Foreword

Dear Readers,

Sustainability forms the basis of KSB’s corporate strategy. It encompasses the responsible use of resources and the environment as well as responsibility for employees and social commitment.

By signing the UN Global Compact in 2010, KSB is committed to aligning its business activities with ten universal principles. The Global Compact principles apply equally to managers and employees throughout the company as well as to all suppliers and business partners.

KSB supports the 17 Sustainable Development Goals of the United Nations. That is why our company derived nine global sustainability goals in 2019 which are based on these Sustainable Development Goals. We want to achieve these individual goals by 2025 at the latest.

Our nine goals address issues in the areas of the environment, employees, social matters and supply chain sustainability. The focus is on climate protection, the promotion of decent work and sustainable economic growth, health and well-being. In addition, KSB is committed to doing even more to promote gender equality. More comprehensive information is also being collected on how suppliers deal with sustainability issues. KSB is dedicated to combating poverty and hunger and to ensuring the availability of clean water and education through social projects. Further developing the knowledge of employees is another binding goal. In this sustainability magazine, we would like to inform you about the individual goals and the progress we have made so far.

At KSB, we will continue to drive the issue of sustainability forward. It is our declared aim to operate sustainably and responsibly. In this way, we not only protect people and the environment, but also create the conditions for lasting business success.

Dr. Stephan Timmermann
KSB PROFILE

The 2021 Financial Year

Order intake

€ 2,412 million

Company profile

KSB is a leading supplier of pumps, valves and related support services. Its reliable, high-efficiency products are used in applications wherever fluids need to be transported or shut off, covering everything from building services, industrial engineering, chemicals and petrochemicals, industry and water transport to waste water treatment, power plant processes and mining. Founded in Frankenthal, Germany, in 1871, the company has a presence on all continents with its own sales and marketing organisations and manufacturing facilities. Under the brand name KSB SupremeServ, around 200 service centres and some 3,500 service specialists around the globe are on hand to provide local inspection, maintenance and repair services. Innovative technology that is the fruit of KSB’s research and development activities forms the basis for the company’s success.

Sales revenue

€ 2,344 million

EBIT

€ 141.2 million

Earnings before finance income / expense and income tax

Employees

15,412

(31 December 2021)
OUR nine GOALS

KSB has set itself nine binding sustainability goals which the company aims to achieve by 2025 at the latest.

- We reduce CO₂ emissions from our production sites by 30%.
- KSB water pumps save 850,000 tonnes of CO₂ every year.
- Women make up at least 20% of management staff.
- We assess the sustainability performance of 90% of our key suppliers.
- KSB rates the eco-balance of more than half the newly developed products.
- We increase the annual number of hours devoted to professional development per employee to 30 hours.
- The employee satisfaction index is 80%.
- We are involved in 25 social projects per year worldwide.
- The number of working days lost due to occupational accidents is reduced to fewer than 0.3 days per employee per year.
SEEING the BIG PICTURE

Sustainable development is only possible if environmental protection, economic success and social equity are in harmony. KSB’s business activities are therefore guided by ecological, economic and social values.
KSB is committed to the responsible use of natural resources. Our goal is to protect the climate and use resources efficiently.
Companies can only shape their future successfully if they grow profitably on a sustainable basis. This is also true for KSB – and has been for more than 150 years.
Companies make an important contribution to a functioning society. KSB is no exception and also shoulders its social responsibility.

By supporting social projects around the world, KSB helps young people, for example, and ensures the supply of drinking water.
KSB strives to reduce the consumption of energy and raw materials as far as possible. Through its products and services, the company contributes to the efficient and responsible operation of its customers’ systems.
EMISSIONS

Reducing energy consumption and using renewable energies play a crucial role in climate protection.

By 2025, KSB aims to reduce CO₂ emissions at its production plants by 30 percent – compared to 2018 levels. One of the ways the company is working to achieve this goal is by using green energy.

Since the beginning of 2022, KSB’s second-largest location in Germany has been exclusively using green energy from renewable sources. “This saves us more than 5,000 tonnes of carbon dioxide annually,” says Pegnitz site manager Harald Hofman. “More and more customers are interested in how we produce our products and the ecological footprint we leave behind.” Other production plants operated by the Group also use green power, for example in Italy and Luxembourg. More are to follow.

Wherever KSB constructs new buildings or modernises existing ones, the company systematically focuses on sustainability. One example is the new IT building which was built at the Group headquarters in Frankenthal in 2022. Around 100 people work in the 3,000 m² building which meets the highest efficiency requirements. Thanks to the installed air heat exchangers and photovoltaic elements on the roof, it is almost completely self-sufficient in terms of energy supply.

In 2021, the share of renewable energies in Group-wide electricity consumption was more than 45 percent. The German parent company, KSB SE & Co. KGaA, even achieved a figure of just under 64 percent. The Group increased this share by 9 percent compared to the previous year.

Harald Hofmann exclusively uses green energy from renewable sources at KSB’s production plant in Pegnitz.
We reduce CO₂ emissions from our production sites by 30%.

PROGRESS AT THE END OF 2021

In 2021, KSB production sites reduced carbon dioxide emissions by around 14 percent (compared with the base year 2018).
For pump system operators, the smooth operation of their system is especially important. With precise analysis, hidden potential for improvement can be identified. Besides reducing energy consumption and lowering climate-damaging carbon dioxide emissions, this also increases the availability and cost-effectiveness of customers' systems. That's exactly what KSB System Efficiency Service is all about – providing a service for optimising systems.

The experts from KSB SupremeServ take on-site measurements and use data loggers to record the process and vibration values in order to determine the operating behaviour of the pumps in the system. Specific recommendations can then be made to the customer based on the collected measurement data. Implementing these recommendations results in more energy-efficient pump operation and increased system profitability. This often involves modifications such as installing new components for controlling and monitoring the equipment.

The use of variable speed pumps in particular offers potential for savings, as they adapt their output – or mode of operation as experts would say – to the actual level of demand. Compared to conventional fixed-speed pump systems, pump sets such as KSB's standardised water pumps can deliver energy savings of around 30 percent.

By 2025, KSB aims to reduce the CO₂ emissions generated through the operation of its water pumps by 850,000 tonnes per year in Europe alone by using variable speed drives. This goal is extremely ambitious because its reference value is the current electricity mix of the European Union. As this is fortunately becoming increasingly green, KSB has only achieved just under 370,000 tonnes. Based on the initial reference value in 2019, it would have even exceeded 730,000 tonnes. Nevertheless, KSB is committed to identifying lots more savings potential in pumps.
Our GOAL by 2025

KSB’s water pumps save an annual
850,000 tonnes of CO₂.

PROGRESS AT THE END OF 2021

KSB water pumps have so far saved
369,416 tonnes of CO₂.

KSB’s water pumps save
an annual
850,000 tonnes of CO₂.
Sustainable products make an important contribution to climate protection. With EtaLine Pro, KSB has provided the market with a future-oriented and energy-saving pump for use in buildings.

By 2025, KSB aims to assess the environmental impact of more than 50 percent of its newly developed products to determine their eco-balance. One example is the new generation of a single-stage water pump by the name of EtaLine Pro. As part of this new development, the company balanced the product’s environmental impact over its entire life cycle – from production through to recycling of the individual components – in accordance with international standards.

The pump is used in applications such as service water systems or heating and air-conditioning systems as well as in industrial recirculation systems and cooling systems. KSB engineers explored new approaches with EtaLine Pro and significantly improved the production and operation phases compared to conventional solutions. This resulted in a reduced scale, integrated and thus resource-optimised pump system. Several digital interfaces and sophisticated pump functions make the pump an intelligent product, with the control modes adding to high energy efficiency. In addition, EtaLine Pro is a CO₂-neutral product, as KSB offsets the unavoidable greenhouse gas emissions in the production process by purchasing certificates.

EtaLine Pro is suitable for applications with a wide range of loads on the pump system. Previously, different types of pumps had to be used. Thanks to intelligent control in combination with a high-efficiency motor, the innovative KSB pump optimally adjusts to the specific system conditions, avoiding unnecessary energy consumption.

KSB focuses on sustainability in every newly developed product. Besides ensuring maximum durability, this also includes modularisation for easy and correctly sorted dismantling and recycling quotas.

Intelligent and sustainable: thanks to cutting-edge technology, the EtaLine Pro water pump developed by KSB is particularly energy-efficient. Delivering the same energy efficiency as the best available predecessor product, it requires less resources*:

- 44 percent less aluminium
- 49 percent less grey cast iron
- 68 percent less magnetic steel sheet
- 73 percent less copper
- 43.5 percent less CO₂ emissions during the manufacturing phase

*Example: EtaLine Pro 40-40-90 vs. Etaline 32-32-160 with PumpDrive 2 and KSB SuPremE motor (IE5) at Q = 19.4 m³/h and H = 27.3 m for “Blue Angel” load profile and 5000 h/a.
KSB rates the eco-balance of more than half of the newly developed products.

**PROGRESS AT THE END OF 2021**

Ecological rating for 24 percent of newly developed products.
We use active supplier management to identify and avoid risks in the supply chain. Compliance with the company’s own Code of Conduct, which corresponds to the human rights standards defined in the UN Global Compact, is an integral part of our business conditions and contracts, forming a fundamental basis for our business relations with external suppliers. Through these high standards, the company strives to minimise the risk of human rights violations in the supply chain.

As a matter of principle, KSB does not work with companies that are known to violate human rights. In 2021, KSB introduced a global online training initiative to raise awareness of human rights issues in the supply chain.

KSB’s Purchasing and Quality Management departments assess human rights risks at suppliers as part of our qualification and assessment process. This allows KSB to specifically assess and raise the awareness of its business partners with regard to the use of child labour and conflict materials.

On this basis, KSB derives appropriate measures for potentially critical suppliers. For example, the company assesses how its business partners handle each issue and initiates measures for continuous improvement.

KSB aims to assess the sustainability performance of at least 90 percent of its global and regional key suppliers by 2025, including their approach to human rights.

Acting responsibly together: KSB is committed to sustainability at all stages of the supply chain. This includes our suppliers worldwide.
We assess the sustainability performance of 90 percent of our key suppliers.

PROGRESS AT THE END OF 2021

KSB has assessed around 56 percent of key global suppliers.
Diversity is invaluable for an international company. Different employees bring different perspectives and international teams help us to understand the world. KSB attaches great importance to diverse teams because they work more creatively, flexibly and multidimensionally than conventionally composed groups. They also make the company an attractive employer.
Diversity and equal opportunities are an important foundation for economic success in a globalised world. For this reason, KSB takes these principles into account when assigning management positions with at least one subordinate employee.

Currently, the proportion of female KSB managers worldwide is 13 percent; women account for 16 percent of the total workforce. To achieve a better balance of men and women in management, KSB has implemented a number of measures. For example, local and global events with female “young potentials” in which members of Management also participated. Such measures ensure that talented women are seen and heard within the company.

Special training and development programmes provide female employees with greater clarity about their career aspirations and prepare them for their future career path. In addition, KSB makes sure that management positions are increasingly filled by women if the applicants are equally qualified. HR and managers reach out to potential female candidates to highlight career prospects and encourage them to take advantage of opportunities.

By 2025, the goal is for the proportion of female managers to rise to at least 20 percent.
Women make up at least 20 percent of our management staff.

PROGRESS AT THE END OF 2021

The proportion of women in management positions at KSB is 13 percent.
KSB continuously trains young people in order to meet the demand for skilled personnel. Junior employees have the opportunity to complete part of their training at subsidiaries abroad. This makes it easier for them to collaborate internationally later on and they also benefit from gaining experience in a different environment.

KSB’s internal training programme for service specialists is based on precisely this principle. The International Service Academy (INSA) aims to develop internal experts into specialists for assignments worldwide. Applicants can choose between two different training programmes. They already have several years of experience working in the service field.

After they have acquired an advanced level of specialist knowledge, the participants apply their expertise around the world. This then benefits our customers, who always receive the best possible quality in the services we provide.

Employees at KSB are expected to invest at least 30 hours per year in training and development. This ambitious goal is to be achieved by 2025. In order to increase the number of training hours, KSB has stepped up its communication within the company to ensure that employees are informed about the training and development opportunities available. This includes, for example, training programmes, courses, workshops and time for self-directed learning as well as knowledge exchange among employees.
Our GOAL by 2025

PROGRESS AT THE END OF 2021

In 2021 our employees completed an average of 15 professional development hours.

We increase the annual number of hours devoted to professional development per employee to 30 hours.
Employee commitment and passion provide the basis for successful companies. As an attractive employer, KSB attaches great importance to increasing the satisfaction of its workforce.

Celebrate together, be successful together! Due to the pandemic, KSB employees celebrated the company's 150th anniversary in 2022 instead of 2021.
The employee satisfaction index is 80 percent.

PROGRESS IN 2022

The 2022 global employee survey showed that satisfaction was 65 percent.
SAFE WORKING

The health and safety of employees is a top priority for KSB. By 2025, the company aims to permanently reduce the number of working days lost due to occupational accidents to fewer than 0.3 days per employee.

KSB has developed its own environmental, health and safety regulations so that they can be implemented at all of its locations worldwide. The company's regulations often exceed the requirements of national and international regulations.

In order to reduce the incidence of occupational accidents, 2020 saw KSB introduce the global "Vision Zero" concept from the International Social Security Association (ISSA) for its production activities. This aims to increase involvement of management staff so as to raise awareness of improved occupational health and safety. Managers learn about suitable measures that they can apply individually to their production facilities.

The local contact persons at all major production sites received training in which they were familiarised with the concept and then implemented it. The occupational health and safety managers regularly review the status of “Vision Zero” with quarterly surveys. Where the values exceed the target of fewer than 0.3 accident-related lost working days per employee, those responsible work together to identify the causes and instigate suitable measures to permanently increase safety.

Raising awareness: Preventive measures aim to reduce the number of occupational accidents – ideally to 0.
Our GOAL by 2025

PROGRESS AT THE END OF 2021

Lost time was 0.28 days per employee per year.

The number of working days lost due to occupational accidents is reduced to fewer than 0.3 days per employee per year.
For KSB, lawful conduct is an important and integral element of corporate responsibility. Integrity and honest conduct is also something customers and business partners expect of the company. Compliance with legal regulations and Group-wide directives is therefore a matter of course for KSB. Our own Code of Conduct and numerous internal rules form the basis of the company’s compliance system.

KSB trains all relevant employees on anti-trust/cartel law and anti-corruption policies. For example, the company uses a global matrix of requirements to ensure that all employees with customer or supplier contacts are familiarised with these topics. Group-wide training is repeated every three years and was performed in 2022. Training needs that arise in the interim are covered on a semi-annual basis. In 2021, 478 employees took part in compliance training.

What is compliance?
Compliance is the sum of all measures taken to ensure that the day-to-day behaviour of a company and its employees conforms to applicable rules and laws and to help prevent misconduct. It also includes honouring contractual agreements and voluntary commitments.
HELPING WORLDWIDE

KSB is committed to social causes. Five examples.

--- Read more ---

**Niger**
KSB’s French subsidiary KSB S.A.S. has been regularly assisting the aid organisation Les Puits du Désert (Wells of the Desert) for ten years. Most recently, six well pumps were delivered to Niger to supply water to villages in the Tidène Valley.

**Pakistan**
Heavy rainfalls caused flooding and landslides. KSB and employees donated money for food, medicine and emergency supplies. The company also helped with water treatment systems and drainage pumps.

**Thailand**
KSB employees from Thailand supported the “House of Little Scientists”, a school project in a rural part of the country. It provides children with the opportunity to try out science experiments in a fun way. KSB is overseeing the project at two schools.

**USA**
Volunteers from KSB subsidiary GIW volunteered at a soup kitchen run by the Golden Harvest Food Bank. Due to the pandemic and rising inflation, the number of people who depend on this support has increased.

**India**
In Kuzhur, KSB made it possible for a fully equipped computer room to be installed in a school to support the education of schoolchildren from largely socially disadvantaged families. The company also provided digital learning platforms.
Our GOAL by 2025

PROGRESS AT THE END OF 2021

We are involved in 25 social projects per year worldwide.

The number of projects is 26.
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