

Guideline for Environment, Social & Sustainable Governance at ENGEL

Our ESG-Statement





A Sustainable Commitment

Dear Ladies and Gentlemen,

Environmental awareness, consideration of social responsibilities and sustainable governance (ESG) are not just empty words for the ENGEL Group, but rather fundamental goals of our business activities. Efficiency, ethical conduct, social responsibility and the protection of our environment through the use of advanced technologies are embedded in our values – for generations to come.

With this in mind, the choice of our suppliers, the development and manufacture of our products, and the organization of the surrounding conditions are clearly committed to the criteria of economic efficiency, environmental protection and respect for the highest ethical standards.

In order to meet this responsibility, our unconditional declaration “Environment & People”, binding code of conducts, our commitment to the highest certification standards and a reasoned management system ensure sustainability and integrity in all relevant business processes. Eventually, it is our employees who share and live the principles for the ecological awareness, the social alignment and the ethical integrity imperative for our business activities with us.



Stefan Engleder
(CEO)



Gerhard Dimmler
(CTO)



Simon Zeilberger
(CFO)



Gerhard Stangl
(CPO)

Our five Dimensions of ESG

Our business activities not only entail economic development but also, and above all, a great social, ethical and ecological responsibility. We unconditionally strive to meet this responsibility in consistency with established ESG-criteria. These are the five dimensions that make up our understanding of an effective implementation and transformation of ESG: products, economy, employees, society and the environment.

Our Products

We take our responsibility towards our future generations very seriously. This is why we design our product and solution portfolio to be sustainable.

ENGEL injection moulding machines, related automation and turn-key solutions feature outstanding energy efficiency, very long service lives and optimized use of space thanks to compact production cells. We maximize efficiency by aligning all the system components required for the overall process right from the beginning and incorporating them into a central control system.

Sustainability is our innovation engine

With new machine and process technologies, ENGEL enables its customers to continuously optimize and thus reduce their raw material and energy consumption. Our inject.4.0 portfolio is a key basis for extending the lifetime of wear parts, minimizing scrap and processing recyclates in a process-stable manner.

To exploit emerging opportunities even more efficiently and earlier, we are pooling our know-how with partner companies along the supply chain across the entire plastics industry.

Customer Safety & Health

Only the highest quality and safety standards apply to our products. Accordingly, we continually monitor the performance and quality of our products and consider it a matter of course to work with our customers in the area of risk prevention. Detailed safety instructions and training support our goal of zero injuries from accidents and work-related illnesses when using our machines.

Our Sustainable Business

Sustainable business for ENGEL means closely linking economic success with responsible conduct. Being a family-owned company that acts on a long-term and sustainable basis, we assume responsibility for our economic, regional and social environment. We take this responsibility seriously and want to guarantee that our actions within our company, as well as in our dealings with our external stakeholders and partners, are always guided by respect for human rights and the protection of the environment.

In this way, we not only contribute to regional and location development and attach great importance to fair social conditions. We are also striving to meet the increasingly complex requirements of a wide range of industries (from automotive to medicine and packaging to technical injection molding) and to promote sustainable consumption by increasingly expanding our sustainable product portfolio.

Our Employees

Providing fair and safe working conditions is a matter of course for us in order to ensure a sustainable and cooperative relationship with our employees. Successful business is only possible for ENGEL if all employees are able to perform their work in a psychologically and physically healthy manner in the long term.

Working Conditions & Remuneration

With this in mind, ENGEL has imposed a large number of voluntary measures, regulations and processes – above and beyond the legal requirements – that contribute to the well-being of all ENGEL employees. The basis that goes without saying for ENGEL is uncompromising compliance with the legal regulations concerning working hours and the associated remuneration of overtime worked for every employee.

ENGEL offers social benefits such as its own company on-site restaurant and a daycare nursery. We are committed to ensuring attractive starting salaries, irrespective of the respective job level, with remunerations being adjusted on an ongoing basis. It is important to us that our employees are fairly compensated for their performance. For us, it is a basic minimum goal that 100% of our employees are compensated with an adequate, performance-based wage. Special emphasis is put on our employees' work-life balance. Accordingly, we facilitate flexible working hours and home office solutions.



Therefore, by 2026, we have set the goal of enabling our employees to work from home at least 4 days per month, taking into account job requirements and feasibility.

Since our innovative strength is fundamentally linked to the know-how as well as the satisfaction and health of our employees, we value well considered development programs and interactive communication with management regarding working conditions. Therefore, we have set the goal of facilitating at least 4 input and feedback meetings annually on the topic of working conditions between top management and staff by 2028.

All this is laid down and reflected by the following commitments:

Career Management & Training

Our highly qualified employees are our most valuable resource. This is why one of our top priorities is to acquire the best employees and ensure their long-term commitment to the company with our comprehensive portfolio of measures and offers, such as individual potential analyses, support programs and the formulation of special development and career plans. To increase the share of employees who participate in an annual development and training interview up to 50% by 2028.

Diversity, Equal Treatment & Appreciation

Diversity is one of our key strengths and at the same time the driving factor of our success. It is the differences that make us special and thus provide a source of creativity, potential and innovativity. Accordingly, we aim to maintain this diversity and continue promoting it. As a first step, we have set the goal of training 90% of our executives on diversity, equal treatment, and appreciation by 2026. At the same time, we aim for a 10% improvement in equality of opportunity in our employee survey by 2028 compared to 2024. Promoting women is particularly important to us in our traditionally male-dominated industry. Therefore, by 2028, we have set a goal not only to increase the proportion of women in our total workforce from 17% in 2023 to 20% but also to gradually align the proportion of women in leadership positions with the proportion of female employees in the workforce. These efforts are based on our global corporate network, which not only ensures an ongoing exchange of ideas and experience, but also offers a wide range of development opportunities for our employees.

For this reason, we also expressly refuse to accept condescending, harassing or otherwise discriminatory behavior: Unequal treatment related to gender, origin, nationality, faith, ideology, political views and disability will not be tolerated. As part of our efforts to ensure this, we provide our employees with several contact points that offer a confidential and, if necessary, anonymous opportunity to report any incidents or to entrust themselves. However, our declared intention is to avoid any cases of discrimination in any form whatsoever. On the other hand, our global diversity board ensures that we consciously and purposefully address the issues of diversity, equal treatment and equal opportunities. This already includes ensuring a non-discriminatory and unbiased recruiting process and will be continued throughout the entire career of our employees. Another goal is to ensure greater diversity in what is still a very one-sided industrial landscape. The first step in this direction is to focus on the targeted empowerment of women and providing them with support in their advancement. Another goal is to ensure greater diversity in what is still a very one-sided industrial landscape. The first step in this direction is to focus on the targeted empowerment of women and providing them with support in their advancement.

Commitment against Child Labor, Human Trafficking & Forced Labor

We unconditionally oppose all forms of child labor, slavery, forced labor or human trafficking. Compliance with this principle is prerequisite for each of our business relationships. Commitment to this principle is thus an integral part of our choice of business partners, which is reflected in corresponding contractual obligations, a special code of conduct for our suppliers, and a risk assessment along the supply chain. The stated goal is to have no form of child labor, forced labor or human trafficking of any kind along the supply chain and thus to achieve 100% compliance with the four fundamental principles of the International Labor Organization. Therefore, 100% of ENGEL recruiters will be trained on the topics of child labor, human trafficking, and forced labor by 2026.

At the same time, it is our special intention to promote and support children and young people. For years, we have been involved nationally and internationally in the area of apprenticeship training and have supported projects by and with various educational institutions.

Employee Safety & Health

Protecting and contributing to the health of our employees is a top priority. All of the statutory provisions on occupational safety that apply to our company are consistently observed with the help of appropriately trained safety personnel. In addition, we rely on effective and efficient management systems to design our workplaces according to ergonomic and safety aspects and to regularly review them. Accordingly, we aim to reduce the accident rate per 1,000 employees to below 2.5 by 2026. Our long-term goal is to achieve zero injuries due to accidents and work-related illnesses.

However, since health does not only affect the workplace, we also offer our employees numerous health-promoting measures – such as workshops, lectures, courses and discounts – outside of their everyday work routine.

Social Dialogue

Continuous dialog between the employees and management in the spirit of social partnership is an integral part of our corporate culture. Both nationally and internationally, the exchange between employees' councils and management representatives is a matter of course, as is an unbiased commitment to freedom of association and the special importance of trade unions. In this respect, we comply 100% with the relevant statutory requirements. At the same time, we have set the goal to establish at least 4 dedicated opportunities for social dialogue between employers and employees annually at 100% of our production locations by 2027. This also ensures that corporate decisions are made with due consideration for the concerns of our employees.

Society

As a commercial partner, employer and educational institution, ENGEL not only seeks to meet economic demands, but also to make a responsible commitment to society. Being a strong and sustainably growing company, ENGEL's numerous investments make a significant contribution to the development of business locations and hence to securing jobs. Beyond this, the various national and international cooperations with educational and research institutions, as well as joint ventures with other industrial companies, take account of our technological leadership.

In addition, we place particular emphasis on respect for human rights, which we regard as a common basis for social coexistence and long-term successful business. ENGEL recognizes all existing land, forest and water rights and takes responsibility in connection with the rights of local populations, minorities, indigenous people and other vulnerable groups. We do not tolerate unlawful eviction or the deprivation or development of land, forests or waters, the use of which secures the livelihoods of people.



Our Environment

Products made of plastics are an integral part of our lives today. Plastics offer application purpose and thus advantages that would not be achievable with other materials. At the same time, when used correctly, these products make a sustainable contribution to preserving natural resources, saving energy and protecting the climate. Our commitment to the expansion of renewable energy sources and the consistent implementation of energy-efficient measures form the foundation of our decarbonisation strategy.

In order to keep our impact on the environment as low as possible in the future, environmental protection is firmly embedded in ENGEL's corporate philosophy. The preservation of our natural environment, the economical use of resources and the protection of the livelihoods of future generations thus form the basis for our corporate actions and also the choice of our business partners.

Energy Efficiency & Greenhouse Gases

Energy efficiency and the avoidance of greenhouse gas emissions are key objectives right from the development stage of our products. Environmentally compatible production technologies and processes are a logical extension of this notion. The environmental impact of current production technologies is continuously assessed, monitored and evaluated. Our aim is to apply the findings gained in this way to new technologies and steadily reduce environmental impact accordingly. A key goal is to increase the share of machines sold with energy-efficient servo-hydraulic drive concepts to over 93% by 2026. We strive to reduce our energy consumption in the long term, which is why energy efficiency shall also be consistently incorporated into our purchasing process. At the same cost, preference should be given to raw materials with the same specifications that have been produced with lower energy consumption. In the realm of greenhouse gases, our climate protection objective is to reduce all Scope 1 and Scope 2 emissions by 50% and all Scope 3 emissions by 42% compared to 2022 by 2030.

Resource Efficiency

The efficient use of resources is a clearly defined goal of ENGEL. Together with our business partners, we have made it our task to develop efficient injection moulding solutions for resource-saving plastics processing in order to subsequently contribute to a resource-saving circular economy. In particular, increasing the recycled content of plastics plays an important role for us.

ENGEL is also continuously working on reducing the use of materials and replacing heavy materials with lighter and more sustainable alternatives. In this context, we also aim to extend the life cycle of our machines through maintenance-friendly and updateable design in order to reduce our ecological footprint as much as possible.

Water

Water in general is a highly precious resource. Accordingly, it is our proclaimed goal to optimize our water consumption and to increase water efficiency in the long term. We therefore aim to reduce our water consumption and optimize our water efficiency in the long term. We see this as a continuous improvement process, which is why we have set the goal of reducing annual water consumption by 1% each year until 2030. Furthermore, we continuously try to improve the treatment of water in terms of the highest possible water quality and the lowest possible water pollution, and to keep our process water in closed cycles when the opportunity arises.

Biodiversity, Land Use & Deforestation

Preservation of biodiversity is a collective responsibility of and within our society. This in mind, we have set the goal that in 100% of all new site developments in the future, biodiversity assessments will be conducted to exclude the destruction of habitats of endangered species. Additionally, we aim to ensure efficient and sustainable land use to halt the permanent loss of biological diversity. Through the implementation and continuous monitoring of a sustainable procurement policy, we also seek to reduce deforestation and promote sustainable forestry practices.

Pollution, Hazardous Substances & Waste

Our production plants face the environmental impacts of production processes. Aiming to keep these impacts as low as possible, we have consistently implemented audited hazardous substance management systems at all production plants. Our goal is to proactively identify and avoid air and noise pollution, including CO₂, NO_x, VOCs, and other harmful emissions that could potentially have negative impacts on health and the environment through our environmental management system. To reduce vehicle-related air pollution (e.g., NO_x and particulate matter), we have set a goal to develop a mobility concept at 100% of our production sites by 2026. This concept will particularly promote commuting using low-emission modes of transport to improve air quality.

Besides an intact air quality, soil quality also plays a central role for us in maintaining healthy ecosystems. In the extreme case of accidental leakage involving contamination of soils or water reservoirs, the highest priority is given to cleaning up and returning the affected medium to its original state. Furthermore, we ensure that our waste is continuously reduced and properly disposed of and recycled whenever possible. Therefore, our goal is to reduce our operational waste by 1% annually by 2030 and dispose of 100% of our waste in accordance with relevant regulatory requirements.

Environmentally Compatible Product Use & Recycling

Starting at the planning stage, our products are engineered to allow for easy maintenance and the integration of ecological improvement measures during the utilization phase. At the end of our products' operational life, components are designed to be recyclable to the greatest possible extent, so that final waste volumes are minimized. Through ENGEL Used Machinery, we enable closed-loop cycles by taking back machines at the end of the customer's usage phase. By 2030, we have set a goal to increase the number of machines taken back by 10% compared to 2022. This is also reflected in our procurement – components and raw materials that specifically meet this requirement are to be given preferential treatment.

Sustainable Procurement

ENGEL also expects compliance with the above principles from its suppliers, who must adhere to both environmental and social practices. We have outlined these guidelines for our suppliers in more detail in our terms and conditions of purchase. All suppliers are obliged to accept the principles for sustainable procurement stated there. This makes an important contribution to achieving our goal of reducing Scope 3 emissions by -42% by 2030 compared to 2019.

The supplier is obliged to identify, analyze and prioritize the human rights and environmental impacts of its business activities and to define appropriate measures to remedy or mitigate them. The supplier also undertakes to provide the necessary personnel capacities and to develop and implement management systems, processes and guidelines in order to establish and monitor the requirements described therein. The supplier also undertakes to provide the necessary personnel capacities and to develop and implement management systems, processes and guidelines in order to establish and monitor the requirements described therein in its operations. This also includes the implementation of training courses to inform employees about the contents. By means of self-disclosures, supplier qualifications, on-site audits, and other accompanying measures, ENGEL regularly checks suppliers for compliance with these conditions. To support our suppliers in this effort, we have set a goal to train 80% of our priority A suppliers on environmental and social sustainability topics by 2026.

This central commitment to environmental protection is promoted by training courses for all employees and accompanied by corresponding guidelines. Similarly, 100% of our strategic purchasers undergo sustainability training. Continuous improvement of corporate environmental protection thus affects all business units and is mandatory for all employees. Eventually, internal environmental audits ensure that the principles of ENGEL's environmental policy are understood and implemented in all areas.

Animal Welfare

The responsible treatment of living creatures is an essential part of our understanding of values at ENGEL. We are aware of the importance of animal welfare for society and the environment and ensure compliance with national and international legal standards in the field of animal protection and welfare.

Validity & Revision

Our ESG-statement is valid and applicable for the entire ENGEL Group. Our business requirements and the state of our environment are dynamic factors. In line with these dynamics, this ESG-statement and the objectives defined therein are regularly, but at least once a year, subjected to a professional, interdisciplinary review by the ENGEL Sustainability Committee under the responsibility of the Head of the Sustainability Department and adjusted as required. In accordance with this guideline, the management board acts as the ultimate client and responsible purchaser of the entire sustainability strategy.



