



KLÜBER
LUBRICATION

your global specialist

Driving sustainable solutions

Sustainability and Responsibility Report 2024/2025

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The information presented herein shall not be interpreted for the purpose of determining legal compliance or establishing any warranty, and is exclusively reflective of the practices of Klüber Lubrication.

A message from the Managing Board

Dear reader,

We are delighted to present the Klüber Lubrication Sustainability Report 2024/2025, highlighting our strides towards a more sustainable future. Last year has been marked by remarkable achievements and our unwavering commitment to our sustainability goals.

One of our greatest accomplishments is the substantial progress we have made with our Klüber Energy Efficiency solutions, helping our customers to reduce energy consumption and CO₂ emissions by optimised application of specialty lubricants in energy-intensive applications. Through Klüber Energy Efficiency solutions, our customers could achieve a 44% increase in energy efficiency compared to 2023, saving 641,000 MWh and reducing CO₂eq emissions by 143,000 tonnes. These efforts not only contribute to sustainability but also enhance the competitiveness of our customers by increasing machine reliability. To support this, we have strengthened our expert teams and strive for further innovations to make our specialty lubricants more energy efficient. Recently, we launched next-level synthetic gear lubricants with improved energy efficiency for both general industry applications as well as the food and pharma sectors.

Our commitment to green energy has also seen significant advancements. We are proud to confirm that as of 2025, Klüber Lubrication operates on 100% green electricity in Europe, North America, and China, bringing our global green electricity share to over 85%. This achievement, along with

other systematic efforts, has led to an 82% reduction in CO₂ emissions at our sites globally compared to 2019, averaging a 16.3% reduction per year.

In response to our customers' demands for reduced Scope 3 emissions, we have achieved a 12.6% reduction per tonne of product since 2019. We are continuously working to increase the share of renewable materials and packaging, offering optimised products to our customers. Our automated Product Carbon Footprint (PCF) tool enables us to provide customers with options to reduce the CO₂ footprint of their products.

Our efforts in sustainability have not gone unnoticed. We have received awards from our customers ERG in Italy and Modec in Brazil, and our colleagues in China have been recognised with the global International SOS Foundation Duty of Care ESG award. Additionally, for the fourth consecutive year, our global team has been awarded with Eco-vadis Gold, placing us in the top 2% of more than 150,000 companies. Ecovadis also rates our carbon management level as "advanced".

While we celebrate these achievements, we acknowledge that there is still much to be done in all ESG matters. We have set ourselves ambitious targets and defined focus areas to continue improving our performance. We are committed to acting on climate and environmental issues, as well as other ESG topics, to create a better future for all of us.



We are grateful for your continued interest in finding more sustainable partners and solutions. Together, we can achieve better lubrication, which translates into better sustainability, cost savings, and enhanced equipment reliability. Let us move forward together, beyond lubrication, towards a more sustainable world.

A handwritten signature in black ink, appearing to read 'W. Sammer'.

Dr. Wolfgang Sammer
Speaker of the Managing Board,
Executive Vice President Sales/Marketing

A handwritten signature in black ink, appearing to read 'Markus Murmann'.

Markus Murmann
Executive Vice President
Finance/Administration

A handwritten signature in black ink, appearing to read 'Dr. Martin Schmidt-Amelunxen'.

Dr. Martin Schmidt-Amelunxen
Executive Vice President Technology/R&D

12 key achievements of KL 2024/2025 we are proud of

EcoVadis Gold rating – fourth time in a row



Klüber Lubrication among the top 2% of 150,000 companies with 81 points 2025

High EcoVadis carbon management rating



“Advanced” level carbon management

Winner of the ESG Transparency Award again



“Excellence” rating for our “Sustainability and Responsibility Report 2023/2024” by EUPD Research the second time after 2022

International and customer awards



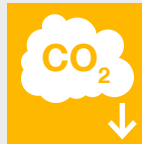
Global Duty of Care Award (in ESG¹) in China; Modec in Brasil (in ESG), ERG in Italy (in PCF²)

100% green electricity in Europe, North America, China as of 2025



Global green electricity share 85%, well on track for 100% by 2030

Ahead of schedule: absolute reduction of CO₂eq emissions Scope 1 and 2 by 81.6% compared to 2019



Our target for 2025 (-75%) achieved since 2022. Target 2030: -90%

CO₂eq emissions in value chain (Scope 1–3) reduced



Emissions per tonne of product reduced by 16.9% since 2019

Refining our automated Product Carbon Footprint (PCF) tool



CO₂-related effects of various lubrication formulations easily comparable

Energy and CO₂ savings at customers with Klüber Energy Efficiency



Savings of 641,000 MWh (+44% vs 2023), amounting to 143,000 tonnes of CO₂eq

Above target again: 41% of our sales attained with more sustainable ‘outperformer’ products



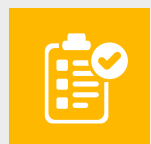
The target of 35% was raised to 40% in 2023

Diversity: share of women in leadership positions at 26.1%



25% for 2025 consistently exceeded since 2021

Compliance: 100% global implementation of whistleblower protection act



Introduction of a global electronic tool for whistleblowing

¹ ESG: Environment, Social and Governance; ² PCF: Product Carbon Footprint

Klüber Lubrication at a glance

General performance indicators and sustainability indicators

General performance indicators	2022	2023	2024	Trend
Sales (€ million)	983	949	991	↗
Employees	2,524	2,530*	2,535	↗
Temporary workers	91	68*	79	↗

Sustainability indicators	2022	2023	2024	Trend
Klüber Energy Efficiency savings with customers in MWh	438,000	445,000	641,000	↗

Absolute CO ₂ eq emissions in tonnes				
Scope 1	7,430	6,914	6,769	↘
Scope 1: direct energy	5,493	5,272	5,299	↗
Scope 1: solvents	1,937	1,642	1,470	↘
Scope 2: indirect energy	4,287	3,499	2,235	↘
Total Scope 1 and Scope 2	11,717	10,413	9,003	↘
Scope 3	698,299	593,962	614,868	↗
Thereof upstream	443,354	362,527	376,107	↗
Thereof downstream	254,945	231,435	238,761	↗
Total Scope 1–3	710,017	604,375	623,871	↗

Specific CO ₂ emissions: tonnes of CO ₂ eq Scope 1–3 per tonne of product	9.0	8.6	8.3	↘
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Total Renewable (Green) Electricity (%)**	76	75	85	↗
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Total waste generated per tonne of product [kg/t]	66.8	69.5	60.7	↘
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Total water consumption per tonne of product [m ³ /t]	0.76	0.85	0.84	↘
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Lost Day Incidents Frequency Rate1 (LDIFR1)***	2.5	0.41	2.6	↗
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Training days per Klüber Lubrication employee	5.43	4.92	4.81	↘
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Further detailed key figures can be found in the report.

* These numbers have been corrected. ** Of indirect energy and self generated electricity

*** Lost Day Incidents with 1 day or more of inability to work per 1 million work hours

Klüber Lubrication is one of the leading manufacturers of specialty lubricants, offering high-end tribological solutions to virtually all industries and markets worldwide. Most products are developed and made to specific customer requirements. During its over 90 years of existence, Klüber Lubrication has provided high-quality lubricants, thorough consultation and extensive services, which has earned it an excellent reputation in the market. The company holds all common industrial certifications and operates a testing section hardly rivalled in the lubricants industry.

Klüber Lubrication, originally set up as a retail company for mineral oil products in Munich in 1929, is today part of Freudenberg Chemical Specialities GmbH, a Business Unit of the Freudenberg Group, Weinheim. Klüber Lubrication has about 2,500 employees in more than 30 countries.

Magazine

Our sustainability strategy aims for rapid success in achieving both sustainability and our customers' business goals

Klüber Energy Efficiency for rapid cost and sustainability gains for our customers

Digital solutions boost sustainability for users

Always in focus – our handprint solutions for our customers

Send packaging on a sustainability journey

EcoVadis Gold four times in a row – recognition and motivation for us

Sustainability achievements – Klüber Lubrication honoured with multiple awards



Our sustainability strategy aims for rapid success in achieving both sustainability and our customers' business goals

Our objective of achieving calculative climate neutrality¹ demonstrates that corporate success and responsible action can go hand in hand: Klüber Lubrication's climate protection strategy aims to strongly reduce CO₂eq emissions and offer specialty lubricants that help our customers achieve their sustainability goals and save costs. To find even more solutions for complex challenges, we are pursuing a multi-dimensional plan, which Dr. Martin Schmidt-Amelunxen, Executive Vice President Technology/R&D and Sustainability Manager Markus Hermann explain using the latest facts for 2024.

Dr. Schmidt-Amelunxen, can you briefly summarise the Klüber Sustainability and Climate Neutrality Strategy 2024-2045?

Dr. Schmidt-Amelunxen: Of course! Klüber Lubrication wants to achieve calculative climate neutrality¹ by 2045 according to Scope 1, 2 and 3. This means that we will bring our CO₂eq emissions footprint as close to zero as possible and find solutions for the remainder – at our sites (Scope 1 and 2) and in our up- and downstream value chain (Scope 3).

As a part of our business model, Klüber plays an important role in reducing CO₂ emissions of our customers because we can really make a difference with our products. Their main purpose is to minimise friction, which in turn, saves energy, reduces CO₂ emissions, and saves money for our customers. That is our handprint, which is far bigger than our footprint – and we are working on increasing it for our customers.

Mr. Hermann, did Klüber progress in the implementation of this strategy in 2024?

Markus Hermann: For sure! And this year, I will be talking first about our big progress concerning our handprint, so in the way we help our customers optimising the footprint of their productions and products. With Klüber Energy Efficiency solutions, we have made a big jump of +45%, saving 641,000 MWh of energy at our customers, translating to 143,000 tonnes of CO₂eq saved. Our customers have also saved money and reduced their operational risks.

Are Klüber Energy Efficiency solutions a fusion of environmental and economic benefits?

Markus Hermann: Absolutely. On average, we realise energy savings of 4% in our measured projects by switching to Klüber lubricants. The lifetime of our lubricant is a lot longer, leading to less maintenance, waste, risk and increasing machine up-time. We have also strengthened our team to support our customers even faster, worldwide. And now we have developed a new generation of Klüber Energy Efficiency lubricants, bringing these benefits to the next level.

How are such products developed? And how is Klüber assuring performance and sustainability?

Dr. Schmidt-Amelunxen: Our R&D and Product Portfolio Management teams prioritise both performance and sustainability. In the development phase we start to optimise for example the coefficient of friction by testing the materials relevant for an application. While model tests deviate from



Dr. Schmidt-Amelunxen, Executive Vice President Technology/R&D, Klüber Lubrication

the real field application, we need to monitor the results by more sophisticated tests ideally together with our customers. This success can then be multiplied on the market. With our Sustainability Product Portfolio Management, we assess each product throughout its life-cycle and classify it accordingly. We aim to achieve 40% of our turnover with more sustainable outperformer products by 2030, a target we have achieved for the second time in a row.

¹ By "(calculative) climate neutrality"/"climate neutrality" or "(calculative) climate neutrality 2045" -or similar – in this report, we mean that Klüber Lubrication aims to first minimise considerably its Scope 1, 2 and 3 CO₂eq emissions in accordance with the Greenhouse Gas Protocol and then to find carbon gap closure solutions for its remaining annual emissions from 2045 at the latest. We have substantiated our plan with a corresponding strategy and interim targets. For the sake of readability and comprehensibility for our stakeholder groups, especially for our employees, we have so far decided against using other terms or paraphrases for "climate neutrality", such as "carbon net zero" or "carbon neutrality". For more details on scope, data, etc., please also refer to the "About this report" chapter.

And what about the CO₂ footprint reduction of these products?

Markus Hermann: Since 2023, we have been operating an automated Product Carbon Footprint (PCF) tool that follows the Life Cycle Assessment (LCA) approach to calculate the PCF of every product. This helps us in the CO₂ footprint design and optimisation of our products.

Can Klüber also help customers to reduce the footprint of their product portfolio?

Dr. Schmidt-Amelunxen: Yes we can! For years now, we have been refining our raw material matrix, which gives us an overview, where we already have scope 3 footprint-optimised raw material solutions which we can use for CO₂ optimised products and also shows us the technology gaps. Combined with our PCF tool, we can show our customers the CO₂ reduction potential of their product portfolio. Then we "just" need to have the will to test and switch to optimised products. A hurdle that still exists is the pricing of such footprint-improved raw materials. So the task remains to demonstrate also a saving potential by the performance of our products.



Markus Hermann, Sustainability Manager, Klüber Lubrication

Is Klüber also doing its homework on CO₂ and greenhouse gas reduction?

Markus Hermann: These are the key targets of the footprint part of our Calculative Climate Neutrality Strategy. At our production and sales sites, we have been reducing our Scope 1 and 2 CO₂eq emissions by 81,6% since 2019, to 9,003 tonnes, stepping for the first time beyond the 80% reduction threshold in 2024! Since 2022 we have been better than our –75% goal 2025, heading now for the –90% until 2030.

How has Klüber achieved this 82% CO₂eq reduction so fast?

Dr. Schmidt-Amelunxen: We have highly motivated people all over the planet! They have implemented our four-step plan each year by focusing on the large potentials that can be realised quickly: Switching to green electricity – whether purchased or self-produced. Optimising and reducing solvents and their use, which was a significant chunk. Searching for new technologies that enable the electrification of fossil processes, for example. And – the hardest work of all – continuously increasing energy efficiency. In 2024 our global HSE team coordinated the identification and evaluation of over 80 new energy efficiency projects worldwide, supporting our 90% CO₂eq reduction goal for Scope 1 and 2 by 2030.

Is this as far as the CO₂ neutrality strategy can go?

Dr. Schmidt-Amelunxen: No. A credible strategy must consider Scope 3 sources under the Greenhouse Gas Protocol, too. Here, the entire product life cycle needs to be examined, from the extraction of raw materials to their processing, transportation and ultimately their disposal, or preferably recycling. Other service-related activities such as business travel, employee transportation, and service operations, must also be evaluated and reduced. Here many of us have direct leverage, e.g. by reducing or optimising business trips or also particularly avoiding air freight!

With around 615,000 tonnes of CO₂eq, Scope 3 emissions make up a large fraction. It was therefore an important milestone of our sustainability commitment that, in the Sustainability Board in December 2021, we pledged to pursue climate neutrality by 2045 for Scope 3 emissions as well. That marked our shift from fossil-based to non-fossil energy sources and materials. In December 2022, we defined our 2045 sustainability strategy with interim targets for 2023, 2025, and 2030 and detailed these by May 2023.

Could this long-term strategy also achieve short-term success?

Markus Hermann: Yes. We are very pleased that we were able to steadily reduce our Scope 3 emissions per tonne of product, now over 12% from 2019 to 2024. This means we have also achieved our 2025 target of –10% for the second time.

Do you also strive for good ratings and external recognition to give your customers and other stakeholders assurance?

Dr. Schmidt-Amelunxen: Right! External ratings and recognition of our achievements are a source of pride for our people globally. They also confirm our leading position in sustainability to our customers. In addition to our fourth gold medal from EcoVadis with the best result ever, Klüber also received multiple awards both from external associations and customers, like the European Responsible Care Award 2023, the ESG Transparency Award 2023 and 2024 for this report, the Chinese More Than A Market 2023 ESG Award, and Duty of Care ESG Award 2024. Our customers ERG (Italy) and MODEC (Brazil) also honoured us for our Product Carbon Footprint and ESG activities.

And what about the many other ratings and labels, like CDP or SBTi (Science Based Targets Initiative), customer- or country-specific or regional ones which some customers ask us to adhere to on a “voluntary” basis, like the Indian BRSR?

Markus Hermann: Klüber is serving almost all industry sectors in almost all countries of this world. We have selected the most representative certifications and ratings to give our customers assurance, like ISOs, Ecovadis, nqc, Sedex. We could add certification upon certification – but does this really add significant value? At some point we need to concentrate our resources on achieving fast & big improvements for our planet and our customers! Like our CO₂eq emission reduction far beyond SBTi at our sites by 81,6% or 16,3% per year, or our emission intensity improvement per tonne of product, Scope 1–3, by 16,9% or 3,4% per year, all compared to 2019. Or the Klüber Energy Efficiency savings for our customers of 641,000 MWh in 2024. This is the result of hard, focused work – at Klüber, with our customers and suppliers. Luckily this approach is widely recognised, definitely once we talk to our customers.

You often underline the need to have the active support of suppliers to be successful with our Sustainability Strategy. What do you mean by that?

Dr. Schmidt-Amelunxen: We expect our suppliers to play an active part in achieving the UN's sustainability goals, by reducing their emissions and providing relevant data – for example on the CO₂eq footprint of their products. It's also important that they develop innovative products both for us and with us to make lubricants more sustainable and expand their positive effects for our customers. Actually these are the same expectations our customers have of us.

What positive effects do innovative products have for the customer?

Dr. Schmidt-Amelunxen: Specialty lubricants are the greener alternative for our customers, reducing friction and wear, extending service life, and increasing energy efficiency. Our digital solutions and services, like the EfficiencyManager or LUCA (Lubricant Condition Analysis), also play a role here. All this helps to conserve valuable resources and reduce waste and CO₂ emissions – by a factor several times that of our own emissions and the footprint of our products. Our business model is therefore part of the solution on the way to global climate neutrality.

And not to forget: another part of sustainability is to avoid or reduce the use of hazardous materials in our products. Also in this area we are constantly optimising our products and we invest a lot of R&D time to follow this mission. And we are tracking our success with our Sustainability Product Portfolio Management.

What is your conclusion 2024/ 2025 for Klüber Lubrication's contribution to sustainability?

Markus Hermann: Ultimately, we need collective effort and ambitious targets for a significant reduction in CO₂eq emissions and to increase the overall sustainability of products. That's why we encourage all of our suppliers, partners and customers to work together on the path to greater sustainability. For our contribution to sustainability – and to the success of our customers – we can say: Our footprint is good, our handprint is much better, especially thanks to Klüber Energy Efficiency.



Klüber Energy Efficiency for rapid cost and sustainability gains for our customers

High energy costs are a challenge that many companies have been facing in recent years. Many of them are looking for efficiency improvements for economic reasons, but also to support their CO₂ reduction and sustainability targets. With its "Energy Efficiency" programme, Klüber Lubrication has developed a solution that has proven itself in hundreds of projects in many industries worldwide since 2007. We are not only able to carry out such projects worldwide, but we can also predict expected savings of around 4% on average in many applications.




With our Klüber Energy Efficiency solution, we help customers significantly boost the efficiency of existing machines, thereby saving energy, reducing CO₂ emissions and related costs. For example, we have been able to show in several customer projects that the energy output of a wind turbine can increase by more than 2% if Klüber Lubrication's lubricants are used in gearboxes. Maintenance intervals become longer, and friction and noise are reduced. In addition, less lubricant is needed, which means operating costs are reduced and the efficiency of materials and resources is increased.

To leverage the full potential of a system, Klüber Energy Efficiency analyses and logs the starting situation so that an accurate comparison can be made later on. Based on this analysis, our experts select a suitable specialty lubricant from the product assortment. If necessary, an optimised lubricant is developed by Klüber Lubrication's R&D department.

Investment payback usually in less than one year

Usually, however, suitable products for specialised use are already available. Use of these lubricants significantly extends replacement intervals, which in turn considerably

reduces annual waste disposal volumes. To clearly demonstrate the savings to our customers, we provide evidence which has been accurately measured and is in line with international standards. This means our customers have a solid basis for investment decisions and can introduce the improvement measure as part of their ISO 50001 certification.

Klüber Energy Efficiency	
 Sustainability values	<ul style="list-style-type: none">– Less energy consumption– Less CO₂ emissions– Less waste– Less oil disposal due to longer interval
 Energy and cost savings	<ul style="list-style-type: none">– Measurement acc. to international standards– Certified methodology– Measurements under real-life conditions– Transparent report of results– Investment payback time usually lower less 1 year
 High-performance lubricants	<ul style="list-style-type: none">– Longer lifetime of oil and application– Improved machine reliability– Applying best fitting lubricants– Higher overall equipment efficiency (OEE)– Less total cost of ownership (TCO)

* Average savings based measured projects since 2007.



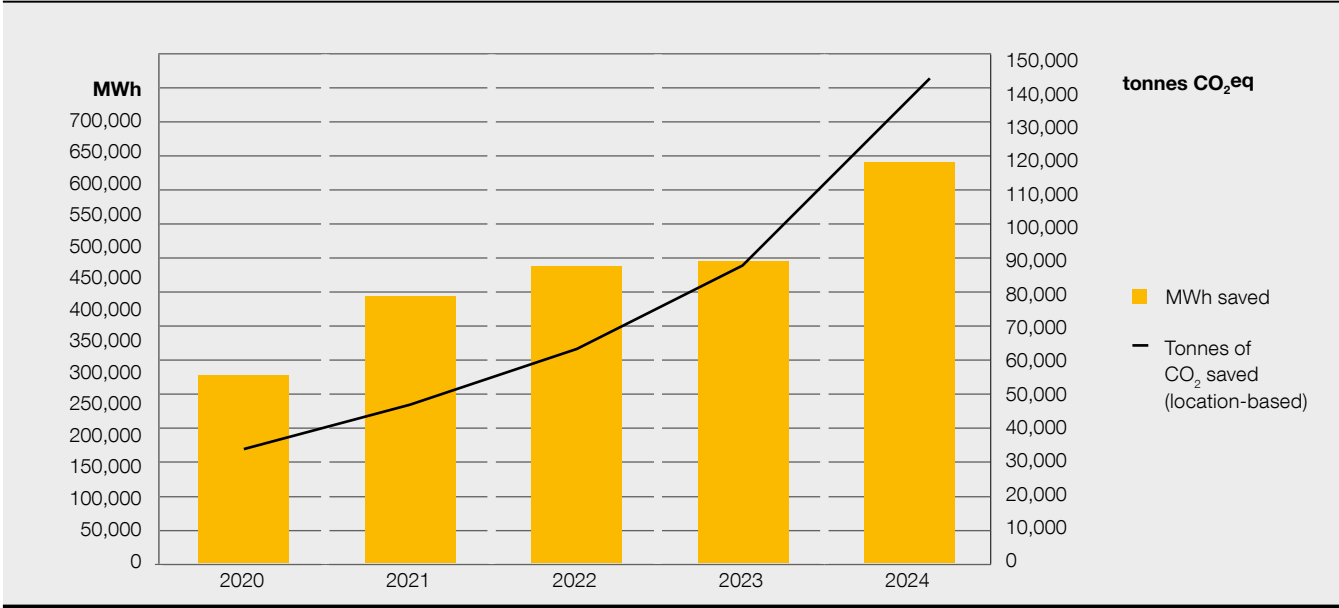
In 2024, we were pleased to increase the number of products that we classify as contributors to Klüber Energy Efficiency, which supports our growth. The savings generated and documented with the Klüber Energy Efficiency solution amounted to approx. 641,000 MWh. This corresponds to 143,000 tonnes of CO₂eq (location-based), which increased compared to the previous year due to a higher number of projects in countries where there was a setback in the development towards more sustainable energy generation, leading to higher CO₂ emissions and therefore higher positive impact from the Klüber Energy Efficiency projects. This is almost three times more than the maximum emitted at our locations in one year – 49,000 tonnes in 2019. It is also more than twelve times our own global energy consumption of around 50,000 MWh. We thus achieved our self-

imposed target for 2025 much earlier than expected – in 2021. We have set ourselves a new target for 2025: energy savings of 800,000 MWh.

Customer demand has been rising strongly worldwide – and with it the demand for lubricants with even higher energy efficiency gains and the associated benefits. For years, our application engineers and research and development teams have been searching for and testing and testing again improved lubrication concepts – until we finally found them: Klüber Lubrication recently launched our next-level lubricants with improved energy efficiency, for both the general industry and the food and pharmaceutical sectors. After the first successful roll-outs and positive customer feedback, we are excited to distribute these innovative lubricants worldwide – and help to reduce energy consumption even further.



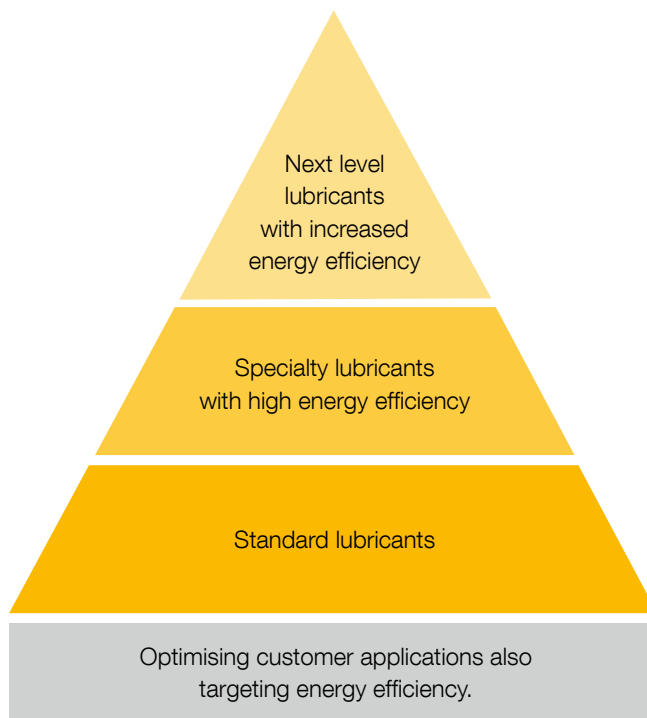
Energy and CO₂ savings per year through Klüber Energy Efficiency projects with customers





Success in various industries

The wind energy industry is not the only industry that can make substantial savings and improve energy efficiency by using Klüber Lubrication lubricants. Whether in the food industry, chemical industry, textile industry, in cement and steel works or in typical applications such as compressors or gearboxes, Klüber Energy Efficiency analyses help to achieve significant savings in the energy consumption of machines.



Anyone who wants to consistently incorporate sustainability and environmental protection into their production units today must utilise every potential opportunity. We can objectively prove what savings are possible by changing lubricants and therefore help to reduce our customers' carbon footprint and protect the environment. The switchover usually pays for itself within four to six months.

On the operational level, Klüber Lubrication's external certification and third-party validation also help to increase the confidence of customers who want to go more into detail.

The specific Klüber Energy Efficiency solution, with which experience has been gathered for more than 17 years, is an established topic inside and outside the organisation. Nevertheless, the communication keeps being strengthened. From educational LinkedIn posts by members of the Managing Board to webinars and tech days for customers, the approach is consistently shared and gets more people engaged in the topic of sustainability.

Klüber Energy Efficiency solutions have so many benefits – as shown in the table.

”Klüber Energy Efficiency works – all over the world. It's a pleasure to see it spreading. So many use cases – We are sure about the results and often don't need to measure any more. Multiplication speeds up earning the gains for our customers globally!

Gabriela Alves, Senior Technical Consultant for Energy Efficiency and Sustainability, Klüber Lubrication Brazil

Digital solutions boost sustainability for users

Cost savings thanks to improved energy efficiency and reduced wear: these advantages of high-quality specialty lubricants have always had a positive effect on life-cycle assessment. New digital solutions enable lubricants to be used even more efficiently: the most suitable lubricant is used effectively in the right quantity in the correct place.

Keeping a focus on all lubricants, planning maintenance in good time and detecting wear early – using digital solutions such as our EfficiencyManager¹ around the lubrication point make maintenance processes measurably more efficient and enable a more economical and sustainable use of resources.

Neither too much nor too little

With Digital LuCA (Lubricant Condition Analysis Program) we have developed a solution that enables the optimal time for a lubricant changeover to be determined. This prevents increased wear and unnecessary lubricant consumption. The oil and grease analysis service in Klüber Lubrication's laboratories provides information about composition, impurities and wear, as well as oxidation and lubricant aging. Officially introduced in October 2022 and very quickly and well received by our customers, Digital LuCA creates the basis for highly efficient maintenance processes and effective predictive maintenance according to the principles of risk management and Total Productive Maintenance (TPM).

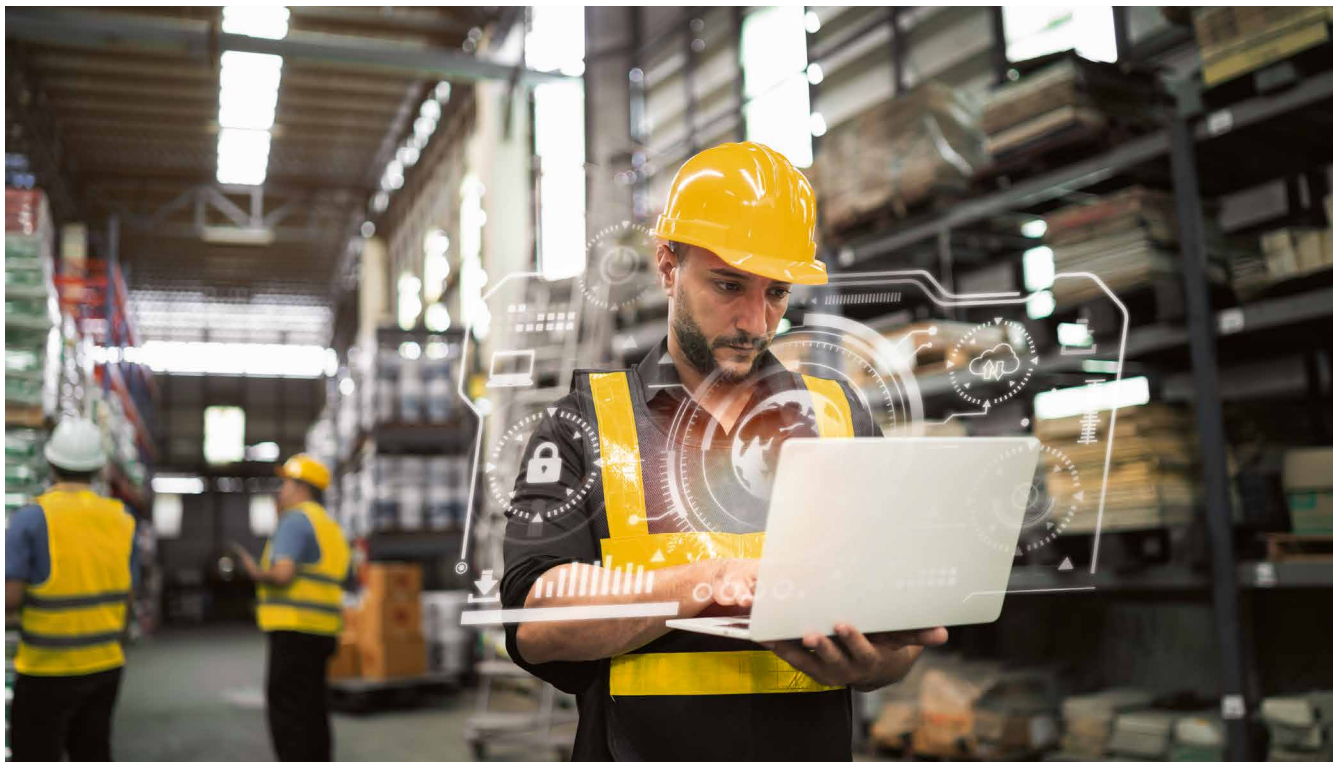
No travel required – experts on site

Instant live support for customers from our global network of tribology experts, service engineers and other technical specialists – made possible by Remote Expert. The innovative support service using visual inspection technology and remote access to plants thus prevents travel-related CO₂ emissions. Users also receive first-class, competent support without delays caused by travel times. This optimises processes, reduces potential downtime and thus also contributes to an efficient and sustainable use of resources.

In focus: Total Productive Management (TPM) and energy efficiency

Our customised digital solutions not only support users in implementing TPM but also help them achieve their sustainability targets. Our TPM service portfolio aims to reduce the total cost of ownership for our customers' most important applications.

The holistic portfolio enables lower transaction costs, while preventive maintenance helps reduce labour costs. These regular maintenance activities (i.e. LuCA) also allow the lubricants to be used for longer, while our lubricants result in lower energy costs, which can be determined through our power consumption measurements (Klüber Energy Efficiency). This not only cuts costs, but also reduces the consumption of resources.



Always in focus – our handprint solutions for our customers

Sustainability Product Portfolio Management

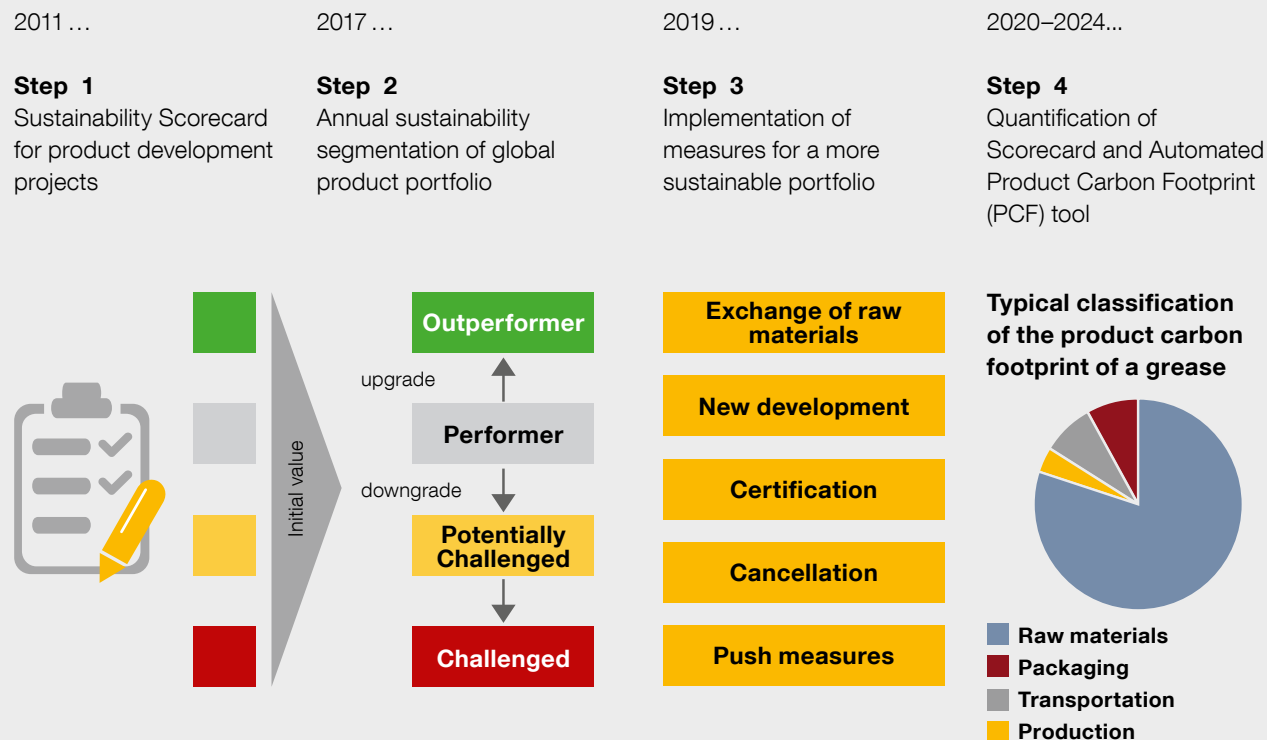
Sustainability is becoming an important issue for companies across more and more industries. The issue is also becoming more significant thanks to new laws and stricter limit values. Klüber Lubrication is always keeping its eyes on the increasing sustainability demands and the fast-paced, constantly changing legal requirements.

Back in 2011, we introduced criteria for evaluating the sustainability of product development projects (step 1).

With the aim of significantly increasing the contribution of our products to our sustainability targets and those of our customers, we have been refining these criteria since 2017, based on the recommendations of the World Business Council for Sustainable Development (WBCSD), and carrying them over to our existing product portfolio. From the outset, we have focussed on analysing the entire life cycle and avoiding and minimising dangerous substances – in the purchase of raw materials, during production processes and in our finished products. In order to be able to measure this, we have developed a catalogue of criteria based on the hazardous substance classification of the raw materials that reflects their effect on the overall product concept.

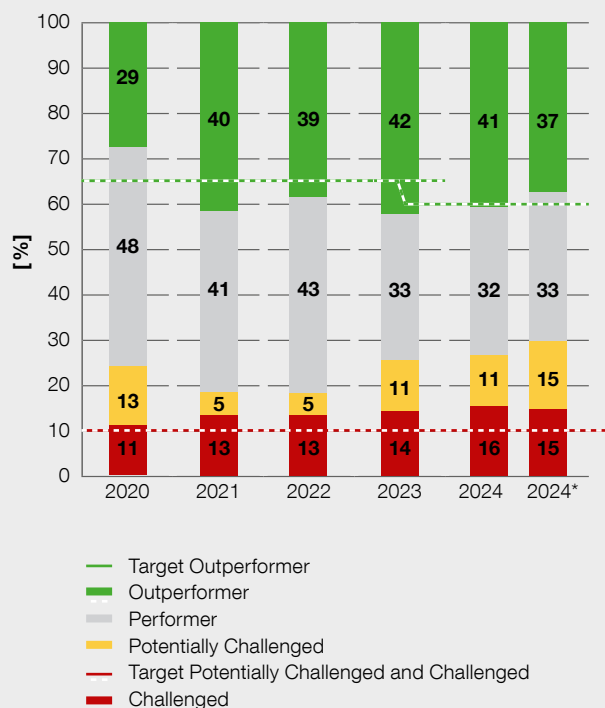
The focus was on the clear evaluability and measurability of the criteria with regard to the effect of our products on people and the environment, as well as sustainable production and resource conservation – in line with the UN SDGs.

Integrated system for assessing and managing a sustainable portfolio



Essentially, all of our lubricants make a contribution to sustainability: they reduce friction and wear and ensure longer operating times, less maintenance and so on. As a result, we classify all of our products initially as "Performers". Products that also meet certain standards or offer our customers added value for sustainable use in line with the UN SDGs are then upgraded to the "Outperformer" category. However, products that pose a potential danger to health or the environment are downgraded to "Potentially Challenged" or "Challenged" and should be replaced accordingly.

Share of sales of SPPS categories



In 2024 we overachieved again our outperformer goal with our international products. And we integrated local Klüber portfolios which completes our new basis. This and regulatory updates of hazard classifications led to a decrease of outperformer sales share.

The dynamics of global chemical-related legislation mean that product classifications are constantly changing. The extent of the challenges can also be seen in the large fluctuations in the area of "potentially challenged" and "challenged" products, where we have been struggling with our ambitious goal for years.

*Global and local products

Since then, we have been applying these criteria of our Sustainability Product Portfolio Segmentation (SPPS) in our integrated approach as a system for the existing product portfolio and, equally, for product development. In this way, we were able to create a quantified Scorecard from the qualified Scorecard (step 4), which we are continuously developing further.

As a result, multiple measures for sustainable product improvements have already been implemented (step 3). Our customers use our specialty lubricants for a wide range of applications, primarily to ensure the optimum operation of their machinery and equipment. In addition to technical performance, our lubricants must pose no risk to reduce hazards to health and the environment – this is also Klüber's commitment. In 2024, a very common extreme-pressure / antiwear additive was reclassified due to its potential hazards to the environment and human health. Consequently, we invested substantial resources to substitute for critical substances that posed a significant risk to aquatic organisms. Our development teams have succeeded in replacing these dangerous substances in many products while maintaining the same level of performance. As a result, our customers did not have to handle hazardous goods.

We are thus also supporting the targets of the Responsible Care initiative, whose Charter we recognise.

We have set ourselves the goal of ensuring that we impact the environment as little as possible with our products, facilities and all our activities, and we are making an active contribution towards preserving biodiversity and ecosystems. To achieve this, we pursue the life cycle approach and are initially developing a methodology for determining the carbon footprint of our products, which will then be included in our quantified scoring (step 4).

In 2023, we achieved a breakthrough in quantifying our Research and Development Sustainability Scorecard and our Sustainability Product Portfolio Segmentation (SPPS): with the completion of our automated Product Carbon Footprint (PCF) tool, we can now compare different lubricant formulations in terms of their CO₂ impact as early as the development stage. In 2024, we have also implemented a new report to share our Product Carbon Footprint (PCF) data as well as handprint aspects of our products. This is not just an answer to an increasing demand for PCF data but also an opportunity to underline additional sustainability aspects. These are major steps on our way to being a driver of sustainable innovation.

This integrated system lays the foundation for a comprehensive analysis and representation of our impact on the ecosystem. It also provides solutions for reducing our carbon footprint. The aim is to minimise our environmental impacts over the long term and protect our ecosystem and biodiversity.



Using less or running longer saves resources

Less is more. Not just for lubricants, but also for the replacement of machine components. After all, ensuring reliable lubrication while using less lubricant reduces raw material consumption, use of materials and waste, as well as procurement and disposal costs, and therefore improves your carbon footprint.

Another criterion for evaluating our lubricants is their ability to optimise the service life of a component, such as gearboxes or rolling bearings. A good lubricant helps to prevent downtime due to premature wear, ensuring that machines can run efficiently until the end of their service life. This can significantly delay the need for replacing wear parts, helping to reduce costs for maintenance and spare parts. This can also reduce the use of raw materials throughout the machine's or component's running time, as well as the amount of lubricant waste after use. Apply lubricant once and never have to think about it again – that is the principle behind lifetime lubrication. For us, lifetime lubrication is the perfect solution – especially when we are able to establish it for applications that would previously need to be constantly relubricated. However, although lifetime lubrication is not always feasible, even individual steps in this direction are still important milestones for sustainable production. For us, these products have earned the label “outperformer”.



Longer maintenance intervals support occupational safety and sustainability

Repairing a generator or changing rolling bearings in a wind turbine generator are a particular challenge for service staff, not least due to the extreme height involved. So, what if the components – with a little extra care – could run longer and more efficiently and needed to be serviced less often? For example, treating the generator bearings with a special cleaning lubricant could remove residues that might otherwise damage the surface and thus lead to premature failure. When deposits have been removed after cleaning, the component can then run several times longer with the right operational lubricant. And if damage has already occurred, the system can at least continue to operate until the next scheduled maintenance interval with the appropriate “emergency grease”.

This proactively reduces risks in the workplace, conserves resources and helps to increase the profitability of the wind turbine.

Food products without critical oils and greases

That may sound like a diet plan, but these products protect both the health and the wellbeing of consumers and help our customers achieve more sustainable production. Lubricants used in the food and water industries need to be safe for consumers. By meeting the NSF1 standards or drinking water regulations and producing our lubricants in line with ISO 21469¹, we help to ensure this.

To avoid endangering human health, it is essential to minimise the risk of contamination with MOSH/MOAH² from lubricants. Combined with extensive analyses of the production and maintenance processes, as well as a specific risk assessment of our recipes, this ensures the protection of users in production and end users is completed.



Coolness made more efficient

Be it drinks, meat, baked goods or one of many other foodstuffs: without refrigeration they all spoil, cannot reach consumers or cannot be produced in the first place. That is why refrigeration compressors are also a core element of food-production. They therefore have special importance, which is also reflected in the operating and energy costs (Total Cost of Ownership – TCO). By switching from mineral oil-based compressor oils to fully synthetic special oils for the food-processing industry, we have frequently been able to increase oil change intervals fivefold and significantly reduce the operating temperature of the compressors. This enables the service life of the component to be increased and energy requirements to be reduced by more than 7% in many cases.

Costs can be recovered after just three months and the environmental benefit is apparent immediately in the form of resource conservation, as less material consumption for oil and machines also means less waste. For example, a 7% energy saving for a typical production facility with 25 compressors equates to a saving of 737.5 kWh and 562.5 t of CO₂ per year. A change that takes into account two important issues at the same time: food safety and sustainability!

¹ ISO 21469 regulates the use of lubricants in the food, cosmetics, pharmaceutical and animal feeds industries.

² MOSH/MOAH are hydrocarbon compounds. MOSH: Mineral Oil Saturated Hydrocarbons. MOAH: Mineral Oil Aromatic Hydrocarbons.

Optimise performance, minimise waste

What seems like an impossible undertaking at first glance is an easy one for our products. Because our customer solutions not only focus on improving production efficiency, profitability and competitiveness, but also on sustainability. For example, when it comes to reducing grease waste.

A variety of industries have facilities requiring a lot of maintenance – be it due to their continuous operation, high friction or harsh environmental conditions. This is also associated with frequent relubrication of individual components or complete replacement of the lubricant. As a consequence, downtime on the production line can cause delays in order processing, burden customer relationships due to late deliveries, and result in higher production costs. Another consequence is the increased environmental impact of the resulting grease waste. It is urgent to find solutions here.

Klüber Lubrication experts developed innovative lubricants that not only help to dramatically reduce daily grease consumption, but also minimise production line downtime. As a result, plant operators achieve a significant increase in productivity and operational efficiency.



Economic advantages through environmental awareness

Pipe calibration machines in the steel industry have high requirements for operation and maintenance: the need for frequent relubrication of rolling bearings not only leads to significant maintenance costs due to high grease consumption, but also to extended downtime. The washout effect of the cooling emulsion, extensive water treatment, and labour-intensive annual water tank cleaning exacerbate these issues. Another negative side effect: tonnes of waste.

Leveraging its expertise, Klüber Lubrication offers lubricant solutions that meet the stringent demands of the steel industry while improving machine availability. With numerous companies in this sector already among our customers, we have not only extensive experience, but also a high level of problem-solving competence in terms of the special challenges facing the steel industry.

Our products deliver on their promises and prove what they claim. And as a result, operators already benefited from advantages such as an annual reduction in grease waste from 10,000 kg to 2,000 kg and 80% less grease consumption. This not only improves production efficiency and profitability, but also the environmental footprint of our customers.

Future-proof solutions for current problems

In a highly competitive market where performance and price are decisive, lubricant solutions must not only be innovative but also sustainable. One aspect that can be tackled, especially in industrial plants, is the avoidance of harmful emissions to help protect the environment. Klüber offers exactly the right products for this and goes one step further than simply reducing emissions.

When a specialty lubricant hardly evaporates at a system temperature of well over 200 °C thanks to its excellent high-temperature resistance, this leads to two effects, both of which contribute to sustainability. Firstly, it remains at the friction point for longer, which reduces oil consumption. Secondly, it protects the friction point and thus ensures lower friction coefficients and lower energy consumption. It also significantly reduces disposal and maintenance costs due to residues and deposits in cleaning systems.

We make a clear commitment to innovation and sustainability and ensure that our customers can operate efficiently and responsibly in a challenging regulatory environment. That's why our cost-effective solutions are not just about compliance, but also about leading the way in sustainability.



Countering high pressure sustainably

Raw material shortages meet increasing demand: the wood panel industry is facing major challenges. For a long time, the aim of operators and plant manufacturers was to operate plants that achieve the highest possible capacities, but today the focus is on a different benchmark: efficiency. What does that mean? Fully utilised continuous presses that run 24/7 without interruption to ensure competitiveness at all times. However, this also entails friction, wear, premature breakdowns or operational disruption.

For some years now, however, operators in some countries have been confronted with another problem that has a devastating effect on the environment and workplace safety: the emission of “blue haze”, a type of smoke that becomes particularly problematic at temperatures above 220 °C. If a plant is found to be emitting this air-polluting smoke it also faces regulatory issues which can even lead to plant shutdown – the absolute worst-case scenario for plant operators.

With a focus on avoiding harmful emissions, we have developed a sustainable product that not only meets but exceeds the legal requirements. Even at high operating temperatures, the blue smoke is effectively reduced – and thus operation of the presses can continue.

Send packaging on a sustainability journey

Safe storage and transport of hazardous products – the lubricant industry is currently facing this challenge more than ever. Changing circumstances bring about manifold reasons for optimising the packaging portfolio. The introduction of plastic taxes in the UK and Spain, legal requirements such as the EU packaging directive PPWR, specific customer requests for PCR (PCR – Post Consumer Recycled) in packaging or even CO₂ taxes are some of them. Klüber's strategic approach to responding to the requirements while keeping the processes running safely and efficiently with the desired quality is based on robust and at the same time sustainable packaging solutions that are in compliance with all legal standards.

Daniel Leutenecker, Head of Packing Materials at Klüber Lubrication, emphasises: "It is very important to us to make our contribution to packaging sustainability in order to excel not only with lubricants in the usual Klüber manner with top quality and innovative solutions. We consistently pursue the 'safe, secure, sustainable' approach. Because a structured packaging strategy also facilitates compliance with safety and environmental regulations."

Step by step towards climate neutrality

In order to achieve their ambitious goals, the team of experts took a very structured approach: "Firstly, the entire packaging portfolio was reviewed and a product carbon footprint (PCF) calculation was carried out to localise the main emitters," says Packaging Engineer Christoph Glas. "This was followed by an analysis based on the 3R principle." 3R means 'Reduce' – i.e. reducing packaging material to

the bare minimum – 'Reuse' – the reutilisation of packaging – and 'Recycle'. However, the focus of Recycle is not only on recycling the packaging in order to produce high-quality recyclate, but also on the question of whether this recyclate can be used in the packaging as a substitute for new plastic. Christoph Glas continues: "Based on the results we obtained, we drew up a roadmap (see image) that demonstrate how we can support the Klüber (calculative) climate neutrality strategy 2023–2045 through continuously reducing our footprint with our Klüber packaging sustainability journey."

This journey began already years ago with the introduction of containers with recycled content, earning Klüber Lubrication the EU Ecolabel, particularly relevant in the marine industry. As we expand the use of PCR in packaging, we now have ten types of packaging from the primary, secondary, and tertiary sectors. "The proportion of PCR in packaging is reassessed and increased annually. We also replaced poorly recyclable polystyrene inserts with highly recyclable corrugated cardboard alternatives, removing polystyrene from our portfolio", explains Daniel Leutenecker.



From right:
Daniel Leutenecker:
Head of Packaging Material
& Toll Manufacturer
Michael Eberle:
Lead Buyer Packaging
Wolfgang Saurugg:
Lead Buyer Packaging
Christoph Glas:
Packaging Engineer

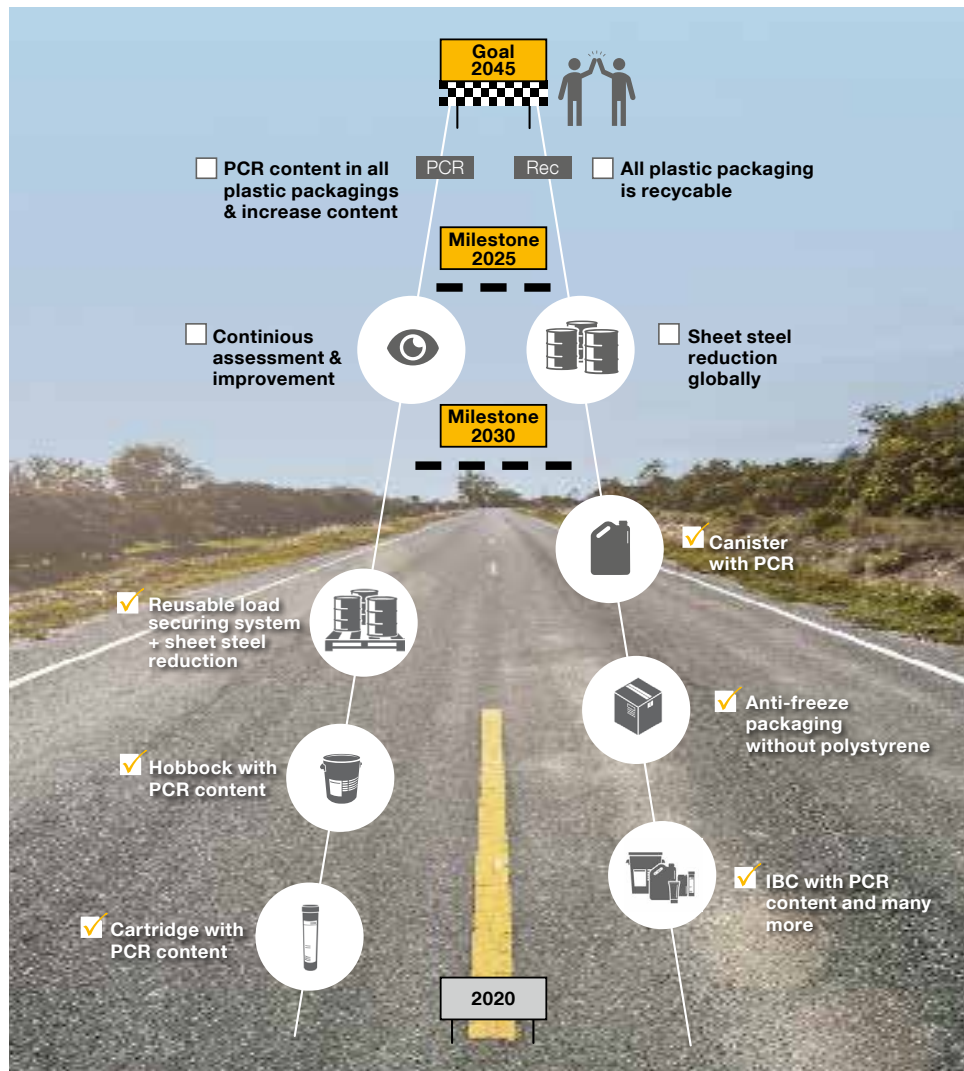
From the idea to measurable success

Another extensive project related to 'Reduce' involved the reduction of the wall thickness of oil and grease drums. Extensive pilot tests were carried out over the course of a year to determine whether the weight-reduced drums fulfil Klüber Lubrication's quality requirements and safety standards while retaining the same hazardous goods approval - with positive results. We have started the roll-out of these new drums at our Spanish production facility in 2024. There alone we are saving approx. 24 tonnes of metal per year and the according PCF is reduced by around 7%. We will multiply this success story as of 2025 within the Group.

In addition to reducing the wall thickness of our drums, we are currently examining other packaging items to optimise their weight. This will save resources and CO₂ and bring us closer to our goal of only using as much packaging material as we actually need – without compromising on quality.

"In the area of 'Reuse', we have already switched to a reusable system for the delivery of our drums. This enables us to completely dispense with any single-use plastic and additional protective packaging for transport. The best thing is that we have also been able to establish this reusable system within our internal goods transport in order to increasingly replace single-use plastic with sensible reusable packaging," explains Christoph Glas.

Numerous projects, a detailed roadmap and demonstrable results – all these examples illustrate that Klüber Lubrication has actively used the past years to successfully shape the change towards a more sustainable packaging world. Being aware that the achievements to date only represent the first step and that the road to the set goal is still a long one, we continue to work at full throttle on the strategic optimisation of our packaging portfolio and the pioneering ideas that are already waiting in the pipeline.



EcoVadis Gold four times in a row – recognition and motivation for us

Klüber Lubrication has a long tradition of dedicated sustainability management. In 1996, our headquarters had its environmental management system certified under EMAS¹, being the first company in Munich to do so. By participating in an EcoVadis assessment for over six years, Klüber took this commitment to a new level.

“The years 2022–2025 have been particularly important for our sustainability management,” explains Markus Hermann, Sustainability Manager. “Despite rising demands and tougher competition, we received the EcoVadis gold medal for the fourth time in a row, achieving our highest score to date. This puts us among the top 2% of over 150,000 companies assessed by EcoVadis worldwide. For our organisation, this is an important external confirmation which is strengthening our self-confidence– also in discussions with customers about ways to achieve greater sustainability. Ultimately, we are part of the solution with our specialty lubricants!”

“We see EcoVadis as a crucial tool that helps us navigate the complexities of corporate responsibility. Achieving high scores reflects our genuine commitment to sustainability and sets us apart in a competitive market. With EcoVadis assessments, we have a clear benchmark to drive our continuous improvement and ensure long-term success.

Jianting Chi, Sustainability Specialist, Klüber Lubrication China.

EcoVadis is highly respected worldwide

EcoVadis is globally recognised for its detailed and comprehensive ESG assessments rating companies on environment, labour and human rights, ethics and sustainable procurement. The assessment is based on international standards such as Global Reporting Initiative, the UN Global Compact, and the ISO 26000. We at Klüber are proud to have won the gold medal for the fourth time in 2025, and there is still a lot to do: “Our goal is to keep progressing, and EcoVadis gives us extremely valuable feedback on where and how we can improve.” says Markus Hermann. “The medal is recognition for our global sustainability team and the decades of work carried out by many people. It motivates us greatly.”

“From an HR Perspective, EcoVadis Gold Medal highlights our commitment to driving positive change and fostering an ethical, inclusive workplace that prioritises employee well-being. This recognition aligns with our sustainability goals, guiding us to improve our social and environmental impact. We aim to exceed global standards, establishing industry excellence and making a positive impact on our people and the planet.

Geetha Suresh, Head of HR, Klüber Lubrication Group.

Since being awarded its first gold medal in March 2022, Klüber has also received very positive feedback from customers. This is primarily because EcoVadis is regarded as a global brand with a high degree of credibility. Worldwide, our customers are showing a strong interest in EcoVadis and our rating.



In addition to the outstanding gold medal in 2025, Klüber Lubrication also received the “Advanced” level from EcoVadis in the area of carbon management. According to EcoVadis, this makes Klüber a “company with a comprehensive GHG management system, reporting in line with global standards.”

Carbon Management Level

Advanced

“Sustainability value chain reporting is becoming more important in the Asia-Pacific region due to government mandates for top companies. As suppliers, we often get requests for our sustainability data. Our consistent EcoVadis gold certification showcases our commitment to sustainability, helping us stand out in the market, drive business growth and support customers' net-zero goals.

Kranthi Kiran, Regional Head of Digital Business, Klüber Lubrication India.

¹ Eco Management and Audit Scheme.

Sustainability achievements – Klüber Lubrication honoured with multiple awards

Klüber Lubrication has been recognised with several prestigious awards for its commitment to sustainability and responsibility. Our journey began with the Freudenberg Group's "We All Take Care" Award in 2020/21 for our solvent and CO₂eq reduction project. It continued in 2022 with the Ecovadis Gold medal, which we have been receiving for the fourth time in a row in 2025. Klüber also received multiple awards both from external associations and customers in the meantime. These include the European Responsible Care Award 2023, the ESG Transparency Award 2023 and 2024 for our reports, the Chinese More Than A Market 2023 Award on ESG performance, and the Duty of Care Award 2024. Our customers ERG (Italy) and MODEC (Brazil) have also awarded Klüber Lubrication for our carbon footprint projects and ESG activities. Additionally, Klüber was shortlisted for the World Sustainability Award in the carbon reduction category.

Our customers recognise our ESG practices ERG ESG Suppliers Day 2024

During the ERG ESG Suppliers Day in Genoa, Klüber Lubrication Italy received the Best Carbon Footprint Project Award and was also recognised in the Best Score Improvement category. This event celebrated ERG's strategic suppliers who contribute to sustainable supply chain growth. The lube-footprint project highlighted how special lubrication reduces emissions in the wind power sector and won the award.



Luciano Peyron and Manlio Astolfi (left) from Klüber Italy at the ERG Supplier Day

Duty of Care Awards 2024

Klüber Lubrication (Shanghai) Co., Ltd. has been honoured with the ESG award at the 2024 Duty of Care Awards, presented by the International SOS Foundation. The award was given by a panel of judges in recognition of Klüber's programme under their climate-neutrality strategy, which led to significant CO₂ and solvent emission reductions. Jianting Chi, Sustainability Specialist of Klüber Lubrication China, stated: "We are honoured to receive this award. The solvent project and our CO₂eq reduction target Scope 1 & 2 were a significant challenge, and our success proves our commitment."



"International Duty of Care Award". From left to right: Wallace Zhang, Philip Xu, Jianting Chi from Klüber China and Markus Hermann celebrate the cup of the "International SOS Foundation Duty of Care Award Winner 2024" and project leader Jianting Chi

ESG Transparency Award for our sustainability report (2023 and 2024)

Klüber Lubrication received the ESG Transparency Award in the 'Excellence' category by EUPD Research for the quality and transparency of its sustainability report. This award emphasises our commitment to transparent sustainability reporting and corporate social responsibility. We are proud to have received this award in both 2023 and 2024, with a higher score in 2024. Increasing our result highlights our continuous improvement and dedication.



MODEC Best Supplier Award – ESG

Klüber Lubrication Brazil received the Best Supplier Award in the ESG category from MODEC among 2,000 companies for its mature and well-structured ESG practices. This recognition confirms our position as a trusted partner since 2013 and shows that sustainability and high performance go hand in hand. "Being recognised by Modec motivates us to push our limits and find new ways to contribute. It shows we are on the right path with actions that lead to a more responsible future," says Energy Efficiency & Sustainability Consultant Gabriela Alves.



Other recognitions received

In 2023 the German Parliamentary State Secretary in the Federal Ministry for the Environment acknowledged Klüber Lubrication for its high environmental performance. In 2024, Klüber Lubrication Austria demonstrated exceptional dedication to sustainability, customer support, and regional engagement, achieving an impressive score of 99.8 out of 100 points and securing the 26th place in the "Austria's Best" ranking by Süddeutsche Zeitung.

Facts, figures & dates

About this report

Sustainability as part of corporate responsibility

SDGs – focus on the biosphere, society and economy

Materiality assessments are focussing our ESG activities

Energy: efficient use and conversion to renewables demonstrate responsibility

Klüber teams achieve outstanding 82% reduction in Scope 1 and 2 CO₂eq emissions globally since 2019

Working together to reduce Scope 3 emissions in the supply chain: an even bigger challenge

Waste and water

Safety and protection for our employees, temporary workers and third parties

Sustainable and ethical procurement

Certifications and ratings

Our training enables our employees to work sustainably with a focus on customers

Diversity and inclusion

Compliance is based on integrity and ethics and strengthens our reputation

2024



About this report

In recent years, our customers around the world have shown an increasing interest in our achievements and solutions in the area of sustainability. We have therefore also significantly expanded the scope of this ninth report. Ever since reporting year 2022, we not only report in detail on environmental issues but also on social matters, good corporate governance and sustainable, ethical procurement.

This sustainability and ESG¹ report was compiled with reference to the standards of the Global Reporting Initiative 2022 (GRI)² and the Greenhouse Gas Protocol. Unless otherwise specified, in this document we report on the activities of all companies of the Klüber Lubrication Group in which the company had a financial majority as of 31 December 2024³. In accordance with the GRI Index, the areas of economic, social and governance are covered.

The Klüber Lubrication Management Board is responsible for the content and issuing of this voluntary report. It was assisted by the Sustainability Manager and selected representatives of the Innovation and Sustainability Board and the Sustainability Steering Team, as well as the Responsibility Council. This document is publicly available on our website.

The current year under review is 2024, which we have supplemented with current, relevant information from the beginning of 2025. We usually publish our key figures for a five-year period. We correct past key figures if the total has changed by more than 10%. An updated sustainability report is published annually. Rounding may result in differences in figures and percentages. The relevant report topics are decided upon in an iterative process by the Sustainability Steering Team with input from the Management Board, the Sustainability and Innovation Boards and the Responsibility Council. We take the following into account:

- the 10 Principles of the UN Global Compact,
- the UN Sustainable Development Goals (SDGs)
- the requirements of our stakeholders as presented to us through ratings, among other things (e.g. EcoVadis, NQC SAQ, Sedex, CDP, SBTi)
- the standards of the GRI 2022
- the Greenhouse Gas Protocol
- recommendations from associations (e.g. UEIL, WBCSD)

To improve the informative value and comparability of our key figures over the years, the data where appropriate, are based on production quantities and on hours worked by our employees. When interpreting key figures, it is important to note that we expanded the reporting basis in 2019 through new logistics centres in Germany and the USA and in 2020 through the integration of Traxit with its plants in Germany, the USA and China. Historic comparability of the figures is therefore limited. For energy and CO₂eq, we have ensured comparability from our base year 2019 to present. In purchasing, the integration of Traxit in our systems has not yet been completed, which is why the corresponding figures are not included here.

To ensure a clearer understanding of the key figures, please note that, as a specialty lubricant manufacturer, Klüber Lubrication is not active in mass markets, e.g. for motor oils, and rarely produces high-volume products. We produce in rapid succession small batches of highly specialised lubricants. Our portfolio has a significant proportion of greases, which are more energy-intensive in production.

Our Scope 1, 2 and 3 GHG emissions were determined based on the GHG Protocol Corporate Standard. We used the consumption values for solvents and energy as the basis for calculating Scope 1 and 2. At the end of 2021, we had an external review to check our correct understanding of the

GHG Protocol and our calculations. We also implemented recommendations in 2021/2022. The correct understanding of our Scope 3 calculation was reviewed in 2022 by a renowned consulting firm. Including where we previously used estimates, the values for all relevant categories were also calculated for 2019, 2020 and 2021 according to a refined methodology. We determined the underlying consumption data on a worldwide level. A qualified estimate was made for any gaps. Since 2022, we have been carrying out projections based on production quantity-related emission factors, but have been refining our calculation step-by-step as described below. Since 2023, we have been recalculating the raw material portion in detail in the Scope 3 categories "1 Purchased goods and services" and "12 End-of-life", which together account for around 80% of our Scope 3 emissions, in order to be able to better assess the effects of our actions. We have calculated air travel in detail for our headquarters and Klüber Lubrication Germany and conservatively extrapolated the rest of the world on this basis, as well as the other modes of transport. 2024: With regard to sales sites, we have adapted our reporting to the Freudenberg Group, both on energy and CO₂. Sites with relevant consumption have been integrated into our monthly standard reporting to increase accuracy. All other sales sites representing in our last assessment approx. 1% of our total energy consumption are left out as of now. Emission factors on up- and downstream transport were reduced conservatively, based on having significantly less airfreight. All other factors and calculation methods were left unchanged.

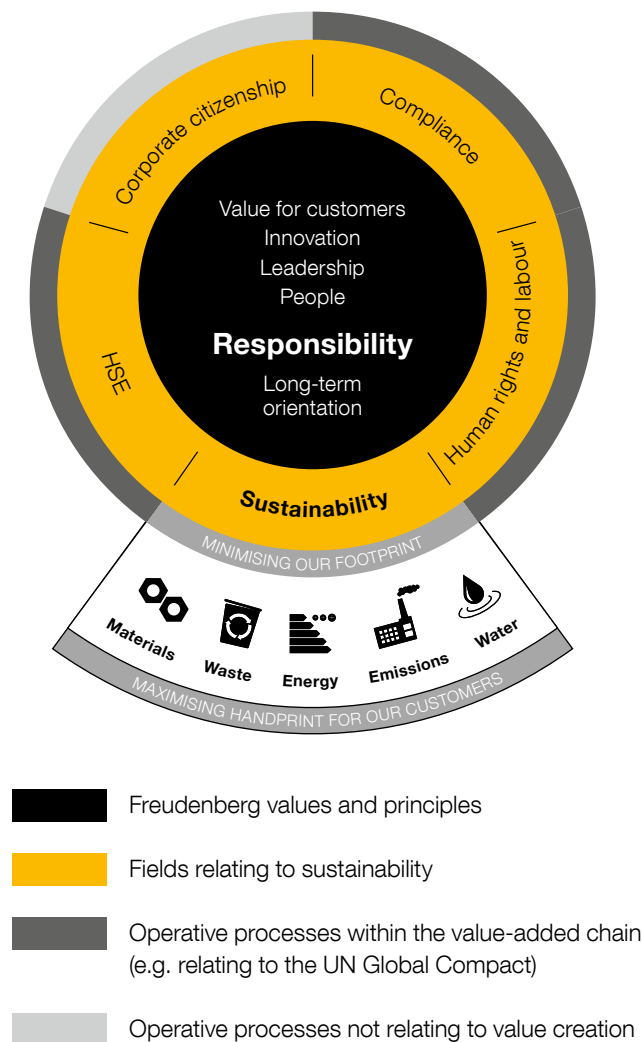
Questions and suggestions concerning this report should be directed to our Sustainability Manager, Markus Hermann, at: Sustainability_Responsibility@Klueber.com

¹ Environment, Social and Governance.

² For the GRI, see also the GRI index with many references and our GRI use statement.

³ An overview of our global sites is available at: <https://www.klueber.com/de/de/unternehmen/standorte/>. Note: The minority holdings in Japan and South Korea are not included in our report.

Sustainability as part of corporate responsibility



In the Freudenberg Group¹ the broad term “sustainability” in the sense of ESG – environmental, social and governance – has been incorporated under the term “responsibility”, which is very important to the family-owned company, and structured both methodically and organisationally (see illustration). At Klüber Lubrication, we have established a Responsibility Council in addition to our Sustainability Team. The Responsibility Council is responsible for comprehensively structuring and driving forward issues and presenting an overall picture of our global activities to our customers, rating agencies and other stakeholders. Our Sustainability Manager, who leads both units, ensures there is close integration. We regard our accreditation from renowned sustainability ratings provider EcoVadis, who awarded us gold medals in 2022, 2023, 2024 and 2025, as confirmation of the effectiveness of our long-term, systematic approach.

The “Values and Principles” of our parent company, the Freudenberg Group, define corporate social responsibility, as shown in the diagram (left), and provide the framework for the design of our sustainability programme.

Via Freudenberg, we participate in the UN Global Compact. Its principles on human rights, labour standards, environmental protection and anti-corruption are also embedded in our “Values and Principles”. Compliance with regulatory and ethical principles is the basis for our own code of conduct. We carefully choose suppliers to ensure ethically sound procurement management. We take a proactive and forward-looking approach to compliance with the important regulatory requirements for our industry, such as REACH². As a company in the chemical industry, we also follow the guide-

lines of “Chemie³”, the sustainability initiative of the German chemical industry association (VCI), and have committed ourselves to following both the German and the international Responsible Care guidelines. In addition, Klüber Lubrication is one of the founding members of the sustainability initiative in the German Association of the Lubricant Industry (VSI). We have also actively supported the Foundation Development and Climate Alliance since 2022.



RESPONSIBLE CARE[®]
OUR COMMITMENT TO SUSTAINABILITY



¹ Klüber Lubrication is part of the Freudenberg Group and a member of its Freudenberg Chemical Specialties (FCS) Business Group.
² One of several European chemical regulations. REACH stands for Registration, Evaluation, Authorisation and Restriction of Chemicals.

Organising sustainability

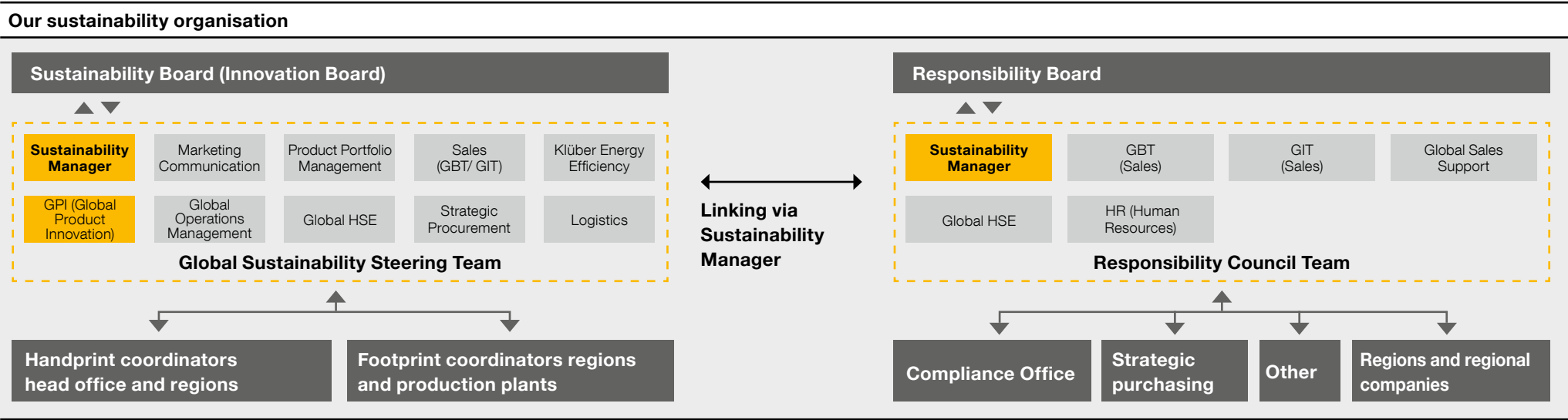
The guidelines, strategy and current goals to be achieved with regard to sustainability, as well as the organisation for their implementation, are set out by the interdisciplinary Sustainability Board, on which the Speaker of the Board, the Exec. V.P. Sales and Marketing and the Exec. V.P. Technology and R&D are all represented. Support is provided by the Global Sustainability Steering Team, which offers extended expertise from various specialist departments. Across regions, the footprint and handprint coordinators bring together central and regional perspectives and implement our strategies locally. This ensures that matters relating to central functions and matters from the various regions and sites around the globe are all heard and considered. It also helps to establish an effective communication structure which facilitates the dialogue and mediation of the various contexts within the far-reaching subject of sustainability. The Sustainability Steering Team reports to the Sustainability Board twice a year, proposes measures for further development of strategies and goals, and can call upon it at any time on urgent matters.

No sustainability without responsibility

Other areas of corporate responsibility – such as equality, anti-discrimination, working conditions, human rights and social commitment, as well as issues relating to ethics, labour law and chemical law, are all managed directly by the Management Board with the relevant departments and global management structure. Since 2021, assistance has been provided here by the Responsibility Council led by the Sustainability Manager who reports at least once a year, and also on an ad-hoc basis, to the Management Board – the Klüber Lubrication Group’s highest controlling body. This ensures full consideration of all relevant targets under the UN Sustainability Goals (SDGs). We obtain valuable support and input on all of these topics through communication with the central functions and other subsidiaries of our parent company Freudenberg and also through exchange with its respective companies and functions. We are delighted that EcoVadis awarded us gold medals in 2022, 2023, 2024 and 2025 for our sustainability management activities. With 81 points in 2025 this means that KL is in the top 2% of over 150,000 companies assessed worldwide.

Global social commitment

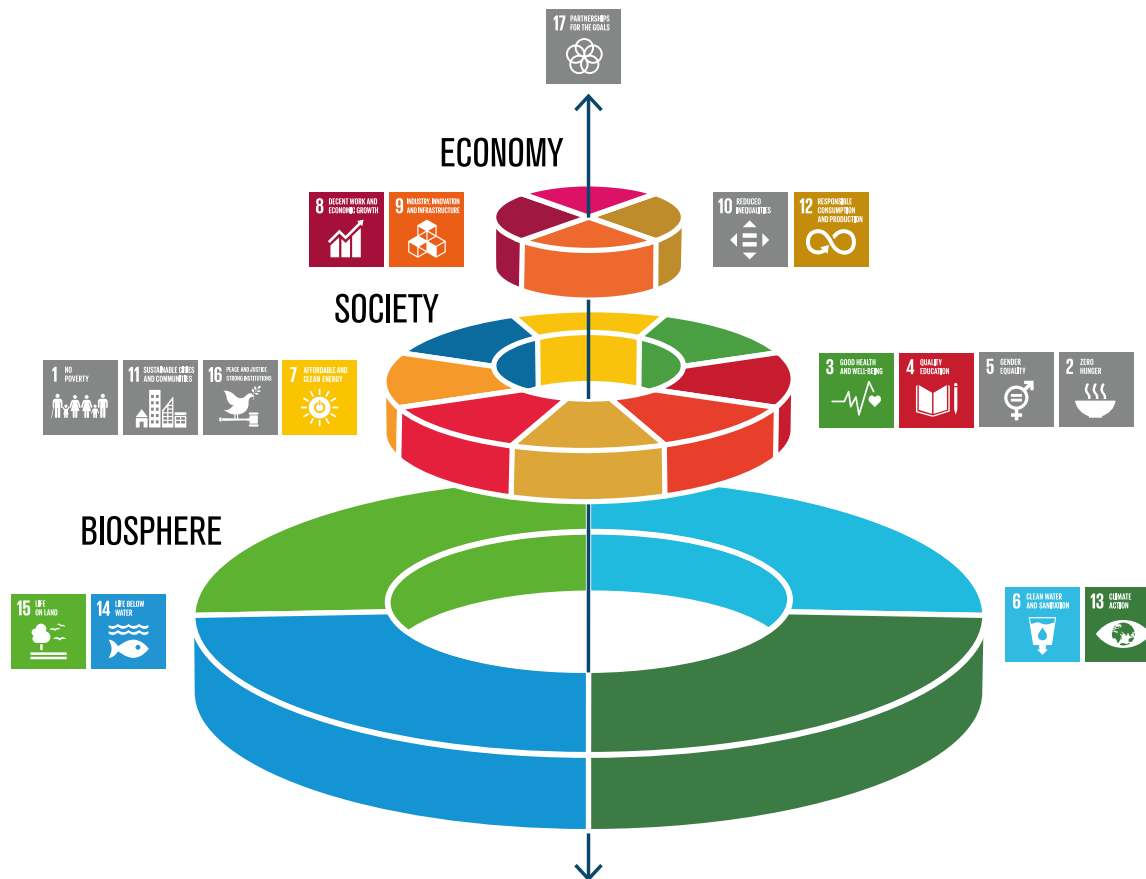
We have a societal responsibility in all the countries in which we operate. We sometimes set up social projects ourselves, or we take part in initiatives led by our parent company, Freudenberg. For example, our employees support the social programme e², which was launched by Freudenberg in 2015. e² stands for education and environment and the programme promotes relevant projects wherever Freudenberg does business. A sub-category of the “We all take care” awards conducted across the Group by Freudenberg recognises projects that demonstrate a high level of social responsibility in a particular way, e.g. through improving living conditions, workplace safety or environmental protection. Initiatives from our employees have already received a number of awards.



SDGs – focus on the biosphere, society and economy

We are consistently committed to the UN Sustainable Development Goals (SDGs). Using the targets and indicators of the 17 SDGs, we have analysed which SDGs Klüber Lubrication can contribute to relevantly and directly along the value-added chain.

We are focusing on ten SDGs, which we have grouped together in the categories of biosphere, society and economy. The illustration below from the Stockholm Resilience Centre is particularly useful for practical work and for understanding the SDGs.



Biosphere:



Protecting our biosphere is crucial for conserving resources for future generations. We have therefore set ourselves the goal of reducing the environmental impact of our chemical products, facilities and all our activities and preserving biological diversity. We are encouraging more wild, natural areas on our company premises to create habitats for native plants and animals. We also support afforestation projects with selected, preferably native trees fit for climate change in Spain and Germany, for example. Also, when selecting CO₂ offset projects, e.g. the Agro cortex South Amazon forest protection project in 2022 in Brazil, the protection of biodiversity is an important criterion for us. Climate protection is a core component of our sustainability management activities.

Society:

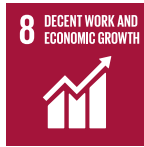


Affordable, clean energy is essential for a well-functioning society. Klüber is playing its part here by promoting sustainable power generation. In 2018, we set ourselves the ambitious target of increasing the proportion of electricity we obtain from renewable sources to 50% by 2025, and we underpinned this with a package of relevant measures. We significantly exceeded our target ahead of schedule in 2021 with 73%, increased it to 85% in 2024 and have further raised it to 100% by 2030. In addition, we are aiming to increase the proportion of green, non-fossil energy in our total energy consumption from 9% in 2019, over 42% in 2024 to 49% in 2026, the end of our current Strategic Review Period.

We contribute to SDG 4 with a learning strategy which is based on individualised learning paths that are tailored to the specific needs and goals of each employee. Quality Education has been pushed by us globally for years, also in our supply chain.

Concerning SDG 3 we are protecting the health of our employees through extensive occupational safety initiatives. We avoid using substances that are hazardous to health in our products – many of which are even certified for use in food production. Some of our products are also important components of medical equipment. Health and safety have a lot to do with the objectives and economic activities of our enterprise.

Economy:



Our substantial contribution to SDGs 8, 9 and 12 consists of promoting and demanding resource and energy efficiency along the value-added chain and leveraging our innovative power to create new solutions. Beginning with the selection of raw materials and our purchasing decisions, we make a direct contribution towards reducing negative effects on the environment and improving safety and health protection.

We follow this principle when designing and modernising our production facilities, and when developing and manufacturing our products. Our production plants are certified in accordance with the relevant standards. Independent audits of environmental management and occupational health and safety are carried out at all locations. More and more of our products are also winning awards for their environmental compatibility. We have set ourselves the goal of minimising the proportion of products with problematic sustainability features and increasing the high proportion of products with positive sustainability features. Innovation, together with stakeholders, along the entire value-added chain is key to

tackling huge sustainability challenges. Innovation and a pioneering spirit are core competencies that we are particularly proud of and support accordingly.

To create innovations, especially in the sustainability field and, above all, implement them quickly, we maintain a constant dialogue with our customers and suppliers. In line with our shared responsibility for ethical behaviour along the entire supply chain, our suppliers are required to achieve comprehensive goals and provide evidence.

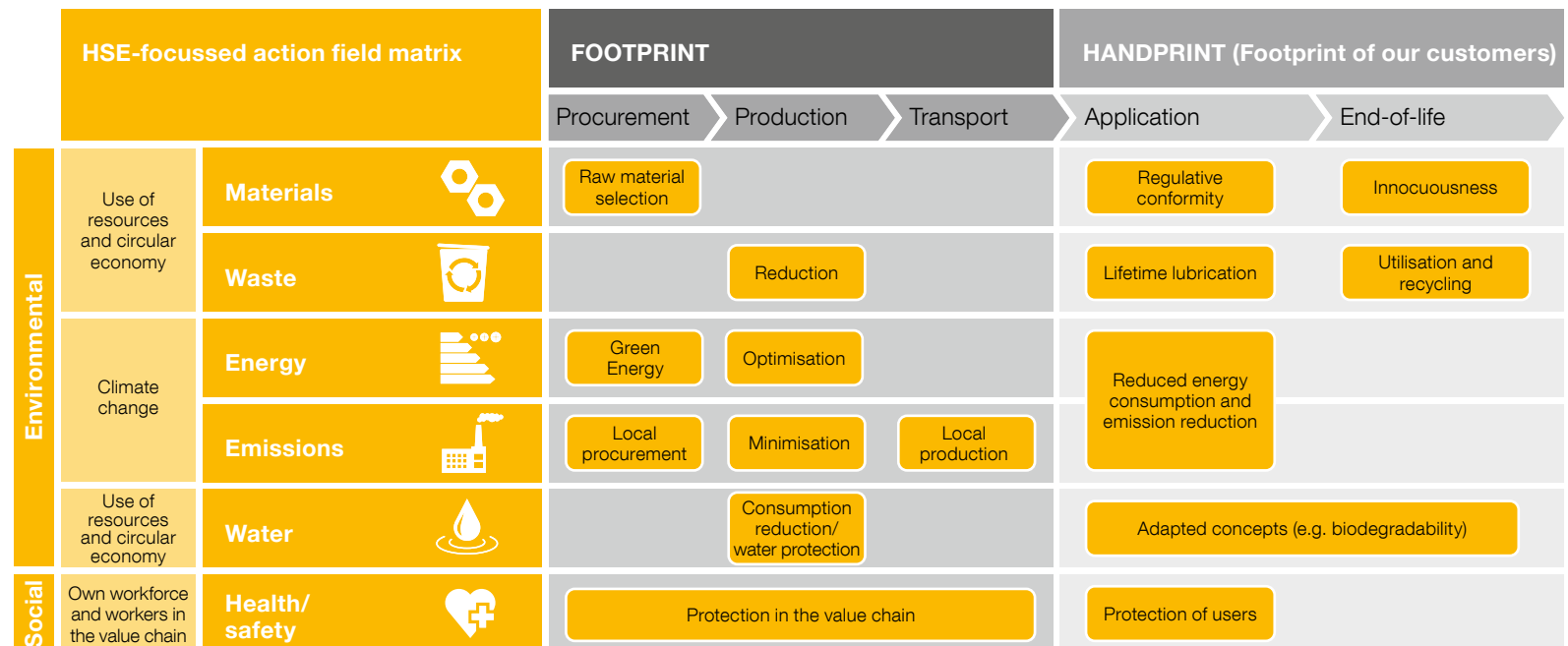


Materiality assessments are focussing our ESG activities

Since both the internal and external expectations and requirements on Klüber are constantly changing, we regularly review the important issues we have identified and update them. We carried out the first formal materiality analysis on aspects relating to sustainability in 1996 with the introduction of our environmental management system in accordance with the EU's Eco-Management and Audit Scheme (EMAS). We were the first company in Munich to be accordingly

certified. In this analysis, we examined the topics relevant for us as a company (internal) and for our stakeholders (external) and set out how we specifically aimed to develop them further. We have been regularly updating these considerations as we expanded our environmental management system globally step-by-step and switched to the internationally recognised certification of all our sites according to ISO 14001.

In 2017 Klüber decided to create a matrix that also integrates all value-adding sides of our business model to sustainability. Here we are creating value in two ways – through a reduction of our footprint and an increase of our handprint, so all the aspects of our products and services with which we help our customers to reduce the footprint of their production and their products. This is when we created the HSE-focused action fields matrix shown below, which we have been regularly updating since.



The diagram shows the potential benefits to be gained with regard to both footprint and handprint. The vertical bars on the left show the fields of action and materiality categories, relating to the ESG matrix.

In addition to our footprint, it explicitly shows the handprint¹ and important action and benefit areas. The detailed consideration of selected HSE topics concerning footprint and handprint have been serving for years as a basis for the design of our products, processes as well as for our communication. We refined the matrix again in 2024/25.

With the goal to further raise our competence in sustainability in all the fields of ESG (Environment – Social – Governance) and CSR (Corporate Social Responsibility), we have been aligning our management system and our reporting more and more to the internationally most widely used sustainability reporting standard, the Global Reporting Initiative (GRI) since the early 2020s. This process has been steered by our Responsibility Council, which has been guiding the concerned functions. Since then, we have been adding many action

fields, summarising, assessing and amending them. Part of those are already reported on in a quantified manner, extending our HSE-focussed action fields matrix (see table). Although the Klüber effects on and materiality of the mentioned topics is often not high, we consider them relevant enough for us and our stakeholders to explain our approach and give basic information that helps in understanding a family-owned company with limited reporting obligations.

As a company of the family-owned Freudenberg Group, the European Corporate Sustainability Reporting Directive (CSRD)/ European Sustainability Reporting Standard (ESRS) with its requirements on double materiality assessment, on both impact and financial aspects, will apply to us only indirectly via the Group in the future.

Disclaimer:

Our assessments and conclusions described in this chapter and in this report only reflect the Klüber views and do not have any relation to CSRD/ESRS nor to any potentially related obligations of the Freudenberg Group. Therefore, no conclusions can be drawn from or to the Freudenberg results, topics and activities.



General, Social and Governance – action fields

General

- General information, e.g. on sales, workforce
- Certifications
- Ratings and awards
- Organisation and management

Overarching and product & service-oriented sustainability topics

- SDGs – Sustainable Development Goals
- Sustainability Product Portfolio Management
- Klüber Energy Efficiency
- Digital and lubrication solutions
- Packaging

Social & human rights

- Diversity and Inclusion
- Equal treatment and opportunities for all
- Employer attractiveness
- Training and life-long learning
- **Sustainable and ethical procurement**
 - Incl. workers in the value chain

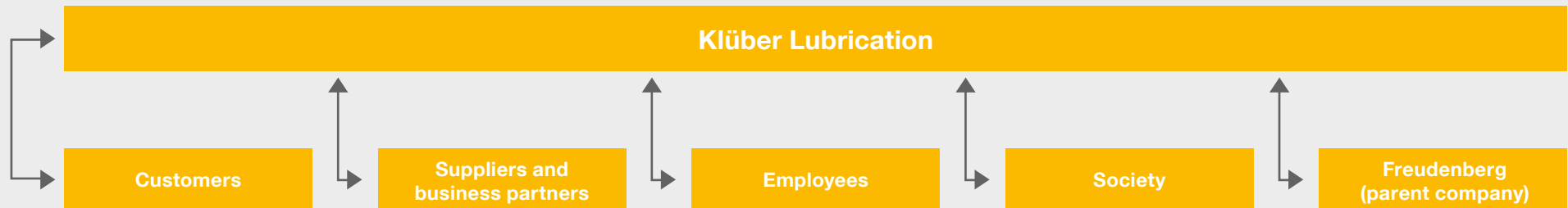
Governance

- Code of Conduct
- Compliance and Compliance Office
- Corporate culture
- Prevention of fraud, money laundering, anti-corruption, ...
- Protection of whistle-blowers

More details on topics see GRI- and SDG-Index

¹ By "handprint" we mean aspects with which we help our customers reduce the footprint of their sites and their products through our products and services.

Stakeholder engagement



The identified stakeholders are of particular interest to Klüber because Klüber's actions as a manufacturing company have an impact on them. At the same time, however, these stakeholders also influence the actions of the company. For this reason, two-way communication is very important so that all stakeholder groups are heard, and their needs and expectations can be addressed. We communicate with stakeholders mainly via our external publications such as the homepage or the sustainability report, via internal reports, surveys and

via face-to-face interaction at trade fairs and information events, for example. When communicating with stakeholders and implementing the sustainability strategy, Klüber takes account of legal requirements such as the Supply Chain Act, global standards like the GRI and rating platforms like EcoVadis, NQC and Sedex.

Vulnerable groups are taken into account within the stakeholder group suppliers, and in the field of our employees.

In our stakeholder engagement activities, we pursue the following aims:

- continuous exchange of relevant information, e.g. on new regulations or internal rule changes and requirements
- ensure transparency
- maintain dialogue and thus obtain stakeholder feedback and expectations
- identify new trends and associated opportunities and risks
- adapt, renew and further develop the materiality matrix and the strategy regarding stakeholder expectations or binding requirements, with a particular focus on the sustainability strategy

Energy: efficient use and conversion to renewables demonstrate responsibility

Our goals

Even though the production of specialty lubricants is not an energy-intensive process, we have understood our responsibility. It is still one of our most important objectives to further reduce the CO₂ emissions of our production activities. We want to achieve this goal by lowering the energy that is consumed for each tonne of specialty lubricant leaving our production sites and at the same time by further increasing the relative use of green energy. Our recent achievements make us confident that we are on a good way.

We reached the target we set in 2019 of sourcing 50% green electricity by 2025 already in 2022. Based on this success, we decided to set ourselves a more ambitious target: in 2030, we want to be using 100% sustainably generated electricity in the Klüber Group. This includes our many sales locations, which are small compared to our production network.

We aim to have converted the production plants to 100% green electricity for globally active customers of our core brand Klüber Lubrication's products by 2025, provided that the local markets offer suitable energy products. An additional and growing contribution will come from the self-generated electricity out of our own photovoltaic systems.

We also want to increase the proportion of green energy to 60% of our total energy consumption by 2030 and 90% by 2045. In our current strategy period 2024–2026, we are working to achieve the interim target of 49%. In order to use energy more efficiently, our goal is to reduce energy consumption per tonne of product to 575 kWh by 2025.

Key figures: energy

KL Group including sales sites	2019	2020	2021	2022	2023	2024
Total direct energy (gas oil, renewable energy, self-generated energy) in MWh	25,032	23,030	23,066	25,067	24,662	24,810
of which renewable/self-generated	0	780*	808*	349	604	636
Total indirect energy (electricity, steam, district heating) in MWh	24,902	24,157	25,868	25,080	22,349	22,639
of which renewable	4,687	12,871	18,759	19,223	16,579	19,115
Total energy in MWh	49,934	47,187	48,934	50,147	47,011	47,449
of which total renewable energy, including self-generated	4,687	13,651	19,567	19,223	17,183	19,751
Renewable (green) electricity as % of indirect energy and self-generated electricity	19	55	73	76	78	85
Renewable energy as % of total energy	9	29	40	38	37	42

*PV-electricity from our roof in India was counted as self-generated direct energy in 2020 and 2021. We changed this to indirect renewable energy as of 2022, as the installation is owned by a third party from which we buy the green electricity. It will become KL property in the future.



Our measures

In recent years we worked hard to better understand what the main energy consumers are in our production network. We have therefore carried out external energy audits worldwide at the locations that are responsible for most of our total energy consumption. The potential savings recognised during the energy audits were recorded as improvement projects in our global HSE platform. Over 80 projects have been identified already. They are the key elements of our Sustainability Roadmap and they make us confident that we will achieve our ambitious targets. Project progress, possible savings and the associated investments are shared and analysed transparently. This allows us to concentrate our resources on the projects with the greatest impact on our carbon footprint.

It is planned to further increase the number of production plants with energy management systems, certified according to ISO 50001 in the future. We are optimistic that further energy assessments worldwide will help us to obtain a detailed analysis of energy use and highlight specific opportunities for improvement, such as upgrading equipment or optimising processes.

Other important initiatives in the coming years include: energy monitoring and energy management, optimising compressed air consumption including loss reduction, enabling the demand-driven provision of heat for production processes, optimising the demand for process cooling, conducting a feasibility assessment of the use of waste heat from production processes and ensuring employees are involved in and informed about reducing energy consumption.

When sourcing green electricity, we ensure we purchase from dedicated plants (power purchase agreements) and try to continue increasing its share, while obtaining certificates of origin. In addition, there is our own power generation. The

current photovoltaic (PV) systems in India and Mexico were supplemented by an additional system at our Spanish site in 2023. In 2024, further PV systems were installed in Italy and France and the existing system in Mexico was significantly expanded, further increasing our local capacity. Additional solar collectors in Belgium and in the USA are planned to further improve the share of self-generated renewable electricity in the next years.

Results and recommendations

From 2019 to 2023 we were able to more than quadruple the proportion of renewable electricity in our energy mix from 19% to 78%. It makes us proud to see that we could further improve this important key figure to 85% in 2024. And when looking ahead, we are happy to announce that we have achieved an 100% green electricity share in our production key regions Europe, North America* and China*. We are convinced that perseverance pays off, and after several unsuccessful attempts alongside our Chinese colleagues and our parent company Freudenberg, we have finally been able to source green electricity in China since 2024. Local regulations made this quite challenging.

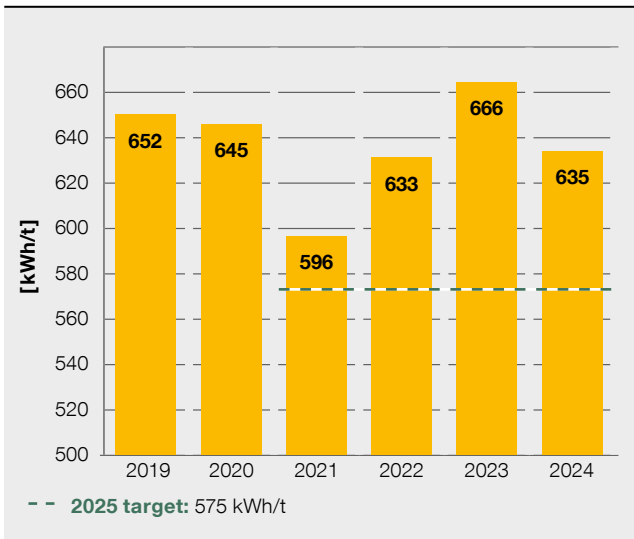
It is even more difficult to switch our overall energy consumption to green energy, i.e. to replace other fossil fuels such as gas by biofuels or green electricity. After some years of consolidation of 37–38%, we finally managed to increase this important number to 42%, the highest recorded value since 2019. This is partly due to the new challenges in the energy sector caused by geopolitical conflicts, among other things. On the other hand, a reduction in our absolute electricity consumption has also led to a shift in the energy mix towards direct energy and thus to a reduction in the proportion of renewable energy. Despite a further increase in the share of electricity from renewable sources to 78% in 2023, the share of green energy fell to 37%.

In 2024, we were able to break the trend and could reduce the energy consumption per tonne of product by almost 5% from 666 kWh/t to 635 kWh/t. Efficiency gains in combination with a higher utilisation of our production capacities and a slight shift in our product mix, with a relative increase of oils compared to greases, were the main drivers behind this effect.

And we have identified options how to turn this effect into a long-term trend. In the years ahead, we will need to focus on switching our process heat to green, non-fossil energy supplies. This will considerably lower our gas consumption. At the same time a further increase of our energy efficiency will be key.

A rapid reduction of our absolute CO₂ emissions has been one of our top sustainability priorities in recent years. This paid off in achievements, greater than anticipated, as described in the next chapter.

Energy consumption per tonne of product



*Traxit sites not included

Klüber teams achieve outstanding 82% reduction in Scope 1 and 2 CO₂eq emissions globally since 2019

Our goals

One of our most important goals in recent years has been to rapidly reduce our CO₂eq emissions in absolute terms.

In 2020, the Klüber Lubrication Innovation Board formulated an ambitious plan to reduce our CO₂eq emissions by 75% between 2019 and 2025 (Scope 1 and 2). We are grateful for the commitment of our Klüber staff all over the world, whose dedication has led us to this rapid and hoped-for success.

Following our great successes and the necessity of international climate protection, we already raised the next target to 90% for 2030 in 2022. We had already previously formulated a sub-target for this, which only relates to our production plants and their energy consumption: by 2025, we want to reduce our energy-related CO₂ emissions per tonne of product by 50% (to 105 kg/t, a rise from 40% already in 2022) compared to 2019 emissions.

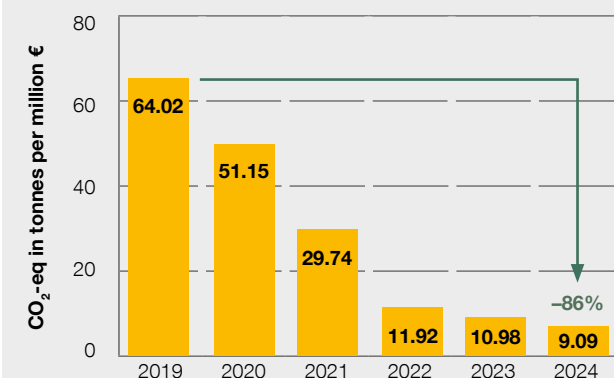
Klüber Lubrication has also committed itself to not only further reducing its annual remaining emissions but also, from 2022 onwards, to offsetting them through external projects and thus becoming theoretically climate neutral. We have also done this for 2022. Due to the ongoing and intensifying discussions regarding offsetting projects, the legal uncertainties and the insufficient international framework to avoid double counting of projects, our parent company Freudenberg and Klüber Lubrication have decided to suspend this carbon gap closure component of our climate neutrality strategy until further notice. Instead, the company's own CO₂ reduction projects are to be promoted even more strongly – and as results show, successfully. As sustainability reporting standards evolve, there is

the emerging request of financial related indicators, too. Therefore we have added pertinent data in this report. As our goals – and successes – on absolute CO₂eq emission reduction on Scope 1 and 2 are even far higher than SBTi1 targets, we have refrained from adding more and potentially confusing goals. The success speaks for itself.

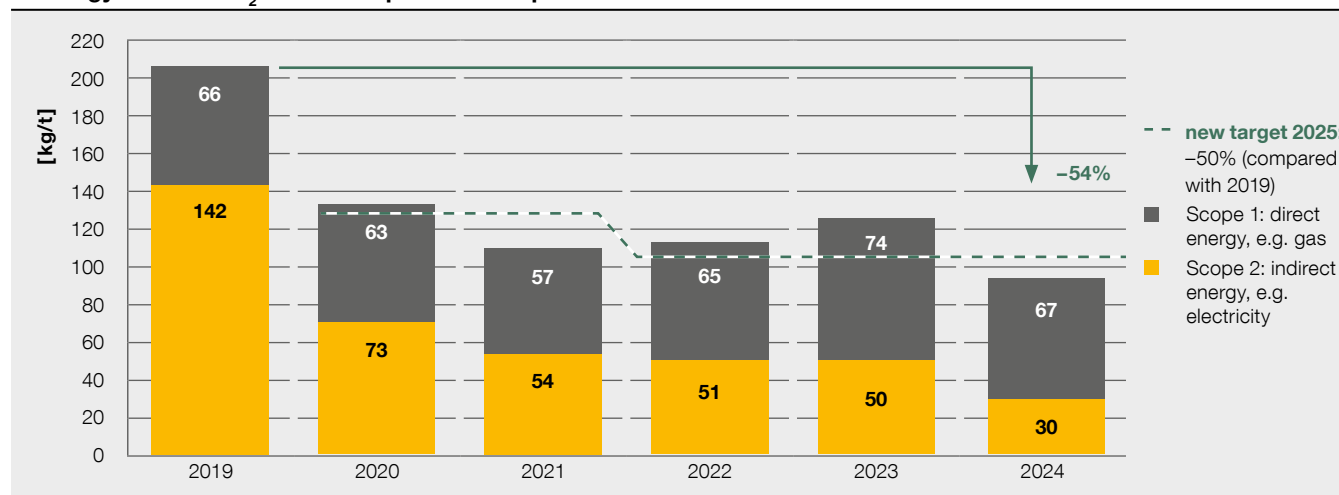
Our measures

We implement our multi-step climate neutrality strategy every year. The priorities are: replacing solvents with high greenhouse potential, switching to high-quality green electricity, including in-house production, carrying out energy efficiency measures and defossilize through

Emission intensity: CO₂eq in tonnes per million € turnover



Energy-related CO₂ emissions per tonne of product



electrification. In 2021, we had our carbon footprint verified by external specialists in line with the Greenhouse Gas Protocol. Their recommendations were implemented immediately.

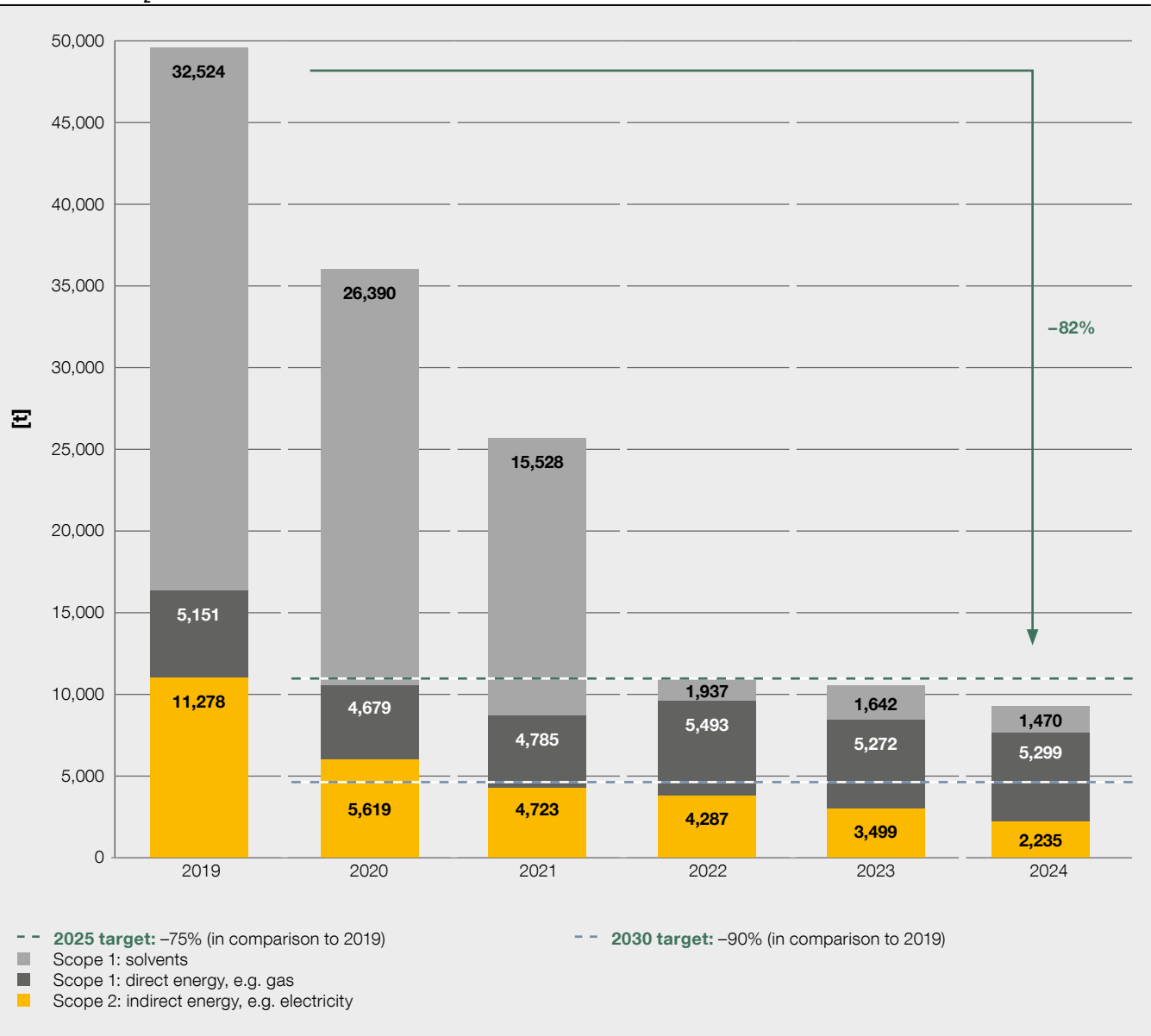
Results and recommendations

We were able to reduce our absolute CO₂eq emissions by a further 14% to 9,003 tonnes in 2024. We were thus able to confirm the very positive trend of decreasing CO₂eq emissions for the fifth consecutive year, this time. The target of reducing emissions by 75% by 2025 compared to 2019 has already been exceeded since 2022, with 71,6% now achieved – thanks to our Chinese colleagues: they finally managed to implement our harder-than-thought 2020 plan to green our electricity at Klüber China, 50% in 2024 and 100% as of 2025. So we are positive that our reduction journey will continue also in 2025. The reduction of CO₂eq emissions at Klüber since 2019 significantly exceeds the SBTi (Science Based Targets Initiative¹) annual improvement target with an average of –13.6% per year. However, the rate of improvement will be lower in the coming years because there is only another 18% of the original amount left to improve.

With a 54% reduction in energy-related CO₂ emissions, we have over-achieved our 2025 goal of –50%, which we had raised in 2022, and continued our reduction trend we had been fighting for in the past. Our emissions are now reduced to 97 kg per tonne of product – down from 209 kg in 2019.

Following the emissions at our own sites, we have increasingly focussed on CO₂ emissions along the entire value-added chain in recent years. This is a very complex topic, which we will describe in the next chapter.

Absolute CO₂eq emissions



¹ The Science Based Targets Initiative (SBTi) is a joint initiative between the CDP (Carbon Disclosure Project), the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). It aims to set science-based emission reduction targets.

Working together to reduce Scope 3 emissions in the supply chain: an even bigger challenge

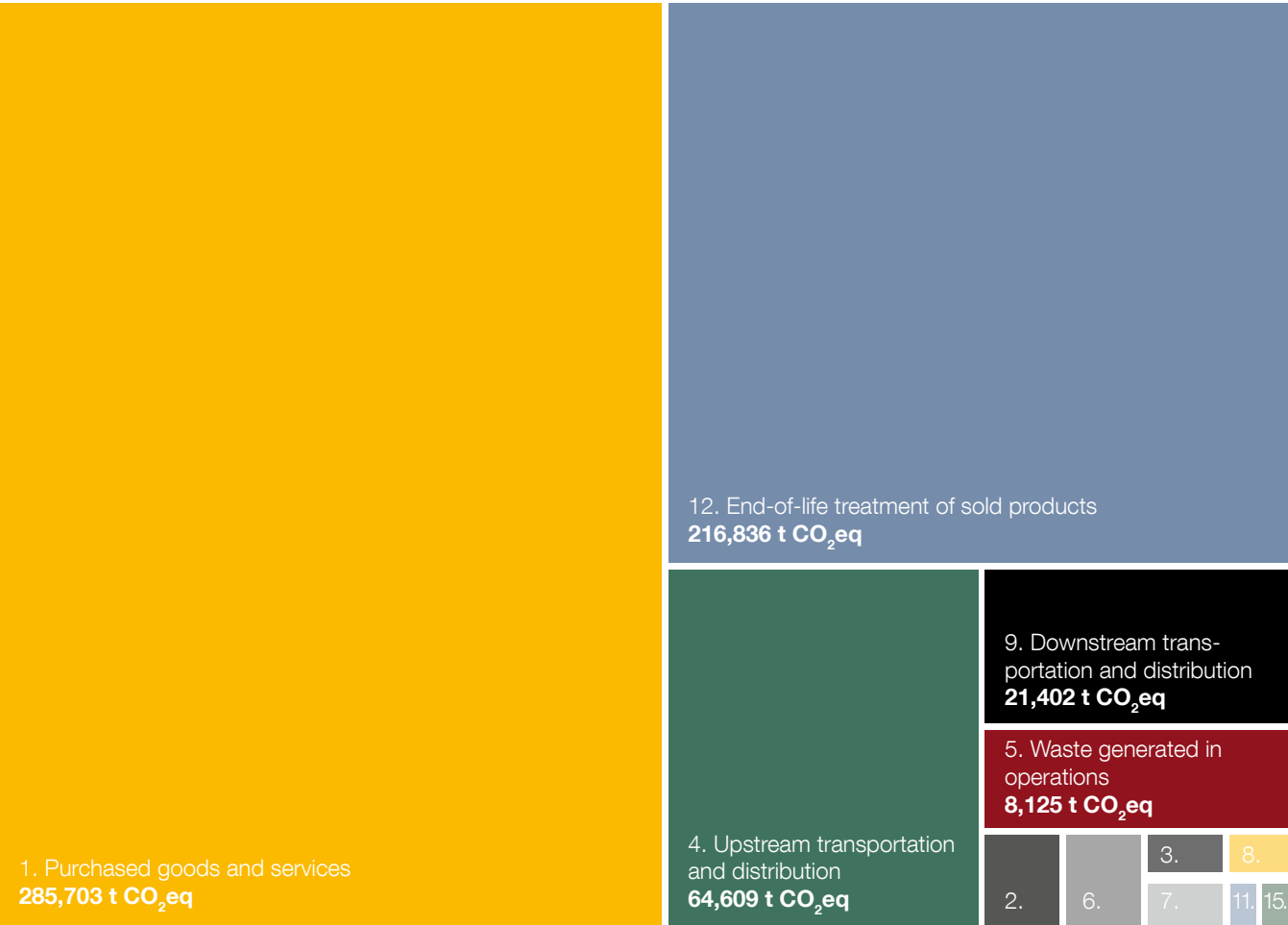
Our goals

Klüber Lubrication plans to be theoretically carbon neutral by 2045 for Scopes 1, 2 and 3. For us, this means reducing the corresponding CO₂eq emissions as far as reasonably possible and then perform a carbon gap closure. It is important to substantiate this long-term goal with constantly updated short, medium and long-term action plans. As Scope 3 emissions are strongly linked to sales and production volumes, our first goal is to improve emission intensity relative to production volumes and increase our efficiency. This will help reduce absolute emissions even as production volumes rise. By 2025, we aim for a 10% reduction in Scope 3 emissions per tonne of product compared to 2019, a target we successfully met since 2023. Our long-term goal is to enhance this reduction to 25% by 2030.

- 2. Capital goods **4,487 t CO₂eq**
 - 3. Fuel- and energy-related activities **2,452 t CO₂eq**
 - 6. Business travel **5,945 t CO₂eq**
 - 7. Employee commuting **2,243 t CO₂eq**
 - 8. Upstream leased assets **2,542 t CO₂eq**
 - 11. Use of sold products **224 t CO₂eq**
 - 15. Investments **299 t CO₂eq**
- Total:** 614,868 tonnes CO₂ equivalent

Numbering corresponds to Scope 3 categories.

Corporate carbon footprint 2024: total 614,868 tonnes CO₂eq equivalent



Raw materials and other purchased goods and services which are needed for our sales and production account for over 80% of our Scope 3 emissions. Since 2019, Klüber Lubrication's Innovation Board has set out the following in our sustainability mission statement and our 2045 sustainability strategy: "In conjunction with our suppliers, we strive to achieve ethical procurement and to continually improve our raw materials footprint. We also aim to optimise the sustainability of our product portfolio and new developments to improve impacts throughout their life cycles and for our customers".

In the meantime we have learned about the decisive role of our customers, too, who need to be willing to make efforts, e.g. testing, and sometimes need to accept higher prices and a bit of uncertainty while changing to these optimised products. Customers, suppliers and Klüber need to work together!

Our measures

In 2022, we worked with a renowned external consulting firm to define our Scope 3 emissions more precisely and formulate action plans. The initial focus is on replacing climate-damaging solvents and PFC-optimised (PFC perfluorocarbons) raw materials and products. In 2022, we defined partial targets for Scope 3 for 2025, 2030 and 2045. We refined these further in 2023.

We continuously raise awareness of the importance of the Scope 3 action plan and require this topic to be included in the strategies of all Klüber Lubrication specialist departments, regions and sites. Our R&D department has been creating a raw material matrix. This matrix gives us an overview of possible solutions for defossilised raw materials and where

we still need to find or develop them. We have been working on a mass-balance-certification for two years now, which will enable us to offer certified products to our customers in 2025.

The following additional measures currently form the focus:

- Increasing the proportion of "renewable carbon" materials, i.e. more bio-based and recycled materials and packaging in particular
- Sustainability targets for our suppliers and intensification of cooperation
- Implementation of our sustainable packaging strategy created in 2023 (see new separate chapter)
- Reducing air freight and improving our supply chain management
- Refinement of our Scope 3 data collection, also together with our parent company Freudenberg, including a focus on being able to measure the impact of our actions

Corporate carbon footprint Scope 1-3 absolute and per tonne of product (emission intensity)

CO ₂ eq in tonnes, Scope 1, 2 and 3 – absolute	2019	2020	2021	2022	2023	2024
Total Scope 1	37,675	31,069	20,313	7,430	6,914	6,769
Total Scope 2	11,278	5,619	4,723	4,287	3,499	2,235
Total Scope 3	720,065	675,685	743,844	698,299	593,962	614,868
thereof Scope 3 upstream	477,440	432,625	479,936	443,354	362,527	376,107
thereof Scope 3 downstream	242,625	243,060	263,907	254,945	231,435	238,761
Total Scope 1–3	769,018	712,373	768,879	710,017	604,374	623,871
Emission intensity: tonnes of CO₂eq Scope 1–3 per tonne of product	10.0	9.7	9.4	9.0	8.6	8.3
Difference to previous year in %		–3.0	–3.9	–4.4	–4.3	–2.6
Diff. to 2019 in % – emission intensity: tonnes of CO₂eq per scope per tonne of product						
Scope 1		–13.6	–49.7	–80.9	–80.1	–81.6
Scope 2		–47.8	–60.9	–63.3	–66.3	–79.7
Scope 3 (Goal 2025/2030: –10 %/–25 %)		–1.7	–3.6	–6.3	–10.4	–12.6
Emission intensity: tonnes of CO₂eq Scope 1–3 per tonne of product	-	–3.0	–6.7	–10.8	–14.7	–16.9

Results and recommendations

We have specified the (calculative) climate neutrality obligation 2045 for Scope 1–3 as a key objective for all strategy reviews. The proper understanding of Scope 3 methodology and of our status has been achieved. We have defined essential key resources and already approved some. However, ongoing internal efforts are required to raise awareness.

In Scope 3 (2024), the categories “Purchased goods and services” and “End-of-life” (of products) account for 82%, followed by “Upstream and downstream transportation”, which represents a further 14%. Our focus here is on finding levers and realising potential for improvement.

In 2023, we achieved a breakthrough in quantifying our R&D Sustainability Scorecard and our SPPS Sustainability Product Portfolio Segmentation, which we refined even more in 2024. Thanks to the completion of our automated Product Carbon Footprint (PCF) tool following a Life Cycle Assessment (LCA) approach, we can now compare the CO₂ impact of different formulations as early as the development stage. This opens up new dimensions in our endeavours to be a driver of sustainable innovation.

We are continually improving our sustainability product portfolio management system and optimising GHG-relevant products, for example by replacing solvents with high GHG potential in products. By 2023, we were able to complete nine out of eleven replacement projects and save a peak of 47,000 tonnes of CO₂eq per year, which represents over 80% of the corresponding potential. In 2024, we have continued our efforts to replace solvents with high GWP at our customers. By the end of 2025, we will phase out a product with an annual GWP of 6,300 t CO₂eq. The CO₂eq reduction of this measure alone corresponds to 70% of our Scope 1 & 2 (2024) – and underlines the importance of Scope 3 related actions.

For the fourth consecutive year in a row we managed to reduce our key Scope 3 indicator, the Scope 3 emissions per ton-

ne of product, from 8.4 tonnes to 8.2 tonnes, i.e. by another 2.4%. This leads to a total reduction of 12.6% since 2019. This means that we have achieved our 2025 goal of a 10% reduction again, and that we are already heading well towards our 2030 goal of a 25% reduction. Although our production of specialty lubricants has increased by 6%, our absolute Scope 3 emissions have only increased by 3.5% to 615,000 tonnes CO₂eq. Unfortunately, we expect this number to increase in the coming years as we expect emission factors of many fossil raw materials to increase, due to new evidence on methane losses in the supply chain. Although these changes on fossil materials are only calculative, they underline the importance of our strategy to push renewable raw materials.

Within the measures described above, which constitute the core of our strategies, it is the stabilisation of our supply chain and the reduction of air freight which contributed to the biggest improvement in 2024. So have the reduction of waste and the increased use of renewable raw materials.

Klüber has already developed numerous new or improved products with reduced footprint, which we offer to our customers. We hope that demand for these products will continue to grow. It is informative to analyse Scope 1, 2 and 3 together, too. Due to Scope 3's significant dependency on production volumes, it makes sense to consider the relative emission intensity as a target: through a variety of our efforts, we succeeded in improving Scope 1, 2 and 3 emissions by a further 2.6% in relation to the production volume. This adds up to an optimisation of 16.9%, or 3.4% on average per year compared to our base year 2019. Although this is below SBTi targets for now, we are proud of our achievements and of our pioneering work of finding options to reduce CO₂ emissions on our footprint – which hopefully will show higher effects in the mid- and long term. In addition to that, we are developing more solutions in parallel on our handprint side, with a much higher saving effect, as shown in previous chapters. In collaboration with our suppliers, partners and customers, we continue to work on further expanding these improvements – and this preferably quickly!



Waste and water – important elements of optimal resource use

Our goals

In our guideline on quality, environmental protection, occupational safety, health and diversity, we have set ourselves the goal of reducing the environmental impact of all our activities and preserving biological diversity. With this in mind, we are continuously working on reducing the generation of waste for each tonne of specialty lubricant that leaves our production plants. Water is a scarce good and we are happy that water consumption is not a particularly relevant factor in our production processes. Nevertheless, we still aim to make our impact on the resource water smaller every year.

We have set ourselves the following measurable targets: From 2021 to 2025, we want to reduce waste by 4% per tonne of finished product to 54.5 kg/t. We are also working on the reduction of our water consumption per tonne of product by 3.7% to 0.79 m³/t in the same period.

Our measures

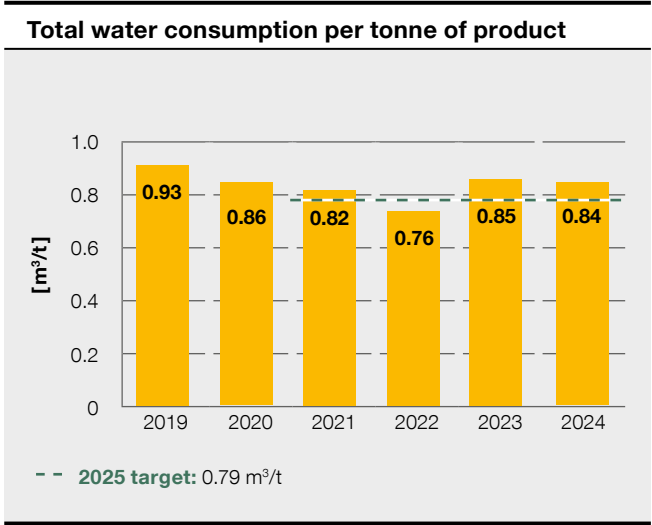
Our improvement measures are based upon collaboration and technical expert knowledge. One of our strengths lies in the deep understanding of processes that our colleagues in the production plants have acquired over decades and that they are still improving every year. And we are indeed utilising this strength. We pursue a decentralised approach and support our locations in developing and implementing ideas to optimise waste and minimise their relative water consumption. Here, too, the focus is on global exchange between our subsidiaries, which we have institutionalised in various forms.

We have implemented the following measures to avoid waste, optimise its recycling and reduce our water consumption:

- Regular awareness-raising for this important topic and training of our employees
- Consistent waste separation in accordance with local regulations in all our production plants
- Tailoring our production range and production planning to enable bigger sequences of batches with optimised cleaning effort and cleaning processes of our production kettles
- Water usage and water sourcing and discharge in our production plants are collected and monitored in our central HSE dashboard
- Use of internal production residual quantities, in strict compliance with the relevant product quality specifications
- Optimisation of our warehousing processes to avoid excessive storage times for our products

- Reconditioning and re-use of pallets
- Where feasible, in-liners in our metal drums help to minimise cleaning effort and facilitate their re-use
- Testing innovative label materials for our product packages to reduce waste
- Replacing wooden particleboard by recyclable cardboard

There are many innovative projects shared in our global community. Some focus lies on the optimisation of our packaging material. We are working on the replacement of wooden particleboard by recyclable cardboard where feasible and test innovative label materials to reduce waste. Reusable drum guards have become the preferred method for securing our drums on the pallets and avoid one-way securing mechanisms.



Results and recommendations

The total amount of waste per tonne of product could be successfully reduced by 14% from 69.5 kg/t to 60.7 kg/t in 2024. This remarkable improvement follows three consecutive years of growing relative waste generation. And even though the current value is still higher than in 2021, the development makes us optimistic that our ambitious 2025 target of 54.5 kg/t can still be achieved. In joint analyses with our sites, we are still aiming to better understand the impact of individual waste reduction measures. The level of detail of the waste figures collated in the central HSE platform of Klüber and Freudenberg still needs to be further improved. A higher level of detail is essential to analyse individual waste streams, their effect on our global waste numbers and related optimisation potential.

After one year of higher consumption we are back on track and the water consumption per tonne of product could be slightly reduced by 1% from 0.85 m³/t to 0.84 m³/t in 2024. One influencing factor besides our water saving efforts is an increase of the production output by 7% in 2024 and a slight increase of oils in our product mix. A higher utilisation of our kettles and larger average batch sizes generally help to reduce the relative water consumption. We will continue to work on optimising our impact in terms of water. The recording of water consumption figures and the breakdown by type and origin of the water used was successfully transferred to our joint HSE platform. We will now be in a position, where we can better assess statistical fluctuations, various influencing factors and emerging trends in the data.



Safety and protection for our employees, temporary workers and third parties

Our goals

In the Freudenberg Group, we have been pursuing the “Zero Accidents” campaign since 2003. It has shaped our mindset for more than 20 years and it continues to influence the daily health and safety activities in the Klüber Group. In 2024 we have further extended this campaign and embedded it as “Zero Harm” in our global Operative Execution Map of strategic projects. We aim to provide safe and healthy workplaces for all our employees every day. And we are convinced that the avoidance of harm is a more tangible and even more proactive approach than the avoidance of accidents.

Klüber is working on this goal with an integrated HSE management system that contains specific preventive measures for our processes and is continuously improved with the global HSE team. Klüber has in addition developed its own guideline on quality, environmental protection, occupational safety, health and diversity. Among other things, it confirms that consistent compliance with laws, regulations, and internal and external system standards is part of our DNA.

We work every day to make sure that people in our sphere of influence do not come to any harm. This applies to anyone on our company premises, including temporary workers and contractors. It also applies to our employees when they are working on premises belonging to other companies. And in order to be able to compare the results of our efforts with measurable values, we have chosen an LDIFR1 of less than 0.6 and a WRIFR1 of less than 1.5 as target values in the Klüber Group.

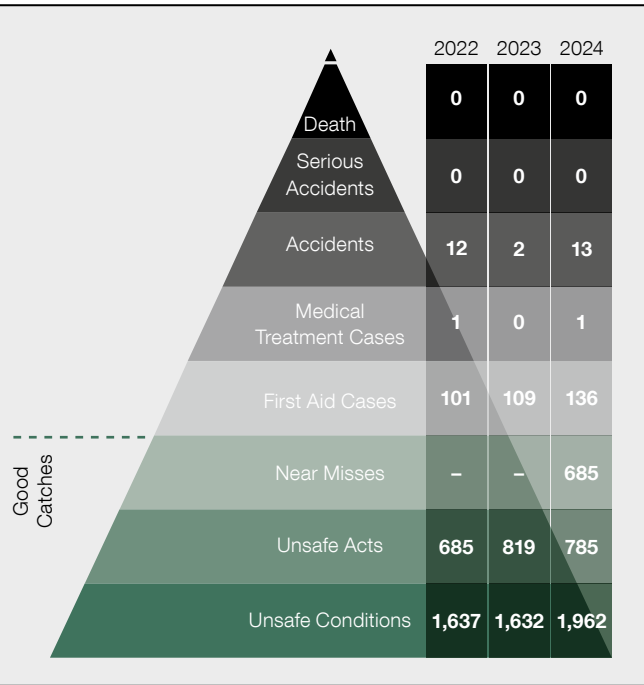
Our measures

We collect all accidents and environmental incidents from our production plants around the world in our central HSE data platform, shared with Freudenberg. The ability to proactively identify potentials for improvement (“good catches”) in order to learn from them has been part of our standard procedure for many years. With “near-misses” we have now added a third category of good catches to our safety pyramid. This approach, which is in line with the categorisation of Freudenberg, helps us to learn even more about the situations when things might have gone wrong, but nothing happened. The centralised recording of good catches also makes it possible to better identify hidden routines, risky procedures or unsafe areas and improve them in a targeted manner.

Our safety pyramid has proved to be very helpful in recent years and this structured evaluation of incidents will no longer be limited to Health and Safety. We have defined an environmental pyramid that gives a structured overview about number and severity of environmental incidents throughout the year. It is our target to implement also the environmental pyramid in our central HSE platform, shared with Freudenberg.

We are continuously working on further improving the safety culture in our subsidiaries worldwide. In 2024 we identified some improvement potential in the quality of our Gemba Walks, safety short discussions, and other safety tools. In the following months, we started a global initiative to further improve and align, and our global “HSE Community” provides the perfect framework for this.

Safety pyramid 2022 / 2024



Graphic representation of various impacts of an accident. The safety pyramid stands on a wide base made up of identified improvement potentials (the “good catches”). In 2024 an impressive total of 2,813 good catches were proactively reported, an increase of 14.8%.

We have evaluated and clustered the main categories of root causes of our accidents and incidents in 2024. This analysis revealed that more than 50% of our accidents and incidents could have been prevented by a technically optimised design. This is one field that will focus on in the next years to actively reduce our number of accidents.

The transfer of all job hazard analyses to our global HSE platform has made good progress. We will now focus on the sharing of measures to mitigate the identified risks. Our production processes are quite similar in different parts of the world and so we expect this approach will enable us to minimise our risks in a targeted manner in the coming years.

Results and recommendations

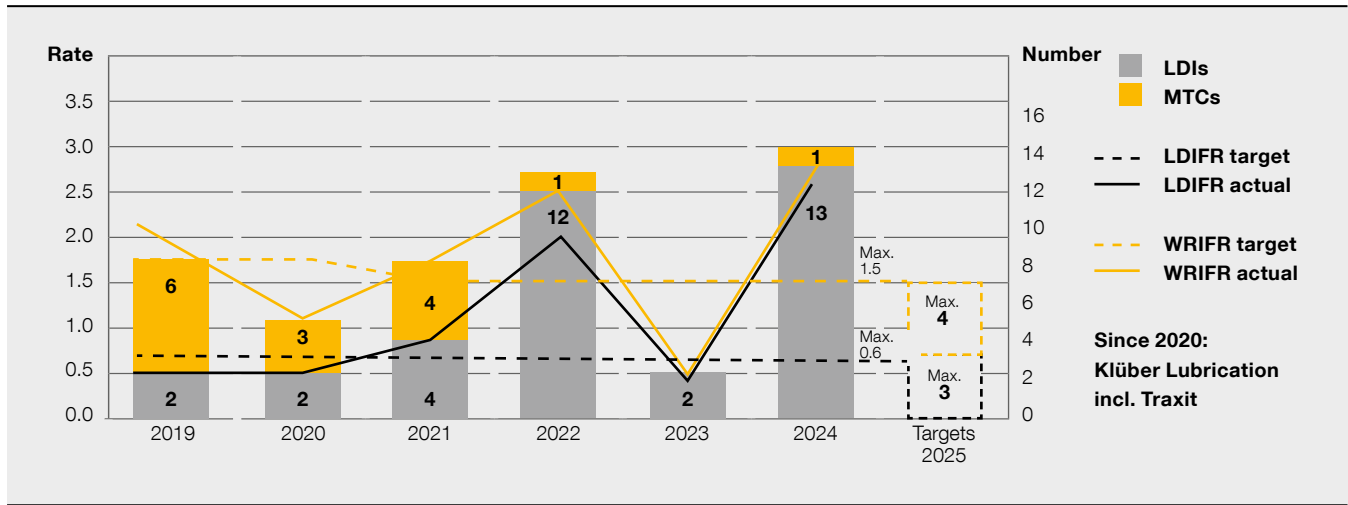
After a year with an encouragingly low number of accidents, 2024 showed unfortunately an accident rate that is comparable to 2022. The Klüber Group recorded 13 occupational accidents with one or more lost days (LDI). One of these accidents happened in our sales entities, whereas the remaining 12 accidents were recorded at our production plants. This caused an increase of the accident rate (LDIFR) to 2.6. The number of days lost due to accidents went up to a total of 143 days. The severity of accidents, i.e. the average number of days lost per LDI, was 11 days.

We take this increase in accident numbers seriously and are convinced we have started the right measures to effectively lower the number of accidents. The great majority of the accidents were caused by technical design with room for improvement and by hidden unsafe routines and our measures will focus on both.

At the same time – and this makes us optimistic – we are pleased about the positive trend in the number of proactively recorded potential improvements in occupational safety ("good catches"), which has continued for several years. From 2,363 in 2022 and 2,451 (+3.7%) in 2023, their number rose by additional 14.8% to 2,813 in 2024.

These figures encourage us to continue working on improving our safety culture. Mobile apps and a global HSE platform help us to openly share mistakes, best practices and improvement measures within our organisation. Our HSE experts will be able to reduce the time required for office work and have

Operational safety – target and actual



The figures shown in the graph include all accidents for which treatment by a medical professional was required, as well as accidents resulting in an absence lasting longer than one day.

Glossary of occupational health and safety abbreviations

Abbreviation	Meaning	Explanation
WRI	Work Related Incident (employee or temporary worker)	Accident at work (employee or temporary worker)
LDI LDI1	Lost Day Incidents with 1 day or more of inability to work	Accident at work with 1 day or more of inability to work
MTC	Medical Treatment Case (employee or temporary worker)	Accidents with medical treatment that exceeds first aid (employee or temporary worker)
LDIFR1 WRIFR	LDI1/WRI Frequency rate per 1 million work hours	LDI1/WRI Frequency rate per 1 million workhours

more time for interaction with employees on the shopfloors of our production departments and logistics warehouses around the world. Mobile digital solutions will become our global standard in HSE. This will enable us to not only count

the numbers of good catches but analyse and evaluate their content, not only at the site where the good catch was reported but at all sites of Klüber Group.

Sustainable and ethical procurement

Our goals

We aim to enforce ethical, legally compliant and sustainable behaviour throughout our entire supply chain. Our suppliers are expected to apply best practice standards which enable us to continuously improve the footprint and handprint of our products and our business, minimise risks, boost customer satisfaction and promote sustainability.

Our supply chain plays a key role in reducing our Scope 3 CO₂ emissions and meeting ESG requirements, which is why we are driving even greater cooperation and transparency. With our sustainable procurement strategy, we aim at covering all relevant areas, including comprehensive involvement of our suppliers in sustainability ratings, the systematic recording of CO₂ emissions, the global application of our standards and the safeguarding of sustainable product requirements.

Our measures

Klüber Lubrication has long-standing business relationships with its raw material and packaging suppliers and is in regular contact with them. The suppliers are usually multinational, i.e. they have plants in different countries. Well over 50% of our suppliers are based in North America and Europe. We seek to work with local suppliers within the country or the continent, as far as the international orientation of the company allows. Global and strategic suppliers are handled by lead buyers in the company's headquarters. Suppliers that are exclusively relevant for individual production plants are managed by buyers in the respective plants.

We have developed our own comprehensive process for sustainable procurement, which serves as the basis for our collaboration with suppliers. Since 2015, this has included

a supplier code based on the UN Global Compact and the Freudenberg Guiding Principles, which is mandatory for both existing and new suppliers.

To detect potentially negative effects regarding the environment and human rights in the supply chain, we used the EcoVadis platform, which was introduced in 2022. With EcoVadis IQ, we were able to carry out a risk analysis in the supply chain and also gain an insight into further supplier assessments via EcoVadis ratings. If necessary, remedial and corrective actions are also initiated. This enables us to create transparency around corporate social responsibility issues in the supply chain. However, we have found that it can be very time-consuming to get suppliers to participate in an assessment. This is due to the lower relevance of the issue in non-European countries and the fact that suppliers have to pay for the assessment. For this reason, we decided to switch from Ecovadis to IntegrityNext as part of an optimisation project. This also takes into account the growing reporting requirements of our parent company, as IntegrityNext is already in use in some Freudenberg companies. With this decision, we are contributing to the consolidation of tools and enabling uniform standards. The changeover took place in the fourth quarter of 2024. IntegrityNext is a Munich-based company offering a platform to monitor the sustainability practices of suppliers.

In 2022, our parent company Freudenberg set up a Compliance Office, which can also be used by Klüber's suppliers. A process was established to deal with incidents relating to Klüber Lubrication. Previously, neither internal nor external complaints about incidents in the supply chain had been reported.

In Germany and Austria, we regularly award contracts to centres for people with disabilities in order to make a contribution towards inclusion.



The sustainable use of resources is becoming more and more important for many people – whether they are private individuals, consumers or employees of Klüber Lubrication. For us as a lubricant solution supplier, it is not just about the lubricant itself – the packaging is also becoming increasingly relevant. The EU Green Deal and our own corporate sustainability targets require us to cut down on packaging waste and reduce the “carbon footprint” of our products, e.g. through the introduction of containers made from recycled plastic (Post-Consumer Recycled - PCR), see chapter “Send packaging on a sustainability journey” on page 10 for further information. In addition to making progress in the sustainability of packaging, we are also working intensively on improvements in the area of raw materials. In our laboratories, we continuously carry out trials to identify, test and introduce alternative and more sustainable raw materials. These efforts reflect our commitment to not only minimising the environmental impact of our packaging but also improving the entire product life cycle. This enables us to improve the footprint of our products, reduce environmental effects and conserve fossil resources.

Of course, we are also involving our suppliers in our efforts to achieve our target of becoming climate neutral, including Scope 3, by 2045. We have identified milestones and key topics and informed 100% of our suppliers of direct and indirect materials worldwide about our goals and expectations. For example, we inform them that we calculate and continuously improve the carbon footprints of products. We also require our suppliers to do this. Suppliers are encouraged to continuously improve and offer innovative solutions.

In 2024, the suppliers responsible for the majority of the total volume were selected using Pareto analysis (80/20 rule). We specifically asked these suppliers for their CO₂ data, providing a solid basis for further analysis and action. The response rate from European suppliers was significantly higher than from non-European suppliers. The reasons for this are likely to be the Green Deal efforts and climate targets that are increasingly coming to the fore. It is important to emphasise that the main objective is to encourage our worldwide suppliers to address the issue in a structured way through regular communication and targeted surveys.

Expectations of suppliers up to 2035

	2025	2030	2035
Innovation	Offering solutions that contribute to climate neutrality and sustainability		
Product carbon footprint	100%	Continuous methodological improvement including expansion to Life Cycle Assessment (LCA)	
CO ₂ footprint ¹	–30%	–50%	–75%
Proportion of recycled material	25%	50%	75%
Green energy	50%	75%	90%
Responsible and ethical conduct	Participating in IntegrityNext assessments and achieving “green” status for ESG risk.		

¹ Improvement per product, base year 2022.
² Our definition of local means the same continent as the relevant production plant.

Continuous training of employees is an important part of our sustainability strategy.

Buyers worldwide were informed about the importance of sustainability, our guidelines, goals and our status on a regular basis (initial training plans, global, regional and local meetings, information campaigns). 100% of relevant buyers took part in online courses on the principles of sustainable procurement in the Ecovadis Academy to further consolidate their know-how. Topics covered included an introduction to sustainable procurement, challenges and benefits, how to deal with objections by suppliers, and the continuous improvement of sustainability.

Results and recommendations

Suppliers must agree to abide by our code of conduct, have their own code of conduct that meets our expectations, or be a signatory to the UN Global Compact. We do not work with suppliers who fail to meet this condition. 100% of Klüber Lubrication’s raw material and packaging suppliers comply with this condition. Since the introduction of EcoVadis, selected

suppliers have been invited to an in-depth assessment based on an abstract analysis. As of the reporting date of 30 September 2024, we had received evaluation results for 53% of our direct suppliers, which significantly increases transparency in our supply chain. Our suppliers achieve better results than the EcoVadis benchmark, which emphasises our efforts in terms of sustainability and social responsibility. This means we have made significant progress – by reaching our goal of getting more suppliers involved in the evaluation. The changeover to IntegrityNext was completed in the fourth quarter of 2024. Results and analyses with traceable measures will follow in 2025.

	Average of Klüber Lubrication suppliers	Average of all companies assessed by EcoVadis	Goal for Klüber Lubrication suppliers
Environmental	63	47	> 45
Labour and human rights	61	50	> 45

A vital part of our efforts is the implementation of correction measures as formulated in the Ecovadis Scorecards in support of the suppliers' capacity building process. Since we started with Ecovadis, several measures for improvement were initiated via the Ecovadis portal. They include measures as varied as process optimisations or the introduction of transparent reporting standards. We did not have to terminate any business relationships with suppliers due to serious problems relating to the environment or human rights.

We seek to work with suppliers who are based in the same country or on the same continent as the relevant production plant.

Proportion of local ² suppliers (raw materials and packaging)			
North America	South America	Europe	Asia
91%	73%	96%	94%

Certifications and ratings

Certification refers to a process that helps to prove compliance with certain requirements. Certifications are often awarded for a limited period of time by independent certification bodies who are also responsible for independently monitoring compliance with standards. To fulfil all the requirements of our customers and meet increasing demands in the quality, safety and environment sector, Klüber Lubrication maintains certifications at all of its production facilities. Each production facility has different requirements with regard to its markets, customers or know-how and adapts its certifications accordingly.

With our subsidiary Traxit, which we acquired in 2020, we are pursuing a long-term integration plan which also includes the development of certifications.

To meet further requirements from key markets and customers, we have decided to demonstrate the status of our commitment at an even more detailed level by joining several CSR/ESG* reporting, rating and auditing initiatives covering topics such as human rights, child labour, business ethics and compliance, as well as ethical and sustainable supply chains. In addition to the global ESG-rating of the Klüber Lubrication Group by EcoVadis, these initiatives also include Sedex and NQC. We continuously monitor other relevant initiatives to evaluate whether there is sufficient added value for us and our customers.

NQC Ltd. is an external service provider that operates the supplierassurance.com portal, where the Self-Assessment Questionnaire (SAQ) must be completed and verification documents uploaded. The SAQ is a joint questionnaire from the Drive Sustainability Initiative. In this initiative, 11 OEMs work together to improve sustainability in the automotive supply chain. All Klüber sites worldwide involved in the automotive business get rated and achieve the requested scores in order to assure the continued qualification as supplier.

Location	Quality		Environmental protection	Workplace safety	Food and pharma	
	ISO 9001	IATF 16949	ISO 14001	ISO 45001	ISO 21469	Kosher, halal
Austria	✓	✓	✓	✓		
Belgium	✓	✓	✓	✓		
Italy	✓		✓	✓		
Germany	✓	✓	✓	✓	✓	✓
Spain	✓	✓	✓	✓	✓	✓
Turkey	✓		✓	✓		
Argentina	✓		✓	✓		
Brazil	✓	✓	✓	✓	✓	✓
Mexiko	✓		✓	✓	✓(refilling)	
USA, Londonderry	✓		✓	✓	✓	✓
USA, Tyler	✓		✓	✓	✓	✓
China	✓	✓	✓	✓	✓	✓
India	✓		✓	✓	✓(refilling)	
Traxit Germany	✓		✓	✓		
Traxit China	✓					
Traxit USA	✓					

SEDEX: Ethical added value for customers

SEDEX (Supplier Ethical Data Exchange) is one of the world's leading membership organisations for ethical trade. The SEDEX 4-pillar audit, also known as SMETA (Sedex Members Ethical Trade Audit), is an audit process that helps companies to review and improve their social and ethical standards. The four pillars are: labour standards, health and safety, environment, and business ethics. Klüber customers from the food industry demand SEDEX participation for relevant sites.

Accordingly, we have chosen selected production plants for food-grade lubricants in Munich (headquarter), China and Brazil. The SEDEX audit is a valuable tool for Klüber to review and improve our social and ethical standards. It provides benefits not only for us but also for our customers by ensuring transparency, trust, and security in the supply chain.

Our training enables our employees to work sustainably with a focus on customers

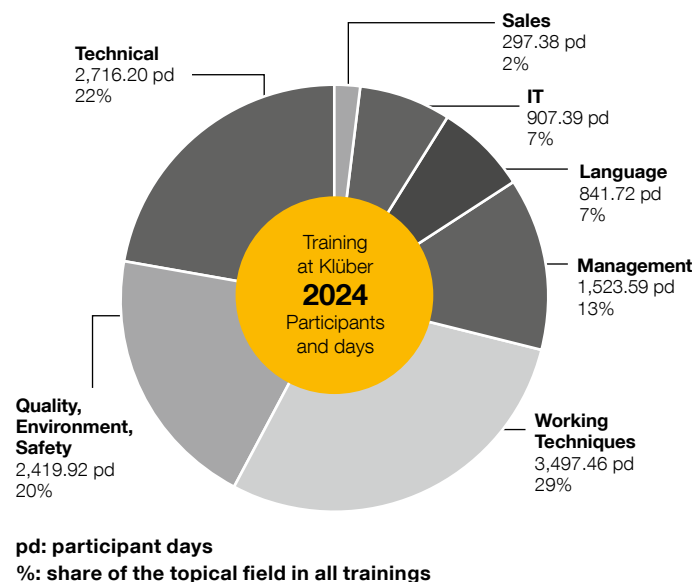
Our goals

Our primary "Learning & Development" goal is to create a dynamic and supportive learning culture at Klüber Lubrication that enables our employees to continuously develop their capabilities and competencies. The demands on our workforce are constantly changing and we therefore rely on targeted training programmes, advanced training and development initiatives to ensure that our teams can always keep pace with the latest industry-specific developments. Our aim is to train our employees and enable them to focus even better on the needs of our customers. In this way, we create added value for our customers through a customer-centred approach with qualified employees.

Our "Learning & Development" strategy is based on individualised learning paths that are tailored to the specific needs and goals of each employee. We identify skills gaps through regular demand analyses and develop tailor-made training programmes on this basis. We attach great importance to integrating innovative learning methods that promote motivation and participation, be it through e-learning, interactive workshops, mentoring or other contemporary approaches. In addition, we aim not only to strengthen technical proficiencies but also to support the personal and professional development of our employees. This includes soft skills, leadership competencies and the promotion of teamwork and cooperation.

We do not only measure the effectiveness of our "Learning & Development" on the basis of participation rates with our overall goal of 5 training days per year and person. Above all, we recognise effectiveness through specific improvements in performance and increased employee satisfaction. By continuously gathering feedback and adapting our programmes

to changing requirements, we strive to establish a sustainable and successful development culture in our organisation. We ensure the continuous improvement of our training portfolio, switching to online, hybrid and face-to-face programmes with qualified trainers to ensure the sustainable performance of our employees.



Our measures

In order to achieve our "Learning & Development" goals, we implement a variety of targeted measures. These include: demand analysis, regular evaluation of skills requirements, identification of individual and team-wide development opportunities, integration of flexible learning formats such as e-learning platforms, learning management systems (LMS), workshops, seminars and mentoring. We use innovative learning methods, modern technologies and digital teaching materials to increase learning motivation and effectiveness. Special measures to support the personal development of all employees include: integration of training to promote soft skills such as communication, teamwork, problem solving and time management, the implementation of targeted feedback mechanisms and more. We have also been offering our employees professional resilience training since the beginning of 2025. In order to identify and develop leadership potential, we have implemented special mentoring programmes and leadership workshops. We also promote leadership and management skills with targeted programmes.

We objectively evaluate the effectiveness of our "Learning & Development" by measuring performance and tracking our KPIs and performance metrics. We are actively and continuously working to improve our training programmes.

To this end, we regularly obtain feedback from employees at all hierarchical levels. We attach great importance to being flexible and adaptable to changing requirements and technologies. Together, these measures form a comprehensive "Learning & Development" strategy that aims to promote the individual development of our employees while ensuring that the company has highly qualified and motivated teams to successfully meet future challenges.

The implementation of this strategy is supplemented by a range of content that is developed and made available in our specialist departments both worldwide and locally, and is not always included in our global statistics, such as training courses on handling hazardous substances, preventing (environmental) accidents or training courses following safety-related incidents from which lessons can be learnt ("good catches"). Since the beginning of 2025, a large online platform provides learning content for soft and power skills in all languages.

We offer a modular training programme on the topic of sustainability and responsibility. Firstly, an e-learning programme provides basic knowledge. Introductory videos build on this, explaining the strategy, objectives, measures, successes and important tools for the subject areas. Additionally, we explain topics of overarching importance, such as our Sustainability Strategy 2024-2045 or the importance of Scope 3 for our customers, in greater depth via video.



Results and recommendations

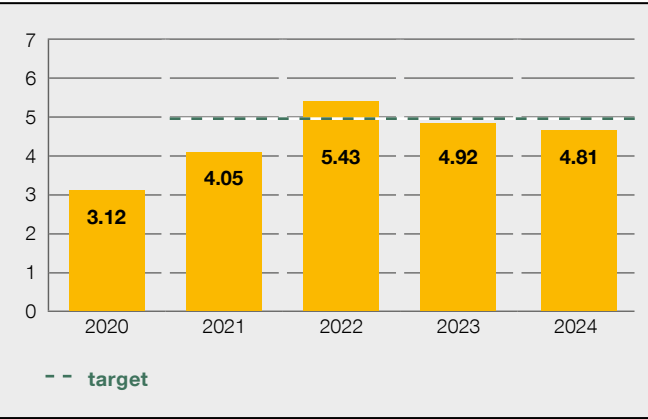
In 2024, an impressive 100% of all Klüber Lubrication employees worldwide took part in training activities. This was due to the global commitment of our colleagues, training departments and Freudenberg's increasingly cooperative "Learning & Development" community.

We recognise other relevant trends that have a strong influence on our KPIs: increasing knowledge transfer, formal and informal learning and the use of artificial intelligence, significantly reduce learning times while also increasing the frequency with which content is used, learnt and actively implemented in day-to-day business.

This can be clearly seen by the fact that e-learning and videos are no longer viewed in full, but only the essential content is used. Mandatory training courses must be completed and finished so that they can be included in our tracking. Content that we do not track is used until the target is met but is not necessarily completed. Training courses that are available outside our system, on public platforms, for example, are therefore not tracked.

In 2023, we achieved 4.81 recorded training days per employee. This means that we are 0.19 days below our KPI of 5 training days per employee. However, this shows that we are part of a global trend towards more but shorter content, which defines how efficient learning is organised today. And as we are aware that not all trainings appear in our statistics, we are satisfied with this result. 5 training days will continue to be actively offered to all employees.

Training days per Klüber Lubrication employee



Respecting diversity and promoting inclusion are cornerstones of our corporate culture

Our goals

As a company within the Freudenberg Group, we align ourselves with its management principles. This includes rejecting “all forms of discrimination and harassment. We show and demand understanding and respect when interacting with one another. We promote a multicultural environment where employees work together in worldwide teams to enrich our corporate culture and capability.”¹

Our measures

We implemented the following measures, among others:

- We focus on inclusive talent acquisition practices, to ensure that processes are free from bias when actively hiring qualified candidates for various roles regardless of gender and management level.
- Training curriculums and workshops are focused on shifting the mindset of managers towards Inclusivity, especially in talent acquisition and talent and performance management.

- We offer a selection of a coaching providers – internally and externally – with a special focus on the development of managerial candidates.
- Flexible work arrangements are made available to accommodate different needs, such as remote work options, flexible hours, and parental leave across the regions.
- We track and report various dimensions of diversity and inclusion, e.g. hiring and talent management to ensure accountability and transparency.
- Best practices and measures in diversity and inclusion are recognised and aligned across Klüber globally.
- Platforms for networking, support, and advocacy within the company, not only for women, but other diverse groups as well are in place as a Group-wide initiative.
- Klüber is committed to ensuring equal pay for all its employees. Worldwide, our strategic approach, includes regular reviews and adjustments to compensation structures to address any disparities. This commitment reflects our belief in fairness and equality in the workplace, ensuring that all employees are compensated fairly, regardless of their gender, location or position.

Results and recommendations

Klüber continues to enforce diversity and inclusion as a key focus in this aspect across its regions. We have been continually improving the number of women employees as managers to more than 25% since 2021. With the various talent and succession planning measures implemented, we continue to bring capable employees to succeed into managerial roles and leading teams.

The management team is committed to diversity and inclusion and actively promotes and supports according initiatives.

Proportion of women in leadership positions

2021	2022	2023	2024
25.4%	25.9%	26.4%	26.1%

¹ Freudenberg Guiding Principles.



Compliance is based on integrity and ethics and strengthens our reputation

Our goals

A major factor for the success of Klüber Lubrication is its good reputation. Through our parent company Freudenberg, we are part of a value-based family of companies whose business is built on strong ethical principles. We therefore explicitly reject all illegal or unethical practices in our business operations. A professional compliance management system helps us achieve this goal. Compliance is thus an integral component of our corporate strategy. We foster a culture of openness at all levels so that compliance remains an intrinsic part of our company DNA. Klüber Lubrication espouses the principles of the Freudenberg Code of Conduct and has developed a wide range of its own compliance guidelines based on our periodic materiality assessment. In addition, we adhere to the guidelines issued by our parent company, particularly the Freudenberg Guiding Principles, Freudenberg business principles, the Antitrust Guideline, the Anti-Bribery and Anti-Corruption Guideline and the Catalogue of Standard Internal Controls. All our policies apply worldwide.

The Freudenberg Code of Conduct on corruption and its extended scope:

Prohibition of corruption

Corruption is prosecuted as a criminal offense on an international level. Corruption, bribery, embezzlement, fraud, acceptance of advantages, and any other form of corrupt action in business transactions are strictly prohibited at Freudenberg.



The Freudenberg Code of Conduct informs in its chapter "B. Information concerning possible compliance violations" on contact/support, ethics offices and on 16 areas:

1. Human rights, health, occupational safety, environment and climate protection
2. Cooperation
3. Company property and proprietary information
4. Software, email, social media and internet
5. Accounting and financial reporting
6. Data protection
7. Cooperation with business partners
8. Antitrust and competition laws
9. Conflicts of interest
10. Corruption
11. Prohibition of money laundering and financing of terrorism
12. Product conformity and safety
13. Foreign trade law and export control
14. Political activities
15. Drugs, alcohol and weapons
16. Public statement

Our measures

Klüber Lubrication pursues compliance according to a structured plan. The Klüber Group's Compliance Office is tasked with continuously reviewing the requirements of our compliance system, conducting risk analyses and establishing an efficient organisation. The Klüber Group's compliance management system is evaluated on an annual basis and the required optimisation steps are determined. The integration of compliance into the company's specialised processes has a high priority. For this purpose, the Compliance Office holds a once-a-year talk on the status of compliance processes with all responsible CFOs of the Klüber companies.

Klüber Lubrication's structured compliance management plan

In 2024, an analysis of the money laundering risk present within the Klüber Group was conducted, following our focus on prevention of corruption in 2023. The result confirmed that Klüber Lubrication already fully acts with due care as stipulated for goods dealers in accordance with money laundering law due to the efficient implementation of the internal money laundering guideline. Standardised self-assessments were used to evaluate the application of Klüber principles on the delegation of compliance obligations as well as the implementation of whistleblower processes at all Klüber companies.

Investigating compliance violations and protecting whistleblowers are our top priority. All employees have been informed about the official internal and external reporting centres they can contact in the event of compliance violations and also enjoy legal protection. In the past year, comments and violations continued to be processed strictly in accordance with the principles of our Case Management Policy. We have now introduced the new Integrity Line system made by EQS

to offer both internal and external whistleblowers an advanced electronic tool to issue reports in 27 different languages. If necessary, complaints can also be translated into other languages swiftly and with discretion. The established Freudenberg processes ensure that everything happens in compliance with the law.

Since compliance rules are only as good as their enforcement, we place great emphasis on the fact that a good compliance culture motivates employees to adhere to our rules. The Compliance Office's homepage is an important communication tool in this regard. In addition we regularly publish articles



on our intranet to raise awareness of critical topics such as conflicts of interest or corruption. A video message from the Management Board affirms Klüber's commitment to behaviour which is unconditionally adherent to the rules. The Klüber compliance standard KS009 clearly describes the global management processes at Klüber Lubrication and is available to all stakeholders in our process map.

Klüber Lubrication employees have access to a wide range of e-learning courses on various compliance topics. Managers are trained in dealing with critical situations by means of a compliance simulation game. Another important tool for establishing compliance in specialist processes is the management letter which is used annually in a bottom-up approach by departments and subsidiaries to confirm that they are familiar with and are applying the compliance rules.

Results and recommendations

Klüber Lubrication has developed a climate of openness in which employees can be sure that compliance with rules is worthwhile. This trust in the company is fostered by a clear message from management that compliance is an indispensable component of sustainable business success. A risk-based compliance concept helps to achieve this goal. In addition, Klüber Lubrication decided to carry out external Sedex audits every three years from 2021 onwards, including in the areas of labour standards and business ethics, in order to take an independent perspective into account. The audits carried out were passed successfully. Klüber Lubrication also supports customers in their desire to get to know the concept of the global Klüber Compliance Management System.

GRI-Index

With this year's sustainability report, we are once again aligned with Global Reporting Initiative (GRI) standards and are reporting with reference to the GRI standards 2023. The corresponding GRI index is presented below. Information on particular standards

can be found on the corresponding pages of the sustainability report. We have also included links to relevant information on our website or noted information in the comment column. In the index, we also refer to the relevant contribution to the UN Sustaina-

ble Development Goals (SDGs), which are an important foundation for our work in the areas of sustainability and responsibility.

Statement of use	Klüber Lubrication München GmbH & Co. KG has reported the information cited in this GRI content index for the period 01.01.2024 – 31.12.2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI-Standard	Disclosure	Location	Comments	SDG
GRI 2: General Disclosures 2021	2-1 Organizational details	p. 5	2-1-a Klüber Lubrication München GmbH & Co. KG 2-1-b Klüber Lubrication is a business division of Freudenberg Chemical Specialities GmbH and has belonged to the Freudenberg Group since 1966. The Freudenberg Group is based in Weinheim, Germany. 2-1-c Munich, Germany 2-1-d https://www.klueber.com/global/en/company/locations/	
	2-2 Entities included in the organization's sustainability reporting	p. 26		
	2-3 Reporting period, frequency and contact point	p. 26		
	2-4 Restatements of information	p. 26	No significant changes or corrections were made.	
	2-6 Activities, value chain and other business relationships	p. 5	Overview industries & components: https://www.klueber.com/global/en/company/klueber-lubrication-an-overview/	
	2-7 Employees	p. 5		
	2-8 Workers who are not employees	p. 5		
	2-9 Governance structure and composition	p. 28		
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 26, 28		
	2-13 Delegation of responsibility for managing impacts	p. 28		
	2-14 Role of the highest governance body in sustainability reporting	p. 26, 28		
	2-16 Communication of critical concerns	p. 28		
	2-17 Collective knowledge of the highest governance body	p. 28		
	2-22 Statement on sustainable development strategy	p. 3, 7, 8, 9		
	2-23 Policy commitments	27, 31, 32, 51, 52	see also the commitments of our mother company, the Freudenberg Group, that fully apply to us, too: https://www.freudenberg.com/company/responsibility Klüber-specific: https://www.klueber.com/global/en/company/corporate-mission/	
	2-24 Embedding policy commitments	p. 28, 31, 32, 45, 46, 47, 48, 51, 52		

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GRI-Standard	Disclosure	Location	Comments	SDG
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	p. 52	see "ethics offices" in https://www.freudenberg.com/company/responsibility/compliance	
	2-27 Compliance with laws and regulations	p. 51, 52		
	2-28 Membership associations	p. 27	Focus on sustainability and ESG	17
	2-29 Approach to stakeholder engagement	p. 33		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 31, 32		
	3-2 List of material topics	p. 31, 32		
	3-3 Management of material topics	p. 31, 32	*All material topics covered here are described below in related indexes. We do not add repeated reference to page 28 and 29.	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	p. 5		8
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	p. 46		12
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	p. 27, 31, 32, 51, 52	see also: https://www.freudenberg.com/company/responsibility/compliance	16
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 34, 35		13
	302-3 Energy intensity	p. 35		7, 13
	302-4 Reduction of energy consumption	p. 34, 35		7, 12, 13
	303-5 Water consumption	p. 41		6, 12 14
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	p. 15, 29		6, 13, 14, 15
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 5, 36, 37, 39		3, 12, 13, 14, 15
	305-2 Energy indirect (Scope 2) GHG emissions	p. 5, 36, 37, 39		3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	p. 5, 38, 39, 40		3, 12, 13, 14, 15
	305-4 GHG emissions intensity	p. 3, 4, 5, 39, 40		3, 12, 13, 14, 15
	305-5 Reduction of GHG emissions	p. 4, 5, 8, 37, 39, 40		3, 12, 13, 14, 15
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 14, 15, 41, 42		3, 6, 11, 12, 13, 14, 15
	306-2 Management of significant waste-related impacts	p. 20, 31, 41, 42		3, 6, 12, 13
	306-3 Waste generated	p. 41, 42		3, 6, 11, 12, 13, 14, 15

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GRI-Standard	Disclosure	Location	Comments	SDG
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	p. 45, 46		12
	308-2 Negative environmental impacts in the supply chain and actions taken	p. 45, 46		12
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 43, 44		3, 8
	403-2 Hazard identification, risk assessment, and incident investigation	p. 43, 44		3, 8
	403-3 Occupational health services	p. 43, 44		3, 8
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 43, 44		3, 8
	403-5 Worker training on occupational health and safety	p. 43, 44		3, 4, 8
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 43, 44		3, 8, 17
	403-8 Workers covered by an occupational health and safety management system	p. 43, 44		
	403-9 Work-related injuries	p. 5, 43, 44		3, 8
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p. 5, 48, 49		4, 8
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 50	for more information see also: www.klueber.com/global/en/company/living-diversity-growing-together/	5, 12, 16
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	p. 45, 46	https://www.klueber.com/ecoma/files/Ethical_standards_for_suppliers_EN.pdf	4, 8, 10, 16
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 45, 46	https://www.klueber.com/ecoma/files/Ethical_standards_for_suppliers_EN.pdf	4, 8, 10, 16
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	p. 45, 46		8, 12
	414-2 Negative social impacts in the supply chain and actions taken	p. 45, 46	see also: https://www.klueber.com/global/en/company/suppliers/	8, 12
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	p. 14, 15, 17, 31	see also: https://www.klueber.com/global/en/company/compliance-of-all-raw-materials-and-products-with-chemicals-law/	3, 12
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	p. 14, 15, 31	https://www.klueber.com/global/en/company/compliance-of-all-raw-materials-and-products-with-chemicals-law/	3, 6, 12, 14, 15

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Klüber Lubrication – your global specialist

Our passion is creating innovative tribological solutions. Through personal support and consultation, we help our customers to be successful, around the globe, in every industry. By utilising complex engineering concepts and experienced, competent employees, we have mastered the growing demand for high-performance, cost-effective special lubricants for over 90 years.

