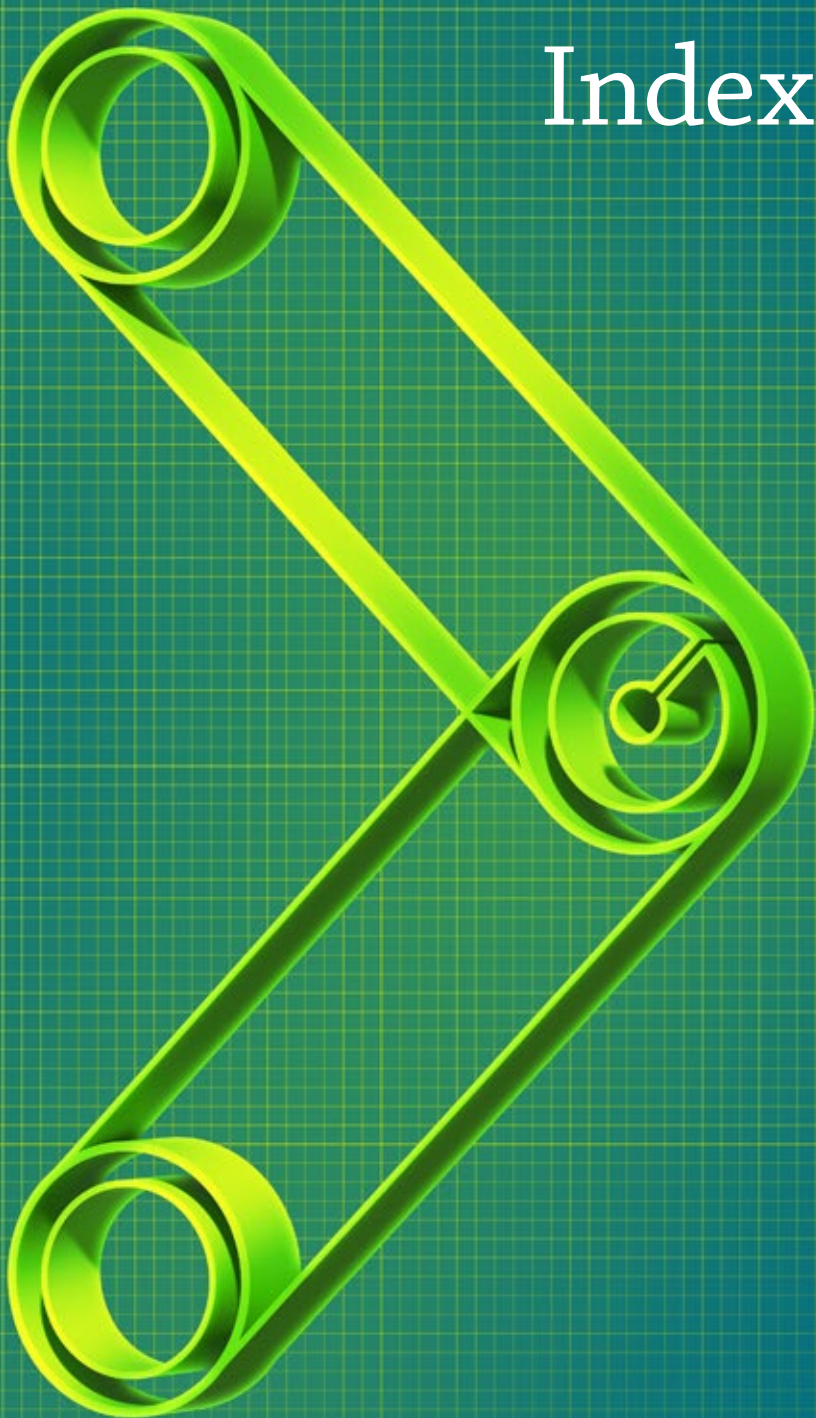


ENGINEERING TOMORROW'S PRODUCTION

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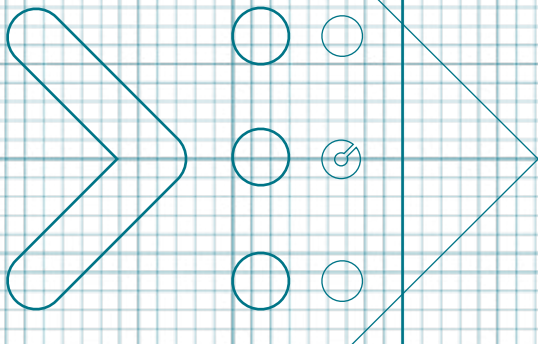
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Significance

Our Slogan

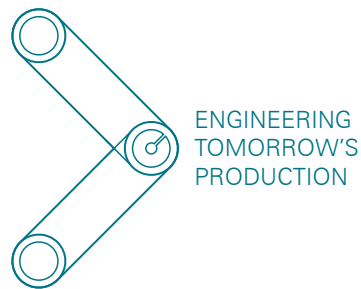
Manz is shaping the future. Therefore, our slogan is taking on a new look. Derived from a technical engineering drawing, an arrow with three "joints" is created, which, like Manz, is energetic and directional – as a pioneer in mechanical and plant engineering.



The new design expresses the dynamism and innovative power of Manz and is supported by a visual world created by artificial intelligence. This new visuality of the slogan is intended to recharge the internationally distributed Manz media in the future and set a sign for the technology and production of tomorrow.

ENGINEERING:

The focal point is our engineering. This is reflected in the middle “joint” with the Manz logo. We think technology in a new way. Together with you. Our systems are scalable, flexible and automated.



ENGINEERING TOMORROW'S PRODUCTION

TOMORROW'S:

The world is moving fast. We move with it. Therefore, the top “joint” represents the future in our visualization. As thought leaders, it is our ambition to efficiently solve tomorrow's challenges in a perfect manner. Green and electric, smart and digital.

PRODUCTION:

Best-in-class production solutions for the global megatrends of electromobility and digitalization – that is the third component of our visualization of Manz's mission.





Manz – Engineering Tomorrow's Production

As a high-tech engineering company, we develop best-in-class production solutions for lithium-ion batteries and electronic components and devices for our customers. This makes us an innovative trailblazer for the global megatrends of electromobility and digitalization.

With the two segments Mobility & Battery Solutions and Industry Solutions, Manz covers the entire range of modern production solutions: from customer-specific individual machines to standardized modules and systems to turnkey lines for efficient mass production. Our customers benefit from high resource efficiency with higher throughput and shorter time-to-market. Technologically, we utilize our many years of expertise in the fields of automation, laser processing, wet chemistry and inspection systems, which we have acquired and continuously expanded in our more than 35 years of company history.

With our first-class production solutions, we address attractive markets that are driven by megatrends and characterized by sustainable growth. We want to systematically exploit these opportunities. As part of our growth strategy, we are focusing in particular on the development of cutting-edge technologies, partnerships with industry leaders and the realization of economies of scale through the modular design of our production facilities.

Letter from the Managing Board

Dear Readers,

Manz AG continued to expand its sustainability activities in 2023. With our production solutions, which we develop in close cooperation with our customers, we are contributing to the green transformation of the economy. For example, our machines and plants for battery production and for other components of the electric powertrain enable the transformation of the automotive industry to electromobility. In doing so, we are making a valuable contribution to significantly reducing carbon emissions in the transport sector. We also support the expansion of renewable energies, as storage solutions manufactured on our production facilities make renewable energy from photovoltaic or wind power plants available when it is needed. When developing new machines and systems, environmental aspects such as a low use of materials or small carbon footprint are considered from the beginning. This is set out in a global guideline for environmentally friendly machine development, which was implemented in 2023 as part of the Global Engineering Standard.

An important milestone for Manz AG's sustainability efforts last year was the validation of our environmental management system in accordance with the EMAS standard at the Reutlingen site. As part of the on-site audit, Manz AG was certified as having a very well-organized environmental management system overall. As a result, we fulfill the requirements of the world's most demanding and effective environmental management system and ISO 14001 at our headquarters and will work on continuously improving it in the future.

In addition, Manz AG has dealt intensively with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The inclusion of external stakeholder groups in the materiality analysis, originally planned for 2023, will be implemented as part of the assessment of double materiality in accordance with ESRS and will be considered for sustainability reporting on financial year 2024.

As the warmest year since climate records began, 2023 has once again shown that we all need to increase our efforts in the fight against climate change. According to the European Union's Copernicus Climate Change Service, the average global temperature in 2023 was 1.48 degrees Celsius above the pre-industrial level and therefore dangerously close to the Paris Climate Agreement target of limiting global warming to 1.5 degrees Celsius. Exceeding this temperature target will have devastating effects on ecosystems, communities, and livelihoods, some of which have already occurred. Against this backdrop, we will continue to systematically implement our climate protection strategy in the current year and work on avoiding and reducing our carbon emissions.

In addition to environmental issues, the social aspects of sustainability are equally important to us. In this context, Manz AG places a special focus on the continuous development of its employees, who – especially in view of the increasing shortage of skilled workers – are a crucial component of the company's long-term success. We also assume social responsibility, for example through our annual support of social institutions in the Neckar-Alb region. For us, economic success and responsible action are therefore not a contradiction in terms, but key factors for the future viability of the Group.

We are pleased to present the progress we have made in achieving our sustainability goals in this report and hope you find it interesting reading. If you have any feedback or suggestions for us, please do not hesitate to contact us.

The Managing Board of Manz AG

Martin Drasch

Manfred Hochleitner



About this report

Reporting period and scope

This sustainability report covers the period of financial year 2023 from January 1 to December 31, 2023. Manz AG has been preparing an annual sustainability report since the 2017 financial year. The reports are available on Manz AG's website at www.manz.com in the "Investor Relations" area in the "Publications" section under "Reports".

Unless otherwise specified elsewhere, this sustainability report covers Manz AG and its subsidiaries (collectively, the "Manz Group" or the "Group") with development and production facilities in Germany, Slovakia, Hungary, Italy, China, and Taiwan, as well as the sales and service subsidiaries in the United States and India.

Methodology and frameworks

For the preparation of our sustainability report, we are guided by the recommendations of the Sustainability Code (Deutscher Nachhaltigkeitskodex – DNK) as well as the standards of the Global Reporting Initiative (GRI). We have reconciled the information available in this report with the GRI standards in an overview table at the end of the report. In addition, developments in the area of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) have been continuously monitored and have already been partially taken into account for this report.

This report also complies with the statutory requirements for a non-financial group report pursuant to Sections 315b, 315c in conjunction with 289c to 289e German Commercial Code (HGB) and the requirements of Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of June 18, 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the “EU Taxonomy Regulation”) and the delegated acts adopted in this regard, as well as with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the delegated acts adopted in this regard, as presented in “Disclosure EU Taxonomy” of the non-financial group report.

Business model

Manz AG, the parent company of the Manz Group, is a listed German corporation based in Reutlingen. As a global high-tech mechanical engineering company, we develop innovative production solutions for lithium-ion batteries and electronic components and devices for our customers. Our product portfolio spans the entire range of modern production systems: from customized individual machines for laboratory production or pilot and small series production, to standardized modules and systems and turnkey lines for efficient mass production. We focus on national and international customers from the sectors of automotive & electromobility, battery manufacturing, electronics and energy.

We divide our operating activities into the two segments Mobility & Battery Solutions and Industry Solutions. Our many years of expertise and know-how in the fields of automation, laser processing, digital printing, inspection systems and wet chemistry form the basis for our successful product development. In addition to our cutting-edge production solutions, we offer our customers comprehensive services related to these core technological competencies: from simulation and factory planning through process and prototype development to customer training and after-sales service. We also act as a development partner for industrial companies and, as such, support the market maturity of new technologies.

Organization

In 2018, we launched an ESG Task Force. The interdisciplinary team is made up of colleagues from the Marketing & Corporate Communications, Investor Relations, Purchasing, Human Resources and Finance departments. Under the leadership of Axel Bartmann, Director Marketing & Corporate Communications, the ESG Task Force develops strategies, goals and measures, supports their implementation at the individual locations, and also documents the progress of the Manz Group in the area of sustainability. At the Manz Group's international locations, so-called "Sustainability Delegates" have been appointed, who are available to their local colleagues as contacts for sustainability issues and are in regular contact with representatives of the Task Force. In this function, the "Sustainability Delegates" report directly to the managing director of the respective subsidiary. The Task Force reports directly to CFO Manfred Hochleitner, who also has overall responsibility for the topic of sustainability across the Manz Group. Manfred Hochleitner is advised by the Supervisory Board.

The focus of the ESG Task Force in financial year 2023 included the implementation of the European EcoManagement and Audit Scheme (EMAS) and the certification in accordance with ISO 14001 at the Reutlingen location. In addition, further projects to increase energy efficiency were implemented last year, such as the use of waste heat to heat buildings or the installation of LED lighting or heat pumps. Furthermore, the Group-wide information campaign on sustainability launched in 2022 was continued. The aim of this campaign is to further sensitize the workforce to the topic of sustainability and to present concrete ideas on how employees can contribute to a future worth living through their actions.

Key sustainability topics

The process for assessing the double materiality of sustainability information in accordance with CSRD/ESRS for the Manz Group was launched at the end of 2023. As the project plan envisages a total project duration of around four months, the results will only be available after publication of this report. We have therefore decided to use the assessment of the material topics for Manz and its stakeholders carried out at the end of 2022 as the basis for this report. We would therefore like to explain the procedure again here: First, we conducted an internal survey of 23 managers, including the Managing Board and the managing directors of the international subsidiaries. The respondents were provided with a list of 17 topics that were identified as fundamentally relevant for the Manz Group as part of an international peer group analysis. On a scale of 1 to 5, the respondents rated the relevance of the respective topic for Manz and for the stakeholders.

After evaluating the topics, they were grouped into four main subject areas, with the following ranking based on the average assessment of the respondents:

1. Market and Products
2. Governance and Compliance
3. Employees and Training
4. Environment and Climate Protection

The following section explains how the key issues are reflected in our sustainability strategy and the objectives it pursues.

Strategy and goals

Strategy

Our sustainability strategy is based on the focus topics identified in the course of the internal survey and the 17 global Sustainable Development Goals (SDGs) defined by the United Nations as part of the 2030 Agenda.

In addition to the four key areas of Market and Products, Governance and Compliance, Employees and Training, and Environmental and Climate Protection, these are the following SDGs:

- SDG 7: Affordable and Clean Energy
- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry, Innovation and Infrastructure
- SDG 13: Climate Protection Measures

Market and Products

Our customers are at the center of everything we do, and we want to convince them with high quality and safe solutions every day. Technologically speaking, our production facilities are based on our many years of experience in automation, laser processing, inspection systems, wet chemistry and digital printing. In this way, and through the rapid implementation of innovations, we realize high-quality solutions for our customers and thus pursue the goal of making a significant contribution to increasing their productivity.

To ensure the quality and safety of our products, we have established ISO 9001:2015 certified quality management for our sites in Germany, Hungary, Slovakia, Taiwan and China. In addition, we ensure full compliance with the "Essential Safety Requirements" of the European Union in the development and manufacturing of our machines and plants. We report in detail on the individual measures and certification processes in the chapter "Quality and innovation management" on page 52 of this sustainability report.

Our customers' satisfaction with Manz AG's solutions and services is reflected, among other things, in the high proportion of existing customers, which amounted to around 60 % of incoming orders in 2023. Our longterm goal is to continuously increase overall customer satisfaction. To make our progress measurable, we conducted a global customer satisfaction analysis for the second time in 2023. In addition to overall satisfaction, the survey also analyzed satisfaction with our performance, solutions and services in different project phases. In addition, potential for continuous improvement of our customer processes was identified.

Our customers are particularly positive about the competence, accessibility and reliability of our employees. We want to continue to cultivate these qualities in the coming years, and also improve further in the areas of speed/response time, as well as commitment. The customer satisfaction analysis is part of our continuous stakeholder dialog, which is described on page 18 of this sustainability report.

Governance and Compliance

Our corporate actions are consistently aligned with our core values – reliability, credibility, legality. In doing so, we are guided, on the one hand, by the German Corporate Governance Code (Deutscher Corporate Governance Kodex – DCGK), which goes beyond the statutory obligations. On the other hand, we have laid down our standards of conduct and ethics throughout the Group in the form of a Code of Conduct. With this Code, we provide our employees with clear guidelines and recommendations for good conduct in a business and operational environment, for handling information, and for dealing with each other with ethical and moral integrity. In their function as role models, our managers are required to act, in particular, with ethical and moral integrity. In addition, our Business Partner Code of Conduct has defined the basis for Manz AG's business relationships with all of our business partners since 2020. The Code is reviewed regularly and adapted to current developments and requirements where necessary. The Business Partner Code of Conduct is available on Manz AG's website at www.manz.com in the "Company" area under "Sourcing" in the "Downloads"-section.

To ensure responsible corporate governance, the Manz Group has a groupwide compliance system in place. In addition, employee training sessions on compliance are held yearly. Our goal is to avoid corruption cases or fines for non-compliance with laws and regulations altogether, which we also achieved in 2023. We report in detail on the measures for responsible corporate governance in the section "Governance and Compliance" on page 48 of this report.

Employees and Training

Manz AG's positive reputation and credibility as a socially committed company, as well as a fair, reliable, and appreciative employer, are key prerequisites for the company's longterm success. We, therefore, attach great importance to attracting new talent and retaining qualified employees over the long term. We want to sustainably increase Manz AG's attractiveness as an employer by cultivating a culture of equal opportunity and diversity. Our mediumterm goal is to increase the proportion of women in the entire workforce and among managers to 25 %. In addition, we are constantly developing our training and development opportunities for employees, with the aim of providing all employees with at least two working days of training per year. Another key concern for us is to offer our employees attractive and performance-based compensation and to encourage them to actively participate in the further development of Manz AG through our "Innovation Forum". The online-based discussion forum can be used, for example, to submit suggestions for improvement

on sustainability aspects, the topics of “new technologies, new markets, potential new customers” and “general suggestions for improvement”.

A detailed account of employee-related initiatives can be found on pages 38 to 41 of this report. Further forms of dialog with our employees are described in the chapter “Stakeholder dialog” (page 18). On page 51, we also report on how we fulfill our corporate responsibility to the community.

Environment and Climate Protection

We see the responsible and careful use of our resources as our social obligation to present and future generations. As part of our holistic approach, we regularly review our business activities for potential environmental risks and have defined various targets and measures for environmental and climate protection in our sustainability strategy. The priority is to avoid or reduce greenhouse gas emissions (GHG emissions). For example, we want to reduce GHG emissions out of Scopes 1 and 2 in the Group in relation to revenues by 21 % compared to the base year 2020 until 2026. We also want to continuously reduce energy consumption in relation to revenues compared to the previous year and at the same time increase the share of renewable energies in electricity consumption.

Another goal is to reduce fuel consumption in relation to the vehicle fleet by 10 % each year compared to the previous year. We also plan to continuously reduce our water consumption in relation to revenues at all Manz locations in the coming years through audits and employee awareness-raising measures.

We aim to continuously reduce GHG emissions caused by employees’ daily commutes by raising awareness among the workforce and providing targeted support for sustainable mobility options. For example, all employees at the Reutlingen site have access to an app for carpooling. We report in detail on these and other measures and the current status of target achievement in environmental and climate protection on pages 24 to 29 of this report.

Sustainable Development Goals (SDGs)

Furthermore, we support the following four of the 17 SDGs of the United Nations, to which we contribute with our activities and measures in the area of sustainability and corporate social responsibility (CSR).

SDG 7: Affordable and clean energy

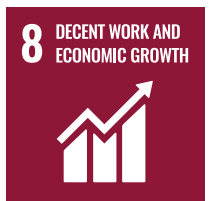
Among other things, we realize production solutions for the storage of energy generated via renewable means. These solutions help offset the inherent volatility of renewable energy sources. This, in turn, allows the share of renewable energies to be expanded, since, for example, excess wind and solar energy can be stored and made available precisely when less energy can be generated. In this sense, we contribute to the following subgoals of SDG 7:

- By 2030, significantly increase the share of renewable energy in the global energy mix (7.2)
- By 2030, double the global rate of increase in energy efficiency (7.3)



SDG 8: Decent work and economic growth

As a responsible employer, we are committed to ensuring decent work, including respect for labor rights, and promoting equal pay for work of equal value and a safe working environment through our corporate actions. We respect internationally recognized human rights and support compliance with those rights. We strictly reject any form of forced or child labor. As an innovative high-tech engineering company, we support our customers worldwide in increasing their economic productivity through technological modernization and innovation and continuously improving resource efficiency in production.



SDG 9: Industry, innovation and infrastructure

With our production solutions and services, we enable our customers to use resources more efficiently and thus make their production processes more sustainable. As a driver of innovation, Manz AG concentrates on the continuous optimization of proven solutions and the development of new technologies at its various development locations. In doing so, we rely on an interdisciplinary "R&D Council", which interlinks the various competencies of our employees across segments. With our innovative production solutions for battery manufacturing and for various components in the fields of automotive electronics and the electric powertrain, we are helping electromobility achieve a breakthrough.



SDG 13: Climate protection measures

As an internationally active high-tech engineering company, we are aware of our responsibility about climate and environmental protection. We have therefore taken a variety of measures to combat climate change and its effects and have set ourselves the goal to reduce Manz AG's carbon footprint (Scope 1 and 2) in relation to revenues by 21 % compared to the base year 2020 until 2026. In addition, we want to gradually expand the GHG emission sources considered under Scope 3 to include relevant categories and reduce them as much as possible. We also support selected climate projects in developing and emerging countries, thereby offsetting the remaining GHG emissions from Scopes 1 and 2.



Stakeholder dialog



14 Corporate news
and press releases

Manz maintains an ongoing dialog with key stakeholder groups such as employees, customers, suppliers, investors, analysts or banks. In addition, we are in permanent exchange with other stakeholder groups such as our strategic partners, players in science and research, the media, politics at municipal, regional and European level, and associations.



6 Capital market
conferences

We involve our employees in the further development of our company for example in the form of regular employee surveys on current topics. The results of these surveys are published on the Intranet and included in the respective decision-making processes. In addition, our employees can make suggestions within the framework of the "Innovation Forum". The "Innovation Forum" is an online discussion forum for employee suggestions for improvement, for example on sustainability topics as well as on "new technologies, new markets, potential new customers" or "general suggestions for improvement". In addition to these measures, the Group companies offer employees further opportunities to participate and exchange views, for example, regular employee meetings, community events such as summer parties and team events or feedback discussions with superiors. As part of the "Manz Inside" employee meeting, the Managing Board regularly informs employees about current topics.



4 Webcasts

Service at Manz does not begin and end with the delivery of the equipment or its use in production. We see ourselves as a development partner who develops solutions together with our customers. That is why we support our customers in numerous development and design steps right from the start. With our aftersales service, we also ensure that, after commissioning, the machine does exactly what it was purchased for: work efficiently. Our customers can rely on our 24/7 hotline and remote service.

In 2023, a global customer satisfaction analysis was conducted for the second time in collaboration with an independent market research institute. In addition to overall satisfaction, satisfaction with our services, solutions and services in various project phases was also surveyed and potential for improvement identified. Further information on the customer satisfaction analysis can be found on pages 14 to 15 of this report.

For the Manz Tech Day in October 2023, we invited around 90 managers and experts from the industry to our company headquarters in Reutlingen to offer them an exclusive look behind the scenes of high-tech engineering. In addition to the numerous innovations that the participants were able to experience during the tour of our production halls, the event focused above all on intensive discussions with our customers and partners.

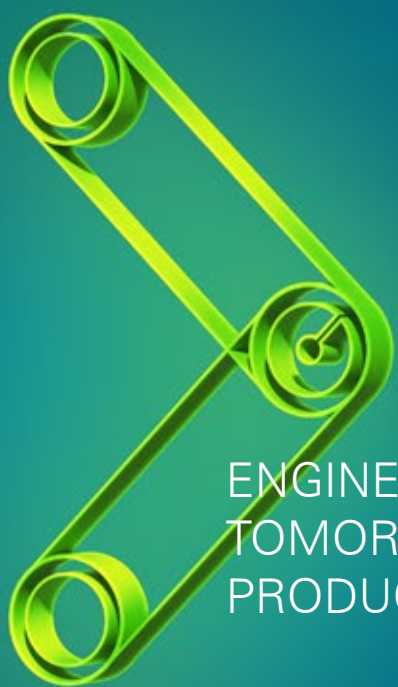
We also attach great importance to active dialog with investors, analysts and banks. The regular and prompt publication of reports relevant to the company underscores our goal of providing comprehensive information on the company's developments. In doing so, Manz AG, with its listing in the Prime Standard Segment of the Frankfurt Stock Exchange, fully complies with the highest transparency requirements. In addition to our statutory obligations, we regularly participate in capital market conferences, organize roadshows in Germany and abroad, offer conference calls with webcast and audio replay as an online service on the company's website, and publish corporate news and press releases on current corporate developments.

The following table provides an overview of the dialog offerings and key topics for the individual stakeholder groups:

| Stakeholder | Dialog offer | Key topics |
|--------------------------------------|---|--|
| Employees | Personal dialog, intranet, exchange via Innovation Forum, employee meetings (incl. Manz Inside), community events, Team events | Work-life balance; employer attractiveness; human resources development; innovation management; compliance; occupational health and safety |
| Public/society | Media relations, website, events | Promotion of culture and sports, as well as equality and diversity in society; employer attractiveness |
| Customers and suppliers | Personal dialog via account managers; Business partner code of conduct, customers satisfaction survey, Trade fairs, Tech Day | Product and service portfolio; individual solutions; customer service, quality, supplier security |
| Strategic partners | Regular exchange in Steering Committees with the participation of all partners | Joint customer projects; business development, project progress |
| Investors, analysts and banks | Personal dialog (incl. phone/e-mail), conferences or roadshows, financial and sustainability reports, website, annual general meeting, capital markets day, capital market conferences, press releases and corporate news | Business model and strategy, business development, corporate governance, business planning and risk management |
| Media | Press releases and corporate news, media events | Business model and strategy, business development, technological innovations |
| Science and research | Research projects | Development of innovative and efficient production processes for future technologies |
| Politics | Regular exchange at European and federal level, as well as at municipal and regional level | Establishment of industrial battery cell production in Germany and Europe; promotion of Baden-Württemberg and the Neckar-Alb region as a business location |
| Associations | Regular dialog within the framework of association meetings | Establishing and expanding the network, strengthening the representation of interests at the political level, business model and strategy |

WE WANT TO KEEP OUR PLANET LIVABLE FOR FUTURE GENERATIONS

We therefore take our responsibility for sustainable business very seriously and see the careful use of our resources as a social obligation.



ENGINEERING
TOMORROW'S
PRODUCTION



Environment

OUR CONTRIBUTION

In 2023, the share of renewable energy in total energy consumption was **80.4 %**. With an increase of around 12 percentage points compared to the previous year, we have therefore achieved our goal of continuously increasing the share of renewable energies in total electricity demand.



Conserving Resources and Lowering Emissions

Against the background of climate change, in 2021 we set an ambitious target for ourselves: Over the next few years, Manz AG will drastically reduce its GHG emissions in the entire Group and offset residual GHG emissions (Scopes 1 and 2) by supporting climate protection projects.

- The year 2020 was the first time that we calculated our carbon footprint in accordance with the established standards of the Greenhouse Gas Protocol. Within Scope 1 emissions, direct GHG emissions are recorded especially from the stationary and mobile combustion of fuels. The consumption of purchased heat and electricity are recorded along with other figures under the Scope 2 emissions, and for Scope 3 emissions, we are currently determining our GHG emissions from business travel, employee commuting, purchased working materials, and downstream logistics.
- Our objective by 2026: reduce Scope 1 and 2 emissions in relation to revenues by 21 % compared to the base year 2020. In addition, we want to gradually expand the emission sources considered under Scope 3 to relevant categories and reduce them as far as possible.

Water, an increasingly endangered resource

Climate change makes global water shortages worse. We are implementing numerous measures to steadily reduce water consumption at our locations. Our efforts have been successful – water consumption across the Group declined once again by more than 15 % to a new record low of around 22,250 m³ in 2023, after almost 33,000 m³ in 2020.

Absolute energy consumption across the Manz Group decreased by **9.3 %** in 2023.

Environmental and Climate Protection

Environmental management system

Potential environmental risks that could arise from our business activities, for example, in the areas of carbon emissions and water consumption, are evaluated annually as part of the risk management system. In this regard, please refer to the risk report in the management report. In addition, a climate risk and vulnerability analysis was carried out as part of the disclosures in accordance with the EU taxonomy, in which no material risks were identified for 2023. For detailed information, please refer to the section “No material adverse effect on other environmental objectives” in the chapter “Disclosure in accordance with the EU Taxonomy” from page 58 of this report.

We take our responsibility for sustainable business very serious and have, therefore, defined various targets and measures for the different subareas of environmental protection. As part of our sustainability strategy, we have defined efficient resource management, increasing energy efficiency, reducing carbon emissions and water consumption as key goals. In addition, we improve the use of resources for our machines and systems on the basis of continuously refined mediumterm development roadmaps.

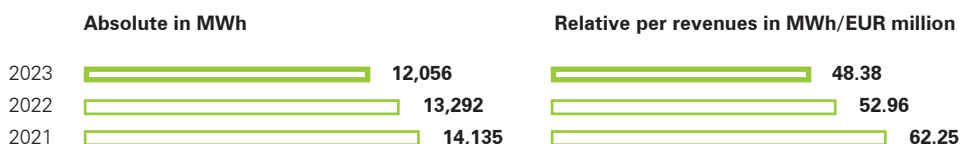
As part of the first external environmental audit in October 2023, Manz AG was certified as having a very well-organized environmental management system overall for the Reutlingen site in accordance with the Eco-Management and Audit Scheme (EMAS). EMAS is the world’s most demanding and effective environmental management system. Manz AG’s ISO 14001 certificate as well as the environmental statement and the EMAS certificate can be found on Manz AG’s website at www.manz.com in the “Company” section under “Sustainability” in the “Downloads” section. The latter are only available in German language on the German website.

Energy consumption

Absolute energy consumption decreased by 9.3% to 12.1 GWh in 2023 (previous year: 13.3 GWh). In relation to revenues, there was a decline of 8.6% to 48.38 MWh/EUR million (previous year: 52.96 MWh/EUR million), thus meeting the goal of reducing consumption in the past financial year once again.



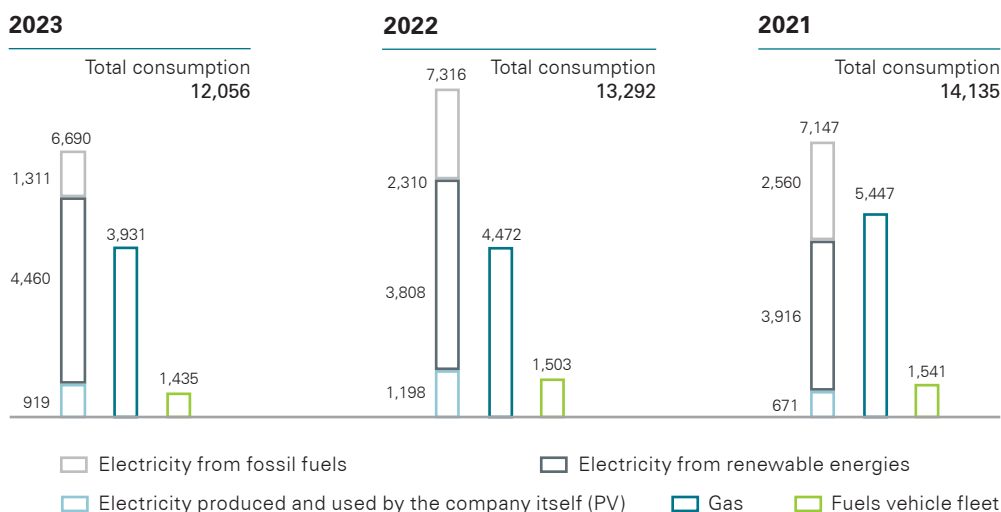
Energy consumption



Goal
Continuously decrease energy consumption per revenues compared to the previous year

Energy consumption by category

in MWh



The share of renewable energies in total electricity demand was 80.4 % in 2023 (previous year: 68.4 %). We have thus achieved our target of a share of renewable energies in total electricity consumption of over 50 %. Resourcesaving production and administration is not an abstract concept for us, but an integral part of our corporate philosophy, as was also demonstrated by the installation of solar modules on the roofs and facades of our buildings at the sites in Reutlingen, Germany, and Suzhou, China. Two PV systems generated around 9.6 MWh of electricity at the headquarters in Reutlingen (previous year: 12.5 MWh) that have been fully fed into the power grid. In addition, a substantial share of the company's own electricity needs – some 1,189 MWh – was generated by photovoltaics at our location in China during 2023 (previous year: 1,281 MWh).

Renewable energies

Share of renewable energies in total electricity demand



Goal
Continuously increase the share of renewable energies in total electricity demand



Gasoline and diesel consumption in the company car fleet decreased slightly by 3.7 % in 2023 compared with the previous year. Total consumption amounted to 141,706 liters (previous year: 147,208 liters). In relation to the entire vehicle fleet, this results in a value of around 880 liters per vehicle (previous year: 975 liters). The goal of reducing fuel consumption of the entire company car fleet by 10 % compared to the previous year in relation to the number of vehicles was achieved for the first time in 2023. In order to determine the Manz Group's total energy consumption, gasoline and diesel consumption was converted into MWh according to the specifications of the Alliance for Sustainability Leadership in Education. You can read more about the topic of carbon emissions on page 27 of this report.


Goal

Reduce fuel consumption by 10 % compared to the previous year (relative to the number of cars)

Fuel consumption of own vehicle fleet

| | Absolute in liters | | Relative to the number of cars in liters/vehicle |
|------|--------------------------------|------------------------|--|
| 2023 | <div><div></div></div> 141,706 | <div><div></div></div> | 880 |
| 2022 | <div><div></div></div> 147,208 | <div><div></div></div> | 975 |
| 2021 | <div><div></div></div> 150,626 | <div><div></div></div> | 984 |

Waste generation and recycling

The volume of waste generated by the Group as a whole (excluding the pure sales locations in the USA and India) in relation to total revenues decreased by 21.2 % to 2.06 metric tons/EUR million (previous year: 2.62 t/EUR million). The largest shares were scrap metal at 32 % (previous year: 42 %), residual waste at 26 % (previous year: 23 %) and paper at 14 % (previous year: 8 %). The absolute amount of waste decreased by about 21.8 % from 657 metric tons in 2022 to 514 metric tons in 2023. The decline is partly due to the comparatively low project volume. In addition, the volume of waste was significantly higher in 2022 due to special effects such as inventory clean-ups and relocation activities.


Goal

Continuously decrease waste volume per revenues compared to the previous year




Waste intensity

| | Absolute in tons (t) | | Relative per revenues in t/EUR million |
|------|----------------------------|------------------------|--|
| 2023 | <div><div></div></div> 514 | <div><div></div></div> | 2.06 |
| 2022 | <div><div></div></div> 657 | <div><div></div></div> | 2.62 |
| 2021 | <div><div></div></div> 531 | <div><div></div></div> | 2.34 |

Water and resource conservation

In comparison to the previous year, the Group was able to once again reduce its fresh water consumption in relation to revenues by another 15.2 % to EUR 89.29 m³/EUR million (previous year: 105.24 m³/EUR million), which was the lowest level since recording of groupwide water consumption began – thereby achieving the goal of continuously reducing water consumption for 2023.

Freshwater use intensity

| | Absolute in m ³ | Relative per revenues in m ³ /EUR million |
|------|--|---|
| 2023 |  22,249 |  89.29 |
| 2022 |  26,411 |  105.24 |
| 2021 |  27,421 |  120.77 |



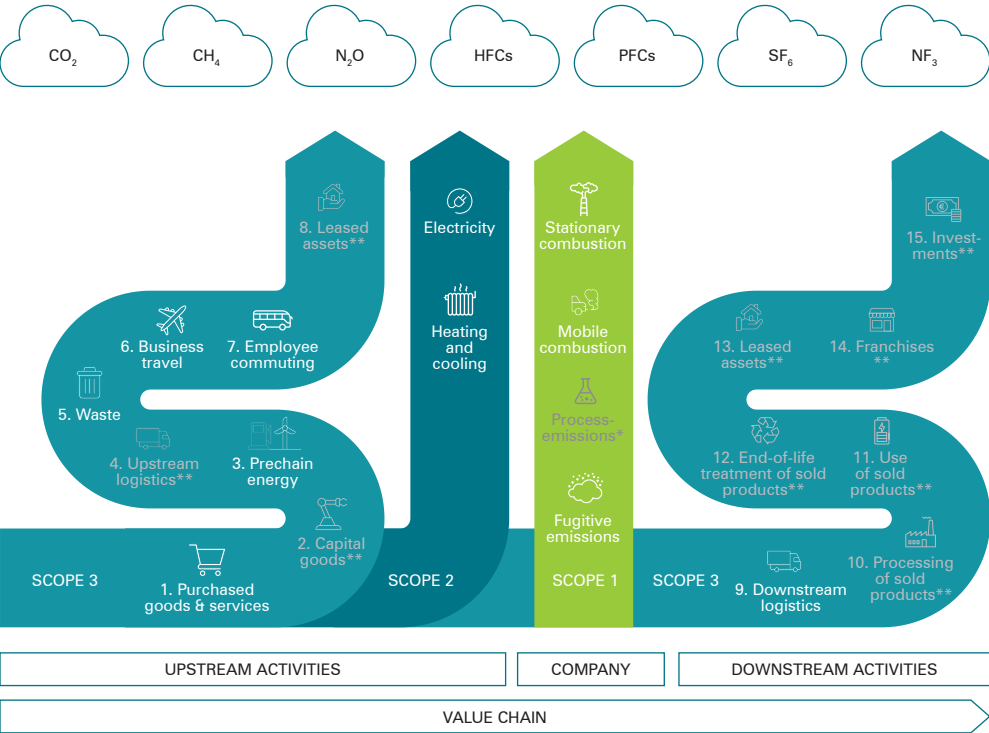
Goal
Continuously reduce
fresh water
consumption per
revenues compared
to the previous year

Greenhouse gas emissions

In order to obtain a picture as accurate as possible of the greenhouse gas emissions (GHG emissions) caused by our business activities, we have been preparing a corporate carbon footprint (CCF) analysis since financial year 2020. In the CCF, emission sources are considered according to the established standards of the Greenhouse Gas Protocol. They include emissions from Scope 1, Scope 2 and parts of Scope 3. This approach has provided us with a comprehensive picture of our GHG emissions, which also partially includes emissions from our value chain. Scope 1 emissions include direct GHG emissions from stationary and mobile combustion of fuels and from volatilization of refrigerants and coolants. For Scope 2 emissions, indirect GHG emissions from the generation of purchased electricity and heat are considered, and for Scope 3 emissions, we are currently determining our emissions from business travel, employee commuting, purchased work materials (including hardware and consumables) as well as downstream logistics on the basis of the best possible estimate¹. We want to gradually expand the emission sources considered under Scope 3 to the categories that are a priority for the Manz Group in order to obtain an even more comprehensive picture of GHG emissions in our value chain. For the 2023 financial year, we have included GHG emissions from logistics for the first time and expanded the purchased goods segment to include products used directly in production. Due to our activities in the project business, a direct annual comparison of the development of logistics emissions is of limited significance. These depend on various factors such as the location of the customer and the associated distances or the means of transportation used (e.g. road, rail, air or sea freight). The choice of means of transportation can only be influenced to a certain extent due to scheduling obligations, among other things.

¹For the Italian location, downstream logistics have been extrapolated on the basis of revenues with the same ratio of GHG emissions to revenues as for Manz AG (Germany) and thus taken into account in the 2023 CCF.

Operational boundaries – Corporate Carbon Footprint (CCF)

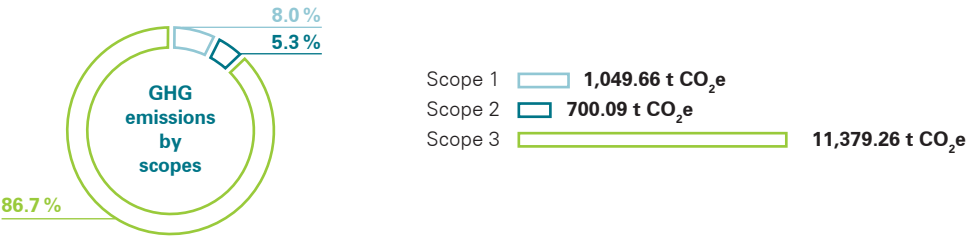


■ SCOPE 1 Direct GHG emissions ■ SCOPE 2 Electricity indirect GHG emissions
■ SCOPE 3 Other indirect GHG Emissions

*not relevant
** Scope 3 emission sources grayed out: not relevant or no data available

Source: GHG Protocol, picture: KlimAktiv GmbH

GHG emissions of the Manz Group 2023



For the year 2023, the CCF prepared with the CO₂ calculator of KlimAktiv gGmbH resulted in a total value of 13,129.02 metric tons of CO₂ equivalent (t CO₂e) based on the operational control approach. The figure is not directly comparable with the previous year (previous year: 7,119.73 t CO₂e) due to the aforementioned expansion of Scope 3 emission sources. An increase in GHG emissions was recorded in the area of business travel, among other

things, although travel activities were still severely restricted in previous years due to the coronavirus pandemic and its after-effects. We want to counteract this in the coming years and have established a preference for public transport, such as rail, over cars and air travel in our travel policy. We are pleased to report that GHG emissions caused by employees traveling to work decreased last year, partly due to the use of mobile working.

Since we intend to gradually expand the emission sources considered under Scope 3, we relate our target to reduce GHG emissions in relation to revenues by 21 % until 2026 compared to 2020 to Scope 1 and 2 emissions to ensure comparability. For the base year 2020, GHG emissions from Scopes 1 and 2 amount to 3,036.15 t CO₂e. In 2023, GHG emissions from Scopes 1 and 2 amounted to 1,749.75 t CO₂e, resulting in a decrease of 32 % compared to the previous year (previous year: 2,584.11 t CO₂e) and 42 % to the base year 2020. In relation to revenues GHG emissions from Scopes 1 and 2 were also down in 2023, by 32 % compared to the previous year and 45 % compared to the 2020 base year. The significant reduction is due to the increased use of green electricity and lower GHG emissions from heating. It should be noted that the values shown here for the years 2020 until 2022 differ from the values reported in the Sustainability Report 2022. The reason for this is that the CCF up to 2020 were adjusted slightly due to corrections resulting from a subsequent quality check of the data.

GHG emissions Scopes 1 and 2

| | Absolute in t CO ₂ e | Relative to revenues in t CO ₂ e/EUR million |
|------|---------------------------------|---|
| 2023 | 1,750 | 7.02 |
| 2022 | 2,584 | 10.30 |
| 2021 | 2,986 | 13.15 |
| 2020 | 3,036 | 12.82 |

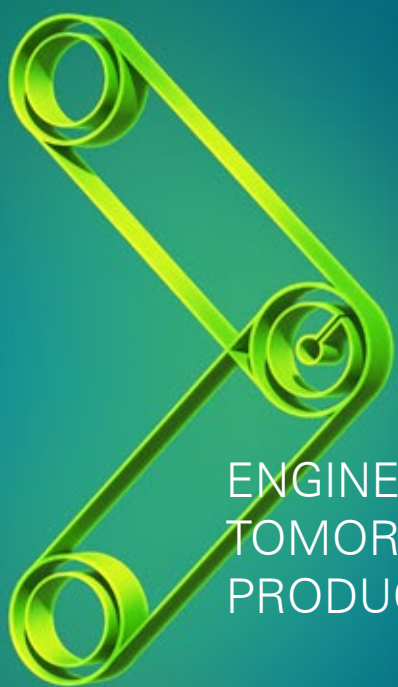


Goal
Reduce carbon footprint (Scope 1 and 2 GHG emissions) in relation to revenues by 21 % compared to the base year 2020 until 2026

We also regularly monitor the Scope 3 emissions categories with the aim of reducing GHG emissions as much as possible, for example through employee awareness measures. Avoiding or reducing GHG emissions is our overall top priority. For us, supporting selected environmental and climate protection projects since 2021 is a further active contribution to greater climate protection and the UN's Sustainable Development Goals (SDGs). As a result, Manz offsets the remaining Scope 1 and Scope 2 GHG emissions. Specifically in 2023 a Gold Standard-certified wind power project in Turkey was supported, offsetting GHG emissions amounting to 2,821 t CO₂e.

DIVERSITY AND EQUAL OPPORTUNITY ARE CENTRAL TO OUR SELFIMAGE

People with different backgrounds and talents should be able to live up to their maximum potential within our Group.



ENGINEERING
TOMORROW'S
PRODUCTION



Social

FAIRNESS AND FLEXIBILITY ACROSS ALL BORDERS

Employees from **36 nations** work at the different Group companies.



Promoting Diversity and Equal Opportunity

Any type of discrimination – whether based on age, national origin, gender, disability, world views, sexual orientation, religious affiliation, or other personal characteristics – is not tolerated within our Group. This is also explicitly stated in our Code of Conduct, which applies throughout the Group.

Previously in 2019, the “Agile Working Time” concept was introduced at our German location to promote equal opportunity and flexibility. Employees can choose between the concept of a working time account with time recording or the concept of independent working time using a trustbased flextime system. In this way, we create an attractive working environment for both experienced employees and new talent.

Diversity is Our Strength

Our culture of mutual trust and respect should also be reflected in the composition of our workforce by employment type and gender. During the last financial year, we succeeded in slightly increasing the percentage of women in this context, while the number of temporary workers increased.

- We want to avoid precarious employment situations and prefer to retain our employees. However, peak order times did result in a temporary increase in non-permanent employees from 508 in 2022 to 552 in 2023.
- In 2023, 267 women were employed in the Manz Group (previous year: 268). The proportion of female employees increased slightly to 18.6%, which is above the proportion of women of 17.2% in the German mechanical engineering sector.

The percentage of women in leadership positions in 2023 was **14.2%**.

Employees and Training

Equal opportunities and diversity

Equal opportunities and diversity are key concerns for us as a global high-tech engineering company. Fostering a culture of equal opportunity, mutual trust and respect are very important to us. We are, therefore, also committed to the principles of the Declaration of Universal Human Rights, in particular, Article 1 of the Declaration "All human beings are born free and equal in dignity and rights". Accordingly, we do not tolerate discrimination in our dealings with colleagues and business partners on the grounds of age, disability, origin, skin color, gender, sexual orientation, religious affiliation, ideology or other personal characteristics. We have also explicitly stated this in our Code of Conduct, which applies throughout the Group and which commits us to treat each other with respect at all times.

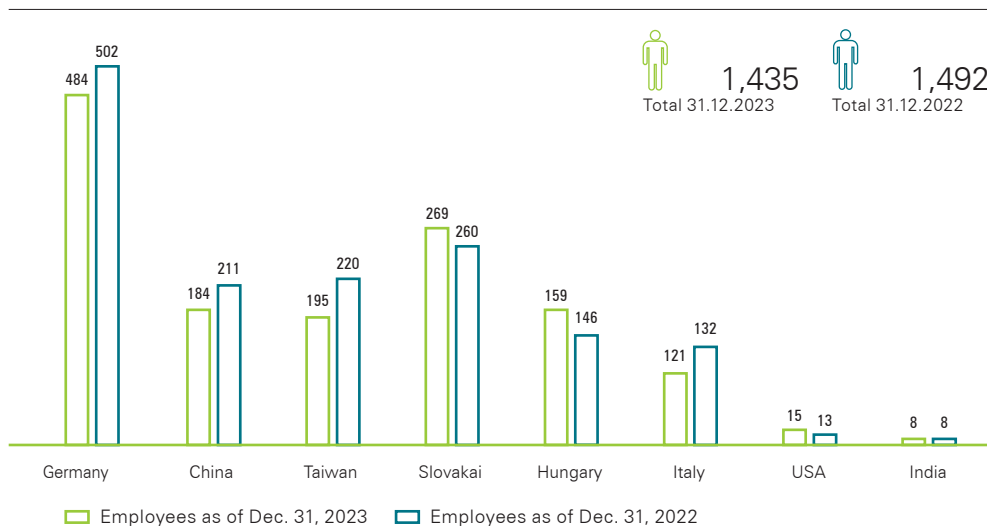
The elected employee representatives are responsible for promoting equality between women and men, the integration of severely disabled persons and other persons in need of special protection, the employment of older colleagues, the integration of employees of different nationalities and the understanding of all employees among each other, as well as ensuring the compatibility of family and employment.

If employees feel disadvantaged, unfairly treated or otherwise adversely affected, they can contact the compliance organization personally at any time or report anonymously via Manz AG's internal whistleblower system. If desired, the employee representatives are also available to support or mediate. This culture of mutual trust and respect is also reflected in our diverse workforce across genders, nationalities and age groups.

Composition of the workforce

At the end of the 2023 financial year, the Manz Group employed a total of 1,435 permanent employees in eight different countries: Germany, China, India, Italy, Slovakia, Taiwan, Hungary, USA (previous year: 1,492). The number of temporary employees increased to 552 in 2023 (previous year: 508), corresponding to 27.8% of all employees (previous year: 25.4%). The increase is attributable, on the one hand, to compensating for order peaks by deploying temporary workers in our dynamic business. In 2023, Manz employed a total of 344 labor leasing workers (previous year: 320). On the other hand, we were able to give significantly more students the opportunity to gain practical experience in business. The total number of students employed in 2023 was 130 (previous year: 114).

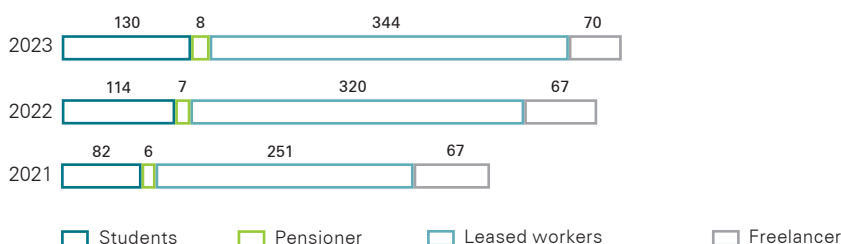
Employee structure



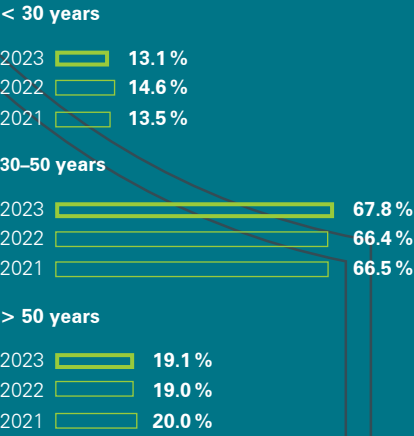
In 2023, 267 of the permanent employees were female (previous year: 268), which means that the proportion of women among permanent employees increased slightly from 18.0 % in the previous year to 18.6 %. As a result, Manz came marginally closer to the medium-term goal of a 25 % share of women in the company during the reporting period but is well above the German industry average in the mechanical engineering sector. According to the German Federal Employment Agency, the proportion of women in the German mechanical engineering industry in 2022 was 17.2 %. Among the Manz Group managers, the proportion of women rose to 14.2 % in the reporting period (previous year: 12.4 %), whereby all managers with personnel responsibility at all management levels, including team leaders, are included in the calculation.

The average age of male employees in 2023 was 41.6 years (previous year: 41.1 years), that of female employees 40.5 years (previous year: 40.3 years). With this age structure, we continue to believe that we are well-positioned to successfully confront challenges facing us in those dynamic markets in which we operate.

Position of non-regular employees

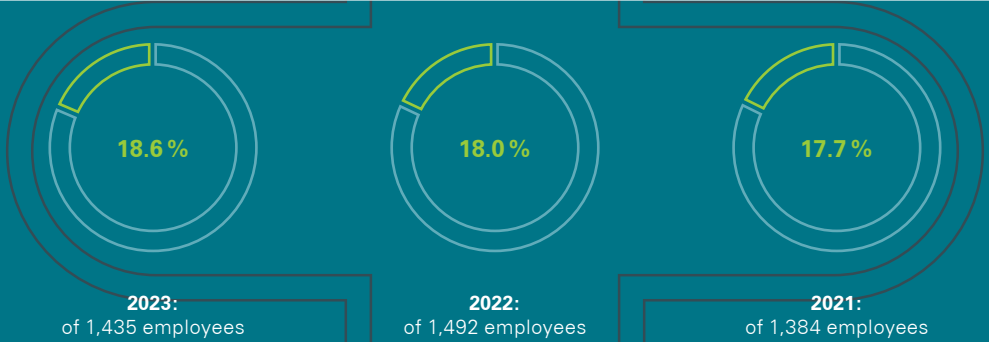


Age Distribution Female Employees



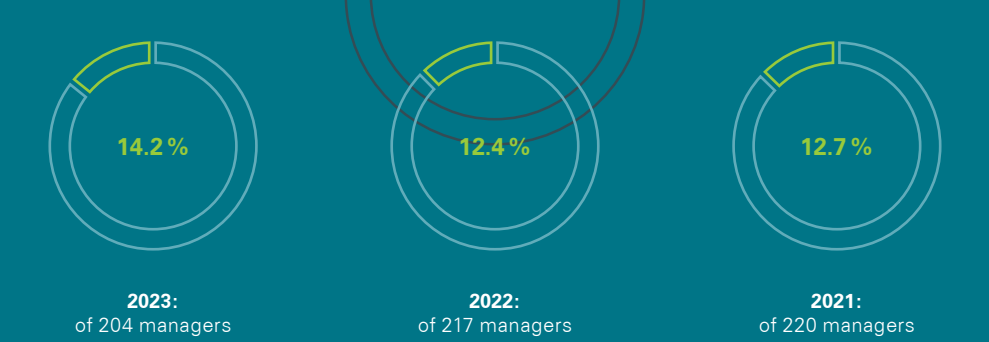
Goal
Hiring women:
25% share of women
(medium-term)

Share Female Employees

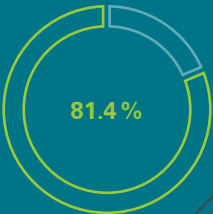


Goal
Hiring women:
25% share of team
leader women
(medium-term)

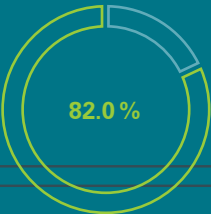
Share Female Managers



Share Male Employees



2023:
of 1,435 employees



2022:
of 1,492 employees



2021:
of 1,384 employees

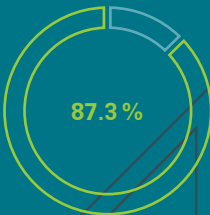
Share Male Managers



2023:
of 204 managers



2022:
of 217 managers



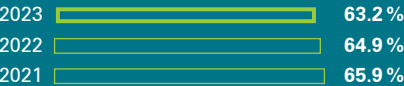
2021:
of 220 managers

Age Distribution Male Employees

< 30 years



30–50 years



> 50 years



Staff development

Qualification and development

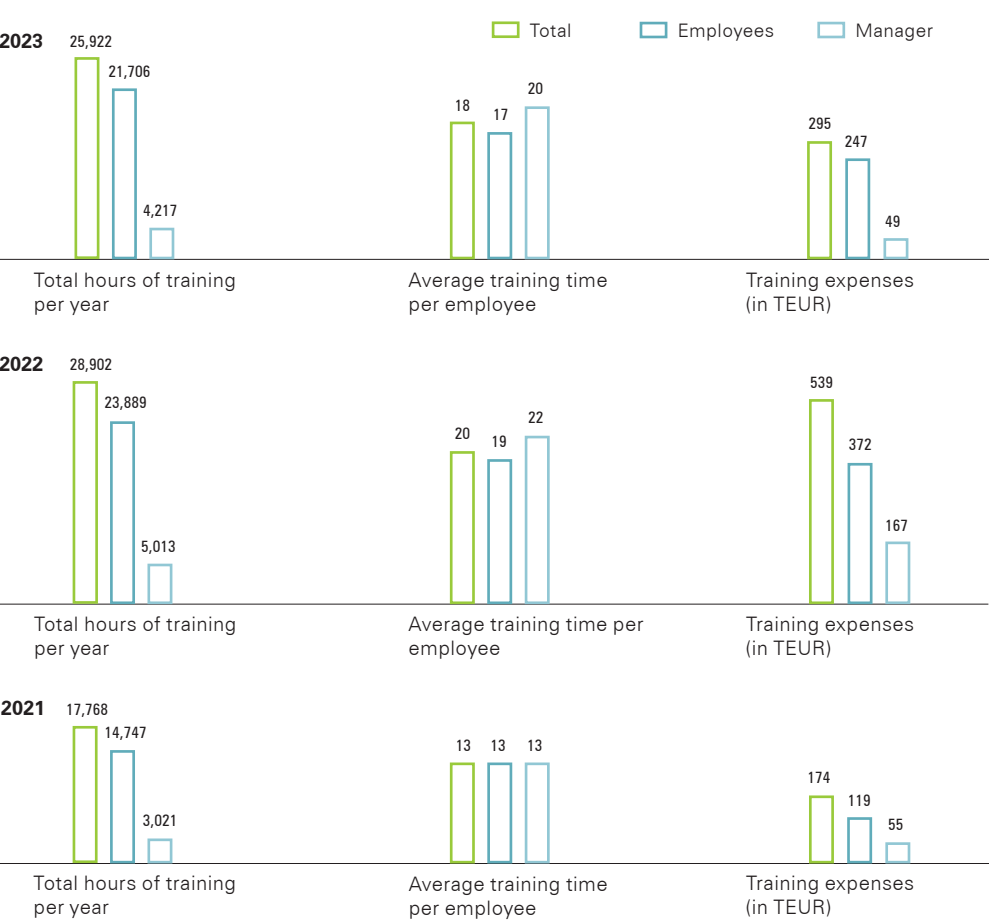
With regard to longterm employee retention, Manz AG’s focus – in addition to creating a safe working environment (more on this on pages 42 to 43) – is primarily on future and needsoriented qualification and development opportunities for employees. Training measures related to products, methods or soft skills go handinhand with a variety of longterm programs, for example, related to our management philosophy. Our aim is to offer as many employees in the Group as possible an adequate range of training opportunities, comprising at least 16 hours – i.e. two working days – per employee per year.

In 2023, we were able to significantly exceed this target value. A total of 25,922 training hours were held in the reporting period (previous year: 28,902). This corresponds to an average training time per employee of around 18 hours (previous year: 20 hours). The high level from the previous year was thus maintained, which is due in particular to the significant expansion of the range.



Goal
Annual average
of at least 2 work
days of training per
employee

Training



Years ago, we founded the Manz Academy, in order to continuously promote our employees and strengthen them on their career paths. At the Manz Academy, we organize and manage internal and external continuing education measures for our employees. The training and continuing education measures offered at the Manz Academy are geared toward employees' needs, and are bundled into qualification categories, such as technical product training, methods and soft skills training, as well as management development programs. The aim is for the measures to benefit both employees and the company. In the annual staff appraisal between managers and employees, these further training measures are discussed and evaluated retrospectively.

The focus of the Manz Academy in 2023 was on:

- the introduction of the "Learning" module in the Manz HR portal at the Reutlingen location
- continuous expansion of the e-learning content
- targeted support for managers through impulse workshops on current management topics
- the promotion of internal networks through a variety of offers
- holding various workshops to develop and strengthen the corporate culture
- establishing new and machine-related technical training courses for components used for the first time

In 2022, the decision was made to launch a new Manz HR portal. The "Recruiting" and "Self-Learning" modules were introduced in the same year. In the course of 2023, extensive preparations were completed for the introduction of the "Learning" module at the locations in China and Taiwan. The "Learning" module was introduced for all employees at these locations in the fourth quarter of 2023. All necessary steps for the introduction of the "Learning" module were also taken at the Reutlingen site in 2023, including data migration to the new HR portal, the development of a communication plan and initial test runs. The go-live of the "Learning" module is planned for the first quarter of 2024.

As part of the optimization of project management, training courses for project managers were offered in the reporting period on topics including gate processes, management without direct personnel responsibility and SAP management and controlling. Further measures in this area in 2023 included the implementation of a training series for project managers with a focus on soft skills.

In addition to classroom training and workshops, on-the-job training, individual coaching as a development measure and increasingly e-learning courses continue to be used at management level. Workshops focusing on "Culture & Change" were also offered. The topics included "lessons learned", team building and the promotion of (cross-divisional) cooperation.

In 2024, the Manz Academy will focus on the topics of sales, project management and managers. Targeted measures are planned for new managers. Based on the positive response from our employees, an additional focus will be on health promotion programs. We want to further strengthen employee loyalty through regular and transparent communication about

the Manz Academy and the continuing education opportunities offered, for example via our intranet or as part of the onboarding process. In addition, the Manz Academy will continue to offer workshops with a focus on “Culture & Change” and further develop and improve the learning culture as a whole.

Qualification processes are to be standardized where it makes sense, synergy effects are to be used and costs are to be saved. All locations should be able to access global and local training programs via the same learning platform.

Employee issues

We respect all applicable laws on employee rights in Germany, in the countries where our subsidiaries are located, and wherever we do business. We also respect the right of employees to freedom of association as set out in the national laws of the countries in which our sites are located. As a matter of principle, this also means that we do not prevent our employees from joining forces to protect or assert their interests. In Germany, for example, we have formed a voluntary employee representative body to represent the interests of our employees.

The employee representatives at the German site are elected by the workforce. They are the point of contact for all employees and represent their interests vis-à-vis the company. All employees also have the right to lodge a complaint with the relevant departments of the company if they feel they have been disadvantaged, treated unfairly or otherwise adversely affected by managers or other members of the company. If it is necessary for complaints to be clarified with the competent bodies in the presence of the person who has made the complaint, they may call in a member of the employee representative body for support or mediation. Employees must not suffer any disadvantages as a result of lodging a complaint.

The election procedure, the rights and obligations as well as the working methods of the employee representative body are defined by its rules of procedure.

The primary tasks of the employee representatives in Germany include, for example:

- Contact person for employees in case of problems at the workplace
- Mediator between employees and executives, board of directors or managing directors
- Monitoring compliance with laws, regulations and collective bargaining agreements
- Review of the equality of employees
- Collaboration with the HR Department on personnel planning or operational changes

Within the Group, a professional relationship rooted in openness and trust is maintained between the Managing Board, the respective managing directors, the employees and their representative bodies. In addition, each company has central contact persons for special topics such as equal treatment, occupational safety or health. Together with employee representatives, we create reliable working conditions.

Flexibilization of working

In addition, the Managing Board and managing directors of the individual subsidiaries are in regular contact with the local employee representatives, who also make suggestions for securing and promoting jobs. They may be involved with the flexible organization of working time, the promotion of parttime work and semiretirement for older workers, new forms of work organization, changes in working methods and procedures, alternatives to outsourcing work or the assignment of work to other companies, and the production and investment program.

In order to give our employees greater flexibility in organizing their personal needs, the “Agile Working Hours” concept was introduced at the German site in 2019. Our employees can choose between the concept of a working time account with time recording or independent working based on trust-based working hours. This arrangement may change in 2024 due to legal requirements.

The classic principle of the working time account is based on time recording using a time recording system. With independent working time, working hours are not systematically recorded on a daily basis. Depending on the working hours in the department, employees decide on their own responsibility about their working hours during the framework working hours. The focus is on delivering results and the achievement of corporate and departmental goals, as well as individual targets. All employees can compensate for more time worked by taking time off. Switching between a working time account and independent working time can be agreed once a year.

Occupational health and safety

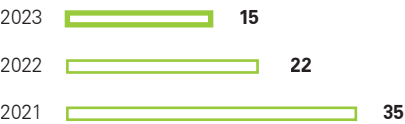
Occupational safety takes high priority at Manz. It is important to us to be active and preventative in this area, above and beyond the laws and regulations, and we therefore have an occupational health and safety management system that is based on the ISO 45001 standard. A central component is Manz AG’s occupational safety guideline, which regulates topics of personal protective equipment, machine safety, emergency preparedness, incident and accident management, workplace ergonomics, handling of chemical and biological substances, and fire protection. We consider all aspects of occupational safety – from primary accident prevention to stress-related factors in the organization. We ensure that processes and information channels are continuously optimized, that techniques such as e-learning are used and that employees receive further training through close supervision and support from specialist personnel. Everyone also promotes health and safety in their working environment by committing to comply with all applicable regulations through the Code of Conduct. If employees discover that facilities are not in a safe condition, they must report this defect to their manager without delay.

External and internal occupational safety specialists support us in complying with all health and safety regulations in the company. We have also engaged internal experts for all questions relating to radiation protection and hazardous substances.

Across the Group, the average accident rate (number of accidents in relation to number of employees) fell significantly to 1.05 % in 2023 (previous year: 1.47 %). In absolute figures, Manz recorded 15 accidents at all locations worldwide (previous year: 22). Calculated on the basis of the associated days lost (number of days lost due to accidents compared to the total number of working days), the rate was 0.05 % (previous year: 0.04 %).

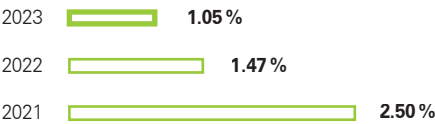
Number of accidents

per year



Accident rate

in %



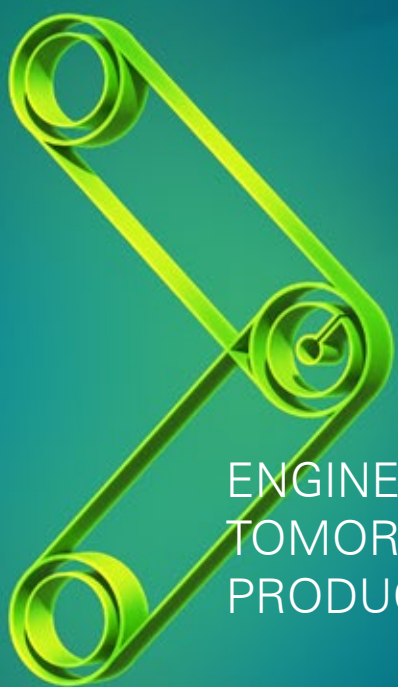
In addition to workplace safety measures, we also promote the general health of our employees through numerous country-specific offers. For example, we offer our employees in China public liability insurance as well as health and occupational accident insurance. In order to prevent potential health risks, we have a company doctor at our German site who provides preventive medical check-ups. We have also given all employees in Germany the opportunity to receive a flu vaccination.

The company doctor is available to all employees in the practice every day for acute issues relating to their work. In addition, a monthly consultation hour is offered at the company. Senior management at the Reutlingen site also receive a free all-round health check at regular intervals. The company doctor also supports the company with questions regarding the planning, implementation and maintenance of operating facilities or the design of work processes and workplaces.

Indeed, we do not only pay close attention to health issues not just related to the direct performance of work. We also support our employees, for example, with discounted health-promoting offers or the leasing of a JobRad (bicycle).

RELIABILITY, CREDIBILITY, LEGALITY

These are the values on which our actions are based. They ensure our corporate success in an increasingly globally networked world.



ENGINEERING
TOMORROW'S
PRODUCTION



Governance

CODE OF CONDUCT – THE FOUNDATION OF OUR ACTION

Group-wide compliance management system.

There were no cases of corruption or fines for non-compliance with laws and regulations in 2023.



We live transparency and responsibility – worldwide

Fair competition as well as ethical and lawful business activities are essential for our long-term economic success. Manz AG's employees and all business partners are obliged to comply with our group-wide Code of Conduct. This describes our values and principles of conduct and also covers topics such as the careful use of resources, the protection of trade and business secrets, and international labor and social standards.

Evaluate, raise awareness, monitor

We use our group-wide compliance management system, which is regularly evaluated, to ensure that violations of the law are avoided and that standards of conduct and internal company guidelines are adhered to.

- The Code of Conduct is provided to new employees as part of the onboarding process, and a central compliance contact person or local compliance contact persons in the individual companies of the Manz Group are available at any time to answer questions about its practical implementation.
- Regular compliance trainings for employees contribute to general awareness and correct behavior in situations involving legal risks.
- Any suspected or actual violation of laws or our standards of conduct and internal company guidelines must be reported via our company's own whistleblower protection system— anonymously if desired.
- Since the beginning of 2020, our standards have also been contractually anchored for our business partners.

With these measures, we protect our company against possible legal and financial risks and strengthen our reputation as a responsible and fair employer, business partner and client.

Our goal:
Establishing a sustainable compliance culture

Governance und Compliance

Sustainable remuneration structures

Responsible corporate governance includes transparent, performance-related remuneration structures that are geared towards sustainable corporate development. Our managers and employees, therefore, also participate directly in the success of the company on the basis of specific financial indicators at Group level.

In accordance with statutory requirements and the recommendations of the German Corporate Governance Code (GCGC), the remuneration of Managing Board members is based on the usual level and structure of Managing Board remuneration at comparable companies, as well as on the economic situation and future prospects of the company. The tasks and performance of the respective Managing Board member and the salary structure within the company are also taken into account.

To ensure the appropriateness of Managing Board remuneration, the Supervisory Board conducted a horizontal and vertical comparison in the 2023 financial year. The review of the Managing Board remuneration for the 2023 financial year showed that the Managing Board remuneration resulting from the target achievement for the 2023 financial year is appropriate.

In addition to performance-independent components, the Managing Board of Manz AG also receives variable remuneration. In addition to financial performance criteria, the variable remuneration also includes variable components that are based on non-financial corporate departmental targets. In accordance with the corporate goal of sustainably increasing Manz AG's competitiveness, the non-financial performance criteria are intended to promote the focus of the Managing Board's activities on the strategic, technical and structural development of the company, including environmental, social and governance (ESG) topics. These are individual targets for each member of the Managing Board.

We report in detail and transparently on the target agreements and compensation for the Managing Board and Supervisory Board in our compensation report, which is available for download on Manz AG's website at www.manz.com in the "Investor Relations" section under "Corporate Governance" in the "Compensation Report and Compensation System" section.

Compliance Management

Manz AG has a group-wide compliance management system geared to the company's risk situation, which was developed on the basis of an internal risk analysis and is continuously improved. National legal systems are taken into account as well as political, social and cultural conditions. In this way, we aim to establish a sustainable compliance culture to avoid violations of the law and to adhere to standards of conduct and internal company guidelines. No serious compliance violations were identified in 2023. In addition, we have set up an internal whistleblower protection system through which any suspected or actual violation of laws or our standards of conduct and internal company guidelines can be reported to the Manz Group by whistleblowers, both anonymously and under real name.

In 2023, no cases of corruption occurred and no fines were imposed on Manz AG for non-compliance with laws and regulations.

As far as good corporate governance is concerned, Manz AG is guided by both the German Corporate Governance Code (GCGC) and the Manz AG Code of Conduct, which applies throughout the Group. Our Code of Conduct sets out our values as well as our standards of conduct and ethics throughout the Group.

Our Code of Conduct is available to all Manz Group employees worldwide in the respective national language on the intranet. New employees are given our Code of Conduct as part of the onboarding process. If the Manz Group employees require support in the specific implementation of the guidelines in certain situations, they can contact our central compliance contact person or local compliance contact persons in the individual Manz Group companies at any time.

Manz AG's Code of Conduct can be downloaded from the Manz AG website at www.manz.com in the "Company" section under "Downloads". It is also presented in section "V. Compliance Management System" of the "Corporate Governance Statement", which can be accessed in the "Investor Relations" section under "Corporate Governance".

As a further practical measure to prevent legal violations, Manz AG also holds regular employee training courses on the topic of compliance. In addition to raising general employee awareness, the goal of this training is to provide employees with department-specific training with clear guidelines on correct behavior in situations involving legal risks.

These and other standards are also set out in our “Business Partner Code of Conduct”, which is available on Manz AG’s website at www.manz.com in the “Company” area under “Sourcing” in the “Downloads”-section. With this Code of Conduct, we emphasize the importance and our understanding of our value system, which we expect all business partners to adhere to. Detailed information on the topic of “Sustainable supply chain” can be found on pages 53 to 54.

As a reliable employer, we fulfill our responsibility to the community throughout the Group. This also includes ensuring that we as a company pay local taxes in the countries in which we operate and do not pursue a strategy of active tax avoidance. We have the correctness of the taxes paid audited annually by independent tax consultants.

Management of sustainability risks

Our risk management system is embedded in our entire organizational structure and process organization. It consists of a large number of components, which are explained in detail in our annual report. These components include the evaluation of our compliance system, which takes place four times a year, as well as the early identification of risks that affect job security. By taking appropriate measures against these risks, we create reliability and stability for our employees. In addition, our technology portfolio, which can be used across industries and regions, helps us to deploy our employees flexibly wherever they are needed. In this way, we create additional stability in capacity utilization at Group level. No significant risks that are likely to have a serious negative impact on environmental or social sustainability aspects can currently be derived from our business activities.

Community commitment

Donations to charitable organizations

At our respective locations, we are also involved beyond matters of work. In this context, Manz AG supports local sports and cultural associations and organizations in which our employees are active on a voluntary basis, by making financial donations as part of the “Employees in Volunteering” initiative. In addition, Manz AG fulfills its social responsibility by supporting social institutions on an annual basis. In 2023, two international branches of the Manz Group and Manz AG in Germany donated a total of approximately 52,000 EUR in 2022 (previous year: 64,200 EUR).

Memberships in associations

Manz AG is a member of the German Engineering Federation (VDMA), which sees itself as the leading association for representing the industry in politics and in public. In addition, Manz is a member of the German-Slovak Chamber of Industry and Commerce at its location in Slovakia, a member of the German-Hungarian Chamber of Industry and Commerce at its location in Hungary, a member of the German-Chinese Chamber of Commerce in Shanghai at its location in China, and a member of the German Trade Office Taipei at its location in Taiwan. At its location in Italy, Manz is a member of Confindustria, Italy’s largest employers’ organization. Manz AG is also a member of “Kompetenznetzwerk Lithium-Ionen-Batterien e. V.” (KLiB), an interdisciplinary association of industry and research that aims to strengthen Germany’s competitiveness in the key technology of lithium-ion battery production. To this end, KLiB networks industrial companies, research institutes and public institutions, initiates a cross-industry dialog and strengthens public awareness of the future technology of rechargeable batteries in Germany. Manz AG is also a member of “Unternehmensverband Südwest” (USW), an interest group with a socio-political focus, specializing in issues of labor law, social security, labor policy and securing skilled workers.

Political donations

There were no direct or indirect donations to political parties or politicians in 2023.

Quality and Innovation Management

With our employees as the basis, we put the customer at the center of our actions every day. We understand the challenges our customers face. By providing them with highquality solutions and services that are tailored to their needs, we make a significant contribution to their success. We want to succeed against our competition on the basis of quality, innovative strength and our global presence.



ISO
9001:2015

For this purpose, we have established a Quality Management System that is certified according to ISO 9001:2015. The certification covers the development, production, sales and services of systems and production lines for the automotive industry and electromobility, battery production, electronics, and energy among others. In the development and production of our machines, we ensure full compliance with the “essential safety requirements” of the European Union. In accordance with this quality promise, each of our machines receives a CE marking or the country-specific marking required by the respective importing country. Certification in accordance with the Machinery Directive 2006/42/EC is based on a clearly defined process. These corresponding procedural instructions apply to all areas of the company and regulate the responsibilities and processes within sales, divisional management, product management, project management, all engineering disciplines and the preparation of operating, maintenance and servicing instructions.

Environmental aspects such as the lowest possible use of materials or small carbon footprint are considered from the beginning when developing new machines and systems. This is set out in a global guideline for environmentally friendly plant development, which must be followed by all development areas as part of the Global Engineering Standard.



EN ISO
12100:2010

As part of the certification of our machines, a hazard and risk assessment is carried out in accordance with the harmonized European standard EN ISO 12100:2010. We rely on the Safexpert software typically used in mechanical and plant engineering, which provides our engineering department with professional support in calculating performance levels in accordance with EN ISO 13849-1 and in dealing with standards and EU directives. The risk assessment documentation is prepared by the engineering department; if necessary, the engineering department also initiates design measures to achieve the necessary risk reduction. The relevant manager checks the risk assessment and approves it. Processes and responsibilities are clearly defined when preparing the risk assessment for our solutions.

To check whether the “Performance Level Required” of the functional safety circuits has been achieved in accordance with EN ISO 13849-1, the employees in the electrical design department are commissioned by the project management. It is determined and documented using the SISTEMA software.

A green double-bordered arrow pointing to the right, containing the text "EN ISO 13849-1".

EN ISO
13849-1

However, professional work is also a key concern for us when using our machines directly. Our customers therefore receive operating, maintenance and servicing instructions as well as extensive training to ensure correct and safe use. In accordance with the requirements of CE certification, each machine is accompanied by operating instructions in the official language(s) of the country in which the machine is placed on the market and/or put into operation. We ensure that any questions our customers may have are answered quickly by our local service teams once the machines have been handed over.

With our Manz proprietary software platform “smartPRODUCTIONKIT”, we can check the performance of our machines in real time and identify potential errors remotely during the entire production phase. This gives us improved control over the various processes, allows us to optimize them for each individual customer and avoid time-, resource- and cost-intensive downtimes. This enables increased efficiency in production and supports the sustainable use of our customers’ existing resources.

In addition, through our innovations – not only at product level, but also in relation to our services, in particular – we are promoting the transformation toward realizing a more sustainable economy. Thus, since 2022, we have been offering companies in our Laser Application Center (LAC) the opportunity to test and optimize various laser welding processes and material combinations under real conditions, and to create samples of the respective products with the advice of Manz. This is crucial for efficient, fast and safe product development. The LAC is already being used by companies in the automotive and energy storage industries, for example, for process development or optimization in the manufacture of battery cells and modules.

Sustainable supply chain

A secure and resilient supply chain is a key factor in Manz AG’s corporate success. Our purchasing philosophy is therefore based on our responsibility to optimally supply all Manz companies and divisions. To fully meet this requirement, we enter into strategic partnerships as well as long-term contracts with core suppliers and achieve volume effects by bundling group-wide requirements. The purchasing strategy for all companies and divisions is determined by the Director Strategic Purchasing in close coordination with the Managing Board at the Manz Group’s headquarters in Reutlingen. Our international subsidiaries purchase both via the parent company and on an independent basis.

For Manz AG, however, sustainability in the supply chain goes beyond secure and resilient structures and includes further duties of care in the areas of the environment, social affairs and governance. In our “Business Partner Code of Conduct”, we therefore define corresponding standards in the areas of “Human Rights and Working Conditions”, “Occupational Health and Safety”, “Business Ethics” and “Environment”. In the event of significant violations of these standards by business partners, Manz AG reserves the right to terminate the business relationship with the business partner in compliance with the applicable laws and current contracts. In 2023, as in the previous year, no violations of these standards by our business partners have come to our attention.

Furthermore, Manz AG began implementing an AI-based risk management tool in 2023, which will be rolled out in the first quarter of 2024. The tool’s comprehensive evaluation and monitoring options will be used in a targeted manner to monitor the supply chains and to fulfill legal requirements, e. g., German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG). This is expected to lead to significant improvements in terms of supplier sustainability, maturity, and transparency. For further information, please refer to the section “Compliance with minimum social standards” in the chapter “Disclosure EU Taxonomy” from page 58 of this report.

IT security and data protection

In a networked business world, a secure digital infrastructure is a central component for the success of a modern company like Manz AG. In addition to numerous opportunities and possibilities, digitalization also harbors potential risks such as the loss of data, information, business secrets or expertise due to targeted hacker attacks or system infection by malware. Manz AG therefore attaches correspondingly high priority to IT security and data protection.

Extensive measures have been taken to protect confidential information. Manz AG is guided by the VDA Information Security Assessment (VDA ISA) questionnaire for information security issued by the German Association of the Automotive Industry and uses the ENX Trusted Information Security Assessment Exchange (ENX TISAX) testing and exchange mechanism.

The TISAX assessments are carried out by accredited audit providers who provide evidence of the participants' qualifications at regular intervals. The assessment at Manz AG was carried out by DEKRA. TISAX results are not intended for the general public. The results can only be accessed via the ENX portal: <https://enx.com/en-us/tisax/>

The implementation of Manz AG's IT security concept and compliance with uniform security standards within the Manz Group are monitored by the IT Security Officer, who reports directly to the Chief Financial Officer (CFO). There is a central contact person for IT security in each of the individual subsidiaries.

A key element of Manz AG's IT security concept is the "Information Security Policy for Employees," which applies to all employees of the Manz Group and is regularly reviewed with regard to current threats and risks and updated as necessary. When joining the company, every Manz AG employee in Germany receives mandatory IT and data protection training. In addition, further training courses on information security are offered, which are made available to the Manz Group employees in the relevant areas. The training program is regularly reviewed and expanded.

We also use penetration tests to regularly check the security of our system components and applications in the network and software system. These penetration tests are carried out at least once a year.

With regard to data protection, the "Corporate Data Protection Policy" defines the rules for processing personal data in accordance with the applicable legal provisions, in particular the EU General Data Protection Regulation (GDPR). The timeliness, effectiveness and compliance with Manz AG's corporate guidelines are monitored in Germany by an external data protection officer and an internal data protection coordinator. There are also local contact persons for data protection at the European locations.

Overview

of Goals

Environmental issues



Goal **Energy consumption**

Continuously decrease energy consumption per revenues compared to the previous year



Goal **Waste volume**

Continuously decrease waste volume per revenues compared to the previous year



Goal **Carbon footprint**

Reduce carbon footprint (Scope 1 and 2 GHG emissions) in relation to revenues by 21 % compared to the base year 2020 until 2026



Goal **Fuel consumption (own car fleet)**

Reduce fuel consumption by 10 % compared to the previous year (relative to the number of cars)



Goal **Renewable energies**

Continuously increase the share of renewable energies in total electricity demand



Goal **Fresh water consumption**

Continuously reduce fresh water consumption per revenues compared to the previous year

Employee issues and training



Goal
Training

Annual average of at least
2 workdays of training per
employee



Goals
Non-permanent
employees

Employment relationships
Precarious employment
relationships should be
avoided; before hiring tem-
porary or contract workers,
a permanent hire will be
considered

Internships
Limitation of
internship period

Temporary positions
Annual contracts should be
converted into permanent
employment relationships
after extension



Goal
Share female
employees

25% share of women
(medium-term)



Goal
Share female
managers

25% share of
female managers
(medium-term)

Disclosure EU Taxonomy

Taxonomy-eligible and taxonomy-aligned economic activities

One of the main objectives of the EU Taxonomy is to provide greater support to those companies that carry out environmentally sustainable activities. This is to be achieved, among other things, by redirecting investment flows to these companies. In this way, the EU taxonomy is intended to contribute to the implementation of the European Green Deal to achieve the EU climate targets. The EU Taxonomy is a classification system for environmentally sustainable economic activities. The EU Taxonomy Regulation defines the following six environmental objectives: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems.

Economic activities are considered “environmentally sustainable” according to the taxonomy guidelines if they:

1. make a substantial contribution to the achievement of one or more of the six environmental objectives mentioned (“Substantial Contribution”),
2. do not significantly affect the achievement of other EU environmental objectives (“Do No Significant Harm”, DNSH) and
3. comply with minimum social standards (“Minimum Safeguards”).

The “Substantial Contribution” and “Do No Significant Harm” criteria are reviewed using the technical evaluation criteria. At the time of reporting, criteria for all of the above-mentioned six environmental objectives are available by the EU. For the 2023 reporting year, the taxonomy-eligible economic activities for these six objectives are reported. Reporting on taxonomy-aligned economic activities is only carried out for the first two objectives.

Economic activities are considered “taxonomy-eligible” if the activity is listed in the EU taxonomy activity catalog and they comply with the activity description in Annexes I and II to the delegated act of June 27, 2023. To be considered “taxonomy-aligned”, the taxonomy-eligible economic activities must also meet the technical assessment criteria defined for the respective business activity. Compliance with minimum social standards must also be ensured as part of the economic activities.

The information in this report is based on the Taxonomy Regulation (EU) 2020/852, which entered into force in July 2020. The Delegated Regulation on Articles 10 and 11 (technical assessment criteria) of June 2021 and the Delegated Regulation pursuant to Article 8 of the Taxonomy Regulation of July 2021 were also taken into account. The amendments made in the 2023 reporting year to Regulations (EU) 2020/852 for climate targets 3–6 and (EU) 2021/2139 for climate targets 1–2 were also considered. At the reporting date, the EU Taxonomy Regulation and the delegated acts adopted in this context still contain terms with significant uncertainties of interpretation, for which clarifications have not been published in every case. In such cases, the assumptions made have been identified and explained in this report.

Procedure at Manz AG

In an initial mapping, Manz AG's business activities were first assigned to the relevant activity descriptions of the EU taxonomy. In addition, the business activities in the Mobility & Battery Solutions and Industry Solutions divisions were analyzed and checked to determine whether the relevant technical assessment criteria for the business activities under consideration were actually met. Due to the changes in Regulations (EU) 2020/852 and (EU) 2021/2139 described above, the mapping was carried out again. This did not result in any new findings.

The majority of Manz AG's business activities are not directly reflected by the Taxonomy Regulation. The current version of the Taxonomy Regulation is not directly aimed at the mechanical engineering industry. Solutions and technologies from the mechanical engineering industry are not explicitly mentioned. However, in our opinion, the solutions and technologies from this sector make a significant contribution to the green transformation of the European industry.

For this reason, the activity description "3.6 Manufacture of other lowcarbon technologies" and the associated technical evaluation criteria play an important role for Manz AG. A large part of Manz AG's business activities consists of developing and manufacturing machinery and equipment that leads to significant reductions in carbon emissions in the automotive and aviation industries, among others. Manz AG's solution portfolio was reviewed with regard to lowcarbon technologies. Technologies that contribute to a significant reduction in carbon emissions and achieve significantly lower emission levels compared to the bestperforming reference technology available on the market are classified as taxonomyeligible.

In addition, the initial mapping of Manz AG revealed that parts of Manz AG's business activities can be assigned to the activity description "3.1 Manufacture of renewable energy technologies". This activity is the production of renewable energy technologies within the meaning of Article 2 (1) of Directive (EU) 2018/2001.

Application of the EU Taxonomy to the business activities of Manz AG

The following activities defined by the EU taxonomy were identified by Manz AG for the KPIs revenues, capital expenditure (CapEx), and operating expenditure (OpEx):

- 3.1 Manufacture of renewable energy technologies
- 3.6 Manufacture of other low carbon technologies

The description of the activity “3.1 Manufacture of renewable energy technologies” and the related criteria for a significant contribution have been clearly defined by the EU Commission. Therefore, no interpretation of Manz AG is required for this activity. Several machines provided by the Industry Solutions division enable Manz AG’s customers to manufacture products that generate energy from renewable sources.

The description of the activity “3.6 Manufacture of other lowcarbon technologies” and the associated criteria for a significant contribution is kept very general by the EU Commission. Therefore, Manz AG’s interpretation of this activity must be presented in more detail. The activity includes economic activities that produce technologies that strive for (and demonstrably achieve) significant reductions in lifecycle carbon emissions when compared to the best performing alternative technology available on the market. The technical evaluation criteria for this activity do not specify a precise value for “significant carbon emission reductions.” Manz AG defines a “significant reduction” as a reduction in carbon emissions of at least 20% during the deployment phase. A significant reduction in carbon emissions of this magnitude can only be achieved through a technological leap. The reference technology is the technology commonly used in the market today. In the automotive industry, this includes in particular combustion engines, which are currently mainly powered by gasoline or diesel.

The technical evaluation criteria in activity 3.6 describe the need for life cycle greenhouse gas inventories for business activities. The inventories must be prepared in accordance with established standards, and verified by independent third parties.

For Manz AG as a hightech engineering company, performing the required life cycle analysis at project level is not economically feasible. Manz AG offers individual technological solutions that are tailored to customerspecific requirements. One example of a sustainable activity is the manufacture of production lines for the production of highperformance batteries for electric vehicles. These production lines are designed to achieve significantly reduced carbon emissions during the use phase, in particular, through a high degree of automation and optimized resource efficiency. The batteries are used in electric vehicles in particular, which can make a significant contribution to reducing carbon emissions in the transport sector. Batteries are the central component of electric vehicles, which can make a significant contribution to reducing carbon emissions in the transport sector. According to the “Global EV Outlook 2023” study by the International Energy Agency (IEA), the potential savings from the use of electric vehicles compared to

vehicles with combustion engines will amount to around 770 million metric tons of CO₂ equivalent by 2030. In this respect, we consider our production lines, particularly in the Mobility & Battery Solutions segment, which are used to manufacture high-performance batteries for electric vehicles, to be an economic activity for the manufacture of other low-carbon technologies within the meaning of activity 3.6 of the EU Taxonomy.

No significant impact on other environmental objectives

Manz AG has also analyzed whether the achievement of the five other environmental goals is significantly impaired by the abovementioned business activities.

With regard to the environmental goal (2) climate change adaptation, Manz AG is guided by the recommendations for companies on "Conducting a robust climate risk and vulnerability analysis according to the EU taxonomy" of the German Federal Environment Agency (Umweltbundesamt). In 2023, an analysis was carried out for the first time for the Reutlingen and Italy locations. The first step was to determine the expected lifespan for each economic activity. This was followed by a screening to identify climate risks in accordance with Annex A of Delegated Regulation 2021/2139. No significant physical risks were identified as part of this screening, as the locations of the properties are geographically outside the global extreme risk zones. In the medium to long term, an increase in risks is possible in the event of further negative developments in climate change. In view of the continuing dynamic development of climate forecasts, we intend to update the risk analysis regularly, taking into account the latest climate models.

The fulfillment of the DNSH criteria for the environmental goal (3) Sustainable use and protection of water and marine resources essentially relates to legal and official requirements, which Manz AG is obliged to comply with. There are no indications that Manz AG is violating any of these requirements.

For the environmental goal (4) transition to a circular economy, there are general requirements such as long usability, easy maintenance or disassembly. The majority of Manz AG's machines is recyclable, designed for a very long service life and still have a monetary value at the end of their useful life. The criteria were met at Manz AG.

The fulfillment of the DNSH criteria for the environmental goal (5) Pollution prevention and control essentially relates to legal and official requirements, which Manz AG is obliged to comply with. There are no indications that Manz AG is in violation of such requirements.

Manz AG carries out environmental impact assessments and comparable assessments for the environmental objective (6) protection and restoration of biodiversity and ecosystems, where necessary, as part of its own business activities.

Compliance with minimum social standards

For compliance with minimum social standards, the Taxonomy Regulation refers to compliance with the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the core labor standards of the International Labor Organization (ILO) and the International Bill of Human Rights.

Manz AG bases its compliance with minimum social standards on the “Final Report on Minimum Safeguards” by the “Platform on Sustainable Finance” of October 2022. The report analyzes the standards referred to in Article 18 of the Taxonomy Regulation. As a result, the report identifies five core topics that must be considered for compliance with minimum social standards. These core topics are:

1. Human rights, including the rights of workers
2. Bribery/corruption
3. Taxation
4. Fair competition
5. Controversial weapons

The processes and systems established at Manz AG are generally suitable for identifying potential risks and violations of minimum social standards. Various processes have been implemented at Manz AG in order to fulfill the requirements of both internal and external stakeholders. Clear guidelines exist for internal stakeholders, in particular employees, including a Code of Conduct for Employees, which defines ethical standards and principles of behavior. Another internal mechanism is the whistleblower system, which enables employees to report potential violations or risks. This promotes a transparent corporate culture and enables Manz AG to respond promptly to any problems.

Manz AG uses an IT-supported risk management tool for external stakeholders, especially suppliers. This enables a dynamic and continuous abstract risk assessment of all suppliers. Regular risk analyses are used to identify and evaluate potential risks to ensure that cooperation with external partners meets the highest standards.

Revenues

The definition of revenues in accordance with EU taxonomy corresponds to the revenues reported in the IFRS consolidated financial statements. Revenues in financial year 2023 amounted to 249.2 EUR million. See also Note 1 “Revenues” to the consolidated financial statements. The majority of Manz AG’s revenues come from the production and delivery of customerspecific machinery and equipment. These revenues are recognized on a proportional basis using the percentage of completion (PoC) method.

Revenues

| | | | Climate change mitigation | | | | Climate change adaptation | | | | Water | | Circular economy | | Pollution | | Biodiversity | | | | | |
|-----|--|----------|---------------------------|------------|------------|------------|---------------------------|------------|------------|------------|------------|------------|------------------|------------|------------|------------|--------------|------------|----------|------|-----|-----|
| | | Mio. EUR | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Mio. EUR | % | (E) | (T) |
| A. | Taxonomy-Eligible Activities | | | | | | | | | | | | | | | | | | | | | |
| A.1 | Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | 55.7 | 22.2 | | |
| | Manufacture of renewable energy technologies | CCM 3.1 | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | 5.8 | 2.3 | E | |
| | Manufacture of other low carbon technologies | CCM 3.6 | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | 49.8 | 19.9 | E | |
| | Revenue of environmentally-sustainable activities (Taxonomy-aligned) (A.1) | | 75.6 | 30.3 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| | of which Enabling | | 75.6 | 30.3 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | |
| | of which Transitional | | 0.0 | 0.0 | 0.0 | | | | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | | | | |
| A.2 | Taxonomy-Eligible but not environmentally sustainable activities (not taxonomy-aligned activities) | | 0.0 | 0.0 | | | | | | | | | | | | | | | | | | |
| A. | Revenue of Taxonomy-eligible activities (A.1 + A.2) | | 75.6 | 30.3 | | | | | | | | | | | | | | | | | | |
| B. | Taxonomy-Non-Eligible Activities | | 173.6 | 69.7 | | | | | | | | | | | | | | | | | | |
| | Total (A + B) | | 249.2 | | | | | | | | | | | | | | | | | | | |

Y – yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N – no, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

Capital expenditure

Capital expenditure in accordance with the EU taxonomy relates to the following items in the IFRS consolidated financial statements. These include additions to intangible assets and property, plant and equipment, as well as rights of use to leased assets. These are described in Notes 14 “Intangible assets” and 15 “Property, plant and equipment” to the consolidated financial statements.

Capital expenditure already identified as part of “Revenues” and attributable to taxonomy-aligned economic activities was allocated as follows. Capital expenditure that could not be clearly allocated to a taxonomy-eligible or taxonomy-aligned business area were taken into account using an allocation key. The allocation key is based on the share of taxonomy-aligned revenue per production site and is applied to the capital expenditure of the respective production site in the next step. 95.1 % of capital expenditure was allocated using this allocation key. The remaining 4.9 % relates to capitalized development costs as part of the “Lithium-Ion Battery Factory of the Future” project. This Manz AG project is supported by the German Federal Ministry for Economic Affairs and Climate Action (BMWK) and the BadenWürttemberg State Ministry of Economics, Labor and Tourism as part of the Important Projects of Common European Interest (“IPCEI”) to promote research and innovation in the battery value chain. These capitalized development costs were directly allocated to activity 3.6. No other significant capital expenditure from other activities was identified.

Capital expenditure

| Economic Activities | | Code | Capital expenditure (CapEx) | Substantial contribution to environmental objectives | | | | Compliance with DNSH criteria | | | | | | Minimum Safeguards | Taxonomy-aligned CapEx 2022 | Category (enabling activity) | Category (transitional activity) | | |
|---------------------|--|---------|-----------------------------|--|---------------------------|------------|------------------|-------------------------------|--------------|---------------------------|---------------------------|-------|------------------|--------------------|-----------------------------|------------------------------|----------------------------------|-----|-----|
| | | | | Climate change mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity | | | | |
| A. | Taxonomy-Eligible Activities | | Mio. EUR | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N | Y, N | Y, N | Y, N | Y, N | Y, N | Mio. EUR | % | (E) | (T) |
| A.1 | Environmentally sustainable activities (Taxonomy-aligned) | | 6.3 | 49.6 | | | | | | | | | | | | 9.1 | 54.2 | | |
| | Manufacture of renewable energy technologies | CCM 3.1 | 1.7 | 13.4 | Y | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | 0.2 | 1.3 | E | |
| | Manufacture of other low carbon technologies | CCM 3.6 | 4.6 | 36.2 | Y | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | 8.9 | 52.9 | E | |
| | CapEx of environmentally-sustainable activities (Taxonomy-aligned) (A.1) | | 6.3 | 49.6 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | Y | Y | Y | Y | Y | | | | |
| | of which Enabling | | 6.3 | 49.6 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | Y | Y | Y | Y | Y | | | | |
| | of which Transitional | | 0.0 | 0.0 | 0.0 | | | | | 0.0 | Y | Y | Y | Y | Y | | | | |
| A.2 | Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | 0.0 | 0.0 | | | | | | | | | | | | | | | |
| A. | CapEx of Taxonomy-eligible activities (A.1 + A.2) | | 6.3 | 49.6 | | | | | | | | | | | | | | | |
| B. | Taxonomy-Non-Eligible Activities | | 6.4 | 50.4 | | | | | | | | | | | | | | | |
| | Total (A + B) | | 12.7 | | | | | | | | | | | | | | | | |

Y – yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N – no, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

Operating expenditure

Operating expenditure as defined by EU taxonomy take into account non-capitalizable expenses for research and development, renovation measures, shortterm lease, maintenance and other direct expenditure relating to the day-to-day servicing of assets of property, plant and equipment to ensure that the taxonomy-eligible or taxonomy-aligned assets are ready for operation. Operating expenditure cannot be reconciled directly to the presentation in the consolidated statement of income.

Operating expenditure already identified as part of "Revenues" and attributable to taxonomy-aligned economic activities was allocated as follows. Operating expenditure that could not be clearly allocated to a taxonomy-eligible or taxonomy-aligned business area were taken into account using an allocation key. The allocation key is based on the share of taxonomy-aligned revenue per production site and is applied to the operating expenditure of the respective production site in the next step. This key was used to distribute 100 % of the operating expenditure. No other significant operating expenditure from other activities was identified.

Operating expenditure

| Economic Activities | Code | Operating expenditure (OpEx) | Substantial contribution to environmental objectives | | | | | Compliance with DNSH criteria | | | | | Minimum Safeguards | Taxonomy-aligned OpEx 2022 | Category (enabling activity) | Category (transitional activity) | | |
|--|---------|------------------------------|--|---------------------------|------------|------------------|------------|-------------------------------|---------------------------|---------------------------|-------|------------------|--------------------|----------------------------|------------------------------|----------------------------------|------|-----|
| | | | Climate change mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity | | | | |
| A. Taxonomy-Eligible Activities | | Mio. EUR | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N, N/EL | Y, N | Y, N | Y, N | Y, N | Y, N | Y, N | Mio. EUR | % | (E) | (T) |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | 0.8 | 10.8 | | | | | | | | | | | | | 18.1 | | |
| Manufacture of renewable energy technologies | CCM 3.1 | 0.2 | 2.7 | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | 0.2 | 1.9 | E |
| Manufacture of other low carbon technologies | CCM 3.6 | 0.6 | 8.1 | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | 1.9 | 16.2 | E |
| OpEx of environmentally-sustainable activities (Taxonomy-aligned) (A.1) | | 0.8 | 10.8 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | Y | Y | Y | Y | Y | Y | | | |
| of which Enabling | | 0.8 | 10.8 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | Y | Y | Y | Y | Y | Y | | | |
| of which Transitional | | 0.0 | 0.0 | 0.0 | | | | | | Y | Y | Y | Y | Y | Y | | | |
| A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | 0.0 | 0.0 | | | | | | | | | | | | | | | |
| A. OpEx of Taxonomy-eligible activities (A.1 + A.2) | | 0.8 | 10.8 | | | | | | | | | | | | | | | |
| B. Taxonomy-Non-Eligible Activities | | 6.6 | 89.2 | | | | | | | | | | | | | | | |
| Total (A + B) | | 7.4 | | | | | | | | | | | | | | | | |

Y – yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N – no, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

GRI Table

| General Disclosures | | Page | Comment |
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| GRI 2-1 b | Legal form of the organization | 10 | Reporting period and scope |
| GRI 2-1 c | Headquarters of the organization | 11 | Reutlingen |
| GRI 2-1 d | Countries of operation of the organization | 10 | Reporting period and scope |
| GRI 2-2 a | All entities of the organization included in the sustainability report | 10 | Reporting period and scope |
| GRI 2-3 a | Reporting period and frequency of sustainability reports | 10 | Reporting period and scope |
| GRI 2-3 b | Reporting period for financial reporting | | Jan. 1 to Dec. 31, 2023 |
| GRI 2-3 c | Date of publication of the report or reported information | | May 31, 2024 |
| GRI 2-3 d | Contact point for questions about the report or reported information | 73 | sustainability@manz.com |
| GRI 3 | Material Topics | 12 | Key sustainability topics |

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| GRI 414 | Supplier Social Assessment | 53 | Sustainable supply chain, Business partner Code of Conduct (PDF Download) |
| GRI 415 | Public Policy | 51 | Compliance Management |
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Independent assurance practitioner's report on a limited assurance engagement on the separate non-financial reporting of a group of companies

To Manz AG, Reutlingen

We have performed a limited assurance engagement on the separate consolidated non-financial statement of Manz AG, Reutlingen, (the "parent company") for the period from 1 January 2023 to 31 December 2023 (the "consolidated non-financial statement").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the consolidated non-financial statement.

Responsibility of the Executive Directors and the Supervisory Board

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

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

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section Disclosure EU Taxonomy of the consolidated non-financial statement. They are responsible for the defensibility of this interpretation. Due to the imminent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

The Supervisory Board is responsible for overseeing the Group's non-financial reporting process.

Independence and Quality Assurance of the Assurance Practitioner's Firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements – in particular the By-laws Regulating the Rights and Duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their Profession and the IDW Quality Management Standard issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1[9.2022]) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the consolidated non-financial statement based on our assurance engagement.

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

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

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

- Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement.
- Inquiries of the executive directors and relevant employees involved in the preparation of the consolidated non-financial statement about the preparation process, about the internal control system related to this process and about disclosures in the consolidated non-financial statement
- Identification of likely risks of material misstatement in the consolidated non-financial statement
- Analytical procedures on selected disclosures in the consolidated non-financial statement
- Random individual case tests of selected disclosures in the non-financial Group statement
- Inquiries of relevant personnel and reconciliation with external data for estimated values in the non-financial group statement
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- Evaluation of the presentation of the consolidated non-financial statement
- Evaluation of the process to identify taxonomy-compliant economic activities and the corresponding disclosures in the consolidated non-financial statement

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

Assurance Opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement of the group for the period from [date] to [date] is not prepared, in all material respects, in accordance with §§315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors as disclosed in section Disclosure EU Taxonomy of the consolidated non-financial statement.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the consolidated non-financial statement.

Restriction of Use

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

The performance of our engagement and our responsibilities, including in relation to third parties, are subject to the General Engagement Terms for German Public Auditors and German Public Audit Firms as of January 1, 2017 ("GTE"; Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften in der Fassung vom 1. Januar 2017).

Düsseldorf, May 31, 2024

Nils Borcharding
German Public Auditor

Marcus Carius
German Public Auditor

Imprint

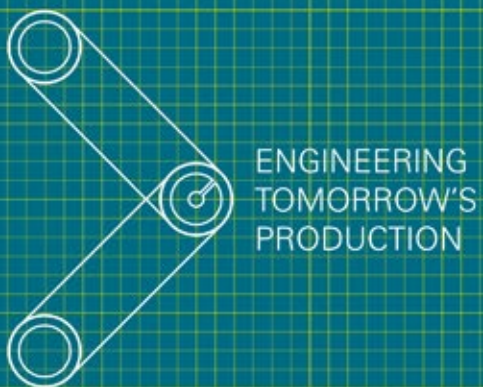
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This is the English translation of the German sustainability report. If there are any discrepancies, the German version of the report shall take precedence over the English translation.

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