

Combined Separate Non-financial Report

Long-term economic success and corporate social responsibility are inextricably linked. KSB therefore views the sustainability of its actions as a strategic priority. The company understands sustainability as the responsible treatment of resources and the environment as well as the company's responsibility to employees and corporate social commitment. These topics are covered in this combined separate non-financial report pursuant to Sections 289b(3) and 315b(3) HGB [*Handelsgesetzbuch* – German Commercial Code] and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the Establishment of a Framework to Facilitate Sustainable Investment, and Amending Regulation (EU) 2019/2088 (hereinafter referred to as the EU Taxonomy Regulation). The report fulfils the requirements of the CSR Directive Implementation Act [*CSR-Richtlinie-Umsetzungsgesetz*] and combines the statement at company level with the Group statement outside of the management report.

In accordance with its business model, KSB supplies customers worldwide with high-quality pumps and valves as well as related service. The company develops the vast majority of its products itself and manufactures them in factories on four continents. The products are sold via its own sales organisation, supported by dealer networks comprising selected partners. The business model is presented in the Group management report on page 54.

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

EU Taxonomy

TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

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

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

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

Economic activities qualify as environmentally sustainable if they:

1. Make a substantial contribution to the fulfilment of one or more of the six environmental objectives
2. Do not significantly affect the fulfilment of the five other EU environmental objectives (Do No Significant Harm, or DNSH)
3. Comply with the minimum safeguards

The annexes to Delegated Regulation (EU) 2021/2139 have so far only published activities that can be classified as environmentally sustainable for the first two environmental objectives. The assessment of whether an economic activity makes a substantial contribution to one of the environmental objectives and does no significant harm to the five other environmental objectives shall be made on the basis of technical screening criteria.

Business activities are considered taxonomy-eligible if they comply with the activity description set out in Annex I or II to the Delegated Regulation of 4 June 2021.

If the taxonomy-eligible business activities meet the technical screening criteria and the minimum safeguards are complied with, then the activities are considered taxonomy-aligned.

Delegated Regulation (EU) 2021/2178 requires companies to report information on environmental sustainability for three key indicators, as well as publishing additional qualitative information. KSB therefore reports the proportions of sales

revenue, capital expenditure (CapEx) and operating expenses (OpEx) relating to taxonomy-eligible and taxonomy-aligned economic activities.

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

- **Category A:** Capital or operating expenditure related to assets or processes associated with taxonomy-aligned economic activities
- **Category B:** Capital or operating expenditure that is part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned economic activities
- **Category C:** Capital or operating expenditure related to the purchase of output from taxonomy-aligned economic activities

The impact analysis conducted in the 2021 financial year was updated for the reporting year. In order to identify taxonomy-eligible economic activities, all activities listed in Annexes I and II of the Delegated Regulation in relation to (1) Climate Change Mitigation and (2) Climate Change Adaptation were assessed for their relevance to KSB. Experts from specialist departments including Product Development, Sales, Facility Management and IT were consulted for this assessment. Responsibility for the data collection and reporting process lies with the Finance department.

KSB does not engage in any of the economic activities described in the European Commission's Delegated Regulation 2022/1214 and Annex XII. Therefore, the reporting obligations stipulated by Annex XII of the European Commission's Delegated Regulation 2021/2178 do not apply.

KSB's core sales activities comprise the manufacture of pumps and valves, and provision of related support services. According to the European Commission, the regulations currently in force cover the economic activities of around 40 % of listed companies in the EU in sectors that are responsible for almost 80 % of direct greenhouse gas emissions in Europe. Mechanical engineering products and technologies are currently not fully covered. Analyses and evaluations have shown that KSB's sales activities are not covered by the EU taxonomy. Accordingly, KSB will not report any taxonomy-eligible sales revenue for the 2022 financial year. Capital expenditure and operating expenses associated with taxonomy-aligned sales revenue (category A) can therefore also not be reported. Furthermore, there is no CapEx plan to expand a taxonomy-aligned activity or upgrade a taxonomy-eligible activity to become a taxonomy-aligned activity. Thus, no category B capital expenditure or operating expenses are reported.

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

Economic activities according to the EU taxonomy

	Examples of activities at KSB
6. Transport	
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	<ul style="list-style-type: none"> ▪ Purchasing and leasing of passenger cars
6.6 Freight transport services by road	<ul style="list-style-type: none"> ▪ Purchasing of large goods vehicles
7. Construction and real estate	
7.2 Renovation of existing buildings	<ul style="list-style-type: none"> ▪ Renovation of administrative buildings
7.3 Installation, maintenance and repair of energy efficiency equipment	<ul style="list-style-type: none"> ▪ Replacement of existing windows with new energy-efficient windows
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	<ul style="list-style-type: none"> ▪ Purchasing and installation of charging stations for electric vehicles
7.5 Installation, maintenance and repair of instruments and devices for measuring and controlling the energy performance of buildings	<ul style="list-style-type: none"> ▪ Purchasing of monitoring systems for energy consumption
7.6 Installation, maintenance and repair of renewable energy technologies	<ul style="list-style-type: none"> ▪ Purchasing and installation of solar power systems
7.7 Acquisition and ownership of buildings	<ul style="list-style-type: none"> ▪ Purchasing and leasing of non-residential buildings

Allocation According to the Environmental Objectives

KSB focuses on the environmental objective (1) Climate change mitigation. Following detailed analysis, the decision was made to allocate the activities to climate change mitigation, as KSB has a greater influence on the contribution to this environmental objective and the taxonomy does not allow for double counting.

Procedure

The basis for determining taxonomy-eligible and taxonomy-aligned economic activities are the capital expenditure and operating expenses calculated for the fully consolidated companies in the Group, which were assessed and audited in terms of a cost-benefit ratio. The relevant performance indicators were determined using a questionnaire prepared by KSB. As part of the validation of the questionnaires, particular care was taken to ensure that capital expenditure and operating expenses were allocated to one economic activity only, so that double counting could be ruled out.

Taxonomy-eligible capital expenditure in the 2022 financial year amounted to € 38.5 million (31.7 % of total investments). Taxonomy-eligible operating expenses of € 4.0 million (6.2 % of total operating expenses) were incurred in the reporting year.

When surveying the companies, the first step was to check for economic activities that corresponded to the activity descriptions in Annex I or II of the Delegated Regulation. If these were identified, the taxonomy-eligible economic activities were analysed in terms of substantial contribution.

For economic activities 7.4 to 7.6., the criteria for substantial contribution were met. The specific requirements for substantial contribution could only be partially met for the activities in categories 6.5 and 7.3. For example, all passenger cars purchased during the reporting period meet the activity description

of economic activity 6.5, but fulfilment of the essential requirement denoting a substantial contribution – compliance with specific CO₂ emissions – cannot be demonstrated by the supplier.

Further analysis was undertaken to establish whether the taxonomy-eligible economic activities which make a substantial contribution to one environmental objective do significant harm to the five other environmental objectives. The assessment of the DNSH criteria took place at Group level where possible. The analysis of climate risks was carried out with the help of an external risk assessment. This involved identifying which locations could be affected by physical climate risks. Identified threats were examined by the local companies and, if necessary, measures to reduce the risk were defined. Here, the requirements regarding life cycle and scenario analysis of the EU Taxonomy Regulation were not fully covered. In addition, evidence of compliance with the remaining DNSH criteria as well as downstream documentation for compliance with minimum safeguards could not be provided by external suppliers to the required extent. As a result, only taxonomy-eligible capital expenditure and operating expenditure can be reported.

A breakdown of the composition of capital expenditure by asset class is presented in the Consolidated Financial Statements, Section IV. Balance Sheet Disclosures, Sub-sections “1. Intangible assets”, “2. Right-of-use assets” and “3. Property, plant and equipment”.

Minimum Safeguards Procedure

In the final step of the compliance audit, Group-level checks were performed to establish whether the KSB Group complies with the minimum safeguard requirements (due diligence processes) defined in the Regulation. KSB complies with the following and other internationally recognised standards with its values; environmental protection, occupational health & safety and quality guidelines; sustainability policy; Code of Conduct and commitments:

- The Ten Principles of the United Nations Global Compact (UNGC) and its 17 Sustainable Development Goals (SDGs)
- The UN Guiding Principles on Business and Human Rights (UNGPR)
- The United Nations Universal Declaration of Human Rights
- The eight fundamental Conventions of the International Labour Organisation (ILO)
- The OECD Guidelines for Multinational Enterprises

KSB stands up for human rights, equal opportunities and decent working conditions worldwide and documents this in policy statements, guidelines and commitments. For further details, please refer to the Human Rights / Sustainability in the Supply Chain section in this part of the report.

In addition, all information on perceived compliance violations is taken seriously and followed up in accordance with the stipulations of KSB's Code of Conduct. Compliance with applicable cartel / anti-trust law is also part of the core KSB values set out in the KSB Code of Conduct. Further information can be found in the Compliance section of this part of the report.

As an internationally operating Group, KSB also observes all relevant tax law provisions. It does not tolerate improper behaviour by business partners. KSB sets transfer prices using globally recognised principles and compares them with the terms and conditions of external third parties. Employees on international assignments are obliged to comply with the tax laws that apply to them personally in line with the company's Expatriate Assignment Directive.

In the year under review, KSB experienced no proven violations or convictions relating to human rights, compliance (corruption and bribery), cartel / anti-trust law or tax law.

The results demonstrate the effectiveness of the processes and systems established throughout the Group for identifying and mitigating potential risks or breaches of the minimum safeguards.

Performance Indicators

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

The capital expenditure performance indicator is defined as capital expenditure in taxonomy-aligned and -eligible economic activities (numerator) divided by total capital expenditure made in the financial year (denominator). Total capital expenditure includes additions to property, plant and equipment (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16).

The operating expenses performance indicator is defined as operating expenses in taxonomy-aligned and -eligible economic activities (numerator) divided by total operating expenses (denominator). The denominator of operating expenses comprises direct, non-capitalised costs related to research and development, third-party maintenance and short-term lease expenses. Staff costs of KSB employees are of minor importance and therefore have no material impact on the performance indicator, as maintenance work is mainly carried out by external third parties.

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



Proportion of sales revenue from products or services associated with taxonomy-aligned economic activities – Disclosure covering year 2022

Economic activities (1)	Code(s) (2)	Absolute sales revenue (3) € millions	Proportion of sales revenue (4) %	Substantial contribution criteria					
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Bio-diversity and ecosystems (10) %
A. Taxonomy-eligible activities %									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
Sales revenue of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.0	0.0						
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
Sales revenue of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		0.0	0.0						
Total (A.1 + A.2)		0.0	0.0						
B. Taxonomy-non-eligible activities									
Sales revenue of taxonomy-non-eligible activities (B)		2,573.4	100.0						
Total (A + B)		2,573.4	100.0						



**Proportion of CapEx from products or services associated with taxonomy-aligned economic activities –
Disclosure covering year 2022**

Economic activities (1)	Code(s) (2)	Absolute CapEx (3) € millions	Proportion of CapEx (4) %	Substantial contribution criteria						
				Climate change mitigation (5) %	Climate change adap- tation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Bio- diversity and eco- systems (10) %	
A. Taxonomy-eligible activities %										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		–	–							
A.2. Taxonomy-eligible but not environ- mentally sustainable activities (not taxonomy-aligned activities)										
Transport by motorbikes, passenger cars and light commercial vehicles	6,5	5.0	4.1							
Freight transport services by road	6,6	0.1	0.1							
Renovation of existing buildings	7,2	10.9	9.0							
Installation, maintenance and repair of energy efficiency equipment	7,3	1.0	0.8							
Installation, maintenance and repair of charg- ing stations for electric vehicles in buildings (and parking spaces attached to buildings)	7,4	0.0	0.0							
Installation, maintenance and repair of renewable energy technologies	7,6	0.8	0.6							
Acquisition and ownership of buildings	7,7	20.7	17.0							
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities (A.2))		38.5	31.7							
Total (A.1 + A.2)		38.5	31.7							
B. Taxonomy-non-eligible activities										
CapEx of taxonomy-non-eligible activities (B)		83.1	68.3							
Total (A + B)		121.6	100.0							



**Proportion of OpEx from products or services associated with taxonomy-aligned economic activities –
Disclosure covering year 2022**

Economic activities (1)	Code(s) (2)	Absolute OpEx (3) € millions	Proportion of OpEx (4) %	Substantial contribution criteria						
				Climate change mitigation (5) %	Climate change adap- tation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Bio- diversity and eco- systems (10) %	
A. Taxonomy-eligible activities %										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		–	–							
A.2. Taxonomy-eligible but not environ- mentally sustainable activities (not taxonomy-aligned activities)										
Transport by motorbikes, passenger cars and light commercial vehicles	6,5	0.4	0.7							
Renovation of existing buildings	7,2	1.9	3.0							
Installation, maintenance and repair of energy efficiency equipment	7,3	0.9	1.4							
Installation, maintenance and repair of charg- ing stations for electric vehicles in buildings (and parking spaces attached to buildings)	7,4	0.0	0.0							
Installation, maintenance and repair of renewable energy technologies	7,5	0.0	0.0							
Acquisition and ownership of buildings	7,7	0.7	1.1							
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities (A.2))		4.0	6.2							
Total (A.1 + A.2)		4.0	6.2							
B. Taxonomy-non-eligible activities										
Sales revenue of taxonomy-non-eligible activities (B)		61.4	93.8							
Total (A + B)		65.4	100.0							

Sustainability at KSB

KSB has formulated its own corporate sustainability principles via a Group-wide sustainability policy. They are binding for all locations and all companies within the KSB Group. A committee chaired by the CEO regularly reviews progress on sustainability issues and the implementation of Group-wide sustainability goals. A global network founded in 2021 began its work during the reporting year, with representatives from all nine KSB Regions ensuring that sustainability issues are driven forward in their countries. They report on progress, local initiatives and measures, as well as the completion of objectives. Management also receives a compliance report twice a year as well as an annual review of management issues relating to quality, the environment and occupational health and safety.

The Sustainability Committee includes the CEO and management staff from Human Resources, Legal & Compliance, Production, Product Management, Purchasing, Communications and Integrated Management.

KSB operates a global integrated management system in order to fulfil consistently high standards worldwide with regard to quality, risk, environment, occupational health and safety, and sustainability. It is process-oriented and complies with the requirements of the international ISO 9001, ISO 14001, ISO 26000 and ISO 45001 standards as well as the UN Global Compact. The management system governs organisational processes and workflows, responsibilities, procedures and processes at Group level and at our individual locations.

Sustainability Reporting

The management concepts relating to key issues outlined here apply to both the Group and to KSB SE & Co.KGaA; any instances where this is not the case are duly indicated. All information in the non-financial report relates to KSB SE & Co. KGaA and the Group in 2022. References to information not included in the Group management report in this section represent supplementary information and are not part of the separate non-financial report. PricewaterhouseCoopers GmbH performed a limited assurance engagement on the information in this report in accordance with ISAE 3000 (Revised) and issued an independent assurance report, see page 48.

KSB supports the 17 Sustainable Development Goals set out by the United Nations. Ten of these are particularly important for the company:

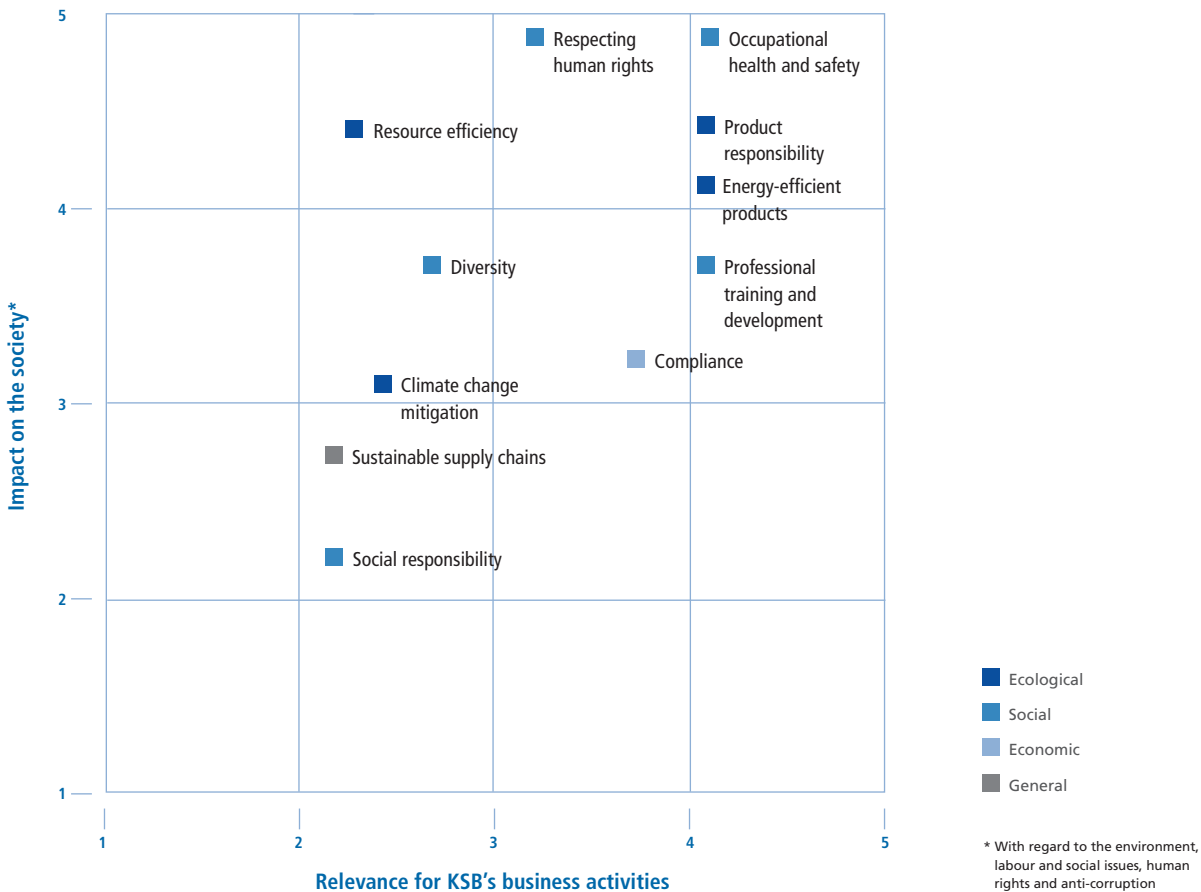


In the areas of human rights, labour standards, the environment, anti-corruption and sustainability in the supply chain, the concepts and activities set out in this report follow the principles of the UN Global Compact, as well as national and international regulations.

The non-financial report covers 29 material Group companies, unless otherwise stated. These were selected on the basis of their impact on aspects such as energy consumption and the number of employees in 2017. The 29 companies employ 89.1 % of the workforce and account for 98.1 % of Group-wide energy consumption. The remaining companies have no significant impact on non-financial issues. KSB has therefore not expanded this report to include these companies as they have no material impact on the issues it covers. The 29 Group companies include all consolidated subsidiaries with production plants and two service companies with energy-intensive workshops.

As part of its corporate responsibility strategy, KSB is also committed to supporting a diverse range of social initiatives. The company chooses to report on these activities on an entirely voluntary basis, as these do not have any significant or material impact on its business success.

Material sustainability issues for KSB



Material Issues

KSB communicates regularly with various stakeholders in order to identify their interests and expectations regarding the company. The core sustainability issues defined on this basis have been reviewed and confirmed by specialist departments and the Sustainability Committee with oversight from Management; see materiality matrix above. The aspects and factors necessary for understanding the development and performance of the business and the position of the company as well as the impact of business activities on the following issues remain the same:

- Environment (resource efficiency, manufacturing of energy-efficient products, climate change mitigation and product safety)
- Combating corruption and bribery (compliance)
- Respecting human rights (sustainable supply chains)
- Employee concerns (professional training and development, diversity, occupational health and safety)

These issues are related principally to manufacturing, products, business partners and employees. KSB's products also make a direct contribution to protecting the environment, for example, by saving energy or via their use in waste water treatment.



Non-financial objectives up to 2025 and performance indicators

Aspects	Objectives up to 2025	Performance indicators
Resource efficiency	More than half of newly developed products are subject to ecological assessment.	Number of development projects
Energy-efficient products	KSB's water pumps save an annual 850,000 tonnes of CO ₂ .	CO ₂ savings for KSB water pumps with variable speed drives
Emissions	KSB production plants reduce their CO ₂ emissions by 30 %. (Reference year: 2018)	CO ₂ emissions at production sites
Education and training	Each employee invests at least 30 hours per year in training and development.	Number of training hours per employee per year
Equal opportunities	Women make up at least 20 % of management staff.	Proportion of women in management positions
Engagement	The employee satisfaction index is 80 %.	Engagement score according to employee survey
Occupational health and safety	The number of working days lost due to occupational accidents is reduced to fewer than 0.3 days per employee per year.	Number of days lost due to accidents (lost time accident rate)
Social commitment	KSB is involved in at least 25 social projects worldwide every year.	Number of CSR projects
Sustainability in the supply chain	The sustainability performance of 90 % of the key regional and global suppliers is assessed.	Proportion of suppliers assessed

* The 17 Sustainable Development Goals of the United Nations take into account the three dimensions of sustainability: social, environmental and economic aspects.

KSB's material sustainability issues relate to the goals addressing poverty (1), hunger (2), health and well-being (3), quality education (4), gender equality (5), clean water and sanitation (6), decent work conditions and economic growth (8), sustainable consumption and production (12) and climate action (13).



















Risks Related to Non-financial Factors

KSB does not see any material risks, as assessed based on the net risk method, associated with its own business and the business relations of the company or its products and services which, in all probability, have or could have a serious negative impact on non-financial aspects such as the environment, anti-corruption, human rights, employee concerns and social issues. The consequences of the COVID-19 pandemic once again led to challenges in 2022, including lockdowns in China, which at times impacted work at KSB locations. All other risks affecting business activities are described in the Group management report from page 71.

Goals for 2025

KSB supports the 17 Sustainable Development Goals set out by the United Nations. In 2019, the company developed nine specific sustainability objectives which are aligned with these Sustainable Development Goals and the material issues they address. The company aims to achieve them by 2025 at the latest.

The nine objectives adopted by Management cover environmental, employee, social and supply chain sustainability topics. They focus on climate change mitigation, the promotion of decent working conditions and sustainable economic growth,

Status as at 31 Dec. 2021	Status as at 31 Dec. 2022	Objective by 2025	SDGs*
24 %	52 %	> 50 %	 
369,416 t CO ₂ ** (CO ₂ equivalent for 2021) –	436,705 t CO ₂ (CO ₂ equivalent for 2022)** 722,613 t CO ₂ (CO ₂ equivalent for 2018)**	850,000 t CO ₂	  
13.6 %	21.4 %	30 %	
15 hours / year	17 hours / year	30 hours / year	 
13 %	15 %	20 %	
Result from 2019: 57 %	Result 2022: 65 %	80 %	
0.28 days	0.32 days	< 0.3 days	
26	36	25	    
56 %	57 %	90 %	 

** The basis for this calculation can be found on page 40 of this report.

and health and well-being. In addition, KSB is committed to doing even more to promote equal opportunities. The company also intends to gather more comprehensive information on how suppliers deal with sustainability issues. KSB is dedicated to combating poverty and hunger as well as ensuring the availability of clean water and education through social projects. Developing the knowledge of employees is another binding goal. More information on the individual objectives and progress towards their completion at the end of the reporting year can be found in the overview above, and in the respective sections of this non-financial report.

Management staff with specialist responsibility for Production, Product Management, Human Resources, Purchasing, Communications and Integrated Management have developed plans for achieving the objectives by 2025. The respective departments report their implemented and planned measures to the Sustainability Committee. With oversight from Management, the Committee is updated twice a year on the status of measures taken and reviews progress towards the completion of each objective.



Energy consumption

	Total	KSB SE & Co. KGaA	Europe**	Asia / Pacific	Americas	Middle East / Africa / Russia
Total energy consumption*	267,265 MWh	88,950 MWh	124,691 MWh	39,898 MWh	90,456 MWh	12,220 MWh
Total electricity	155,691 MWh	34,426 MWh	52,283 MWh	32,772 MWh	60,944 MWh	9,692 MWh
Electricity from renewables	78,476 MWh	27,496 MWh	42,985 MWh	10,428 MWh	22,135 MWh	2,928 MWh
CO ₂ emissions	79,673 t	14,574 t	19,515 t	23,974 t	29,895 t	6,289 t

*Electricity, gas, fuel oil, district heating, wood, etc. Source of emission factors: local energy suppliers or VDA data
 **Including KSB SE & Co. KGaA

Environment

CLIMATE CHANGE MITIGATION AND RESOURCE EFFICIENCY

Objectives:

As a manufacturing company, KSB takes care to use natural resources responsibly. This includes reducing the company's consumption of energy and raw materials as far as possible. As well as mitigating environmental impact, this also increases the profitability of the company. Moreover, it minimises economic and legal risks which could potentially result from environmental damage and failure to comply with laws and regulations.

By 2025, KSB intends to assess the environmental impact of more than 50 % of its development projects in accordance with the international ISO 14040 standard. This concerns new product developments and significant design modifications to existing type series. Detailed information on the life cycle assessments of new products can thus be determined.

A further goal is to reduce Scope 1 and 2 CO₂ emissions (as classified by the Greenhouse Gas Protocol) produced by the main locations – which are chiefly the manufacturing plants – by 30 %, also by 2025 (based on the 2018 figure).

Organisation, processes and measures:

In 2020, KSB developed a life cycle assessment strategy in accordance with the ISO 14040 international standard to assess the environmental impact of new product developments and significant design changes to existing type series via a suitable process. This was applied in 2022 to four newly developed prod-

ucts. Taking into account the projects from the two previous years, the company has thus assessed the environmental impact of more than half of its development projects in accordance with the ISO 14040 international standard.

Resources are finite. That is why KSB focuses on products with maximum durability that can be easily dismantled and broken down into separate material groups after use for comprehensive recycling. The company has adapted the product creation process for new developments. Each development is now analysed to determine the extent to which it is suitable for the circular economy. This process uses the material circularity indicator to map the material flow's capacity for circularity. In the reporting year, KSB calculated this key indicator for five selected type series. The goal is to increase the current index value of the five series by a factor of 20 % by 2024. The analysis also revealed potential for improving this value for each respective product.

KSB follows the internationally recognised ISO 14001 environmental management system to continuously improve its environmental performance. To date, the company has implemented the environmental management system at 38 production and assembly locations (KSB SE & Co. KGaA: 3 locations); this represents 93 % coverage.

To reduce emissions of climate-critical greenhouse gases at its locations, KSB prioritises electricity from renewable sources. For example, six European companies draw their electrical energy exclusively from renewable sources. Since 2022, Germany's second-largest manufacturing plant in Pegnitz has been powered exclusively by green electricity from its provider.

During the reporting year, companies' efforts to save energy were principally driven by economic considerations alongside ecological concerns. In response to the war against Ukraine and associated gas shortage, KSB formed a cross-functional task force in May 2022 involving managers from Facility Management, Purchasing, Production, Human Resources and Communications as well as the Works Council. To save energy, the company launched an Ideas Management campaign for all German employees. This challenged workers to make concrete suggestions for the responsible use of resources such as electricity and heating in everyday work. KSB also trained energy officers at its German locations. They can be contacted by all employees and advise their colleagues on potential improvements during regular walks around the premises.

Following the easing and lifting of pandemic-related mobility restrictions, business travel became increasingly viable. KSB employees choose to use climate-friendly means of transport such as Germany's rail network which uses 100 % green electricity. According to Deutsche Bahn's environmental balance sheet, KSB was able to save more than 90 tonnes of CO₂ in 2022 compared to journeys with conventional vehicles (previous year: almost 26 tonnes of CO₂).

KSB carries out regular energy audits at its major European locations to reduce energy consumption and CO₂ emissions. They take place every four years, with the next audits scheduled for 2023. The reporting year saw the implementation of numerous measures to reduce the company's energy consumption. These included construction projects such as new buildings and refurbishments. At the Group's largest location in Frankenthal, construction of a new heating centre began in 2022. The 15-million-euro investment will increase the share of renewable heat from biomass. In combination with the latest technology, it will deliver energy savings of 3,700,000 kilowatt hours per year, equivalent to 900 tonnes of CO₂.

Other energy-related measures in 2022 chiefly focused on replacing lighting systems with LED equipment and renewing less energy-efficient machinery and systems.

KSB regularly records and evaluates data on energy consumption and CO₂ emissions. In 2022, energy consumption decreased by 10,651 megawatt hours compared with the previous year to

Share of renewable energy in power consumption:



267,265 megawatt hours (KSB SE & Co. KGaA: 88,950 megawatt hours, down 14,518 megawatt hours on 2021).

In terms of Group-wide electricity consumption, the share of renewable energies grew by 4.7 % to 50.4 % (KSB SE & Co. KGaA: +16.3 % to 79.9 %) – another top result within the Group. KSB calculates CO₂ emissions for Scope 1 and Scope 2 in accordance with the Greenhouse Gas Protocol. The Group's emissions in the reporting year amounted to 79,673 tonnes of CO₂ (previous year: 87,582 tonnes of CO₂); for KSB SE & Co. KGaA, the figure was 14,574 tonnes of CO₂ (previous year: 20,644 tonnes of CO₂).

Waste is a by-product of manufacturing. KSB therefore continuously modernises its factories to reduce the amount of hazardous substances used in the manufacturing processes. If environmental pollution is identified at a location, the company sets aside provisions to meet obligations for necessary remediation. Provisions totalling € 1,011,000 were recognised for KSB SE & Co. KGaA in the financial statements.

Results:

- KSB rated the eco-balance of over half of its newly developed products.
- As in previous years, KSB increased the share of renewable energy in its electricity consumption. This increased from 45.7 % to 50.4 % in the Group compared with the previous year.
- KSB has reduced carbon dioxide emissions by more than 20 % compared with 2018.



Products

Objectives:

KSB's products and service offerings contribute to the efficient and responsible operation of customers' systems. The company therefore strives to maximise its range of products offering many years of operation characterised by reliability and low energy consumption.

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.

Organisation, processes and measures:

To assess how much carbon dioxide KSB water pumps save during operation, Product Management in the reporting year determined the number of these pump sets in use based on the production volume since 2007, and calculated their average annual energy consumption. This estimate assumes 7,000 operating hours and a typical load profile for these applications as well as the average CO₂ equivalent for Europe of 333 g/kWh according to the German Association of the Automotive Industry (VDA) for 2022 for the European Union electricity mix. As shown in the Energy Efficiency with Electric Drives study published in 2017 by the German Electrical and Electronic Manufacturers' Association (ZVEI), demand-oriented operation via the use of variable speed drives and high-efficiency motors allows energy savings averaging 30 % compared with conventional fixed-speed pump systems. Savings of at least 30 % can therefore also be assumed for KSB's standardised water pumps. The calculation will be continued.

With many countries seeing increased expansion of renewable energies and a renaissance in nuclear power, the electricity mix has changed considerably. The Sustainability Committee has therefore agreed to consider not only the current average CO₂ equivalent (see above), but also the corresponding value from 2018 when determining CO₂ emissions for the reporting year. The figure for 2018 was 590 g/kWh. This means that KSB water pumps are estimated to have saved more than 436,000 tonnes of CO₂ in 2022 (compared with the 2022 CO₂ equivalent) or more than 720,000 tonnes (compared with the 2018 CO₂ equivalent) thanks to their variable speed drives.

* The use and implementation of the company's internal certifications are outside the scope of the limited assurance engagement performed by PricewaterhouseCoopers GmbH.

The reporting year saw KSB launch a fully integrated in-line water pump for use in building services. It is now available to customers in nine European countries. When developing the new product, the company consistently focused on sustainability – from production to recycling the raw materials required. Thanks to reductions in size and weight compared with the previous type series, the product requires fewer raw materials such as aluminium, copper and steel; the manufacturing process of the pump thus generates 43 % less carbon dioxide (using the example of a pump for Q 100 % = 19.4 m³/h and H 100 %). KSB will offset the unavoidable greenhouse gas emissions generated in production of the first type series by purchasing certificates in accordance with the Verified Carbon Standard. In operation, control modes make for high levels of energy efficiency. A modular design allows for the straightforward, mono-material dismantling and recycling of individual parts at the end of the pump's service life.

KSB attaches great importance to the role of product quality and safety in preventing accidents and environmental pollution. In production, the company complies with recognised standards such as CE and a well-established quality management system in accordance with the international ISO 9001 standard. This allows processes to be designed such that systematic errors during product manufacturing can be avoided. In addition, the company's own Made by KSB* certification available at twelve locations designates a level of quality which exceeds the requirements of the international standard for quality management. The certification stands for quality, short delivery times, professional service and efficient manufacturing processes.

Results:

- KSB water pumps are estimated to have saved more than 436,000 tonnes of CO₂ in 2022 (compared with the 2022 CO₂ equivalent) or more than 720,000 tonnes (compared with the 2018 CO₂ equivalent) thanks to their variable speed drives.
- 122 KSB locations are certified to the ISO 9001:2015 quality management standard to ensure the reliability and safety of the products.

Compliance

Objectives:

For KSB, lawful conduct is an important and indispensable part of corporate social responsibility. Customers and business partners expect the company to act with integrity. That is why com-

pliance with legal regulations and Group-wide directives is part of KSB's core values.

The aim is to train all relevant employees on anti-trust / cartel law and anti-corruption policies. Using a global matrix of requirements, KSB for example ensures that all personnel with customer or supplier contact are familiarised with these topics. This Group-wide training is repeated every three years and took place again in 2022; as a result the number of training courses completed in the reporting year was significantly higher than in the previous year. Training needs which arise in the intervening period, for example due to new hires and transfers, are addressed every six months.

Organisation, processes and measures:

Lawful conduct is an integral element of KSB's corporate social responsibility. A binding compliance management system supports the compliant conduct of employees. It ensures compliance with legal provisions and internal regulations, thereby safeguarding the economic success of the company in the long term. The compliance system is designed to ensure that KSB and its employees always act in line with applicable laws and directives.

Group Management is responsible for organising compliance and is monitored by the Supervisory Board's Audit Committee. A Group Compliance Officer is responsible for compliance management and reports to Group Management on relevant topics every six months. Support is provided by a Group Compliance Committee, consisting of top-level managers from the company.

KSB's Compliance Manual describes structures and processes designed to ensure compliant conduct, and specifies responsibilities and instruments.

A core element of the compliance system is the KSB Code of Conduct, which applies across the entire Group. It was revised in the reporting year to meet the requirements of the Lieferkettensorgfaltspflichtengesetz [German Supply Chain Due Diligence Act] and published at the beginning of the 2023 financial year. The Code of Conduct defines the key legal and business policy principles, providing employees with guidance for their actions. The Code also sets forth the corporate values which govern conduct in day-to-day work: honesty, responsibility, professionalism, trust and appreciation. On this basis, KSB has formulated and communicated specific principles and rules of conduct.

In order to avoid risks resulting from a loss of reputation and legal repercussions, KSB issued two binding corporate directives, one covering compliance with cartel / anti-trust law and one dealing with the prevention of corruption. Both of these directives help to prevent potential violations. Employees receive appropriate training in recognising potential risks and practical guidance to ensure proper conduct.

In the event that employees become aware of violations or are unsure whether their actions are compliant, they refer the matter to the compliance organisation, and specifically to the designated Compliance Officer. If necessary, reports will be treated anonymously. In addition, any circumstances that give rise to legal or anti-trust concerns can be reported directly to an independent ombudsperson, who can process potential cases without naming informants. Plausible evidence indicating infringements is investigated.

KSB does not tolerate any violations of compliance by its employees. If investigations reveal sufficient evidence of a violation, this will have consequences for the individual concerned. Depending on the severity, sanctions range from a disciplinary warning to immediate termination of employment; law enforcement agencies may also be involved.

Results:

- 2022 saw 3,062 employees successfully complete compliance training e-learning modules.
- Reports of suspected compliance violations submitted via the ombudsperson and the compliance organisation triggered a clearly defined three-stage procedure in each case to clarify the facts and initiate the necessary measures.

Human Rights / Sustainability in the Supply Chain

Objectives:

Respecting human rights is a core element of corporate social responsibility as practised by KSB. The company recognises the obligations this entails – internally and along the entire value creation chain. It is KSB's declared goal to prevent all forms of discrimination on the basis of individual characteristics such as age, origin, religion, appearance, gender, sexual orientation, disability or marital status. KSB does not tolerate discrimination, harassment or reprisals of any kind in the work environment.



The company also refuses to accept human rights violations by its suppliers. KSB therefore aims to assess 90 % of its global and regional key suppliers in terms of their sustainability performance by 2025. This will focus on, but not be limited to, their safeguarding of human rights.

Organisation, processes and measures:

By signing the UN Global Compact, KSB has undertaken to protect and respect international human rights. The company also complies with the conventions of the International Labour Organisation (ILO). All KSB companies respect the freedom of association and the right to collective bargaining. The company also observes government sanctions such as embargoes, and communicates internal directives on export control.

In 2020, KSB published a Human Rights Policy Statement. It documents the company's commitment with respect to employees, business partners and the public. The policy statement defines human rights criteria which must be observed in everyday business.

As required by the German Supply Chain Due Diligence Act, KSB has appointed a Human Rights Officer as an internal contact person. In 2022, the Group created an internal, globally valid documented procedure. It describes roles and responsibilities as well as the following processes: Due Diligence Process Supply Chain, Due Diligence Process Own Business Operations and General Risk Management Process. The document also defines the cooperation between Global Procurement and the Human Rights Officer. The first internal audit of Global Procurement regarding implementation of the German Supply Chain Due Diligence Act was undertaken in 2022 by Integrated Management Systems. This internal review shall be carried out annually.

Basic conduct requirements among the workforce and with business partners are governed by the KSB Code of Conduct.

In 2022, Management again signed the UK Modern Slavery Act statement. This includes a commitment to ensure that all business conducted – including the supply chain – is free from all forms of forced labour, slavery or human trafficking.

KSB uses 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.

The reporting year saw a continuation of the online training introduced in 2021 for buyers and employees from other departments to raise awareness of human rights issues in the supply chain. The e-learning is compulsory for all relevant employees, and participants receive a certificate after successfully completing a test.

Purchasing uses questionnaires to assess human rights risks at suppliers. This allows potentially critical business partners to be identified throughout the Group, especially with regard to child labour and the use of conflict materials. By the end of 2022, KSB had assessed almost 70 % of its main suppliers for production materials and 40 % of its main suppliers for indirect purchasing.

KSB derives suitable measures from the self-disclosures requested from its suppliers via questionnaires. These include careful examination of how the issues are handled and monitoring of improvement measures taken.

KSB's employees can contact the compliance organisation or an ombudsperson regarding human rights issues, following the same procedure as for suspected compliance violations (see page 41). The newly appointed Human Rights Officer is available as an additional contact person.

Results:

- An online training course raises participants' awareness of human rights issues in the supply chain. By the end of 2022, 305 employees had completed the course.
- By the end of the reporting year, KSB had assessed the sustainability performance of approx. 57 % of its key global suppliers. This also includes the actions of business partners regarding human rights.

Number of training hours per employee:

17

(KSB SE & Co. KGaA: 13)

Employees

ACHIEVING SUCCESS TOGETHER

Objectives:

Around the globe, more than 15,000 employees aim to offer customers the best experience possible. The company celebrates the diversity of its workforce, because diverse teams contribute the greatest range of different perspectives to the company's success. As a mechanical engineering company with a traditionally low quota of women, KSB is therefore seeking to develop the potential of its female employees in particular. The goal is to increase the proportion of women in management positions to at least 20 % by 2025 (2022: 15 %).

High-performing and motivated staff are the basis for a company's economic success. KSB is therefore striving to increase its engagement score, which measures employee satisfaction, to 80 % by 2025.

Lifelong learning plays a crucial role in identifying the needs of markets and customers. KSB thus implements targeted training and continuous learning measures to steadily develop the skills of its workforce. By 2025, the company aims to increase the number of training hours per employee per year to 30 hours; in the reporting year this figure was 17 hours. The industry average determined by the VDMA [German Mechanical Engineering Industry Association] was 16.8 hours (source: Business Advisory 2021).

Organisation, processes and measures:

Overall responsibility for human resources issues at KSB lies with the head of Human Resources, who reports on topics

including non-financial issues directly to the CEO and coordinates Group-wide HR issues. Individual locations' human resources departments look after their local managers and employees.

When recruiting future employees, the company uses several channels. In addition to traditional job advertisements, contact with potential applicants is also established via online social networks and platforms. Thanks to the relaxation of pandemic-related restrictions, participation in recruitment fairs in 2022 was once again possible. KSB also maintains cooperations with universities and schools to establish contact with potential candidates.

In order to ensure demand for skilled staff is met, the company continuously trains young people. Opportunities for trainees include completing part of their training with one of KSB's international companies. This improves their capacity for international cooperation and offers valuable experience gained in a different environment. At the end of 2022, 256 trainees and students in dual work / degree programmes were preparing for professional life at KSB's German locations. In 2022, KSB spent € 8,207,000 on vocational training programmes (2021: € 7,962,000).

KSB continuously develops the skills and knowledge of its employees to prepare them for specialist and management positions. The company has developed a three-stage approach for this purpose. It distinguishes between Group-wide, departmental and individual professional training measures. Training requirements are agreed between managers and employees at annual performance evaluation interviews. Qualification measures cover engineering, business administration, information technology, social competence, communication and leadership.

In an effort to increase the number of training hours, KSB has intensified communication within the company to inform the staff about relevant opportunities. These include training modules, courses, workshops and time for free self-study and knowledge exchange between staff. An additional e-learning course for managers was launched to raise awareness of the training opportunities. In 2022, employees invested an average of 17 hours (KSB SE & Co. KGaA: 13 hours) into professional development activities (previous year: 15 hours; KSB SE & Co. KGaA: 14.6 hours).



Number of training hours

	Total	KSB SE & Co. KGaA	Europe	Asia / Pacific	Americas	Middle East / Africa / Russia
Hours per employee	17	13	12	18	31	13

The one-year scholarship programme launched in 2021, for which all employees can apply, was also offered in the reporting year. It is specifically designed around the requirements of the digital transformation and provides up-to-date information, relevant background knowledge and explanations on key digitalisation topics.

KSB's internal distance learning programme for interested engineers and technicians, which has been in place for more than ten years, offers participants with relevant experience an opportunity to become experts in the field of pump applications. KSB has been offering the internal professional development opportunity since 2021 as an external distance learning course in cooperation with the technical universities in Berlin and Graz.

A Group-wide HR tool automates and standardises the personnel processes of all KSB Group companies. Managers use the web-based application to support the professional development of their employees. In addition, all users can update information on their knowledge and skills in their personal profile. This increases the visibility of knowledge available in the company.

As the pandemic has subsided, the number of in-person training sessions has increased. Nevertheless, many e-learning and online training opportunities remain available. In the reporting year, almost 15,000 employees from 70 countries had access to the company's web-based learning platform – more than ever before. In addition, the company's Market Areas have introduced their own academies to impart specific expertise via virtual training courses.

Diversity and equal opportunities are an important basis for economic success in a globalised world. KSB's binding human resources principles align with the Conventions of the International Labour Organization (ILO) and apply to all Group companies. The company selects candidates for positions

exclusively on the basis of necessary professional requirements and the individual performance and potential of the applicant. Clear responsibilities were defined to support this process. Management works to ensure that the principles of equal opportunities and diversity are realised in company practice. Human Resources communicates these principles within the Group and adapts them where required. HR also fosters an awareness of this important topic and offers corresponding training and advice.

KSB also focuses on equal opportunities when filling management positions with at least one direct report. In 2022, the proportion of female managers in the Group increased by 2 percentage points year-on-year to 15 % (KSB SE & Co. KGaA: 10 %); women make up 16 % of the total workforce (KSB SE & Co. KGaA: 19 %).

In 2022, committed female employees from various departments and locations launched a global women's network to promote gender diversity at KSB. Its aims include establishing a framework for promoting internal networking among women within the company and creating a space for their professional interaction and further development. About 40 female employees took part in a first meeting at the headquarters in Frankenthal.

Specialised professional development opportunities are available to support female employees in planning their career and prepare them for their professional future. In addition, KSB is increasingly seeking to appoint women to management positions if applicants are equally qualified. Human Resources and managers make concerted efforts to approach potential female candidates, make them aware of their prospects and encourage them to take advantage of opportunities. In 2022, the number of female managers on the level below Management increased from one to three.

In order to achieve a more balanced mix of men and women in management, KSB implemented several measures in the reporting year. Once again, these included local and global events for promising candidates attended by members of Management. This supports KSB's efforts to ensure that talented women and men are seen and heard within the company.

As an attractive employer, KSB strives to provide its employees with mobile working options including working from home. This can help facilitate a balance between family and work commitments. In the reporting year, KSB SE & Co. KGaA and the Group Works Council reached a Group works agreement to set up binding regulations on mobile working even after the COVID-19 pandemic. This will allow up to 40 % of individual working hours to be spent away from company premises. In addition, many employees have access to flexible working time models, allowing them to care for their family members for example.

Employee commitment and satisfaction play a foundational role in the company's success. KSB strives to be an attractive employer and focuses on shaping a motivating working environment in which the workforce can perform at its best. The company regularly evaluates the satisfaction of its workforce by conducting a Group-wide employee survey every three years. The global survey took place once again during the reporting year. The engagement index, which measures an employee's emotional attachment to work and the workplace, was 65 % (2019: 57 %). The participation rate increased by 2 percentage points to 82 % compared with the last survey.

Once again, 2022 saw the worldwide implementation of measures to increase employee satisfaction and engagement. Unlike in previous years during the pandemic, it was increasingly possible to return to an in-person setting. Employees worldwide celebrated KSB's 150th anniversary together with their families and friends. More than 13,000 people took part in the celebrations in Germany alone. Company sports and joint leisure activities also took place again. A further important lever for increasing engagement was found to be the approaches taken by individual managers.

Measures to promote employee engagement were undertaken in all companies in 2022. Managing directors reported directly to KSB Group Management on their implementation and

further measures, for example during personal meetings, joint appointments and in conversation via e-mail and video calls.

Results:

- Even after the pandemic, the number of completed trainings recorded via the company's online learning platform remained at a high level of 29,830 (2021: 31,322). 7,533 (2021: 9,473) employees participated in training courses.

OCCUPATIONAL HEALTH AND SAFETY

Objectives:

Employee health and safety are top priorities for KSB. The company's goal is to protect staff from risks at work and to keep the number of occupational accidents as low as possible. By 2025, KSB aims to permanently reduce the number of working days lost due to occupational accidents to fewer than 0.3 days per employee. In addition, employees have access to a range of health-focused services.

Organisation, processes and measures:

In the reporting year, most Regions experienced less profound effects from the COVID-19 pandemic than in the two previous years. Members of the interdisciplinary COVID-19 task force met regularly in order to respond quickly and flexibly to current requirements at the company's various locations. A range of measures and rules applying equally to employees and external parties were introduced depending on the local situation.

COVID-19 vaccination campaigns took place at the three largest German production locations during the reporting year. Employees gladly accepted the offer to protect themselves and those around them from the coronavirus.

The focus of accident prevention in everyday work at KSB is in the production areas due to their increased risk. Appropriate training, instruction and other preventive measures are implemented regularly. In the reporting year, 38 production and assembly sites (including all factories of KSB SE & Co. KGaA) were certified to the ISO 45001 international occupational health and safety standard. This represents 93 % of the company's locations.

2020 saw KSB begin introducing the global Vision Zero concept developed by the International Social Security Association

(ISSA) in its production departments in order to reduce the number of occupational accidents. This aims to increase involvement of management staff so as to raise awareness of improved occupational safety and health. Managers learn about suitable measures that they can apply individually to their production facilities.

Local contact persons at all major production sites received training on the concept and its implementation. In the reporting year, central Integrated Management assessed the current status of Vision Zero via quarterly surveys. In cases where the target of fewer than 0.3 accident-related days lost per employee was not met, members of staff responsible collaborated to identify causes and initiate suitable measures to achieve a long-term increase in safety. This was the case at locations of nine KSB companies in the reporting year.

Occupational stress is an ever-increasing health hazard. KSB utilises an analysis form to minimise psychological strains and to ensure a well-balanced workload. Managers in Germany can use the form to record instances of psychological stress in the workplace and assess possible hazards.

KSB maintains an active occupational health management system with a holistic approach. As well as fulfilling the company's legal occupational health and safety obligations, this framework enables KSB to provide voluntary health-focused services. They include ongoing health initiatives such as flu vaccinations, support for giving up smoking and preventive health care courses.

As part of heart health week, events were held on the topics of nutrition and fitness at the three largest German locations. During the campaign week, 154 employees took advantage of the offer for ultrasound measurement of the carotid artery, a preventive measure against cardiovascular diseases. As part of another month-long campaign, various preventive activities for maintaining mental and physical health were targeted specifically at men, who use prevention services significantly less than women.

89

In 2022, KSB contributed to 89 social projects and charitable initiatives worldwide.

Results:

- In Germany, the company medical service organised 868 vaccinations against COVID-19. 620 flu vaccinations were also administered.
- The number of accident-related days lost per employee and year in 2022 was slightly higher than in the previous year at 0.32 (lost time accident rate).

Society

Objectives:

KSB seeks to make an active contribution to society through its commitment to social initiatives. This includes financial contributions to organisations engaged in social projects. With its charitable commitments, KSB seeks to contribute to the development of the common good. By 2025, the company intends to support at least 25 social projects every year. KSB defines a project as an undertaking fulfilling at least three of five criteria. These are:

- Humanitarian aid benefiting third parties
- Support for education (child, youth and adult education)
- Project-related support of more than € 5,000
- Personal engagement of KSB employees
- Long-term or permanent aid (e.g. in the field of ecology)

Social activities that meet fewer than three of the above criteria are classified by the company as social initiatives.

Organisation, processes and measures:

KSB's binding Donation Directive sets out for which purposes and under which conditions the company may make financial or material commitments. In this context, the focus is on supporting organisations, projects and measures dedicated to the education, social support and protection of children and young people. The company is also committed to helping the disadvantaged. In the event of disasters it provides assistance to both people and organisations.

As a globally active company, KSB is committed to the peaceful coexistence of different cultures, religions and generations. The company therefore chose to support a social organisation based near the headquarters in Frankenthal with a donation of € 15,000 on the occasion of its 150th anniversary. The facility functions as a social hub as well as offering language courses and childcare. Other donations were made to families in need and to organisations working with children and young people.

In Pakistan, where KSB has been active since 1953, more than 30 million people were affected by floods in 2022. To provide disaster relief, Pakistani employees and the company donated around € 40,000 alongside water treatment plants and drainage pumps.

KSB's Indian companies have traditionally been strongly committed to charitable organisations and institutions in the vicinity of their locations. The projects primarily focus on improving the lives of children and women in schools and social institutions, for example through grants for infrastructure and the purchase of study materials. KSB offers particular support for people with disabilities, those in need and the elderly. KSB also donated regularly to projects and measures around the world to provide people with clean drinking water, for example in Rwanda and Congo.

The company's social engagement sees KSB making a contribution towards achieving the United Nations' 17 Sustainable Development Goals. The focuses of the supported projects and measures were, in descending order, the goals of quality education (goal 4), good health and well-being (goal 3), and industry, innovation and infrastructure (goal 9).

Founded in 1942, the Geheimrat Dr. Jacob Klein-Unterstützungseinrichtung e.V. benevolent fund originally functioned to finance the KSB pension scheme. Since 1999, the charitable organisation has continued to support current and former employees of KSB SE & Co KGaA (including employees of the German Group companies) and their immediate families in cases of urgent financial need, for example, by providing grants for health care treatment and medical aids.

Results:

- In 2022, KSB participated in 36 social projects and 53 charitable initiatives worldwide.

More information on social commitment is available at www.ksb.com/csr-en.

Limited Assurance Report on the Combined Non-financial Report

To KSB SE & Co. KGaA, Frankenthal

Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting¹

We have performed a limited assurance engagement on the combined separate non-financial report of KSB SE & Co. KGaA, Frankenthal, (hereinafter the "Company") for the period from 1 January to 31 December 2022 (hereinafter the "Combined Separate Non-financial Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report.

RESPONSIBILITY OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the Combined Separate Non-financial Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18. June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section EU-Taxonomy of the Combined Separate Non-financial Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Combined Separate Non-financial Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications

¹ PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the combined separate non-financial report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section EU-Taxonomy of the Combined Separate Non-financial Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

INDEPENDENCE AND QUALITY CONTROL OF THE AUDIT FIRM

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors (“Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer“: “BS WP/vBP”) as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE ASSURANCE PRACTITIONER

Our responsibility is to express a conclusion with limited assurance on the Combined Separate Non-financial Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company’s Combined Separate Non-financial Report, other than the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report, are not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section EU-Taxonomy of the Combined Separate Non-financial Report.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Combined Separate Non-financial Report about the preparation process, about the internal control system relating to this process and about disclosures in the Combined Separate Non-financial Report
- Identification of likely risks of material misstatement in the Combined Separate Non-financial Report
- Analytical procedures on selected disclosures in the Combined Separate Non-financial Report
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- Evaluation of the presentation of the Combined Separate Non-financial Report
- Evaluation of the process to identify taxonomy-aligned economic activities and the corresponding disclosures in the Combined Separate Non-financial Report
- Evaluation of CO₂ compensation certificates exclusively with regard to their existence, but not with regard to their impact
- Inquiries on the relevance of climate-risks

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

ASSURANCE OPINION

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Combined Separate Non-financial Report of the Company for the period from 1 January to 31 December 2022 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section EU-Taxonomy of the Combined Separate Non-financial Report.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Frankfurt am Main, 14 March 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke
Wirtschaftsprüferin
[German public auditor]

ppa. Meike Beenken