



2021 // SUSTAINABILITY REPORT

The focus of our structured endeavours over the long term: our natural and social environment, now and in the future.

ARBURG

Foreword

Dear Readers,

It is with great pleasure and also a little pride that we can present to you today the second edition of our ARBURG Sustainability Report.

The many positive reactions to the first edition of our quite ambitious Report last year clearly showed us that we are absolutely on the right track here.

A sustainability report naturally deals with the topic of sustainability in terms of content, but in our view it only proves its true quality and very own strategic and constituent sustainability when it is published consistently and continuously. Conceiving and designing an initial publication like this is a big step in itself, but the real, the superior quality only emerges through the subsequent annual editions. So this Report represents an important second step for us – and one that we're delighted to be taking!

We cannot repeat it often enough: As entrepreneurs, we feel a strong commitment to doing business in a way that is sustainable, conserves resources and is people-oriented, both now and in the future. This was, is, and will remain the case.

Resource conservation and sustainability are firmly embedded in the DNA of our family business. Our strategy of globally centralised and resource-efficient production of high-quality technology products has been the basis of our successful business, and not just since the recent discussions about the security and functionality of complex global supply and logistics chains.

In order to conserve natural resources, the ARBURG Sustainability Report is only published in electronic form. The Report follows the structure of the WIN Charter, the sustainability management system of the state of Baden-Württemberg, and is published annually. For further information on the scope and application of the information, please refer to the appendix at the end of this Sustainability Report.

A lot of people have worked very hard and with great enthusiasm on this Report and we would like to thank them very much for their commitment.

Happy and informative reading!

Juliane Hehl

Renate Keinath

Michael Hehl



Sustainably green

**We are doing everything we can to achieve a goal that concerns us all:
a sustainable reduction in the carbon footprint of plastics processing.**



arburgGREENworld brings together all of ARBURG's activities for greater production and resource efficiency and a more circular economy.

ARBURG is one of the world's leading machine manufacturers for plastics processing. Our product portfolio encompasses ALLROUNDER injection moulding machines with clamping forces of between 125 and 6,500 kN, freeformers for industrial additive manufacturing, robotic systems, customer and industry-specific turnkey solutions, and additional peripheral equipment.

In the plastics industry, we are pioneers in the areas of production efficiency, digitalisation, (Industry 4.0) and sustainability.

Since our foundation in 1923, we have manufactured exclusively in Lossburg in the Black Forest (Germany). Of our workforce of around 3,400, approximately 2,850 people are currently employed in Germany. Some 550 additional people work in ARBURG organisations around the world.

The inventors and tinkerers in our company have always provided the innovations, while the company's owners and our local environment with its many recreational opportunities have ensured attentiveness to resource conservation and energy efficiency. Our environment is also the "home of injection moulding". This has shaped us. Demonstrably – because ARBURG was one of the first companies to be awarded triple certification for quality, environment and energy as early as 2012. Plastics have been viewed more critically in recent years, although in certain areas – such as medicine or e-mobility – we can no longer conceive of life without them. Plastics per se are not the problem here. It is how we deal with them. We have recognised this and want to do everything in our power to help find solutions to known problems such as maximising degradability and minimising waste accumu-

lation. To achieve this, we take a holistic view of our products and production processes. This has led to the development of our arburgGREENworld programme, which brings together our activities for resource conservation and the circular economy. Our aim is to continuously increase the production efficiency of plastics processing, to sustainably reduce its carbon footprint and to promote the use of recycled materials and bioplastics.

In 2021, we set out our understanding of arburgGREENworld in concrete terms in an action plan. We continuously analyse our situation, for example by participating in the internationally renowned Carbon Disclosure Project (CDP) and receiving a CDP score. Our debut in 2021 produced an above-average result compared to other machine manufacturers with a "B" score.

This certifies that ARBURG is on a very good course in the areas of climate protection, ecology and CO₂ emissions. The goals we set ourselves, the measures we take, and our internal and external communication of the results have been coordinated by a Sustainability Manager since May 2021, which illustrates the importance of the topic for ARBURG.


arburgGREENworld is therefore both a statement and a milestone: For solutions at our customers' facilities. For solutions at our central production location. So Arburg makes a sustainable green impact.

KEY FIGURES AT A GLANCE

FOUNDED IN **1923**  in Lossburg in the Black Forest (Germany)
 – to this day, the headquarters and production site of the family-run company, now in its third generation

35  LOCATIONS
 ARBURG has subsidiaries in a total of 26 countries around the globe

In 2020 
3,200 EMPLOYEES GENERATED EUR 578,000,000

2,080  TRAINEES AND STUDENTS
 since 1949: we achieved this impressive figure in 2021 in our training division

TRIPLE CERTIFICATION
 in accordance with ISO 9001, 14001 and 50001 – quality, environment and energy

CDP SCORE
B is official confirmation for ARBURG that it performs better than average in the areas of climate protection, ecology and CO₂ emissions compared to other mechanical engineering companies


 COMPANY HQ COVERING **210,000 m²**
 Our globally unique manufacturing facility delivers products that are "Made by ARBURG – made in Germany"


 Over **90,000,000 kg of CO₂**
EMISSIONS SAVED BETWEEN 2010 AND 2019
 Clear evidence that we stand by our responsibility


 ARBURG generated around **1,900,000 kWh** OF SOLAR POWER for its own use in 2020 with photovoltaics

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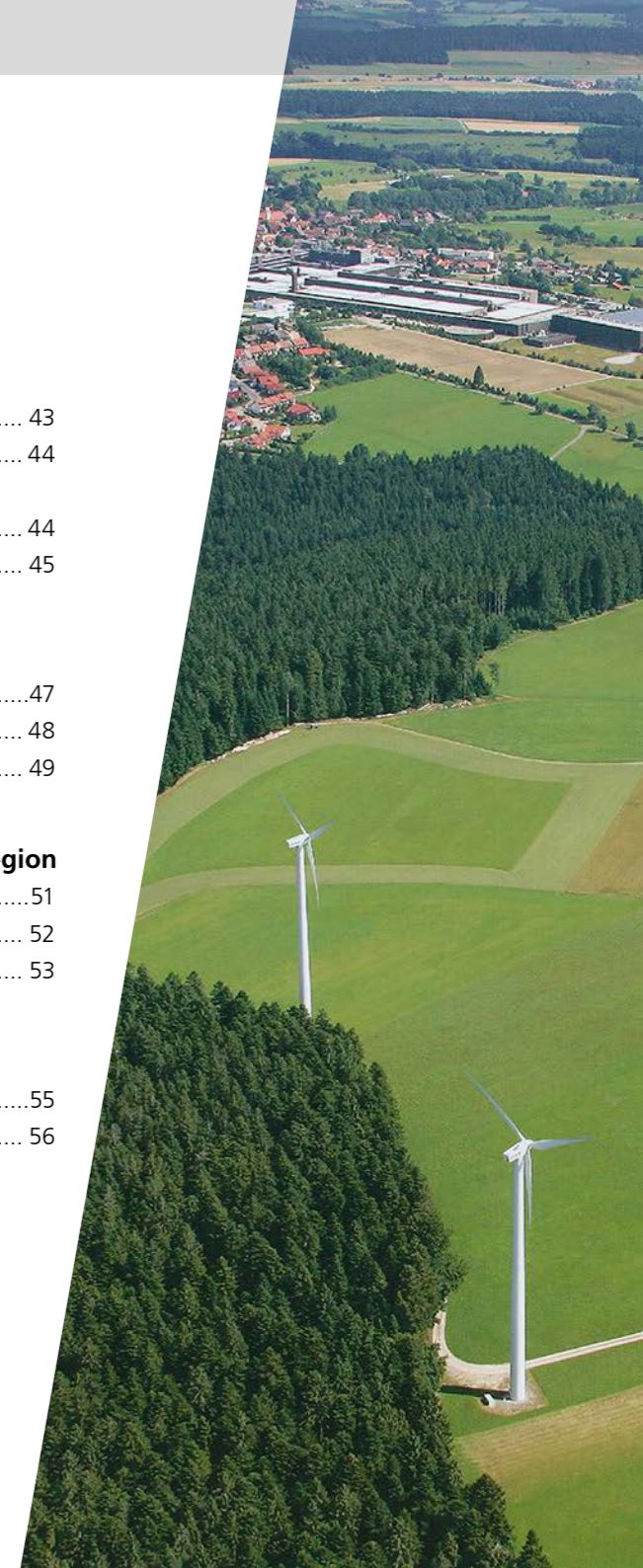
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**We work for and with people.
This is at the core of our brand promise.**

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"Wir sind da." We are here for everyone

For ARBURG as a long-established family company, regions, family and people have always been important aspects of our brand promise "Wir sind da." This sentence encapsulates our firm intention not only to deliver technological excellence, but also to champion the environment and the interests of our customers, employees and partners, as well as other stakeholder groups. We do this "without compromise", as succinctly summed up by our corporate philosophy: "You can rely on us, just like a trusted family-member."

Locally grounded, at home throughout the world

Our roots are in the Black Forest. This is our base. This is where the heart of the extended ARBURG family has been beating for almost 100 years. But the magic isn't confined to Lossburg: at all ARBURG locations around the world, employees, customers and business partners get to experience just what "Wir sind da." means. Our strong roots at our central production location do not mean that we are not also at home worldwide. As one of the leading machine manufacturers for plastics processing, ARBURG and its employees can be found in over 100 countries around the world. Since we are a global and cosmopolitan company, we also attach particular importance to the active protection and upholding of human and workers' rights.

Mutual esteem is our driving force

Words alone will not achieve lasting positive development for all – action is the key. This is why ARBURG acts according to the same moral principles all over the world and sets the bar particularly high in this respect. Equality and empathy are practised worldwide at ARBURG. After all, we all live and work together. All employees at ARBURG contribute in every respect to the ongoing success of the company and thus also directly to the well-being of all.

ARBURG and its trading partners are active in over

100



COUNTRIES

and are committed to human and workers' rights



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Our Code of Conduct: Universally applicable

Our Code of Conduct and the House of Compliance@ ARBURG (see [Section 10](#)) summarise the basic rules applicable throughout the ARBURG Group for ethical and legally compliant dealings with each other and with business partners, authorities and other third parties. Among other things, these cover compliance with national and international regulations, free and fair competition, the rejection of corruption and money laundering, exemplifying social and societal responsibility, and compliance with health and data privacy requirements.

// Due to the increasing globalisation of production processes, ARBURG attaches particular importance to compliance with ethical principles at all its locations. //

Accordingly, every person in a position of responsibility ensures that, within their area, the following aspects, for example, are observed and practised by

the company and its employees:

- Protection of and respect for human rights
- Guaranteeing workers' rights under the respective labour and collective bargaining laws (collective bargaining coverage)
- Ban on forced and child labour
- Application of the principles regarding equal opportunities in the selection of employees
- Ban on exercising undue influence or accepting benefits for favours

ARBURG expects all business partners to apply these binding values as the basis for a business relationship. In addition, business partners are expected to work towards the systematic dissemination of these standards in the supply chain. Pursuing these goals also ensures our national and international competitiveness through transparent behaviour and honesty. We also constantly communicate these principles to all employees, for example through our employee information or in our "New Joiners' Day" induction programme.



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Trust as a basis

When we say that we preserve rights, then that's what we do. World-wide. In equal measure. Without distinction. Our Code of Conduct is clearly formulated: "The prohibition of discrimination and the observance of human rights are a matter of course for ARBURG. [...] ARBURG expects all business partners to also apply these basic rules as a basis for a business relationship. ARBURG also expects these standards to be consistently propagated throughout the entire supply chain". We also check this by auditing our business partners and suppliers on site.

Trusting suppliers

Before suppliers are approved, they are surveyed via a Supplier Self-Assessment (SSA) on subjects such as the Code of Conduct. This is supplemented by a continuously updated energy and environmental questionnaire for energy-intensive suppliers or those with particular environmental risks. Grounds for immediate exclusion would include the use of child labour, for example, or a failure to respect human and workers' rights. The majority of our suppliers have ISO certifications in which the applicable law for each location is integrated.

ARBURG evaluates its suppliers on the basis of the knowledge gained in each case and formulates questions from this if certain facts are not clearly identifiable. This applies to the area of sustainability goals, for example.

Trusting employees

Without a long-term commitment to employees, there will be little motivation and identification with the company. Our management principles state the following: "We trust our employees. Regular staff appraisals help employees to act on their own responsibility within a defined framework." And it is precisely this autonomous behaviour that we want to promote. Through structured cooperation, teamwork, flat hierarchies, and open doors. We are interested in what our employees have to say. Because we want to remain innovative. And innovations only come about when we pool our efforts. Both in terms of thinking and acting.

Trusting partners

When it comes to our business partners, continuity and sustainability are also important, especially when production takes place at a central location. This is the only way for trust to develop and for a lasting and healthy collaborative relationship to be established. And of course this also applies to our customer ties. Here, as in all other relationships, we rely on longevity, trust and openness. Only this will create a lasting win-win situation for all. This is how it was. And this is how it will remain. "Wir sind da." We are here. And we are here to stay. Including when it comes to sustainability!



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02 // WE ENSURE THE WELL-BEING OF ALL OUR EMPLOYEES

All ARBURGers in the company should be in good health.
We work hard to achieve this.





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Focus on "ARBURGers"

Internally, our employees are called ARBURGers. They often call themselves this too – which shows how much our employees identify with the company. In recent years, a number of ARBURG employees who have been with the company for almost half a century have retired.

// Our ARBURGers enjoy working for us. And they usually do so for an above-average length of time. //

Our goal: To positively shape corporate culture

In our brand principles we have stated that people are a key part of our business. They are responsible for the company's success and are constantly working to make our brand promise "Wir sind da" a reality. In Development. In Production. In their interaction with customers. In Service. And in all other areas of the company. They carry out research, work meticulously, develop and optimise products, while always staying on course.

One of our goals is to continuously increase ARBURG's attractiveness as an interesting employer. Accordingly, the company is already a highly valued employer and partner, which can be seen, for example, in how sought-after our apprenticeships for young people are. As a medium to large-sized family-owned company, we are constantly developing within a dynamic environment in order to offer our employees first-class conditions for their personal and professional careers in the long term. Physical presence and digitalised work complement each other perfectly in this respect.

What we do for our ARBURGers

The ARBURG "Health allround" programme, which has been active for several years, includes special and continuously expanded investments and measures to improve and maintain the health of all employees. These include:

- Occupational health management with six employees
- The ARBURG Health Center (AHC), our training facility, supervised by sports therapists
- Workplace social counselling service
- Workplace integration management
- The ARBURG football tournament
- The ARBURG running championships
- The "Cycle to work" initiative
- Free flu vaccination
- Courses for healthy eating and stopping smoking
- The preventive health days for trainees
- Regular health checks for managers

On average, the age of ARBURG employees is 39.6 years and their

LENGTH OF SERVICE IS



 **Gesundheit**
Allround

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Protected: Health and work

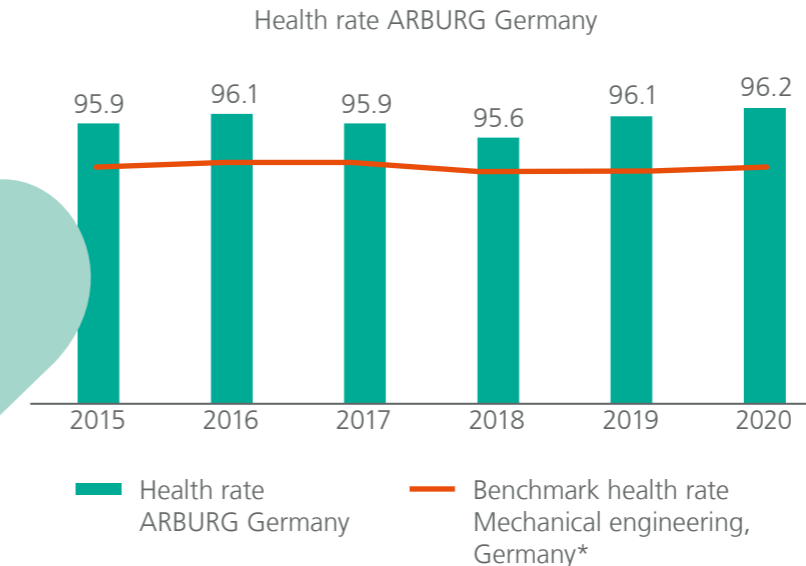
A separate organisational unit headed by our full-time safety officer is responsible for ensuring safe and pleasant working conditions. On the subject itself, the ARBURG Code of Conduct states: "Employee health and safety are in the best interests of ARBURG. Health protection and occupational safety in accordance with the applicable regulations are therefore an integral part of all operational processes. ARBURG ensures that employees are kept informed through regular training. In addition, employees are required to actively familiarise themselves with the applicable safety regulations at work and at the premises of customers or business partners, to remain vigilant at all times, and to use the prescribed protective clothing and equipment."

Regular driving safety training courses for groups and departments with the company's own vehicles promote safety and enhance the company's image. These courses have a positive impact on ARBURG's accident statistics and on the company's image thanks to safe and defensive driving.

The framework conditions: Always fair

Our corporate philosophy states that ARBURG is aware of its social responsibility towards its employees, wherever in the world they are located. This is why we extensively guarantee the rights of employees under the relevant labour and collective bargaining laws. We additionally provide voluntary financial benefits worldwide, such as special payments for many years of service, weddings, and additions to the family, and subsidise travel costs for public transport or the company buses as part of a mobility management programme. Our activities at the Lossburg location in Germany are supplemented by support for healthy initiatives such as "Cycle to Work". ARBURG also cooperates with a local daycare centre to provide childcare for parents working at the company.

HEALTH RATE
96.2%
of the German company headquarters in Lossburg in 2020 proves that ARBURGers are fitter than average



* Source: AOK health insurance company, Northern Black Forest regional head office

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ARBURGers should feel at ease

By dealing with each other in a spirit of partnership, we promote a positive working atmosphere. Regular staff appraisals help employees to act on their own responsibility. ARBURG also shows its appreciation for its employees through a broad-based training and development programme. The "SuccessFactors Learning" training portal, which combines services in the area of further training, is available to all ARBURG employees. They can view what's on offer, book training courses, and maintain their personal learning history via the portal. In addition to the "Leadership Allrounder" leadership development programme (see [Section 10](#)), the current offering includes language courses, specialised training and individual further training – online and also via external offers. In 2021, we conducted 116 in-person courses. In addition, there were seven virtual events and 65 e-learning sessions. Compared to 2020, e-learning has increased significantly.

Active provision of information to all stakeholder groups

With regard to cooperation and team spirit, the company's management guidelines state that "ARBURG pursues an open policy of providing information both externally to the public, e.g. to authorities, interest groups and citizens, and internally to employees." In this way, ARBURG lives up to its social responsibility. Ways in which we actively provide information to our employees include:

- The intranet, which is updated daily,
- Employee terminals at strategic points in the company,
- The staff newspaper "der allrounder" in German and English and the customer magazine "today" in six languages.

A representative analysis confirmed the excellent uptake of internal communication in 2020.

The working day: Flexible

At ARBURG, flexitime regulations apply both to normal working hours and to shift models. In 2021, remote working was expanded at ARBURG in the course of the coronavirus pandemic. This gave us the flexibility we needed to react quickly to rapid changes in the world of work.

// In 2021, 978 ARBURGers worked remotely. Besides protecting people's health, this was also a way for us to do something for the environment, as around 2,000,000 commuting kilometres were saved. //



15,000

HOURS OF TRAINING

were completed by a total of 7,877 ARBURGers in 2021. E-learning accounted for a large part of this

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Infrastructure at its finest

In recent years, the work infrastructure in the administrative area has been modernised in a way that positively promotes teamwork. This includes setting up open-plan offices with small, screened-off communication units, as well as coffee bars and meeting points where employees can not only spend their breaks but also gather for "casual" discussions. Each open-plan office also has several meeting rooms with fully networked audio-visual equipment for presentation and communication purposes. Our automatic, environmentally friendly and resource-efficient air-conditioning system, which ensures that the air is changed regularly in all indoor spaces, also helps to promote health. The generous glass façades allow pleasant views of the surrounding landscape, which also motivates our employees. Finally, flexible office equipment ensures that every workstation can be comprehensively adapted from an ergonomics perspective.

Reopened in 2021: the AAC

Our company restaurant, the ARBURG Allround Center (AAC), has become an integral part of employee care. The restaurant offers a number of balanced, wholesome meals for breakfast, lunch and dinner that are available to all ARBURGers at a subsidised rate. In 2020, work began on a generous expansion of the restaurant space, which was completed with the opening on 13 September 2021. The new AAC offers seating for 648 people and has been designed so that the technology and seating arrangements will also be able to cope with requirements in the medium to long term. As a result, we can offer our employees a top-class and comprehensive gastronomic experience.

ARBURG Health Center (AHC)

When the new Training Center was opened at our Lossburg location in Germany in 2020, ARBURG's occupational health management department was housed in a 900-square-metre space. This space is also home to the ARBURG Health Center, which opened its doors to the in-house public on 15 September 2021. With its high-quality facilities, the AHC offers employees added value beyond training and courses in the areas of rebalancing, communication and networking. Employees can find out about news and changes in the ARBURG Health Center via a dedicated app, which also stores settings for the devices and training progress. All training areas are chip-controlled and adjust to the respective users; two trainers are also available for individual support – a unique concept in the region.





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03 // WE ACCOMMODATE DIFFERENT INTERESTS

Identification and a sense of community are key points in our dealings with all our stakeholders.



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The large ARBURG family

At ARBURG, everyone who works with and for us feels a special sense of community, which is expressed in a variety of ways:

- In the determination to keep our promises to all stakeholders
- In the care of this family-oriented company for its employees
- In our philosophy of taking care of the needs of the customers
- In the desire to foster cohesion and show loyalty
- In our appreciation of loyalty and solidarity as long-term perspectives

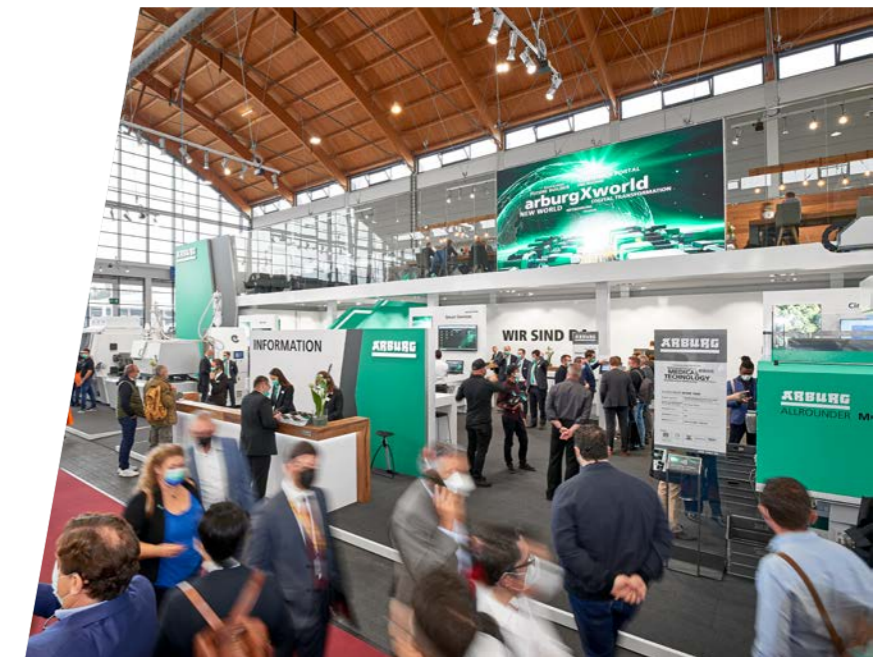
// Strengthening shared values, building and maintaining loyalty: ARBURG stands for reliability towards all stakeholders. //

Every person at ARBURG practices these values consistently, and our customers appreciate this. This is why we are the "home of injection moulding" for all our stakeholders.

Sticking together. Working together.

When we talk about "the ARBURG family", however, we mean much more than the owners. Besides all our current and former employees, the "family" also includes our customers and business partners, who have often been with us for many years. A close collaborative partnership is just as important to us as the expansion of our global technology expertise for all

relevant industries. This is how our family business is filled with life and becomes a corporate family. So an identification with ARBURG, this sense of community, encompasses everyone who has anything to do with us. And not only at our parent company in Lossburg, but at all our locations worldwide. This is what we mean by the special ARBURG spirit: this feeling of being welcome at ARBURG, of feeling at home at ARBURG.



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Our diverse group of stakeholders

The overall context in which ARBURG operates as a company includes a number of interested groups. We are committed to these stakeholders in a variety of ways. These include, for example, our own employees and subsidiaries, trade and project partners, customers and interested parties, suppliers, cooperating institutions such as the TÜV (German Technical Inspection Agency), insurance companies and employers' liability insurance associations, international bodies that ensure compliance with the respective country import requirements, as well as educational institutions, associations, the press and political parties.

In addition to these target groups, we are also dedicated to the stakeholder groups that are located in the vicinity of our corporate activities and perform important tasks. These include municipalities, associations and other organisations, authorities, neighbours and banks, but also interested community members. ARBURG also gains new ideas and inspiration from its many contacts and cooperations. Key examples include:

Young people. Through events like "Technolino", we already make contact with kindergarten children. We use regional training fairs and our ARBURG information days for school leavers to find interested young people and inspire them to take up training at ARBURG (see [Section 11](#)).

Academic institutions. We maintain close contacts with universities and research centres, with whom we conduct joint basic research in order to remain innovative. We support these institutions nationally and internationally with loans of machinery and also with our expertise (see [Section 8](#)).

Regional associations and institutions. We support regional associations and institutions. For example, ARBURG is the main sponsor of the regional combined youth teams in Freudenstadt and Lossburg/Wittendorf/Lombach (see also [Section 11](#)).

Environmental protection. We have underpinned our commitment to environmentally friendly and resource-saving production with our "arburgGREEN-world" programme.

People with disabilities. We work with organisations for the disabled, such as Schwarzwaldwerkstatt Dornstetten, as suppliers.

Non-governmental organisations. We live up to our responsibility when we say that we not only build machines, but also ensure that they can be used in an environmentally friendly way. Through the use of biocompatible plastics. Or the processing of recycled materials. We want to raise awareness of this among all relevant target groups.

New employees. Our efforts to reach out to potential employees are not confined to trade fairs and other events. We are also breaking new ground in this area, for example with an action-packed cinema commercial.



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"Wir sind da." – live and virtual

In addition to our participation in trade fairs around the world, which was severely restricted in 2021 due to the coronavirus pandemic, regular in-house events such as the ARBURG Technology Days at our corporate headquarters are a highlight in terms of customer contact and support. Since 1999, ARBURG has welcomed more than 93,000 visitors to Lossburg – but unfortunately not in 2020 and 2021. Prior to the pandemic, this had resulted in Technology Days becoming the world's largest in-house event in the plastics industry. Among other things, this strengthens ARBURG's sense of community towards its customers.

Communicating digitally – in meaningful ways

We made up for the cancellation of the Technology Days again in 2021 with extensive efforts to develop digital communication. Our social media activities were stepped up with our Facebook, LinkedIn, Twitter and YouTube channels, and this was supplemented by 76 webinars on important technical topics and other digital events for our global ARBURG community.

arburgXvision: Entertaining expert knowledge

We have added an important communication component to our 2021 information offensive by launching the new monthly digital format "arburgXvision". Ten internet television programmes with top experts were broadcast "live". Exciting practical topics were presented in an interesting infotainment format with added value, with viewers able to participate interactively and put their questions directly to the specialists, for example. The total number of participants in all arburgXvision programmes was around 5,600 – a great success!





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04 // WE USE RESOURCES SPARINGLY

Our environmental and energy policy has been
shaped for generations by the protection of nature.



ARBURG

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Taking the long view as a basis

Our corporate philosophy clearly states the basis of our environmental and energy policy. By helping to preserve the natural foundations of life and conserve resources, we are underscoring our forward-looking approach. Based on the analysis of all relevant indicators, we define specific, measurable targets and measures that we realise with our environmental and energy programme. Suppliers, service providers and external employees are also involved in these efforts. ARBURG has defined sustainability as an important

// We know that our business success can only be lasting – i.e. "sustainable" – if we also take ecological aspects into account in our work. //

goal, to be achieved through resource efficiency and a circular economy. Our thinking and actions are geared towards the long term and our decisions are not based on a short-term return on investment.

Landmark decision: We produce centrally

One of the most sustainable fundamental decisions in our company's history was for ARBURG to use a

central production location in Germany with over 210,000 square metres of floor space to produce our machines for global distribution. This not only allows us to maintain detailed control over our outstanding quality, but also guarantees short, reliable and flexible supply chains through a high proportion (approximately 60 per cent) of in-house production and a majority of national and regional suppliers in our supply chain management system. This means that "Made by ARBURG" really does stand for "Made in Germany". Raw materials and semi-finished products remain completely in-house after delivery for further processing and finishing, thereby avoiding repeated unpacking, packing and transportation. We also make sure to work with certified companies that place importance on the careful use of resources. Questions on this are included in our audit forms. Some of the aspects we

evaluate here are:

- Total cost of ownership (TCO),
- Transportation and packaging,
- Supplier management.

While this may initially entail slightly higher costs, it has clear advantages in terms of quality, transparency, and auditing, along with flexibility and delivery capability – something that was emphatically confirmed in 2021 in times of uncertain global supply chains. ARBURG has generous warehouse capacities, and has assembled its own PCBs for years, for example. As a result, it was not as severely affected by the global supply problems in the semiconductor sector. Even when supply chains elsewhere were disrupted in the wake of the coronavirus pandemic, we had no production stoppages and were able to deliver at all times.

SUPPLY SHARE

78%
GERMANY

of which 69%
BADEN-WÜRTTEMBERG



Our supplier structure* makes it clear that goods used come directly from the area around us

* in relation to net sales

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Making resources valuable

When we construct or renovate buildings, we think through these projects with a view to maximising resource efficiency. This has been the case since our first major plant expansion in the 1970s involving the administration building at our company headquarters in Germany. In that instance, we implemented a façade heating system that was a revolutionary technology for low-temperature heating at the time. Waste heat from production has been put to multiple use, which means we have been saving heating energy and reducing carbon emissions for more than 40 years. A current example from 2021 is the construction of another assembly hall covering a total of 28,500 square metres. The building areas are air-conditioned via concrete core temperature control and façade heating with waste heat from production.

// Thanks to heat recovery, ARBURG makes multiple use of the energy supplied and can heat the buildings in a virtually cost and carbon-neutral manner. ARBURG has been operating several production halls with almost zero heating energy since the turn of the millennium. //

This is achieved by means of an overarching process heat management system that ARBURG is continuously advancing in order to control the various heating circuits in the company in an energy-efficient and needs-based way. The portfolio of technologies in use ranges from air heat exchangers, compressed air and power generation using heat recovery, to geothermal systems.

Geothermal energy: Using warmth and coolness in combination

Geothermal energy is the use of the ground as a store for warmth and coolness, which we manage to optimum effect using seasonal climate potentials. Waste heat from production can be stored in the rock during the summer months. At the same time, temperatures of between 14 and 16 degrees Celsius can be achieved with ground cooling, enabling buildings to be air-conditioned particularly efficiently. In winter, we then retrieve the stored waste heat from the ground.

As early as 2009, more than two million tonnes of rock were activated for geothermal energy through 24 bores during the construction of the Customer Center. In 2021, another 30 bores were added under the new assembly hall. With this second geothermal system, an additional 1,200,000 kilowatt hours of heat and 800,000 kilowatt hours of cooling can be generated annually. This corresponds to what more than 50 households with four people use for heating each year.

780 kW

GEOHERMAL ENERGY



Underneath the company headquarters there are:

54 bores

199 m drilling depth

10,547 m drilled in total

42,188 m of pipeline

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Using natural resources

The share of renewable self-generated electricity in 2020 was 11.8 per cent, including self-generated wind power (see [Section 5](#)). In addition, rainwater has been used as service water in the company car wash since the beginning of the 1980s and specifically via cisterns since the end of the 1990s. Instead of letting this water from sealed surfaces go unused, we collect it via several cisterns with a storage capacity of 1,522 cubic metres, 418 cubic metres more than in 2020. In the same year, a total of 4,848 cubic metres of rainwater was collected. This not only covers 75 per cent of the grey water demand, e.g. for toilets, for process applications in production and for the irrigation of outdoor facilities, but also relieves the pressure on the groundwater pipes.

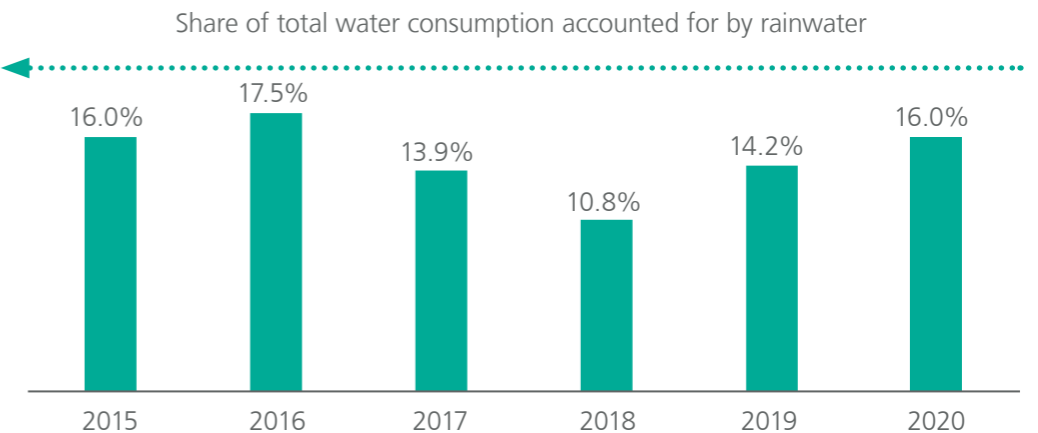
Building technology: Saving energy across the board

Another important objective when planning new buildings or renovating existing ones is the use of natural resources. In addition to generous glass façades, the ARBURG standard also includes north light shed roofs, with which we minimise the need for electrical lighting to the bare minimum.

In our assembly halls, for example, we achieve the specified workplace brightness of 500 lux without additional light, even on gloomy winter days. In addition, we also rely on solar energy generated from sunlight and natural air conditioning via shading and outside air.

The interlinking of the entire infrastructure plays an important role here. At ARBURG, this has been taken care of by "smart" building technology since 1993. Blinds and windows are activated on the basis of data from the in-house weather station, for example. Cool night air can be used to ventilate the buildings energy-efficiently.

Always seeing the big picture is deeply ingrained in ARBURG's DNA. Hybrid cooling towers, for example, save over 40 per cent of fresh water compared to classic open cooling towers thanks to a closed cooling water system. The use of natural cold during winter additionally allows energy savings for compression refrigeration machines.



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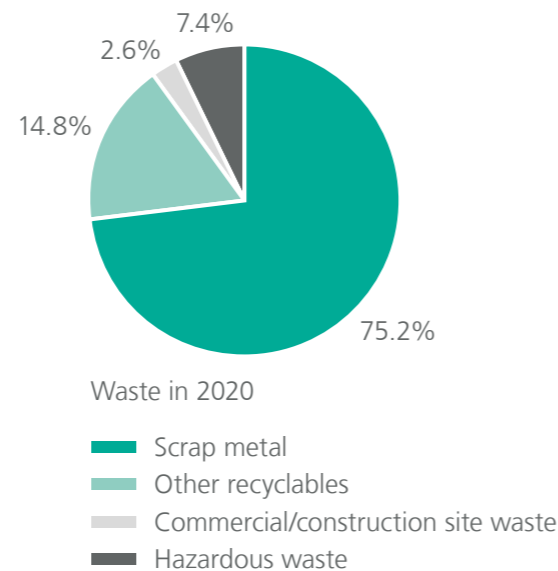
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Avoiding waste

Waste should be seen as a valuable material. This is the motto of ARBURG's waste management team, which ensures that all waste produced by the company is consistently separated. In 2020, ARBURG generated a total of 4,933 tonnes of waste, 1,305 tonnes less than in the previous year. Hazardous waste decreased by 262 tonnes to 363 tonnes in 2020. In addition, the company is also stepping up recycling. For example, by collecting plastic waste by type from moulded parts from customer trials and acceptance tests. We also advise customers on this topic as part of our arburgGREENworld programme.



An integrated approach benefits everyone

A philosophy of environmental protection and resource conservation is also applied throughout the production process. For example, we work with FEM or bionically optimised moulded parts that require less material and machining time for the same stability. Moulded and forged parts that are finished at ARBURG are already prefabricated in such a way that only minor machining is required to give them their final shape. Another example is our powder enamel coating, which is free of solvents and emissions and allows the overspray to be recycled. The coated surfaces are highly durable – just further proof that an integrated approach often creates win-win situations. Our customers benefit from high-quality materials, while ARBURG benefits from the use of a cost-effective, energy-efficient and environmentally friendly production process.

RECYCLING RATE:

90%



of all waste generated was recycled in 2020. ARBURG attaches great importance to the topic of the circular economy

// Electric charging stations in the visitors' car park, the promotion of local public transport and the use of bicycles by our ARBURGers show that even seemingly small details are considered when it comes to reducing our carbon footprint. //

The environmental protection measures currently implemented this year include a rainwater discharge borehole for our assembly halls. This is intended to sustainably prevent flood damage caused by heavy rainfall events.



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05 // WE PROTECT THE THINGS WE LOVE

We set ourselves ambitious targets for energy
and emissions – and keep to them!



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Energy and emissions pioneer

We have repeatedly spoken – including at various points in this Sustainability Report – about the fact that we have been working for decades to keep our carbon footprint as small as possible. This comes from an understanding of the issue that was initially rather emotional, but always innovation-oriented. In plain language: the ARBURG headquarters in Lossburg are located in the Northern Black Forest tourist region, in countryside with a high recreational value. ARBURG's owners, the Hehl and Keinath families, have always felt committed to this and have acted accordingly: the business operates without smoke and also blends very harmoniously into the landscape in terms of its external appearance.

To be able to sensibly manage energy use and hence a large part of the emissions, there are now detailed goals and targets to which both the partners and the entire workforce feel committed.

For example, the ARBURG Code of Conduct states that "environmental protection and the conservation of resources and energy ... are an integral part of ARBURG's corporate culture. ... ARBURG's environmental and energy programme contains the strategic and operational objectives for improving environmental protection, in particular for increasing energy efficiency and energy savings."

The ARBURG environment and energy programme

The annual planning for the environment and energy programme takes place on the basis of the results from the previous year's annual environmental report. The current company targets as well as indicators, measured values and other relevant inputs are taken into account as information. For energy planning, the consumption data for the entire company is used. Apart from the legal requirements, the objectives set by management are essential for planning. CO₂ reduction and total energy requirement in relation to the output of products and the ARBURG energy mix are important indicators for these objectives.

The planning is updated at least once a year by the Environmental Committee and the Energy Savings Panel. The results are documented in the environmental and energy programme, approved by management and published internally within the company.

Clear targets

ARBURG has set clear targets for reducing emissions. Based on the 2012 figures, the total energy requirement at the German headquarters should be reduced by a further five percent by 2023. The share of photovoltaics and geothermal energy as renewable forms of energy should be increased to at least six per cent of the total energy requirement in the same period.

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Saving energy is a priority

The successful implementation of an energy management system in 2012 with ISO 50001 certification is also proof of the company's efforts in terms of sustainable management.

In addition to considering absolute consumption, ARBURG also evaluates the technical degree of utilisation. This means that production capacity utilisation is taken into account as a key factor influencing consumption, thereby increasing the informative value when assessing energy efficiency measures.

ARBURG's total energy requirement naturally takes into account the sustainable reduction of carbon emissions. This indicator is made up of the consumption of natural gas for heat and power generation, electric power, and the fuel consumption of the entire vehicle fleet. The target formulated by ARBURG during the introduction of ISO 50001 in 2012 provides for a five per cent reduction in the total energy requirement at the German company headquarters by 2023. In 2020, we exceeded this target once again.

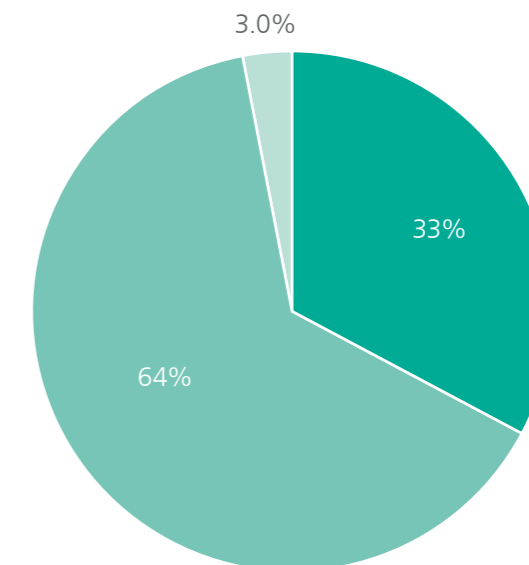
On the trail of potential savings

Investments in saving energy have played an important role throughout the company for decades. An important component of energy management according to ISO 50001 are specifically planned, detailed and continuous energy measurements to determine exactly where and how much energy is used in the IT infrastructure or in the manufacturing process, for example. By monitoring and analysing annual consumption, hidden potential savings can also be identified. In this regard, we also rely on the ideas and suggestions of all our employees, whose awareness of the topic of energy efficiency is raised through various activities. Examples of some of the energy-saving measures implemented in 2021 include:

- Energy-optimised LED lighting and kitchen technology in the new AAC staff restaurant.
- Renewal of the gas burners used in powder enamel coating.

ARBURG's total energy requirement in 2020

Electricity ■
Natural gas ■
Fuel ■



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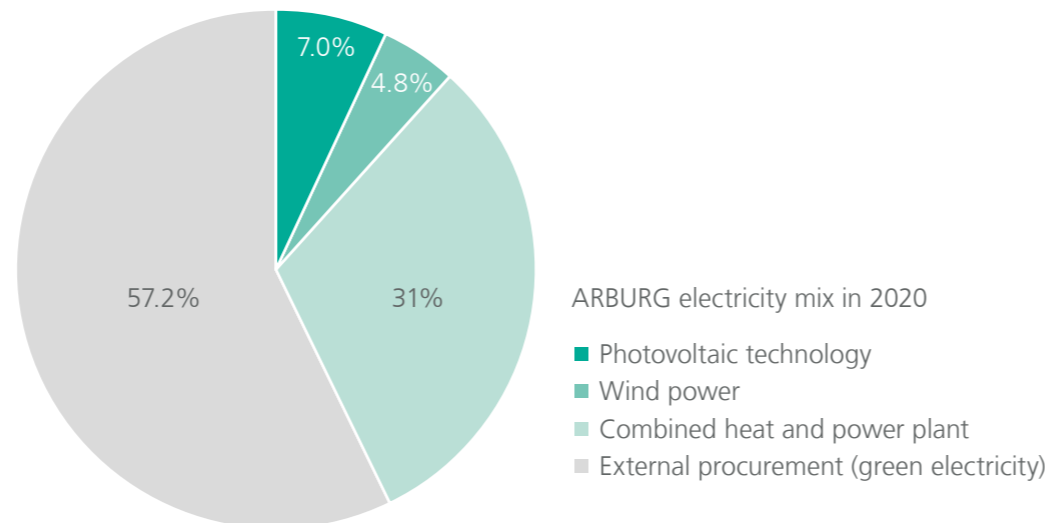
Sustainable: ARBURG's electricity mix

Our electricity mix is one thing above all else: sustainable. This is because, in addition to self-generated electricity from photovoltaics, wind power, and combined heat and power, the mix for our location in Lossburg consists of regional electricity and gas purchased from outside sources. The electricity comes from completely ecological sources, meaning that it consists of 100 per cent carbon-neutral green electricity – and has done so since 2016.

As in 2019, the share of photovoltaic electricity in 2020 was also around 1.9 million kilowatt hours. With our new assembly hall, we added 400 kilowatts peak to our photovoltaic system in 2021. The modules, which cover a total area of 2,300 square metres, generate an average annual output of 400,000 kilowatt hours. This brings the installed total output to 2.1 megawatts peak, which is roughly equivalent to the consumption of 550 households with four people per year.

Our goal of increasing the share of renewable energy forms such as photovoltaics and geothermal energy (see [Section 4](#)) to at least six per cent of total electricity requirements by 2023 was already achieved for the first time in 2017. In 2020, we exceeded this target once again with a volume of 7.2 per cent. In addition, our two wind turbines generated approximately 1.3 million kilowatt hours of carbon-neutral green electricity in 2020.

Since 1996, we have also been using highly efficient combined heat and power plants with an efficiency of more than 90 per cent to generate process heat and electricity. The gas-powered combined heat and power plants contributed around 8.4 million kilowatt hours to the energy mix in 2020.



Compared to the German electricity mix ARBURG's electricity mix generates a carbon footprint up to

81.3%
SMALLER



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Focus on reducing emissions

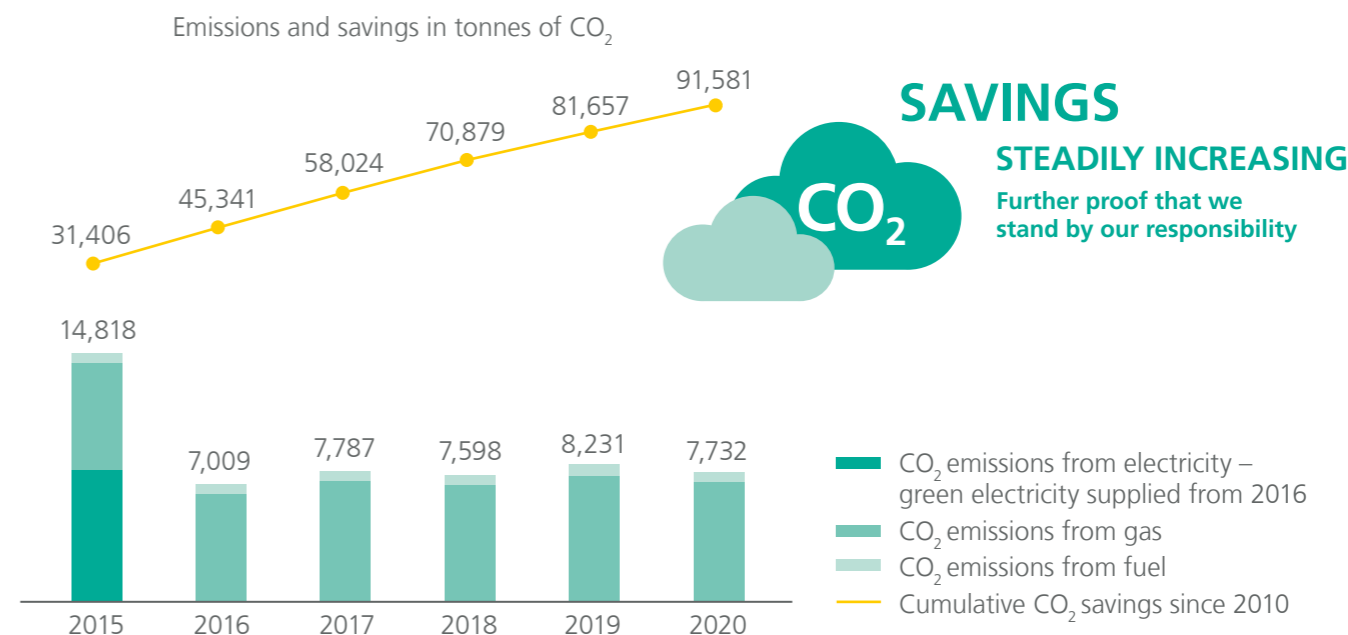
If we look at the share of carbon emissions from gas at ARBURG, it only accounts for around 19 per cent of the heating, with the remainder coming from combined heat and power generation. In 2020, a total of 31 per cent of the total electricity requirement was generated by combined heat and power plants. By producing heat and electricity simultaneously, ARBURG was able to prevent over 1.5 million kilograms of CO₂ from being emitted in the same year.

To further improve its carbon footprint, the company has also exclusively purchased external green electricity from renewable sources (hydropower) since

2016. The share of electricity purchased from outside sources has been declining at ARBURG for years. For example, the company's internal Energy Savings Panel aims to reduce electricity consumption by one per cent compared to the previous year. Waste must be systematically avoided. One example is the detection of 152 leaks in the compressed air network in 2020. This saved around 36,500 kilowatt hours of electricity and consequently 13,400 kilograms of carbon emissions. Proof that conserving resources pays off many times over. In 2020, the proportion of compressed air leakages at ARBURG was 2.7 per cent – industry standards are between 20 and 45 per cent.

Total fuel consumption for the vehicle fleet at the German headquarters was reduced by around 20 per cent in 2020 compared to 2019 due to the coronavirus pandemic. Consumption per 100 km was 6.16 litres, which was on a comparable level.

Thanks to the extensive measures taken with regard to energy, ARBURG has managed to save over 90 million kilograms of carbon emissions in the last eleven years.



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Climate management and climate strategy

To ensure comprehensive carbon accounting, the Corporate Carbon Footprint (CCF) was calculated for the first time in 2020 (data basis: 2019), and covers the entire company including all branches worldwide. In accordance with the Greenhouse Gas Protocol – the internationally recognised standard for carbon accounting – we look at the three different emission areas (scopes) in detail:

- Scope 1: Direct emissions from the combustion of fossil fuels by ARBURG.
- Scope 2: Indirect emissions from purchased energy.
- Scope 3: Indirect emissions from upstream and downstream business processes, e.g. raw material extraction and its transportation, waste treatment, business travel, employee commuting, and the use of products sold.

// In future, the corporate carbon footprint (CCF) will serve as an indicator guiding ARBURG's climate strategy. //

Above average: CDP score

Comprehensive carbon accounting via the Corporate Carbon Footprint (CCF) was one of the bases for the Carbon Disclosure Project (CDP). In 2020, as part of its efforts to reduce its carbon footprint, ARBURG participated for the first time in the Carbon Disclosure Project (CDP), answering a detailed list of quantitative and qualitative questions on the subject of emissions minimisation and receiving a corresponding score. This initiative proved to be a great success. With its "B" score, ARBURG is at what is known as "Management" level, meaning that coordinated measures are being taken on climate issues and the company is continuing to develop its own strategies in this regard. This is higher than a "C" score, or "Awareness" level – the European average – which certifies that companies

with this score have "knowledge of the impact of climate issues". The average in the mechanical engineering sector is at an even lower level with a "D" score. These companies are merely "transparent on climate issues".

In 2021, ARBURG took part in the CDP assessment again and achieved another "B" score. This is all the more gratifying as the CDP criteria are continuously being tightened. The result shows that ARBURG is aware of its responsibility and is actively contributing to climate protection.



CDP SCORE



is official confirmation for ARBURG that it performs better than average in the areas of climate protection, ecology and CO₂ emissions compared to other mechanical engineering companies



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06.2 Sustainability means quality

06.3 All-round customer care

07 // We build on our success

08 // We are long-term innovators

09 // We invest with vision

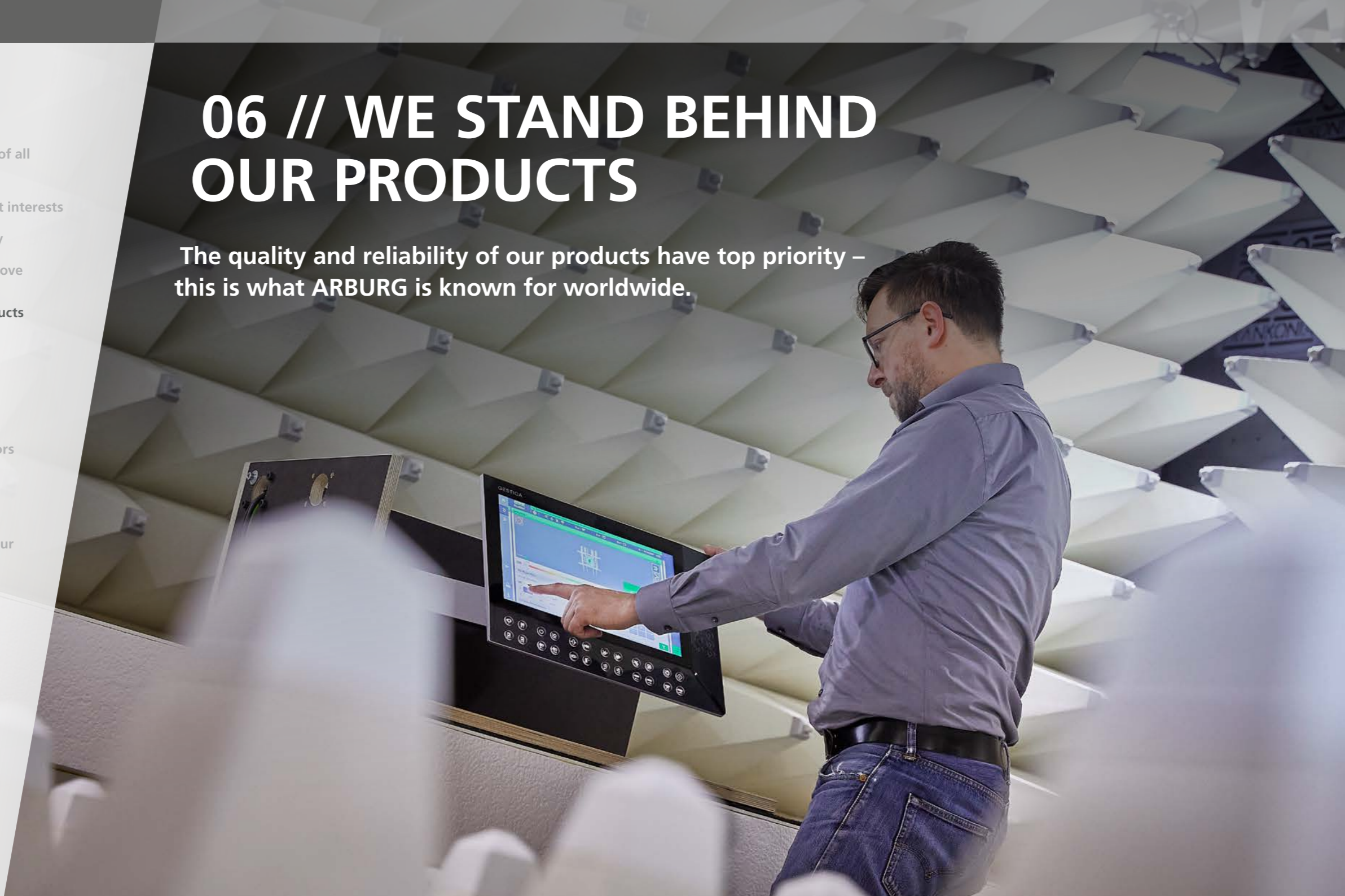
10 // We are open and honest

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06 // WE STAND BEHIND OUR PRODUCTS

The quality and reliability of our products have top priority –
this is what ARBURG is known for worldwide.



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Quality made by ARBURG

The ARBURG brand stands for quality, reliability and personal proximity, which we clearly express with our "Wir sind da." brand positioning. We provide outstanding technology that is "made by ARBURG – made in Germany", and always where our customers are. Many companies can claim the same. But in our case, there is a decisive factor: we allow ourselves to be measured against our promises in the long term. Our customers, employees and the general public can rely on this. Impressive examples include our high proportion of in-house production and our regional supplier structure (see [Section 4](#)).

// Quality is the most important promise to our customers in every respect. This is why we produce our machines exclusively in Lossburg, Germany, under high environmental and energy standards. //

How we think about quality

Production in so-called "low-wage countries" is not an option for ARBURG. We do almost everything in our own way, including and especially in this respect. And we do many things differently to other companies. Because for us, the quality and reliability of our products and services are our top priority. This enables us to respect economic and ecological requirements in equal measure. Our commitment to quality is also an

important economic and competitive factor. We are guided by the following principles, as set out in our employee information document "Company Philosophy":

- Quality means the satisfaction of our customers. We help them to manufacture their products efficiently and economically.
- Every employee is responsible for quality, because only qualified, motivated employees who are willing to work hard and who encourage each other can produce quality. This also secures the jobs of all employees.
- We manufacture flawless products. Any defects are identified at an early stage, analysed, and their causes eliminated.
- We demand flawless supplies. To achieve this, we clearly specify our requirements and insist that they are met.
- We want to constantly improve so as to optimise our quality and profitability on a sustainable basis.

How we ensure our quality

Quality assurance has many facets. We try to take a comprehensive view – which includes the following measures:

- Before series production starts, new technology is intensively tested and tried out by strategic partners.
- Machines are individually specified with regard to performance and energy requirements using calculation tools such as our economic efficiency calculator.

- Every machine and every system must complete a 48-hour test run before it is delivered.
- Turnkey projects are generally accepted in-house with customer participation.
- Online support is provided via a secure data line to save time.
- We also have spare parts for machines that are more than ten years old.

We also have a global service network. For our products, we rely on a central production location and a high proportion of in-house production. For our services, we have a local focus worldwide so that we can always be on the spot quickly and provide our customers with comprehensive assistance. To ensure a high standard of expertise among our service technicians, our central principle once again applies: the majority of these specialists are trained at ARBURG's German headquarters or by qualified trainers at our subsidiaries.



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SERVICE
TECHNICIANS

are deployed world-wide at ARBURG

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Sustainability means quality

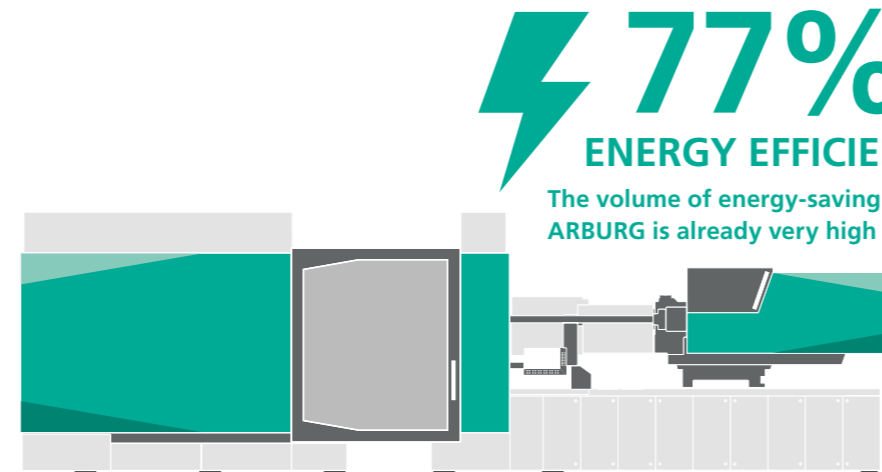
The strategic objectives for our products, as set out on the ARBURG intranet, also correspond to our philosophy regarding quality. They are driven by technological developments, international customer needs and high production efficiency. With this in mind, our product portfolio is constantly reviewed, and expanded and supplemented in innovative ways. Energy-efficient machine concepts based on a modular system offer our global customers – who have varying industry focuses – customised efficient solutions for all aspects of plastics processing.

How we set ourselves product-related goals

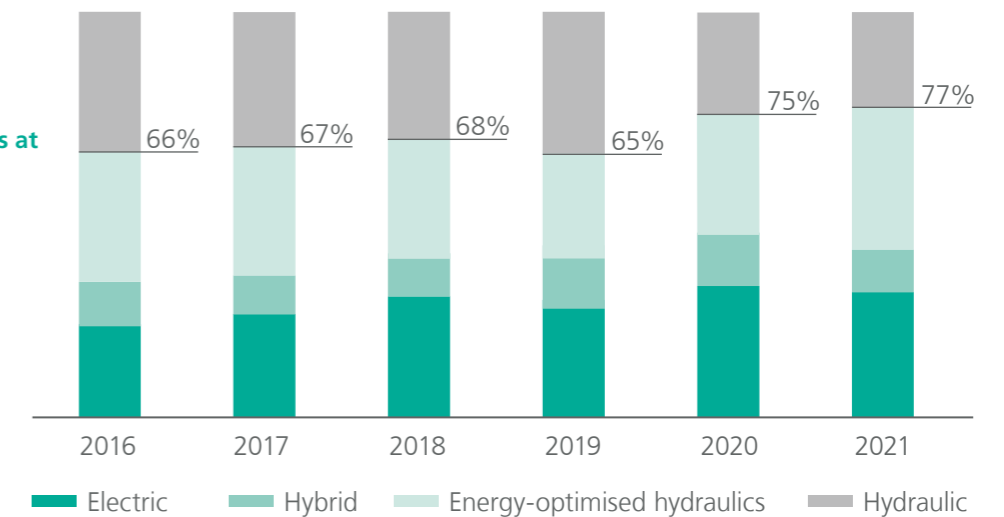
For us, a key aspect of quality and reliability is building machines and systems that are up to date in terms of environmental protection and resource conservation. By consistently developing and using high-end technology, we can help our customers unlock important added value time and time again. One example is water-cooled motors that operate with low emissions and make waste heat usable. The potential that this opens up for our customers is demonstrated by our activities, as described in [Section 4](#). Our proprietary planetary roller screw drives are another example, ena-

bling a very long service life, minimal need for service and few failures. We produce this high quality ourselves! That's why we have been providing a full five-year warranty on this important drive train component since 2021.

Electric machines now account for more than 30 per cent of total machine sales, while hybrid machines account for around 10 per cent. We will also continuously optimise our machine technology in terms of energy efficiency in the future.



Proportion of machines by drive type



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All-round customer care

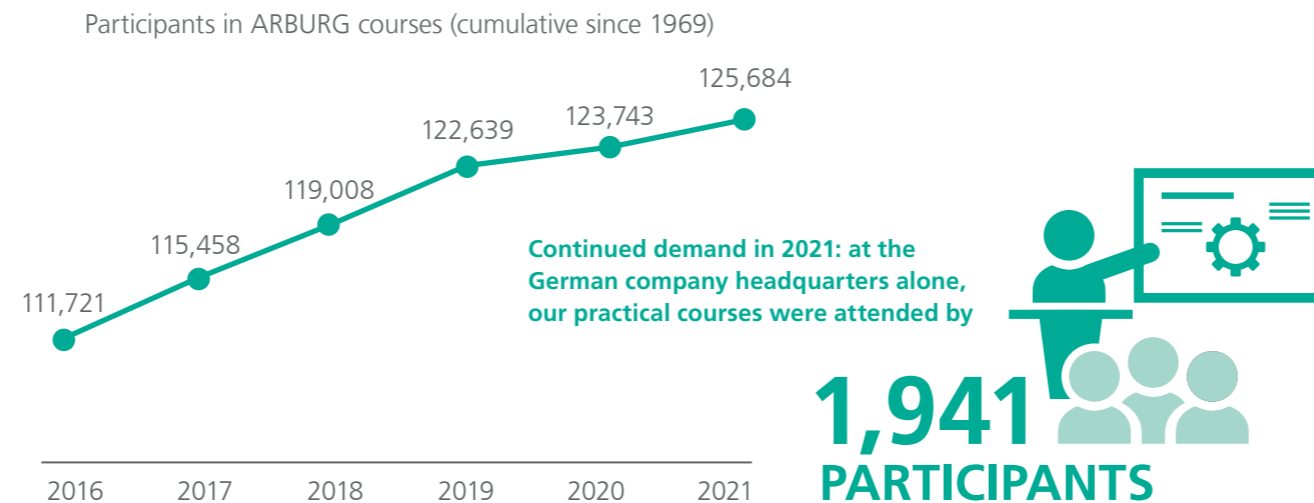
At our headquarters in Lossburg, Germany, we support our customers in our own Customer Center. More than 30 ALLROUNDER injection moulding machines, seven freeformers for additive manufacturing and laboratories for special processes are available in an area totalling 2,100 square metres. No questions are left unanswered in this respect, as our customers are provided with optimal conditions for tests and trials. These offerings are supplemented by ARBURG Technology Centers (ATC) or ARBURG Technology Factories (ATF) at our subsidiaries worldwide.

Support down to the last detail – in analogue and digital form

For support to be truly sustainable and effective, it must be comprehensive and also address important details that don't immediately spring to everyone's mind. Take the example of the "arburgXworld" customer portal: ARBURG offers digital services on a central platform in the form of numerous apps, with additional apps being added on an ongoing basis. All areas of the customer's business benefit from this – from purchasing, production planning, manufacturing, and maintenance through to management.

The transfer of specialist knowledge is also an important matter for us, because this is the only way to get the best out of our technology in terms of production and resource efficiency. Since we started providing customer training in 1969, we have been developing our range of courses to meet practical needs, and with a global focus. In 2021, we introduced a completely new system. Our three-stage learning model shows all interested parties at a glance which courses complement each other, how to combine them in a meaningful way, and what recommendations our certified course leaders have for further information seminars. This ensures learning success.

Our Training Center is equipped in line with the latest insights into digital learning. For example, all course participants work with ARBURG touch screen PCs and simulated control systems that are cross-linked with each other. The centrepiece is the 1,200 square metre machine hall on the ground floor, where theory and practice can be combined even more closely.





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07 // WE BUILD ON OUR SUCCESS

Continuous investment: Our key to sustainable corporate success and secure jobs.



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Success safeguards jobs

ARBURG's mission statement sums up our basic attitude: "We are an internationally independent, innovative, market-leading company with customer-oriented products of the highest quality. We transmit our employees' enthusiasm to our customers and partners!". ARBURG has a global presence, is one of the market leaders in the industry, and is also one of the most innovative machine manufacturers in Germany. Our fundamental performance figures prove that we are not exaggerating here: In 2020, the company, which is managed by the third generation of the family, achieved a consolidated turnover of 578 million euros in a difficult economic environment, a decline of 22 per cent compared with the previous year. ARBURG

expects turnover to exceed 700 million euros again in 2021, thanks at least in part to the efforts of its 3,400 employees around the world, 2,850 of whom are in Germany. The continuous development of the company furthers and expands our business activities. In addition, ARBURG constantly strives to optimise output and quality in all areas, thereby cementing its status as a high-performance company. The profits generated will secure our company's success in the long term. However, the company's ongoing healthy growth will also allow for extensive investments and the creation of more jobs worldwide in the future.

Important ARBURG positions

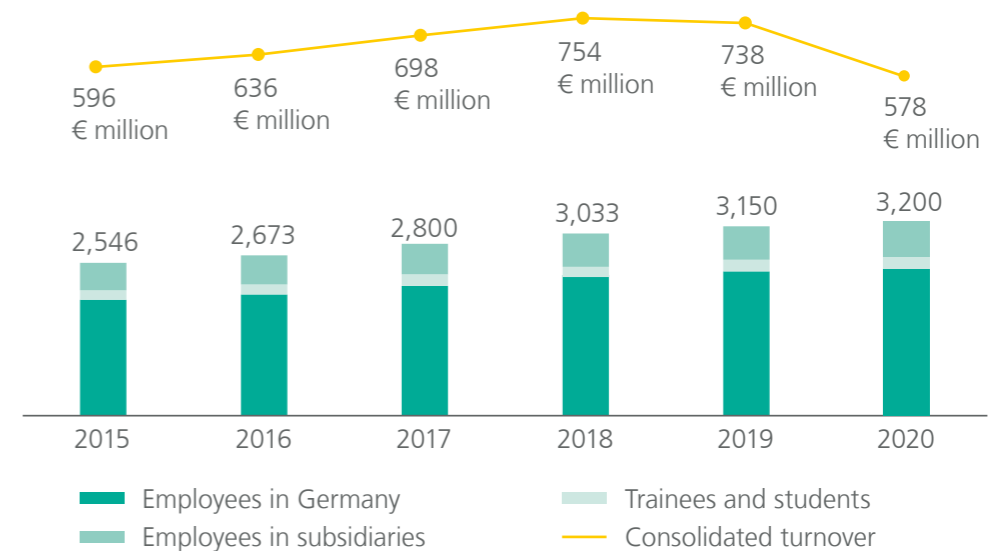
We have formulated key corporate principles in our employee information document "ARBURG Positions":

- ARBURG is and remains a private company
- ARBURG operates worldwide
- ARBURG grows through its own efforts
- ARBURG produces and supplies technologically sophisticated machines and systems
- ARBURG produces at its Lossburg location
- ARBURG carries out systematic succession planning
- ARBURG employees always act with the company in mind

In 2020
3,200 EMPLOYEES GENERATED
EUR 738,000,000



Consolidated turnover and number of employees



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Training for lasting success

ARBURG has been helping young people to start their careers with training for more than 70 years. In 2021, 59 trainees and students from Baden-Württemberg Cooperative State University (DHBW) were taken on as permanent employees, while another 77 started at ARBURG in the same year. The company is expecting to take on more than 100 new trainees and DHBW students in 2022. ARBURG currently offers training in a total of ten apprenticeships and eight degree courses. The numerous awards we have received, including from the President of the Federal Republic of Germany, and our successful certification under "DIN ISO 29990 - Quality Management System for Educational Institutions" show that our training system is something to be proud of.

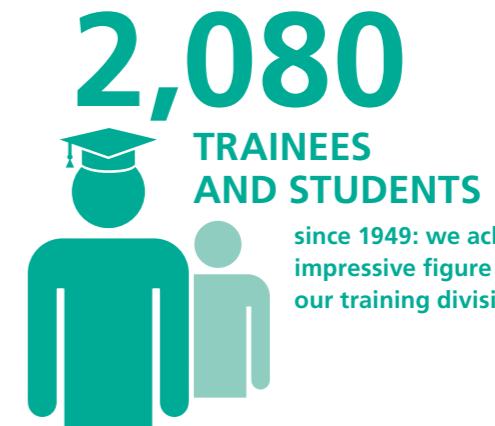
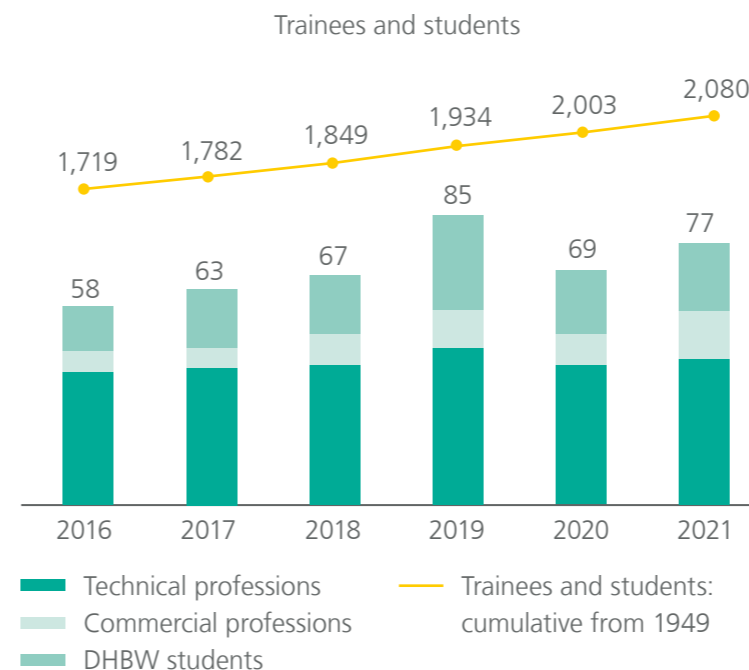
Networked and digital learning

ARBURG offers young career starters, whether trainees or students at the Baden-Württemberg Cooperative State University (DHBW), the perfect infrastructure for learning with a networked, digitalised Training Center covering 2,000 square metres. In the area of digital learning, this happens, for example via video conferencing, along with the introduction of e-learning via our mobile learning system for personalised study online and on all mobile devices. For the first time, DHBW students and the industrial trainees in the 2021 cohort have received their own personally assigned laptops and tablets, which are networked

both with their training institutions and with ARBURG, so that they can make good use of them. This means that almost 100 per cent of trainees and DHBW students can access digital learning tools for effective training work.

More career opportunities at ARBURG

ARBURG's learning opportunities have also been further expanded. From the 2021 training year onwards, there will also be examinations for the following professions: "IT specialist for data analysis", "cutting machine operator" and "warehouse logistics specialist".





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Ongoing investments

Permanent, high investments ensure the dynamic development of the company. In the past twelve years, our construction activities alone have resulted in a three-digit million euro sum being invested in new buildings at the Lossburg location.

// All our activities are dependent on our company's success, but they also determine it. This is why ARBURG continuously invests in the entire infrastructure. So that innovations are successful and competitive advantages are secured. //

We also safeguard our high productivity by continuously investing in production technology. In 2021, investments included:

- Retrofit and expansion of the electric monorail system for in-house transport
- Two additional machining centres for nodular cast iron parts
- Bending tools and automated robot welding system for control cabinet housings
- Fully automated sheet metal bending cell for smaller parts
- EMC laboratory and new SMD line for PCB assembly for our controller technology

2021: New assembly hall ready for take-off

With the new assembly hall, ARBURG is once again consistently moving in the direction of sustainable resource conservation, energy storage and energy recovery through energy-efficient construction, for example with triple-glazed windows, geothermal energy under the hall floor, and photovoltaics on the hall roof.

International growth

Another element of our brand promise is to be on the spot quickly anywhere in the world, thereby saving resources in the long term. Another key aspect of "Wir sind da." is that we are available to all our stakeholders and target groups quickly and at no great expense. Wherever they need us. This requires an international presence with our own organisations and our own subsidiaries in 35 locations, which we have continued to expand in 2021:

- Our locations in Brno, Czech Republic, Pinghu, China, and Rocky Hill, USA, have been upgraded to ARBURG Technology Factories (ATF), where our technology can be adapted to customer specifications
- We are currently expanding the floor space of our US headquarters in Rocky Hill, Connecticut, by around 82 per cent to 4,644 square metres
- We also opened our first regional headquarters in Pinghu in August 2021 to strengthen our presence in Asia
- In France, a new building is currently being constructed in Tremblay en France, south of Paris Charles de Gaulle Airport.

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LOCATIONS

ARBURG has subsidiaries in a total of 26 countries around the globe





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08 // WE ARE LONG-TERM INNOVATORS

The drive for constant improvement is embedded in ARBURG's genes.



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A long tradition of innovation

Being a technological leader has always been ARBURG's guiding principle. We also formulate this in our strategic objectives: "One of the key reasons for ARBURG's excellent position in the global market is the company's strong innovation capabilities. In order to preserve and enhance this strength, we encourage innovation management at ARBURG, expand the skill sets of our entire workforce, continuously invest in research and development, and intensify our cooperation with universities and research institutes.

By ensuring our innovative strength, we aim to maintain a product range that always meets current market needs and sets trends in mechanical engineering and digitalisation. Our determination to constantly improve is what drives us forward."

These commitments clearly show that ARBURG was and is not only a pure mechanical engineering company, but also a process, automation, control and IT specialist.

Setting milestones, being innovative

We question the status quo, which is why we do many things differently from others and have often generated significant added value for our customers as a result. This can be seen from various technological milestones.

// We know how to process plastics. And we have done since 1954. This is why we have repeatedly shaped and advanced the development of our industry in a (r)evolutionary way. Several hundred patents are proof of this: 20 years of exclusivity for ingenious ideas is also sustainability! //

The concentration of various measures aimed at "production and resource efficiency" has characterised our work over the past few decades. And we also set standards in digitalisation time and again. This is because we can draw on a pool of expertise spanning more than 60 years in controller technology and more than three decades in automated and IT-networked production. Our aspiration is to be your technology and system partner. For more value creation. For more resource efficiency. For brand new business models.

Peak performance through in-house production

Success is the mother of invention. This applies to all our technology. And especially to our current generation of control systems, GESTICA. The supply chain issue in 2021 has strengthened us in our view that we can be even more independent in terms of our operations and deliveries if we keep the share of in-house production high. This way, we remain more supply-ready than others.

From the development to the production of our control systems, everything is handled by us in-house. GESTICA's computer architecture has also been specifically designed for topics of the future such as IT security, machine learning, and assistants. This is why we are gradually rolling out GESTICA across our entire product range.

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Digitalisation delivers sustainability

Our two programmes "arburgXworld" and "arburg-GREENworld" are two sides of the same coin – our ongoing efforts to make plastics processing even more effective for society and for our customers worldwide in a sustainable way. We also made this strikingly clear with our appearance at the Fakuma 2021 plastics trade fair in Friedrichshafen, Germany.

"arburgXworld": Creating added value

We continue to drive digitalisation both internally and externally. Around 2,200 customers or more than 6,000 users are now enjoying the benefits of our "arburgXworld" customer portal. A representative survey has shown that the portal makes daily work easier for over 90 per cent of respondents. This is another reason why we have continued to systematically expand our range of digital products and services in 2021:

- Tool for the analysis and documentation of mould sampling and tests
- Development of new assistance functions for the control system such as aXw Control EnergyAssist for saving energy

"arburgGREENworld": Showing responsibility

By implementing a sustainability manager, we want to embed the topics of resource efficiency and circular economy within the organisation and continue to drive them forward dynamically.

We presented a "recyclate package" for processing alternative materials at Fakuma 2021. This additional equipment combines modified plasticising with smart process control, enabling all kinds of recyclates with more pronounced variations in material quality and shape to be processed in a future-proof manner. The recyclate package is available for all our ALLROUNDERS and is even suitable for retrofitting.

At the same time, we have started various projects and partnerships, which help us to remain innovative:

- **Project "CUNA":** In 2021, the sustainable injection moulding production of CUNA returnable cups made from vegetable raw material started at the SmartFactory of Ostwestfalen-Lippe University of Applied Sciences, Lemgo, Germany, with the help of ARBURG. ARBURG contributes expertise in the areas of automation, digitalisation and bioplastics processing to the project.

- **Institute of Plastics and Circular Economy (IKK):**

ARBURG is underlining the seriousness and long-term nature of its arburgGREENworld programme through a strategic cooperation with Leibnitz University Hannover, Germany.

- **EuProGigant research project:** EuProGiant, an

Austrian/German flagship project, is dedicated to a data infrastructure that will make Europe's production and manufacturing industry more sovereign, powerful, resilient and sustainable. 16 companies, universities and research institutions have joined forces in this project. ARBURG is contributing a use case about better, more sustainable component design and production with fewer CO₂ emissions through the intelligent exchange of data.

- **"R-Cycle" joint project:** ARBURG is the only injection moulding machine manufacturer to be a partner in this cross-company project. The aim of the project is to develop global standards for a sustainable circular economy. The seamless documentation of all properties relevant to recycling is intended to ensure the recyclability of plastic packaging, so that recycling materials can be precisely sorted for reprocessing in the recycling process.

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Focus on research

ARBURG continuously invests in research and development, for example in close collaborations with various universities and research institutes.

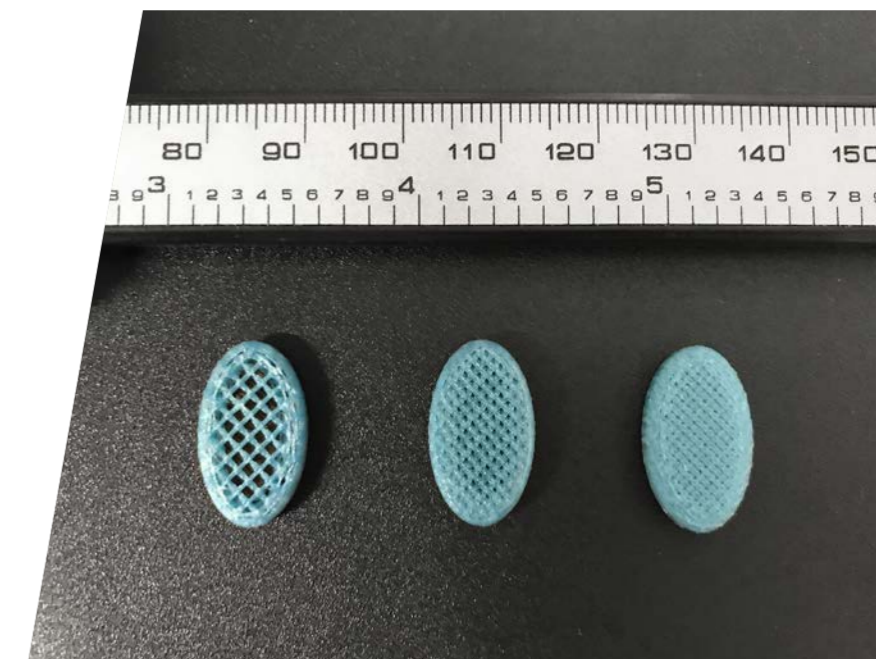
Spotlight: E-mobility

2021 has shown that e-mobility is now mainstream – with corresponding growth rates in the registration of subsidised e-vehicles. Numerous customer projects initiated last year underline this trend. Projects for engine compartment parts and components, for example, but also in connection with the development and implementation of wall-mounted charging points, or 'wallboxes'.

Spotlight: Industrial additive manufacturing

ARBURG sees a large future market in additive manufacturing (AM). From custom manufacturing to mass production – the entire spectrum of plastics processing is possible with ARBURG as a partner. In this area, we position ourselves with the freeformer as a production system and the patented APF (ARBURG Plastics Freeforming) process. It is precisely this unique selling point of being able to process original materials with the freeformer that is constantly opening up new fields of application for additive manufacturing. Our process is particularly sustainable due to its economical application of individual plastic layers without additional material consumption, sprues or bad parts, as well as its direct use of granulates without pre-fabrication.

A current project has been running since 2021 with the University Hospital of Basel, Switzerland, for example. In this joint medical technology project, resorbable implants are manufactured from Resomer LR 706 (composite of poly L-lactide-co-D, L-lactide and β -TCP). This Evonik polymer composite contains 30 per cent ceramic additives. This makes the part stronger and also releases calcium to promote bone regeneration. A project in collaboration with the School of Pharmacy, Faculty of Science, University of East Anglia, Norwich, uses the freeformer to manufacture tablets containing multi-active ingredients that control and facilitate the release of the active agents. The use of resorbable material means that it may be possible to personalise the medication for each patient.





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09 // WE INVEST WITH VISION

ARBURG: a private company that acts independently and grows autonomously



ARBURG



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Stubbornness as a positive attribute

There are truths that hold true because they have repeatedly proven themselves in the historical development of a company. For example, it is an inherent part of who we are that we take risks not only in economically strong phases, but also whenever it seems commercially appropriate to do so.

// At ARBURG, investments have never been made in response to economic cycles, but have always been driven by the wider context of the well-being of the company, the region, and its people. //

Evidence from our company's history shows that this approach has paid off. Including the investments in 2021, the year of the coronavirus, which are described in [Section 7](#). Above all, our fundamental decision to keep production at a location in Germany with a high level of in-house manufacturing for global machine sales has so far been confirmed as farsighted and correct in this context.

Basis of our success

Our stubbornness, however, has nothing to do with narrow-mindedness, but with long-term striving for success! It is an expression of our desire to persevere in every way when we are convinced of something. An important determinant in this context is and remains the question of who benefits from our "stubborn" behaviour. If it is our customers, employees, suppliers and the region, then we have done everything right!

Securing our autonomy in the long term

What drives us to adopt this approach is easy to explain: we can take our fate into our own hands, thereby remaining independent in our decisions and actions. In the process, we are securing the long-term independence of our company through a corporate and financial policy that is not only self-determined, but also forward-looking. ARBURG is and remains a "private family affair" and is not growing because financial investors want it that way, but because this is healthy and works with a sense of proportion. In other words: we spend our own financial resources in a focused way on the expansion of our own company. This view is common to all partners across all generations!

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Sustainable: Our financial policy

All our financing decisions are subject to the following criteria:

- Sustainable financial leeway must be guaranteed
- Autonomous action must not be restricted
- We do not expose our company to any risks
- Financing is only carried out in concert with reputable financial service providers, with whom we generally have a long-term collaborative relationship

// In addition to purely economic aspects, ARBURG also takes into account the concerns of employees and the environment. This is integrated social responsibility as ARBURG understands it. //

Proof of this approach can be seen in the construction of two assembly halls in recent years, each with around 28,500 square metres of floor space and an investment volume of tens of millions of euros. In addition, our Training Center is a modern facility for sophisticated customer support. Our continuous investments in production technology through state-of-the-art machining centres and systems for combined metal processing and finishing are also a part of this. ARBURG's common sense argument here is that it is good for the company and its customers in the long term if we invest in a targeted and responsible manner in expanding ARBURG into a high-tech company. From high-tech machinery to high-tech processes and innovations, from high-tech equipment to construction projects for environmental protection, waste disposal and generating renewable energy.

Best practice: Future-oriented construction

Commenting on the development and realisation of ARBURG's corporate buildings, Managing Partner Michael Hehl says: "Regardless of whether we are developing or building products and processes, we always combine progress and cutting-edge technology with resource conservation and sustainability. Our architectural and building technology requirements are correspondingly high, usually exceeding the current state of the art. And this has been the case for years. Examples of this are the heat recovery systems that were implemented in our administration building back in the 1980s, the central control technology for resource-efficient air conditioning in the building, the combined heat and power plants, our extensive photovoltaic and geothermal systems, and our lightweight construction with reduced concrete content. In many cases, we pioneered technologies and innovations that only found their way into other industrial buildings much later."



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The "ARBURG family" is growing

One example of sustainable and strategically sensible ARBURG investments was the purchase of Feldkirchen-based "German RepRap" by the ARBURG partners at the beginning of 2020. On 1 January 2021, the Hehl and Keinath families then acquired the Drives & Automation division of the AMK Group – thereby turning a close development partnership that had lasted for more than two decades into an even closer relationship.

// At ARBURG, takeovers also follow the historically successful path of managing all core competencies and the respective know-how in-house so that all important product components can be developed and manufactured sustainably by the company itself. //



AMKmotion: Member of the ARBURG family

ARBURG has been using AMK drive components for a long time – since

1994, to be precise. The purchase of AMK's Drives & Automation division and the renaming of the company to "AMKmotion" strategically secured important know-how for the long term, and also unlocked synergies in future development work from that point onwards. As a result, ARBURG has direct control over the entire electric drive train for its ALLROUNDERS. The division's 500 or so employees were retained, and the Kirchheim/Teck and Weida locations in Germany and Gabrovo in Bulgaria will continue to operate. Initial synergies have already been exploited in 2021. Together with the 3,300 employees at ARBURG's headquarters and the national subsidiaries, the ARBURG family is now heading towards the 4,000 mark.



New company ARBURGadditive

The takeover of German RepRap, renamed innovatiQ GmbH + Co KG in 2021, as a member of the ARBURG

family and strategic acquisition is an ideal fit for ARBURG's own Industrial Additive Manufacturing division with the freeformer. The company with 25 employees in Feldkirchen, Bavaria, is engaged in the development and production of 3D printers for industrial use.

The integration of innovatiQ means that the range of machines and know-how available to customers will be supplemented by additional additive manufacturing technology, including the unique LAM processing. Added to this are 3D-systems that operate on the basis of FFF (fused filament fabrication) technology.

The founding of ARBURGadditive GmbH + Co KG in October 2021 shows that ARBURG sees additive manufacturing as an important production method that complements injection moulding. This company is a subsidiary of ARBURG GmbH + Co KG based in Lossburg.



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10 // WE ARE OPEN AND HONEST

All our dealings are based on ethical principles.
Corruption is not an issue for us.



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Compliance@ARBURG

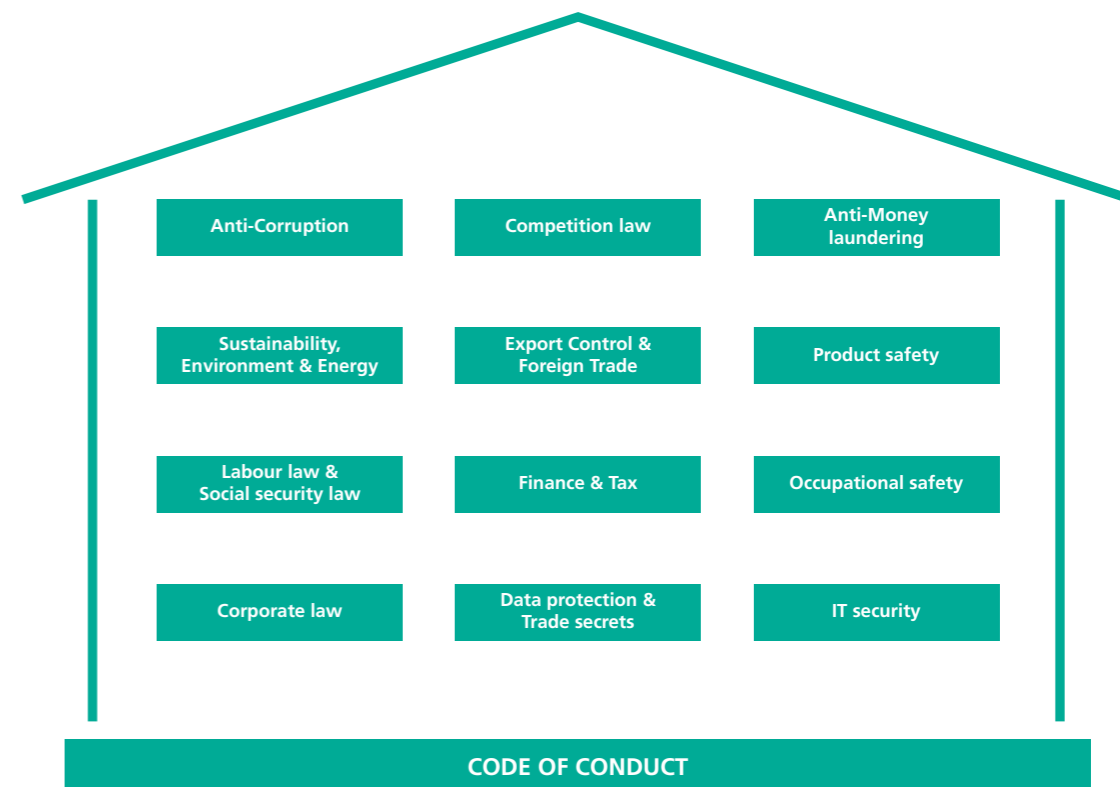
The House of Compliance@ARBURG, which is tailored to ARBURG's specific risk profile, and the ARBURG Code of Conduct form the framework of our compliance management and raise employee awareness with regard to compliance with applicable laws and rules. The values laid down are binding for all employees and managers.

// Compliance, i.e. conduct in conformity with the law and the rules, is the focus of our daily actions. Compliance includes adherence to all legal requirements as well as ethical guidelines, standards of conduct, voluntary codes and internal rules and regulations by the company and all its employees. //

The organisation is committed to practising, observing and implementing these values and their substance, which are indispensable to us. The principles of compliance and conduct that apply to ARBURG include the following:

- Compliance with all requirements under company law
- Compliance with all applicable laws and regulations in connection with tax law, on the basis of which the ARBURG companies must calculate and pay their taxes

- Guaranteeing the protection of privacy, the protection of personal data, and the security of all business information in all business processes
- Adherence to an appropriate standard of technical and organisational data security, in particular protection against unauthorised access and loss
- Compliance with regulations for the protection of employees and/or the reduction of risks to their safety and health, and implementation of measures for the avoidance of adverse effects on the health of employees





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Making our principles a reality for everyone

Developing these principles is one thing. Making them comprehensible, transparent and understandable for everyone, i.e. bringing them to life, can only be achieved through clear communication by the relevant line managers. To help with this, ARBURG has introduced the "Leadership Allrounder", an effective training tool for managers. All department and team managers as well as shift supervisors take part in this training at regular intervals in order to adequately communicate important rules and regulations to all employees in the company. Only if everyone is taught these guidelines, is familiar with them and acts accordingly will the company remain open and honest in the long run.

// One of the important goals of the Leadership Allrounder programme is to establish a uniform understanding of leadership and a common leadership culture in the medium term. //

The "Leadership Allrounder" mission

This programme is designed to teach managers at ARBURG more about self-management, employee and team leadership, and the corporate context. A mentoring programme is just as much a part of the training as a customisable development programme and leadership dialogue evenings with representatives from the management team. The goal is to produce superbly trained managers who practise a uniform ARBURG management culture and pursue an authentic management style. They should be able to self-reflect, manage, and lead and support their team members according to their strengths.

Outstanding staff management is of strategic importance to ARBURG, as managers motivate and bind employees to the company. In addition, the Leadership Allrounder programme creates a framework in which employees can develop.

ARBURG: No place for corruption!

The ARBURG Anti-Corruption Policy was drafted to specify the company's compliance efforts with regard to corruption and has applied globally to the entire ARBURG Group since spring 2021.

This Anti-Corruption Policy provides ARBURG employees with guidelines and specific recommendations on how to deal with gifts, invitations and other benefits.



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11 // WE CREATE MORE VALUE FOR OUR HOME REGION

Corporate responsibility includes social responsibility – support for regional projects.





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Responsibility for our region

It goes without saying that a company with around 2,800 employees at its Lossburg headquarters alone has a responsibility not only as an employer, towards the environment and its partners, but also towards the region it calls home. This is where we are based, this is where our roots are. So we operate sustainably here too. We give some of our success back to many regional institutions in the form of social responsibility, thereby creating a win-win situation. ARBURG is perceived as a regionally important company that supports regional institutions. This helps both sides.

// We are also making a name for ourselves regionally – through our actions – this is what sets the ARBURG family company apart. //

Active hazard protection: Drainage borehole

The heavy rainfall events in Rhineland-Palatinate and North Rhine-Westphalia in July 2021 have emphatically shown the damage that large masses of water can cause through heavy rainfall events. To prevent these dangers, ARBURG has taken even more comprehensive precautions by drilling another drainage borehole. This multi-million investment will provide effective protection against flooding in the assembly halls' underground floors. If the cellars there were to be flooded, critical infrastructure would be affected – and this is a reliable way to avoid this.

35,000 km BY BIKE



Despite wind, weather and working from home, 70 ARBURGers took part in the AOK "Cycle to Work" campaign on a total of 1,737 days in 2021. This is a clear indication that our employees also support their company's "green" commitment and promote it in the region

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Commitment to young people

We have discovered that you can successfully introduce children and young adults to technical subjects if you do it in a playful and very practical way. For this reason, our "education offensive" starts at a very early age: in pre-school.

The little ones are always amazed at our "**Little Scientists' House**" programme. As a company, we also regularly get involved in Lossburg's summer holiday programme and make the summer holidays exciting for all children with attractive activities at the company.

Educational partnerships connect us with various primary and secondary schools and training colleges in the region. These include the Progymnasium Alpirsbach, the Falkenrealschule Freudenstadt, the Gemeinschaftsschule Lossburg, the Grund-& Werkrealschule Lossburg, the Heinrich-Schickhardt-Schule Freudenstadt, the John-Bühler-Realschule Dornhan and the Staatliches Seminar für Didaktik. For primary school grades 1 to 4, we also organise school visits related to topics the children are learning about – for example, wind, sun, electric currents and bridge building.

In the school sector, we supplement our work with **regular school visits** by our trainees throughout the region.

The "**Girls' Day**" is aimed in particular at girls from the 5th grade upwards, with the aim of introducing them to a technical profession or a corresponding course of study. In other words, ARBURG is helping to encourage more women to take up technical professions.

ARBURG once again took part in the "**Mitmachen Ehrensache**" ("Participation matters") campaign in 2021. 18 students from the 7th grade upwards spent a day volunteering in various different departments at ARBURG to raise funds for this campaign.

Together with Technisches Gymnasium Freudenstadt, ARBURG organizes the **Student Engineer Academy (SIA)**. This cooperation model brings together schools, universities and companies to build a forum.

Finally, the "**Summer Academy**" is especially interesting for high school students interested in technology. In a five-day practical workshop at the beginning of the summer vacations, the students learn about the technical courses of study at the Baden-Württemberg Cooperative State University (DHBW) and gain authentic insights into the work of engineers.

As an industrial partner and founding member, ARBURG is working with the **Black Forest Campus** in Freudenstadt to drive forward joint solutions in the mechanical engineering and manufacturing industries. The campus is a regional centre for teaching, research and technology transfer in the mechanical engineering and manufacturing industry with a focus on digitalisation, leadership and sustainability.

As part of the **ARBURG Campus Day** on 23 October 2021, high school students aiming to take their Abitur in 2022 had the opportunity to gain first-hand experience of a potential study environment in computer science, electrical engineering, and mechatronics for one day.

Various trade fair events and our own activities, such as the **ARBURG Info Days** also target school leavers as well as potential trainees and DHBW students.

The **Hector Children's Academy** in Lossburg supports gifted primary school children in order to awaken their interest in technology and science as early as possible. For this reason, ARBURG also cooperates with kindergartens and primary schools in equal measure.



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Commitment from our surroundings to societies

ARBURG regularly supports regional associations with non-cash and cash donations. One example is the combined youth teams in Freudensstadt and Lossburg/Wittendorf/Lombach, of which the company is the main sponsor. Children and young people from several regional clubs are coached together in the teams. As the partnership is planned for several years, there is also a degree of long-term planning security.

Landscape restoration: offsetting and remedying construction work

When a company with 210,000 square metres of total floor space at present starts building at its central production site in Lossburg, Germany, this not only creates jobs and production capacity, but also a lot of excavated earth, for example. This is balanced with appropriate natural areas, but also renaturalised with innovative projects, i.e. landscaped and planted in a near-natural way.

A recent project focused on greening the area around the newest assembly hall in Lossburg. A large flower meadow was created there, which helps preserve the biodiversity of native animals and insects. The water requirement is far lower, and the meadow is only mown once a year by hand using a scythe.

The fire service: Working together for more safety

As a "Firefighters Partner" recognised by the German Firefighters Association, ARBURG is continuously expanding its own fire service with rope rescue and rescue service, which has been in existence since 1985. Both are maintained at the cutting edge of technology. However, this also applies to the Lossburg volunteer fire service, which cooperates closely with ARBURG's company fire service and holds joint exercises at the German parent company.

Social commitment: Childcare, care for the elderly, and church

A fine and fitting example of true regional sustainability is the personal social commitment of the company's two seniors, Eugen and Karl Hehl. Both helped initiate the establishment of the "Seniorenzentrum Gebrüder-Hehl-Stift" in Lossburg, which officially began its work in 1999. The retirement home operated by "Bruderhaus-Diakonie," a non-profit, Christian diaconal foundation in Baden-Württemberg, is open to older people for assisted living, short-term and elderly care. The construction of the children's centre in Lossburg was also supported by sponsorship. And the protestant community of Lossburg has also received repeated support in the form of donations for infrastructure.



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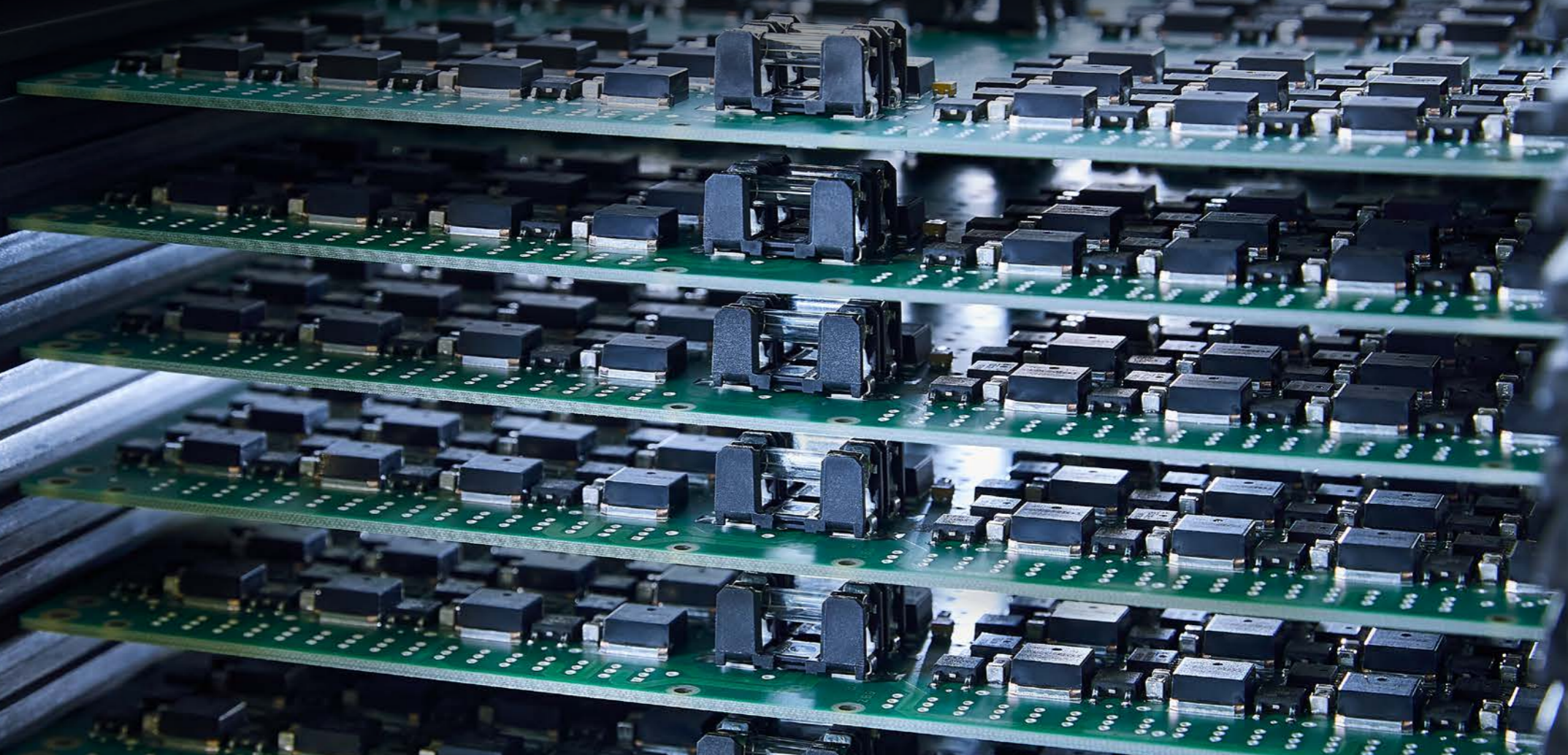
→ 12 // We think ahead together

12.1 Rethinking and thinking ahead

12.2 Interdisciplinary cooperation

12 // WE THINK AHEAD TOGETHER

Our goal is to develop unique solutions.



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Rethinking and thinking ahead

Others may shake their heads – but that does not stop us in our decisions. This is how we have been working from the very beginning. Highly flexible and always ready to question the status quo, even in its entirety, so that we can continue to develop in a new and sustainable way. Founded in 1923 as a medical technology manufacturer, ARBURG produced consumer goods after the war and then moved into flash light production. This varied product history alone shows the adaptability of the owners and their closeness to the market.

The switch to mechanical engineering was for the owners' own benefit to solve a problem with the product they were making back then. A key consequence of the company's rapid development is that it has also become more intensively involved in control, automation and IT technology, as well as production and building technology. At ARBURG, thinking ahead has always meant thinking disruptively and questioning everything in order to arrive at the best solution.

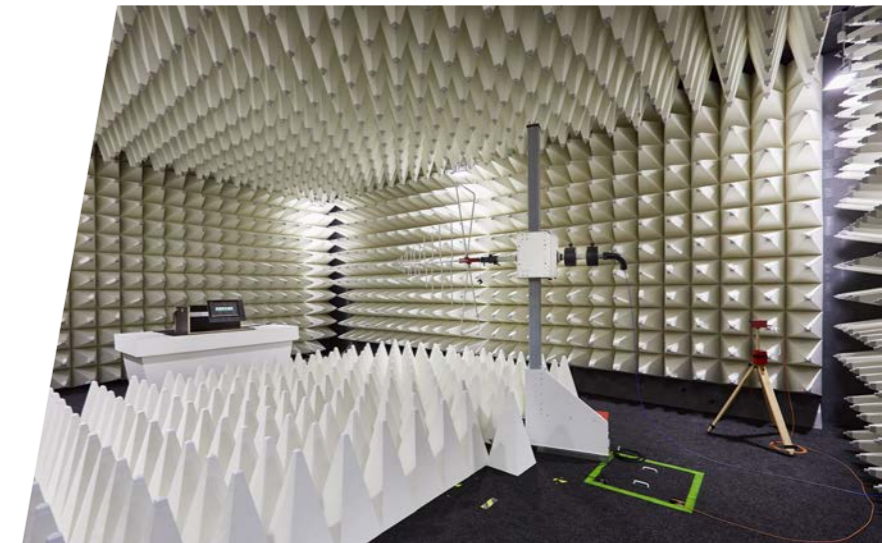
Central production as best practice

As we have already discussed elsewhere, sustainability is often associated with the long term at ARBURG. One such long-term and hence sustainable decision is our commitment to the central production site in Lossburg, Germany, and the ongoing expansion there. As early as the mid-1960s, the general development plan was designed for a workforce of 1,500 people – unimaginable at the time, but far exceeded today with more than 1,000 additional employees.

The later decision (in 1999 to be precise) to excavate the earth not only for the production expansion at that time, but for a total of four possible construction phases, was a move in the same direction. The third of these assembly halls was taken into use in 2021. All the excavated material from back then has already been sustainably renaturalised in the surrounding area.

// We have often been ridiculed for having centralised machine production at one location. However, in the long run, this strategy has paid off for us and our customers alike. //

The decisions in favour of centralised production at one location were recently confirmed by the impact of the disrupted global supply chains. The large vertical range of in-house production meant that production could continue quickly and almost without disruption, while the ARBURG supply chains with mainly European and German partners remained surprisingly flexible because they were short. Added to this are the critical advantages in terms of our carbon footprint and resource efficiency. In summary: ARBURG has remained able to deliver throughout the last few months, which has been extremely well received by our customers. Two vivid examples of this: The further expansion of our PCB production at the Lossburg headquarters and the implementation of our own EMC laboratory.





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Interdisciplinary cooperation

Our own developments and innovations keep our company "young" in the figurative sense and ensure our technological leadership. However, at ARBURG we also always have our ear to the market, enabling us to follow trends that may only pick up momentum in the coming years. This is what sets us apart and makes us a sought-after partner, even for large companies with global operations.

// Continuous improvement is a process with a long tradition at ARBURG. It is something that employees are actively involved in, with good ideas being rewarded. //

One aspect of joint technology development is to initiate and support flexible innovation processes, for example. This broadens the base – because whatever is achieved in flagship projects of this type ultimately benefits all our customers, as it flows into the machine series. You can

read more about this in [Section 8](#), where we have described in more detail numerous research projects and initiatives in which ARBURG has been involved in recent years. For example, in relation to the meta-topics of lightweight construction and the circular economy.

Environmental Committee and Energy Savings Panel

Due to our tradition of environmental protection, we recognised very early on that we had to pool all our activities and actions on this front in order to remain successful in this area despite our dynamic growth. For this reason, the Energy Savings Panel has been in existence since 1996. As a committee, one of its tasks is to develop and implement the ARBURG environmental and energy programme. This contains strategic and operational targets:

- for improving environmental protection,
- for increasing energy efficiency,
- for savings opportunities in all types of energy used at the location.

The report from the Energy Savings Panel is included in the annual internal environmental report and the Sustainability Report. The Energy Savings Panel supplements the Environmental Committee. Among other things, this Committee is responsible for:

- continuously developing the environmental management system,
- following up on measures from the environmental programme,
- analysing environmental data for the environmental performance statement and report,
- reporting to the management team.



Appendix and legal notice

About the Sustainability Report

The ARBURG Sustainability Report describes the measures and progress made by the company with regard to our sustainable business activities for the 2021 financial year (1 January 2021 to 31 December 2021).

The Report is based on the guiding principles of the WIN Charter, the sustainability management system of the state of Baden-Württemberg. Besides the voluntary commitment to sustainability by the participating companies, a prominent feature of the WIN Charter is its regionally binding component. The WIN Charter meets the requirements of EU Directive 2014/95/EU on sustainability reporting.

Unless otherwise stated, the key indicators and trend graphs in this Report refer to ARBURG's central production location in Lossburg, Germany. In individual cases, more up-to-date data for the 2021 financial year was not yet available as of the editorial deadline on 21 January 2022. For this reason, information at various points shown may also refer to the 2020 financial year. When adding data, discrepancies may occur due to rounding.

The 2021 Sustainability Report is available online in German and English. The next Sustainability Report is expected to be published in spring 2023.

Legal notice

Publisher

ARBURG GmbH + Co KG
Arthur-Hehl-Strasse
72290 Lossburg
Germany

Email: contact@arburg.com

Phone: +49 7446 33-0

Responsible

Dr Christoph Schumacher
Director of Marketing
Email: presse_service@arburg.com

Editorial support

UBCOM Communications Management, www.ubcom.cc

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