

# CORPORATE SOCIAL RESPONSIBILITY

Report 2023/2024



## ABOUT THIS REPORT

motan's Corporate Social Responsibility Report describes how the motan group balances economic aspects with environmental and social responsibility. It is published in English and is available in pdf-form on our corporate website. The facts and figures in this report refer to the fiscal year 2023-2024.

## DEFINING KEY TOPICS

In this report we want to give an honest and comprehensive account of sustainability at motan for the benefit of our customers, business partners, suppliers, non-governmental organizations, authorities and, of course, employees and neighbours.

# CONTENT

motan .....	4
management structure .....	5
sustainability at motan.....	6
sustainability priorities in a changing industry .....	8
objectives.....	9
our sustainability process management.....	10
responsibility .....	10
rules and processes .....	11
incentive systems .....	12
innovation and product management.....	13
making emissions measurable .....	14
motan on circular economy .....	15
depth of the value chain.....	20
stakeholder engagement.....	21
environmental matters .....	22
responsible use of natural resources.....	22
resource management .....	23
corporate carbon footprint.....	25
resource management and energy consumption.....	27
employee-related matters.....	28
employment rights .....	28
equal opportunities / diversity .....	30
qualifications.....	31
health and job safety .....	33
respecting human rights across our value chain .....	34
corporate citizenship .....	36
anti-corruption and bribery matters.....	38
political influence .....	38
conduct that complies with the law and policy.....	39

# MOTAN

## AN INNOVATIVE COMPANY WITH SUSTAINABLE STRATEGIES SYMPATHETIC, GLOBAL, PROFESSIONAL AND DOWN-TO-EARTH

The motan group, a medium-sized, family-run company founded in 1947 on the shores of Lake Constance, is a leading supplier of units and systems for the plastics manufacturing and processing industry. The motan group is characterized by continuous development and by its decentralized structures in a franchise system. The group is currently represented by 19 subsidiaries and a network of agents in more than 80 countries worldwide. Due to the widely distributed group of companies, valuable synergies result from the cooperation. At the same time, we can always rely on the broad expertise of our employees. motan employs about 600 people at 17 locations with a wide range of nationalities. We are committed to providing the highest quality to our employees, customers, partners and suppliers. In addition, we act according to firmly defined ethical principles and values.

Our two product brands motan and swift are produced at three production sites in Germany, China and India.



### MOTAN - YOUR TAILOR-MADE SYSTEM SOLUTION

motan develops modular units and well-thought-out systems for the manufacturing and processing of plastics. Our product lines cover the entire spectrum: dosing & mixing, drying, conveying and storage as well as the corresponding control and automation technology. As a specialist for materials management and a leading provider in the plastic manufacturing and processing industry, we have unique know-how on all areas of materials handling and logistics management.

### SWIFT – TO YOUR SOLUTION

The swift by motan brand stands for fast, efficient plastics peripherals that are based on standards and set standards. With simple modules, simple configurations and simple systems. Simply great. Simply reliable. Simply efficient.  
Simply swift - swift by motan.



## ZERO LOSS

With this slogan we would like to cover all areas: our business area, our organization as well as our strategic focus.

In addition to ecological responsibility, for example by avoiding material or energy losses through appropriately designed raw materials handling systems, ZERO LOSS encompasses numerous other aspects in the sense of economic as well as social responsibility. Plant availability makes a significant contribution to high productivity, for which, in turn, innovative technical solutions are a prerequisite besides service. These include, for example, the digitalisation of the production process chain or the integration of intelligent sensor technology to avoid potential losses. In this respect, motan is pursuing the goal of a sustainable, future-oriented company policy with ZERO LOSS, which in turn benefits the entire company.

# MANAGEMENT STRUCTURE

Founded in 1947, the motan group is an internationally active, medium-sized, family-owned company with a strong heritage and a global outlook. Today, we operate through 19 subsidiaries around the world - most of which are fully owned by the group. In Brazil, Uruguay and Thailand, our local managing directors are also shareholders, reflecting our commitment to strong local leadership.

At motan, we believe that the best way to meet regional needs is through people who understand their markets from within. That is why all our subsidiaries are led by local managing directors who bring valuable insight, expertise and cultural understanding to their roles.

We are proud to be 100% self-financed globally. This independence reflects our long-term thinking and financial stability. Given our self-financing model, we do not currently require external environmental or social asset screenings - but our sustainability goals continue to guide our strategic decisions across all operations.



AFRICA • ASIA • EUROPE • NORTH AMERICA • SOUTH AMERICA • OCEANIA

# SUSTAINABILITY AT MOTAN

Sustainability has long been anchored in the motan corporate philosophy and is therefore anchored in our company strategy. We have a wide range of areas in which we are active.



## ECOLOGICAL RESPONSIBILITY

Protecting the environment is important to us. We are aware of the negative impact of plastics on our environment. The responsible use of our resources in the use of motan products is the focus of our further development. This means minimizing the loss of plastics within the production processes as well as conserving our resources by designing energy-efficient building sites and reusing released energy during processes.

## SOCIAL RESPONSIBILITY



We are committed to compliance with national and international labour standards. We are actively committed to health and safety in the workplace. Of course, fair pay and equal treatment of all employees are a matter for us. We respect the International Labour Organisation (ILO) and its principles. As an employer of about 600 employees worldwide, we support our employees in the areas of health, education and occupational health and safety/prevention and are involved beyond the boundaries of the company through our network and the motan foundation.

## ECONOMIC RESPONSIBILITY



Our products are developed to handle raw materials just as well as recycled granules, flakes or powder. In product development, we also consider new materials for the future that are currently being researched and tested for industrial use.

We see the changes in our business environment as an opportunity to position ourselves as a manufacturer of high-quality machines that are able to process high-quality and demanding material in an energy-efficient way with the lowest possible CO<sub>2</sub>-emissions to ensure a high production standard without material loss during the production process.



»FOR A SUCCESSFUL CIRCULAR ECONOMY,  
EVERYONE NEEDS TO CONTRIBUTE  
IN THEIR ROLE AS A CONSUMER.«

## ENVIRONMENTAL PROBLEMS

Plastics are produced from organic resources but are not normally biodegradable. A plastic bottle breaks down to microplastic particles in about 450 years in. Due to economic interests, a lack of education and weak recycling systems, millions of tons of plastic waste per year end up in our environment. These problems must be eliminated and at the same time alternatives for plastics such as bioplastics sought.



# SUSTAINABILITY PRIORITIES IN A CHANGING INDUSTRY

As a supplier in the plastics industry, the motan group operates in a sector that faces growing environmental expectations and evolving regulatory frameworks. We take these challenges seriously and address them through a robust materiality assessment process. This helps us identify the environmental, social, and governance (ESG) topics that matter most to our long-term success - and to the partners and customers we serve.

## RESPONDING TO ENVIRONMENTAL CONCERNS AND MARKET EXPECTATIONS

Consumers and customers alike are increasingly focused on the environmental footprint of plastic materials. Issues such as plastic waste and microplastics are driving demand for more sustainable and circular solutions. In response, motan designs systems that can handle not only conventional plastics, but also recycled and bio-based materials. This flexibility helps our customers meet their own sustainability targets while staying ahead of regulatory and market developments.

## PROMOTING CIRCULAR ECONOMY AND REDUCING MATERIAL LOSS

Circular economy principles are at the heart of our innovation strategy. One key initiative is the development of our "ZERO LOSS" production systems, which aim to minimize material waste, lower emissions and enhance cost efficiency. These solutions help our partners move toward closed loop manufacturing processes, reducing environmental impact and improving competitiveness.

## PREPARING FOR REGULATORY SHIFTS

Plastics legislation is tightening worldwide, with measures such as bans on single-use plastics, minimum recycling rates and the anticipated UN Global Plastics Treaty. motan is actively preparing for these changes and working to support a more sustainable and compliant plastics value chain - benefiting not just our own operations, but also those of our customers and suppliers.

## NAVIGATING ECONOMY AND SUPPLY CHAIN VOLATILITY

Global events have created volatility in energy and raw material markets. While our production processes are not energy-intensive, we rely on components like steel and electronics that carry high energy and cost implications. That is why supplier collaboration and cost-conscious procurement are increasingly vital to maintaining stability and resilience.

## MATERIALITY PROCESS AND STAKEHOLDER COLLABORATION

We define our strategic ESG priorities through ongoing stakeholder engagement, regulatory monitoring and internal workshops. Our approach follows the double materiality principle - considering both the impact of our business on society and the environment (inside-out) and how external trends and risks may affect us financially (outside-in). This ensures our actions are relevant, targeted, and forward-looking.

## OUR STRATEGIC FOCUS AREA

The motan group's most material topics - circularity, innovation in plastics processing, regulatory alignment and supply chain resilience - are embedded in our business strategy. They form the foundation of our sustainability roadmap and help us create long-term value for our customers, partners and society.



# OBJECTIVES

At motan group, tackling climate change is a core part of our long-term sustainability strategy. Our climate goals are integrated into our corporate governance and aligned with leading global frameworks, including the United Nations Sustainable Development Goals (SDGs). We believe that meaningful action today will shape a more resilient and responsible future - for our business, our partners and our planet.

## CLIMATE ACTION TARGET (2020-2025)

We have set an ambitious goal: a **30% reduction in CO<sub>2</sub> emissions** across Scope 1, Scope 2 and Scope 3.6 (business flights) by the end of 2025, using 2019 as the baseline year. This commitment underlines our dedication to global decarbonization efforts and supports both national and international climate initiatives.

## LEADERSHIP AND RESPONSIBILITY

The implementation of our climate strategy is driven at the highest level: our executive management team oversees progress, with the Chief Financial Officer (CFO) and Group CSR Responsible directly accountable. Local CSR officers support implementation on site, ensuring actions are tailored and effective across all group entities.

## KEY MEASURES TO REACH OUR TARGET

To meet our reduction goal, we've launched several strategic initiatives:

- Switching to renewable energy at key production and office locations.
- Introducing electric vehicles into our fleet to cut emissions from business mobility.
- Reducing business travel and embracing digital collaboration tools.

These measures are fully embedded in our operational planning and investment decisions, reflecting our commitment to long-term climate performance.

## TRACKING PROGRESS AND ENSURING TRANSPARENCY

Each year, we publish a Corporate Carbon Footprint Report following the Greenhouse Gas Protocol. This provides group-wide data on emissions and forms the basis for evaluating progress and adjusting our actions as needed.

## PARTNERING FOR SUCCESS

We actively involve local CSR officers in regular exchanges to ensure consistent implementation and to share best practices across all sites. This collaborative approach helps us overcome local challenges, accelerate learning and strengthen group-wide engagement.

## ALIGNMENT WITH GLOBAL GOALS

Our climate objectives contribute directly to the following SDGs:

- SDG 13: Climate Action
- SDG 7: Affordable and Clean Energy
- SDG 12: Responsible Consumption and Production

These goals guide our internal strategies and help us stay aligned with the expectations of our customers, suppliers, and the broader global community.

## A STRATEGIC PRIORITY

Environmental sustainability is a central theme in our current five-year strategy (2020–2025). By prioritizing climate action, we are not only addressing a key global challenge but also unlocking new opportunities for innovation, collaboration and long-term value creation.

# OUR SUSTAINABILITY PROCESS MANAGEMENT

## RESPONSIBILITY

At motan group, we know that successful sustainability is built on clear structures, strong leadership and trusted partnerships. That is why we have established a robust governance framework to anchor sustainability and Corporate Social Responsibility (CSR) across every level of our organization – from global strategy to local operations.

### LEADERSHIP COMMITMENT AT THE HIGHEST LEVEL

Sustainability is a top priority at motan group. Our CEO, Sandra Füllsack, personally drives our CSR and sustainability strategy. She sets clear goals, integrates them into our corporate vision, and ensures that every motan company worldwide is aligned through regular strategic exchanges, performance reviews and audits. Her leadership guarantees that sustainability is not just a vision, but a lived reality at motan.

### OPERATIONAL EXCELLENCE IN SUSTAINABILITY

Our Chief Financial Officer (CFO) ensures that sustainability is embedded into all operational processes – from risk management to financial reporting. Working closely with the CEO, he oversees our climate transition plan, ensuring that environmental goals are part of every strategic decision we make.

Supporting this effort, our Group CSR Responsible coordinates sustainability activities across all subsidiaries, drives innovation through cross-functional collaboration and organizes global CSR initiatives. Our biannual CSR Report and our comprehensive Corporate Carbon Footprint analysis provide full transparency for all stakeholders.

### LOCAL RESPONSIBILITY, GLOBAL IMPACT

With our decentralized structure, every motan company has a local CSR Responsible who brings sustainability into day-to-day operations. Local teams collect environmental and social data, implement energy and emissions reduction initiatives and ensure that group-wide sustainability goals are turned into local successes.

Through quarterly digital Jour Fixe meetings, all motan companies share their progress, challenges, and best practices. This creates a vibrant, global learning environment and ensures that our local efforts are synchronized with our global ambitions.

# RULES AND PROCESSES

At the motan group, sustainability is not merely a commitment - it is a defining characteristic of how we conduct our business. Anchored in a clear set of values, supported by a structured strategy and implemented through rigorous quality controls, we pursue sustainable success in close cooperation with our customers and suppliers. This ethos is embedded in our corporate mission and informs every aspect of our operations:



## OUR VALUES: THE FOUNDATION OF RESPONSIBLE PARTNERSHIPS

Central to our corporate strategy is the motan group Strategy House, where sustainability is integrated as a fundamental principle. Our actions and long-term business relationships are governed by six shared values:

respect – personal responsibility – customer focus –  
reliability – honesty – sustainability

These values foster transparent, collaborative engagement with our customers and suppliers. They empower us to jointly develop solutions that are responsible, future-oriented and built for long-term success.

## GOVERNANCE THAT INSPIRES CONFIDENCE

At motan group, sustainability is not only a strategic priority - it is embedded within our governance structure and operational management:

- The Executive Board holds overall responsibility for sustainability governance and ensures that risk management and internal control systems meet the highest standards.
- A designated Group CSR Responsible oversees the design, implementation and continuous monitoring of sustainability-related processes, ensuring the integrity, accuracy and quality of all ESG information and disclosures.

## ENSURING QUALITY AND TRANSPARENCY IN SUSTAINABILITY REPORTING

To provide our stakeholders with reliable and actionable sustainability insights, the motan group has established a robust multi-level assurance process that includes:

1. Standardized sustainability data collection across all group locations,
2. Internal audits and validation procedures to verify data accuracy and compliance.

These measures ensure full traceability and transparency - giving our customers suppliers, and partners confidence in the information we report and the actions we take.

## CONTINUOUS IMPROVEMENT – DRIVING PROGRESS WITH PURPOSE

In a rapidly evolving regulatory and stakeholder environment, continuous development is essential. The motan group is committed to advancing its sustainability practices by:

- Systematically monitoring legal and market developments,
- Proactively addressing emerging stakeholder expectations,
- Integrating best practices and innovations from across industries.

This commitment ensures that we not only remain compliant but also serve as a reliable and forward-thinking partner - dedicated to shared success in a sustainable and resilient future.

# INCENTIVE SYSTEMS

## SUSTAINABILITY AS A DRIVER OF PERFORMANCE

At the motan group, we firmly believe that long-term business success goes hand in hand with environmental and social responsibility. That is why we have embedded sustainability goals into our core management and incentive systems. This ensures that environmental, social, and governance (ESG) priorities are not just aspirations - but a tangible part of how we operate and make decisions.

## STRATEGIC COMMITMENT

Our sustainability approach is anchored in the motan group's five-year strategic plan, known as the Strategy House. ESG objectives are a key pillar of this framework and are translated annually into concrete, group-wide operational targets. These are not standalone goals - they are fully integrated into our leadership responsibilities and business planning.

## MEASURE WHAT MATTERS

Progress on these targets is reviewed regularly through our structured Objectives and Key Results (OKR) system. This enables us to track sustainability performance at both team and individual levels, with clearly defined metrics. Importantly, targets can be weighted based on their strategic relevance, directly influencing performance assessments and bonus calculations.

This ensures that sustainability is more than a guiding principle - it actively shapes leadership behaviour and decision-making across our organization. The motan bonus, our performance- and profit-based incentive, is linked to the achievement of both financial and ESG goals.

## SHARED RESPONSIBILITY, REAL IMPACT

By aligning sustainability with strategic planning and incentive structures, we foster a culture of accountability and long-term thinking throughout the motan group. For our customers and partners, this means working with a company that puts sustainable value creation at the heart of its operations - today and into the future.

# INNOVATION AND PRODUCT MANAGEMENT

At motan group, innovation is more than just a process – it is part of our DNA. It drives long-term value creation, strengthens our market competitiveness and supports our sustainability goals. We believe great ideas emerge when people collaborate:

*Ideas are the sparks that are created when bright minds fire each other.  
In a box, ideas don't have a chance to fire the imagination,  
inspire people and improve the world a little bit.*

Our innovation culture balances structured processes with openness to external input, fostering meaningful advances across products, services, and operations.

## A STRATEGIC AND AGILE APPROACH

Our innovation process follows four clear phases:

*Discover – Develop – Decide – Do it.*

This structure enables us to respond quickly to technological trends and integrate innovative solutions - such as new materials or digital tools - into peripheral systems that support smarter, cleaner production.

All innovation projects are aligned with our group strategy, sustainability roadmap and customer expectations. Agile teams and cross-functional collaboration ensure our developments are both practical and market-relevant.

## STRUCTURED IDEA MANAGEMENT

Through our centralized Idea Management platform, employees and external stakeholders can propose ideas for product innovations, process improvement, or sustainability solutions. Submissions are reviewed by expert teams and, when aligned with our strategic priorities, developed further through our R&D roadmap.

## INNOVATION WITH A SUSTAINABILITY FOCUS

We embed sustainability principles into every stage of product development. Our key focus areas include:

- Energy-efficient design to reduce operational emissions,
- ZERO LOSS initiatives to prevent material leakage (e.g., plastic granulate),
- User-centric features that promote safety and ergonomic design.

By addressing environmental and social impacts across the product lifecycle, we create long-term value for our customers and the planet.

## COLLABORATING BEYOND COMPANY BOUNDARIES

Customer feedback and sales partner insights play a vital role in identifying needs, refining products, and shaping future solutions. We also collaborate with leading academic and industry institutions, including:

- SKZ – The Plastics Center
- IKV at RWTH Aachen
- Linz Institute of Technology (JKU Linz)
- Konstanz University of Applied Sciences
- VDMA – German Engineering Federation
- VDI e.V. – The Association of German Engineers

These partnerships keep us connected to cutting-edge research and industry best practices.



## LOOKING AHEAD

We are currently rolling out a Corporate Carbon Footprint (CCF) framework to monitor group-wide emissions. In parallel, we're developing product-level carbon assessments to embed lifecycle thinking deeper into our innovation and development processes.

## MAKING EMISSIONS MEASURABLE

### SUSTAINABLE ACTION BECOMES MANDATORY IN THE PLASTICS INDUSTRY

For a sustainable approach to the environment, it is necessary to minimize the extraction of non-renewable carbon compounds, such as fossil based raw materials from nature and so reduce the production of carbon-containing emissions, especially CO<sub>2</sub>. For the plastics industry, this means substituting wherever possible crude oil-based feedstocks for plastics production and minimizing energy requirements across all steps of the entire value chain of production, refining and processing. Today, a priority for all companies must be the measurement of energy consumption and the resulting carbon footprint.

Corresponding resolutions, specifications and agreements on objectives and implementation have already been adopted and initiated both internationally and nationally. Not least due to the EU's plans to introduce a digital product passport in the coming years, which will serve as proof of the material used and its processing. This will primarily affect the plastics industry.

### HOW CAN WE PREPARE FOR THIS?

From now on, the focus will be even more on the substitution of virgin materials with recycled or reprocessed alternatives. To do this, all current processes of plastics recycling are applied one after the other, i.e. first material separation and preparation of regrind, then regranulation, if necessary, in combination with regeneration, or a solvent-based recycling and for remaining residual quantities a chemical decomposition process to new feedstock for plastics production. Any quantities not covered by the various recycling cycles must be returned to the overall material flow as virgin material. The starting materials required for this can be obtained from regenerative, mostly bio-based sources.

motan supports the implementation of such a circular economy in the plastics industry with its products and services on different levels. This means:

- adapted products, especially for regrind and materials of material recycling
- provision, evaluation and consolidation of information and data of all processes and consumptions in raw materials handling in parallel to the material flow
- optimization of the energy requirements of individual steps in raw materials handling through efficiency-enhancing technology and options

In order for a circular economy for plastics to run in conjunction with a minimization of the energy demand of the entire value chain, a high degree of transparency is required in all process steps. This means that the focus is not only the circular economy, but also on the energy costs incurred throughout the whole value chain. Which material was used when, where, what was its origin and how much energy was used in each step are typical questions that need to be answered individually and networked across departments.

Therefore, motan has developed an application that measures and records the resulting data at each processing step – the carbon footprint tracker. The data can be measured and displayed at each processing step and used to calculate the carbon footprint for the process and also the end product.

# MOTAN ON CIRCULAR ECONOMY

## PLASTICS ARE TOO VALUABLE TO BE THROWN AWAY

Today's world - and our current prosperity - would not be possible without plastics for very many reasons. These polymer materials are used in the most diverse applications: for household appliances, automotive and aircraft manufacturing, in electronics, in the medical field and the construction sector. They are nearly indispensable for packaging materials, which contribute greatly to resource efficiency by functioning as insulation or light building material and thereby reducing heating oil and fuel consumption, or by extending the shelf life of food stuffs as packaging material.

However, it is also very clear that plastic waste has become a global problem that affects us all and needs to be solved by society as a whole. In addition, there is also the problem of an ever-increasing demand for resources that are already scarce. Many resources are limited and as the global population continues to grow, the demand for these resources is also steadily increasing. This is why circular economy is an important topic for the plastics industry.

## BEING ECONOMICAL WITH THE RESOURCES WE HAVE IS ONE OF THE GREAT CHALLENGES OF OUR TIME

Circular economy is a model for production and consumption, where existing materials and products are shared, leased, reused, repaired, reprocessed and recycled for as long as possible. This expands the life cycle of products. In practice, this means that waste is reduced to a minimum.

After a product has reached the end of its life, as much as possible of the resources and materials used to make it remain in the circular economy. They can then be productively reused in order to continue to generate added value.

Circular economy is the opposite of traditional, linear economy models - also known as throw-away economies. These models are based on large amounts of cheap and easily accessible materials and energy, something that is no longer the case in today's world.

Being economical with the resources we have is one of the great challenges of our time. This is particularly true for the ever-dwindling reserves of fossil fuels. Therefore, a functioning circular economy can be a sensible and necessary addition to save and reduce consumption of the valuable resource "plastic". It can also help to counteract the current negative image of plastics. This last point should not be underestimated in the often emotional and heated debate about plastics in general and plastic waste in particular.

## IDEAL PROPERTIES FOR RECYCLING

Plastics have ideal properties for recycling. However, a requirement for a functioning circular economy is that all actors along the entire supply chain work together and communicate with each other. For the plastics industry (plastics manufacturers, plastics processors, and plastics recyclers) this also applies to their customers and distributors, who influence the product design and the possibility of using a recycled material with their requirements and material specifications.

Another requirement for efficient circular economy is suitable material flow management with the goal of having mostly homogenous plastic waste. The more homogenous it is, the easier it is to reprocess it. One goal in this context is to generate the required amount to ensure supply with recycled materials. Advancements in the development of sorting systems for mixed material flows from general collection systems help to achieve this. Also, nowadays hardly any real production waste is produced, as this is directly fed back into running production or is passed on to specialized processors.

As a manufacturer of products and systems for material handling of bulk materials (granules, regrind, flakes and various powders), motan is a partner of three plastic subareas: manufacturing of virgin materials and recycled materials as well as plastic processing. In conjunction with the setup of circular systems, digitalization, and the networking of production processes – generally referred to Industry 4.0 – also plays an important role in motan's view. The data from dryers, dosing, and mixing systems, and from crystallization has already been made available and can be used within the individual processes. In future, more data will follow. For example, the composition of the material and its moisture content, recipes, material constants, and production data from the processing machine. It is important to bear in mind that the properties of recycled materials can change after repeated processing. This is where motan's know how also comes into play, for example when dosing additives precisely for the making of regenerated plastics.

# CIRCULAR ECONOMY

## THE THREE LIFECYCLES OF PLASTICS

FROM OUR PERSPECTIVE, THE CIRCULAR ECONOMY IN THE PLASTICS INDUSTRY CONSISTS OF THREE CYCLES:

- Plastics production
- Plastics processing
- Plastics recycling

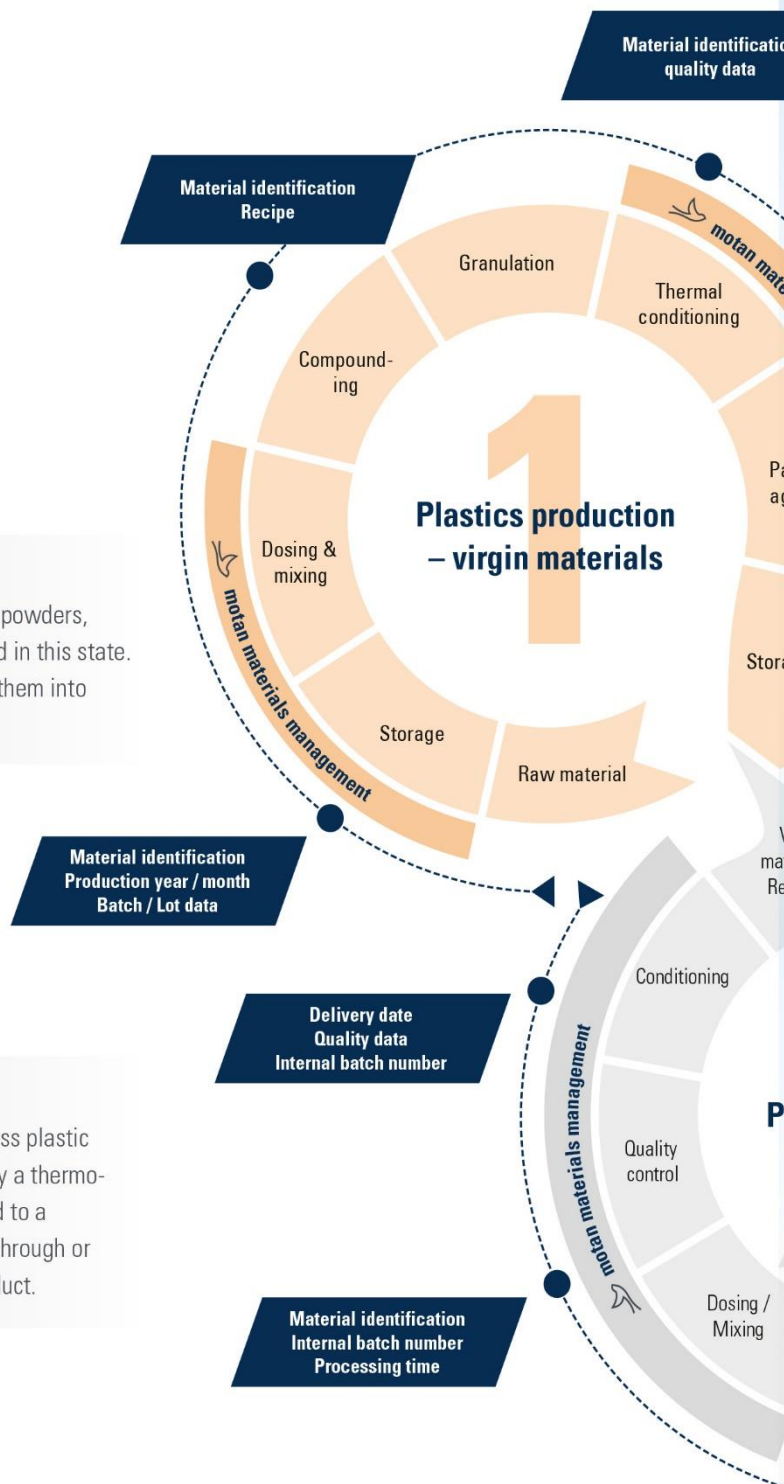
Our goal is to strengthen and continuously expand the third cycle. We want to maximize the value of products and components at the end of their life. The circular economy as an integrated approach is essential. For example, it considers the recyclability of products already in the design phase. For this, we are also focusing intensively on the digitalization of our systems and solutions – generally referred to as Industry 4.0.

### 1. PLASTICS PRODUCTION

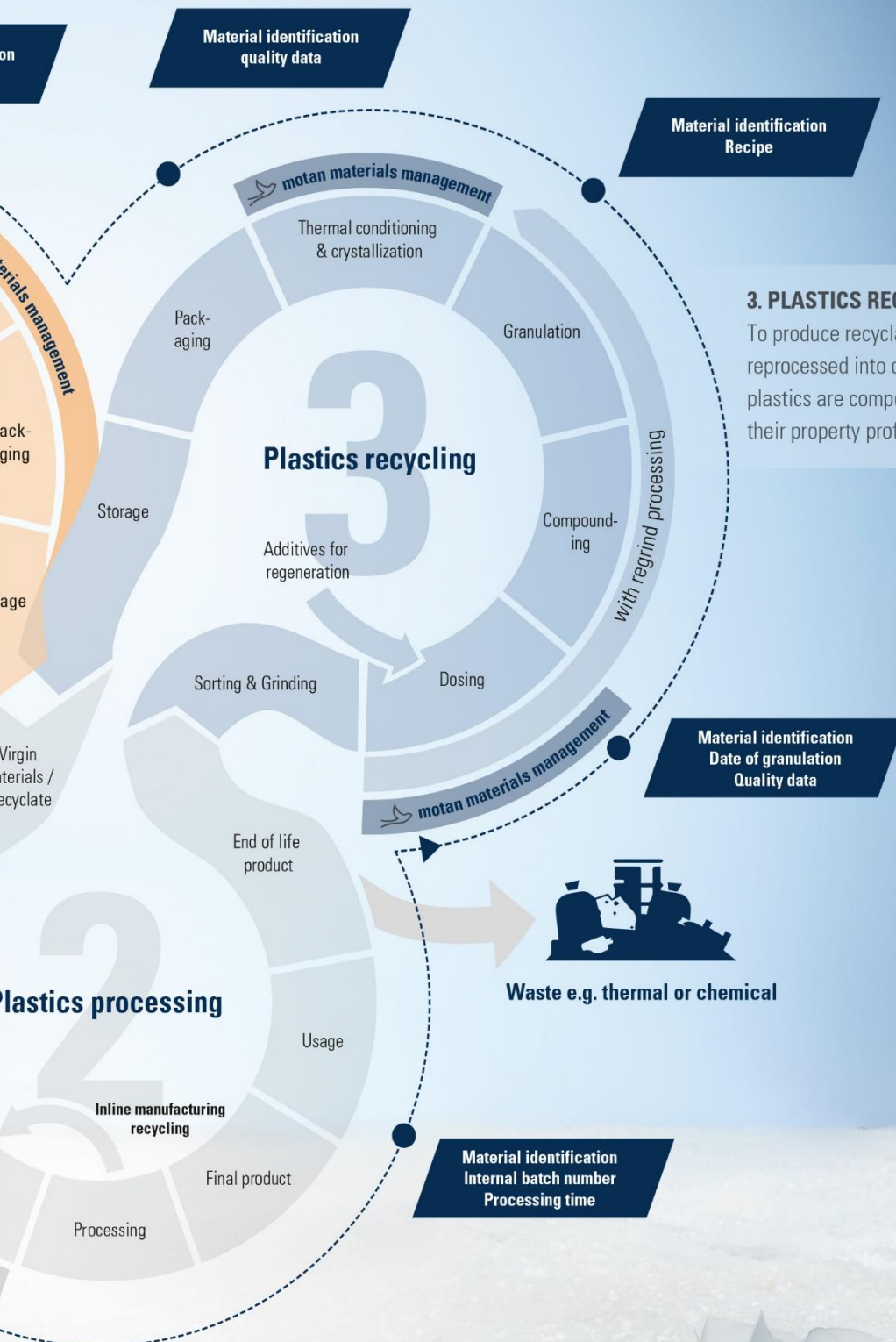
Raw plastic materials are usually supplied as liquids, powders, micropellets or coarse solids that cannot be processed in this state. Compounding these materials conditions and refines them into ready-to-use granular plastic materials.

### 2. PLASTICS PROCESSING

Injection moulding, blow moulding and extrusion process plastic and turn it into a finished product. The material, usually a thermoplastic, is plasticized in a cylinder using a screw, mixed to a homogeneous mass, the molten plastic is then forced through or into a die or tool to form the shape of the finished product.



»WE WANT TO MAXIMIZE  
THE VALUE OF PRODUCTS AND COMPONENTS  
AT THE END OF THEIR LIFE.«



### 3. PLASTICS RECYCLING

To produce recycle, plastic waste must be collected and reprocessed into clean homogenous materials. The recycled plastics are compounded and conditioned ready for processing and their property profiles are specifically adjusted by adding additives.





## WORKSHOP: FROM WASTE TO WEALTH

### PLASTICS IN A CIRCULAR ECONOMY – SUSTAINABLE SOLUTIONS AND INNOVATION FOR A GREENER FUTURE

In December 2024, the motan group once again partnered with the Indo-German Centre for Sustainability (IGCS) to host the 'sustainabilitychallenge' - now in its fourth consecutive year. This annual workshop brings together students from diverse academic disciplines in India and Germany to explore innovative solutions to environmental challenges in the plastics industry. Supported by industry professionals and scientific experts, the event creates a platform for knowledge exchange, collaboration and fresh thinking.

#### *A Cross-Border Dialogue on Plastics and Sustainability*

Twelve students joined the two-day virtual workshop to explore the complex relationship between plastics and sustainability. With support from a wide range of international speakers and mentors, participants gained valuable insights into real-world challenges and potential pathways toward more sustainable practices in the plastics sector.

A series of keynote presentations offered inspiration and direction:

- Water pollution was a central topic. Dr. Andreas Fath of Furtwangen University emphasized the importance of science communication, drawing on his study of plastic pollution in major rivers.
- Jacqueline Plaster from everwave showcased innovative cleanup projects in Southeast Asia, including a tricycle sponsored by motan to improve plastic waste collection in Cambodia.
- Dr. Alexander Kronimus from PlasticsEurope Deutschland e.V. explained the global significance of the UN Global Plastics Treaty and its potential to drive systemic change.
- Community-led initiatives were also highlighted, such as the Buy Food with Plastics program in India and Plasticpreneur GmbH's accessible recycling technologies, which help turn waste into local, sustainable products.
- Finally, natural alternatives to single-use plastics were explored as part of a broader effort to reduce waste at the source.

#### *Ideas in Action: Student-Driven Solutions*

After the keynotes, students worked in small groups to develop their own project ideas focused on key sustainability challenges in the plastics industry. These interdisciplinary teams produced a range of thoughtful and practical proposals, combining creativity with real-world relevance.

One particularly compelling concept was the 'Re-Union Model' - a circular solution for the textile industry where work uniforms are borrowed, returned at the end of use, then recycled and reissued. This model addresses the growing issue of textile waste and presents a scalable opportunity for companies committed to circular economy practices.

#### *Looking Ahead: Empowering the Next Generation*

The #sustainabilitychallenge continues to be a valuable platform for connecting academia, industry and young talent. Alongside gaining new knowledge, participants received prize money and certificates for their standout contributions. More importantly, they left with a deeper understanding of the impact they can have on the future of sustainable plastics.

We're proud to support the next generation of changemakers - and look forward to seeing some of these ideas evolve into real-world impact. For our customers and partners, initiatives like this reflect motan's long-term commitment to innovation, collaboration and building a more sustainable industry together.

#### **The IGCS**

IGCS is a joint Indo-German centre, which develops fundamental and applied interdisciplinary research, teaching and training, and dissemination of information in different fields of sustainable development. The IGCS wishes to be one of the premier centres of excellence in the field of engineering, environmental and related social sciences. It aims at offering cutting edge solutions in sustainable research through bilateral relations between India and Germany.

IGCS is coordinated by RWTH Aachen University and IIT Madras and funded by the German Academic Exchange Service (DAAD) in the programme „A new Passage to India“.



## PARTNERSHIP FOR CLEANER WATERS: SUPPORTING EVERWAVE'S MISSION

At the motan group, we believe that sustainability thrives through collaboration. That is why the motan foundation is proud to support everwave, a pioneering environmental startup dedicated to protecting rivers and oceans from plastic pollution.

Since 2021, our partnership with the Aachen-based team at everwave has focused on innovative solutions to intercept waste before it reaches marine ecosystems. Using AI-driven waste collection boats and floating river platforms, everwave collects plastic directly from waterways - helping to tackle pollution at its source.

As part of this collaboration, the motan foundation helped fund a conveyor belt for a waste sorting facility in Phnom Penh, Cambodia. In 2024, we took our support a step further by sponsoring a tricycle designed to efficiently transport collected plastic waste, making it easier to remove larger volumes from rivers and surrounding communities.

This partnership is rooted in shared values: everwave's long-term commitment to environmental protection and public awareness aligns seamlessly with motan's goal of continuously improving the sustainability of our products and processes.

For our customers and partners, this is one example of how motan translates its sustainability strategy into supporting innovative, hands-on solutions that protect natural resources and drive global impact.



# DEPTH OF THE VALUE CHAIN

As a global mechanical engineering company, the motan group is part of a complex and resource-intensive value chain. Our systems are built through assembly processes that rely heavily on steel and electronic components - materials that involve upstream activities like raw material extraction, processing and coating. Although these stages lie outside our direct operations, they are critical to our overall sustainability impact.

## OUR COMMITMENT TO RESPONSIBLE SOURCING

We work closely with our Tier 1 suppliers to uphold the highest standards of ethics, quality and sustainability. Every supplier must meet the expectations set out in our Supplier Code of Conduct, covering labour rights, health and safety, environmental stewardship and anti-corruption.

To ensure that our partnerships create real impact, we have implemented a structured supplier management approach, including:

- Clear selection criteria focused on quality, cost efficiency, ethics and environmental performance,
- Pre-qualification steps through supplier questionnaires, audits and on-site assessments,
- Ongoing performance monitoring using KPIs related to delivery reliability, quality and ESG compliance.

## DRIVING POSITIVE CHANGE TOGETHER

We believe that long-term success is built through collaboration. That's why we engage actively with our suppliers by:

- Organizing regular meetings to review performance and align on sustainability goals,
- Initiating joint projects that drive innovation, resource efficiency and CO<sub>2</sub> reduction,
- Sharing feedback and best practices to strengthen capacities across the supply chain.

By working hand in hand, we aim not only to meet current standards but to raise the bar together for future generations.

## MANAGING RISK AND DRIVING IMPROVEMENT

We assess suppliers based on risk factors including geographic location, sector-specific exposure (e.g. steel industry) and geopolitical stability. High-risk suppliers are subject to enhanced oversight and may receive support to build their ESG capabilities.

In line with the German Supply Chain Due Diligence Act (LkSG) and emerging EU regulations, we are currently conducting a full value chain risk analysis. The findings will shape future mitigation strategies and strengthen the transparency of our reporting.

## PARTNERSHIPS FOR A SUSTAINABLE FUTURE

At motan group, we see every customer and supplier relationship as a partnership for progress. Together, we can create lasting value, reducing environmental impacts, supporting social responsibility and building strong, future-proof supply chains.

We also work closely with internal stakeholders (CSR and procurement teams) and external partners (industry networks and benchmarking platforms) to continuously evolve our supply chain governance.

Through this collaborative and transparent approach, motan group is committed to creating sustainable value - together with our suppliers - across every step of the value chain.

# STAKEHOLDER ENGAGEMENT

At motan group, we believe that meaningful dialogue with our stakeholders is essential to advancing sustainability. That is why we have established a structured engagement process to ensure the voices of our customers, suppliers, employees and other key partners are heard - and reflected - in our strategic decisions.

## IDENTIFYING THE RIGHT STAKEHOLDERS

Each year, our CSR team leads a stakeholder mapping exercise to identify the individuals and groups most relevant to our operations. This includes evaluating their influence, interest and proximity to our business. Our key stakeholders include:

- Customers, who inspire innovation and demand sustainable solutions,
- Suppliers, who play a critical role in building responsible value chains,
- Employees, who contribute creativity and operational expense,
- Policymakers and regulators, who define our legal and sustainability frameworks.

## HOW WE STAY CONNECTED

We are committed to maintaining an open and continuous dialogue with all our stakeholders through a variety of channels:

- Employee surveys and town hall meetings to capture internal perspectives,
- Customer feedback loops integrated into product development and innovation,
- Supplier dialogues focused on ESG compliance and collaboration,
- Shareholder meetings that include updates on sustainability initiatives,
- Participation in policy and community forums to track emerging expectations.

## SHAPING OUR STRATEGY TOGETHER

Feedback from our stakeholders directly influences our materiality assessments and strategic priorities. Topics such as carbon emissions reduction, the use of renewable energy and supply chain transparency have become key pillars of our sustainability approach.

For example, stakeholder input has contributed to our climate goals, including our target to cut Scope 1, Scope 2 and Scope 3.6 emissions by 30% by 2025, investment in renewable energy and stronger supplier risk management.

## BALANCING EXPECTATIONS THROUGH COLLABORATION

We recognize that our stakeholders have diverse - and sometimes competing - expectations. We meet this challenge through transparent communication, collaborative planning and continuous feedback loops. Joint initiatives with customers, for example, have helped us to co-develop solutions that enhance emissions performance and increase product sustainability.

## ACCOUNTABILITY AND TRANSPARENCY

We report on our stakeholder engagement activities and outcomes in our biannual sustainability report. This includes how we integrate stakeholder feedback, the impact on strategy and the progress we have made on key issues.

By keeping stakeholder engagement at the centre of our sustainability journey, we ensure that our actions are informed, inclusive and aligned with the values we share with our partners.

# ENVIRONMENTAL MATTERS

## RESPONSIBLE USE OF NATURAL RESOURCES

At motan group, we recognize that responsible resource use is essential to long-term sustainability. That is why we closely monitor how materials and energy are used across our operations and supply chain - with a focus on improving efficiency, reducing emissions and minimizing environmental impact throughout the product life cycle.

Our resource management strategy is built on two key pillars:

- Product-related material input and
- Resource use in day-to-day operations.

### PRODUCT-RELATED RESOURCE USE

As a mechanical engineering company focused on assembly, our core material inputs - such as steel components and electronic control units - are externally sourced. While our own production process has a relatively low energy demand, the upstream production of these components carries a significant environmental footprint.

To better understand and address this, we launched a Product Carbon Footprint (PCF) initiative in 2024. This project analyses selected product lines in detail, including:

- Material composition,
- Supplier sourcing,
- Emission intensity across each stage of the life cycle.

The first results are expected in 2026 and will help us integrate lifecycle-based sustainability criteria into both product design and procurement. This marks an important step toward more sustainable product development and responsible sourcing.

### RESOURCE USE IN OPERATIONS

At the operational level, we have been tracking our Corporate Carbon Footprint (CCF) since 2019. This analysis covers energy use, transport and infrastructure emissions across all group locations. Key emission sources include:

- Electricity and heating at office and production sites,
- Business travel, including flights and company vehicles.

While motan's assembly-focused production is less energy-intensive than heavy manufacturing, we are committed to full transparency. In 2024, we began upgrading our CCF methodology to meet Greenhouse Gas Protocol standards, expanding coverage across all relevant Scope 1, 2 and key Scope 3 categories.

### TOWARDS GREATER EFFICIENCY AND IMPACT REDUCTION

Our PCF and CCF initiatives are critical to driving:

- Smarter procurement decisions that favour environmentally responsible materials,
- More efficient and circular product design,
- Deeper engagement with suppliers to reduce upstream emissions.

By embracing life cycle thinking and aligning our actions with international best practices, motan group is strengthening its role as a responsible, forward-thinking partner in the value chain.

# RESOURCE MANAGEMENT

## CLEAR GOVERNANCE AND LOCAL ENGAGEMENT

Responsibility for delivering this target lies with executive management, specifically the Chief Financial Officer (CFO) and the Group CSR Responsible. Local CSR officers play a hands-on role at site level, ensuring that actions are well integrated into everyday operations and reflect local realities.

This structure embeds sustainability into our strategic planning and operational management - creating shared accountability and impact across the group.

## MEASURES IN PRACTICE

To reach our target, we are rolling out practical, high-impact measures across the organization:

- Switching to green electricity at production and office sites,
- Converting our vehicle fleet to electric vehicles to lower mobility emissions,
- Reducing air travel by expanding the use of digital collaboration tools.

These actions are incorporated into our investment decisions and operating procedures. Emissions data is tracked annually in a Corporate Carbon Footprint (CCF) report, following the Greenhouse Gas Protocol for consistency and credibility.

## MONITORING AND TRANSPARENCY

We report our emissions annually at both group and site levels using the klimaktiv software tool. This ensures that data is collected in line with internationally recognized methods. Results are reviewed by our CSR and executive teams and used to guide updates to our emissions reduction roadmap.

## COLLABORATION ACROSS THE GROUP

Local CSR responsables are involved throughout the process. Regular consultations and coordination meetings help us align efforts, adapt to local regulations and incorporate stakeholder feedback into our strategy. These insights are key to keeping our targets realistic, relevant and effective.

## INNOVATION IN ACTION: ZERO LOSS PRODUCTION

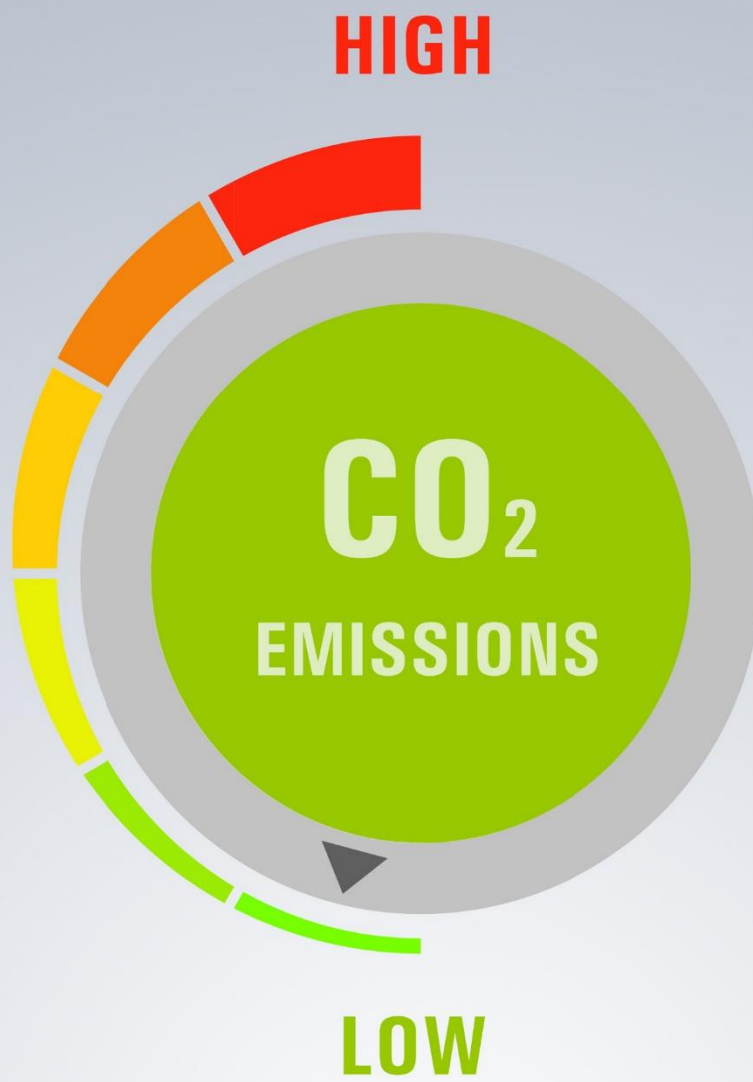
One of our most impactful initiatives is the development of Zero Loss production systems, which aim to eliminate plastic granulate loss during manufacturing. These systems reduce material waste, prevent environmental contamination and contribute to cleaner, safer workplaces.

## OUR COMMITMENT TO INDUSTRIAL PERFORMANCE

Through this structured and collaborative approach - grounded in measurable targets, transparent reporting and open dialogue - the motan group is making a tangible contribution to the sustainable transformation of industry. By working together with our partners and customers, we aim to shape a value chain that is both innovative and environmentally responsible.



»YOU CAN NOT CONTROL WHAT YOU CAN NOT MEASURE«



# CORPORATE CARBON FOOTPRINT



10% REDUCTION/YEAR  
OF CO<sub>2</sub>-EMISSIONS SCOPE 1&2

30% REDUCTION UNTIL 2025  
OF OVERALL CO<sub>2</sub>-EMISSIONS

MAKING EMISSIONS MEASURABLE is not restricted to the motan products. The motan group wants to give a comprehensive and honest view on its CO<sub>2</sub>-emissions. Therefore, we constantly work on improving the measurement of our CCF as well as lowering the emissions.

Our group-wide climate target is a 30% reduction in CO<sub>2</sub> emissions by 2025 across:

- Scope 1 (direct emissions),
- Scope 2 (indirect energy emissions) and
- Scope 3.6 (business flights),

with 2019 as the baseline year.

This goal reflects our contribution to national and EU climate commitments and reinforces our long-term responsibility as an industrial partner. Our progress is tracked annually, based on the Greenhouse Gas Protocol. Each year, we review our footprint to evaluate results and refine our decarbonization strategy – taking into account technological advancements, better data and evolving climate regulations.

## STEPS WE ARE TAKING TOWARD DECARBONIZATION

To support this long-term ambition, we are implementing a range of practical initiatives across our operations:

- **Renewable Energy Investments:** We are expanding the use of photovoltaic systems on our sites, adapting our energy mix and encouraging the use of green electricity. Where on-site solutions are not feasible, we require our energy suppliers to provide certified renewable power.
- **Energy Transition in Buildings:** We are phasing out fossil fuels such as coal, oil, and natural gas - particularly during building renovations - by prioritizing renewable energy solutions.
- **Sustainable Mobility:** To reduce emissions from commuting and business travel, we promote electric vehicles, public transport and active mobility options like cycling and walking.
- **Cleaner Manufacturing:** We actively pursue energy-efficient technologies in production and, where possible, offer customers lower-impact alternatives such as green steel.

## OUR GREENHOUSE GAS EMISSIONS DEVELOPMENT

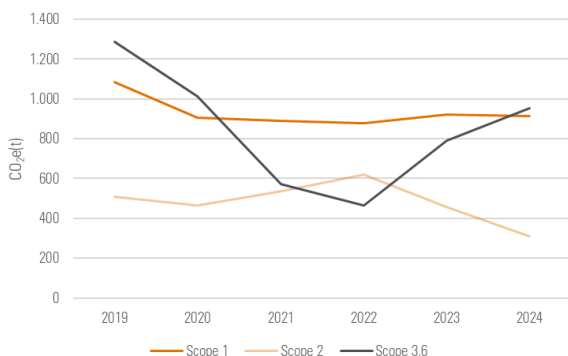


FIGURE 1: MOTAN GROUP CO<sub>2</sub>E(T) 2019-2024

The chart shows the development of our CO<sub>2</sub>-equivalent emissions across Scope 1, Scope 2 and selected Scope 3 (category 3.6) emissions over the past six years.

### *Scope 1 (direct emissions from our own operations)*

Between 2019 and 2022, we were able to gradually reduce our direct emissions from around 1.100 tonnes to 880 tonnes of CO<sub>2</sub>e. Since then, emissions have remained relatively stable, reflecting efficiency measures in our production and operations. We continue to look for further optimization opportunities in this area.

### *Scope 2 (indirect emissions from purchased electricity and heat)*

After a temporary rise in emissions in 2022 due to changes in our energy mix, we achieved a significant reduction in recent years, reaching around 300 tons CO<sub>2</sub>e in 2024. This reflects our increased use of renewable energy and improved energy efficiency measures at our sites.

### Scope 3.6 (Business flights)

This category showed the most dynamic changes: emissions dropped sharply during the COVID-19 years, reflecting reduced travel and external services. Since 2022, emissions have increased again to around 950 tonnes CO<sub>2</sub>e as travel and activity levels returned to more typical levels. Going forward, we aim to integrate more sustainable mobility.

## TRACKING OUR CLIMATE TARGETS

The diagram compares our actual total CO<sub>2</sub>e emissions with our internal reduction targets from 2019 through 2024.

From a starting point of around 2.900 tonnes CO<sub>2</sub> in 2019, we reduced our emissions by nearly one-third by 2021. This was driven by side-effects during the COVID-19 years reflecting reduced travels and increasing flexible work arrangements, enabling us to outperform our reduction targets during this period.

While emissions slightly increased again in 2022-2023 – reflecting a return to more regular activity levels – our emissions trajectory remained closely aligned with our climate targets.

In 2024, our actual emissions converged with our target path. This underscores our commitment to integrating climate goals into our business decisions and continuous improvement across all areas of our operations to be able to meet target in 2025.

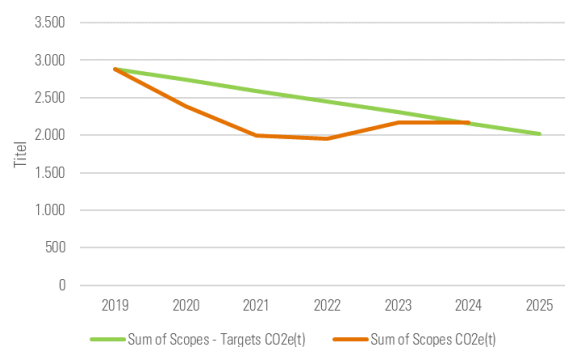


FIGURE 2: TRACKING OF REDUCTION TARGETS 2019 - 2024

# RESOURCE MANAGEMENT AND ENERGY CONSUMPTION

## ELECTRICITY

The main resource used, causing the motan group's CO<sub>2</sub>-emissions is electricity, which is used for heating and cooling of our offices and production sites.

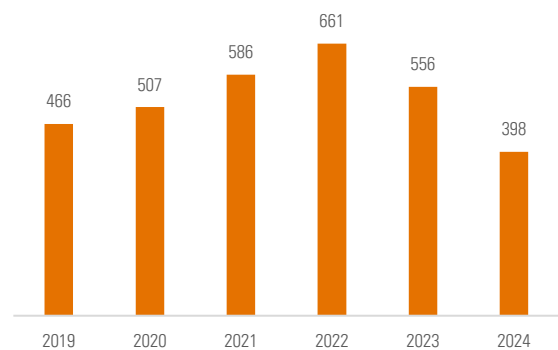


FIGURE 3: MOTAN GROUP ELECTRICITY CONSUMPTION IN CO<sub>2</sub>E(T), 2019-2024

Between 2019 and 2022 our Scope 2 emissions rose from 466 to 661 tonnes CO<sub>2</sub>e, driven by temporary shifts in our electricity mix. This period reflected external factors such as volatility in energy markets.

In response, we intensified our efforts to improve energy efficiency and transition to lower-carbon electricity sources. These measures resulted in a significant emissions reduction over the following two years: by 2023 emissions had decreased to 556 tonnes CO<sub>2</sub>e, and by 2024 they reached 398 tonnes CO<sub>2</sub>e - the lowest level in the reporting period.

We are continuously working to reduce the carbon intensity of our energy consumption. Figure 4 shows the evolution of our electricity mix from 2022 to 2024, along with our planned distribution for 2025.

In 2022, non-renewable sources accounted for 58% of our electricity mix. Since then, we have steadily reduced this share, achieving 44% by 2024, with a further decline to 37% targeted for 2025.

The share of purchased renewable electricity is a strong important part in our mix, reflecting our commitment to green power sourcing.

At the same time, we have significantly expanded our own renewable energy production – from just 1% in 2022 to 23% in 2024. Our 2025 plan anticipates maintaining a strong contribution from on-site renewables (21%), supported by further investments in technologies such as photovoltaics.

Additionally, in the reporting year, we successfully fed 279 MWh of renewable electricity into the grid, contributing directly to the energy transition. This achievement corresponds to a climate impact of 207 tonnes of CO<sub>2</sub>e avoided.

At the same time, the motan group is interested in an efficient and economic use of energy and explicitly supports and appreciates every initiative to save energy, as little as it may seem. The sum of small things will change the world.

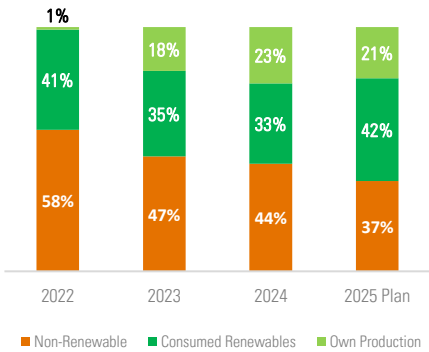


FIGURE 4: MOTAN GROUP ENERGY MIX, 2022-2025

### NOTES

In alignment with the motan group's financial reporting as well as its sustainability reporting, operational control was used as the consolidation approach. Most of the companies are subsidiaries with 100% equity share by motan holding gmbh. The organizational structure is a franchise system. The calculation is based on the company's own main data.

# EMPLOYEE-RELATED MATTERS

## EMPLOYMENT RIGHTS

### FAIR, SAFE AND INCLUSIVE WORKSPACEC – A SHARED STANDARD

At the motan group, we believe that people are at the heart of sustainable business. That is why we are committed to ensuring fair, safe and inclusive working conditions across all our locations. Our practices are aligned with globally recognized frameworks such as the International Labour Organization (ILO) standards and the UN Global Compact. These principles are reflected in our internal policies that govern everything from working hours and compensation to health, safety and employee engagement.

### WORKING CONDITIONS AND FAIR COMPENSATION

We provide clear and consistent employment standards designed to support well-being and work-life balance:

- Standard Working Hours: 40 hours per week, typically Monday to Friday.
- Overtime Compensation: Paid according to local labour laws.
- Flexible Work Options: Mobile working, flex-time and part-time models help employees manage personal and professional responsibilities.
- Living Wages: All employees earn at least a local living wage - or, where not defined, a salary benchmarked to the national median income.
- Annual Compensation Reviews: We regularly assess pay to ensure our salaries remain fair and competitive within the industry.

### COMPREHENSIVE EMPLOYEE BENEFITS

Each motan entity offers a locally tailored benefits package that may include:

- Health insurance (public or private, depending on the country),
- Parental leave and family support initiatives,
- Retirement and pension plans in line with national systems.

### HEALTH AND SAFETY FIRST

We take a proactive approach to occupational safety, with measures designed to protect both physical and mental well-being:

- Regular inspections to identify and address workplace risks,
- Mandatory safety training for all employees,
- Access to mental health support, including confidential counselling services.

### LISTENING TO OUR PEOPLE

To continuously improve, we conduct regular employee satisfaction surveys. These assess workplace conditions, psychological safety and management culture. Insights from these surveys inform improvement measures and are reviewed by our HR teams and executive leadership.

### OPEN CHANNELS FOR CONCERNS

A culture of trust and transparency is essential. Our open-door policy and secure whistleblower platform allow employees to raise concerns confidentially and without fear of retaliation. Every report is handled promptly, fairly and discreetly.



## ENGAGING EMPLOYEES IN OUR SUSTAINABILITY JOURNEY

Sustainability at motan is a collaborative effort - and our employees play a key role:

- Transparency: We share regular updates on our sustainability goals and progress,
- Inspiration: Best practices and success stories are highlighted through internal channels,
- Involvement: A cross-location sustainability team drives local action and exchange,
- Innovation: Our “green box” idea portal empowers staff to submit and develop sustainability ideas,
- Recognition: We celebrate contributions via internal news, social media and company events,
- Community Impact: Employees are encouraged to volunteer for environmental and social causes through our CSR programs.

By embedding strong labour practices into our sustainability and governance framework, the motan group fosters a culture built on fairness, accountability and shared responsibility - creating long-term value for employees, customers and partners alike.

### MOTAN CLEANUP! 2024

The motan group is aware of its responsibility for nature and the impact of plastics on it. We, as a group, want to give a statement of this awareness. For the first time in 2024, the motan group organized a worldwide CleanUP! Event.

Every employee was invited to clean up a public area in its region, together as a motan team. According to the principle:

Collect as much waste as you can –  
by working together, we can ensure a sustainable future.  
Litter picking is essential to keep our environment clean and healthy.

This year, numerous motan employees worldwide took part in the CleanUP! activities and contributed with great commitment to making our environment a little cleaner. We are thrilled by the creativity, commitment and extraordinary ideas that each team contributed to the campaigns. As a thank you, every team will receive a cash prize that can be used for a joint team event or to support a social project.

We are already looking forward to more motan CleanUP! campaigns in the coming years and to continuing to make a positive contribution to our environment together.



# EQUAL OPPORTUNITIES / DIVERSITY

The motan group is committed to fostering a diverse and inclusive workplace where all employees are treated equally, without discrimination based on gender, race, ethnicity, age, disability or other protected characteristics. Our equal opportunity and non-discrimination policy aligns with international human rights standards and the principles set forth by the UN Global Compact. This policy is integral to our culture, guiding our hiring, promotion, training and employee support practices. We maintain systems to monitor compliance with equal opportunity policies. These systems ensure both prevention and action when issues arise:

1. Anonymous reporting channels: employees can report any discrimination or unfair treatment anonymously through our whistleblower-system. All reports are reviewed by our Compliance-Team and disciplinary actions are taken if necessary.
2. Grievance handling process: each report of discrimination is carefully reviewed by our Compliance-Team. During the past year we received and resolved 4 grievances related to discrimination, with appropriate action taken in each case.

To track our progress and ensure accountability, we report the following metrics:

1. Gender representation: 21% of our total workforce is female, with 15% in group management roles.
2. Gender representation in management roles: 15% of the motan group management and 16% of the local management is female.
3. Part-time contracts: 28% of our female and 4% of our male workforce is working part-time.

We continuously evaluate and enhance our approach to equal opportunity and non-discrimination. Our goals for the coming year include improving reporting mechanisms like upgrading our reporting systems to provide more granular data on diversity, allowing us to better understand and address any disparities in outcome.

# QUALIFICATIONS

For motan, expertise means guaranteeing the future. As employer, we place great value in offering our employees opportunities to develop their skills. To do so, the motan group has standardized qualification programs, available to our employees:

## MOTAN START - AN INDIVIDUALLY TAILORED CAREER START

New employees have the opportunity to take part in our motan start program. The program will introduce them to the diversity and possibilities in our company in at least four practical training modules in different areas of the company. Additional elective modules will help them quickly build their own working network.

The program was designed by motan holding gmbh which is implemented in all motan companies and adapted it to their local needs.

## MOTAN CAMPUS - THE TRAINING PROGRAM FOR OUR EMPLOYEES

The training program is directed at our employees with a technical or sales background. Every year we offer our employees a broad range of training and qualification opportunities in regard to technologies, products and processes. Becoming an expert for topics related to drying, dosing and mixing, storage and conveying, and crystallizing is a priority and trains our employees to become experts in materials management.

## MOTAN LEADERSHIP TRAINING

As a family company we stand for reliable partnership. We wish to pass on these values combined with high levels of corporate responsibility to our young employees in order to maintain the reliable corporate policy our customers expect from us. The motan leadership training provides qualified and motivated employees the necessary soft skill for the everyday work routine as a manager in an international company.

The local management is responsible to uncover individual demands for further education. The motan group management explicitly supports every employee in taking part on internal and external educational programs wherever reasonable. Through those continuous educational program offers, which also cover the latest industrial developments, there are no systematic risks in terms of qualification of our employees.

## MOTAN INDIA HELPS PEOPLE IN RURAL AREAS

*Motan india donates clothes, books and food to the charity Goonj to promote further development in rural India and minimize the gap between town and village.*

Established in 1999, Goonj is a network of communities between urban and village in India that aims to address key gaps in rural infrastructure, water, environment, livelihoods, education, health, disaster relief, and rehabilitation. Its three key efforts are highlighting clothing as a basic need in the development agenda, repurposing urban household waste into a development tool for rural India, and mobilizing communities to solve long-standing problems that hinder community development.

motan India donates its surplus materials to also contribute to improving the situation of people in rural areas. Especially education and training of young inhabitants can ensure a positive development of a place.

Thus, among other things, motan equipped classrooms of local schools with a good loudspeaker system to improve morning assemblies and announcements. They also organized an internship for students so that they could experience working in a dedicated team in an industrial environment.

We thank Goonj and motan India for their efforts in the country and look forward to continued collaboration in improving the situation on the ground.



# HEALTH AND JOB SAFETY

The motan group places the highest priority on occupational health and safety. We are committed to full compliance with all applicable legal and regulatory requirements related to workplace safety and systematically integrate these into our operational planning and work processes across all sites.

## OCCUPATIONAL RISK PROFILE

The motan group operates primarily assembly-based production facilities, which are characterized by a relatively low risk profile in terms of work-related injuries and occupational illness. Nevertheless, we maintain a structured system for injury prevention, incident monitoring and continuous improvement.

## INJURY REPORTING AND MONITORING

All production sites report work-related injuries monthly to the group-level management. Reporting is handled by local site managers and compiled centrally to ensure transparency and consistency across the organization. The following group-wide figures were recorded for total reportable work-related injuries (calendar year basis):

	2021	2022	2023	2024
No. of accidents	5	3	3	3

All reported cases were minor incidents, involving no fatalities, permanent impairments, or long-term absences. As per current internal procedures, each incident triggers a root cause analysis and, where applicable, corrective measures are implemented.

The motan group ensures structured employee involvement in occupational health and safety (OHS) through formal representation, transparent communication, and a comprehensive safety management system.

## EMPLOYEE REPRESENTATION

At our main production site in Germany, employees are represented by a works council, which meets regularly with management. These meetings address safety-related topics, working conditions and improvement measures, ensuring employee voices are part of decision-making processes.

## OHS MANAGEMENT SYSTEM

All production sites operate under a structured OHS framework that includes:

- Documented safety policies and procedures;
- Regular inspections by internal staff and external specialists;
- Designated safety officers responsible for compliance and incident follow-up;
- Mandatory safety training for all employees, with role-specific modules;
- Provision of PPE and instruction on proper use;
- Immediate correction of identified hazards and continuous risk evaluation.

## HEALTH SERVICES AND PREVENTIVE MEASURES

Employees have access to occupational medical consultations and can participate in preventive health programs, such as stress prevention, ergonomic training, and vaccination campaigns. Participation in external health services is explicitly supported.

## EMPLOYEE ENGAGEMENT AND COMMUNICATION

Safety-related updates are communicated through regular briefings, bulletin boards and digital platforms. Employees are encouraged to report safety concerns either directly or anonymously. Their feedback informs adjustments to training, procedures and risk prevention measures.

This approach fosters a culture of prevention, ensures compliance with legal and internal standards and strengthens trust and safety awareness throughout the organization.

# RESPECTING HUMAN RIGHTS ACROSS OUR VALUE CHAIN

At the motan group, we recognize that our responsibility for human rights extends beyond our own operations - it includes our entire supply chain. We are committed to respecting and promoting internationally recognized human rights in everything we do, from our production sites to our partnerships around the world.

In line with the German Supply Chain Due Diligence Act (LkSG), we have established a structured due diligence process to identify, prevent and address potential human rights and environmental risks associated with our business activities. This helps us create safer, fairer and more sustainable value chains - together with our customers, suppliers and other partners.

Our human rights policy is based on key international standards, including the Universal Declaration of Human Rights, the ILO core labour standards, and the OECD Guidelines for Multinational Enterprises. We uphold fundamental rights such as fair and safe working conditions, freedom from discrimination, protection against child and forced labour, freedom of association and specific safeguards for vulnerable groups. We also acknowledge the right to a healthy and sustainable environment.

To ensure these principles are put into practice, we have implemented a five-part due diligence system:

- **Risk Analysis**  
We regularly assess human rights and environmental risks within our own operations and supply chains - with particular attention to areas like forced labour, occupational safety and environmental impacts. Our risk analysis focuses on Tier 1 suppliers and critical raw material sourcing in high-risk regions.
- **Preventive Measures**  
We integrate clear human rights expectations into our supplier contracts, codes of conduct and evaluation criteria. We also offer training and awareness programs to support implementation. Responsible sourcing is a key factor in how we select and work with our business partners.
- **Remediation**  
When potential or actual violations are identified, we take swift and appropriate action. This may involve working collaboratively with suppliers to find solutions or, if needed, terminating business relationships. Affected individuals or communities receive support as part of our remediation efforts.
- **Grievance Mechanism**  
Our secure and anonymous whistleblowing system is available to all employees, suppliers and third parties. Every report is reviewed by our Group Compliance Team, investigated thoroughly, and followed up transparently - with lessons learned feed back into our improvement process.
- **Monitoring and Reporting**  
We regularly evaluate the effectiveness of our approach and report openly on our findings. This includes the results of risk assessments, the nature and number of grievances received and how we responded.

We are particularly aware of the human rights risks linked to raw material extraction in our industry. That is why we prioritize close monitoring and engagement in these parts of our supply chain.

Our leadership - from the CEO to our Managing Directors - actively promotes a culture of integrity, accountability and continuous improvement. We believe that by working closely with our partners, we can jointly build more resilient, responsible and ethical value chains.

## GROUP-WIDE HUMAN RIGHTS DUE DILIGENCE

In 2024, 100% of motan group companies - including all subsidiaries and production sites - were subject to human rights screenings or impact assessments. These assessments cover operational risks related to:

- Labor practices and fair working conditions
- Non-discrimination and employee rights
- Occupational health and safety
- Grievance mechanisms and compliance systems

Given our business model - which includes sales and service units as well as assembly-based production - the inherent risk of serious human rights violations is considered low. No incidents of human rights breaches were identified in the reporting year.

We conduct these reviews as part of our overarching compliance and risk management framework. Findings are evaluated by our CSR and Compliance teams and any necessary actions are initiated to ensure continuous improvement.

## RESPONSIBLE SOURCING AND SUPPLIER ENGAGEMENT

In 2024, we initiated a group-wide supplier screening program aligned with the LkSG and international ESG expectations. As a first step, motan operations gmbh screened 100% of its active suppliers using social criteria. These criteria included:

- Adherence to international labour standards
- Prohibition of child and forced labour
- Non-discrimination and freedom of association
- Occupational health and safety
- Supplier Code of Conduct compliance

All new suppliers are now required to undergo this screening as a precondition for business engagement.

## SOCIAL ASSESSMENT IN THE SUPPLY CHAIN

As part of our due diligence rollout, motan operations gmbh conducted a comprehensive social impact assessment of its supplier base in 2024. Key results included:

- 100% of active suppliers were assessed using a standardized methodology based on 11 social impact indicators.
- No suppliers were identified with significant actual or potential human rights violations (e.g. child labour, forced labour or discrimination).
- One recurring issue related to hazardous substance documentation, particularly around mercury-related declarations, was flagged and is under further review.
- No supplier relationships were terminated and no corrective action plans were initiated due to the overall low-risk classification.
- We continue to maintain open dialogue with suppliers, emphasizing transparency, partnership and continuous improvement.



# CORPORATE CITIZENSHIP

At the motan group, we see ourselves not only as an industrial and technology-driven company, but also as a responsible corporate citizen. We believe that our long-term success is closely tied to the well-being of the communities in which we live and work - both locally and globally. This belief shapes our corporate culture and is reflected in a structured and strategic approach to societal engagement that goes beyond legal compliance.

## OUR FRAMEWORK FOR RESPONSIBLE ENGAGEMENT

Our Corporate Citizenship activities are built around four key pillars. Each is aligned with our broader sustainability strategy and implemented either directly through local entities or via the motan foundation, our dedicated platform for social and environmental impact.



## FOCUS AREAS AND PRIORITIES

Our initiatives are designed to make a measurable difference in three main areas:

- Environmental protection: Supporting ecosystem preservation and resource stewardship through local and global action.
- Social inclusion: Assisting children, disadvantaged groups, and communities in need to promote equity and opportunity.
- Resilience and partnerships: Building long-term collaborations with trusted partners and maintaining transparency in reporting our impact.

## EXAMPLES OF OUR IMPACT

In 2024, the motan group provided both financial and in-kind support to numerous charitable initiatives across our global operations. Highlights include:

- Donations to welfare organizations and community services,
- Sponsorship of local environmental education campaigns and clean-up projects,
- Strategic funding of material innovation research through the motan foundation.

## STRONG GOVERNANCE FOR LONG-TERM IMPACT

All Corporate Citizenship initiatives are governed by a clear structure and reviewed annually to ensure alignment with our ethical standards, ESG goals and overall risk management framework. Oversight is provided by our CSR and compliance teams to ensure our actions remain effective, transparent and consistent with our values.

By engaging in meaningful, long-term partnerships and prioritizing shared value, the motan group contributes to a more resilient, inclusive and sustainable future - not only for our company, but for all those we work with.

## MOTAN THAILAND: SOLAR ENERGY PROJECT TO PROTECT SEA TURTLES

*motan Thailand supports Siam Marine Rehabilitation Foundation with a solar energy project to protect sea turtles.*

### Background

The island of Koh Talu in Thailand is home to many hawksbill turtles, making it an important place for their nesting season. For this reason, the Siam Marine Rehabilitation Foundation was founded there, a non-profit organization with the aim of supporting and protecting these turtles and in particular their babies. The motto and motivation of the Siam Marine Rehabilitation Foundation is: "Save them, raise them and release them into the sea".

Currently, 935 baby turtles live in the rehabilitation center. With the support of the Siam Marine Conservation and Research Centre of the Royal Thai Navy, the foundation raises them for a year until they are strong enough to be released into their natural ecosystem and begin their life journey in the vast ocean.

Energy supply plays an important role in the rearing of these turtles. It is crucial for the growth of algae, the hawksbill turtles' main food, but is in short supply on the island. This action project was launched to counteract this problem with renewable energy.

### Action project

With this project, which is based on local research, motan aims to promote the gradual transition to clean solar energy. This will reduce the island's dependence on fuel, increase the use of renewable and more environmentally friendly energy and, last but not least, promote the growth and development of baby turtles.

Together with subcontractors, motan donated solar panels for roofs to create a substitute for fuel energy. This new solar energy is also used to power a water pump installed by motan, which feeds seawater directly into the turtles' breeding tanks so that the algae can grow on site. Furthermore, with its expertise in technology, installation and electrics, the motan team brings social and environmental benefits to the project.

From December 8 to 10, 2023, the entire motan Thailand team was on the island of Koh Talu to support the project. The mission ended with a relaxing evening on the beach with a beautiful sunset. In short: motan Thailand made a positive contribution to environmental protection and at the same time experienced an inspiring team event. Everyone is very proud of their commitment to natural resources and green energy.



# ANTI-CORRUPTION AND BRIBERY MATTERS

## POLITICAL INFLUENCE

At the motan group, we are committed to maintaining political neutrality as part of our ethical business conduct. We believe that trust and transparency form the foundation of long-term partnerships - with our customers, suppliers, and society. Accordingly, we do not participate in political lobbying or make any financial or in-kind contributions to political parties, candidates or political events.

## RESPONSIBLE PUBLIC POLICY ENGAGEMENT

Our engagement with public policy is strictly limited, indirect and occurs solely through our membership in the VDMA (German Mechanical Engineering Industry Association). We do not operate a public affairs department, do not attend political hearings in our own name and do not submit position papers or statements on legislative matters.

Through the VDMA, we are passively represented in sector-wide discussions on topics that are important for sustainable industrial development, including:

- Energy and resource efficiency
- Circular economy initiatives in manufacturing
- Innovation frameworks for mechanical engineering

The VDMA is officially registered in the EU Transparency Register and conducts all policy engagement on behalf of the industry as a whole - not on behalf of individual member companies. We hold no leadership roles or mandates within the association.

## CLEAR BOUNDARIES; CONSISTENT VALUES

While we support policy developments that align with our ESG strategy - such as climate action, innovation promotion, and responsible supply chain management - the motan group does not pursue company-specific political influence. We are also not affiliated with any lobbying organizations or politically motivated networks beyond our VDMA membership.

## TRANSPARENCY IN PRACTICE

In 2024, the motan group had no expenditures related to political engagement as political contributions or lobbying expenditures.

The expenditure to the Industry association membership fees (VDMA) was restricted to the standard annual contribution.

All politically relevant affiliations are fully disclosed in this report. Our Code of Conduct, which applies across the entire motan group, clearly defines our policy of political neutrality and forms part of our broader governance and compliance framework.

By limiting our role in public policy to structured, transparent industry representation and avoiding any direct political involvement, we ensure that our focus remains where it matters most - on creating value through responsible business practices, sustainable-innovation and strong, trusted partnerships.

# CONDUCT THAT COMPLIES WITH THE LAW AND POLICY

At the motan group, acting with integrity is fundamental to how we do business. As a globally active company with a decentralized structure, we are committed to upholding all applicable laws, regulations and ethical standards - across every location and in every partnership. We see compliance not just as a legal obligation, but as a shared responsibility that supports trust, transparency and long-term value creation for our customers, suppliers and stakeholders.

## A DECENTRALIZED MODEL WITH CLEAR ACCOUNTABILITY

The motan group operates under a franchise-based model, in which each legally independent company is managed locally by its own Managing Director. These leaders hold non-delegable responsibility for ensuring compliance with legal requirements and internal policies at their sites.

At the group level, our CEO retains overall accountability for legal compliance across the entire motan network. To ensure consistency, every Managing Director signs binding bylaws in addition to the franchise agreement. These bylaws define:

- Internal management responsibilities and structures
- Financial approval processes (including mandatory four-eyes principle)
- Reporting obligations to group-level leadership

This governance model ensures that all business units operate with a high degree of autonomy while remaining aligned with the group's overarching compliance framework.

## COMPLIANCE SYSTEMS AND OVERSIGHT MECHANISMS

To safeguard ethical conduct throughout our operations and supply chains, we rely on a range of well-established tools:

- The motan group Code of Conduct defines standards on anti-corruption, anti-bribery and fair business practices.
- The Supplier Code of Conduct extends these expectations to our supply partners as a mandatory contractual element.
- Annual external audits are conducted for every motan entity - even in jurisdictions where they are not legally required.
- Year-end compliance reviews and structured questionnaires help ensure local adherence to internal controls.
- On-site checks by the Group Controlling team provide an additional layer of assurance through targeted monitoring.

The motan group achieved full legal compliance across all jurisdictions during the 2024 reporting period. This includes no fines or monetary sanctions, no non-monetary sanctions and no regulatory investigations or court proceedings.

This outcome spans all subsidiaries and covers core areas such as labour law, tax compliance, data protection, anti-discrimination and corporate governance.

## WHISTLEBLOWER PROTECTION AND OPEN REPORTING

Transparency is supported by our secure and publicly accessible whistleblower system, known as the Hintbox, available on our website. This platform enables employees, suppliers and external partners to report potential misconduct anonymously or by name - with full confidentiality and protection. All reports are reviewed by our compliance officers and handled according to strict protocols.

## RISK AWARENESS AND PREVENTIVE ACTION

We recognize that operating in global markets also brings exposure to compliance risks. In 2023, approximately 44% of our revenue was generated in countries with a Corruption Perceptions Index (CPI) score below 60 - a threshold used by Transparency International to identify higher-risk jurisdictions.

Preventing corruption is a cornerstone of our compliance system. While we do not yet aggregate corruption risk assessments in a centrally reportable format, all operational units implement risk controls at project and process level. Our current approach includes:

- Post-calculation reviews of completed projects to identify financial or ethical irregularities,
- Year-end self-assessments by all legal entities, covering compliance with procurement rules and risk exposure,
- Due diligence procedures for key third parties in procurement and sales,
- Annual declarations from local Managing Directors affirming compliance with group policies.

## Incidents in 2024

- Confirmed incidents of corruption: 0
- Employee dismissals or disciplinary action related to corruption: 0
- Contract terminations due to corruption-related issues: 0
- Legal cases involving the motan group or employees: 0

These results reflect a compliance culture that emphasizes prevention, awareness and accountability. All new employees receive onboarding that includes anti-corruption training and key functions receive additional integrity briefings.

## CONTINUOUS IMPROVEMENT AND TRANSPARENCY

Based on current monitoring, audits, and reporting procedures, the motan group has no evidence of compliance breaches or policy violations. Nonetheless, we remain focused on evolving our governance systems in step with changing legal requirements, industry best practices and stakeholder expectations.

Looking ahead, we are preparing for increased expectations under regulatory frameworks like the Corporate Sustainability Reporting Directive (CSRD) and the EU Whistleblower Directive. We are enhancing our compliance infrastructure with a focus on:

- Risk-based monitoring and centralized reporting,
- Traceability of compliance controls,
- Integration of group-wide compliance KPIs and dashboards.

## OUR COMMITMENT

While we operate in a complex and evolving global environment, our approach remains clear and consistent: zero tolerance for corruption or misconduct, strong internal oversight and a business culture grounded in integrity and trust. By working transparently and responsibly, the motan group builds lasting relationships with partners who share our values.