Sustainability report
Info year 2023/2024

DIEFFENBACHER
MOVE FORWARD. TOGETHER.

FOREWORD BY THE MANAGEMENT BOARD

Since our foundation in 1873, Dieffenbacher has been an independent family business through to the 5th generation for long-term orientation and reliability.

This tradition shapes our actions and our relationships with employees, customers and business partners. In a world in which sustainability is becoming increasingly important in all areas of life, we therefore see it as our responsibility to take an even more active role in shaping a sustainable future, because:

Sustainability has been firmly anchored in our corporate values and strategy for generations.

As a technology leader in the wood, forming and recycling industries and in climate-friendly energy generation, we are a partner to our customers. We support you on your journey to efficient and more sustainable production processes. At Dieffenbacher, our customers have the opportunity to obtain complete production plants with recycling and power plants from a single source. This service portfolio allows locations to be implemented in an integrated manner – with ideally coordinated usage of materials and energy. With the help of our award-winning EVORIS digitalization solution, our customers can produce more efficiently and conserve resources.

At the same time, we take a critical look at our own production and the sustainability of our sites in order to achieve continuous improvements here too. Our employees play a central role in these efforts. It is their daily work, their ideas, and their commitment that bring our sustainability initiatives to life. That's why we want to offer a suitable framework for shaping the future together with us and for advancing our industry with enthusiasm.

Increasing demands and the urgency of change require not just a targeted approach, but a transparent one. In this report, we present the steps we have already taken and how we intend to further develop our activities and sustainability initiatives in the coming years in order to contribute to a more sustainable economy.

We also want this report to be the starting point for even stronger dialog – a dialog that will move us forward.

We see ourselves as a driving force for sustainability – for our customers, our sites and employees and as part of an overall social movement. Let's shape the future together.

Christian Dieffenbacher

Lukas Langer

Christian Dieffenbacher, CEO

Lukas Langer, CFO

CONTENTS

Note on gender-sensitive language

Wherever possible, we use neutral terms and paraphrases, provided these do not restrict the readability and comprehensibility of this report. If, for the reasons mentioned, only the masculine or feminine form is used in places in this report, persons of all genders (male, female and non-binary) are of course equally included. In some places, the use of a specific gender form is used to refer specifically to a connection with the relevant group of people (e.g. in connection with the Dieffenbacher Women's Initiative). In the corporate context, some terms such as client, employer, stakeholder or (cooperation) partner refer to organizations, not individuals, and are therefore not reformulated in a gender-sensitive way.

About this report

This report relates to the year 2023, but also provides information on developments and changes in 2024 that we can already report on. Key figures refer to 2023, unless otherwise indicated. Our understanding of sustainability is based on the United Nations definition and includes economic, ecological and social factors: „[Sustainability or sustainable development] means meeting the needs of the present without compromising the ability of future generations to meet their own needs. To achieve sustainable development, three core dimensions must be reconciled: Economic growth, social inclusion and environmental protection." (United Nations, 2019).

THE DIEFFENBACHER GROUP

The Dieffenbacher Group, headquartered in Eppingen, Germany, employs over 1,850 people (as of December 2023) and operates 20 production, service, and sales locations worldwide (as of December 2024).

As an independent family business in its fifth generation, Dieffenbacher has stood for reliable partnerships and continuous progress for over 150 years. The Dieffenbacher Group is one of the leading manufacturers of press systems and complete production plants for the wood, recycling, composites, and metal processing industries.

The company also offers advanced solutions for more sustainable energy generation.

1.850
Employees

20
Sites worldwide

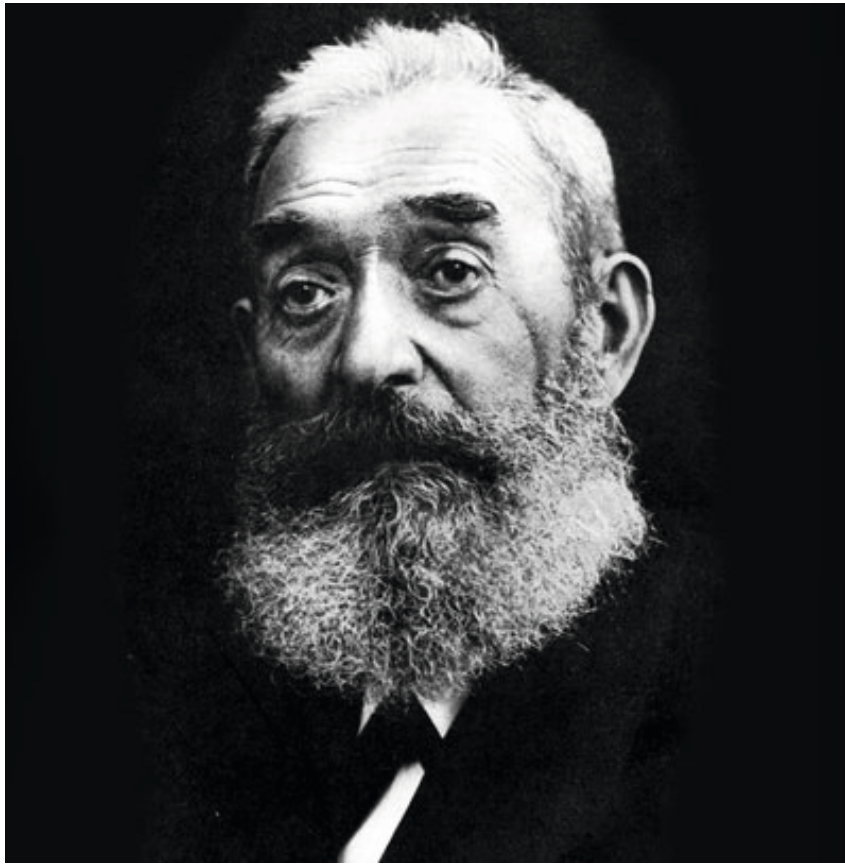
150 years
Family owned

TRADITION AS A FAMILY BUSINESS

At the age of 26, Jakob Dieffenbacher founded a small factory for fruit, wine, and edible oil presses and locksmithery in the heart of Eppingen, laying the foundation in 1873 for our group of companies that today operates successfully worldwide.

His great-great-grandson Christian Dieffenbacher has been a member of the Management Board since 2016 and took over the position of CEO from his father Wolf-Gerd Dieffenbacher in 2019.

Lukas Langer, grandson of Albert Dieffenbacher, was appointed to the Management Board as CFO in 2024. Together with Christian Dieffenbacher, he is the fifth generation to run the company. Lothar Fischer and Volker Kitzelmann complete the management team.



Jakob Dieffenbacher, 1847 – 1929

Trust and progress since 1873

SITES

- 5 in Germany
- 2 in Austria
- Poland
- Italy
- Czech Republic
- Finland
- USA
- Canada
- Brazil
- Turkey
- 2 in China
- India
- Malaysia
- Thailand

NEXT PAGE

The headquarters of the Dieffenbacher Group is located in Eppingen.

From there, the global strategic direction is determined, cross-location processes such as the sustainability initiative are managed, and the company's locations worldwide are supported in local processes and issues.

Other production sites are located in Ötigheim (Germany), Brno (Czech Republic), Windsor (Canada) and Shanghai (China). With construction, sales and service offices, the Dieffenbacher Group is represented internationally in Bludenz and Vienna (Austria), Sosnowiec (Poland), Nastola (Finland), Alpharetta (USA), Bengaluru (India), Kuala Lumpur (Malaysia), Bangkok (Thailand), Itajaí (Brazil), Beijing (China) and in Turkey, in addition to its two other German locations in Leverkusen and Bielefeld. A new location in Bruchsal (Germany) and a location in Aicurzio (Italy) were added in 2024.

This Sustainability Report focuses primarily on the Dieffenbacher headquarters in Eppingen, as it has by far the most employees, controls the central processes for the Dieffenbacher Group and is therefore the center of sustainability activities.

The subsidiaries are integrated into the overall strategy for overarching sustainability issues, while specific topics are progressively implemented at the individual locations. This approach makes it possible to pursue a targeted sustainability strategy with a focus on the most relevant topics, to include all locations and at the same time to take into account their specific underlying conditions, needs and capacities.

Foundation
1873

Headquarter
Eppingen

20
Sites worldwide

1.850
Employees
worldwide (12/24)

FIELDS OF ACTIVITY

Wood-based panel industry
Wood Business Unit

Dieffenbacher is a partner to wood-based panel producers in the furniture, construction and packaging industries worldwide. The Wood Business Unit supplies customers in the wood industry with complete systems for the production of particleboard, MDF, OSB, LVL and wood fiber insulation boards.

Composites and metal processing industry
Forming Business Unit

The Forming Business Unit develops processes, hydraulic presses and complete, fully automated production lines for the manufacture of metal and composite components for customers in the automotive, aerospace, sports and leisure, household, industrial and building and construction sectors.

Recycling industry
Recycling Business Unit

The Recycling Business Unit develops and implements recycling plants that are used to process waste wood, among other things. The business unit also offers a wide range of waste-to-product solutions to transform products into valuable raw materials at the end of their life cycle.

Energy generation
Energy Business Unit

The Energy Business Unit realizes power plants and a wide range of waste heat recovery plants, as well as process equipment for heat recovery. In this way, Dieffenbacher offers advanced solutions for more sustainable energy generation as a supplement to a wood-based panels plant or as a stand-alone solution.

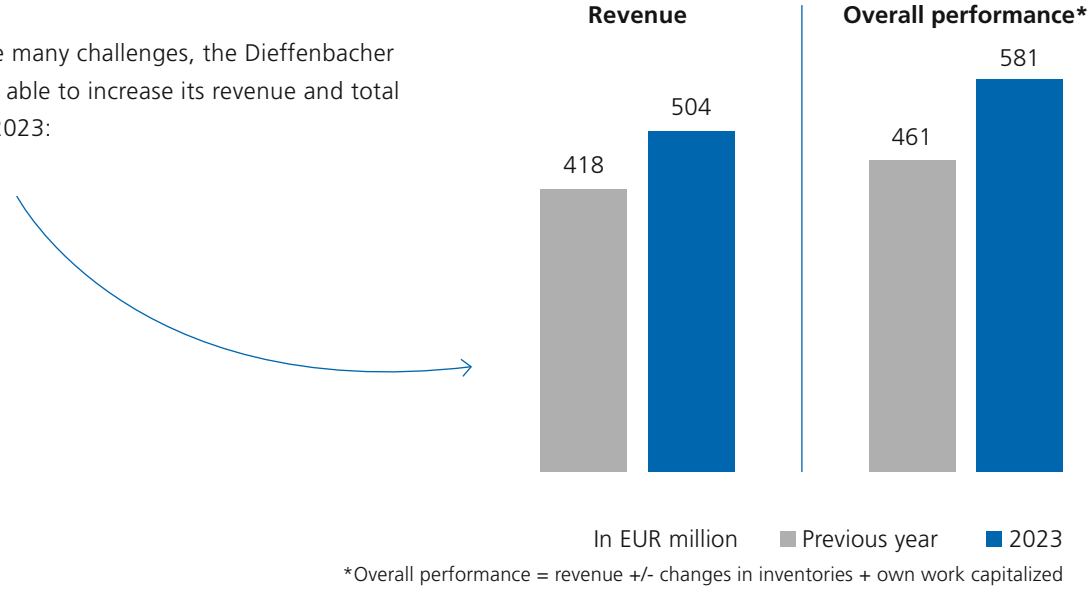
SALES DEVELOPMENT

The year 2023 was characterized by various global challenges.

The last few years have been characterized by various global challenges for the economy. In 2023, the price-adjusted gross domestic product (GDP) was 0.3% lower than in 2022. The expected economic recovery after the coronavirus crisis was lower than expected due to the war in Ukraine, rising energy prices, and inflation. The decline in exports by German companies amounted to 2% in 2023. The 3.5% decline in exports to the EU played a disproportionately large role in this.

The German Mechanical Engineering Industry Association (VDMA), which is relevant to our industry, reported a decline in incoming orders of around 12% for 2023. Overall, mechanical engineering companies are operating in a difficult environment due to weak demand, higher interest rates, and rising wage costs. In contrast, incoming orders in the large-scale plant construction sector were 15.7% higher in 2023 than in the previous year, reaching a long-term high.

Despite the many challenges, the Dieffenbacher Group was able to increase its revenue and total output in 2023:



*Overall performance = revenue +/- changes in inventories + own work capitalized

SUSTAINABILITY STRATEGY AND MANAGEMENT

Sustainability has long been an integral part of Dieffenbacher's actions – both in terms of product development and employee well-being.

In order to manage and expand sustainability activities in a more targeted manner, transparently demonstrate the great connection between the many subject areas, and make the initiatives visible internally, the existing measures were bundled together in 2020 under the title „Dieffenbacher on the move" and a separate committee for sustainability was established with the ESG Board.

Initially, the focus was on environmental aspects with CO_2 measurement. The subject areas have been gradually expanded over the last few years.

PRINCIPLES AND FRAMEWORKS

The German Sustainability Code (DNK) and the United Nations' Sustainable Development Goals (SDGs) were used for a complete analysis of all of Dieffenbacher's key action areas and to improve comparability. Following a comparison of previous measures with the 20 criteria of the DNK and the 17 UN goals, the focus in 2022 shifted to the areas of social and governance in order to advance sustainability activities in a more holistic way.

Sustainable Development Goals (SDGs)

In 2015, all 193 members of the United Nations agreed on 17 Sustainable Development Goals, thereby agreeing on a joint global plan to protect our planet. Successful implementation requires not only policymakers, but also business and society.

Corporate Sustainability Reporting Directive (CSRD)

The CSRD is an EU Directive on sustainability reporting by companies. It was developed to replace the existing Non-Financial Reporting Directive (NFRD) and significantly expand the requirements for sustainability reporting. It aims to improve the transparency and comparability of sustainability reporting. It includes the SDGs, the Paris Climate Agreement and other framework guidelines of the UN and the International Labor Organization (ILO). We are currently working on implementation of this guideline, which requires us to report for the year 2025.

Paris Climate Agreement

The Paris Climate Agreement is an international treaty that was adopted at the COP21 climate conference in Paris in 2015. It aims to limit the global temperature increase to well below 2°C compared to pre-industrial levels and to make efforts to limit the increase to 1.5°C. We wish to play our part in achieving this goal by reducing CO_2 emissions for ourselves and our customers.

German Sustainability Code (DNK)

The DNK is a cross-industry transparency standard for reporting on corporate sustainability performance. It was developed by the German Council for Sustainable Development in 2011 and offers companies and organizations a framework for making their sustainability activities visible and comparable. The DNK comprises 20 criteria relating to environmental, social and governance aspects. The DNK provided Dieffenbacher with the first basis for a systematic review of its own sustainability activities.

ORGANIZATION OF OUR SUSTAINABILITY MANAGEMENT

In recent years, the team dealing with sustainability-related topics at Dieffenbacher has grown continuously and continues to develop.

New functions and positions have been created to meet the increasing demands.

ESG Board & working groups

The ESG Board convened by the Management Board coordinates and monitors the further development of the sustainability initiative and all related activities of the Dieffenbacher Group.

Representatives from management and relevant specialist departments are permanent participants in the ESG Board. Other participants from various working and project groups are consulted on specific topics as and when required. At regular intervals, the ESG Board reviews current progress, new ideas and highlights newly emerging challenges to ensure that all measures are in line with the long-term goals. The additionally convened Innovation Board focuses on all product-related sustainability issues and the further development of the sustainable product portfolio.

Working groups consisting of employees from relevant specialist areas analyze and develop measures for all action areas on which it is possible to exert significant influence. Ideas management gives all employees the opportunity to make their own suggestions on ESG topics and measures.

The position Sustainability Management was created in order to further strengthen the important topic of sustainability, coordinate sustainability activities in an even more targeted manner, and meet the complex reporting requirements of the CSRD and the EU Taxonomy from 2025.

This position works closely with the specialist departments to ensure comprehensive and effective implementation of the sustainability strategy and objectives.

Management systems

The Management Systems department bundles the activities relating to the management systems for quality (ISO 9001 and VDA6.4), environment (ISO 14001), and energy (ISO 50001) across the entire Dieffenbacher Group.

The aim is to design and monitor processes holistically along the value chain and proactively identify deviations.

The Management Systems department forms a close interface with the Sustainability Management position. With the introduction of an environmental management system at the main site in Eppingen in 2024, existing processes are being reviewed, re-evaluated and optimized, thus further advancing environmental sustainability. Management Systems also helps to systematically and effectively integrate sustainability into the corporate strategy and processes across the board.

SUSTAINABILITY AS PART OF OUR STRATEGY

Our corporate values form the foundation of Dieffenbacher's corporate strategy and shape everything we do. The company has been dealing with many ESG-related issues for decades, with a particular focus on the impact and potential of its products on people and the environment. As one of four corporate values, sustainability is therefore firmly embedded in the company's DNA.

Our long-term focus is strongly linked to sustainability.

OUR VALUES

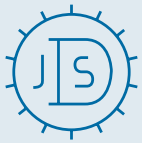
COLLABORATIVE

We have the foresight to understand the needs and expectations of our customers. We build long-term relationships with customers, suppliers and other business partners based on our global presence and reliability. We are reliable and honest with our business partners and in our daily interactions with all employees and managers.

PROGRESSIVE

In a constantly changing world, we do not stand still. Instead, we help our customers to keep moving forward, in line with our motto "Move Forward. Together." We achieve this through a constant willingness to learn and an innovative corporate culture.

NEXT PAGE



TRADITIONAL

Our cross-generational stability as a family business and our long-term approach – geared towards the life cycle of our plants – ensure that we will remain a pioneer in the market and a trend-setter for our customers in the future.

SUSTAINABLE

We work every day to continuously improve the environmental footprint of our sites and of our plants and therefore of our customers' products, making a positive contribution to leaving a healthy environment worth living in for future generations.

Sustainability is not only incorporated into the overarching corporate strategy as a basis of values, but also fundamentally determines the strategic direction as one of four central target areas. By firmly integrating sustainability into the overarching corporate strategy, we ensure that environmental, social and economic responsibility is firmly embedded in all areas of the business over the long term and is implemented sustainably.

Goals from our overarching Corporate Strategy 2027 with reference to sustainability

-50%

CO_2 footprint

We want to reduce our CO_2 footprint in Scope 1 and 2 emissions by 50% by 2030.

≥ 97 %

Health rate

We want to keep the employee health rate at a minimum of 97% or higher in the coming years.

MATERIALITY ANALYSIS

In 2023, Dieffenbacher carried out a materiality analysis for the first time to investigate whether all relevant topics have been taken into account as part of the sustainability initiative.

To this end, the existing action areas in terms of sustainability were reassessed. The analysis focused on a detailed examination of the entire value chain with a particular emphasis on the German locations.

The aim of the analysis was to prioritize sustainability activities and align them with the issues relevant to the company.

The first materiality analysis referred to the UN Sustainable Development Goals and the categorization of the German Sustainability Code (DNK) as the guiding basis. These frameworks enabled an initial alignment of the sustainability initiative with internationally recognized standards and best practices.

Sustainability reporting at Dieffenbacher is gradually being aligned with the legal requirements of the CSRD and the EU Taxonomy, which are mandatory for the first time for the 2025 financial year. Structural work in 2024 and 2025 will include the development of systematic key figure reporting and the implementation of a more comprehensive materiality analysis in accordance with the new requirements of the EU CSRD.

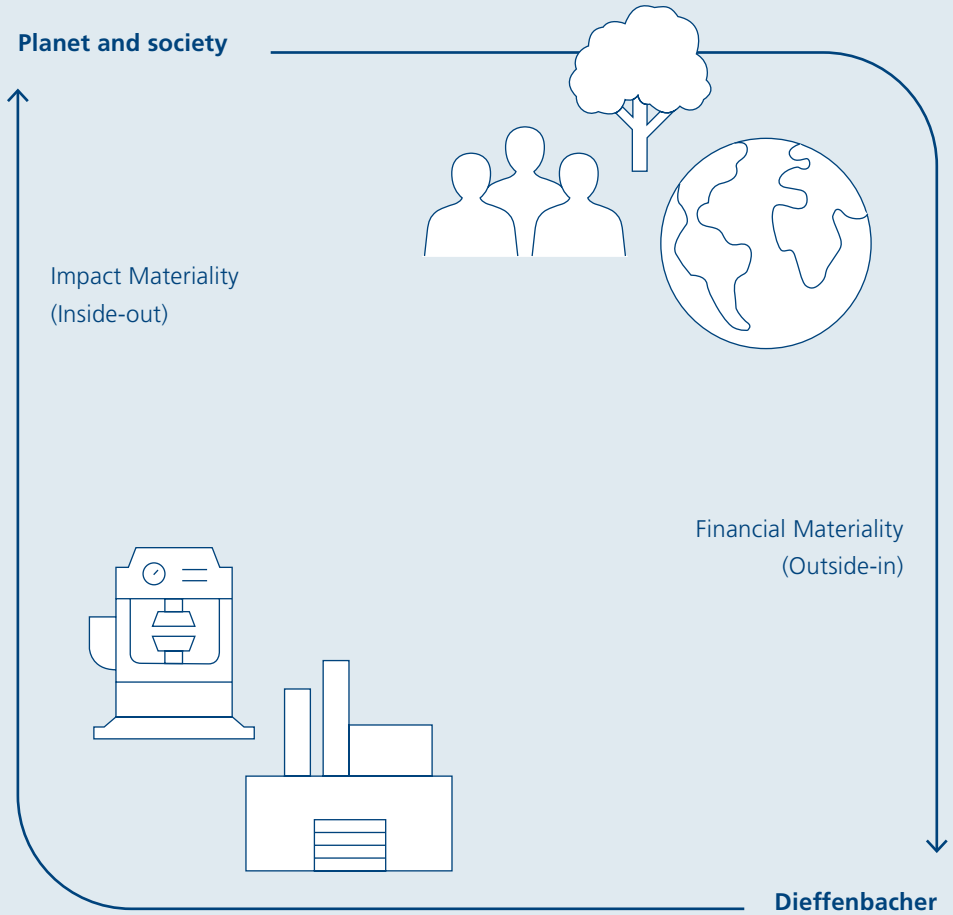
Our sustainability activities focus on areas where we can exert a significant influence.

We will also use the findings from the CSRD materiality analysis to expand our existing sustainability initiative into an even more holistic sustainability strategy. We want to achieve targeted improvements in those areas where we can exert a significant influence.

The aim is to transparently identify and evaluate the social and environmental issues that affect Dieffenbacher as a company, as well as the aspects that have an impact on our business activities themselves.

This Sustainability Report is based on the fundamental structure of the CSRD with the topics of environment, social and governance and will be converted to the format required by the EU Directive in the coming years.

Double materiality approach



OUR ACTION AREAS

Our ESG action areas are the result of the first materiality analysis and reflect the areas in which Dieffenbacher as a company can exert the greatest influence.

Action area 1:
Sustainable product portfolio

Products are the focus of Dieffenbacher's sustainability activities, as they leave a significant environmental footprint during production processes at our customers. Dieffenbacher supports customers in their transition to greater sustainability with advanced solutions and technologies and the continuous development of its portfolio of energy- and material-saving processes, thereby contributing to the following UN goals:

- We can contribute to access to affordable, reliable, sustainable and modern energy through our Energy Business Unit by offering more sustainable alternatives to fossil fuels for energy generation and providing power plants that can run on hydrogen.
- We promote innovation and the development of sustainable solutions within our own company with the fixed criterion of sustainability in our product development process, our idea management system and our Innovation Board with a focus on sustainable product solutions.
- From the recycling of waste wood, to the reuse of raw materials at the end of their life cycle for energy generation, to material-saving pressing processes, all our business units offer solutions to reduce the consumption of resources in the production process and thus contribute to sustainable production patterns in the industrial environment.
- We contribute to the fight against climate change with our products and solutions for energy and CO_2 monitoring, reducing energy consumption and alternative energy generation.

Action area 2:
Reduce the environmental footprint of our sites

In addition to the developing our products to be more sustainable, we have a major influence on the sustainability of our locations. Our focus here is on reducing our carbon footprint. At our locations, we can contribute above all to achieving UN SDGs 12 and 13:

- We can contribute to sustainable consumption and production by using raw materials carefully, reducing material consumption where possible and sensible, and switching to more sustainable alternatives (e. g. recycled paper). We also review our procurement and waste management processes in order to identify potential improvements and measures.
- By recording our carbon footprint and the measures to reduce our greenhouse gas emissions at our locations, we wish to actively promote climate change mitigation.

Action area 3:
The well-being and development of our employees

We have a direct influence on the working environment and the organization of our employees' day-to-day work. Our framework conditions and offerings are primarily aimed at the following UN sustainability goals:

- We promote the health and well-being of our employees through comprehensive health programs and safe working conditions.
- Our education and personnel development programs, an extensive training catalog, our training programs, and collaborations with schools and universities all contribute to high-quality education and lifelong learning.
- We address gender equality through a wide range of offers and are committed to promoting professional success and development regardless of gender.

Action area 4:
Responsible corporate governance

As an employer, we have a responsibility to offer our employees a safe and stable working environment and fair working conditions. For us, responsible corporate governance also means getting involved as a company in the regions where our sites are located and using our network to exchange information about and promote sustainable projects. In this way, we are contributing to the following UN goals:

- With our broad-based business areas and the continuous expansion of our sustainable product portfolio, we contribute to sustainable economic growth and offer secure jobs that go beyond the legal requirements with employee-oriented working conditions. This does not only refer to our own workforce, but we also want to contribute to the protection of human rights and fair working conditions along our value chain through our Code of Conduct and data-based monitoring of our supply chains.
- As a company, we support projects related to social and environmental sustainability. We maintain a trusting dialog with our business partners, banks, suppliers, associations and internally with our employees. We work in partnership with universities and research institutions to develop innovative solutions for more sustainable processes.

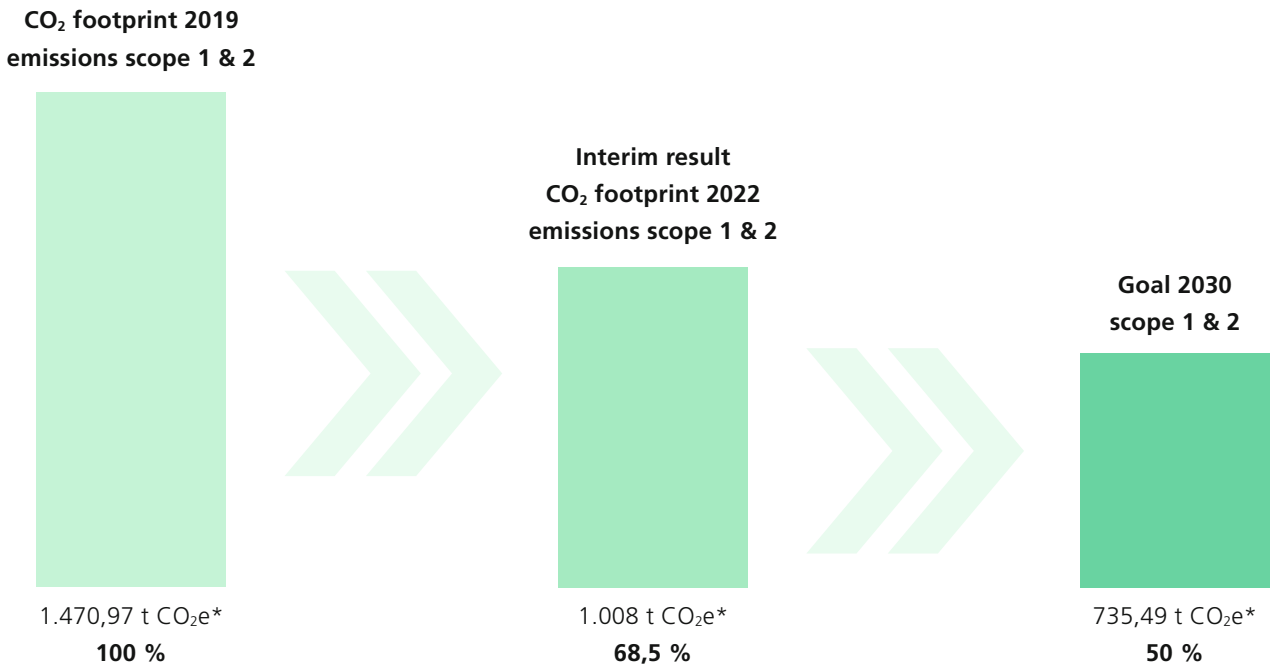
ENVIRONMENT: OUR SITES

In plant construction and mechanical engineering, CO_2 emissions play a decisive role when it comes to sustainable development. In terms of the environment, our most important goal is therefore to reduce our carbon footprint.

» NEXT PAGE

OUR OBJECTIVE

We will reduce our Scope 1 and 2 CO_2 Footprint* by 50% by 2030.



*In addition to CO_2, the CCF (Corporate Carbon Footprint) also takes into account the greenhouse gases CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3. For ease of comparability, these are converted into CO_2 equivalents (CO_2e).

MEASURING OUR GREENHOUSE GAS EMISSIONS

In collaboration with the experienced consulting firm KlimAktiv, we measure all our Scope 1, 2 and 3 greenhouse gas emissions from processes initiated by the company using the internationally recognized Greenhouse Gas Protocol.

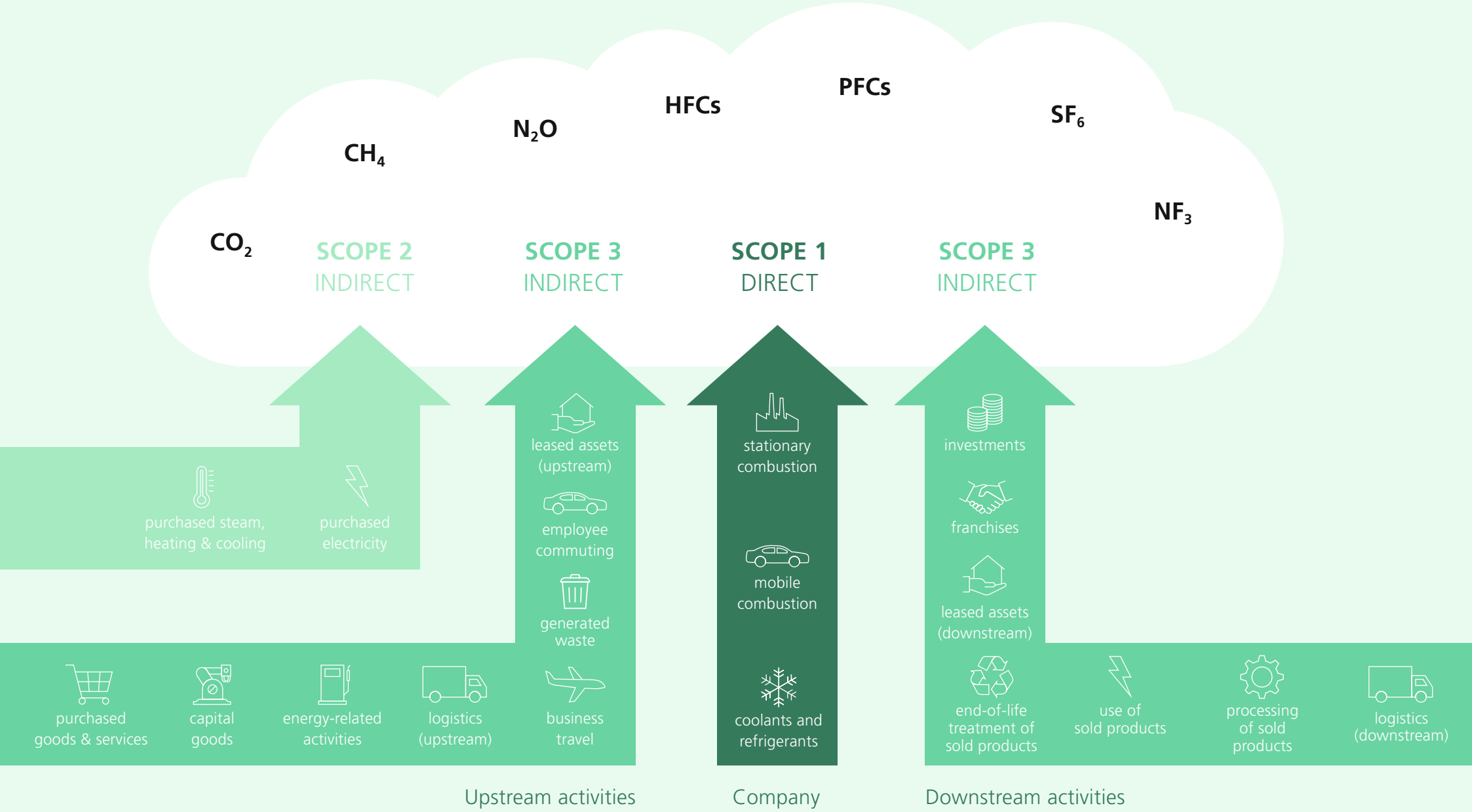
In order to define a sensible starting point for the target and exclude distortions due to coronavirus effects (e. g. significantly lower flight volumes), the we have taken 2019 as the baseline year. The first repeat measurement was carried out in 2022. The next measurement is scheduled for 2025 for the 2024 measurement year.

The interim results are used to regularly evaluate the effectiveness of the measures implemented to date and adjust them if necessary.

We started by recording emissions at our headquarters in Eppingen. As the largest production site with the highest number of employees, it produces the most emissions. The experience and knowledge gained from the first measurement will be transferred step by step to our sites worldwide. Dieffenbacher Czech Republic was the first other production site to record its carbon footprint for 2022.

Carbon Footprint 2022 Dieffenbacher Eppingen		Total [t CO_2e] 2019	Total [t CO_2e] 2022
Scope 1	Direct emissions	973.18	930.18
Scope 2	Energy indirect emissions	497.79	77.64
Scope 1+2		1,470.9	1,007.82

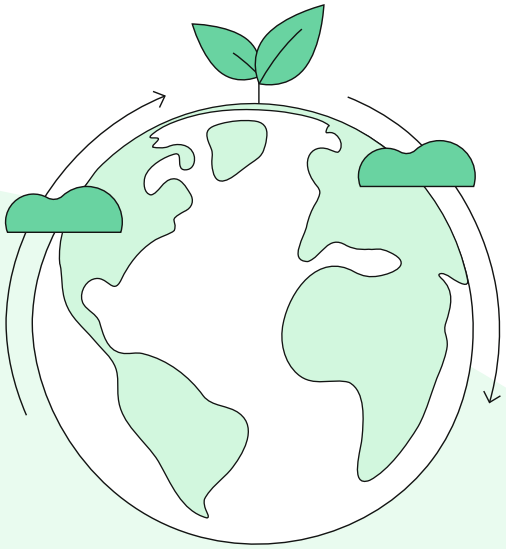
» NEXT PAGE


CO_2
CH_4
N_2O
HFCs
PFCs
SF_6
NF_3
SCOPE 2 INDIRECT
SCOPE 3 INDIRECT
SCOPE 1 DIRECT
SCOPE 3 INDIRECT
purchased steam, heating & cooling
purchased electricity
leased assets (upstream)
employee commuting
generated waste
business travel
stationary combustion
mobile combustion
coolants and refrigerants
investments
franchises
leased assets (downstream)
end-of-life treatment of sold products
use of sold products
processing of sold products
logistics (downstream)
purchased goods & services
capital goods
energy-related activities
logistics (upstream)
Upstream activities
Company
Downstream activities

PROCEDURE FOR REDUCING OUR EMISSIONS

Our objectives currently relate to Scope 1 and 2, as we have a direct influence on this area and can control the effects ourselves. Our efforts to reduce our greenhouse gas emissions therefore focus primarily on these two scopes.

Some measures have already been implemented to sustainably reduce emissions at our sites. In 2022, the switch was made to CO_2-neutral electricity, resulting in the largest reduction in emissions to date. We also purchase CO_2-neutral gas, which is documented by a VCS certificate. At the same time, we are continuously working on measures to further reduce gas consumption, primarily through regular optimizations in the area of building refurbishment. This includes, for example, processing waste heat from the air compressors, using heat exchangers for the water supply in the showers and washrooms, and renovating the facades of the office buildings, which helps to reduce energy consumption thanks to improved insulation. Other measures include the conversion of lighting, the renewal of heating systems and various roof renovations.



By operating photovoltaic systems on the roofs of the buildings in Eppingen, electricity is fed into the grid and used to power the charging stations on the site, for example. Hybrid vehicles serve as a transitional technology to reduce emissions in our vehicle fleet. In the long term, all vehicles are to be converted to electromobility.

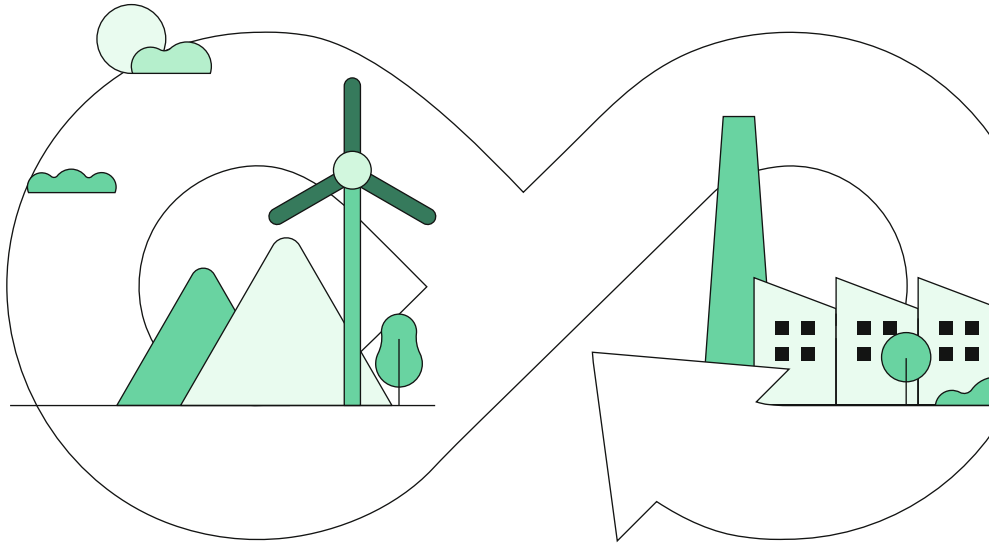
Emissions in Scope 3 are significantly influenced by external factors that we can only influence to a limited extent. Nevertheless, we continuously address the Scope 3 categories and implement reduction measures within our scope of action. To this end, working groups deal with topics such as business travel, employees' daily commutes and the question of what sustainability-related changes Dieffenbacher can make to purchased services and goods such as steel.

RESOURCE CONSUMPTION AT OUR SITES

Careful use of natural resources is important to us. Overall, our aim is to ensure an effective and low-emission procurement process when sourcing raw materials.

An environmental management system will be introduced at the main site in Eppingen, including the Leverkusen site, in 2024. In this context, issues such as waste management and water consumption are reviewed, reassessed and further optimized.

Incentives to address the issue of sustainability are created time and again in employees' day-to-day work. Eppingen has already implemented measures such as switching to recycled paper, abolishing all disposable cups in our vending machines, and introducing sustainable promotional gifts, such as our Dieffenbacher honey in cooperation with the Werthonig apiary in Brackenheim.



We wish to actively promote climate change mitigation by taking measures to reduce our greenhouse gas emissions at our sites.

ENVIRONMENT: PRODUCTS

Products are a particular focus when it comes to how Dieffenbacher as a company can contribute to sustainability. Today more than ever, it is important to make processes sustainable and to use valuable resources as carefully as possible.

For this reason, Dieffenbacher began developing solutions years ago to increase the energy and material efficiency of plants and to use alternative raw materials and waste materials for the manufacture of new products. We are continuing this approach to this day and are continuously expanding our portfolio of sustainable products.

We want to move our customers forward on the path to greater sustainability.

SUSTAINABLE PRODUCT PORTFOLIO

One factor that leads to emissions and resource consumption is the materials and raw materials from which the Dieffenbacher plants themselves are made. Industrial plants and machines consist of a large number of different components that undergo many different processing steps.

The industrial plant engineering sector is generally faced with the challenge that product balances (product carbon footprints or life cycle assessments) are rarely available in full due to the complexity and number of components.

The material that is most important in the production of the plants is steel. Although this can be recycled, steel production itself is energy and raw material intensive and causes emissions. The availability of so-called green or blue steel, which is produced in a more environmentally friendly way using hydrogen, for example, has so far been limited and is not yet widely available at market-able prices.

As part of our CO_2 accounting, a working group within Procurement regularly examines the product balance of purchased goods and analyzes developments. However, many factors relating to material procurement can only be influenced by us to a limited extent due to the complexity of the multi-stage manufacturing processes and the limited availability of sustainable alternatives.

Dieffenbacher plants can make a significantly greater contribution to sustainability during their operating time at our customers' sites, as this is where most emissions are generated during production processes. With our plants, we offer the opportunity to save energy and materials and to use alternative raw materials and energy sources.

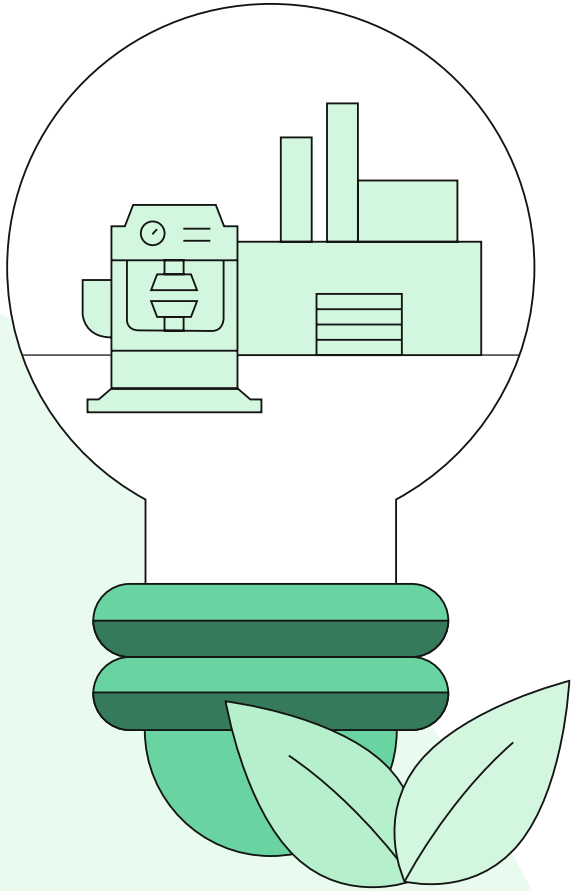
In close cooperation with our customers, we consider sustainability-related aspects right from the planning phase. By developing our products with sustainability as a key criterion, we are focusing on this area and continuously offering our customers new solutions.

Longevity of our plants

Every machine in a plant is subject to a certain amount of wear, which sooner or later leads to the machine having to be renewed or replaced. To delay this moment for as long as possible, Dieffenbacher solutions are designed for durability.

With repairs, refurbishments and modernizations, our service teams also help to ensure that our machines work reliably and efficiently for decades to come.

DIGITALIZATION AS A DRIVER OF SUSTAINABILITY



As part of the holistic intelligent plant concept CEBRO, Dieffenbacher uses digitalization across all business units to achieve energy and material savings for customers and help them achieve their sustainability goals.

The basis for this is the EVORIS software developed by Dieffenbacher.

The EVORIS digital platform is a smart, artificial intelligence-based solution for monitoring, analyzing and optimizing production processes, which helps to make production more transparent, efficient and sustainable. Process and component data can be recorded and stored in a central location across all plants and regardless of the manufacturer. This creates a database and makes normally invisible production processes visible.

The collected data is processed in various EVORIS apps. The use of AI in conjunction with the apps enables data to be converted into useful information and increasingly accurate analyses and predictions in production. Each app has its own functions, but the combination of results provides in-depth analyses. This can involve, for example, the visualization of curves for comprehensible data analysis or a variety of needs-based reports.

NEXT PAGE

Functions such as the detection of anomalies, which provide indications of unusually high energy consumption that plant operators can counteract in a targeted manner, offer particular added value in terms of sustainability. In addition, other specific apps such as Quality Prediction in the wood sector help to achieve optimum material consumption and the associated benefits such as lower board density, identify excessive energy consumption, or save on glue. Energy monitoring is used to monitor and optimize thermal and electrical energy consumption.

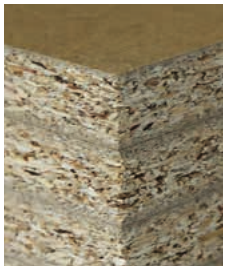
In future, the aim is to be able to measure the CO_2 emissions of the production process via the EVORIS digitalization platform. Dieffenbacher, in close cooperation with Pforzheim University, has developed an approach that is currently being tested in customer projects.

Digitalization plays a crucial role in promoting sustainability in the industry.

WOOD BUSINESS UNIT: TOWARD A MORE SUSTAINABLE WOOD-BASED PANEL PRODUCTION

Wood-based panels are considered an environmentally friendly alternative to many other building materials. They are versatile, consume less energy to produce than comparable materials and are largely recyclable and compostable. Wood waste that would otherwise remain unused or could only be used as fuel is often used for production. Dieffenbacher plants for the wood-based panel industry produce particleboard, MDF, LVL, OSB and wood fiber insulation boards, which are used in the construction and furniture industries, for example. The plants form the basis for meeting the trend towards sustainable construction and living, and the associated increase in demand for natural building and insulation materials made of wood. To produce the boards, wood or similar raw materials are shredded and then pressed into a board-shaped end product.

Spannplatte



MDF

LVL

OSB

WFIB

Wood – a sustainable raw material

As a naturally occurring, renewable, recyclable and biodegradable raw material, wood is considered to be particularly sustainable. Thanks to its ability to store CO_2, the use of wood in various sectors such as the furniture and construction industries can contribute to reducing greenhouse gases and help to mitigate climate change. The ability to recycle wood and return it to the natural cycle at the end of its life also helps to reduce the consumption of other raw materials, minimize waste and thus promote the circular economy. In order to use this material as sustainably as possible, we offer our customers technologies for the energy-efficient and material-friendly production of wood-based panels.

» NEXT PAGE

Process: wood-based panel production

Wood preparation
Wood waste, sawdust and wood chips are collected and shredded to the right size.

Drying
The shredded material is dried to reduce the moisture to an optimum level.

Gluing
The dry wood chips are mixed with glue.

Spreading
The mixture is formed into a mat.

Pressing
The mat is pressed under high pressure and high temperature to form a stable board.

Cooling
The finished board is cooled.

Cutting
The board is cut to the desired size.

Plants for the production of wood-based panels typically consist of a press with upstream and downstream machines such as shredding, sorting station, preheating, finishing and refinement. The plants are also equipped with energy and environmental technology such as intelligent air management systems and emission control systems.

In order to make the production of wood-based panels even more sustainable, Dieffenbacher is addressing various issues. This includes, for example, the identification of energy-saving measures and the recovery of energy along the production process or solutions for the more efficient use of materials such as the reduction of glue consumption.

NEXT PAGE

Saving energy and resources with AI-based apps.

Monitor consumption and use data for sustainable optimization

In order to reduce emissions, it is necessary to know which emissions occur. We help our customers determine the type and quantity of emissions.

Emissions are measured, for example, on stacks downstream of the dryer or the press exhaust system. Parameters such as the total organic carbon (TOC value) are measured and a large number of different substances are recorded:

- water
- carbon dioxide
- carbon monoxide
- nitrous oxide
- methane
- ethane
- propane
- formaldehyde
- methanol

The dust content of the exhaust air can also be measured with additional equipment. We use correlation analyses to help identify the links between production parameters and emissions. In addition, the AI-based digitalization platform EVORIS developed by Dieffenbacher helps to save energy and raw materials with extensive diagnostic options. Specific apps in the wood sector are used to achieve optimum material consumption and associated benefits such as lower board density, identify excessive energy consumption, or save glue.

Reduce energy with smart heat recovery concepts

Our intelligent heat recovery concepts make it possible to reuse heat from the exhaust air, for example from presses or dryers, elsewhere in the production process, thus saving energy and electricity.

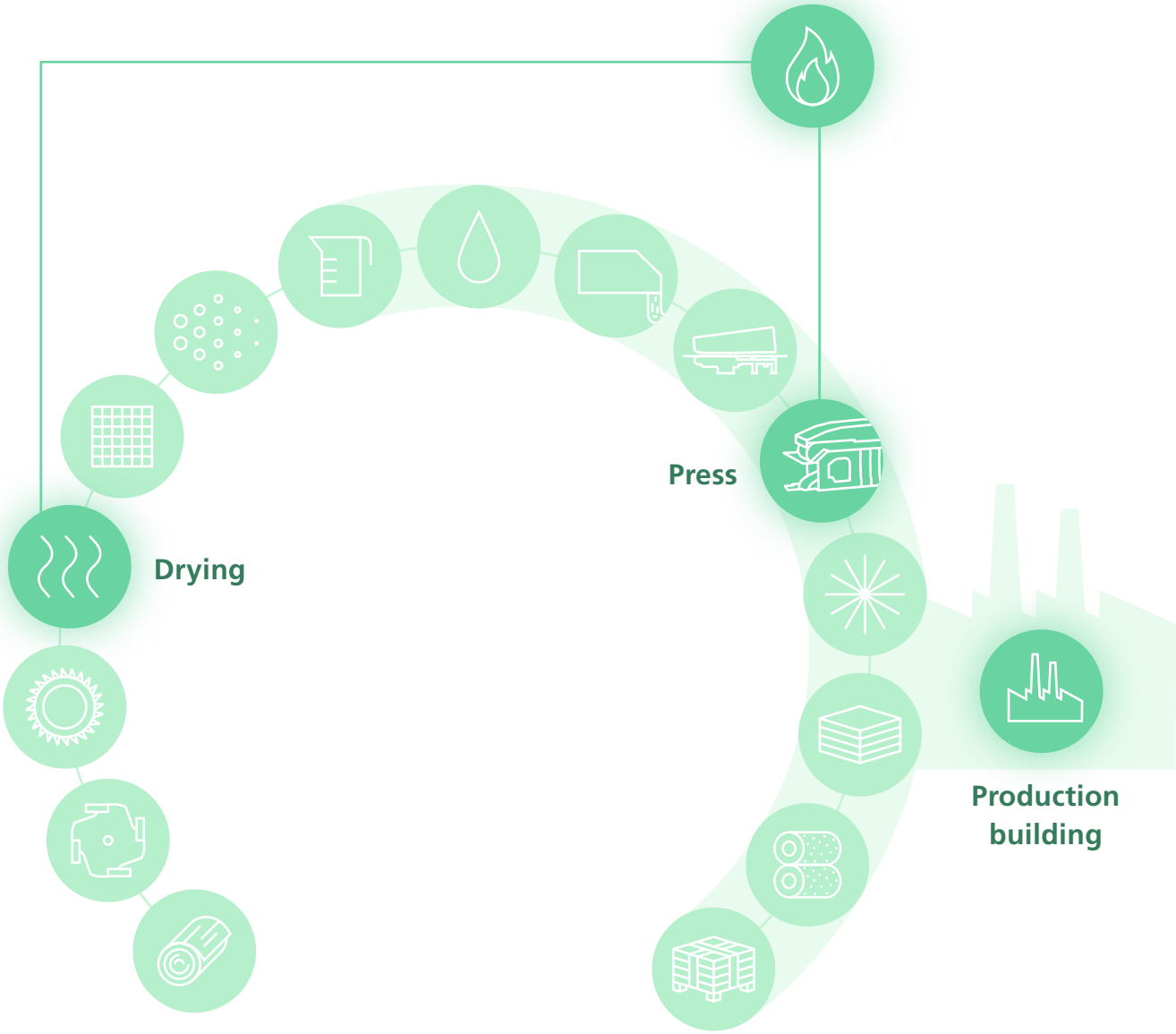
There are various energy consumers in a wood-based panel plant, for example the press, the belt dryer and the drum dryer, as well as the production hall itself. Usually, these users emit part of the energy in form of exhaust air (waste heat), which must first be cleaned before it can be released into the environment.

Heat recovery concepts come into play to utilize this waste heat.

Heat-generating machines (heat sources) can be linked to heat-absorbing machines (heat sinks), thereby enabling efficient energy recovery.

Examples of heat sinks include gluing, the energy system or the district heating network, the belt dryer and the production hall. For example, our low-temperature dryer uses waste heat from other sources in the production process and therefore requires less energy than conventional low-temperature dryers. With the help of our efficient combined heat and power plants, MDF board manufacturers in particular can reduce emissions.

The superheated steam generated during production can be used to operate a turbine to generate electricity. By using the energy source multiple times, emissions are reduced.



NEXT PAGE

Reduce material consumption with advanced technologies

Glue is an essential component of a wood-based panel. Together with research partners and in internal projects, Dieffenbacher is working on reducing glue consumption.

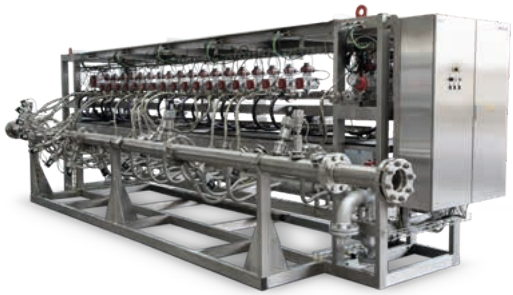
Many solutions from the Dieffenbacher portfolio for storing, preparing, dosing, applying and mixing glues already contribute to a more efficient use of binders and make it possible to permanently reduce glue consumption.

Examples of glue savings in MDF production:

15 %

Glue saving

The **PROjet** blow-line gluing system uses up to 15% less glue than conventional blow-line gluing systems.

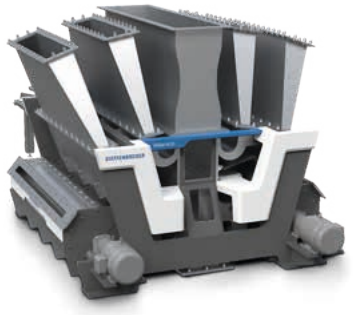


» NEXT PAGE

Examples of glue savings in MDF production:

25 %
Glue saving

The **EVOjet M 2.0** dry gluing system enables glue savings of up to 25% compared with conventional blow-line gluing.



Example of glue savings in particleboard production:

15 %
Glue saving

With the **EVOjet P**, particleboard manufacturers achieve glue savings of up to 15% in the core layer.

In collaboration with the Recycling Business Unit, the Wood Business Unit develops and implements solutions for using alternative raw materials to replace valuable fresh wood. For example, recycled waste wood, straw, bagasse or palm fronds are used instead of fresh wood.

In conjunction with our Energy Business Unit, we offer alternative energy generation options to replace fossil fuels and the use of production waste to generate energy. If it is no longer possible to feed wood back into the process, nothing is lost, as such waste can be used as an energy source for industrial plants. The recycling of wood waste supports the principle of cascading use, i.e. using raw materials for as long and as efficiently as possible.

Improved air quality

During the production process, exhaust air flows occur at various points. To improve the air quality in the production hall, supply and exhaust air flows can be controlled via an intelligent air management system in combination with press emission control system and dryer emission control systems and the air quality can be improved by Dieffenbacher solutions for cleaner air.

Dryer and press emission control systems clean exhaust gases in the production process using an Inline Scrubber in a washing process.The Inline Scrubber binds the fine dust particles from the exhaust air flow by binding dust and condensable fractions to the finest water droplets and then separating them out. Additional pre-absorber units can reduce the emission of water-soluble VOCs (volatile organic compounds), in particular formaldehyde.

RECYCLING BUSINESS UNIT: RECYCLING SOLUTIONS TO PROMOTE THE CIRCULAR ECONOMY

Although wood is considered a particularly sustainable raw material due to its many positive properties, the use of fresh wood can only be classified as sustainable under certain conditions. Only sustainable forestry and responsible use of this limited raw material can ensure that the use of wood has a positive effect on the environment. The Recycling Business Unit uses advanced technologies to reduce the need for fresh wood and carries out innovative development work in collaboration with customers and research institutions to make the wood-based panel industry even more sustainable. The aim is to switch from a linear economy to a sustainable circular economy and to use raw materials for as long and as efficiently as possible.

Waste wood recycling

Waste wood is produced as a waste product in the furniture and construction industries and in urban areas through the demolition of buildings, and from pallets or packaging. By recycling waste wood, valuable fresh wood can be replaced and the life cycle of the material extended. To this end, we develop and build recycling systems that are used to process and recycle waste wood. As a complete plant manufacturer, we offer our customers tailor-made solutions, technologies and systems for sorting, cleaning and processing waste wood and help our customers to simplify and optimize their recycling processes.

The processed waste wood can then be reused, for example, in our wood recycling plants to produce particleboard, MDF, HDF and OSB boards or on our hydraulic forming presses to produce pressed blocks as a component of recycled pallets. Other typical places where recycled wood is used are power plants, which can still utilize the waste wood thermally at the end of its life cycle after it has been used several times as a material.

» NEXT PAGE

Increase the proportion of recycled wood to 65%

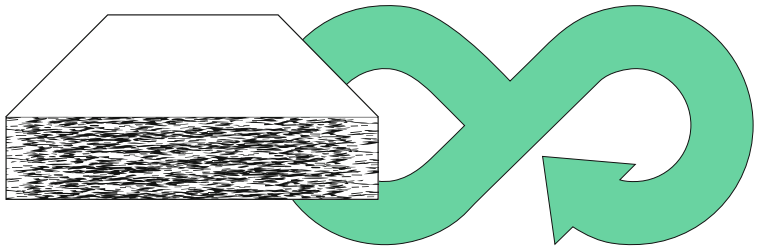
Founded in 1988, Swiss Krono France attaches great importance to the environmental aspects of its activities and is committed to becoming increasingly sustainable. The company continuously invests in new production processes in order to increase its competitiveness and at the same time reduce its environmental impact. One of the various sustainability initiatives is to increase the proportion of recycled wood used in particleboard production in Sully-sur-Loire to 68%. To achieve this goal, Swiss Krono commissioned Dieffenbacher to modernize, optimize and expand its waste wood processing plant. In 2023, around two years after acceptance, the company was already able to increase the proportion of waste wood in the wood mix from 50% to around 65% thanks to the modernized plant.

Recycling of wood fiberboards

Every year, large quantities of wood fiberboards are disposed of without an economically viable solution for recycling. In contrast to particleboard production, wood fiberboards such as MDF or HDF (medium or high-density fiberboards) are currently mainly produced using wood fibers from fresh wood, while fiberboards are largely incinerated after a single use.

The Recycling Business Unit offers solutions and participates in research projects to return production waste and residues from wood fiber production to the production cycle.

An innovative defibration process makes it possible to obtain high-quality recycled fibers from fiberboard waste. In the future, the technology will also make it possible to break down fibers from fiberboard from post-consumer waste and separate any existing coatings. The process produces fibers that can be used for the production of wood fiberboards. This makes it possible to close the material cycle for fiberboard as well as for particleboard.



EcoReFibre

Funded by the European Union

Participation in the EU research project EcoReFibre

Twenty partner organizations from seven countries, including Dieffenbacher, have joined forces in the EcoReFibre research project ("Ecological solutions for recovery of secondary materials from post-consumer fiberboards") to make wood fiberboard production more sustainable in the future. The overall aim of the project is to recycle wood fibers at the end of their life cycle and use them to produce new fiberboard. The resulting closed-loop system helps to conserve the available fresh wood resources in Europe.

As part of the European framework program for research and innovation "Horizon Europe", the European Union has provided 12 million euros to fund the EcoReFibre project. The project launched in May 2022 with a kick-off meeting at the consortium leader, the Swedish University of Agricultural Sciences in Uppsala.

By the end of the project in April 2026, the project partners want to develop and test in practice solutions in conjunction with innovative, digitally supported technologies that can replace up to 25% of the fresh wood fibers used to produce wood fiberboards with recycled secondary fibers. In five pilot projects, research will also be carried out into how recycled wood fibers can be used to manufacture new end products such as insulation materials or bio-composites.

Waste-to-product solutions

The circular economy is supported not only by the recycling of waste wood, but also by the use of other waste materials. Waste-to-product solutions successfully tested by Dieffenbacher, some of which have already been implemented, include the production of material boards from PU foam residues, the production of transport pallets from wood or plastic waste, and the replacement of wood-based panels with boards made from palm fronds or carpet waste.

Other raw materials that can be used for board production include paper and plastic waste, as well as rotor blades from wind turbines.

Dieffenbacher's range of services extends from support in the technical implementation of a product idea in the form of a production process, to comprehensive tests in our in-house technical center, through to the installation and commissioning of complete plants.

ENERGY BUSINESS UNIT: ADVANCING THE ENERGY TRANSITION

We are convinced that sustainable change in the energy sector requires solutions that use biomass and waste materials to generate energy instead of fossil or nuclear fuels, in addition to renewable energies.

This is why Dieffenbacher is focusing on new forms of heat generation through the use and reuse of production waste, enabling its customers to replace gas or oil with more sustainable energy sources for production, such as biomass.

Our aim is not only to help companies generate energy, but also to make efficient use of the waste heat generated in the process, for example through the use of combined heat and power generation. This enables us to help reduce CO_2 emissions and offer comprehensive solutions for a more sustainable energy supply. Alongside renewable energies, these solutions form complementary building blocks and bridge technologies that are helping to drive the energy transition forward.

» NEXT PAGE

Dieffenbacher power plants are suitable for the use of a wide range of energy sources and fuels. With our stationary fluidized bed, we are able to thermally utilize a variety of different fuels. In addition, we offer power plant solutions that, for example, use surplus gas or liquid fuels generated by various industrial processes instead of disposing of them at great expense. Dieffenbacher also focuses on offering power plants for more sustainable heat recovery in energy-intensive industries (such as cement, chemicals and petrochemicals).

Examples of common fuels include:

Biogenic fuels and residues

- waste wood, bark, wood chips
- all wood waste from production such as sawdust and shavings
- palm fronds
- agricultural waste
- residual materials from landscape conservation
- lignin
- chicken manure

Waste fuels

- reject paper
- paper sludge
- plastic waste
- sewage sludge
- surplus gas

Ready for hydrogen

In terms of our gas and liquid fuel-fired power plants, the focus for many plants is on ensuring that they are H_2 ready. This means that electricity, heat and steam can be produced using hydrogen.

Project examples: Fuel switch at EnBW in Stuttgart-Münster

EnBW aims to become carbon-neutral by 2035. To this end, the company wants to expand its use of renewable energies, phase out the use of coal in the medium term and fossil fuels in the long term.

Dieffenbacher Energy GmbH is supporting EnBW in its transition with the construction of a new combined heat and power plant, which will initially rely on more climate-friendly natural gas and can later be converted to green hydrogen.

FORMING BUSINESS UNIT: MORE SUSTAINABLE PRESS DRIVES AND MATERIAL SAVINGS IN FORMING TECHNOLOGY

In the field of forming, Dieffenbacher is a partner for many companies and industries that are driving sustainable development or whose end products are needed to deal with climate change mitigation.

These include solutions for the future of mobility, such as classic lightweight construction to make cars lighter and therefore more fuel- and energy-efficient, as well as applications from the aerospace, sports and leisure sectors. Typical applications for Dieffenbacher systems include battery housings, battery boxes and underbody covers for many electromobility applications such as electric cars and drones, as well as bicycle components such as recyclable frames and rims. Applications from other industries include durable, high-quality stainless steel products such as sinks or heat exchanger plates for energy transfer or niche applications such as storm water tanks, which are used to prevent flooding. The portfolio includes individual hydraulic presses and machines as well as complete forming plants.

Saving energy in the production process and reducing emissions

Hydraulic presses are mainly used in industry for applications that require high forces and forming capacity, as well as precision, such as deep drawing of metals. They provide a smooth and controlled transfer of forces, which is essential for many complex manufacturing processes.

The Forming Business Unit designs production processes to be as energy-efficient as possible in order to contribute to a reduction in CO_2 emissions for our customers.

Using AI to recognize and reduce high energy consumption

As in the wood-based panel industries, the EVORIS digitalization solution is a key factor in reducing energy consumption in the Forming Business Unit. With extensive diagnostic options, the AI-based digitalization platform helps to save energy and raw materials. For example, the Reports app provides information about conspicuous consumption of semi-finished products, visualizes the energy consumption of the entire plant and shows deviations in a clear and targeted manner.

» NEXT PAGE

Energy data can be broken down to the component produced.

Less efficient production processes can therefore be precisely localized and optimized.

Energy-saving press drives

The use of energy-efficient drive systems significantly reduces the energy consumption of hydraulic presses. The technologies Dieffenbacher uses for this purpose include short-stroke presses, adaptive accumulator management and variable-speed pump drives.

Dieffenbacher short-stroke presses **reduce the volume of oil** that is compressed for forming by up to **88%** compared to conventional concepts (long-stroke presses). Significant energy savings can be achieved, especially with high pressing forces and short cycle times.

The **adaptive accumulator** management optimizes energy consumption by automatically determining the exact energy requirement for the current forming operation during the first strokes of the press. In all subsequent production cycles, the hydraulic drive battery is only charged to the required pressure level.

Variable-speed pump drives can help minimize unnecessary energy consumption by providing only the amount of energy that is actually required for the forming process. This drive is implemented in all new Dieffenbacher TailoredPress models, for example. Depending on the application, energy savings of up to 70% are possible.

Minimize material consumption and production waste & return material to the production process

In addition to the possibilities for saving energy, the Forming Business Unit helps customers to reduce their consumption of materials to the minimum necessary. The Dieffenbacher Fiberforge tape laying system and the SMC Fiber-cut cutting machine use a special nesting method for cutting the materials used in order to reduce consumption. Efficient cutting and combining of patterns can reduce waste and optimize material use.

With the Fiberforge tape laying system, the nesting method reduced waste to just 6.7% compared to producing the same component from an organic sheet with 50% waste.

Dieffenbacher offers tailor-made solutions for recycling and conserving materials. For example, the LFT-D line enables efficient series production for the manufacture of components made from recycled plastic. The special setup of the overall line and the smart control of the compounding process make it possible to process various input materials and to achieve a high proportion of recycled material. A recycling rate of 40% can be achieved in the production of transport pallets. In addition, production waste, for example from the punching process, can be fed directly into the production process.

INNOVATION/RESEARCH AND DEVELOPMENT

Research and development (R&D) are central pillars for the sustainable future of plant and mechanical engineering.

Dieffenbacher is committed to continuous innovation to develop environmentally friendly and efficient solutions that reduce our customers' environmental footprint while strengthening their competitiveness. Our research and development activities focus on the optimization and new development of products, machines and processes, as well as the area of digitalization.

Expenditure on research and development projects

In EUR million	Actual value 2023	Previous year
R&D expenditure	10.7	7.7

Together with renowned institutions and universities such as the Fraunhofer IOSB, the Fraunhofer CIT, the Karlsruhe Institute of Technology, and Pforzheim University, we are working on solutions to optimize and simplify processes and achieve material and energy savings.

The Wood Business Unit is continuously working on ways to save glue and energy in the drying process. Material and energy savings are also the focus in the Forming Business Unit. The focus in recycling is on increasing the proportion of recycled material in wood-based panels as part of the EU EcoReFibre project. In 2023, Dieffenbacher designed and manufactured the relevant laboratory equipment and began setting up the project.

As for digitalization and AI, research and development work is focused on the EVORIS digitalization platform. In addition to the ongoing optimization of the EVORIS apps, new apps such as Energy Monitoring have been integrated into EVORIS.

Dieffenbacher joining the IPAI community is the latest cooperation in the field of AI. The Innovation Park Artificial Intelligence, or IPAI for short, based in Heilbronn and founded in 2021, is a pioneering project to promote applied artificial intelligence in Europe. Initiated by the Baden-Württemberg Ministry of Economic Affairs, Labor and Tourism, the IPAI aims to create an innovation-promoting ecosystem that strengthens cooperation between research, AI development and established partners.

By working closely with other IPAI partners on advanced AI solutions, Dieffenbacher aims to further strengthen its innovative power, expand its AI expertise and actively shape the development of artificial intelligence in Europe.

SOCIAL: EMPLOYEES

Dieffenbacher employs people worldwide

1.891

people worldwide, around

850

of whom work at the headquarters in Eppingen

NUMBER OF EMPLOYEES IN 2023

Dieffenbacher Group (Germany)

Total number of employees by number of persons		**982**	**100%**
	male	799	81,36%
	female	183	18,64%
Distribution by age			
	under 30	202	20,57%
	30 to 50	480	48,88%
	over 50	300	30,55%
Distribution by age		**866**	**88,19%**
	male	755	76,88%
	female	111	11,30%
Temporarily employed		**37**	**3,77%**
	male	20	2,04%
	female	17	1,73%
Employees without guaranteed working hours		**16**	**1,63%**
	male	8	0,81%
	female	8	0,81%
Employees with disabilities		**27**	**2,75%**
	male	20	2,04%
	female	7	0,71%

The Corporate Center Human Resources is the central hub for social issues. It reports to the Managing Director responsible for social sustainability, Lukas Langer. The global orientation and focus topics of the sustainability activities are determined by Dieffenbacher Eppingen. The local HR managers are responsible for structuring the social framework conditions at the locations and are guided by the requirements of the head office and local conditions.

Our employees are the heart of our company and are largely responsible for our success. Fair working conditions and employee-oriented framework conditions that go beyond the legal standards form the basis for a positive working atmosphere. Dieffenbacher has also set itself the goal of creating a basis for long-term employee loyalty and satisfaction by focusing on the areas of health, personal and professional development, and equal opportunities.

WORKING CONDITIONS

Dieffenbacher is subject to the collective agreement of the metal and electrical industry at its main site. This regulates basic working conditions such as fair pay, compliance with statutory working hours, protection against dismissal and organizational regulations on partial retirement, reduced working hours to care for relatives or reduced full-time working hours.

The other Dieffenbacher sites in Germany are based on the collective bargaining regulations of the main site. We also ensure that only employees from companies that are subject to a corresponding collective agreement are deployed for temporary work. For foreign sites, the standards of the respective countries apply. Furthermore, in order to create attractive working conditions, we strive to offer our employees flexible and individual solutions within the framework of the situation at the respective site.

At our main site in Eppingen, we want to enable our employees to achieve a good work-life balance through flexible working hours and arrangements for remote working. Flexible working hours in combination with defined core working hours allow individual working time arrangements and at the same time offer scope for efficient collaboration. In addition to the collectively agreed benefits, we offer a company pension scheme and the opportunity to take a sabbatical.

Percentage of all employees covered by collective agreements

Collective agreement	Number of employees	Share as %
collective agreement	697	70,98%
non-collective agreement	285	29,02%

HEALTH & OCCUPATIONAL SAFETY

The health of our employees is our top priority. As we can directly influence well-being as an employer, one focus of our sustainability activities is on measures to promote health and workplace safety.

Our goal, which is anchored in our overarching corporate strategy, is: We want to keep the employee health rate at a minimum of 97% or higher by 2027.

The basis for good employee health is a safe working environment. The safety and protection of all employees is our top priority. We ensure a safe and healthy working environment and protect the privacy and personal rights of each individual. An external company ensures that the working environment at Dieffenbacher meets all safety standards. All employees are regularly trained through mandatory training, safety instructions and emergency drills. Safety information is also permanently available on the intranet. Furthermore, it is a core responsibility of all managers in particular to ensure that the laws and regulations on safety in the workplace and the protection of health are complied with.

We want to keep the employee health rate at a minimum of 97% or higher by 2027.

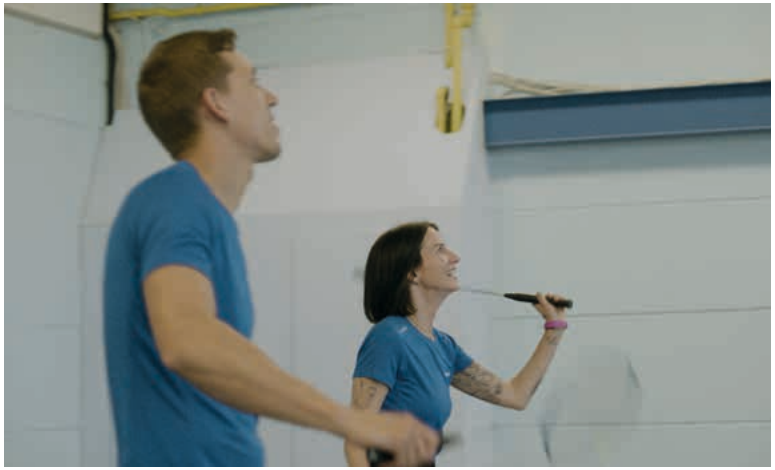
We take a proactive approach to safety risks and see safe working as a core responsibility of all employees. All employees are instructed to report accidents at work, near-accidents and potential hazards and risks immediately to the responsible manager. First-aiders, fire safety wardens, a company medical service and safety officers in the various departments provide additional support in complying with and implementing safety measures and providing care in the event of an emergency. The handling of hazardous substances required for production was analyzed at the Eppingen site in 2024 and improved through various measures such as the optimization of storage and the ordering process.

Through comprehensive health programs, ergonomic workplace equipment and regular check-ups, we ensure that our employees at the main site in Eppingen can work in an environment that is conducive to good health. Prevention is particularly important to us in order to ensure the well-being and long-term health of our workforce. The existing offering was further expanded in 2023 and 2024 with new courses and preventive medical check-ups.

The health services offered include, among other things:

- an annual health week
- quarterly health circle with AOK, works council, Human Resources and specialist departments
- a health pass with incentives for more exercise and health in everyday life
- bicycle leasing scheme (JobRad)
- various trainings
- discounted membership at an Eppingen fitness studio
- preventive medical check-ups, e.g. flu vaccinations, preventive medical check-ups for VDU workstations, skin cancer screenings
- offers to promote mental health e.g. resilience training, yoga classes during lunch breaks.

NEXT PAGE



By regularly taking part in company runs in the region, we promote team spirit at Dieffenbacher as well as exercise.

Employee satisfaction and health are closely linked. Companies that invest in the satisfaction of their employees benefit in the long term from a healthier and more productive workforce. We therefore regularly review employee satisfaction by means of employee surveys and one-to-one discussions, and derive measures for improvement from this.

Depending on their size and local conditions, our smaller sites around the world also offer various health programs, sports groups or additional health benefits for our employees.

Parameters for health and safety

Number of deaths due to work-related injuries/illnesses	0
Number of reportable accidents in 2023	11
Number of days lost due to accidents in 2023	313

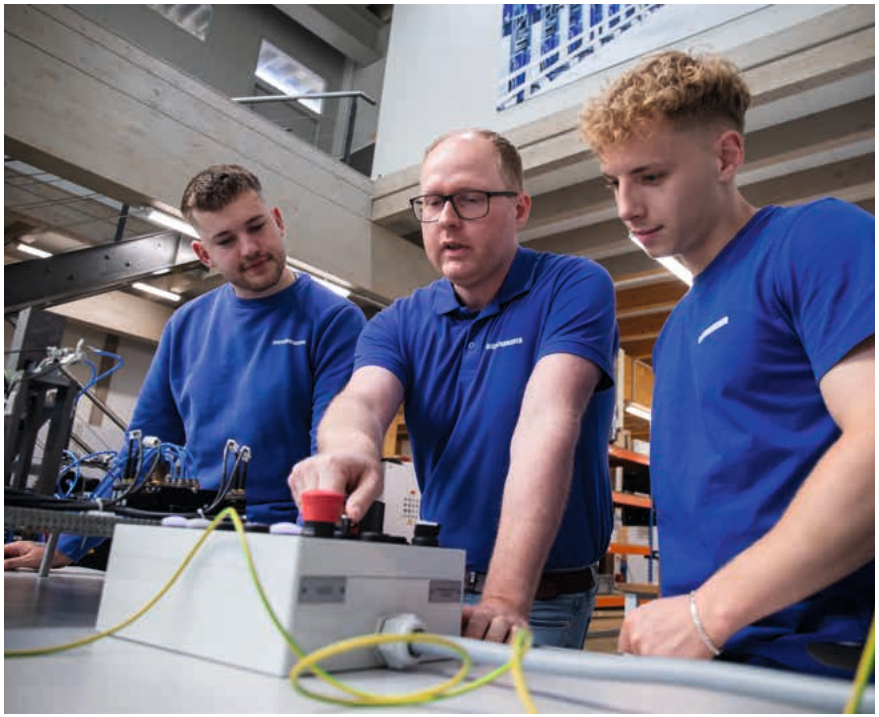
EDUCATION

In an industry that is characterized by innovation and technological progress, we attach great importance to the continuous qualification of our employees.

Our aim is to offer all employees the opportunity to further develop their strengths and interests. We promote professional and personal development through targeted training and continuing education programs. In this way, we ensure that our employees are not only familiar with the latest technologies, but can also achieve their individual career goals. Our internal training catalog offers a comprehensive range of training courses for social, methodological and technical skills.

As a training company, we offer apprenticeships in the industrial and commercial sectors.

At our training center in Eppingen, apprentices and students on dual study programs receive direct support from our training officers. Internal facilities such as the training center or the technical center, long-term cooperation projects with various schools and universities, as well as our training courses themselves make a contribution to education and lifelong learning. Our student trainees and support programs for our employees such as talent management, management programs, international programs and financial support for further training also contribute to this.

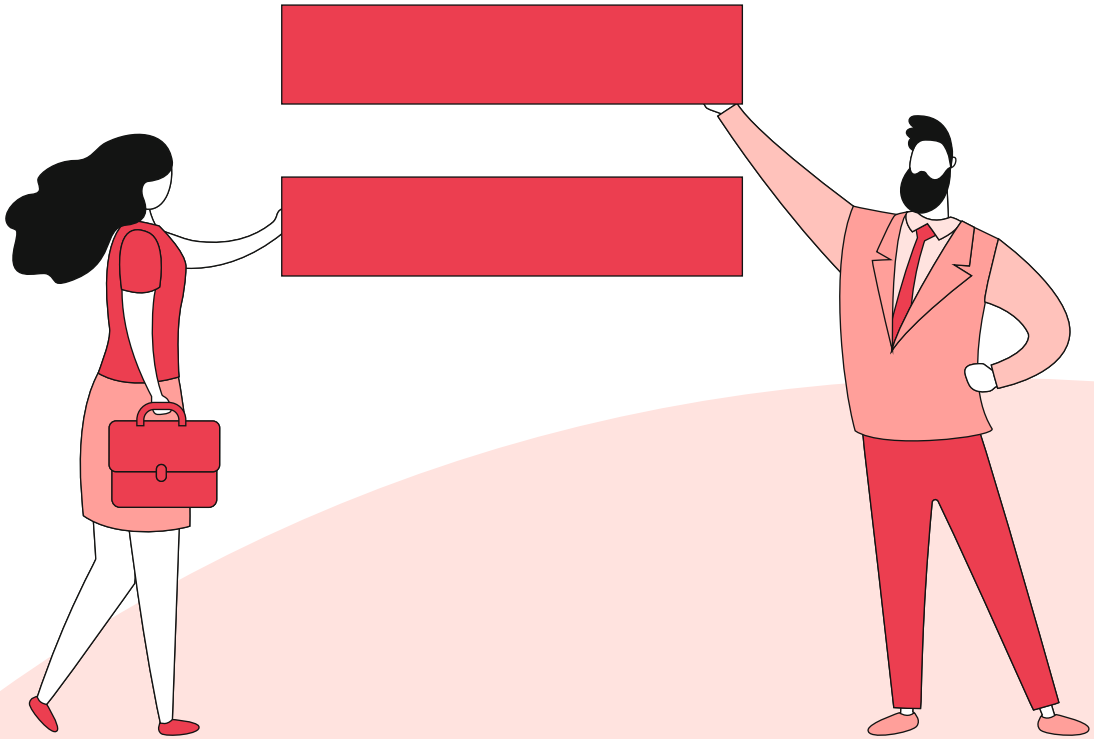


EQUAL OPPORTUNITIES AND WORK-LIFE BALANCE

We want to offer a working environment in which all employees have equal opportunities for professional success and development, regardless of gender, origin, age or other personal characteristics.

We are constantly working to foster respectful and fair cooperation through various initiatives and programs to promote diversity and inclusion.

In the generally very male-dominated mechanical engineering environment, there is a particular focus on equal opportunities for the different genders. We are committed to promoting female managers by offering targeted seminars for (managerial) women to increase their visibility in the company. We also regularly take part in Girls' Day for our youngest generation and are committed to encouraging more women in technical professions.



NEXT PAGE

In 2023, fundamental consideration was given to how gender equality for men and women could be better promoted alongside existing offerings. In September 2023, a workshop on the advancement of women was held at the Eppingen site to address the need for improvement.

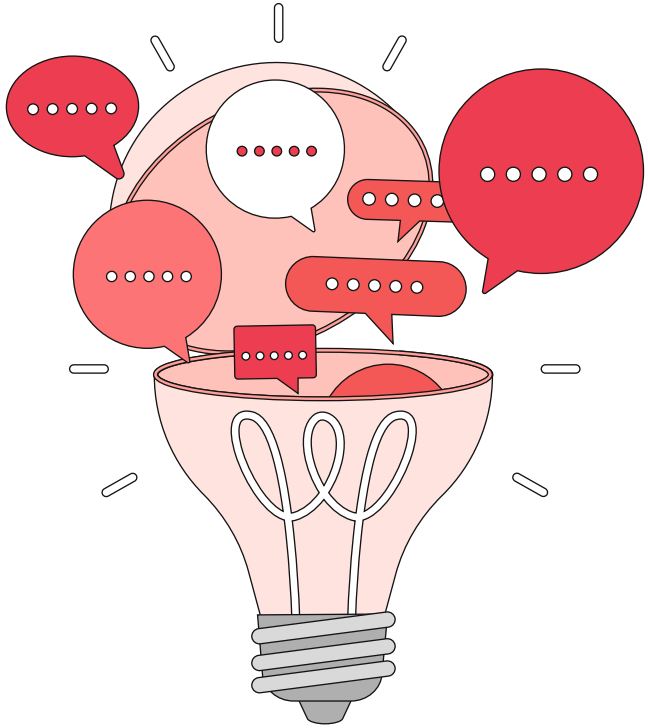
As a result, the introduction of childcare during vacation periods was launched as a pilot project. In addition, a network meeting for female employees was organized for the first time on International Women's Day in 2023, which has been continued and supplemented with further offers since then.

We offer flexible working time models with home office options to make it easier to combine family and career. Parents are given the opportunity to arrange their own working hours for their return to work. Specialist and management positions can be held on a part-time basis to offer a further opportunity to improve work-life balance.

Gender distribution by number and percentage at the top management level

Gender	Number of employees	Share as %
male	8	100,00%
female	0	0,00%

INVOLVEMENT OF OUR EMPLOYEES



Only together can we make a difference.

Relevant information is regularly shared with the workforce via various internal channels, for example the intranet, corporate newsletters, company meetings, video messages, notices and employee appraisals. In addition, all employees can contribute feedback and new ideas via our ideas management system and the regular employee survey. The employee surveys also ensure the flow of communication between our management and all employees.

The interests of employees at the main site in Eppingen are represented vis-à-vis the employer by a Works Council, a youth and trainee representative body, and a representative body for severely disabled employees. The employee representatives are available as a point of contact for all employees and are in regular contact with the company management.

Only together can we make a difference. That is why we want to raise awareness of sustainability among our employees and offer them the opportunity to get involved.

Sustainability is a component of our mandatory training and employee appraisals. Ideas submitted by employees on the topic of sustainability are collected via an internal portal and the feedback from the responsible working groups and specialist departments on the respective proposal is displayed transparently.

To reduce our $C0_2$ footprint, we support sustainable mobility for employees and offer, for example, bicycle leasing, separate parking spaces for car pools or financial subsidies for the use of public transport.

GOVERNANCE: RESPONSIBLE CORPORATE GOVERNANCE

For us, responsible and sustainable corporate governance means incorporating the law, ethical standards, environmental compatibility and social responsibility into our decision-making processes.

Clearly defined corporate values form the basis for our corporate management, our corporate culture and our actions. Transparent structures and clear guidelines not only ensure the quality of our products and services, but also promote sustainable development at our sites.

» NEXT PAGE

For us, responsible corporate governance also includes sustainable economic management.

By this we mean ensuring the company's long-term success and thus safeguarding jobs, while taking into account our ethical, social and environmental responsibility. The diversification of the business units and the development of new markets and customer segments through targeted acquisitions such as Bertsch in 2023 and Pagnoni and Schmidt & Heinzmann in 2024 will strengthen long-term competitiveness and flexibility.

In addition, the expansion of existing sites enables production capacities to be increased and environmentally friendly technologies to be integrated. For example, when building a new production hall for our Czech site, we also invested in PV systems for the site.

The continuous expansion of our sustainability portfolio, research projects and innovations is our response to increasing demand for sustainable solutions and demonstrates our constant development of Dieffenbacher as a company.

Another focus is on developing digital solutions that not only increase the efficiency of our products, but also help to reduce our ecological footprint.

In all our activities, compliance with high social standards is essential for us in order to maintain the well-being of our employees, minimize risks and protect our business activities from negative incidents. By promoting the well-being and health of our employees, we also want to contribute to motivation, productivity and employee retention.

NEXT PAGE

CODE OF CONDUCT

Based on our values, the Dieffenbacher Code of Conduct summarizes the basic rules and principles for our conduct towards each other and to business partners and the public. The Code of Conduct is binding for all employees, applies equally to all hierarchy levels, and serves as a guide in our pursuit of efficient and sustainable processes and products, as well as for value-oriented and legally compliant action.

In the Dieffenbacher Code of Conduct, we expressly commit ourselves to respecting and protecting human rights. Our guiding principle is:

At Dieffenbacher, we promote a working environment characterized by mutual respect, tolerance, appreciation and trust. We honor and respect the personal dignity and personal rights of every individual. We work with people of different ethnic backgrounds, cultures, religions and ages, regardless of disability, skin color, sexual identity, ideology or gender.

SUPPLY CHAIN

Respecting and protecting human rights does not stop with our own employees, but also applies to everyone along our value chain.

While we have a direct influence on the conditions under which our own employees work, we can only influence the working conditions along our supply chain to a limited extent by demanding and checking compliance on the part of our suppliers. Our most important suppliers receive a Supplier Code of Conduct, which they must sign to indicate they agree to comply with our social and environmental requirements.

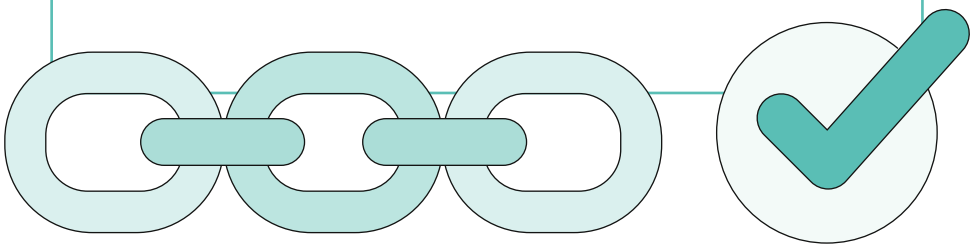
Dieffenbacher Procurement uses an established cloud solution to query and assess risks along our supply chain with our suppliers. Dieffenbacher suppliers receive a data query via a platform to compare the required ESG information. Suppliers who do not meet the required threshold value after data entry and comparison are reviewed individually by Dieffenbacher Procurement.

Supply Chain Due Diligence Act

The German Supply Chain Due Diligence Act places new requirements on companies that relate to social and environmental impacts along the entire value chain. These include, for example, compliance with employee and human rights, climate protection, curbing corruption and combating environmental pollution.

Since January 2024, the Supply Chain Due Diligence Act has applied to companies with 1,000 or more employees and a registered office or branch in Germany. In April 2024, the European Supply Chain Act was also passed by the EU Parliament, which will result in further requirements over the next two years after its transposition into national law.

The Dieffenbacher Supplier Code of Conduct, the establishment of a database for monitoring and evaluating suppliers and an anonymous reporting system for submitting information on violations are all part of meeting the requirements.



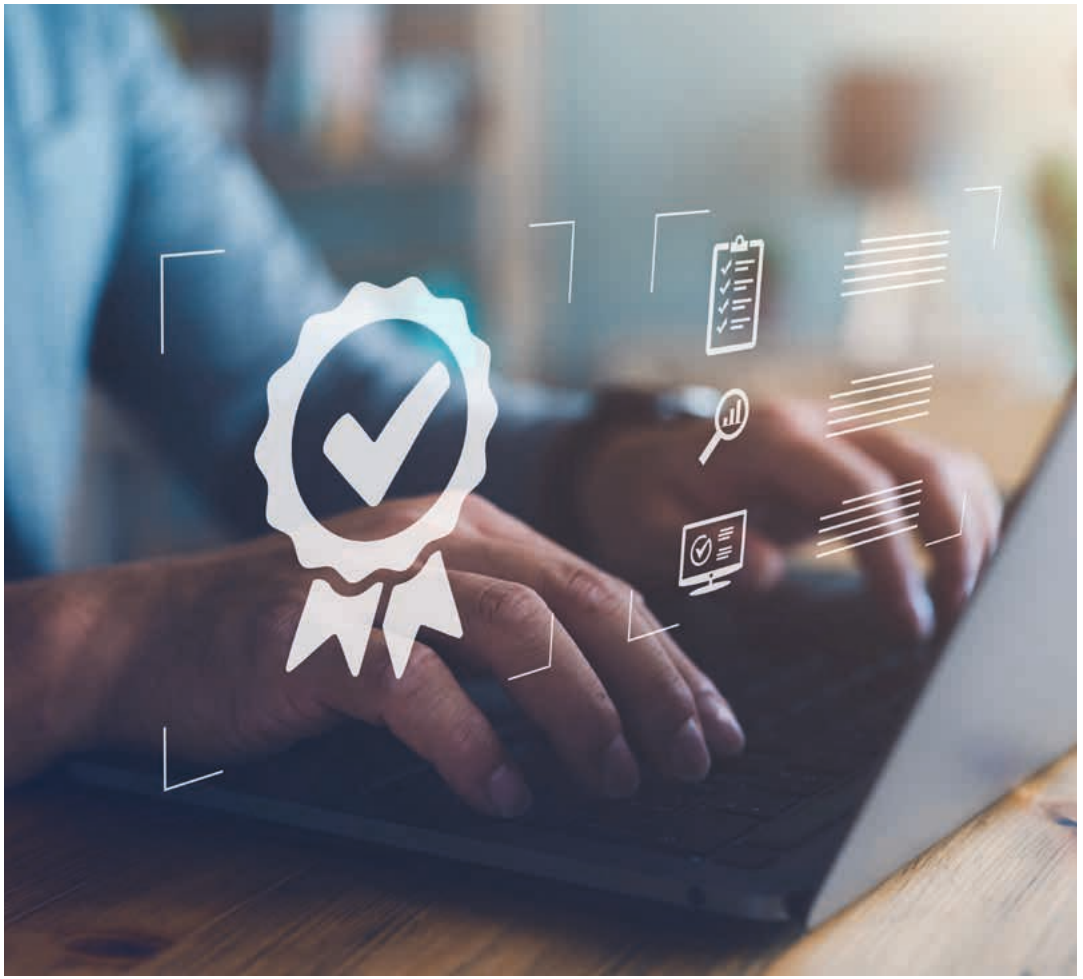
COMPLIANCE

Compliance with legal regulations and laws is a fundamental principle of our economically responsible actions.

Dieffenbacher has a reporting system that can be used to submit information on violations of laws, guidelines and human rights, or environmental obligations in its own business area and along the supply chain.

Reports can be made by post, telephone, in person or anonymously via an electronic system.

All information received is reviewed by a compliance team.



STAKEHOLDER DIALOG

We are in close contact with our stakeholders via various communication channels.

We maintain regular dialog with our customers and business partners through personal contact during projects, at trade fairs and conferences, as well as via our website, press work and social media.

One example of this is the Technology Symposium 2024 organized by Dieffenbacher in Heidelberg, Germany, where experts from a wide range of positions in the wood-based panel industry came together to exchange ideas and discuss current developments.

In addition, Dieffenbacher employees are actively involved in various initiatives and associations, such as the VDMA and VDI.

Through collaboration in research initiatives and joint research projects, we are in close contact with renowned institutions and universities such as the Fraunhofer Gesellschaft, the Heilbronn Artificial Intelligence Innovation Park, and the EU EcoReFibre project.

Ideas management for our employees and regular dialog with the Works Council and trade unions are other important elements of our stakeholder involvement. We also maintain close relationships with our suppliers through discussions, negotiations, self-assessments and audits. Finally, we work closely with the regions in which our companies are based, such as the town of Eppingen to support and promote local sustainability initiatives.

CORPORATE CITIZENSHIP

As a family business, we want to make a positive contribution to society.

We focus on the regions around our sites. Especially in Eppingen, where Dieffenbacher was founded, it is important to us to sponsor local projects and regularly support clubs, organizations and charitable initiatives due to our regional roots.

As a partner company of the Karlsruhe and Mosbach Cooperative State Universities, the Heilbronn, Karlsruhe and Rosenheim Universities, the Karlsruhe Institute of Technology (KIT) and the Fraunhofer Institute of Optronics, System Technologies and Image Exploitation (IOSB), we are active as a training company, with specialist lectures and support for university trade fairs.

The transition from school to work, from theory to practice, is a big step for students. This is where Dieffenbacher comes in, working with the Eppingen schools to strengthen the link between education and business. Dieffenbacher meets with students in different grades and different subjects. Through lectures, company visits, trips, and practical projects, students are able to gain a picture of the activities of a world-leading business and get a feel for the real world.

Example projects from recent years

Support for the COURAGE Foundation with donations collected as part of the 150th anniversary event in 2023. The COURAGE Foundation aims to provide chronically ill children and young people in particular with a better quality of life and enjoyment of life during their stay in hospital, over and above medical treatment, and to give them courage, strength, confidence and support for their future with their illness.

Dieffenbacher has been a new partner of the **soccer club VfB Eppingen 1921 e. V.** since the beginning of 2024. The aim is to provide professional and sustainable support in the areas of sport, school, work and social affairs in order to develop personalities and prepare young people for their private and professional future.

Dieffenbacher supported the **Eppingen 2022 Garden Show** as a premium sponsor. The garden show had positive effects on the climate and working environment and offered an additional opportunity to enjoy unspoiled nature at our main site.

Dieffenbacher sponsors the **"Tiny Forest"** project at Stetten elementary school in Schwaigern, Germany. The school planted 650 different native shrubs and trees, which quickly grew into a self-sustaining ecosystem. The project sets an example against climate change and species extinction and raises children's awareness of nature, plants and climate-friendly action at an early age.

Through **partnerships for healthy nutrition with local kindergartens**, we are helping to secure funding for the projects. The children get to know regional and seasonal produce together through weekly fruit and vegetable deliveries, and learn about a healthy and sustainable diet at an early age.

OUTLOOK

In the coming years, Dieffenbacher will work intensively on the implementation and development of its sustainability and ESG strategy. In 2025, the company will focus on alignment with the Corporate Sustainability Reporting Directive (CSRD) and conducting a comprehensive materiality analysis.

The results of these analyses are transferred to systematic key figure reporting, which forms the basis for transparent and comparable reporting. In future, our sites worldwide will be more closely involved and our sustainability activities will be expanded globally.

For example, Dieffenbacher has already started to record greenhouse gas emissions at its main sites and will gradually extend these measurements to all global sites.

The aim is to continuously reduce the carbon footprint and to regularly review and adjust the effectiveness of the measures implemented.

Sustainable product development will remain a key issue in the future. Dieffenbacher will continue to develop products that reduce our customers' energy and material consumption. The EVORIS digitalization platform plays an important role here, as it enables the monitoring and optimization of production processes and can contribute to significant energy and material savings. We also want to promote the circular economy by further developing our recycling solutions, and support the energy transition with new forms of energy generation.

We always take social aspects into account in all our sustainability activities. We will continue to offer services such as our comprehensive health programs, measures to improve work-life balance, and a wide range of education and training opportunities and adapt them as required. **In addition to the mandatory CSRD report, we also want to provide regular information on progress and new measures in our sustainability activities via internal and external channels in the coming years.**

Imprint

Publisher
DIEFFENBACHER GmbH Maschinen- und Anlagenbau
Heilbronner Straße 20
75031 Eppingen, Germany
Phone +49 7262 65-0
dse@dieffenbacher.de
www.dieffenbacher.com

Status: November 2024

Contact
sustainability@dieffenbacher.com

Picture credits
DIEFFENBACHER: S. 3, 7, 12, 32, 34, 36, 37, 39, 41, 44, 45, 47, 50, 51, 53, 54, 56, 59, 60, 63
Adobe Stock: Cover, S. 22, 23, 26, 27, 28, 30, 31, 36, 38, 40, 48, 55, 57, 58, 60, 62, 64, 66, 67

DIEFFENBACHER
MOVE FORWARD. TOGETHER.

www.dieffenbacher.com