is mitigated through the use of quarterly price adjustments. Sector averages are also used to calculate greenhouse gas emissions. These averages represent the typical emissions generated during the production of products or services in a particular sector of the economy.

KSB is constantly improving the data basis for purchased goods and services (Scope 3.1) and, in the medium term, aims to replace the current spend-based calculation with a calculation based on the weight of purchased goods. To improve reporting accuracy under the EU's Carbon Border Adjustment Mechanism (CBAM) regulation, KSB plans to train employees and suppliers on CBAM and emissions standards.

Use of sold products (Scope 3.11)

GHG emissions generated by electricity consumption during the lifetime of the products and services sold by KSB to customers in the reporting year fall within this scope.

KSB has developed its own calculation principles for calculating greenhouse gas emissions during the use phase of a sold product (Scope 3.11).

To simplify the calculation, KSB uses specially established average values.

A precise determination of the quantities sold globally for pumps and valves is currently a challenge for KSB. Sufficient quality data was available for production sites connected to the central ERP system (SAP P14). This sales revenue data (sales revenue from SAP P14 and quantities allocated from SAP P14 compared to global sales revenue) was used to project the quantities sold globally.

Due to the high number of pump variants and pump types, additional assumptions were made for average output, degree of use of the electric motor speed control, average annual operating time, service life, and electricity mix or fuel used in power station pumps.

The calculation results are therefore subject to considerable inaccuracies, depending on the global quantities projected, the actual operating conditions of the products and the forecast electricity mix of the regions under consideration.

To improve reporting accuracy, KSB plans to expand the use of Life Cycle Assessments (LCA) for pumps and valves and the internal validation of estimation bases.

Sources of estimation and outcome uncertainty

Due to the length of the non-financial report and the lack of generally accepted reporting standards and practices for specific data, the reported information may be subject to estimates and uncertainties. This results in considerable measurement uncertainty on the following indicators:

- Energy consumption and mix indicators
- Gross Scopes 1, 2, 3 and Total GHG emissions indicators
- Pay ratio indicator ("The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)")

Energy consumption and mix indicators

Energy consumption and the associated environmental impact arise from stationary combustion, the use of electricity and district heating, and the operation of the necessary means of transport.

For the quantification of energy consumption, the 43 material Group companies are consolidated by consultation. The figures for all controlled subsidiaries are projected on this basis.

The 43 Group companies consulted include all companies with energy-intensive production facilities and foundries, all locations with energy-intensive workshops, and all locations with more than 100 employees.

The 43 companies consolidated by consultation cover 92 % of the workforce.

Figures for the remaining companies (small assembly locations, small service locations and sales locations) were projected according to the number of employees using average energy consumption values per employee. The projected energy consumption represents 3 % of the total reported energy consumption across the Group.

The remaining and thus predominant part of the data used to calculate energy consumption is based on measured data.

Estimates and projections are used for the remaining data. Average values per employee are used for these projections based on the measured data.

Stationary combustion: The data quality is based on measured data because the material energy consumption figures for the Group companies consulted originate from the monthly and annual statements of the energy suppliers. Heating oil energy use is calculated based on consumption. Estimates were used in a few exceptional cases (equating to 6 % of the total energy consumption) for the companies consulted and for projecting the figures for companies not consulted. The projections were calculated based on the number of employees per site and average energy consumption values.

Electricity and district heating: The data quality is based on measured data because the material energy consumption figures for the Group companies consulted originate from the monthly and annual statements of the electricity and district heating suppliers. Estimates for the underlying energy consumption were used in a few exceptional cases (equating to 3 % of the total energy consumption) for the companies consulted and for projecting the figures for companies not consulted. The projections were calculated based on the number of employees per site and average energy consumption values.

Operation of the necessary means of transport: The reported energy consumption for the KSB vehicle fleet (in-house vehicle fleet / company cars) is broken down into diesel fuels and liquefied petroleum gas. Estimates were used for a few of the companies consulted (equating to 3 % of the total energy consumption) and for projecting the figures for companies not consulted. The projections were calculated based on the number of employees per site and average energy consumption values.

Gross Scopes 1, 2, 3 and Total GHG emissions indicators

Scope 1 and 2

Energy consumption serves as the material basis for calculating the gross Scopes 1 and 2 GHG emissions. Calculation factors based on industry averages are used for calculating the gross GHG emissions related to energy consumption.

GHG emissions related to the operation of air conditioning systems (fugitive emissions) are also taken into account for Scope 1.

The calculation of fugitive emissions related to the use of air conditioning systems was based on individual estimates of refilling quantities or loss estimates (2 % of the system volume of air conditioning systems) for 20 companies. Calculation factors (DEFRA) were used to convert the estimated refrigerant quantities into CO₂ equivalents. The 20 companies represent approximately 66 % of the total workforce. Figures for the remaining 34 % were projected. Detailed data was not collected due to the low percentage (6 %) of fugitive emissions compared to total Scope 1 GHG emissions and the effort involved.

Scope 3

Various assumptions and estimates were used to quantify Scope 3 GHG emissions.

Purchased goods and services (Scope 3.1)

- Use of sector-specific emission factors supported by publicly available databases or industry benchmarks
- Projection of the global purchasing volume based on the purchasing volume from the production sites

Use of sold products (Scope 3.11)

- Projection of the quantities sold globally
- Use of average values to calculate the energy consumption in the operating phase of the products
- Use of regional electricity mix values and presumed future improvements to the regional electricity mix

Pay ratio indicator

("The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)")

Due to the different remuneration systems in the various countries (consisting of monetary and non-monetary components), it was not possible to calculate the monetary value of the non-monetary remuneration components without undue effort.

In consideration of the effort involved and the informative value of the resulting indicator, KSB decided to deviate from the ESRS requirements and did not produce an estimate for this indicator. The pay ratio is reported on the basis of the direct monetary remuneration components.

Changes in preparation or presentation of sustainability information

This information is not relevant in this reporting year.

Reporting errors in prior periods

This information is not relevant in this reporting year.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

Disclosures pursuant to Article 8 of EU Regulation 2020/852 (Taxonomy Regulation) are published in the Environmental Information section.

The role of the administrative, management and supervisory bodies

KSB is managed as a partnership limited by shares (KGaA). KSB Management SE is responsible for management as general partner. The responsibilities of the bodies are governed by law and the Articles of Association. The Administrative Board determines the basic principles of KSB Management SE's activities and monitors their implementation by the Managing Directors. The Managing Directors conduct the business of KSB Management SE.

The remit of the Supervisory Board of KSB SE & Co. KGaA is to monitor the management of the Company by KSB Management SE as general partner and to provide it with advice on ongoing business operations and long-term development, in terms of strategy and sustainability in particular.

The number of executive and non-executive board members

There are four executive board members; these are the Managing Directors of KSB Management SE. There are five non-executive board members on the Administrative Board of KSB Management SE and twelve on the Supervisory Board of KSB SE & Co. KGaA.

Six of the twelve members of the Supervisory Board are employee representatives and are elected in accordance with the provisions of the *Mitbestimmungsgesetz* (MitbestG) [German Co-Determination Act] of 4 May 1976.

There are no employee representatives on the Administrative Board.

All executive and non-executive members of the respective bodies are familiar with sector-specific topics. They draw on their own experience and a degree of external know-how to perform their duties. No competency profile has been established for the Supervisory Board, the Administrative Board or the Managing Directors.

Through many years of service at KSB and previous activities, all Managing Directors have in-depth knowledge of mechanical engineering and specific knowledge about KSB products and the international regions in which the company operates. Each Managing Director is responsible for specific Market Areas and Regions.

Almost all members of the Supervisory Board have expertise in the metal and electrical industry. Approximately half of the members also have good knowledge of the company's products. All members of the Supervisory Board are familiar with the geographical markets, which in some cases is due to their own international professional experience.

The members of the Administrative Board are also familiar with the metal and electrical industry. Some have specific experience in the industry while others are familiar with the metal and electrical industry as a supplier from their main professional activity. Some members have acquired the necessary industry knowledge from intensive discussions and company reports. All Administrative Board members have also familiarised themselves with the products and the geographical locations and markets.

Gender distribution across the bodies

Body / Gender	Male	Female	Proportion (f/m)
Management of KSB Management SE	4	0	0 %
Administrative Board of KSB Management SE	3	2	40 %
Supervisory Board of KSB SE & Co. KGaA	8	4	33 %

Proportion of independent board members

Five of the six shareholder representatives on the Supervisory Board of KSB SE & Co. KGaA are independent (see breakdown below).

Five of the twelve Supervisory Board members are therefore independent shareholder representatives.

In the reporting year, the Supervisory Board of KSB SE & Co. KGaA consisted of the following members:

- Dr. Bernd Flohr* (Chair)
- Claudia Augustin (Deputy Chair)
- Klaus Burchards*
- Arturo Esquinca*
- Jürgen Walther (until 8 May 2024)
- René Klotz (from 8 May 2024)
- Klaus Kühborth
- Birgit Mohme
- Thomas Pabst
- Prof. Dipl.-Ing. Corinna Salander*
- Harald Schöberl
- Gabriele Sommer*
- Volker Seidel

(* Shareholder representatives who are independent from the company and its general partner as well as from a controlling shareholder)

Four of the five Administrative Board members of KSB Management SE are independent.

Proportion of independent board members

Board	Independent	Dependent	Percentage
Administrative Board of KSB Management SE	4	1	80 %
Supervisory Board of KSB SE & Co. KGaA	5	7	42 %

Administrative, management and supervisory bodies responsible for oversight of impact, risks and opportunities

Supervisory Board

The Audit Committee, which consists of four members of the Supervisory Board, is responsible for auditing the financial reporting and financial statements, including sustainability reporting.

The Supervisory Board of KSB SE & Co. KGaA receives regular reports on business development and strategic matters, assesses risks and opportunities, and monitors the management of the company. The Audit Committee also deals with sustainability-related impacts, risks and opportunities.

Company Management

CEO Dr. Stephan Jörg Timmermann is responsible for monitoring impacts, risks and opportunities on behalf of the Managing Directors.

Management formulated KSB's own corporate sustainability principles in a Group-wide sustainability policy that is binding for all locations and all companies within the KSB Group. In addition, as a signatory to the United Nations Global Compact, KSB is committed to meeting fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. The KSB Code of Conduct similarly sets out clear principles that

are an integral part of the employment contract of all employees and govern human rights, environmental protection, anti-corruption and occupational health and safety matters.

The Managing Directors of KSB Management SE manage the Group's business and regularly assess material internal and external impacts on the business as well as risks and opportunities. This includes sustainability-related impacts, risks and opportunities. The Managing Directors also develop the strategy for the further development of the company.

The results of the double materiality assessment (DMA) were presented to, discussed and approved by the Managing Directors and the Audit Committee of the Supervisory Board.

In addition, a Sustainability Committee chaired by the CEO regularly reviews progress on sustainability issues and the achievement of Group-wide sustainability goals. A Global Sustainability Network with representatives from all nine KSB Regions ensures that sustainability issues are driven forward in their Regions. Its members report on progress, local initiatives and actions, as well as target achievement status. Management also receives a compliance report twice a year as well as an annual review of management issues relating to quality, the environment and occupational health and safety. The Sustainability Committee includes the CEO and management staff from Human Resources, Legal & Compliance, Production, Product Management, Procurement, Communications, Strategy and Integrated Management.

Implementing the actions is the responsibility of individual functions, regions and locations. Their role is to develop roadmaps and implementation plans and report on these regularly to the Sustainability Committee and Global Sustainability Network.

The targets relating to material impacts, risks and opportunities are set by Management.

The Administrative Board of KSB, the Managing Directors and the senior executives (the Sustainability Committee in particular) of KSB SE & Co. KGaA use the following mechanisms to oversee the setting of targets related to material impacts, risks and opportunities, and monitor progress towards them:

Strategic planning and setting of targets

As part of its strategic planning, KSB's Administrative Board sets specific sustainability goals for the Managing Directors based on the material impacts, risks and opportunities. These goals are part of the company's overall strategy and are reviewed regularly.

Some findings from the double materiality assessment still need to be formulated and discussed for inclusion in future strategic planning and targets.

Regular reporting and monitoring

Regular reports are prepared on progress made towards achieving the sustainability goals. These reports are reviewed by the Managing Directors, Administrative Board and executives at top management level to ensure that the targets are met.

Focus of the work performed by the bodies

The Supervisory Board oversees the activities of Management in ongoing business, strategic development and sustainability. The Supervisory Board's Audit Committee has audited the non-financial report for many years and thus has special expertise in sustainability, relying on both internal and external know-how. The Chair of the Audit Committee also completed a training course on sustainability reporting in 2024.

Sustainability is an important aspect of the company's strategic development, for which the Administrative Board bears responsibility. The sustainability policy is one of the central strategic topics of the Mission TEN30 corporate strategy adopted by the Administrative Board in 2023. By virtue of its personnel decision-making and remuneration authority concerning the Managing Directors, the Administrative Board also steers the company's sustainability agenda by setting the sustainability goals for the variable remuneration of the Managing Directors.

Sustainability-related expertise

The Administrative and Supervisory Board members and the Managing Directors of KSB SE & Co. KGaA either have direct sustainability expertise or can access such expertise through various means.

Direct expertise

Some board members have extensive experience and knowledge in sustainability and ESG through their work as auditors, for example, or from their managerial positions at other companies or institutions. Since no detailed competency profile has yet been defined, it is not currently possible to describe how the skills and expertise available at the company relate to its material impacts.

Access to experts

The bodies have access to external experts and consultants specialising in sustainability and ESG. These experts support the bodies with the evaluation and implementation of sustainability policies and actions.

Basic training and advanced training

The Chair of the Audit Committee completed a training course on sustainability reporting in 2024.

Members of the governing bodies (Administrative Board, Supervisory Board and Managing Directors) also have access to reports from internal experts at the company to expand their sustainability-related knowledge.

Since no competency profiles have yet been defined for the individual board members, this report does not include detailed disclosures on how the skills and expertise of the administrative, management and supervisory bodies relate to the material impacts, risks and opportunities. It is not currently possible to determine how the individual skills and expertise relate to the respective IROs.

The role of the administrative, management and supervisory bodies related to corporate governance

The role of the administrative, management and supervisory bodies related to corporate governance has already been described in the General Information section.

The administrative, management and supervisory bodies can access internal expertise (for example, the Group Compliance Officer) and external expertise (for example, the Ombudsperson) relating to corporate governance at any time.

In addition, the following individuals have appropriate expertise on corporate governance matters:

- The Chair of the Supervisory Board, Dr. Flohr, has relevant expertise on corporate governance matters as a former Executive Board member of WMF AG.
- The Chair of the Audit Committee, Mr. Burchards, has relevant expertise on corporate governance matters due to his former position as an auditor.
- CEO Dr. Stephan Jörg Timmermann has relevant expertise on corporate governance matters due to his long tenure as CEO.

Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies

The CEO is informed about developments related to sustainability matters (once a year) by the Sustainability Committee and at least once a quarter by internal experts.

The Administrative Board is informed regularly, at least once a year, by the Managing Directors – acting through their spokesperson – about company-related matters concerning sustainability, the impact, risk and opportunity situation, and compliance, about extraordinary events that are of particular significance for the general partner or KSB SE & Co. KGaA, as well as about material deviations of business performance from the plans and targets set.

The Administrative Board usually meets once a month.

In 2024, sustainability, including material impacts, risks and opportunities, was the focus of one Administrative Board meeting. The Managing Directors and an internal expert also informed the Administrative Board about progress in implementing the regulatory requirements and discussed needs for action and goals with the Administrative Board.

On the agenda were the process and results of the completed DMA as well as goals and further development associated with the topic of sustainability.

The Supervisory Board met five times in 2024, also addressing the development of business activities and sustainability issues in the context of the board's oversight responsibilities. The Managing Directors reported on sustainability issues in two of the five meetings.

Sustainability reporting was an even bigger focus for the Supervisory Board's Audit Committee. In 2024, sustainability topics were addressed in three of the five meetings with internal or external experts called in to discuss the topics in each case.

These three meetings focused on the process and results of the double materiality assessment, related impacts and risks, and the further development of related targets.

The committee therefore regularly addressed reported impacts, risks and opportunities. The impacts, risks and opportunities reported included environmental, social and governance factors.

The Managing Directors, Administrative Board and Supervisory Board do consider impacts, risks and opportunities when monitoring the corporate strategy, by tracking the targets set (for GHG emissions reductions, workplace accident prevention, increasing the representation of women in management, for example) and defining corresponding actions. They also consider ESG-related aspects when overseeing potential company acquisitions (major transactions) and consult with external advisors in this regard. KSB's risk management processes also take ESG-related aspects into account.

ESG-related aspects and trade-offs associated with these are not yet systematically considered within the scope of decision-making on bid submissions or other investments.

Since a double materiality assessment (DMA) was carried out for the first time for the 2024 financial year, the Managing Directors, Administrative Board and Supervisory Board have addressed the entire list of material impacts, risks and opportunities identified in the DMA.

Integration of sustainability-related performance in incentive schemes

There is a link between remuneration and the achievement of sustainability goals:

For Managing Directors:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
For members of the Administrative Board of KSB Management SE:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
For members of the Supervisory Board of KSB SE & Co. KGaA:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO

The Managing Directors are awarded variable remuneration, which includes a short-term component (15 % of the regular annual remuneration) and a long-term component with a three-year assessment period (25 % of the regular annual remuneration).

Sustainability goals are part of the long-term component (5 % of the regular annual remuneration).

The remuneration of the Administrative Board and Supervisory Board does not include variable components linked to sustainability goals.

The agreed, remuneration-related sustainability goals for the years preceding the reporting year were:

- Reduce CO₂ emissions from the production sites
- Develop a policy for the strategic pursuit of environmental objectives in line with the Mission TEN30 corporate strategy
- Improve occupational health and safety / reduce work-related accidents and days lost due to accidents
- Improve employee satisfaction

There is, as yet, no explicit, long-term link between the company's sustainability goals defined in accordance with the sustainability reporting process and the variable remuneration system of the Managing Directors. However, some ESG-related aspects (see above) are already included in the annual goals defined for the Managing Directors.

The achievement of ESG-related sustainability goals is part of the long-term variable remuneration with a weighting of 20 %.

The Administrative Board of KSB sets the sustainability goals and controls the remuneration system for the Managing Directors.

Before the three-year assessment period, the Administrative Board sets a number of specific ESG-related sustainability goals, which it selects from a list of predefined goals based on KSB SE & Co. KGaA's sustainability focus topics.

The Administrative Board ensures that these goals are clearly defined and measurable.

Integration of climate change-related considerations in incentive schemes

In the 2024 reporting year, climate change-related considerations were not part of the remuneration components of the Managing Directors.

The remuneration of the Administrative Board and the Supervisory Board does not include any variable components that are linked to climate change-related considerations.

Risk management and internal controls over sustainability reporting

Internal controls

The company is currently identifying process-based risks and developing controls for sustainability reporting processes. Controls for consolidated energy data and the GHG emissions calculation were implemented for the reporting year. These are largely internal downstream manual controls. The development and implementation of further controls is planned for the coming year.

The introduction of processes and implementation of further controls, for example for topics mentioned in the Company's Own Workforce section, are also planned for the coming reporting year.

All current and future controls associated with sustainability reporting are or will be implemented at local, regional and central level within the Group.

The processes and process-based risks and controls currently implemented relate to the data points in the Climate Change section of the report. The controls relate to KSB subsidiaries and locations operationally controlled by KSB.

Process-based risks are classified into three categories, High, Medium or Low, according to an assessment matrix. The resulting risk category depends on the likelihood of occurrence and impact.

For process-based risks rated as High, a key control is required to review the appropriateness check in an annual process discussion involving the specialist departments and ICS team. The ICS team oversees the testing of such controls. These process discussions are

held after three years for medium-risk categories and after four to five years for low-risk categories.

In sustainability reporting, risks arise in connection with the process-related sequence in which information is obtained and processed.

This results in the following risk categories in KSB's internal control system for sustainability reporting:

- Data identification
- Data collection
- Data validation and verification
- Data preparation and consolidation
- Reporting and communication

Different types of controls are assigned to the identified process-based risks. Each control is assigned a control objective and a corresponding control activity.

Control owners in the ICS test the controls for their appropriateness and effectiveness.

If a control is found to be ineffective or inappropriate, an action is triggered in the ICS to improve it. The control owner and ICS team monitor implementation of the control.

There is currently no rule-based, organised integration of internal functions and processes. A rule-based review of the process-based risks identified in the 2024 reporting year and the controls implemented is planned for the following reporting year.

There is currently no rule-based reporting on the sustainability-related ICS to the administrative, management and supervisory bodies.

Risk management

The approach used to assess risks and opportunities is described in the "Description of the processes to identify and assess material impacts, risks and opportunities" section.

Strategy, business model and value chain

Key elements of the general strategy that relate to or affect sustainability matters

KSB's long-term corporate strategy, Mission TEN30, reflects the company's strong commitment to sustainability and the importance of sustainability in today's business world.

The key elements of the current strategy and Mission TEN30 strategy for 2030 that relate to or affect sustainability matters include:

KSB's contribution to the United Nations' Sustainable Development Goals (SDGs):

The KSB corporate strategy defines sustainability goals based on the Sustainable Development Goals for some of the company's material impacts.

These form the basis for initial approaches to integrating environmental, social and governance matters into the company's decision-making processes.

In 2019, KSB formulated nine sustainability goals that the company wants to achieve by the end of the 2025 and 2026 financial years. A revision of these sustainability goals is now required following the double materiality assessment, which was completed for the first time in the 2024 financial year, and the CSRD-compliant energy consumption and greenhouse gas emissions calculation. KSB will complete this revision in the 2025 financial year.

Innovation for sustainability

KSB's research and development activities focus on developing environmentally friendly and energy-efficient pumps, valves, motors, and fluid and monitoring equipment.

KSB's applications focus is squarely on the evolving sustainability-related requirements in the market segments.

Core applications of the Market Areas include

- Flood control, water supply and treatment
- Solutions for the sustainable mining and processing of battery active materials
- Carbon capture, utilisation and storage (CCUS) applications to support the shift to renewables
- Green technologies of the future, such as the production and transport of hydrogen for example
- Smart, efficient and secure building infrastructure
- Innovative valve solutions
- Services to improve systems efficiency

Stakeholder engagement

KSB actively engages with its stakeholders, including customers, suppliers, employees and the local communities in which it operates. This engagement gives KSB a better understanding of stakeholders' sustainability-related expectations, which can then be taken into account in strategic planning.

Continuous improvement

KSB's strategy is to promote a culture of continuous improvement with a focus on regularly assessing and improving its sustainability practices. This includes monitoring the key performance indicators (KPIs) of KSB's nine sustainability goals, which are based on the 17 Sustainable Development Goals (SDGs) of the United Nations, defining and tracking actions, and transparently reporting on progress in the KSB Sustainability Committee.

Sustainability in the supply chain

KSB works closely with suppliers to ensure their adherence to ethical and sustainable practices. This includes checking ESG-related aspects, promoting fair working practices and minimising the environmental impact of the materials and components they supply.

Overview of relevant product groups and services and significant markets and customer groups

KSB organises its activities in the following Segments: Pumps, Valves and KSB SupremeServ. The Pumps Segment is broken down further into Market Areas.

KSB-relevant Market Areas are:

- Building Services
- Water
- General Industry
- Mining
- Energy
- Petrochemicals / Chemicals

KSB is one of the world's leading suppliers of pumps, valves and related systems. Customers value the quality and efficiency of its products. It also offers a broad service and spare parts portfolio to users of these products.

For KSB's industrial customers, pumps and valves are often vital components in the smooth operation of their plants. They place their trust in the reliable quality of KSB products.

Wherever the customers are, KSB is there, too. This physical proximity allows us to devise customised solutions for every regional and industry-specific requirement.

Were there any material changes in the groups of products and services offered in the reporting period? YES NO

Number of employees by geographical area

Total number of employees	17,108
Region Europe	8,732
Region Asia / Pacific:	4,650
Region Middle East / Africa	1,117
Region Americas	2,609

KSB's segment reporting is prepared in accordance with IFRS 8.

Segment reporting

	Order intake	Sales revenue	EBIT
€ millions	2024	2024	2024
Pumps Segment	1,659	1,551	41
Valves Segment	407	399	-1
KSB SupremeServ Segment	1,048	1,016	204
Total	3,114	2,965	244

Reporting according to ESRS sectors is not yet possible because binding definitions of these sectors do not currently exist.

Sales revenue across all business areas of the KSB Group relates to the mechanical engineering sector. During the reporting period, none of the KSB Group's business operations were involved in or generated sales revenue from fossil fuel production, chemical production, the cultivation and production of tobacco, or the production of controversial weapons.

Sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders

KSB has defined the following goals specific to these matters based on the Sustainable Development Goals (SDGs):

Company

KSB attaches great importance to climate change mitigation and minimising the negative impacts on people and the environment. The company has therefore defined specific goals for reducing CO₂ emissions at its production sites. In the reporting year, it was decided that, in the future, these goals would be aligned with the standards of the Science Based Targets initiative (SBTI) to keep greenhouse gas emissions below the 1.5°C threshold.

Employees

Employees are a key success factor for the company. KSB has thus formulated ambitious goals to increase employee satisfaction and engagement. These include the provision of comprehensive training opportunities, promoting gender diversity, including increasing the representation of women in management in particular, and ensuring health and safety in the workplace.

Suppliers

Suppliers play a key role in KSB's value chain. To ensure that its upstream value chain meets ethical and sustainable standards, KSB monitors specific ESG-related aspects at its suppliers with a special focus on the promotion of fair working practices and minimisation of environmental impacts.

As part of its sustainability policy, KSB has assessed its key products and services to analyse their contribution to long-term sustainability goals.

KSB products, especially in the Pumps and Pump Systems Segment, play a crucial role in achieving climate goals, as they are designed to improve efficiency and reduce environmental impact.

KSB's high-efficiency pumps, for example, directly reduce energy consumption, which can result in significant CO₂ emissions savings in the operating phase. These products also address markets with considerable resource conservation potential, for instance in water supply, energy supply and industrial applications.

Significant customer groups served by KSB include industrial customers, municipal utility companies and private consumers, who increasingly value energy and resource-saving solutions. KSB works hard to provide these customers with innovative, sustainable solutions that reduce their environmental footprint and contribute to the achievement of global climate goals.

KSB also focuses on improving the sustainability of services. For example, through maintenance, training and consultation services, the company helps its customers achieve their own sustainability goals.

These KSB services are an integral component of the company's commitment to maximising the functional life of products and minimising environmental impacts throughout their life cycle.

Material challenges

Energy consumption

The production and operation of pumps and valves is extremely energy-intensive. Consequently, there is a need to reduce energy consumption and gradually transition from conventional electricity to renewable energies. Using renewable energies will permit a substantial reduction in the greenhouse gas emissions generated during production and operation.

Gender diversity in the mechanical engineering industry

Women are under-represented in the industry due to a lack of attractiveness of STEM (science, technology, engineering and mathematics) professions. This is a challenge that needs to be addressed in recruitment and in consideration of the long-term retention of female talent.

Sustainability in the supply chain

Due to the high complexity and number of suppliers, improving sustainability standards in the supply chain is a challenge for KSB.

Solutions

Energy efficiency measures and renewable energies

Negative environmental impacts can be reduced by adopting energy-efficient production processes and machinery and by implementing energy management systems to monitor and reduce energy consumption. Using renewable energy sources will also contribute to this.

Promoting gender diversity

Setting up an internal women's network supports women by encouraging dialogue, mentorship and career development. Other actions include targeted training and recruitment initiatives.

Optimising the supply chain

Working with suppliers improves sustainability standards across the supply chain.

Projects

Research and development for sustainable products

Investment in R&D helps to drive the development of new, environmentally friendly pumps and valves. The focus is on products that consume less energy.

Energy and environmental management systems

Implementing ISO 50001 – Energy management systems and ISO 14001 – Environmental management systems allows energy consumption and environmental impact to be monitored and reduced.

Digitalisation and Industry 4.0

Using digital technologies and automation makes production processes more efficient while data analyses support the optimisation of operations and identification of potential savings.

An internal KSB women's network

Setting up a platform promotes dialogue and networking among female employees. Implementing programmes improves the work environment and long-term retention of female talent. There are also initiatives to increase the visibility and influence of women in the company.

Training and awareness programmes

Training for employees teaches sustainable practices and improves environmental awareness. Dedicated training promotes a corporate culture that prioritises sustainability.

Risk management in the supply chain

The introduction of a software solution for the sustainability screening of suppliers improves cooperation on sustainability standards within the supply chain.

KSB business model and value chain

KSB's mission is to supply customers around the world with top-quality pumps, valves and related systems. It also offers a broad service and spare parts portfolio to users of these products.

Inputs

Materials and resources: For the manufacture of pumps, valves and related systems, the KSB Group sources high-quality materials (metals and engineering plastics for the most part) as well as components (hydraulic parts, electric motors and seals) from selected suppliers.

Collection, development and security of supply

- **Collection:** By maintaining a regional and, in part, global network of suppliers, KSB ensures that the quality raw materials and components it requires are available on time. Suppliers are carefully audited and selected according to internal KSB standards.
- **Development:** Research and development (R&D) play a central role in the continuous improvement of materials and components. KSB invests in innovative technologies such as 3D component printing.
- **Security of supply:** To minimise supply chain risks, the company has established robust processes and backup systems for critical components, including long-term supply agreements and alternative sources of supply.

Outputs**Products and services**

The KSB Group supplies a wide range of products, including pumps, valves and complete system solutions, which are used in industries such as the energy, water and process industry, mining and building services. The company also has a comprehensive range of services and spare parts to extend product life cycles and increase efficiency.

Outcomes and benefits

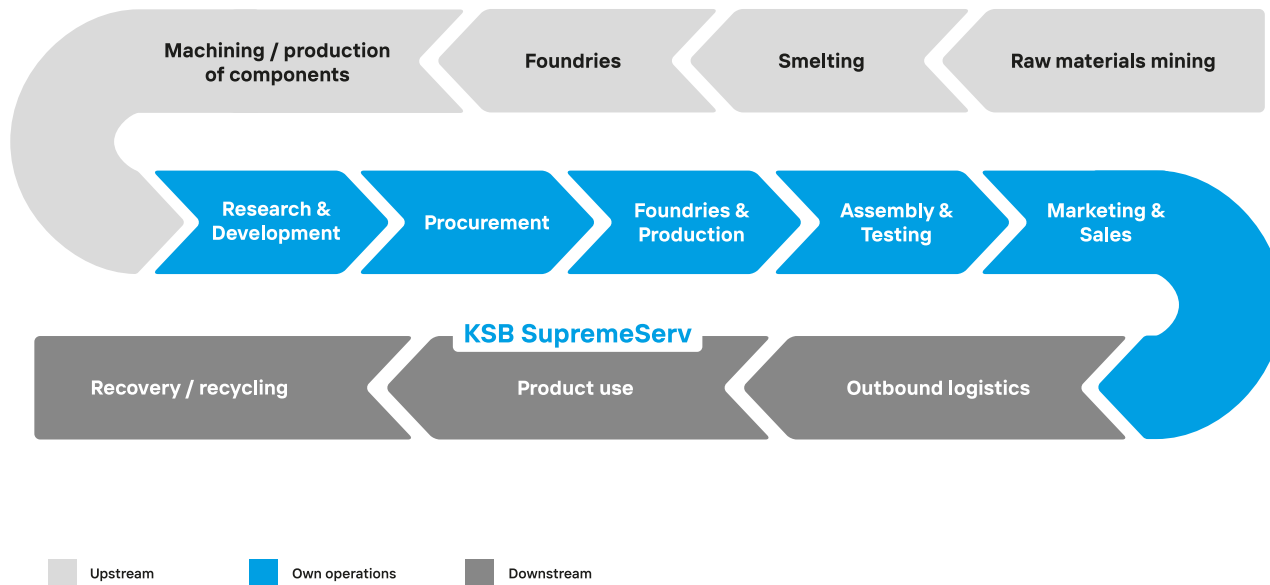
- **For customers:** The KSB Group offers reliable, high-quality, sustainable products and services. Customers benefit from increased efficiency, lower operating costs and an improved environmental footprint.
- **For investors:** The company's robust business performance, supported by innovative technologies and a diversified portfolio, creates long-term value creation and stability.
- **For other stakeholders:** The KSB Group creates attractive jobs for local communities.

The KSB value chain

When preparing the non-financial report, the upstream and downstream value chain was taken into account alongside the company's own operations. The value chain is also a central element of the KSB sustainability policy.

The value chain in the manufacture of pumps, valves and systems includes various upstream, own and downstream operations that are closely interlinked.

Value chain: Processes detail view



Upstream activities

Raw materials mining:

- Mining companies that mine iron and ore deposits, for example

Smelting:

- E.g. steelworks that produce crude steel from iron ore

Foundries:

- Entities that process crude steel into castings for pumps and valves, for example

Machining and production of components:

- Mechanical engineering companies that produce precision components by milling, turning and grinding

- In addition to main component suppliers, there are also companies that supply seals, screws, electronic motors and controls, and other smaller components

Inbound logistics:

- Logistics companies that organise the transport of raw materials and components to KSB's production facilities

Own operations

Research and development (R&D):

- Development of new valve and pump technologies to improve product efficiency and performance

Procurement:

- Selecting and managing suppliers, negotiating contracts and ensuring availability

Foundries and production:

- Internal KSB foundries for the production of special castings as well as for the production and machining of components

Assembly and testing:

- The various components are assembled into finished pumps and valves.
- Quality assurance and testing to ensure that products meet the requirements

Marketing and sales:

- Promoting products, acquiring new customers and maintaining good relationships with existing customers
- Selling directly to B2B customers or via distributors and dealers

KSB SupremeServ (service, customer service and support):

- Providing installation services, maintenance, repair and technical support
- Technical support and customer training

Downstream activities

Outbound logistics:

- Organising the transport of finished products to the customers

Product use:

- Companies that use the pumps and valves in their processes and applications

Recovery / recycling:

- Recycling and waste disposal companies that accept products at the end of their life cycle and enable the recycling of materials

Key players and their relationships

Suppliers

- Main components made from iron and steel and important parts: Long-term contracts and close cooperation to ensure a continuous supply of high-quality materials
- Motor suppliers: Specifications and joint development projects to optimise pump and pump system motors

Customers

- Industry customers: Regular replacement and adaptation of products to specific industry requirements
- Technical support and training to ensure optimal use of the products

Service providers

- Logistics companies: Cooperation for efficient and timely delivery of materials and finished products
- Recycling companies: Cooperation on the environmentally sound disposal and recycling of end-of-life products

Relationships with the company

Cooperation and communication

Regular meetings and agreements with suppliers and customers to optimise quality and delivery times

Quality management

Strict controls and audits of suppliers as well as extensive checks during production to ensure high quality and sustainability standards

Customer satisfaction

Proactive customer service and technical support to ensure customer satisfaction and long-term loyalty

Innovation

Constant investment in research & development to maintain the competitiveness of products and solutions

The value chain presented above illustrates the relationships and dependencies required for the successful production and supply of pumps and valves and the related service provision. It shows how cooperation along the value chain, from the procurement of raw materials to the provision of services, helps to ensure a smooth and efficient process.

Potential impacts, risks and opportunities in mechanical engineering and their possible relationship to the business model and value chain

For KSB, there are potential impacts and risks that are closely linked to the business model, activities in the mechanical engineering sector and the related value chain. The material impacts and risks are as follows:

- Potential human rights violations (workers in the value chain, upstream): There are risks in the upstream supply chains, in connection with the extraction of raw materials for example.
- PFAS risk (pollution, upstream): The purchase of components containing PFAS (per- and polyfluoro-alkyl substances) poses a potential material risk.
- High energy consumption and GHG emissions (upstream, own operations, downstream): Energy-intensive manufacturing processes and associated emissions as well as emissions in the supply chain and during the use of the products are significant.
- Water consumption (upstream): High water use in production and material processing can impact the environment.
- Work-related accidents and safety (own workforce and workers in the upstream value chain): There are safety risks both in the company's own production facilities and at suppliers.

Interests and views of stakeholders

Stakeholder engagement is important to KSB to take into account the expectations and needs of all relevant groups in the interests of sustainable and future-oriented business development.

The key stakeholders of KSB include:

- Customers
- Employees
- Investors
- Suppliers (tier 1)
- Workers in the value chain
- State
- Society (non-governmental organisations, media, local community, analysts, competitors, political parties)
- Trade unions

KSB actively engages with different categories of stakeholders, including economic, social and environmental stakeholders who interact directly or indirectly with the company.

This engagement takes the form of:

- Meetings and discussions
- Participation in conferences and industry gatherings
- KSB-hosted workshops
- Use of feedback mechanisms such as surveys and feedback via digital channels

KSB communicates with stakeholders to:

- Identify their interests and expectations at an early stage
- Anticipate developments in relevant areas
- Better assess risks and opportunities for the company
- Make sustainable decisions that safeguard the company's long-term success

The feedback from stakeholders is:

- Incorporated within development of the strategy and adaptation of the business model
- Taken into account when setting priorities for sustainability and innovation projects
- Used to improve products and services
- Used to support internal decision-making processes and communication with stakeholders

Overview of views of stakeholders

Stakeholders	Why it is important to include the views	How KSB interacts with stakeholders
Customers	For KSB, understanding customer needs and requirements is key and the only way to ensure that KSB's products and services meet customer expectations.	Customer surveys and interaction during the product development process Regular discussions with customers (sales and service activities)
Employees	Sustainable business growth depends on the employees. Employee views, ideas and concerns therefore help drive KSB's strategy and ensure the company's long-term success. The results from the Leadership & Culture part of the regular KSB Voice employee engagement survey indirectly influence the corporate strategy. Management also regularly communicates important corporate decisions and information to employees using the internal KSB communication format Let's Talk.	Employee surveys (KSB Voice engagement surveys) Employee events (first joiner days) Employee dialogue and networks Discussions with employee representatives (Group Works Council, General Works Council, local employee representatives, representatives for severely disabled employees and younger employees) Digital communication channels (KSB Intranet)
Investors	Investors play a central role in the company's long-term financing and strategic growth. Their expectations concerning financial performance, risk management and sustainability significantly influence the corporate strategy. Transparent communication and the inclusion of environmental, social and governance criteria are therefore crucial for investor trust and support.	Regular reporting (quarterly and annual reports) Investor conferences and annual general meetings One-on-one meetings with institutional investors
Suppliers (tier 1)	Suppliers have a major influence on the quality and environmental impact of KSB products. The consideration of relevant sustainability aspects and potential risks based on the standardised supplier management process is therefore an integral part of the supplier selection process.	Dialogue with suppliers in operational procurement meetings Through strategic meetings and framework agreement meetings
Workers in the value chain	KSB acknowledges its responsibility for all workers in the value chain and aims to avoid negative impacts. This calls for direct discussions with affected workers.	In the reporting year, KSB established a management system to identify negative, risk-based impacts across the value chain.
State	Maintaining a line of communication with state institutions is essential to ensure that KSB meets all regulatory requirements and actively participates in political processes relating to environmental, labour and industrial policy. This helps the company adapt to changes in the law and develop long-term, legally compliant strategies.	Regular meetings with authorities Participation in industry associations and consultations on new laws Cooperation in public-private partnerships.
Society (non-governmental organisations, media, local community, analysts, competitors, political parties)	Corporate social responsibility is at the heart of KSB's business operations. It is important to understand societal expectations relating to corporate social responsibility, environmental protection and ethical action, and for the corporate strategy to reflect these. Social acceptance and a positive image strengthen trust in the company.	Engagement with local communities Corporate social responsibility (CSR) projects Participation in public discussions and initiatives
Trade unions	Trade unions represent the interests of employees and play an important role in negotiations on working conditions, pay and social security. Constructive dialogue with trade unions contributes to the creation of a fair, safe and inclusive work environment and helps resolve potential conflicts at an early stage.	Regular dialogue and negotiations with trade unions Discussions with employee representatives (e.g. works council, industrial relations manager) Joint working groups

KSB analyses the interests and views of its key stakeholders in the course of due diligence and the double materiality assessment. The most important insights from stakeholders are as follows:

Stakeholders	Requirements and expectations
Customers	<ul style="list-style-type: none"> On-time deliveries Products and services as ordered Fast and competent after-sales service Reasonable prices Extensive product information Transparent corporate governance Qualified employees Nuclear safety Data and information security Adaptation due to climate change IT and data security
Financial markets (Shareholders, banks, insurance companies)	<p><u>Shareholders:</u></p> <ul style="list-style-type: none"> Positive image of KSB Retention, payment of interest and increase in the value of invested capital An appropriate and effective risk management system Transparent corporate governance Adaptation due to climate change Protection from cyberattacks <p><u>Banks:</u></p> <ul style="list-style-type: none"> Retention and payment of interest on the financial resources provided (as credit lines or sureties for example) <p><u>Insurance companies:</u></p> <ul style="list-style-type: none"> Protection of the company Avoidance of financial damage for KSB Adaptation due to climate change Protection from cyberattacks

Stakeholders	Requirements and expectations
State (Authorities, tax authorities)	<p><u>Authorities:</u></p> <ul style="list-style-type: none"> Full implementation of legal and other requirements Transparent corporate governance Positive contributions to the infrastructure Payment of social benefits Compliance with the fundamental Conventions of the ILO Timely communication / information Appropriate and effective risk management Nuclear safety Data and information security <p><u>Tax authorities:</u></p> <ul style="list-style-type: none"> Tax revenue
Suppliers (Suppliers, service providers)	<p><u>Suppliers:</u></p> <ul style="list-style-type: none"> Clear specifications Reasonable delivery time Payment as per agreement Prompt notification of defects Data and information security <p><u>Service providers:</u></p> <ul style="list-style-type: none"> Clear order details Favourable conditions Payment as per agreement Safety at the Workplace Good infrastructure Good planning of working hours Data and information security
Workers in the value chain	<ul style="list-style-type: none"> Health and safety at the workplace Exploitation prevention Freedom of association and collective bargaining Grievance mechanisms Transparency and traceability Consideration of gender and diversity aspects

Stakeholders	Requirements and expectations
Society (Non-governmental organisations, media, local community, analysts, competitors, political parties)	<p><u>NGOs:</u></p> <ul style="list-style-type: none"> Information about activities No environmental impact Adaptation due to climate change Assumption of social responsibility Nuclear safety <p><u>Media:</u></p> <ul style="list-style-type: none"> Information about activities, objectives, results and strategies Adaptation due to climate change <p><u>Local community:</u></p> <ul style="list-style-type: none"> Guarantee of safety and reliability Information about activities at the location No significant environmental impact Assumption of social responsibility <p><u>Analysts:</u></p> <ul style="list-style-type: none"> Transparent financial indicators with a positive trend Transparent ESG reporting Transparent strategic direction Appropriate and effective risk management Adaptation due to climate change <p><u>Competitors:</u></p> <ul style="list-style-type: none"> Fair business conduct <p><u>Political parties:</u></p> <ul style="list-style-type: none"> Full implementation of legal and other requirements Preservation of jobs Protection of the environment and social inclusion Transparent corporate governance Compliance with the fundamental Conventions of the ILO Timely communication / information An appropriate and effective risk management system Qualified employees



Stakeholders	Requirements and expectations
Stakeholders: Employees, Supervisory Board and Administrative Board (top management, middle management, non-managerial employees, Supervisory Board and Administrative Board)	<u>Top management:</u> Decision-making autonomy Good income Development of their own ideas and skills Compliance with defined processes Full implementation of strategic decisions Appropriate and effective risk management Adaptation due to climate change Data and information security
	<u>Middle management:</u> Good income Decision-making autonomy Development of their own ideas and skills Safety at the workplace
	<u>Non-managerial employees:</u> Good income Safety at the workplace Social security Safety at the Workplace Good working atmosphere Opportunities to maintain and further develop skills Good infrastructure Good planning of working hours Poss. adaptation of workplaces to climate change Privacy
	<u>Supervisory and Administrative Board:</u> Transparent financial indicators with a positive trend Positive image of KSB Innovative products Transparent strategic direction Appropriate and effective risk management Adaptation due to climate change Data and information security

Stakeholders	Requirements and expectations
Stakeholders: Interest groups (industry associations, trade unions)	<u>Industry associations:</u> Positive image of KSB Engagement with association work Transparent corporate governance
	<u>Trade unions:</u> Job security Safeguarding of social benefits and income Accident prevention Preventive healthcare Compliance with the fundamental Conventions of the ILO Poss. adaptation of workplaces to climate change

The double materiality assessment (DMA) confirmed that no material adjustments are currently required to the strategy or business model. It supported the existing strategic direction. Stakeholders will continue to be consulted on their interests and their responses will contribute towards the development and adaptation of the long-term strategy and business model.

The Supervisory Board and Management are updated on the sustainability views and expectations of the stakeholders several times a year by the CEO, who receives reports from the members of the Sustainability Committee once a year. The CEO also receives a monthly update from a sustainability representative from the Group's Strategy department.

Interests and views of stakeholders (own workforce)

For KSB, satisfied and qualified employees are essential for a sustainable and future-oriented business model. KSB therefore takes into account the interests, views and rights of its employees in various ways to ensure that their needs are fully met:

- Employee dialogue and networks: Open communication formats promote a continuous dialogue between employees and management.
- Cooperation with workers' representatives using Germany as an example: Discussions take place several times a year with local works councils, the Group Works Council and General Works Council and local representatives (e.g. representatives for severely disabled employees and younger employees). These representatives are involved in strategic decisions, especially on working conditions and social benefits. Comparable formats are also implemented in other countries, adapted to local conditions.
- The workers' representatives on the Supervisory Board are appointed in accordance with the *Mitbestimmungsgesetz* [German Co-Determination Act].
- Digital communication channels: Use of the KSB Intranet enables transparent communication and a rapid exchange of information.

Incorporation in strategy and business model: The feedback from discussions and other forms of interaction is incorporated into the design of the work environment and contributes towards the company's strategic direction. Respect for human rights, compliance with international labour standards, including the fundamental Conventions of the International Labour Organisation (ILO), non-discrimination policies and equal opportunities in the workplace are of particular importance.

KSB also strives to promote an open corporate culture by taking into account individual needs and rights, improving skills, and adapting to the challenges of climate change.

In addition to ensuring employee satisfaction, these approaches also contribute to KSB's long-term resilience and competitiveness.

Interests and views of stakeholders (workers in the value chain)

The company's business activities could potentially have a material impact on workers in the upstream value chain, especially in terms of human rights and working conditions. Workers in the upstream value chain are therefore key stakeholders of KSB. KSB has not been found to have a material impact on the downstream value chain.

Since the reporting year, KSB has been using a software solution called IntegrityNext to incorporate the interests and views of workers from the upstream value chain (tier 1). The evaluation also incorporates observations from KSB Procurement employees during visits to the supplier.

Due to the complexity of the supply chain, priority is given to bigger, active suppliers. For new suppliers, KSB requires the supplier to complete a questionnaire on topics related to human rights (decent pay, prohibition of forced labour) and the existence of a code of ethics.

Respect for human rights is a material criterion for KSB in the selection of direct suppliers.

This is verified during the supplier selection process and when assessing sustainability criteria for existing suppliers as part of a risk assessment for prioritised suppliers.

These findings are used as the basis for incorporating the interests and rights of these stakeholders into the strategy and supplier selection:

- KSB does not tolerate human rights violations in the value chain and only wants to work with partners who guarantee fair working conditions and human rights. It uses audits and the supplier code of conduct to enforce this.
- Grievance mechanisms: KSB provides secure channels through which workers in the supply chain or their representatives can report human rights violations.
- Training: To minimise risks, the company provides direct suppliers with training in occupational safety and human rights.

These actions strengthen KSB's long-term strategy to promote decent working conditions throughout the value chain and reduce risks to workers.

If a concern is raised (whether through the whistleblower system, the IntegrityNext software screening introduced by KSB in the reporting year or following a supplier audit), KSB will conduct an investigation and address the issues with the individual supplier.

As part of its ongoing due diligence process, KSB seeks dialogue with individual suppliers with the aim of eradicating any issues.

Overview of material impacts, risks and opportunities

The impacts presented in the following figure as having Medium and Low materiality were not deemed to be material in the double materiality assessment. However, KSB will continue to monitor these impacts and will, if necessary, include them in its reporting at a later date.

Six material reporting topics are identified by the double materiality assessment

	Upstream value chain			Own operations			Downstream value chain		
	I	R	O	I	R	O	I	R	O
	E1: Climate change	High	Not material	Not material	High	Not material	Low	High	Not material
E2: Pollution	Low	High	Not material	Not material	Not material	Not material	Low	Not material	Not material
E3: Water and marine resources	High	Not material	Not material	Not material	Not material	Low	Not material	Not material	Not material
E4: Biodiversity and ecosystems	Low	Not material	Not material	Not material	Not material	Not material	Not material	Not material	Not material
E5: Resource use and circular economy	Not material	Not material	Not material	Not material	Not material	Low	Not material	Not material	Not material
S1: Own workforce	n/a	n/a	n/a	High	Not material	Not material	n/a	n/a	n/a
S2: Workers in the value chain	High	Not material	Not material	n/a	n/a	n/a	Not material	Not material	Not material
S3: Affected communities	Not material	Not material	Not material	Not material	Not material	Not material	Not material	Not material	Not material
S4: Consumers and end users	n/a	n/a	n/a	Not material	Not material	Not material	Not material	n/a	n/a
G1: Business conduct	Not material	n/a	n/a	High	Not material	Not material	Not material	n/a	n/a

Key	
Assessment	Procedure
High materiality	Disclosure requirement in accordance with the ESRS topical standards
Medium materiality	Continue to monitor and, if necessary, collect data for proper assessment and future disclosure
Low materiality	Future disclosure requirement unlikely, ongoing monitoring recommended
Not material	No disclosure requirement identified
n/a	Not applicable

I = Impact
R = Risk
O = Opportunities

Overview of the material impacts, risks and opportunities related to the KSB business model

Topics	Drivers of negative impacts	Drivers of positive impacts	Risks Opportunities
Climate change	<p>The extraction of raw materials, use of purchased components, and the production and operation of KSB products throughout the value chain (upstream, own operations and downstream) consume fossil fuels and non-renewable electricity and generate CO₂ emissions.</p> <p>In addition, the fossil fuels consumed by the company (own operations) and downstream logistics in connection with vehicles and plant logistics also generate significant CO₂ emissions.</p>	<p>Mitigating the impacts of climate change with solutions for</p> <ul style="list-style-type: none"> • Flood control (downstream), and • Conservation of permafrost (downstream) <p>can greatly support local community resilience.</p> <p>Our highly efficient pump technology helps to reduce electricity consumption and related greenhouse gas emissions, bringing huge potential energy savings in the usage phase (downstream).</p>	
Pollution			Potential risk arising from the company's dependence on PFAS materials in purchased components and the medium-term prospect of a ban on these materials (upstream).
Water and marine resources	<p>Water use in mining and smelting (upstream).</p> <p>Water withdrawal in steel production (upstream).</p> <p>Waste water from the extraction of metals and production of intermediate products (upstream).</p>		
Own workforce	<p>Working conditions: Health and safety risks (own operations).</p> <p>Gender equality and equal pay for work of equal value: Low representation of women in top management (own operations).</p> <p>Gender diversity: Low representation of women in the company (own operations).</p>	<p>Equal treatment and opportunities for all: Potential for positive impacts from employee training and development (own operations).</p>	
Workers in the value chain	<p>Health and safety risks and impacts on workers' human rights in the value chain (upstream).</p>		
Corporate governance	<p>Potential negative impact from corruption and bribery (own operations).</p> <p>Potential negative impact due to inadequate prevention, detection and training on corruption and bribery (own operations).</p>	<p>The KSB corporate culture, which is underpinned by integrity, transparency and responsibility, is a material driver of positive impact on people and the environment (own operations).</p> <p>Protecting whistleblowers who report potential grievances or violations is a key element of this culture (own operations).</p>	

Impact on business model, value chain, strategy and decision-making

KSB thoroughly assessed the material impacts, risks and opportunities related to its business model and value chain.

The assessment confirmed that no material adjustments are currently required to KSB's existing strategy or business model. At the present time, therefore, the strategic focus remains on the following:

Environment

By proactively integrating sustainability into the KSB corporate strategy, the company is helping to mitigate the environmental impact of its energy use in the context of climate change.

Strategic focus areas include improving energy efficiency and reducing greenhouse gas emissions through continuous improvements in the technologies used and a reduction in emissions throughout the value chain.

The product life cycle and operation of the products at the customer are material aspects in this regard. KSB wants to improve the environmental performance of its products during their service life and support the sustainability goals of its customers.

By focusing on energy-efficient technologies and digitalisation, KSB is improving its operational efficiency and driving the development of innovative solutions.

KSB's current and future sustainability goals are key to the further development of sustainability-related aspects in the corporate strategy and organisation.

Social

Occupational health and safety

Occupational health and safety is an integral part of the KSB strategy and essential for creating safe working conditions to minimise accidents and risks to health.

This includes regular training, ensuring safe operating processes, providing suitable personal protective equipment and promoting a culture of mindfulness and prevention.

Reducing the number of working days lost due to work-related accidents is one of KSB's corporate goals.

Equal treatment and opportunities for all

KSB has made achieving a fair gender distribution in management positions, promoting gender equality, and providing professional development opportunities for all employees strategic priorities.

KSB has defined a specific percentage of women in management positions as one of its corporate goals and included this in the Human Resources functional strategy.

Gender diversity

Women are still under-represented in technical professions such as engineering. For a mechanical engineering company like KSB, this indicates considerable untapped potential on the labour market.

KSB is determined to increase the proportion of women in its own workforce and to increase interest among women in training for a technical profession.

Training and professional development

Qualified employees are key to any company's success. There is a close connection between employee training and the Know-How Champion pillar of the Mission TEN30 corporate strategy. Ensuring a high standard of training is part of the Human Resources functional strategy.

Improvement of working conditions across the value chain

KSB focuses not only on protecting and supporting its own employees, but also on respecting human rights and improving the working conditions of employees in the upstream value chain, especially in connection with raw material extraction (mining).

An important aspect of this is intensifying cooperation with suppliers to promote sustainable practices while reducing environmental impacts.

Corporate governance

By engaging KSB stakeholders and committing to ethical business practices, KSB proactively addresses social and governance risks related to human rights, diversity and corporate governance. Besides protecting its reputation, this also positions KSB as a responsible company.

Material impacts on people and the environment and their interaction with strategy and business model(s)

Climate change

Energy consumption & greenhouse gas emissions

The combustion of fossil energy sources and use of non-renewable electrical energy produce greenhouse gas emissions that contribute to climate change.

This, in turn, will entail an increase in extreme weather events, such as heat waves, heavy rainfall and floods. This can worsen the working conditions of the workforce and put the production sites at risk. It will also impact the living conditions of many people and potentially destroy habitats.

As a mechanical engineering company, KSB operates in a high climate impact sector. The negative impacts of energy use and greenhouse gas emissions are directly linked to the company's business model.

The impacts are expected in the short term.

The extraction of raw materials, production of purchased products (e.g. castings, steel parts, motors), KSB's own production (machining, assembly, testing) and the operation of pumps and valves all consume large amounts of energy.

The type of energy required depends on the production processes chosen, the technical solution used to heat and cool the buildings, and the electrical energy source for processing and operation during the usage phase of a sold product.

Fossil fuels (natural gas and heating oil) are used primarily in the production of castings and steel parts in the upstream value chain and KSB's own foundries, as well as for heating company buildings.

Electrical energy is used primarily to operate machining equipment in KSB production facilities and products during the usage phase.

Highly efficient KSB products and solutions to mitigate the impacts of climate change

KSB actively contributes to mitigating climate change-related challenges with innovative technical solutions. These include pumps and valves for flood control systems and permafrost conservation technologies that protect the environment and human habitats. In addition, KSB's energy-efficient products make a material contribution to reducing greenhouse gas emissions and customer operating costs thanks to increased efficiency.

These positive impacts are closely linked to KSB's business model and strategic direction, as the development of energy-efficient technologies is an integral part of KSB's corporate strategy.

The impacts are expected in the short term.

Through the ongoing development and marketing of highly efficient technologies, KSB is helping to reduce customer operating costs and achieve global climate change mitigation targets. The company's innovative strength and the targeted integration of sustainable principles into product development are positively impacting the environment and society.

Water and marine resources

Water consumption, water withdrawal and waste water

KSB's upstream value chain includes the mining of necessary raw materials and the production of intermediate products in the iron and steel industry. Water withdrawal, water consumption and the generation and treatment of waste water associated with raw material mining vary greatly depending on the specific activities and locations.

Mining companies typically use large amounts of water for production, processing, separating minerals and cleaning machines. Smelting also requires large quantities of water for cooling, scrubbing and dust suppression. Suitable waste water purification and treatment technologies are required to decontaminate the water used.

As a mechanical engineering company, KSB requires many supply parts made of iron and steel. The upstream value chain is water intensive. The negative impacts are directly linked to the company's business model.

This can lead to significant environmental and health problems in the medium to long term.

In water-scarce regions, water withdrawal, combined with water scarcity, can cause short-term resource conflicts.

The negative impacts arise in the upstream value chain, raw material mines, steelworks and during further processing into intermediate products made from iron and steel, which are required by KSB and purchased as part of its business operations.

Own workforce

Occupational health and safety

As a company involved in industrial machine production and with its own foundries, workers at KSB are regularly exposed to health and safety risks from heavy machinery, moveable equipment and electrical hazards.

Safe working conditions and safeguarding the health of employees are an integral part of the KSB strategy and essential for creating safe working conditions to minimise accidents and risks to health.

Besides safeguarding employee health, safe and ergonomic working conditions also improve effectiveness and efficiency.

The impacts are expected in the short term.

The impacts relate to KSB's own mechanical engineering activities.

Equal treatment and opportunities for all

Due to the under-representation of women in management positions, it is not possible to ensure sufficient diversity of perspectives at management level.

As a global company, equal treatment and diversity is extremely important. Diverse perspectives breed innovation and drive business success. KSB has made achieving a fair gender distribution in management positions and promoting gender equality strategic priorities.

The impacts are expected in the short term.

Due to its focus on mechanical engineering, it is a challenge for KSB to actively promote women in the workplace and play a part in changing society to mitigate the negative impacts of under-representation.

Gender diversity

The low representation of women negatively impacts KSB's attractiveness to female employees. This may result in skilled workers not applying to KSB.

Despite signs of a turnaround according to the German Federal Statistical Office, technical disciplines such as engineering continue to be impacted.

The impacts are expected in the short term.

The under-representation of women is connected to the company's business model and mechanical engineering activities, and is attributable to the fact that STEM (science, technology, engineering and mathematics) professions are less attractive to women.

Training and professional development

Training and professional development has the potential to positively impact the company's workforce.

Providing professional development opportunities for all employees is important to KSB. Due to the growing shortage of skilled workers, harnessing and developing the potential of all employees is of great strategic importance for the company.

Employee training is particularly important because of the direct connection between training and the Know-how Champion pillar of the Mission TEN30 corporate strategy.

The impacts are expected in the short term.

In connection with its business model and activities, KSB requires highly qualified specialists. This correlates directly with the impact.

Workers in the value chain

Working conditions, equal treatment, equal opportunities for all and other work-related rights

The material impacts related to supply chain workers for KSB concern working conditions, equal treatment and opportunities for all, and other work-related rights. Focus areas for KSB include ensuring compliance with appropriate labour, wage and social standards as well as equal treatment, primarily for suppliers in Asia.

The impacts relate to KSB's business model as the required raw materials have to be mined and negative impacts on working conditions cannot be completely ruled out.

The impacts are expected in the short term.

The impacts relate to KSB's business relationships and upstream value chain.

Corporate governance

Corruption and bribery

Incidents of corruption and bribery have the potential to significantly impact KSB, as they give rise to unethical decision-making processes that can violate human rights or compromise environmental protection. Such incidents undermine trust in institutions and companies, and can damage natural resources or harm vulnerable communities.

Incidents of corruption often arise due to weaknesses in the business model or insufficient controls in the corporate strategy. An explicit anti-corruption policy is necessary to minimise such risks and maintain the company's integrity.

In terms of impacts, incidents of corruption can cause serious damage to a company's reputation in the short term and involve legal consequences and financial losses in the long term. It can take years to recover from an incident.

KSB could become embroiled in incidents of corruption through its own operations or those of business partners, especially in high-risk countries or sectors. It is important that all involved parties, from suppliers to partners, follow the same ethical standards.

Prevention and detection of corruption and bribery

Inadequate or ineffective corruption and bribery prevention measures and related training could have significant negative consequences for the company, including a loss of trust among stakeholders, financial losses due to sanctions and fines and long-term reputational damage. Public funds and resources could also be misused, harming the general public and negatively impacting society and the environment through illegal projects or projects that are not environmentally sustainable, for example.

Anti-corruption and anti-bribery policies are closely connected to the corporate strategy. Observing ethical standards and preventing illegal activities such as corruption reduces the potential risk of reputational damage. A strong governance control system and regular training are an integral part of KSB's business processes. Inadequate prevention and training activities can have a negative impact even in the short term as a lack of ethical corporate culture could negatively influence employee behaviour.

The company may be exposed to corruption risks through its own business practices or through business relationships with suppliers or partners. It is therefore

important to integrate these activities into all business relationships to ensure compliance with ethical standards across the supply chain.

Corporate culture

A strong corporate culture based on clearly defined values leads to a positive social climate and supports fair working conditions. This can promote employee well-being and support fairer, environmentally conscious business practices, ensuring the long-term protection of natural resources and communities.

A value-based corporate culture is a solid basis for the corporate strategy. It helps to minimise risk and increases long-term sustainability and stakeholder confidence in the company.

Promoting a value-based corporate culture has positive effects on employee motivation and trust in the short term, while strengthening the company's reputation in the long term.

A value-based corporate culture influences internal business practice and positively impacts business partners. Companies that are clearly committed to their values can build stronger and more sustainable relationships with their partners and customers.

Protection of whistleblowers

Whistleblower protection allows employees to draw attention to grievances, corruption or unethical business practices without fear of reprisal. This helps to create a safer and fairer work environment and supports environmental protection by exposing illegal or environmentally harmful practices.

An effective whistleblower system is an essential part of a transparent and responsible corporate strategy. It

promotes compliance with laws and ethical standards, and minimises risks by identifying grievances at an early stage.

Implementing a whistleblower system has positive effects both in the short term, by improving trust in the corporate culture, and in the long term, by contributing to a more stable, ethically managed organisation.

Whistleblowing programmes involve internal employees and external business partners, and can help uncover and prevent corruption and unethical conduct throughout the supply chain.

Current financial effects from risks and opportunities

The sustainability-related risks and opportunities identified were quantified in the reporting year. The topics identified in the double materiality assessment were incorporated in KSB's Group-wide risk management system. Based on its double materiality assessment, KSB does not consider there to be a significant risk of a material adjustment within the 2025 financial year to the carrying amounts of assets and liabilities reported in the consolidated financial statements. In the current reporting year, material risks and opportunities have no financial effects on the financial position, financial performance or cash flows.

Anticipated financial effects from risks and opportunities

Based on current knowledge, KSB does not anticipate any material impacts on the financial position, financial performance or cash flow in the short and medium term.

The company has identified a potential long-term financial risk from its dependence on PFAS (per- and polyfluoroalkyl substances) components in view of the proposed medium-term ban on their use.

PFAS components offer specific properties such as chemical resistance and longevity, which are essential for certain applications. A ban on these substances could bring significant challenges, including rising costs for developing and sourcing alternative materials as well as production delays. This could have a significant long-term impact on KSB's business and upstream supply chain.

To minimise this risk, KSB is already looking for alternatives.

This risk cannot be quantified reliably at present due to the evolving legal situation (there is currently no concrete ban) and the evolving availability of alternative materials.

KSB sees growth potential for its products in different markets and applications, regardless of the climate scenarios considered (1.5 °C, 2 °C, 4 °C). However, this potential is already considered in the Mission TEN30 corporate strategy and does not represent an additional opportunity.

There are no sustainability-related actions that currently require material investments. However, once KSB has prepared a transition plan for reducing greenhouse gas emissions, it does anticipate a need for investment.

In the reporting year, KSB conducted additional resilience audits based on the impacts, risks and opportunities identified in the DMA.

These included qualitative assessments considering the different time horizons defined in ESRS 1 Section 6 "Time horizons".

The qualitative assessment focused on identifying vulnerabilities and potential disruptive factors within the business processes and value chain.

KSB conducted scenario analyses to understand how its business could be impacted by various risks and opportunities such as climatic changes, geopolitical instability or market shifts.

These analyses found that the flexibility of the KSB business model allows for targeted adjustments, making it resilient to transitory changes. A key factor in KSB's resilience is its ability to respond swiftly to market changes and develop innovative solutions.

The analyses found that KSB is well positioned to address the transition risks while taking advantage of opportunities.

The KSB business model and Mission TEN30 corporate strategy have the resilience needed to meet future challenges and leverage opportunities from global changes:

- Energy efficiency and climate change mitigation: KSB continues to increase the energy efficiency of its products and reduce greenhouse gas emissions through innovative pump and drive technologies. The company's long-term goal is to achieve climate neutrality.
- Reduction of polluting substances: The use of PFAS must be minimised over the medium term and KSB focuses on the responsible selection of materials.

- Employee appreciation: KSB invests in employee training and development and occupational health and safety, and promotes a positive, diverse corporate culture. Employee satisfaction is measured in regular employee engagement surveys.
- Support across the value chain: KSB works with its suppliers to ensure their compliance with social and environmental standards and increase awareness of sustainability throughout the value chain.
- Governance: Transparency and ethical action underpin corporate governance. KSB has clear compliance guidelines and promotes a culture of responsibility.

Description of the process to identify and assess material impacts, risks and opportunities (double materiality assessment DMA)

Procedure

KSB conducted and finalised its first double materiality assessment (DMA) based on the ESRS in the reporting year. Guided by the content and requirements of the draft ESRS, KSB adopted a systematic approach to the double materiality assessment to identify, evaluate and document all material impacts, risks and opportunities (IRO). It used the scoring and assessment model suggested by the ESRS and EFRAG.

For the initial preparation of the DMA, KSB completed the following steps:

- Preparatory workshops including as-is analysis
- Performance of the DMA (assessment and documentation of impacts, risks and opportunities)
- Presentation of the DMA and approval by the Managing Directors

The following preparatory activities were completed in the kick-off workshop before starting the DMA:

- As-is analysis
- Preparation of an overview of relevant business areas, production processes and product groups
- Definition of relevant business relationships along the value chain
- Discussion of possible topics and their impacts, risks and opportunities (long list)
- Determination of KSB's internal interview partners for stakeholder discussions

For an external perspective, KSB held workshops and interviews with internal stakeholders with in-depth knowledge and experience of the company's internal

processes, strategies and goals. Their insights are critical to understanding external perceptions of the company and how external factors (e.g., market trends and regulatory requirements) can influence internal decisions.

Assumptions:

The assumptions made when completing the DMA related to the availability and quality of data, the long-term impacts of the company's operations and actions, regulatory trends, stakeholder expectations, and the company's ability to respond to future challenges and opportunities. These assumptions formed the basis for identifying material financial effects and material impacts on the environment and society.

Validity of the material impacts, risks and opportunities for all KSB business areas:

The IROs impact the Pumps, Valves and KSB SupremeServ Segments equally because the risks and opportunities, which are influenced by factors such as market conditions, regulatory requirements and technological developments, do not differ materially and the businesses are closely linked.

Gross view of impacts, risks and opportunities in the DMA:

The assessment of impacts, risks and opportunities makes a distinction between gross and net effects. Gross effects are the impacts, risks and opportunities identified, not accounting for any mitigation effects or implemented actions.

Net effects, on the other hand, take into account the impact of strategies already implemented as well as actions to mitigate impacts and risks or maximise opportunities. This distinction is important to give a

realistic picture of the potential financial and operational impact and assess the effectiveness of existing actions.

While the DMA presents the gross view, the individual facts in the risk and opportunity report are presented net in the financial part of the Annual Report, after deducting the amount of countermeasures. This may result in differences in the assessment of individual facts in the different reports. If the different views lead to deviations, this is explicitly indicated in the reports.

KSB included all Segments and Market Areas in the discussion of potentially relevant processes and product groups. Since KSB is similarly positioned worldwide in terms of its processes and product groups, there is no breakdown by KSB Regions and subsidiaries.

Impacts from the upstream and downstream value chain and business relationships were considered in addition to the company's own operations.

There was no direct involvement of external stakeholders in the DMA. The stakeholder perspective was included in the workshops based on input from internal employees with external stakeholder contact. KSB also called in external expertise to support it during implementation of the DMA process.

The materiality of the identified impacts, risks and opportunities was assessed in workshops.

The criteria and thresholds recommended by the European Financial Reporting Advisory Group (EFRAG) were used for the materiality assessment.

These criteria are explained below.

Assessment of impact materiality

Negative impacts

The materiality of a negative impact is informed by the due diligence process for sustainability defined in the international instruments of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

In the case of *actual negative impacts*, materiality is based on the severity of the impacts based on the following factors:

Scale + scope + irremediability

In the case of *potential negative impacts*, materiality is based on the severity and likelihood of the impacts:

(Scale + scope + irremediability) * likelihood

Positive impacts

The materiality assessment of a positive impact does not have to take into account remediability as the impact does not cause harm. ESRS 1 Paragraph 46 requires positive impacts to be assessed based on actual and potential impacts as follows:

For *actual impacts*, materiality is based on the scale and scope of the impact:

Scale + scope

For *potential impacts*, materiality is based on the scale, scope and likelihood of the impact:

(Scale + scope) * likelihood

Detailed description of the assessment criteria used (scale, scope and remediability)

- Scale – How grave are the negative impacts or how beneficial are the positive impacts for people or the environment?

The scale of impact is a relative measure depending on the context in which the positive or negative impact takes place.

Value	Description
5	Absolute
4	High
3	Medium
2	Low
1	Minimal

- Scope – How widespread are the negative or positive impacts?

In case of environmental impacts, the scale may be understood as the extent of environmental damage in a geographical region or a geographical perimeter.

In case of impact on people, the scope may be understood as the number of people adversely affected.

Value	Description
5	Global/total
4	Widespread
3	Medium
2	Concentrated
1	Limited

- Remediability (irremediable character) – Whether and to what extent the negative impacts could be remediated (not relevant for positive impacts)

Remediability concerns whether and to what extent the negative impacts could be remediated, restoring the environment or affected people to their prior state.

Value	Description
5	Non-remediable/irreversible
4	Very difficult to remedy or long-term
3	Difficult to remedy or mid-term
2	Remediable with effort (time & cost)
1	Relatively easy to remedy or short-term

Materiality thresholds

After assessing the scale, scope and remediability (severity) of positive and negative impacts using the criteria described, the impacts are classified using the materiality thresholds defined by EFRAG.

The materiality thresholds are necessary to determine which actual impacts are material.

- Any actual impact with a quantitative sum result of 8 or higher is material and must be disclosed by KSB.

Value	Description	Material
>12	Critical	Yes
11-12	Significant	Yes
8-10	Important	Yes
5-7	Informative	No
<5	Minimal	No

- All potential impacts must also be assessed with a likelihood. The assessment of likelihood is a follow-on step in the impact assessment and is only relevant for potential impacts.

The company is required to disclose potential material impacts based on the combined likelihood and severity in accordance with the matrix published by EFRAG.

To classify an impact in the likelihood matrix, the assessed severity score is divided by 3 (negative impact) or 2 (positive impact).

The materiality of a potential impact is assessed against criteria of severity and likelihood as follows:

Combinations	Likelihood	Severity				
		5	4	3	2	1
	5 (Critical)	Material	Material	Material	Material	Material
	4 (High)	Material	Material	Material	Material	Not material
	3 (Moderate)	Material	Material	Not material	Not material	Not material
	2 (Minor)	Material	Not material	Not material	Not material	Not material
	1 (Negligible)	Not material	Not material	Not material	Not material	Not material

The likelihood is assessed using the following scale:

- 1: Very unlikely
- 2: Unlikely
- 3: Neither likely nor unlikely
- 4: Likely
- 5: Very likely

Exception in case of negative human rights impacts

In the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood. In such cases, the likelihood of potential negative impacts was not taken into account. These impacts are then treated as actual impacts and their materiality thresholds are applied accordingly.

Overview of the process used to assess, identify and monitor risks and opportunities that have or may have financial effects

KSB has implemented a Group-wide risk management system for identifying, assessing and reporting relevant, ESG-related risks and opportunities. Risk Management was involved in performance of the double materiality assessment and IRO assessment process. An additional category for ESG risks was also included for risk management.

All corporate and central functions and Group companies, including Group companies that are not consolidated, are included in the risk management system. The responsible managers are required to report all identified risks to the central Risk Managers twice a year.

The risk management process of the KSB Group consists of the successive phases of identification, assessment, management, control, documentation and communication of risks. This process is supported by risk management software and is documented in KSB's Risk Management Manual alongside the management responsibility, the description of all relevant tasks and the risk strategy.

The monitoring period comprises four periods:

- The first period encompasses a time horizon of up to 12 months.
- The second period encompasses a time horizon of up to 24 months.
- The third period encompasses a time horizon up to 5 years.
- The fourth period encompasses a period of more than 5 years. This is limited by the validity period of the Mission TEN30 corporate strategy, which currently runs until 2030.

The Managing Directors, the Administrative Board and the Supervisory Board's Audit Committee receive two risk reports per financial year. These reports include all the risks classed as material that exceed a pre-defined threshold value individually or collectively, taking into consideration any corrective action that has been taken (net risk), as well as further significant developments.

Additionally, the risk-bearing capacity of the KSB Group is regularly monitored on the basis of the overall risk position, which is developed by aggregating all the risks recorded. This makes it possible to identify early on any developments that could threaten business continuity in the monitoring period.

Particularly time-critical risks and new or changed risks that are classified as significant are to be reported by the responsible managers to the Risk Managers on an ad hoc basis. The latter review the information and pass it on to the Managing Directors of KSB Management SE.

As the legal representative, KSB Management SE assumes overall responsibility for risk management. It reports to the Supervisory Board of KSE SE & Co. KGaA via its Managing Directors during regular Audit Committee meetings and is monitored by the latter.

The impacts were reconciled with the risks and opportunities in the workshops and documented in the double materiality assessment.

A distinction is made between qualitative and quantitative risks.

Qualitative risks are developments that cannot or cannot yet be thoroughly quantified due to a lack of precise information. However, to be able to evaluate them for further analysis steps, the scope is assessed using

defined evaluation intervals. The mean value of these evaluation intervals is used to determine the significance of these risks for the Group.

Quantitative risks are risks for which the potential monetary impact on the earnings and/or liquidity of the KSB Group can be estimated. They are evaluated taking into account the specifically calculated likelihood of occurrence in combination with the potential amount of loss.

The scope or amount of loss describes the potential influence of the individual risk on the key indicator of earnings before finance income / expense and income tax (EBIT) or liquidity of the KSB Group or the respective Group company. This must be evaluated using three scenarios. A distinction is also made between a gross method before taking into account any corrective action that has been taken, and a net method after taking into account such actions.

In this context, gross impacts on EBIT of all individual and similar risks of € 500,000 or more before countermeasures in the most likely case scenario are to be reported uniformly throughout the Group at the earliest possible time, regardless of how the risk is assessed in terms of likelihood of occurrence. Purely cash-effective risks are reported as from a gross impact of € 5 million or more (in the most likely case).

KSB defines as material all risks or aggregate risks for which the product of the likelihood of occurrence and the most probable amount of loss after deducting the amount of countermeasures is greater than € 5 million. This applies to qualitative and quantitative risks.

Assessment of financial materiality

In a first step, the assessment was carried out in two groups (Continued use or availability of resources and Dependence on relationships) as shown below.

If the result of the assessment is critical, significant or important, the financial effect was initially classed as material.

a) Continued use or availability of resources

Risks:

Value	Description
5	Impossible, very costly or unavailable in the short-term
4	Possible, but costly in the short-term, very costly or lacking in the medium-term, impossible in the long-term
3	Possible in the short-term, costly in the medium-term, very costly in the long-term
2	Possible in the short, medium and long-term
1	Without consequence in the short, medium and long-term

Opportunities:

Value	Description
5	The resource use is very likely, very beneficial and available in the short term
4	The resource use is likely, beneficial in the short-term, very beneficial in the medium-term
3	Possible in the short-term, beneficial in the medium-term, very beneficial in the long-term
2	Possible and slightly beneficial in the short, medium and long-term
1	Possible in the short, medium and long-term

b) Dependence of relationships

Risks:

Value	Description
5	Strong adverse reaction currently or very likely in the future
4	Adverse reaction currently, strong adverse reaction likely in the future
3	Negative reaction currently, adverse reaction likely in the future
2	Signs of negative reaction currently or in the future
1	Neutral/no reaction currently and likely in the future

Opportunities:

Value	Description
5	Strong positive reaction currently or very likely in the future
4	Positive reaction currently, strong positive reaction likely in the future
3	Positive reaction currently, positive reaction likely in the future
2	Signs of slightly positive reaction currently or in the future
1	Neutral / no reaction currently and likely in the future

Financial materiality assessment table:

Value	Description	Material
5	Critical	Yes
4	Significant	Yes
3	Important	Yes
2	Informative	No
1	Low	No
0	Minimal	No

Since dimensions were partly aggregated in this first step, the reported risks and opportunities classed as material were also systematically evaluated in accordance with the requirements of risk and opportunity management with the specialist departments responsible. The influence of time, likelihood, and magnitude of the risks and opportunities were considered and evaluated separately.

The following scale was used to assess the global likelihood of occurrence:

- Highly likely (51-100 %)
- Likely (31-50 %)
- Possible (11-30 %)
- Unlikely (1-10 %)

Evaluation of the materiality of risks and opportunities

The decision as to the materiality of an opportunity/risk was based on the expected value limit and calculated gross values defined in the risk management system. This limit corresponds to the net expected value in financial risk management (after deducting mitigating actions).

When considering the risks and opportunities in the DMA, this limit was applied to the gross assessment (expected value without deduction of mitigating actions).

As a result, there are no material risks other than the potential ban on components made of PFAS (per- and polyfluoroalkyl substances). The final assessment with the relevant specialist department resulted in determining the materiality for the long-term time horizon.

For the opportunities, a review was conducted of the notional growth potentials from the DMA workshops in the KSB fields of application. This found that all growth potentials were already incorporated in the Mission TEN30 corporate strategy and did not identify any material deviations from the plan. In accordance with the DMA methodology, this does not result in any material opportunities for KSB.

The sustainability-related risks are not prioritised by KSB and are covered by the company's general risk management.

Performance of the DMA

The DMA was prepared on the basis of expert interviews. The KSB core team – the internal subject owners – held several meetings with the involvement of external experts to discuss the impacts, risks and opportunities and the assessment of these.

The DMA was also validated by the Managing Directors, the Administrative Board of KSB Management SE and the Audit Committee.

For following years, KSB expects to consider the following:

- Clarification of new topics for the long list
- Stakeholder interviews
- Review of the double materiality assessment
- Control procedures of the Managing Directors

The impacts, risks and opportunities are based on KSB's risk reports.

A Risk & Opportunity Review Panel was established in the reporting year with a particular focus on future requirements of the CSRD. The aim of this panel is to continuously improve KSB's risk management system. This is achieved by identifying all material risks and opportunities, critically assessing the reported top risks and opportunities, and reviewing the appropriateness and effectiveness of the allocated actions. The panel consists of managers from selected functional areas who have the necessary expertise to review the risk and opportunity reporting with regard to the points mentioned and thus ensure the completeness and plausibility of the disclosures.

All risks and opportunities identified in the DMA are recorded to the same extent as risks and opportunities in the corresponding software solution for risk management.

ESG risks and opportunities are assessed in the same way as all other financial risks and opportunities. The impacts are also identified in the risk management software. The assessment was conducted outside the software solution.

The DMA did not identify any material opportunities in the reporting year.



However, possible ESG opportunities would always be identified and reported as part of the risk and opportunity management process.

In addition to the topics listed in ESRS 1 Appendix A, the DMA process also considered industry and company-specific topics that were already the basis for the previous sustainability reporting.

Additional information comes from an external stakeholder survey (bachelor thesis), the SASB Materiality Finder, VDMA information, WWF Water Risk and Biodiversity Risk Filters, IPPC scenarios, Swiss RE Catnet data, customer satisfaction surveys, comparisons with competitors, a broad internet search on specific sustainability topics, especially on the web sites of recognised NGOs.

Following a reconciliation (which is also based on the SASB Materiality Finder for industrial machinery), all potentially material topics for KSB as a company are covered by the CSRD subtopics.

The entire company including its value chain was considered.

Topical disclosure requirements related to climate change

KSB identified and assessed its current actual climate-related impacts, risks and opportunities in the DMA.

As the basis for considering the impacts on climate change in particular, direct and indirect greenhouse gas emissions along the value chain were calculated in line with the GHG Protocol standards and guidance.

These included:

- Scope 1 emissions (direct emissions from sources owned or controlled by the company directly, e.g. production facilities and building heating systems, air conditioning systems, the KSB vehicle fleet)
- Scope 2 emissions (indirect emissions from purchased energy)
- Scope 3 emissions (emissions from upstream and downstream activities such as supply chains, product use and waste disposal)

The data is collected annually using quantitative methods. The results are presented in an annual emissions report and included in the company's climate change policy.

KSB does not currently use scenario analyses or projections to quantify accurate potential future emissions in the event of business growth or new technologies, but has considered and assessed these potential impacts qualitatively.

Physical climate risk analysis

In the reporting year, KSB assessed climate-related physical risks for its biggest production sites and the upstream and downstream value chain.

The assessment of climate-related hazards, exposure and sensitivity was informed by high emissions climate scenarios, including the IPCC's RCP 8.5 scenario. This scenario represents the possible physical risks for KSB in the event of unchecked emissions growth and was used for all production sites worldwide.

Various sources and tools were used for the assessment to provide the clearest possible picture of current and potential risks:

- The CatNet climate database of the insurance company Swiss Re: This database provided location-specific information on the current climate risk situation. It offers a global, up-to-date overview of climate risks, such as floods, heat waves and storms.
- IPCC WGI Interactive Atlas: This tool was used to analyse regional climate projections. Future scenarios, especially with high emissions, were considered to assess potential physical risks for the production sites and geographical regions.

This information was presented in the form of a summary for each Region and production site. The analysis is based on regional climate projections and geographical data of the production sites. Detailed, site-specific analyses were not performed at the micro level, limiting the accuracy of the predictions.

The assessment considered chronic and acute risks associated with temperature, wind, water and solids.

The following table presents the physical risks that were considered and those that were not.



Overview of physical risks that were considered or not considered

	Temperature	Wind	Water	Solids
Chronic	Changing temperature (air, freshwater, marine water)	Changing wind patterns	Changing precipitation patterns and types (rain, hail, snow/ice)	Coastal erosion
	Heat stress		Precipitation or hydrological variability	Soil degradation
	Temperature variability		Ocean acidification	Soil erosion
	Permafrost thawing		Saline intrusion	Solifluction
			Sea level rise	
			Water scarcity	
Acute	Heat wave	Cyclones, hurricanes, typhoons	Drought	Avalanche
	Cold wave/frost	Storms (including blizzards, dust, and sandstorms)	Heavy precipitation (rain, hail, snow/ice)	Landslide
	Forest and grassland fires	Tornado	Flood (coastal, fluvial, pluvial, ground water)	Ground subsidence
			Glacial lake outburst	

Key

- Bold with blue background: considered risks
- Not bold with white background: risks were not considered



KSB has assessed the extent to which its assets and activities are exposed to the identified climate-related hazards.

The scenarios considered covered short-term (reporting year), medium-term (up to 5 years) and long-term (beyond 5 years) periods to assess different potential risks. These time horizons were chosen to align with the Company's strategic planning horizons and capital allocation plans. However, the production sites are expected to last longer than the longest period considered.

The impacts on production facilities and critical infrastructures were examined to plan the necessary medium-term investments and adjustments:

Short term (reporting year):
KSB did not identify any material risks.

Medium term (up to five years):
KSB did not identify any material risks.

Long term (>5 years):
KSB did not identify any material risks.

KSB also initiated strategic actions to safeguard its business and diversify supply chains. An ISO 22301-compliant business continuity management system has been in place since April 2023, which also takes these risks into account.

When identifying and assessing physical risks, did the company consider climate-related hazards over the short-, medium- and long-term time horizons and screen whether its assets and business activities may be exposed to these hazards? YES NO

Does the company use medium- and long-term time horizons and has it explained how these definitions are linked to the expected lifetime of its assets, strategic planning horizons and capital allocation plans? YES NO

Has the company presented the extent to which the likelihood, magnitude and duration of the hazards as well as the geospatial coordinates specific to the company's locations were considered in the assessment of impacts on its assets and business activities? YES NO

Has the company presented the extent to which the assessment of climate-related hazards is informed by high emissions climate scenarios. YES NO

Climate scenario analysis

KSB analysed potential climate-related transition risks and opportunities that could impact the company's business and assets.

This assessment was based on the Mission TEN30 growth strategy and covered internal operations as well as the upstream and downstream value chain.

As recommended by the Task Force on Climate-related Financial Disclosures (TCFD), the assessment involved three climate scenarios and three different time horizons (short, medium and long term) that could have different impacts on KSB's business:

- Worst case, +4 °C
- Middle of the road, +2 °C
- Best case, +1.5 °C

Worst-case scenario, +4 °C:

In this scenario, only minimal actions are taken globally to reduce greenhouse gases, while climate policies and carbon pricing remain weak. General consequences include an increased physical impact from extreme weather events such as floods and droughts, which, without adequate political action, could lead to significant physical damage and global economic burden.

Middle of the road scenario, +2 °C:

In this case, climate change mitigation progresses slowly as global social, economic and political trends remain largely unchanged. Greenhouse gas emissions will not stabilise until around 2100. This scenario foresees local and severe impacts of extreme weather events such as heat waves and droughts with moderate, but inadequate climate policies. Carbon pricing is only partially implemented, and the transition to a low-carbon economy is patchy.

Best-case scenario, +1.5 °C

This scenario describes an ambitious global climate policy with the goal of limiting global warming to 1.5 °C. This would involve the implementation of robust climate policies and comprehensive carbon pricing. Technological innovations accelerate the transition to low-emission technologies, while market demands and consumption habits increasingly focus on sustainable

products. This scenario represents a rapid, coordinated transition to a low-carbon economy.

The transition risk analysis included potential risks related to policy, regulation, technology, market changes and reputational risks. KSB selected the main risk drivers for its consideration of transition risks. These are indicated in the table below, which presents the transition risks that were considered and those that were not.

Key

- Bold with blue background: considered risks
- Not bold with white background: risks were not considered

In all three scenarios, a judgement was made about the extent to which assets and business activities are affected in the scenario analysis. The results were incorporated within the regular opportunity and risk management process.

Short term (reporting year):

KSB did not identify any material risks or opportunities.

Medium term (up to five years):

KSB did not identify any material risks or opportunities.

Long term (>5 years):

KSB did not identify any material risks or opportunities.

KSB's operations and assets are, in principle, compatible with a transition to a climate-neutral economy.

Overview of transition risks that were considered or not considered

	Policy and legal	Technology	Market	View
Transition risks	Increased pricing of GHG emissions	Substitution of existing products and services with lower emissions options	Changing customer behaviour	Changing consumer preferences
	Enhanced emissions reporting obligations	Unsuccessful investment in new technologies	Uncertainty in market signals	Stigmatisation of sector
	Mandates on and regulation of existing products and services	Costs of transition to lower emissions technology	Increased cost of raw materials	Increased stakeholder concern
	Mandates on and regulation of existing production processes			Negative stakeholder feedback
	Exposure to litigation			

Have transition events been identified over the short-, medium- and long-term time horizons? YES NO

Has the company screened whether its assets and business activities may be exposed to potential transition events? YES NO

Has the company screened whether its assets and business activities may be exposed to potential transition events? YES NO

Has the company assessed the extent to which its assets and business activities may be exposed and are sensitive to the identified transition events? YES NO

Is there a material exposure to climate-related risks? YES NO

Are the identification of transition events and the assessment of exposure informed by climate-related scenario analysis? YES NO

Were assets and business activities that are incompatible with or need significant efforts to be compatible with a transition to a climate-neutral economy identified? YES NO

The climate-related assumptions made in the financial reports were reconciled with the resilience analysis based on climate scenarios and the physical climate risk analysis.

Topical disclosure requirements related to pollution

The double materiality assessment included consideration and assessment of pollution of the air, water, soil, living organisms and food resources, and pollution related to substances of concern, substances of very high concern and microplastics in the company's own operations and in the upstream and downstream value chain.

The impact of business activities at the KSB site locations related to air, water and soil pollution was identified and assessed using ISO 14001-compliant methodology and related internal processes and procedures.

KSB did not conduct consultations with potentially affected communities.

Topical disclosure requirements related to water and marine resources

The double materiality assessment included a qualitative consideration of the impacts, risks and opportunities related to water and marine resources connected with the upstream and downstream value chain as well as KSB's own operations and assets.

KSB used the WWF Water Risk Filter tool to quantify the water risks at company level.

This tool enables an analysis of the potential impacts and risks in connection with the company's locations.

However, the tool did not identify any potential impacts or risks.

The results of the WWF Water Risk Filter are consistent with the LEAP approach of the Taskforce on Nature-related Financial Disclosures (TFND).

KSB used the WWF Water Risk Filter to assess its production sites. This found that the following KSB production sites are located in areas of high water stress:

Lille (France), Pune, Shirwal, Sinnar and Vambori (India), Querétaro (Mexico).

For KSB, however, the impacts and risks related to water consumption are not material as the company's machining and manufacturing processes are not water intensive.

In addition to the WWF Water Risk Filter, KSB also uses life cycle assessments (LCAs) for pumps and valves: To assess the water consumption and impact on marine resources of its products and processes, KSB conducted life cycle assessments along the value chain for a few selected products. It considered and quantified the environmental impact of all relevant processes from raw material extraction to end of product life. These assessments help to quantify the specific water consumption of individual products and thus identify hotspots where water can be used more efficiently.

However, these calculations were performed for specific, isolated products and the results cannot be generalised. KSB is taking steps to better understand and quantify the overall impacts of its operations and the value chain on water and marine resources.

A company may face reputational risk in the context of the Water Risk Filter if stakeholders and local communities perceive that it does not conduct business in a sustainable and responsible fashion with respect to water. The indicator refers to the automotive, electrical components and mechanical engineering sectors. Reputational risk comprises four risk categories:

- The cultural significance of water for local communities
- The conditions and values of freshwater resources and freshwater biodiversity
- Media scrutiny / reporting on water-related topics
- The risk of hydro-political conflicts in river basins.

Through its activities related to water extraction, water supply and water treatment, KSB also works with local community representatives and industry stakeholders to understand regional water-related risks and marine ecosystem vulnerabilities.

This enables KSB to take on board local knowledge and set priorities in areas where the company's activities could have significant impact.

These external stakeholders were not involved directly in the double materiality assessment, but their views were taken into account by internal representatives.

Topical disclosure requirements related to biodiversity and ecosystems

The actual and potential impacts on biodiversity and ecosystems were qualitatively considered in the double materiality assessment at KSB's own sites and within the upstream and downstream value chain.

KSB used the WWF Biodiversity Risk Filter (BRF) to quantify the biodiversity-related impacts and risks. The tool provided the basis for an initial assessment of potential impacts on biodiversity and ecosystems at the company's own production sites.

KSB used the following assessment criteria:

- A sector-specific assessment of the impact on biodiversity and ecosystems
- Site-specific risks related to impacts on biodiversity and ecosystems, such as proximity to nature reserves
- Site-specific impacts on biodiversity and ecosystems

The impacts covered by the WWF Biodiversity Risk Filter include land-use change, freshwater-use change and sea-use change, direct exploitation, invasive alien species, pollution and more.

When examining the potential impacts of the production sites, none of the sites achieved a score higher than 3.31 for the Pressures on Biodiversity indicator. This equates to a medium risk. KSB therefore considers the potential negative impacts to be in the low to medium range.

Dependencies on biodiversity and ecosystems and their services were considered and assessed in the double materiality assessment for the company's own operations and the upstream and downstream value chain. This assessment was used to identify potential risks to KSB's business.

The assessment criteria were as follows:

- Dependence on water resources, natural raw materials (e.g. wood, agricultural products) and the importance of pollination
- Inclusion of ecosystem services

KSB did not identify or assess any transition risks, physical risks or opportunities related to biodiversity and ecosystems.

The double materiality assessment also considered systemic risks.

The WWF Biodiversity Risk Filter was also used to provide a limited assessment of systemic risks by considering aggregated risks linked to the fundamental impacts of biodiversity loss.

KSB did not consult with affected stakeholders. Environmental interests were represented by internal stakeholders during the double materiality assessment.

The WWF Biodiversity Risk Filter was used to assess sites in biodiversity-sensitive areas.

The assessment of the production sites indicated that the production site in Alphen, the Netherlands, has the highest potential risk due to its proximity to protected areas.

(Score 4 – high potential risk of indicator 6.1 Protected / conserved areas, including the Natura 2000 Network of Protected Areas and UNESCO Protected World Heritage Sites).

At this site, KSB operates electrically operated machining equipment, assembly and test facilities and has not identified any negative impact on protected areas. All other KSB sites are below this potential risk. KSB also does not anticipate a negative impact from other sites in connection with the deterioration of natural habitats and the habitats of species and the disturbance of the species for which a protected area has been designated.

KSB does not currently consider it necessary to implement biodiversity mitigation actions.

Topical disclosure requirements related to resource use and circular economy

In the double materiality assessment, KSB screened its assets and activities to identify the actual and potential impacts, risks and opportunities related to resource use and the circular economy.

The resource inflows, outflows and waste were assessed for KSB's own operations and the full value chain.

When screening its assets and activities, KSB additionally uses assessment methodology based on circular economy indicators such as the MCI (Material Circularity Indicator) of the Ellen MacArthur Foundation for selected products.

With the aid of an independent consultant, KSB estimated the circularity of five representative products and resource streams based on the MCI.

The models provided by the Ellen MacArthur Foundation allow for a fair comparison of material use and the potential for reuse and recycling of products and components. Based on the MCI, the company was able to make a structured assessment of resource efficiency over the entire product life cycle.

Assumptions and specific analysis: The MCI measures the circularity of a product or material. It evaluates the proportion of recycled or renewable inputs used and assesses the potential for reuse or recycling at the end of the product's life. The assessment is based on the assumption that greater circularity means lower environmental impact and resource use. For data collection, KSB used internal life cycle assessment tools and recycling rates to calculate the MCI score for different product categories.

KSB believes that the assessments performed are representative of the company's entire product portfolio.

MCI assessment results:

The MCI assessment showed how the use of recycled metals and optimised design can improve material efficiency and resource conservation.

KSB did not conduct consultations with affected communities in the reporting year.

Topical disclosure requirements related to corporate governance

The double materiality assessment included the recording and assessment of all potential and actual impacts, risks and opportunities related to corporate governance.

It considered the following relevant criteria:

Site location

The company operates production sites, research and development centres, and sales offices in several countries worldwide.

In addition to the central Group Compliance Office, there is also a local compliance office for each KSB location. Group Compliance conducts on-site assessments (screening of KSB's compliance management system at a decentralised level) with the support of external consultants. At each site, the risk assessments are conducted with the involvement of the local management and Local Compliance Officer (LCO).

In 2024, Group Compliance, with the support of external consultants, also launched a Group-wide bottom-up risk assessment on corruption prevention and cartel / anti-trust law to assess whether KSB is adequately managing risks in this area.

All KSB companies also report their business risks and the financial consequences arising from these to a centrally managed risk management system.

Activity

The company's business activities include the development, production and sale of pumps and valves, and related services.

The process takes into account impacts, risks and opportunities throughout the entire life cycle of the products – from raw material procurement to production and use by customers.

Sector

In the mechanical engineering industry, industry-specific risks, such as technological innovations and market changes, and regulatory requirements, such as environmental and safety standards, are central. The company's processes related to compliance with local and regional regulations, international trade restrictions and sanctions support KSB in complying with these regulations.

Structure of transactions

When assessing risks related to mergers, acquisitions and other strategic transactions, due diligence processes are used that integrate ESG (environmental, social, governance) criteria. This includes analysing potential violations of anti-corruption directives, human rights and other governance risks.

This will be adapted to new regulatory requirements and market conditions if necessary.

This approach helps the company to ensure responsible corporate governance and ensure long-term success in a competitive global market.

Disclosure requirements in the ESRS covered by the company's non-financial report

The final result of the double materiality assessment found that 13 of the total 37 possible ESRS sub-topics are material for KSB.

These can be grouped into the overarching topics Environment, Social and Governance.

The topics Biodiversity and ecosystems, Resource use and circular economy, Affected communities and Consumers and end users were excluded as the impacts, opportunities or risks were considered negligible.

ESRS standards relevant to KSB and material subtopics

- **ESRS E1 Climate Change**
 - Climate change adaptation
 - Climate change mitigation
 - Energy
- **ESRS E2 Pollution**
 - Substances of concern and substances of very high concern
- **ESRS E3 Water and Marine Resources**
 - Water
- **ESRS S1 Own Workforce**
 - Working conditions
 - Equal treatment and opportunities for all
- **ESRS S2 Workers in the Value Chain**
 - Working conditions
 - Equal treatment and opportunities for all
 - Other work-related rights
- **ESRS G1 Corporate Governance**
 - Corporate culture
 - Protection of whistleblowers
 - Corruption and bribery

The materiality threshold for impacts was defined in accordance with the specifications of the European Financial Reporting Advisory Group (EFRAG). On this basis, actual impacts with a score of eight or higher were classed as material (important).

For potential impacts, materiality is based on a matrix that assesses the severity and likelihood of the impact materialising. This matrix is presented as follows:

Risks and opportunities were considered financially material if the product of the likelihood of occurrence and most probable amount of loss was greater than € 5 million.

KSB did not deal with the materiality of information concept. All KPIs required by the ESRS were reported in accordance with the specifications.

		Likelihood				
		5 (Very likely)	4 (Likely)	3 (Neither likely nor unlikely)	2 (Unlikely)	1 (Very unlikely)
Severity	5 (Critical)	Material	Material	Material	Material	Material
	4 (High)	Material	Material	Material	Material	Not material
	3 (Moderate)	Material	Material	Not material	Not material	Not material
	2 (Minor)	Material	Not material	Not material	Not material	Not material
	1 (Negligible)	Not material	Not material	Not material	Not material	Not material

Environmental Information

Climate Change

Transition plan for climate change mitigation

All greenhouse gases of the operationally controlled subsidiaries were fully consolidated for the first time in the 2024 reporting year. This formed the basis for the development of a transition plan,

KSB plans to publish this plan in the medium term.

Material impacts, risks and opportunities and their interaction with strategy and business model

In the reporting year, KSB did not identify any material risks from its completed risk analyses for climate-related physical and transition risks, as described in the General Information section.

KSB's resilience analysis based on physical and transitional climate risks (which are described in detail in the General Information section) is based on all the company's operating segments and Corporate Functions, as well as the associated regional and global supply chains.

The resilience analyses were completed in the second half of the reporting year using the climate scenario analysis recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

These analyses were used to assess the resilience of KSB to the various risks.

Critical assumptions about the transition to a low-carbon and resilient economy

Macroeconomic trends

The transition to a low-carbon economy is being promoted by globally strengthened climate policies and carbon pricing. This is leading to changes in supply chains, an increased focus on sustainable products and services, and rising demand for energy-efficient solutions. For KSB, this could mean greater demand for green technologies, especially in the general industry, water and energy management sectors, to meet the stricter energy efficiency and emissions reduction requirements.

Energy consumption and mix

To achieve emissions targets, companies are increasingly facing the challenge of reducing energy consumption in the production and operation of their products and transitioning to renewable energies. KSB too is actively driving this transition by expanding its own production and procurement of renewable electrical energy worldwide and implementing energy efficiency measures.

As a result, the company's global energy mix will increasingly move towards renewable and nuclear energy sources with a declining focus on conventional energy sources. In the 1.5 °C scenario, the transition is accelerated, while in the 4 °C scenario, it is slower and attenuated.

KSB therefore remains clearly focused on developing:

- Energy-efficient pump and automation solutions
- Technologies to promote renewable and nuclear energy sources
- And using digital and automated control systems to optimise energy consumption in operational processes.

Technological change

The transition to a low-carbon economy will be driven by rapid technological innovations in energy efficiency, low-emissions technologies and digital solutions.

For KSB, this calls for investment in research and development to develop digital and low-emissions products that meet the demands of the changing market. Developing intelligent pump solutions with integrated automation functions is just one example.

Applied time horizons and their alignment with climate and business scenarios

The resilience analysis considers material risks and opportunities over three time horizons:

Short-term time horizon (reporting year):

For the short-term time horizon, KSB is focused on assessing current climate risks, including acute physical risks such as floods and heat waves, which can impact production sites and supply chains.

Medium-term time horizon (up to five years):

Within the next five years, the company will focus on rolling out stricter climate policies and influencing changes in the market. Transition risks such as new legal rules and regulations regarding CO₂ emissions as well as changing market requirements (e.g. demand for energy-efficient products) are expected to increase. Over this period, KSB will aim to adapt its product range to meet these requirements. To remain competitive, the company will focus on strategic investments in technological innovations and digitalising its products and processes.

Long-term time horizon (beyond 5 years):

KSB is expecting to see a complete transformation to a low-carbon economy in the long term. During this period, KSB will develop climate-neutral products and services and potentially introduce sustainable business models to address long-term transition risks such as the complete ban on fossil fuels. The focus will be on climate adaptation strategies, including ensuring the resilience of the company's own production facilities and supply chains.

These time horizons have been chosen in accordance with the requirements of ESRS 1 Paragraph 77 to allow for an informed assessment of physical and transition risks over different time periods.

The time horizons have been aligned with the climate-related and business scenarios and are intended to help KSB identify and manage material physical and transition risks. They also allow for the setting of realistic emissions reduction targets, which will be reported as part of the disclosures required by E1-4.

Financial effects of material physical and transition risks and climate change mitigation actions

Based on the risk analyses described in the General Information section, KSB anticipates the following financial effects:

Physical risks:

KSB does not anticipate any material financial risks from climate change in respect of the analysed assets (biggest production sites) of KSB and their supply chains.

Transition risks:

KSB does not anticipate any material financial risks in connection with the transition risks or climate-related impacts analysed.

Actions and resources related to climate change mitigation:

KSB plans to implement a number of climate change mitigation actions, including a reduction in operational CO₂ emissions, transition to renewable energies, and the optimisation of production processes to improve energy efficiency. Some of the investments required for this are already part of the current medium-term planning.

The financial impact of these actions and risks will be reviewed regularly and reported on in accordance with the disclosure requirements of the ESRS standards.

The resilience of the business model and supply chains is ensured by the diversified global production network with several manufacturing plants per product, as well as several main suppliers (at least two suppliers for all critical components).

The positive and negative impacts of climate change are generally favourable for KSB's business as pumps and valves are needed both for mitigating the impacts of climate change and for preventing climate-related disasters.

The customer base is also very broad due to the different applications and international focus of the business.

Adaptability of the business model to climate change

The resilience analysis of KSB's business model found that the company has a very good basis for successful business over the long term and is resilient. In all the climate scenarios considered, KSB is able to generate business in all market segments.

The only differences arising from the assessed climate scenarios and underlying assumptions will be a shift of focus to specific business activities.

KSB is able to:

- Ensure constant access to financial resources at an affordable cost of capital
- Flexibly repurpose, modernise or decommission existing assets
- Align the product and service portfolio to changing requirements
- Retrain the workforce to serve new technologies and market needs.

Policies related to climate change mitigation and adaptation

KSB is guided by the defined corporate guidelines and applicable laws. It arranges regular internal and external audits to ensure compliance with these requirements, mitigate negative environmental impacts and continuously improve the company's environmental and climate change mitigation activities.

KSB also implemented a Climate Protection Directive in the reporting year and wants to make an active contribution to reducing greenhouse gas emissions.

Directive: Climate Protection Directive

Key contents, general objectives and relation to material impacts, risks and opportunities:

The KSB Group's Climate Protection Directive supports the company in its efforts to make an active contribution to reducing greenhouse gas (GHG) emissions. It sets out basic principles and targets for climate protection to strike a balance between profitable growth and the company's sustainability aims.

This directive underlines KSB's commitment to supporting the energy transition towards renewable energy sources and the avoidance and reduction of GHG emissions worldwide with its own products and solutions. KSB also wants to limit the effects of climate change while also reducing environmental pollution. The directive forms the basis for KSB's commitment to climate protection.

Why the climate is important to KSB:

There is a broad scientific consensus that human activities, especially the burning of fossil fuels, are a major contributor to global warming. This has already led to rising temperatures and an increase in global energy consumption. Climate change has far-reaching impacts on people, ecosystems and economies. A healthy environment is fundamental for human health while the risks of climate change are already affecting economies worldwide; an impact that is only set to increase in the future.

Relation to material impacts, risks and opportunities:

The Climate Protection Directive describes the identified negative impacts of the KSB Group along its value chain, which encompasses the production sites, vehicle fleet, and upstream and downstream processes such as the purchase of raw materials and intermediate products as well as the operation of KSB products. It focuses on energy consumption and the associated GHG emissions. By taking targeted action in these areas, the company is not only reducing its environmental impact, but also creating opportunities for innovation towards more sustainable products and more efficient solutions.

Process for monitoring:

The (regional / local) sustainability coordinators are responsible for developing, coordinating and implementing GHG reduction actions and reporting measures. These support Management in identifying risks and opportunities, implementing derived actions and monitoring progress.

Management is updated twice a year through meetings of the Sustainability Committee, which are attended by all relevant corporate units (Finance, HR, Procurement, Corporate Strategy, Integrated Management). These meetings discuss the status of climate change mitigation actions.

In addition, all employees are encouraged to actively contribute to the implementation of the Climate Protection Directive. They are invited to practice environmentally aware behaviour and make suggestions for improving sustainability activities to protect the global climate.

Scope of application and value chain:

The Climate Protection Directive applies to the company and includes the upstream and downstream value chain with a focus on purchased goods and services and the product operating phase.

Responsible organisational level:

The Management of KSB has overall responsibility for implementing the Climate Protection Directive. It ensures the availability of the necessary resources to achieve the greenhouse gas (GHG) reduction targets and promotes a culture of environmental awareness and sustainability within the company.

Reference to third-party standards or initiatives:

- Paris Climate Agreement
- 17 goals for sustainable development set out by the United Nations
- UN Global Compact

Engagement with affected stakeholders:

KSB defined its stakeholders in the context of the organisation and considered their expectations. KSB acknowledges the importance of cooperation with these external stakeholders and considers them important partners in implementing the derived climate change mitigation actions within the meaning of the directive. KSB will therefore involve relevant stakeholders in necessary actions. Cooperation with external stakeholders is intended to raise awareness of climate protection in the supply chains, for example, and to develop joint innovative solutions, where appropriate. External stakeholders were not involved directly in the development of the Climate Protection Directive.

Availability of the directive to stakeholders:

The Climate Protection Directive is centrally accessible to all employees on the KSB Intranet and is available to external stakeholders on the KSB Group's web site.

Is climate change mitigation taken into account in the company's policies? YES NO

KSB's Climate Protection Directive aims to reduce energy consumption and related greenhouse gas emissions throughout the value chain.

Is climate change adaptation taken into account in the company's policies? YES NO

With its products and solutions, the company aims to mitigate the impacts of climate change and facilitate adaptation to climate change in line with the KSB Climate Protection Directive. Climate-related adaptation is not necessary for the KSB business model.

Is energy efficiency taken into account in the company's policies? YES NO

KSB is currently implementing an ISO 50001 energy management system at all German production sites in accordance with the Energy Efficiency Act (EnEfG). It has therefore not yet formulated a separate directive for energy efficiency.

Is renewable energy deployment taken into account in the company's policies? YES NO

In accordance with the KSB Climate Protection Directive, the company is committed to supporting both the energy transition towards renewable energy sources and the avoidance and reduction of greenhouse gases worldwide with its products and solutions. KSB evaluates and communicates internally the greenhouse gas emissions of different companies relative to sales revenue with the aim of encouraging an increasing use of renewable energies.

The use of renewable energies has not yet been mandated as the decision to use renewable energies is left to the KSB Regions, depends on local availability and is subject to economic considerations.

Are other areas considered in the company's policies? YES NO

Actions and resources in relation to climate change policies

KSB has formed a sustainability network for the planning and implementation of ESG-related actions. All KSB Regions are part of this network and share information every six weeks on the planned actions and development of ESG topics in the regions. The sustainability network is responsible for consolidating the regional actions implemented and planned for the KSB Group. The necessary investments are planned regionally and are an integral part of the regular budgeting process at KSB.

KSB has not yet prepared a detailed action plan based on the ESRS requirements because it does not yet have a transition plan to achieve net zero emissions. It is therefore unable to meet all the ESRS disclosure requirements at this time.

However, since 2018, KSB has been looking at material company locations in relation to greenhouse gases and their Scope 1 and 2 emissions, and has defined reduction actions.

KSB continues to focus on implementing the following key actions (current and future) to reduce greenhouse gas emissions at the production sites (Scope 1 and 2, own operations) and will expand these further in the development of its net zero action plan:

Mitigation actions with decarbonisation levers and nature-based solutions:

- Use of renewable energy
- Energy efficiency and substitution of fossil fuels
- New high-efficiency products
- Nature-based solutions (NbS)

Use of renewable energy

Expansion of the company's own PV energy production and purchase of renewable energy

Actions in the 2024 reporting year linked to the purchase of renewable electrical energy	<ul style="list-style-type: none"> The Grovetown office (KSB GIW USA) began obtaining 100 % of its electrical energy from renewable sources. The Alphen aan den Rijn site (Netherlands) began procuring 100 % of its electrical energy from renewable sources. All four locations in Finland for the first time purchased 100 % of their electrical energy from renewable sources. At the Shanghai site (China), KSB installed additional roof-mounted PV modules as part of a power purchase agreement (PPA). For the Pimpri / Pune site (India), additional renewable electricity was purchased on the basis of a PPA.
Expected results	<ul style="list-style-type: none"> An increase in the share of renewable energies for electrical energy. Reduction in Scope 2 emissions.
Contribution to the achievement of the targets	<ul style="list-style-type: none"> Achieved reduction of GHG emissions through the avoidance of conventional electrical energy.
Scope	The share of energy converted from 'grey' to 'green' electricity is significant, especially due to the conversion of the Grovetown sites where there is a large foundry and the new PPA project in India.
Time horizons	The actions mentioned have an impact in the short term and count towards the company's long-term goal of 100 % electricity from renewable sources.

Actions in the 2024 reporting year linked to the expansion of the company's own renewable energy production	<p>New photovoltaic systems were put into service at the:</p> <ul style="list-style-type: none"> Frankenthal site (Germany) Loughborough site (UK) Kerava site (Finland) Bronisze site (Poland) Echternach site (Luxembourg) Hasan Abdal site (Pakistan) Ankara site (Turkey)
Expected results	<ul style="list-style-type: none"> Increase in renewable electricity production in the reporting year. Reduction in Scope 2 emissions.
Contribution to the achievement of the targets	<ul style="list-style-type: none"> Achieved reduction of GHG emissions through the avoidance of conventional electrical energy.
Scope	Some actions implemented at individual locations, as listed above.
Time horizons	The actions have an impact in the short term and count towards the company's long-term goal of 100 % electricity from renewable sources.

Energy efficiency and substitution of fossil fuels

- Building efficiency:
 - Construction projects (new buildings and renovations)
 - Energy efficiency measures (insulation, replacement of lighting systems)
- Process efficiency:
 - Replacement of machinery and systems with low energy efficiency
 - Conversion of heating systems
- Vehicle fleet:
 - In the long term, KSB is moving to an all-electric vehicle fleet and is investing in charging infrastructure.

Actions in the 2024 reporting year	<p>Building efficiency:</p> <ul style="list-style-type: none"> Various actions related to the insulation of buildings, replacement of windows, replacement of lighting with LEDs and the use of waste heat from air compressors at sites in Germany, the Netherlands, Italy, France and Spain
Expected results	<ul style="list-style-type: none"> Energy savings and reduction in related Scope 1 and 2 greenhouse gas emissions.
Contribution to the achievement of the targets	<ul style="list-style-type: none"> Achieved reduction of GHG emissions.
Scope	Some actions implemented at individual locations, as listed above.
Time horizons	The actions have an impact in the short term.
Actions in the 2024 reporting year	<p>Process efficiency:</p> <ul style="list-style-type: none"> Various actions related to the replacement of heating systems and heat recovery in manufacturing processes at sites in Germany and Luxembourg.
Expected results	<ul style="list-style-type: none"> Energy savings and reduction in related Scope 1 and 2 greenhouse gas emissions.
Contribution to the achievement of the targets	<ul style="list-style-type: none"> Achieved reduction of GHG emissions.
Scope	Some actions implemented at individual locations, as listed above.
Time horizons	The actions have an impact in the short term.

Actions in the 2024 reporting year	Vehicle fleet: <ul style="list-style-type: none"> Many vehicles in Germany and Sweden replaced with electric vehicles.
Expected results	<ul style="list-style-type: none"> Energy savings and reduction in related Scope 1 and 2 greenhouse gas emissions.
Contribution to the achievement of the targets	<ul style="list-style-type: none"> Currently no contribution as the vehicle fleet does not yet fall under a GHG emissions reduction target.
Scope	These actions concern company vehicles under KSB's operational control (the KSB vehicle fleet).
Time horizons	The actions have an impact in the short term and help to reduce vehicle fleet-related greenhouse gas emissions.

New high-efficiency products

To reduce energy consumption in the operating phase of the products, KSB already offers highly efficient, highly automated solutions and additional sensors for identifying potential savings.

Actions in the 2024 reporting year	Market launch of new, high-efficiency and digital products: <ul style="list-style-type: none"> PumpDrive 3 variable speed system with pay-per-use function and FlowManager app AmaProp, IIOT-ready AmaRex Pro, IIOT-ready UPA 400+ UPA S 12" and 14"
Expected results	Reduction of energy consumption and associated greenhouse gas emissions during the operating phase of KSB products.
Contribution to the achievement of the targets	There is currently no specific target for energy consumption and Scope 3 emissions during operation, but KSB is working on a target for some of its products in the reporting year.
Scope	Even if the savings percentage is low, the total share still has a considerable impact in consideration of the quantities sold and the period of operation.
Time horizons	The actions have an impact in the short term and help to reduce energy consumption and greenhouse gas emissions associated with product operation.

Nature-based solutions (NBS)

KSB does not currently use any nature-based solutions, such as reforestation projects for the long-term storage of carbon.

The implementation of climate change mitigation actions depends on the current economic situation of the company and is therefore evaluated and decided as part of regular budget planning.

An investment plan for necessary actions will also be prepared and approved by the Management, the Administrative Board and the Supervisory Board as part of the net zero transition plan.

In the reporting year, KSB did not invest significant sums in the implementation of the actions taken or planned.

Targets related to climate change mitigation and adaptation

Mitigating the impact of climate change and protecting the environment are tasks that can only be achieved together. As a manufacturing company, KSB takes care to use natural resources responsibly. This includes reducing the company's consumption of energy and raw materials as far as possible. In addition to mitigating negative environmental impacts, this also increases the company's profitability.

Under the current CO₂ reduction targets, CO₂ emissions produced by the material locations (excluding those of the vehicle fleet), which are chiefly the manufacturing plants and large service locations, are to be reduced by 30 % by 2025 (based on the 2018 figure). The target value for 2030 has been scaled based on the average annual reduction of 4.29 % and thus meets the minimum reduction of 4.2 % per year until 2030 according to the emission pathway compatible with limiting global warming to 1.5 °C.

In 2024, GHG emissions associated with greenhouse gases for air conditioning systems were included in the scope of Scope 1. KSB has also improved the recording and calculation of market-based Scope 2 emissions based on the disclosures of electricity suppliers. These adjustments to the calculation methodologies and the scope of recording also have an impact on the total of Scope 1 and Scope 2 market-based GHG emissions.

Overview of GHG emission reduction targets

Relationship of the target to the Directive objectives	The Directive does not mention a specific target.
Set target level (absolute) and target achievement period (including milestones)	Reduction target in % by 2025: -30 % (base year 2018) Reduction target in % by 2030 (4.29 % per year): -51 % (base year 2018)
GHG emissions scopes	Scope 1 & 2 market-based (excluding vehicle fleet and fugitive emissions)
Base year and base value compared to current status	2018 / 101,339 tCO ₂ eq (base value) 2024 / 62,486 tCO ₂ eq
Stakeholder engagement	Stakeholders were not involved in the setting of this target.
Change to targets and parameters	No changes
Current progress [%]	-38 %
Percentage of Scope 1 GHG emissions covered by this target [%]	62 %
Percentage of Scope 2 GHG emissions covered by this target [%]	100 %
Percentage of Scope 3 GHG emissions covered by this target [%]	0 %
Percentage of total GHG emissions covered by this target (Scope 1,2,3) [%]	0.024 %
Assumption	Based on cross-sector reductions pathway (1.5 ° limit)
Methodology	Defined by management

KSB has chosen 2018 as the base year and corresponding baseline value.

KSB considers this figure to be representative of the company's activities and greenhouse gas emissions as no significant acquisitions have been made in the meantime, nor have there been any changes to the business model. There were also no material increases in quantities sold. However, the baseline value has not been normalised, using averages from the last three years for example. Distortions caused by exceptional external factors, such as weather-related anomalies, were not considered material.

KSB confirms that the baseline value and base year have not been changed to date.

Progress compared with initial plan, how it is monitored and reviewed, and an analysis of trends or significant changes

The progress at KSB is in line with the original plans. Progress is monitored on an annual basis and reviewed through a combination of internal and external audit processes. External audits are conducted by independent auditors who assess target achievement and reporting accuracy.

KSB's performance has been impacted by the following trends and changes:

- Efficiency improvements: The implementation of a new heating system at the Frankenthal site has led to a significant reduction in Scope 1 emissions.
- Greater share of renewable energies: 62 % of KSB's own electricity needs are now covered by renewable energy sources, which has significantly reduced its own Scope 2 emissions.

- Influences from external factors: The energy crisis-related increase in energy costs has prompted KSB to implement efficiency projects faster than originally planned.

The current greenhouse gas emission targets relate to the production sites and the associated Scope 1 and Scope 2 CO₂ emissions.

To ensure consistency between the greenhouse gas emissions reduction targets pursued by KSB and the limits of the greenhouse gas inventory, the company has taken the following actions:

- Definition of clearly defined inventory limits: The greenhouse gas inventory includes all relevant emissions sources, including direct emissions (Scope 1), indirect emissions from energy consumption (Scope 2) and other indirect emissions along the value chain (Scope 3).
- Compliance with international standards: The inventory limits and emissions calculations are in line with the GHG Protocol guidance to ensure international recognition and comparability of the data.
- Reviews and adjustments: KSB regularly conducts internal reviews to ensure that all relevant emissions sources are recorded correctly and that the reduction targets are adjusted accordingly.

KSB's current greenhouse gas reduction targets are not yet officially recognised as science based and have not yet undergone formal validation, under the Science Based Targets Initiative (SBTi) for instance, to verify their compatibility with the 1.5 °C target.

KSB has developed the current targets based on internal calculations and industry-specific benchmarks to identify reduction potential.

Currently, these targets are based on a cross-sector reductions pathway based on a 1.5-degree target reference value.

The underlying climate scenarios are based on general industry forecasts. No specific, external climate-related or political scenarios have been formally included however.

Future developments, such as changes in quantities sold or customer preferences, regulatory changes or technological advances have so far not played a role in the setting of Scope 1 and 2 targets.

Cross-sector (ACA) reductions pathway based on the year 2020 as the base year	
Reduction by 2030	-42 %
Reduction by 2050	-90 %

Source: based on Pathways to Net-zero –SBTi Technical Summary (Version 1.0, October 2021)

The most relevant decarbonisation levers for KSB are:

- The generation and purchase of renewable energy: Savings potential of approx. 50 % of total Scope 1 and 2 greenhouse gas emissions (excluding vehicle fleet and fugitive emissions)
- Energy efficiency and substitution of fossil fuels Savings potential of approx. 50 % of total Scope 1 and 2 greenhouse gas emissions (excluding vehicle fleet and fugitive emissions).

KSB did not consider a diverse range of climate scenarios when defining the decarbonisation levers as the climate scenario analysis did not show a material impact on KSB's business or product range.

Energy consumption and mix

Total energy consumption of the company

Metric	Description	Unit	2024 value
Total energy consumption	Total from fossil, nuclear and renewable sources	MWh	337,461.4
	Total energy consumption from fossil sources and share of fossil sources in total energy consumption	MWh / %	229,225.3 / 67.93 %
Total energy consumption from fossil sources	Fuel consumption from coal and coal products	MWh	0.0
	Fuel consumption from crude oil and petroleum products	MWh	48,304.5
	Fuel consumption from compressed natural gas (CNG) / liquefied petroleum gas (LPG)	MWh	115,496.8
	Fuel consumption from other fossil sources	MWh	0.0
	Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	65,424.0
Total energy consumption from nuclear sources	Total energy consumption from nuclear sources and share of nuclear sources in total energy consumption	MWh / %	0.0 / 0.00 %
	Total energy consumption of renewable energy and share of renewable sources in total energy consumption	MWh / %	108,236.1 / 32.07 %
Total energy consumption from renewable sources	Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources	MWh	6,829.5
	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	98,148.9
	Consumption of self-generated non-fuel renewable energy	MWh	3,257.7
	Generation of non-renewable energy	MWh	0.0
Energy generation	Generation of renewable energy	MWh	3,325.6
	Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh / Monetary unit)	Energy consumption in MWh per € thousand revenue	0.1138

KSB's total revenues are associated with activities in high climate impact sectors.

Since mechanical engineering falls within the energy-intensive sector, KSB's total energy consumption is associated with activities in the energy-intensive sector.

Sector: Mechanical engineering, NACE code 28.

Reconciliation with net sales revenue from financial statements:

Net sales revenue from activities in high climate impact sectors used to calculate energy intensity	€ 2,965 million
Net sales revenue (other)	€ 0
Total net sales revenue (financial statements)	€ 2,965 million

Gross Scopes 1, 2, 3 and Total GHG emissions

Total GHG emissions, disaggregated by Scope 1, Scope 2 and significant Scope 3 emissions

Description	Base year (2018)	2023	2024	% compared to previous year	Milestones and target year		
					2025	2030	Annual % target / base year
Scope 1 GHG emissions (tCO₂eq)							
Gross Scope 1 GHG emissions (tCO ₂ eq)	-	-	37,971	-	-	-	-
Biogenic GHG emissions from the combustion of wood	-	-	2,321	-	-	-	-
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (in %)	-	-	0 %	-	-	-	-
Scope 2 GHG emissions (t CO₂eq)							
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	-	-	73,866	-	-	-	-
Gross market-based Scope 1 GHG emissions (tCO ₂ eq)	-	-	38,068	-	-	-	-
Significant Scope 3 GHG emissions (in accordance with the GHG Protocol)							
Gross total indirect (Scope 3) GHG emissions (tCO ₂ eq)	-	-	264,145,284	-	-	-	-
1: Purchased goods and services (tCO ₂ eq)	-	-	796,701	-	-	-	-
2: Capital goods	-	-	Not material	-	-	-	-
3: Activities related to fuels and energy (not included in Scope1 or Scope 2)	-	-	Not material	-	-	-	-
4: Upstream transportation and distribution	-	-	Not material	-	-	-	-
5: Waste generated in operations	-	-	Not material	-	-	-	-
6: Business travel	-	-	Not material	-	-	-	-
7: Employee commuting	-	-	Not material	-	-	-	-
8: Upstream leased assets	-	-	Not material	-	-	-	-
9: Downstream transportation	-	-	Not material	-	-	-	-
10: Processing of sold products	-	-	Not material	-	-	-	-
11: Use of sold products (tCO ₂ eq)	-	-	263,348,583	-	-	-	-
12: End-of-life treatment of sold products	-	-	Not material	-	-	-	-
13: Downstream leased assets	-	-	Not material	-	-	-	-
14: Franchises	-	-	Not material	-	-	-	-
15: Investments	-	-	Not material	-	-	-	-
Total GHG emissions							
Total GHG emissions (location-based) (tCO ₂ eq)	-	-	264,257,121	-	-	-	-
Total GHG emissions (market-based) (tCO ₂ eq)	-	-	264,221,323	-	-	-	-
GHG intensity based on net revenue							
Total GHG emissions (location-based) per net revenue (tCO ₂ eq / € thousand)	-	-	89.1255	-	-	-	-
Total GHG emissions (market-based) per net revenue (tCO ₂ eq / € thousand)	-	-	89.1134	-	-	-	-

Total net sales revenue used to calculate GHG intensity	€ 2,965 million
Total net sales revenue (other)	€ 0
Total net sales revenue (financial statements)	€ 2,965 million

Contractual instruments bundled with attributes about the energy generation

Share:	<ul style="list-style-type: none"> 35 locations with green energy contracts (EU) 9 locations with PPA contracts
Types:	<ul style="list-style-type: none"> Power purchase agreements (PPAs) that include the renewable energy and related Guarantees of Origin (e.g. certificates that comply with the EU Directive). Standardised energy supply contracts, in which the supply chain attributes are used to guarantee the origin of the energy. <p>Examples: Long-term contracts with wind turbine and solar park operators. Green electricity contracts within the EU.</p>

Contractual instruments for unbundled attribute claims:

Share:	<ul style="list-style-type: none"> 9 locations with green electricity based on unbundled RECs in the United States and Brazil
Types:	<ul style="list-style-type: none"> Spot market transactions with no directly allocated energy attributes. Contracts with energy traders where attributes are optionally purchased separately <p>Examples: Short-term electricity purchases without guarantees of origin</p>

Additional notes

The company prioritises long-term contracts with bundled energy generation attributes to support its sustainability goals and increase the transparency of its energy consumption.

The above proportions and types are based on data for the 2024 reporting year and are subject to change depending on market conditions and corporate strategies.

Disclosure of biogenic emissions of CO₂ and other greenhouse gases (Scope 2)

The company used location- and market-based emission factors for its greenhouse gas reporting.

This had the following limitations

- Biogenic CO₂ emissions:
The underlying emission factors do not provide information on the percentage share of biogenic CO₂ emissions or their separation from fossil emissions.
The company points out that this is a limitation in the exact calculation and separation of biogenic and fossil emissions.
- Other greenhouse gases (CH₄ and N₂O):
No specific data on methane (CH₄) and nitrous oxide (N₂O) are included in the emission factors used for the location-based method (grid-based averages).
Nor is there any information on the proportions of these gases in the energy mixes used for the market-based method.

Impacts of data gaps

These limitations could lead to an underestimation of the total greenhouse gas emissions from energy consumption. The company shall include more detailed information in future reporting as it becomes available.

Percentage of emissions determined from primary data from suppliers: 0 %

Overviews of Scope 1 and Scope 2 emissions of the companies by consolidation status for accounting purposes

The consolidated accounting group (parent and subsidiaries)	
Gross Scope 1 GHG emissions (tCO ₂ eq)	37,629
Gross Scope 2 GHG emissions (location-based) (tCO ₂ eq)	73,201
Gross Scope 2 GHG emissions (market-based) (tCO ₂ eq)	37,725
Gross total GHG emissions (location-based) (tCO ₂ eq)	110,830
Gross total GHG emissions (market-based) (tCO ₂ eq)	75,354
Subsidiaries under KSB's operational control that are not consolidated in the financial statements:	
Gross Scope 1 GHG emissions (tCO ₂ eq)	342
Gross Scope 2 GHG emissions (location-based) (tCO ₂ eq)	665
Gross Scope 2 GHG emissions (market-based) (tCO ₂ eq)	343
Gross total GHG emissions (location-based) (tCO ₂ eq)	1,007
Gross total GHG emissions (market-based) (tCO ₂ eq)	684

Table of companies that are not consolidated in the financial statements but are operationally controlled by KSB

Name and seat	Country	Financial consolidation status	Operational control
KSB BOMBAS E VÁLVULAS (Angola), LDA, Belas	Angola	Not consolidated	Yes
KSB Ecuador S.A., Samboronón	Ecuador	Not consolidated	Yes
KSB Panama S.A., Panama	Panama	Not consolidated	Yes
KSB Pumpe i Armature d.o.o. Belgrade	Serbia	Not consolidated	Yes
KSB pumpe i armature d.o.o., Rakov Potok	Croatia	Not consolidated	Yes
KSB PUMPS AND VALVES (NAMIBIA) (PROPRIETARY) LIMITED, Klein Windhoek	Namibia	Not consolidated	Yes
KSB Pumps and Valves Nigeria Ltd, Lagos	Nigeria	Not consolidated	Yes
KSB Service Egypt LLC, Cairo	Egypt	Not consolidated	Yes
KSB ZAMBIA LIMITED, Kitwe	Zambia	Not consolidated	Yes
Techni Pompe Service Maroc (TPSM), Casablanca	Morocco	Not consolidated	Yes
Vari.Co. GmbH, Karlsruhe	Germany	Not consolidated	Yes
KSB Bolivia S.R.L., La Paz	Bolivia	Not consolidated	Yes

GHG removals and GHG mitigation projects financed through carbon credits

In the reporting year, KSB did not use any GHG removals or mitigation projects financed through carbon credits.

Internal carbon pricing

KSB did not use internal carbon pricing in the reporting year.

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

According to ESRS 1 Appendix C, disclosures are not required on this subject in the first year of reporting.

Methods and calculation factors for climate change-related KPIs

Energy consumption

The companies over which KSB has operational control are consolidated for the energy consumption calculation.

Most of the energy data comes directly from the KSB sites and is combined and centrally consolidated by regional coordinators.

KSB's energy consumption is based on a number of different energy sources, including:

- Electricity
- District heating
- Fuel oil
- Natural gas
- Liquefied petroleum gas (LPG)
- Biomass (especially wood)
- Petrol and diesel

Data sources for energy consumption include manual meter readings, automated systems for real-time usage monitoring and utility bills.

Greenhouse gas emissions

KSB calculates its Scope 1 and 2 GHG emissions in accordance with the GHG Protocol. The companies over which KSB has operational control are consolidated for this.

The following greenhouse gases are material for KSB:

- Carbon dioxide CO₂ (from the combustion of fossil energy sources)
- Methane CH₄ and nitrous oxide N₂O (from the combustion of biomass)
- Hydrofluorocarbons (HFCs) due to fugitive emissions from air conditioning systems

GHG emissions are reported in metric tons using carbon equivalents (CO₂eq).

Scope 3 emissions are consistent with the GHG Protocol reporting boundaries and include:

- Indirect Scope 3 GHG emissions from the consolidated Group companies (the parent and its subsidiaries)
- Indirect Scope 3 GHG emissions from associates, joint ventures, and unconsolidated subsidiaries for which the company has the ability to control the operational activities and relationships (i.e., operational control)

- Scope 1, 2 and 3 GHG emissions from associates, joint ventures, unconsolidated subsidiaries (investment entities) and joint arrangements over which the company does not have operational control and when these entities are part of the company's upstream and downstream value chain.

The reported material Scope 3 emissions are calculated on the basis of spend- and activity-based data from central financial, controlling and procurement sources.

Calculation factors

KSB uses emission factors to calculate GHG emissions, as described below.

Scope 1

These emissions result from stationary combustion, mobile combustion and fugitive emissions (from air conditioning systems).

For most calculations, KSB uses the conversion factors of the German Federal Office of Economics and Export Control (BAFA), unless locally specific factors are available. For fugitive emissions, it uses the conversion factors of DEFRA (Department for Environment, Food & Rural Affairs).

Scope 2

These emissions are indirect GHG emissions associated with the purchase of electricity and district heating.

For the calculation of market-based Scope 2 emissions and for district heating, KSB uses supplier-specific conversion factors that are consistent with the GHG Protocol quality standards. For the location-based calculation, KSB uses factors from the Ecoinvent database (version 3.10). The conversion factors are updated annually based on the most up-to-date data.

Scope 3.1 (Purchased goods and services)

GHG emissions are calculated based on the financial spend in euros per product group for the goods and services purchased in the reporting year.

The financial spend is multiplied by the applicable environmentally-extended input output (EEIO) emission factors. These provider-supplied EEIO factors are adjusted for global inflation, average global improvements in CO₂eq / GDP and the shift towards the service sector in the global economy.

Scope 3.11 (Use of sold products)

In line with guidance from the EuroPump industry association, emissions were calculated based on the quantity sold per sales region, the emission factors of the sales regions from Ecoinvent and the energy consumption per sold product multiplied by the operating hours of the service life.

For the electricity mix data of the Regions, forecasts were made based on the anticipated, product service life-related future development of the electricity mix of the sales region from Ecoinvent. These were included in the calculation. For pumps in power plants, calculations were based on the fuel-specific GHG emissions, which differ depending on Region, per kWh (VDA, Ecoinvent).

The service life of pumps and valves was determined by product category. In general, an expected service life of ten years is assumed for all products. A service life of 25 years is assumed for pumps in conventional power plants and pumps used for mining, rising to 40 years for pumps used in the primary process of nuclear power plants.

The analysis included a control factor as per the EuroPump Guide to accommodate variable loads and the adaptability of the pumps.

A similar methodology was used for valves based on 40,000 cycles over the defined service life.

EU Taxonomy Regulation

The European Union has set itself the goal of becoming climate-neutral by 2050. As part of the Green Deal, the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the Establishment of a Framework to Facilitate Sustainable Investment, and Amending Regulation (EU) 2019/2088, hereinafter referred to as the EU Taxonomy Regulation, entered into force in 2020.

The taxonomy sets out a classification system for environmentally sustainable economic activities and defines six environmental objectives:

- 1) Climate change mitigation (CCM)
- 2) Climate change adaptation (CCA)
- 3) Sustainable use and protection of water and marine resources (WTR)
- 4) Transition to a circular economy (CE)
- 5) Pollution prevention and control (PPC)
- 6) Protection and restoration of biodiversity and ecosystems (BIO)

The EU Taxonomy Regulation defines economic activities and technical screening criteria for achieving environmental objectives in the Climate Delegated Act and the Environmental Delegated Act.

Economic activities qualify as taxonomy-eligible if they correspond to at least one of the activity descriptions set out in the aforementioned delegated acts.

If the taxonomy-eligible economic activities also:

- 1) Make a substantial contribution to the fulfilment of one or more of the six environmental objectives

- 2) Do not significantly affect the fulfilment of the five other EU environmental objectives (Do No Significant Harm, or DNSH)
- 3) Comply with the minimum safeguards

they are classified as taxonomy-aligned.

The assessment of whether an economic activity makes a substantial contribution to one of the environmental objectives and does no significant harm to the five other environmental objectives shall be made on the basis of technical screening criteria.

Delegated Regulation (EU) 2021/2178 requires companies to report information on the key performance indicators of sales revenue, capital expenditure (CapEx) and operating expenditure (OpEx) relating to taxonomy-eligible and taxonomy-aligned economic activities as well as to publish additional quantitative and qualitative information.

The capital expenditure and operating expenditure performance indicators are classified into the following categories:

- Category A: Capital or operating expenditure related to assets or processes associated with taxonomy-aligned economic activities
- Category B: Capital or operating expenditure that is part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned economic activities
- Category C: Capital or operating expenditure related to the purchase of output from taxonomy-aligned economic activities and individual measures enabling certain target activities to become low-carbon or to lead to greenhouse gas reductions.

Procedure in the reporting year

In order to identify taxonomy-eligible economic activities, all activities listed in the annexes to the Climate Delegated Act and the Environmental Delegated Act were assessed in the impact analysis for relevance to KSB. Experts from specialist departments including Product Development, Sales, Facility Management and IT were consulted for this assessment. Responsibility for the data collection and reporting process lies with the Finance department.

The following findings regarding KSB's economic activities were made as part of the impact analysis in connection with the key performance indicators relevant to the EU taxonomy:

KSB's core sales activities almost exclusively comprise the manufacture of pumps and valves, and provision of related spare parts and service. The EU taxonomy currently in force in particular covers economic activities that have a material impact on the climate or the environment. As this is largely not the case with mechanical engineering, KSB cannot allocate its sales activities to such economic activities. In particular, it was assessed whether the economic activities of environmental objective (4) Transition to a circular economy from Section 5. Services could be relevant for KSB. However, the NACE codes listed in the activity descriptions to narrow down the products considered for this activity do not fall within the scope of the Group's activities.

Furthermore, KSB does not engage in any of the economic activities described in the European Commission Delegated Regulation (EU) 2022/1214 in connection with the production of energy from fossil gas or nuclear energy. KSB therefore has not used the specific reporting forms for these activities in

accordance with Annex XII of the European Commission Delegated Regulation (EU) 2021/2178.

Accordingly, as in previous years, KSB does not report any taxonomy-eligible or taxonomy-aligned sales revenue in the 2024 financial year.

Capital expenditure and operating expenditure relating to assets or processes associated with taxonomy-aligned economic activities (Category A) therefore also cannot be reported. Furthermore, there is no CapEx plan to expand a taxonomy-aligned activity or upgrade a taxonomy-eligible activity to become a taxonomy-aligned activity. Thus, no category B capital expenditure or operating expenditure is reported.

With regard to capital expenditure and operating expenditure in category C, from the purchase of taxonomy-aligned products and individual measures, the following taxonomy-eligible economic activities were identified in the impact analysis for the KSB Group:

Taxonomy-eligible economic activities:

Economic activities according to the EU taxonomy

Manufacturing / Production of goods

CCM 3.9 Manufacturing of iron and steel

Transport

CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

CCM 6.6 Freight transport services by road

Construction and real estate

CCM 7.2 / CE 3.2 Renovation of existing buildings

CCM 7.3 Installation, maintenance and repair of energy efficiency equipment

CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

CCM 7.6 Installation, maintenance and repair of renewable energy technologies

CCM 7.7 Acquisition and ownership of buildings

The identified taxonomy-eligible economic activities were primarily allocated to environmental objective (1) Climate change mitigation, as KSB has a greater influence on the contribution to this environmental objective.

Despite the corresponding activity description, the activities of environmental objective (2) Climate change adaptation were not reported as taxonomy eligible because they are not enabling activities or there is no separable, specific capital expenditure or operating expenditure for climate change adaptation.

Assessment of taxonomy eligibility and alignment

The basis for determining taxonomy-eligible and taxonomy-aligned economic activities are the actually identified capital expenditure and operating expenditure calculated for the fully consolidated companies in the Group, which were assessed and audited in terms of a cost-benefit ratio.

The relevant performance indicators were determined using a questionnaire prepared by KSB in which the potential taxonomy-eligible economic activities identified in the impact analysis were assessed. When validating the questionnaires, particular care was taken to ensure that the figures reported by the companies were not counted twice.

The analysis of capital expenditure showed that economic activities amounting to € 79.3 million (46.6 % of total investments) (previous year: € 62.8 million, 46.3 % of total investments) correspond to the activity descriptions of the delegated acts and therefore constitute taxonomy-eligible capital expenditure.

Breakdown of capital expenditure by environmental objectives

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-aligned per objective
Climate change mitigation (CCM)	-	46.6 %
Climate change adaptation (CCA)	-	-
Water (WTR)	-	-
Circular economy (CE)	-	9.1 %
Pollution prevention and control (PPC)	-	-
Biodiversity (BIO)	-	-

Taxonomy-eligible operating expenditure amounted to € 5.3 million (4.0 % of total operating expenditure) in the reporting year (previous year: € 6.3 million, 5.3 % of total operating expenditure).

Breakdown of operating expenditure by environmental objectives

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	-	4.0 %
Climate change adaptation (CCA)	-	-
Water (WTR)	-	-
Circular economy (CE)	-	1.5 %
Pollution prevention and control (PPC)	-	-
Biodiversity (BIO)	-	-

In addition, the identified taxonomy-eligible economic activities were analysed with regard to their substantial contribution as part of the taxonomy alignment assessment. As the identified taxonomy-eligible economic activities relate to the acquisition of products from taxonomy-aligned economic activities (Category C), the assessment of alignment (except for economic activities CCM 7.4 and CCM 7.6) is dependent on the provision of relevant proof by external third parties and cannot be carried out independently by KSB. Suppliers were therefore contacted to verify compliance with the technical screening criteria. The documents required by the delegated acts could not be provided by the external third parties to a sufficient extent.

For the economic activities CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings and CCM 7.6 Installation, maintenance and repair of renewable energy technologies, KSB meets the substantial contribution criteria.

However, the suppliers were unable to provide further proof of compliance with EU taxonomy alignment.

As a result, KSB was unable to report any taxonomy-aligned capital expenditure and operating expenditure in the 2024 financial year.

Calculation of key performance indicators

The sales revenue performance indicator was calculated as the proportion of sales revenue derived from products and services generated by taxonomy-eligible and -aligned economic activities (numerator) divided by the sales revenue generated in the reporting year (denominator). The denominator of the sales revenue performance indicator can be found in the statement of comprehensive income in the Consolidated Financial Statements section. As described above, no taxonomy-eligible and -aligned economic activities can be reported in relation to sales revenue.

The capital expenditure (CapEx) performance indicator is defined as capital expenditure in taxonomy-aligned and -eligible economic activities (numerator) divided by total capital expenditure made in the financial year (denominator). Total capital expenditure includes additions to property, plant and equipment (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16). A breakdown of the composition of capital expenditure by asset class is presented in the Consolidated Financial Statements, Section IV. Balance Sheet Disclosures, Sub-sections "1. Intangible assets", "2. Right-of-use assets" and "3. Property, plant and equipment".

The operating expenditure (OpEx) performance indicator is defined as operating expenses in taxonomy-aligned and -eligible economic activities (numerator) divided by total operating expenses (denominator). The

denominator of operating expenses comprises direct, non-capitalised costs related to research and development, maintenance and short-term lease expenses. Maintenance expenses include both services provided by third parties and maintenance work performed by KSB employees. The operating expenditure performance indicator is reported in accordance with the definition of the EU Taxonomy Regulation and is not included in the consolidated financial statements in this form.

Given the dynamic situation relating to the relevant legislation, KSB points out that the impact analysis and interpretation of the key financial indicators to be determined may be subject to adjustments in the future.

Proportion of sales revenue from products or services associated with taxonomy-aligned economic activities – Disclosures for the 2024 financial year

Economic activities (1)	2024		Substantial contribution criteria							DNSH criteria (Do No Significant Harm)							Proportion of taxonomy-aligned (A.1.) or -eligible (A.2.) sales revenue, 2023 (18)	Category Enabling activity (19)	Category Transitional activity (20)
	Code(s) (2)	Sales revenue (3)	Proportion of sales revenue, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)			
	€ millions	%	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Sales revenue from environmentally sustainable activities (taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-								-		
Of which enabling activities	-	-	-	-	-	-	-	-	-								-	E	
Of which transitional activities	-	-	-														-		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL										
Sales revenue from taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	-	-	-	-	-	-	-	-	-										
A. Sales revenue from taxonomy-eligible activities (A.1 + A.2)	-	-	-	-	-	-	-	-	-										
B. Taxonomy-non-eligible activities																			
Sales revenue from taxonomy-non-eligible activities	2,965.2	100.0																	
Total	2,965.2	100.0																	

* Rounded 0.0
Y Yes, taxonomy-eligible and, in relation to relevant environmental objective, taxonomy-aligned activity
N No, taxonomy-eligible but, in relation to relevant environmental objective, not taxonomy-aligned activity
N/EL Non-eligible, taxonomy-non-eligible activity in relation to relevant environmental objective
EL Eligible, taxonomy-eligible activity in relation to relevant environmental objective



Proportion of CapEx from products or services associated with taxonomy-aligned economic activities – Disclosures for the 2024 financial year

Economic activities (1)	2024		Substantial contribution criteria							DNSH criteria (Do No Significant Harm)									
	Code(s) (2)	CapEx (3)	Proportion of CapEx, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, 2023 (18)	Category Enabling activity (19)	Category Transitional activity (20)
	€ millions	%	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-								-		
Of which enabling activities	-	-	-	-	-	-	-	-	-								-	E	
Of which transitional activities	-	-	-	-	-	-	-	-	-								-		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacturing of iron and steel	CCM 3.9	0.2	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	13.1	7.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10.9		
Freight transport services by road	CCM 6.6	0.6	0.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Renovation of existing buildings	CCM 7.2 / CE 3.2	15.5	9.1	EL	N/EL	N/EL	N/EL	EL	N/EL								13.8		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	5.2	3.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.3		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.1	0.0 *	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 *		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	2.4	1.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7		
Acquisition and ownership of buildings	CCM 7.7	42.3	24.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								16.4		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	79.3	46.6	46.6	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %										
A. CapEx of taxonomy-eligible activities (A.1 + A.2)	79.3	46.6	46.6	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %										
B. Taxonomy-non-eligible-activities																			
CapEx of taxonomy-non-eligible activities	91.0	53.4																	
Total	170.3	100.0																	

* Rounded 0.0
Y Yes, taxonomy-eligible and, in relation to relevant environmental objective, taxonomy-aligned activity
N No, taxonomy-eligible but, in relation to relevant environmental objective, not taxonomy-aligned activity
N/EL Non-eligible, taxonomy-non-eligible activity in relation to relevant environmental objective
EL Eligible, taxonomy-eligible activity in relation to relevant environmental objective



Proportion of OpEx from products or services associated with taxonomy-aligned economic activities – Disclosures for the 2024 financial year

Economic activities (1)	2024		Substantial contribution criteria							DNSH criteria (Do No Significant Harm)							Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, 2023 (18)	Category Enabling activity (19)	Category Transitional activity (20)
	Code(s) (2)	OpEx (3)	Proportion of OpEx, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)					
	€ millions	%	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-								-			
Of which enabling activities	-	-	-	-	-	-	-	-	-								-	E		
Of which transitional activities	-	-	-	-	-	-	-	-	-								-		T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Manufacturing of iron and steel	CCM 3.9	0.1	0.0 *	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.7	0.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3			
Renovation of existing buildings	CCM 7.2 / CE 3.2	1.9	1.5	EL	N/EL	N/EL	N/EL	EL	N/EL								2.6			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	1.4	1.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.2			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0 *	0.0 *	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.1	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-			
Acquisition and ownership of buildings	CCM 7.7	1.0	0.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0			
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	5.3	4.0	4.0	4.0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %											
A. OpEx of taxonomy-eligible activities (A.1 + A.2)	5.3	4.0	4.0	4.0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %											
B. Taxonomy-non-eligible activities																				
OpEx of taxonomy-non-eligible activities	124.6	96.0																		
Total	129.9	100.0																		

* Rounded 0.0
Y Yes, taxonomy-eligible and, in relation to the relevant environmental objective, taxonomy-aligned activity
N No, taxonomy-eligible but, in relation to the relevant environmental objective, not taxonomy-aligned activity
N/EL Non-eligible, taxonomy-non-eligible activity in relation to the relevant environmental objective
EL Eligible, taxonomy-eligible activity in relation to the relevant environmental objective

Pollution

Pollution-related policies

Across all KSB locations, the company uses an ISO 14001-compliant environmental management system to identify, assess and track health, safety and environment (HSE)-related aspects associated with its manufactured products, activities and/or services. In the context of pollution, this system supports:

- Goal setting, definition and implementation of actions as well as their continuous improvement
- Ensuring water quality and reducing water consumption
- Ensuring air quality
- Responsible handling of substances that are hazardous for people and the environment

An internal documented procedure is used to identify and assess HSE aspects associated with the products, activities and/or services of the KSB locations. Under this procedure, the respective management is responsible for the identification and evaluation in cooperation with KSB Integrated Management.

In addition to the requirements resulting from the ISO 14001-compliant environmental management system, these aspects are also covered in a code of conduct drawn up by KSB.

Directive: Code of Conduct

Key contents, general objectives and relation to material impacts, risks and opportunities:

The Code of Conduct describes the defining principles of law and business policy on which KSB bases not only relations with its customers, suppliers and business partners but also its internal collaboration.

The Code of Conduct covers the following topics:

Employee interaction; acting as a role model; communication and transparency; management of business; business relationships; conflicts of interest; inside information; confidentiality; corporate social responsibility; competition and cartel / anti-trust law; foreign trade and export control; tax law; the environment, energy and climate change mitigation; dealing with conflict minerals; occupational health and safety; remuneration and working hours; respect for human rights; product safety and quality; data privacy and protection; IT security

Process for monitoring:

Monitoring is the responsibility of the respective manager and the Compliance Organisation headed by the Group Compliance Officer. In this role, the Group Compliance Officer reports directly to the CEO but is not subject to instructions.

Scope of application and value chain:

The Code of Conduct is compulsory for all employees at all levels. It covers all organisational units and Group companies where KSB SE & Co. KGaA directly or indirectly holds an interest of more than 50 %. If the interest held is lower, KSB encourages the relevant company to adhere to similar standards. Suppliers are required to comply with the principles of this Code of Conduct or an equivalent code. This compliance is a prerequisite for the business relationship and placement of orders.

Responsible organisational level:

The Human Rights Officer and Group Compliance Officer are responsible at an organisational level. Both report directly to the CEO, but are not subject to instruction.

Each KSB employee is individually responsible for observing the Code of Conduct in their area. Each line manager is responsible for ensuring that the content of the Code of Conduct is known to and observed by their respective employees.

The Group Compliance Officer provides support with this.

Do the company's policies address the substitution and minimisation of the use of substances of concern, and phasing out substances of very high concern, in particular for non-essential societal use and in consumer products?

YES NO

The KSB Code of Conduct requires the proper disposal and responsible handling of substances that are hazardous for people and the environment and applies to the company's own business activities as well as the upstream and downstream value chain.

There is currently no dedicated policy on the handling of PFAS components. KSB aims to develop this in the medium term based on potential future PFAS-related regulations and bans.

A project study has been conducted for KSB products and purchased components (upstream value chain) to evaluate the impact of such future changes on the availability and quality of KSB products. PFAS chemicals are a large group of substances, some of which are already on the list of substances of very high concern (SVHC).

The internal KSB study found that a complete ban on all 7,000-10,000 PFAS substances (-CF2, -CF3) could affect up to 40 % of KSB products sold worldwide. In the absence of suitable alternative substances or processes, this would significantly impact the availability and available variants of KSB pumps and valves.

Since the ban on PFAS materials was proposed, therefore, KSB has been conducting internal research and initial consultations with suppliers of affected components to analyse possible alternatives. No suitable alternatives have yet been identified that match the properties of PFAS components and their universal applicability or that meet the various application requirements (high temperatures, high pressures, high chemical resistance, for example).

With regard to research and development activities aimed at replacing PFAS materials, KSB is dependent on the results of the upstream supply chain and expects innovations in the medium term.

Due to the current shortage of alternative materials and the complexity and number of components affected, the transition can only be anticipated over the medium- to long-term time horizon.

Actions and resources related to pollution

Actions	In the medium term, KSB aims to improve its understanding of the scale and scope of the PFAS substances and components used. In the long term, the company wants to implement specific actions to replace PFAS components as soon as suitable alternative materials are available (KSB is dependent on the upstream supply chain in this regard).
Expected results	<ul style="list-style-type: none"> Detailed overviews of the specific material components and substances used. A better understanding of potential risks and dependencies. A reduction in dependencies and potential regulatory risks.
Contribution to the achievement of the targets	KSB has not yet defined a specific PFAS-related target.
Scope	PFAS-related actions affect up to 40 % of KSB products sold globally.
Time horizons	The action to be taken will be set out in detail in the next reporting year and implemented by 2030.
Key actions to remedy the situation	<ul style="list-style-type: none"> The implementation of a material compliance tool, for example, to simplify and support the identification of substances used to enable KSB to react faster and more efficiently to the complex and changing requirements in all supplier countries. The long-term replacement of product materials containing hazardous PFAS.
Progress	-

Targets related to pollution

KSB does not currently have a specific PFAS-related target as the pollution risk is associated with upstream and downstream manufacturing and recycling processes on which KSB has a limited influence.

Due to a lack of alternative materials, KSB currently has no options for replacing PFAS materials and components.

The company remains abreast of the regulations and will define appropriate, measurable targets as necessary depending on the situation.

Substances of concern and substances of very high concern

Not yet relevant as KSB makes use of the transitional provision in accordance with ESRS 1 Paragraphs 132 and 133.

Anticipated financial effects from pollution-related risks and opportunities

According to ESRS 1 Appendix C, disclosures are not required on this subject in the first year of reporting.

Water and Marine Resources

Policies related to water and marine resources

No specific policy yet exists in connection with impacts in the upstream value chain and water consumption in the upstream value chain in particular.

This is because KSB does not currently have a sufficient data or information basis for transparent implementation. In the next step, KSB aims to identify the hotspots and most relevant suppliers in the supply chain in order to develop a more transparent database.

The analysis found that some KSB sites are located in three regions with high and very high water stress. These regions have a high demand for water resources relative to availability and additional challenges such as climatic changes and infrastructural deficits.

KSB does not currently have a specific policy for dealing with these issues at the relevant locations. This is because KSB is currently in the phase of a comprehensive assessment to better understand the specific local conditions and potential solutions.

KSB recognises the importance of effective water management and is working to develop a policy that balances the needs of its own sites with local water conditions. The aim is to adopt and implement a suitable policy in the medium term.

KSB does not currently have any policies or practices related to sustainable oceans and seas.

Actions and resources related to water and marine resources

In the reporting year, KSB continued to work on improving the global LCA (Life Cycle Assessment) methodology to be applied in the future for all KSB products. This will enable the accurate recording of water consumption in the upstream value chain and its allocation to specific products and is to be completed in the medium term.

The LCA approach described can be allocated to the “avoid the use of water and marine resources” layer of the mitigation hierarchy.

For sites in areas of high water stress, KSB has specified the following specific actions:

Action	<ul style="list-style-type: none"> Implementation of water storage and recovery technologies Zero liquid discharge (ZLD) infrastructure at the Vambori and Coimbatore sites (India)
Expected results	<p>Reduction in water withdrawal from groundwater in areas with high water stress and less dependence on fresh water.</p> <p>Waste water treatment so as not to release any liquids from the industrial process into the environment.</p>
Contribution to the achievement of the targets	No specific water-related targets have yet been defined.
Scope	<p>These actions are already being implemented by KSB in France, South Africa and India.</p> <p>The necessary funds are available to the KSB Regions as part of regular investment planning.</p>
Time horizons	The actions are planned for the medium term.
Key actions to remedy the situation	-
Progress	-

Targets related to water and marine resources

Due to the still insufficient basis, KSB does not have a specific target associated with water consumption in the upstream value chain.

A target can only be set when there is a sufficient basis.

To date, targets have not be used to track actions in this regard and no current status has been determined.

KSB has not yet defined a target for its own water consumption due to the low impact of its activities in this regard at all sites.

Anticipated financial effects from material water and marine resources-related risks and opportunities

According to ESRS 1 Appendix C, disclosures are not required on this subject in the first year of reporting.

Social Information

Company's Own Workforce

Material impacts, risks and opportunities and their interaction with strategy and business model

Permanent employees, temporary employees, self-employed persons and employees of external companies work at the company's locations.

The material impacts, risks and opportunities were identified in consideration of the interests of employees at all consolidated companies and their locations.

The disclosed impacts apply equally to permanent employees, self-employed persons and temporary workers.

Negative impacts

KSB workers may experience negative impacts in connection with health and safety. This applies in particular, but not exclusively to employees in the production processes in connection with working with heavy materials / parts / machinery, for example, and in foundries (heat / electricity). Such potential negative impacts are typical for the mechanical engineering sector.

Women are under-represented in the total workforce of KSB. This is still typical in many technical disciplines such as mechanical engineering. The lower attractiveness of STEM (science, technology, engineering and mathematics) professions for women results in a smaller pool of highly qualified specialists.

The still low proportion of women in management positions overall has been identified as an important field of action for KSB. The under-representation of women in

leadership positions can lead to insufficient attention being paid to women's interests and perspectives.

There were no material negative impacts related to individual incidents in the reporting period.

Positive impacts

To promote training and professional development of employees worldwide, KSB has a dedicated global training platform covering technical and non-technical fields. KSB also shares specialist knowledge with customers and other external parties.

Training is available in different formats and, depending on content, is offered to all fixed-term and permanent employees, self-employed persons working for KSB and employees of external companies. Training is either on the job or delivered in dedicated online or in-person courses designed by the Global Learning Center or external providers.

Impacts related to transition plans and human rights

The materiality assessment did not identify any risks or opportunities associated with the company's own workforce.

No impacts on the company's own workforce that may arise from transition plans for reducing negative impacts on the environment or from plans and actions to reduce carbon emissions have yet been identified.

KSB takes a clear stance against forced labour and child labour in its Code of Conduct. Forced labour is prohibited and child labour is not tolerated.

KSB has not identified any activities that represent a risk of forced labour or child labour for its own workforce.

Actions to identify impacts, risks and opportunities

It is evident from national legislation, the ISO 45001-compliant occupational health and safety management system introduced at 64 locations, and the mandatory risk and hazard assessments, that occupational safety and health hazards exist mainly in the production areas and increasingly in the foundries.

The occupational health and safety-related hazard prevention actions to combat the individual safety and health risks result from the risk assessments or risk aspects identified for each workplace.

For a better understanding of the impact on KSB of the under-representation of women in management positions and low proportion of women generally in the workforce (diversity), the company supported the establishment of an informal women's network in which women exchange ideas and information on work-related issues.

The network focuses, in particular, on potential disadvantages for women at KSB and the negative impacts associated with this. The actions and targets described below are informed by the findings of these discussions. The women's network is intended as a forum for recording all relevant information associated with the disadvantages and communicating these to Management. The women's network is also intended as a platform to promote women with ambitions for further development.

The materiality assessment did not identify any risks and opportunities.

Policies related to own workforce

The KSB employees are integral to the company's success. A safe, equitable and nurturing work environment and corporate culture are important elements of the corporate strategy. The aim is to ensure both the health and safety of employees and their professional development and satisfaction.

Basic policies related to own workforce

The KSB Code of Conduct sets out the ethical standards and requirements for all employees and business partners. Key topics include integrity, lawful conduct, avoiding conflicts of interest, protecting company resources, confidentiality, and responsibility to society and the environment. The Code serves as a guideline for ethical and responsible conduct in day-to-day business. KSB also uses the Code of Conduct as the basis for its HR policy of equal opportunities and diversity.

The aim is to create a diverse and equitable work environment without fear of harassment or discrimination. It applies to all companies within the KSB Group and is based on the International Labour Organisation (ILO) Convention No. 111 in compliance with local labour law.

Key roles include the Management, which is responsible for the equal treatment policy, Global HR, which is responsible for implementing the human resources policy, and the HR managers / business partners for promoting awareness in this area.

Directive: Code of Conduct

Key contents, general objectives and relation to material impacts, risks and opportunities:

The Code of Conduct describes the defining principles of law and business policy on which KSB bases not only relations with its customers, suppliers and business partners but also its internal collaboration.

The Code of Conduct covers the following topics:

Employee interaction, acting as a role model, communication and transparency, management of business, business relationships, conflicts of interest, inside information, confidentiality, corporate social responsibility, competition and cartel / anti-trust law, foreign trade and export control, tax law, the environment, energy and climate change mitigation, dealing with conflict minerals, occupational health and safety, remuneration and working hours, respect for human rights, product safety and quality, data privacy and protection, IT security

Process for monitoring:

Monitoring is the responsibility of the respective manager and the Compliance Organisation headed by the Group Compliance Officer. In this role, the Group Compliance Officer reports directly to the CEO but is not subject to instructions.

Scope of application and value chain:

The Code of Conduct is compulsory for all employees at all levels. It covers all organisational units and Group companies where KSB SE & Co. KGaA directly or indirectly holds an interest of more than 50 %. If the interest held is lower, KSB encourages the relevant company to adhere to similar standards. Suppliers are required to comply with the principles of this Code of Conduct or an equivalent code.

Responsible organisational level:

Human Rights Officer and Group Compliance Officer, reporting directly to Management (CEO) but not subject to instructions.

Each KSB employee is individually responsible for observing the Code of Conduct in their area. Each line manager is responsible for ensuring that the content of the Code of Conduct is known to and observed by their respective employees.

Supported by the Group Compliance Officer.

Reference to third-party standards or initiatives:

UN Guiding Principles, UN Global Compact, ILO Standards, OECD Guidelines

Engagement with affected stakeholders:

Not explicitly mentioned

Availability of the policy to stakeholders:

Available on the Internet (KSB web site)

KSB has also set out the principles of its human resources policy in a number of directives to be applied by all the companies in the Group.

The company's Human Rights Policy Statement underlines the obligation of all business areas and companies of the Group to respect and promote human rights. It includes the principles of non-discrimination and fair working conditions, the prohibition of forced and child labour, as well as the protection of freedom of association and the right to organise and to bargain collectively. This Statement also requires the company to regularly review and improve its human rights practices.

Directive: Human Rights Policy Statement
Key contents, general objectives and relation to material impacts, risks and opportunities:

In the statement, KSB underlines the importance of responsible action, guided by the UN Global Compact and supporting the 17 Sustainable Development Goals of the United Nations.

Key areas of focus include occupational health and safety, work environment, compensation, corporate safety, product impacts, anti-corruption, child labour, forced labour, human trafficking, freedom of association, and the conduct of business partners.

Process for monitoring:

Compliance is monitored by the Group-wide Compliance Organisation. Violations can be reported to the Group HR Organisation, to the Human Rights Officer or (anonymously) to the Ombudsperson.

Scope of application and value chain (suppliers):

The directive applies to all KSB operations worldwide, as well as business relationships, including employees, business partners and local communities.

Exclusions: There are no explicit exclusions, but the statement acknowledges potential conflicts with local laws and seeks ways of complying with international standards without violating local laws.

Responsible organisational level:

All management levels and all employees are responsible for implementing this policy, starting with the Company Management (Managing Directors) and Human Rights Officer.

Reference to third-party standards or initiatives:

The directive references the International Bill of Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

Engagement with affected stakeholders:

The directive engages with KSB's own employees, business partners, shareholders and local communities, as well as workers at suppliers and customers. It emphasises dignity, respect, non-discrimination, fair remuneration and safety.

Availability of the policy to stakeholders:

The directive is available to every employee and all external parties on the KSB web site.

Policies related to gender equality, equal pay for work of equal value and gender diversity

The Equal Opportunities and Diversity Directive underlines the company's commitment to an inclusive and diverse work environment. It prohibits harassment and discrimination based on gender, race, religion, age, sexual orientation, disability or other protected characteristics. It also focuses on the promotion of equal treatment and diversity.

In addition, KSB complies with the ISO 26000 standard which provides organisations with guidance on social responsibility. It covers topics such as governance, human rights, working practices, the environment, fair operational and business practices, consumer issues and community engagement. The standard stresses the importance of integrating socially responsible behaviour into the entire organisation and its value chain.

Equal Opportunities and Diversity Directive
Key contents, general objectives and relation to material impacts, risks and opportunities:

The directive provides a framework for a diverse and equitable work environment that offers equitable working conditions and is free from harassment and discrimination. KSB promotes a work environment in which all employees are treated fairly and with dignity and respect.

Monitoring process:

Internal Audits

Scope of application and value chain (suppliers):

Applies to all companies of the KSB Group at all locations.

Responsible organisational level:

Global HR, implementation by regional HR and local management.

Reference to third-party standards or initiatives:

Conventions of the International Labour Organisation (ILO), Convention No. 111 and local laws on equality, diversity and protection against harassment.

Engagement with affected stakeholders:

Employees

Availability of the policy to stakeholders:

Available on the Group-wide Intranet around the world.

Policies related to health and safety

KSB has implemented an ISO 45001-certified health and safety management system at 64 companies (including all production sites).

The TÜV Rheinland Group recertifies the system annually in a Group certification process based on random sampling. In compliance with ISO 45001, all certified sites have an established internal audit programme, which is managed by the local representatives.

An assessment of risks in the workplace is a mandatory part of ISO 45001 certification.

At some sites, KSB has also implemented the International Social Security Association's (ISSA) global Vision Zero strategy to reduce workplace accidents. This aims for even greater involvement of management in occupational safety to increase awareness of occupational health and safety.

Vision Zero is a transformative approach to prevention that integrates the three dimensions of health, safety and well-being in all areas of activity. It is based on the assumption that all accidents, damage and work-related illnesses are preventable. The Vision Zero strategy is flexible and can be adapted to specific needs and priorities in any given context.

The following regulation summarises basic requirements for the Group companies:

The Integrated Management System Manual includes provisions on Quality, Environmental, Occupational Health and Safety, Information Security, Business Continuity and Sustainability Management

Key contents, general objectives and relation to material impacts, risks and opportunities:

The manual regulates the basic principles of quality assurance and environmental, occupational health and safety. It describes the standards to be observed and sets out how the actions are to be planned, incorporated in the local organisation, and controlled. Customer satisfaction, quality awareness, internal customer-supplier relationships, error avoidance, continuous improvement and supplier involvement are key areas of focus. Health, Safety and Environment Directive.

The goal is to minimise risk and implement a continuous improvement process (CIP) to optimise processes.

Process for monitoring:

Audits are planned and conducted (or commissioned) by the Head of Integrated Management.

Scope of application and value chain (suppliers):

Applicable at all locations of the Group for own operations and employees and third-party companies working at KSB sites through implementation in work instructions / process descriptions that have been adapted to local conditions and laws.

Responsible organisational level:

Overall responsibility lies with the KSB Board of Management. Coordination and implementation in local regulations: Head of Integrated Management. The individual topics are each delegated to locally responsible departments.

Reference to third-party standards or initiatives:

Various global and local standards, including: ISO 9001, ISO 14001, ISO 45001, ISO 27001, ISO 22301, ISO 26000.

Engagement with affected stakeholders:

Customer and employee interests are incorporated within action plans on the basis of regular customer surveys and constant communication with employee representatives.

Availability of the policy to stakeholders:

The manual is available internally on the Group-wide Intranet.

Policies related to training and professional development

In performance management, managers are responsible for setting employee training and development goals as part of the KSB employee portfolio (potential /performance matrix). By 2025, KSB has set itself an annual target of 30 training hours per employee.

Further training and skills development are also an important focus of the annual employee Performance Evaluations with line managers. In these discussions, employees and their line manager agree on binding training goals and actions.

Directive: Performance Evaluation

Key contents, general objectives and relation to material impacts, risks and opportunities:

A structured performance evaluation to determine the employee's further development in line with the corporate goals, identify areas in need of improvement, formulate actions to address these, and to promote the performance culture.

Process for monitoring:

The evaluation is based on the comparison between the employee's self-assessment and their appraisal by their line manager. Implementation is monitored by Global HR using the Workday HR management platform.

Scope of application and value chain:

The performance evaluation is being rolled out to all staff worldwide.

Responsible organisational level:

Global HR monitors implementation by the respective line managers.

Reference to third-party standards or initiatives:

No external standards

Engagement with affected stakeholders:

Employees, employee representatives

Availability of the policy to stakeholders:

Available on the Intranet

KSB is committed to upholding the following standards related to human rights, including the labour rights of workers:

- 10 principles of the United Nations Global Compact (UNGC) and the 17 Sustainable Development Goals (SDGs)
- UN Guiding Principles on Business and Human Rights (UNGP)
- The UN Universal Declaration of Human Rights
- The eight fundamental conventions of the International Labour Organisation (ILO)
- The OECD Guidelines for Multinational Enterprises

This obligation is already defined in the Human Rights Policy Statement described above.

KSB established the role of Human Rights Officer to ensure and oversee compliance with the human rights policy.

The Human Rights Due Diligence within the Supply Chains and Own Business Operations Directive regulates the process for monitoring and the responsibilities at global and local level.

Directive: Human Rights Due Diligence within the Supply Chains and Own Business Operations

Key contents, general objectives and relation to material impacts, risks and opportunities:

This directive sets out the company’s responsibility to monitor compliance with human rights standards at global and local level in KSB’s own operations and in the value chain. The directive also describes the grievance mechanism.

Process for monitoring:

The Human Rights Commissioner ensures compliance with human rights standards within the KSB Group and coordinates all human rights-related activities.

The site managers are responsible for monitoring activities at a local level.

The value chain is monitored in central or local Procurement.

Scope of application and value chain:

The directive applies to the company’s own operations and the upstream value chain.

Responsible organisational level:

The Human Rights Commissioner is located at the top management level below the Managing Directors.

Reference to third-party standards or initiatives:

United Nations Global Compact

Engagement with affected stakeholders:

Own employees, legislators, NGOs

Availability of the policy to stakeholders:

Available on the Intranet

Every two years, the KSB Voice survey measures employee engagement worldwide. Results are discussed with Group Management, the managing directors of the companies and the managers.

This communication channel gives employees an opportunity to express any concerns, including on material issues such as human rights and workers’ rights, anonymously. Since the survey is conducted by an independent external institute, which summarises and presents the results of the survey to Management, employees are able to express concerns (regarding human rights for example) directly and anonymously.

The most recent survey took place between 18 September and 8 October 2024.

The questions focused on the following topics:

Engagement	Cooperation and teamwork	Conduct and attitude of managers	Sustainability / CSR
Importance of work	Recognition	Employer brand	Employee well-being / care
Innovation	Management	People development	Diversity & integration
Survey follow-up			

The results from these topics were then used to calculate the following four indices:

- Engagement
- Say
- Stay
- Strive

The response rate for the entire workforce was 91 %.

The engagement score across the workforce was 77 %, a rise of 12 percentage points compared with the previous survey in 2022. Consistent improvements were also seen in the other indices (Say, Stay and Strive) compared with 2022.

The KSB Code of Conduct obliges all employees to comply with binding principles, including in the area of human rights.

The KSB Human Rights Officer – along with other local departments – is a central point of contact for questions, suggestions and complaints.

Grievances can also be reported to the external Ombudsperson at any time, anonymously if preferred.

The previously mentioned Human Rights Due Diligence within the Supply Chains and Own Business Operations Directive regulates the basic process for screening and defining actions.

Are KSB’s policies with regard to its own workforce fundamentally aligned with relevant internationally recognised instruments, including the UN Guiding Principles on Business and Human Rights? YES NO

In the Human Rights Policy Statement, which can be viewed on the Group’s web site, KSB states that it does not tolerate any form of forced labour or child labour, including slavery and human trafficking. This applies to all of KSB’s own employees and anyone who works at KSB locations.

Does KSB have a management system in place to prevent workplace accidents? YES NO

Does KSB have specific policies aimed at the elimination of discrimination, including harassment, promoting equal opportunities and other ways to advance diversity and inclusion? YES NO

The following statements are taken from the KSB Code of Conduct, which is binding for all employees:

It is KSB’s declared goal to prevent all forms of discrimination on the basis of individual characteristics such as age, race, religion, skin colour, gender, sexual orientation, disability, national origin, heritage or marital status. KSB does not tolerate discrimination, harassment or reprisals of any kind in the work environment. This also applies to KSB’s interaction with people outside the company, such as job applicants, for instance.

With regard to inclusion and positive action for people from groups at particular risk of vulnerability, KSB observes the global standards mentioned above and additional locally applicable legal requirements.

The legal requirements include, for example, the establishment of a body of representatives for severely disabled employees within Germany. Comparable regulations exist in various other countries in which KSB operates.

KSB also created an Equal Opportunities and Diversity Directive which underlines the company's commitment to an inclusive and diverse work environment.

It prohibits discrimination and promotes equal opportunities in hiring, promotion, training and other aspects of employment, and aims to create a respectful and supportive work environment for all employees.

According to the Directive, a diverse, inclusive work environment relies on the following:

1. Selecting and promoting employees on the basis of performance and potential and without regard to personal characteristics.
2. Identifying and removing barriers to equal opportunities, including discriminatory selection criteria. Providing access to training, support and mentorship to create a non-discriminatory workplace.
3. Promoting cultural and gender diversity to create an inclusive environment.
4. Fostering a performance-driven culture that rewards innovation and creativity to enjoy maximum benefits from diversity.
5. Implementing practices that promote gender balance and diversity by ensuring that all policies and procedures are free of gender bias and ensuring equal treatment in recruitment, promotion, training, working conditions, cases of sexual harassment and work-life balance.
6. Training staff to raise awareness of the importance of gender balance and diversity.

All company directives are accessible to all employees on KSB's Global Intranet. New hires are given a link to these directives during the on-boarding process. Existing employees can view the directives on the Intranet and receive them by e-mail. Employees worldwide are required to implement these directives in their work on site.

Global HR is responsible for reviewing and updating the Global HR Directive Manual. After revisions and updates, the Global HR team advises the regional HR managers, who duly notify the local HR managers. The local HR managers are responsible for disseminating the directives within their organisation and implementing these in local processes.

The directives are updated whenever there is a change to the processes, procedures, relevant principles or legal provisions.

Process for engaging with own workforce and workers' representatives about impacts

The Managing Directors and Management use the following actions / communication channels to engage directly with the employees to seek feedback on various matters:

Occupational health and safety

- Meeting between company sports groups and the CEO
- KSB Idea Management
- Workshops

Equality

- KSB women's network

General

- Town hall meetings
- Global Intranet
- KSB Voice (global employee engagement survey)
- Pulse survey to continuously measure employee satisfaction
- Management uses 'KSB topics' to communicate important information to all employees (including regular updates on Group performance)
- In brief Intranet video clips entitled Let's Talk, the CEO addresses employees directly to comment on and explain current topics, important developments and decisions.
- Discussion / agreement of possible development/ training activities at the annual feedback meeting between line manager and employee.

Advancements in internal communications have continued to expand the opportunities for employee engagement worldwide.

For Intranet articles, the comment function is used to express opinions and discuss controversial topics.

General and topic-specific news feeds are available for employees to explore new topics and suggest improvements.

Employees worldwide can also interact with one another in specific topic forums. This form of informal communication makes it easier for individual employees to share their ideas and highlight potential for improvement.

(Two-way) communication is possible directly and with the bodies/employee representatives.

The formal route is via the employee representatives (in line with local regulations), HR managers (on request) and the KSB Voice employee engagement survey (every two years). Employees can also address problems with their line manager and suggest improvements in the annual feedback meeting.

The representation of employees with regard to human rights is based on country-specific co-determination legislation. In Germany, for example, the employee representatives consist of local works councils, the Group Works Council, the General Works Council and representatives for severely disabled employees, younger employees and trainees. In countries without a works council, the interests of the workforce are represented by trade union representatives or an industrial relations manager (in Pakistan and India for example). Regardless of the organisational form, employee representatives are involved in decisions on working conditions and benefits.

The nature, extent and form of involvement of the workers and workers' representatives are aligned to local requirements and practices. KSB cannot make a statement that applies to the entire Group.

The Group-wide employee engagement survey, KSB Voice, is conducted every two years. All employees within the Group are invited to respond. This survey allows employees to share their concerns anonymously. The Management analyses the survey results and comments received at various levels, and plans actions. The CEO is responsible for strategy, human resources, communication and compliance, among other things. At a local level, these areas are also the responsibility of the individual company managing directors.

Operational responsibility for incorporating the employee views is delegated to the central or local HR managers.

Local legislation governs the regulation of all human rights aspects and consideration of worker perspectives. In Germany and other EEA countries, works agreements are used for this purpose.

Comparable agreements also exist with employee representatives, trade unions or industrial relations managers in EEA and non-EEA countries.

Every two years, the KSB Voice employee engagement survey is used to gather employee opinions and satisfaction levels. The results are discussed within the company's bodies (Supervisory Board, Administrative Board, Management) and are incorporated into KSB's strategic priorities.

The company also holds team and networking events to promote team spirit and dialogue.

Face-to-face interaction with employees is an important management tool in the company. This is facilitated by town hall meetings between the individual company managing directors and employees and round tables involving various employee groups (e.g. potential candidates and women) and KSB Management.

The company is making increasing use of digital communication channels. KSB uses the Intranet, which is available throughout the Group, to keep employees informed about current topics and enable them to share information with each other.

A global ideas management system encourages employees to suggest improvements across the board.

KSB's women's network gives female employees a platform to share their views.

All Group companies accommodate the employee representation and communication processes required by national law.

Does the company have processes for engaging with its own workforce and workers about impacts? YES NO

Process to remediate negative impacts and channels for own workforce to raise concerns

Company employees can contact the Ombudsperson to report a grievance at any time. Reported cases of misconduct are investigated by the Legal and/or Compliance department as appropriate and, depending on the nature of the problem, forwarded to Human Resources or Internal Audits. KSB also invites employees to freely and actively express any concerns in the KSB Voice employee satisfaction survey, which takes place every two years.

The above dialogue formats are procedures for identifying possible negative impacts on individual employees and initiating remedial action. The regular dialogues between employees and their line managers are particularly important for agreeing on the remedial action to be taken. Experts from HR and employee representatives (e.g. the works council, representatives for younger employees, trainees and severely disabled employees) will be consulted as necessary.

Employee representative bodies in the individual Group companies are established in accordance with local regulations. Employees can use these channels to voice their concerns. Employees also have the option of turning to central bodies. In Germany, for example, they



can contact the works council, representatives for younger employees, trainees or severely disabled employees, and the complaints office as per the *Allgemeine Gleichbehandlungsgesetz* (AGG) [German General Equal Treatment Act], or the Human Rights Officer. Every employee worldwide is also able to report grievances anonymously to the independent Ombuds-person’s Office.

The company sees the KSB Voice employee engagement survey as one of the most important feedback channels for employees worldwide. Since the survey is conducted by an external institute and employees can share their opinions anonymously, this communication channel is considered very reliable.

Everyone has access to this information via the Intranet. Local units are required to communicate this information to employees and to name the complaints channels. For employees without direct Intranet access, the information must be made available on a publicly accessible notice board.

Does KSB have a defined grievance management process? YES NO

The reporting system of the Compliance Organisation and the results of the employee survey, which is conducted every two years, are used to monitor problems and evaluate the efficiency of the communication channels.

KSB does not have a specific procedure for ensuring that its employees are familiar with and have confidence in the whistleblower complaints structures. KSB protects whistleblowers, including members of the works council, in compliance with legal requirements.

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

KSB has defined the following actions and resources in connection with the identified impacts.

Action taken

Occupational health and safety

An ISO 45001-compliant occupational health and safety management system is implemented at all production sites. All risk mitigation actions are recorded by the local Environmental, Health And Safety (EHS) departments and implemented and verified in cooperation with the respective managers.

Action	Implementation of a comprehensive system to promote the physical and psychological health of employees.
Expected results	Reduction in days lost due to accidents and sick leave.
Contribution to the achievement of the targets	These actions are directly related to the target of reducing days lost due to accidents to 0.3 by 2025.
Scope	These actions are implemented in all companies with ISO 45001 certification, and adapted to local needs. The affected employees are defined in the individual risk assessments for each workplace.
Time horizons	This is a long-term action.
Key actions to remedy the situation	<ul style="list-style-type: none"> • Training courses and workshops on stress management and ergonomic working. • Provision of resources such as access to fitness services, healthy food options and wellness programmes. • The workplace risks covered by ISO 45001 are assessed regularly, including sources of stress. • Employee surveys and interviews to gather feedback on employee well-being. • Development of action plans to reduce identified stress factors, e.g. adaptation of workload or improvement of the work environment. • Preventive analyses to protect employee health
Progress	

Occupational health and safety standard ISO 45001 is applied at all production sites.

A regular risk assessment is conducted for each workplace in accordance with this standard and the local regulations to record existing hazards and the actions required to avoid negative impacts.

Based on the findings from the risk assessment, KSB implemented preventive actions to remediate the material impacts; for example, mechanical or electrical safety devices to prevent the incorrect operation of machinery and systems.

Action	Risk assessment
Expected results	Reduction of days lost due to work-related accidents
Contribution to the achievement of the targets	KSB assesses the workplace-related health hazards at all sites with production units.
Scope	All sites with a production unit
Time horizons	Indefinite, to be completed annually
Key actions to remedy the situation	The existing workplace-related health hazards are recorded and preventive actions defined.
Progress	

Equal treatment and opportunities for all

KSB pursues a policy of equal career opportunities (without gender bias) and a diversity policy to prevent unequal pay due to gender or other personal, non-performance-related aspects. KSB is currently focusing efforts on increasing the proportion of women in management positions. This is a big challenge, especially in the pump industry. The local management is responsible for implementing all actions related to equal treatment and opportunities under consideration of local legal frameworks. One of the key global initiatives implemented by the HR department is the international women’s network.

Action	International women’s network
Expected results	Increase in the proportion of women in management positions
Contribution to the achievement of the targets	KSB promotes career opportunities for women through targeted engagement, networking and mentorship activities. These actions are directly related to the target of 11 % of women in the first management level below the Managing Directors and 15 % in the second management level by 2026.
Scope	The women’s network is aimed at women worldwide with career ambitions, women interested in collaborating with other departments and managers who want to support this initiative.
Time horizons	This is a long-term action.
Key actions to remedy the situation	Specific actions are not defined.
Progress	

Gender diversity

Through initiatives such as the Girl’s Day in Germany, which primarily targets young women interested in apprenticeships, KSB showcases the training opportunities available at KSB for women, especially in technical fields.

Similar actions are also offered by KSB companies with production units in other countries. These actions are implemented by the local HR managers.

Action	Girl’s Day
Expected results	Increase in the proportion of women in technical professions
Contribution to the achievement of the targets	KSB invites women to technical departments to inspire an interest in a technical career.
Scope	This event is currently run in Germany as a model for companies in other countries. Other countries are implementing similar actions (e.g. STEM (science, technology, engineering and mathematics) day in India).
Time horizons	Regular annual event.
Key actions to remedy the situation	
Progress	



Training and professional development

Training and development planning is a mandatory part of the annual feedback meetings between employees and their line managers.

Action	Training and development planning as part of the annual feedback meeting
Expected results	Increase in number of training hours per employee to 30 hours per year
Contribution to the achievement of the targets	Agreement on targeted training and development for the individual employee
Scope	The action is aimed at all employees worldwide, their line managers and HR managers for implementation of the training plans.
Time horizons	The training activities are agreed annually in the feedback meeting
Key actions to remedy the situation	The feedback meeting and agreed training measures are intended to fill skills gaps and help employees unleash their full potential.
Progress	

Implementation

Occupational health and safety

All risk mitigation actions are recorded by the local environmental, health and safety (EHS) offices and implemented and verified in cooperation with the respective managers. This is a requirement of ISO 45001 and is reviewed during the audits.

Equal treatment and opportunities for all

The KSB Women’s Network implemented the following activities in the reporting year:

- An employee survey was conducted on how it feels to be a female employee at KSB.
- A workshop on gender equality, organised by the Allbright Foundation, was held with KSB Management.

- Several activities were carried out to mark International Women’s Day at various KSB locations around the world.
- KSB has established a women’s talent pool.
- The company organised various internal information-sharing and networking events featuring presentations by internal speakers on a range of topics.
- The women’s network is notified in advance of all management vacancies to give all interested parties an opportunity to apply.

Gender diversity

KSB ran a number of locally and culturally adapted campaigns in the reporting year to honour and promote women. These included Women’s Day and Mother’s Day campaigns, for example.

These locally implemented actions are also advertised in internal communication channels throughout the Group and on external social media to inspire and motivate others.

Training and professional development

KSB offers training on diverse topics and areas of work on its global learning platform youLEARN@KSB. For various Market Areas, it has also set up academies on the platform to equip employees in the product and project areas with sufficient knowledge on products and processes. The courses offered by the Global Learning Center and the academies is available to employees worldwide.

In addition, companies around the world also have local training departments that offer the workers and employees training to meet local needs. KSB India, for example, offers a series of Workmen Training courses.

KSB France also offers various technical and non-technical training courses for employees.

At Group level, new employees are offered various training courses during on-boarding to familiarise themselves with KSB-specific systems and processes and the corporate culture at KSB.

New courses and new learning formats (such as Lunch&Learn) are constantly being added to the central youLEARN@KSB training platform.

Monitoring of effectiveness

Occupational health & safety

Annual management system audits are conducted to monitor compliance with the ISO 45001 system requirements and the effectiveness of the system and to document and verify actions derived from system non-conformities. The actions are derived from the findings of the (internal and external) auditors (potential hazards in the production process, for example).

Internal audits are conducted to monitor the effectiveness of the occupational health and safety-related actions. Audits are also conducted by external parties such as TÜV Rheinland based on the ISO 45001 standard to certify the effectiveness of our management system.

Equal treatment and opportunities for all

The proportion of women in top management positions one and two levels below the Company’s Management is regularly evaluated and reported to Management.

Gender diversity

The proportion of women in the company is regularly evaluated and reported to Management.

Training and professional development

KSB measures the number of training hours per employee broken down by gender with the aim of achieving an increase and a fair distribution.

Due to the great strategic importance of the above-mentioned topics, KSB has taken steps, such as regular employee surveys for example, to review these actions. The findings from the employee feedback and dialogue contribute towards the company's strategic direction. KSB firmly believes that this ensures employee satisfaction and contributes to the company's long-term resilience and competitiveness.

The Sustainability Committee also reviews the definition and implementation status of the actions for the impacts mentioned.

Potential vulnerabilities are also identified and documented during the internal and, in the case of occupational health & safety, external audits. In the event of deviations, additional necessary actions are defined.

In the double materiality assessment, KSB did not identify any financially material risks or opportunities related to the company's workforce.

To mitigate negative impacts related to occupational safety and data privacy and protection, KSB implemented the following processes:

ISO 45001-compliant occupational health and safety management system

64 KSB locations have implemented a certified occupational health and safety management system to ISO 45001. This covers over 90% of the workforce. The aim of this occupational health and safety management

system is to systematically and continuously identify, assess and minimise risks to the health and safety of employees.

This helps to avoid negative impacts on the workforce and create a safe work environment.

GDPR-compliant data privacy and protection management

Data privacy and protection management at KSB is based on the European General Data Protection Regulation (GDPR) and is implemented throughout the Group.

KSB has implemented policies and procedures to ensure the protection of personal data.

The aim is to avoid negative impacts related to data use and to strengthen stakeholder trust in the company.

IT Security and Data Privacy and Protection Directive at KSB

Key contents, general objectives and relation to material impacts, risks and opportunities:

The directive underscores the importance of IT security and data privacy and protection for KSB and sets out the underlying principles. It includes references to works agreements, directives and IT standards that define and describe the required actions, procedures and equipment.

Process for monitoring:

Monitoring is the responsibility of the KSB Data Protection Organisation as described in the Data Protection Organisation Directive.

Scope of application and value chain (suppliers):

Applies to all companies of the KSB Group at all locations.

Responsible organisational level:

Member of the Management responsible for data privacy and protection, supported by the Group Data Protection Officer and Data Protection Organisation.

Reference to third-party standards or initiatives:

General Data Protection Regulation (GDPR) and other legal regulations (such as the *Aktiengesetz* [German Public Companies Act] and *Handelsgesetzbuch* [German Commercial Code]).

Engagement with affected stakeholders:

Availability of the policy to stakeholders:

Available on the Group-wide Intranet around the world.

Dealing with tensions between the prevention of negative impacts and other business pressures

KSB addresses possible tensions through transparent communication and by maintaining an open dialogue with stakeholders. KSB focuses on inclusive decision-making, taking into account economic, social and environmental aspects.

Resources for avoiding negative impacts and advancing positive impacts

Occupational health and safety resources are planned as part of normal budget planning based on national requirements and are organised by the local site management.

Engagement Ambassadors at the KSB companies working on behalf of the Employee Experience & Culture team organise and coordinate various employee participation and engagement formats, such as newcomer sessions for new employees, round tables with the Managing Directors, the KSB women's network, events on key topics such as diversity, mentorship programs, Create your Experience meetings on development opportunities at KSB and KSB Voice employee engagement surveys.

The Global Learning Center team organises many of the centrally run training courses and is responsible for the youLEARN@KSB platform.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Goal	Reduction of days lost due to work-related accidents
Relationship of the target to the policy objectives	The Directive does not mention a specific target.
Target	No more than 0.30 days lost per employee / year by 2025
Scope	All of KSB's own employees at the defined companies
Base year and base value	2019 / average of 0.28 days lost per employee / year at all locations
Target achievement period (including milestones)	2025
Data source	Annual data collection by local security officers
Stakeholder engagement	No
Change to targets and parameters	No changes
Current progress	0.33 days lost per employee / year
Assumption	Use of a pharmaceutical industry benchmark
Methodology	Days lost due to work-related accidents by number of employees

Goal	Increase in the proportion of women in management positions
Relationship of the target to the policy objectives	There is no specific policy.
Target	At least 11 % of positions at the first and 15 % of positions at the second management level below the Managing Director level to be held by women
Scope	All top management positions of the 1st and 2nd management level below the Managing Director level Group-wide
Base year and base value	First level: 8 % (2022) Second level: 12 % (2022)
Target achievement period (including milestones)	Until 31 Dec. 2026
Data source	Workday
Stakeholder engagement	No
Change to targets and parameters	No changes
Current progress	First level: 12 % Second level: 14 %
Assumption	Achievable target compared to 2022 figure
Methodology	Defined by Management

Goal	Strengthen employee training
Relationship of the target to the policy objectives	There is no specific policy.
Target	Each employee invests at least 30 hours per year in training and development.
Scope	All employees at KSB locations
Base year and base value	2022 / 17 hours per year
Target achievement period (including milestones)	2025
Data source	Global Learning Center database
Stakeholder engagement	Through the employee feedback meeting
Change to targets and parameters	No changes
Current progress	26 hours per year
Assumption	Achievable target compared to 2022 figure
Methodology	Defined by Management

The KSB Sustainability Committee, Audit Committee and external auditors monitor target achievement status and the progress of specific actions.

Employee representatives are involved in the target setting process during works council and Economic Committee meetings and monitor their progress through Human Resources.

Occupational Safety Committee: Employee representatives are involved in the target setting and tracking process. Regular meetings take place quarterly or 1-2 times a year.

Social indicators (on the company's own workforce)

All disclosures in this section are based on headcount.

All figures are based on the reporting date at the end of the year (31 Dec. 2024).

The average number of employees for the year was used to calculate employee turnover.

Characteristics of the company's own workforce

Total workforce

All of the figures below are based on headcount (rather than a full-time equivalent basis).

Gender	Number of company employees (headcount)
Female	2,942
Male	13,856
Non-binary	0
Not reported	310
Total number of employees	17,108

Number of employees in countries with at least 50 employees, representing at least 10 % of the total number of company employees:

Country		Number of company employees (headcount)
Germany	Total	5,370
	Female	986
	Male	4,360
	Non-binary	0
	Not reported	24
India	Total	2,815
	Female	218
	Male	2,564
	Non-binary	0
	Not reported	33

Contract type / number of persons	Female	Male	Non-binary	Not reported	Total
Permanent employees (number of employees with permanent contracts)	2,684	12,853	0	294	15,831
Temporary employees (number of employees with fixed-term contracts)	254	999	0	15	1,268
Non-guaranteed hours employees	4	4	0	1	9
Total	2,942	13,856	0	310	17,108

Total number of employees who left the company during the reporting period	1,645
Employee turnover in the reporting period	9.7 %

Reconciliation of the number of employees according to financial definition and CSRD definition:

Total number of employees as defined by the IFRS	16,407
Total number of employees as defined by the CSRD	17,108

Characteristics of non-employees of the company

According to ESRS 1 Appendix C, disclosures are not required on this subject in the first year of reporting.

Diversity indicators

Gender distribution at top management level (first level below Managing Directors)	Number	Percentage (%)
Male	29	88 %
Female	4	12 %
Non-binary	0	0 %
Not reported	0	0 %

Gender distribution at top management level (second level below Managing Directors)	Number	Percentage (%)
Male	172	86 %
Female	29	14 %
Non-binary	0	0 %
Not reported	0	0 %

Distribution of employees by age group	Number
Under 30	2,457
30-50	9,217
Above 50	4,780
No age disclosed	654

Training and professional development indicators

Percentage of employees who participated in regular performance and career evaluations	%
Male	80 %
Female	84 %
Non-binary	0 %
Not reported	0.5 %

Average number of training hours per employee	Number
Male	26.03
Female	25.80
Non-binary	0
Not reported	11.46
Average number of training hours per employee	25.73

Health and safety indicators

	The percentage of people in KSB's own workforce who are covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines
Own workforce	100 %
	The number of fatalities as a result of work-related injuries and work-related ill health
Own workforce	0
	The number and rate of recordable work-related accidents
Own workforce (number)	305
Company's own workforce (rate per 1,000,000 hours of work)	10,68
	Number of cases of recordable work-related ill health
Number	According to ESRS 1 Appendix C, disclosures are not required on this subject in the first year of reporting.
	Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health
days	5,580

Reporting on external workers was omitted in accordance with ESRS 1 Appendix C.

Remuneration indicators (pay gap and total remuneration)

	Gender pay gap
	12 %
	The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)
Pay ratio	14-1

Incidents, complaints and severe human rights impacts

Cases	Number
Number of complaints (discrimination, including harassment) filed through channels for people in the company's own workforce to raise concerns (including grievance mechanisms)	0
Number of complaints (discrimination, including harassment) filed to the National Contact Points for OECD Multinational Enterprises	0

Cases	Amount (€)
Total amount of fines, penalties and compensation for damages as a result of the incidents and complaints	0

Methods and assumptions as well as explanations of KPIs in relation to the company's own workforce

General methodology

Prior to data collection:

A series of discussions were held with regional and local HR managers to achieve a common understanding and approach regarding the ESRS requirements.

Data collection stage:

Q&A sessions were organised to clarify questions about the KPIs and how to interpret them.

Data validation:

To ensure accuracy and consistency, validation discussions were held at the end of the reporting year with representatives from all regions and countries to validate the data and clarify any uncertainties.

Target-related assumptions:

Days lost per employee (and year) due to work-related accidents (lost time accident rate – LTAR) & recordable work-related accidents

All work-related accidents that result in at least one day lost are recordable. This includes accidents that occur during regular working hours and in the course of work-related activities outside of regular working hours. This definition aims to ensure comprehensive and transparent reporting on employee health and safety.

Days lost per employee (and year) due to work-related accidents:

When calculating days lost per employee, the company divides the respective number of recorded days lost due to work-related accidents by the total number of employees. The number of days lost is counted such that the first full day and last day of absence is included. The calculation is based on working days.

The individual companies of the KSB Group continuously collect data on days lost due to work-related accidents. Once a year, Group Head Office runs a full data collection cycle by sending a standardised electronic query to all companies. The data returned is then combined and evaluated centrally.

Group Head Office calculates the days lost per employee based on the collected data. This key figure provides information about the average number of days lost per employee due to work-related accidents and serves as an important indicator of occupational safety within the entire KSB Group.

Number of training hours per employee

When determining the number of training hours per employee, the total working hours spent on training is calculated in relation to the total number of employees (headcount).

Hours spent on training on the youLEARN@KSB and SoSafe learning platforms are recorded automatically.

Training activities that are not documented on the above digital learning platforms are recorded centrally and evaluated by Global HR, which submits manual queries to the Group companies.

Proportion of women in management positions

To determine the proportion of women in management positions, KSB calculates the percentage of women in top management positions one and two levels below the Managing Directors of the KSB Group. This is based on the individual's hierarchical position in the Group organisational chart regardless of legal entity (company).

Assumptions on characteristics of the company's employees

Total number of employees

The number of employees refers to all employees who have an employment contract with a company included in the scope of consolidation of this non-financial report.

The total number includes:

- All salaried employees with a permanent employment contract
- All salaried employees with a fixed-term employment contract
- Temporary workers
- Employees in the working phase of partial retirement
- Employees on long-term sick leave
- Employees on maternity leave
- Apprentices / trainees
- Working students

The total number does not include:

- Temporary agency workers (persons with an employment contract with a third-party company)
- Employees on parental leave
- Employees in military service
- Employees in the release phase of partial retirement
- Employees with an inactive employment contract
- Employees on care leave
- Employees in temporary retirement
- Employees subject to a social plan
- Partially retired persons in the release phase

All disclosures concern the headcount on the balance sheet date of the consolidated financial statements.

Methodology

Employee data is extracted from the Workday Human Capital Management system and includes both permanent and temporary employees. Local HR managers, who are responsible for the Hire-to-Retire process in Workday, validate the data by phone or e-mail to ensure accuracy. The figures reflect the headcount data at the end of the reporting period. Employee turnover rates are calculated on the basis of the average number of employees in the reporting period. To ensure consistency, the employee data is compared with financial controlling data.

Assumptions

It is assumed that all employee data in Workday is up to date and has been recorded correctly by the local HR departments. Gender data is self-disclosed by the employees. Undisclosed entries are categorised separately. Employee turnover rates include both voluntary and involuntary turnover, as well as employees entering retirement in accordance with disclosure requirements. Countries with more than 50 employees representing at least 10 % of the total workforce are included in the country-specific overview.

Number of employees leaving the company / employee turnover

The number of employees leaving the company includes all resignations and dismissals, expired fixed-term contracts, termination agreements, retirements (including employees transitioning to the release phase of partial retirement) and deaths in the reporting year.

The employee turnover rate is calculated by dividing the average number of employees (headcount) with the number of leavers in the reporting year.

An employee turnover rate of 9.6 % is within the normal industry range for a mechanical engineering company (10-12 %), especially in the pumps, valves and services sectors, and can be attributed to factors such as project-related work, the skills shortage and the impact of automation. Regional differences (6-9 % in Europe and 12-20 % in Asia, for example) reflect different labour markets, economic conditions and cultural attitudes towards employment. This employee turnover rate is manageable and allows for a renewal of the workforce. However, tailored retention strategies are required, including competitive remuneration and employee development programmes, to address challenges such as talent mobility, an ageing workforce and changing skill requirements.

Reconciliation of the number of employees according to financial definition and CSRD definition

The number of employees presented for social key performance indicators (KPIs) in this non-financial report may differ from the figures presented in the KSB Group Financial Report.

This difference arises from the fact that in this non-financial report, trainees and apprentices are counted in the number of employees.

While these people are counted in the context of social reporting to reflect the total number of employees, they are not counted in the number of employees in the financial report. Another factor is the different scope of consolidation resulting from the inclusion of companies under KSB's operational control.

The two documents may therefore differ in the total number of employees reported given the different purposes and methods of the two reports.

Diversity indicators

Methodology

Data on the gender distribution at top management level and the age distribution of the total workforce is extracted from Workday and manually validated by the appropriate department. Top management positions are identified based on the internal organisational hierarchy. In accordance with the disclosure requirements, age data is broken down into <30 years, 30-50 years and >50 years.

Assumptions

Gender and birth data in Workday is assumed to be up to date and to have been entered correctly by the local HR departments or the employees themselves. Top management is classified according to the company's internal definition of senior executives. Gender data is self-disclosed by the employees. Undisclosed entries are categorised separately. The age distribution is based on the age of employees at the end of the reporting period.

Training and professional development indicators

Methodology

Data on training hours was extracted from the global learning platform YouLEARN@KSB and the SoSafe IT portal for digital training activities. In addition, data from in-person and local training courses was collected manually by HR managers in the Regions. The combined data was used to calculate the average training hours per employee by gender. Participation in performance and career development meetings was also tracked through Workday and manual data collection.

Assumptions

It is assumed that all training activities on YouLEARN@KSB and SoSafe were recorded accurately and completely. Locally reported training hours are

assumed to be complete and accurate. Gender data is self-disclosed by the employees. Undisclosed entries are categorised separately. It is assumed that all employees had equal access to training opportunities and that participation in performance and career development meetings was accurately recorded.

Health and safety indicators

Methodology

The health and safety data was collected through a structured questionnaire distributed to local health, safety & environment (HSE) representatives at all locations. The questionnaire recorded coverage of the health and safety management system and the number of work-related injuries, illnesses, deaths and working days lost due to incidents. The data was categorised according to employees and external persons working at KSB company locations.

Assumptions

It is assumed that all the local HSE representatives completed the questionnaire correctly and completely. The reported data on injuries, illnesses and deaths complies with local legal reporting requirements. Where relevant, workers working at KSB sites, but who are not part of KSB's own workforce, are fully recorded. Health and safety management systems are expected to comply with legal requirements or recognised international standards, even if they are not externally certified.

Remuneration indicators

Methodology

Gender pay gap

To calculate the gender pay gap, the difference between the gross hourly pay level of all male employees and the gross hourly pay level of all female employees is expressed as a percentage of the average

gross hourly pay level of all male employees. The calculation does not include employees who do not disclose their gender.

It includes the gross salaries of the employees of all consolidated companies.

The gross salary includes all fixed and variable monetary salary components, cash compensation (e.g. rent allowances, transport allowances), bonuses and special payments.

The number of hours is calculated using the average weekly working hours (multiplied by 52 weeks) plus overtime worked minus holidays and other days of absence.

For data privacy and protection reasons, it was not possible to access the salary data of employees in all consolidated companies.

To enable as accurate a statement as possible to be made about the gender pay gap across the Group as a whole, each consolidated company conducted its own gender pay gap calculation. The weighted average was then calculated using the individual values determined for the number of employees (of the individual company).

The annual total remuneration ratio of the highest-paid to the median annual total remuneration for all employees (pay ratio)

In deviation from the definition in the ESRS, the pay ratio calculation only considers direct monetary remuneration (corresponding to gross earnings in the gender pay gap calculation). It does not include any non-monetary remuneration components or as yet unrealised monetary commitments (e.g. pension entitlements).

KSB has opted to deviate from the definition in the ESRS for the pay ratio calculation as the effort involved in the monetary valuation of all non-monetary remuneration components worldwide is disproportionate to the significance of the resulting quotient.

Since the salary data of the employees in all consolidated companies could not be accessed for data privacy and protection reasons, the median was determined for each company, from which a weighted average was determined at Group level based on the number of employees (of the individual company).

The gender pay gap and pay ratio were calculated on the basis of the gross salary rate, which includes base salary, allowances and bonuses, but excludes benefits in kind. To ensure accuracy, the gross hourly wage was calculated based on actual hours worked, excluding holidays and public holidays. Local HR managers from all relevant countries collected the data from their local payroll systems under observance of applicable data privacy and protection regulations.

Assumptions

It is assumed that all local HR managers provided complete and accurate salary data. The use of actual working hours ensures a fair basis for comparison. Benefits in kind were excluded as their impact is considered minimal. Gender data is self-reported. Data on employees whose gender was not disclosed was not included in the gender pay gap calculation.

Incidents, complaints and severe human rights impacts

Methodology

Data on work-related incidents, complaints and human rights violations was collected by the Global Compliance Department and the Ombudsperson's Office and validated by the Human Rights Officer. This included reports of discrimination and harassment received through internal grievance mechanisms and external channels. The total number of incidents, complaints and related fines and compensation were summarised for disclosure.

Assumptions

It is assumed that all relevant incidents were recorded correctly. The complaint channels are accessible and data privacy and protection regulations were complied with. All sanctions and compensation for the reporting period were fully disclosed.

Workers in the Value Chain

Impacts, risks and opportunities and their interaction with strategy and business model

Due to the company's activities in the field of mechanical engineering, there is an increased risk of negative human rights impacts in the upstream supply chain, especially in mines where the raw materials for KSB products are extracted. In the double materiality assessment, KSB did identify potential negative impacts such as forced labour, child labour, unsafe working conditions, as well as potential negative impacts related to inequality of opportunity and other labour-related rights in the mines associated with its business activities. These potential negative impacts arise from the need to source raw materials from regions where human rights standards are not always consistently observed.

The human rights matters and the material impacts influence KSB's procurement strategy.

These issues are taken into account through the use of questionnaires, for example, when selecting new suppliers. For existing suppliers, high-priority queries are submitted to the main suppliers using the IntegrityNext software.

KSB has thus far not considered adjusting its business model on account of these findings.

With regard to the potential negative impact on raw material extraction workers, no material opportunities or risks have been identified for KSB's business model that would require an adjustment of the strategy or business model.

The company has not identified any current or potential material negative impacts for workers at suppliers with a direct contractual relationship with KSB or who work on KSB premises.

Workers in the upstream raw material mines (e.g. iron, gold, copper, minerals) could be affected as there is an increased potential for working conditions to fall below human rights standards.

KSB has not identified any negative current or potential impacts related to workers in the downstream value chain (in logistics or sales, for example).

KSB has not identified any current or potential material negative impacts for workers working in joint ventures and has no direct involvement with any special purpose entities.

Migrant mine workers are a group of workers in the upstream supply chain at particular risk of vulnerability.

Geographically speaking, KSB has seen evidence of potential isolated human rights violations in Asia, but no indication of a systemic problem.

KSB has not identified any widespread or systemic material negative impacts in contexts where it has business relationships. However, there may be potential negative impacts related to isolated incidents or specific business relationships.

No individual incidents were reported in the reporting year.

No material positive impacts were identified.

Overall, the assessments did not identify any material financial risks or opportunities for KSB's business model related to value chain workers.

Based on the double materiality assessment, KSB has developed an understanding of how workers in the upstream and downstream supply chain with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm.

For a sample-based assessment of the potential negative impacts, KSB also used the freely available CSR Risk Check and some analyses from the IntegrityNext software solution. These approaches will be refined further in the following years.

Overall, the assessments did not identify any material risks or opportunities from dependencies related to value chain workers.

Policies related to value chain workers

KSB is committed to complying with the principles of the United Nations' Universal Declaration of Human Rights, the European Convention on Human Rights, the core labour standards of the International Labour Organisation (ILO), the OECD Guidelines for Multinational Enterprises, and the UN Global Compact.

This is documented in KSB's Human Rights Policy Statement and is also disclosed on the KSB web site.

KSB has appointed a Human Rights Officer to monitor compliance with these principles.

They are the first point of contact for all human rights-related concerns from the authorities, politics and society and play an important role in overseeing respect for the human rights, including labour rights, of workers.

Directive: Human Rights Policy Statement

Key contents, general objectives and relation to material impacts, risks and opportunities:

In addition to its internationally recognised and codified human rights, KSB has undertaken further assessments to identify potential risks in:

- Occupational health and safety
- Work environment
- Remuneration
- Company safety and security
- Impact of our products
- Anti-corruption
- Child labour, forced labour and human trafficking
- Freedom of association and collective bargaining
- Business partners
- Communities and indigenous peoples

Process for monitoring:

Monitoring and transparent annual reporting
Remedy and complaint mechanisms

Scope of application and value chain (suppliers):

Own operations and all business partners.

Responsible organisational level:

The Human Rights Officer of the KSB Group is responsible for implementing the Human Rights Policy Statement with the support of the following individuals and departments:

- Head of Procurement, who oversees the overarching procurement processes and supplier selection
- Category Manager and local buyers, who are responsible for overseeing compliance with human rights standards among the suppliers and in the categories
- Site managers, who are responsible for monitoring activities at a local level
- Sustainability Management, which is responsible for monitoring and improving compliance with sustainability and human rights standards
- Risk Management, which is responsible for analysing and evaluating potential risks related to human rights violations.
- This coordinated cooperation ensures the comprehensive and effective observance of human rights due diligence obligations throughout the KSB Group.

Reference to third-party standards or initiatives:

Ten principles of the UN Global Compact
International Bill of Human Rights
International Labour Organisation Declaration on Fundamental Principles and Rights at Work
OECD Guidelines for Multinational Enterprises

Engagement with affected stakeholders:

Employees, customers, business partners, shareholders, municipalities

Availability of the policy to stakeholders:

Published on the KSB homepage

The Human Rights Policy Statement also encompasses workers in the upstream value chain.

KSB's process documentation "Human rights due diligence within the supply chains and own business operations" also sets out the most important requirements and responsibilities associated with protecting human rights.

Process documentation "Human rights due diligence within the supply chains and own business operations"

Key contents, general objectives and relation to material impacts, risks and opportunities:

The goal is to ensure that KSB only does business with partners who observe the Human Rights Statement and all applicable legal rules and regulations. The process documentation lists the topics to be covered and defines clear responsibilities.

Process for monitoring:

This is currently monitored through:

- Regular risk analyses regarding human rights violations in the supply chain.
- Audits and supplier evaluations with a specific focus on observance of human rights standards and internationally recognised labour standards.
- Supplier training and awareness programmes to ensure that suppliers understand and satisfy the requirements of the KSB Code of Conduct and human rights due diligence.

Scope of application and value chain (direct suppliers):

Applicable to the KSB Group's own operations, including all companies over which KSB has operational control and all direct and indirect business partners.

Although the formal Human Rights Due Diligence Report has not yet been finalised, KSB continues to develop and implement due diligence actions.

These include ongoing monitoring and assessment of risks in the value chain, especially for groups at particular risk of vulnerability such as migrant mine workers.

With the upcoming transposition of the Corporate Sustainability Due Diligence Directive (CSDDD) in German law, these processes will be rolled out to the full value chain and reporting will be standardised.

Responsible organisational level:

The Human Rights Officer of the KSB Group is responsible for implementing Human Rights Due Diligence with the support of the following individuals and departments:

Head of Procurement, who oversees the overarching procurement processes and supplier selection

KSB Compliance Officer with oversight by the Ombudsperson (whistleblower channel)

Category Manager and local buyers, who are responsible for overseeing compliance with human rights standards among the suppliers and in the categories

Site managers, who are responsible for monitoring activities at a local level

Sustainability Management, which is responsible for monitoring and improving compliance with sustainability and human rights standards

Risk Management, which is responsible for analysing and evaluating potential risks related to human rights violations.

This coordinated cooperation ensures the comprehensive and effective observance of human rights due diligence obligations throughout the KSB Group.

Reference to third-party standards or initiatives:

United Nations Global Compact

Engagement with affected stakeholders:

Reference is made to government regulations and the requirements of non-governmental organisations (NGOs).

Availability of the policy to stakeholders:

It is an internal process description.

The KSB Code of Conduct defines specific rules of conduct and requirements for suppliers concerning legal compliance, human rights and non-discrimination, labour, health, safety and the environment.

Directive: Code of Conduct**Key contents, general objectives and relation to material impacts, risks and opportunities:**

The Code of Conduct describes the defining principles of law and business policy on which KSB bases not only relations with its customers, suppliers and business partners but also its internal collaboration.

The Code of Conduct covers the following topics:

Employee interaction, acting as a role model, communication and transparency, management of business, business relationships, conflicts of interest, inside information, confidentiality, corporate social responsibility, competition and cartel / anti-trust law, foreign trade and export control, tax law, the environment, energy and climate change mitigation, dealing with conflict minerals, occupational health and safety, remuneration and working hours, respect for human rights, product safety and quality, data privacy and protection, IT security

Process for monitoring:

Monitoring is the responsibility of the respective manager and the Compliance Organisation headed by the Group Compliance Officer.

In this role, the Group Compliance Officer reports directly to the CEO but is not subject to instructions.

Scope of application and value chain:

The Code of Conduct is compulsory for all employees at all levels. It covers all organisational units and companies where KSB SE & Co. KGaA directly or indirectly holds more than 50 % of the shares. If the interest held is lower, KSB encourages the relevant company to adhere to similar standards. Suppliers are required to comply with the principles of this Code of Conduct or an equivalent code.

Responsible organisational level:

Human Rights Officer and Group Compliance Officer, reporting directly to Management (CEO) but not subject to directions.

Each KSB employee is individually responsible for observing the Code of Conduct in their area. Each line manager is responsible for ensuring that the content of the Code of Conduct is known to and observed by their respective employees.

Supported by the Group Compliance Officer.

Reference to third-party standards or initiatives:

UN Guiding Principles, UN Global Compact, ILO Standards, OECD Guidelines

Engagement with affected stakeholders:

Not explicitly mentioned

Availability of the policy to stakeholders:

Available on the Internet (KSB web site)

Actions**Supplier qualification**

As part of the qualification process for new suppliers, suppliers are asked whether they follow a code of ethics comparable to the KSB Code of Conduct or, alternatively, whether they comply with the KSB Code of Conduct.

KSB requires its suppliers to follow these or equivalent international standards, such as the UN Global Compact or core labour standards of the ILO.

All new suppliers are required to respond to a questionnaire on the following subjects:

- Prohibition of child labour
- Prohibition of human trafficking
- Prohibition of forced labour
- Prohibition of unequal treatment
- Occupational health and safety
- Freedom of association
- Decent pay
- Protection of natural resources (soil, water, air)

KSB requires its contractors to share its commitment to meeting the social, ethical and ecological standards of society, and to honour this commitment in the manufacture of products and provision of services.

This is also communicated during the supplier qualification process and is verified with every potential supplier before a business relationship is entered into.

Supplier management plays an important role in protecting human rights and human rights due diligence.

Training for Procurement employees

KSB provides human rights training to all Procurement employees at the company to ensure that they are alert to human rights violations when liaising with suppliers.

Code of conduct for business partners

All business partners are required to observe KSB's sustainability principles and agree to comply with the KSB Code of Conduct or their own comparable regulations.

Due diligence

With the application and implementation of the *Lieferkettensorgfaltspflichtengesetz* (LkSG) [German Supply Chain Act] since 1 January 2023, respect for the human rights, including labour rights, of workers in the value chain is also subject to human rights due diligence under the LkSG, and thus included, among other things, in LkSG risk management.

Risk analyses

In the reporting year, KSB conducted an initial risk analysis of its own operations and its suppliers in accordance with the requirements of the LkSG. This did not identify any specific material human rights-related risks within the meaning of the LkSG for workers in KSB's own operations and at KSB suppliers. If value chain workers feel that their rights have been impacted, the LkSG complaints procedure, which can be accessed via the KSB web site, can be used to submit reports.

In the Human Rights Policy Statement, which can be viewed on the Group's web site, KSB states that it does not tolerate any form of forced labour or child labour, including slavery and human trafficking. This also applies to workers in the value chain.

The Code of Conduct, which is communicated to every potential supplier during the qualification process, covers the following (list not exhaustive):

- Occupational health and safety
- Remuneration and working hours
- Respect for human rights
- Prohibition of child labour
- Prohibition of forced labour
- Freedom of association and collective bargaining

As part of the qualification process, the potential supplier is required to confirm that it meets all the applicable standards in respect of:

- Prohibition of child labour
- Prohibition of human trafficking
- Prohibition of forced labour
- Prohibition of unequal treatment
- Occupational health and safety
- Freedom of association
- Decent pay
- Protection of natural resources

The KSB directives listed ensure the company's observance of the United Nations' Universal Declaration of Human Rights, the European Convention on Human Rights, the core labour standards of the International Labour Organisation (ILO), the OECD Guidelines for Multinational Enterprises, and the UN Global Compact.

During the reporting period, there were no reported violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

Process for engaging with value chain workers about impacts

All workers in the value chain or their representatives can use the KSB whistleblower system described below to report actual or potential impacts. This includes legitimate representatives and credible proxies.

Around 400 operational procurement and quality assurance employees received human rights awareness training. For a direct insight into working conditions on site, procurement employees visited the production facilities of KSB's main suppliers.

Before entering into a business relationship with a new supplier, KSB engages with value chain workers indirectly by asking the supplier to complete a survey on human rights aspects. Completing and returning the questionnaire is mandatory for admission as a supplier. Questions about human rights are an integral part of the supplier qualification process.

Value chain workers are also taken into account in the risk analyses and accompanying actions.

Procurement is centralised within the Group. The function and the most senior role at KSB that has operational responsibility for ensuring this engagement happens, and that the results inform the company's approach is the Head of Procurement.

Process to remediate negative impacts and channels for value chain workers to raise concerns

A system for implementing remedial actions was introduced as part of the activities associated with the *Lieferkettensorgfaltspflichtengesetz* (LkSG) [German Supply Chain Act].

Information about the LkSG-compliant process is provided on the KSB web site. Workers in the value chain who feel their rights have been impacted are also able to use this channel to report any concerns.

After an initial evaluation by the complaints office (Ombudsperson), all complaints will be forwarded to selected employees.

Depending on the nature of the complaint, different KSB departments, such as the Legal department, HR, Plant Security or Corporate Audit, may be involved in the investigation (investigation team).

Once an investigation is concluded, the reporting person will be notified of the outcome, unless the report was submitted anonymously. If KSB's response is unsatisfactory, contact can be made again at any time.

KSB has set up specific channels through which value chain workers can raise their concerns or needs with the company directly and have these addressed. Value chain workers can also use the whistleblower system to report grievances anonymously.

The whistleblower system is organised by an independent, external law firm, which acts as an Ombudsperson and is also available to employees in the value chain.

In addition, individuals or groups, including stakeholders such as trade unions or NGOs, can address their concerns directly to the KSB Group's Human Rights Officer or by completing a contact form on the KSB web site.

To ensure that these channels are available and accessible to value chain workers in their places of work,

suppliers are informed of the reporting channels through the Code of Conduct, which they are provided with at the beginning of each business relationship. This Code of Conduct contains the contact details of the Ombudsperson and explains how to make contact.

This information is also publicly accessible on the KSB web site.

The processes described are intended to ensure that all information that reaches KSB is forwarded directly to and reviewed by the departments responsible. Stakeholder engagement is possible if the persons affected disclose their contact details and wish to be contacted.

Suppliers are informed directly about the whistleblower system (Ombudsperson), the relevant process and contact options while the public is informed via the KSB web site. The Ombudsperson will pass on the information in anonymised form by request and is not authorised to disclose the identity of individuals. KSB does not verify that all workers in the value chain are aware of the system.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Training for Procurement employees

Supplier-facing procurement employees worldwide are given human rights training to ensure that they are alert to and can actively address human rights issues when liaising with suppliers.

Supplier qualification

Ensuring compliance with human rights standards is part of the qualification process for every supplier. It is part of the ongoing due diligence process and are therefore not limited in time or scheduled.

Expanding the application of external sustainability platforms

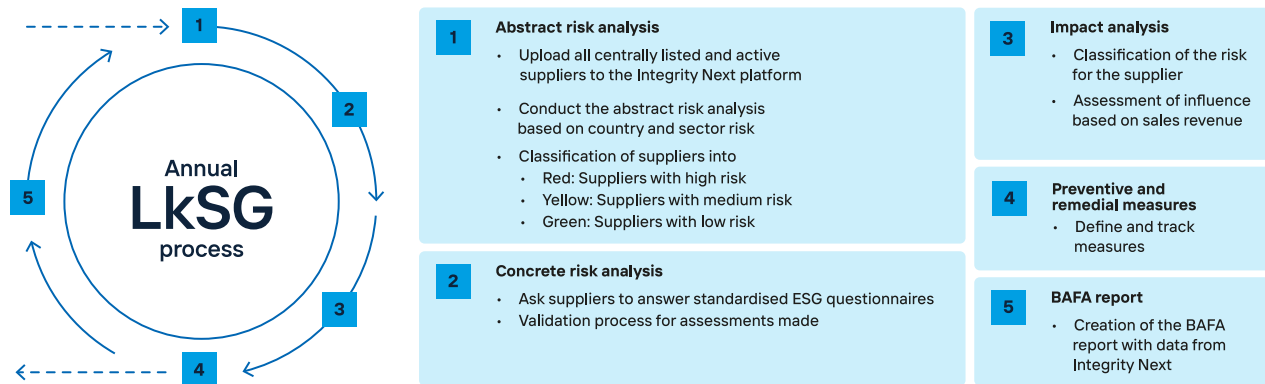
An external sustainability platform (IntegrityNext) is used to assess the ESG impacts of (potential) suppliers.

Action	A set of actions related to negative impacts on value chain workers.
Expected results	<ul style="list-style-type: none"> • A better understanding of ESG matters among procurement employees. • A better understanding of potential negative impacts and dependencies. • Greater cooperation with suppliers on ESG matters. • Completion of a mandatory ESG assessment by the biggest 200 suppliers with potential negative impacts. • Audit of all qualified suppliers.
Contribution to the achievement of the targets	KSB ensures greater supplier awareness of ESG matters.
Scope	All supplier-facing employees from procurement departments worldwide. All suppliers worldwide.
Time horizons	The action to be taken will be set out in detail in the next reporting year and implemented by 2030.
Key actions to remedy the situation	<ul style="list-style-type: none"> • Training of employees in procurement departments worldwide. • Change to the supplier qualification process for new suppliers. • Screening of all suppliers using Integrity Next.
Progress	By the end of 2024, 323 procurement employees had completed the training. All suppliers newly qualified in 2024 were audited and found to be compliant. The IntegrityNext tool was introduced in the reporting year and an initial examination of potential negative impacts was completed for all suppliers worldwide.

To determine the necessity of actions for existing suppliers, KSB uses the existing due diligence process in accordance with the *Lieferkettensorgfaltspflichten-gesetz* [German Supply Chain Act], which is illustrated in the following figure.

LkSG

Annual target process: German Act on Corporate Due Diligence Obligations in Supply Chains



If evidence emerges during the supplier qualification process or a subsequent audit that a supplier’s human rights standards do not meet KSB’s minimum standards, or there is concrete evidence of violations, the purchasing organisation will implement and follow up targeted actions to improve the situation.

Only if these actions fail to achieve the desired outcome will the decision be made, as a final resort, to terminate the business relationship.

The standard procedure in such a case is as follows:

Possible actions and procedure			Evaluation and decision
Steps	Action		
A	Follow-up after the 1st upfront risk assessment (e.g. to check that questions have been understood correctly)	or	Stay and improve
B	In-depth assessment (asking detailed questions, addressing issues during visits, QA audit)		
C	Offer training (the same training that KSB buyers attend)		
D	Look into a strategic cooperation, with other customers, for example		
E	Look into cooperation within the wider industry to create pressure for change (e.g. an industry whitelist)		
F	Cooperation / monitoring with local NGOs		
G	Final = substitution (no cooperation)		Cut and leave

KSB did not identify any material risks and opportunities related to value chain workers.

Nevertheless, screens and evaluates suppliers as part of its ongoing risk management process to identify potential risks at an early stage and take preventive actions.

Although KSB did not identify any specific opportunities related to value chain workers, it plans to further strengthen its engagement with strategic suppliers.

KSB requires its suppliers to observe the KSB Code of Conduct or their own comparable regulations as part of the supplier qualification and due diligence process in accordance with defined standards.

No specific cases of human rights violations were reported in the reporting year within the upstream or downstream value chain.

The company provides resources to manage material impacts on value chain workers. One such resource is the Human Rights Officer, who is responsible for overseeing human rights-related matters at KSB. In addition, global and regional procurement are incorporated in a matrix organisation to ensure that human rights standards and due diligence are taken into account in all procurement processes worldwide. This structure allows for the effective management of material impacts through the cross-functional coordination of expertise and responsibilities.

With regard to financial resources, there are currently licence costs associated with the IntegrityNext software.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

KSB has currently not defined any specific targets as required by the ESRS as the potential negative impacts identified in the value chain are far upstream and KSB has limited influence in this regard.

Respecting human rights is a core element of corporate social responsibility, however. KSB recognises the obligations this entails throughout the company and value chain.

Social Commitment

KSB seeks to make an active contribution to society through its commitment to social initiatives. This includes financial contributions to organisations engaged in social projects. Through this commitment, KSB seeks to contribute to the development of the common good.

KSB supports social projects and initiatives worldwide, even though such support is not material for its business.

KSB's binding Donation Directive sets out for which purposes and under which conditions the company may make financial or material commitments. In this context, the focus is on supporting organisations, projects and measures dedicated to the education, social support and protection of children and young people. The company is also committed to helping the disadvantaged. In the event of disasters it provides assistance to both people and organisations. KSB also supports organisations and projects that promote local sports and those that engage in sustainability and environmental protection.

The company's social engagement sees KSB making a contribution towards achieving the United Nations' 17 Sustainable Development Goals.

Information on Corporate Governance

Policies for corporate governance and corporate culture

In addition to high-quality products and services, professional and honest behaviour is expected in the global competitive environment, including compliance with legal regulations and ethical standards. This is particularly important to avoid damaging trust in the company and the KSB brand.

Improper behaviour by even one person can damage the company's reputation for a long time. A shared, Group-wide understanding of professional and ethical business conduct is therefore essential. These rules and guidelines are set out in the KSB Code of Conduct.

The Code of Conduct offers guidance and sets out the standards of conduct KSB espouses.

Managers and employees at all levels of the KSB Group are expected to adhere to the core KSB values of trust, honesty, responsibility, professionalism and appreciation. These values underpin all official guidelines in place at the company, including the KSB Code of Conduct

As a member of the UN Global Compact, KSB commits to aligning its business activities with ten universal principles. The Global Compact principles apply equally to managers and employees throughout the company as well as to all suppliers and business partners.

The KSB Code of Conduct, guidelines, directives and procedure manuals are binding for all locations and companies within the Group.

The subjects addressed in the Code of Conduct, such as anti-corruption, cartel / anti-trust law, international trade

and export control, tax law, environmental protection, occupational health and safety, quality assurance, data privacy and protection and IT security, are defined in more detail in directives issued by the respective departments, which provide additional rules of conduct for employees.

The Group Compliance Office is responsible for the following compliance-related corporate directives:

- Code of Conduct
- Directive on Compliance with Cartel / Anti-trust Law
- Directive on the Prevention of Corruption
- Directive on Business Partner Risk Analysis
- Insider Directive
- Directive on Transactions with Related Parties

Assessment of risks

KSB considers the typical risks involved for an internationally operating mechanical engineering company as the primary reason for implementing corresponding actions. These include anti-corruption and cartel / anti-trust law as principal risks. Furthermore, compliance risk assessments are conducted from time to time for specific business areas worldwide, which, if necessary, are taken into consideration in the Compliance Management System.

Compliance monitoring

For monitoring purposes, the heads of departments responsible for delegated compliance sub-areas are asked to provide an annual status update and risk assessment. The responses are analysed by the Group Compliance Office which, in consultation with Management, selects one or more specialist departments to be subjected to an external audit with a focus on specific compliance sub-areas.

The most important material on the subject of compliance is included in a manual:

Directive: Compliance Manual

Key contents, general objectives and relation to material impacts, risks and opportunities:

The Compliance Manual lists all compliance-related topics, describes the structure and working methods of the Compliance Organisation, and sets out related responsibilities. It also defines the reporting obligations and responsibilities.

Process for monitoring:

Monitoring is the responsibility of the Compliance Organisation under the direction of the Group Compliance Officer. The manual refers to other corporate directives that also define monitoring processes for the individual compliance sub-areas.

Scope of application and value chain (suppliers):

The Compliance Manual contains binding requirements for all KSB Group employees and governs dealings with business partners in the value chain.

Responsible organisational level:

The CEO is responsible for compliance issues with the support of the Compliance Organisation under the direction of the Group Compliance Officer. The Group's legal department acts as the Group Compliance Office. It is headed by the GCO (Group Compliance Officer).

Reference to third-party standards or initiatives:

None

Availability of the policy to stakeholders:

No (available on Intranet for internal use only)

KSB defines compliance as the sum of all actions taken to ensure that the day-to-day behaviour of a company, its corporate bodies and employees conforms to applicable rules and laws. The basis is the KSB Code of Conduct. This describes the defining principles of law and business policy on which KSB bases not only relations with customers, suppliers and business partners but also its internal collaboration.

As an internationally operating Group, KSB recognises the necessity of a Compliance Management System to ensure compliance with legal provisions and internal regulations and safeguard the company's long-term economic success. Moreover, business partners

increasingly require evidence of a functioning Compliance Management System.

The Compliance Management System consists of a well-defined, global Compliance Organisation, clear requirements and guidelines, including a Compliance Manual, directives on specific topics such as cartel / anti-trust law and anti-corruption, systematic training (every three years) for employees in sensitive areas, including follow-up, and a defined procedure, including reporting, in the event of a breach of compliance.

The KSB Group does not tolerate any breach of compliance committed by its employees (zero-tolerance policy). The possible consequences depend on the severity of the breach and range from a simple warning up to a termination of the employment with immediate effect. Third parties may also be called in (law enforcement agencies for example).

Every KSB employee must notify the Local Compliance Officer responsible for their company, the Group Compliance Office, the Ombudsperson, or their line manager of any breach of compliance they become aware of. Notifications may also be made anonymously.

The method of notification is left to the employee. If the LCO is not directly notified, all information is to be passed on to him/her.

Information on breaches of compliance is investigated in a three-phase procedure.

Phase 1 – Validation:

All submitted information is first validated by the LCO since they are familiar with the local circumstances and processes.

The validation includes an initial analysis of the contents as well as an (initial) evaluation of the plausibility of the information and, insofar as possible on the basis of the information, an assessment of the whistleblower's motive.

The Group Compliance Office verifies the results of the validation performed by the LCO. In the event of any deviating result, the decision on the further approach is at the discretion of the Group Compliance Office and the Internal Audits department, if necessary, by involving further internal resources (e.g. the Compliance Committee). Invalid information will not be pursued. The whistleblower, if known, must be notified. If the information is valid, the procedure is continued with Phase 2. The validation must be documented in a comprehensible manner.

Phase 2 – Intermediate procedure:

Together with Internal Audits, the information is examined in the framework of a preliminary investigation as to whether it contains sufficient concrete indications of a breach of compliance such that it is necessary to further investigate the information and/or the underlying facts and circumstances. This investigation can be made by involving all internal resources (e.g. local management, responsible LCO).

If no sufficient concrete indications for a breach of compliance are revealed, the investigations are not continued and the whistleblower is notified, if possible.

Phase 3 – Investigations conducted by Internal Audits or suitable third parties:

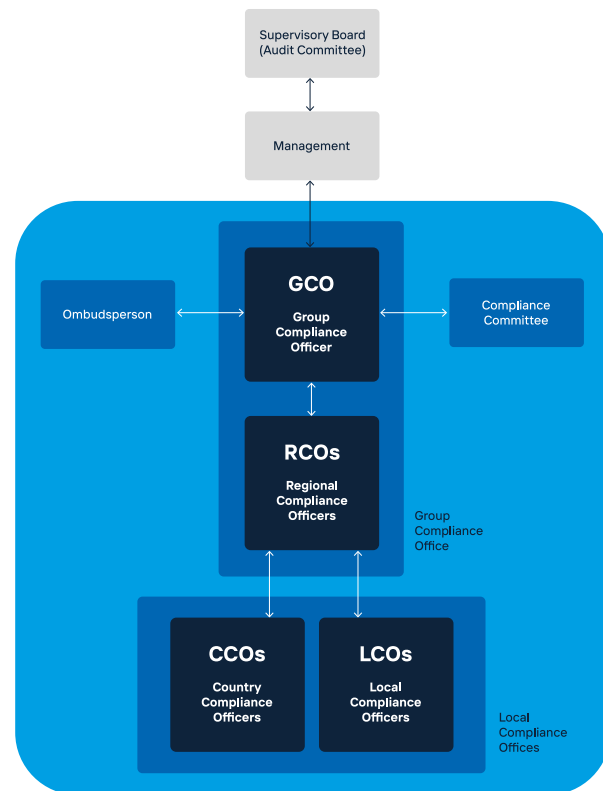
If there is sufficient evidence of a breach of compliance, Internal Audits or a suitable third party (e.g. auditing company) will take over the investigation in coordination

with the Group Compliance Office, and by involving the Compliance Organisation, if necessary.

Does the company have policies on anti-corruption or anti-bribery consistent with the United Nations Convention against Corruption? YES NO

KSB ensures that whistleblowers in the Group do not experience any disadvantages as a result of their report. For example, internal whistleblowers can always contact their Local Compliance Officer or the Group Compliance Office directly, regardless of the operational hierarchy.

Structure of the Compliance Organisation



The Ombudsperson is a key component of an effective Compliance Organisation.

The Ombudsperson is an external contact to whom any information on breaches of compliance can be reported. The Ombudsperson represents an additional option (besides communicating directly with the GCO, the CCO / LCO or one’s line manager) for a whistleblower to report a relevant issue, especially for anonymous reports. The contact details of the Ombudsperson are listed in the Compliance Manual and the Code of Conduct.

External third parties can find the Ombudsperson contact details on the KSB web site under Compliance.

A whistleblower (e.g. employee, customer, supplier, private person) can report non-compliant conduct to the Ombudsperson. Contact can be made from any country, either in German or English, and both by telephone and in writing. The Group Compliance Office receives a written summary of the notification from the Ombudsperson.

If the whistleblower has requested confidentiality / anonymity, their contact data will not be disclosed to the Group Compliance Office.

This is also documented in the “Rules of Procedure for the Complaints Procedure pursuant to Section 8 Lieferkettensorgfaltspflichtengesetz (LkSG) [German Supply Chain Act]”, which is available on the KSB web site.

The Group Compliance Office reviews reported breaches in a multi-step process in accordance with the specifications of Directive (EU) 2019/1937.

Does KSB have policies on the protection of whistleblowers?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Does KSB have procedures to investigate business conduct incidents, including incidents of corruption and bribery, promptly, independently and objectively?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Does KSB have policies on animal protection?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO

KSB does not consider animal protection material because the company’s activities do not involve material animal-related impacts, risks or opportunities.

For KSB, it is important not only to encourage employee compliance, but also to ensure that the employees have sufficient knowledge to observe all applicable rules and laws.

Every six months, the Local Compliance Officers invite all relevant new employees and employees transferring to a compliance-sensitive area to sign up for training on corruption and cartel / anti-trust law via their line managers. The training is managed via KSB’s youLEARN@KSB training platform. Every three years, the relevant employees are prompted to complete refresher training. The training is generally provided as an e-learning course and has the objective of explaining material compliance-related issues and increasing employee awareness of compliance.

Corruption training focuses on the following topics:

- What is compliance? / What is corruption?
- Corruption in international business
- Legal basis and consequences
- What to bear in mind when contacting public officials
- Contact with service providers
- Contact

The fair competition training focuses on the following topics:

- Overview of cartel / anti-trust law
- Legal basis and consequences
- Agreements between competitors not to compete
- Agreements between suppliers and customers
- Abuse of market position
- Contact

Employees are educated on their compliance obligations.

Fictitious case studies are used for illustration purposes. The employees must successfully complete a series of test questions to receive their training completion certification.

Human Resources is responsible for conducting the training courses. After notification of availability, the courses must be completed successfully before a specific deadline. A reminder process is implemented. Employees who repeatedly decline to take a course risk a warning or notice of dismissal.

Relevant persons will be notified of any material and relevant changes in legislation on an ad-hoc basis.

Does KSB have policies for compliance training within the organisation? YES NO

The group of employees offered this training by KSB goes beyond the functions most at risk in respect of corruption and bribery. As part of its training programme, KSB offers compliance training to relevant employees every three years.

Relevant employees are as follows:

- Members of Management and top-level managers
- All managers of all management levels with a sales or procurement function
- All employees having regular contact with suppliers, customers or other external third parties, and (cumulatively) all such employees involved in decision-making preparations and/or who are decision-makers

If there is any uncertainty as to whether individual employees meet the selection criteria, they must, on principle, be registered for training.

Does KSB's whistleblowing policy (including Ombudsperson system) comply with Directive (EU) 2019/1937 (Whistleblower Directive)? YES NO

Prevention and detection of corruption and bribery

Regular training of all relevant employees worldwide on such topics as corruption and cartel / anti-trust law helps to maintain employee awareness of these topics. The Local Compliance Officer (LCO) is responsible for registering the relevant employees. All training courses worldwide are offered via the central training platform youLEARN@KSB and must be completed within a specific period. Only after successfully answering a series of test questions will the employees receive a training completion certificate.

Action	Anti-corruption compliance training
Expected results	All employees in compliance-sensitive functions are aware of anti-corruption practices
Contribution to the achievement of the targets	All employees in compliance-sensitive functions are informed of the most important aspects relating to corruption in e-learning courses. (Fictitious) Case studies are used for illustration purposes. At the end of the training, participants must pass a test.
Scope	All employees in compliance-sensitive functions worldwide.
Time horizons	Indefinite, regular (every 3 years)
Key actions to remedy the situation	Detailed explanation of the subject of corruption. Presentation of prohibitions and obligations. Questions at the end to test course participants' knowledge.
Progress	1,541 employees completed the training in the 2024 reporting year. By the end of 2024, therefore, 94 % of employees in compliance-sensitive functions had participated in the training within the specified period.

To ensure compliance with anti-corruption and anti-bribery legislation in particular, the Compliance Organisation ensures that all reported potential breaches are investigated, regardless of the operational hierarchy.

Individuals and institutions within and outside the company can report suspected breaches anonymously via an independent communication channel: the Ombudsperson.

Reports of suspected breaches must be dealt with in accordance with documented procedures and are overseen by monitoring authorities that are independent of the operational hierarchy.

The Group Compliance Officer (GCO) informs the Compliance Committee within a reasonable period of time about all reported breaches they consider to be important. The Compliance Committee must always be notified when the foreseeable or already incurred loss exceeds € 10,000.

Joining the Group Compliance Officer on the Compliance Committee are the heads of the following corporate functions:

- Controlling
- Legal & Compliance
- Procurement
- Internal Audits
- Finance
- Sales & Marketing
- Human Resources

The Compliance Committee decides on the basis of the significance of the breach whether and when Management is to be informed thereof. Management must always be notified when the foreseeable or already incurred loss exceeds € 50,000.

The Group Compliance Officer discusses compliance processes and matters with the Audit Committee of the Supervisory Board every six months.

On 16 December 2024, the Group Compliance Officer gave a presentation on compliance processes and matters to the Administrative Board.

The general partner, acting through its Managing Directors, and the Supervisory Board reported on the Company's corporate governance as part of the Corporate Governance Statement pursuant to Sections 289f (2 and 3) and 315d HGB.

Does the company have written procedures for dealing with reports of corruption and bribery? YES NO

The Compliance Organisation is responsible for raising awareness of compliance issues among employees with a compliance-sensitive function and for delivering relevant compliance training to these employees through the regular e-learning courses (which must be completed every 3 years), amongst other things.

The procedure is described in the Compliance Manual which is available to all employees on the Global Intranet.

KSB expects its suppliers to comply with the principles of the KSB Code of Conduct or to follow equivalent practices.

The KSB Code of Conduct, Rules of Procedure for the Complaints Procedure, and the contact details of the Ombudsperson are available to external third parties on the Group web site.

Regular e-learning courses for relevant employees (to be completed every three years) address fundamental anti-corruption legislation-related issues, including recommendations and practical guidance for implementation (case studies and tasks).

Participation in the training is mandatory for 100 % of employees in relevant functions. Every six months, the Local Compliance Officers invite all relevant new employees and employees moving to a new role to sign up to the training via their line managers.

As relevant employees, the Managing Directors are also required to attend regular training (every 3 years).

During the reporting period, the Group Compliance Officer kept the Supervisory Board and Administrative Board informed of compliance matters.

Cases of corruption or bribery

In the reporting year, there were no convictions or fines for violation of anti-corruption and anti-bribery laws at KSB.

Methods and assumptions for corporate governance-related KPIs

Cases of corruption or bribery

All compliance violations (including violations of anti-corruption and anti-bribery laws) are reported to the Local Compliance Officers. Cases of corruption or bribery must be reported to the Group Compliance Office by the Local Compliance Office.

The Group Compliance Office is responsible for tracking reported cases.

Every six months, the Group Compliance Office obtains information from the Local Compliance Officers on any compliance violations that have occurred.

Assurance Report on the Combined Separate Non-financial Report

To KSB SE & Co. KGaA, Frankenthal

Assurance Report of the Independent German Public Auditor on a Limited Assurance in Relation to a Combined Separate Non-financial Report

Assurance Conclusion

We have conducted a limited assurance engagement on the combined separate non-financial report of KSB SE & Co. KGaA, Frankenthal, (hereinafter the „Company“) to comply with §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and §§ 315b to 315c HGB including the disclosures contained in this combined separate non-financial report to fulfil the requirements of Article 8 of Regulation (EU) 2020/852 (hereinafter the „Combined Non-Financial Reporting“) for the financial year from 1 January to 31 December 2024.

Not subject to our assurance engagement were the external sources of documentation or expert opinions mentioned in the Combined Non-Financial Reporting, which are marked as unassured.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Combined Non-Financial Reporting for the financial year from 1 January to 31 December 2024 is not prepared, in all material respects, in accordance with § 315c in conjunction with

§§ 289c to 289e HGB and the requirements of Article 8 of Regulation (EU) 2020/852 as well as with the supplementary criteria presented by the executive directors of the Company.

We do not express an assurance conclusion on the external sources of documentation or expert opinions mentioned in the Combined Non-Financial Reporting, which are marked as unassured.

Basis for the Assurance Conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Combined Non-Financial Reporting" section.

We are independent of the Company in accordance with the requirements of European law and German

commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Combined Non-Financial Reporting

The executive directors are responsible for the preparation of the Combined Non-Financial Reporting in accordance with the relevant German legal and European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Combined Non-Financial Reporting in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Combined Non-Financial Reporting) or error.

This responsibility of the executive directors includes selecting and applying appropriate reporting policies for preparing the Combined Non-Financial Reporting, as well as making assumptions and estimates and

ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Combined Non-Financial Reporting.

Inherent Limitations in the Preparation of the Combined Non-Financial Reporting

The relevant German statutory legal and European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Combined Non-Financial Reporting.

German Public Auditor's Responsibilities for the Assurance Engagement on the Combined Non-Financial Reporting

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Combined Non-Financial Reporting has not been prepared, in all material respects, in accordance with the relevant German legal and European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Combined Non-Financial Reporting.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Combined Non-Financial Reporting.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Combined Non-Financial Reporting.
- inquired of the executive directors and relevant employees involved in the preparation of the Combined Non-Financial Reporting about the preparation process, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Combined Non-Financial Reporting.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors.
- performed analytical procedures and made inquiries in relation to selected information in the Combined Non-Financial Reporting.
- considered the presentation of the information in the Combined Non-Financial Reporting.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Combined Non-Financial Reporting.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Mannheim, 12 March 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Dirk Wolfgang Fischer
Wirtschaftsprüfer

sgd. Matthias Böhm
Wirtschaftsprüfer

[German public auditor]

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