



Sustainability Report 2024





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Preface



LEONHARD KURZ has been shaping the future of surface decoration with groundbreaking solutions since 1899. We have continuously evolved and embraced change as one of the key factors for our success. From advancing coating technologies to expanding our expertise and diversifying our portfolio, transformation has always been at the heart of our journey. What sets us apart is our relentless pursuit of progress – raising industry standards and redefining what’s possible.

Looking ahead, one thing is clear: Our willingness to adapt and innovate will keep us at the cutting edge of both technology and sustainability. We see every challenge as an opportunity to rethink and revolutionize. Progress doesn’t happen by standing still – we will continue questioning the status quo and seeking new pathways toward a more sustainable future.

At KURZ, sustainability isn’t a trend – it’s part of who we are. For generations, it has fueled our drive to innovate and led us to take responsibility beyond business success. Today, as global challenges grow more urgent, we recognize our role in shaping a greener future.

Dr. Andreas Hirschfelder



That’s why we are an active member of the UN Global Compact Network, reinforcing our commitment to meaningful and lasting change.

This report provides an open and honest insight into our initiatives, ambitions, and the path ahead. We hold ourselves accountable to the high standards we set, striving to create value for our customers, minimize our environmental footprint, and remain a trusted employer. Sustainability is not just a goal – it’s a journey, and we are committed to leading the way.

Dr. Andreas Hirschfelder,
and the entire Executive Management Board

May 2025



Executive Management Board of LEONHARD KURZ Stiftung & Co. KG





making
every product
unique

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The KURZ

Mission Statement





2.1 Our Internal Sense of Purpose

We offer every customer the best solutions for enhancing their products. This is what we are striving for, doing so with passion and ambition. We think and operate in a groundbreaking way, and we act in an open manner.

For **125** years. From **Fuerth**.
For the **global** market.

making
every product
unique





2.2 Our Mission Statement

The graphic shows our brand core, which is surrounded by our brand personality. Both are embedded in our brand values, which are broken down into the areas of partnership, customization, inspiration and sustainability.

Partnership:

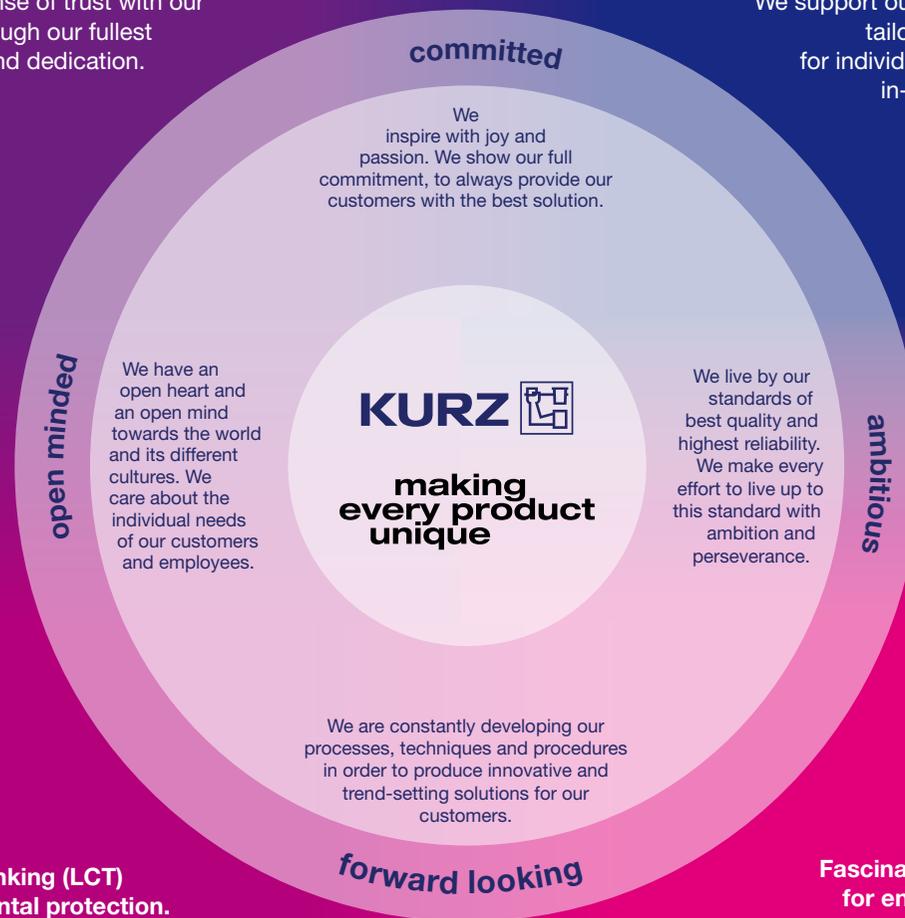
Committed people for reliable results.

We foster a sense of trust with our customers through our fullest commitment and dedication.

Customization:

Tailored solutions for each need.

We support our customers with tailor-made solutions for individual requirements, in-depth know-how and a worldwide presence.



Sustainability:

Life Cycle Thinking (LCT) for environmental protection.

By preserving resources and with a controlled recycling economy, we help to relieve the burden on the environment and ensure that our customers have a clear conscience.

Inspiration:

Fascinating innovations for enduring success.

We inspire our customers with forward-looking new and further developments, as well as our systematic innovation processes.



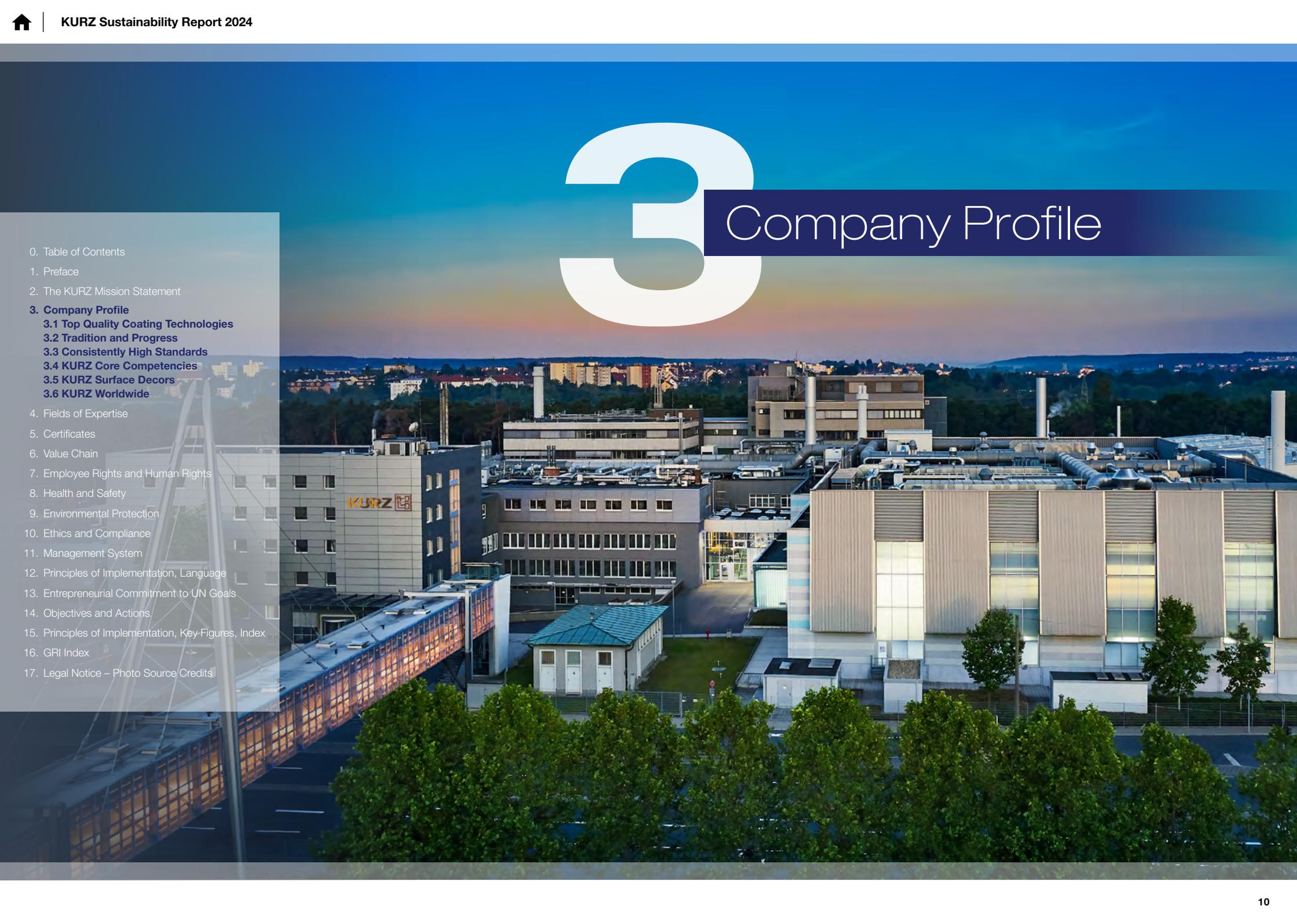
2.3 KURZ Key Elements

<p>Culture</p> <p>KURZ is family</p> <p>Family values have been an essential part of KURZ DNA for 125 years; We all are KURZ</p> <p>Open communication culture based on trust and respect for each other – KURZ values diversity of minds</p> <p>ONE global KURZ team – every-one's contribution counts and is respected; We are proud to be KURZ</p>	<p>Internationality</p> <p>KURZ is global</p> <p>KURZ is a truly global company, active in 53 countries and five continents; KURZ is a global team</p> <p>KURZ cultivates short decision paths and flat hierarchies – around the globe</p> <p>KURZ fosters an open, international mindset and combines global strength with local focus</p>	<p>Local partnership</p> <p>KURZ is local</p> <p>KURZ cooperates with local communities for mutual benefit; We are part of our community</p> <p>KURZ makes a long-term commitment to each location; KURZ is here to stay</p> <p>KURZ supports social engagement; KURZ believes in partnership</p>	<p>Stability</p> <p>KURZ is stable</p> <p>Long term thinking and planning leads to stability and reliability</p> <p>KURZ stands for a global footprint and an exceptionally versatile product portfolio</p> <p>Profitability results in financial strength and job security</p>	<p>Market position</p> <p>KURZ is strong</p> <p>KURZ is world market leader in many segments / areas</p> <p>With a wide range of products and services KURZ delivers tailor-made solutions to our customers</p> <p>KURZ believes in strong, long-term partnerships with our employees, customers and suppliers</p>
<p>Experience & innovation</p> <p>KURZ is innovative</p> <p>Innovation is essential for KURZ: KURZ constantly invests heavily in future technologies and products</p> <p>KURZ is passionate about creating new products and solutions by combining Experience and Innovation</p> <p>KURZ drives the fusion of physical and digital products; KURZ shapes the future</p>	<p>Sustainability</p> <p>KURZ stands for sustainability</p> <p>KURZ is committed to reach CO₂-Neutrality</p> <p>KURZ is fostering energy recovery and waste solutions</p> <p>KURZ applies high environmental standards in every production site across the globe</p>	<p>Attractive jobs</p> <p>KURZ is attractive</p> <p>KURZ combines attractive jobs with competitive compensation & benefits</p> <p>KURZ applies highest health and safety standards – worldwide</p> <p>Employee rights and Compliance rules are of utmost importance for KURZ</p>	<p>Personal growth</p> <p>KURZ is future</p> <p>KURZ invests in its employees and fosters personal growth; long term relationships are our goal</p> <p>Continuous learning and training is part of the company's DNA</p> <p>KURZ offers good personal development opportunities – locally and internationally</p>	



Company Profile

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3.1 Top Quality Coating Technologies

KURZ ¹ is a leading international company in thin-film technology and a market leader in the hot stamping field. With more than 5,800 employees, the surface specialist develops and produces wafer-thin decorative and functional coatings to visually and functionally enhance a wide range of products.

Surface decorations from KURZ can be found on car parts, smartphones, laptops, furniture, packaging, books, textiles, labels, and bank cards, to name but a few applications. KURZ transfer products are used in different ways to decorate a wide variety of products. As surface finishing, they enhance brands. And as adhesive seals, paper, or plastic labels, they identify goods. Transfer products from the KURZ Group protect surfaces and prevent counterfeiting.

Combining visual elements with digital functionalities, they provide product protection, ensure product security, and create a virtual brand experience. From unique design to intelligent features, KURZ offers complete solutions for surfaces – from project consulting and machine and tool technology through to sustainable finishing solutions with KURZ Recycling.

The KURZ Group operates more than 50 sites worldwide and produces under standardized quality and environmental standards in Europe, Asia, and the USA. With a global network of subsidiaries, representatives, and sales offices, the surface specialist ensures short paths, reliable delivery, and individual on-site support.

3.2 Tradition and Progress

Tradition and progress are not contradictory at KURZ, but rather company philosophy. While boasting the expertise and experience stemming from its 100-plus-year history, KURZ sprints into the future with ongoing product innovation. With a steady spirit of

innovation, KURZ has grown into a major partner for business, government, and research in the fight against counterfeiting, as well as in printed electronics.

3.3 Consistently High Standards

With over 100 years of experience, KURZ develops all applied process technologies itself. Even in production machines, our know-how has yielded high product consistency, at the same level worldwide. KURZ considers itself an all-round provider

of perfect coating solutions. The efficient use of foil, tool, and machine is delivered right from the start. Training, installation, and maintenance are as much part of the scope of service as the development of specialized machines for specific needs.

3.4 KURZ Core Competencies

Best practice for all market requirements	Worldwide service	Technologies for today and tomorrow
<ul style="list-style-type: none"> • Most extensive processing spectrum • In-house development of coatings • Consistently secure production output with unvarying foil properties • Reliable quality management • Suitable transfer product fabrication 	<ul style="list-style-type: none"> • Reliable logistics with global logistics concept • Well positioned round the world • Asia experts for over 50 years • Support team for application technology 	<ul style="list-style-type: none"> • Future viability through continuous further development of machines, transfer products, and techniques • Grasp of trends with in-house design department • Our future prospects: Printed electronics, function, battery components and smart surfaces

¹ Throughout the Sustainability Report 2024, the terms 'KURZ', 'Company' and 'we' refer to LEONHARD KURZ Stiftung & Co. KG and its global subsidiaries and affiliates.



3.5 KURZ Surface Decors

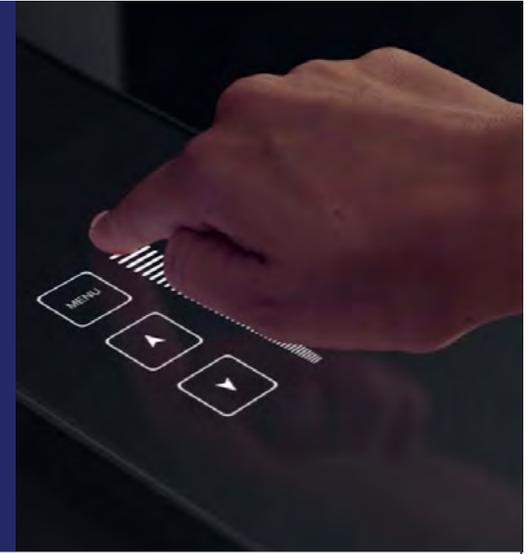


Appealing

High-gloss metallic tones, glittering color effects, and artistic reliefs: KURZ coatings bathe products in a glamorous light.

Functional

Touching and experiencing – KURZ's comprehensive know-how transforms products into multifunctional tools with surface protection, touch sensors, and much more.



Protective

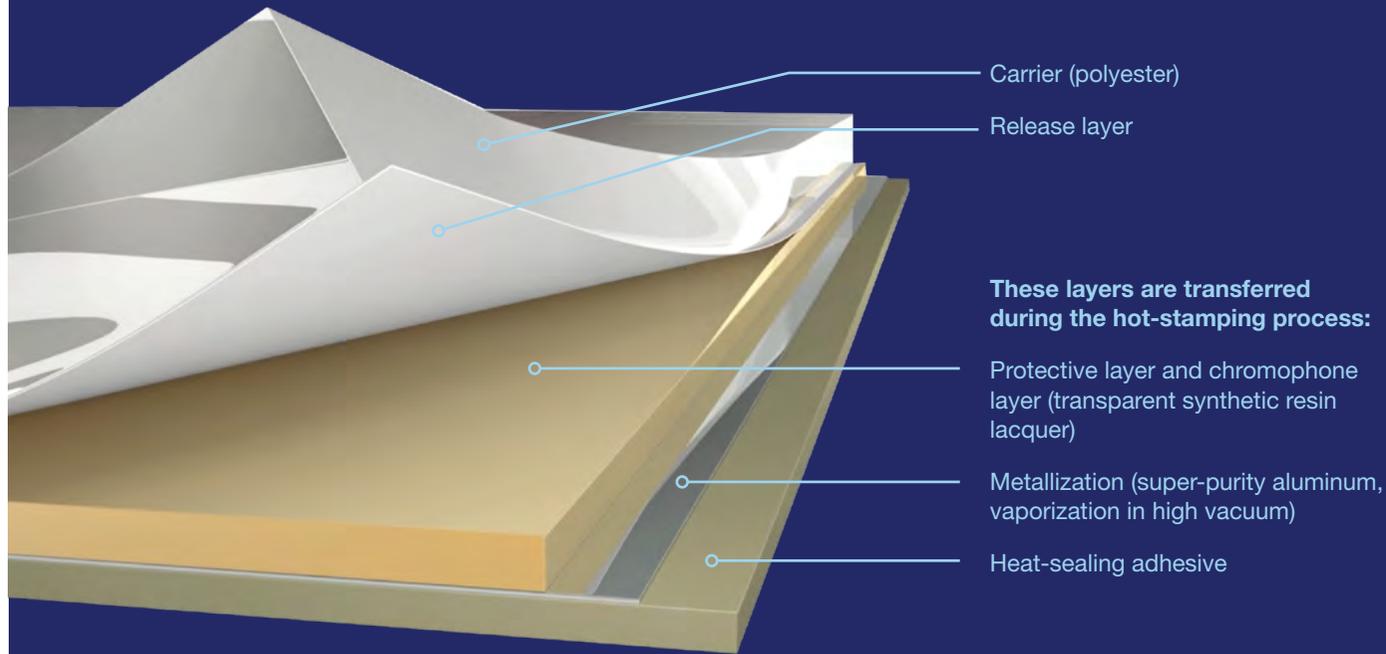
KURZ develops tailored digital solutions. We use multiscan technology to deliver custom security packages for brand protection and authentication.

Communicative

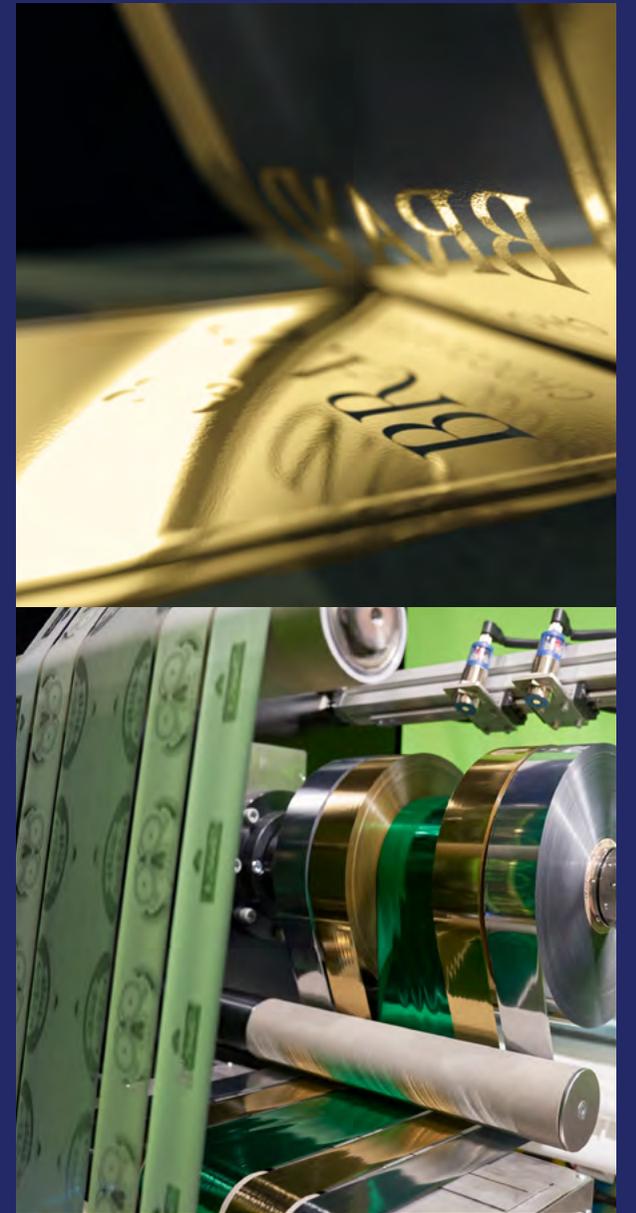
KURZ turns products into ideal instruments of communication. Whether on or offline, KURZ solutions create brand worlds and add value to products.



Setting up a transfer decoration



These layers are transferred during the hot-stamping process:



Typical composition of a LUXOR®/ALUFIN® hot-stamping foil for the graphic industry



3.6 KURZ Worldwide

The KURZ Group is an international leader in thin-film technology and supplies products for surface finishing and decoration. With over 5,800 employees at more than 50 sites worldwide, KURZ has an international presence and manufactures under uniform quality and environmental standards in Europe, Asia, and the USA. Thanks to KURZ's many years of experience and the constant expansion of our portfolio, we can offer our customers a wide range of products – and all from one source. A global network of subsidiaries, representatives and sales offices ensures short paths and individual, on-site consulting.

more **50**
sites worldwide



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www.kurzusa.com

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Shanghai/Shenzhen
KURZ STAMPING TECHNOLOGY
(HEFEI) Co., Ltd.
www.kurz.cn

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Brazil/São Paulo
KURZ do BRASIL
www.kurz.com.br

Chile/Santiago
KURZ Chile S.A.
www.kurz.cl

Czech Republic/Střelice u Brna
KURZ Czech & Slovak s.r.o.
www.czkurz.com

France/Paris
KURZ FRANCE S.A.R.L.
www.kurz.fr

Germany/Doebeln
KURZ TYPOFOL GmbH
www.typofol.de

Great Britain/Watford
LEONHARD KURZ (UK) LTD.
www.kurz.co.uk

Hong Kong
KURZ Hong Kong Ltd.
www.kurz.cn

Hungary/Budapest
LEONHARD KURZ South-East Europe Kft.
www.kurz.hu

India
Noida/Chennai/Calcutta/Mumbai
KURZ (INDIA) PVT. LTD.
www.kurz.in

Ireland/Dublin
LEONHARD KURZ IRELAND LTD.
www.kurz.ie

Japan
Osaka/Tokyo
KURZ JAPAN LTD.
www.kurzjapan.com

Mexico
Mexico City/Guadalajara
KURZ MÉXICO S.de R.L.de C.V.
www.kurz.mx

Morocco/Casablanca
KURZ North Africa Maroc
www.kurz-na.com

Netherlands/Nijmegen
LEONHARD KURZ BENELUX B.V.
www.kurz.nl

New Zealand/Penrose
KURZ NEW ZEALAND
www.kurz.com.au

Switzerland/Wallisellen
KURZ Schweiz AG
www.kurzag.ch

Taiwan/Taipei
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www.kurz.com.tw

Thailand/Bangkok
KURZ (Thailand) Ltd.
www.kurz.co.th

Tunisia/Tunis
KURZ North Africa
www.kurz-na.com

Vietnam/Binh Dinh
KURZ VIETNAM Co., Ltd.
www.kurz.vn



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Fields of Expertise

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4. Fields of Expertise

KURZ, a specialist in thin-film technology and world market leader in hot stamping, develops and produces decorative and intelligent finishings for cars, electronics, packaging, textiles, cosmetics, and bank cards, among other things.

KURZ owes its leading position in surfaces to a keen sense for trends, constant contact with designers and industry experts around the world, and ongoing advancement of its solutions – for 125 years now.

The company continually invests in new technologies. The KURZ subsidiaries develop innovative solutions for functional integration into surfaces, as well as products for labeling and counterfeiting protection and the corresponding software. A comprehensive range of stamping presses and stamping tools rounds off the versatile KURZ product portfolio. Furthermore, the KURZ subsidiaries use their expertise to provide pioneering, custom-made complete solutions that include project consultancy and machine and tool technology.

Baier GmbH + Co. KG Maschinenfabrik
Tailor-made machine and application solutions
www.baier-praegetechnik.de



MPRINT Morlock GmbH & Co. KG
Cutting-edge inkjet digital printing technology: Easy, understandable, manageable – so you can overcome today's and future print challenges
www.mprint.de



BURG DESIGN GmbH
Innovative vehicle concepts for revolutionary design
www.burg-design.com/en



OVD Kinegram AG
World-leading government document security solutions – protecting the identity of today's and tomorrow's citizens
www.kinegram.com



Canyon Graphics, Inc.
Expertise in printing, thermoforming, 3D trimming, 2D precision cutting, lamination and injection molding
www.canyongraphics.com



PolyIC GmbH & Co. KG
Printed touch interface technology to get you started in the production of automated functional parts
www.polyic.com



Hinderer + Mühlich GmbH & Co. KG
High-precision stamping tools and workpiece holders that transform your products into masterpieces
www.hinderer-muehlich.com



SCHÖFER GmbH
Sophisticated components and injection molding tools to give you unlimited freedom in product design
www.schoefer.at



ISIMAT GmbH Siebdruckmaschinen
Highly efficient machine systems for excellent and unique finishing of your tubes and glass containers
www.isimat.com



SCRIBOS GmbH
Market-leading global provider of secure and effective brand protection solutions
www.kurz-scribos.com



KURZ Digital Solutions GmbH & Co. KG
Tailor-made digital products and services that simplify your processes and improve user experiences
www.kurzdigital.com



Steinemann DPE AG
High-quality digital sheet and web finishing machines for unique effects through reliable and efficient processes
www.steinemann-dpe.com



4.1 Environmentally Relevant Information on Transfer Products

Transfer products represent no hazardous materials due to the Ordinance on Hazardous Substances (11/2010). According to REACH they have to be classified as articles (1907/2006/EG) and therefore are not subject to registration. KURZ does not use any raw materials containing volatile, ozone depleting halogenated hydrocarbons, cadmium, lead, mercury or hexavalent chromium for the production of transfer products.

The vast majority of our transfer products fulfill the requirements of the various national and international regulations, taking into consideration their formulations, the specifications provided by raw material suppliers and their usage in their respective specialized applications.

For more detailed information please visit our website.

4.1.1 Conflict Minerals

With regard to the responsibilities/requirements emerging from the Dodd-Frank Act (Section 1502 – Conflict Minerals), we work with suppliers to track the material fraction of our raw materials in order to determine if minerals for our raw materials come from mining or uncertified melting practices in conflict regions. We would not knowingly use conflict materials from the DR Congo or neighboring states in the manufacture of our products. We therefore require our suppliers, with regard to the material fraction known to us in the raw material, to state in writing the due diligence and background of the material designated as conflict material within the raw materials they deliver.

4.1.2 Titanium Dioxide

What does the reclassification of titanium dioxide mean?

After lengthy discussions at EU level, the European Commission adopted the 14th Adaptation of the CLP Regulation as Delegated Regulation (EU) 2020/217, published in the Official Journal of the European Union on February 18, 2020. This regulation entered into force on March 9, 2020, and had to be implemented by September 9, 2021, at the latest.



- The regulation classifies titanium dioxide in powder form with at least 1% particles with an aerodynamic diameter of $\leq 10 \mu\text{m}$ as carcinogenic (suspected, category 2) and introduces additional EUH rates
- The classification only applies to the pure titanium dioxide powder and to all powder products that contain at least 1% titanium dioxide in particle form or incorporated in particles with an aerodynamic diameter of $\leq 10 \mu\text{m}$ in mixture

- It does not apply to products, i. e., objects such as wallpaper, paper, or foil products with titanium dioxide

Do transfer products from KURZ need to be additionally labeled?

The EUH212 additional labeling for mixtures containing $\geq 1\%$ titanium dioxide particles required by the regulation is not applicable to our transfer products, but only to solid or liquid mixtures (e. g., powder coatings, paints).





4.2 Environmental and Social Assessment of Suppliers

Quality and sustainability are deeply rooted in our corporate values. We therefore set high standards not only for ourselves, but also for our suppliers. To support responsible raw material sourcing, we have introduced a standardized supplier evaluation system. This allows us to identify improvement opportunities and potential risks at an early stage and take appropriate corrective action when necessary.

These evaluations are carried out regularly. Trust and loyalty are the cornerstones of our partnerships, and we believe that strong collaboration is built on these values. Instead of focusing on the number of suppliers, we concentrate on those that are most critical to our business.

A, B and C – Classification

Our supplier evaluation is built on three key pillars: quality, logistics, and procurement. Each of these categories is further broken down into specific criteria.

Within the quality category, for instance, there is a module dedicated to environmental considerations. This module falls under the criterion certificates and checks whether suppliers hold both a **DIN ISO 9001 quality management certification** and a **DIN ISO 14001 environmental management certification**. To achieve the maximum score in this criterion, both certifications must be provided.

The evaluation system is based on a classification of A, B, and C. The optimal supplier fits in category A which means, that an overall rating of 90 % to 100 % is achieved.

Procedure

All suppliers of coating raw materials and substrates are assessed across all company sites using clearly defined criteria. Some evaluations – such as those conducted within the scope of sustainability controlling – are performed at least once a year, specifically for our core suppliers, whom we refer to as Very Important Project Suppliers (VIPS). Nearly one in four suppliers in the area of raw material procurement belongs to this category.

Category	Weighting	Criterion	Weighting
Quality	45 %	Q-figure (Acceptance, Rejection)	35 %
		Complaint rate	45 %
		Quality assurance agreement	10 %
		Certificates	5 %
		Product safety representative	2 %
		Communication	3 %
Logistics	35 %	Adherence to quantity stipulations	30 %
		Adherence to delivery dates	50 %
		Compliance with shipping instruction	20 %
Purchasing	20 %	Price history	30 %
		Pricing	15 %
		Social responsibility	55 %

ABC classification supplier evaluation-categories and weighting

An individual evaluation is created for each VIPS supplier, and, if necessary, also for non-VIPS suppliers. The evaluation results for VIPS in categories A, B, and C are communicated to them at least once per year. If a supplier falls into category B or C, they are required to submit an action plan detailing how they intend to correct identified deficiencies and reach the required score.

By maintaining this cycle of evaluation, communication, and improvement, we strengthen our supplier relationships and foster continuous progress in quality and sustainability.

ABC Classification	Points	Traffic light color
A	100-90	Green
B	≤ 89	Yellow
C	≤ 79	Red

ABC classification supplier evaluation-points and traffic light





Communication

To ensure that our core suppliers – designated as Very Important Project Suppliers (VIPS) – maintain high performance, our goal is to prevent them from falling into category C of our supplier classification system. In cases where performance declines, we actively seek dialogue through audits, site visits, or by inviting suppliers to our facilities.

These audits are based on comprehensive questionnaires that cover a wide range of topics. Key aspects include compliance with environmental and occupational safety standards, as well as adherence to international frameworks such as SA 8000, which prohibits child labor and promotes fair working conditions.

Environmental and social responsibility are integral to our supplier evaluation process. Our supplier questionnaire explicitly addresses these areas and includes verification of:

- **Compliance with the KURZ Supplier Code of Business Conduct or an equivalent internal guideline of the supplier**
- **Implementation of Corporate Social Responsibility (CSR) principles as outlined in our CSR guideline**

The responses are incorporated into the evaluation as qualitative ‘soft facts.’ This information is entered manually once, then updated monthly unless a change is triggered. Points are assigned automatically based on a predefined scoring matrix. By combining regular assessments with clearly

defined sustainability criteria, we ensure transparency and accountability in our supplier relationships.

The supplier has to explain the following:

1. Supplier Declaration

The supplier confirms that it complies with all applicable laws and regulations. It commits to upholding basic human rights and strictly opposes any form of corruption, bribery, child labor, or forced labor. Furthermore, the supplier takes responsibility for the health and safety of its employees, guarantees fair compensation and reasonable working hours, complies with all relevant environmental laws, and endeavors to promote these principles throughout its own supply chain

2. Compliance and Social Responsibility

Does your company have a policy addressing compliance and social responsibility? This includes, but is not limited to:

- The exclusion of child labor
- Non-discrimination
- Anti-corruption and anti-bribery practices
- Compliance with minimum wage regulations
- Occupational health and safety standards

3. Commitment to the KURZ Supplier Code of Business Conduct

Do you agree to comply with the principles set out in the KURZ Supplier Code of Business Conduct?

4. Use of Conflict Minerals

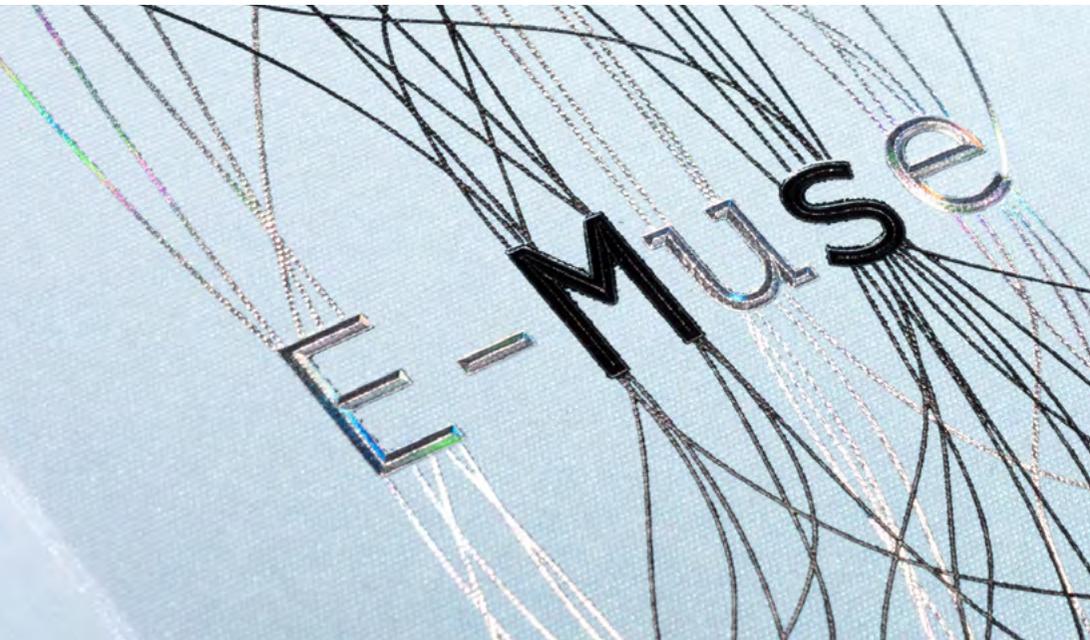
The supplier shall ensure that no products delivered to KURZ contain conflict minerals or any metals or metal compounds derived from them. If this obligation cannot be met, the supplier must notify KURZ in writing – prior to the first delivery – about any conflict minerals used in the manufacturing process

For the purposes of this clause, ‘conflict minerals’ refers to the definition provided in Section 1502 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and the corresponding final rule issued by the U.S. Securities and Exchange Commission (SEC) on August 22, 2012. This includes, but is not limited to, columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives, as well as any other minerals or derivatives designated by the U.S. Secretary of State as financing conflict in the Democratic Republic of the Congo or neighboring countries (subject to the exemptions outlined in the Final Rule)

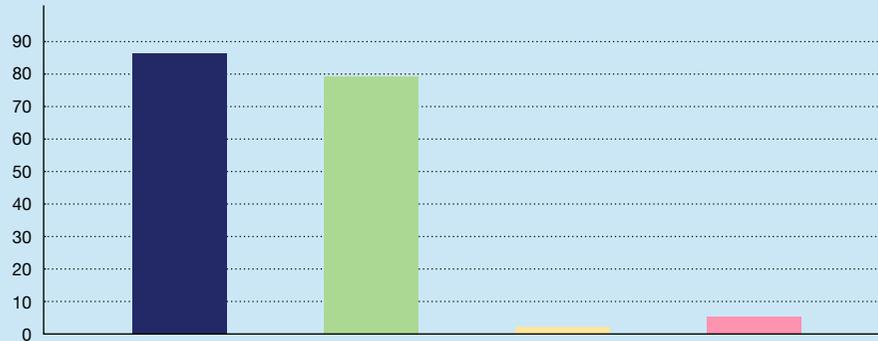
If the supplier uses such conflict minerals and is required to file a Form SD and/or a Conflict Minerals Report with the SEC under the Act, a copy of this documentation must also be submitted to KURZ.

See:

www.kurz-world.com/en/about-kurz/compliance



Evaluation of social responsibility VIPS 2024



Total number of VIPS raw materials & PET	86	100%	
Thereof 100	79	92%	Compliant to KURZ CoC or own CoC
Thereof 10 and 100	2	2%	Only CSR-guideline or enhancement with future CoC
Thereof 10 or unknown	5	6%	No KURZ CoC, no own CoC, no CSR

Evaluation of social responsibility VIPS 2024 according to the German Supply Chain Act

Total number of VIPS raw materials & PET	86	100%	
Thereof 100	82	95%	Low risk suppliers
Thereof 10 and 100	2	3%	Medium risk suppliers
Thereof 10 or unknown	2	2%	High risk suppliers

92 % of all VIPS meet the requirements to 100 %, 6 % have to explain, which actions will be taken to reach a score of 100 %.

Impact of Incomplete Supplier Information

An incomplete or insufficiently filled-out supplier questionnaire negatively affects the overall supplier rating. Suppliers classified in categories B and C are required to submit regular action plans that outline specific measures to address identified shortcomings.

Compliance with the German Supply Chain Act

Since 2023, KURZ has been subject to the reporting obligations defined by the German Act on Corporate Due Diligence Obligations in Supply Chains. As part of this legal framework, the company reports annually to the Federal Office for Economic Affairs and Export Control (BAFA) on how it fulfills its due diligence responsibilities.

Transparent and Accountable Reporting

The annual report is submitted to the relevant authorities in Germany and made publicly accessible. A key component of the due diligence obligations is the establishment of a risk management system that identifies, prevents, or mitigates potential risks relating to human rights and environmental violations.

Risk Assessment and Preventive Measures

The legal framework defines both preventive and corrective measures and requires the establishment of a complaints mechanism. Companies are also required to conduct regular risk analyses, evaluating and prioritizing potential adverse impacts on human rights and environmental standards.



4.3 Climate Neutral Packaging

At KURZ, sustainability is a guiding principle. That's why we prioritize the procurement of climate-neutral packaging materials certified by 'Climate Partner'. By choosing these solutions, we contribute to global climate protection and support recognized climate protection projects.

Our process for ensuring the climate neutrality of packaging involves a three-step approach.

1. Determining the carbon footprint

The first step is to calculate the CO₂ emissions generated during the production of the packaging. This product carbon footprint is determined using both company-specific and order-specific data. For packaging, we typically apply the cradle-to-gate model, which includes emissions from raw material sourcing, transport, and the manufacturing process – similar to the methodology used for printed products

2. Offsetting emissions through certified projects

Once the emissions have been quantified, we offset them through certified climate protection projects. These projects, such as a hydropower initiative in Indonesia or a forest conservation effort in Kenya, are recognized internationally and regularly audited. They ensure verifiable CO₂ savings, enabling us to offer our customers fully climate-neutral packaging solutions

3. Transparent labeling and verification

Every climate-neutral order is labeled accordingly and includes a unique ID number. This number allows customers to trace the compensation process on the 'Climate Partner' website. Detailed information is provided about the CO₂ emissions offset, the supported climate project, and the specific order – ensuring full transparency and accountability

KURZ in industry initiatives – our commitment to sustainable progress

At KURZ, sustainability is not just a concept – it's a commitment embedded in every aspect of our business. From our products to our processes, we continuously strive to act responsibly and promote sustainable practices. This dedication is also reflected in our active participation in numerous industry initiatives. Through these partnerships, we help drive progress toward a circular economy and contribute to more sustainable practices across multiple sectors.



FFI:

As a member of the German association FFI (Fachverband Faltschachtel-Industrie), KURZ joins forces with other manufacturers in the packaging supply industry. FFI advocates for their interests in political, business, and international arenas, ensuring a strong voice for the industry in shaping sustainable practices.



Cepi 4evergreen:

Through our membership in Cepi 4evergreen, we support efforts to strengthen the role of fiber-based packaging in a sustainable circular economy. The initiative works to highlight the environmental benefits of fiber packaging across the EU and to improve collection systems and recycling infrastructure.



RecyClass:

RecyClass unites stakeholders from various sectors with the goal of enhancing the recyclability of plastic packaging in Europe. The initiative evaluates packaging designs, provides clear assessments of recyclability, and offers actionable recommendations to support the development of circular plastic packaging solutions.



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5

Certificates



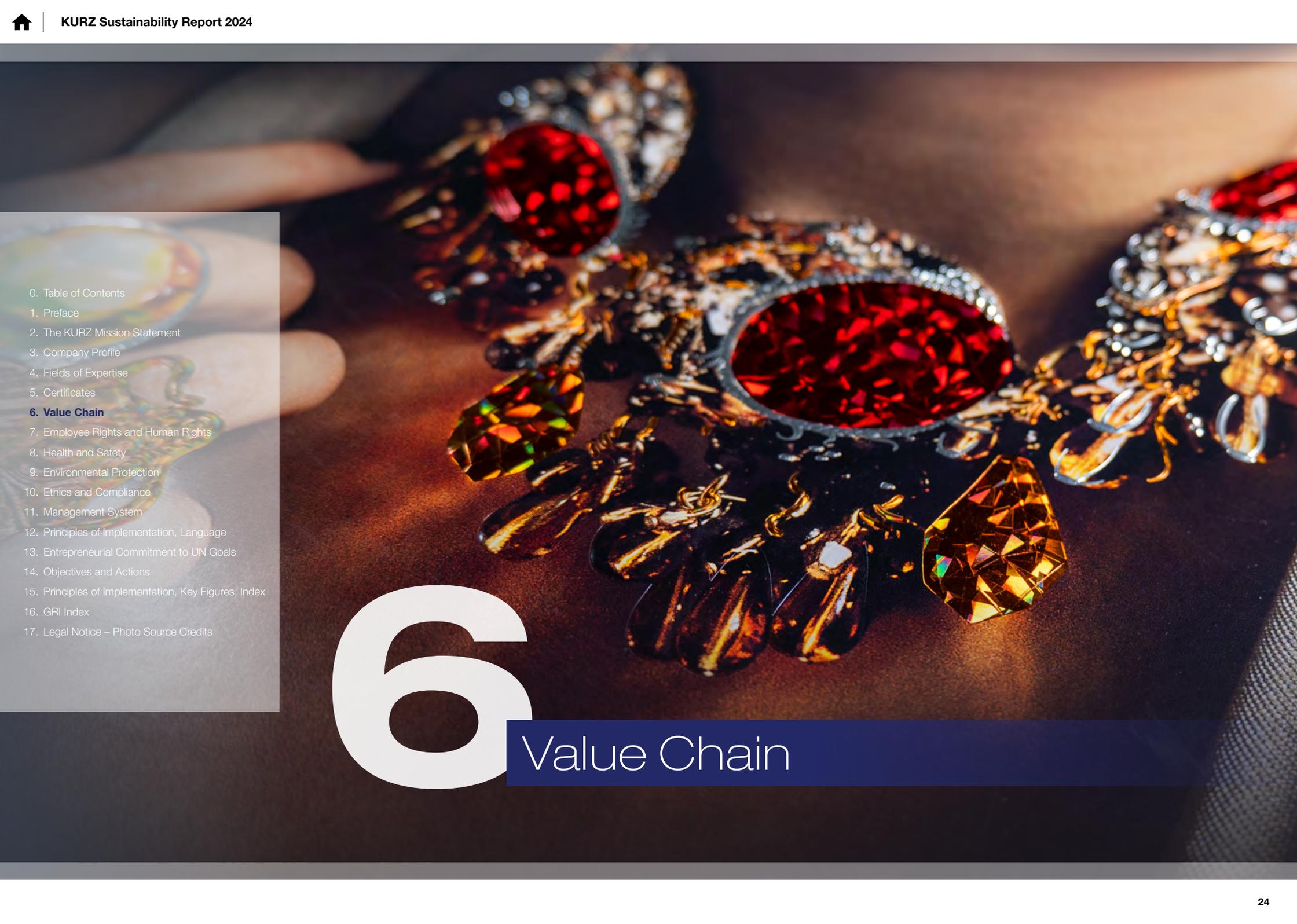
5. Certificates

The effectiveness of our management systems is tested and verified by external inspectors at our production sites in Germany, Switzerland, China, and Malaysia. Our environmental management system has been certified under **ISO 14001**, our quality management system under **ISO 9001**, our energy management system under **ISO 50001**, and our occupational safety management system under **ISO 45001**.





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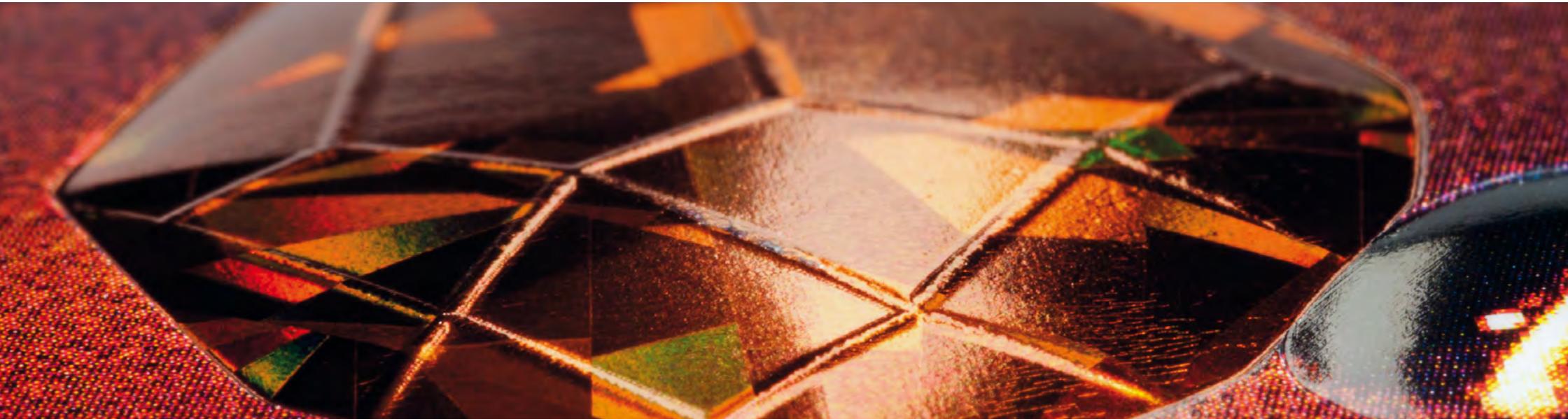
6 Value Chain



6. Value Chain

As long ago as the 1970s, sustainability was already close to the heart of KURZ, a family business. Long before process exhaust air treatment was a standard in the industry today, our plants already boasted state-of-the-art air pollution control systems. Highly polluting substances had already been banned from KURZ decors five decades ago. Since its founding in 1899, KURZ has put a premium on protecting our employees, customers, and the world.

We have long been concerned with sustainability. To us, design and recyclability are not contradictory – quite the contrary. That's why we not only advise our customers on our transfer products; we also support our customers if they wish to improve the recycling path, have questions about the recycling options for their products with KURZ transfer technology, want to harmonize testing methods, or rethink their own sustainability concepts. Together, we ensure that recyclability is warranted along the entire value chain of our products and as far as possible, the products of our customers.





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7

Employee Rights

and Human Rights

7. Employee Rights and Human Rights

We take the social commitment of our company seriously. It is therefore important to us to fulfill our responsibility towards employees, customers, and society in our day-to-day work. We respect the human rights of our employees and treat our employees with dignity and respect in accordance with the standards of the international community. We prevent social discrimination against minorities and improve equal opportunities in the company.

Wherever we can, we also provide support in various ways, e.g., provision of one-off assistance to employees in social emergencies or active addiction prevention.

Collective Agreement and fair wages

Fair wages ensured through collective agreement and salary framework. The lowest tariff-based remuneration in Fuerth and Sulzbach-Rosenberg is approximately 47 % higher than the statutory minimum wage. Due to the function/activity performed, a classification into the pay grades in the collective bargaining agreement takes place irrespective of gender. In Germany, the remuneration transparency law, which came into force in 2018, ensures equal remuneration for women and men.

All benefits granted by KURZ to its full-time employees (e. g., medical care, company

pensions, parental leave, non-tariff vacation pay) shall also be granted by KURZ to temporary employees and part-time employees.

Employees can save funds in long-term accounts at our sites in Fuerth and Sulzbach-Rosenberg in order to retire early. Once employees on collective bargaining agreements have reached the age of 57 (Or 55 years of age for shift employees), they have a (collectively agreed) entitlement to up to 2.5 hours of retirement leave per week

Recruiting and Onboarding

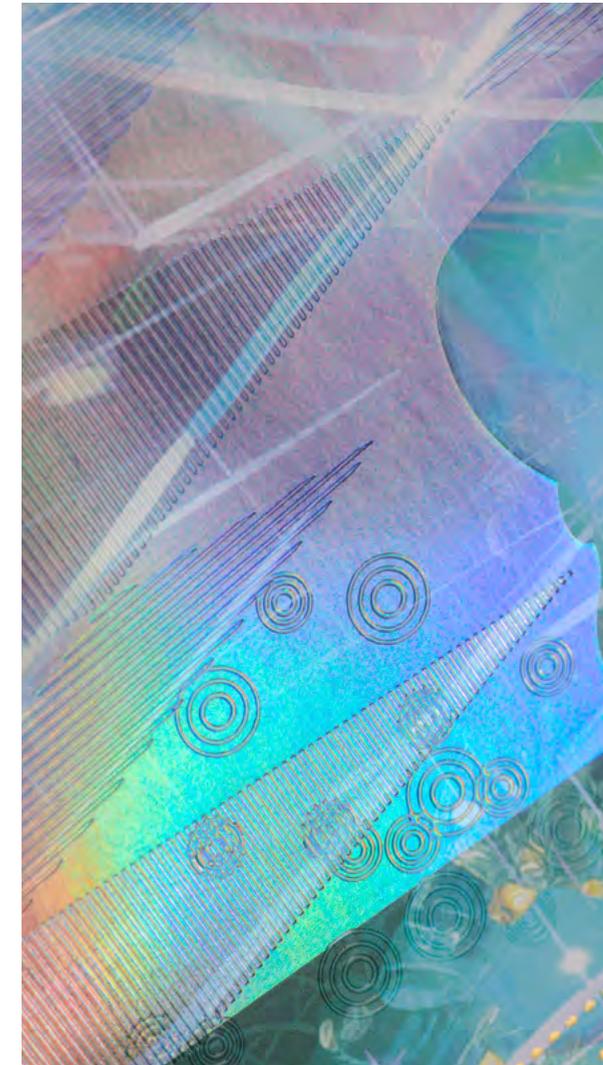
Our approach to sustainable recruitment is based on transparency, fairness and diversity and ensures that we consider candidates of all ages, nationalities and genders. All employees, including interns, working students, and temporary workers at KURZ have to pass a three-day comprehensive onboarding program to ensure a sustainable integration. This onboarding plan is designed to help new hires acclimatize quickly and effectively, fostering a supportive and inclusive work environment from the outset. By investing in these sustainable practices, we aim to build a resilient and diverse team that contributes to our long-term success and the broader community.

Employee Retention and Corporate Culture

KURZ has a high employee loyalty and a low turnover rate, which is approximately 7 % with about a quarter of departures due to retirement. To strengthen a supportive and inclusive environment, we build a corporate culture that includes e. g. a regular Women's Networking Event, called 'W:IRE' as well as our annual company-funded Christmas parties for all departments. Additionally, we have introduced a Job Bike Scheme, encouraging sustainable commuting and promoting a healthy work-life balance. To honor our long-serving employees we present them with commemorative coins and other gifts for work anniversaries. Overall, these initiatives contribute to a positive and engaging work environment in which employees feel valued and motivated to grow with the company.

Work life balance

As part of our diversity management at KURZ, we address the social diversity of employees and the personal life situation of the individual employee (work-life balance, career and family, new career models). Currently we have 47 different working models for maximum flexibility of employees.





7.1 Diversity

At KURZ, diversity is not just a principle – it is part of our everyday reality. We are proud to employ individuals from 34 different nationalities, reflecting a wide range of backgrounds, cultures, and perspectives. A particularly high percentage of our employees have foreign roots, contributing to the richness and dynamism of our workplace. We also actively create opportunities for older individuals and go beyond legal requirements in hiring people with severe disabilities. In addition, we offer various part-time working models that support family responsibilities and allow for greater individual flexibility. These flexible options enable our employees to balance their professional responsibilities with personal commitments – whether related to family, education, or individual preferences. We are committed to an inclusive and respectful working environment. We do not discriminate based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political beliefs, employee organization membership, or marital status. This applies to all aspects of employment, including recruitment, training, promotions, compensation, and termination. All relevant laws and regulations are strictly followed. Pregnancy tests are never required unless legally mandated.





7.2 Harassment and Bullying

We are committed to a working environment without harassment and bullying. Our employees do not need to worry about being treated roughly or inhumanly in their workplace. Sexual harassment or assaults, physical harassment, mental or physical coercion, and hurtful statements are prohibited. According to the equal opportunity officer, there were no reported cases of discrimination in the reporting period.

7.3 Forced Labor

KURZ undertakes, in accordance with Section 5.3 of its Code of Business Conduct, to reject all forms of forced labor, slave labor, work obligations, and prison labor. Any work performed is performed voluntarily, and our employees can leave the company at any time subject to the applicable notice period.

7.4 Child Labor

KURZ undertakes not to use child labor in any stage of the production process. According to Section 5.4 of its Code of Business Conduct, our employees must have reached the minimum age for employment in the country in question or an age at which they are no longer subject to compulsory schooling, whichever is higher. Under no circumstances may our employees be younger than 15 years of age (with the exception permitted under ILO Convention 138 on the Minimum Age for Employment (ILO Minimum Age Convention No. 138)). Employees under the age of 18

may not be involved in work that, according to ILO Minimum Age Convention No. 138, would endanger the health, safety, or moral principles of young adults. Participation in regulated apprenticeship programs which comply with the requirements of Article 6 of ILO Minimum Age Convention No. 138 is not prohibited.

In Germany, the prohibition of child labor is regulated by the Youth Employment Protection Act (The State, 'JArbSchG').



7.5 International Conventions and Recommendations

In addition to the laws and regulations of the individual countries, the conventions and recommendations of international organizations such as the UN, the OECD, and others are primarily addressed to their member states and not directly to companies. Nevertheless, we also regard these agreements and recommendations as important guidelines for KURZ and for our employees, and we expect the same from our business partners and suppliers.

The most important of these agreements are listed below:

- Universal Declaration of Human Rights, UNO 1948
- European Convention for the Protection of Human Rights and Fundamental Freedoms, 1950

- ILO (International Labor Organization) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, 1997 and ILO Declaration on Fundamental Principles and Rights at Work, 1998
- OECD (Organisation for Economic Cooperation and Development) Guidelines for Multinational Enterprises, 2000
- 'Agenda 21' on sustainable development (final document of the basic conference on environment and development, Rio de Janeiro 1992)
- Member of the UN Global Compact Network since 2021



7.6 Employee Growth

Courses and further advancements

KURZ places great emphasis on the further education of its employees to ensure comprehensive expertise, develop individual skills, and strengthen the entire company through a broad spectrum of knowledge. The company offers a variety of internal training opportunities that focus on improving the skills and competencies of its employees. The course offerings include both job-specific topics such as management, leadership, marketing, and product-specific training, as well as increasingly sustainability and health. Examples of sustainability courses include life cycle thinking, recyclability, and compostability of products. In the area of health, courses on resilience, healthy sleep, and stress management are offered, as well as the 'Active Break' program to promote movement in the workplace. Overall, more courses were offered last year than in the previous year. Additionally, KURZ supports the professional development of its employees through state-recognized qualifications, academic degree programs, and job-related training measures, including paid leave and financial support.

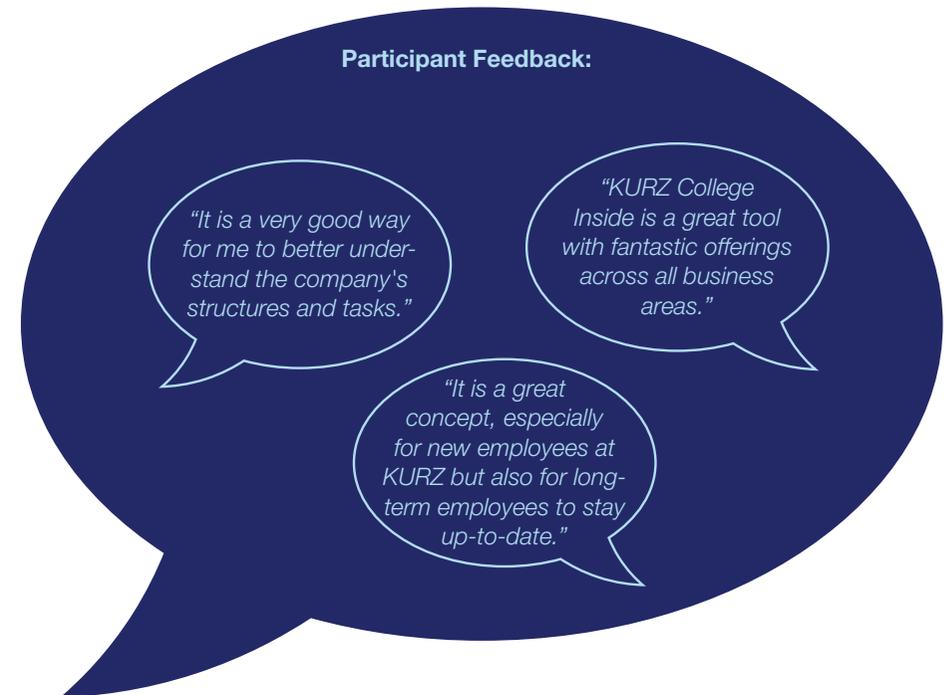
Professional development:

- Implementation of a Learning Management System:**
 All employees of KURZ have access to this system; gradually, all hubs and subsidiaries will be connected
- Promotion of lifelong learning:**
 We offer a wide variety of learning opportunities for all employees, such as training (online and in-person), e-learning, learning videos, impulse lectures, and workshops
- Annual personnel development discussions:**
 With all leaders up to the department head level to discuss employee development
- Creation of development plans:**
 For employees based on our competency model

OUTLOOK

- Restructuring of leadership training:**
 Starting in 2025, we will gradually introduce international leadership training in addition to our national leadership training programs
- Focus on future competencies:**
 Such as the use of AI, change management, and transformation leadership

	KURZ College inside		KURZ College inhouse		KURZ College individual	
	Number of people training	Attendees	Number of people training	Attendees	Number of people training	Attendees
2021	115	1856	76	694	105	398
2022	110	1450	96	1293	113	93
2023	93	1120	86	819	176	792
2024	136	1262	55	639	181	268





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8

Health and Safety

8.1 Occupational Health and Safety

Employee training and instruction

Providing employees with proper training is a fundamental part of ensuring a safe and healthy work environment. Only those who are thoroughly trained can spot potential risks and follow safety rules effectively. To enhance our regular in-person training programs, we introduced the KURZ LMS (Learning Management System), a further development of our former e-learning system. This digital tool gives all employees the flexibility to learn at their own pace and in a way that is tailored to their work activities. In addition, various contact persons are available to answer questions or to assist with language barriers. The courses cover a wide range of safety-related topics, including safe handling of hazardous materials, proper lifting techniques, and emergency response protocols. The training content is regularly reviewed and updated as needed.

Our KURZ LMS also includes mandatory training on the General Equal Treatment Act

(AGG) for employees in Germany (incl. temporary workers, temps, interns), ensuring that all employees are informed about their rights and responsibilities in promoting a respectful workplace. German employees complete this training on the first day of work at KURZ. The AGG e-learning training includes a final, comprehensive test to verify understanding of the content. Additionally, a designated contact person is available within the company for any complaints.

At LEONHARD KURZ Stiftung & Co. KG, we prioritize the well-being of our employees through a comprehensive range of initiatives focused on both mental and physical health.

We are committed to fostering a healthy and supportive work environment for all our employees.

Mental health initiatives:

- **Psychological support:**
A dedicated hotline is available for all employees to seek help whenever needed
- **Leadership training:**
Regular, mandatory workshops for managers on recognizing and responding to mental health issues
- **Departmental workshops:**
Full-day resilience workshops tailored for specific departments.
- **Stress management:**
Lectures and e-learning on stress management and mental health, such as 'Managing Frustration'
- **Substance abuse awareness:**
Mandatory training for managers on recognizing and addressing alcohol-related issues among employees
- **Support for addictions:**
A company agreement on handling substance abuse, along with trained specialists available for affected employees
- **Sleep hygiene:**
Lectures on sleep hygiene, with special sessions for shift workers

OUTLOOK

- **Resilience building:**
In 2025, we plan to host six events for employees and five to six events for managers on resilience and mental fortitude

Physical health initiatives:

- **Ergonomic training:**
Workplace-specific back training and active breaks for all employees
- **Nutrition counseling:**
Nutrition advice and cooking demonstrations
- **Health days:**
Various daily events in collaboration with health insurance providers, such as Life Kinetics
- **Health screenings:**
Different measurements and examinations for preventive health care, like pupillography and spine measurements
- **Yoga classes:**
Regular yoga sessions
- **Corporate runs:**
Company-sponsored runs with training programs
- **Occupational health services:**
Comprehensive health support through our occupational health service, including vaccinations, blood tests, and eye examinations
- **Health workshops:**
Lectures with exercises, such as neck and back stretches, eye training, and health in shift work



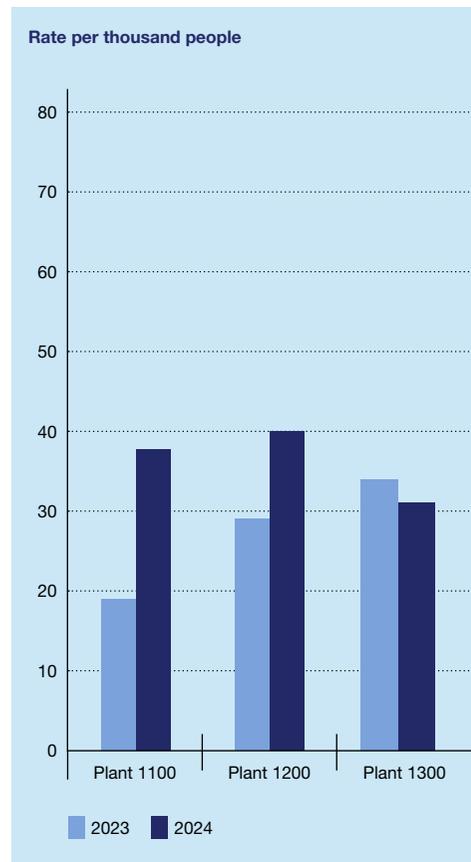


Work-related injuries and illnesses

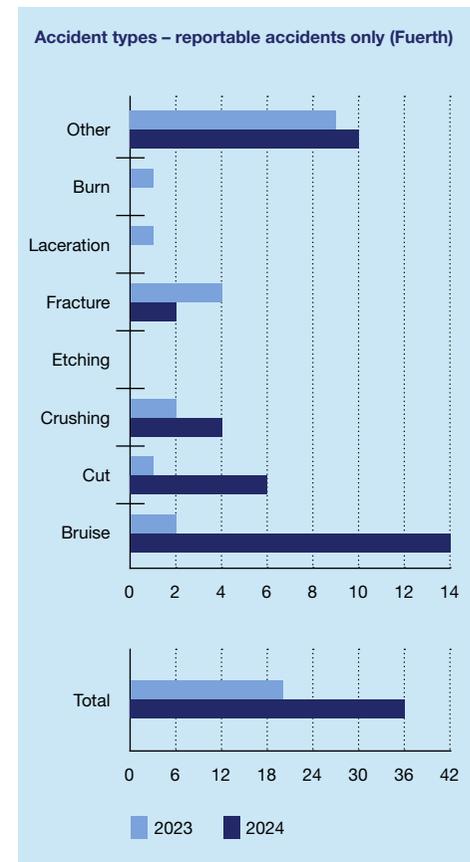
Accidents cannot be ruled out, but we do our utmost to avoid them and to continuously reduce the accident rate through improvement measures. Not only reportable accidents, but also accidents that result in few or no lost working days are analyzed, assessed, and, if necessary, adaptation measures initiated. In accident statistics and risk assessments, all accidents and the resulting measures are documented in order to detect any clusters or weaknesses. When recording reported accidents, we ensure that the causes of accidents and injuries are precisely documented so that any clusters can be identified and, where necessary, counteracted.

Number of accidents under reporting obligation		
	2023	2024
Fuerth Plant 1100	24	45
Sulzbach-Rosenberg Plant 1200	17	21
Sulzbach-Rosenberg Plant 1300	17	20

Number of occupational diseases 2024		
	Fuerth	Sulzbach-Rosenberg
Suspected cases	1	0
Acknowledged cases	0	0



The Rate per thousand people enables us to compare the production sites and the industry. This figure refers to the number of reportable workplace accidents each year per 1,000 industrial employees.



Suppliers and service providers

We draw the attention of the service providers working on our sites to our applicable safety regulations through our guidelines for third-party workers. Our purchasing conditions require suppliers to comply with all applicable statutory safety regulations. We use construction site coordinators on in-house construction sites and for conversion work. Employee health is an important benefit of KURZ as an employer. In cooperation with various health insurance companies, KURZ offers its employees at our sites in Fuerth and Sulzbach-Rosenberg various preventive medical check-ups every year, which are provided by doctors for a fee.

8.2 Company Cafeterias

KURZ runs and subsidizes its own cafeterias to ensure that all employees have access to our cafeterias in Fuerth and Sulzbach-Rosenberg. Employees are served fresh, high-quality dishes made from seasonal and regional ingredients every day. It is our priority to serve our employees healthy and nutritious meals.

- Veggie and salad bar: In addition to various main dishes, our cafeterias have an extensive salad bar and a varied veggie counter offering a diverse selection of vitamin-rich and nutritious dishes
- Cooking courses and nutritional advice: Employees can obtain advice on healthy eating and take part in cooking courses on various topics
- Sustainable cooking: Dishes are prepared using 100 % green electricity and energy-efficient appliances. Where possible, food is sourced from the region and mostly delivered in reusable packaging

KURZ plans to introduce traffic light labeling for food and drinks (green: desirable, yellow: neutral, red: undesirable). Until now, dishes have been labeled as vegetarian, vegan, with meat or fish. For meat and fish products, KURZ pays great attention to animal welfare and sustainability labels. KURZ also attaches great importance to sourcing all products from the region wherever possible.





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9

Environmental

Protection

9. Environmental Protection

Environmental protection is firmly embedded in our corporate activities. We are committed to minimizing the environmental impact of our products and manufacturing processes while continuously reducing emissions of pollutants. This responsibility is not limited to isolated initiatives but is reflected in comprehensive structures and clearly defined corporate standards.

Global guidelines and environmental management

Group-wide directives on environmental matters – such as the selection and handling of raw materials – are issued by corporate management and are binding across all KURZ locations worldwide. To ensure compliance and to pursue continuous improvement, we have established dedicated environmental management systems. These systems are overseen by an appointed Environmental Officer who reports directly to top management. Our environmental, energy, and occupational safety principles apply uniformly to all employees within KURZ and form the basis for the environmental policies implemented at all subsidiaries.

- **Responsibility towards employees**

We actively encourage our employees to engage in environmentally and safety-conscious behavior and to make responsible, health-oriented decisions. Ensuring a safe working environment is of central impor-

tance. Conditions that could pose a risk to health are systematically identified, and appropriate measures are taken to eliminate or, where not possible, minimize such risks

- **Efficient use of resources and energy**

In all areas of our operations – from product development and production to plant planning – we strive for the efficient use of resources and energy. Environmental precautions are taken to reduce the impact of our activities and to support the health and safety of our workforce

- **Monitoring and compliance**

Compliance with environmental measures is regularly reviewed through internal audits and official inspections. These monitoring processes ensure transparency and accountability. To date, no complaints have resulted in fines or other penalties, confirming the effectiveness of our approach

- **Preventive measures and regulatory cooperation**

Before commissioning new facilities or developing new products and processes, we conduct detailed assessments of potential environmental risks and take steps to avoid them wherever possible. Our close cooperation with regulatory authorities ensures adherence to legal requirements and is confirmed through the necessary official approvals



As a global manufacturer of transfer products, we recognize the far-reaching responsibility we bear towards people and the environment. Accordingly, we are committed to the continuous optimization of our production processes. Regardless of national, cultural, or legal differences, we apply consistent, high environmental standards at all our global production sites.



9.1 Raw Materials and Materials Used

Compared to other decoration processes, transfer finishing is particularly efficient and resource-friendly, thanks to the wafer-thin aluminum layer that enables high-quality packaging decoration with minimal material use. We are committed to reducing waste and making the most of the raw materials we use thanks to the highly efficient material use in ultrathin layers which enables state of the art surface decoration.

- Wherever possible, we rely on bio-based or recycled materials – both in the manufacture of our own products and in the materials we source
- All packaging materials are regularly reviewed in terms of their environmental impact and are continuously optimized as needed
- Reusable packaging is used wherever applicable to further reduce waste

In addition to material selection, we also place great importance on the ecological aspects of our operating supplies, such as oils, lubricants, and refrigerants. Our development teams are working continuously to increase the proportion of renewable and bio-based raw materials in our processes. Where technically feasible, we also make use of PET carrier films containing recycled content.

We source a significant proportion of the solvents we use in bio-based or regenerated form. Through distillation, we recover solvent mixtures from our processes and reuse them internally, thereby conserving resources and minimizing environmental impact.

Another step toward improving our sustainability performance is the reduction of carrier film thickness. By decreasing the thickness to the least possible thickness, we have achieved a significant reduction in the carbon footprint of our products.





9.2 Water and Wastewater

Cooling processes required for production are generated by refrigeration systems in a closed circuit. Fresh water is therefore not used for cooling purposes. The water is sourced from regional drinking water suppliers; we do not extract ground or surface water.

Responsible water management and water protection

Water is the foundation of all life. For this reason, we handle one of the world's most valuable resources with the utmost care. As our Fuerth site is located in an extended water protection zone, we are aware of our responsibility and attach great importance to water protection. We have therefore not only appointed a water protection officer for our Fuerth and Sulzbach-Rosenberg sites but may also use the designation of specialist vendors in accordance with the WHG (Water Resources Act).

- We continuously monitor compliance with the legal requirements and the additional requirements imposed by ourselves through our existing environmental management system. We comply with these at all our production sites worldwide
- Through measures such as installing chemically impermeable floors, double-walled containers, and automatic leak monitoring, we can guarantee that no harmful substances get into the ground or surface water
- Thanks to our comprehensive containment concept, we can catch escaping substances before they reach the sewer system or other undesirable areas. Our employees are specially and regularly trained in the handling of water-polluting substances

Water requirement

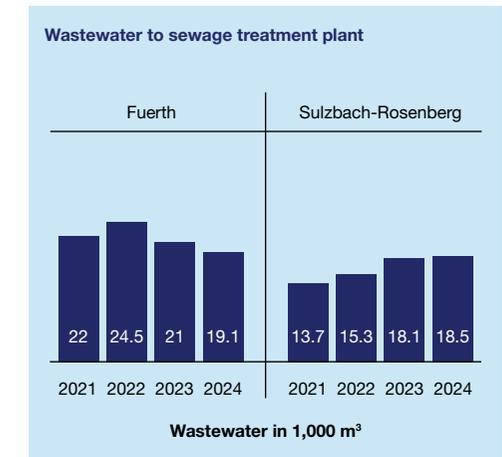
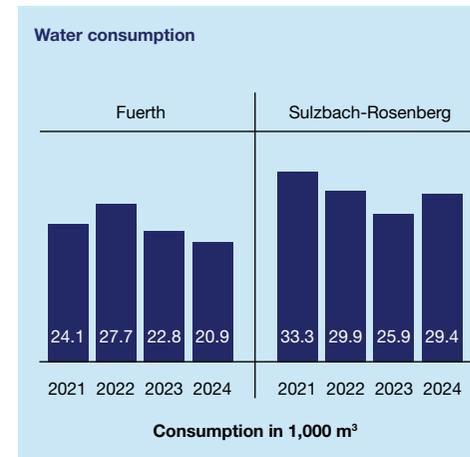
Our comparatively low water consumption for an industrial operation results primarily from its use in sanitary facilities, as a raw material in lacquer production, for cleaning processes, and as drinking water.

When purchasing new water consumers, we pay attention to water-saving systems and products. Wherever possible, we work with closed water circuits. For example, we operate vacuum distillation plants to recover water and close loops.

Our customers do not need water or wastewater when processing and using our products.

Water disposal

The effluent that accumulates from sanitary facilities and the rainwater is discharged directly into the sewerage system and sent to the local sewage treatment plant. In doing so, we comply with the discharge requirements. Our rainwater is monitored for unwanted ingredients using oil skimmers.





9.3 Waste and Recycling



9.3.1 Waste

Waste prevention

Preventing waste at the source is our highest priority. However, when waste is unavoidable, we strive to recycle it in environmentally sound and sensible ways. The reduction of waste accumulation is a key aspect of our ongoing process development. Over time, we have implemented several targeted measures, including:

- Optimizing foil widths
- Utilizing thinner substrates whenever feasible
- Reducing coating weights
- Using off-spec polyester batches for press proofs

These strategies are essential in minimizing waste across all production stages.

Sustainable disposal of unavoidable waste

In instances where waste cannot be prevented, we are committed to ensuring that it is handled responsibly and recycled in a way that aligns with environmental best practices. As a manufacturer, we recognize our responsibility for the complete lifecycle of our waste and place great value on being able to track and manage its journey to final disposal. To uphold this responsibility, we work exclusively

with authorized disposal partners and only employ processing methods that are technically sound and energy-efficient. All waste is delivered solely to facilities that have been thoroughly assessed and audited by our qualified personnel.

Domestic waste disposal

The waste is disposed of exclusively within Germany. Defective batches and leftover transfer products are never sold to third parties who might transport them to developing or emerging countries. This policy ensures full control over the final destination of our waste and prevents the shifting of environmental burdens to less regulated regions.

Careful handling of hazardous waste

The handling of hazardous waste requires particular attention and diligence. For this reason, we do not import, export, transport, or process any hazardous waste. This precautionary stance reflects our broader commitment to safety, compliance, and environmental stewardship.

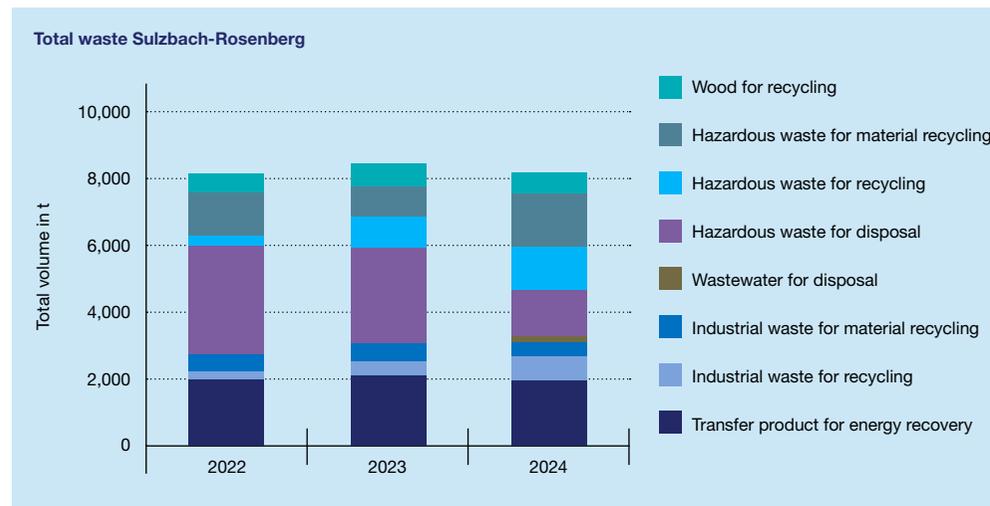
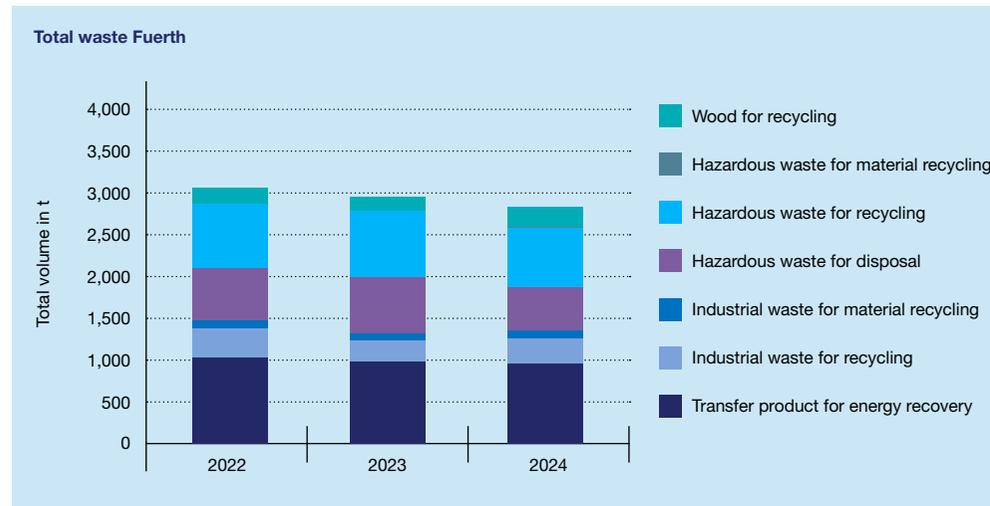
Waste management system

• Organizational structure and evaluation:

To meet both legal obligations and our own internal standards, we have appointed a dedicated waste management officer and fully integrated all waste-related processes into our environmental management system. We conduct annual evaluations of all waste types and volumes. Should any irregularities be detected, we immediately investigate their causes and work with all relevant departments to develop corrective measures and process improvements

• Ongoing employee training:

Training plays a vital role in ensuring the effectiveness of our waste management strategy. Our employees receive regular instruction on waste prevention, proper sorting methods, and the safe handling of waste materials. This also includes comprehensive training on the handling of hazardous goods. To ensure compliance with applicable regulations, we have designated a dangerous goods officer and trained a large number of employees in this area



Disposal of carrier materials or bad batches of our transfer products

One of our largest amounts of waste is a product of the disposal of carrier materials or bad batches of our transfer products. This waste, which originates both from our operations and from our customers, typically consists of PET carrier film with a dry coating. While this material is non-hazardous and could technically be treated as regular commercial waste, we hold ourselves to a higher standard. Wherever possible, we direct our internal PET waste into our dedicated recycling system, RECO SYS® (see Chapter 9.3.2). Any remaining material is channeled into energy recovery processes.

Thanks to the polyester substrate's high fuel value of approx. 34,000 kJ/kg, its fuel mass fraction is well-suited for use as a substitute fuel. The energy contained in this material is primarily utilized in the cement industry and, to a lesser extent, in power plants. By substituting fossil fuels such as coal and heating oil, this method helps preserve natural resources and reduces carbon emissions. We strongly encourage our customers to participate in our RECO SYS® program whenever possible. If that is not feasible, we recommend that foil residues from stamping processes be directed toward energy recovery. Our stamping foil residues meet the strict environmental standards required by most facilities that accept substitute fuels, including levels of

chlorine and antimony. By using this waste as an energy source, certified plants can significantly reduce their reliance on gas, oil, or coal.

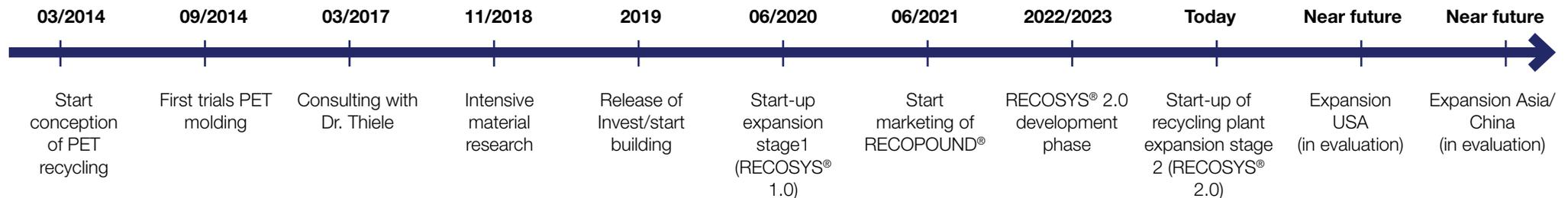
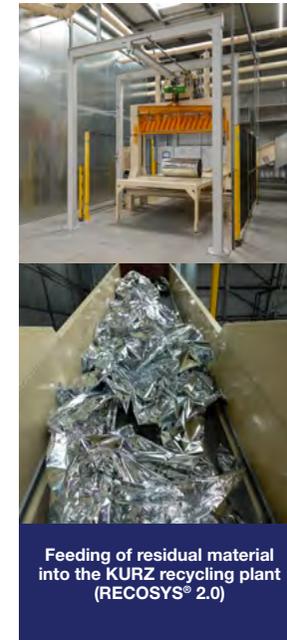
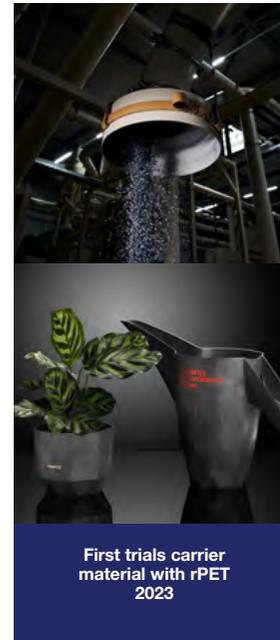




9.3.2 Recycling

In all our waste streams, we are investigating the possibility of material reduction or if this is not possible of recycling in order to close material streams. Wherever possible, we prefer disposal methods that enable material or energy recycling. E.g. the material on which our customers receive their transfer product is an extremely thin PET carrier material, which becomes residual material after processing by the customer. By reducing the carrier thickness from 12 µm to 6 µm, a large amount of residual material has already been avoided. The amount of PET residue that nevertheless accumulates can be recycled with excellent energy efficiency.

For many years now, we have therefore recommended that our customers use the waste material they produce for energy recovery. However, since we regard PET as a valuable raw material, we have made it our mission to find a way to recycle the carrier materials.





10
years
of pioneering

Investment of
more than
15
Mio. EUR

We have been doing pioneering work for many years and have already invested more than 15 million euros in the development and continuous optimization of our largely self-developed recycling process for PET residues called RECOSSYS®. At the moment our KURZ recycling plant in Fuerth is going through commissioning.



The RECOSSYS® process needs almost no effort from our customers:

They collect the distinct PET carrier material separately in accordance with the framework agreement. Our premise is a single-variety processing; other residual materials or hazardous waste must not be included. A pickup of the material takes place, if the collected residual material quantity corresponds to our pickup criterion requiring that the transport emissions are in a reasonable balance. RECOSSYS® offers a competitive advantage that also clearly benefits our environment.

For a transfer product with a carrier thickness of 6 µm, e.g. a CO₂ saving of up to 40 % seems realistic in the finished transfer product if this material is recycled within our RECOSSYS® program.

Scope 3 emissions relating to the disposal of transfer products could be decreased by up to 90 %. Our goal is to include as many customers as possible in our RECOSSYS® community in order to become more sustainable together.

In all our recycling activities, we focus on closing loops. We have also set ourselves the goal of reusing the PET carrier recycled by us for the manufacture of new transfer carriers. Apart from that the resulting valuable rPET pellets are especially interesting for the fiber industry due to the high purity and the fine filtration grade of the rPET. Additionally, other fields of application like injection molded or extruded products are possible. The CO₂ footprint of our rPET is significantly reduced as compared to virgin PET.



Recyclability of our customers decorated products

We also asked ourselves how the recyclability of products is influenced by our transfer products. Therefore, we have had several investigations and tests carried out that enable us to make qualified statements:

- Almost every type of KURZ-finished product can be recycled without additional expenses. Paper and cardboard decorated with KURZ transfer finishing can be recycled without restriction by existing collection, sorting, and recycling machinery. Our decorative layers for LUXOR® products are demonstrably deinkable
- We support our customers in creating a holistic recycling cycle through research and development of products and processes. On our website, we inform our customers and all interested parties about the recyclability of transfer-coated products
- Biological degradability and compostability of decorated packaging has been proven safe. Our LUXOR® MTS 220, for example, was certified in accordance with DIN EN 13432 as a harmless additive for the composting process. The minimal decorative layer (≤ 1 % by weight) does not affect the process. Prerequisite: The cardboard itself is compostable (disintegration according to DIN EN 13432). Thanks to KURZ's extremely thin transfer layers, this is now possible in almost all applications we know of
- Our goal is to offer customers freedom of design at maximum efficiency. That's why we are working with them to develop pioneering plastic decorations that do not impair the recyclability of their products. Our products can be used to finish recycled material with the same high quality and creativity as virgin material



9.4 Energy Consumption and Energy Savings

We have been maintaining our environmental awareness for decades, and an eco-audit was carried out in conjunction with our first environmental report in 1998. Since 2002, we have had an environmental management system in place, certified in accordance with ISO 14001, in which energy has always played a major role. In 2014, an energy management system in accordance with ISO 50001 was implemented in the existing system.

Energy management

Together with the cross-departmental energy team, our energy managers record and evaluate energy consumption at regular intervals and calculate efficiency improvement measures and potential savings on this basis. Among other things, we encourage our employees to act in an energy-saving manner through annual training, because avoiding

energy is our top priority. That's why we take energy efficiency into account right from the planning stage of new plants, buildings, or production processes.

Reducing CO₂ emissions has become a central element of the energy management at KURZ. In all new construction or maintenance projects CO₂ emissions during the operation of the system are taken into account.

All purchased electricity in Fuerth and Sulzbach-Rosenberg is coming from renewable energy sources. We supplement the purchased green electricity with internally generated energy, e.g. from photovoltaic systems. We are constantly installing new self-generation systems to increase the percentage of internally generated electricity.

Our post-combustion plants are working at a high efficiency of 95 % and are equipped with a heat recovery system, which allows the reuse of the recovered heat directly in our production process. The rest of our process heat energy is mainly generated through natural gas, heating oil and the firing of solvent regenerate, which we obtain from residual lacquers.

Reducing the CO₂ emissions of our heat generation is a key area of our energy management work. We are constantly optimizing the required dryer temperatures in our production machines as well as the complete heat generation system with a focus on increasing the efficiency and reducing the emissions.



	Fuerth		Sulzbach-Rosenberg	
	2023	2024	2023	2024
Total fuel consumption (not renewable)	58.7 %	59 %	38.2 %	40 %
Natural gas	64.6 %	80.2 %	84 %	96.8 %
Fuel oil	27.6 %	12.9 %	14.9 %	2.1 %
Solvent regenerate	6.3 %	5.7 %	0 %	0 %
Fuel	1.5 %	1.1 %	1.1 %	1.1 %
Heat recovery exhaust air purification	4.6 %	3 %	19.6 %	18 %
Electricity consumption total	36.6 %	38 %	42.2 %	42 %
Total energy consumption	100 %	100 %	100 %	100 %

Power-to-heat-system with thermal storage

At our production site at Sulzbach-Rosenberg we are installing a power-to-heat-system with a thermal storage system to decarbonize the process heat supply of a production line. The system will take excess energy from the Münch photovoltaic park on our premises at the Sulzbach-Rosenberg site and will supply heat photovoltaic park and will supply heat directly to the production machines. Additionally the system is able to store further excess energy in a thermal storage for later use. The system is able to reduce the consumption of natural gas about 3.5 GWh/a and will reduce the CO₂ emissions about 700 tons/a.

Supported by:



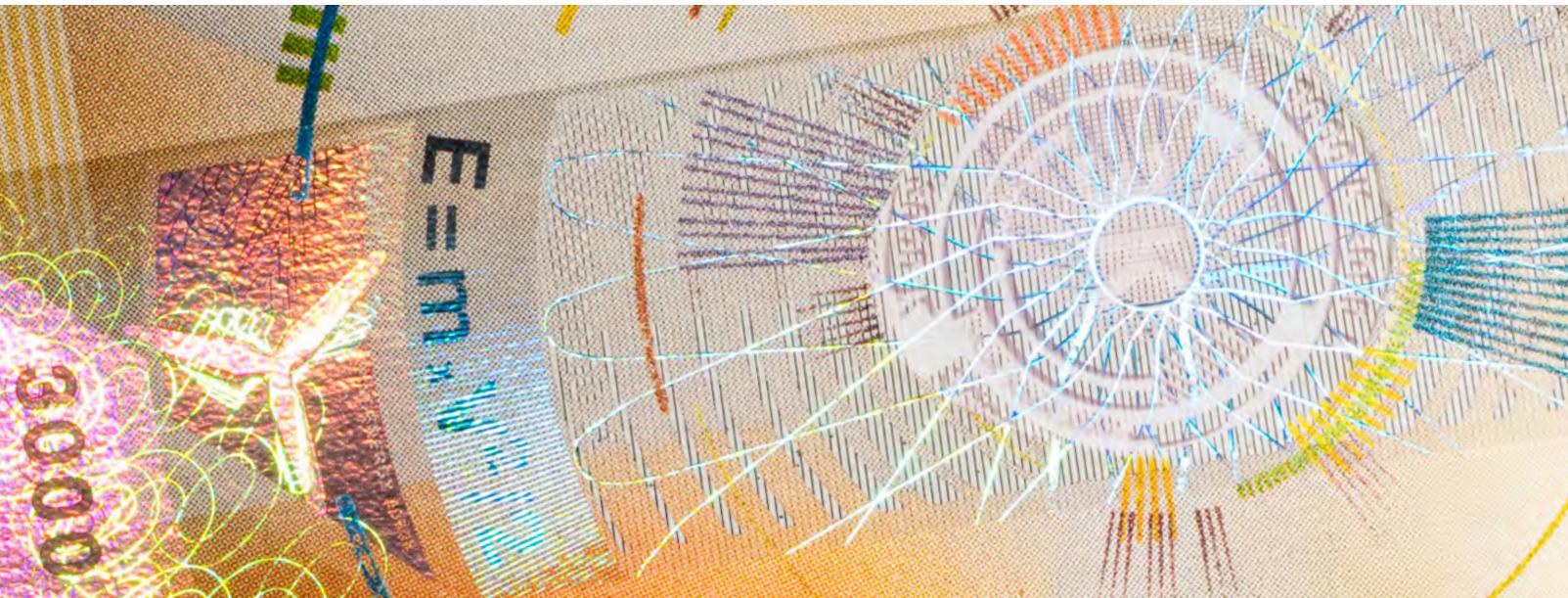
on the basis of a decision by the German Bundestag



Increasing energy efficiency and reducing CO₂ emissions

Within the **ISO 50001** energy management system we continuously analyse our energy consumption and energy flows of our production sites. Based on the data of the energy monitoring, we are able to identify energy saving and optimization potentials. On this basis we are able to define energy measures to improve the efficiency and the CO₂ emissions of our production sites.

	Measures	Savings in kWh	Types of energy saving	Method for savings calculation	Location	Year of Implementation
Energy goal 1	Increasing self-generation of renewable electricity	1,100,000	Electricity	Estimation	Fuerth	2024
Energy goal 2	Process heat from excess electricity from PV-Park	950,000	Natural gas	Estimation	Sulzbach-Rosenberg	2024
Energy goal 3	Reduction of standby energy consumption at production machine	25,000	Electricity	Measurement	Fuerth	2024
	Total Savings	2,075,000				



An energy expert team discusses potential projects and derives specific energy goals. These goals are tracked within the energy management system and evaluated by using continuously or temporary measurement data.

Beside the optimization of our energy supply, we are additionally working on the efficiency of our production processes. Reducing dryer temperatures, exhaust air flow rates and standby energy consumption of machines are only some of our efficiency topics of the work together with the maintenance and production teams.

9.5 Emissions to Ambient Air

9.5.1 Greenhouse Gas Emissions

Corporate carbon footprint and the path to climate neutrality

In order to offer our next generations a future worth living in, we regard the fulfillment of the German climate protection law and/or the goals set by the EU Green Deal on climate neutrality as one of our most important tasks. Due to that KURZ made a commitment to climate neutrality by 2040 in Scope 1 and 2. For the Fuerth and Sulzbach-Rosenberg sites, we have already been able to record Scope 1 and 2 emissions for the reporting period. The calculations were carried out based on the GHG protocol, the seven climate relevant gases defined therein are included in the calculations. The total emissions are presented in CO₂-equivalent values. The emission factors and GWP values refer to

the IPCC status report and provide for a time horizon of 100 years.

On the way to climate neutrality, we consider the three pillars of 'improving energy efficiency and reducing direct emissions', 'consuming green energy', and 'generating energy ourselves' to be the most important in deriving measures. We are therefore continuing to do everything in our power to produce more energy efficiently and with lower emissions, and are continuing to expand the proportion of our own energy generation systems. For this challenging transforming process we have installed working groups with internal experts.

As part of our environmental and energy management program, we have collected and coordinated climate relevant measures and objectives. Projects such as electrical heaters, the purchase of electric cars, the expansion of photovoltaic systems, and the use of organic solvents contributed to reducing emissions.

We set ourselves yearly short term goals with a linear reduction. We set ourselves the ambitious goal to reduce the Scope 1 emissions by 2030 by -47 % compared to the baseline year 2021.

Direct Scope 1 emissions

Most of Scope 1 emissions come from the combustion of the solvents used in our production. Followed by the emissions caused

by natural gas. The remaining and smaller proportion of Scope 1 emissions is made up of combustion emissions from heating oil and fuels as well as volatile gases in minimal quantities from refrigeration systems.

Indirect Scope 2 emissions

By purchasing 100 % green electricity and generating our own electricity, we have already been able to reduce Scope 2 emissions at KURZ by almost 100 %.

Indirect Scope 3 emissions

To date, the far more complex and difficult to determine Scope 3 emissions have only been partially recorded. The greatest impact of Scope 3 is suspected to be by the emissions of purchased goods. For a better understanding of the emissions in this category primary data is continuously collected.

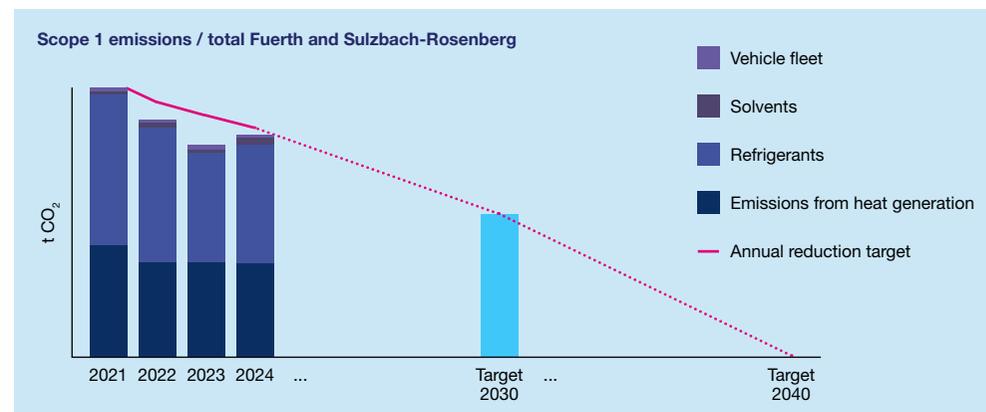


Our commitment:

**Climate
neutrality by**

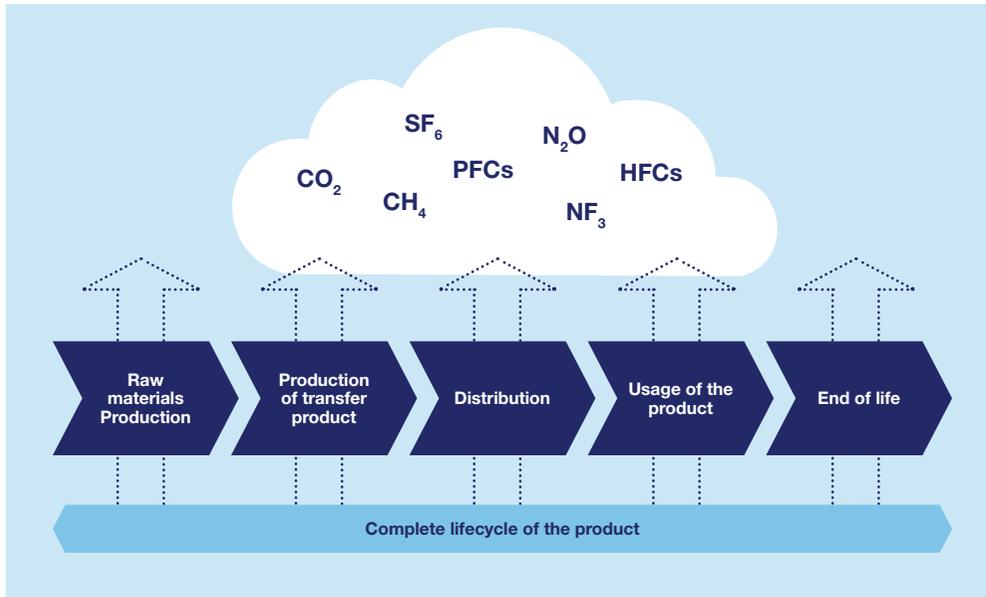
2040

in Scope 1 and 2



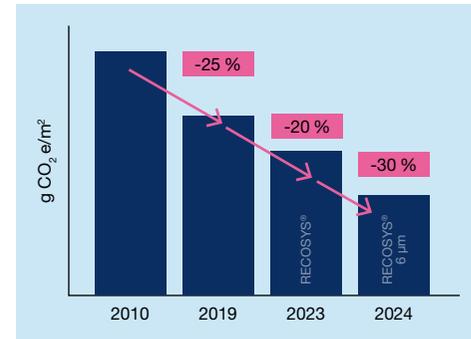


9.5.2 Product Carbon Footprint



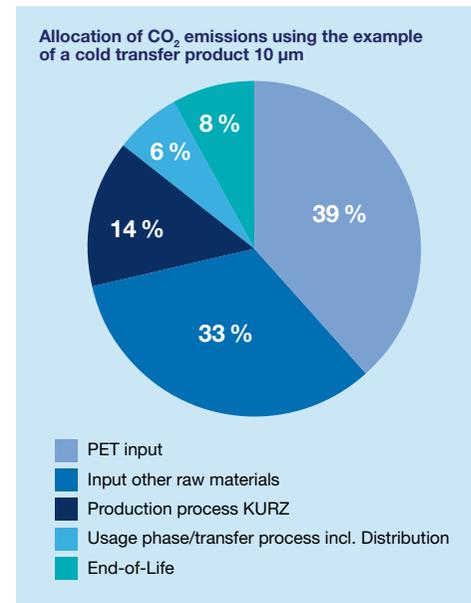
KURZ has been conducting Product Carbon Footprint (PCF) assessments in accordance with ISO 14067 for many years, taking into account the entire life cycle of the transfer product.

PCFs have been continuously reduced in recent years through various measures.



Development of the PCF of a cold transfer product

- 2010: First creation
- 2019: Conversion to green electricity and updates
- 2023: Main impact of the reduction: RECOSYS® 2.0
- 2024: Consideration of the slim program (reduction from 12 µm PET layer to 6 µm PET layer)



The manufacture of the PET carrier and the raw materials relevant to production account for a significant proportion of the PCF (10 µm cold transfer, for example). This means that around two-thirds of the emissions come from the upstream chain. The emissions from the production process itself were reduced to 14 % through efficiency measures and the purchase of green electricity.

9.6 Protection of Human Health and of the Environment

The current status at LEONHARD KURZ Stiftung & Co. KG (January 21, 2025)

According to the EU regulation 1907/2006 dated 18th December 2006 (REACH REGULATION), our finishing products are classified as articles and therefore are not subject to registration. Therefore, the preparation of a safety data sheet is not mandatory for our finishing products. For the customer using the finishing products this means that the duty to check whether special requests or restrictions resulting from the used raw materials have to be considered is not applicable. Additionally the finishing product (article) fulfills the requirements of article 67 (REACH REGULATION) and complies with the conditions of the restrictions listed in Annex XVII.

KURZ, as a downstream user, only utilizes raw materials and substances for its transfer products that, according to information provided by our suppliers, are not subject to authorization requirements under Annex XIV dated April 8, 2022. At KURZ, we do not incorporate SVHC substances from the candidate list (as of January 21, 2025) in the production of our transfer products.

Should any changes in the classifications of raw materials used herein or amendments to the SVHC list affect transfer products (REACH / Art 33; > 0.1% by weight of authorized ingredients), we will duly inform our customers in a separate communication, including the SCIP number, as required by law. In such cases, an immediate substitution program will be initiated in consultation with our customers.

For our customers, this means that, when using our transfer products for the intended purpose of enhancing their products, normally no further REACH-related activities regarding our transfer products are necessary.



9.7 Biodiversity



The loss of biodiversity, alongside climate change, is one of the most significant global risks in the years ahead. Functioning ecosystems provide essential services such as clean air, fresh water, fertile soils, and climate regulation. Businesses depend on these services to varying degrees. At the same time, economic activity can have a considerable impact on biodiversity. If ecosystems are degraded beyond a certain threshold, their ability to function diminishes – leading to long-term risks for both the environment and business operations.

KURZ is aware of these interdependencies and has therefore initiated the development of a biodiversity monitoring approach at its German sites. As a first step, a risk assessment

was conducted to identify potential biodiversity impacts along the value chain of KURZ transfer products. The assessment revealed that the most significant risks are located in the upstream supply chain. Regular updates of the risk analysis will ensure that relevant factors are reviewed and adjusted as needed over time.

In addition, KURZ ensures full compliance with all environmental regulations and legal requirements at its production sites.

To increase internal awareness of the importance of biodiversity, KURZ also engages employees through targeted initiatives. One such activity was a workshop on 'Native Birds and Nesting Boxes.' Participants learned about local bird species and biodiversity in their region and were able to build and take home their own nesting box – contributing directly to species protection in their local environment.

Further measures to promote biodiversity protection are currently being planned, underscoring KURZ's long-term commitment to environmental responsibility across all levels of the company.





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10

Ethics and

Compliance

10. Ethics and Compliance

In our endeavor to offer all manufacturers the best solutions for product enhancement and to be the first choice for all aspects of surface finishing in all our target groups, we have always committed ourselves to comply with the highest standards of ethical conduct when dealing with employees, customers, suppliers, government agencies, and authorities.

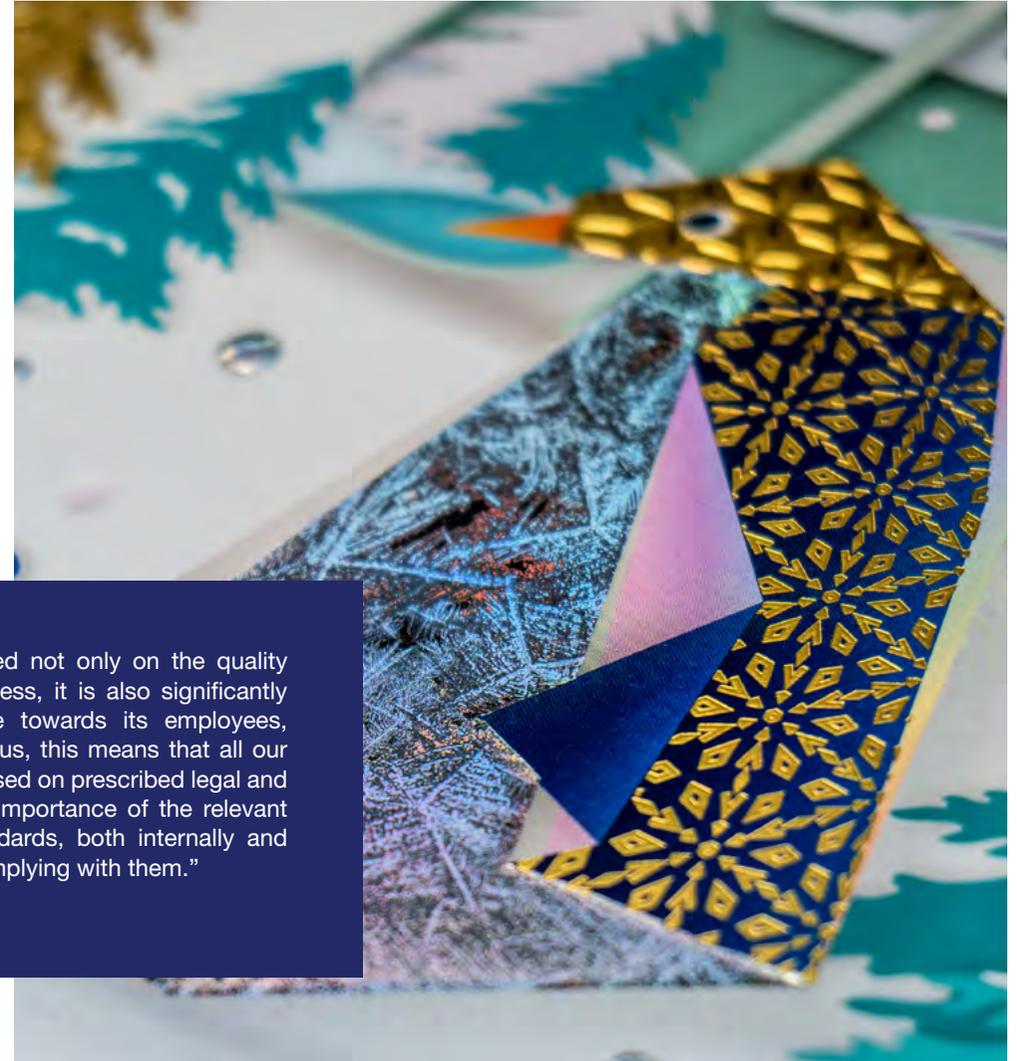
In order to comply with our commitment to these standards of ethical conduct, we have established the following policies and procedures:

- The KURZ Code of Business Conduct, which is firmly anchored in our corporate policy
- The KURZ Anti-Bribery Policy
- The Guideline on Gifts and Invitations

The CEO and the Executive Management Board are committed to the KURZ Code of Business Conduct, the KURZ Anti-Bribery Policy, the Guideline on Gifts and Invitations, and the requirements, processes, and guidelines contained therein.

Our certification in accordance with ISO 37001: 2018 – Anti- Bribery Management System (ABMS) – for the business area Banknotes has passed its surveillance audit in the last reporting period. Furthermore, the scope of our certification has been extended to include OVD Kinegram AG and its document security solutions business. The successful certification confirms our commitment for ethical conduct and our reputation as a trustworthy and reliable supplier for government documents.

"A company's good reputation is based not only on the quality of its products and its economic success, it is also significantly influenced by the company's attitude towards its employees, business partners, and the public. For us, this means that all our values and our corporate actions are based on prescribed legal and ethical standards. We understand the importance of the relevant laws, regulations, principles, and standards, both internally and externally, and we are committed to complying with them."
(KURZ Code of Business Conduct).



10.1 Guideline on Gifts and Invitations

The KURZ Guideline on Gifts and Invitations describes the process for receiving and issuing gifts and invitations. Gifts that are likely to affect the ability to make appropriate and objective business decisions, or that may merely give the appearance of such an impairment, may not be accepted or offered by KURZ employees or by third parties acting

on behalf of KURZ. Gifts or other gratuities are not permitted without exception if the donor expects or suggests that they expect a corresponding consideration. The acceptance of cash or items exchanged for cash is prohibited without exception. Special rules apply with regard to dealings with public officials.



10.2 Training

Communication and training on anti-corruption policies and procedures

All members of the control body are informed of the anti-corruption organization's policies and procedures. All our employees at our Fuerth and Sulzbach-Rosenberg sites are regularly informed about the anti-corruption policies and procedures of KURZ as part of our internal employee communication.

KURZ strives to implement the KURZ Code of Business Conduct in all its contracts with third parties such as agents and consultants. All third parties in the business area Banknotes have been contractually obligated to comply with the KURZ Anti-Bribery Policy. We are currently working on expanding these obligations on third parties of other divisions of the Business Area Security. Other individuals or organizations are informed of policies and procedures via a reference to the KURZ Code of Business Conduct in our Terms and Conditions, as well as a reference on our website.

One member of the Executive Management Board received anti-corruption training during

the reporting period. Employees for whom an increased risk of corruption have been identified as part of ISO 37001 due to the nature of their work have been trained by the Group Compliance Officer. During the reporting period, KURZ has held online courses on the KURZ Code of Business Conduct for all its employees at the company sites in Fuerth and Sulzbach-Rosenberg and specific training courses on anti-corruption for all employees of the banknotes and document security solutions business. For the next reporting period, we plan to extend online courses on the KURZ Code of Business Conduct to employees of group companies of the business area security.

Training for employees on human rights policies and procedures

During the reporting period, no specific training on human rights policies or procedures affecting human rights aspects relevant to the business activities was provided.

10.3 Evaluation and Other Measures

Business premises that have been evaluated on corruption risks

As part of its Anti-Bribery Management System, KURZ continuously checks three facilities for corruption risks in relation to its activities in the Business Area Security. As part of the risk assessment, the fact that customers of the Business Area Security largely consist of public officials and the involvement of third parties remain corruption risks. Established policies, controls, and processes are continuously reviewed and evaluated to mitigate this risk.

Significant investment agreements and contracts that contain human rights clauses or have been screened for human rights aspects

KURZ strives to agree in all its investment agreements and contracts with its suppliers that they comply with the laws of the

applicable legal system, that they do not tolerate any form of corruption and bribery, that they observe the fundamental rights of their employees, and that they observe the prohibition of child and forced labor. Suppliers are also called upon to take responsibility for the health and safety of their employees in the workplace, to ensure fair remuneration and working hours, to observe environmental protection laws, and to promote compliance with these principles in the best possible way with their own suppliers.

Business premises subject to human rights screening or human rights impact assessment

Human rights screening or human rights impact assessments were conducted at two of the business locations during the reporting period.

10.4 Complaints Procedure and Raising Concerns about Ethics and Compliance

The Group Compliance Officer (GCO) is the point of contact for stakeholders to seek advice on ethical and lawful conduct and integrity at the organizational level, or to report concerns in this regard. In order to support him in his work a Deputy Group Compliance Officer (DGCO) has been nominated. Both can be reached at compliance@kurz.de. KURZ guarantees the independence of the GCO and DGCO. Employees can inform themselves about the role of the GCO and DGCO via internal corporate communication platforms.

Training of employees on the role of the Group Compliance Officer and the whistleblower system is regularly carried out as part of the Anti-Bribery Management System and the training regarding the KURZ Code of Business Conduct.

KURZ has set up a whistleblower system 'KURZ Incident Reporting' for reporting concerns regarding unethical and non-compliant conduct as well as integrity at organizational level, which is accessible to all employees and external persons 24/7 and in the languages German, English, French, and Spanish. Reports can be provided anonymously and will be treated confidentially. KURZ has also implemented a procedure for investigating any concerns raised. As part of the setup, KURZ has also implemented a non-retaliation policy.

During the reporting period, there were six cases reported of non-compliance with business ethics. Non-compliant conduct was not confirmed in any case.



10.5 Political Party Donations

KURZ is committed to supporting society in social and economic development and to contributing to sustainability in our social

environment. The KURZ Anti-Bribery Policy prohibits gratuities to political parties or party organizations, politicians or political initiatives.



10.6 Report on Procedures and Fines

Non-compliance with social and economic laws and regulations

No significant fines or non-monetary sanctions were imposed for non-compliance with social and economic laws and/or regulations during the reporting period. The total monetary value of significant fines was zero, and the total number of non-monetary sanctions was zero. There were no cases raised in dispute resolution procedures.

Legal proceedings for anti-competitive behavior, antitrust, and monopoly formation

KURZ complies with all national and international antitrust and competition laws in the countries where it does business. No legal proceedings were pending during the reporting period due to anti-competitive behavior and violations of antitrust or monopoly law. No results of closed legal proceedings, including court rulings and judgments, were recorded either.

Confirmed corruption incidents and actions taken

There were no incidents of corruption during the reporting period. No employees have been dismissed or received a warning due to corruption. There have been no confirmed

incidents where contracts with business partners have been terminated or not renewed due to corruption violations. No public legal proceedings related to corruption have been initiated against KURZ or its employees.

Violations related to health and safety impacts of products and services

During the reporting period, there were no violations of rules and/or voluntary codes of conduct related to the health and safety impact of products and services, neither of rules that resulted in a fine or a sanction, or rules that resulted in a reminder of voluntary codes of conduct.

Incidents in which the rights of indigenous peoples have been violated

Due to the geographical location of its business premises, KURZ has no points of contact with indigenous peoples. There have been no incidents in which rights of indigenous peoples have been violated.

10.7 Subcontractors / Suppliers

The KURZ Declaration of Principles on Human Rights can be found on the homepage of KURZ. Our procurement network ensures that our production facilities are supplied with materials of the required quality and quantity at competitive conditions. The local selection of suppliers is not a target. However, there is a great deal of interest in purchasing locally due to various advantages (e.g. savings in CO₂ emissions, supporting the local economy and society).

KURZ continues to do everything in its power to ensure that it only does business with subcontractors or suppliers who, for their part, have made a commitment to international human rights and environmental protection. We undertake to monitor the ethical conduct of our suppliers and to take immediate and decisive action if questionable ethical conduct on the part of subcontractors or suppliers comes to our attention. For the purpose of committing suppliers to ethical and environmental standards KURZ has established a Supplier Code of Conduct.

In 2024, raw materials, goods, and services worth around € 214 million were procured for our own production. Around 80 % of them were sourced locally. We consider suppliers local if they produce in the EU (with the exception of the UK). There were no significant changes to our supplier structure.



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 - 11.1 Management Responsibility**
 - 11.2 Legal and Customer Requirements / Export, Import**
 - 11.3 Risk Management**
 - 11.3.1 Performance Control**
 - 11.3.2 Training**
 - 11.3.3 Information and Messages**
 - 11.3.4 Remedial Process**
 - 11.3.5 Information Security and Data Protection**
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11

Management System

Our management systems are designed to ensure compliance and all applicable laws and regulations. Operational risks can thus be recognized and eliminated in good time, and a continuous improvement process can be maintained. KURZ management systems consist of the following elements.



11.1 Management Responsibility

Managers are appointed who are responsible for the implementation and regular monitoring of each management system.

11.2 Legal and Customer Requirements / Export, Import

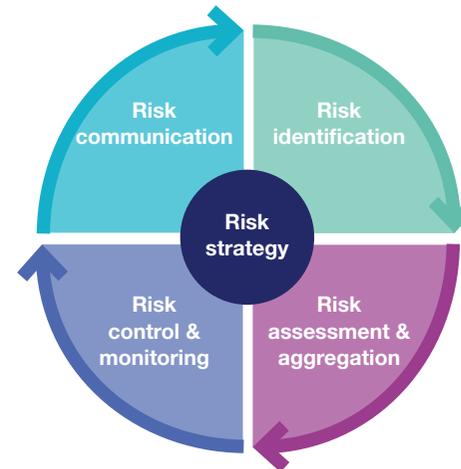
We look at, monitor, and understand the laws and regulations affecting us and the additional requirements imposed on us. We comply with the laws and regulations for export and import control, which apply to the import and export of goods and technical data, including items

carried in luggage as samples or goods samples. We conduct a selection process for new customers, subcontractors, and suppliers to ensure that they do not conduct business with unauthorized units.



11.3 Risk Management

A risk management system has been established in order to identify in good time the environmental, health, safety, information security, and occupational safety risks associated with our business operations, to assess the particular significance of each individual risk, and to ensure compliance with occupational safety and other safety regulations with the help of appropriate organizational measures and technical aids. The investigation of potential safety risks extends to warehouses and other storage facilities, production facilities, and operating facilities, as well as laboratories and test facilities.



11.3.1 Performance Control

Written standards, performance targets, objectives, and implementation plans must be established. In addition, there is a regular target/actual comparison of the planned data and the services actually provided.

11.3.2 Training

We respect and promote our employees working independently. To this end, we offer our employees appropriate training programs.

11.3.3 Information and Messages

We provide our employees, customers, subcontractors, and suppliers with clear and unambiguous information about our performance, processes, and expectations. A clear system for handling complaints is in place.

11.3.4 Remedial Process

If deficiencies are found during internal or external audits, assessments, tests, investigations, or controls, a corresponding regulated process flow is provided for the prompt implementation of remedial measures.

11.3.5 Information Security and Data Protection

Information Security Management System

At KURZ, protecting information and data is of utmost importance. This includes company and employee data, as well as customer and service provider information. Through an Information Security Management System (ISMS), technical and organizational measures, a company-wide information security policy, and specific policies, KURZ ensures the confidentiality, integrity, and availability of information. This is particularly important as many of our customers are in the automotive, product and counterfeiting protection sectors. Our overarching goal is to continuously evaluate and improve the suitability, appropriateness, and effectiveness of the ISMS.

Identification of protectable information

Relevant physical and logical information assets are identified and undergo regular, structured, and risk-based reviews and assessments.

IT Security

Information and IT security are closely linked. Key measures include user management, access controls, encryption, monitoring, vulnerability and patch management, and data backup.

Certification and audit

The importance of information security at KURZ is evident in our long-standing certification of operation of digital services infrastructure according to ISO/IEC 27001. Meeting TISAX requirements of the automotive industry, with regular assessments, demonstrates our professional handling of high-security information, including prototype parts at our site in Fuerth and BURG DESIGN in Steyr. Additionally, the ISMS is part of other certifications at KURZ, such as ISO 14298 and IATF 16949. Regular internal system and process audits are also conducted.

Goal:

Continue and expand existing certifications, assessments, and audits.

Result:

All planned certification audits and assessments were successfully completed.

Awareness

Every employee is obligated to follow policies and contribute significantly to information security. Knowledge of threats and risks is crucial. KURZ continuously raises awareness through training, e-learning, and phishing campaigns.

Goal:

Maintain high training participation rates and continuously improve user awareness.

Result:

The value showed a slight improvement compared to the previous year.

Information security incidents

Implemented measures have successfully defended against previous (cyber) attack attempts, and there has been no unintended disclosure of sensitive information. Structured and known reporting channels are used by employees. Reported information security events are consistently analyzed, evaluated, and necessary measures are implemented if required. Insights gained from these events serve to continuously improve the ISMS and other business processes.

Goal:

Maintain a high level of security to prevent information security incidents.

Result:

No information security incidents were recorded in the reporting year.

Data protection

Protecting the personal data of employees, customers, and other partners is a key concern. Therefore, we implement legal regulations and train our employees on data protection, keeping them informed about current legal developments.

Energy efficiency in IT

Minimizing energy consumption in our data centers and server rooms has been a priority for many years. By using modern, energy-efficient climate systems and a stringent life-cycle management of hardware and software, we not only reduce operating costs but also lower CO₂ emissions.





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 - 12.2 Working Language**
 - 12.3 Violations of the KURZ Code of Business Conduct**
- 13. Entrepreneurial Commitment to UN Goals
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12

Principles of

Implementation, Language

12.1 Communication

The company's managerial staff are responsible for ensuring that they communicate the values and principles expressed in the KURZ Code of Business Conduct to employees in a sufficient manner and that they monitor their compliance. They should encourage employees to contact their superiors and other designated persons for these purposes if they are in doubt about the best way to proceed in a given situation.

12.2 Working Language

Our working language is English. This applies in particular to communication with our subsidiaries and affiliated companies. Within those subsidiaries and affiliated companies, communication takes place in the respective national language. Occupational health and safety documents and warnings are also available in the local languages of our employees.

12.3 Violations of the KURZ Code of Business Conduct

Violations of the provisions of our Code of Business Conduct are investigated and penalized. Any potential consequences under labor law can only arise from the statutory provisions, the employment contracts, the relevant ordinances, or the company agreements and other agreements.





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 - 13.2 Social Commitment**
 - 13.3 Sustainable Corporate Governance**
 - 13.3.1 BE A GREEN LEADER**
 - 13.3.2 Global partnerships for sustainable development**
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13

Entrepreneurial

Commitment to UN Goals



13.1 UN Global Compact

The UN Global Compact is a United Nations initiative that aims to promote a more inclusive and sustainable economy across industries and borders. Companies that are part of the UN Global Compact undertake to act in accordance with its principles. Participating companies must submit a report once a year as proof of their progress.

The initiative is based on ten principles, e.g. the protection of international human rights, which participants undertake to uphold. In principle, any company can join the UN Global Compact as long as it commits to working towards implementing the ten principles of the UN Global Compact through learning, dialog, projects, process improvements or other measures.

In this respect, the UN Global Compact supports companies in acting responsibly and advancing their own sustainable development goals. It is not about compliance with regulations, but rather about transparent, open communication and the commitment to adapt to the future as a company through sustainability strategies.

KURZ has been a participant in the UN Global Compact since 2021 and has thus reached an important milestone in terms of sustainability. We consistently increase its sustainability activities year after year in order to achieve ambitious long-term sustainability goals. We follow the universal principles of the UN Global Compact and are involved in the areas of human rights, labor, the environment, and the fight against corruption.

LEONHARD KURZ is also part of the Peer Learning Group for climate management, which is organized by the UN Global Compact Germany. The Peer Learning Group is a platform for exchange and a collective of companies that have made progress in their climate management. Several meetings take place online and in person each year, where not only the progress and implementation of the climate strategy are discussed, but also how new topics, standards or legal requirements can be addressed.

unglobalcompact.org

13.2 Social Commitment

The aim of the support group for engineering studies is to increase awareness of the engineering profession and engineering studies among students, parents, and teachers by demonstrating the high importance of the engineering profession in society and ensuring an improved flow of information on

engineering tasks between schools, research institutes, and professional associations. In addition, KURZ is involved with donations for schools, youth welfare, Kinderarche gGmbH (child and youth welfare institution), special education institutions, among others.

13.3 Sustainable Corporate Governance

13.3.1 BE A GREEN LEADER

Sustainability shapes brands. To gain the upper hand, make a credible case along the value chain. As experts in surface finishing, we deliver sound strategies because to us, as a family company, it matters to leave a better world for future generations. We follow strict environmental and safety standards around the world. We develop products and processes that conserve resources and provide cost-effective individual design freedom for surfaces – entirely in the sense of Design for Recycling. We help make product cycles as environmentally friendly as possible and make our customers leaders in sustainability.

13.3.2 Global partnerships for sustainable development

Unfortunately, it takes more than a lone pioneer to get customers to rethink their green priorities. That's why we rely on the power of the collective and cooperate with an international network of professional bodies and industry initiatives for a mutual, sustainable future. This bundled know-how from different branches of industry allows us to cultivate a far-reaching understanding of our customers' issues, while presenting them with global solutions.



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14

Objectives and Actions

14. Objectives and Actions



The global surge in demand for raw materials and rising commodity prices present a growing challenge for industrial production. When raw material supplies become unstable, the entire value chain is at risk.

Until now, companies have often had to absorb cost increases without being able to pass them on – making raw material volatility a serious economic risk.

At the same time, long-term energy costs are expected to rise, with power prices in Germany already placing a significant strain on industrial competitiveness. High energy costs not only increase production expense, but also reduce consumer purchasing power. As a result, the demand for energy-efficient products and more resource-efficient manufacturing is accelerating.

We are committed to actively driving this transformation and have set ourselves ambitious goals:

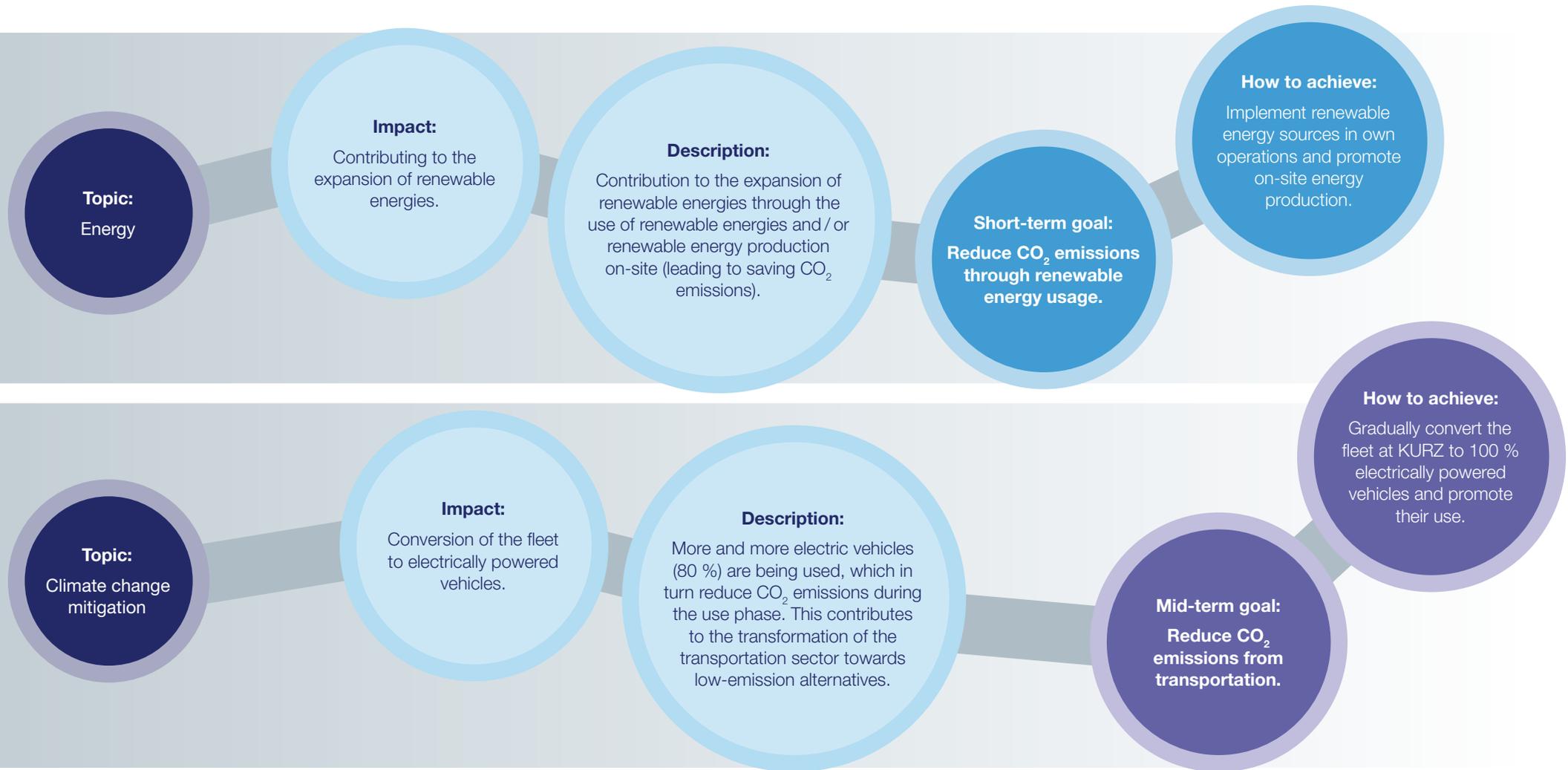
We aim to achieve CO₂ neutrality by 2040, reduce energy consumption in production even further, and improve the sustainability of our material formulations. In line with Germany's 2030 and 2045 climate targets, we are also investing additional funding into initiatives that lower specific energy consumption and CO₂ emissions across our operations.

Environmental and Social Objectives

At the heart of our corporate sustainability strategy lies a clear commitment to addressing both environmental and social challenges. In the environmental realm, we focus on two core priorities: Mitigating climate change through responsible energy management by using climate neutral and -friendly resources and reducing resource outflows by advancing circular economy principles. On the social side, we are dedicated to fostering equal treatment and opportunities for all members of our workforce, while also ensuring that consumers and end-users have access to high-quality, transparent information. Together, these objectives form the foundation of our long-term goals and guide our efforts to create a more sustainable future.

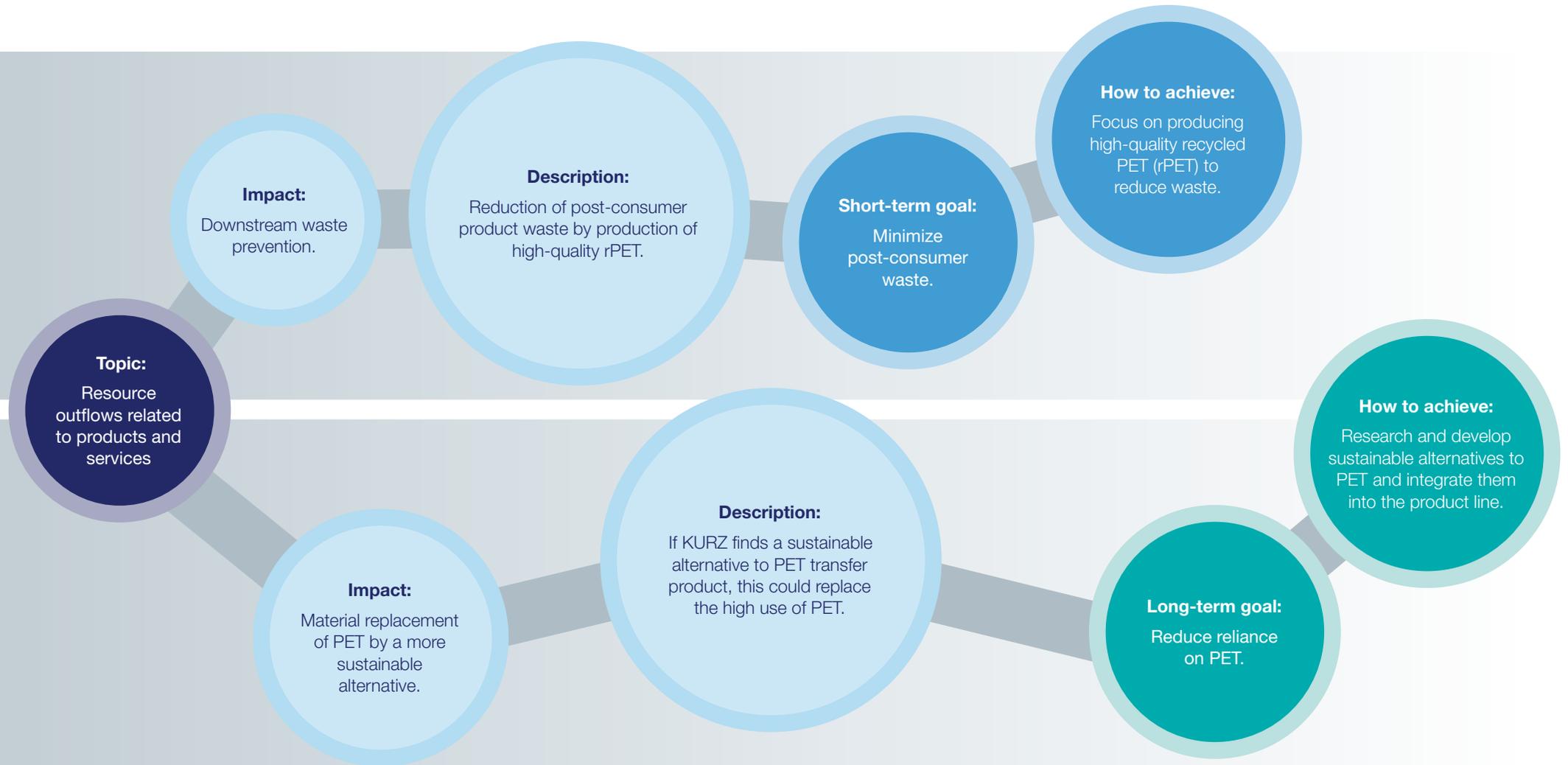


14.1 Environmental – Climate Change





14.2 Environmental – Resource Use and Circular Economy

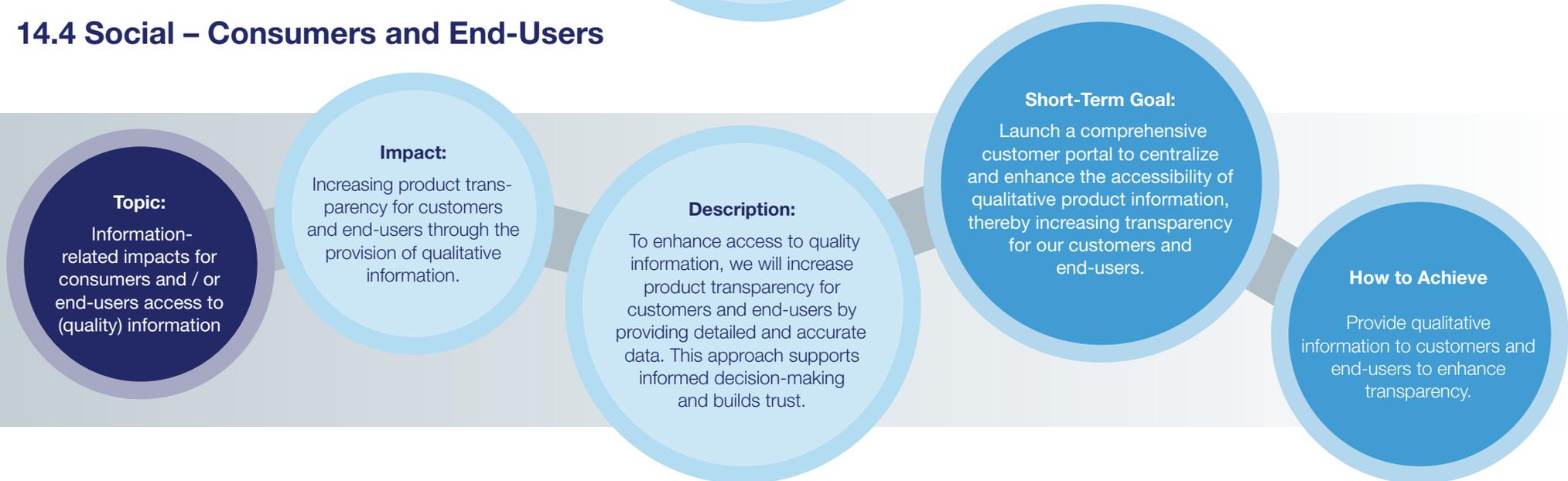




14.3 Social – Own Workforce



14.4 Social – Consumers and End-Users





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Principles of Implementation,

Key Figures, Index



15.1 Contents

This report complies with GRI standards. Reporting has been preceded by a process of identifying the main issues. Compliance with GRI standards is mapped in the GRI content index (see Chapters 15/16).

15.2 Validity Period

The 2024 reporting period is not identical to the 2024 financial year, which runs from February 1 to January 31. The editorial deadline was May 25, 2025. We use an annual reporting cycle.





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GRI Index

16. GRI Index

LEONHARD KURZ has reported the information cited in this GRI content index for the period from 1st February 2024 to 31th January 2025 with reference to the GRI standards.

GRI Index		References and Comments	UNGC Principles – Pages	SDGs
GRI 2				
Organization				
2-01	Organization details		11 – 14	
2-02	Sustainability		14, 16	
2-03	Reporting period, frequency and contact point		68	
2-04	Restatements of information		68	
2-05	External assurance		5	
Activities and workers				
2-06	Activities, value chain and other business relationships		11, 14, 16, 18, 20, 25	
2-07	Employees		11, 14	
2-08	Workers who are not employed			
Governance (Verwaltung)				
2-09	Governance structure and composition	Code of Conduct		
2-10	Nomination and selection of the highest governance body		5	
2-11	Chair of the highest governance body		5	
2-12	Role of the highest governance body in overseeing the management of impacts		56, 59, 61	17
2-13	Delegation of responsibility for managing impacts		56	
2-14	Role of the highest governance body in sustainability reporting		5	
2-15	Conflict of interest		51	
2-16	Communication of critical concerns		53	
2-17	Collective knowledge of the highest governance body			
2-18	Evaluation of the performance of the highest governance body			
2-19	Remuneration policies		27, 29	
2-20	Process to determine remuneration		27, 29	
2-21	Annual total compensation ratio			

GRI Index		References and Comments	UNGC Principles – Pages	SDGs
Strategy, policies and practices				
2-22	Statement on sustainable development strategy		8 – 9	
2-23	Policy commitments		8 – 9	
2-24	Embedding policy commitments			
2-25	Processes to remediate negative impacts			
2-26	Mechanisms for seeking advice and raising concerns			
2-27	Compliance with laws and regulations	In the reporting period, there were no investigations or sanctions against KURZ regarding non-compliance with laws		
2-28	Membership associations			
Stakeholder Engagement				
2-29	Approach to stakeholder engagement		54, 56, 61	17
2-30	Collective bargaining agreements		29	17
GRI 3				
3-01	Process to determine material topics		11 – 13	
3-02	List of material topics		11 – 13	
3-03	Management of material topics			
GRI 200 Economic Topics				
201 Economic Performance 2016				
201-1	Direct economic value generated and distributed			8
201-2	Financial implications and other risks and opportunities due to climate change			13
201-3	Defined benefit plan obligations and other retirement plans		29	
201-4	Financial assistance received from government		54	
202 Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		27 – 28	
202-2	Proportion of senior management hired from the local community	This indicator is not relevant to KURZ management and is therefore not recorded		

GRI Index		References and Comments	UNGC Principles – Pages	SDGs
203 Indirect Economic Impacts 2016				
203-1	Infrastructure investments and services supported		63 – 66	
203-2	Significant indirect economic impacts			
204 Procurement Practices 2016				
204-1	Proportion of spending on local suppliers		54	17, 10
205 Anti-Corruption 2016				
205-1	Operations assessed for risks related to corruption		51 – 54	16
205-2	Communication and training about anti-corruption policies and procedures		52	16
205-3	Confirmed incidents of corruption and actions taken		53	16
206 Anti-Corruption Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		54	16
207 Tax 2019				
207-1	Approach to tax	The tax concept of the KURZ company does not intend to exploit tax havens or preferential regulations. There is no tax avoidance strategy – the primary goal of tax obligations is to minimize tax risks. All disclosure and reporting obligations are observed and complied with.		
207-2	Stakeholder engagement and management of concerns related to tax	The highest control body is the CFO in close consultation with the Management Board. There is already a higher-level risk management system and an internal audit.		
207-3	Tax governance, control, and risk management			
207-4	Country-by-country reporting	KURZ does not have the information on consolidated country-by-country reporting in the form required.		

GRI Index		References and Comments	UNGC Principles – Pages	SDGs
GRI 300 Environmental Topics				
301 Materials 2016				
301-1	Materials used by weight or volume		37	12
301-2	Recycled input materials used		21, 37, 41 – 43	12
301-3	Reclaimed products and their packaging materials		21, 37, 41 – 43	12
302 Energy 2016				
302-1	Energy consumption within the organization		44 – 45	7
302-2	Energy consumption outside of the organization		44 – 45	7
302-3	Energy intensity		44 – 45	7
302-4	Reduction of energy consumption		44 – 45	7, 12
302-5	Reductions in energy requirements of products and services		44 – 45	7
303 Water and Effluents 2018				
303-1	Interactions with water as a shared resource		38	6, 12
303-2	Management of water discharge-related impacts		38	
303-5	Water consumption		38	6, 12
305 Emissions 2016				
305-1	Direct (Scope 1) GHG emissions		45 – 47	13
305-2	Energy indirect (Scope 2) GHG emissions		45 – 47	13
305-3	Other indirect (Scope 3) GHG emissions		45 – 47	13
305-5	Reduction of GHG emissions		41, 46	13
306 Waste 2020				
306-1	Waste generation and significant waste-related impacts		39 – 40	12
306-2	Waste by type and disposal method		39 – 40	12
306-5	Waste directed to disposal		39 – 40	12
308 Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria		18 – 20	12
308-2	Negative environmental impacts in the supply chain and actions taken		54	12

GRI Index		References and Comments	UNGC Principles – Pages	SDGs
GRI 400 Social Topics				
401 Employment 2016				
401-1	New employee hires and employee turnover		28	8
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		27	8
401-3	Parental leave		27	8
403 Occupational Health and Safety 2018				
403-1	Occupational health and safety management system		32	3
403-2	Hazard identification, risk assessment, and incident investigation		32	3
403-3	Occupational health services		32 – 33	3
403-4	Worker participation, consultation, and communication on occupational health and safety		33	3
403-5	Worker training on occupational health and safety		33	3
403-6	Promotion of worker health		31 – 32, 34	3
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		33	3
403-8	Workers covered by an occupational health and safety management system		32 – 33	3
403-9	Work-related injuries		33	3
403-10	Work-related ill health		33	3
404 Training and Education 2016				
404-1	Average hours of training per year per employee		53	4
404-2	Programs for upgrading employee skills and transition assistance programs		30, 52, 56	4
404-3	Percentage of employees receiving regular performance and career development reviews		52	4
405 Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees		28 – 29	5
405-2	Ratio of basic salary and remuneration of women to men		29	5
406 Non-Discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	In the reporting period, there were no cases known	32	5

GRI Index		References and Comments	UNGC Principles – Pages	SDGs
407 Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		28 – 29	8
408 Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor		29	8
409 Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		28	8
410 Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures		51	8
412 Human Rights Assessment 2016				
412-1	Operations that have been subject to human rights reviews or impact assessments		52	8
412-2	Employee training on human rights policies or procedures		52	8
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		29	8
413 Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs		63	9
414 Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria		18 – 20	8
414-2	Negative social impacts in the supply chain and actions taken		18 – 20	8
415 Public Policy 2016				
415-1	Political contributions	Payments to public officials extortion and embezzlement in any form are strictly prohibited and will be punished by KURZ immediately	53	16
416 Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		54	



GRI Index		References and Comments	UNGC Principles – Pages	SDGs
417 Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling			
417-2	Incidents of non-compliance concerning product and service information and labeling		54	
418 Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		56	



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Page 44	9.4 Energy Consumption and Energy Savings – Highly developed systems and controls	stock.adobe.com/Justlight
Page 44	9.4 Energy Consumption and Energy Savings – 100 % green electricity in all German production sites	stock.adobe.com/Lukasz Pajor
Page 46	9.5.1 Greenhouse Gas Emissions – Increase	iStock.com/NicoElNino
Page 46	9.5.1 Greenhouse Gas Emissions – Purchase	iStock.com/Blue Planet Studio

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Register court: Local court Fürth
Registration number: HRB 8969
Managing Director:
Dr. Andreas Hirschfelder

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