

PLANET PRODUCT PEOPLE

*NETZSCH Group
Sustainability Report
2023/24 Fiscal Year*



Dear readers,

The NETZSCH Group sustainability report not only reflects what we have achieved to date but also acts as a compass that guides us along our continued pathway of sustainable development.

The last few years presented us with major challenges, including global uncertainty, economic slowdown, inflation, and high energy prices. At the same time, they offered us the opportunity to further embed sustainable business practices into our corporate culture.

We use innovation and technical expertise to develop products and solutions that help our customers to conserve resources and make everyday operations more energy efficient and environmentally friendly. We are also strengthening our sites as centers of expertise for future technologies and optimizing processes along the entire value chain. Regular discussions with internal and external stakeholders on an equal footing are key to this.

We naturally also consider the social impacts of our actions. We use targeted training programs and a culture of openness and equal opportunities to shape an inspirational working environment where everyone can develop their full potential. We believe that the diversity of our workforce is one of our greatest strengths and plays a significant part in our success. However, our responsibility does not end at our factory gates; as a global company, we take our role in society seriously and are actively committed to sustainable development in all of the regions where we operate.

NETZSCH has been committed to sustainable, value-based business practices for five generations – providing us with firm foundations for outstanding flexibility and resilience over decades. Our success is based on the dedication of our owner family and our employees, who continually develop NETZSCH through their expertise, innovative strength, and impressive sense of responsibility. We continue to take responsibility, actively shape change, and make a positive contribution to providing a future worth living for coming generations – all in line with our sustainability vision:

“At **NETZSCH**, we are dedicated to green growth by balancing our **PLANET, PRODUCT, and PEOPLE.**”



Global management team at the NETZSCH Group

**Andreas Denker | Paul Netzsch | Ingo Rädisch |
Moritz Netzsch | Dr. Jürgen Blumm | Jens Niessner**



Over the last few years, the NETZSCH Group has faced rapidly increasing requirements with regard to sustainable business practices. Global conflicts have shown us that the availability of energy and raw materials at affordable prices should not be taken for granted. This makes it all the more important to develop strategies that reduce our dependency on external influences while also minimizing our usage of natural resources.

At the same time, employee satisfaction, especially in these times of skills shortage, acts as a foundation for our ability to continue offering competitive products and services characterized by high quality. The customer is at the heart of everything we do: we are committed to providing sustainable, reparable products characterized by minimal energy consumption and an optimum product carbon footprint.

In addition to the legal requirement to create a sustainability report, we are also following the Sustainable Development Goals established by the United Nations. This report offers a transparent, fact-based insight into how we balance ecological, social, and business requirements. It shows NETZSCH’s contribution to climate change mitigation and environmental protection, how we ensure fair and safe working conditions at our sites, and which measures we take along the entire product value chain to promote a sustainable future.

Many of the topics presented in the report result from years of work by our specialist departments and highlight how firmly entrenched sustainability is in our corporate culture. We would like to thank everyone who has contributed to the creation of this report and the data collection required to this end.



NETZSCH sustainability team

Roman Eiswert | Jonas Heyn | Nina Schwalm | Edyta Weitze | Thorsten Schlereth | Stefanie Reinhold | Johann Vetter | Svenja Fröhlich | Matthias Schmid

Not pictured: Dajana Prellwitz, Bernd Uebersezig, Jens Heidkötter, Marvin Köppel, Peter Gent



Employees worldwide**
4,716



Gender distribution at
the German sites**
398 / 1,493 (female / male)



CO₂ emissions*
Scope 1: 3,474.43 t
Scope 2: 2,231.66 t
Scope 3: 2,553,129.10 t



Volume of non-hazardous
waste generated by the
three largest German sites*
2,117 t



Volume of hazardous waste
generated by the three
largest German sites*
201.14 t



Total energy consumption*
48,680 MWh



Share of total energy
consumption from
renewable sources*
80%



Turnover in the 2023/24
fiscal year**
€877 million



Staff turnover rate**
1%



Largest number of
employees at one site
(Pomerode, Brasil)**
1,086



Average employee age
worldwide**
42 years



Average length of
service of employees**
10.6 years internationally
13 years in Germany



For ease of reading, the NETZSCH sites listed below are referred to in the sustainability report using the abbreviations by which they are known internally. The table shows which abbreviation refers to which site.

Holding

ENH	Erich NETZSCH B.V. & Co. Holding KG
NEX	NEDGEX GmbH
NXP	NETZSCH Process Intelligence GmbH (sensXPERT)
NBS	NETZSCH Business Services GmbH

A&T Analyzing & Testing

NGB	NETZSCH-Gerätebau GmbH
NCR	NETZSCH Česká Republika s.r.o.
NIB	NETZSCH Instruments North America, LLC
NIK	NETZSCH Instrumenty Sp. z.o.o.
NJA	NETZSCH Japan K.K.
NKS	NETZSCH Korea Co. Ltd.
NSI	NETZSCH Scientific Instruments Trading (Shanghai) Co. Ltd.
NTA	NETZSCH TAURUS Instruments GmbH
NIS	NETZSCH Instruments (Suzhou) Co., Ltd.
NIU	NETZSCH Thermal Instrument UK Ltd.

G&D

Grinding & Dispersing

NFT	NETZSCH-Feinmahltechnik GmbH
NLT	NETZSCH Lohnmahltechnik GmbH
NTT	NETZSCH Trockenmahltechnik GmbH
NVM	NETZSCH Vakumix GmbH
NMX	NETZSCH Mastermix Ltd.
NFK	NETZSCH Feinmahltechnik Polska Sp. z o.o.
NTR	OOO NETZSCH Tula
NEB	NETZSCH España S.A.
NPT	NETZSCH Premier Technologies, LLC
NEM	NETZSCH Indústria e Comércio de Equipamentos de Moagem Ltda.
NSC	NETZSCH (Shanghai) Machinery and Instruments Co., Ltd.
NIG	NETZSCH India Grinding & Dispersing Pvt. Ltd.
NTU	NETZSCH Makine Sanayi ve Ticaret Ltd. Sti.
NBF	NETZSCH Broyage SAS

P&S

Pumps & Systems

NPS	NETZSCH Pumpen & Systeme GmbH
NPB	NETZSCH Pumps Bellux B.V.
NFP	NETZSCH Frères S.a.r.l.
NPU	NETZSCH Pumps & Systems Ltd.
NPI	NETZSCH Pompe & Sistemi Italia S.r.l.
NPN	NETZSCH Pompen Nederland B.V
NPO	NETZSCH Pumpen & Systeme Österreich GmbH
NPR	NETZSCH Pumps Russia OOO
PPP	Peribest Pumps S.L.
NSA	NETZSCH Southern Africa (Pty) Ltd.
NTC	NETZSCH Canada Inc.
NPA	NETZSCH Pumps North America, LLC
NAR	NETZSCH Argentina S.A.
NDB	NETZSCH do Brasil Indústria e Comércio Ltda.
NBC	NETZSCH Bogota Colombia SAS
NMM	NETZSCH México SA de CV
NPL	NETZSCH Peru S.A.C.
NLP	NETZSCH Lanzhou Pumps Co. Ltd.
NTI	NETZSCH Technologies India Pvt. Ltd.
NIJ	PT. NETZSCH Indonesia
NMK	NETZSCH Malaysia Sdn. Bhd.
NAP	NETZSCH Asia Pacific Pte. Ltd.
NTB	NETZSCH Thailand Ltd.
NVH	NETZSCH Vietnam Ltd.
NAS	NETZSCH Australia Pty Ltd.
NPK	NETZSCH Pumps Korea
NKA	NETZSCH Kazakhstan LLP
NJP	NETZSCH (Jiaxing) Pumps Co., Ltd.
NPE	NETZSCH Pumps España S.L.

NETZSCH Group

Corporate Culture
Company Structure
Proven Excellence

Sustainability Management

Sustainability Team
Sustainability Ratings
Design of the Sustainability Report
Risk Management

Innovation and Cooperation

Business Model
Value Chain
Stakeholders

Materiality Analysis

Sustainability Strategy

Planet – E1 Climate Change
Product – E5 Resource Use and Circular Economy
People – S1 Own Workforce

Taxonomy

Policy

Area of Use

Audit Report

Legal Notice & Publisher

NETZSCH Group

Corporate Culture
Company Structure
Proven Excellence

"We can only **sustainably** resolve the challenges facing the world with regard to climate change and resource consumption in combination with **commercial expertise**."

Paul Netzsch | [Member of Executive Board](#) | NETZSCH Gruppe

Company History

The NETZSCH Group’s history dates back to over 150 years ago when the brothers Thomas and Christian Netzsch courageously established their own company. What is now a global, crisis-proof, fifth-generation family business started out as a small workshop in the German town of Selb in 1873.

In its early years, the company produced fire pumps and agricultural machinery, before industrialization led it to the porcelain industry. However, the global economic crisis of the 1920s placed the company, then run by second-generation manager Gustav Netzsch, at risk of closure.

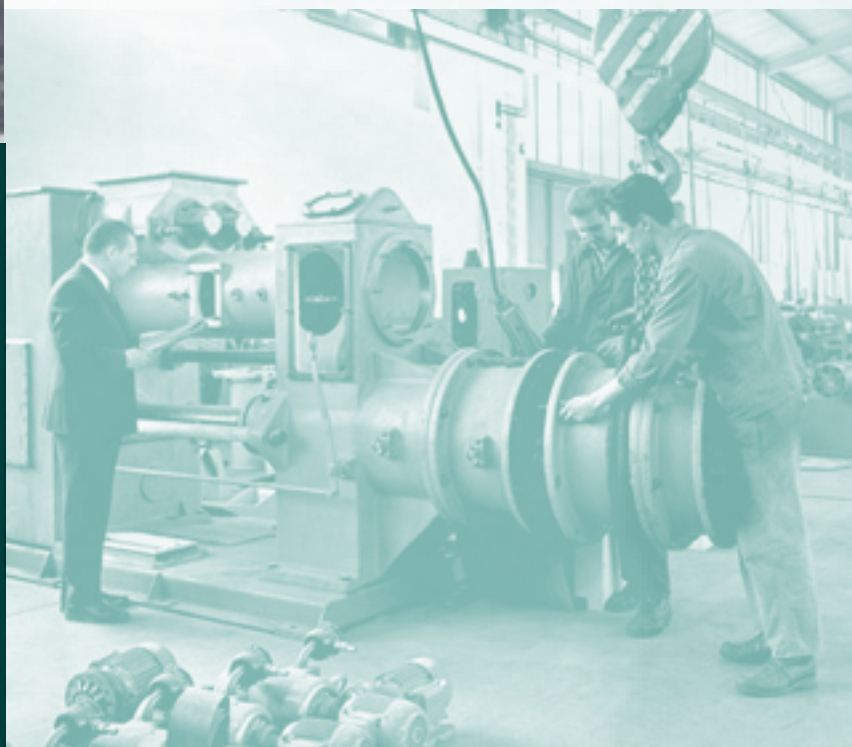
The family business only took off again after the Second World War, under the management of Gustav Netzsch’s son Erich, who used foresight and innovative spirit to develop it into an internationally successful player. In the 1960s, ‘Gebrüder Netzsch Maschinenfabrik’ underwent major expansion.

Thomas and Wolfgang Netzsch took over the company in 1973 as a well-coordinated management team. Thomas Netzsch’s business skills transformed the group of companies into a diversified, multi-division enterprise that remained stable even in times of crisis.

Today, the company is based on three strong pillars: ‘Analyzing & Testing’, ‘Pumps & Systems’, and ‘Grinding & Dispersing’. Each business unit uses its core competencies to write further chapters in the success story of the company, which is now under the fifth-generation management of Moritz and Paul Netzsch.

The NETZSCH Group’s history has made it what it is today: a company that has established itself as a successful machinery and instrumentation manufacturer, and gradually developed a prime market position on various continents.

Throughout its over-150-year history, NETZSCH has unwaveringly regarded itself as a family business, with innovation, customer proximity, expertise, and responsibility anchored in its corporate philosophy. Sustainable practices are key to positive change and the wellbeing of future generations.



150 Years of NETZSCH – A Milestone Anniversary

From a small workshop to a global player – NETZSCH celebrated a milestone anniversary in 2023. Seven events around the world paid tribute to the company’s success and tradition. The anniversary year was marked by comprehensive communications, an exclusive magazine, and an anniversary film – which scooped the International German PR Award 2024.



Company Values

The company values form the basis for collaboration and the company's self-image. They provide guidance for everyday decision-making and help to shape a sustainable future that meets the needs of employees, customers, society, and the environment. These values make NETZSCH unique and have been firmly anchored in the group for over 150 years.

Trust and accountability

We are committed to family values. We foster relationships based on trust and encourage and support each other. We take responsibility for each other in all respects. We encourage everyone to play a constructive and creative role.

Professionalism and innovation

We identify with the company and its goals. We seek dialog with our business partners to establish sustainable business relationships and increase the benefits for both sides. We continuously develop our processes. We create a climate of innovation that promotes motivation and enjoyment in our work.

Fairness and loyalty

We treat each other with tolerance, respect, and mutual appreciation. We see diversity as an opportunity. We engage in active communication and encourage dialog. Our actions are transparent and we comply with applicable laws and agreements.



Company Structure

Global Management and Control Structures

The NETZSCH Group is a world-leading technology company that specializes in the manufacture of machinery and instrumentation. Its Executive Board is made up of fifth-generation managers Moritz Netzsch, Paul Netzsch, and Jens Niessner. Together with the three business unit leaders, these form the global management team (GMT) responsible for managing the company as well as developing and implementing the sustainability strategy. All members of the GMT are highly experienced in their fields, which is of key importance for the various sectors, products, and geographical locations.

Global Management Team (GMT)

- Moritz Netzsch | Member of Executive Board
(Areas of responsibility: HR, Compliance, Communication)
- Paul Netzsch | Member of Executive Board
(Areas of responsibility: Portfolio Management, Strategy & Innovations)
- Jens Niessner | Member of Executive Board
(Areas of responsibility: Finance, Controlling, IT, Treasury & Tax)
- Dr. Jürgen Blumm | CEO of the Analyzing & Testing business unit)
- Ingo Rädisch | CEO of the Grinding & Dispersing business unit)
- Andreas Denker | CEO of the Pumps & Systems business unit)

The management team, which is currently entirely male, is controlled by the group of shareholders, which consists of 70% men and 30% women. All members of the committee come from the Netzsch family: Sabine Schaefer (daughter of Erich Netzsch) and her children Felix Schaefer and Dr. Otto Max Schaefer, Christian Netzsch and Dr. Claudia Netzsch (children of Wolfgang Netzsch), as well as the executive partners Moritz and Paul Netzsch (sons of Thomas Netzsch).

To give NETZSCH Group employees a voice, the three business units have an employee representative for their German sites and a joint group works council. All committees are in regular dialog with the global management team.

The NETZSCH Group is committed to clear structures and open interactions – with the shareholder family remaining actively involved in all aspects of strategic development. The group strategy is carefully reviewed every five years within the scope of a predefined information and approval loop. The management team presents the shareholders with a sophisticated concept for aligning targets and values at an early stage. Following its final approval, the strategy is integrated into everyday operations – and becomes an integral part of the company-wide governance structure.

Mandatory disclosure according to ESRS 2 GOV-1

Best Managed Companies Award 2024

The NETZSCH Group received a prestigious Best Managed Companies award after impressing the council of experts and judging panel in the categories of strategy, innovation, finance, and culture. In the multi-stage selection process, NETZSCH demonstrated its business excellence – and received the Best Managed Companies Award 2024 from Deloitte Private, UBS, Frankfurter Allgemeine Zeitung, and the Federation of German Industries (BDI).



Company Structure

Statement on Due Diligence

The procedures for compliance with due diligence requirements are listed below. The corresponding measures are explained in the respective sections.

Key elements of due diligence	Sections in the sustainability reporting standard
a. Embedding of due diligence into governance, strategy, and the business model	GOV-2, GOV-3, SBM-3
b. Involvement of affected stakeholders in all important due diligence steps	GOV-2, SBM-2, IRO-1, S1-2
c. Determination of the assessment of negative impacts	IRO-1, SBM-3
d. Measures for combating these negative impacts	E1-3, S1-4, E5-2
e. Tracking the effectiveness of these efforts and communication	GOV-5

Mandatory disclosure according to ESRS 2 GOV-4

In-depth reporting consistently provides transparency and demonstrates progress toward the achievement of targets: monthly reports, quarterly and annual financial statements, and strategy reporting keep both shareholders and family members up to date at all times. In addition, compact, clearly structured reports that summarize key developments and strategic decisions are presented at shareholders’ meetings. Formal shareholder meetings with a fixed agenda and involving a strategy update are held three times a year. This format is also complemented by two informal meetings that can be used to discuss individual topics and for open dialog.

In addition to the group strategy, the shareholders also approve the financial framework on an annual basis. The rolling forecast tool furthermore provides a robust outlook for the next 18 months – including all relevant key indicators, an investment overview, and the central control parameter ‘economic value added’ (EVA). Major projects such as the renovation of the Selb campus or machines for new developments are planned as part of a long-term strategy. Smaller investments remain flexible and are directly agreed upon and approved by the respective managers.

Mandatory disclosure according to ESRS 2 GOV-2

The management bodies are not currently remunerated on the basis of ESG criteria.

Mandatory disclosure according to ESRS 2 GOV-3



Company Structure

Business Units and Innovation Drivers

Holding

Under the management of Erich NETZSCH B.V. & Co. Holding KG, the company is divided into three sector and product-oriented business units: Analyzing & Testing, Grinding & Dispersing, and Pumps & Systems. NETZSCH Business Services GmbH and NEDGEX also provide support as an internal service provider and incubator for digital innovations respectively. The first corporate ventures include NETZSCH Process Intelligence GmbH (sensXPERT).

Business Units

NETZSCH Analyzing & Testing is a global market leader in the thermal characterization of almost all materials and generates 17.3% of the total turnover of the NETZSCH Group (as of 2024). The business unit provides a comprehensive range of solutions in the fields of thermal analysis, calorimetry, thermophysical property determination, rheology, and fire testing. With a broad product range, extensive application experience, and a wide range of services, NETZSCH Analyzing & Testing develops custom solutions and device configurations that are optimally tailored to user requirements.

NETZSCH Grinding & Dispersing is a globally leading provider of grinding and mixing technologies. It generates 33.6% of the total turnover of the NETZSCH Group (as of 2024).

The diverse portfolio of machines and instrumentation is used in the broadest range of industries, such as the chemical, mineral processing, and food production industries. The business unit’s particular strength lies in the development of custom solutions in line with customers’ specific procedural requirements.

NETZSCH Pumps & Systems is a global leader in complex fluid handling and the business unit that generates the highest share of the NETZSCH Group’s total turnover at 49.0% (as of 2024). The company develops, produces, and delivers custom pump solutions. From precise dosing pumps for industrial use to high-performance large pumps for the oil and gas sector – the business unit offers innovative solutions for the widest range of challenges.

Internal Service Provider

NETZSCH Business Services GmbH strengthens the NETZSCH Group’s competitiveness and future viability through a comprehensive range of efficient solutions, standardized services, and automated processes. The departments focus on their core competences in order to combine, harmonize, and optimize processes in the fields of Human Resources, Intellectual Property Management, Facility Management, Information Technology, and Finance. Transparency with regard to the diverse processes, requirements, and systems is at the heart of this.

Digital Unit

NEDGEX is a central part of the NETZSCH Group’s innovation strategy. As a corporate venture unit, NEDGEX identifies numerous opportunities, promotes technological developments, and uses groundbreaking innovations to sustainably transform the group’s business units. NEDGEX combines internal expertise with strategic partnerships to create innovative solutions that accelerate technological progress and safeguard the group’s long-term competitiveness.

Corporate Venture

sensXPERT is the technology brand of NETZSCH Process Intelligence GmbH, a NETZSCH Group corporate venture. sensXPERT uses innovative sensor technology to enable real-time insights into the behavior of materials during production, setting new standards for data-based analysis and process optimization.

The joint turnover of NETZSCH Business Services GmbH, NEDGEX GmbH, and NETZSCH Process Intelligence GmbH accounts for 0.07% of the total turnover of the NETZSCH Group (as of 2024).



Strategic Direction

At the end of the fiscal year 2023/24, the NETZSCH Group employed 4,716 people in over 200 global production, sales, and service companies and generated a turnover of 877 million euros in non-climate-intensive sectors.

The highly diverse portfolio minimizes dependencies on individual sectors, areas of use, or customers. All three business units are committed to reducing these dependencies even further, for example through new products and areas of use that continually expand the market volume. Despite a challenging market environment and ongoing intense competition, especially among larger companies, NETZSCH still expects positive development.

The international orientation and strategic initiatives in several regions and sectors are strengthening the NETZSCH Group's position for the future. New products and alternative business models are optimally preparing the group of companies for upcoming challenges. Despite this, negative developments in markets and sectors can still influence the financial and asset situation. One key risk lies in the potential conflict between China and the USA as well as the impact of this on Europe. NETZSCH is mitigating these risks through the continual expansion of its global production sites and its international presence.

With three independently operating business units, a wide range of customers and industries, and a strong presence in the most important global markets (EMEA, America, and Asia), the NETZSCH Group is characterized by outstanding diversification.

The NETZSCH Group's strategic direction is based on Strategy27 and IT Strategy25. The mission "We drive industrial progress to sustain a successful eco-system through generations" highlights the long-term commitment to sustainable progress – for customers, partners, and future generations. The company uses strategic diversification to minimize risks and make optimum use of growth potential.

While the three business units are continually developed, NEDGEX acts as a hub of innovation for digital technologies and new business models. Regular reviews and targeted modifications ensure that Strategy27 is continuously optimized in order to anticipate market changes at an early stage and safeguard competitiveness.

NETZSCH's global positioning opens up a wide range of opportunities: the company greatly benefits from accelerated growth in dynamic market phases and in the case of currency adjustments. Challenges in individual regions, such as the Ukraine conflict or the energy crisis in Europe, can be largely balanced out thanks to the international orientation. With its solid financial basis, NETZSCH makes targeted use of external growth opportunities and reviews potential acquisitions in order to further drive growth.

Analyzing & Testing Business Unit

The Analyzing & Testing business unit is optimistic about the future. Following a year of declining orders and sales, the business unit is well-positioned to continue growing in the stagnating market environment. A strong presence in key markets coupled with innovative new products form the basis for higher market shares. The business unit is forecasting significant increases in both turnover and profit for 2025.

Grinding & Dispersing Business Unit

Despite a slight downturn in the energy solutions segment and ongoing global economic uncertainties, the business unit is feeling confident about the upcoming fiscal year. The main growth drivers are in the form of new product solutions and the strong position in all relevant key markets.

Pumps & Systems Business Unit

The Pumps & Systems business unit continues to see attractive and profitable future potential in its global markets (the environment & energy sector, chemical sector, pharmaceutical and food sectors, and oil & gas sector). Although difficult framework conditions are slowing growth in China, the business unit is remaining dynamic thanks to its robust and regionally diversified business model. Strong positive trends are particularly evident in North and South America. The broad technology portfolio with four positive displacement pump technologies is also driving growth. New products such as the PERIPRO® peristaltic pump, the TT.Sano® rotary lobe pump, and the hygienic multi screw pumps are opening up further market opportunities.



Proven Excellence is more than a claim – it is a promise and an obligation, to those both internally and externally. Ever since 2019, all NETZSCH sites worldwide have followed this guiding principle, which was developed on the basis of a stakeholder survey and in close collaboration with employees. The message is clear: you can rely on NETZSCH.

It is a promise to all of the company sites around the world to be socially responsible, act in an environmentally conscious manner, and actively support the common good – always in compliance with the highest quality standards and with outstanding reliability.

It is a promise to customers. NETZSCH uses highly motivated employees, in-depth application knowledge, extensive industry expertise, and outstanding innovation to develop economically and technically impressive solutions that offer maximum customer benefits. The aim is to be a responsible and reliable partner, and to develop sustainable business relations that create long-term added value for all parties.

It is a promise to employees and a clear nod to the corporate culture and the NETZSCH family values. Everyday work is characterized by tolerance, respect, and mutual appreciation. Diversity is regarded as an opportunity and a culture of trust is promoted. Open communication and active dialog are essential parts of teamwork. The future is actively shaped by driving change and using new technologies with great vision, persistence, and innovative strength.

Proven Excellence.

For over 150 years, NETZSCH has shown that excellence is not just a goal, but an actively practiced reality. Outstanding performances and achievements impress customers worldwide and make the company a reliable partner for sustainable and future-oriented solutions.

NETZSCH uses the Proven Excellence Award to honor employees and teams who show particular commitment to the company’s values and goals. The award is presented annually in the categories People, Innovation, and Operation, and highlights the importance of excellence in all areas.

OUR SELF-IMAGE

Who we are
What’s important to us
What we want

OUR
BRAND ESSENCE

You can rely on NETZSCH.

OUR VALUES

Trust & accountability
Professionalism & innovation
Fairness & loyalty

OUR CLAIM

Proven Excellence.



Sustainability Management

Sustainability Team
Sustainability Ratings
Design of the Sustainability Report
Risk Management

“Our aim is to produce **durable capital goods** and ensure their sustainable use through **reliable spare parts supply** and **first-class service**.”

Johann Vetter | [Head of Sustainability](#) | NETZSCH Group



Sustainability is firmly anchored in the NETZSCH DNA, with the potential impact on future generations always considered when making strategic decisions. This focus on sustainability is firmly entrenched in the corporate culture and with all employees across all sites and all departments but has never before been communicated in the form of an annual report based on key performance indicators.

The interdisciplinary sustainability team is made up of experts from various departments, including Compliance & ISMS, Controlling, Integrated Quality Management, Marketing & Communication, Facility Management, and HR. It consists of the steering team and the core team. In addition, local contacts at the global sites support the implementation of the sustainability strategy at their respective sites. Departments such as Purchasing, Sales, Energy Management, Research & Development, Product Management, and Marketing furthermore promote group-wide dialog and the uniform implementation of sustainability initiatives. Executive Board member Paul Netzsch supports the core team as a mentor and reports directly to the global management team.

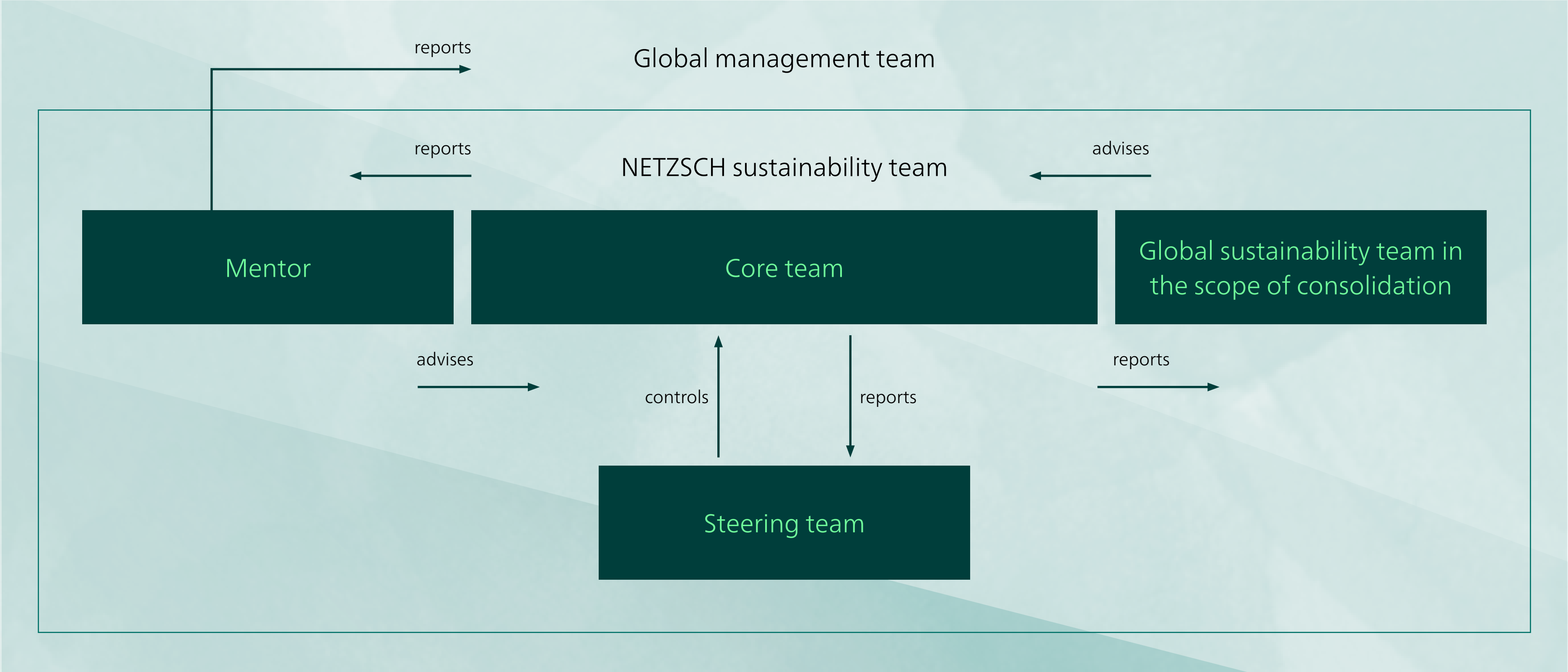
Thanks to the close ties with both senior management and global sites, the core team can carefully align local measures with the strategic goals to ensure an effective sustainability strategy.

The core team provides the international sustainability officers with quarterly reports on key results and goals. Regular discussions with the global management team furthermore enable a detailed assessment of risks, tasks, and progress – including a systematic analysis of any significant impacts, opportunities, and challenges. This information is used to create an action plan with clearly defined responsibilities and deadlines. Regional sustainability officers furthermore ensure the consistent implementation of the strategy at all sites. NETZSCH also has a dedicated sustainability page on its global communication channel ‘NETZSCH HUB’, where employees can refresh their knowledge on sustainability and find the latest sustainability-related updates from the company.

To achieve its ambitious goals, NETZSCH works closely with external partners such as Lufthansa Industry Solutions (LHIND), who support it with their expertise and experience in the field of sustainability. The group of companies also maintains a continuous dialog with other companies, institutions, and platforms in order to integrate best practices and remain up to date with all the latest developments.

Mandatory disclosure according to ESRS 2 GOV-1





Mandatory disclosure according to ESRS 2 GOV-1



In 2024, the NETZSCH Group consistently continued its sustainability strategy, strengthened internal and external networks, and evaluated the progress achieved. In this regard, a transparent and comparable analysis is essential for objectively assessing progress. NETZSCH therefore introduced a sustainability assessment by the internationally recognized provider EcoVadis back in 2018. This assessment makes it easier to identify strengths and potential areas for improvement, as well as to derive specific measures. One factor of particular importance is comparability with other market participants, as this makes it possible to realistically assess a company's position and further intensify the use of measures in relevant areas. NETZSCH also strives for certifications in order to continually optimize processes and ensure excellent product and service quality.

Sustainability Ratings

EcoVadis

EcoVadis is an important provider of sustainability assessments for companies. These can register on its sustainability platform and obtain a rating for several assessment criteria: environment, labor and human rights, ethics, and sustainable procurement. Once the results have been reviewed, the company will receive a scorecard that can be shared with other companies. This scorecard shows the assessed company's current performance with regard to sustainability and the ratings it achieved in the individual categories.

In 2023, NETZSCH Pumpen & Systeme GmbH in Waldkraiburg was awarded the silver medal in the field of corporate social responsibility for its sites in Germany, China, India, and Brazil. The Analyzing & Testing business unit at NETZSCH-Gerätebau GmbH in Selb and the Grinding & Dispersing business unit at NETZSCH-Feinmahltechnik GmbH received the bronze medal.

NETZSCH Pumpen & Systeme GmbH



NETZSCH-Gerätebau GmbH



NETZSCH-Feinmahltechnik GmbH



Certifications

ISO 9001 is the internationally recognized standard for quality management systems and ensures that companies continually optimize their processes to guarantee high product and service quality. ISO 14001 defines the requirements for an environmental management system and helps companies systematically improve and sustainably manage their environmental performance.

ISO 45001 focuses on occupational health and safety in order to ensure safe and healthy working conditions for employees. ISO 50001 helps companies improve their energy efficiency and reduce their energy consumption in a targeted manner. In addition, ISO 80079 ensures that products for use in explosive atmospheres meet the required protection standards.

Regular recertifications and (monitoring) audits ensure that NETZSCH continuously complies with all standards and improves processes. This promotes safety, quality, and sustainability within the company and strengthens its competitiveness.

Business unit	Site	Quality ISO 9001	Environment ISO 14001	Occupational health and safety ISO 45001 or OHRIS	Energy management ISO 50001	Ex products ISO 80079-34
Analyzing & Testing	NGB (Selb)	■	■	■	■	
	NSI	■				
Grinding & Dispersing	NEB	■				
	NEM	■	■			
	NFT	■				■
	NLT	■	■			
	NTT	■				■
	NSC	■				
	NVM	■				■
Pumps & Systems	NDB	■	■			
	NLP	■	■	■		
	NPI	■				
	NPS	■	■	■		
	NTI	■	■	■		

Basic Principles of the Sustainability Declaration

The Erich NETZSCH B.V. & Co. Holding KG sustainability report covers the 2023/24 fiscal year (July 01, 2023 to June 30, 2024). The information reported is based on the requirements established by the European Sustainability Reporting Standard (ESRS), which acts as a framework for standardized, comparable sustainability reporting.

The sustainability report was prepared on an individual basis. The quantitative disclosures in E1 relate to the large production and assembly sites, in S1 predominantly to Germany and in E5 exclusively to the three largest German sites. The qualitative disclosures cover the scope of consolidation of the annual financial statement. Precise details of what exactly the data refers to can be found in section 8 'Area of use'. The report furthermore contains information about the subsidiary sensXPERT, which is not part of the consolidation but is incorporated into the group by means of a profit and loss transfer agreement.

The entire value chain – both upstream and downstream – was systematically included in the dual materiality analysis through the use of targeted surveys. The feedback obtained was directly incorporated into the assessment of the key sustainability topics. No information was withheld in order to protect intellectual property or innovative developments.

By publishing this report sooner than required, NETZSCH is preparing itself for the future legal requirements of the Corporate Sustainability Reporting Directive (CSRD). The report provides a transparent and comprehensive picture of the central sustainability aspects of the group of companies. The independent auditing company dhpG GmbH has reviewed and confirmed the accuracy, comparability, and transparency of the information contained.

Due to its turnover, balance sheet, and employee figures, the NETZSCH Group is obliged to provide non-financial reporting from the 2027 fiscal year, with its first official publication in 2028.

The aim is to continually develop the sustainability report to enable NETZSCH to fully and promptly comply with all necessary requirements by the time reporting becomes mandatory. The report provides stakeholders with transparent, fact-based insights into the sustainability strategy, the implemented measures, and the progress made. NETZSCH can therefore ensure comprehensible and reliable communication about the company's ecological, social, and economic areas of responsibility.

Mandatory disclosure according to ESRS 2 BP-1

Specific Circumstances

If the sustainability declaration deviates from standard timescales or estimation techniques, the sources on which these deviations are based will be disclosed and the uncertainty of the results will be estimated – always in direct connection with the respective disclosures. References to other legal regulations, recognized standards, or guidelines will be clearly marked. The same applies to external information integrated via cross-references.

There is no gradual implementation of individual data points in accordance with Annex C of the ESRS 1 as this option is only available to companies with fewer than 750 employees and is therefore not relevant to NETZSCH.

If not all of the data points in relation to certain material disclosure obligations required according to the CSRD are yet available, this will be transparently indicated. Details will also be provided about when the missing information is expected to be available – based on the current status of the internal data situation.

Mandatory disclosure according to ESRS 2 BP-2



Scope of Consolidation of the NETZSCH Group

- NETZSCH Analyzing & Testing**
- China (Taicang City, Shanghai)
 - **Germany (Selb, Weimar, Ahlden)**
 - Japan (Yokohama)
 - South Korea (Seoul)
 - Poland (Krakow)
 - Czech Republic (Prague)
 - UK (Wolverhampton)
 - USA (Burlington)

- NETZSCH Grinding & Dispersing**
- Brazil (Pomerode)
 - China (Shanghai)
 - **Germany (Selb, Bremen, Hanau, Bobingen, Tirschenreuth, Stockach)**
 - France (Schiltigheim)
 - India (Chennai)
 - Poland (Krakow)
 - Russia (Tula)
 - Spain (Barcelona)
 - Turkey (Cigli)
 - UK (Lichfield)
 - USA (Exton)

- NETZSCH Pumps & Systems**
- Argentina (Buenos Aires)
 - Australia (Sidney)
 - Belgium (Affligem)
 - Brazil (Pomerode)
 - China (Lanzhou, Jiaxing)
 - **Germany (Waldkraiburg)**
 - France (Pontault-Combault)
 - India (Chennai)
 - Indonesia (Jakarta)
 - Italy (Verona)
 - Canada (Barrie)
 - Kazakhstan (Almaty)
 - Colombia (Bogota)
 - Malaysia (Petaling Jaya)
 - Mexico (Mexico City)
 - Netherlands (Utrecht)
 - Austria (Linz)
 - Peru (Lima)
 - Russia (Moscow)
 - Singapore
 - Spain (Barcelona)
 - South Africa (Johannesburg)
 - South Korea (Seoul)
 - Thailand (Bangkok)
 - UK (Dorchester)
 - USA (Exton)
 - Vietnam (Ho Chi Minh City)

- Corporate Center**
- **Germany (Selb)**

At NETZSCH, risk management is established as an integral part of corporate management. It creates transparency, supports decision-making processes, safeguards potential for success, and helps to avoid unwanted risks. It also helps with strategic planning and long-term company development.

The risk management system makes it possible to identify and assess risks at company level at an early stage. A central policy defines the basic risk management processes and standards within the NETZSCH Group. This specifies the following aspects in particular:

- Risk-bearing capacity limits for each unit and executive body
- A specific timescale for risk assessment
- Ad-hoc risk reporting for new or severely changing risks

The risks are prioritized on the basis of their expected value – calculated by multiplying the probability of occurrence by the potential impact – and divided into three categories:

- Category A (high)
- Category B (medium)
- Category C (low)

Additional guidelines such as the Management Manual, Code of Conduct, Rules of Procedure, and Financial and Investment Policy support the implementation of risk-related measures.

The responsibility for risk management lies centrally with the management of NETZSCH Holding in the Group Treasury area. The NETZSCH Group risk manager is responsible for the methodical development, implementation, consolidation, and analysis of the risks at group level. The group risk manager is supported by further risk managers in the business units. These ensure compliance with the defined standards in their respective units in order to guarantee a standardized risk management system throughout the group of companies.

Reporting occurs at least once a year, with the report submitted to the management. Ad-hoc reporting also occurs in the case of new or severely changing risks. The detailed processes and report structures are defined in the Risk Management Policy.

The NETZSCH Group uses the risk management platform RiMIS® from antares to systematically record and assess risks. The risks determined largely fall within the low to medium categories, although macroeconomic and political risks are classed as high. NETZSCH uses targeted measures to ensure that the potential impacts of these risks remain manageable.

Mandatory disclosure according to ESRS 2 GOV-5



To record sustainability risks in a targeted manner, risk management has been expanded to include the new category ‘corporate social responsibility risks’. This makes it possible to systematically document future risks in this area and integrate them into the reporting. The risks recorded are assessed both gross and net, including the relevant countermeasures. The implementation status of these measures is reviewed regularly or on an ad hoc basis to ensure sustainable risk minimization.

Risk fields	Impact rating		
	C (low)	B (medium)	A (high)
Macroeconomic and political risks	■	■	■
Legal risks	■		
Environmental risks	■		
Strategic risks	■	■	
Management risks	■		
Sales risks	■	■	
Procurement risks	■	■	
Technological risks	■		
Production-related risks	■		
Personnel risks	■		
IT and administrative risks	■		
Other risks	■		

Mandatory disclosure according to ESRs 2 GOV-5

Innovation and Cooperation

Business Model
Value Chain
Stakeholders

“Our goal is to achieve **resource-efficient, climate-friendly production**, embedded in a **socially responsible value and supply chain**. We continually work on this and are constantly improving.”

Ingo Rädisch | CEO Business Unit NETZSCH Grinding & Dispersing



NETZSCH revolutionizes its sectors through consistent innovation and close collaboration with customers, suppliers, and partners. Open dialog leads to creative ideas that not only impress from a technological perspective but are also ecologically and economically sustainable.

This innovative capacity not only strengthens existing business models but also opens up new prospects – making NETZSCH flexible, future-oriented and ready to overcome complex challenges. All while keeping a constant eye on the interests of both internal and external stakeholders.

Business Units and Innovation Drivers

Holding

Under the management of Erich NETZSCH B.V. & Co. Holding KG, the company is divided into three sector and product-oriented business units: Analyzing & Testing, Grinding & Dispersing, and Pumps & Systems. These place great focus on product development within the scope of an innovation ecosystem. This group structure enables decentralized company management, where the business units can react flexibly to market changes and the Holding acts as a strategic architect. NETZSCH Business Services GmbH and NEDGEX also provide support as an internal service provider and incubator for digital innovations respectively.

Business Units

The Analyzing & Testing business unit is a global leader in the thermal characterization of almost all materials. It provides a comprehensive range of solutions in the fields of thermal analysis, calorimetry, thermophysical property

determination, rheology, and fire testing. The durable devices can be repaired, retrofitted, and optimized, and have spare parts that are available for decades. Developed in a resource-friendly manner, they reduce resource consumption and CO₂ emissions every year. The business unit helps customers reuse materials in a variety of ways and achieve sustainability targets. All devices guarantee uncompromising accuracy and stability for precise and reliable results every time. The broad product portfolio makes it possible to serve a wide range of sectors, including the chemical, energy and pharmaceutical sectors.

Target Sectors of the Analyzing & Testing Business Unit:

Chemicals & materials
Environment & energy
Life sciences & pharma

The Grinding & Dispersing business unit sets standards with regard to the development of innovative solutions for grinding, dispersing, and classifying. Whether for chemicals, pharmaceuticals, food, or minerals, NETZSCH supplies machines and systems that optimize production processes, increase product quality, and fulfill even the most demanding requirements. The portfolio includes wet and dry grinding systems, mixers, dispersers, and classifying systems, as well as complete process solutions – precisely tailored to any usage. Continual innovation ensures that NETZSCH technologies combine maximum efficiency with the latest industry standards. NETZSCH is redefining efficiency – with energy-optimized machines, resource-conserving processes, and smart automation. The focus: lower energy consumption, less waste, and more productivity. Digital solutions improve production management and minimize emissions. This enables NETZSCH to help its customers achieve their environmental targets without compromising on performance or quality.

Target Sectors of the Grinding & Dispersing Business Unit:

Chemicals
Energy solutions
Food
Pharma

The NETZSCH Pumps & Systems business unit has been offering intelligent fluid handling solutions for over 70 years. It sets global standards in quality, efficiency, and sustainability with over 75,000 pumps per year. Thanks to innovative materials and technology, these run reliably, are low maintenance, and conserve resources – making them ideal for the fields of wastewater treatment, biogas production, and emission reduction. A high level of vertical integration results in custom solutions for a wide range of sectors, from the chemical sector through the food sector to the oil and gas sector. The product portfolio ranges from NEMO® progressing cavity pumps to TORNADO® rotary lobe pumps and more.

**Target Sectors of the
Pumps & Systems Business Unit:**

- Environment & energy
- Chemicals & paper
- Food & pharma
- Mining
- Oil & gas – mid/downstream
- Oil & gas – upstream
- Batteries



Business Model

Internal Service Provider

As part of the NETZSCH Group, NETZSCH Business Services GmbH offers central services for companies within the group. The Shared Service Center uses systematic needs analysis and clear service level agreements to ensure efficient, transparent processes – from accounting through IT support to human resources. Modern technologies such as robot-assisted process automation and AI optimize processes while regular monitoring and customer feedback ensure continual improvement.

Digital Unit

NEDGEX is a central part of the NETZSCH Group’s innovation strategy. As a corporate venture builder and CVC, the digital unit identifies numerous opportunities, promotes technological development, and uses groundbreaking innovations to sustainably transform the business units in the group of companies. As the ‘new edge’ of the NETZSCH strategy, it brings ideas to market maturity and develops new, data-based business models. In the future, the digital unit will place even greater focus on working with start-ups to develop innovative and sustainable approaches that leave a positive footprint.

Corporate Venture

NETZSCH Process Intelligence GmbH (sensXPERT) is revolutionizing the plastics industry and making it more sustainable. Its technology visualizes material behavior and process parameters in real time – reducing production costs while maintaining quality. Three products cover different areas of use: sensXPERT Insight for closed tools, FlexCure for continuous processes and non-contact measurements, and Hub, a cloud solution that centralizes all data. SensXPERT visualizes hidden potential along the product chain to reduce cycle times by up to 30%, material waste by up to 50%, and energy consumption. Durable products, lean AI algorithms, and a service-oriented remote control round off the sustainable concept.

Mandatory disclosure according to ESRS 2 SBM-1



Turnover Distribution by Sector and Geographic Location

The NETZSCH Group’s success is based on a wide range of markets. No revenue is generated from fossil fuels, chemical production, controversial weapons, or the cultivation and production of tobacco.

Mandatory disclosure according to ESRS 2 SBM-1

Business Model

- Share in the Total Turnover by Sector**
- 34%** Chemical, mineral, and electronics industries
 - 24%** Spare parts industry
 - 14%** Battery industry
 - 11%** Environmental sector
 - 7%** Food industry
 - 7%** Oil & gas
 - 2%** Pharmaceutical and cosmetics industries
 - 1%** Other



- Turnover Distribution by Geographical Location**
- 37%** Asia/Oceania (together)
 - 20%** Europe and Africa (together)
 - 16%** North America
 - 15%** South America
 - 12%** Germany



- Global Employee Distribution**
- 2,121** Europe and Africa
 - 1,264** South America
 - 1,094** Asia and Oceania
 - 194** North America



All three NETZSCH business units cover the entire global value chain – from procurement to recycling. The focus lies on the development and production of highly specialized machines and devices.

Upstream Processes

The upstream processes include the procurement of key raw materials and components, including steel, plastics, electronic components, and special parts. These are delivered to the production sites around the world by international suppliers. The essential resources also include energy, IT equipment, and operating equipment.

Central Operating Processes

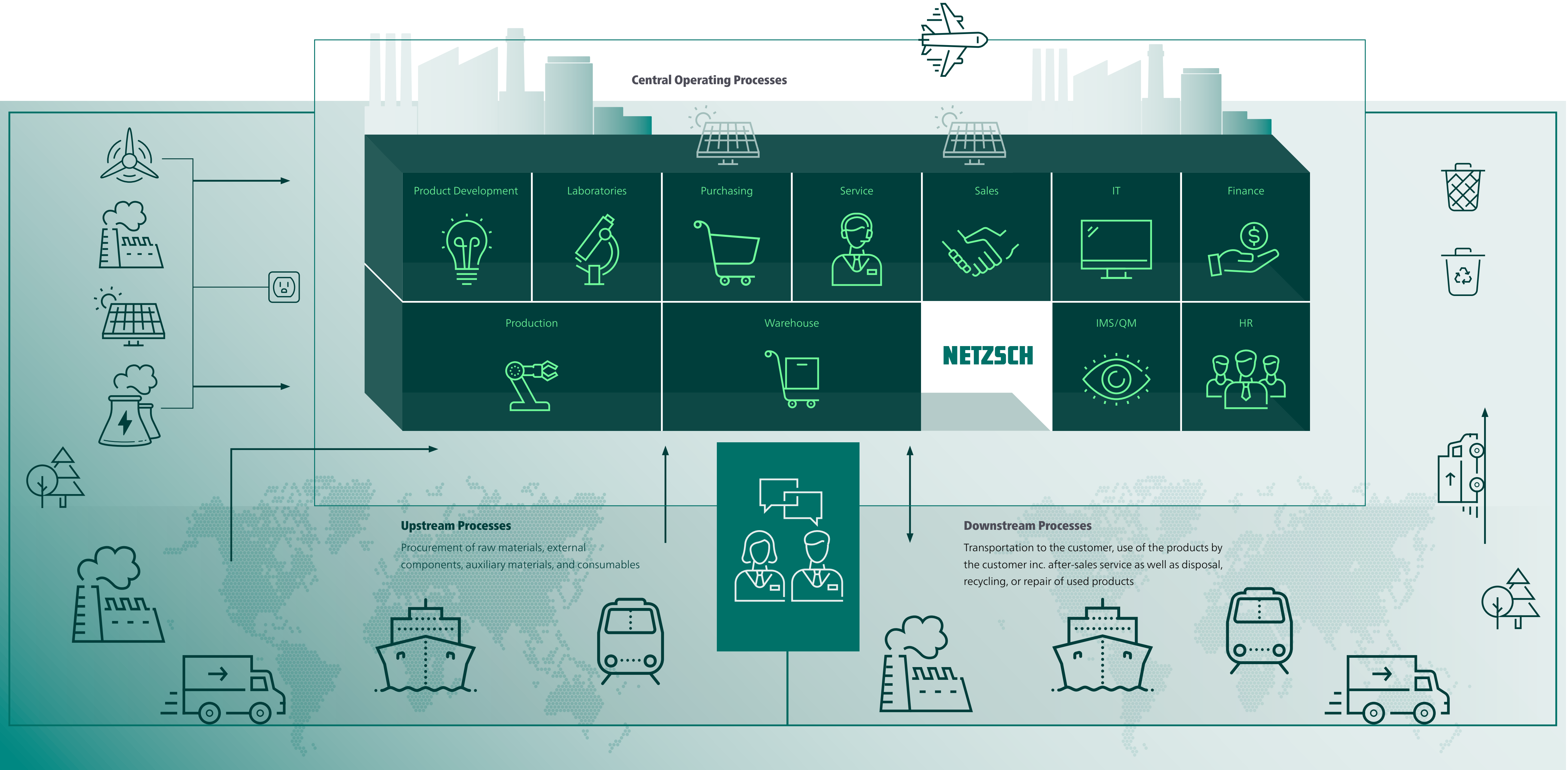
The central processes range from product development through production to delivery to customers. The focus lies on custom solutions, collaboration across all business units, and the highest quality standards. This is complemented by NETZSCH's own research laboratories as well as supporting departments such as Human Resources, IT, and Finance.

Downstream Processes

From a downstream perspective, NETZSCH offers comprehensive after-sales services, including maintenance, refurbishment, and recycling. Customers benefit from reliable support throughout the entire product life cycle. NETZSCH systems and machines are used in numerous sectors around the world – from the chemical and food industries to research institutions and the oil and gas sector.

Mandatory disclosure according to ESRS 2 SBM-1





NETZSCH is part of an extensive network of customers, suppliers, associations, scientific institutions, media, and political decision-makers. Close and trusting cooperation with these interest groups is key to driving sustainable developments and jointly developing future-oriented solutions.

An analysis of the value chain identified the following stakeholders and their respective interests with a significant influence on the NETZSCH Group’s sustainability activities:

Stakeholders

Internal Interest Groups

Employees, Management, and Employee Representatives

The employees, including the management and employee representatives, form the foundations of the NETZSCH Group. Their dedication, qualifications, and ideas are crucial to the implementation of the company goals. Motivated, highly trained staff are the basis for innovative strength and long-term competitiveness.

External Interest Groups

Customers

The most important stakeholders include customers from various industries, such as the food, chemical, pharmaceutical, and environmental technology industries. These rely on custom solutions that are precisely tailored to their requirements. As their satisfaction is a decisive factor in NETZSCH’s success, service quality and customer proximity are of the utmost importance.

Suppliers and Strategic Partners

Suppliers and strategic partners provide resources and services that are required for production activities and to maintain business processes. They help to assure quality and process stability while also contributing to continual development and enhanced efficiency. Long-term partnerships promote stability and enable joint innovation projects.

Banks and Financial Institutions

Banks and financial institutions are important to the economic stability of the group of companies. Their support strengthens the group’s financial performance and enables sustainable growth.

Neighboring Companies

Collaboration with neighboring companies promotes synergies, strengthens the regional economy, and creates space for joint innovation. This results in local networks that benefit everyone.

Authorities and Regulatory Bodies

Authorities and regulatory bodies define legal frameworks. Continual active dialog with these is essential when it comes to identifying requirements at an early stage and reliably implementing them.

Society

NETZSCH takes responsibility through sustainable business practices and its commitment to social, cultural, and humanitarian projects – at both local and global level.

Nature

Nature is both a fundamental resource base and an area affected by commercial activities. NETZSCH lives up to its ecological responsibilities by evaluating environmental data and following sustainable business practices.

Mandatory disclosure according to ESRS 2 SBM-2



Stakeholder Involvement

The NETZSCH Group also has other stakeholders and interest groups whose requirements and expectations have to be considered for sustainable success. The aforementioned stakeholders were specifically involved into the process of creating the sustainability report.

To obtain the most comprehensive and representative possible picture of the relevance of individual sustainability topics, an online survey was performed within the scope of the analysis. Over 1,000 stakeholders were asked about selected ESG topics. The choice of topics was based on previously identified potential impacts. The aim was to determine the perceived importance and need for action from both an internal perspective and the perspective of external stakeholders.

However, the response rate to the survey was low, which limits the validity and representativeness of the results. Furthermore, many respondents selected the option ‘Question cannot be answered’, potentially indicating a lack of information about certain topics or a limited interest in them. Despite these challenges, clear focus topics were still identified. The need for action was

regarded as particularly great in the areas of climate change, resource usage, and circular economy, as well as with regard to the NETZSCH workforce.

To further raise awareness of sustainability issues, all ongoing sustainability reporting is to be specifically aligned with the requirements of the European Sustainability Reporting Standards – as a tool for raising stakeholder awareness and promoting continual, open dialog.

The global management team has been informed of the results of the stakeholder survey.

Mandatory disclosure according to ESRS 2 SBM-2



Materiality Analysis



“Our customers expect **NETZSCH** to deliver **quality, innovation, and reliability** – and we safeguard our sustainable market success by **fulfilling** precisely these expectations **with our products and services.**”

Andreas Denker | [CEO Business Unit NETZSCH Pumps & Systems](#)



Procedure for Identifying and Assessing Material Impacts, Opportunities, and Risks

The dual materiality analysis at NETZSCH is based on the methodology specified in EFRAG guidance. The delimitation of the scopes and the consideration of company-specific contexts along the entire value chain acted as a starting point. An analysis of the material flows served as a basis for determining potential impacts, opportunities, and risks.

A multi-stage analysis process was conducted to assess environmental, social, and financial matters – as well as financial opportunities and risks (IROs). In an internal workshop with the sustainability team, the initial impacts along the value chain were identified and categorized based on their short, medium and long-term relevance. Indirect effects were also considered.

An additional online workshop was used to assess the financial risks and opportunities. A strategy for targeted stakeholder involvement, including an online survey of external interest groups (see the ‘Stakeholders’ section) was then developed.

In addition to the collection of primary data, a comprehensive analysis was also conducted of existing secondary data. This included internal employee surveys, relevant key performance indicators, and strategic company documents. In particular, social issues such as equality, occupational safety, health protection, and human rights proved to be especially important from an employee perspective. At the same time, a need for action was also determined with regard to the integration of sustainability risks into existing risk management activities.

Ecological and social indicators such as energy consumption, emissions, and diversity also provided valuable stimuli.

In the next step, all the impacts identified were assessed in line with four ESRS criteria: likelihood of occurrence, scope, scale, and irremediable character. One particular focus was on nature as a ‘silent stakeholder’ – represented by the perspective of environmental organizations.

Following a separate assessment of the financial opportunities and risks, all results were consolidated, prioritized, and visualized in a materiality matrix. The final topics were validated by the management to form the basis for future sustainability reporting.

Mandatory disclosure according to ESRS 2 IRO-1



Disclosure Obligations Covered by the Sustainability Declaration

The list of disclosure obligations covered by this sustainability declaration results from the internal materiality assessment and corresponds to the 3 P (PLANET, PRODUCT, PEOPLE) indicated in the table of contents. The diagram presents a simplified picture of the aggregated results for each ESRS section.



ESRS Materiality Matrix



Based on the materiality analysis performed, the following topic areas were assessed as material for the NETZSCH Group for the inaugural report on the 2023/24 fiscal year:

- **ESRS E1: Climate Change**
- **ESRS E5: Resource Use and Circular Economy**
- **ESRS S1: Own Workforce**

The following sustainability aspects were assessed as non-material in relation to the current reporting period:

- **ESRS E2: Pollution**
The stakeholder survey showed that pollution is not currently regarded as material. Neither the manufacture nor the use of the products has serious impacts on the environment with regard to pollution.
- **ESRS E3: Water and Marine Resources**
Water consumption is continually monitored. No acute water shortage is expected at any NETZSCH site around the world. The topic of water and marine resources is therefore categorized as less relevant than other aspects as NETZSCH neither uses large amounts of groundwater nor relies on marine resources.
- **ESRS E4: Biodiversity and Ecosystems**
The stakeholder survey shows that biodiversity and ecosystems are not regarded as material. Due to the value chain, NETZSCH does not have a significant influence on the loss of biodiversity. This aspect is therefore assessed as non-material for the current reporting period.

- **ESRS S2: Workers in the Value Chain**
Suppliers are carefully audited to ensure their compliance with social standards. Employee rights along the value chain are protected. The stakeholder survey confirms that this aspect is not regarded as material.
- **ESRS S3: Affected Communities**
The business activities are primarily conducted in countries where the social rights of employees are respected. This aspect is therefore assessed as non-material for the NETZSCH Group.
- **ESRS S4: Consumers and End-Users**
The stakeholder survey showed that this topic is not currently considered to be material. The business activities and products do not have any identifiable significant impacts on consumers and end-users.
- **ESRS G1: Business Conduct**
As stakeholders do not currently regard there to be any direct need for action in relation to business conduct, this topic is classed as non-material. Despite this, NETZSCH reports on its governance measures as sustainability is viewed holistically.

Mandatory disclosure according to ESRS 2 IRO-2

The global management team deals with impacts, opportunities, and risks in a systematic manner – broken down into clearly defined sustainability areas, which are described in detail in the sections that follow.

Mandatory disclosure according to ESRS 2 GOV-2

Sustainability Strategy

Planet – E1 Climate Change
Product – E5 Resource Use and Circular Economy
People – S1 Own Workforce

“Our employees are the **key to our success**. We therefore support their long-term **development at NETZSCH**. So they grow with us, and we grow with them.”

Moritz Netzsch | [Member of Executive Board](#) | NETZSCH Gruppe



As a family business, NETZSCH is committed to responsible, value-oriented behavior. Respect for the environment and society plus the appreciation of customers, partners, and employees are firmly anchored in the corporate culture. This attitude is also reflected in the sustainability vision: at NETZSCH, we are dedicated to green growth by balancing our PLANET, PRODUCT, and PEOPLE.

Based on the dual materiality analysis, the NETZSCH Group defined key sustainability topics in 2023/24 and used these to develop a clear strategy with a mission, vision, and position.

This has resulted in three strategic areas of action: PLANET, PRODUCT, and PEOPLE. These are supplemented by the two management topics POLICY and PROFIT, which specifically support the sustainable development of the group of companies.

When it comes to implementation, NETZSCH is committed to transparency and data-based management. A Power BI dashboard shows future progress and target achievement.

Sensitivity analyses and ‘what if’ scenarios – including under consideration of ESG risks – increase responsiveness. Regular management reports enable rapid action in the event of deviations. Quarterly reviews help to keep an eye on how things are progressing and make any necessary adjustments at an early stage.

The commitment shown by employees worldwide gives the sustainability strategy its strength. The sustainability team works closely with the relevant stakeholders to define clear targets and develop a well-founded, future-oriented roadmap – as a reliable compass for keeping NETZSCH on track in the future.



MISSION

We drive industrial progress to sustain a successful eco-system through generations.

Vision Statements

PLANET Build a green planet together

We become a greenhouse-gas-neutral company powered entirely by sustainable energy, ensuring a healthy PLANET for future generations.

The NETZSCH Group takes its responsibility to significantly reduce its own ecological footprint seriously. The focus lies on targeted measures for improving efficiency, sustainable procurement, and self-sufficiency – supported by transparent greenhouse gas emission balancing. In the face of global energy challenges, climate change mitigation and economic efficiency are equally high priorities for NETZSCH. At the same time, the group of companies is committed to using all resources as efficiently and responsibly as possible. All three business units are already using clear, measurable, and practical approaches to anchor these goals into everyday life.

Mandatory disclosure according to ESRS E1-2

VISION

At NETZSCH, we are dedicated to green growth by balancing our PLANET, PRODUCT, and PEOPLE.

PRODUCT Build value with sustainable products

Our PRODUCTS are industry leaders in circularity – setting new standards in sustainability for our customers.

All three NETZSCH business units continually expand and improve their share of sustainable products. Within the scope of the innovation process, the product development team assesses new ideas based on various criteria, with sustainability an integral part of these. There are many areas that can be addressed along the product life cycle – from the raw materials through the usage phase to disposal. NETZSCH aims to use its sustainability activities to create competitive advantages and actively help customers implement their sustainability goals.

Mandatory disclosure according to ESRS E5-1

POSITION

Sustainability is a key element of our Strategy²⁷. It is deeply embedded in our daily business, investment decisions, and corporate governance. This promise is particularly reflected in our framework, which provides a 360-degree approach to our company’s ESG priorities.

PEOPLE Empower our people & stakeholder

At NETZSCH, everyone feels respected, valued, and truly belongs – taking responsibility for our PEOPLE and our entire value chain.

The focus lies on the over 4,716 employees, whose potential is specifically fostered to create a future-proof and diverse working environment. Systematic measures continually improve health protection, occupational safety, and prevention for the global workforce. As an international company, NETZSCH is committed to diversity, inclusion, equal opportunities, and the reconciliation of work and family life, as reflected by a wide variety of measures in the three business units.

Mandatory disclosure according to ESRS S1-1



Sustainability Goals

The NETZSCH Group has defined clear and measurable sustainability goals in collaboration with the key departments and the global management team. The focus lies on anchoring sustainability as a key strategy and making progress transparently measurable. In this regard, it is clear that ESG goals are not only a social must but also a decisive factor for long-term company success and a robust reputation.

The goals are valid for the entire NETZSCH Group and are not aimed at specific products, services, markets, or customer groups.

Over the next twelve months, NETZSCH will translate the main goals into concrete milestones. At the same time, the focus will lie on two key priorities: firstly, the sustainability goals should be made understandable and tangible for all employees, as change can only be driven forward together. Secondly, KPI and performance tracking will be further developed in order to precisely measure progress and manage it in a targeted manner as well as to flexibly respond to new challenges.

Every strategic goal at NETZSCH falls under the responsibility of a mentor and a specialist team – in all aspects, from planning to implementation. This decentralized structure promotes personal responsibility and actively involves employees at all levels. The strategy’s implementation is monitored using flexible KPI dashboards that present both financial and non-financial indicators. NETZSCH therefore ensures that sustainability is not only a goal but also part of everyday reality.

PLANET		PRODUCT		PEOPLE	
We are a GHG-neutral company.	↗	We continuously improve the energy efficiency of our products.	↗	At NETZSCH, we empower women to become part of our management team. We constantly increase our proportion of women on all levels.	↗
We are 100 % powered by renewable and GHG-neutral energy.	↗	We are committed to constantly reduce the PCF of our products and provide our customers with low-carbon solutions.	↗	Our commitment to learning and development enables our employees and partners to grow, fulfil their potential, and improve their quality of life.	↗
		Our products are leading in the use of recycled materials.	↗	Occupational safety for our people and our workers in our 1st tier chain is at top level in our industry.	↗
		The usage of our products accelerates a sustainable development.	↗		

Mandatory disclosure according to ESRS 2 SBM-1

Note:

All of the targets mentioned relate to the target year of 2045. NETZSCH understands GHG-neutral to mean the complete elimination of scope 1 and 2 emissions. Scope 3 emissions should be reduced by at least 30% compared to the base year of 2023. NETZSCH reserves the right to review these targets in the future and adjust them if necessary. External accreditation by an independent third party is planned.



PLANET Build a green planet together

We become a greenhouse-gas-neutral company powered entirely by sustainable energy, ensuring a healthy PLANET for future generations.

Human-induced climate change poses a growing threat to the planet and humanity. The associated challenges are constantly increasing, and with this so too is the pressure to take action. Targeted solutions are required to combat these developments.

NETZSCH is aware of its responsibility in this regard and always takes business decisions under consideration of how it can fulfill its commitment to sustainability even more effectively. An integrated climate strategy plays a central role in this.

In the field of climate change (ESRS E1), NETZSCH is committed to systematically recording and reducing the carbon footprint of its products (PCF) along the entire value chain, thereby creating transparency for climate-friendly decisions. By integrating sustainability aspects into product development, NETZSCH drives innovations that focus on energy efficiency, resource-conserving materials, and a long service life. At the same time, the company works closely with suppliers to improve environmental standards along the entire supply chain and promote sustainable processes. With these measures, NETZSCH makes an active contribution to the reduction of emissions and is shaping a climate-friendly future.



Results of the Materiality Assessment

The topic ESRS E1 – Climate Change was assessed as material.

Actual and Potential Impacts on the Environment and Society

Production-Related Emissions

The production and use of NETZSCH products are associated with greenhouse gas emissions and air pollution, which impair the air quality across all time horizons and can negatively impact human health.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
Environmental requirements and carbon pricing increase operating costs – customers demand more climate-friendly products.	Close collaboration with the supply chain to reduce emissions along the value chain.	Development of environmentally friendly products.	CO ₂ emissions are measured and monitored, and considered when deciding whether to invest in new machines.

Mandatory disclosure according to ESRS 2 SBM-3



Planet – E1 Climate Change

Impact Management

Transition Plan for Climate Change Mitigation

In view of global challenges such as climate change, species extinction, and resource scarcity, the NETZSCH Group is committed to consistently reducing its internal greenhouse gas emissions. Based on the latest findings, NETZSCH is currently developing a transition plan to bring its global business activities into line with the 1.5°C target established by the Paris Agreement.

NETZSCH has allocated an annual budget of 250,000 euros for driving sustainable developments. This is solely intended to be used for company-wide measures, for example software solutions or external consultancy. On the other hand, sustainability measures that only affect individual sites are independently financed by the sites themselves.

Mandatory disclosure according to ESRS E1-1

Policies Related to Climate Change Mitigation and Climate Change Adaptation

The NETZSCH Group combats the challenges of climate change through the use of a holistic climate policy. The sustainability core team and global sustainability team are jointly responsible for the policy's implementation. The policy is based on four pillars: climate change mitigation, climate change adaptation, energy efficiency, and renewable energy deployment.

Climate Change Mitigation – Management of GHG Emissions

The targeted reduction of greenhouse gas emissions along the entire value chain lies at the heart of the climate change mitigation measures. In this regard, NETZSCH is guided by the international standard established by the Greenhouse Gas Protocol. The emissions are regularly recorded and analyzed as well as documented in the sustainability report in order to make progress measurable and transparent. The company is also committed to increasing energy efficiency, sustainable procurement, and greater energy autonomy. This is not just about environmental responsibility but also about economic stability – both goals should be striven for in harmony with one another.

Adaptation to Climate Change – Management of Potential Risks

Even though no specific climate-related risks have been identified at present, NETZSCH still uses anticipatory risk management and is already taking precautionary measures to cushion potential impacts such as extreme weather, rising temperatures, or water shortages. At the same time, both the management and the sustainability team continually monitor regulatory and market-related developments in order to flexibly adapt the policy. Where necessary, investments are made in climate-friendly technologies or the portfolio is expanded to include low-emission products, for example.

Energy Efficiency – Intelligent Products and Resource-Efficient Processes

A further central field of action is energy efficiency – in relation to both products and operational processes. NETZSCH not only views energy efficiency as a technical quality feature but also as a decisive criterion for sustainable business activities. Continual efforts are being made in all business units to reduce the energy consumption of the products – in all areas from construction through material selection to usage. Production processes are also being continually optimized, for example through the use of modern equipment, intelligent control systems, or energy-efficient infrastructures.

Renewable Energy Deployment – Step by Step to Energy Autonomy

A key part of the climate strategy is the gradual expansion of renewable energies. NETZSCH aims to exclusively use green electricity over the medium-term – through a mixture of purchase agreements with green electricity providers and in-house generation. It systematically reviews the potential to install photovoltaic systems and installs them wherever possible, especially on new-builds. Existing sites are also being analyzed to determine their potential to generate their own electricity. At the same time, NETZSCH is already committed to purchasing certified green electricity at its German sites in order to reduce the carbon intensity of its energy usage over the short term.

Mandatory disclosure according to ESRS E1-2



Planet – E1 Climate Change

Carbon Credits

At present, NETZSCH deliberately chooses not to purchase climate protection certificates and is instead consistently committed to directly avoiding emissions. Voluntary climate protection projects such as tree planting campaigns are supported but not used to officially offset CO₂. Over the long term, however, its strategy will involve offsetting unavoidable emissions in order to achieve the goal of climate neutrality.

Mandatory disclosure according to ESRS E1-7

Internal Carbon Pricing

As of the 2023/24 fiscal year, carbon pricing will be optionally included in the NETZSCH Group’s standardized investment calculation. This template must be used for all investment projects. If carbon pricing is considered, additional expected costs based on the CO₂ emissions (in Co₂e) and the current CO₂ price are included in the calculation. Depending on the information available about the system under consideration, a distinction can be made between one-off emissions (for example caused by the system’s manufacture or acquisition) and ongoing emissions during operations.

One-off emissions, for example resulting from the product carbon footprint (cradle-to-gate at the manufacturer), are included in the calculation at the time of acquisition. As such, they directly influence the cash-flow-related key performance indicators used to make investment decisions. A standardized template that presents both the CO₂ balance sheet of the new acquisition and the impacts during ongoing operations has been made available for the calculation.

In July 2023, a CO₂ price of 80 euros per ton was set using the auction prices on the European Energy Exchange from May 2023 as a reference. The price is reviewed and adjusted annually. In the future, company-specific sustainability goals should also be considered in the pricing.

Mandatory disclosure according to ESRS E1-8



Energy Consumption and Emissions

To further reduce environmental impacts, avoid risks, and make targeted use of opportunities, NETZSCH follows a clearly structured and systematic approach. This combines the expansion of renewable energies, energy efficiency improvements, and the development of innovative, sustainable products.

The NETZSCH Group has total scope 1 and 2 (market-related) emissions of **5,706.09 t CO₂e** and scope 3 emissions of **2,553,129.10 t CO₂e**.

Step 1: Determination of CO₂ Emissions

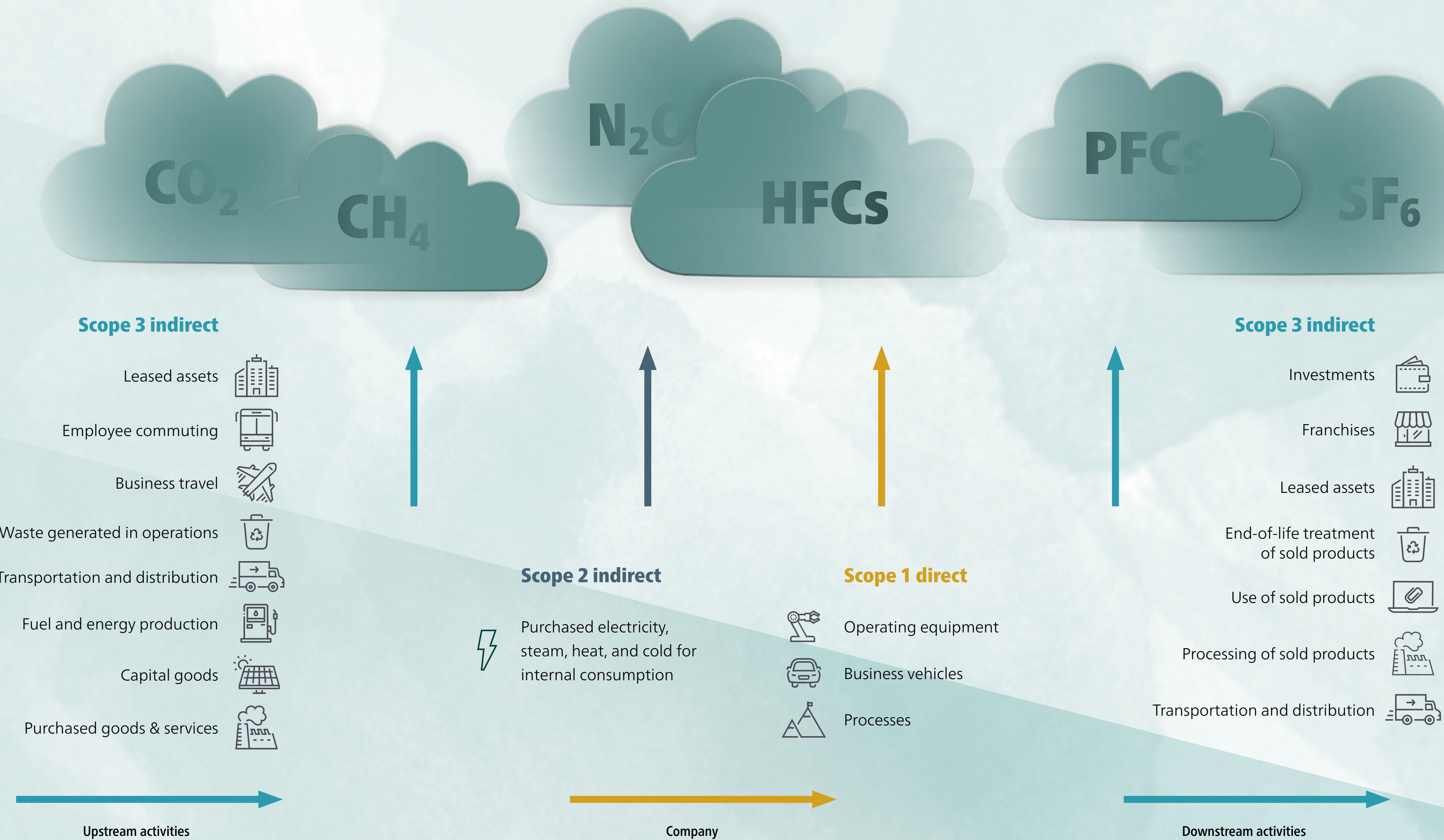
The NETZSCH Group has been continuously preparing its CO₂ balance sheet since 2021 – with retroactive effect from the base year of 2019. This records the scope 1, 2, and 3 emissions with regard to fuel and energy-related emissions (category 3) in order to specifically analyze and manage the climate-related impacts of the company's business activities. The current focus lies on the global production and assembly sites.

Since 2024, with retroactive effect for 2023, the other relevant scope 3 categories have also been integrated into the calculations – initially for all production sites. In taking this approach, NETZSCH is creating transparency in relation to the entire emissions situation and can implement targeted reduction measures.

The emission calculation is based on company-specific consumption data multiplied by scientifically recognized emission factors.

Mandatory disclosure according to ESRS E1–5 , ESRS E1–6





Scope 1 Emissions

include all direct greenhouse gases that come from sources that NETZSCH itself owns or controls. This includes emissions from the combustion of fossil fuels in NETZSCH’s own systems and vehicles or through refrigerants escaping from air conditioning systems. The calculation was conducted by recording the consumption data for all sites and multiplying it by recognized emission factors. In 2023, the NETZSCH Group therefore caused **3,474.43 t CO₂e**. The emissions from the company’s wood chip heating system are reported separately and not included in this amount.

Heating excluding wood chip heating	Transportation	Volatile gases
2,594.55 t CO ₂ e	614.32 t CO ₂ e	265.56 t CO ₂ e

Scope 2 Emissions

include all indirect greenhouse gases generated through the consumption of purchased energy such as electricity, heat, or steam. To calculate these, NETZSCH recorded the consumption data for all sites and multiplied it by recognized emission factors. In 2023, the NETZSCH Group’s market-related scope 2 emissions came to a total of **2,231.66 t CO₂e**.

Electricity	Green electricity	Self-generated green electricity
5,463.90 MWh	21,704.52 MWh	553.11 MWh

Scope 3 Emissions

are generated along the entire value chain, i.e. in areas where NETZSCH has no direct influence. Examples include emissions resulting from purchased materials and services, business travel, employee commuting, and the usage and disposal of purchased products. Scope 3 emissions are divided into 15 categories, which are in turn divided into upstream and downstream processes. Twelve of the 15 categories are currently relevant for the NETZSCH Group. In 2023, the NETZSCH Group’s scope 3 emissions came to a total of **2,553,129.10 t CO₂e**.

Mandatory disclosure according to ESRS E1–5 , ESRS E1–6



The upstream emissions account for 4% of the entire scope 3 emissions.

Category 1: Purchased Goods and Services



This category includes all emissions generated by the production of the raw materials and services purchased by NETZSCH – including metals, polymers, plastics, electronics, ceramics, and glass as well as components such as motors, cables, electronic items, and other mechanical products. The calculation is performed using a hybrid approach: a combination of average sector values (average-data method) and supplier-specific data (supplier-specific method). The consumption data is collected on a site-specific basis and centrally evaluated within the scope of sustainability management. In 2023, the scope 3 emissions for this category amounted to **86,803.61 t CO₂e**.

Category 2: Capital Goods



This category includes all emissions from the production and transportation of durable assets such as machinery, furniture, computers, or construction services. Despite these emissions only occurring once, they have impact throughout the entire life of the goods. The calculation is performed using the spend-based method: appropriate emission factors are assigned to the respective purchasing costs. In 2023, the scope 3 emissions for this category amounted to **14,675.92 t CO₂e**.

Category 3: Fuel and Energy-Related Emissions



This category includes all indirect emissions arising from the extraction, production, and transportation of the energy and fuel used by NETZSCH and not already included in scope 1 or 2. The calculation is based on the consumption data recorded for all sites combined with the appropriate emission factors. In 2023, the scope 3 emissions for this category

Planet – E1 Climate Change

amounted to **2,388.25 t CO₂e**. The emissions from the company’s wood chip heating system are reported separately and not included in this amount.

Heating excluding wood chip heating	Transportation	Electricity	Green electricity	Self-generated green electricity
723.48 t CO ₂ e	164.86 t CO ₂ e	704.11 t CO ₂ e	795.80 t CO ₂ e	0 t CO ₂ e

Category 4: Transportation and Distribution



This category includes emissions that arise during the transportation of materials and products before they reach NETZSCH – including transportation by external logistics service providers. The calculation is performed using a hybrid approach: a combination of the distance-based method (based on the transport routes and means of transport) and primary data from logistics companies. In 2023, the scope 3 emissions for this category amounted to **1,054.17 t CO₂e**.

Category 5: Waste



This category includes emissions that arise through the treatment and disposal of production and operational waste. A differentiation is made between recycling/reprocessing, landfilling of biodegradable and non-biodegradable waste, and the incineration of wood, bulky waste, industrial waste, and other residual materials. The calculation is performed using the waste-type-specific method, which is based on the waste balance sheets and the appropriate emissions factors. In 2023, the scope 3 emissions for this category amounted to **890.94 t CO₂e**.

Category 6: Business Travel



This category includes emissions that arise as a result of employee business travel, for example by plane, train, or car. The data required for this is provided by travel service providers or taken from internal invoices. The calculation is performed using a hybrid approach involving the spend-based and distance-based methods. In 2023, business travel at NETZSCH generated **3,425.09 t CO₂e** of scope 3 emissions.

Category 7: Employee Commuting



This category records emissions that are generated by employees’ daily commutes – depending on whether they travel by car, bicycle, bus, or train. The calculation is based on average travel distances, the means of transport used, and individual working hours, taking account of days working from home, vacations, public holidays, and absences due to illness. In 2023, the scope 3 emissions for this category amounted to **3,976.85 t CO₂e**.

Category 8: Leased or Rented Tangible Assets



This category includes the emissions from the use of rented/leased assets, especially lease vehicles. The calculation is performed using the asset-specific method on the basis of the consumption values recorded providing these have not already been considered in scope 1 or 2. In 2023, these activities generated **904.33 t CO₂e** of scope 3 emissions.

Mandatory disclosure according to ESRS E1–5 , ESRS E1–6

Planet – E1 Climate Change

The downstream emissions account for 96% of the entire scope 3 emissions.

Category 9: Transportation and Distribution



This category covers emissions that are generated by the transportation of sold products to the end customer, for example by logistics service providers or retailers. The calculation is based on a hybrid approach: a combination of transport distances and the means of transport used (distance-based method) and the primary data available from logistics companies.

As it is sometimes not possible to determine whether the data provided by logistics companies relates to upstream or downstream transportation, in the event of doubt, the data is assigned to downstream transportation. This partly explains the high value differences. In 2023, these activities generated **10,809.06 t Co₂e** of scope 3 emissions.

Category 11: Use of Sold Products



This category accounts for the largest share of scope 3 emissions at NETZSCH. It includes all greenhouse gases generated through the use of the product by end customers, for example through the energy consumption of analyzers, grinders, or pumps. The customer's electricity mix is decisive in this regard. The calculation is based on typical consumption values for standard products in the respective business units as well as regional operating data. These are combined with emission factors for power consumption. The data quality is not yet ideal as many values are based on assumptions. However, NETZSCH is continuously working to improve the underlying data – with the aim of delivering more reliable and accurate results in the future. In 2023, the emissions in this category came to **2,426,474.79 t CO₂e**.

Category 12: End-of-Life Treatment of Sold Products



This category includes emissions that arise when products are disposed of or recycled at the end of their useful life. The calculation is based on assumptions about the recycling of typical products in the individual business units – based on parts lists and sales figures from the respective year. In 2023, this category generated **1,726.10 t Co₂e** of scope 3 emissions.

The remaining categories are not considered as they are not currently relevant for NETZSCH.

As can be seen from the individual categories, the total (market-related) emissions of the NETZSCH Group in the 2023 calendar year came to **2,558,835.20 t Co₂e**. As data quality improves, the figures for the emissions that have already been calculated may change retroactively.



Further information can be found in the Parameters table later on in this section.

Mandatory disclosure according to ESRS E1–5 , ESRS E1–6



Step 2: Avoidance and Reduction of CO₂ emissions

After having analyzed the climate change impacts – especially as a result of operations at the NETZSCH sites and customer use of the products – the focus now turns to specific measures for reducing greenhouse gas emissions. NETZSCH follows a holistic approach for reducing its own carbon footprint and actively contributing to the energy transition.

Renewable Energy Supply

 We are 100 % powered by renewable and GHG-neutral energy.
Mandatory disclosure according to ESRS E1-4

One of the central goals of the NETZSCH sustainability strategy is for all of its sites worldwide to be fully powered by renewable energy by no later than 2045. To achieve this ambitious target, the company is both generating its own electricity and sourcing sustainable energy.

Earth Hour at the Pumps & Systems

Business Unit Sites

Earth Hour is a global WWF campaign that has been raising awareness of climate and environmental protection every March since 2007: lights are switched off around the globe for one hour. This year, NETZSCH Pumps & Systems is getting involved with the campaign for the third time. The lights will remain out for one hour at all five development and production sites – in Brazil, China, Germany, India, and the USA.



Planet – E1 Climate Change

Photovoltaics as a Key Technology

One important aspect is the expansion of the company’s own photovoltaic systems. These enable climate-friendly autonomous energy, significantly reduce CO₂ emissions, and make companies increasingly independent of the electricity market. They also strengthen resilience in the face of rising energy prices, which in turn creates long-term planning security.

If the market-based method is used, electricity from a company’s own photovoltaic system is regarded as emission free under scope 2. The electricity generated solely causes a low-level of scope 3 emissions in the year of acquisition, for example due to the production, transportation, and installation of the system. From the following year, the electricity produced is completely climate neutral – a clear plus for the emissions balance sheet.

Even today, NETZSCH is already actively investing in the expansion of its system: a PV system installed at the Waldkraiburg site covers around 10% of its energy requirements. Further systems are currently being planned around the world. The roofs of all the buildings owned by the company are also being systematically reviewed for their solar potential. In the case of new-builds, for example at the sites in Germany or India, photovoltaic systems are a firm part of the design from the outset.



Green Electricity as the Second Pillar

As photovoltaic energy alone is unable to fulfill all of NETZSCH’s electricity needs, the company is also committed to sourcing green electricity. If the market-based method is used, this is also regarded as emission free under scope 2. Even today, all of the German sites and the Brazilian site use 100% green electricity – as an important contribution to reducing emissions. This successful model will now be gradually rolled out to other international sites. NETZSCH is currently working hard to implement sustainable energy supply solutions worldwide.

Mandatory disclosure according to ESRS E1-3

Planet – E1 Climate Change

Energy Efficiency of New-Builds and Existing Buildings

Whether for new-builds or renovations, NETZSCH attaches great importance to sustainable, energy-efficient construction methods – always under consideration of economic feasibility. It uses energy-efficient materials, modern technologies, and intelligent building management.

Particular attention is paid to preparing for the use of renewable energies: all new-builds are designed with the installation of photovoltaic systems in mind – an important step for reducing energy costs and emissions in the long term. Smart automation systems in office buildings enable the heating, air conditioning, and lighting to be controlled on a needs-oriented basis and in real time. LED technology with motion sensors and intelligent lighting management furthermore reduce power consumption during everyday operations.

NETZSCH is also increasingly turning to renewable solutions for its heating needs, for example wood chip heating systems.



Tree Transplanting

NETZSCH has launched its own transplantation program to preserve healthy trees. Instead of being felled, the trees are transplanted to suitable new locations, thereby preserving the tree population.



Further Energy Efficiency Measures

In addition to the use of renewable energies, focus also lies on reducing energy consumption. After all, every kilogram of CO₂ saved improves the climate balance sheet. NETZSCH is therefore committed to a number of specific measures that have already been implemented or are currently in the pipeline:

- Electromobility: migration of the fleet to electric vehicles
- Home working: promoting flexible working models to reduce emissions from commuting
- Employee training: raising awareness of energy, environmental, and waste management
- Digital collaboration: reducing business travel through online meetings
- Building technology: optimizing heating and air conditioning technology to reduce energy requirements

Mandatory disclosure according to ESRS E1-3

Plans for EV Charging Stations

To actively promote electromobility, the NETZSCH Group has introduced a company-wide standard for charging stations. Within the scope of this initiative, seven stations with a total of 14 charging points have already been installed – with more set to follow. The facilities are aimed at drivers of company cars as well as general employees, and should make it easier for people to switch to electric vehicles. In some suitable locations, the charging stations are also available for public use. By continually expanding its charging infrastructure, NETZSCH is promoting sustainable mobility and making a specific contribution to a future with lower emissions.



GHG Neutrality

 We are a GHG-neutral company.
Mandatory disclosure according to ESRS E1-4

In addition to switching to renewable energies, NETZSCH is also following a clear overarching goal: climate-neutral operations by 2045. The aim is to fully eliminate scope 1 and 2 emissions and to reduce scope 3 emissions by at least 30% (compared to the base year of 2023).

NETZSCH has already introduced numerous measures for reducing scope 1, 2, and 3 emissions (category 3), for example the use of renewable energy and energy efficiency projects. Despite this, there are some residual emissions that will remain unavoidable. In future, these could be offset through the purchase of emission credits.

The scope 3 emissions that arise along the upstream and downstream value chain are particularly challenging. These have not yet been fully calculated at some sites. Differences in data quality at different plants, fluctuating emission factors depending on the data situation, and several necessary assumptions mean that the results acquired to date only offer a rough picture. NETZSCH aims to continually improve the data quality to gradually make the calculations more accurate. Despite this, it is already focusing on the scope 3 categories that the company can actively influence in order to reduce emissions:

Category 1: Purchased Goods and Services

A significant proportion of these emissions arises from the manufacture of components and materials by suppliers. To reduce its own product carbon footprint, NETZSCH requires components with the lowest possible carbon footprint. As a result, the company is increasingly focusing on sustainable procurement.



Category 2: Capital Goods

Investments and purchased capital goods also generate significant amounts of emissions. These are based on the cradle-to-gate PCFs of the investments, on which there is often still no reliable data. It is therefore currently difficult to set specific reduction targets. Despite this, sustainability aspects such as energy efficiency and the use of regional providers are already considered when procuring new systems and goods. Investments are of great importance to NETZSCH and are always carefully selected under consideration of ecological criteria.



Categories 4 & 9: Upstream and Downstream Transportation

Transport is a further important source of emissions. As the logistics processes of third-party providers and self-collectors are outside NETZSCH's direct operational control, the company has limited influence over their reduction of emissions. Despite this, NETZSCH still tries to reduce indirect transport emissions insofar as possible, for example by using regional providers and local procurement wherever feasible.



Category 5: Waste

In this category again, the responsibility for emissions from waste processing predominantly lies with the disposal companies. The main lever for reduction is the minimization of waste. This goal is firmly anchored in NETZSCH's quality departments, with all avoided operational waste helping to reduce the emissions that would otherwise be generated by its disposal.



Mandatory disclosure according to ESRS E1-3

Category 6: Business Travel



To reduce emissions in this category, NETZSCH employees are specifically encouraged to choose rail travel over air travel and to avoid all in-person meetings that are not strictly necessary.

Category 7: Employee Commuting



A further opportunity for reducing emissions is in relation to employees' company cars. Cycle leasing options from JobRad make it easier for employees to use low-emission mobility solutions – both for their commute to work and in their free time.

Category 11: Use of Sold Products



The majority of scope 3 emissions are generated during the use of products by customers. For example, due to the energy requirements of grinders, pumps, and analyzers as well as the service life of products, the sales figures, and the customer's local electricity mix. In line with its strategic objectives, NETZSCH continually invests in improving the energy efficiency of its products in order to significantly reduce emissions during the use phase. External factors also play a role: the rising global share of renewable energies within the electricity mix is automatically reducing the amount of CO₂ emissions generated by the usage of NETZSCH products over the long-term – an additional key lever on the road to climate neutrality.

Step 3: Continuous Management of the Climate Change Mitigation Pathway

Continually recording and evaluating the actual emissions and the planned and implemented energy efficiency measures in relation to scope 1, 2, and 3 is of central importance to NETZSCH when it comes to making the road to achieving its climate targets (100% green electricity and climate neutrality by 2045) measurable and manageable.

Even though global market changes mean that it is not currently possible to establish a concrete long-term climate change mitigation pathway, NETZSCH is working on specific measures on a site-by-site basis. Potential emissions savings are calculated, financially backed, and integrated into a transparent climate roadmap.

NETZSCH is committed to openness and progress monitoring: within the scope of its annual reporting activities, the company continually provides information about challenges, milestones that have been achieved, and planned climate change mitigation measures – thereby creating a realistic image of current and future impacts.

Mandatory disclosure according to ESR5 E1-3



Parameters

Energy consumption and mix	Analyzing & Testing	Grinding & Dispersing	Pumps & Systems
(1) Fuel consumption from coal and coal products (MWh)	0	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	0	2,608	0
(3) Fuel consumption from natural gas (MWh)	740	4,288	3,521
(4) Fuel consumption from other fossil sources (MWh)	0	824	1,897
(5) Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)	510	2,394	7,415
(6) Total energy consumption from fossil sources (MWh) (total of rows 1 to 5)	1,250	10,114	12,833
Share of fossil sources in the total energy consumption (%)	42	64	43
(7) Consumption from nuclear sources (MWh)	0	0	0
Share of consumption from nuclear sources in the total energy consumption (%)	n.a.	n.a.	n.a.
(8) Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin, biogas, hydrogen from renewable sources, etc.) (MWh)	0	1	2,224
(9) Consumption of purchased or acquired electricity, heat, steam, or cooling from renewable sources (MWh)	1,732	5,726	14,247
(10) Consumption of self-generated non-fuel renewable energy (MWh)	0	0	553
(11) Total energy consumption from renewable sources (MWh) (total of rows 8 to 10)	1,732	5,727	17,024
Share of renewable sources in the total energy consumption (%)	58	36	57
Total energy consumption (MWh) (sum of rows 6 and 11)	2,982	15,841	29,857

Mandatory disclosure according to ESRS E1-5



Parameters

Greenhouse gas emissions	Analyzing & Testing	Grinding & Dispersing	Pumps & Systems
Scope 1 greenhouse gas emissions			
Gross scope 1 GHG emissions (t CO ₂ e)	143.15	1,716.73	1,614.55
Percentage of scope 1 greenhouse gas emissions from regulated emission trading schemes (%)	0	0	0
Scope 2 greenhouse gas emissions			
Gross location-based scope 2 GHG emissions (t CO ₂ e)	823.56	2,966.28	5,377.49
Gross market-based scope 2 GHG emissions (t CO ₂ e)	105.16	632.78	1,493.72
Scope 3 greenhouse gas emissions			
Total gross indirect (scope 3) GHG emissions (t CO ₂ e)	102,736.75	573,945.10	1,876,447.25
(1) Purchased goods and services (t CO ₂ e)	7,104.28	9,132.96	70,566.37
(2) Capital goods (t CO ₂ e)	528.30	124.03	14,023.59
(3) Fuel and energy-related activities (not included in scope 1 or scope 2) (t CO ₂ e)	141.91	910.29	1,336.05
(4) Upstream transportation and distribution (t CO ₂ e)	13.70	186.17	845.30
(5) Waste generated in operations (t CO ₂ e)	60.34	244.02	586.58
(6) Business travel (t CO ₂ e)	222.82	726.23	2,476.04
(7) Employee commuting (t CO ₂ e)	2,315.50	291.92	1,369.42
(8) Upstream leased assets (t CO ₂ e)	281.47	157.57	465.28
(9) Downstream transportation (t CO ₂ e)	1,082.37	251.75	9,474.94
(10) Processing of sold products (t CO ₂ e)	0	0	0
(11) Use of sold products (t CO ₂ e)	90,941.77	561,900.86	1,773,632.16
(12) End-of-life treatment of products (t CO ₂ e)	44.29	19.29	1,662.52
(13) Upstream leased assets (t CO ₂ e)	0	0	0
(14) Franchises (t CO ₂ e)	0	0	0
(15) Investments (t CO ₂ e)	0	0	0
Total GHG emissions			
Total GHG emissions (location-based) (t CO ₂ e)	103,703.46	578,628.10	1,883,439.30
Total GHG emissions (market-based) (t CO ₂ e)	102,985.06	576,294.60	1,879,555.53

The emissions from the wood chip heating system are separately reported as these are biogenic CO₂ emissions resulting from biomass combustion. In 2023/24, 2,053,809.00 kWh of wood chips were used for this purpose. Such emissions are not added to the standard scope 1 or 3 greenhouse gas emissions but presented separately. The reason for this is that biogenic CO₂ in the carbon cycle can potentially remain within the cycle as a result of renewable biomass. On the other hand, other greenhouse gases that arise during the life cycle of biomass (for example through its transportation processing) are included in the scope 3 emissions.

Greenhouse gas emissions	Scope 1	Scope 3
t CO ₂ e	0.00	44.97
t CH ₄ e	0.01	0.08
t N ₂ Oe	0.00	0.00

The greenhouse gas intensity of NETZSCH Pumpen & Systeme GmbH, NETZSCH-Feinmahltechnik GmbH, and NETZSCH-Gerätebau GmbH was determined as follows for the fiscal year 2023/24 based on the net revenue according to financial reporting:

GHG intensity per net revenue	NGB	NFT	NPS
GHG emissions (market-related) per net revenue (t CO ₂ e/euro)	0.00	0.00	0.00

Mandatory disclosure according to ESRS E1-6

Note:

At present, the consumption and emission data solely relates to some of the global production and assembly sites. NETZSCH is aware of the importance of consistent and comprehensive underlying data and is working hard to continually improve data quality and availability – with the aim of providing precise and robust information across all sites in the future.

PRODUCT Build value with sustainable products

Our PRODUCTS are industry leaders in circularity – setting new standards in sustainability for our customers.

Natural resources are limited. Protecting them is one of the greatest challenges of today. This makes responsible and efficient behavior with regard to nature essential. Without consistent action, the basis of life for future generations is at risk.

NETZSCH always makes decisions with the aim of fulfilling its commitment to sustainability even more consistently. An integrated climate strategy play a decisive role in this.

In the field of resource use and circular economy (ESRS E5), the company is committed to the responsible and careful use of resources as well as to closing material cycles. Numerous initiatives have already been developed in all three business units in order to consistently put this approach into practice. NETZSCH optimizes recycling rates, reduces waste, and develops innovative solutions for a sustainable value chain. The group of companies minimizes its ecological footprint through the efficient use of water, energy, and materials, and plays its part in the achievement of a resource-friendly future. Customers benefit from durable products, fewer maintenance costs, and the ability to specifically replace individual components, which strengthens sustainability along the entire product life cycle.



Targets Related to Resource Use and Circular Economy

The targets are binding for all business units, enabling NETZSCH to ensure progress in the areas of resource use and circular economy.

Sustainability targets	Increase of circular product design	Increase of circular material use rate	Minimization of primary raw materials	Sustainable sourcing and use of renewable resources	Waste management, including preparation for proper treatment	Other matters
We continuously improve the energy efficiency of our products.	■					■
We are committed to constantly reduce the PCF of our products and provide our customers with low carbon-solutions.	■	■	■		■	■
Our products are leading in the use of recycled materials.	■	■	■	■	■	■
The usage of our products accelerates a sustainable development.	■			■	■	■

The circular economy is legally anchored at the German sites. Furthermore, several certifications (see the ‘Sustainability Ratings’ section) oblige the NETZSCH Group to continually optimize its resource usage – at many German sites but increasingly also at international sites. However, NETZSCH takes things a step further: sustainability does not end with certificates. The group of companies shows consistent active commitment to environmental standards – irrespective of legal requirements.

Mandatory disclosure according to ESRS E5-3

Results of the Materiality Assessment

The topic ESRS E5 – Resource Use and Circular Economy was assessed as material.

Actual and Potential Impacts on the Environment and Society

Raw Material Consumption

Large quantities of raw materials are required to manufacture the products. The extraction of these is associated with high environmental and social impacts. This can lead to resource scarcity and significantly affect long-term availability and costs.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
Shortages in the availability of materials can halt production and lead to delivery delays.	Supply shortages require early planning and the identification of alternative materials.	Alternative materials help to reduce dependencies – take-back schemes and recycling can additionally relieve the burden.	Specific strategic targets require resource efficiency and sustainable production processes.

Fossil Energy Sector

The pumps from the Pumps & Systems business unit are also used in the field of oil production and therefore indirectly contribute to the use of fossil energies and the depletion of global oil reserves.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
Slowing demand as oil reserves become scarcer – alternative markets must be identified at an early stage.	Rising energy costs due to switching to alternative energy sources.	Expansion of the product portfolio as key to new, future-oriented markets.	Integration of scenario analyses into risk management in order to successfully deal with regulatory changes at an early stage.

Mandatory disclosure according to ESRS 2 SBM-3



Resource Conservation

Single-origin recording and recycling can actively conserve resources. This reduces the use of primary raw materials, which has long-term ecological benefits.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
New business models are created by the return, disassembly, and recycling of used machinery and components – with genuine potential for savings.	We develop circular solutions with added value in close collaboration with customers.	Resource efficiency and circular economy are firmly anchored in the sustainability goals and therefore in the company strategy.	Products are designed to be fully disassembled quickly and easily.

Waste Management

Despite the ability to recycle NETZSCH products, waste is still generated throughout the production processes and along the entire life cycle. To minimize environmental impacts, this must be properly disposed of or recycled.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
Growing environmental requirements are driving up disposal and recycling costs.	NETZSCH uses close partnerships with disposal and recycling companies.	Waste avoidance and environmentally friendly disposal are firmly integrated into the company strategy.	Clear, measurable goals ensure progress and transparency.

Mandatory disclosure according to ESRS 2 SBM-3



Financial Opportunities

Service-Friendly Products

Products that are easy to repair sustainably increase customer satisfaction. Longer service lives, lower maintenance costs, and the simple replacement of individual components offer genuine added value. This translates into customer loyalty while also opening up new revenue opportunities.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
Repairable products create new revenue streams – through maintenance, spare parts, and repair services.	Close collaboration along the value chain ensures the availability of spare parts.	Repairability reduces the product carbon footprint (PCF) and scope 3 emissions.	More sustainability, more trust – repairable products strengthen customer loyalty.

Ease of Disassembly

The targeted disassembly of products enables the efficient separation and recycling of valuable materials – especially precious metals. NETZSCH uses single-origin recycling to tap into additional sources of income and reduce the environmental impact that results from the depletion of new raw materials.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
Fewer raw materials, less waste – lower costs	Close collaboration with customers for sustainable solutions	Focus on R&D: technologies and processes for better recyclability	Products are designed to be easy to disassemble – form fitting rather than force fitting.

Remanufacturing

The reuse of materials creates new market opportunities – for example through the preparation and sale of reconditioned components or refurbished systems. This enables NETZSCH to tap into new customer groups and generate additional revenues.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
Sustainability creates new market opportunities and sales potential.	Sustainable solutions are developed in collaboration with customers.	Resource efficiency and circular economy are firmly anchored in the strategy.	Products are designed to be disassembled easily.

Mandatory disclosure according to ESRs 2 SBM-3



Financial Risks

Product Piracy

In the spare parts sector, the ability to easily disassemble products can lead to copycats or third-party suppliers analyzing components, replicating them, and selling them as cheaper alternatives. This weakens the sales of original parts and can lead to both financial losses and a detrimental impact on image.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
Competition increases – price pressure mounts.	Loyalty pays: close ties with customers become a success factor.	Digital twins protect against product piracy.	Customer loyalty at the heart of strategic measures

A reliable quantification of the potential financial impacts of significant opportunities and risks in relation to resource use and circular economy is currently being developed and will be integrated into sustainability reporting in the future.

Mandatory disclosure according to ESRS 2 SBM-3

Based on the results of the materiality analysis, it can be assumed that the financial opportunities and risks identified have a low to medium impact on the group of companies’ turnover.

Mandatory disclosure according to ESRS E5-6



Management of Impacts, Opportunities, and Risks

Strategies in Relation to Resource Use and Circular Economy

The NETZSCH strategy on resource use and circular economy brings together customer satisfaction, environmental responsibility, and economic efficiency. Particular focus is placed on customer expectations with regard to quality, efficiency, price, and the repairability of products.

To use raw materials as efficiently as possible, the company develops its products in line with central sustainability principles:

Durability

Premium materials and a robust design make NETZSCH pumps, grinders, and analyzers particularly durable and reliable to use.

Ease of Repair and Disassembly

The structure of the products makes it easier for them to be repaired and for individual components to be replaced – saving resources and making products user friendly and economical.

Mandatory disclosure according to ESRS E5-1

Actions and Resources Related to Resource Use and Circular Economy

The NETZSCH business units all work collaboratively to enable products to meet the highest quality standards, be sustainable, and yet still remain affordable: Purchasing, Compliance, Quality Management, Sustainability, Product Management, and Sales all pull together. Specifically, the NETZSCH Group uses the following measures:

Product – E5 Resource Use and Circular Economy

Transparent Supply Chains

NETZSCH uses digital supplier platforms and targeted questionnaires to create transparency along the upstream value chain. Suppliers are systematically assessed according to environmental, quality, and social standards – supplemented by audits that also check comprehensive ESG criteria.

Test Centers for NETZSCH products

NETZSCH products undergo intensive testing even during their development. The focus lies on durability, safety, alternative materials, and environmental compatibility. This results in products that meet the highest standards – and are continually enhanced.

Spare Parts and Services

 **The usage of our products accelerates a sustainable development. Mandatory disclosure according to ESRS E5-3**

Durability is part of the product DNA at NETZSCH. A comprehensive range of after-sales services – from quality spare parts through maintenance to repair and reconditioning services – ensures that products can be used for as long as possible. This saves resources and reduces costs.

As the demand for environmentally friendly products is constantly rising, NETZSCH continually works on further strategies and measures for making its products even more resource friendly and further increasing their circularity.

Mandatory disclosure according to ESRS E5-2

 **We continuously improve the energy efficiency of our products. Mandatory disclosure according to ESRS E5-3**

The NETZSCH Group products are among the best in their sectors with regard to energy efficiency and circularity, and offer customers sustainable added value.

 **Our products are leading in the use of recycled materials. Mandatory disclosure according to ESRS E5-3**

The responsible use of resources as well as the reduction and avoidance of waste have top priority at NETZSCH. The aim is to continually increase the use of recycled materials in production – to protect natural resources and promote sustainable product solutions.

At the same time, the focus also lies on quality and durability: the product development and quality management processes are designed to ensure a longer service life and easy product disassembly. NETZSCH highlights this commitment through long warranty periods and an extensive range of services – for the longest possible product service lives.

Resource Inflows

The main resource inflows in the three business units are largely identical. They use metals, plastics, circuit boards, paints, and consumables such as oil, water, or coolants. NETZSCH also makes targeted investments in environmentally friendly alternatives – for example in machinery and systems, office furniture, or packaging made from biological materials.

The material use is systematically recorded by Incoming Goods, Purchasing, and Controlling – with particular attention on the figures of the 20 biggest suppliers. As there is currently no robust evidence on the purchasing of recycled or reused components, their use is indicated as 0 t as a precaution. Biological materials refer to wooden and paper packaging.

The NETZSCH purchasing policy is consistently geared toward sustainability. This is proven by the certification of all three production sites with the BME certificate for sustainable supply chain management.

	Total weight of used products and technical and biological materials in t	Percentage of biological materials used to manufacture NETZSCH products that are sustainably sourced	Weight in t of reused or recycled secondary components, products, and materials used for manufacturing
NETZSCH-Gerätebau GmbH	170	35	0
NETZSCH-Feinmahltechnik GmbH	1,420*	0	0
NETZSCH Pumpen & Systeme GmbH	4,395	5	0

* In 2023, a specific material weight could be recorded for 73.4% of the outputs. No consideration is given to the remaining 26.6% as insufficient underlying data was available on them.

Mandatory disclosure according to ESRS E5-4

NETZSCH-Gerätebau GmbH



NETZSCH-Feinmahltechnik GmbH



NETZSCH Pumpen & Systeme GmbH



Product – E5 Resource Use and Circular Economy

Product Carbon Footprint

 **We are committed to constantly reduce the PCF of our products and provide our customers with low-carbon solutions.**
Mandatory disclosure according to ESRS E5-3

The product carbon footprint (PCF) shows the greenhouse gas emissions caused by a product throughout its entire life cycle. In the NETZSCH Group, the PCF is calculated for selected products using the cradle-to-gate approach – from the raw material extraction through the upstream and internal production processes to the transportation to NETZSCH and waste treatment during production.

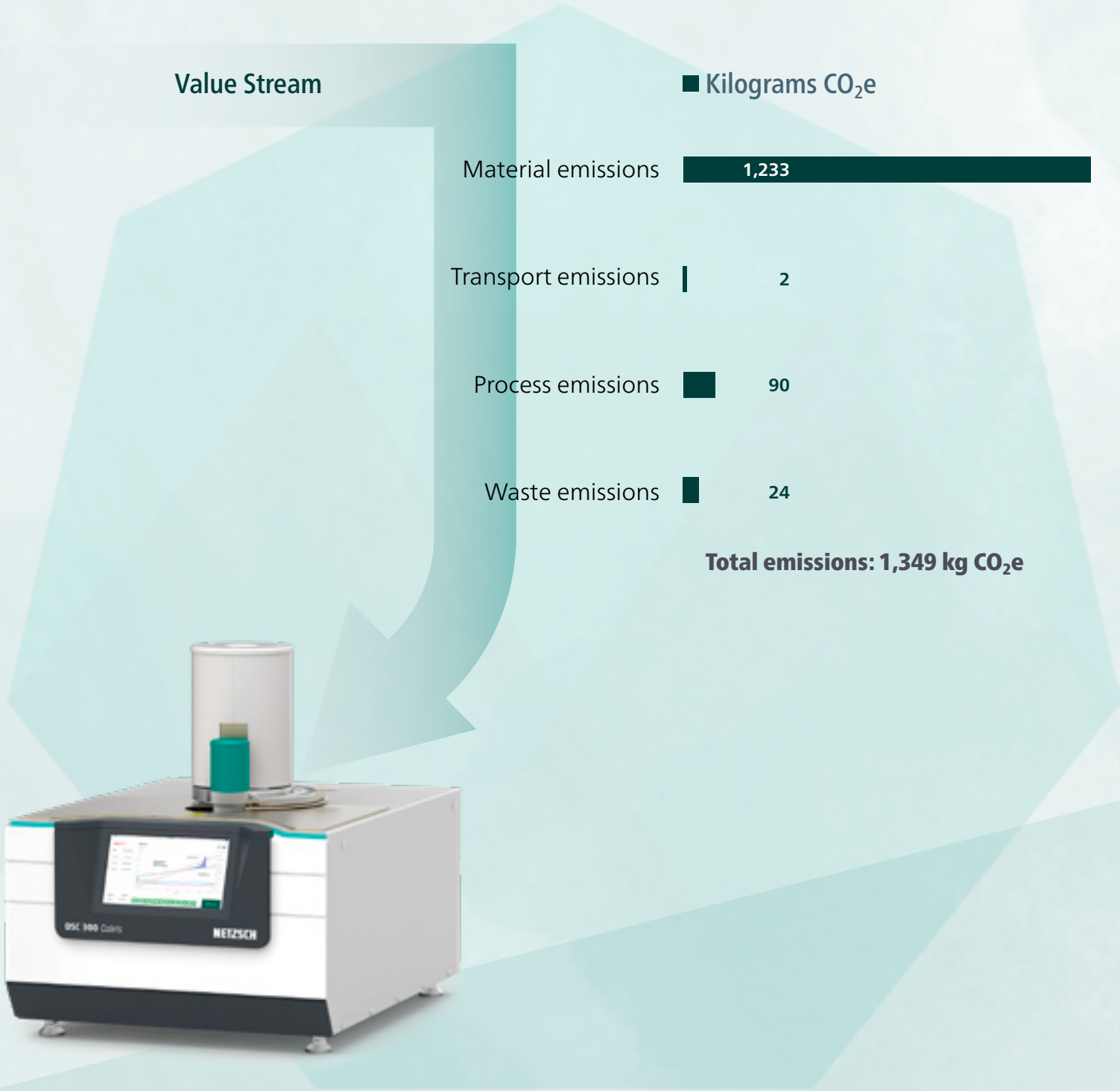
The calculations are based on a combination of primary and secondary data as well as transport analyses. The values obtained provide important insights that can be used to reduce emissions in a targeted manner. These are also provided to external parties on request. As the results are based on assumptions, emission factors, and data availability, and are not currently certified, the values may still change in the future.

NETZSCH aims to continually reduce the PCF of its products and offer its customers sustainable low-carbon solutions.

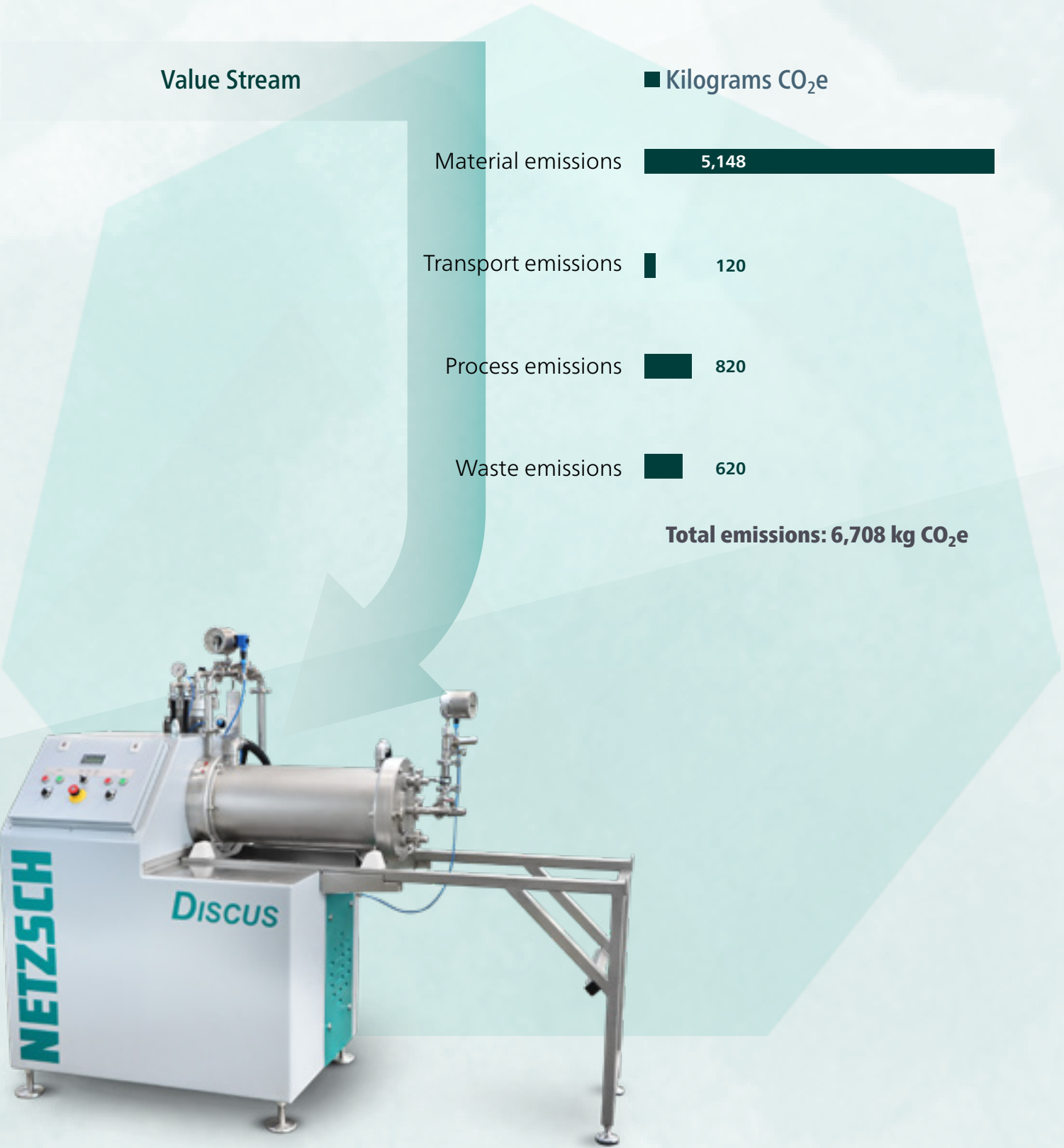


An example based on three standardized products from the NETZSCH Group:

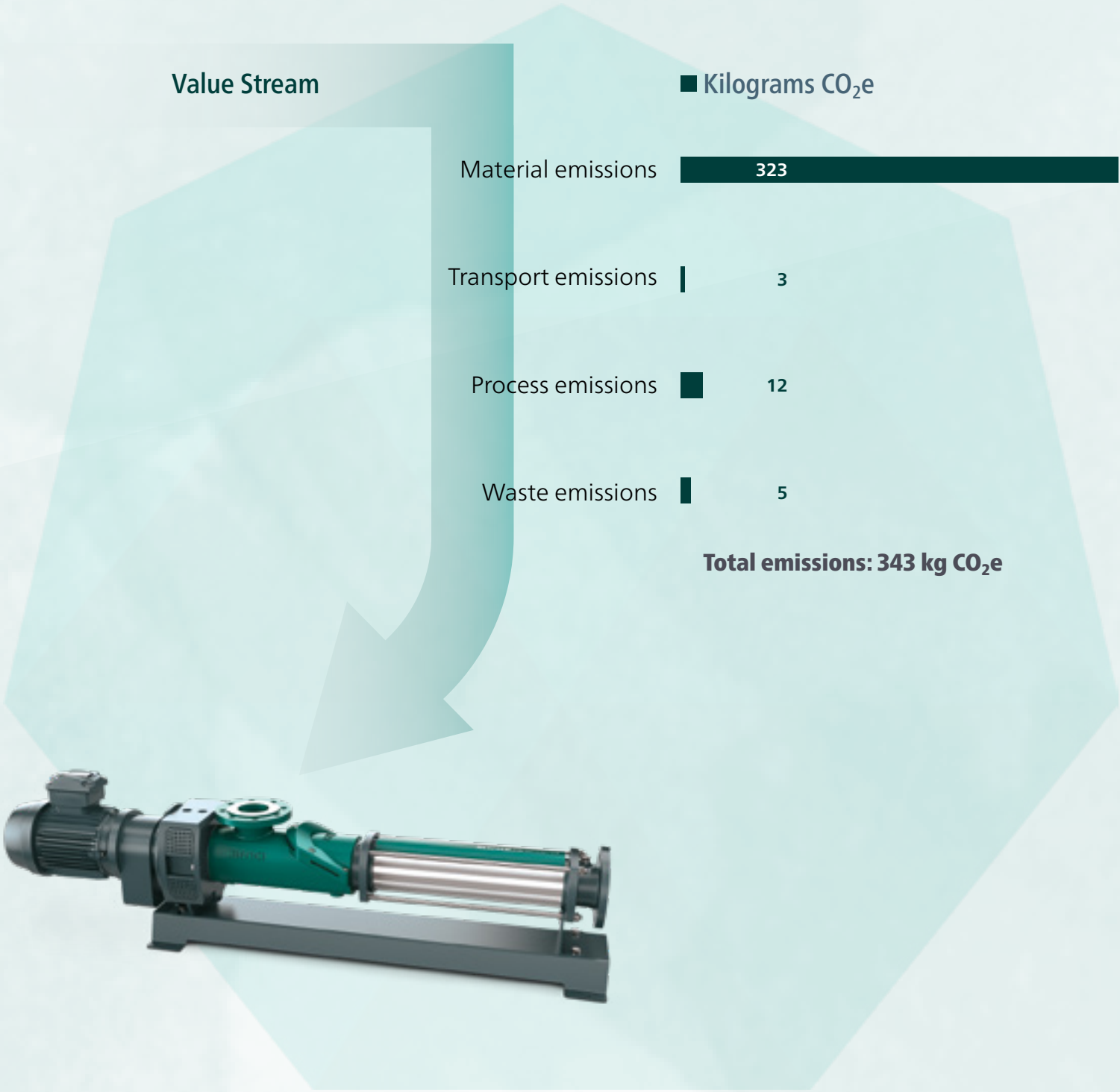
Analyzing & Testing Business Unit
Cradle-to-gate PCF DSC300



Grinding & Dispersing Business Unit
Cradle-to-gate PCF Discus 30



Pumps & Systems Business Unit
Cradle-to-gate PCF NM031



Resource Outflows

The Analyzing & Testing business unit develops and produces high-precision measuring systems for scientific and industrial uses – from thermal analysis through rheology to isothermal and accelerating rate calorimetry. The portfolio is supplemented by tailor-made consumables and spare parts that enable long-term use. One key element is the largely self-developed software that enables the highest precision and seamless integration.

All devices are manufactured to the highest quality standards and designed for an exceptionally long service life. Their modular design enables them to be flexibly expanded, modernized, and repaired – whether through software updates, the replacement of individual components, or the retrofitting of new modules, such as furnaces. This enables the systems to be efficiently used for many years and easily adapted to changing requirements.

Sustainability is firmly anchored in the business model: returns and demonstration devices are thoroughly inspected by the NETZSCH service team, overhauled, and returned into circulation as refurbished devices – for an extended service life and a lower use of resources.

All products are subject to the EU directive on WEEE. This means that at the end of their life cycle, they are duly recycled and returned to the material cycle. This approach enables NETZSCH to ensure that valuable raw materials are preserved and environmental impacts are minimized.

Total amount of waste generated in t	Total amount of non-recyclable waste in t	Share of non-recyclable waste in %
95	63	67

Product – E5 Resource Use and Circular Economy

The machines from the Grinding & Dispersing business unit – especially wet grinders and mixers – are specifically developed in line with circular principles. Their design combines efficiency, durability, and ease of repair, and makes a key contribution to the circular economy.

Many older systems have been reliably in use for decades – clearly demonstrating their robust design. Thanks to the modular and intentionally simple structure, components can be easily replaced, repaired, or reconditioned. This extends the service life, reduces resource consumption, and simplifies maintenance and servicing. The disassembly of the products has also been designed to enable efficient material recovery – for example when replacing wear parts.

Most of the materials used are recyclable. Challenges still exist in relation to complex components such as inner linings or seals that are made from multiple materials and require complex separation.

Even though the current focus does not lie on targeted reprocessing, the sophisticated product design still very much promotes resource conservation. For example, NETZSCH machines help customers implement sustainable and future-oriented production processes.

Total amount of waste generated in t	Total amount of non-recyclable waste in t	Share of non-recyclable waste in %
627	45	7

The materials for the pumps from the Pumps & Systems business unit are individually tailored to customer requirements and the intended use. Depending on the use, materials such as aluminum, cast iron, elastomers,

geared motors, paints, metal-coated insulation, paper, kraft paper, rubber, seals, stainless steel, or stators are selected. This precise material selection not only ensures optimum product performance but also outstanding efficiency and a long service life.

NETZSCH products are designed for durability. When used as intended and regularly maintained, they offer an impressively long service life. If defects do ever occur, however, individual components can be directly replaced or repaired on site – without having to replace the entire product.

Used components are tested: if they can be reused, they are returned to the cycle. If this is not the case, they are separated by type, recycled, or duly disposed of. The recovered materials can then be reused as raw materials and integrated into production processes.

In following this approach, NETZSCH closes the material cycle – and makes an active contribution to resource protection and the promotion of the circular economy.

Total amount of waste generated in t	Total amount of non-recyclable waste in t	Share of non-recyclable waste in %
1,595	455	29

It is not possible to create a blanket comparison between the service life of NETZSCH products and the industry average as the service life heavily depends on the area of use. For example, pumps that convey abrasive media are subject to far greater strain than those in the food sector. The same applies to products from the other business units: the strain, service life, and performance can sometimes differ greatly depending on the use.

			2023	2023	2023
			NETZSCH-Gerätebau GmbH	NETZSCH-Feinmahltechnik GmbH	NETZSCH Pumpen & Systeme GmbH
Waste type	Reuse or disposal	Recovery method	Total amount in t	Total amount in t	Total amount in t
Hazardous waste	Reuse				
		Preparation for reuse	0	0	0
		Recycling	1	0	2
		Other recovery methods	0	20	0
	Disposal				
		Combustion	4	16	157
		Landfill	0	0	0.14
Non-hazardous waste	Reuse	Other forms of disposal	0	0	0
		Preparation for reuse	0	87	0
		Recycling	31	327	1,138
	Disposal	Other recovery methods	0	148	0
		Combustion	59	29	134
		Landfill	0	0	0
		Other forms of disposal	0	0	164

All of NETZSCH’s German sites work exclusively with certified disposal companies that have valid permits and fulfill all legal and environmental requirements. Waste is handled in accordance with clear processes and high standards, especially in the case of hazardous substances.

Documentation

Hazardous waste is meticulously tracked: it is recorded in a register, systematically documented, and monitored throughout the entire disposal process. As the waste producer, NETZSCH shares responsibility with the transportation and disposal companies for the proper handling of the waste – including written confirmation of every disposal step. This ensures transparency and legally compliant waste disposal.

In the case of non-hazardous waste, the quantities are recorded using weighing slips. The disposal company furthermore creates an annual declaration of acceptance detailing the total quantities. This ensures that all waste streams are fully recorded and recycled or disposed of in an environmentally friendly manner.

Mandatory disclosure according to ESRS E5-5

Waste Composition

Various types of waste are generated by the production processes in the NETZSCH business units – depending on the site and level of vertical integration. The most relevant waste streams include:

- Metal waste – metal shavings, scrap, and residues of various types of metal
- Oils and lubricants – used oils, lubricants, and oily waste
- Plastics – protective films, packaging, and production waste
- Hazardous waste – emulsions, contaminated substances, residual paints and lacquers
- Packaging waste – primarily wooden packaging and cardboard
- Electronic waste – decommissioned electrical and electronic components
- Biomass and organic waste – food waste, incinerator slag, etc.
- Glass – broken glass from machines or building components
- Textiles – protective clothing, cleaning cloths, and absorbent materials

Waste Collection in accordance with the Euratom Directive

At its three largest production sites, NETZSCH also collects waste in accordance with the EU Directive 2011/70/Euratom.

	Spent fuel in t (2011/70/Euratom)	Radioactive waste in t (2011/70/Euratom)
NGB	0	0
NFT	0	0
NPS	0	0

Product – E5 Resource Use and Circular Economy

Waste Management

At the German NETZSCH sites, waste treatment is strictly performed in accordance with the German Circular Economy Act (Kreislaufwirtschafts-gesetz). The aim is to consistently avoid waste and preserve valuable materials in the economic cycle. NETZSCH follows a clear priority principle in this regard: resources are used as efficiently as possible and environmental impacts are reduced in a targeted manner.

1. Avoidance – reduction of the amount of waste generated through optimized processes and resource-friendly design
2. Preparation for reuse – testing and reprocessing of suitable materials or components
3. Recycling – returning of recyclable materials into the material cycle for use in the production of new products
4. Other recovery – if recycling is not possible, waste is used for energy recovery
5. Disposal – if none of the previous options are possible, environmentally friendly disposal occurs

Mandatory disclosure according to ESRS E5-5



NETZSCH systematically classifies and documents all waste generated in line with the requirements established by the European Waste Catalogue. Waste managers have also been appointed at the three largest German sites. These monitor compliance with legal requirements and drive the continuous optimization of waste management.

Mandatory disclosure according to ESRS E5-5

Note:

Within the scope of its ESRS reporting, NETZSCH has determined that standardized resource inflow and outflow data is not yet available for all international sites. As a result, the quantitative information currently available solely relates to the three largest sites in Germany.

NETZSCH is aware of the importance of consistent and comprehensive underlying data and is working hard to improve the data quality and availability throughout the group of companies. The aim is to provide precise information across all sites in future and to further professionalize waste management.

Product – E5 Resource Use and Circular Economy

Rama Dama

At the annual ‘Rama Dama’ event (Bavarian German for ‘We are cleaning up’) volunteers clear litter from public spaces in Waldkraiburg. In spring 2024, trainees from NETZSCH Pumpen & Systeme GmbH once again showed an active commitment to the environment: equipped with trash grabbers and garbage bags, they cleaned up the roads and sidewalks around the NETZSCH campus.



Deposit System for the Pickling System Containers

NETZSCH Pumps & Systems has introduced a deposit system for pickling system containers in collaboration with the supplier: fill, use, return, clean, reuse – a closed cycle for less waste and greater resource protection.



Paperless Office

NETZSCH is using the Paperless Office project to reduce paper consumption, optimize processes, and conserve resources. The project is being piloted at the Waldkraiburg site before being rolled out to further sites in Selb, such as Erich NETZSCH B.V. & Co. Holding KG, NETZSCH Business Services GmbH, sensXPERT, NEDGEX GmbH, and NETZSCH-Feinmahltechnik GmbH. The core measures include digitalization, infrastructure development, and training – a clear step in the direction of a paperless future.



PEOPLE

Empower our people & stakeholder

At NETZSCH, everyone feels respected, valued, and truly belongs – taking responsibility for our PEOPLE and our entire value chain.

2023 was a very special year for NETZSCH: it marked the company’s 150th anniversary – a milestone that was celebrated with six international employee events. But success does not just happen. A family business that has existed for a century and a half needs a strong team and reliable partners.

Sustainable success can only be achieved through teamwork. Over 4,716 employees in more than 200 production, sales, and service companies worldwide work hard every day to pass NETZSCH on to the next generation as a healthy, future-proof company. Their unique skills – whether interpersonal, intellectual, organizational, or technical – shape the corporate culture and make NETZSCH what it is.

In the Own Workforce field (ESRS S1), the company is therefore committed to fair working conditions, equal opportunities, and the continual advancement of its employees. It demonstrates this through targeted training and development measures, work-life balance schemes, and a corporate culture that actively supports diversity and inclusion. This commitment is complemented by an occupational health management system and preventive health and occupational safety measures.



Results of the Materiality Assessment

The topic ESRS S1 – Own Workforce was assessed as material.

Actual and Potential Impacts on the Environment and Society

Diversity & Equal Opportunities

A lack of gender balance in the field of mechanical engineering can unevenly distribute access to career opportunities and therefore negatively affect social sustainability. A diverse and inclusive corporate culture combats this by promoting equal opportunities, removing structural barriers, and supporting a more diverse and innovative working world.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
NETZSCH strengthens its attractiveness as an employer through equality.	A clear sign to the world of business that responsible conduct and economic success are not mutually exclusive.	Strengthens the employer profile, improves recruitment, and promotes long-term employee motivation.	Diverse teams make better decisions that are well-founded, balanced, and future proof.

Training and Development

The production of NETZSCH products and services requires training and development measures to ensure innovation and productivity within the teams.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
NETZSCH strengthens innovation and future viability.	A clear sign to the world of business that responsible conduct and economic success are not mutually exclusive.	Strengthens strategic thinking and creates a long-term basis for being able to respond to market changes flexibly and in a future-proof manner.	Highly qualified employees make wise decisions based on sound knowledge.

Mandatory disclosure according to ESRS 2 SBM-3



Financial Stability

NETZSCH uses fair and market-oriented remuneration to create financial stability and trust – the basis for satisfied employees and low staff turnover.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
NETZSCH strengthens innovation and productivity to promote sustainable company success.	A clear sign to the world of business that ethical conduct and economic success are not mutually exclusive.	Increases employee retention and creates a motivated team that is willing to pursue long-term company goals.	Satisfied employees make well-founded and responsible decisions.

Occupational Health Management

Employee mental health and wellbeing are essential. The avoidance of stress and excessive workloads as well as a good work-life balance improve employees’ quality of life and relieve the burden on the health system.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
NETZSCH creates healthy and safe working conditions – improving performance, strengthening satisfaction and loyalty, and contributing to the company’s long-term stability.	Healthy employees perform better, improving efficiency and continuity in the value chain.	Comprehensive health management is a central requirement for achieving strategic goals.	Healthy employees can focus better when working and make well-founded decisions.

Workplace Accidents

Everyday work at the NETZSCH sites can be physically demanding and dangerous. This can potentially lead to injuries and health problems.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
Workplace accidents have a negative impact on the company’s success.	Employee absences lead to delays along the entire value chain.	Workplace accidents and the associated absences impede the timely implementation of the company’s strategy.	Workplace accidents restrict the decision-making process.

Mandatory disclosure according to ESRS 2 SBM-3



Financial Opportunities

Diversity & Equal Opportunities

The diverse teams at NETZSCH as well as equal opportunities and gender equality in the company promote genuine innovation and long-term productivity.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
Efficiency is improved and costs are reduced, increasing profitability and stabilizing the business model over the long term.	Diverse teams create added value along the entire value chain.	Different perspectives lead to strong stimuli for the strategic orientation.	Different points of view lead to informed, farsighted decisions.

Qualified Employees

NETZSCH impresses with fair pay and attractive additional benefits – strengthening its market position and improving access to skilled workers.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
Highly qualified professionals drive innovation and technological progress.	A clear sign to the world of business that responsible conduct and economic success are not mutually exclusive.	Qualified professionals and a strong market position safeguard international competitiveness.	Qualified professionals strengthen the company sites, the community, and the quality of strategic decisions.

Financial Risks

Personnel Costs

Fair remuneration and additional benefits make NETZSCH an attractive employer but also result in rising personnel costs, which can pose a financial challenge.

Impacts on the business model	Impacts on the value chain	Impacts on the strategy	Impacts on decision-making
Rising costs coupled with a constant turnover impact the company's profit.	Increases to direct and indirect costs make the product more expensive.	Rising personnel costs make targeted site-specific and efficiency strategies essential.	Higher personnel costs require informed and foresighted decisions.

It is not yet possible to reliably quantify the financial effects of significant opportunities and risks under ESRS S1.

Mandatory disclosure according to ESRS 2 SBM-3



Management of Impacts, Opportunities, and Risks

The satisfaction of NETZSCH employees is based on an open, respectful working environment characterized by equality, fairness, and active appreciation.

Policies Related to Own Workforce

The group of companies pursues a holistic strategy of social sustainability that considers international and European human rights standards. The aim is to create a fair, inclusive, and respectful working environment for all employees. The promotion of diversity and equal opportunities, the integration of people with disabilities, and the active combating of discrimination are all key to this strategy. NETZSCH accommodates different lifestyles by offering flexible working hour models and mobile working – wherever this is feasible.

NETZSCH also focuses on training and development, using targeted personnel development programs to strengthen professional skills, promote individual careers, and safeguard the next generation of skilled workers.

Great importance is also given to employees’ physical and mental wellbeing. An occupational health management (OHM) team supports employees through targeted actions in the fields of occupational health and safety, health promotion, and integration management. Implementation occurs in a decentralized manner in the individual NETZSCH Group companies – adapted to regional needs and requirements.

Mandatory disclosure according to ESRS S1-1

Involvement of Own Workers and Employee Representatives

NETZSCH believes in the importance of actively involving its own staff and employee representatives in decision-making processes. Some of the points of contact and efforts made within the NETZSCH Group are described below:

Employee Representatives

The company promotes open communication in order to find the optimum solution for all parties and minimize any negative impacts on employees.

In accordance with the German Works Constitution Act (Betriebsverfassungsgesetz) and other country-specific regulations, employees and their interest groups are actively involved in decision-making processes. These include local works council committees at numerous production and assembly sites as well as the overarching group works council. Early, structured involvement is especially necessary in the case of measures that affect working conditions or the employee structure: employee representatives are informed about the situation, can contribute their perspectives, and can actively shape suggestions. The scope and timing of the involvement are based on the specific decision-making process.

Regular meetings between the company management and employee representatives strengthen the continual discourse – not just in the case of new projects but also when evaluating previously implemented measures and their impacts. This dialog occurs at both site and group level.

NETZSCH is furthermore committed to transparent communication throughout the company: works meetings, the global communication channel NETZSCH HUB, and other internal channels enable regular exchanges on company-wide topics – especially with regard to ESG.

Employee Suggestion Scheme

NETZSCH actively drives the further development of the corporate culture. An employee suggestion scheme at some sites additionally contributes to the process. The aim is to activate the existing pool of employee ideas for the benefit of the workforce as a whole and the group of companies. Such ideas relate to aspects such as the improvement of workplace safety and working conditions, including how to enhance health protection, make cost savings, and improve product quality. The suggestions submitted are assessed and evaluated by an interdisciplinary team. The suggestion scheme promotes employee involvement in continual improvement processes and strengthens their role in the company.

Human Rights

The NETZSCH Group’s Declaration of Principles highlights its clear commitment to human rights. In particular, it has a zero-tolerance policy with regard to forced and child labor – and requires all suppliers to do the same via the Code of Conduct.

Mandatory disclosure according to ESRS S1-2

NETZSCH is equally committed to combating discrimination, bullying, and harassment. A respectful, safe work environment provides the foundations for genuine equal opportunities. All employees should be able to develop freely regardless of gender, origin, religion, disability, age, or sexual orientation. Whether internal or in relation to partners and suppliers, any breaches of these values can be reported and will be carefully reviewed. In following this strategy, NETZSCH is sending a clear message: employees are at the heart of the company – as its most valuable resource and an active part of an inclusive corporate culture that offers everyone the same opportunities to develop.

NETZSCH’s approach to social sustainability is guided by international standards such as the UN Global Compact, its own company values, and, in Germany, regular AGG training courses every three years. This all shows a clear commitment to fairness, equal opportunities, and social responsibility.

Involvement of the Own Workforce

Valuable insights are also obtained through direct interactions with employees: employee interviews and site-related satisfaction surveys (for example every five years in Germany and Brazil) help to capture moods and identify potential areas for improvement. The results are presented to the management team in order to create transparency and determine fields of action. They are also communicated through the global communication channel NETZSCH HUB so that all employees are able to view them. A potential solution for further

People – S1 Own Workforce

improvement is also presented. The success is measured on the basis of clearly defined key indicators, such as staff turnover or sickness rates. This ensures that measures are not only planned but also have their effectiveness reviewed and continually improved.

Mandatory disclosure according to ESRS S1-2

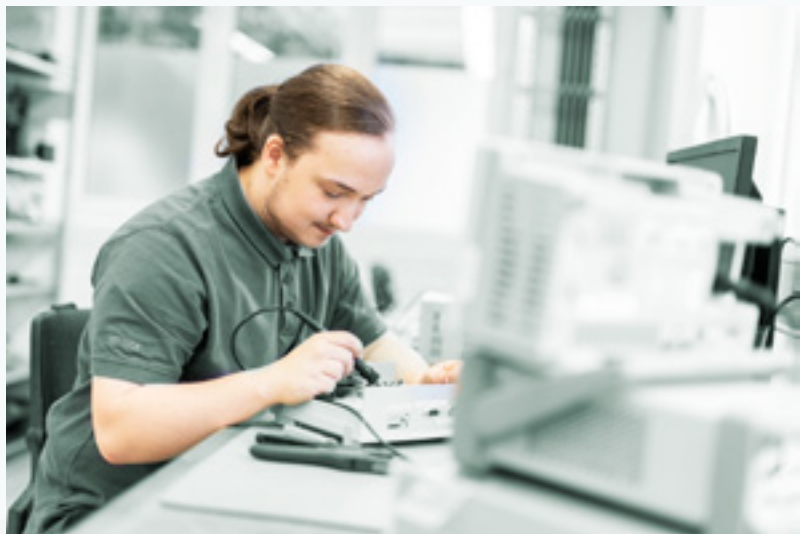
Internal Complaints Procedure

NETZSCH provides its employees with various confidential channels for expressing their concerns and having them reviewed. This enables negative effects on employees or other people associated with the company to be identified at an early stage and resolved effectively. Detailed information about this can be found under the Whistleblowing Policy in Section 7 ‘Policy’.

NETZSCH’s own workforce also has access to a digital mailbox in the global communication channel NETZSCH HUB. This can be used to submit confidential issues to the employee representatives. The responsible committees take up the concerns, discuss them with management, and advocate constructive solutions.

Even during their digital onboarding, new employees are informed about the works council page of the global communication channel NETZSCH HUB and the contact options. The works council furthermore provides information about its work during the regular works meetings and invites active dialog.

Mandatory disclosure according to ESRS S1-3



People – S1 Own Workforce

Data Quality for Effective Personnel Measures

As not all relevant key indicators are yet available, the focus currently lies on expanding internal reporting and optimizing data collection. The aim is to present the status quo with greater accuracy. Once reliable data is available, it will be systematically evaluated to derive further specific measures. These are presented by topic area: diversity & equal opportunities, training and development, and occupational health management.

Initial successes are already evident: important steps were taken to promote diversity in the company with the Women Excellence Network at NPS and targeted diversity initiatives in Brazil. In the future, central key indicators should be recorded on a monthly basis in order to continually monitor the effect of existing measures and further develop them.

Mandatory disclosure according to ESRS S1-4

Fair Remuneration

NETZSCH pays all employees fairly and transparently regardless of gender, origin, or other personal characteristics. At the German sites, remuneration is based on the collective agreements established by the metalworkers’ union IG Metall while global employees also receive fair remuneration in line with valid reference values.

Compliance with national requirements – especially legal minimum wages – is consistently ensured. NETZSCH therefore guarantees competitive and sustainable remuneration.

Mandatory disclosure according to ESRS S1-10

Payment Parameters

The wages paid by NETZSCH are based on clearly defined, transparent criteria and are in line with legal requirements. As in many technical sectors, there are more male than female employees in the fields of mechanical, system and equipment engineering for historical reasons. This can result in differences in the average income of women and men. These differences primarily arise from the different distribution across occupational fields and areas of activity – not due to discriminatory structures or practices. NETZSCH is currently striving to further improve data quality in order to provide future figures that are even more meaningful and reliable.

Mandatory disclosure according to ESRS S1-16

Human Rights Violations

In the 2023/24 fiscal year, no work-related incidents of discrimination or sexual harassment within the NETZSCH Group were reported via the internal complaints procedure. Likewise, no human rights violations were identified.

Mandatory disclosure according to ESRS S1-17



Diversity & Equal Opportunities

 **At NETZSCH, we empower women to become part of our management team. We constantly increase our proportion of women on all levels. Mandatory disclosure according to ESRS S1-5**

Employee diversity is a key driver of science, curiosity, and the high-impact culture at NETZSCH. The company therefore creates a working environment characterized by appreciation and belonging – a place where all employees feel respected and involved.

Diversity means responsibility – toward the people in the company and the communities in which NETZSCH operates. Senior executives and managers are aware of this responsibility when it comes to attracting, appointing, developing, and retaining talent. The aim is to enable everyone to reach their full potential – regardless of gender, origin, religion, sexual orientation, age, social background, or other personal characteristics. With around 4,716 employees of 60 nationalities in 36 countries, diversity is firmly anchored in NETZSCH's corporate culture.

Great focus is also placed on equal opportunities. NETZSCH is actively committed to breaking down barriers and facilitating access to development opportunities. After all, diversity creates progress and strengthens innovation throughout the company. The most important measures include targeted inclusion programs, strong employee representation, and an established whistleblower system that promotes transparency and safety.

Discrimination, harassment, and bullying have no place at NETZSCH. A consistent zero-tolerance policy ensures respectful and appreciative conduct at all levels. At the same time, NETZSCH works to actively promote gender equality and sustainably strengthen the role of women in the company.

One important step is the targeted promotion of women in managerial positions. Initial pilot projects – such as the internal women's network – offer workshops and protected spaces for dialog, where females can be specifically supported in their careers. Unconscious bias training supports these initiatives by promoting awareness about diversity and inclusion. The knowledge obtained is continually incorporated into the further development of appropriate measures at additional company sites.

NETZSCH is proud of the cultural diversity within the company – and constantly works to further promote it. After all, diversity and equal opportunities are not just key values; they also provide a clear competitive advantage: they strengthen the corporate culture, promote innovation, and help to attract and retain talent.

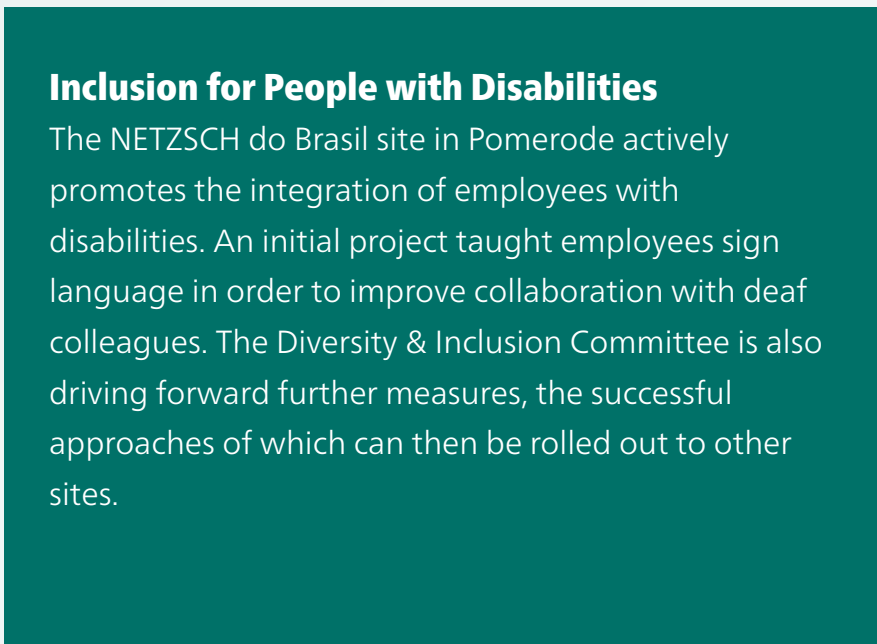
Parent-Child Office

The parent-child office on the NETZSCH campus in Waldkraiburg provides a flexible solution to a lack of childcare. Employees can book the room and bring their child to work. A workstation with a monitor and docking station enables productivity while a separate play area keeps little ones entertained.



HR Campaign in Brazil

The 'Respect' campaign at all sites in Brazil clearly demonstrates the commitment to an appreciative and inclusive working environment. Initiated by the Diversity and Inclusion Committee and supported by management, it promotes mutual respect and cohesion. Employees were actively involved and shared their personal perspective on the question: 'what does respect mean to you?' The open dialog and active appreciation are enabling the company to create a culture of togetherness.



Inclusion for People with Disabilities

The NETZSCH do Brasil site in Pomerode actively promotes the integration of employees with disabilities. An initial project taught employees sign language in order to improve collaboration with deaf colleagues. The Diversity & Inclusion Committee is also driving forward further measures, the successful approaches of which can then be rolled out to other sites.

Training and Development

 Our commitment to learning and development enables our employees and partners to grow, fulfil their potential, and improve their quality of life. Mandatory disclosure according to ESRS S1-5

The personnel development program at NETZSCH focuses on the promotion of employees and their professional and personal training and development. The company wants to identify and foster potential as well as to create an attractive learning environment for its workforce. In this regard, NETZSCH supports employees with everything from advice to the resolution of development-related matters.

“Great Place to Work”

The sites in India and Brazil were awarded the prestigious ‘Great Place to Work’ seal – a symbol of a strong working environment and an actively practiced corporate culture. The award is based on direct feedback from the employees and confirms the values that make NETZSCH the company it is: trust, cooperation, and innovation.



Training and Internships

Investment in training is a key part of NETZSCH’s corporate philosophy and an expression of social responsibility. In Germany, NETZSCH therefore places great focus on training its own young talent. With a broad range of commercial, technical, and IT professions, the company offers young professionals the best entry-level opportunities and thereby sustainably secures skilled workers for the future. The success of this commitment is highlighted by the high proportion of apprentices who are subsequently given employment contracts.

The company also works in close collaboration with schools and universities to provide young people with valuable insights into the working world. This occurs through internships, working student activities, theses written in collaboration with NETZSCH, or innovative projects such as the NETZSCH Science Cup. In this competition, students from local schools develop concepts for a ‘laboratory of the future’ with the support of experts from the company.

One important link between the young employees, the works council, and the management is the young professional and trainee committee (Jugend- und Auszubildendenvertretung). This is actively committed to promoting quality training, fair working conditions, and compliance with all relevant regulations. This approach creates a strong basis for the future – for both trainees and NETZSCH.

Bayerns Best 50

The NETZSCH Group was awarded the title ‘Bayerns Best 50’ (Bavaria’s Best 50) from the Bavarian State Ministry of Economic Affairs, Regional Development and Energy – as one of the most dynamic and innovative medium-sized companies in the Free State. NETZSCH furthermore received a special award for its particular commitment to the training of young talent. With its sustainable practices and continually positive development, the NETZSCH Group has established itself as a genuine role model in the Bavarian business world.



Girls’ & Boys’ Day

All three business units opened their headquarter sites for the Girls’ & Boys’ Day. The school pupils received first-hand experiences of four technical training professions – with practical insights and participation opportunities.



People – S1 Own Workforce

Innovation Talent Program

NETZSCH develops individual career paths with the aim of strengthening employee loyalty and under consideration of diversity, equal opportunities, and inclusion.

One central component is the Innovation Talent Program, which was launched in fall 2024 in cooperation with the digital unit NEDGEX. Eight selected talents undergo an 18-month trainee program in one of six focus fields defined in collaboration with the business units. This offers them practical, international experience with a clear focus on entrepreneurial thinking and innovative solutions.

The program consists of three central elements:

- International learning journey: all participants gain international experience through at least two assignments in different business units and on two continents.
- Relevant practical projects: the pioneers work on genuine challenges that not only develop their own skills but also provide innovation stimuli for NETZSCH.
- Innovative ecosystem: a strong network that strengthens the entrepreneurial spirit of the program is created through intense dialog and mutual inspiration.

NETZSCH Online Academy

The NETZSCH Online Academy is the global learning platform for all employees – a practical tool in digital format available 24/7. It combines product-specific courses with soft skills training on topics such as communication, time management, and leadership to provide targeted continuing professional development opportunities for all career levels.

The program currently includes more than 250 general training courses as well as over 600 product-specific courses, which are continually updated and expanded. The aim is to offer a tailor-made learning service that not only covers current needs but also prepares employees for future challenges – for example through new content on artificial intelligence or the digital transformation.

To accommodate different learning styles, NETZSCH offers a range of formats: classic classroom training promotes direct dialog and practical application whereas e-learning courses and webinars enable flexible learning from anywhere. The services also include collaborative formats such as learning circles and communities of practice, where knowledge can be shared and jointly developed – as per a modern understanding of learning.

Cybersecurity training is also firmly anchored in the CPD portfolio – including specific training for HR employees and regular phishing awareness campaigns. Employees worldwide also have access to an external data protection officer as an independent contact.

Two targeted learning paths have been developed for managers:

- ‘Ready’ – for future team leaders with a focus on managerial principles and a practical introduction to leadership
- ‘Impulse’ – for experienced managers at departmental level, with a focus on strategic and transformative management

High quality and an active feedback culture are central principles of the NETZSCH learning world – to enable all employees to optimally develop.



Occupational Health Management

 Occupational safety for our people and our workers in our 1st tier chain is at top level in our industry. Mandatory disclosure according to ESRS S1-5

The world of work is changing – the fast pace, falling attention spans, altered framework conditions, and democratic change are presenting companies with new challenges. This makes it all the more important to have a holistic occupational health management system (OHMS) that strengthens employees over the long term. The NETZSCH Group has therefore set itself the goal of sustainably promoting and preserving its employees’ physical and mental health.

To strategically professionalize the OHMS and coordinate it across all business units, a central OHM officer was appointed for the first time in 2023. The officer is the contact person for all health-related topics and responsible for developing targeted measures for promoting good health throughout the group of companies.

At its German sites, NETZSCH also supports its employees financially: a specially set-up support fund subsidizes personal health costs such as dentures, spectacles, hearing aids, or medically induced spa stays. The precise subsidy amount depends on how long employees have worked for NETZSCH and their personal contribution. Employees are entitled to the subsidy from their second year of employment.

The care concept also includes group-wide accident insurance that covers employees worldwide – around the clock, during both professional and private activities. This reliably protects employees even when away from their workplace.

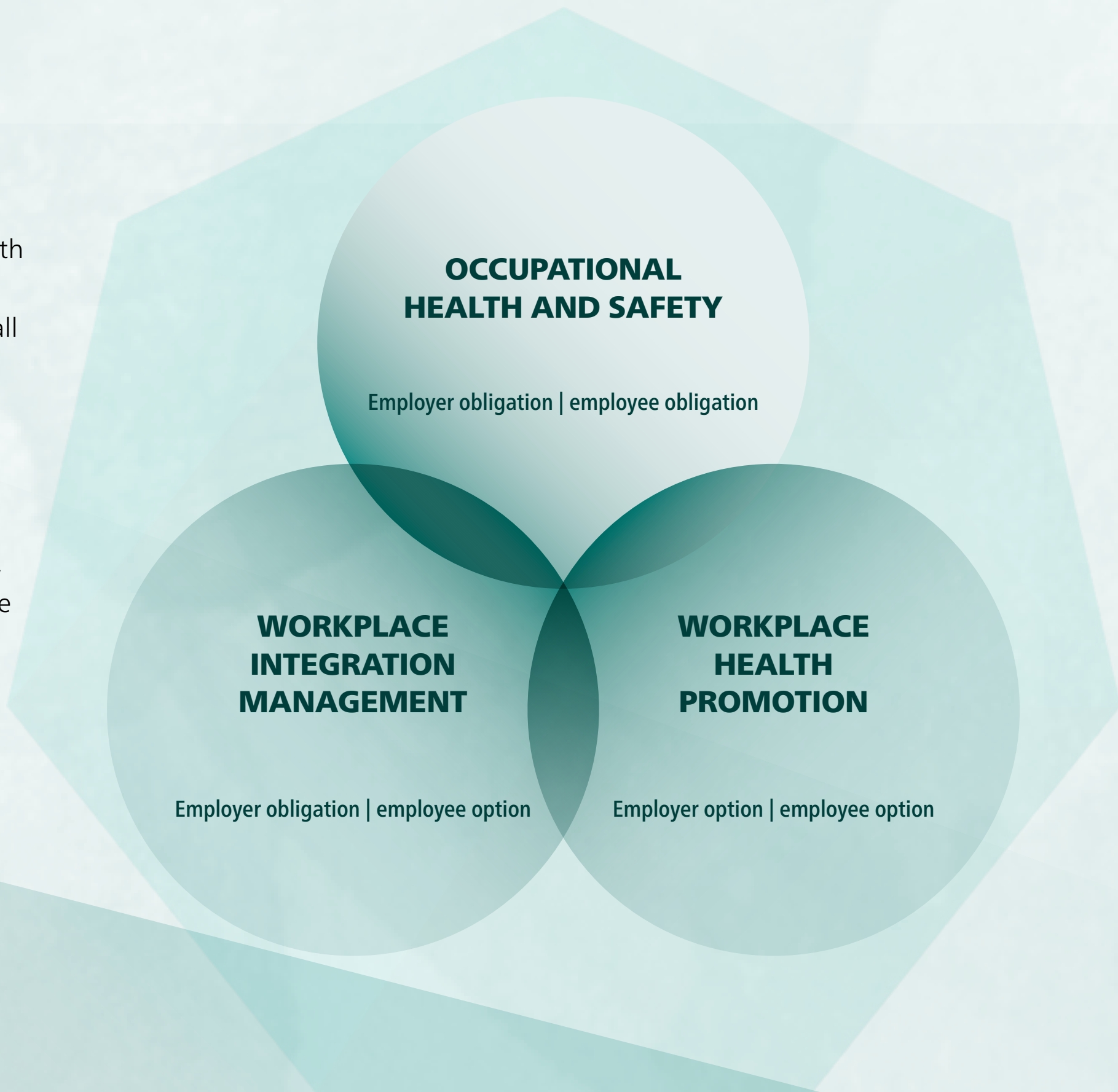
NETZSCH is committed to defining and continually improving the industry standard for occupational safety – and deliberately goes beyond legal requirements. The aim is to provide the highest level of safety and good health for all employees. This responsibility does not end at the company gates: NETZSCH is also actively committed to ensuring safe working conditions for all employees in the tier 1 supply chain.

A comprehensive health concept was developed on the basis of illness data and an internal employee survey from 2023. This combines preventive services and support measures, including occupational safety training via the digital training system sam® from secova, individual health services, and targeted support following prolonged absence periods. At NETZSCH, OSM focuses on three core areas:

- Occupational health and safety
- Workplace integration management
- Workplace health promotion

This holistic approach ensures that health is regarded systematically rather than selectively – for permanently high performance, satisfaction, and motivation during everyday working life.

Mandatory disclosure according to ESRS S1-14



Occupational health and safety

Employee protection and wellbeing are top priorities for NETZSCH. The aim is to systematically avoid work-related illnesses and hazards, and to create a safe working environment – worldwide. All NETZSCH employees are fully integrated in the company-wide health and safety management system.

The occupational safety policy applies group-wide to the Pumps & Systems and Grinding & Dispersing business units and to the Analyzing & Testing business unit in Germany. The policy is based on a clear preventive approach that involves continuously raising awareness, targeted training, and compliance with both legal and internal standards.

NETZSCH uses a combination of digital and in-person training formats:

- The digital training system sam® from secova provides employees in Germany with regular training on safety-related topics.
- Managers take responsibility locally: they train their teams on specific topics and ensure that protective measures are implemented on an everyday basis.

Regular workplace analyses help to detect risks at an early stage and mitigate them – especially in the field of mechanical engineering, where particular attention is needed when working with systems and industrial materials. Mandatory training courses on safety when working with machines and hazardous substances are tailored to the working areas.

People – S1 Own Workforce

NETZSCH provides all employees with high-quality personal protective equipment (PPE) – from helmets, gloves, and hearing protection to protective goggles and safety shoes. The PPE is regularly inspected and modernized as required. NETZSCH is optimally prepared for emergencies: evacuation and emergency plans are regularly updated and drilled – so everyone knows what to do in emergency.

Workplace Integration Management

Workplace integration management at NETZSCH helps employees return to everyday working life in a healthy and sustainable manner following prolonged absences, for example due to illness or an accident. The aim is to gradually restore employees' ability to work, to avoid excessive strain, and to prevent further absences.

The return to work occurs on the basis of a carefully designed, personal integration plan tailored to the employee's health and professional requirements. This is developed in close collaboration with the employee in question, the HR department, the employee's line manager, and, where necessary, the company doctor. The process also includes adapting the workplace and working hours, for example through ergonomic equipment or technical aids. Flexible working hours, the ability to work from home, or a temporary reallocation of duties enable a gradual return under realistic conditions.

In addition to physical challenges, specific consideration is also given to mental health. On request, employees receive coaching services to strengthen their mental health as well as supportive meetings with their line managers to enable a smooth return to everyday working life.

Mandatory disclosure according to ESRS S1-14



Workplace Health Promotion

NETZSCH uses a holistic approach to workplace health promotion that supports both physical and mental health.

The services vary depending on the business unit and site, covering aspects from exercise and nutrition to mental health and healthy management. The most important building blocks include:

- NETZSCH sports community
- Topic-based health days
- Bicycle leasing (JobRad)
- Ergonomic workplace design
- Company sports
- Healthy food in the canteen
- Training on stress management and physical health
- Preventive measures
- Training for managers

The aim is to establish an active culture of good health that goes beyond individual measures. NETZSCH encourages its employees to take responsibility for their own wellbeing – and to actively contribute to the creation of a healthy, positive working environment.

Mandatory disclosure according to ESRS S1-14

People – S1 Own Workforce

**Opening of the New Company Restaurant
FELIX on the Waldkraiburg Campus**

The company restaurant on the NETZSCH campus in Waldkraiburg may be committed to high-quality, regional, and seasonal produce, but it also offers more than just good food: it is a place to meet and interact with others, and to work flexibly. Whether freshly prepared dishes, packed lunches, or productive meetings – culinary enjoyment meets modern working.



Sports community

Whether in Selb with the NETZSCH sports community (a non-profit association) or in Waldkraiburg with options such as football, tennis, fishing, and squash – people exercise together at many sites and take part in regional competitions. NETZSCH also shows sporting ambition internationally: the NETZSCH Moagem & Dispersão site in Brazil took the overall win at the 2024 ‘Wilson Tomio Filho’ games, a competition for companies from the region, for the third time. The NETZSCH do Brasil Indústria e Comércio Ltda site also put in an impressively strong performance and secured third place.



Parameters

The data relates to the average value at the end of the reporting period in the 2023/24 fiscal year and was recorded as an absolute number of people.

Employees by gender*	
Gender	Number of employees
Male	1,493
Female	398
Other	0
Not specified	0
Total	1,891

* The figures solely relate to German NETZSCH sites.

Employees by country – countries with more than 50 employees	
Country	Number of employees
Brazil	1,198
China	678
Germany	1,891
India	173
South Korea	51
USA	174

People – S1 Own Workforce

Employees by employment type*
Details of the employees by employment type on a region by region basis are documented in the upcoming sustainability report.

	2023/24 fiscal year (reference date: 06.30.2024)				
	Male	Female	Other**	No info	Total
Number of employees (number of people)	971	281	0	0	1,252
Number of permanent employees (number of people)	878	251	0	0	1,129
Number of temporary employees (number of people)	93	30	0	0	123
Number of employees on zero-hours contracts (number of people)	0	0	0	0	0
Number of full-time employees (number of people)	953	203	0	0	1,156
Number of part-time employees (number of people)	18	78	0	0	96

* The figures solely relate to German NETZSCH sites.

** Gender according to the employees' own specifications.

Employee turnover*		
	2023/24	2023/24
	Total	In %
Employee turnover*	132	1

* The figures solely relate to German NETZSCH sites.

Mandatory disclosure according to ESRS S1-6

Honoring Long-Standing Employees

The annual ceremony for long-standing employees honors people who have contributed to the company's success through 10, 25, or 40 years of committed service. As a sign of appreciation, they receive a certificate and a special token of recognition – presented by the management at an official ceremony.



Workforce by age group*		
	2023/24	2023/24
	Total	In %
Under 30 years	394	21
30 to 50 years	1,017	54
Over 50 years	480	25
Total	1,891	100

* The figures solely relate to German NETZSCH sites.

Gender distribution at senior management level		
	2023/24	2023/24
	Total	In %
Women	2	3
Men	66	97
Other	0	0

NETZSCH defines senior management level as including all managing directors, executive board members, and CEOs worldwide.

Mandatory disclosure according to ESR5 S1-9

Number of reportable accidents		
	2023/24	2023/24
	Total	Per 1 million working hours
Reportable workplace accidents	43*	/**

* The figures solely relate to German NETZSCH sites.

** No information can currently be provided about the number of hours worked.

Deaths from work-related injuries/work-related illnesses	
	2023/24
	Total
Holding	0
Pumps & Systems	0
Analyzing & Testing	0
Grinding & Dispersing	0
NEDGEX	0
sensXPERT	0
NETZSCH Business Services	0
Non-employed workers	0
Total	0

Mandatory disclosure according to ESR5 S1-14

Type of serious human rights violations	
	Number
Incidents excl. cases of non-compliance with the UNGPs, the ILO Declaration, or the OECD Guidelines for Multinational Enterprises	0
Cases of non-compliance with the UNGPs, the ILO Declaration, or the OECD Guidelines for Multinational Enterprises	0

Discrimination, harassment, complaints, and serious incidents in relation to human rights	
	2023/24
	Total
Holding	0
Pumps & Systems	0
Analyzing & Testing	0
Grinding & Dispersing	0
NEDGEX	0
sensXPERT	0
NETZSCH Business Services	0
Total	0

Mandatory disclosure according to ESR5 S1-17

People – S1 Own Workforce

Fines, penalties, and compensation for damages as a result of serious human rights violations in connection with the own workforce

Amount of fines, penalties, and compensation for damages	
Fines, penalties, and compensation for damages as a result of serious human rights violations	€0

Number of discrimination incidents and complaints

Number	
Discrimination incidents reported	0
Complaints submitted via designated channels, by people from within the own workforce or via NPCs for OECD multinational companies	0

Amount of fines, penalties, and compensation for damages due to discrimination incidents and filed complaints

Amount of fines, penalties, and compensation for damages	
Fines, penalties, and compensation for damages in relation to discrimination incidents and complaints	€0

Mandatory disclosure according to ESRS S1-17

Note:

In the course of its reporting activities in line with ESRS, NETZSCH found that some detailed data is currently not available for the entire NETZSCH Group in a standardized manner – especially for international sites. As a result, some of the quantitative information solely relates to the German sites. The company is aware of the importance of standardized and comprehensive underlying data and is working hard to continually improve the data quality and availability. The personnel figures were provided as numbers of people and recorded as average values at the end of the reporting period.

Taxonomy



"We are committed to climate-friendly growth – by using the opportunities offered by transformation, making foresighted global investments, and adhering to responsible, sustainable business practices."

Jens Niessner | [Member of Executive Board](#) | NETZSCH Gruppe



The EU Taxonomy Regulation was introduced in 2021 as a central instrument of the European Green Deal. Its aim is to specifically direct capital into environmentally sustainable economic activities. It does this by establishing standardized criteria for assessing environmental sustainability based on six environmental objectives such as climate change mitigation, a circular economy, and the protection of biodiversity. Economic activity is regarded as taxonomy compliant if it makes a substantial contribution to at least one of these objectives, does no significant harm to any of the other objectives, and meets minimum safeguards.

The NETZSCH Group has begun its gradual and systematic implementation of the Taxonomy Regulation. The first step was to review all economic activities on the basis of the NACE codes in order to evaluate their basic taxonomy eligibility. This revealed that NETZSCH is making a contribution to the circular economy and, to a lesser extent, to climate change mitigation with several of its activities. Relevant activities were identified on the basis of turnover, investments (CapEx), and operating expenditure (OpEx). Among others, the following are regarded as material:

- Manufacture of pumps for biogas systems – NACE code C28.13
- Installation of a heating system with biogenic solid fuel – NACE code C33.20
- Manufacture of electrical and electronic equipment – NACE codes C26 & C27
- Sale of spare parts in all three business units – NACE codes C26 & C27

These activities formed the basis for the subsequent evaluation of taxonomy eligibility. In the next step, an assessment was made of whether they are explicitly listed in the EU taxonomy delegated acts – either in the field of climate change mitigation or under other environmental objectives.

The table below provides an overview of the allocation of the individual activities to the environmental objectives and their taxonomy eligibility.

	Climate change mitigation (CCM)	Circular economy (CE)
3.1 Manufacture of technologies for renewable energy	■	
7.3 Installation, maintenance, and repair of energy-efficient equipment	■	
1.2 Manufacture of electrical and electronic equipment		■
5.2 Sale of spare parts		■

In the third step of the taxonomy assessment, the NETZSCH Group assessed the activities previously identified as taxonomy eligible for their actual conformity with the EU taxonomy requirements. The focus lay on three central criteria: the substantial contribution to an environmental objective, the avoidance of negative effects on other environmental objectives (‘do no significant harm’ principle), and compliance with minimum safeguards.

Installation of a Heating System with Biogenic Solid Fuel – Wood Chips

The installation of a wood chip heating system (C33.20 – activity 7.3) was regarded as a substantial contribution to mitigating climate change. The system uses biogenic solid fuel, thereby replacing fossil fuels and increasing energy efficiency in the building sector. All technical requirements – from the EU energy efficiency requirements through the Ecodesign Regulation to the Machinery and Low-Voltage Directives – are met.

To meet the DNSH requirements for the environmental objective ‘climate change adaptation’, a climate scenario analysis was performed on the wood chip heating system in Waldkraiburg. The system, which has been in operation since December 1, 2022, has a planned service life of 33 years. The climate scenarios RCP 2.6, 4.5, and 8.5 were analyzed. Of a total of 28 possible climate risks, 12 could be excluded due to the geographic location, while the remaining risks were extensively assessed. Water scarcity, drought, and heavy rainfall in particular were identified as relevant climate-related risks with a medium likelihood of occurrence. These can influence the availability of fuel and the operational reliability of the wood chip heating system. Despite this, the analysis shows that the system has a low vulnerability as the potential damage lies below 2% of the investment costs. On the whole, the system is regarded as climatically robust.

Manufacture of Electrical and Electronic Equipment

The manufacture of electrical and electronic equipment (C26 & C27 – activity 1.2) was classed as a substantial contribution to the circular economy. Despite not falling under the EU Ecolabel, the highly specialized measuring instruments from the Analyzing & Testing business unit (for example for thermal analysis, rheology, or the determination of thermophysical properties) fulfill numerous requirements for circular product design. They are durable, energy efficient, recyclable, and easy to maintain and disassemble. Spare parts are available for at least 10 years and the products are serviced by the company’s own service engineers. NETZSCH furthermore complies with the RoHS Directive, actively replaces hazardous substances with safer alternatives, increases the use of recycled materials, and designs packaging and transportation in a resource-conserving and CO₂-optimized manner.

To fulfill the requirements of the environmental objective ‘climate change adaptation’ in accordance with EU taxonomy, a climate scenario analysis was performed for the wood chip heating system in Waldkraiburg. This was based on the scenarios RCP 2.6, 4.5, and 8.5. Within the scope of activity 1.2, the entire company site was looked at based on an assumed useful life of over ten years. Of the 28 potential climate risks, 13 could be excluded due to the geographic location. The remaining risks were systematically assessed. Periods of drought and incidents of heavy rainfall were identified as the primary climate-related risks with a medium likelihood of occurrence – with only a low expected impact on production processes. On the whole, the vulnerability of the production site was assessed as low. As the potential extent of economic damage was regarded as minimal, the site is considered to be climatically robust.

A DNSH assessment was performed for all economic activities with a substantial contribution to the environmental objectives ‘climate change mitigation’ and ‘circular economy’. This confirms that no substances that are damaging to health or the environment are released during either the manufacturing or operating phases. Compliance with all relevant requirements, including RoHS, REACH and the Battery Directive, is furthermore ensured. As a result, no substantial negative impacts on other environmental objectives are expected and the EU taxonomy requirements are fulfilled.

The review of the minimum safeguards showed that NETZSCH meets the requirements with regard to human rights, the combating of corruption, fiscal justice, and fair competition. Compliance with human rights standards and regulations is ensured through a multitude of measures, including the company-wide Code of Conduct, a binding human rights declaration, supply chain due diligence, the use of EcoVadis for supplier evaluation, and a complaints system in accordance with the German Supply Chain Act. Corruption is prevented through the use of an internal compliance system, regular training, and clear policies.

NETZSCH also plays an active role in the field of tax transparency: a group-wide tax compliance management system is currently being developed, supported by training measures for people in tax-related roles. With regard to fair competition, strict rules are in place to avoid antitrust violations. No violations or investigations have been reported to date.

Following the assessment of taxonomy eligibility and taxonomy conformity, the relevant shares of turnover, investment expenditure (CapEx), and operating expenditure (OpEx) were determined in a fourth step. The results were used as a basis for calculating the share of the total value accounted for by taxonomy-eligible and taxonomy-compliant activities in the 2023/24 fiscal year.

				Criteria for a substantial contribution						DNSH criteria (‘do no significant harm’)								
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Turnover share year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Category Enabling activities (19)	Category Transitional activities (20)
		EUR	%	J; N; EL; N/EL	J; N; EL; N/EL	J; N; EL; N/EL	J; N; EL; N/EL	J; N; EL; N/EL	J; N; EL; N/EL	J; N	J; N	J; N	J; N	J; N	J; N	J; N	J; N	E
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1 Environmentally sustainable activities (taxonomy compliant)																		
Manufacture of electrical and electronic equipment	CE 1.2	31,756,826.14	3.62%	N/EL	N/EL	N/EL	J	N/EL	N/EL	J	J	J	J	J	J	J	E	
Turnover from environmentally sustainable activities (taxonomy compliant) (A.1)		31,756,826.14	3.62%	0.00%	0.00%	0.00%	3.62%	0.00%	0.00%	J	J	J	J	J	J	J		
Of which, enabling activities		31,756,826.14	3.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	J	J	J	J	J	J	J		
Of which, transitional activities		0.00	0.00%	0.00%														
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-compliant activities)																		
Manufacture of technologies for renewable energies	CCM 3.1 CCA 3.1	8,625,000.00	0.98%	EL	EL	N/EL	N/EL	N/EL	N/EL									
Manufacture of electrical and electronic equipment	CE 1.2	119,624,109.00	13.64%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									
Sale of spare parts	CE 5.2	239,146,258.00	27.26%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									
Turnover from taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-compliant activities) (A.2)		367,395,367.00	41.89%	0.98%	0.00%	0.00%	40.90%	0.00%	0.00%									
A. Turnover from taxonomy-eligible capabilities (A.1 + A.2)		399,152,193.14	45.51%	0.98%	0.00%	0.00%	44.52%	0.00%	0.00%									
A. NON-TAXONOMY-ELIGIBLE ACTIVITIES																		
Turnover from non-taxonomy-eligible activities (B)		477,990,666.26	54.49%	Y – Yes, taxonomy-eligible and, for the relevant environmental objective, taxonomy-compliant activity N – No, taxonomy-eligible but, for the relevant environmental objective, non-taxonomy-compliant activity N/EL – Not eligible: non-taxonomy-eligible activity for the respective environmental objective EL – Taxonomy-eligible activity for the respective objective														
Total (A + B)		877,142,859.40	100.00%															

				Criteria for a substantial contribution						DNSH criteria (‘do no significant harm’)									
Economic activities (1)	Code(s) (2)	CapEx (3)	CapEx share, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Category Enabling activities (19)	Category Transitional activities (20)	
		EUR	%	J; N; EL; N/EL	J; N; EL; N/EL	J; N; EL; N/EL	J; N; EL; N/EL	J; N; EL; N/EL	J; N; EL; N/EL	J; N	J; N	J; N	J; N	J; N	J; N	J; N	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy compliant)																			
Installation, maintenance, and repair of energy-efficient equipment (wood chip heating systems)	CCM 7.3. CCA 7.3.	271,863.10	0.45%	J	N	N/EL	N/EL	N/EL	N/EL	J	J	J	J	J	J	J	E		
CapEx environmentally sustainable activities (taxonomy compliant) (A.1)		271,863.10	0.45%	0.45%	0.00%	0.00%	0.00%	0.00%	0.00%	J	J	J	J	J	J	J			
Of which, enabling activities		271,863.10	0.45%	0.45%	0.00%	0.00%	0.00%	0.00%	0.00%	J	J	J	J	J	J	J	E		
Of which, transitional activities		0.00	0.00%	0.00%														T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-compliant activities)																			
CapEx taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-compliant activities) (A.2)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
A. CapEx taxonomy-eligible activities (A.1 + A.2)		271,863.10	0.45%	0.45%	0.00%	0.00%	0.00%	0.00%	0.00%										

A. NON-TAXONOMY-ELIGIBLE ACTIVITIES		
CapEx non-taxonomy-eligible activities	60,781,105.56	99.55%
Total	61,052,968.66	100.00%

Y – Yes, taxonomy-eligible and, for the relevant environmental objective, taxonomy-compliant activity
N – No, taxonomy-eligible but, for the relevant environmental objective, non-taxonomy-compliant activity
N/EL – Not eligible: non-taxonomy-eligible activity for the respective environmental objective
EL – Taxonomy-eligible activity for the respective objective

The OpEx share of the turnover from goods or services associated with taxonomy-compliant economic activities was not analyzed for the 2023/24 fiscal year. The group’s total OpEx share is 36,084,476.89 euros.

Policy



"Good company management **is the basis** for our sustainable development. We know where we are and where we want to be, are **creating the right structures and processes** to make this possible, and are taking all employees with us on our journey."

Dr. Jürgen Blumm | CEO Business Unit NETZSCH Analyzing & Testing



As the stakeholders do not currently regard there to be an immediate need for action, NETZSCH rates the topic as non-material. Despite this, we are still reporting on governance measures as NETZSCH regards sustainability holistically.

OUR PRINCIPLES



FROM PROMISES TO ACTIONS

We keep our word. At NETZSCH, we follow up specific commitments with specific actions. We act with integrity – so both our partners and our customers can always rely on us.



ACCOUNTABILITY

We are accountable for our actions. All employees are encouraged to question decisions, openly address mistakes, and play a part in continual improvement processes.



TRANSPARENCY AND RELIABILITY

We communicate openly and act transparently. Partners, customers, and employees can rely on NETZSCH – to provide consistently dependable performance.



Group Compliance

Ethical and legally compliant conduct is an integral part of the NETZSCH corporate culture. To identify risks at an early stage and prevent violations, NETZSCH uses a comprehensive compliance management system.

For NETZSCH, compliance does not just mean fulfilling the requirements of national and international laws but also adhering to all internal policies – whether established in writing or through practice. All employees are expected to consistently follow these rules – without exception and without bypassing them in favor of shorter term goals.

Compliance with legal and internal requirements is a matter of course for NETZSCH. As a family business, the company is committed to upholding its shareholders' high ethical and moral standards. Active compliance also protects the company economically as violations can have significant financial consequences.

Compliance affects everyone: the responsibility for it lies with all managers and employees. Individual specialists support the process but the managerial responsibility cannot be shared. The compliance process is designed to enable everyday adherence to relevant rules and verify this within the scope of random checks.

Code of Conduct

The NETZSCH Group shareholders and management expect all employees to conduct themselves in a legally compliant manner, to make a clear distinction between right and wrong, and to take decisions with the company's best interests in mind. The Code of Conduct is valid throughout the group of companies and provides a binding framework for this. Although it does not replace laws, it acts as a practical guide for ethical and responsible conduct during everyday working life. Personal integrity is the foundation of this – as are the actively practiced company values: 'trust & accountability', 'professionalism & innovation', and 'fairness & loyalty'.

The Code of Conduct contains clear rules with regard to the environment, human rights, labor and social standards, competitive behavior, and data protection. One aspect that is particularly clear is that NETZSCH follows a zero-tolerance strategy with regard to corruption and bribery. Any violations of these principles must be reported – everyone is responsible here. The Code of Conduct is supplemented by specific policy guidelines that go into further detail.

There is also a separate Supplier Code of Conduct for suppliers and business partners. This specifies the basic requirements for legally compliant, responsible, and sustainable conduct toward people and the environment. NETZSCH expects its partners to actively comply with the content, pass it on internally, and implement it along their supply chain. Compliance can be checked systematically or on an ad hoc basis – for example through questionnaires, assessments, or audits. In the case of violations, NETZSCH requires the implementation of countermeasures; if necessary, collaboration will be terminated.

All Codes of Conduct are available to employees on the global communication channel NETZSCH HUB and to external partners on the company website.



Whistleblowing Policy

One central element of the NETZSCH compliance strategy is the whistleblowing system. This enables employees, business partners, and external stakeholders to securely and confidentially report potential violations of laws or internal policies, e.g. in the fields of human rights, environmental protection, or the prevention of corruption.

NETZSCH expressly encourages people to report violations at an early stage. This makes it possible to prevent damage to the company and to reduce personal liability risks for employees and managers. Whistleblowers are protected by legal regulations – there can be no reprisals for reporting violations in good faith.

How the Whistleblower System Works:

- Simple & secure reporting
Reports can be made at any time – anonymously or by name – via the digital whistleblower system on the NETZSCH website or by contacting Group Compliance directly. Providing the report has not been made anonymously, a confirmation of receipt will be issued within seven days.
- Confidentiality & data protection
All reports are independently reviewed – with the utmost care and in strict compliance with the GDPR. The identity of the whistleblower is protected insofar as possible.
- Clear investigation & consequences
In the event of a violation, this will be dealt with in collaboration with the responsible departments. Appropriate measures will follow. Whistleblowers receive feedback no more than three months after the confirmation of receipt – providing the report was not made anonymously.

- External reporting body as an option
In addition to the internal system, it is also possible to contact the Federal Government's external reporting body at the Federal Office of Justice at any time.

By using this system, NETZSCH strengthens a corporate culture based on accountability, respect, and transparency. The aim is to identify potential violations at an early stage, minimize risks, and safeguard the company's long-term success.

Corruption Prevention

NETZSCH is clear: corruption has no place – either within the company itself or when dealing with third parties. All NETZSCH companies and their employees are strictly prohibited from all forms of bribery. Every effort is also made to avoid the appearance of corrupt conduct – whether through active bribery or by accepting advantages from suppliers or business partners.

The consequences are serious: corruption can result in criminal prosecution for individuals and endanger the continued existence of the company due to financial penalties and claims for damages. NETZSCH combats this risk with a clear anti-corruption policy embedded within its group-wide Code of Conduct and based on German law in particular.

Payment Practices

NETZSCH is committed to reliability when it comes to payment transactions – both as a supplier and as a customer. Invoices are usually paid within 30 to 90 days, depending on contractual or legal conditions. In doing so, the company makes consistent use of payment-period-based discounts: 3% for payments within 30 days, 2% for payments within 60 days, or net without a discount for payments after 90 days.

This fair practice works both ways: NETZSCH expects its customers to settle outstanding receivables on time.

The consistent observation of payment deadlines creates trust, strengthens partnerships, and provides stability. The success of this strategy is clear: NETZSCH has never been subjected to legal proceedings due to late payment.



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Reporting Limits of the Sustainability Report

	NETZSCH Group	NAP	NAS	NDB	NEM	NFT	NGB	NIG	NJA	NJP	NLP	NLT	NPA	NPS	NSC	NTA	NTB	NTI	NTR	NTT	NVM	Spain Premisis
ESRS 2 BP-1	■																					
ESRS 2 BP-2	■																					
ESRS 2 GOV-1	■																					
ESRS 2 GOV-2	■																					
ESRS 2 GOV-3	■																					
ESRS 2 GOV-4	■																					
ESRS 2 GOV-5	■																					
ESRS 2 SBM-1	■																					
ESRS 2 SBM-2	■																					
ESRS 2 SBM-3	■																					
ESRS 2 IRO-1	■																					
ESRS 2 IRO-2	■																					
ESRS E1-1	■																					
ESRS E1-2	■																					
ESRS E1-3	■																					
ESRS E1-4	■																					
ESRS E1-5		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
ESRS E1-6 Scope 1, 2, 3.3		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
ESRS E1-6 Scope 3				■		■	■				■		■	■				■				
ESRS E1-7	■																					
ESRS E1-8	■																					
ESRS E5-1	■																					

Reporting Limits of the Sustainability Report

	NETZSCH Group	NAP	NAS	NDB	NEM	NFT	NGB	NIG	NJA	NJP	NLP	NLT	NPA	NPS	NSC	NTA	NTB	NTI	NTR	NTT	NVM	Spain Premisis
ESRS E5-2	■																					
ESRS E5-3	■																					
ESRS E5-4						■	■							■								
ESRS E5-5						■	■							■								
ESRS E5-6	■																					
ESRS S1-1	■																					
ESRS S1-2	■																					
ESRS S1-3	■																					
ESRS S1-4	■																					
ESRS S1-5	■																					
ESRS S1-6	■																					
ESRS S1-6 Employees by gender						■	■					■		■		■				■	■	
ESRS S1-6 Employee turnover						■	■					■		■		■				■	■	
ESRS S1-6 Employees by employment type						■	■					■		■		■				■	■	
ESRS S1-9	■																					
ESRS S1-9 Workforce by age group						■	■					■		■		■				■	■	
ESRS S1-10	■																					
ESRS S1-14	■																					
ESRS S1-14 Reportable accidents						■	■					■		■		■				■	■	
ESRS S1-16	■																					
ESRS S1-17	■																					

Report by the independent auditor following a limited assurance business audit of the sustainability report of Erich NETZSCH B.V. & Co. Holding KG, Selb, Germany

To Erich NETZSCH B.V. & Co. Holding KG, Selb

Audit Opinion

We have conducted a limited assurance business audit on the disclosures provided in the sustainability report of Erich NETZSCH B.V. & Co. Holding KG, Selb (hereinafter referred to as the 'Company') for the period from July 1, 2023 to June 30, 2024 (hereinafter referred to as the 'Report').

Based on the audit procedures performed and the audit evidence obtained, we have not become aware of any information that has led us to believe that the Report by the Company for the period from July 1, 2023 to June 30, 2024 has not been drawn up in compliance in all material respects with Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 (Corporate Sustainability Reporting Directive, CSRD) and the European Sustainability Reporting Standards (ESRS) as well as the pertinent German legal and other European regulations, and the supporting criteria presented by the legal representatives of the Company and Article 8 of directive (EU) 2020/852.

Basis for the Audit Opinion

We performed our business audit under consideration of the International Standard on Assurance Engagements (ISAE) 3000 (Revised): 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', published by the IAASB.

As the audit procedures performed during a limited assurance business audit are less extensive than those of a reasonable assurance business audit, a significantly lower assurance is obtained.

Our responsibility according to ISAE 3000 (Revised) is described in further detail under 'Responsibility of the Auditor for Auditing the Report'.

Legal Representatives' Responsibility for the Report

The Company's legal representatives are responsible for preparing the Report in accordance with the CSRD and ESRS as well as the pertinent German legal and other European regulations, and the supporting criteria presented by the legal representatives of the Company and Article 8 of Directive (EU) 2020/852, as well as for the design, implementation, and preservation of internal audits that they have deemed necessary to prepare a Report in accordance with these regulations that is free from material misrepresentations due to fraudulent acts (i.e. manipulation of the Report) or errors.

This responsibility of the legal representatives includes establishing and ensuring continued adherence to the materiality analysis process, selecting and applying appropriate methods for preparing the group sustainability report, making assumptions and estimates, and determining forward-looking information on individual sustainability-related disclosures.

Independence and Quality Assurance of the Auditing Company

We are independent of the Company in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. Our auditing practice applied the quality assurance system requirements established in the IDW quality management standard 'Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis' ('Quality Management Requirements in Auditing Practices' – IDW QMS 1 (09.2022)) published by the Institute of Public Auditors in Germany (IDW). We believe that the audit evidence we obtained is sufficient and suitable for serving as a basis for our audit opinions.

Responsibility of the Auditor for Auditing the Report

Our objective is to use the audit we performed as the basis for providing a limited assurance audit opinion as to whether we have become aware of any information that would lead us to believe that the report has not been drawn up in compliance in all material respects with the CSRD, the ESRS, and the pertinent German and other European regulations, as well as the supporting criteria presented by the legal representatives of the Company and Article 8 of Directive (EU) 2020/852, and to issue an audit report that contains our audit opinion on the Report. When performing an audit in accordance with ISAE 3000 (Revised), we exercise due discretion and maintain an attitude of professional skepticism.

We furthermore:

- gain an understanding of the process used to prepare the Report, including the materiality analysis procedure used by the Company to identify the disclosures to be included in the Report;
- identify disclosures that are likely to result in a material misrepresentation due to fraudulent acts or error, plan and perform audit procedures to address these disclosures, and obtain limited audit assurance in support of the audit opinion. The risk of non-detection of a material misrepresentation resulting from fraudulent acts is greater than the risk of non-detection of a material representation resulting from error as fraudulent acts can include collusive interaction, forgery, intentional incompleteness, misleading representations, or the bypassing of internal checks. Furthermore, the risk of not detecting a material misrepresentation in information from the value chain that comes from sources outside the control of the Company (information from the value chain) is generally higher than the risk of not detecting a material misrepresentation in information obtained from sources that are under the Company's control as both the legal representatives of the Company and we, as auditors, are generally subjected to restrictions with regard to direct access to the sources of information from the value chain;

- acknowledge the forward-looking information, including the appropriateness of the assumptions on which it is based. There is a substantial, unavoidable risk that future events will deviate significantly from the forward-looking information;

The audit procedures and other activities that we performed within the scope of our audit included but were not limited to:

- assessing the overall suitability of the criteria presented in the Report by the legal representatives;
- interviewing the legal representatives and key employees who were involved with the preparation of the Report about the preparation process, including the materiality analysis procedure used by the Company to identify the disclosures to be included in the Report as well as the internal checks used in relation to this process;
- assessing the Report preparation methods used by the legal representatives;
- assessing the justifiability of the estimated values provided by the legal representatives and the associated explanations. If, in accordance with the ESRS, the legal representatives estimate the information that is to be disclosed about the value chain due to being unable to obtain said information from the value chain despite reasonable efforts, our audit is restricted to assessing whether the legal representatives have made these estimates in accordance with the ESRS as well as assessing the justifiability of the estimates. It will not gather information about the value chain that the legal representatives were unable to obtain;
- performing analytical audit procedures and interviews about selected information in the Report;
- acknowledging the presentation of the information in the Report;
- acknowledging the process for identifying taxonomy-eligible and taxonomy-compliant economic activities and the corresponding disclosures in the Report;

Restriction on the Use of the Audit Report

Please note that the audit was performed for the purposes of the Company and the audit report is solely intended as information for the Company about the results of the audit. Consequently, it may not be suitable for any other purpose. As such, the audit report is not intended to be used as a basis for (investment) decisions by third parties. Our responsibility is solely to the Company. We do not accept any responsibility in relation to third parties. Our audit opinion is not modified in this respect.

Munich, September 1, 2025



Auditing company

Keil
Auditor

Erlenkamp
Auditor

Contact

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Legal Notice

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Members of Executive Board

Moritz Netzsch, Paul Netzsch, Jens Niessner

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Commercial register number: HRA 404
VAT identification number according to Section 27a of the German VAT Act (UStG): DE 133914533
Represented by the managing partner:
Thomas Netzsch B.V. with registered office in Utrecht, Netherlands, Dutch commercial register, no.: 89715276, registered branch in Selb, Germany, German commercial register at Hof district court, no.: HRB 6770, represented by the authorized signatories Moritz Netzsch, Paul Netzsch, and Jens Niessner

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