

SUSTAINABILITY REPORT

2024

Sustainability Report

General Disclosures

General Disclosures on the Preparation of the Sustainability Report in Accordance with the CSRD

ESRS 2 BP-1 GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

INDUS Holding AG prepares this Sustainability Report in accordance with the EU Corporate Sustainability Reporting Directive (CSRD), which was adopted on December 14, 2022 and came into force on January 5, 2023. The report is consistent with the European Sustainability Reporting Standards (ESRS) published by the European Financial Reporting Advisory Group (EFRAG). At the same time, the report fulfills the non-financial reporting requirements pursuant to Sections 315b to 315c of the German Commercial Code (HGB) (non-financial Group statement). In this Sustainability Report, the European Sustainability Reporting Standards (ESRS) are used for the first time and in full as a framework in accordance with Sections 315c (3) in conjunction with 289d HGB. The aspects of environmental concerns, employee concerns, social concerns, respect for human rights and anti-corruption and anti-bribery required by Section 289c HGB are covered by the reported ESRS standards E1, S1 and G1.

By publishing this Sustainability Report, INDUS Holding AG also complies with the requirements set out in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereinafter referred to as the EU Taxonomy Regulation) (see chapter: Disclosures According to Article 8 of EU Regulation 2020/852 (Taxonomy Regulation)).

The information in this Sustainability Report generally applies to INDUS Holding AG and all of its fully consolidated subsidiaries (INDUS Group). The Group has also not made use of the exemption under Article 19a (3) and Article 29a (3) of Directive 2013/34/EU on exemptions from disclosing information on impending developments or matters in the course of negotiation. Similarly, no specific information relating to intellectual property, know-how or the results of innovations has been omitted.

The content to be reported was determined based on a materiality assessment using the double materiality approach. Further information on the double materiality

assessment can be found in the chapter “Double Materiality Assessment”.

No key figures in this report were audited by external bodies beyond the required limited assurance engagement. Key figures that can be derived from INDUS’ key financial ratios have been audited by the external auditor and have not been subject to any further external audit. The most significant non-financial key performance indicator for INDUS is the intensity of greenhouse gas emissions (GHG-E Scope 1 + 2). This is also presented in the report on the economic situation in the chapter “The Board of Management’s Overall Assessment” and in the forecast report in the chapter “Expected Group Performance”.

INDUS Holding AG is a long-term investor with more than 40 portfolio companies operating in three segments: Engineering, Infrastructure and Materials. The investment portfolio is characterized by very different business models, products and markets. This makes the Group as a whole inherently resilient to crises and cyclical fluctuations. This diversification also plays a key role in assessing materiality and only results in reliance on specific markets, products, customers or suppliers in a small number of cases.

This Sustainability Report provides information on the scope of consolidation, as well as the upstream and downstream value chain, for the individual disclosure requirements, insofar as these are associated with material impacts, risks or opportunities. As far as the upstream and downstream value chain is concerned, the double materiality assessment has shown that reporting on impacts, risks and opportunities can essentially be limited to the INDUS Group. While the upstream and downstream value chain (excluding product use and end of life) was also included in the scenario analysis for climate risks, no significant aspects were identified. In individual cases – for example in the case of Scope 3 emissions – it is also important to include the upstream and downstream value chain. In these cases, information is reported both for the scope of consolidation and for the upstream and downstream value chain. Reporting on policies, actions and targets is material for the INDUS scope of consolidation. The upstream value chain (suppliers and subcontractors) is also material with regard to compliance with the requirements set out in the German Supply Chain Due Diligence Act (LkSG) to prevent human rights violations in supply chains. The collection of data on quantitative parameters relates to the INDUS Group. Only the key figures for Scope 3 greenhouse gas emissions relate to emissions from the upstream and downstream value chain.

ESRS 2 BP-2 DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

This report is the first sustainability report published by INDUS Holding AG. Prior-year figures have not been included. The exemptions set out in the ESRS to simplify reporting in the first year have been utilized in full. Information from the EU Taxonomy Regulation and the German Commercial Code (HGB) is included in this report.

There are no material risks resulting from the company's own operations or from business relationships, products and services that are highly likely to cause serious adverse impacts on non-financial aspects in accordance with Section 289c HGB.

If disclosures were calculated using estimates or are subject to measurement uncertainties, this has been indicated in the relevant sections. This concerns estimates regarding data from the value chain for all significant Scope 3 emissions (ESRS E1-6), estimates for own operations and employee turnover (ESRS S1-6) and information on training for functions-at-risk (ESRS G1-3).

ESRS 2 GOV-1 THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (INCL. G1) AND GOV-2 INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES.

ANNUAL SHAREHOLDERS' MEETING AND SHAREHOLDERS

INDUS has been listed on the stock market since 1995 and INDUS shares are traded in the SDAX stock market index. Versicherungskammer Bayern is INDUS' main shareholder with a stake of 12.4% (as of December 31, 2024). The Annual Shareholders' Meeting is the supreme governing body of INDUS Holding AG. The last ordinary Annual Shareholders' Meeting was held on May 22, 2024, as an in-person event at the Koelnmesse Congress Center.

The Annual Shareholders' Meeting elects six members to the Supervisory Board (shareholder representatives) for a maximum period of five years.

DUAL MANAGEMENT SYSTEM

As a German stock corporation, INDUS has a dual management system. This system is characterized by strict separation of the staff members on the Board of Management, as the management body, and the Supervisory Board, as the advisory and monitoring body. Both bodies work together constructively and in the spirit of trust in the interests of the company and the Group.

SUPERVISORY BOARD

COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board of INDUS Holding AG consists of twelve members with Mr. Jürgen Abromeit as Chairman and Mr. Wolfgang Lemb as Deputy Chairman. In accordance with the German Co-Determination Act (MitbestG), it is composed of an equal number of shareholder and workers' representatives. The Supervisory Board members who are not elected by the shareholders are elected by the INDUS Group's employees in Germany.

The members of the Supervisory Board demonstrate the expertise in the subject areas and fields relevant to INDUS that is required for them to perform their duties in a due and proper manner. This ranges from academic expertise, to skills of entrepreneurs in the SME sector and members of a sector-specific industry association (VDMA), legal or financial expertise and experience on works councils of INDUS portfolio companies.

The Supervisory Board has defined basic individual suitability criteria, such as age, education and professional background, as well as requirements related to personality. It has also adopted a diversity policy for the Supervisory Board as a whole. In addition, the Supervisory Board has defined concrete targets for its composition as well as a profile of skills and expertise for the full Supervisory Board.

The Nomination Committee ensures that the targets regarding its composition and the requirements of the German Stock Corporation Act and the German Corporate Governance Code regarding the composition of the Supervisory Board are observed for the shareholder representatives on the Supervisory Board. The Supervisory Board's Nomination Committee discusses suitable candidates for the election of new shareholders to the Supervisory Board by the Annual Shareholders' Meeting. In addition to the profile of skills and expertise, the objectives defined by the Supervisory Board with regard to its composition are also taken into account.

SKILLS SETS RELATED TO SUSTAINABILITY

The requirements governing the skills of Supervisory Board members with regard to sustainability and ESG consist of experience in, and knowledge of, sustainable corporate governance, resource conservation and the promotion of environmental efficiency measures, as well as sustainability reporting.

All of the current Supervisory Board members have expertise in the area of sustainability. The skills matrix presented below shows experience and knowledge in sustainable corporate governance, resource conservation and the promotion of environmental measures, as well as in sustainability reporting, in the "Sustainability and ESG" specialist area. The "Human Resources & Social Affairs" specialist area encompass experience in staff leadership and development as well as in the areas of co-determination and employee

issues. The “Corporate Governance” specialist area is understood to refer to knowledge and experience in the design and monitoring of risk management systems, practical experience in the design and application of performance-based compensation systems as well as basic knowledge of stock market and stock corporation law and financial markets. The

“Corporate Management” specialist area covers long-standing successful management experience at management/board level, particularly at SMEs, as well as proven experience in developing corporate strategies and their implementation.

SUPERVISORY BOARD SKILLS MATRIX

SPECIALIST AREAS	Jürgen Abromeit	Wolfgang Lemb	Dr. Dorothee Becker	Dorothee Diehm	Pia Fischinger	Cornelia Holzberger	Gerold Klausmann	Jan Klingelberg	Stefan Müller	Barbara Schick	Carl Martin Welcker	Prof. Dr. Isabell M. Welpé
Technology & Innovation	✓	✓	✓	–	✓	✓	✓	✓	✓	✓	✓	✓
Mergers & Acquisitions	✓	–	✓	–	–	–	✓	✓	–	✓	✓	✓
Corporate Management (with international experience)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Accounting & Auditing	✓	✓	✓	–	–	–	✓	✓	✓	✓	✓	✓
Corporate Finance	✓	✓	✓	–	–	✓	✓	✓	–	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sustainability & ESG	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Digitalization	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Human Resources & Social Affairs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The INDUS portfolio companies are located in Germany (41) and Switzerland (3). All members of the Supervisory Board also have their professional focus in Germany and Switzerland. In addition, some members of the Supervisory Board have international experience.

The requirements for the independence and diversity of the Supervisory Board are as follows:

INDEPENDENCE

- At least four members of the shareholder representatives should be independent.
- The Supervisory Board should include no more than two former members of the Board of Management.
- No member of the Supervisory Board performs executive, supervisory or consulting functions for major competitors of INDUS, and no member of the Supervisory Board has a personal relationship with a major competitor.

In the 2024 financial year, no member of the Supervisory Board performed executive, supervisory or consulting functions at any significant competitors of INDUS. What is more, no member of the Supervisory Board had or has a personal relationship with a major competitor. No more than two former members of the Board of Management are members of the Supervisory Board; there is currently one former member of the Board of Management on the Supervisory Board. The Supervisory Board should include at least four indepen-

dent shareholders. Based on their own assessment, none of the shareholder representatives on the INDUS Supervisory Board are considered to be dependent on the company or the Board of Management. Accordingly, Mr. Jürgen Abromeit, Dr. Dorothee Becker, Mr. Jan Klingelberg, Ms. Barbara Schick, Mr. Carl Martin Welcker and Prof. Dr. Isabell M. Welpé are independent. All employee representatives also meet the requirements of independence from the company and its Board of Management. Accordingly, Mr. Wolfgang Lemb, Ms. Dorothee Diehm, Ms. Pia Fischinger, Ms. Cornelia Holzberger, Mr. Gerold Klausmann and Mr. Stefan Müller are independent. This means that the INDUS Supervisory Board is 100% independent.

DIVERSITY

- In addition to fundamental suitability criteria such as age, education and professional background as well as requirements related to personality, the Supervisory Board also takes diversity-related aspects into account.
- The members of the Supervisory Board should complement each other in terms of their background, professional experience, knowledge, skills and international experience based on their roots and/or professional activity so that the Supervisory Board can draw on the broadest possible wealth of experience and exploit this experience in its work.
- The Supervisory Board must be composed of at least 30% women and 30% men.

The gender quota has to be fulfilled by the Supervisory Board as a whole by law. Both the shareholder and workers' representatives on the Supervisory Board have objected to this. Consequently, the Supervisory Board had to be made up of at least two women and at least two men on the side of both the shareholder representatives and the workers' representatives.

There are currently three women and three men on the side of the shareholder representatives on the Supervisory Board and three women and three men on the side of the workers' representatives, which means that the statutory gender quota is fulfilled. As a result, the Supervisory Board consisted of 50% women and 50% men in the reporting year. In terms of diversity, INDUS only differentiates on the basis of gender, both on the Supervisory Board and the Board of Management.

STRATEGY AND ESG COMMITTEE

The Supervisory Board establishes committees from among its members, which can call in experts to consult as and when required. It appoints the Personnel Committee, the Audit Committee, the Nomination Committee, the Strategy and ESG Committee and the Mediation Committee as standing committees in accordance with Section 27 (3) of the MitbestG.

The Strategy and ESG Committee comprises the Chairman of the Supervisory Board and two to four other members with proven expertise in strategic planning and sustainability. The Strategy and ESG Committee is chaired by the Chairman of the Supervisory Board. The committee addresses matters related to sustainable business conduct and the company's business activities from an environmental, social and governance (ESG) angle, as well as their impacts, risks and opportunities. The Strategy and ESG Committee was assigned the following tasks with a focus on sustainability:

- Preparing processes for planning, implementing and evaluating business strategy and monitoring the Board of Management's approach to integrating ESG aspects into the corporate strategy
- Advising the Board of Management on sustainability-related and other ESG targets
- Supporting the Audit Committee in the preliminary review of sustainability-related statements as part of the audit of the non-financial statement or the separate non-financial report.
- Supporting the Personnel Committee in setting ESG targets for Board of Management remuneration.

The Strategy and ESG Committee should meet at regular intervals without the Board of Management.

The current members of the Strategy and ESG Committee are the Supervisory Board Chairman, Mr. Jürgen Abromeit (committee chair), Mr. Jan Klingelberg as an additional shareholder representative and Ms. Cornelia Holzberger and Mr. Wolfgang Lemb as workers' representatives. The members of the Strategy and ESG Committee have proven expertise in the field of strategic planning and/or sustainability. The committee's remit includes, in particular, preparing processes for planning, implementing, evaluating and adapting the company's business strategy, monitoring the Board of Management's approach to integrating ESG aspects (including impacts, risks and opportunities) into the company's corporate strategy and advising the Board of Management on the definition of strategic objectives and sustainability-related and other ESG targets.

The Strategy and ESG Committee met four times in 2024 (on March 14, September 18, November 27 and December 4). At the meeting on December 4, the topic of "fair work" was discussed within the INDUS Group. This involved presenting and discussing the relevant overall conditions at INDUS (Code of Conduct, human rights policy and sustainability strategy).

BOARD OF MANAGEMENT

COMPOSITION OF THE BOARD OF MANAGEMENT

The INDUS Holding AG Board of Management runs the company and manages its business activities. The Board determines the company's strategic orientation, coordinates this with the Supervisory Board, and ensures its implementation. The Board of Management's duties also include preparation of the quarterly, semi-annual, and annual financial statements of INDUS Holding AG and the INDUS Group. The Board of Management is comprised of five members. They are Dr. Johannes Schmidt (Chairman of the Board and Labor Director), Mr. Rudolf Weichert (member of the Board of Management, CFO and Board of Management Deputy Chairman), Ms. Gudrun Degenhart (member of the Board of Management and responsible for the Materials segment), Dr. Jörn Großmann (member of the Board of Management and responsible for the Infrastructure segment) and Mr. Axel Meyer (member of the Board of Management and responsible for the Engineering segment). The age limitation policy adopted by the Supervisory Board for members of the Board of Management, which provides for a termination of the mandate at the age of 67, is complied with.

PROFILE OF SKILLS AND EXPERTISE

The Supervisory Board works with the Board of Management to ensure long-term succession planning. To this end, a process has been set up in which the Chairman of the Supervisory Board and the Chairman of the Board of Management discuss upcoming vacancies on the Board of Management and how to fill them at regular intervals. Succession planning is a fixed item on the agenda of the Supervisory Board's Personnel Committee at least once a year. The Personnel Committee prepares any necessary resolutions to be passed by the Supervisory Board on matters related to the Board of Management and informs the Supervisory Board of what it has discussed. In addition to fundamental suitability criteria used to select candidates for Board of Management roles, such as age, education and professional background as well as requirements related to personality, the Supervisory Board also takes diversity-related aspects into account.

If a Board of Management position becomes vacant, the Supervisory Board defines a requirements, skills and expertise profile (based on preparatory work performed by the Personnel Committee) for the vacant position that complements the existing profiles of the other members of the Board of Management or, in the event that a member of the Board of Management is due to leave, one that replaces that member's profile. The Board of Management should have all the skills and experience that are considered essential for the management of INDUS, also with regard to sustainability matters. The Supervisory Board decides on the specific candidate to be appointed in the interests of the company and taking into account all of the prevailing circumstances.

The members of the Board of Management of INDUS Holding AG have extensive knowledge and experience in the areas of climate change, the company's own workforce and shareholder responsibility, which are material to sustainability reporting. As far as climate change is concerned, they have extensive experience in reducing greenhouse gas emissions, implementing energy efficiency measures and promoting renewable energies. They also have knowledge of sustainability reporting standards such as the Global Reporting Initiative (GRI) and the Carbon Disclosure Project (CDP).

In relation to the company's own workforce, they have experience in promoting employee satisfaction and creating a positive working atmosphere. This has resulted, by way of example, in a low turnover rate within the workforce in recent years. The Board of Management has been confronted with the shortage of skilled workers for years, particularly at the portfolio companies, and has developed various solu-

tions to address the problem. The Board of Management also has experience in employee engagement, diversity and inclusion as well as with collective bargaining and interacting with social partners. It also has knowledge of occupational health and safety and health promotion.

With regard to shareholder responsibility, the members of the Board of Management have extensive experience in designing risk management systems, monitoring compliance processes and dealing with corporate governance issues. They also have knowledge of remuneration management and stock options. In recent years, they have introduced all of the new reporting obligations for INDUS Holding AG, such as the German Act on Corporate Due Diligence Obligations in Supply Chains, the compensation report in accordance with Section 182 AktG, the non-financial report and, most recently, the Sustainability Report in accordance with the CSRD.

The members of the Board of Management of INDUS Holding AG also have experience in integrating sustainability matters into the corporate strategy and in dealing with stakeholders and interest groups. By incorporating "Striving for Sustainability" as the fourth pillar of PARKOUR perform, the Board of Management has emphasized just how important sustainability is for INDUS. With the sustainability development bank as an opportunity to promote sustainability-related projects in the portfolio companies, the Board of Management has refined its focus on sustainability issues throughout the Group and gained a wealth of experience with a wide variety of projects relating to the material impacts, risks and opportunities for INDUS Holding AG. The publication of the sustainability magazine SUSTA[IN] underscores the importance of sustainability in the INDUS Group.

The Board of Management also has access to extensive specialist knowledge and competent experience in the area of sustainability at all times thanks to a salaried sustainability expert who reports directly to the members of the Board of Management. The sustainability expert works closely with the sustainability officers of the portfolio companies and monitors reporting at the individual companies. If particular sustainability issues arise at the companies, these are reported to the Board of Management either via the management teams of the portfolio companies or via the sustainability expert. External training on sustainability topics is used to allow individuals to gain and build on their expertise. INDUS has also been working with an external consultancy firm with a proven focus on sustainability for years now.

DIVERSITY

Since Section 76 (3a) sentence 1 AktG came into force, INDUS, as a listed company subject to co-determination with an equal number of shareholder and employee representatives, has been subject to the binding minimum requirement for the participation of women on the Board of Management stipulated in that provision.

Ms. Gudrun Degenhart has been a member of the Board of Management of INDUS Holding AG since October 2023. She is responsible for the Materials segment. This means that the company meets the minimum participation requirement. The Board of Management is made up of 80% men and 20% women.

SUSTAINABILITY

The ongoing improvement of INDUS' sustainability performance in terms of impacts, risks and opportunities, but also extending beyond that, is managed and further developed by the Board of Management. INDUS recognized at an early stage the importance of acting responsibly and of continuously improving what has been achieved. True corporate success is measured not only in quarterly figures, but also in successful long-term development. Corporate factors not related to financial aspects, such as environmental concerns, employee concerns and shareholder responsibility, are equally important. This is why INDUS established "Striving for Sustainability" as the fourth strategic pillar of its PARKOUR perform strategic program. The content of the fields of action and the resulting impacts, risks and opportunities are reviewed on a regular basis and were recently confirmed by the double materiality assessment.

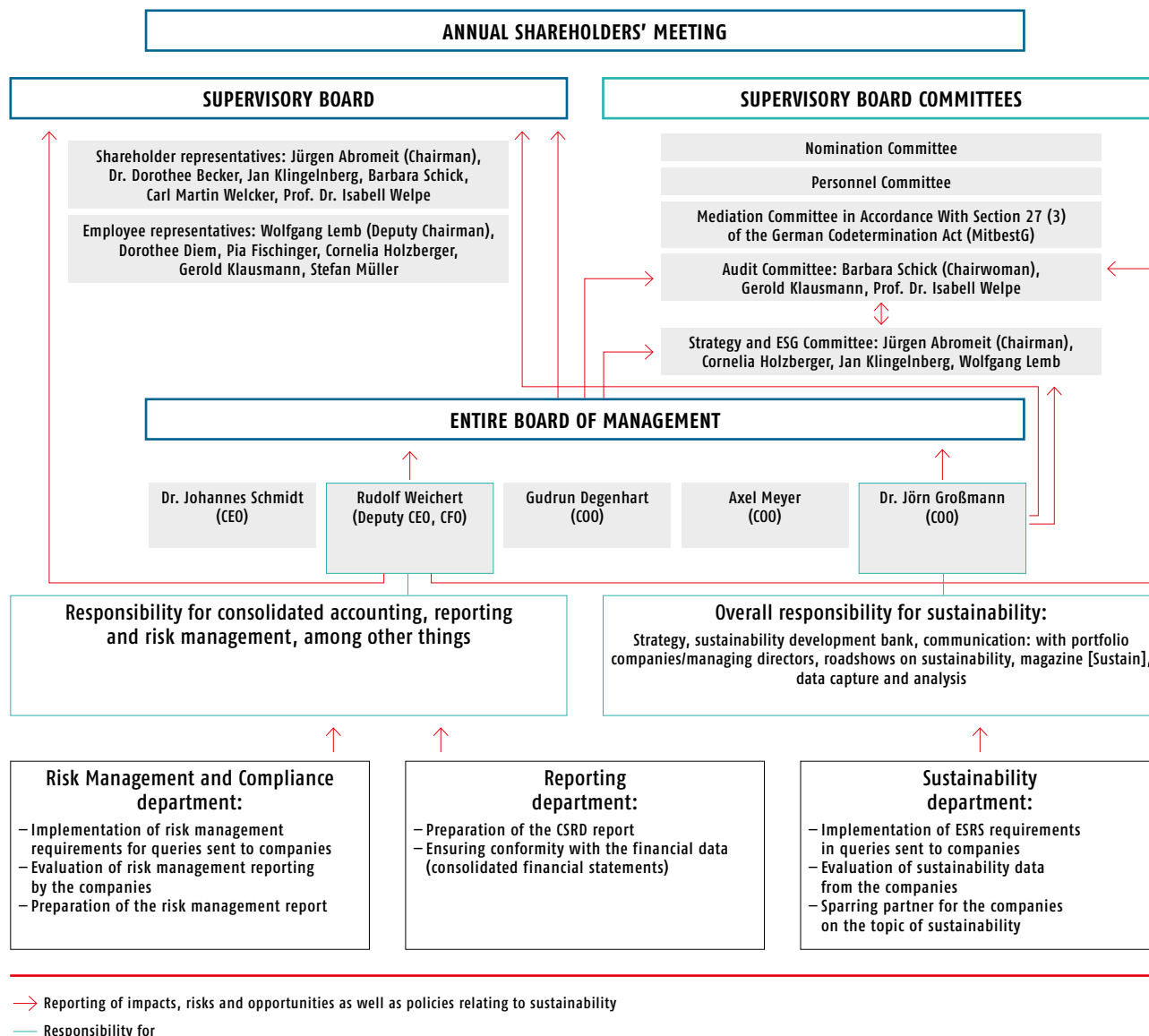
In addition to supporting the portfolio companies, INDUS is primarily active in the acquisition of new companies. The acquisition targets considered in the due diligence process are evaluated for compatibility with the sustainability strategy's action areas. In particular, future trends relating to ESG themes are included in the forecast of financial performance for the acquisition target and the business areas in which the acquisition target operates. This is frequently the case with performance in terms of the future trend of green tech.

In compliance with industry standards and legal regulations, INDUS has established a risk management system to identify potential risks and observe and assess these across all functional areas. As an integral part of business, planning, accounting and controlling processes, the risk management system is integrated into the INDUS Holding AG information and communications system, and is a key element in the management system. The structuring of the risk management system is the responsibility of the Board of Management, which ensures that all risks – including those related to sustainability – are actively managed. The objective of the risk management system is to identify, take stock of, analyze, assess, manage, and monitor risks systematically. The Board of Management regularly, and as required by events, examines and revises the company's risk register.

The dialog between the Board of Management and the management teams of the portfolio companies focuses not only on the achievement of financial targets, but also on relevant sustainability concepts, non-financial performance indicators and the achievement of the objectives the portfolio companies set for themselves. In addition, issues related to corporate social responsibility are highlighted and discussed at INDUS' annual corporate conferences. In 2016, INDUS integrated an incentive for progress achieved in the area of sustainability into the remuneration system of the Board of Management.

Dr. Jörn Großmann is the member of the Board of Management responsible for sustainability. He addresses all key topics and concepts relating to sustainability and is the main point of contact responsible for managing impacts, risks and opportunities associated with sustainability. The list of topics and concepts he is responsible for can be found in chapter SBM-3. These are also addressed in the individual topic-specific chapters. Mr. Rudolf Weichert (CFO) is the member of the Board of Management responsible for risk management. The risks to which the INDUS Group is exposed are reported via the risk management system and broken down into risk groups. Sustainability risks are integrated into INDUS' internal risk management system.

FOCUS OF INDUS CORPORATE BODIES ON SUSTAINABILITY



The annual planning process not only involves projecting financial data, but also gives particular attention to sustainability projects in the portfolio companies. The portfolio companies' individual sustainability objectives, and the portfolio companies' measures derived from these, are presented and discussed with the Board of Management. When it comes to the mandatory topics defined by INDUS, namely reducing greenhouse gases and activities in the area of "employee concerns" and "social measures", the measures taken by the portfolio companies are presented. The portfolio companies can apply for funding from INDUS for sustainable product innovations in the future field of "green tech" (energy and environmental technology as well as technologies and products with an improved energy-efficiency profile) via the sustainability development bank.

Sustainability data from the portfolio companies is reported via the INDUS information and planning tool. The

companies report their sustainability data both at the end of the year and at the end of the first half of the year. The Board of Management reserves the right to request additional data if it wishes to introduce new data or improve the quality of existing data. The Board of Management evaluates the data and takes measures if targets are not met or the sustainability data has fallen short of expectations.

Additional reporting as part of the planning process and the process associated with the annual financial statements regarding impacts, risks and opportunities, policies, actions, key figures and targets relating to sustainability and the implementation of due diligence is carried out both on a regular and ad hoc basis. The type of reporting depends on quantitative materiality and qualitative significance and is based on the reporting structures shown in the chart.

GOV-1 G1

CORPORATE GOVERNANCE PRACTICES OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD AT INDUS

The Board of Management ensures the implementation of an adequate **Compliance Management System** at the company level. The Board of Management has appointed a compliance officer who reports directly to the Board of Management member responsible for compliance.

Section 91 (3) AktG defines the due diligence obligations incumbent upon management boards of listed companies with regard to the establishment of appropriate and effective internal control systems (ICS) and risk management systems (RMS). This also includes the implementation of an **internal audit** organization.

In accordance with the “three lines of defense” model, the Board of Management has established an Internal Audit department that reports directly to the Chairman of the Board and reviews the effectiveness of the INDUS Group’s management systems independently of the departments concerned.

The Supervisory Board advises and supervises the Board of Management in managing the company and is involved in decisions of fundamental importance to the company.

COOPERATION BETWEEN THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

The Board of Management informs the Supervisory Board in a regular, timely, and comprehensive manner of all relevant issues, including particularly those pertaining to the corporate budget, strategic development, earnings and financial position, risk situation, risk management, compliance and internal auditing. Deviations from targets and planning in the company’s course of business are also reported, as well as the strategic approach at the company level and the further development of the composition of the portfolio. Information is also shared intensively with the Supervisory Board Chairman. According to the list of transactions requiring approval defined by the Supervisory Board, decisions of material importance for INDUS’ business require the Supervisory Board’s approval. Specific transactions that the company executes with related parties (related party transactions) also require the approval of the Supervisory Board in accordance with Section 111b AktG. The Board of Management and the Supervisory Board cooperate closely to the benefit of the company. Consultations and discussions between the Board of Management and the Supervisory Board are conducted openly and in an atmosphere of trust.

Members of the Board of Management immediately disclose any conflicts of interest that may arise to the Supervisory Board (via the Supervisory Board Chairman) and the Chairman of the Board of Management, and inform the other members of the Board of Management accordingly.

EXPERTISE OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD WITH REGARD TO CORPORATE GOVERNANCE

The expertise of the Board of Management and Supervisory Board of INDUS Holding AG with regard to corporate governance is geared toward ensuring compliance with standards and statutory requirements, promoting transparency and maintaining the trust of the company’s stakeholders. In particular, this includes knowledge and experience in the following areas:

CORPORATE GOVERNANCE

The Board of Management and Supervisory Board are familiar with the principles of corporate governance that apply to the management and supervision of listed companies. These include the principles of transparent, responsible and ethical corporate governance. The members of the Supervisory Board are experienced in effectively monitoring and advising the Board of Management and ensure compliance with corporate governance principles. They are responsible for approving key strategic decisions and monitoring their implementation.

COMPLIANCE

The Board of Management and Supervisory Board of INDUS Holding AG have in-depth knowledge of the relevant laws, provisions and standards that apply to listed companies. They include, in particular, the German Stock Corporation Act, the German Securities Trading Act and the German Commercial Code, as well as international regulations such as the International Financial Reporting Standards (IFRS) and the ESRS.

The members of the Board of Management and the Supervisory Board are familiar with the internal compliance systems and control mechanisms designed to ensure that the company fulfills the statutory and regulatory requirements. This also includes monitoring measures to combat corruption, fraud and other illegal activities.

Compliance expertise also includes risk management in order to identify potential compliance violations at an early stage and allow appropriate action to be taken in response to such violations. This includes monitoring internal audits and controls, which comprise both preventive and reactive measures.

REPORTING AND TRANSPARENCY

The Board of Management prepares the annual financial statements in accordance with the German Commercial Code (HGB) and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The Supervisory Board adopts the annual financial statements and the consolidated financial statements. The Board of Management and the Supervisory Board help to ensure that the company communicates transparently with

its stakeholders on a regular basis, particularly with regard to relevant compliance issues and governance matters.

REMUNERATION POLICIES

One key corporate governance topic is the remuneration paid to the Board of Management. The Supervisory Board ensures that the remuneration policy is in line with market standards and promotes the long-term development of the company, while at the same time being transparent and easy to understand.

ESRS 2 GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES (INCL. GOV-3 E1)

For the 2024 financial year, the compensation for members of the Board of Management of INDUS Holding AG consisted of basic salary, performance-based variable compensation (short-term incentive program – STI), and a share-based component of the compensation in the form of virtual shares (performance share units – PSUs). The STI consists of two portions: one portion that rewards the achievement of financial targets and one portion that rewards sustainability achievements. This share attributable to non-financial targets makes up 20% of the STI target.

The non-financial part of the STI is based on the achievement of non-financial targets which, following preparation by the Personnel Committee, are developed by the Supervisory Board based on the PARKOUR perform corporate strategy and the company's sustainability strategy, and are set every year for the following year. Strategy-related targets are consistent with the two strategic initiatives "Driving innovation" and "Improving performance". In relation to the sustainability strategy, the focus for the coming year will be on implementing the greenhouse gas reduction targets set out in the German Climate Protection Act (Klimaschutzgesetz), setting up an INDUS employee stock ownership program and designing and implementing a talent management program for up-and-coming managers at the portfolio companies.

As with the financial targets, the payout for the non-financial targets is capped at 150% of the target value for this STI component. If the non-financial targets are not achieved, this variable remuneration component is not applied.

Two targets were set for 2024:

Target 1:

Reduce emissions intensity: The gross emissions intensity is to be reduced to a target value of 18.8 t CO₂e/EUR million in sales. The gross emissions were chosen deliberately, because this figure cannot be corrected by the purchase of certificates.

Target 2:

- Implementation of the new set of key figures and development of meaningful target values, particularly for "social" and "governance" aspects
- Restructuring of sustainability reporting (in particular integration into the management report)

These two targets were assigned an 80:20 weighting (target 1: target 2). Sustainability target 1 is an evaluation in line with the GHG emission reduction targets (see information on E1-4).

Target achievement in 2024:

Target 1:

Gross emissions in 2024 came to 17.4 t CO₂e/EUR million in sales. This was below the target value (18.8 t CO₂e/EUR million in sales) and also below the maximum value (18.2 t CO₂e/EUR million in sales), and a bonus factor of 150% was achieved.

Target 2:

- The new set of key figures has been implemented.
- Reporting in accordance with the CSRD has been established and has now been integrated into the management report.

This brings the target achievement level to 100%. The bonus factor for target 2 is 100%.

Overall, this results in a bonus factor of 140% from the non-financial targets.

Measured against the target remuneration for 2024, the short-term variable component (STI) is between 20% and 23%. Sustainability targets account for 20% of the short-term variable remuneration.

PERFORMANCE-RELATED SUSTAINABILITY TARGETS IN SUPERVISORY BOARD REMUNERATION

The remuneration paid to the Supervisory Board consists of fixed remuneration and attendance fees. It does not include any variable components.

INDUS was making use of four ESG-linked loans as of the reporting date. There is a direct link between the interest rate on these loans and the company's ISS ESG rating. The value of the loans as of December 31, 2024 came to EUR 233 million.

ESRS 2 GOV-4 STATEMENT ON DUE DILIGENCE

The core elements of due diligence with an impact on people and/or the environment are as follows:

STATEMENT ON DUE DILIGENCE

Core Elements of Due Diligence	Reference in Sustainability Report
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2
	ESRS 2 GOV-3
	ESRS 2 SBM-3
	ESRS 2 SBM-3-E1
	ESRS 2 SBM-3-S1
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2
	ESRS 2 SBM-2
	ESRS 2 IRO-1
	ESRS E1-2 "Policies" (MDR-P)
	ESRS S1-1 "Policies" (MDR-P)
c) Identifying and assessing adverse impacts	ESRS S1-2
	ESRS G1-1 "Policies" (MDR-P)
	ESRS 2 IRO-1
	ESRS 2 SBM-3
	ESRS E1-3 "Actions and Resources" (MDR-A)
d) Taking actions to address those adverse impacts	ESRS S1-4 "Actions" (MDR-A)
	ESRS G1-1 "Policies, Targets and Actions Related to Business Conduct" (MDR-A)
	ESRS E1-5 (MDR-M)
	ESRS E1-6 (MDR-M)
	ESRS S1-6 (MDR-M)
	ESRS S1-7 (MDR-M)
	ESRS S1-9 (MDR-M)
	ESRS S1-13 (MDR-M)
	ESRS S1-14 (MDR-M)
	ESRS S1-16 (MDR-M)
	ESRS S1-17 (MDR-M)
	ESRS G1-3 (MDR-M)
	ESRS G1-5 (MDR-M)
	ESRS G1-6 (MDR-M)
	ESRS E1-4 "Targets" (MDR-T)
e) Tracking the effectiveness of these efforts and communicating	ESRS S1-5 "Targets" (MDR-T)
	ESRS G1-1 "Corporate Culture" (MDR-T)

ESRS 2 GOV-5 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Sustainability reporting is based on an annual cycle. The impacts, risks and opportunities identified on the basis of the double materiality assessments, as well as the associated data points and key figures, have to be requested from the companies as of the relevant reporting date before being reviewed, verified, consolidated and included in the report.

INDUS is exposed to the risk of incorrect or incomplete data being reported. These risks are equally likely, which is why they are given equal priority at INDUS. The risks have to be considered in particular against the backdrop of the large number of companies with different business models and the variety of different sustainability issues.

INDUS counters these risks by establishing documentation instructions and internal controls in the sustainability reporting process, especially at Group level.

INDUS holds regular (web-based) meetings with the companies in order to draw attention to any changes in statutory requirements and their impact on the companies at an early stage. These meetings are also used to showcase best practice examples from the portfolio companies and to address current reporting topics. In particular, the specific effects on data collection at the companies are discussed in detail. Instructions, guides and guidelines for the implementation of data collection are also made available to the companies in writing. This information is also communicated to all companies at annual entrepreneurs' conferences (Unternehmertagungen), commercial management conferences and workshops.

The data capture and verification system involves a dual review as a minimum requirement, as the portfolio companies submit data (often in two stages – entry and finalization) and the data is only approved at the holding company after plausibility checks have been performed. The evaluation also involves comparing sustainability data in particular with data from the previous period and data from other portfolio companies. Any implausibilities are verified and, if necessary, corrected at company level.

A data query is made at the half-year point so that the data can be checked during the year and, if necessary, action can be taken to improve data quality or the process. The findings are discussed in detail with the employees concerned.

Sustainability risks are integrated into INDUS' internal risk management system. The individual risks are identified, assessed, managed and monitored systematically as part of the risk management system. Individual risks are identified and captured by the portfolio companies and INDUS Holding AG as part of a decentralized bottom-up approach. Risks are assessed based on their potential impact and likelihood of occurrence. The Group's overall risk exposure is assessed by means of a risk metric calculated using a Monte Carlo simulation of all the risks identified and measured.

The Board of Management examines and revises the Group's risk portfolio, including sustainability risks, on both a regular and ad hoc basis. On this basis, the necessary risk control measures are defined and documented and their effectiveness is monitored. The Supervisory Board is regularly informed about the risk position of INDUS Holding AG and INDUS Group. No reportable individual risks were identified in connection with sustainability matters as part of the risk management system in the 2024 financial year.

INDUS strives to ensure that sustainability reporting is accurate at all times. The sustainability data and the Sustainability Report are audited by the Group auditor of INDUS Holding AG (PricewaterhouseCoopers GmbH WPG). The data is subject to a limited assurance engagement.

ESRS 2 SBM-1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN

BUSINESS MODEL

INDUS is one of the leading specialists in the field of sustainable investment and development in the SME sector of the German-speaking countries. It acquires mostly owner-managed companies operating in the industrial technology sector and assists them in setting a long-term trajectory for their entrepreneurial development.

When providing support, care is taken to ensure that the portfolio companies can retain their special strength – their SME identity. In the best-case scenario, the company's former owners remain as managing directors of the company during the transition phase.

INDUS improves the Group's development prospects by expanding its portfolio in a targeted manner on an ongoing basis. This results in a high level of diversification in the Group's portfolio. With their respective core capabilities, the companies occupy niches of the market of great interest for their sectors, in which they assume a leading position.

The segment structure, consisting of three segments, Engineering, Infrastructure and Materials, clearly documents the strengths and industrial expertise of the INDUS portfolio.

INDUS understands sustainability as encompassing topics related to energy, social issues and responsible corporate governance. The energy area includes energy efficiency, recycling and waste management as well as energy technology, resource conservation and the avoidance of greenhouse gas emissions. Social sustainability concerns the areas of safety at work, recruitment, diversity, corporate ethics and employee health. For INDUS, responsible corporate governance means transparency, fairness and reliability as well as ethical conduct in accordance with legal requirements.

The portfolio companies enjoy a high degree of operational autonomy as they have proven themselves to be "hidden champions" and have shown that they have mastered their business, which is why they are part of the Group. The holding company uses its additional expertise to support the companies in making good things even better and maintaining their performance.

As the parent company, the holding company sees itself as a strategic sparring partner for its portfolio companies. The Board of Management members responsible for segment management support their segment companies as specialists, develop their strategic orientation with a focus on future topics in dialog with the management teams, and safeguard revenue and value enhancement. Working in ongoing dialog with the management teams, and with the support of the central functions within the holding company, they ensure that the interests of INDUS Holding AG as a shareholder are safeguarded.

STRATEGY

INDUS' overarching objectives are profitable growth, value enhancement and a balanced portfolio structure.

In order to achieve the overarching objectives for the years ahead in spite of various macroeconomic challenges, the Board of Management of INDUS Holding AG has communicated a refinement of the PARKOUR strategy under the title PARKOUR perform. In order to execute this strategy, the Board of Management has implemented four strategic initiatives that are centrally driven from the holding company, with corresponding resources:

- Strengthening the Portfolio Structure
- Driving Innovation
- Improving Performance
- Striving for Sustainability

A description of the strategy is provided in the Management Report/Introduction to the Group/Strategies and Dividend Policy.

The fourth pillar of the PARKOUR perform strategy, "Striving for Sustainability", is outlined below:

Sustainable practices for INDUS means treating economic, social and ecological objectives equally over the long term: INDUS wants to create lasting values, enable quality work by doing so, and protect the world and all of the human beings who live in it at the same time. We are increasingly using key figures to manage our targets in all areas.

In order to ensure long-term entrepreneurial success, INDUS follows clear guidelines with respect to sustainable practices:

- Economically sustainable conduct ensures future success.
- Considering environmental factors prevents subsequent costs and improves process efficiency.
- Social fairness is a fundamental SME principle and one which encourages cooperation.
- Compliance with agreements and rules (corporate governance) strengthens trust.

To ensure profitability, INDUS uses traditional economic key figures. This secures long-term entrepreneurial success in the interests of the Group, the shareholders, and other stakeholders. The holding company ensures a stable balance sheet, adequate liquidity buffer, and a flexible financing basis.

INDUS supports its portfolio companies in their commitment to conserving resources and avoiding greenhouse gas emissions, which poses a major challenge for all entrepreneurial activities. The portfolio companies are also committed to environmental issues, in particular by boosting efficiency and optimizing processes. INDUS supports its

portfolio companies in making production processes more energy-efficient, installing photovoltaic systems, switching to more climate-friendly heating systems and “green power”, and transitioning the vehicle fleet to alternative drive systems. The innovation development bank provides development funds for sustainable product innovations in the future field of green tech (energy and environmental technology as well as products with an improved energy-efficiency profile).

In terms of their social orientation, all the companies in the INDUS Group are aligned with SME values. Central to these is the principle of responsibility – for the survival of the company, but first and foremost for the company’s own workforce. This is expressed in company-specific codes of conduct that cover the continuous development of occupational health and safety and support for trainees, as well as development of employees. Social responsibility is expressed through support for non-profit initiatives, particularly in the portfolio companies’ respective local regions. The CSRD’s additional focus on social issues will provide the INDUS Group with further insights into employment within the Group thanks to new key figures.

The Board of Management and the Supervisory Board have always been committed to responsible, transparent and sustainable corporate governance; as such they fully comply with the recommendations of the German Corporate Governance Code, and thereby document the importance of the rules on good corporate governance and monitoring. A Group-wide whistleblowing system has also been introduced. This can be used on a decentralized basis by employees of the portfolio companies and externals across the globe, and as such it satisfies the corresponding statutory obligations and the recommendations of the German Corporate Governance Code. A system for implementing German supply chain due diligence law Group-wide was introduced in 2023. As a result, INDUS now has a good level of transparency with regard to suppliers and potential risks in the value chain.

With the implementation of PARKOUR perform, the management of portfolio companies is focused at segment level. Each of the three segments is managed by a member of the Board of Management who is responsible for the segment (segment management). This member supports the portfolio companies in this segment as a specialist function, develops their strategic alignment working in dialog with the management teams, and, in doing so, secures their growth, revenue and value enhancement.

Engineering segment:

- This is where we find companies who enable progress in the future with their technological expertise. When it comes to energy transition, or the optimization of work and production processes – engineering forms the foundation for successful change. Dovetailing production with the latest information and communication technology lays the foundation for new growth models. The megatrends of digitalization and sustainability are the growth drivers behind this development. The INDUS Engineering segment consists of companies that already support the manufacturing industry with a broad range of services. These companies are well established on the market for specialized mechanical engineering and equipment manufacturing, and as niche providers for automation/robotics, sensor technology, measurement and control engineering.
- Products include complex conveyor systems, robotic gripping systems, valve technology, automation components for final vehicle assembly, inert gas systems, plants for metal detection, integrated control rooms, electric heat tracing systems, and measurement solutions as well as solutions for specialized vehicles.
- The portfolio companies GESTALT AUTOMATION, DECKMA and the sub-subsidiary COLSON were acquired in the reporting period. GESTALT AUTOMATION operates in the future field of AI-based industrial automation. DECKMA is a technical ship equipment systems provider specializing in lighting and fire alarm systems. COLSON is a manufacturer of industrial valves to control and regulate liquids and gases.

Infrastructure segment:

- Public investment in infrastructure for the maintenance and expansion of transport routes, high capacity demand in residential construction, and energy-efficiency renovations are driving demand for the segment. Construction and building technology are receiving new momentum from the social demand for sustainable construction. Modern technologies enable the development of intelligent infrastructure and supply networks – in telecommunications and in energy supply. The companies in the INDUS Infrastructure segment are using their solid positioning to develop their range of offers with a clear focus on this demand – in the field of construction and building technology, telecommunications infrastructure, and air-conditioning technology.

- Products include reinforcement of ferroconcrete, construction materials, network and cable laying, air-conditioning and heating technology for stationary and mobile applications, accessories for private homebuilding, and window construction.
- The sub-subsidiary GRIDCOM was acquired in the reporting year.

Materials segment:

- The companies in the Materials segment have a high level of expertise in the field of materials as well as their creation and processing. They specialize in metals technology (carbide tools and wear technology, component and assembly production, surface and housing technology) as well as in medical consumables and supplies. They use the knowledge they have gained and constantly transfer it to new application options.
- Products include carbide tools for road construction and mining, manufacture of housings, blasting agent for the steel industry as well as bolt welding technology for structural connecting elements used in bridge construction, as well as orthotic devices, surgical stockings, lenses and optical devices, surgical accessories, rehabilitation technology.

None of the INDUS Group's products or product groups account for more than 10% of Group sales. The very diverse nature of the INDUS portfolio companies means that it is virtually impossible to highlight any significant markets or customers. As a result, all sustainability targets at INDUS are defined for the Group as a whole. Products and activities relating to material impacts, risks and opportunities (in particular climate change mitigation) can be found in the Taxonomy reporting. For a breakdown of sales and operating income (EBIT), please refer to Segment Reporting, note [33] in the Notes.

VALUE CHAIN

The value chain maps the individual steps that a product has to go through in order to ultimately be sold with added value. It describes the exact path the product follows from the raw material stage to the end product, including distribution and logistics, all the way to the customer and other product-related services.

INDUS is a holding company for SMEs with a focus on industry. The products offered by the INDUS portfolio companies are mostly found in the middle of the value chain, such as metal parts, materials for surface processing, and tool and machine parts. Due to the varied nature of products and production processes, the portfolio companies each have their own value chains, which cannot be classified as typical INDUS value chains. The upstream value chains include raw material producers or manufacturers of semi-finished products, which are then processed further at INDUS. The downstream value chain encompasses the further processing of the products or their sale to customers. The customers of the portfolio companies tend to be other companies and, in a few exceptional cases, end consumers. There are individual distribution models that depend on the business model.

The shortage of skilled workers poses a potential risk to both the upstream and downstream value chain. There are also potential adverse impacts on the workforce due to work-related physical and psychological stress, as well as occupational accidents. The extraction of raw materials and fossil fuels has an adverse impact on the environment. The production of metals, in particular, generates large quantities of greenhouse gases and uses considerable amounts of energy. This creates a potential opportunity: green steel or other low-emission primary products reduce Scope 3 greenhouse gases, which can have a positive impact on the demand for these products.

In particular, those INDUS products that are related to Taxonomy-aligned activities offer positive benefits for users and customers alike. This allows INDUS to make positive contributions in this area, particularly as far as climate change mitigation is concerned.

SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

The foundation for successful work on sustainability issues, and ultimately for long-term entrepreneurial success, is knowledge of the corresponding stakeholders and their interests. External stakeholders as well as the managing directors of the portfolio companies were again actively involved during the update to the materiality analysis in 2022. The results of the materiality assessment were confirmed in an update performed in 2024. The selection of interested groups is regularly reviewed, and the circle is widened where needed. A structured process is always applied when identifying the main stakeholders. In this process, potentially relevant groups are identified by the sustainability department, taking into account the value chain and following consultation with other departments. The stakeholders are then prioritized according to their influence on the INDUS Group, as well as the INDUS Group influence on the respective stakeholders. This suggestion is then coordinated with the INDUS Board of Management. As sustainability topics are now taking center-stage in society and are subject to widely varying perceptions, the group of stakeholders was significantly expanded and diversified in 2022 compared with the previous participants.

Structured engagement with the needs of our stakeholders resulted in seven relevant groups in total in 2022, both internal and external:

External:

- Business partners: These include investors, suppliers and service companies as well as shareholders of potential new portfolio companies. All of these subgroups provide INDUS with financial security, facilitate its further development and acquisitions, and keep it in business.
- Customers of the portfolio companies: A good relationship with customers creates long-term cooperation based on trust, ensuring the survival of both sides and also enabling joint, progressive development.
- Employees: Employees of both INDUS Holding AG and the portfolio companies are an indispensable part of INDUS. Close dialog on an equal footing between the workforce and the management of the portfolio companies, as well as between employees of the holding company and the Board of Management, is essential for a productive working environment and good cooperation.
- Municipalities: Municipalities play a key role in the survival of our portfolio companies. They provide the commercial space and are responsible for public infrastructure and for ensuring that (potential) employees feel comfortable in an attractive environment. Close

dialog with municipalities is particularly important, as it helps to shape the places where human beings live their lives.

- Public: In this context, the public is represented by analysts who are particularly well versed in matters related to sustainability and finance. They evaluate companies on the basis of their sustainability metrics and serve as an important medium for informing the general public by publishing summaries, key figures and seals of quality.

Internal:

- Board of Management: The Board of Management of INDUS Holding AG is a key stakeholder, as it is responsible for the Group's development, for the way the portfolio companies interact with the environment and for the contribution they make to securing the livelihoods of their employees.
- Management teams of the portfolio companies: They have operational responsibility in the portfolio companies and create a bridge between INDUS Holding AG, municipalities and other local economic and social players.

INDUS Holding AG and its portfolio companies engage in regular dialog with key stakeholder groups, such as investors and analysts, who are contacted by the IR/PR department by means of video calls, emails and phone calls, or customers and local authorities, which are contacted by the portfolio companies by means of phone calls and in-person conversations. The addition of regular external stakeholder interviews using a standardized guideline in the framework of the update to the materiality assessment, as took place most recently in the 2022 financial year, serves the purpose of identifying key sustainability topics from the perspective of leading stakeholders; it also functions as a way of reflecting our internal assessment externally, and checking it for completeness. From there, stakeholders' interests, expectations and requirements are analyzed and results are integrated into the analysis on a continual basis. At the same time, the discussions provide new impetus and important stimuli for the INDUS Group, which are presented to the Board of Management. The Management Board can incorporate the results of the stakeholder engagement process into its further planning or use them as a means of evaluating strategy implementation. The results of the materiality assessment were presented to, and acknowledged by, the Supervisory Board.

STAKEHOLDER GROUPS BASED ON THE DOUBLE MATERIALITY ASSESSMENT PROCESS

Stakeholder groups	Category	Inclusion and purpose
Own employees and non-employees	Affected stakeholders	Management survey and interviews
Suppliers	Affected stakeholders	Interviews
Customers	Affected stakeholders/users	Interviews
Portfolio companies of the INDUS Group	Affected stakeholders/users	Management survey
Authorities	Users	Regular dialog
Nature	Affected stakeholders	Silent stakeholders
Investors and analysts	Users	Interviews, constant dialog, Annual Shareholders' Meeting
Associations	Users	Management survey and work by associations
Scientific community	Users	Management survey and collaboration

Stakeholder input is not currently expected to result in any change in corporate strategy.

SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (INCL. SBM-3 E1; INCL. SBM-2 S1; INCL. SBM-3 S1)

The tables below present the sustainability-related impacts and risks that were identified as part of the double materiality assessment and were considered to be material.

As shown in the double materiality assessment, the following three ESRS topics are considered material at INDUS: climate change, the company's own workforce and corporate governance. Material impacts, risks and opportunities relating to climate change, for example, are: energy,

climate change mitigation and climate change adaptation. The tables also indicate whether the impacts and risks fall within the company's own operations or the value chain (VC) and whether the impacts are positive or adverse. INDUS companies are typically found in the middle of the value chain. Most companies produce a wide variety of semi-finished products. None of the portfolio companies are involved in the extraction of raw materials. INDUS companies are located in 29 countries across the globe. Production activities are focused on Germany. The main impacts, risks and opportunities primarily relate to the company's own operations. Some impacts, risks and opportunities are concentrated more in the upstream value chain. The downstream value chain is less affected, as is shown in the following overviews.

E1 CLIMATE CHANGE

				Value chain			Time horizon		
				Upstream	Own activities	Downstream	Short-term	Medium-term	Long-term
Energy	Type	IRO							
	Actual negative impact	Energy-intensive production processes at the portfolio companies, which are still fossil-based to a relevant extent	The products of INDUS portfolio companies and their primary products can only be manufactured using energy. Without energy, production cannot take place. Most of the energy used today still comes from fossil sources, especially thermal energy. This is a limited resource, the extraction and use of which has a negative impact on the environment and society.	x	x		x	x	
	Opportunity	Renewable energy deployment reduces dependence on fossil energy sources and meets the expectations of legislators, society and customers	Renewable energy deployment reduces dependence on fossil (limited) energy sources at the point of the value chain at which they are used. Increased renewable energy deployment reduces uncertainties with regard to availability and price trends, and meets the expectations of legislators, society and customers.	x	x		x	x	x
	Opportunity	Self-supply with electricity from photovoltaics, heat pumps, etc.	Self-supply with electricity from photovoltaics or heat pumps, for example, ensures additional independence from the energy market and makes financial planning easier. This also makes INDUS less and less dependent on energy market availability and can ensure a constant supply to customers.		x	x	x	x	x
	Opportunity	New market opportunities due to climate change and ongoing climate change adaptation measures by customers	Climate change is altering our environment and creating a need for new products, the demand for which may increase in the future. The products help customers, for example, to adapt to rising average temperatures and extreme temperatures, or help to generate renewable energies. Examples from INDUS portfolio companies: – Highly insulated doors/windows from OBUK/Wirus – Heat pumps/air-conditioning devices from REMKO – "Louvers" window protection from MIGUA		x	x		x	x
Climate change adaptation	Opportunity								
Climate change mitigation	Actual negative impacts	Greenhouse gases from fossil fuels	The use of fossil fuels, especially in the company's own production and in the manufacture of primary products, contributes to climate change and all its consequences on the environment, society and the economy. The INDUS portfolio companies are therefore currently actively contributing to the advance of human-made climate change.	x	x		x	x	x
	Actual positive impacts	Renewable energy deployment reduces contribution to climate change	By using renewable energies, fossil fuels are replaced and greenhouse gas emissions are avoided. INDUS can reduce its contribution to human-made climate change by using more renewable energies in its own production and increasingly using primary products that were also produced using renewable energies.	x	x		x	x	x

The adaptation of business activities for climate change mitigation and climate change adaptation is ultimately also a major economic issue. This is reflected in the fact that impacts, risks and opportunities associated with climate change play an amplified role in risk management and in investment decisions.

The assessment of risks related to climate change mitigation, energy and climate change adaptation, supported by a scenario analysis for climate risks and resilience, has shown that there are no significant physical climate or climate transition risks.

In the first quarter of 2025, a resilience analysis of the business model and strategy in relation to climate risks was prepared as part of the CSRD reporting. INDUS received support in the process from an external consultancy firm. The Board of Management checked the plausibility of the analysis results and confirmed them. Based on the short, medium and long-term (defined in the same way as in the DMA) climate risks identified as part of the scenario analysis, an investigation looked at how the INDUS Group can react to the materialization of adverse impacts and whether the potential damage would have far-reaching consequences. Scenario RCP 8.5 was used for physical risks. This is a pessimistic scenario with substantial emissions from fossil fuels. For transition risks and opportunities, an optimistic scenario was applied that involves compliance with the 1.5°C target through stringent regulation and strict limits on greenhouse gas emissions, as in the IPCC's RCP 2.6 scenario. Further details are explained in chapter IRO-1.

Regarding the resilience of the strategy and business model to physical risks, the following aspects and the physical risks affecting them in the upstream and downstream value chain were taken into account and examined:

- Extraction of raw materials (especially metals) and production of intermediate products (international)
- Transportation by sea, air and land (national and international)

The following aspects were taken into account for the company's own operations:

- Energy supply
- Water availability
- Release of hazardous substances
- Performance of the company's own workforce
- Production processes
- Operational planning

Product use and the end of the product life cycle were not taken into account.

Resilience to transition risks was assessed using the risk categories of the Task Force on Climate-related Financial Disclosures (TCFD).

Each identified risk was examined to determine how the INDUS Group could recover from potential losses and how the impacts of the risks could be avoided or minimized.

The resilience of the strategy and business model is uniformly classified as "high". No high likelihood of occurrence or high potential damage was determined for operating activities or assets for any of the climate risk impacts identified. The main risks are summarized in the following table:

CLIMATE RISK ANALYSIS

Risk type	Risk description	Time horizon	Assessment of the likelihood of occurrence	Assessment of potential damage	Resilience
Physical	Impairment of the land-based movement of goods (extreme events affect transportation routes, resulting in delays and possibly additional costs due to detours/longer routes)	Long-term	Medium	Medium (operating activities)	High
Physical	Impairment of production processes (physical damage to facilities and buildings due to extreme weather events)	Long-term	Medium	Medium (assets)	High
Transitory	Costs associated with the transition to lower-emission technology	Medium-term	Medium	Medium	High

In addition to the risks shown in the table, the analysis revealed the following: The only medium-term risk with a medium likelihood of occurrence is the transition risk "More stringent emissions reporting obligation". As this mainly affects upstream steel and metal production, the risk is indirect and the potential damage is considered low. All other risks have a low likelihood of occurrence over the short and medium term and are associated low potential damage for business activities and assets. Finally, there is also long-term "medium" potential damage to the com-

pany's business activities resulting from physical climate risks associated with raw materials extraction and intermediate product manufacturing. Availability can be affected by acute or chronic physical risks, which could have an adverse impact on production at portfolio companies. The Group-wide damage potential is classified as "low", as a large number of different materials are used due to the INDUS Group's diverse structure. Consequently, any damage could affect individual portfolio companies but not the Group as a whole.

None of the risks are classified as material. As a result, physical or transition risks are not expected to have any material financial impact. The INDUS business model and strategy are resilient, as the Group is diversified in terms of both its activities and its geographical location in the German-speaking region. The vast range of activities that the portfolio companies cover and the fact that they are spread across numerous locations reduce the risk of widespread supply bottlenecks for raw materials and supplies. Portfolio companies are instructed to avoid being heavily reliant on specific suppliers as a matter of principle. This is monitored for all portfolio companies through the annual reporting of their biggest suppliers. Compliance with the German Act on Corporate Due Diligence Obligations in Supply Chains also helps to ensure a comprehensive overview of suppliers.

The geographical distribution of portfolio companies in the German-speaking region reduces the risk of a large number of production facilities or assets (and therefore significant assets overall) being disrupted or damaged by acute extreme weather events, as these tend to affect smaller areas or individual regions. What is more, logistics can react to local extreme weather events with relative ease. Increasing adverse effects on the land-based movement of goods, which is important for the INDUS portfolio companies, are only to be expected in the long term. This is something the central departments are aware of and will be taken into account in future planning if necessary, e.g. when the risks become more concrete.

The business model and strategy of INDUS Holding AG and its portfolio companies are capable of adapting to climate change over all of the three time horizons analyzed. The diverse structure of the Group, which ensures risk minimization, and the transformation process that is already under way in the operating units through the sustainability development bank and the innovation development bank are helping to facilitate adaptation to changes in the overall conditions.

In the optimistic scenario, which involves compliance with the 1.5°C target by means of corresponding stringent regulation and substantial investment, the costs associated with the transition to the extensive use of lower-emission technologies could put the portfolio companies under increased pressure. To avoid this, efficiency measures are being prioritized so that large-scale investments can be spread over several years. The sustainability development bank is already supporting the portfolio companies in this transformation process by providing funding of > EUR 100,000 for investments that help to conserve resources.

When evaluating the scenario analysis, together with the risk and resilience analysis, it is important to remem-

ber that the information provided is based on assumptions. Physical risks can be modeled and predicted fairly reliably. In the upstream and downstream value chain, the areas to be evaluated are less specific, which makes the results less certain. The same applies to the time horizons: The further into the future the analyses look, the more uncertain the materialization of the forecast events becomes. In comparison, impacts on the company's own operations over the short and medium term are considered to be relatively plausible, which is why they are included in specific plans. Long-term information is used in the planning process to indicate possible developments. In the case of transition risks, the informational value tends to be lower, as there are hardly any models or data sources that provide sound information. The information presented is based on assessments by experts.

In general, the INDUS portfolio companies operate independently in their respective markets. In the past, companies in the SME segment have proven their ability to adopt an agile approach and react resiliently to challenges and crises. From the Group's perspective, the broad diversification spreads the risk associated with all of the above-mentioned material impacts, risks and opportunities, balancing out the portfolio and the individual opportunities for the portfolio companies in their markets. This is illustrated if we compare the sales generated by the biggest portfolio company against the Group's total sales. In addition to the short and medium-term outlooks, this perspective also applies to long-term scenarios.

Networking between the management teams of the portfolio companies and the segment management teams provides an opportunity to share experiences on individual impacts, risks and opportunities (e.g. in relation to the switch to renewable energy sources (biogas plants, photovoltaic systems)) and to learn from others. No further resilience analysis was carried out.

In addition to the specific "Striving for Sustainability" initiative, INDUS' strategy also includes impacts/interdependencies in the three other pillars of the strategy. INDUS incorporated the assessment of target companies' sustainability performance into its M&A due diligence process years ago. Emphasis can be placed on sustainability matters to varying degrees as part of the due diligence process. In general, the acquisition process should examine whether the potential company's business model is sustainable. As part of the "Driving innovation" initiative, specific emphasis can also be placed on sustainable innovation projects or, in cases involving other innovation projects, checks can be performed to see whether they are having a positive impact on sustainability matters. The "Operational Excellence" initiative, which seeks to optimize production processes, can always be structured so as to focus on sustainability criteria.

S1 OWN WORKFORCE

			Value chain			Time horizon			
	Type	IRO		Upstream	Own activities	Downstream	Short-term	Medium-term	Long-term
Working conditions	Potential positive impacts	Employee satisfaction and low staff turnover	A high level of employee satisfaction is important for retaining employees. INDUS makes every effort to keep this high. When working conditions are good and employees are satisfied, they are more productive and innovative, which can have a positive impact on the stability and productivity of the company. People also then stay with the company for longer, meaning that experience and knowledge are built up over time making processes more efficient.		x	x	x	x	x
	Risk	Worsening skills shortage	A worsening in the shortage of skilled workers is a risk for the portfolio companies, as it may not be possible to run shifts at full capacity in the future, resulting in lower productivity. This in turn can have consequences on profitability and production capacities.		x	x		x	x
	Opportunity	Low staff turnover rate and long period of employment	Low staff turnover rates and long periods of employment, as is currently the case, ensure efficient work, minimal training costs, and a productive atmosphere. This generates real financial added value for the Group.	x	x	x	x	x	x
			Work accidents can happen at any time, especially in production, no matter what measures have been taken to avoid them. This is due to the nature of the working environment, which involves the handling of goods, machinery and vehicles, i.e. the business activities of the portfolio companies. Theoretically, any employee of INDUS or its portfolio companies could be affected. When work accidents occur, they have a negative impact on the health of the employees concerned. In the vast majority of cases, the resulting injuries heal without causing lasting damage. INDUS nevertheless endeavors to avoid work accidents and has been reporting a key figure for years that is also important for investors.		x		x	x	x
	Actual negative impacts	Occurrence of work accidents despite preventive measures							
	Potential positive impacts	INDUS' efforts to promote employee satisfaction and reduce the staff turnover rate	Equal treatment and equal opportunities are seen by INDUS as key to employee satisfaction and a healthy staff turnover rate. The resulting atmosphere can have a positive impact on all entrepreneurial and social aspects relevant to the portfolio companies.		x			x	x
	Potential positive impacts	Diversity management and open working environment	An open-minded attitude to the diversity of different employees and promoting a diverse workforce boosts the company's positive image both internally and externally and motivates other specialists to choose INDUS as their employer.		x			x	x
	Opportunity	Well-trained employees with development prospects	INDUS offers all employees the same development prospects regardless of their gender, skin color, etc. This can have a positive impact on the corporate culture, the knowledge within the company and the staff turnover rate.		x			x	x
	Equal treatment and opportunities for all	Diversity management and open working environment	An open working environment for all employees creates a positive working atmosphere and builds INDUS' reputation as an attractive employer for skilled workers. This can ultimately have a positive impact on productivity and business development.		x			x	x
	Opportunity								

S1 SBM-2 AND SBM-3

For INDUS, sustainable development means meeting the needs of the present without jeopardizing the ability of future generations to meet their needs. Economic activity can only be successful and sustainable in the long term if corporate responsibility also implies respect for human rights. At INDUS, every portfolio company sets its own course. But what unites them is their values. Sustainable action is based on striking a balance between the three pillars of economic, environmental and social concerns.

IMPACTS, RISKS AND OPPORTUNITIES IN RELATION TO INDUS' "OWN WORKFORCE"

As part of the double materiality assessment, the sub-topics of “working conditions” and “equal treatment and opportunities for all” were identified as relevant based on an analysis of impacts (I), risks (R) and opportunities (O) in relation to INDUS' “own workforce”.

Employees' interests, views and rights are taken into account into the actions of those responsible in the INDUS Group through the SME structures with their flat hierarchies, short communication routes and appreciative culture. In the INDUS Group, SME structures with flat hierarchies mean that managers can pick up on employee' views quickly and at regular intervals. The Supervisory Board's Strategy and ESG Committee is also involved in monitoring the inclusion of employees' interests, views and rights. Given INDUS' business model as a value-oriented holding company for the SME sector of the German speaking countries, the topics of “working conditions” and “equal treatment and opportunities for all” are equally relevant throughout the Group. The portfolio companies stand out due to their strong position in special niche industrial technology markets. This means that they require well-trained and satisfied employees. The portfolio companies benefit from a low staff turnover rate in their highly specialized corporate environments.

As part of the execution of the “PARKOUR perform” strategy, sustainability management was assigned an important role in managing the impact of companies' own actions, reducing sustainability-related risks and exploiting opportunities through the implementation of the fourth pillar, “Striving for Sustainability”. This has led to a further professionalization of sustainability management. Sustainable practices for INDUS means treating economic, social and ecological objectives equally over the long term so as to create lasting values, enable quality work by doing so, and

protect the world and all of the human beings who live in it at the same time. This safeguards and strengthens the interests, views and rights of employees. Overall, the existing strategy and business model cover the impacts identified as part of the double materiality assessment, meaning that no adjustments had to be made in this regard.

The social impacts, risks and opportunities identified (in this case: INDUS' own workforce) are monitored continuously and implemented at the Group's portfolio companies through various measures, for example the implementation of operational health management activities, the cultivation of an appreciative culture within the company or equal opportunities in internal job advertisements. All in all, the risk associated with a “shortage of skilled workers” is diametrically opposed to the opportunities offered by a “low staff turnover rate and long period of employment” and “good employees with development prospects”. As such, similar measures are needed to prevent the risk from materializing and seize the available opportunities. The opportunities resulting from “Diversity management and open working environment” are arising from our fast-changing society with a vast range of different equality and diversity models, as well as communication and working environments that allow for transformation.

Employee satisfaction is important when it comes to keeping employees within the INDUS Group. As a result, INDUS strives to maintain a high level of satisfaction. High employee satisfaction allows the company to keep its staff turnover rate stable at a low level. Positive working conditions boost employee satisfaction and productivity, as well as the company's ability to innovate. High levels of employee satisfaction and, as a result, long periods of employment mean that employees keep their experience and knowledge within the company. The risk that the shortage of skilled workers will become more pronounced relates to the Group's entire workforce (see ESRS 2 – SBM 1), with no specific risks identified for individual groups of employees. A worsening shortage of skilled workers poses a risk for the portfolio companies because it may not be possible to fill all vacant positions with qualified employees or shifts in the future, reducing the company's productivity and profitability.

The staff turnover rate within the INDUS Group is low and employees have been with the company for a long time on average. This gives the Group the opportunity to work more efficiently, means that less induction training is required and increases the company's overall profitability.

Occupational accidents can occur at any time. It is the employer's responsibility is to keep the number of such accidents to a minimum. The impacts of occupational accidents are negative both for the injured/ill employees and for the INDUS Group due to the lost days involved. INDUS wants to protect its employees and is committed to measures to prevent accidents at work. These include occupational safety training, operational health management measures and first aid training.

INDUS sees equal treatment and opportunities for employees as playing a crucial role in employee satisfaction and a low turnover rate. The resulting working atmosphere can have a positive impact on all entrepreneurial and social aspects relevant to the portfolio companies.

An open-minded attitude to the diversity of different employees and promoting a diverse workforce contributes to a positive image of the INDUS Group both internally and externally and can also have a positive impact on social and entrepreneurial aspects.

INDUS relies on well-trained employees who have development prospects. To this end, INDUS is committed to offering all employees the same development opportunities, regardless of their gender or other diversity characteristics. This has a positive impact on the corporate culture, the level of knowledge within the company and the staff turnover rate.

Overall, INDUS' own workforce is affected by the impacts, risks and opportunities described. Employees working in production are more likely to be affected by possible occupational accidents (impact: occupational safety) than employees with an office-based job. In the past, occupational accidents mainly occurred in production, which led to their inclusion in the materiality assessment.

The impacts and opportunities are mutually dependent. The shortage of skilled workers, on the other hand, is a risk that is determined to a considerable degree by external factors. Forward-looking corporate management, however, provides leeway for suitable countermeasures.

The preparation of a transition plan in accordance with E1-1 is something that INDUS is currently looking into. It does not have a transition plan at present. As soon as this transition plan has been drawn up, INDUS will report on its impact on its employees.

As of December 31, 2024, the INDUS Group had 9,262 employees. 8,921 are employed by INDUS ("own workforce") and 341 are not employed by INDUS ("non-employees"). The company's own employees are made up of management employees, permanent employees, temporary employees, employees whose employment is currently suspended, and trainees. Non-employees are made up of agency workers, vacation staff and other temporary staff. INDUS' own workforce as a whole is affected by the impacts, risks and opportunities described above. Non-employees are affected in particular by the impacts, risks and opportunities related to working conditions. The terminology used in this report regarding the company's own workforce differs from the terminology used in the ESRS. The term "workforce" used by the standard setter is referred to by INDUS as "employees".

IMPACTS BASED ON STRATEGY AND BUSINESS MODEL

The impacts of climate change are inextricably linked to the business model of the portfolio companies, as energy is indispensable for manufacturing companies. At the same time, all of these impacts are to be viewed in the context of the overall strategy, as the survival of the portfolio companies is one of INDUS Holding's core objectives, albeit alongside a particular emphasis on climate change mitigation and reducing greenhouse gas emissions in the context of sustainable business.

Like the use of energy, the impact on the company's employees is inseparable from the business model: in-house employees are essential for manufacturing companies. The positive impacts are consistent with the aim of optimizing employee retention. This also contributes to the corporate strategy, as performance can be increased and the portfolio companies remain viable. The strategy also contributes to the social aspects of sustainability. The negative impact results primarily from the business model, more precisely from the processing and manufacture of goods. INDUS' strategy is most certainly aimed at avoiding this negative impact wherever possible in order to protect its own employees and provide them with a good working environment, the overarching objective being to achieve a high level of employee satisfaction.

The impacts of corporate governance are consistent with the fundamental objective of INDUS Holding's business model: to buy, hold and develop family-run businesses. This can only be a success if family-run businesses continue to treat their stakeholders, both their own employees and their suppliers, with respect – another expression of a strategy in which social fairness and economically sustainable action are of paramount importance.

All of the INDUS Group's risks were captured and evaluated in the risk management system in the reporting year. No sustainability risks with a material financial impact on INDUS' financial position and financial performance were identified. Financial opportunities related to sustainability were not assessed.

The INDUS Group consists of more than 40 portfolio companies that operate independently in their respective markets. They use this freedom to actively develop their businesses further, tailoring them closely to customers' needs. The Group's companies operate in diverse business and technological fields, selling markets, and business cycles – the Group is broadly diversified. With their respective core capabilities, the companies generally occupy market niches which are of interest for their industries.

In the past, companies in the SME segment have proven their ability to adopt an agile approach and react resiliently to challenges and crises. From the Group's perspective, the broad diversification spreads the risk associated

with all of the above-mentioned material impacts, risks and opportunities, balancing out the portfolio and the individual opportunities for the portfolio companies in their markets. This is illustrated if we compare the sales generated by the biggest portfolio company against the Group's total sales. In addition to the short and medium-term outlooks, this perspective also applies to long-term scenarios.

Networking between the management teams of the portfolio companies and the segment management teams provides an opportunity to share experiences on individual impacts, risks and opportunities (e.g. in relation to the switch to renewable energy sources or using biogas plants and photovoltaic systems) and to learn from others. No further resilience analysis was carried out.

DOUBLE MATERIALITY ASSESSMENT

ESRS 2 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 IRO-2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

PROCEDURE

The double materiality assessment is based on the materiality assessments for reporting in accordance with the Non-Financial Reporting Directive (NFRD) and the associated non-financial report, which INDUS has been publishing as part of its annual financial reporting since 2017. In the years from 2018 to 2021, the materiality assessment was subjected to an annual plausibility check as part of the non-financial report.

The materiality assessment was reviewed in detail in 2022. This involved drafting a new long list of potential material sustainability issues for the INDUS Group. The long list includes both the topics previously classed as material and topics from the reporting of relevant peer group companies, international frameworks (e.g. GRI) and current global trends and developments. This list of topics was discussed with, and evaluated by, external stakeholders in structured interviews (outside-in perspective).

The group of stakeholders surveyed comprised:

- Investors
- Portfolio companies
- Suppliers/service providers
- Customers
- Employees
- Municipalities
- Analysts

Structured interviews were conducted with a total of eleven different representatives from the stakeholder groups. The second step involved presenting the resulting short list to the management teams at the INDUS portfolio companies as part of an online survey so they could evaluate it.

Once the outside-in perspective had been analyzed via the stakeholders, the INDUS Board of Management analyzed the internal, or inside-out perspective. The results were then compared with the external perspective, before combining both perspectives to finalize the material topics to serve as a basis for the 2022 non-financial report.

The analyses revealed

- that the existing fields of action remain fundamentally unchanged,
- that no “blind spots” had been identified and
- that only minor adjustments and tweaks to the sustainability strategy were necessary.

The outcome of the updated 2022 materiality assessment was confirmed once again by the Board of Management and the Supervisory Board in the context of the 2023 non-financial report and forms the basis for the short list of potentially material topics for the materiality assessment in accordance with ESRS 1.

For the purposes of sustainability reporting in accordance with the CSRD, the material topics have to be assessed from a slightly different perspective, as defined in the European Sustainability Reporting Standards (ESRS, in particular ESRS 1). Here, the inside-out perspective is assessed based on what is referred to as “impact materiality”. The outside-in perspective is assessed based on “financial materiality”. The topics were reassessed on the basis of these new criteria, as the financial angle in particular had not been assigned the same weight in the previous assessment.

The new assessment was carried out by an internal team of experts. These included INDUS’ “Sustainability” department, which maintains regular contact with the sustainability contacts appointed by the portfolio companies, putting it in a position to incorporate their concerns into all relevant processes. All assumptions applied to the materiality process are based on the expertise of the stakeholders

that were previously involved, as well as the expertise of the Board of Management and the sustainability function.

The materiality assessment based on ESRS 1 started by comparing the long list and the material topics from the 2023 materiality assessment against the table showing the sustainability matters addressed in topic-specific ESRSs at topic, subtopic and sub-subtopic level (ESRS 1 AR 16) in order to check whether aspects relevant to the CSRD had not yet been considered. No topics affecting INDUS that had not previously been considered were identified. The topics previously classed as material were then compared with the content of the topic-specific ESRSs and assigned to these standards. In addition, the actual and potential positive and adverse effects as well as risks and opportunities with regard to the value chains and activities of the INDUS portfolio companies were documented in an impact assessment. This looked at whether impacts have financial effects (risks and opportunities), which were included in the assessment accordingly, and vice versa, whether financial effects give rise to impacts. The INDUS Group’s risk management function was also included in this process. Aspects associated with an elevated risk of adverse impacts were addressed together with all other aspects, evaluated in the context of sustainability using the system described below and, as such, assessed regarding their significance for reporting. Opportunities were identified during the materiality assessment as part of the assessment and discussion of impacts, and were assessed in the same way as risks. The INDUS-specific topics of “Shareholder support” and “Social justice – being a good neighbor/regional engagement” can be assigned to the mandatory disclosure requirements set out in ESRS 2 (GOV-1, GOV-2 and SBM-2).

All impacts, risks and opportunities were collected in a large assessment matrix and were assessed and assigned priorities using the following procedure. In the assessment matrix, the impacts, risks and opportunities were also described in order to define the scale to be assessed each case and the type of mechanism in each case (similar to the descriptions in SBM-3). This documentation also allows the impacts, risks and opportunities to be reviewed when the process is checked annually to ensure that it is up to date.

IMPACT MATERIALITY

To assess the impacts, the following predefined criteria were rated on a scale from 1 (low) to 4 (very high) and offset against the weightings documented in company-specific guidelines:

- Extent
- Scope
- Impossibility to change (only for adverse impacts)
- Likelihood (only for potential impacts)

By assessing the impacts based on the aspects listed, the impacts were prioritized to identify important impacts and those that are significant for reporting.

FINANCIAL MATERIALITY

In order to assess the risks and opportunities, the criteria defined in the guidelines were also rated on a scale from 1 (low) to 4 (very high) and weighted using formulas. As the financial impact parameter is not clearly defined in the ESRS, the following criteria were defined:

- Financial effect
- Options for resource utilization
- Costs for resources
- Dependence of business relationships
- Likelihood

In line with the impact assessment, the risks and opportunities identified were prioritized based on their scores.

This approach was chosen as no values were available for financial materiality. If quantitative values become available in the future, these can be compared against a financial materiality threshold to be defined, which would replace the assessment of the criteria.

TIME HORIZONS AND MATERIALIZATION IN THE VALUE CHAIN

The assessment process documented for all impacts, risks and opportunities, whether they materialized in the reporting year (short-term), could materialize over the next five years (medium-term) or could materialize over a period of more than five years (long-term). The process also involved documenting where in the value chain the impacts, risks or opportunities could materialize. For risks and opportunities, the process also documented whether they could materialize within the sphere of INDUS' operational control or whether they have an impact outside the company's own operations (e.g. regulatory issues). As the vast majority of value creation is concentrated in German-speaking Europe, no structured distinctions were made by geographical region.

DEFINED THRESHOLD VALUE

The results for the impacts, risks and opportunities assessed come to between 1 and 4. The threshold defined for INDUS, above which an issue is considered material and the associated ESRS has to be reported, was set at 2.6. This value covers the top third of the materiality spectrum and ensures that INDUS focuses on the most important issues in its actions and targets. Both the result for the impact materiality and the result for financial materiality are compared with this threshold. As soon as one of the two results is above the threshold, the impact, risk and/or opportunity is/are considered material and the associated ESRS has to be applied. This applies to the following standards:

- E1
- S1
- G1

DISCLOSURE REQUIREMENT IN CONNECTION WITH ESRS 2 IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (INCL. IRO-1 E1)

Impacts, risks and opportunities were collected and supplemented for the context of climate change, climate change adaptation and energy based on the materiality assessments for NFRD reporting and the update of the 2022 materiality assessment (further information on the process is provided in ESRS 2 IRO-1). The transition to the principle of double materiality according to ESRS and the projection to the upstream and downstream value chain is also described in detail in ESRS 2 IRO-1.

To assess the impact on climate change, the Group's greenhouse gas emissions were considered, taking into account emissions from the Group's own operations (Scope 1 and 2) as well as from the upstream and downstream value chain (Scope 3). This was based on existing knowledge from previous reports in the context of the non-financial statement. Acquisitions of new portfolio companies may result in new sources of emissions, which are then taken into account in the consolidated greenhouse gas emissions. No other potential sources of emissions were identified.

The double materiality assessment of physical and transition risks was supported by a scenario analysis that was also used to evaluate resilience (see SBM-3). The analysis of physical climate risks is based on the study “Climate Impact and Risk Assessment 2021 for Germany”, which was published by the German Environment Agency in 2021. In particular, the information from “Sub-report 5: Risks and adaptation in the industry and health clusters” was used. This study analyzed the physical risks for the manufacturing industry in Germany based on two scenarios with the following characteristics:

- Optimistic: 15th percentile of RCP 8.5
- Pessimistic: 85th percentile of RCP 8.5
- Target horizon: mid-21st century (2031–2060)

The fundamentally pessimistic scenario RCP 8.5 of the IPCC (Intergovernmental Panel on Climate Change), which forms the basis of the study, was divided into an optimistic part, which overlaps with the IPCC scenarios RCP 2.6 and RCP 4.5 up to the middle of the century, and a pessimistic part, which is to be regarded as the worst-case scenario. The pessimistic part was decisive for the purposes of the analysis. This systemic risk analysis was given preference over a location-based analysis. This Sustainability Report is prepared on a consolidated basis, and the diverse structure of the INDUS Group would mean that an analysis on the basis of location-specific risks would entail a disproportionate effort. Provided that more detailed information is taken into account, the result can be assumed to be comparable.

The INDUS Group’s portfolio companies are mainly located in Germany and partly in Austria and Switzerland. The German-speaking region generally has similar structural and economic characteristics, and the geographical features of the regions in which the portfolio companies are located are also comparable. The contents of the study are therefore applied to the German-speaking region as a whole.

The study examined physical effects and their impact chains on the upstream and downstream value chain as well as the manufacturing companies’ own operations. The results were applied to the INDUS Group for each aspect examined (see SBM-3) and the study’s risk assessment was taken as the basis for estimating the risks for the INDUS portfolio companies in the short, medium and long term (the short and medium-term horizons cover the strategic planning, asset lifecycles were not taken into account). A distinction was made in the assessment between gross risks for assets and for operations. The likelihood of occurrence was also estimated over the three time horizons. The main physical risks, both of which are not classed as material according

to the DMA, are explained in SBM-3. Risks in the value chain affect INDUS’ operations, whereas risks associated with its own operations affect both operations and assets. Acute climate risks, such as extreme weather, are important for the entire value chain, but are generally more likely to affect smaller areas than chronic risks. Due to the geographical spread of the portfolio companies and their different areas of operation, the risk associated with physical climate hazards is spread over a large area and is reduced accordingly. The risks are of similar significance for all three segments.

The risk and opportunity categories developed by the Task Force on Climate-related Financial Disclosures (TCFD) were used to analyze transition risks and opportunities. These were discussed and assessed in a structured manner in the context of an optimistic scenario in which ambitious measures are taken to limit global warming to 1.5°C (comparable to IPCC RCP 2.6). The upstream and downstream value chain (indirect risks) and the company’s own operations (direct risks) were analyzed over short, medium and long-term time horizons in line with the materiality assessment. The likelihood of occurrence was also assessed. Assets and business activities were assessed to determine joint potential damage for risks/added value for opportunities. The most significant risks (all non-material) are presented and explained under SBM-3. No assets or business activities have been identified that are not compatible with the transition to a climate-neutral economy or require significant efforts (e.g. via the TCFD risk categories “Mandates on and regulation of existing products and services”, “Mandates on and regulation of existing production processes” or “Exposure to litigation”).

The most significant opportunities (material) are “Use of lower-emission sources of energy” and “Shift toward decentralized energy generation”. Both are to be assigned to the short-term time horizon and are currently already being addressed through the expansion of renewable energy and self-sufficiency using photovoltaics and heat pumps.

FURTHER INFORMATION ON SCENARIO ANALYSIS

The scenarios used (RCP 8.5, in parts RCP 2.6 and RCP 4.5) correspond to the IPCC’s Fifth Assessment Report. The current Sixth Assessment Report of the IPCC increasingly uses SSP (“shared socioeconomic pathways”) scenarios, which take socioeconomic information into account in addition to physical information. This difference was reflected when the Climate Impact and Risk Assessment 2021 for Germany was prepared. As climate change is a prolonged process spanning long time horizons, this study is to be updated every six years. As a result, the scenario analysis for INDUS was carried out with the current study. The range of scenarios

is considered sufficient, as both an adverse and a positive development are considered. The two extremes are mapped as guidelines for actual development. Other scenario characteristics are presented in the table below:

SCENARIO ANALYSIS

Type	Negative	Positive
Scenario	Negative: Physical risks (according to RCP 8.5, divided into optimistic and pessimistic development)	Positive: Transition risks and opportunities scenario (according to RCP 2.6)
Time horizon	<ul style="list-style-type: none"> – Short-term (1 year) – Medium-term (5 years) – Long-term (> 5 years) 	<ul style="list-style-type: none"> – Short-term (1 year) – Medium-term (5 years) – Long-term (> 5 years)
End point	Middle of the 21st century	End of the 21st century
	<ul style="list-style-type: none"> – Development based on fossil energy – Fossil fuels are increasingly exploited and social and economic development continue to drive the adaptation of resources and energy-intensive lifestyles – High greenhouse gas emissions lead to excessive global warming and increased risk of natural disasters – In this scenario, warming of 2.6–4.8°C is expected at the end of the 21st century (even in the optimistic scenario, the 1.5°C target will not be met). 	<ul style="list-style-type: none"> – Limiting global warming to 1.5 degrees Celsius by the end of the 21st century – Strong focus on climate change mitigation – Rising costs for fossil fuels – Rising certificate costs in emissions trading – Increased requirements for emissions reporting – Investors include emissions in their investment decisions and consumers demand more sustainable products and business models – Promotion of sustainable energies (e. g. hydrogen, electricity from renewable energy sources) and new technologies
Driving forces behind the scenarios		

IRO-1 G1 GOVERNANCE

As part of the double materiality assessment and based on an analysis of the impacts (I), risks (R) and opportunities (O) in relation to governance, all potential sub-topics were checked to determine their relevance within the INDUS Group. The general procedure for the materiality assessment was explained under ESRS 2 IRO-1.

With regard to governance, as in the past, no differentiation was made by location, as the majority of added value is concentrated in the German-speaking region. The different areas of activity, sectors and transaction structures at the portfolio companies lead to different impacts, risks and opportunities in terms of governance. The stakeholder surveys allowed the relevant sustainability topics to be identified and compared against the topics identified internally. As a result, any topics not relevant to INDUS such as “Political influence and lobbying activities” were excluded. All other topics were assessed on the basis of predefined double materiality assessment criteria. The sub-topics “Corruption and bribery”, “Management of relationships with suppliers including payment practices” and “Corporate culture” were identified as material.

DISCLOSURES ON NON-MATERIAL ESRS (APPENDIX C)

In the context of updating the 2022 materiality assessment, a comprehensive stakeholder engagement process was carried out involving the Board of Management, the management teams of the INDUS portfolio companies and external stakeholders. This process formed part of the basis for the materiality assessment based on the principle of double materiality in accordance with ESRS 1. The results of the double materiality assessment were confirmed in an update performed in 2024.

Affected communities (indigenous peoples) were not consulted.

IRO-1 E2 POLLUTION (PARAGRAPH 11)

The impacts, risks and opportunities related to pollution were identified and assessed on a macro level in relation to our own operations and value chain. The information basis for the materiality assessment in accordance with ESRS 1 was the above-mentioned update of the 2022 stakeholder consultation. The topic of pollution was considered to be of medium importance in the assessment of internal and external stakeholders and technical experts. The engagement process did not reveal any special features related to this topic.

Following the initial qualitative and comprehensive assessment, no location-based review was conducted to identify further impacts, risks and opportunities in connection with pollution in the context of the company’s own operations and the upstream and downstream value chain.

IRO-1 E3 WATER AND MARINE RESOURCES (PARAGRAPH 8)

The value chain and business activities were examined in the context of the materiality assessment to determine any links to the topic of water and marine resources, and were assessed accordingly.

During the 2022 stakeholder consultation process, both externals and internal stakeholder groups, including the management teams of the portfolio companies, who are very familiar with their production processes classified the topic of water as irrelevant, meaning that there was no need for any detailed review at location or asset level.

IRO-1 E4 BIODIVERSITY AND ECOSYSTEMS (PARAGRAPHS 17, 19)

An analysis of the actual and potential impacts on biodiversity and ecosystems was carried out for three portfolio companies at location level as part of the EU Taxonomy alignment assessment. Checks were performed to determine whether the sites were located in protected areas or biodiversity hotspots and, if so, whether they have an adverse impact on the protected areas. The check revealed that the three portfolio companies included in the assessment are not located in such areas and, if they are, that their sites do not have any negative impact.

INDUS' diversified structure means that impacts in the value chains were not taken into account, especially given that the portfolio companies are located in the middle of the value chains and largely process semi-finished goods, which makes it difficult to assess impacts on biodiversity in the upstream and downstream value chain.

A Group-wide overarching assessment of the impacts, risks and opportunities (incl. transition, as well as physical and systemic risks) in the context of biodiversity and ecosystems was conducted as part of the 2022 stakeholder consultation. As with the other topics, relevant aspects were discussed by internal and external stakeholders, including the management of the portfolio companies and the Board of Management. This was based on the expertise and experience of the internal and external stakeholder groups. The result was that this topic was found to be of very little relevance in the context of the company's own operations. The experts were also unable to identify any dependencies on biodiversity and ecosystem services for their own activities, which are central to the technical metal processing industry. The technical experts took experience from industry-specific activities and constant dialog with internal and external stakeholder groups as a basis. No further location-based review was performed, as INDUS has no reason to suspect any significant negative impact on biodiversity given the locations and the above-mentioned circumstances.

IRO-1 E5 RESOURCE USE AND CIRCULAR ECONOMY (PARAGRAPH 11)

The value chain and the company's own operations were examined in the context of the materiality assessment to determine any links to the topic of resource use and circular economy, and were assessed accordingly.

During the 2022 stakeholder consultation process, both external and internal stakeholder groups, including the management teams of the portfolio companies, who are very familiar with their production processes discussed the topic of the circular economy and alternative sources of raw materials. The topic was considered to be of medium importance. Consequently, in the context of the double materiality assessment conducted in 2024, the topic was analyzed in greater detail and primarily immaterial risks and opportunities and immaterial potential and actual impacts were identified. This was primarily based on business activities and not on assets.

DEFINING REPORTING REQUIREMENTS BASED ON THE MATERIALITY ASSESSMENT

The material impacts, risks and opportunities and associated ESRs are consistent with the material topics in the non-financial report. The impacts, risks and opportunities identified based on the materiality assessment were compared with the reporting requirements under ESRs standards E1, S1 and G1, and the necessary disclosure requirements and data points to be reported were derived as a result. The information presented below has been determined based on its relevance to the ESRs requirements that must be reported based on the materiality assessment (see SBM-3 and IRO-1). To help identify the data points to be reported, all impacts, risks and opportunities were assigned to the ESRs sub-topics and a check was performed to determine which IRO should be assigned to which data points. The data points linked to material impacts, risks and opportunities via the sub-topics are included in the reporting. Structuring documents were used to collect the information required under the disclosure requirements and to complete and optimize it in accordance with the application requirements. The information was collected in consultation with the relevant experts at the portfolio companies in order to meet the reporting requirements in the best possible way (see IRO-1 and SBM-2).

The results of the materiality assessment were presented to the Board of Management and to the Strategy and ESG Committee of the Supervisory Board as internal stakeholders for review and confirmation. In this respect, the Board of Management also represents the views of the INDUS portfolio companies as one of the key stakeholder groups. The INDUS Board of Management is in regular contact with the management teams of the portfolio companies in the context of budget discussions or management meetings, including regular on-site visits, meaning that it is able to adequately represent the interests of the portfolio companies. The material risks identified as part of the double materiality assessment are incorporated into the central risk management system. This involves established, ongoing bilateral consultation and cooperation between the risk management (part of Compliance) and sustainability functions, also with a view to future reviews and updates of materiality assessments. Risks not related to sustainability, however, are not taken into account in the double materiality assessment for sustainability reporting.

OUTLOOK

The materiality assessment is reviewed as part of the annual reporting process to ensure that it is up to date, and is updated if necessary. This annual procedure ensures that impacts, risks and opportunities are monitored and prioritized.

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GENERAL INTRODUCTION REGARDING THE EU TAXONOMY

The Green Deal published by the European Commission in 2019 is aimed at the sustainable transformation of the economy. The EU Taxonomy is of major importance to this goal, in its function as a classification instrument that defines ecologically sustainable activities.

Within the framework of the EU Taxonomy, six environmental objectives are pursued:

1. Climate change mitigation – CCM
2. Climate change adaptation – CCA
3. Sustainable use and protection of water and marine resources – WTR
4. Transition to circular economy – CE
5. Pollution prevention and control – PPC
6. Protection and restoration of biodiversity and ecosystems – BIO

While the reporting obligation in 2021 and 2022 was limited to the first two environmental objectives, all six environmental objectives were reported on for the 2023 financial year.

A simplified reporting obligation applied to all newly added economic activities, meaning that these activities only had to be reported on with regard to their Taxonomy eligibility. For the 2024 financial year, all economic activities will now be checked for Taxonomy alignment for the first time. For Taxonomy alignment, it is reviewed whether the respective economic activity matches the description of the activity and fulfills the criteria for a material contribution to one of the environmental objectives, does no significant harm (DNSH) to any other environmental objectives, and meets the minimum level of protection. Compliance is only achieved if all aspects apply.

The INDUS Group consists of more than 40 portfolio companies, and some additional sub-subsidiaries. The subsidiaries have their registered seats in Germany and Switzerland. Branches and sub-subsidiaries have their registered offices primarily in the German-speaking region. Since 2023, the Group has been subdivided into three segments, with 13 to 17 portfolio companies in each segment: Engineering, Infrastructure and Materials. The segments are each managed by a member of the Board of Management that is responsible for the segment.

Most portfolio companies supply products for the middle of the value chain, such as metal parts, materials for surface processing, and tool and machine parts that predominantly do not fall under the EU Taxonomy.

INTERNAL ORGANIZATION OF THE TOPIC

To fulfill the reporting requirements in the framework of the EU Taxonomy, a working group was founded at holding-company level in the 2021 financial year. Since then, this group has been working in coordination with the respective departments and portfolio companies to determine the economic activities eligible for Taxonomy in the portfolio cluster, review these in terms of their Taxonomy alignment, and determine the associated sales, CapEx and OpEx.

TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

In this process, the findings from the previous financial years were expanded on in the 2024 financial year.

The (main) activities of all portfolio companies were identified and centrally listed in the 2021 financial year. The list has been annually updated since then and the effects of the update on Taxonomy reporting have been analyzed. This relates to, for example, the discontinuation (e.g. through the sale of portfolio companies) or addition of new economic activities (e.g. through the acquisition of new portfolio companies or the development of new business fields), as well as the subsequent screening of these activities with respect to Taxonomy eligibility. However, regulatory changes are also taken into account on an ongoing basis and examined in terms of their importance for the INDUS Group.

As in previous years, partly due to ambiguous wording and a lack of limitations, there were some uncertainties in interpretation. Various approaches were selected so it would nevertheless be possible to report conservative data. For example, as in the previous year, based on the generic activity description arising from CE 1.2. “Manufacture of electrical and electronic devices”, only such manufacturers are included that comply with the definition arising from electrical and electronics equipment law and accordingly are listed in the directory of registered manufacturers and registered authorized agents in accordance with electrical and electronics equipment law.

In 2024, buildings were built and sold that fall under the activity CCM 7.7. “Acquisition of buildings”. Some of the activities listed under environmental objective 1 are also named under environmental objective 2. In these cases, the economic activities – as in the previous year – are assigned exclusively to environmental objective 1, as this is where the focus for INDUS lies.

No further new activities were identified in the 2024 financial year. All activities were, however, checked for alignment. The following table provides an overview of all activities.

TAXONOMY-ELIGIBLE ACTIVITIES ASSESSED

KPI	Category	ID	Economic activity	Activity	Portfolio company
Sales	a) Assets/processes that are associated with Taxonomy-eligible and Taxonomy-aligned activities	1	CCM 3.5. Manufacture of energy-efficient equipment for buildings	Manufacture of front doors with high heat insulation	OBUK
				Manufacture of windows and doors with high noise and heat insulation	WIRUS
				Manufacture of heat pumps	REMKO
				Manufacture of air-to-air air-conditioning devices	REMKO
		2	CCM 3.18. Manufacture of automotive and mobility components	Manufacture of heat pump systems	AURORA
		3	CCM 4.16. Installation and operation of electrical heat pumps	Installation and maintenance of heat pumps	REMKO
				Manufacture of heating controllers and thermostats	ELTHERM
				Manufacture of refueling technology and tire pressure control systems	HORN GROUP
				Manufacture of data loggers, measurement technology and sensors	IPETRONIK
		4	CE 1.2. Manufacture of electrical and electronic devices	Manufacture of bolt welding equipment	KÖCO
				Manufacture of electric heaters, air-conditioning devices, dehumidifiers and air purifiers	REMKO
				Foreign body inspection systems	MESUTRONIC
				Refueling technology, tire pressure control systems	HORN GROUP
		5	CE 5.1. Repair, refurbishment and remanufacturing	Conveying technology	BUDDE
				Foreign body inspection systems	MESUTRONIC
				Refueling technology, tire pressure control systems	HORN GROUP
				Conveying technology	BUDDE
		6	CE 5.2. Sale of spare parts	Conveying technology	BUDDE
		7	CCM 3.5. Manufacture of energy-efficient equipment for buildings	Manufacture of front doors with high heat insulation	OBUK
				Manufacture of windows and doors with high noise and heat insulation	WIRUS
				Refueling technology, tire pressure control systems	HORN GROUP
				Data loggers, measuring technology and sensors	IPETRONIK
		8	CE 1.2. Manufacture of electrical and electronic devices	Bolt welding equipment	KÖCO
		9	CCM 6.5. Transport by motorbikes, passenger cars and light commercial vehicles	Leasing of company cars	Entire INDUS Group
		10	CCM 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings	Installation of charging pillars	H+S IPETRONIK SIMON
					BETEK HAUFF OBUK PEISELER ROLKO WEINISCH
		11	CCM 7.6. Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of photovoltaic systems and the associated technical equipment	Entire INDUS Group
CapEx	c) Acquisition of products from Taxonomy-eligible and Taxonomy-aligned activities and individual measures through which the target activities are performed in a low-carbon manner or the emission of greenhouse gases is reduced	12	CCM 7.7. Acquisition and ownership of buildings	Purchase and leasing of land and buildings	Entire INDUS Group

Here, activities with the ID 1-8 are portfolio-company-specific or business-model-specific, while activities 9-12 may potentially be of relevance for all holding companies. In respect of these potentially generally relevant activities, they are recorded using central data in Investtool and the INDUS Holding AG assets analysis.

TAXONOMY-ALIGNED ACTIVITIES

The alignment checks on the new activities added in the 2023 financial year show that the extensive requirement criteria and the associated evidence cannot currently be met/furnished for any economic activity, meaning that these activities are still only reported as Taxonomy-eligible.

The fulfillment of the criteria was reviewed in cooperation between the holding company and the affected portfolio companies.

For the sales-generating activities in the area of doors and windows, the technical assessment criteria are used to make a distinction between those that Taxonomy-eligible and Taxonomy-aligned. All products are Taxonomy-eligible because they fall in the description of activity CCM 3.5 and generally have high insulation values. For products that are to be allocated to economic activity CCM 4.16, all products also fulfill the technical assessment criteria and are therefore Taxonomy-aligned. Other, non-sales-generating activities are exclusively Taxonomy-eligible such as those that are to be allocated to economic activity CCM 4.1. "Electricity generation using solar photovoltaic technology". This is due to the photovoltaic modules not being produced, but only acquired and used as a green product. These activities therefore relate to the acquisition of production from Taxonomy-eligible economic activities. In accordance with the prevalent interpretation of the legal act, including by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany), this results in the review of Taxonomy alignment, and in particular the DNSH and minimum protection criteria, needing to be performed at the level of the photovoltaic module supplier. Corresponding inquiries with the suppliers have not provided sufficient evidence. This is due to the direct suppliers generally being small to mid-sized installation operators which, due to not being directly affected, are not able to furnish the difficult-to-obtain evidence of Taxonomy alignment of their products, or have to themselves request it in turn. The information situation may however improve in the next few years as demand increases, with the result that conversion into Taxonomy-aligned activities is conceivable for the future. However, these activities are to be classified only as Taxonomy-eligible for the 2024 financial year.

MATERIAL CONTRIBUTION

The audit activities and documentation were executed for each activity and on a location-related basis, and are summarized at this point. To fulfill a material contribution concerning environmental objective 1 "Climate change mitigation", certain technical assessment criteria must be met. At INDUS these relate, for example, to the heat transfer coefficients (manufacture of windows and doors), or the energy efficiency class or cooling agent thresholds (manufacture and installation of heat pumps). These technical assessment criteria have been communicated to the portfolio companies with business-model-specific Taxonomy-eligible economic activities, and they have been correspondingly asked which of their products comply with these requirements. The requirements are met to the full extent in the manufacture of air-to-air air-conditioning devices. For heat pumps, doors and windows, the thresholds are largely complied with. The result of this analysis forms the basis for identifying sales that are achieved through Taxonomy-aligned activities as well as the associated investment expenses and operating expenses.

The mixing-up of sales, CapEx and OpEx must be entirely ruled out because different accounts are addressed here in terms of accounting. Avoiding double-counting within the revenue, investment expenses and operating expenses is ensured by it only being possible for the respective values to be reported by the portfolio companies once using the consolidation software Lucanet. If an activity can potentially be attributed to several environmental objectives this, together with the specific allocation of sales, CapEx and OpEx to an environmental objective, is marked accordingly in this report sheet. This also avoids double-counting in this respect.

DNSH

In the sense of Taxonomy, the material contribution of an economic activity to an environmental objective must not take place with an acceptance of negative effects on one of the other five environmental objectives. Therefore, do-no-significant-harm (DNSH) criteria must be used to review whether marked harm can be ruled out. The criteria to be set out relate in parts to already existing EU regulations, compliance with which is in any case a requirement for construction and operating licenses. INDUS activities generally cause very little harm. This finding was the outcome of the thorough review of the DNSH criteria. The fulfillment of DNSH criteria for the individual environmental objectives is explained in more detail below. In comparison with the previous year no additional activities were identified that make a material contribution, so this year the DNSH assessment from the previous year was essentially reviewed to ensure it is up-to-date, and optimized in places.

The **adaptation** of business activities to **climate change** is also of no minor economic relevance. This is reflected in the fact that opportunities and risks associated with climate change play an amplified role in risk management and in investment decisions.

In financial year 2022, the climate risk and vulnerability assessment required in the Taxonomy was based on the recommendation of the guideline “How to perform a robust climate risk and vulnerability assessment for EU Taxonomy reporting?”, German Government Environment Agency (final version dated November 9, 2022) at location and activity level. The scenario analysis for the RCP scenarios 8.5, 4.5, 2.6 and regarding the current risk was performed using the publicly accessible GERICS database – climate outlooks for administrative districts beyond mid-century to 2065. As the definition of climate risks in GERIS is not congruent with the Taxonomy, a corresponding allocation must be applied. In addition, GERICS does not cover all 28 climate risks stated in the Taxonomy. Some of these gaps can be ruled out due to the geographic location of the portfolio companies. It was possible to assess the other risks by referring to other data such as the WWF Risk Filter Suite.

The assessment found that the locations are only affected by very few climate risks and, in the event that they do occur, they would not jeopardize the performance of economic activity in those locations, and could not result in relevant financial losses.

This year, there was an increased focus on the specific supply chains for Taxonomy-aligned products. In this process, Taxonomy-aligned activities, such as transport routes and means of transport, for example, were analyzed in terms of their susceptibility to climate risks, and the consideration of risks in the supply chain in risk management was examined. In terms of the **sustainable use and protection of water and marine resources**, there are requirement criteria for processes including the manufacture of doors, windows and heat pumps, as well as for the installation of heat pumps. These relate primarily to legal and official requirements which it is mandatory to comply with for construction and operating licenses; for this reason alone fulfillment can be assumed. None of the three affected portfolio companies had to perform an environmental compatibility test to obtain a construction and operating license. Accordingly, there are legal requirements and approvals relating to bodies of water that could arise from this test. The activity profile of the companies means that water consumption is low. The sites are also not located in water stress areas with a high acute risk of drought. The WWK Risk Filter Suite also does not expect a high risk up to 2050 taking into account the IPCC scenarios RCP 4.5 and 6.0. The companies nonetheless strive to handle water as a resource in a responsible manner. For example, at OBUK the water circuits in production are closed.

In addition, the geographical position of the respective locations as well as the specific production process are examined for potential negative effects on water quality and water stress. No significant risk was identified in this process.

For the **transition to a circular economy**, there are requirements such as high durability, ease of disassembly and high recyclability. As the specific options for integration into the circular economy depend on the respective activity, the individual activities have been considered and in each case assessed with respect to criteria such as longevity or recyclability. Generally, it can be said that for economic reasons INDUS portfolio companies’ products and their components are designed in such a way that they last a long time, i.e. they differ from competing products in this respect, and offer good recyclability. High recyclability means that at the end of the product lifecycle it is possible to reuse individual components, which are often still valuable as raw materials – such as glass which, after product disassembly is supplied back to the recyclable material cycle. To support this process, WIRUS for example collaborates with special disposal companies that are specialized in the recycling of windows.

Waste that is accrued in the production process is also increasingly internally recycled and fed back into the production process. A specific example here is drawn from the portfolio company OBUK (Contribution to economic activity CCM 3.5. “Manufacture of energy-efficient equipment for buildings”): Its rigid foam recycling mill means that 100% of the rigid foam waste generated during the production of insulation boards for door panels can be recycled. The recycled Purenit is then provided back to the supplier and finally is used in new insulating material.

On the heat pumps it sells, REMKO offers a manufacturer warranty of five years and also services for maintenance and repair as well as a spare parts service, including for older models. In order that wearing parts can be replaced, the heat pumps are designed in such a way that they are easy to disassemble. On that basis and due to the longevity of the devices, resources are protected that would be consumed through the repeated procurement of new devices.

In terms of **pollution prevention and control**, there are activity-specific requirements in some areas. Air-to-air heat pumps with a nominal output of a maximum of 12 kW must not exceed certain thresholds with respect to the sound power level. The examined products meet this standard. Activities that fall under 3.5 “Manufacture of energy-efficient equipment for buildings” must not, or in some cases may only under certain requirements, result in the production, placing onto the market, or use of certain chemical substances. The chemical compounds correspondingly listed in Appendix I, Annex C, Letters a) to e) of the Environmental Act result (in some cases only in the case of non-compliance with specific requirements) in an economic activity being categorically ruled out as Taxonomy-aligned.

Due to the changes made to the requirements in June 2023, the requirements under g) were deleted and the requirements under f) were adapted: Use of the substances listed in these Sections is only permitted if there is no alternative to these substances and they are used under controlled conditions. There are still a few substances for which there is not yet an alternative. However, these are used under controlled conditions, i.e. the substances are processed in such a way that there is no risk to employees or buyers of the products. In the past financial year, WIRUS successfully managed to replace the only critical substance it uses with a non-critical substance in accordance with Article 57 of Regulation (EC) No 1907/2006.

The majority of the critical substances named in Appendix I, Annex C to the Environmental Act are subject to applicable German legislation. At these points, in the sense of the legality principle, reference is made to applicable law; i.e. as long as no different indices are present, at these points conformity of the portfolio companies with the legal requirements is assumed as a principle. This concerns, for example, the use of certain hazardous substances in electrical and electronic devices due to the RoHS Directive 2011/65/EU (Restriction of Hazardous Substances). Compliance with the RoHS Directive is a compulsory requirement for achieving the CE mark, without which electrical devices may not be circulated in the EU. In this way, REMKO guarantees compliance for the products correspondingly put on the market.

At all points at which the requirements from the EU Taxonomy go beyond the current legislation, firstly the key raw materials are identified for the respective products, and checked for negative effects in accordance with Annex C. In addition, in recent years the relevant companies had already requested, evaluated and checked the Taxonomy compliance of the safety datasheets for all chemicals used for the man-

ufacture of Taxonomy-eligible products. This was relevant both to chemicals that go into WIRUS windows as adhesives, for instance, but also, for example to cleaning agents that do not become part of the final product. The safety datasheets for the new substances used in 2024 were also reviewed for the purposes of this year’s report. According to the REACH Regulation, the manufacturer must create safety datasheets for all chemicals officially defined as hazardous and their emulsions, and provide them to customers. This thorough review resulted in no indications that potentially harmful chemicals have been used.

In principle, compliance with existing regulations is also required in the **protection and restoration of biodiversity and ecosystems**. Depending on the respective company’s business model and the geographical location, the required environmental compatibility tests and respectively assessments of environmental compatibility are the basis for obtaining construction and operating licenses, and are therefore in place where necessary. None of the three affected portfolio companies had to perform an environmental compatibility test to obtain a construction and operating license.

The Taxonomy also requires the review of proximity to biodiversity-sensitive areas which, in the case of a positive assessment and a risk of negative effects on these areas due to an activity, can result in a Habitats Directive compatibility test being performed and the requirement to implement certain measures.

The review using several publicly accessible databases (such as protected areas in Germany published by the Federal Agency for Nature Conservation or the overview of UNESCO biosphere reserves) did not result in any geographical proximity to the German locations. The OBUK Polish location is in a bird reserve in accordance with the Birds Directive (Directive 2009/147/EC). An official preliminary test in the course of the issuance of the construction and operation license did not result in any necessity for a Habitats Directive compatibility test to be performed as the activities of OBUK subsidiaries are not expected to result in any negative effects on the local flora and fauna. As the affected portfolio companies have not opened any new sites, a repeat test was not performed this year.

MINIMUM PROTECTION

Recently, compliance with minimum protection requirements was also reviewed. During the review, in which the previous steps took place at activity level, the minimum-protection requirements were reviewed at company level. In this process, the requirements were reviewed both at holding-company level and at the level of the affected portfolio companies. As the legal acts relating to minimum protection have not been particularly precise to date, essentially the “Final Report on Minimum Safeguards” published by the EU advisory body Platform on Sustainable Finance (PSF) from October 2022 was used as a guideline.

As required in the report, there is a human rights due diligence process. In this context, INDUS has for example published a statement on observing human rights, signed by the entire Board of Management, and offers both internal and external parties an easily accessible way of submitting complaints in the form of the “SpeakUp” whistleblower system. As required in the PSF report, there is an anticorruption process, processes for compliance with tax regulations, and monitoring of the associated risks as well as processes for adhering with fair competition. In addition there is a possibility of convictions arising from breaches of human rights, corruption, tax and competition law. Regular dialog with stakeholders is also ensured. This is effected in particular, but not exclusively, by ensuring that stakeholder dialog coming from an OECD National Contact Point is never rejected, and accusations from the Business and Human Rights Resource Center are never left unanswered. There is an increasing focus on risks in the supply chain, not least in the course of the Supply Chain Due Diligence Act, and these risks were considered to a greater extent in 2023 and subjected to a more in-depth analysis in 2024. In the course of this, for example, a piece of software to monitor and document fulfillment of the requirements set out in the Supply Chain Due Diligence Act was introduced in 2023 and rolled out Group-wide. In addition, the INDUS Supplier Code is increasingly applied. In the course of the Taxonomy reporting for 2023 and 2024, the company’s top 10 suppliers with compliant activities were also considered in-depth with respect to the subjects of human rights, corruption, tax evasion and competition law.

This found that the INDUS Group complies with the minimum protection to the full extent.

FINANCIAL STATEMENT ACCOUNTING STANDARD

The same accounting standards have been used to determine Taxonomy KPIs as are used in the framework of group financial reporting in accordance with IFRS.

Due to the restrictive OpEx definition in the EU Taxonomy, the Taxonomy OpEx in proportion to total OpEx is not relevant and therefore not material for the INDUS business model. Accordingly, a proportion of Taxonomy-aligned/Taxonomy-eligible economic activities of zero is reported. The respective KPIs result from the division of the sales/CapEx associated with Taxonomy-eligible and respectively Taxonomy-aligned activities (= numerator) by the respective total values (= denominator). In this way, for example, the sales KPI is created by dividing sustainable net sales – i.e. of sales generated with Taxonomy-aligned activities – by the total net sales. OpEx is composed of expenditure for research & development, maintenance for buildings, machines and factory and office equipment, as well as maintenance, basic and advanced training and leasing in accordance with IFRS 16. The items are expense components of the consolidated statement of income, and the same applies for the total sales. CapEx is made up of additions to intangible assets, leasing/rent right-of-use assets, and property, plant and equipment. The breakdown of Taxonomy-aligned sales and CapEx is set out in the following tables. These are chiefly sales from customer contracts.

BREAKDOWN OF THE SALES NUMERATOR (in EUR million)

Type	Amount	
	FY 2024	FY 2023
Taxonomy-aligned sales from customer contracts (from economic activities CCM 3.5. and CCM 4.16.)	72.32	98.75
Total	72.32	98.75

BREAKDOWN OF THE CAPEX NUMERATOR (in EUR million)

Type	Amount	
	FY 2024	FY 2023
Additions to property, plant and equipment (IAS 16), economic activity CCM 3.5	0.30	0.31
Additions to intangible assets (IAS 38), economic activity CCM 3.5	0.12	0.13
Total	0.42	0.44

VALUES

Though sustainability is a fundamental value for INDUS, the applicable scope of the Taxonomy is limited because the portfolio companies predominantly produce intermediate products, while the Taxonomy is focused on end products. We therefore report the following KPIs:

KEY FIGURES ON TAXONOMY ALIGNMENT			(in EUR million)
Type	Amount		
	FY 2024	FY 2023	
Sales	1,721.80	1,802.43	
of which Taxonomy-aligned	72.32	98.75	
CapEx	86.43	82.91	
of which Taxonomy-aligned	0.42	0.44	

Both OBUK and WIRUS effected investments in the 2024 financial year, though these are not exclusively for the production of Taxonomy-aligned or Taxonomy-eligible products. At this point, the investment costs were allocated in accordance with the proportion of sales made up by Taxonomy-aligned products. This apportionment is fair according to the input involved as Taxonomy-eligible products are produced on the same production line as Taxonomy-aligned products.

In comparison with the previous year, the proportions of both Taxonomy-aligned and Taxonomy-eligible sales and investments each changed by less than one percentage point.

The report sheets relating to the Complementary Delegated Act have additionally been set out below. As there were no Taxonomy-relevant sales, CapEx or OpEx for the economic activities listed here in 2024, only report sheet 1 is listed.

TEMPLATE: PROPORTION OF SALES FROM GOODS OR SERVICES THAT ARE ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR THE YEAR 2024

2024 financial year	Criteria for a material contribution										DNSH criteria ("do no significant harm")														
Economic activities (1)	Code(s) (2)	Year		Climate change mitigation (5)		Climate change adaptation (6)		Water (7)		Pollution (8)		Circular economy (9)		Biodiversity (10)		Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned or Taxonomy-eligible revenue, 2023 (18)	Category, enabling activity (19)	Category, transition activity (20)
		Euros	Proportion of sales, 2024 year (4)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)										
A. TAXONOMY-ELIGIBLE ACTIVITIES																									
A.1 Environmentally sustainable activity (Taxonomy-aligned)																									
CCM 3.5. Manufacture of energy-efficient equipment for buildings	CCM 3.5.	70,767,737	4.11%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5.38%	E		
CCM 4.16. Installation and operation of electrical heat pumps	CCM 4.16.	1,551,690	0.09%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.10%			
Sales from environmentally sustainable activities (Taxonomy-aligned) (A.1)		72,319,426	4.20%	4.20%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	5.48%			
Of which enabling activities		70,767,737	4.11%	4.11%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	5.38%	E		
Of which transition activities		0	0%	0%											Y	Y	Y	Y	Y	Y	Y	0%	T		
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (g)																									
CCM 3.5. Manufacture of energy-efficient equipment for buildings	CCM 3.5.	23,897,065	1.39%	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)								2.02%			
CCM 3.18. Manufacture of automotive and mobility components	CCM 3.18.	12,325,614	0.72%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.74%			
CE 1.2. Manufacture of electrical and electronic devices	CE 1.2.	92,402,526	5.37%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL	EL	N/EL								4.60%			
CE 5.1. Repair, refurbishment and remanufacturing	CE 5.1.	808,268	0.05%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL	EL	N/EL								0.06%			
CE 5.2. Sale of spare parts	CE 5.2.	5,477,344	0.32%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL	EL	N/EL								0.40%			
Sales from Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2)																									
		134,910,817	7.84%	2.10%	0%	0%	0%	0%	0%	0%	0%	5.73%	5.73%	0%									7.82%		
A. Sales from Taxonomy-eligible activities (A.1 + A.2)																									
		207,230,243	12.04%	6.30%	0%	0%	0%	0%	0%	0%	0%	5.73%	5.73%	0%									13.30%		
A. NON-TAXONOMY-ELIGIBLE ACTIVITIES																									
Sales from non-Taxonomy eligible activities (B)																									
		1,514,565,804	87.96%																						
Total (A + B)		1,721,796,047	100%																						
SALES PROPORTION/TOTAL SALES																									
				Taxonomy-aligned for each objective		Taxonomy-eligible for each objective																			
				CCM																					

TEMPLATE: CAPEX PROPORTION FROM GOODS OR SERVICES THAT ARE ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR THE YEAR 2024

2024 financial year	Year		Criteria for a material contribution							DNSH criteria ("do no significant harm")							Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) CapEx, 2023 (18)	Category, enabling activity (19)	Category, transition activity (20)
Economic activities (1)	Code(s) (2)	CapEx (3)	CapEx proportion, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)			
		Euros	%	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activity (Taxonomy-aligned)																			
CCM 3.5. Manufacture of energy-efficient equipment for buildings	CCM 3.5.	419,925	0.49%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.53%	E	
CapEx environmentally sustainable activities (Taxonomy-aligned) (A.1)		419,925	0.49%	0.49%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.53%	E	
Of which enabling activities		419,925	0.49%	0.49%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.53%	E	
Of which transition activities		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%	T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (g)																			
CCM 3.5. Manufacture of energy-efficient equipment for buildings	CCM 3.5.	69,707	0.08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)				0.04%		
CE 1.2. Manufacture of electrical and electronic devices	CE 1.2.	2,547,346	2.95%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.74%		
CCM 6.5. Transport by motorcycles, passenger cars and light commercial vehicles	CCM 6.5.	6,071,106	7.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								7.82%		
CCM 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4.	21,986	0.03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.06%		
CCM 7.6. Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	1,179,220	1.36%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.88%		
CCM 7.7. Acquisition and ownership of buildings	CCM 7.7.	24,248,887	28.06%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								27.65%		
CapEx from Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2)		34,138,251	39.50%	36.55%	0%	0%	0%	2.95%	0%								40.29%		
A. CapEx for Taxonomy-eligible activities (A.1 + A.2)		34,558,177	39.98%	37.04%	0%	0%	0%	2.95%	0%								40.82%		
A. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
CapEx from non-Taxonomy eligible activities (B)		51,872,710	60.02%																
Total (A + B)		86,430,887	100%																

CAPEX PROPORTION / TOTAL CAPEX		
	Taxonomy-aligned for each objective	Taxonomy-eligible for each objective
CCM	0.49%	37.04%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	2.95%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

TEMPLATE: OPEX PROPORTION OF GOODS OR SERVICES THAT ARE ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR THE YEAR 2024

[illegible]

REPORT SHEET 1 ACTIVITIES IN THE AREAS OF ATOMIC ENERGY AND FOSSIL GAS

Row	Activities in the area of nuclear energy	
1.	The company operates in the area of research, development, demonstration and use of innovative power generation plants that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The company operates in the construction and safe operation of new nuclear technology plants for the generation of power or process heat – including for district heating supply or industrial processes such as hydrogen generation – as well as in their safety-related improvement with the aid of the best available technologies, finances such activities, or holds risk positions in connection with these activities.	NO
3.	The company is active in the safe operation of existing nuclear technology plants for the generation of power or process heat – including for district heating supply or industrial processes such as hydrogen generation – as well as in their safety-related improvement, finances such activities, or holds risk positions in connection with these activities.	NO
Row	Activities in the area of fossil gas	
4.	The company operates in the construction or operation of plants for the generation of power from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	NO
5.	The company operates in the construction, modernization and operation of plants for cogeneration with fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	NO
6.	The company operates in the construction, modernization and operation of plants for heat production that generate heat/cold from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	NO

Climate Change – E1

E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Climate change mitigation is the original key topic of the INDUS sustainability strategy. The main concern, also for the INDUS Group, is the reduction of greenhouse gas emissions (GHG emissions).

It is also important to include all parties involved in the process of climate change mitigation. That means companies should work together with their suppliers in order to ensure that they, too, are keeping their GHG emissions as low as possible. Beyond this, climate change mitigation should also be a key factor in procurement strategies, the selection of suppliers and the procurement of raw materials and services.

INDUS plans to adopt a transition plan for its sustainability-related targets in the years ahead. The INDUS transition plan will conform to all regulatory requirements (CSRD, ESRS, CSDDD, EU Taxonomy requirements and EUDR). The European Commission is currently trying to revise and merge the reporting obligations in an “omnibus” package. It makes sense to wait for the revised regulations before formulating and adopting a transition plan.

E1-2– POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND CLIMATE CHANGE ADAPTATION

E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND CLIMATE CHANGE ADAPTATION

POLICIES

INDUS has embedded its sustainability strategy as a new fourth strategic initiative in its PARKOUR perform corporate strategy. Key policies within the strategy in terms of climate change are:

- Economically sustainable conduct ensures future success.
- Considering environmental factors prevents subsequent costs and improves process efficiency.
- Becoming climate neutral with targeted support from the sustainability development bank.

In terms of the sustainability strategy, the years ahead will focus particularly on implementing the greenhouse gas reduction targets defined in the Climate Protection Act.

Within the PARKOUR perform strategy, the INDUS policies address the areas of climate change mitigation, energy efficiency, and renewable energy deployment. The INDUS sustainability development bank provides funding for the implementation of investment projects for energy efficiency, circular economy, recycling and conserving resources. Typical examples include photovoltaic installations, circular water systems and facilities for preparing raw materials.

The topic of climate change adaptation is not explicitly mentioned. The strategy relates to the entire INDUS Group and, in terms of the value chain, to its own activities. The PARKOUR perform strategy was developed by the Board of Management of INDUS Holding AG, which is responsible at all times for its implementation. In addition to communication with internal stakeholders, there is a continuous dialog with external stakeholders on sustainability matters to respond adequately to the complex requirements (cf. SBM-2).

In line with the portfolio companies' operational independence, the portfolio companies are responsible for prioritizing efficient and effective sustainability initiatives in the context of an individual sustainability strategy geared to INDUS targets.

INDUS is in permanent dialog with the portfolio companies about the ongoing development of their individual sustainability strategies. In order to keep advancing this dialog, contact persons for sustainability have been named at all portfolio companies.

POLICIES, ACTIONS AND TARGETS RELATED TO CLIMATE CHANGE

IRO derived from double materiality assessment	INDUS policies	INDUS actions ¹	INDUS targets
Climate change mitigation: – The use of fossil fuels results in GHG emissions (A, actually negative)	<u>PARKOUR perform strategy (Act sustainably):</u> – Economically sustainable conduct ensures future success – Considering environmental factors prevents subsequent costs and improves production efficiency. – Becoming climate neutral with targeted support from the sustainability development bank	– Switch to green power (EE, FS) – Use electric vehicles (EI, EE)	Reduce GHG emissions (Scope 1 + 2): – by 70% by 2030 and – by 100% by 2045 All portfolio companies (100%) follow the INDUS reduction target
Climate change mitigation: – Use of renewable energy reduces climate impacts (A, actually positive)	<u>PARKOUR perform strategy (Act sustainably):</u> – Economically sustainable conduct ensures future success – Considering environmental factors prevents subsequent costs and improves production efficiency. – Becoming climate neutral with targeted support from the sustainability development bank	– Switch to green power (EE, FS) – Photovoltaic installations to produce power for own use and grid feed-in (EE, FS) – Biomass plant (FS, EE) → Actions are partly funded by sustainability development bank	Reduce GHG emissions (Scope 1 + 2): – by 70% by 2030 and – by 100% by 2045 All portfolio companies (100%) follow the INDUS reduction target
Climate change adaptation: – New market opportunities due to climate change and ongoing adaptation measures by customers (C)	<u>PARKOUR perform strategy (Act sustainably):</u> – Economically sustainable conduct ensures future success – Considering environmental factors prevents subsequent costs and improves production efficiency. – Becoming climate neutral with targeted support from the sustainability development bank	– Sustainability reporting (CSRD, internet, Sustain), with presentation of actions – Participation in sustainability ratings – ESG-linked financing – Promote sustainability in the Group (E, PC, EE)	Reduce GHG emissions (Scope 1 + 2): – by 70% by 2030 and – by 100% by 2045 All portfolio companies (100%) follow the INDUS reduction target
Energy: – Energy-intensive production processes at the portfolio companies, which are still fossil-based to a relevant extent (A, actually negative)	<u>PARKOUR perform strategy (Act sustainably):</u> – Economically sustainable conduct ensures future success – Considering environmental factors prevents subsequent costs and improves production efficiency. – Becoming climate neutral with targeted support from the sustainability development bank	– Switch to green power (EE, FS) – Photovoltaic installations to produce power for own use and grid feed-in (EE, FS) – Biomass plant (FS, EE) – Increase production efficiency (operational excellence) and so reduce energy consumption (E, PC) → Actions are partly funded by sustainability development bank	Reduce GHG emissions (Scope 1 + 2): – by 70% by 2030 and – by 100% by 2045 All portfolio companies (100%) follow the INDUS reduction target
Energy: – Renewable energy deployment reduces dependence on fossil energy sources and meets the expectations of legislators, society and customers (C)	<u>PARKOUR perform strategy (Act sustainably):</u> – Economically sustainable conduct ensures future success – Considering environmental factors prevents subsequent costs and improves production efficiency. – Becoming climate neutral with targeted support from the sustainability development bank	– Switch to green power (EE, FS) – Photovoltaic installations to produce power for own use and grid feed-in (EE, FS) – Biomass plant (FS, EE) – Increase production efficiency (operational excellence) and so reduce energy consumption (E, PC) → Actions are partly funded by sustainability development bank	Reduce GHG emissions (Scope 1 + 2): – by 70% by 2030 and – by 100% by 2045 All portfolio companies (100%) follow the INDUS reduction target
Energy: – Self-supply with electricity from photovoltaics, geothermal energy, etc. (C)	<u>PARKOUR perform strategy (Act sustainably):</u> – Economically sustainable conduct ensures future success – Considering environmental factors prevents subsequent costs and improves production efficiency. – Becoming climate neutral with targeted support from the sustainability development bank	– Switch to green power (EE, FS) – Photovoltaic installations to produce power for own use and grid feed-in (EE, FS) – Biomass plant (FS, EE) → Actions are partly funded by sustainability development bank	Reduce GHG emissions (Scope 1 + 2): – by 70% by 2030 and – by 100% by 2045 All portfolio companies (100%) follow the INDUS reduction target

¹ Decarbonisation levers in brackets: energy efficiency (E), electrification (EI), fuel switching (FS), use of renewable energy (EE), products change (PC), supply-chain decarbonisation (SD)

ACTIONS AND RESOURCES

The INDUS actions related to climate change can be classified according to the following decarbonisation levers:

ENERGY EFFICIENCY (E)

The aim of energy efficiency is to reduce energy consumption and the associated emissions by means of technological innovations and increased efficiency. Potential actions are the improvement of energy efficiency in production, facility management and logistics, by using efficient machinery, for example, optimizing production processes or using energy-efficient equipment and plant.

ELECTRIFICATION (EI)

Transportation is to be electrified wherever possible to reduce GHG emissions in the transport sector, which is one of biggest sources of GHG emissions.

This is achieved by promoting e-mobility and encouraging logistics processes that use electric solutions. Electrification also concerns the switch from production processes using fossil fuels to electrified processes in connection with green power.

FUEL SWITCHING (FS)

The main aim of decarbonisation by switching fuel is to reduce dependence on fossil fuels (such as coal, oil and natural gas) and to replace them with lower-emission or zero-emission fuels. Potential actions include renewable energy deployment and the use of hydrogen, biofuels and synthetic fuels.

USE OF RENEWABLE ENERGY (EE)

Fossil energy sources are to be replaced by renewable energy sources such as solar, wind, hydro or biomass. Potential actions include investments in own infrastructure for the use of renewable energy or the purchase of green power from renewable sources.

PRODUCTS CHANGE (PC)

The main aim is to reduce the GHG emissions produced during the entire product lifecycle (from design to manufacture, use and disposal). This can entail optimizing the use of resources, switching to low-emission materials or manufacturing long-lasting products. In addition, products should be designed for a circular economy and the entire product lifecycle should be included.

SUPPLY-CHAIN DECARBONISATION (SD)

The GHG emissions caused throughout the supply chain (including sourcing raw materials, production, transport and distribution) are to be minimized. The supply chain must be reorganized to make it more sustainable overall by giving preference to more environmental practices and materials. Actions to decarbonize the supply chain are: use of low-emission materials, promotion of the circular economy, reduction of emissions in production, optimization of transport chains, optimization of supplier selection, supplier audits for transparency, promotion of sustainable product design and innovative manufacturing.

The INDUS actions in the table show the respective decarbonisation levers using the abbreviations defined above. The main decarbonisation lever is in bold type.

The actions taken in the Group are all equally important for INDUS and therefore constitute key actions. Some individual actions are better than others, depending on the portfolio company or the location. The companies review the feasibility of the actions and the timeframe for implementation individually and present their conclusions to the INDUS Board of Management at the planning meeting. Energy efficiency actions are generally short-term. All other actions will be implemented in the medium to long term. The Group-wide targets for reducing GHG emissions are followed and INDUS regularly reviews the actual reduction of GHG emissions by the portfolio companies. This all contributes to realizing the sustainability strategy, which is monitored by the Board of Management. The target for 2024 was to cut GHG emissions. The target is 18.8 t CO₂e/EUR million in sales. A reduction of 13% to 17.4 t CO₂e/EUR million in sales was achieved. The annual target was therefore exceeded. The reduction of GHG emissions at INDUS is measured and analyzed at Group level. GHG emission reductions are not attributed to individual actions.

The following actions were taken at the INDUS Group in the reporting year:

SWITCH TO GREEN POWER

Some portfolio companies have already decided to switch to procuring green power for their electricity supply; the total proportion of green power was increased from 26% to 54% year on year. An increasing switch to green power is planned for the years ahead, so its share should expand continuously.

USE ELECTRIC VEHICLES (EI, EE)

The companies in the INDUS Group are currently reviewing whether to switch the vehicle fleet to electric vehicles. In the interim, over 300 vehicles with alternative drives (hybrid, electric and LNG) are already part of the INDUS Group fleet (2023: 270 vehicles). The number of purely electric vehicles was up by 68% (2023: 57; 2024: 96).

PHOTOVOLTAIC INSTALLATIONS TO PRODUCE POWER FOR OWN USE AND GRID FEED-IN (EE, FS)

Photovoltaic systems make a key contribution to reducing the GHG emissions of the portfolio companies. Some portfolio companies have already installed solar panels on their buildings and others are reviewing or planning their installation. Three photovoltaic installations were approved by the sustainability development bank in financial year 2024. Installations went into operation at six portfolio companies in 2024. A total of 17 companies in the Group now have photovoltaic installations.

BIOMASS PLANTS

Two new biomass plants went into operation in 2024. One of them replaces an oil-fired boiler that was used in production, and another is used to generate heat for the company. There are four biomass plants in total in the INDUS Group. Further targeted deployment of biomass plants is under review.

SUSTAINABILITY REPORTING

INDUS has reported on sustainability data in its sustainability reports for many years. The reporting transparently presents the impacts, risks and opportunities in the INDUS Group, along with its policies, actions and targets and how the Group's sustainable development is planned.

PARTICIPATION IN ESG RATINGS

INDUS' sustainability performance is regularly reviewed by renowned rating agencies. In the ISS ESG rating INDUS received a C+ rating in the Corporate ESG Performance category for the ninth time in succession.

ESG-LINKED FINANCING

INDUS has issued four promissory note loans with an ESG component, which are linked to the ISS ESG rating.

INCREASE PRODUCTION EFFICIENCY (OPERATIONAL EXCELLENCE) AND SO REDUCE ENERGY CONSUMPTION

The use of AI in four beacon projects made production processes more efficient. Going forward, artificial intelligence is to be used to further optimize production in other portfolio companies as well. Many Group employees were systematically qualified in lean management, which aims to systematically avoid waste, as part of the strategic focus on operational excellence. Numerous production processes were adapted as a result. The focus was sharpened on an optimized energy infrastructure in the construction of new production and office buildings. Potential sources of process heat were identified and actions taken or planned to use them.

Some lighting was switched to LED in the financial year, as in prior years, and more will follow. An important building block in the identification of additional measures to reduce energy consumption is regularly performing energy audits in accordance with DIN EN 16247-1. INDUS is constantly in dialog with the portfolio companies both to provide support in the case of projects to increase resource efficiency under the "operational excellence" strategy focus, and when it comes to updating the individual sustainability strategies.

PROMOTE SUSTAINABILITY IN THE GROUP

Regular meetings are held with the sustainability contacts at all portfolio companies to drive the dialog on sustainability topics. In addition, with the sustainability development bank INDUS has been supporting portfolio companies in relation to investment projects (CapEx) for which a significant reduction of GHG emissions and/or resources is expected, with total development funds of up to EUR 10 million available per year. When reviewing possible acquisition targets, market opportunities are analyzed and market developments are forecast taking account of relevant future trends, which may also include the "GreenTech" field defined at INDUS. Ensuring compliance with statutory and regulatory environmental requirements is also a relevant component of the due diligence (DD) process. Three projects were approved by the sustainability development bank for the portfolio companies in 2024, with an investment volume of EUR 0.9 million and a financing volume of EUR 0.5 million.

The innovation development bank provides funding (OpEx) to support the portfolio companies with innovative projects to open up new services and/or markets. In addition to product innovations, it supports services, business processes and business models. INDUS actively encouraged the use of artificial intelligence within the Group as a central lever for innovation in 2024. INDUS Holding AG started or continued several measures within the Group under the banner of “AI Sprint”. These include advanced training and potential workshops with Fraunhofer IAIS, as well as a format for internal dialog between portfolio companies within the SIMON Group. AI actions and other actions by the innovation development bank optimize production processes, which reduces the consumption of resources and the associated costs. INDUS supported 19 projects within the portfolio companies via the innovation development bank in 2024, with total funding of EUR 2.1 million. For acquisition targets which have business and production processes that are expected to have a greenhouse gas emissions intensity greater than the INDUS average, the climate change policies are reviewed separately.

GOALS

Since the INDUS portfolio is highly diversified and the portfolio companies are operationally independent, projects are developed to drive sustainable development accordingly. INDUS only defines a Group-wide quantitative target for GHG emissions (Scope 1 and Scope 2), to reflect the portfolio companies’ independence. In order to protect and preserve the environment, the INDUS Group consistently

works on reducing its greenhouse gas footprint. As an intermediate target, emissions intensity should be reduced by 70% by 2030, compared with the 2018 base year. In accordance with the German Federal Climate Protection Act (KSG), the Group aims to cause no more GHG emissions by 2045. The choice of decarbonisation levers is based on the climate scenario RCP 2.6, which assumes significant climate change mitigation efforts and aims to achieve the 1.5°C target. Basing the reduction pathways for Scopes 1 and 2 on the Paris Climate Agreement reflects the goals of global stakeholders when targets are being set. The intensity targets are more important than the absolute targets at INDUS, in order to take account of changes in sales volume, shifting customer preferences and demand, regulatory factors and new technologies. There is no Group target for Scope 3 and so no reduction pathway.

The consistency of reduction targets with GHG accounting was ensured, since the companies and GHG emissions recognized in the statement of financial position are identical to the targets and the reporting. The decarbonisation levers, including new technologies, contribute to target achievement. Around 28,800 t CO₂e can be saved if all the levers are implemented. Of the total, 14,900 t CO₂e relates to Scope 1 and 13,900 t CO₂e to Scope 2. Portfolio companies continuously use technical feasibility studies to review the introduction of new technologies, without including scenario analyses. If they can be implemented, concrete plans are prepared. The innovation and the sustainability development bank support the portfolio companies to realize projects like these.

EMISSION REDUCTION PATHWAY

	2018 (base year)	2030	2040	2045
Cross-sector reduction pathway (ACA) based on 2018 as the reference year	–	–70%	–85%	–100.0%
Cross-sector reduction pathway (ACA) based on 2018 as the reference year in t CO ₂ /EUR million in sales	47	14	7	–
Emission reduction target in t CO₂e	79,586	41,400	41,200	–

A key value-driver here is the resource efficiency of the production units of the INDUS Group. The INDUS Group would like to be able to maintain and generate competitive advantages in the long term through sustainable products and production processes. AI-based processes are increasingly developed and used here.

All the actions for climate change mitigation, climate change adaptation and energy are optimized and developed in the Group.

E1-5 – ENERGY CONSUMPTION AND MIX

ENERGY CONSUMPTION AND MIX

	2024
(1) Fuel consumption from coal and coal products (MWh)	-
(2) Fuel consumption from crude oil and petroleum products (MWh)	40,911
(3) Fuel consumption from natural gas (MWh)	24,456
(4) Fuel consumption from other fossil sources (here: LNG) (MWh)	2,230
(5) Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources (MWh)	40,240
(6) Total fossil energy consumption (MWh) (sum of lines 1 to 5)	107,837
Share of fossil sources in total energy consumption (in %)	68.1%
(7) Consumption from nuclear sources (MWh)	1,704
Share of nuclear sources in total energy consumption (in %)	1.1%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	3,370
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	41,786
(10) Consumption of self-generated non-fuel renewable energy (MWh)	3,674
(11) Total renewable energy consumption (MWh) (sum of lines 8 to 10)	48,830
Share of renewable sources in total energy consumption (in %)	30.8%
Total energy consumption (MWh) (sum of lines 6, 7 and 11)	158,371

Energy is generated from both renewable energy sources and non-renewable energy sources. 3,674 MWh was generated and used internally from renewable sources – not including photovoltaic installations – 52 MWh was produced from a gas-fired combined heat and power plant. In addition to own consumption, 716 MWh from photovoltaic installations was fed into the grid.

INDUS is a Group of manufacturing and industrial SME companies, which is entirely within the sector of climate-intensive activities. Its energy intensity, calculated as total energy consumption divided by revenue for the entire INDUS Group, came to 92 MWh/EUR million in sales in 2024. The high climate impact sectors are manufacturing/production of goods and construction. The revenue used is Group sales for the INDUS Group for 2024.

E1-6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

GROSS GHG EMISSIONS

GHG EMISSIONS

	2018 (base year)	Retrospective	Milestones and target years	
		2024	2030	2045
Scope 1 greenhouse gas emissions				
Scope 1 gross GHG emissions (t CO ₂ e)	21,323	16,113	–	–
Percentage of Scope 1 greenhouse gas emissions from regular emissions trading systems	–	–	–	–
Scope 2 greenhouse gas emissions				
Location-based Scope 2 gross GHG emissions (t CO ₂ e)	59,711	33,188	–	–
Market-based Scope 2 gross GHG emissions (t CO ₂ e)	58,264	13,889	–	–
Scope 1 and Scope 2 emissions (market-based) (t CO₂e)	79,586	30,002	41,400	0
Significant Scope 3 GHG emissions				
Total indirect (Scope 3) gross GHG emissions (t CO ₂ e)	1,162,786	782,816	–	–
1 Purchased goods and services	–	315,537	–	–
2 Capital Goods	–	4,905	–	–
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	–	4,065	–	–
4 Upstream transportation and distribution	–	23,090	–	–
5 Waste generated in operations	–	2,251	–	–
6 Business traveling	–	–	–	–
7 Employee commuting	–	–	–	–
8 Upstream leased assets	–	–	–	–
9 Downstream transportation	–	–	–	–
10 Processing of sold products	–	–	–	–
11 Use of sold products	–	432,968	–	–
12 End-of-life treatment of sold products	–	–	–	–
13 Downstream leased assets	–	–	–	–
14 Franchises	–	–	–	–
15 Investments	–	–	–	–
Total GHG emissions (t CO₂e)				
Total GHG emissions (location-based) (t CO ₂ e)	–	832,117	–	–
Total GHG emissions (market-based) (t CO ₂ e)	–	812,817	–	–

The CO₂e emissions in the table above are defined on the basis of the Greenhouse Gas Protocol.

Biogenic emissions amounted to 1,178 t CO₂e and relate exclusively to Scope 1.

CALCULATION OF GREENHOUSE GAS EMISSIONS AND SCOPE OF CONSOLIDATION IN SUSTAINABILITY REPORTING

Greenhouse gas emissions (GHG emissions) are calculated on the basis of the collection of the relevant activity data from all the portfolio companies in the scope of consolidation via the existing financial data reporting system at INDUS, which has been expanded for the purpose of specifically gathering activity data.

For the accounting of the INDUS Group's greenhouse gas footprint, INDUS uses the financial control approach in accordance with the Greenhouse Gas (GHG) Protocol Standards. According to these, 100% of the emissions of all the companies in the scope of consolidation in which INDUS or a direct portfolio company of INDUS holds at least 50% are included in the INDUS Group's GHG footprint. This is the case for all the INDUS Group's portfolio companies in the scope of consolidation. These include all production facilities, offices and sales units. In 2024 they were joined by GESTALT AUTOMATION, COLSON X-CEL, an indirect subsidiary of HORNGROUP, GRIDCOM, the remaining shares of a HAUFF investment, and DECKMA. Overall, the scope of consolidation for the non-financial reporting therefore corresponds precisely to the scope of consolidation for the financial reporting. For all disclosures pursuant to the EU Taxonomy, the scope of consolidation is also the same as for the financial reporting.

In addition to CO₂, nitrous oxide (N₂O), methane (CH₄) and partly fluorinated hydrocarbons (HFCs) were also included in the calculation of greenhouse gas emissions. Perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆) are not individually recorded because they are not relevant in the INDUS portfolio companies' production processes.

The greenhouse gases are translated into CO₂ equivalents (CO₂e) and exclusively used in this form for the calculation of greenhouse gas emissions. Greenhouse gas emissions are stated in accordance with both the market-based and the location-based calculation methodology.

Emissions are categorized into Scope 1 (direct emissions from mobile and stationary combustion), Scope 2 (emissions that arise from the generation of purchased electricity) and Scope 3 (indirect emissions – for example, as purchased goods and services and logistics) in line with the GHG Protocol Standards. The emissions in Scope 1 and Scope 2 are calculated based on the collected activity data with corresponding emissions factors. In light of the diversity of the INDUS Group and its frequent position in the middle of the value chain, we consider it disproportionate to take a similar approach for the emissions in Scope 3; as such, mainly financial data such as sales, purchased services or costs of materials, and other items are used for the purpose-oriented calculation of these emissions. This financial data is offset with "spend-based emissions factors", that relate expenses in € to emissions. Only data on waste and water is collected on a volume basis. Their emissions and those of product use are calculated on the basis of the useful life and energy consumption of the products sold in 2024. These two categories account for 56% of total Scope 3 GHG emissions. The value chain in Scope 3 is considered both upstream and downstream in accordance with all 15 categories of the GHG Protocol Standards.

SCOPE 3 GREENHOUSE GAS EMISSIONS

Scope 3 is divided into 15 categories that cover various aspects of the value chain. Not all Scope 3 emission categories are relevant for INDUS and its operating activities. All relevant Scope 3 categories were included in the calculation.

The following table provides an overview of the categories included, along with the calculation method and the reasons for excluding the other categories.

SCOPE 3 GHG EMISSIONS

Category	Included/excluded	Reason for exclusion	Methodological notes on estimates / uncertainties / calculations
1 Purchased goods and services	Included		Expenses for raw materials consumables and supplies by product group and measurement using monetary emission factors
2 Capital Goods	Included		Monetary approach via spending on capital goods
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	Included		Calculation with activity-based data and general emission factors
4 Upstream transportation and distribution	Included		Monetary approach via spending on purchasing and goods transport Assumption that transport accounts for 2% of purchasing costs
5 Waste generated in operations	Included		Activity-based approach via waste and water volumes
6 Business traveling	Excluded	Proportion less than 1%, data availability poor and stakeholder relevance medium.	
7 Employee commuting	Excluded	Proportion less than 1%, data availability poor and stakeholder relevance medium.	
8 Upstream leased assets	Excluded	Emissions from the use of leased vehicle fleet and rented buildings. Emissions are included in Scope 1 and 2 (Financial control method). Otherwise there are no leased items of property, plant and equipment.	
9 Downstream transportation	Excluded	Goods and products sold are delivered on behalf of INDUS and so are accounted for in Cat. 4. The residual share is less than 1%. Data availability is poor and stakeholder relevance is medium.	
10 Processing of sold products	Excluded	An estimate of the emissions associated with the processing of sold products resulted in a share of less than 5%. Data availability is poor and stakeholder relevance is medium.	
11 Use of sold products	Included		Approach via the measurement of sold finished products with energy consumption in use, plus any specific energy consumption and direct process emissions during product use and over the product's lifecycle or useful life.
12 End-of-life treatment of sold products	Excluded	The share is less than 1%. Data availability is poor and stakeholder relevance is medium.	
13 Downstream leased assets	Excluded	INDUS portfolio companies are lessors of a few buildings. Their estimated contribution to Scope 3 emissions is less than 0.1%. No equipment or vehicles are leased or rented to third parties.	
14 Franchises	Excluded	There are no franchising activities.	
15 Investments	Excluded	There is no data to calculate GHG emissions for the minority investments. Their share is considered to be immaterial.	

GHG INTENSITY (IN TERMS OF REVENUE)

	2024
Scope 1 and 2 GHG emissions (location-based) per revenue (t CO ₂ e / EUR million)	28.6
Scope 1 and 2 GHG emissions (market-based) per revenue (t CO ₂ e / EUR million)	17.4
Total Scope 1 to 3 GHG emissions (location-based) per revenue (t CO ₂ e / EUR million)	483.3
Total Scope 1 to 3 GHG emissions (market-based) per revenue (t CO ₂ e / EUR million)	472.1

To clarify the starting point and the target progress regarding the greenhouse gas reduction target, the gross emission intensity for the 2018 reference year is stated (before taking voluntary purchases of carbon emission allowances into account).

Revenue fell by 4.5% in 2024 and Scope 1 and 2 emissions were further reduced (-27%). Emissions intensity performed well and at 17.4 t CO₂e/EUR million in sales is now 63% below the reference value in 2018.

The INDUS Group supported climate change mitigation projects in financial year 2024 and so made a financial contribution to climate change mitigation. This entailed the retirement of emissions certificates for 2,642 t CO₂e, 95% of which in the official Gold Standard Register. Some portfolio companies use these to compensate for their Scope 1 + 2 emissions, others only for those of their vehicle fleet. INDUS Holding AG also offsets all its Scope 3 emissions.

Social

Own Workforce – S1

S1-1 – POLICIES RELATED TO OWN WORKFORCE

S1-4 – TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

INDUS is represented by portfolio companies, sub-subsidiaries, branches, and representative offices in 29 countries on five continents.

The number of employees is calculated on the reporting date. This includes own workers (managing directors, permanent employees, temporary employees, employees on leave and trainees).

The 8,921 employees as of December 31, 2024 are divided among the regions as follows:

EMPLOYEES BY REGION	
	2024
Germany	6,735
Europe (EU, Switzerland & UK)	1,171
Rest of world	1,015
Employees in the INDUS Group	8,921

The Group management report and the Notes present average annual figures for the number of employees. The definition used for the Group management report/Notes does not include apprentices in the reported figure. Temporary staff are additionally included. The Group management report/Notes report an average of 8,768 employees under this definition for the year 2024.

POLICIES, ACTIONS AND TARGETS RELATED TO OWN WORKFORCE

IRO derived from double materiality assessment	INDUS policies	INDUS actions	INDUS targets
Working conditions: – Employee satisfaction and low staff turnover (A) – Low staff turnover rate and long period of employment (C)	<u>Human rights policy:</u> – Adequate working conditions – Adequate wages of at least the minimum wage defined by applicable legislation <u>INDUS Code of Conduct:</u> – Respect for dignity and personality – Respect, fairness, team spirit, professionalism and openness – Support for talents – Professional and personal development training – Balance between professional and private life	– All new employees are given the Code of Conduct when they join, and it can be retrieved from the intranet at any time. – Adequate wages, at least according to applicable legislation – Compliance with working hours (which correspond to the local statutory provisions and/or sector standards) – Annual human rights risk analysis in own business area – Individual employee satisfaction actions by portfolio companies – SpeakUp system (whistleblower system for misconduct and complaints in the event of potential violations)	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints
Working conditions: – Worsening skills shortage (R)	<u>Human rights policy:</u> – Adequate working conditions – Adequate wages of at least the minimum wage defined by applicable legislation <u>INDUS Code of Conduct:</u> – Social responsibility and engagement (regional and local level) – Apprenticeships offered in addition to own needs – Initiatives in social, ecological and cultural areas – Support for talents – Professional and personal development training – Balance between professional and private life	– The Code of Conduct is communicated to all employees – Adequate wages, at least according to applicable legislation – Compliance with working hours (which correspond to the local statutory provisions and/or sector standards) – Annual human rights risk analysis in own business area – Individual employee satisfaction actions by portfolio companies – Apprenticeships offered in addition to own needs – Individual actions by portfolio companies at careers fairs, social engagement, social projects and cultural events – SpeakUp system (whistleblower system for misconduct and complaints in the event of potential violations)	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints
Working conditions: – Accidents at work (A)	<u>Human rights policy:</u> – Occupational safety and health – Improving the work environment – Improving the safety of working conditions and plant, health and safety – Compliance with due diligence requirements – Effective prevention culture – Operating safety standards <u>INDUS Code of Conduct:</u> – Health and safety standards – Responsibilities of managers and individual employees	– Safety standards and implementation of health and safety policies – Health and safety training – Individual prevention actions in the portfolio companies – Annual human rights risk analysis in own business area	– Fewer than 3.0 work accidents per 100 FTE per year – No fatal work accidents
Equal treatment and opportunities for all: – INDUS' efforts to promote employee satisfaction and reduce the staff turnover rate (A)	<u>Human rights policy:</u> – Equal opportunities – Adequate working conditions – Adequate wages of at least the minimum wage defined by applicable legislation <u>INDUS Code of Conduct:</u> – Equal opportunities and respect for one another – Respect, fairness, team spirit, professionalism and openness – Senior executives as role models – Support for talents – Professional and personal development training – Balance between professional and private life	– The Code of Conduct is communicated to all employees – Adequate wages, at least according to applicable legislation – Compliance with working hours (which correspond to the local statutory provisions and/or sector standards) – Annual human rights risk analysis in own business area – Individual employee satisfaction actions by portfolio companies – SpeakUp system (whistleblower system for misconduct and complaints in the event of potential violations)	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints

POLICIES, ACTIONS AND TARGETS RELATED TO OWN WORKFORCE

IRO derived from double materiality assessment	INDUS policies	INDUS actions	INDUS targets
Equal treatment and opportunities for all: – Diversity management and open working environment (A) (C)	<u>Human rights policy:</u> – Equal opportunities and protection against discrimination – Fair treatment of all employees – No discrimination based on national or ethnic origins, social background, health status, disability, sexual orientation, age, gender, political opinion, religion or world view	– The Code of Conduct is communicated to all employees – Annual human rights risk analysis in own business area – SpeakUp system (whistleblower system for misconduct and complaints in the event of potential violations)	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints
	<u>INDUS Code of Conduct:</u> – Support for equal opportunities and diversity – No discrimination based on gender, race, nationality, age, religion, sexual orientation or disability – Selection and promotion based solely on functional criteria		
Equal treatment and opportunities for all – Well-trained employees with development prospects (C)	<u>Human rights policy:</u> – Support for education and qualification – Equal opportunities and protection against discrimination – Fair treatment of all employees	– The Code of Conduct is communicated to all employees – SpeakUp system (whistleblower system for misconduct and complaints in the event of potential violations) – Individual personal development actions by portfolio companies – Training on compliance for everyone by the holding company, on specific topics for the portfolio companies by the holding company and individually as needed	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints
	<u>INDUS Code of Conduct:</u> – Support for talents – Professional and personal development training – Balance between professional and private life – Support for equal opportunities and diversity – Selection and promotion based solely on functional criteria		

POLICIES

There is a Code of Conduct for the INDUS Group in addition to the INDUS Human rights policy. Both documents are available from the INDUS website. The Board of Management has approved the Code of Conduct and arranged for its implementation within the company. The principles laid down in the two documents are general, overarching policies for corporate and social conduct by INDUS. All portfolio companies in the INDUS Group and all employees are obliged to comply with these policies. The portfolio companies are responsible for structuring and implementing them, as well as for integrating the detailed views of employees, and for adopting and implementing additional policies. The various perspectives and interests of INDUS stakeholders were taken into account when the policies were developed. The Compliance Board formulated the principles and presented them to the Board of Management for approval.

In its fundamental declaration on its human rights strategy INDUS emphasizes its commitment to respect human rights, as defined in the International Bill of Human Rights, the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights. The INDUS strategies relating to social and human rights matters are as follows:

The Code of Conduct applies to the entire INDUS Group. To the extent that there are specific national rules for foreign subsidiaries, these may be applied insofar as they do not infringe the basic INDUS principles. The Code addresses both the INDUS Group's conduct towards others and conduct within the INDUS Group.

The INDUS Code of Conduct consists of concrete policies on respect for human rights and good working conditions. Respect for human rights is seen not as a "value-driver" but as a basic requirement for our own economic activities and as a matter of course.

The INDUS portfolio companies draw up their own programs on inclusion. Furthermore, the INDUS Group's holding companies and INDUS financially support social institutions at local and national level and collaborate with social institutions such as workshops for the disabled. There are no specific political commitments by the INDUS Group on inclusion or support measures for people from groups particularly at risk in the workforce.

HUMAN RIGHTS POLICY

INDUS has adopted a human rights policy to emphasize its commitment to respecting human rights. This policy particularly reflects the following human rights principles:

- The International Bill of Human Rights,
- The Declaration of the International Labour Organization on Fundamental Principles and Rights at Work, and
- The UN Guiding Principles on Business and Human Rights.

The policy was adopted by the Board of Management of INDUS Holding AG and is implemented by the Board of Management and the managing directors of affiliated companies. It is binding for all senior executives and employees.

RESPECT FOR HUMAN RIGHTS AND GOOD WORKING CONDITIONS

Respect for people and the environment and their rights is a fundamental element of responsible corporate governance for INDUS.

INDUS respects internationally acknowledged human rights, upholds the rights of its employees and their representatives and avoids harm to the environment. In this context INDUS undertakes to comply with the international standards on which the German Supply Chain Due Diligence Act (LkSG) is based.

Negative impacts on human rights from operating activities should be avoided. They should either be stopped or at least minimized as far as possible. INDUS and its portfolio companies strive to ensure that its business partners, especially direct suppliers, respect human rights. Action is taken accordingly.

INDUS is committed to respecting the following acknowledged human rights, which are addressed in its human rights policy: human rights and good working conditions, prevention of child labor, prevention of forced labor, freedom of association, the right to collective bargaining and the right to strike, equal opportunities and protection against discrimination, the right to occupational safety and health, working hours in line with local statutory provisions, adequate pay and benefits, support for education and qualification and environmental protection.

IMPLEMENTATION OF IMPACTS, RISKS AND OPPORTUNITIES OF THE HUMAN RIGHTS STRATEGY

The Board of Management is responsible for implementing the human rights strategy. The structure of the INDUS Group means that responsibility is spread across various sub-levels and individual business areas. The Compliance Board, which is made up of the employees for Sustainability, Legal and Compliance and the member of the Board of Management responsible for Governance, Risk and Compliance, assumes the function of the Human Rights Officer and is responsible both for monitoring the implementation of the strategy and for answering questions from the business areas.

To put the strategy into practice on a daily basis, the managing directors of the portfolio companies have been entrusted with implementation in their respective business areas. The managing directors have in turn delegated this task to their functional departments. Depending on the individual portfolio company, this primarily concerns the Purchasing/Procurement and Supplier Management functions. These areas are regularly in direct contact with the suppliers and so play a vital role for risk analysis, but also for communication and for developing and implementing preventive measures. Together with the Human Resources (HR) function they also liaise with the Compliance Board of INDUS Holding AG and act as ambassadors in their respective business units for raising awareness and training employees. To pool inquiries about the human rights strategy, the managing directors of the portfolio companies in the INDUS Group have designated contacts to manage the implementation actions in day-to-day business and to collect any questions. After discussion with the Compliance Board, actions or guidance are communicated in the Group.

INDUS has a functioning risk management system, which is reviewed annually by the external auditor to ensure it is adequate. Direct suppliers (around 30,000) are audited by means of a risk database, particularly since the introduction of the German Supply Chain Due Diligence Act in 2023 and the first report for 2023. This audit also included the own business area. As far as we are aware, employees of the INDUS Group are not affected by negative impacts of INDUS' operating activities. No violations have been reported, especially against the prohibition of forced labor and child labor.

ACTIONS

The main impacts, risks and opportunities of the materiality assessment are summarized in the Sections "Working conditions" and "Equal treatment and opportunities for all" (SBM-3) and are presented in the table above. Insofar as they are not described separately, these are ongoing actions that are implemented continuously at the locations of the INDUS portfolio companies. The upstream and downstream value chain is of subordinate importance for implementation.

To fulfill its human rights due diligence obligations INDUS has implemented a system for the risk-based, systematic verification of compliance with human rights and environmental standards by the portfolio companies included in the consolidated financial statements of INDUS Holding AG and the supply chains. INDUS has taken actions to prevent negative impacts on human rights and the environment in our operating activities worldwide, and if they do occur, to end or reduce them as far as possible.

A system has been introduced on the basis of the following structure and is continuously developed:

1. Risk assessment
Systematic identification and measurement of human rights and environmental risks
2. Definition of actions
Definition and implementation of actions to mitigate risks depending on the supply chain or affiliated companies concerned and the greatest exposures
3. Control
Evaluation of the suitability/effectiveness of the risk assessment and implementation of actions
4. Reporting
Regular, standardized reporting

The portfolio companies are integrated into the risk management system, in which an annual human rights risk assessment is carried out. This aims to identify the portfolio companies' individual risks and also uses country-specific factors to do so.

Preventive and corrective actions are defined and implemented based on the results of the risk assessment. The portfolio companies are responsible for implementation. A dedicated function at INDUS is responsible for the planning and control of implementation. Actions are implemented continuously. The actions are intended to be implemented in the near term. Any actions in the field of occupational health and safety are always taken immediately. Key actions for the impacts, risks and opportunities related to the company's own workforce are the Group-wide distribution of and compliance with the INDUS Code of Conduct and health and safety measures.

The risk assessment is introduced and implemented with appropriate communication and specific training courses that involve all the relevant workers. Controlling and reporting processes are embedded and performed regularly to ensure effectiveness, continuous improvement and ongoing development.

The only negative impacts identified by the double materiality assessment are accidents at work, especially in production. INDUS defines the guidelines for avoiding potential work accidents in its policies. The necessary actions are decided and implemented in the individual portfolio companies. The causes of negative impacts are eliminated directly and in context by the portfolio companies.

The key objective for INDUS is always to comply with human rights. The associated actions are always relevant key actions. Compliance with human rights is defined as mandatory in the human rights policy and the Code of Conduct. INDUS has a separate code of conduct for suppliers that covers human rights in the upstream value chain. All the rules apply globally.

Any violations of the human rights policy have consequences. This can extend to the termination of the business relationship with third parties, e.g. suppliers. Internal and external whistleblowers can report violations via the SpeakUp system. Once the matter has been examined and clarified, appropriate steps are taken. INDUS expects senior executives and line managers at all levels of the hierarchy to take any such reports seriously, to treat them in strict confidence and to clarify them promptly with the corresponding instructions and necessary actions to investigate the reported misconduct and stop it if necessary. The main tool for managing impacts are the Board of Management's directives on implementation of the rules throughout the Group and the specific individual actions by the portfolio companies (human rights policy, Code of Conduct, code of conduct for suppliers and compliance with the health and safety policy). Regular reports within the system confirm that it is effective. The managing directors of the portfolio companies all confirm annually with their signature their compliance with the INDUS Code of Conduct and the human rights policy. The Internal Audit function of INDUS Holding AG also carries out individual audits in the portfolio companies.

The continuous collection of social performance indicators at mid-year and year-end, their analysis, and ongoing feedback from workers in the portfolio companies to their managing director enable conclusions to be drawn about the effectiveness of the actions. The RIMIS risk management system, the SpeakUp whistleblower system and the Internal Audit reports may also provide additional indications of the actions' effectiveness and contribute to monitoring and identifying risks and negative impacts.

GOALS

The targets related to the own workforce can partly be derived from the human rights policy and are partly defined individually as a corporate targets by the Board of Management and communicated to the Supervisory Board (which includes workers' representatives). Other stakeholders were not involved in the definition of targets. All the targets are ongoing and quantitatively measurable, apply for the whole INDUS Group and on an annual basis. There were 3.3 accidents per 100 FTE in the reference year 2018. The target of < 3 accidents per 100 FTE can be derived from published figures for industrial employers' liability assurance associations. There are as yet no quantitative targets for some performance indicators (e.g. staff turnover, training hours, performance reviews). The current figures, some of which have been gathered for the first time, will be compared with those of similar companies. Quantitative targets for other performance indicators are to be defined in the years ahead. Target achievement is regularly measured, analyzed and monitored by the Board of Management, at least annually, via the reporting in Lucanet. Any complaints are examined via the SpeakUp system. INDUS has set a figure of "0" for most of the targets, because incidents > 0 would constitute a violation of the human rights policy or the Code of Conduct or the INDUS Code of Conduct for Suppliers. Work accidents must be prevented. As they cannot be avoided completely, a target of < 3 work accidents per 100 FTE has been defined.

Targets related to the undertaking's own workforce were achieved as follows in the financial year 2024:

TARGET ATTAINMENT RELATED TO OWN WORKFORCE IN 2024

INDUS targets	ACTUAL 2024	Target attainment
100% of employees receive the INDUS Code of Conduct	Each employee is given the Code of Conduct (100%)	Achieved
No legitimate complaints in the SpeakUp whistleblower system related to the identified impacts, risks and opportunities in connection with the undertaking's own workforce	No legitimate complaints (0)	Achieved
Fewer than 3.0 work accidents per 100 FTE	2.2 work accidents per 100 FTE	Achieved
No fatal work accidents	None	Achieved

The awareness of workers forms the basis for identifying risks in their own business area. The decentralized structure of the INDUS Group means that different paths are taken to arrive at a practicable result.

INDUS Holding AG, and the INDUS Group companies independently define how relevant compliance risks and indications of potential and confirmed violations are reported to the responsible functions in the undertaking (e.g. the statutory representatives and the supervisory body if necessary).

Core requirements are regularly communicated via the responsible managing directors in the INDUS Group, supported by a central knowledge database (INDUS Sharepoint/intranet), which was implemented in 2022 as a central communications platform. It enables the managing directors and relevant functions in the INDUS Group to access guidance and policies, as well as information, links to external service providers such as specialist law firms, and instructions and presentations from the training program. Training courses on the Supply Chain Due Diligence Act are offered to workers via an e-learning platform. Over 200 basic training courses were completed in the reporting year. This regular process is ongoing and is continuously expanded. Additional courses are provided within the tool itself to the approximately 250 users of the risk analysis software tool.

Reference to the requirements of the Supply Chain Due Diligence Act was a focus of Group-wide information events for the managing directors and commercial directors in 2022 and 2023. This group is the central node and multiplier for communication from the INDUS holding company to the INDUS Group companies. It forms the basis for controlling (non)compliance with the Code of Conduct and its supplementary documents (particularly the human rights policy). The managing directors of the INDUS Group regularly report in writing to the responsible member of the INDUS Board of Management on compliance with the Code of Conduct.

This information forms part of the annual Compliance Report from the Board of Management to the Supervisory Board. The report was explicitly extended to compliance with the human rights policy in 2023, because this was defined in its preamble as a supplement providing detailed guidance to the Code of Conduct.

Since the INDUS Holding AG Code of Conduct was introduced it has been made available to all workers of INDUS Holding AG. The Code of Conduct is also available on the INDUS website.

SI-2 – PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

A healthy corporate culture means satisfied employees. Satisfied employees are willing to perform and actively participate in turning corporate goals into a reality. SME organizations have been running successfully for many generations based on this very fundamental understanding.

The INDUS Group is a decentralized organization. The managing directors of the individual portfolio companies are responsible for all aspects of their operating activities and so also for their own workforce. As diverse as the portfolio companies are, so different are their approaches to engaging with their own workers and the workers' representatives if applicable. Engagement with workers also depends on the size of the portfolio company. The managing directors of the portfolio companies assess the effectiveness of their engagement with workers.

Throughout the INDUS Group the members of the Board of Management and the managing directors show great appreciation for the workforce. Engagement with the workforce is practiced in different ways in the portfolio companies. If works councils or other forms of workers' representation have been formed in the companies, then they are actively involved in line with the legal framework.

The INDUS Supervisory Board has equal numbers of workers' representatives and shareholder representatives, in accordance with the Co-Determination Act (MitbestG). The six workers' representatives on the Supervisory Board are made up of four workers and two trade union representatives. The workers' representatives were elected in accordance with Sections 10-24 MitbestG. The four workers' representatives are always in direct contact to the workers through their operational responsibilities within the INDUS Group. The trade union representatives are in turn in contact with the works councils in the INDUS companies and so receive feedback and suggestions from the workers.

The identified impacts (actual and potential), risks and opportunities related to the own workforce are also discussed by the workers' representatives on the Supervisory Board, who represent the workers' interests in these matters. Actual impacts and risks related to health and safety are examined in the portfolio companies in line with the statutory requirements by the responsible managers, the health and safety specialists, works councils and safety officers and the corresponding action is taken.

INDUS is characterized by flat hierarchies, which enables information to flow quickly from the workers to the Board of Management. All workers in the holding company report to the members of the Board of Management. The managing directors of the INDUS portfolio companies report regularly to the members of the Board of Management responsible for the segments. Social topics and workers' concerns are also discussed here. In addition, the holding company's portfolio managers have close contact with the managing directors and employees in the portfolio companies. Important information is reported directly from the portfolio managers to the responsible members of the Board of Management. There is also an opportunity to express concerns or reservations via the Group whistleblower system (SpeakUp).

S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

Sustainable business defines the prospects for the environment, society and the economy and also for workers and business partners of INDUS (the Group parent). The pillars of the INDUS culture are the dissemination of central requirements from the holding company and their autonomous implementation and control in the subsidiaries, along with a common understanding of values and risk mitigation for sustainable corporate development.

No material negative impacts on the own workforce were identified in the course of the materiality assessment.

INDUS can avert harm to the company, its workforce and third parties, and protect anyone who has been harmed, by means of consistent compliance with rules and rights. Compliance with legislation and internal regulations has the highest priority. INDUS will take action if any misconduct or potential violations are identified.

The human rights policy published by the Board of Management in late 2022 has been made available to all workers. The INDUS Code of Conduct is also provided to all workers. Both statements have been published on the website of INDUS Holding AG.

INDUS has a Group-wide whistleblower system (SpeakUp). Internal and external parties can report information (anonymously on request) on unlawful conduct and breaches of the human rights policy, the INDUS Code of Conduct and other rules to the INDUS compliance organization for further investigation through the whistleblower system. This also applies to employees' concerns.

The SpeakUp whistleblower system was introduced in 2020 and makes it possible to report misconduct – also anonymously – at no cost by phone or online. The rule on the background of reports was deliberately cast more widely than is necessary under the regulations, e.g. the German Whistleblower Protection Act (HinSchG). This approach also is continued in the system itself, which is very easy to access (no questionnaire, translations into all languages at Group locations). The intention is that no potential notification of possible misconduct (or what is perceived to be so) should go unsaid because of formal restrictions.

The system has been rolled out across the Group, announced to the employees via the intranet and is publicly accessible on the company websites and that of INDUS Holding AG for other (potential) stakeholders. It has both a central and a decentralized structure, so that separate access is possible via the online landing pages of the different portfolio companies and/or INDUS. When the requirements of the Supply Chain Due Diligence Act were implemented the Board of Management decided to use SpeakUp as a complaints system, since it meets the requirements from a technical and organizational perspective. Reports are reviewed independently by central functions of INDUS Holding AG (Compliance Officer and/or General Counsel) to determine whether a suspected violation of a legal position protected by the Supply Chain Due Diligence Act exists and how severe any violation is considered to be.

Once a report of suspected misconduct or fraud has been received by the Compliance Officer, an initial review of the matter is carried out on the basis of the information provided. SpeakUp ensures that anonymous communication with the whistleblower is possible and guaranteed if necessary. Questions can be asked of the whistleblower to enable further judgments on the matter while maintaining anonymity. The next steps in dealing with the matter are decided on the basis of this initial review.

Depending on the severity of the accusation, the individuals concerned and the legal area, the investigation is either carried out directly by the Compliance Officer of INDUS Holding AG or it is passed on to the responsible person at the portfolio company or group of portfolio companies concerned (generally the managing director of the direct INDUS subsidiary, or the Compliance Officer of the portfolio company group, if the position exists).

External experts, such as lawyers, may be consulted in the course of further investigation. If there is a sufficient evidence of a criminal offense, the law enforcement authorities will be notified.

The Compliance Officer of INDUS Holding AG will ensure that all reported cases are investigated, adequately documented and officially closed.

Reports concerning a member of the Board of Management of INDUS Holding AG are also assessed by the entire Board of Management or the Supervisory Board, depending on the severity of the matter and/or the person concerned. The Supervisory Board must be notified of any report made about the Chairperson of the Board. If the entire Board of Management is concerned, this also has to be reported to the Supervisory Board.

INDUS expects senior executives and line managers at all levels of the hierarchy to take any such reports seriously, to treat them in strict confidence and to clarify them promptly with the corresponding instructions and necessary actions to investigate the misconduct and stop it.

The Compliance Officer of INDUS Holding AG may come to the conclusion that a report should not be pursued any further, for example if insufficient information is available for an adequate investigation and there is no way of obtaining further information, or the report is demonstrably inaccurate.

Regular reports are sent by the Compliance Officer of INDUS Holding AG to the Board of Management, which in turn reports to the Audit Committee of the Supervisory Board. The Compliance Officer also reports directly to the Audit Committee at its request.

Detailed reporting is provided on all cases that INDUS Holding AG has investigated itself. Cases that are passed on to the compliance officers of the portfolio companies or groups of portfolio companies in line with the decentralized INDUS organizational structure are only reported by category (legal area/chapter of the Code of Conduct concerned), status of the investigation (ongoing/closed), outcome and conclusions.

If a suspected case has been reported in the SpeakUp system, these reports are handled confidentially both in terms of the person reporting and the person accused.

The person reporting is assured that the SpeakUp service provider will under no circumstances disclose their voice message, IP address and/or telephone number. Nobody who makes a report has therefore any cause to fear negative consequences. This does not apply to requirements by law enforcement authorities, intentionally false reports or reports that themselves constitute a criminal offense or violation of the Code of Conduct.

The person accused and other concerned persons are notified by INDUS within 30 working days. This phase may also be extended if the specific case so warrants, e.g. if there is a risk that evidence is destroyed or ongoing investigations are hindered in any other way. The accused and the people concerned have the right to object to the investigations against them. To do so they can approach their line manager, the managing director concerned or the Compliance Officer of INDUS Holding AG.

INDUS and the employees investigating the case treat all information in strict confidence. Data protection is assured within the statutory framework, both for the whistleblower, the accused and other people concerned.

When the whistleblower system was introduced it was ensured that all employees must be made aware of the system via company communication channels, e.g. works agreements, information on notice boards and the involvement of works councils. All new recruits have to confirm that they are aware of the whistleblower system. Implementation of this process is verified by the Internal Audit function.

Preexisting reporting channels in the portfolio companies are another way of filing a report; an ombudsman can be consulted, for instance, who then initiates dialog with the managing director. If necessary, the managing director then reports to INDUS Holding AG.

The software tool introduced to implement the Supply Chain Due Diligence Act due diligence obligations is used for regular news screening (News Monitor) to identify any reports of breaches of legal positions protected by the Supply Chain Due Diligence Act; this takes place in an order of priority defined by the Compliance Board. The Compliance Board assumes the role of the Human Rights Officer. The risks of child labor, slavery and forced labor were categorized as top priority and examined in the reporting year: this scope is to be successively expanded.

Internal and external audits and regular site visits may also result in the identification of violations in the own business area. Decentralized departments and officers in the INDUS companies are responsible for this, as are regular audits by the social security authorities, (approval) authorities, employers' liability insurance associations, etc. Various head office functions at INDUS Holding AG (e.g. Operational Excellence, Sustainability, Insurance or Internal Audit) provide support and have a direct reporting line to the INDUS Board of Management. Portfolio controlling is also able to identify certain risks using the regular reports.

S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

TOTAL NUMBER OF EMPLOYEES BY GENDER		(Head count)
Male		6,202
Female		2,718
Other		1
Not disclosed		0
Total number of employees		8,921

The large number of male employees compared with the number of female employees is due to a high proportion of production workers in the INDUS Group. Jobs like these tend to be held by more men than women, according to sector surveys.

INDUS has operations in 29 countries. Not more than 10% of the total number of employees work in any country apart from Germany. There were 6,735 employees in Germany as of December 31, 2024.

INDUS has employees with both permanent and temporary employment contracts. They are divided as follows:

EMPLOYEES BY CONTRACT TYPE AND GENDER						(Head count)
	Male	Female	Other*	Not disclosed	Total	
Number of employees	6,202	2,718	1	0	8,921	
Number of permanent employees	5,549	2,505	0	0	8,054	
Number of temporary employees	653	213	1	0	867	

* Gender according to employee information

1,394 employees left the INDUS Group in the reporting period. This represents a staff turnover ratio of 15.5%.

The above data was compiled from all companies using the Group-wide reporting system Lucanet. It presents the average head count in the reporting period. The average is calculated as the average number of employees at the end of each month. The turnover ratio was calculated as the number of employees who left the company in the reporting period and the average number of employees for the full year.

S1-7 – CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S OWN WORKFORCE

The non-employees are temporary agency workers (NACE Code N78) helpers and holiday workers.

The number of non-employees breaks down as follows:

NON-EMPLOYEES BY CATEGORY		(Head count)
Agency workers (NACE Code N78)		197
Holiday workers (temporary)		24
Temporary staff (marginal/permanent)		120
Total non-employees		341

The above data was compiled from all companies using the reporting system Lucanet. It presents the average head count in the reporting period. The average is calculated as the number of employees at the end of each month.

The non-employees work across the INDUS Group. Their number is insignificant compared with the number of employees.

Health and safety standards in the INDUS companies apply equally to the non-employees and the employees.

S1-9 – DIVERSITY METRICS

The ultimate management level in the INDUS Group is the Board of Management of INDUS Holding AG. The Board of Management has five members; four men (80%) and one woman (20%).

The breakdown of INDUS Group employees by age group is as follows:

EMPLOYEES BY AGE GROUP

	Head count	Share
Under 30	1,470	16.5%
30–50	4,170	46.7%
Over 50	3,281	36.8%
Total number of employees	8,921	100.0%

S1-13 – TRAINING AND SKILLS DEVELOPMENT METRICS

There are numerous individual development policies and training opportunities in the portfolio companies for the development of employees.

Performance and career development reviews are carried out regularly in the INDUS Group. They are documented after a meeting between the employee and the line manager. The following proportion of workers took part in a skills development course in the reporting year:

EMPLOYEES WHO RECEIVE REGULAR SKILLS DEVELOPMENT

	Share
Male	50.4%
Female	47.4%
Other	0.0%

Individual courses are also attended, depending on the employee's workplace and tasks and the portfolio company.

AVERAGE TRAINING HOURS OF EMPLOYEES

	Hours per year
Male	7.0
Female	5.9
Other	2.0

The figures above include all training courses and webinars by external providers in the reporting period. They do not include training courses within the own workforce.

S1-14 – HEALTH AND SAFETY METRICS

Initiatives to ensure the well-being of employees are expressly welcomed in the INDUS Group – for example, in the form of training-up company health and safety officers, operational health management, organizing first-aid training, or individual arrangements for mobile working and flexible hours, which also includes regulations on working time when working from home.

80.5% of workers in the INDUS Group benefit from a company health management system.

INDUS wants to be seen as an attractive employer, whose portfolio companies are an important part of the local social structure. In addition to fair pay, protecting the workforce is a top priority for INDUS. The aim is to completely prevent work accidents (excluding accidents while commuting), particularly fatal accidents.

There were no fatal work accidents in the reporting year.

Due to the majority of the INDUS Group's production-intensive gross value added, work accidents cannot generally be completely excluded, which is why the objective is for fewer than three accidents to occur per 100 FTEs. The figures for own employees and non-employee workers are recorded and reported separately.

NUMBER AND RATIO OF NOTIFIABLE WORK ACCIDENTS

Number of notifiable work accidents	189
Total number of working hours (own workforce)	14,907,464
Ratio per 1,000,000 hours	12.68

All notifiable work accidents are recorded that result in incapacity for work for four days or more. They do not include accidents on the way to or from work. Incidents in which more than one employee is injured are counted as multiple work accidents.

Work-related ill health is acute, recurrent and chronic health problems that are caused or aggravated by working conditions. They include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents, and mental illnesses.

There were 189 cases of work-related injuries in the INDUS Group in financial year 2024. Employees were unable to work for 2,348 days.

S1-16 – REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

INDUS stands for fair remuneration and equal opportunities for its employees. Pay differences on the basis of gender for the same work are not permitted. Differences in wages result primarily from different types of work.

The gender pay gap in the INDUS Group is 30%. The gender pay gap is defined as the ratio of gross hourly pay for the male employees, less the gross hourly pay of the female employees, divided by the average gross hourly pay of the male employees.

The ratio of annual pay for the highest paid person in the undertaking (Chairperson of the Board) to the median pay is 18.0 in the INDUS Group in 2024. The total remuneration used for the comparison includes the annual gross salary, the STI recognized through profit or loss (short-term bonus) and the LTI recognized through profit or loss (long-term bonus). The reason for this is the highly specialized work, the broad professional knowledge and the great responsibility held by the highest paid person.

S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

No incidents, complaints and severe human rights impacts were reported in the reporting year, either via the SpeakUp whistleblower system or other channels. Other information and our risk management system also did not reveal any incidents, complaints or severe human rights impacts.

Governance

Governance – G1

G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

CORPORATE CULTURE

INDUS has been synonymous with SME values and principles for three decades. From the outset, the corporate culture has been based on the values defined and practiced by the company founder and the members of the Board of Management, by an entrepreneurial spirit and by decentralized responsibilities. This culture is continuously upheld and promoted by the members of the Board of Management, managing directors and employees. The INDUS values are communicated particularly in the M&A process, which ensures that new portfolio companies are a good fit for the INDUS corporate culture and can be integrated into it.

INDUS' culture is defined by respect for employees and for the undertaking's business partners, customers and shareholders. INDUS has a decentralized business model in which the portfolio companies maintain their operating freedom to a large extent. This promotes entrepreneurial responsibility at all levels and encourages initiative. INDUS aligns its business conduct with long-term, sustainable objectives. The aim is not success per se but success that is lasting. In our business operations the intention is to maintain an economically stable foundation.

The INDUS Group sets great store by ethical business practices, fairness and integrity. These values are reflected in both our dealings with customers and partners and in leadership and the work environment.

Launching the strategic initiative Striving for Sustainability has placed a greater focus on improving the Group's sustainability performance in recent years. This reflects the increasing importance of the topic. In addition, communications from the portfolio companies to the holding company and between the portfolio companies have been developed and supported.

The following annual, quantitative targets have been defined for governance:

- No legitimate local complaints
- Total number of non-monetary penalties should be "0"
- Monetary value of significant fines should be "0"

Compliance is monitored every year by the Board of Management. The targets were set by the Board of Management and noted by the Supervisory Board. Target achievement has been disclosed in the non-financial reporting since 2017 and thus made available to all stakeholders. They apply to the own business area of all portfolio companies in the INDUS Group.

POLICIES, ACTIONS AND TARGETS RELATED TO BUSINESS CONDUCT

IRO derived from double materiality assessment	INDUS policies	INDUS actions	INDUS targets
Corporate culture: – INDUS' DNA, sustainable development, holding and developing portfolio companies, no "hiring and firing", and respectful dealings promote group spirit in the company and create a good working atmosphere (A)	– Code of Conduct – Human rights policy	– Implementation of Supply Chain Due Diligence Act due diligence activities – SpeakUp whistleblower system	– Respect for human rights – 100% of employees receive the INDUS Code of Conduct – No legitimate complaints
Corporate culture: – INDUS' DNA, sustainable development, holding and developing portfolio companies, no "hiring and firing", and respectful dealings create good working conditions, boost productivity and lead to a good market presentation (C)	– Code of Conduct – Human rights policy	– Implementation of Supply Chain Due Diligence Act due diligence activities – SpeakUp whistleblower system – Compliance training – Permanent e-learning program at least every 2 years – Additional expert courses with lawyers for "Customs/foreign trade/export/import controls", "Prevention of corruption and money laundering", "Anti-trust and competition law"	– Respect for human rights – 100% of employees receive the INDUS Code of Conduct – No legitimate complaints – No significant fines – No non-monetary penalties
Corporate culture: – Compliance with regulatory requirements through implementation of corresponding standards (A)	– Compliance policy – Anti-corruption and anti-bribery policies	– SpeakUp whistleblower system	– No legitimate complaints – No significant fines – No non-monetary penalties
Management of relationships with suppliers including payment practices: – Group-wide, publicly available Code of Conduct makes INDUS a trustworthy business partner (C)	– Code of Conduct	– Implementation of Supply Chain Due Diligence Act due diligence activities – SpeakUp whistleblower system – Compliance training – Permanent e-learning program at least every 2 years – Additional expert courses with lawyers for "Customs/foreign trade/export/import controls", "Prevention of corruption and money laundering", "Anti-trust and competition law"	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints
Management of relationships with suppliers including payment practices: – Clear guidelines very positive for supplier evaluations and ratings (A)	– Code of Conduct – Human rights policy – Compliance policy – Anti-corruption and anti-bribery policies	– SpeakUp whistleblower system – Fulfillment of Supply Chain Due Diligence Act – Compliance training – Permanent e-learning program at least every 2 years – Additional expert courses with lawyers for "Customs/foreign trade/export/import controls", "Prevention of corruption and money laundering", "Anti-trust and competition law"	– 100% of employees receive the INDUS Code of Conduct – No legitimate complaints – No significant fines – No non-monetary penalties
Corruption and bribery: – Systematic compliance training reduces the risk of compliance violations by own employees (C)	– Compliance policy – Anti-corruption and anti-bribery policies	– SpeakUp whistleblower system – Compliance training – Permanent e-learning program at least every 2 years – Additional expert courses with lawyers for "Customs/foreign trade/export/import controls", "Prevention of corruption and money laundering", "Anti-trust and competition law"	– No legitimate complaints – No significant fines – No non-monetary penalties
Corruption and bribery: – Reducing the risk of corruption through clear internal regulations (A)	– Compliance policy – Anti-corruption and anti-bribery policies	– SpeakUp whistleblower system	– No legitimate complaints – No significant fines – No non-monetary penalties

All the actions and targets described above are annual and apply on an ongoing basis for an unlimited period. The courses are intended to give participants the necessary knowledge to deal with compliance topics. The e-learning formats finish with a test of the knowledge acquired on each topic. Knowledge is imparted in the face-to-face courses by active discussions between the experts and the participants.

See Section S1-5 for further information about the targets “100% of employees receive the INDUS Code of Conduct” and “No legitimate complaints”. The targets reflect the highest possible level in terms of governance and serve to permanently maintain the level attained. No external stakeholders were involved in setting the targets. All policies apply to the entire INDUS Group. The Code of Conduct for Suppliers applies to all direct suppliers and should also be applied by them to their own suppliers (entire upstream value chain). The scope is not limited to certain countries or regions.

SYSTEM FOR DEALING WITH VIOLATIONS OF THE INDUS CODE OF CONDUCT

INDUS has a general Code of Conduct addressed to the entire INDUS Group (managing directors and employees). The Code of Conduct defines the INDUS values and the principles of how we work together and do business. It is supplemented and specified by the human rights policy, which the INDUS Code of Conduct for Suppliers and Subcontractors refers to. The Board of Management of INDUS Holding AG is responsible for both documents. The managing directors of the portfolio companies are responsible for compliance with the principles of these policies.

INDUS monitors compliance with the requirements of these documents and had developed a system to detect any violations.

INDUS uses a whistleblower system (SpeakUp) across the Group. SpeakUp is structured on a centralized/decentralized basis in line with the INDUS organizational structure. Internal and external parties can use SpeakUp to report information (anonymously on request) on unlawful conduct and breaches of the human rights policy, the INDUS Code of Conduct and other rules to the INDUS compliance organization for further investigation. A detailed description of SpeakUp can be found in chapter S1.

Reports are reviewed independently by central functions of INDUS Holding AG (Compliance Officer and/or General Counsel) to determine whether a suspected violation of a legal position protected by the Supply Chain Due Diligence Act, of corporate governance or a case of corruption and bribery exists and how severe any violation is considered to be. Both male and female contacts are available if, for example, reports of sexual harassment are received.

Once a report of suspected fraud or other misconduct has been received by the Compliance Officer of INDUS Holding AG, an initial review of the matter is carried out on the basis of the information provided. SpeakUp enables anonymous communication with the whistleblower and confidentiality is assured by the rights policy (need-to-know basis), which means that only the Compliance Officer or (acting on their behalf) the General Counsel of INDUS Holding AG have access. The next steps in dealing with the matter are decided on the basis of this initial review.

ANTI-CORRUPTION AND ANTI-BRIBERY POLICIES AND STRATEGIES

INDUS has an anti-corruption and anti-bribery system.

There is an anti-corruption and anti-bribery policy in addition to the company's Code of Conduct. It is intended to advise employees on how to deal with corruption risks and raise awareness of them. At the same time it is a practical guideline for taking the necessary action to prevent and combat corruption and is intended to make people aware of this problem and its importance for the company. The policy is made available to all the portfolio companies via the intranet.

The anti-corruption and anti-bribery policies were drawn up and reviewed by a lawyer. They are in line with German law and so also with the United Nations Convention Against Corruption. The system to combat corruption and bribery is explained in detail in G1-3 Prevention and detection of corruption and bribery.

A compliance policy has been in place since 2021. It describes the principles behind the structure and processes of the compliance management system at INDUS and the portfolio companies, such as the position, role and responsibilities of a compliance officer and a compliance board. The compliance policy aims to ensure compliance with legislation and regulation in the INDUS Group. One of its relevant contents is also the completion of compliance training. The Board of Management of INDUS Holding AG is the ultimate unit responsible for the compliance process and the policy. The compliance policy documents the compliance structure in terms of decentralized and central components. The decentralized components are implemented in the portfolio companies under the responsibility of the managing directors. Controlling and monitoring are centralized and performed by the Compliance Board and Internal Audit, for example.

POLICY ON INTERNAL BUSINESS CONDUCT TRAINING

The Compliance Officer makes regular offers of compliance training for workers, senior executives and decision-making bodies of subsidiaries and INDUS Holding AG. The Compliance Board may define new mandatory training programs.

There is currently a permanent e-learning program to raise awareness among workers and other stakeholders of the risks associated with data protection, IT security, health and safety and various compliance topics. At intervals of not more than two years there are also in-depth expert courses with specialized lawyers covering:

- Customs/foreign trade/export/import controls
- Prevention of corruption and money laundering
- Anti-trust and competition law

The courses are aimed at the INDUS portfolio companies, specifically the people responsible for compliance or the particular specialist subject. Concerned customers or suppliers can be invited to the training courses in several languages and regardless of the location. The courses are offered on a revolving basis. External speakers are engaged who have particular expertise in these areas. The course generally lasts for two to four hours and covers current developments, as well as the findings of the rolling Group-wide monitoring on the respective subjects.

The purchasing, sales and marketing functions are considered to be the most at risk in terms of corruption and bribery, because they have external contacts when originating transactions.

VERIFICATION OF THE POLICIES' EFFECTIVENESS

The efficacy of the risk management system, including the system to combat corruption and bribery, is monitored by means of controls that are integrated into the system, self-assessments and external checks (e.g. reviews of IT security in the framework of risk management). Progress is overseen through monitoring processes. Once a year, the managing directors of the portfolio companies confirm that they adhere to the requirements of the compliance management system. Internal Audit verifies compliance with the rules, procedures and responsibilities independently of the process. The audit plan is updated on a rolling basis. Audit findings are entered into the planning for the subsequent year. This guarantees dynamic risk orientation.

The policies of the Code of Conduct and the human rights policy are explained in more detail in S1-1.

G1-2 – MANAGEMENT OF RELATIONS TO SUPPLIERS

INDUS is committed to responsible procurement. Its Code of Conduct and the supplementary Code of Conduct for Suppliers set the standards that make INDUS a trustworthy commercial partner. The Code of Conduct for Suppliers was adopted by the Board of Management of INDUS Holding AG.

The Code of Conduct for Suppliers stipulates that all suppliers should respect internationally acknowledged human rights and environmental due diligence obligations. INDUS reserves the right to verify compliance in the context of contractual terms and to take action in the event of any infringements, which may include legal action and extend to the termination of the business relationship. The procurement functions at the individual INDUS companies initially explain these requirements to their direct suppliers and also communicate them along the supply chain.

Supplier selection also takes the Supply Chain Due Diligence Act criteria into account. The Code of Conduct, the Code of Conduct for Suppliers and Subcontractors and the human rights policy also apply. Each portfolio company is free to apply additional criteria. This also concerns the application of social or ecological criteria.

INDUS strives to meet its Supply Chain Due Diligence Act due diligence obligations in the spirit of its stakeholders and also has reporting obligations under this legislation. For these reasons, INDUS takes a long hard look at potential risks in the value chains. The Code of Conduct has been adjusted in accordance with the requirements arising from the Supply Chain Due Diligence Act. The portfolio companies make use of publicly available information on customers and suppliers to assess business relationships. The majority of INDUS customers and suppliers are domiciled in regions in which INDUS can assume compliance with high standards of human rights due to the current provisions of law. In addition, in the 2023 financial year a piece of software for risk analysis and ongoing risk monitoring of suppliers was installed Group-wide to increase supply chain transparency in the framework of current ESG requirements, including those arising from the Supply Chain Due Diligence Act, and to initiate risk mitigation actions.

Payments to suppliers are also the responsibility of the portfolio companies. INDUS can monitor payment practices (in days) at all times via the Group-wide reporting system Lucanet and take action in the event of any unusual conduct. There is no Group policy on the management of late payments, since the companies' payment practices have not made this necessary to date. SMEs are treated like large companies as far as payments are concerned.

G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

All economic activities in the INDUS Group must take place in accordance with applicable legislation. This is also stated in the INDUS Code of Conduct. The corresponding target is therefore the avoidance of breaches of regulations or legislation, also concerning the environment, financial statement accounting, discrimination or corruption.

INDUS expects its portfolio companies to verify that its business partners are not subject to sanctions and has adopted policies to prevent corruption and money-laundering, in addition to the INDUS Code of Conduct. These policies apply across the Group, are available to all companies as stakeholders and convey the basic rules for dealing with corruption and bribery. These guidelines were prepared on behalf of the Board of Management by experts in corruption and bribery, in cooperation with the INDUS Compliance Officer. They are intended to raise awareness of this problem and its importance for the company. In the event of doubt, employees are required to ask their line manager or managing director. The compliance training programs for all employees also cover the prevention of corruption and money laundering. The training program has been carried out for many years. It is an ongoing program with an expected revolving duration of two years. The contents of the training courses cover topics related to corruption and to bribery and money-laundering. Companies can make use of the corresponding training documents to raise awareness and go into greater detail. Over 50% of the people identified in the at-risk areas successfully took part in 2024, based on the access data ordered and the licenses issued for the training programs on corruption prevention. New portfolio companies acquired in 2024 will receive training in 2025 at the latest.

External experts and the Compliance Officer of INDUS Holding AG are available to answer any further questions and provide support if there are any concrete suspicions. The Supervisory Board is notified about the type and scope of the training programs in the annual Risk Management and Compliance Report. The members of the Supervisory Board organize their own training, also via external providers. The Board of Management takes part in the e-learning course.

Compliance with legal and regulatory requirements is fundamentally a business process that falls within the scope of each INDUS Group portfolio company. The companies of the INDUS Group independently ensure compliance with the INDUS Code of Conduct. INDUS monitors compliance with the corresponding commercial standards and records violations in its compliance reporting. Reports to the Board of Management on compliance with the Code of Conduct and the human rights policy are made by the individual managing directors. Reports received by the INDUS Compliance Officer via reporting channels are passed on directly to the Board of Management in the context of confidentiality requirements. The Board of Management of INDUS Holding AG is responsible overall for ensuring that the Group's activities conform to legal requirements. In the event of breaches, it confers with the managing directors of the portfolio companies regarding the introduction of countermeasures. This ensures that none of the people potentially implicated, nor any witnesses to corruption and bribery, are involved in the investigation and clarification of the incident.

To ensure awareness of the corresponding requirements in terms of compliance aspects, this topic is also discussed at the annual entrepreneurs' conference (Unternehmertagung) with the managing directors of all the portfolio companies. INDUS supports the establishment of the compliance management systems at the portfolio companies, also with training programs and policies, as well as centrally provided software tools to identify and analyze risk.

Violations of human rights standards, for example, can be reported via the Group complaints system "SpeakUp", also anonymously. In the due diligence process for potential new acquisitions, INDUS verifies whether the acquisition target complies with legal and regulatory requirements both at a national and an international level. In questionable cases, INDUS always discusses legal aspects with experts in advance.

G1-4 – INCIDENTS OF CORRUPTION OR BRIBERY

There were no convictions, fines or confirmed cases of corruption or bribery in the INDUS Group in the reporting year.

The number of potential cases and penalties is measured by a compliance survey sent to the managing directors of the portfolio companies, via the whistleblower system SpeakUp, the reports sent to the INDUS compliance address and other information received in the Compliance function.

G1-6 – PAYMENT PRACTICES

The INDUS Group is diversified and heterogeneous. Its portfolio companies are all SMEs with a focus on industrial technology. There are no pooled purchasing activities for the whole Group or individual segments. INDUS does therefore not have uniform payment terms. Each portfolio company has its own payment practices. None of the individual terms are material for the Group as a whole.

INDUS is committed to the fair treatment of customers and suppliers. This applies equally to the payment practices of our portfolio companies with suppliers of all sizes.

Using cash for payments is ruled out by the anti-money-laundering rules in the INDUS Group.

No legal action is currently pending due to late payments.

Trade payables are generally paid directly after they become due. On average over the financial year this is after 29 days. This indicator is calculated by dividing the average of the balance sheet item for trade payables in the past twelve months by the revenue for the past twelve months. The average time that INDUS requires from the time the contractual or statutory payment term begins is the same for small and medium companies and large companies.

DISCLOSURE REQUIREMENT ESRs 2 IRO-2 PARAGRAPH 56 AND ESRs ANNEX B						
Disclosure requirement and relevant data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality	Paragraph
ESRS 2 GOV-1 Gender diversity in the administrative, management and supervisory bodies Paragraph 21 d)	Indicator No. 13 in Annex 1 Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	GOV-1: Supervisory Board – Diversity; Board of Management – Diversity
ESRS 2 GOV-1 Percentage of independent board members, Paragraph 21 e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		material	GOV-1: Supervisory Board – Independence
ESRS 2 GOV-4 Statement on due diligence Paragraph 30	Indicator No. 10 in Annex 1 Table 3				material	GOV-4
ESRS 2 SBM-1 Active in the fossil fuel sector Paragraph 40 d) i	Indicator No. 4 Table 1 in Annex 1	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative disclosures on environmental risks Table 2: Qualitative disclosures on social risks	Commission Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Active in chemicals production Paragraph 40 d) ii	Indicator No. 9 in Annex 1 Table 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Active in controversial weapons Paragraph 40 d) iii	Indicator No. 14 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1818 (7), Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Active in the cultivation and production of tobacco Paragraph 40 d) iv			Delegated Regulation (EU) 2020/1818, Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS E1-1 Transition plan to achieve climate-neutrality by 2050 Paragraph 14				Regulation (EU) 2021/1119, Article 2 (1)	not material	
ESRS E1-1 Undertakings excluded from the EU Paris-aligned Benchmarks Paragraph 16 g)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book– Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12 (1) d) to g) and Article 12 (2)		not material	
ESRS E1-4 GHG emission reduction targets Paragraph 34	Indicator No. 4 in Annex 1 Table 2	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		material	E1-4 targets
ESRS E1-5 Energy consumption from fossil fuels by sources (only high climate impact sectors) Paragraph 38	Indicator No. 5 in Annex 1 Table 1 and Indicator No. 5 in Annex 1 Table 2				material	E1-5 Energy consumption and mix
ESRS E1-5 Energy consumption and mix Paragraph 37	Indicator No. 5 in Annex 1 Table 1				material	E1-5 Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact activities Paragraphs 40 to 43	Indicator No. 6 in Annex 1 Table 1				material	E1-5 Energy consumption and mix

DISCLOSURE REQUIREMENT ESRs 2 IRO-2 PARAGRAPH 56 AND ESRs ANNEX B

Disclosure requirement and relevant data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality	Paragraph
ESRS E1-6 GHG emissions in Scope 1, 2 and 3 and total GHG emissions Paragraph 44	Indicator No. 1 and 2 in Annex 1 Table	Article 449a Regulation (EU) No. 575/2013; Commission Implementation Regulation (EU) 2022/2453, Template 1: Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5 (1), Article 6 and Article 8 (1)		material	E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-6 Intensity of total GHG emissions Paragraphs 53 to 55	Indicator No. 3 Table 1 in Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementation Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics	Regulation (EU) 2020/1818, Article 8 (1)		material	E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-7 GHG removals and carbon credits Paragraph 56				Regulation (EU) 2021/1119, Article 2 (1)	material	
ESRS E1-9 Exposure of the reference portfolio to physical climate change risks Paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk Paragraph 66 a)		Article 449a Regulation (EU) No. 575/2013; Commission Implementation Regulation (EU) 2022/2453 (46) and (47), Template 5: Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk			not material	
ESRS E1-9 Location of significant assets at material physical risk Paragraph 66 c).		Article 449a Regulation (EU) No. 575/2013; Commission Implementation Regulation (EU) 2022/2453 (34), Template 2: Banking book – Indicators of potential climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral			not material	
ESRS E1-9 Breakdown of the carrying value of real estate assets by energy-efficiency classes Paragraph 67 c).					not material	
ESRS E1-9 Exposure of the portfolio to climate-related opportunities Paragraph 69			Commission Delegated Regulation (EU) 2020/1818, Annex II		material	Use phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, Paragraph 28	Indicator No. 8 in Annex 1 Table 1 Indicator No. 2 in Annex 1 Table 2 Indicator No. 1 in Annex 1 Table 2 Indicator No. 3 in Annex 1 Table 2				not material	
ESRS E3-1 Water and marine resources Paragraph 9	Indicator No. 7 in Annex 1 Table 2				not material	
ESRS E3-1 Special policy Paragraph 13	Indicator No. 8 in Annex 1 Table 2				not material	
ESRS E3-1 Sustainable oceans and seas Paragraph 14	Indicator No. 12 in Annex 1 Table 2				not material	

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Disclosure requirement and relevant data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality	Paragraph
ESRS E3-4 Total water recycled and reused Paragraph 28 c)	Indicator No. 6.2 in Annex 1 Table 2				not material	
ESRS E3-4 Total water consumption in its own operations in m³ per net revenue Paragraph 29	Indicator No. 6.1 in Annex 1 Table 2				not material	
ESRS 2 – SBM-3 – E4 Paragraph 16 a) i	Indicator No. 7 in Annex 1 Table 1				not material	
ESRS 2 – SBM-3 – E4 Paragraph 16 a) i	Indicator No. 7 in Annex 1 Table 1				not material	
ESRS 2 – SBM-3 – E4 Paragraph 16 b)	Indicator No. 10 in Annex 1 Table 2				not material	
ESRS 2 – SBM-3 – E4 Paragraph 16 c)	Indicator No. 14 in Annex 1 Table 2				not material	
ESRS E4-2 Sustainable land / agriculture practices or policies Paragraph 24 b)	Indicator No. 11 in Annex 1 Table 2				not material	
ESRS E4-2 Sustainable oceans / seas practices or policies Paragraph 24 c)	Indicator No. 12 in Annex 1 Table 2				not material	
ESRS E4-2 Policies to address deforestation Paragraph 24 d)	Indicator No. 15 in Annex 1 Table 2				not material	
ESRS E5-5 Non-recycled waste Paragraph 37 d)	Indicator No. 13 in Annex 1 Table 2				not material	
ESRS E5-5 Hazardous waste and radioactive waste Paragraph 39	Indicator No. 9 in Annex 1 Table 1				not material	
ESRS 2 SBM3 – S1 Risk of incidents of forced labor Paragraph 14 f)	Indicator No. 13 in Annex 1 Table 3				material	
ESRS 2 SBM3 – S1 Risk of incidents of child labor Paragraph 14 g)	Indicator No. 12 in Annex 1 Table 3				not material	
ESRS S1-1 Human rights policy commitments Paragraph 20	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				material	S1-1 Policies related to own workforce
ESRS S1-1 Due diligence standards for matters covered by the Fundamental Conventions 1-8 of the International Labour Organisation Paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		material	S1-1 Policies related to own workforce
ESRS S1-1 Processes and mechanisms to address trafficking in human beings Paragraph 22	Indicator No. 11 in Annex 1 Table 3				material	S1-1 Policies related to own workforce
ESRS S1-1 Workplace accident prevention policy or management system Paragraph 23	Indicator No. 1 in Annex 1 Table 3				material	S1-1 Policies related to own workforce
ESRS S1-3 Grievance/complaints handling mechanism Paragraph 32 c)	Indicator No. 5 in Annex 1 Table 3				material	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

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Disclosure requirement and relevant data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality	Paragraph
ESRS S1-14 Number of fatalities and rate of work-related accidents Paragraph 88 b) and c)	Indicator No. 2 in Annex 1 Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	S1-14 Health and safety metrics
ESRS S1-14 Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health Paragraph 88 e)	Indicator No. 3 in Annex 1 Table 3					
ESRS S1-16 Gender pay gap Paragraph 97 a)	Indicator No. 12 in Annex 1 Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	S1-14 Health and safety metrics
ESRS S1-16 Excessive remuneration of members of management bodies Paragraph 97 b)	Indicator No. 8 in Annex 1 Table 3					
ESRS S1-17 Incidents of discrimination Paragraph 103 a)	Indicator No. 7 in Annex 1 Table 3				material	S1-16 Remuneration metrics (pay gap and total remuneration)
ESRS S1-17 Non-respect of the UN Guiding Principles on Business and Human Rights or OECD Guidelines Paragraph 104 a)	Indicator No. 10 in Annex 1 Table 1 and Indicator No. 14 in Annex 1 Table 3				material	S1-16 Remuneration metrics (pay gap and total remuneration) S1-17 Incidents, complaints and severe human rights impacts
ESRS 2 SBM3 – S2 Significant risk of incidents of child labor or forced labor in the value chain Paragraph 11 b)	Indicators No. 12 and 13 in Annex 1 Table 3				material	S1-17 Incidents, complaints and severe human rights impacts
ESRS S2-1 Human rights policy commitments Paragraph 17	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				not material	
ESRS S2-1 Policies related to value chain workers Paragraph 18	Indicators No. 11 and 4 in Annex 1 Table 3				not material	
ESRS S2-1 Non-respect of the UN Guiding Principles on Business and Human Rights or OECD Guidelines Paragraph 19	Indicator No. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12 (1)		not material	
ESRS S2-1 Due diligence standards for matters covered by the Fundamental Conventions 1–8 of the International Labour Organisation Paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS S2-4 Human rights issues and incidents connected to the upstream and downstream value chain Paragraph 36	Indicator No. 14 in Annex 1 Table 3 Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				not material	
ESRS S3-1 Human rights commitments Paragraph 16					not material	
ESRS S3-1 Non-respect of the UN Guiding Principles on Business and Human Rights, ILO principles or OECD Guidelines Paragraph 17	Indicator No. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12 (1)		not material	
ESRS S3-4 Human rights issues and incidents Paragraph 36	Indicator No. 14 in Annex 1 Table 3				not material	

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Disclosure requirement and relevant data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality	Paragraph
ESRS S4-1 Policies in relation to consumers and end-users Paragraph 16	Indicator No. 9 in Annex 1 Table 3 and Indicator No. 11 in Annex 1 Table 1				not material	
ESRS S4-1 Non-respect of the UN Guiding Principles on Business and Human Rights or OECD Guidelines Paragraph 17	Indicator No. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12 (1)		not material	
ESRS S4-4 Human rights issues and incidents Paragraph 35	Indicator No. 14 in Annex 1 Table 3				not material	
ESRS G1-1 United Nations Convention Against Corruption Paragraph 10 b)	Indicator No. 15 in Annex 1 Table 3				not material	
ESRS G1-1 Protection of whistle-blowers Paragraph 10 d)	Indicator No. 6 in Annex 1 Table 3				not material	
ESRS G1-4 Number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws Paragraph 24 a)	Indicator No. 17 in Annex 1 Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	G1-4 Incidents of corruption or bribery
ESRS G1-4 Standards of anti-corruption and anti-bribery Paragraph 24 b)	Indicator No. 16 in Annex 1 Table 3				material	G1-4 Incidents of corruption or bribery

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317 of 9.12.2019, p. 1).

(2) Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Own Funds Regulation) (OJ L 176 of 27.6.2013, p. 1).

(3) Regulation (EU) Nr. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171 of 29.6.2016, p. 1).

(4) Regulation (EU) No. 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243 of 9.7.2021, p. 1).

(5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406 of 3.12.2020, p. 1)

(6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324 of 19.12.2022, p. 1).

(7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406 of 3.12.2020, p. 17)